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FIRST SESSION

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PROCEEDINGS AND DEBATES OF THE *107th* CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Wednesday, May 9, 2001*

The House met at 10 a.m.

Rabbi Ely Rosenzveig, Congregation Anshe Shalom, New Rochelle, New York, offered the following prayer:

O God, I pray that there shall come a day when each of us will know that it is not by virtue of might or power but by God's spirit that we truly lead; that we be as Moses' brother Aaron, each of us a peacemaker wherever trouble lurks and blood flows; that we love peace and pursue her in all that we do, all that we are.

I pray that we ever hear the still, small, silent voice of peace as she beckons us to ponder in her plaintive whisper: Have we not all one Father? Has not one God created us? Let us be then the noble builders of bridges and pathways to each other.

I pray that we shall know from all the beauty and grace that is America that our call to peace is for everyone everywhere. In the words of the poet, "Our country is the world and our countrymen all of mankind."

Almighty and merciful God, bless this hallowed House and all its Members and keep them well; shed thy light upon us all and show thy grace; lift thy countenance unto us and grant us that greatest and most cherished of gifts, the gift of peace, where none shall injure, none shall kill, and the land shall be full of the knowledge of the Lord.

How good and pleasant it is when we dwell, you and I, as brother and sister, in blissful, wondrous harmony.

Heenay mah tov u'mah naeem shevet achim gam yachad. God bless you and America, now and forever. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. McNULTY. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. McNULTY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 335, nays 70, answered "present" 1, not voting 25, as follows:

[Roll No. 102]

YEAS—335

Akin
Andrews
Armey
Baca
Bachus
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Boucher
Boyd
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Cooksey
Cox
Coyne
Cramer
Crenshaw
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
DeGette
DeLauro
DeMint
Deutsch
Diaz-Balart
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
Eshoo
Etheridge
Evans
Everett
Fattah
Ferguson
Flake
Fletcher
Foley
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Herger
Hill
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Kanjorski
Kaptur
Keller
Kelly
Kerns
Kildee
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
LaHood
Lampson
Lantos
Largent
Larson (CT)
Latham
LaTourette
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCrery
McHugh
McInnis
McIntyre
McKeon
McKinney
Meehan
Meek (FL)
Meeks (NY)
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Mink
Mollohan
Moran (KS)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Rangel
Regula
Rehberg
Reyes
Reynolds
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spence
Stearns
Sununu
Tanner
Tauscher
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Tierney
Toomey
Traficant
Turner
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (FL)

NAYS—70

Ackerman
Aderholt
Bonior
Borski
Brady (PA)
Brown (FL)

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Brown (OH)
Capuano
Clay
Costello
Crowley
Deal
DeFazio
Dicks
Dingell
English
Farr
Filner
Gutknecht
Harman
Hastings (FL)
Hefley
Hilleary
Hilliard
Hinchey
Hooley
Hulshof
Jackson-Lee (TX)
Johnson, E.B.
Jones (OH)
Kennedy (MN)
Kennedy (RI)
Kilpatrick
Kucinich
LaFalce
Langevin
Larsen (WA)
Lee
LoBiondo
McDermott
McGovern
McNulty
Menendez
Miller, George
Moore
Oberstar
Olver
Pallone
Phelps
Pomeroy
Ramstad
Riley
Sabo
Schaffer
Stark
Stenholm
Strickland
Stupak
Sweeney
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Towns
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Weller

ANSWERED "PRESENT"—1

Tancredo

NOT VOTING—25

Abercrombie
Allen
Baird
Barton
Conyers
Crane
Cubin
Culberson
Delahunt
DeLay
Gephardt
Hall (OH)
Maloney (CT)
McCollum
Moakley
Moran (VA)
Napolitano
Obey
Peterson (MN)
Rivers
Schakowsky
Spratt
Stump
Whitfield
Young (AK)

□ 1027

Mr. TAYLOR of Mississippi changed his vote from "yea" to "nay."

So the Journal was approved.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. LATOURETTE). Will the gentleman from New York (Mr. FOSSELLA) come forward and lead the House in the Pledge of Allegiance.

Mr. FOSSELLA led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would announce that all 1-minutes, with the exception of the introduction of the guest chaplain, will be postponed until the end of the legislative day today.

WELCOME TO RABBI ELY J. ROSENZVEIG AND HIS FAMILY

(Mrs. LOWEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. LOWEY. Mr. Speaker, I am delighted to welcome Rabbi Ely Rosenzveig to the United States House of Representatives. A spiritual and moral leader of the New Rochelle community, Rabbi Rosenzveig brings honor to this body, just as he does to his own congregation. Rabbi Rosenzveig joins us from Congregation Anshe Sholom with his family, his four out of five children, with his in-laws, his parents and 40 members of the synagogue.

The synagogue celebrates its 105th birthday next week. Anshe Sholom has doubled in size during the past 5 years, ensuring that it continues to be one of the anchor congregations of Westchester County.

Rabbi Rosenzveig is a remarkable man, the son of Rabbi Charles and Helen Rosenzveig, both Holocaust survivors. His father, who is here with us today, came straight from a hospital bed; is a leader of the Holocaust Remembrance Movement. Like his son, the elder Rabbi Rosenzveig demonstrates that spiritual greatness is heightened by worldly activism.

□ 1030

A master of economics and student of Talmud, an accomplished lawyer and dedicated Rabbi, a community leader and devoted father, Rabbi Rosenzveig has excelled in all facets of life. More important than his accomplishments, however, is the love he has for his five wonderful children, for his wife, and the model he sets not only for his congregation, but for the entire community around him.

A leader with warmth and respect for all people, Rabbi Rosenzveig teaches by example and lives by the ideal that our actions mean more than words. His presence here today and the large following that has come to hear him speak bear witness to that belief.

It is my distinct pleasure to welcome Rabbi Ely Rosenzveig to the Congress of the United States.

CONFERENCE REPORT ON H. CON. RES. 83, CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002

Mr. GOSS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 136 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 136

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read. The previous question shall be considered as ordered on the conference report to final adoption without intervening motion except one hour of debate equally divided and controlled by chairman and ranking minority member of the Committee on the Budget.

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from Florida (Mr. GOSS) is recognized for 1 hour.

Mr. GOSS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the distinguished gentlewoman from New York (Ms. SLAUGHTER), my friend from the Committee on Rules, pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, the legislation before us waives all points of order against the conference report to accompany H. Con. Res. 83, the concurrent resolution on the budget for fiscal year 2002 and against its consideration. Basically, this is the rule that gets the budget debate going.

The rule provides that the conference report shall be considered as read and further provides one hour of debate, equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget. This is a fair and standard rule for consideration of the conference report for the budget, and I hope we have the support of all Members.

Mr. Speaker, this is the second time this spring I have had the privilege to stand before the House and address my fellow Americans on our country's budget. While the details may be a little different from the original House position, the sentiments do remain the same.

The budget before the House today provides an historic level of tax cuts, while still providing Americans with needed resources and services. The budget blueprint before us provides more relief than the previous administration ever dreamed possible.

From the beginning of his administration, President Bush has stressed the importance of bipartisan efforts to reach our national goals. This conference report illustrates how working together can benefit all Americans, both taxpayers and citizens who count on Federal programs. Included in the budget are allocations to pay back our country's debt, to fortify our national defense, to improve education, and strengthen both Social Security and Medicare. These are all critical issues. After all these programs have been addressed, there is still money remaining. These remaining funds will result in $1.35 trillion worth of tax relief over the next 11 years. This is real relief for all taxpayers.

Now, I know some of my colleagues will complain that the tax cut is either too big or too small. We are certainly going to hear plenty of rhetoric and probably some class warfare language today on that subject. But this debate is not about winning or losing, it is about treating the American taxpayers fairly. Some opponents of the revised budget are overlooking the difference between zero dollars and $1.35 trillion of relief. Others are saying any tax relief is unthinkable. Both views are radical. They are off the mark, and they are out of the mainstream.

This budget illustrates compromise and bipartisanship, obviously working with the other body, to achieve carefully considered and prudent tax relief. I commend the conferees for their hard work and dedication to reaching an agreement. I am hopeful and I am confident that this budget does set a new tone in Washington. Instead of placing partisan point scoring above real overdue affordable relief, this budget focuses on necessary services for all Americans and tax relief for taxpayers. What a great idea.

Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I yield myself such time such time as I may consume.

Mr. Speaker, I thank the gentleman from Florida for yielding me the customary 30 minutes.

Mr. Speaker, the definition of "folly" is to repeat what has failed and expect it to succeed, and that is what this underlying budget document does.

We have been down this road before. Twenty years ago Congress enacted massive tax cuts along with increased military spending. The result was a crippling recession and catastrophic deficits from which it took well over a decade to recover, and many regions of the country never really did. That is why I rise in strong opposition to this rule.

I oppose the hasty process the rule embraces. The resolution waives the rule that requires the availability of conference reports for 3 days before their consideration. This House rule allows Members time to read and study the report before they cast their votes. But we will not be able to do that today. Since this conference report that outlines the Nation's budget has been available to most Members for only a few hours, I have grave doubts that most Members have any real knowledge about what it includes.

Moreover, the leadership is developing a habit of adding and taking away crucial documents from the report in the wee hours. Asking for regular order to review what new surprises await Members is not an unreasonable request. In its current form, the conference report is, at best, misguided, and, at worst, a sham.

The numbers do not add up. The bill will fundamentally threaten our Nation's Medicare and Social Security trust funds. This is not political hyperbole, this is grade school math.

Over the next 10 years, the CBO-projected surplus totals $2.7 trillion. The tax cuts and new spending expected to be included in the budget agreement, plus defense increases and additional tax cuts not included in the agreement, will well exceed this total and thus must raid Medicare and Social Security.

I do not think anyone believes the much-ballyhooed $1.25 trillion tax cut over a 10-year period will stay anywhere near that amount. The additional $100 billion stimulus for the years 2001 and 2002 bring the 10-year total for the tax cut to $1.3 trillion, and debt service on a tax cut of this size will cost $300 billion, bringing the overall cost over 10 years to $1.6 trillion.

Moreover, as the majority is fond of reminding its major donors, this round of tax cuts is simply the first shot, with further tax breaks heading down the pike.

The conference report retains the Senate's interest in Medicare prescription drugs, education, agriculture and other priorities; but the conference spending totals, the debt service that goes with them, and the true cost of the tax cut are likely to tap into the available Medicare surplus in at least 1 of the next 10 years.

Of particular concern to my colleagues should be the presence of big ticket items not included in the budget resolution. For instance, the President is expected to request at least $300 billion in outlays over 10 years for defense. Moreover, his recent proposal to begin spending billions for a missile defense system should sound budgetary alarms for everyone in this Chamber. They are not included in this budget.

I would also remind my colleagues that the American people in poll after poll have remained remarkably sensible about their budget priorities. They want an honest, fiscally responsible budget plan that balances America's priorities, from tax relief for all families to support for our military, from education to a prescription drug benefit for our seniors. They want a fiscally responsible budget that will protect the economy by paying down the national debt, by strengthening Social Security and Medicare, and investing in our future; and this budget threatens all of those priorities.

The vote today is the beginning of the raid on Social Security and Medicare and the return of big deficits as far as the eye can see, and I urge my colleagues to defeat the rule.

Mr. Speaker, I reserve the balance of my time.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am genuinely sorry the gentlewoman is opposed to the rule. We think it is an excellent and traditional rule, and do not think we can proceed to the budget debate without it. I hope Members will support the rule.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), the distinguished chairman of the Committee on Rules.

Mr. DREIER. Mr. Speaker, I thank my friend from Sanibel for yielding me time and for the fine work he has done on this very important issue.

Mr. Speaker, I rise in strong support of the rule. As my friend has just said, this is the standard rule for dealing with a conference report; and it is deserving of the full support, I believe, of both sides of the aisle.

I want to start out by congratulating our great new chairman of the Committee on the Budget, the gentleman from Iowa (Mr. NUSSLE), for the fine job that he has done in laying the groundwork for us to once again make history.

Over the past 6 years, since we Republicans have been in charge, we have been able to make history on this whole issue of the budget. We have been able to pay down the national debt, we have been able to protect Social Security, and we have focused resources on our Nation's priorities.

Once again, today, we are going to be making history, because even though over the last 6 years we have succeeded in doing those things that I have just mentioned successfully, we also have every year had a President's budget come to the Congress, and, frankly, every year since I have had the privilege of serving here over the last 2 decades, every President's budget which has arrived here has been designated with that moniker "dead on arrival." The acronym DOA has been placed over every President's budget.

Yet today we are going to make history for the first time in at least 2 decades and possibly since passage of the 1974 Budget Impoundment Act, we are going to actually pass the President's budget. It is the right thing to do, and that is the reason that we are going to be doing it.

It is the right thing to do, because this budget is fair, it is balanced, and, as with these past budgets we have reported out of here since we have been in the majority, it successfully focuses on our Nation's priorities.

It is true that this budget conference report does not have a tax cut which is as large as the one that was reported out of the House, but it still is a very important and historic move that we have made to bring about the kind of reduction in the tax burden on working Americans that we are going to with the $1.35 trillion level. This budget also pays down $2.3 trillion in national debt, it does provide tax relief for every American who pays taxes, and it does something that really was the highest priority in this past Presidential campaign, focuses on this very important issue of education.

We all know that if the young people who are being educated today in this country are going to be able to be competitive as we look at this global economy, we must do everything we can to improve the quality of education. We want decision-making to be handled at the local level, and we want teachers to be empowered to make decisions. That is exactly what this measure will do, and we are going to be, in the not too distant future, considering a very important education bill that I think will also do that.

Then going from education to an issue that is near and dear to everyone, especially as we look at baby-boomers who are aging, and that is Social Security. I am very, very pleased that this budget, which has been carefully crafted, does protect Social Security. It ensures that we are not going to be going in and spending Social Security dollars for a wide rage of other issues, which, frankly, was done for years up until we won the majority again.

We are going to be doing everything that we can, as well as focusing on retirement, to make sure that the number one issue that is focused on in the U.S. Constitution as far as our responsibility here, that being national security, is addressed.

☐ 1045

Those 15 words in the middle of the preamble of the Constitution that provide for the common defense are the words which really state clearly that all of these other issues that we address can be handled at other levels of government, but our national security is the one issue that must be addressed here at the Federal level; and the gentleman from Iowa (Mr. NUSSLE) in this budget has very effectively focused on the issue of our national security.

So I am very, very proud of the work that has been done by the Committee on the Budget. We are very proud of the Committee on Rules to have been able to move this forward. Obviously, we have run into a challenge in the past week, but today we are finally going to pass the President's budget. It is the right thing to do. I urge my colleagues to support both the rule and the budget itself.

Ms. SLAUGHTER. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan (Mr. BONIOR).

Mr. BONIOR. Mr. Speaker, the Republicans have been congratulating themselves for changing the tone here in Washington, D.C.; and just a few weeks ago, the Senate reached a bipartisan agreement on increasing funding for education. But where in this Republican budget are the additional funds that America needs for special education? Gone. What about the money we need for early childhood education? Gone. What about the funds for a better after-school program for our children so that they have a safe haven when the school day is over? Gone. What about the money so kids have smaller class sizes so that there is a better ratio and more discipline and more attention for our children? Gone. What about the money to improve school safety? It is not there either. The entire bipartisan agreement on education: gone, vanished, as if it was not worth the paper it was written on when it was negotiated. In fact, this budget cuts education $21 billion below the President's request, the President of their own party.

Now, let me ask my colleagues, what is bipartisan about that?

The Republicans are not presenting us with a budget; they are conducting an elaborate shell game, a shell game where working families lose on every score. Where is their commitment to affordable prescription medicine? Where is their commitment to quality health care? Where is their commitment to the environment? Do not look for it in this budget. It is not in the budget; it is not in the two lost pages that they could not find last week. It is nowhere.

While this administration refuses to cut the amount of arsenic in Michigan's drinking water, they are happier to cut funding for the Environmental Protection Agency. While the Republicans hold back-room meetings with oil industry to map out their energy policy, they are gutting Federal support for conservation and renewable resources. Last year, the Republicans said they had a lot of compassion, and they might; but this budget proves it is not for America's working families. They cut education and the environment to pay for huge tax breaks for the wealthiest Americans.

Mr. Speaker, do my colleagues know what? They will rob the Social Security and Medicare trust funds as well. They will rob the Medicare and Social Security trust funds to put this together. We are 7 years from the retirement of the baby boomers; yet we are squandering every penny of the surplus that could be used to strengthen our retirement security. And even worse, they are using Social Security and Medicare as a piggy-back to fund their special-interest tax breaks.

And the surplus, heavens, we should talk about the surplus. There is no surplus. The budget projections are from last year, before the economy slowed. We are betting the farm on wild projections that cannot possibly be accurate. A new bipartisan tone in Washington, Mr. Speaker? No way. Not with this budget, not with the way we were treated in putting it together, not with excluding us from this budget.

Let us reject the cuts in education. Let us reject the cuts in the environment. Let us sit down and write a budget that will take care of our children first and the special interests last.

Mr. GOSS. Mr. Speaker, notwithstanding the gentleman's comments on the budget, I hope we will have his support on the rule so that we can get to the debate on the budget.

Mr. Speaker, I yield 2 minutes to the distinguished gentleman from the Commonwealth of Pennsylvania (Mr. TOOMEY), a member of the committee.

Mr. TOOMEY. Mr. Speaker, first of all, this is a very fair and standard rule that is going to allow us to have a substantive debate on the budget, and I certainly hope all of my colleagues will vote "yes" to pass this rule, because then we can get on to the substance of the budget itself, and it is a terrific budget that we have before us today.

First of all, as all of my colleagues in this Chamber know, Mr. Speaker, we have walled off the Social Security and Medicare surpluses. We are devoting over $2 trillion in the next 10 years to paying off all of the available national debt. We have responsible restraints on the growth of Federal spending and, at the same time increasing, where it is appropriate, such as in health care research and the national defense, which badly needs an increase. Best of all, from my point of view, this budget provides the framework for providing meaningful tax relief from the record high taxes that are being carried by the American people.

Frankly, it is modest tax relief. Certainly, if we look at it historically, certainly, if we put this in the context of the size of our economy, this is modest tax relief; but it is very important in that it is tax relief for all taxpayers. It is still the most sweeping tax relief of a generation.

Frankly, Mr. Speaker, this tax relief is about freedom. It is about the question of who is going to get to decide how to spend that marginal dollar they earn, the American people who earn it, or politicians in Washington who would like to hoard that surplus tax money and spend it themselves. I am going to be voting for the American people on this one.

It is also about economic growth because when we lower marginal tax rates, when we eliminate the death tax, hopefully lower capital gains rate and eliminate a number of other tax reductions, we will take an enormous step forward in providing long-term prosperity for our Nation. Every single time in American history that we have had sweeping tax reduction, we have seen a corresponding acceleration in economic growth and activity. The economy accelerates, take-home wages go up, productivity rises, living standards rise.

There is no coincidence; there is no mystery as to why this happens. It is simple. When we increase the rewards of working and saving and investing, we increase the incentives to work and save and invest, and when we increase the incentives, we get more work in savings and investment. That is why this tax relief will help to spur economic growth, that is why it is so good for the American people, and that is why we should adopt the rule and the budget.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. FROST).

Mr. FROST. Today, Mr. Speaker, the budgets of the President and the Republican Congress are perpetuating a fraud on the American people, one that threatens the economy and Medicare and Social Security, and one that sacrifices priorities like education, prescription drugs, and paying down the debt.

Republicans are spinning the ridiculous notion that this budget conference report represents some sort of compromise. What kind of compromise, Mr. Speaker, guts education like this, sacrificing priorities like smaller classes and more qualified teachers? This so-called compromise takes a giant step backward in education, eliminating the $294 billion the Senate added to the House bill, and even cutting education below what the President requested.

What kind of compromise guts conservation and renewable energy programs at a time when the American people are crying out for relief from skyrocketing gas prices and an electricity crisis across the West? What kind of compromise, Mr. Speaker, ignores vital defense needs? What kind of compromise, Mr. Speaker, ignores skyrocketing prescription prices and raids the Social Security and Medicare trust funds?

Mr. Speaker, make no mistake about it. Let us understand what is happening here. This is not a real document. Later in the year the Republicans will be back before this House seeking greater tax cuts, more money for defense, and more money for education; and when they do that, as they inevitably will, that money will come from the Social Security Trust Fund and the Medicare Trust Fund, because there is no other place to get it.

This is a fraudulent document set up to fail. The Republicans know it, and they are doing a disservice to the American public.

Mr. GOSS. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. HASTINGS), a distinguished member of the Committee on Rules and a distinguished member of the Committee on the Budget.

Mr. HASTINGS of Washington. Mr. Speaker, I thank the gentleman from Florida for yielding me this time. I would inquire if the gentleman from Iowa (Mr. NUSSLE), the chairman of the Committee on the Budget, would engage in a colloquy with me.

Mr. NUSSLE. Mr. Speaker, I would be happy to.

Mr. HASTINGS of Washington. Mr. Speaker, I would like to take this opportunity as chairman of the Nuclear Cleanup Caucus to thank the gentleman from Iowa for working with me to increase the funding for the Department of Energy's Environmental Management Account. As the gentleman is aware, the administration's budget request falls well short of the necessary funding to meet the needs throughout the entire DOE complex.

Specifically, at the Hanford Reservation in my district, the administration's budget request will jeopardize momentum at the Richland Operations Office and delay construction of the waste treatment plant at the Office of River Protection.

Recognizing this shortfall, is it true that the budget resolution recognizes the urgent need for up to a $1 billion increase for the EM account and the cleanup at these former defense nuclear sites for the government to meet its legal, contractual, and moral responsibilities?

Mr. NUSSLE. Mr. Speaker, will the gentleman yield?

Mr. HASTINGS of Washington. I yield to the gentleman from Iowa.

Mr. NUSSLE. Mr. Speaker, the gentleman is correct. I would first like to commend the gentleman for his hard work on this issue. This is a tough issue, and this has been a tough issue for the gentleman and a number of other Members; and I appreciate his leadership in ensuring that this increase was included in the conference report.

As the gentleman stated, the resolution provides specific language highlighting the recognition by Congress that up to an additional $1 billion is necessary next year, and I look forward to working with the gentleman to ensure that this increase is included in any final appropriations bill that moves this year.

Mr. HASTINGS of Washington. Mr. Speaker, I thank the gentleman very much for his leadership not only on this; but I would like to also add my congratulations to the gentleman, because this is his first budget. I think the budget that we will be voting on here soon is an excellent budget. It sets a blueprint really for well into the next century. We have heard that over and over again. But I think the gentleman has done an excellent job.

Mr. Speaker, I urge my colleagues to support this fair rule and also the underlying legislation.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Speaker, we are here for the charade budget number two. The question is, why? Because it has been run through the House so rapidly that they lost two pages, and they are trying to get it past the American people as quickly as possible.

The view is this was constructed because they believe that all of the American people are yokels that can be fooled by an old game they play in the county fairs.

Now, this shell that we have here represents the defense budget, the tax cut, and the rest of the budget. And we have under this pea, we have the surplus from Social Security and Medicare. And what they are doing is moving it around so fast that they lost two pages.

Now, they have gone back, and they are going to start moving these shells around. We heard the gentleman from Michigan (Mr. BONIOR) talk about the shell game. That is the shell game we are talking about. They think the American people do not understand that we cannot have an enormous tax cut, protect Social Security and Medicare, and have a big defense budget, and everything else they want in the budget. They cannot do it, unless they move these shells so quickly that people do not recognize this.

Now, how do they do that? First they come out here and say, we put all of the money for Social Security in a lock box, so that is protected. Right? And then they come out and say, and now we have passed a big tax cut. I ask my colleagues, how many Americans will actually know if they got a tax cut? They have been told it here in the well 10,000, 100,000 times, or I do not know how many times, by people who say, every American is going to get a tax cut. But if they move that shell around quick enough, no one will ever know if they got one or not. Then, when it comes to their schools and there is no money, and there is no money for the environment, and they have made no provision whatsoever for energy prices going on, in this budget, there is no recognition of $3-a-gallon gas.

Mr. Speaker, I urge the Members to vote against this rule, go back and do an orderly process on a budget resolution that has hearings and actually has a vote in the House and in the Senate on a real bill.

Mr. GOSS. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. GARY G. MILLER), a distinguished member of the committee.

Mr. GARY G. MILLER of California. Mr. Speaker, I really enjoyed my friend who spoke last because he said how many Americans know they got a tax cut? The answer is zero, because we have never given them a tax cut. Last year, we came before this body and the leadership who was speaking today talked about our $373 billion tax proposal, and what did our colleagues on the other side say? It is a risky tax scheme. We cannot afford it. It will hurt Social Security, it will destroy Medicare, it will put homeless on the street.

□ 1100

Mr. Speaker, it does not matter what we do. My colleagues do not like it. The problem is, my colleagues say we cut education; the budget allows for an 11½ percent increase in education. That is not rhetoric. That is a fact. Read the budget.

When my colleagues talk about people needing to pay energy bills, we have people out there who cannot afford the energy bills. Why? Because we confiscate their money through taxation.

What is wrong with changing a punitive Tax Code and letting the American people keep more of their hard-earned money? This budget sets aside 100 percent, 100 percent of the Social Security Trust Fund over 10 years. It is not spent. All of the rhetoric in the world will not spend that money.

It says we are going to pay off all of the available debt, $2.4 trillion. That is all we can pay off because that is all that is due. The problem is when we talk about educating children, what about allowing people to keep their own money so they can help educate their own children? It is ridiculous.

Our Tax Code builds a wall between people who work for a living and success. And my colleagues say we are just benefiting the rich.

Let me tell my colleagues, people work, people go to school to become educated, to better themselves in life; what we have is a situation when people move up the ladder, we confiscate the money through taxation.

If my colleagues want to help people, want to help them make their house payment, want to help them make their car payment, want to help them feed their families, try a noble idea, let them keep more of their hard-earned money.

I believe the American people know where their money should be spent, but my good friends on the other side of the aisle believe that they know where the money should be spent. There is no limit to how large the government should grow from my colleagues' perspective.

This is a reasonable rule, a reasonable budget, and I ask for an aye vote.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Speaker, I oppose the rule and I oppose the budget. The reason I oppose this budget is it is more complicated than the 2 pages that were missing from this budget, it is the lack of commitment of education that is missing in the 150 pages that remain in this budget.

President Bush stood right here, the Republican President, in this House 2½ months ago, and he said to the Nation and to the Republican and Democratic parties, I want to spend $21 billion more on education, for an 11 percent increase. That commitment is gone from this budget.

The House of Representatives is right now working on a bipartisan bill called the Reauthorization of the Elementary and Secondary Education Act. We have proposed doubling of Title I for the poorest kids in this country. The President wants to test them. We need to remediate and help them with these tests.

That commitment is gone in this budget. The United States Senate has proposed helping our local communities with one of the biggest burdens and responsibilities, helping our children with disabilities; one of the biggest tax cuts we can give our schools and the American people. That commitment is missing from this budget.

As America says, as Americans say, we need to do more in innovative new ways to reform with vision our education system. This budget does less. I would hope that we would come back and redo our commitment to education for our children and for new ideas.

Mr. GOSS. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. CRENSHAW), a distinguished colleague and a member of the Committee on the Budget.

Mr. CRENSHAW. Mr. Speaker, I rise to support not only the rule, but ultimately to support this budget. I do this on behalf of the thousands of taxpayers that live in my district.

In Florida, where I live, yesterday we celebrated what we call Tax Freedom Day; that is the day that people can stop working just to pay their taxes and begin to start working to actually do some things they want to do. In other words, in Florida, and it is different in other States, but in Florida, in January and February and in March and in April and part of May, people, the average taxpayer, has been working just to make enough money to pay his or her taxes. So yesterday was Tax Freedom Day.

Today in Florida, people can begin to work to do the things they need to do, like buy new clothes for the kids, maybe buy a new washing machine, maybe pay college tuition for their son or daughter, pay that mortgage down a little bit and pay off some of those credit card bills. And so I think it is very fitting on this day, as we begin in Florida to be able to work for ourselves, that we pass this budget resolution which is going to let all Americans keep more of what they earn.

Everybody that pays taxes is going to see their tax burden lessened, and that is awfully important. But it does other things as well, because some people say we ought to pay down the national debt. This budget does that. In fact, it pays down virtually all the redeemable debt that we can pay down over the next 10 years, over $2 trillion.

It funds education, which is important. It begins to rebuild our military, which has been hollowed out over these last 8 years. We are going to begin to make America strong again. And, most important, we are going to make sure that Social Security and Medicare are there. They are lockboxed. They are set aside. We are not going to touch those dollars. It is a great budget, Mr. Speaker, and I urge its adoption.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Michigan (Ms. KILPATRICK).

Ms. KILPATRICK. Mr. Speaker, do the math. This Congress says we will have a surplus of nearly $5 trillion over the next 10 years. But we have a budget that is before us, and I am opposed to the flawed rule, as well as the flawed conference report that has been brought to us.

It does not even allow us the customary 3 days to look over the numbers. It is a nearly $2 trillion budget. We have heard about the surpluses. This budget has nothing in it for school safety; no more dollars in it to reduce class size; no dollars for special education; no new dollars. If there is a surplus, why not? No new dollars for school construction. Why not?

This budget cuts community development block grants that would help communities all over America. Why? This budget cuts funding for public housing and drug programs for public housing. There is a surplus; why no money?

This budget cuts nearly a million dollars, excuse me, that is a billion dollars, to our veterans who have served this country. There is a surplus. Why no money in these programs?

This budget is nearly $2 trillion. Our country is enjoying the surplus that we built over the last 8 years. Do we not want some of our dollars into education and those categories I mentioned? Do we not want some of those dollars back into our communities to help our community development?

This budget is a charade. The process was a charade. With the popular vote in America, Democrats got more than the other side. They did not let our Democratic leader into the budget negotiations. Come on, America, let us hear it from you.

It is a flawed rule, it is a flawed budget, and I urge my colleagues to vote no.

Mr. GOSS. Mr. Speaker, I yield 2 minutes to another gentleman from Florida (Mr. PUTNAM), a distinguished colleague and a member of the Committee on the Budget.

Mr. PUTNAM. Mr. Speaker, I appreciate the opportunity to speak on this, and I appreciate the gentleman from Iowa (Mr. NUSSLE), our great chairman of the Committee on the Budget, and the gentleman from South Carolina (Mr. SPRATT), the ranking member, for their hard work on this budget.

Mr. Speaker, I rise today to talk about the principle-based budget that we will take up this afternoon after we have passed this rule, the principle that you do not tax people at the same rate as a portion of the economy in peacetime as we did in 1944; the principle that taxpayers deserve to have hard-earned relief delivered back to them in the form of tax cuts; that marriage and death should not be taxable events; the principle that we will not burden our children and grandchildren; that we will not burden young workers and young families with trillions of dollars in debt; and that we will do everything we can to pay off all of the redeemable debt to the tune of $2.4 trillion over the next 10 years; the principle that we will make our soldiers and sailors strong again to give them the training and support and respect that they deserve, and that this Congress will stand behind them and give them the deserved funding that they have earned; that veterans who have paid so much, who have given so much, who have sacrificed so much, will receive the benefits that they have earned, and deserve, to the tune of $7 billion in increases over the next decade; that senior citizens who have worked hard all of their life and paid into Social Security and Medicare deserve to be safe and secure and independent and to be cared for and have the government keep its promise and Congress keep its promise by locking those surpluses away, and making sure that those programs are relevant to today by providing the prescription drug benefit.

Mr. Speaker, we take care of our children to the tune of an 11½ percent increase. Now, much has been made about this. But back home in central Florida, an 11½ percent increase, a double-digit increase in tens of thousands of dollars is still real money.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. INSLEE).

Mr. INSLEE. Mr. Speaker, there is some good news and some bad news in this budget process. The good news is our Republican colleagues, indeed, did find the missing 2 pages, and that is good news. The bad news is that it allowed us the time and the American people to the time to find out the dollar figure that our Republican friends across the aisle cut out of the education budget that was put in by the Senate.

We have had the time and America has had the time to figure out what that number was, and that number is minus $294 billion, $294 billion for smaller classes that America wants, $294 billion for more teachers that America wants, $294 billion for better quality in our education that America wants.

The U.S. Senate put that money in for better schools. The Republican Party took it out. The President just recently asked an important question. He asked, "Is our children learning?" In this budget, they is not.

Ms. SLAUGHTER. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Mrs. JONES).

Mrs. JONES of Ohio. Mr. Speaker, yesterday, the City of Cleveland issued a $338 million bond for Cleveland school children; $500 million matched by the State of Ohio. We talked about what about the children? We passed it 60 to 40, by the way.

Our theme was, what about the children? Remember when we were children; if it was not for those who loved us and those who cared enough to show us, where would we be today? With this budget, what about the children? Elementary and secondary education reauthorization, what about the children? School construction, what about the children? Smaller classes, more teachers, what about the children? Low-income programs, temporary assistance to needed families, what about the children? Social service block grant, what about the children? Section 8 vouchers, what about the children? Drug elimination programs, what about the children?

Remember when we were children; if it was not for those who loved us and those who cared enough to show us, where would we be today?

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LATOURETTE). The Chair would remind persons in the gallery that they are here as guests of the House of Representatives, and signs either approving or disapproving of any speaker's remarks are against the Rules of the House.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, I was congratulating the gentlewoman from Ohio (Mrs. JONES) for getting more substance into 1 minute than I have heard in the Congress before.

Mr. Speaker, as you know, today the Congress has a very important decision to make. We are voting on our budget. Many of us believe that our Federal budget should be a statement of our national values. What is important to us should be what we commit our resources to.

Clearly, this Republican budget before us is not. It disproportionately gives a tax break to the top 1 percent in our country at the expense of our children. All scientific research shows us that children do better in smaller classes and, indeed, yes, in smaller schools.

□ 1115

The American people have made education their highest priority. Why, then, does this budget just play lip service? It talks the talk, but it does not walk the walk for education.

Children are smart. If one tells them that education is important, the key to their future, important to the competitiveness of our country internationally, and then not commit the resources to education and send them to school in dilapidated schools that are not clean, well-lighted places, wired to the future, they get a mixed message from us.

So let us reject this budget which rejects the notion of school modernization by not committing funds for smaller classes and more teachers. This budget only gives an increase of inflation for education. It does not even recognize student growth and the growth in our population of our students.

So let us ask the question: Is it a statement of our national values to give a tax break at the high end at the expense of our children? Is it a statement of our national values to ignore the infrastructure needs of our children and their needs for qualified teachers to give a tax break to the high end? I think not.

I urge our colleagues to reject this budget and to get real about it. This is a charade. We want a real budget that addresses the needs of the American people and serves our national values.

Mr. GOSS. Mr. Speaker, I am privileged to yield 3 minutes to the gentleman from Michigan (Mr. SMITH), a distinguished member of our conference.

Mr. SMITH of Michigan. Mr. Speaker, through the Speaker to everybody that might be listening, how does one make the best decision on how much to spend and how high taxes should be? It would seem reasonable that the first thing policymakers might do is say, look, how much, how high, should taxes be for the American people?

Right now, the average American taxpayer pays about 41 cents out of every dollar they earn. Here at the Federal level, our budget, in terms of total income, is approaching 21 percent of GDP.

So if we are going to have a reasonable budgeting process then we say, look, at what point are taxes so high that it discourages economic expansion in our free market economy? It is the system that has made this country great, rewarding those people that try, that start new businesses, that get a second job?

But we have sort of evolved into a tax system of penalties and punishment for some of those people that really try and save and invest. That young couple that, maybe, goes out and gets a second job; we not only tax that person on the additional income, but we say, in effect, if you are going to earn more money, we are going to increase the rate of taxation.

I would suggest to my colleagues to consider that we should not have Federal Government spending that exceeds 18 percent of total income or GDP in this country. We are now approaching 21 percent.

I applaud the Committee on Rules. I congratulate the Committee on the Budget for moving ahead with the most reasonable budget we've had in years, even though this budget increases spending twice the rate of inflation. We have gone in past years as high as five times the rate of inflation as we expanded the Federal Government.

Just imagine for a moment a graphic projection of what inflation is every year and the fact that the Federal Government is increasing the size of the Federal Government two to five times the rate of inflation. Someplace out there, it is going to catch up with us.

So let us not talk and suggest that this program could use more money or that program could use more money. Let us decide what is reasonable and fair to those people that are working and decide how much money they should be allowed to keep in their pockets to decide how they want to spend it.

The big spenders in Congress can always say we need more money for this program or that program or we need more programs. But the fact is that government spending through the appropriation process is not free. It is not magic. Somebody is working hard, getting up and going to work, whether they feel like it or not, to earn that money, to send part of it to Washington.

I think as we review what has happened in taxes in this country and the fact that our taxes now are the highest they have ever been in the history of the United States except for 1 year during World War II, it should make us all very conscious of the importance of trying to be a little more efficient, trying to prioritize spending in government. Let us move ahead with supporting this rule and this budget and hope we have the intestinal fortitude to stick with this spending level through the appropriations process.

Ms. SLAUGHTER. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. FILNER).

Mr. FILNER. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, the veterans of this Nation ought to march on this Capitol in protest to this budget. I heard from a Member from the other side of the aisle that this budget over the next 10 years helps veterans. This does nothing of the sort. This budget barely keeps up with inflation.

This does not honor our Nation's veterans. Our veterans are waiting 2 years to have their claims adjudicated. They are waiting months and months for appointments with doctors. Our research is lagging in all the diseases that have come out of the Gulf and Vietnam. Yet, this budget does not even keep up with inflation.

Even the Republican Members of the House Committee on Veterans' Affairs said this number is insufficient to keep up with the needs of the veterans. I challenge the Republican members of the House Committee on Veterans' Affairs to vote no on this budget. They said in the committee that this number was insufficient. I want them to stand up for what they said to the veterans in committee and vote no on this budget.

I might add that this budget took away a great victory in the Senate for our veterans, something called concurrent receipt where a veteran who had a pension and disability payments could get both. Now they have an offset, and this budget keeps that offset. It is a disgrace to the veterans of this Nation.

Mr. GOSS. Mr. Speaker, I am happy to yield 2 minutes to the distinguished gentleman from Indiana (Mr. PENCE), a new Member that we welcome.

Mr. PENCE. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise today in support of the rule, and I thank the distinguished gentleman from Florida (Mr. GOSS) and the Committee on Rules for their excellent work.

The passage of the budget today in the House is a victory for all Americans who, after 4 months of hard work, have finally earned enough to pay their taxes this year. It is written: If one owes debts, pay debts. If honor, then honor. If respect, then respect. This budget pays our debts, honors our veterans, and respects the right of hard-working Americans to keep more of their own money.

Mr. Speaker, under the current system, taxpayers today send a higher percentage of their income to Washington than any time since World War II. I am pleased that, for the first time since 1981, this Congress will provide substantial tax rate reductions for all American families that pay taxes.

Washington is sending America a pro-growth message that helps families, small businesses, and family farms. It is refreshing, Mr. Speaker, that Congress is recognizing that the wealth of this Nation and the size of our surplus is not our creation but a product of the work of every American. This budget is an extraordinary step in the right direction. The best news of all is that this is only the beginning, Mr. Speaker.

In a little over 100 days with a Republican President in Congress, we have prepared a budget that provides $1.35 trillion in tax cuts, repays historic levels of public debt, strengthens Social Security and Medicare, and bolsters our national defense. Most important of all, we have shown fiscal discipline by reining in the growth of our Federal Government and spending.

I would like to thank the gentleman from Iowa (Chairman NUSSLE) for all he has done to build this budget. I urge my colleagues to support this rule.

Ms. SLAUGHTER. Mr. Speaker, may I inquire as to how much time remains on each side?

The SPEAKER pro tempore (Mr. LATOURETTE). The gentlewoman from New York (Ms. SLAUGHTER) has 9½ minutes remaining. The gentleman from Florida (Mr. GOSS) has 7½ minutes remaining.

Ms. SLAUGHTER. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. TURNER).

Mr. TURNER. Mr. Speaker, this budget fails to account for the fact it will return us to deficit spending and it will spend money already committed to Social Security and Medicare. That is why the fiscally conservative Blue Dog Coalition voted yesterday to oppose this budget.

Democrats want the largest tax cut we can afford; but, frankly, this budget is unrealistic. It fails to provide for defense spending that we support and that the President will propose. It fails to protect Social Security and Medicare by putting us on a course to raid both programs. It turns our back on our commitment to lockbox Social Security and Medicare surpluses. It fails to fund education even at the lower level the President proposed much less the higher level the Senate agreed upon.

This budget fails to account for the slowing economy and the resulting loss of revenue. It denies America's families and our children the best tax cut we could give them and that is paying off our national debt which would not only lower interest payments in the Federal budget, but would lower interest payments for every American family.

Ms. SLAUGHTER. Mr. Speaker, I yield 1 minute to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Speaker, there is a great country music song by Merle Haggard called Rainbow Stew. It says: "When the President goes through the White House door and does what he says he will do, we will all be drinking that free Bubble Up and eating that rainbow stew."

This budget is rainbow stew. Now, to make rainbow stew, the recipe calls first for a rainbow. That is what we have got with this budget is a rainbow.

In the last campaign, the President and the Republicans promised prescription drugs for our seniors. Medicare and Social Security will be protected. We are going to pay off the debt. We are going to take care of education, national defense, agriculture. The list goes on and on.

This is a buckeye. Folklore in Arkansas tells us about if one carries this buckeye. It is a relatively worthless little nut that grows on a bush. I do not know that humans ate it and not too sure that any animals eat it. But I can tell my colleagues that one is supposed to carry that in one's pocket and rub it, and it will bring one good luck and take care of rheumatism. That is what the prescription drug plan by the Republicans are going to amount to.

I urge my colleagues to realize what a ridiculous document this budget is.

The SPEAKER pro tempore. The Chair advises the gentleman from Arkansas (Mr. BERRY) that the buckeye grows on a tree, not a bush.

Ms. SLAUGHTER. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. HILL).

Mr. HILL. Mr. Speaker, I, like many of my colleagues, would like to support this budget, because who would not want a tax cut along the lines that had been proposed. It is politically popular to support the tax cut, and I would like to do it. I believe that we can offer some kind of tax cut, but this is not realistic. This is something that cannot be done.

I know the American people must be quite confused as to who is right and who is wrong. But let me pull out this chart. Maybe this will clear it up. This is from the President's budget proposal that outlines what the budget surpluses are going to be over the next 10 years.

As my colleagues can see, this tax cut is predicated upon the fact that these surpluses are going to materialize. I do not know of any American family that would go out and buy a new car or a new house based upon income that he was told that he was going to receive for the next 10 years. No common sense person would do this. But, yet, that is what we are about to do in the Congress of the United States, Mr. Speaker.

I think if my colleagues know this fact, they have to conclude that this is a bad idea and that we ought to vote against it.

Ms. SLAUGHTER. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. SANDLIN).

Mr. SANDLIN. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, I rise today to oppose this budget conference report. As we near the end of the school year, we expect our children to put forth their best effort in school and pass the final exams. The American people have the same expectation of this Congress. As we put forth our finishing touches on the budget agreement, they expect us to pass. Unfortunately, this report earns a failing grade.

I hoped the conference would reach an agreement that I could support. Unfortunately, there was no conference. There was no bipartisanship. The alleged bipartisanship was nothing more than a sham. Not everyone was included. Had there been a true bipartisan effort, we would have met our obligation to our most vulnerable citizens and earned a passing grade from the American public.

We have an obligation to our children. In this country, that obligation requires us to provide them with the best public education that is possible. But this conference report fails to meet that obligation. It does not increase education spending. It does not increase investment in education to our children. In fact, it provides $21 billion less than President Bush requested for education spending.

We have an obligation to our parents for prescription drugs. This conference report does not provide funds for a prescription drug benefits. In fact, it raids the Medicare fund to pay for money already set aside. That is robbing Peter to pay Paul.

I urge my colleagues to oppose this report.

□ 1130

Ms. SLAUGHTER. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, every aspect of this budget and the way that it has been crafted and presented to this House indicate that the same folks who ran this House during the Gingrich years, their same spirit has dominated every aspect; they are still calling all the shots. Bipartisanship has been all pretense and no reality.

Cutting our commitment to educational opportunities for our children, even to a level lower than the limited commitment that President Bush recommended, represents that mean-spirited approach and a true shortchanging of our Nation's future. The full implementation of this budget will mean that we will consume entirely the Medicare Trust Fund and we will deplete significantly the Social Security Trust Fund, returning to a path of using Social Security contributions to pay for non-Social Security purposes, and that is wrong.

If my colleagues do not understand anything else about this budget, remember that those two pages that were supposedly lost in the middle of the night last week did two things: for education, monies that had been added with the support of even a Republican Member, Mr. JEFFORDS, they were cut. Educational opportunities were cut in order, in those same two pages, to have massive tax cuts for those at the top of the economic ladder.

A budget is supposed to be a statement of our national priorities. And this irresponsible budget invades the security of our seniors and those who will be retiring in the future; this budget rejects opportunities for our children. All of this results from an unrealistic tax cut to shower benefits on those at the top of the economic ladder. Vote no!

Ms. SLAUGHTER. Mr. Speaker, I yield the balance of my time to the gentleman from South Carolina (Mr. SPRATT), the ranking member of the Committee on the Budget.

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from South Carolina (Mr. SPRATT) is recognized for 4 minutes.

Mr. SPRATT. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, I have been in this House for more than 18 years, and in those 18 years I have served on a lot of conference committees; but I have never been so completely excluded, so totally shut out as in this particular conference. I hope at the end of it all, my colleagues on the other side will allow us at least one thing, and not call this bipartisan. It is by no stretch of the imagination bipartisan. It is the very opposite. And it does not augur well for bipartisanship in the House for the future.

But bad as the process has been, the substance is even worse. Because what is missing from this budget are not two pages, what is missing are real numbers. And let me give the most salient example: the largest account in the discretionary budget, national defense. We pass 13 appropriation bills. The defense bill is as big as all 12 others put together. In this budget there is a number for defense of $325 billion. That is a place-holder number. That is not a real number.

Now, how do we know that? Number one, we know Mr. Rumsfeld is busy at work doing a top-to-bottom review of defense. And once he has finished that review, he is going to send us a huge plus-up in the defense budget. Number two, read the text of this resolution and my colleagues will find that we give unprecedented unilateral authority to the chairman of this committee to increase the allocation for defense by as much as nearly $400 billion over the next 10 years. None of us has a say in it. He can add that to the budget.

Let us just make that adjustment, as this chart does, to the reality of this budget, the defense budget we all know that is coming. Let us assume it is $20 billion to $25 billion initially and builds up over time. Let us also add back to the budget what the gentleman from Iowa (Mr. NUSSLE) was wise enough and right enough to put in it to start with, some allocation for emergencies we know based on experience are going to happen.

When we add those two lines, as we can see from this chart, every year for the next 5 or 6 years the amount of money we need for additional defense spending and the amount of money we need for emergencies exceeds the contingency fund that is left over after we do the puts and takes that are included in this conference agreement.

Now, what does that mean? Let us take education. This budget zeros out education. The Senate had three votes. They added $300 billion to defense and passed a resolution with that plus-up in it. This budget was then taken behind closed doors in a conference and all of the money for education was excluded; not only the Senate's added to education but also the President's request of $21.4 billion for education. All we provide for education is inflation.

Now, some may say on the other side that education's day will come. We have a 302(b) allocation process; we will have another occasion when we can plus up for education. Not after we adjust for defense and emergencies. There is nothing left over.

So, Mr. Speaker, that is why I say this is the substance, this is the reality, and this is why we should vote against this rule on grounds of process and substance. Vote against this budget.

The SPEAKER pro tempore. The Chair would advise the gentlewoman from New York (Ms. SLAUGHTER) she still has 1 minute left, should she choose to use it.

Mr. GOSS. Mr. Speaker, I advise my colleague from New York that it would be my intention to yield at this time a few minutes to the distinguished chairman of the Committee on the Budget and then go to the rotation for her to close and for me to close.

Mr. Speaker, I yield 5½ minutes to the gentleman from Iowa (Mr. NUSSLE), the distinguished chairman of the Committee on the Budget.

Mr. NUSSLE. Mr. Speaker, I thank the gentleman for yielding me this time; and I also thank the gentleman for his leadership, for having to come out here on the floor a number of times over the last few days in order to manage us through this final budget vote. I appreciate his patience and the patience of the Committee on Rules and also his leadership. I also appreciate the chance to speak on this.

I would like to respond briefly to my friend and someone I consider a partner on the Committee on the Budget, the gentleman from South Carolina (Mr. SPRATT). Bipartisanship is his concern and it is my concern. However, we may differ slightly on what bipartisanship means. If bipartisanship means we have to agree on everything all of the time, that is a goal we probably cannot achieve.

This is a country of 260 million-plus people. We are from rural areas, urban areas. We represent districts that have people that farm, that work in factories, that have kids, that are seniors; some who are highly educated, some that maybe do not have as much education. We have many minorities: black, white, Hispanic. What a diverse Nation. How could we possibly all of the time agree on every single thing?

That is not what the founders wanted us to do. They wanted us to come into this Chamber and have a debate. They wanted us to come into this Chamber and send their representatives here to debate the grand issues of the day, and we have a number of them; and we are not going to agree on every single one. But what we try and do is we offer both sides, if in fact there are sides, the opportunity to present their plans.

We did that. And what "we" means now, of course, is that the Republicans control the House. We, at least under somebody's definition, control the Senate, the other body, excuse me, and we control the White House. And so we have an opportunity to present our vision for the country. The loyal opposition has the opportunity to present their plan; and we did so this year, respectfully, in a bipartisan way. But we did not come to agreement.

And so at some point in time we have to have a debate, and we have to have a vote on which vision to accept. Now, because we do not agree does not mean that we are being partisan. In fact, the other side has a number of good ideas within their plan, ideas that they have worked on for many years. But I must say that they are not shared even by the majority of the Democrat caucus.

Let me just give an example of what we do not agree on with the last plan that was presented by President Clinton. In his last year, just as an example, during these next 10 years, compared to our big major tax decrease that everybody is out here lambasting today, and that is fine, that is where the other side is coming from, my colleagues do not believe we ought to cut taxes, but let us compare that to the other plan. President Clinton's last budget had $237 billion of tax increases. Now, I am sorry we do not agree.

I am not going to be partisan about that. The opposition party can fairly present their side of it. Now they have moved to the other side of the coin. They are saying now we ought to have tax decreases, not as much as the Republicans want; but at least they have moved in that direction, from tax increases to tax decreases.

But just because we still do not agree does not mean that it has to be partisan. We can have a fair debate. It does not have to be personal. I would say by and large it has not been personal; that we have not heard some of the rancorous debate where people have come out here accusing people of throwing children in the street that we heard maybe 3, 4 years ago. I would hope that continues. But it does not mean that we are not being bipartisan because we do not agree. It is fair in this country to present plans and to allow for the debate.

So let me just briefly go through what it is that we are presenting here today as a result of this rule. I believe that we have a plan that meets the priorities of this country. Let me just run through a few of them.

This is the fifth balanced budget in a row. This is something we believe very strongly in, that our budgets should be balanced, that they should be responsible. And there is still money left over after we balance that budget. We have $2.4 trillion of debt reduction over the next 10 years, the largest decrease of our national indebtedness that we have had in our country's history over this same period. And we still have resources left over. We are saving the entire Social Security Trust Fund. Only since 1999 has that been a bipartisan agreement here in this House. There is still money left over. The entire Medicare surplus is set aside for modernization and a prescription drug benefit, and there is still tax surpluses left over. We are budgeting for our priorities at 4 percent, and there is still money left over to provide $1.35 trillion worth of tax relief for the American people. There is still money left over.

There are still resources left over after we have balanced the budget, provided the most debt relief in history, set aside Social Security, set aside Medicare for modernization, provided for America's priorities at a 4 percent growth in spending, and provided for tax relief. And, believe it or not, there is still resources left over to provide for contingencies in the future.

Now, my colleagues may not agree with that budget. I invite them to vote against it if they do not. But just because they are voting against it, I will not call them partisan. I will suggest that they have a different view of America and our future. That is not partisan; that is what it means for them to be in the opposition.

Ms. SLAUGHTER. Mr. Speaker, I yield the balance of my time to the gentleman from South Carolina (Mr. SPRATT) for closing.

Mr. SPRATT. Mr. Speaker, let me quickly respond to my friend, the gentleman from Iowa (Mr. NUSSLE), that if he wants an example of model bipartisanship, 1997 is a good year to refer to. That year the White House was controlled by Democrats, the Congress was controlled by Republicans, and we sat down and had a process that lasted several months and then came up with something called the Balanced Budget Agreement of 1997. I think what we learned from that experience is that regardless of the outcome, just putting it through the process, where everybody participates, develops a better product.

The gentleman does not have to go back to Mr. Clinton's proposals. We did not bring his budget to the floor. He is no longer President. We had a budget in the well of the House just a few weeks ago which called for an allocation of a third of the surplus to tax cuts. We were supporting that. We came forth with the idea in our resolution for a tax stimulus this year and next year using the surplus we know we have in hand. That has come out in this final product.

The other side could have had the same sort of result if we had had a real give and take. We could have had a real free market of ideas. We would not have let our colleagues get away with coming to the floor with nothing for education in their budget. We would have insisted the defense number be realistically represented in this budget. I think we would have had a better budget and we might have had an opportunity, one of those rare opportunities, for a bipartisan budget for the next 10 years.

Mr. GOSS. Mr. Speaker, I yield myself the balance of my time to make some closing remarks.

I think this has been actually a very good warm-up for the next debate that is coming on this. Sure, we have heard some of the scare stories and we have heard some of the rhetorical questions we have expected. And I think that we are going to continue to hear those because rhetorical questions perpetuate shibboleths and shibboleths are what you do when you do not have anything else to do.

I am sorry that there is not a feeling that this has not been a carefully thought-out effort. I believe it has, and I think it has gone through conference and had a great deal of discussion not only in the Congress of the United States but in the executive branch and across America. And I certainly have found that in my district when I have gone home.

I know we have done scare tactics before, and I guess some people think scare tactics are an excuse not to vote for tax relief; and that is okay if you really do not believe in tax relief. I remember very well that scare tactics do not last very long. I remember experiencing them some years ago; that somehow our party was going to stop school lunches and then we were going to stop Meals-on-Wheels for elderly. And all that did was cause anxiety for a lot of Americans, and it was never true. Now I guess we are going to have school lunches that are going to have arsenic and salmonella in them, listening to some of the latest opposition party ads about what we are doing.

I do not think the falling-sky scenario does very well for America or is positive in getting the program or the business of government done. I think even The Washington Post editorialized a few years ago that Mediscare was a tactic that was not worthy of the honorable Democratic Party when we were trying very hard to find ways to resolve the trust fund issues, which in fact we did on a bipartisan basis, just like we found a way to protect Social Security. And I would say that that was under a Republican-led Congress, but it was certainly at a time when there was a Democrat in the White House.

So I think when we do work together, we come out with a pretty good product. And I think in this case we have a pretty good product. I do not think we ignore our veterans, and I do not think we ignore any Americans. This is an honest effort, and I urge everybody's support for the rule so we can continue this debate.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. SLAUGHTER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 218, nays 208, not voting 5, as follows:

[Roll No. 103]

YEAS—218

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—208

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Shows
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—5

Cubin
Pomeroy
Rivers
Stump
Weldon (PA)

□ 1211

Messrs. INSLEE, MEEHAN, and DEUTSCH changed their vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. ISSA. Mr. Speaker, on rollcall No. 103, I was outside the Electronic Paging Zone. Had I been present, I would have voted "yea."

Mr. NUSSLE. Mr. Speaker, pursuant to House Resolution 136, I call up the conference report on the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore (Mr. LATOURETTE). Pursuant to House Resolution 136, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of May 8, 2001, at page H1957.)

The SPEAKER pro tempore. The gentleman from Iowa (Mr. NUSSLE) and the gentleman from South Carolina (Mr. SPRATT) each will control 30 minutes.

The Chair recognizes the gentleman from Iowa (Mr. NUSSLE).

Mr. NUSSLE. Mr. Speaker, I yield 2½ minutes to the gentleman from New Hampshire (Mr. SUNUNU), the distinguished vice chairman of the Committee on the Budget.

Mr. SUNUNU. Mr. Speaker, I want to begin by commending the members of the Committee on the Budget, the conferees, for putting together what I think is a very strong budget proposal, the most realistic and certainly the most enforceable budget resolution that we have had come through this body since I have been a Member of Congress. It does not include everything that every Member of the House would like to see in a budget resolution, but I think it reflects real balance and a real sense of priorities.

We will balance the budget with this resolution for the fourth year in a row. That is a historic achievement in and of itself. And we are doing it without using any of the Social Security surplus. Members on the minority side can find fault with just about any document that comes to the floor, but let us step back and at least recognize that we are doing the right thing for the American people by balancing the budget, by setting aside funds for Social Security, and by paying down debt.

□ 1215

Balancing the budget for 4 consecutive years, that is something this House should be very proud of.

We control the growth in government spending. We increase discretionary spending by about 4 percent. There are many that would like to see government explode, 8, 10, 12 percent growth in spending. That is not sustainable. It would be nice to be able to fund every program, to double the funding for every program we have at the Federal level, and go home and tell the American people we are spending money on good deeds; but the fact is that is not sustainable.

It is not fiscally responsible and this body has refused to do it. Four percent growth, that is about what the average household budget will grow this year.

We have cut taxes. It is a compromise. The President proposed a $1.6 trillion tax cut. We have compromised at a little bit more than $1.3 trillion. It is realistic to expect that after we have increased the size of government, after we have set aside for Social Security and balanced the budget, after we have funded important priorities, we give what is left over back to the American taxpayer that sent it here in the first place.

We have balanced the budget, controlled the growth in government spending, cut taxes to make the Tax Code more fair, and we have funded the right priorities: an 11 percent increase for education; more funding for men and women in uniform; increased funding for basic scientific research.

This reflects a compromise, sure, but it also reflects a budget that we should all be proud of that sets the right priorities for the country and continues the process of retiring debt and keeping our economy strong.

If one wants to explode the size of government, this is not for them. If one is opposed to tax relief, this resolution is not for them. But if one wants to set the right priorities, lower taxes and keep our country going in the right direction, I ask my colleagues to support the resolution.

Mr. NUSSLE. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. COMBEST), the distinguished chairman of the Committee on Agriculture.

Mr. COMBEST. Mr. Speaker, I thank the gentleman from Iowa (Mr. NUSSLE) for yielding the time.

Mr. Speaker, I rise in strong support of the conference report to the fiscal year 2002 budget resolution.

When I became chairman of the Committee on Agriculture, I pledged that Congress would stand shoulder-to-shoulder with America's farmers and ranchers, to see them through tough times and to strengthen U.S. farm policy. This conference report is the cornerstone of that commitment.

I thank President Bush and the House and Senate leadership for their commitment to U.S. farmers and ranchers. Mr. Speaker, I especially thank the chairman of the Committee on the Budget. The gentleman from Iowa (Mr. NUSSLE) knows what our farmers and ranchers are up against so he rolled up his sleeves and he did something about it. The fruit of that labor is what we consider today, and its timing is crucial.

Conditions in farm country are serious. Net cash income over the last 3 years has fallen in real terms to its lowest point since the Great Depression. The magnitude of this problem reaches beyond farms, ranches, and rural America. It is a national problem.

The ad hoc help Congress has provided each year since 1998 has helped, but it is only a year at a time. A long-term farm policy is what this country needs. The conference report gives the Committee on Agriculture the tools to make it happen and, as chairman of that committee, we will get it done.

I urge my colleagues to support this report.

Mr. SPRATT. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. GEPHARDT), the minority leader.

Mr. GEPHARDT. Mr. Speaker, I rise to vote and speak against this conference report and ask Members on both sides of the aisles to do the same thing. This is not a good budget for America.

We did not get to vote the other night because we did not have two pages, but now that we have seen all of the pages, the problem was not the lack of the right pages. The problem with this budget is that it does not have the right numbers. It does not fulfill the priorities of the American people. It is a budget that is deficient in terms of fiscal responsibility and in terms of the right priorities that I think people have.

In many ways, this budget is a definition of what we want the country to be in the next 10 years. So it is a momentous decision that we are making.

I believe this is a day that we give up on fiscal responsibility. I thoroughly believe that if this budget is followed, that in the days ahead we will return to deficits.

First of all, there is no cushion. The cushion that looks like is here is not here, and when the tax cuts go up, as they inevitably will, when other tax cuts that are not contemplated in this budget are actually passed, the deficits will start. We will invade Social Security and Medicare, which we said we did not want to do.

We have had innumerable votes here on lockboxes, but I predict that if this budget is passed we will be into Social Security and Medicare.

This is the day that we return to high deficits and high interest rates. Why in the world would we want to do that? For 20 years in this country all we ever talked about was deficits and what deficits meant to our ability to fund anything that people wanted to fund; what it did to high interest rates; what it did to high inflation. Now, with this budget, I believe we are back into deficits and back into invading Social Security and Medicare.

This is the day that we give huge tax cuts to the wealthiest special interests in the country, and we cannot seem to figure out how to get a decent tax cut to the middle-income Americans who really need it. Again, half of the tax cuts contemplated here go to the top wage earners in our country, and there is not enough for the hardworking families that really need tax relief.

This is a budget that turns its back on education. This is probably the most remarkable trade-off in this budget. The President sent a budget that asked for $21 billion over 10 years above inflation for education programs. The budget that the Democrats here on the House had asked for was $150 billion over 10 years above inflation for education. In the Senate, in a bipartisan way, they added $300 billion above inflation for education, for afterschool and pre-school; give us more teachers, repair the school buildings, all the things that Americans are asking for across the country to improve public education. Yet, this budget takes out every cent of the increases that the President asked for or we asked for or the Senate asked for. We are at a flatline budget for education if this budget is voted for.

How in the world do we explain to anyone what we have done on education? We are right back to where we started, after a long trip of public relations saying to people we want to help education, and now we are not doing that.

Then I think if this budget is passed, there will not be a Medicare prescription drug program. In fact, I do not think there will be a prescription drug program of any reasonable kind that will affect the people in this country. When I go home now on weekends, people come up to me and say, "Hey, where is the prescription drug program?" Everybody had ads in the campaign, Republicans and Democrats alike. We all said we wanted a prescription drug program. I defy anyone to find that program in this budget.

Why do I say that? I say that because I think the budget tries to get to $300 billion over 10 years for a prescription drug program. The problem with that is it spends the Medicare surplus. It is really taking the money out of the Medicare surplus to give it to prescription drugs. I do not think we are going to do that. I do not think we are going to have a prescription drug program if this budget is our budget.

I did not even get to low-income energy assistance, COPS on the beat, conservation and renewable programs for energy. If one goes out in America today, all anybody can talk about is $3 gasoline and not having enough electricity. If one goes out on the West Coast, they are having brownouts and blackouts.

People are focused on energy and there is nothing in this budget to deal with the energy issue, which is on the lips of every American today.

Let me sum up by saying just one thing. This budget is a farce and it is a fraud. At the end, America deserves better than that. We can do better than that. I would pray we could send this budget back to the committee. Let us have a real bipartisan process where ideas from both sides are incorporated into a final product. Let us give America a budget that is worthy of this great country.

Mr. NUSSLE. Mr. Speaker, I yield myself 30 seconds to respond.

Mr. Speaker, the legacy of the gentleman from Missouri (Mr. GEPHARDT) when he was the majority leader is as follows: tax increases, underfunding special education, absolutely no energy policy for this country, raids on the Social Security Trust Fund, and no prescription drug policy. So to come to the floor here today and to call this a fraud, when for years as the majority leader he did nothing to promote the policies he now comes to the floor and lambastes, is an atrocity.

Mr. Speaker, I yield 2 minutes to the very distinguished gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Speaker, I thank the gentleman from Iowa (Mr. NUSSLE) for yielding me this time.

Mr. Speaker, after listening to the last two exchanges, I am reminded of what John Adams told us over two hundred years ago: Facts are stubborn things. I think the more the American families learn about the facts of this budget, I think the more they are going to like it.

Let us look at what it really does. This is a budget that works for every family. The maximum debt elimination; we are going to pay off the redeemable publicly held debt over the next 10 years; tax relief for everybody who pays taxes; improved education for our children, an 11.5 percent increase. Some of us think maybe that is a little too much. A stronger national defense; health care reform that modernizes Medicare. Is it not about time?

We set aside $300 billion to start a prescription drug plan for those people who fall through the cracks.

Finally, we are going to save Social Security not only for today but for the future.

Our friends on the left are going to say, well, this is irresponsible. Well, Mr. Speaker, this was said already today, that according to the Bureau of Labor Statistics the average family budget will go up at a rate of about 4.2 percent.

This budget increases the Federal budget by less than that number. I think that is great news for American families.

Some people say we cannot afford this tax relief. Well, Mr. Speaker, if we look at the economy today, we look at energy prices today, I say we cannot afford not to give tax cuts to the American people.

Let me just share a couple of numbers. Last year, when the economy was growing at 5.5 percent during the first quarter, we generated a surplus of $40 billion. This year, with the economy slowing to about a 1 percent growth rate, we generated a surplus of $74 billion. Mr. Speaker, we cannot not afford to give tax cuts this year.

I would also suggest that the numbers we are using are incredibly conservative. In fact, I asked Mr. Daniels of the Budget Office, and these are the words: "So if revenue growth just equals the 40-year average, we will actually have revenues in excess of $2 trillion more than we are currently using in your budget projections, is that correct?"

His answer was, "Yes, sir, that is correct."

We can afford this budget. It makes common sense. It is good for American families. It is good for our future.

Mr. SPRATT. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I would say to the gentleman that we have never said we should not have tax cuts. We said when we brought our budget resolution to the floor, unlike theirs, that we should have some this year, take the whole surplus this year and rebate it to the American public, and we set aside $800 billion to $900 billion for additional tax relief.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I rise in opposition to the budget today, but with a sense of disappointment. I am disappointed because I do recognize the gentleman from Iowa (Mr. NUSSLE) made an outreach, but his leadership chose not to abide by it.

In the spirit of compromise, we in the Blue Dogs were prepared to support a tax cut higher than the budget we proposed, providing there was a strong enforceable commitment to debt reduction. This budget we vote on today does nothing for debt reduction, and I defy anyone to show how it does.

This resolution we vote on today literally bets the ranch that the surpluses will continue to grow. If they do not grow, or if they are off just a little bit, we will be forced to dip into the Medicare Trust Fund before we even start dealing with increases for defense or other needs the resolution does not address.

□ 1230

This resolution sets an unrealistic spending level. Based on the history of the majority over the last 6 years, I predict we will have another train wreck. But that is up to the majority.

I rise in the strongest opposition to this budget resolution today because it does not accommodate Social Security reform. I sent a letter to our President commending him for the Social Security Commission. I have worked for the last 5 years with the gentleman from Arizona (Mr. KOLBE) on the other side and others in a bipartisan way in setting the groundwork for Social Security reform. This resolution provides zero funding for Social Security reform.

If I need one reason to strongly oppose this and why I am so proud of the Blue Dog Democrats for voting to oppose it, as it takes a two-thirds vote for us to oppose anything, to take any position, we took that position, and I am so proud of our Blue Dogs because we are still standing for the same principles of debt reduction, saving Social Security and Medicare first, providing for the needed spending in the area of defense, health care, education, our veterans. I agree on the agriculture numbers, they are much better.

This is a borrow-and-spend resolution. It borrows from our children and grandchildren in order to pay the political needs of today. I suggest you select carefully your words, my friends on the majority, because tomorrow you will either enjoy them, or you will eat them.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. SMITH), the very distinguished chairman of the Committee on Veterans' Affairs.

Mr. SMITH of New Jersey. Mr. Speaker, I would like to engage in a colloquy with the distinguished Chair. I would like to commend the chairman and commend him for his determined advocacy on behalf of our Nation's veterans.

As the chairman knows, the House-passed budget resolution included a significant increase compared to 2001 levels in total spending for veterans' benefits and services. The total increase for this function was $5.6 billion over the fiscal year 2001 budget authority level, providing a total of $52.3 billion for fiscal 2002. It is my understanding that the conferees accepted the House-passed mandatory spending level for function 700, a total of $28 billion, which assumes a phased-in increase in the Montgomery GI Bill and other benefit improvements contained in H.R. 801.

Is that the chairman of the Committee on the Budget's understanding as well?

Mr. NUSSLE. Mr. Speaker, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Iowa.

Mr. NUSSLE. Mr. Speaker, before I respond, let me thank the gentleman for his leadership. There is no one in this House that stands ahead of the chairman of the Committee on Veterans' Affairs when it comes to advocating for our Nation's veterans.

In response to the chairman's questions, yes, the conference report reflects the House levels for mandatory spending, and it also includes the House proposals for increases above current law levels.

Mr. SMITH of New Jersey. Mr. Speaker, reclaiming my time, let me just ask, it is my further understanding that the conferees agree to an overall level of discretionary spending that would allow veterans' discretionary spending to go as high as $26.2 billion in budget authority for fiscal years 2002, a level consistent with the Senate approved level. This level would accommodate major increases in spending for VA health care and for claims processing and could be as much as $3.6 billion above 2001. In any event, the increase would be no lower than the House-passed $1.7 billion.

Is that the chairman of the Committee on the Budget's understanding?

Mr. NUSSLE. Mr. Speaker, if the gentleman will yield further, again, the answer is correct. The increase was not explicitly reflected in the budget function for veterans because the discretionary increases in the conference report were distributed across all budget functions. As the distinguished chairman knows, it is the Committee on Appropriations that makes the final determination of exactly how those resources are distributed, and the gentleman and I will be visiting the Committee on Appropriations to make sure that they hold to the highest possible level for our veterans.

Mr. SMITH of New Jersey. Mr. Speaker, reclaiming my time, I want to thank the chairman for those clarifications. I congratulate the chairman on an outstanding budget.

Mr. SPRATT. I yield 1½ minutes to the gentleman from Tennessee, Mr. TANNER.

Mr. TANNER. Mr. Speaker, I want to rise in a sense of disappointment also. I want to thank the gentleman from Iowa (Mr. NUSSLE). It is too bad his leadership has chosen the route it has chosen today, because there were some of us that wanted to reach out, do a bipartisan budget for this country that, albeit the tax number was a little higher than we thought and there was not enough debt retirement as the Blue Dogs thought, but the real kicker in all of this is the House leadership has not only taken us out of play, they have taken their own Members out of play. It does not matter what the House does.

Do you know if you read the budget document, the House will not even agree to reconcile to the same number that their White House agreed to with the Senate. I have never seen a conference report like that before. But if you read it, it is there. The intransigence of this House leadership is destroying the House of Representatives when it comes to public decisions made for and on behalf of this country.

Let me say one other thing. When I came here 12 years ago, all I heard was, JOHN, do something, please, about the horrendous debt of this nation that we are passing on to our children, a 13.5 percent mortgage on this country.

Every dime of debt reduction that they talk about comes from the Social Security surplus money. You know what that is like? That is like you or I paying off our Visa charge with a MasterCard. It alone does nothing to reduce the obligation that the next generation has to pay and has to come up with, and that is plain and simply morally, generationally bankrupt.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. KIRK), a distinguished member of the Committee on the Budget.

Mr. KIRK. Mr. Speaker, I just want to thank the service of my chairman, the gentleman from Iowa (Mr. NUSSLE), and also my ranking minority member, the gentleman from South Carolina (Mr. SPRATT), the soul of discretion in this debate. But I do want to correct the record.

There were two pages missing in this budget. They are now here. But what else is missing from this budget? Last year President Clinton proposed a $237 million increase in taxes between 2000 and 2010. That is missing from this budget. This year, leaders on the other side proposed a one-third plan, calling for $740 billion in new spending, with little details. That is missing from this budget. Last year President Clinton proposed the creation of 84 new Federal programs and the expansion of 162 others, and that, Mr. Chairman, is missing from this budget. Their one-third plan would pay millions of dollars in prepayment penalties from working taxpayers to the most wealthy bondholders. That is missing from this budget.

So what is in this budget? What is in this budget is that we are on track for doubling resources to the National Institutes of Health; what is in this budget is the President's immediate Helping Hand prescription drug plan with the flexibility to expand that plan; what is in this budget is an 11 percent increase for education; and what is in this budget are the 1999 reforms that we did for the budget that protect Social Security.

So, for me, I rise in strong support of this budget. There are 1,000 reasons why you could argue against a budget from all sides, but this is an historic agreement where we complete the Congress' action, and we do it on time.

Mr. SPRATT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in response to the gentleman, I would say what is missing from this budget is any sense of priority that education is the number one challenge facing our country. There is not an 11.4 percent increase. That is what Mr. Bush claimed when he was offering $21.4 billion. That increase is not included in this budget. The Senate added $300 billion. It is not there.

The only thing in this budget for education is inflation, the same thing everything else gets. So the dominant priority here is not for education, that is for sure.

Mr. Speaker, to back up what I have just said, I yield 5 minutes to the gentleman from North Carolina (Mr. PRICE), to talk about education, the missing piece in this budget.

Mr. PRICE of North Carolina. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, our budget reflects our values, and Democrats want to provide tax relief. We also want to take care of other priorities, like paying down the debt and strengthening Social Security and adding prescription drugs to Medicare and making the investments we need in education and research and the environment, safe communities, affordable housing, military readiness. Quite simply, this Republican budget falls short on all of those counts, but nowhere more than in education.

We need to be reducing class size in this country and building and modernizing schools and recruiting and training teachers and boosting Title I aid for disadvantaged districts, closing the achievement gaps between majority and minority students and increasing Pell Grants and meeting our obligation to special education students and expanding Head Start.

This budget falls short even of what the President asked for, and that was already inadequate. For example, with this budget, President Bush and the Republicans break their promise to increase the maximum Pell Grant to $5,100. Candidate Bush promised to do that for freshmen. Unfortunately, President Bush and the Republicans have fallen at least $1.5 billion short of the amount needed to fulfill that promise.

The President's budget provides only enough funding to raise the maximum award of $3,750 by a mere $150, far less than Pell Grant increases in recent years, and the budget before us today does even less than what the President proposed.

Mr. DAVIS of Florida. Mr. Speaker, will the gentleman yield?

Mr. PRICE of North Carolina. I yield to the gentleman from Florida.

Mr. DAVIS of Florida. Mr. Speaker, it is terribly important that we debate the facts here, and the fact which has been stated over and over again, which has not been rebutted, is that the House is adopting today a budget that is $21 billion less than what the President proposed for education. What does that say about our priorities?

In my home State of Florida and in many growth States throughout the country that leaves us high and dry in dealing with the growing problem of school construction. We need that to reduce class size so we can return control of the classroom back to our teachers.

We are left with having to raise property taxes or raise sales taxes that are much too high in Florida and many other States. There is a solution at hand if we will get our priorities straight. It is the Johnson-Rangel bill that provides tax credits to school districts to fix crumbling schools, to build new schools the right size the first time, where we can provide Federal funding to fix that problem.

We are missing a golden opportunity. If we simply will return to where the President was, at least $21 billion higher, we can pay down the debt, we can have a tax cut, but we can get our priorities straight and begin in Florida and other States to fix crumbling classrooms and reduce class size.

Mr. PRICE of North Carolina. Mr. Speaker, reclaiming my time, I thank my colleague for underscoring the need to get our kids out of these trailers and into modern effective classrooms where they can learn and where teachers can teach.

Mr. HOLT. Mr. Speaker, will the gentleman yield?

Mr. PRICE of North Carolina. I yield to the gentleman from New Jersey.

Mr. HOLT. Mr. Speaker, I thank the gentleman for yielding and pointing out that each day this debate goes on, education is losing ground. We started off with a number that was not as good as the President had proposed. Now it comes back from conference committee with even less than that. So whether it is Pell Grants or school modernization, we are just not keeping up.

An area that concerns me greatly is teacher recruitment. We need 2.2 million new teachers in the next 10 years just to stay even. Whatever incentives we use to recruit those teachers, whether it is debt forgiveness or other financial aid, it is not here. And we will pay. Schools all across the country will pay.

Mr. PRICE of North Carolina. Mr. Speaker, reclaiming my time, in my State alone we are going to need 80,000 new teachers in the next 10 years. We do not know where those are coming from. The gentleman is correct, this budget has no investment in recruiting and training and improving the preparation of teachers.

Mr. HOLT. Mr. Speaker, if the gentleman will yield further, and for the continuing professional development of existing teachers.

Ms. HOOLEY of Oregon. Mr. Speaker, will the gentleman yield?

Mr. PRICE of North Carolina. I yield to the gentlewoman from Oregon, a great champion of special education.

Ms. HOOLEY of Oregon. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, one of the things you do in a budget is you set priorities. That is what a budget is all about. One of the things you do when you set priorities is you put money where you say your priorities are. I mean, we do that in our home budgets; we need to do it in this budget.

Again, this budget has been cut. It is even less than what the President asked for. The President's budget was inadequate.

We have an opportunity at this time to fund special education. We promised about 26 years ago to our schools and to our children that we would provide up to 40 percent of the funding for special education. We have not done very well. We have only provided 14.9 percent.

This is an opportunity to provide the funding we need for special education, and, in doing that, we help every single child, every single school district. But we need to make sure that our priorities are funded, and this budget does not do that.

Mr. PRICE of North Carolina. Mr. Speaker, reclaiming my time, is it not true that our colleagues in the other body actually put additional funding in the budget for special education, and now as this budget comes back to us, those funds have been stripped out. Those funds are gone. This is an obligation which our local districts feel very acutely.

Mr. Speaker, without new resources, these crumbling classrooms cannot be repaired, new schools cannot be built, teachers cannot be hired and Pell Grants cannot be increased. We must do better. We must defeat this budget.

Mr. NUSSLE. Mr. Speaker, I yield myself 30 seconds to respond.

Mr. Speaker, if it was spending that we needed to solve education in this country, the District of Columbia schools would be the best in the Nation. This is not a county sale barn, where we are bidding on a prize heifer. Spending more money on education is not the only thing we need to do. I stipulate the fact that you will spend everything you want here. That does not mean it is a responsible budget. We got to have reform. That is what is in this budget.

Mr. Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. COLLINS), a distinguished member of the Committee on the Budget.

Mr. COLLINS. Mr. Speaker, the people of the State of Georgia strongly believe that the Federal budget policies should be based on guidelines of limited government, lower taxes, and increased local control of local affairs.

□ 1245

The budget resolution before us today closely follows those guidelines.

First, this budget plan establishes a limit on the growth of Federal spending that closely follows the rate of inflation. Second, we provide real reduction in taxes for wage-earners. Third, the budget resolution makes room for future consideration of reform bills such as education reform that will focus on returning more control to the local level.

Mr. Speaker, why is tax reduction important? In developing a budget plan, we must answer the question, what makes up the economy? It is not the government. The Federal Government does not manufacture, it does not have a product for sale, it is not and should never try to be the engine that runs economic growth.

The economy is made up of people, workers, taxpayers. They are the ones earning the wages and spending or investing portions of their paycheck.

Each time they do, they create economic activity. The more they spend or invest, the more economic growth we have. In many ways the budget debate is about cash flow, the cash flow of the government and the cash flow of individuals and families.

The Federal Government has a cash flow which is funded by the paychecks of working people. It creates its own income by collecting a portion of all private sector earnings. Today, that collection level is excessive. Over the next 10 years, the government will collect from wage-earners over $3.1 trillion more in non-Social Security taxes than it needs to fund the operation of government.

The budget resolution takes a responsible look at the Federal books and recognizes the fact that it is time to slow down the collection of the government cash flow and return those excess funds to the cash flow of individuals and families. In the words of the President, the taxpayers have overpaid their bill; and this budget resolution will provide a refund on their collected earnings that they so well deserve.

Mr. SPRATT. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. MENENDEZ).

Mr. MENENDEZ. Mr. Speaker, this is the people's House, not the special interests' House, not the billionaires' House, not the oil companies' House, but the people's House. The budget we pass tells the people what this House stands for.

The problem is, this Republican budget tells them we want to return to the days of budget-busting deficits and away from investing in our future. This budget shortchanges the agency that keeps our air clean and our water pure, while President Bush gives a free pass to oil and gas companies who want to rob our public lands for private profits; and it raids the Social Security and Medicare trust funds to pay for new tax breaks for millionaires while denying many working families even a dime in tax relief.

Budgets represent values. They tell the American people what we stand for. This House must stand for more than just doling out tax breaks to the wealthy. This budget does not represent the values of the American people; it represents the values of a few special interests. It is a sham, it is a disgrace, it is the real atrocity, and it should be defeated.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. CRENSHAW), a distinguished member of the committee.

Mr. CRENSHAW. Mr. Speaker, I rise today to support this budget resolution, and there are an awful lot of good reasons why we ought to all support it. Again, it lets the taxpayers keep more of what they earn; and it begins to pay down the national debt, a great legacy to leave to our children and our grandchildren. It sets aside Social Security and Medicare to make sure that they are in a lockbox, that they are off the table. They are going to be there for not only our senior citizens, but for their kids and their grandkids.

But maybe most important about what this budget resolution does is it recognizes that we need to make America strong again. The only way to keep America safe is to keep America strong, and that is not the case today. We have watched the last 8 years while our military has been hollowed out, overdeployed and underfunded; and this budget recognizes that and puts more money into the military. It puts it in a place where we need it. Because there are so many young men and women in our military today who have really kind of lost their sense of direction. Their morale is lower than it has ever been. This budget puts additional money to give pay increases to our young men and women in uniform. It says that we are going to provide additional benefits in terms of health care for those young men and women in uniform, and it says that because so many of our young men and women live in substandard housing, we are going to make the housing better for them to give them a sense of respect and honor.

Mr. Speaker, this is not a safe world in which we live today. The Cold War is over; but we still have nuclear proliferation, we have non-State terrorist groups, we have criminal elements with worldwide tentacles, and we need to recognize that.

So if there is just only one reason, and again, there is an awful lot of reasons to vote for this budget, but just the reason alone to make America strong again is reason enough. I urge adoption of this budget.

Mr. SPRATT. Mr. Speaker, I yield 1 minute to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Speaker, I thank the gentleman for yielding me this time. Some of us, including myself, take the budget process seriously; and we also take the budget as an important document.

We consider the Federal budget an important document because it is the document that we use to speak to the needs and the priorities of the American people, whether that is defense, education, Social Security, environment, agriculture, any of these. Also it is an important document because it says where we are getting the resources from, whether it be taxes, will it be trust funds like the Social Security trust fund, or what programs will we reduce. Indeed, it is an important document that when we have a surplus, we should use it to pay down the debt.

In all of these areas, we indeed do not take the process seriously; but we say that the budget indeed is an important document. The chairman says it is a guide. A guide for what? A guide for new priorities or simply a statement to get it out on the floor?

Mr. Speaker, I say we failed miserably, but in no more important place than education. Indeed, the commitment to education is undergirded by taking away not only what the President asked for, but also the additional funds.

I say we ought to reject this budget. We can do much better for the American people. We can say we are serious, and the budget itself is an important document.

Mr. Speaker, today I would like to urge my colleagues to vote "no" on H. Con. Res. 83, the conference report on the budget.

As a senior member of the Budget Committee, I take the budget process seriously. If the two pages had not been missing from the budget, this blunder never would have been exposed, and we would not have allowed us to see the reality of this process and what was really being concealed.

Some of us, including me, take the budget process seriously. We consider the federal budget to be an important document that provides for the priorities and needs of the American people. This document should show how and what activities the government will support (i.e. defense, prescription drugs for seniors, environment, medicare, social security, education, and agriculture). A serious budget would clearly indicate how we are going pay for these priorities. It would indicate: What are the resources? What are the tax cuts? What programs are reduced? And yes, a serious budget should help pay down the national debt when in surplus, and we do have a surplus. This conference report on this budget resolution fails miserably on being a serious or important document for many reasons.

Education. The most important and serious priority to American people clearly is education. However, this conference report on the budget does not reflect this commitment. It completely eliminates the $294 billion in education that the Senate approved. In fact, the budget reduces the education budget below the President's request by $21 billion. We take seriously the commitment and statements of the President, and the majority that "no child should be left behind". These cuts in education are egregious.

Health. The health needs of American people are also serious. This budget makes a mockery of our commitment to help senior citizens secure prescription drugs and help prevent HIV or care for AIDS patients or respond to other health care needs. Most Members in both Chambers clearly know that it will take at least $300 billion or more for a meaningful prescription drug program. The budget provides $61.4 billion less than the Presidents requested for appropriated health care programs such as Ryan White AIDS treatment grants, maternal and child care grants, the Centers for Disease Control, and the Food and Drug Administration.

National Debt. Instead of paying down the national debt, this budget has left a margin of error so narrow that we very well will raid the Medicare and Social Security Trust funds in order to pay for the tax cuts as early as next year. Do we really want to be accused of gambling with our nations resources? We are literally betting on our projections and hoping that the numbers turn out right.

This agreement also includes the amount of the contingency reserve in its claimed totals for debt reduction. This budget is a sham and a farce because they are utilizing "double counting" when considering the contingency reserve fund. This means that every dollar of the contingency reserve that is spent also diminishes the amount of debt that is reduced by a dollar, plus the cost of interest. This conference report obviously places a low priority on debt reduction. Presuming assumptions and projections prove to be correct, the conference report would pay about $300 billion less than the amount of debt reduction provided by the House Democratic budget alternative budget resolution. A budget process that would have included Democrats, would have allowed for such deliberation rather than tapping into the Medicare and Social Security surplus funds.

Tax Cuts. The final budget and tax package calls for tax cuts in the amount of $1.269 trillion for the years 2002 through 2011, and allows for an economic stimulus consisting of $100 billion in outlays that may occur any time from 2001 through 2011. Due to the two pages mission, it was disclosed that the Republicans had stripped $70 billion from the "so called bipartisan deal announced by the President two days earlier—which cut education—the President's "number one" issue that was to "leave no child behind". This ten-year tax cut is larger than the $1.25 trillion cut Republicans publicly accepted earlier this week because of the revenue affects of the reduction of the bill recently passed on the Securities and Exchange fees included in that package. Believe me, this is the beginning of many tax bills to come that will slowly prey upon the Medicare and Social Security trust funds, and threaten our economy. The true cost of the tax cut with its impact on the surplus over a ten year period, including added spending for interest on the national debt, realizes a grand amount of $1.668 trillion.

This budget is a fraud, and an empty shell leaving out inevitable tax cuts and spending proposals publicly announced by the administration and Republican leaders. This agreement does not provide for the funds needed for the administration's national missile defense proposal or any other increases in the defense budget that may be recommended as a result of the administration review of defense policy and requirements. Nor, does it include almost $1.0 trillion in tax cuts beyond the $1.35 trillion reconciled, including terms left out of reconciliation and proposals like the $300 billion to fix the AMT, extension of the R&D credit, a variety of health-related tax cuts, the Portman-Cardin pension/IRA bill that the House passed, a capital gains tax cut and small business tax cuts that Republicans want to pass with an increase in minimum wage. Last week's budget faux pas was an attempt at procedurally rushing through a dishonest and deceptive budget shell that would ease the passage of excessive tax cuts. The deception backfired and allowed the American people to at least examine the conference agreement and to uncover its many flaws. Repeating the mistakes of the past would be foolish for this body knowing the predictable outcome of increasing the public debt and triggering a deficit.

To pass this budget means breaking our commitments to our senior citizens by robbing the Social Security and Medicare trust funds; denying our youth and children the best educational opportunities possible; and depriving the poor the money and resources needed to provide for their welfare.

We must make hard choices about how to allocate the resources of the American people. We need a conference agreement, that provides sensible tax relief for all Americans, pays down the national debt, and adopts the priorities of the American people. My fellow colleagues, I urge you to vote "no" on the conference report on H. Con. Res. 83. It is not the right decision for most Americans, and we will all pay a dear price if it is passed.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Kentucky (Mr. FLETCHER), a member of the committee.

Mr. FLETCHER. Mr. Speaker, I thank the gentleman for yielding me this time.

I appreciate the opportunity to rise and speak in support of this conference committee, the budget conference committee. As we can see, it helps us set the priority of paying down the national debt at record levels to ensure that we do not leave our grandchildren and children in debt.

Tax relief for every taxpayer. Improved education. It gives us the opportunity to not just put more money into education, but actually make some structural changes that will improve the education for our children. Stronger national defense, health care reform and modernization of Medicare, with up to $300 billion for Medicare reform, including prescription drugs which is needed for our seniors.

Last year in the House, we passed the first prescription drug bill for our seniors out of this House, and we are going to continue to work to make sure that happens so that no senior has to choose between their food and medicine. We are going to save Social Security in the sense that we are setting aside Social Security and Medicare and making sure we are keeping that in a lockbox.

The other side talks a lot about putting more money into priorities. What does that do? We have held the spending at 4 percent. They would like to increase it 5, 6, 8 percent, we have heard, depending on who speaks. What is that? Now we have heard they want tax relief; but let me tell my colleagues, any increase in spending as it goes above inflation is a taxation on the next generation, because that becomes the baseline for next year.

We have all heard in our accounts of compound interest and how that works, how we can double our money over a period of years. Well, what I call the increased spending above inflation, what the other side would like to do is compound taxation on our children and grandchildren, because we require future revenues to be increased in a compounded way to increase the spending, or to fund the increased spending that they want every year.

Mr. Speaker, that is not good for America, it is not good for our children, and it is certainly not the kind of tax relief and freedom that we need to return to our American families.

Mr. SPRATT. Mr. Speaker, I would say to the gentleman that there is no money set aside in this budget for Social Security and Medicare, except for the money that is set aside for a prescription drug benefit, but not to make the program solvent; and there is certainly no lockbox. It is not in this bill at all.

Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. CAPUANO).

Mr. CAPUANO. Mr. Speaker, I rise in opposition to this budget. It has a lot to do with philosophical issues, but it really has a lot more to do with telling the truth to the American public.

The budget that we passed out of committee, though I disagree with many philosophical issues, at least told the American public where we stood. The budget we are about to vote on today does not, and it does not because at the end of the budget, there is something I have never seen before, a negative slush fund of $67 billion because we could not get it all in. We could not make the numbers add up. What that means is that we will be back later on this year to straighten these numbers out.

This is the first time I believe that we have heard before a lot of talk about the President's budget we had a Democratic President and a Republican House being dead on arrival. This budget is dead on exit. We will be back in the fall to straighten it all out. The numbers will be meaningless, and we will be back here arguing about what the numbers should be. That is in addition to all the philosophical arguments. We will be back in the fall; we will be telling the people the truth about how much money we put into education and research and the defense department. Right now, no one can answer those questions.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas (Mr. BRADY).

Mr. BRADY of Texas. Mr. Speaker, as we can see, Washington hates to change, and this Congress and this President is intent on making Washington change the way it works. Look at its impact on the American people today. Tax Freedom Day just occurred May 3. That means for most of our families, we have worked from New Year's Day to May 3, just recently, just to pay our State and local and Federal taxes. That is the highest, that is the longest date ever; and that means that for most families, because we are not working for ourselves until the fifth month, we pay more in taxes than if we put our house payments, all of our groceries and our clothing together. We pay more than that in taxes. No wonder it is hard for families to make ends meet.

We wonder, how much of the money we send here actually gets to the people who really need it. Washington recently has funded, and we have read about it, we funded $1 million that the Park Service used to build a two-hole outhouse. We spend $5 billion a year to help salmon swim upstream. In fact, we spend so much we could buy each of those fish a first-class ticket on a plane, fly them to the top of the river and save money doing it. Not only that, we paid one group $350,000 a year to kill the same salmon. We waste dollars up here day and night.

This President is intent on Washington not going on a spending spree, on tax relief that grows as we pay off the debt and as our surplus grows, tax relief grows. This President is intent on helping education between the teacher and the student and the student and the parent where it really counts. Washington needs to change, and this budget and this President is intent on doing it.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, I thank the gentleman for yielding me this time.

In the time that remains I would hope the gentleman from Iowa (Mr. NUSSLE) would explain a few things to the American people. Number one, how is a Nation that is $5,661,347,798,002 in debt, how does that Nation have a surplus? How does a Nation that owes its Social Security Trust Fund $1.103 billion of unfunded liability, money that has been taken from people's paychecks and squandered on other things, how can we say we have a surplus? How can a Nation that has taken 235.5 billion of people's tax dollars, promised to spend it towards Medicare and spent it on other things, and tell people we have a surplus? How can a Nation that has taken $160.5 billion out of the military budget over the past 15 years, set it aside with the promise that we are going to spend it on our military retirees, but spend every penny of it on other things, how do we have a surplus?

Finally, for Federal employees, how do we take $497.6 billion out of their paychecks, promise to set it aside for their retirement, spend it on other things, and then look them in the eye and say we have a surplus and therefore we have to cut taxes and, therefore, we cannot fund defense and therefore the fleet will keep shrinking? How can we say that when we cut the shipbuilding budget this year by almost $4 billion that we are taking care of national defense?

□ 1300

Since the Republicans have taken over Congress, the fleet has shrunk from 392 ships to 313. And my colleagues are cutting the shipbuilding budget, but yet they keep saying this is good for defense.

I say to my colleagues, if they are looking for waste, the most wasteful thing we do is squander a billion dollars a day on interest on the billings we already owe. If my colleagues are serious about addressing that waste, then we should take every penny that we have and address it to national defense and paying down the national debt.

This budget does not do that, and therefore I am going to oppose it.

Mr. NUSSLE. Mr. Speaker, I yield 2¼ minutes to the distinguished gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I thank the gentleman from Iowa (Mr. NUSSLE) for yielding the time to me.

Mr. Speaker, first of all, I want to say to the gentleman from Mississippi (Mr. TAYLOR), my good friend, that I agree that under the Clinton administration in the last 8 years, a lot of these things have in fact been devastated, like military spending and shipbuilding programs and so forth, but we are going to rebuild some of these things through a very smart budget.

The way we are going to do this is we are going to first put our priorities on top, Social Security, Medicare, education. Then we are going to take care of the normal functions of government, our obligations for roads and bridges, and for all of the departments, National Parks and Fish and Wildlife. Then what we are going to do is pay down the public debt.

This, Mr. Speaker, is the first debt that we have been able to pass, I believe, that actually does pay down the public debt to a zero level, which I think is extremely important. Then we get to that leftover amount.

Mr. Speaker, let me explain it to my colleagues this way: In Johnson High School, Savannah, Georgia, a couple months back, I was speaking to a group of seniors, and I asked them, how many of you have a job? Sitting in the front row, a blonde-haired Julie Lawhon said, I have a job. Julie, how much do you make? Seven dollars an hour. Seven dollars an hour? Then if you work for 2 hours, you made $14, right? No, sir. Obviously, you have not had a job; I only get to take home about $11.

Oh, where does the rest go, little 17-year-old, Julie? It goes to taxes. Okay, let us talk about that, the $4 that you pay on your $7 an hour in taxes for 2 hours of work, the $4 an hour my friends in Washington take and we pay for education, we pay for roads, we pay for health care. You do not begrudge that, do you? You know those functions are needed. She said, yes.

Well, Julie, what if you found out I do not need $4, that my friends and I can do all of this great stuff for $3.75, what would you do with the extra quarter? Seventeen-year-old blonde-haired Julie Lawhon, Savannah, Georgia, says, give it back to me, it is my 25 cents.

That is all we are doing. God bless Julie Lawhon, the 17-year-old high school student. God bless the children of the next generation, because they get it.

Mr. Speaker, I am on bended knee, begging my colleagues across the aisle to get it as well. It is their money. It does not belong to one single person in here. It belongs to the taxpayers. Let us return the overcharge back to those who earned it.

Mr. SPRATT. Mr. Speaker, I yield 2½ minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I heard the gentleman from Georgia (Mr. KINGSTON), my friend: Let us not give them 25 cents back and add 75 percent to their debt. That is what the gentleman from Mississippi said.

Mr. Speaker, our Republican friends have turned the annual budget resolution into a rite of spring.

Remember what the Washington Post said last year? The Republicans seek not to just cut taxes but to increase defense and selected other categories of spending while maintaining the appearance of fiscal discipline.

Does that sound familiar?

The year before that, The New York Times said the Republican Congressional leadership appears to prefer radical tax and spending cuts to reasoned accommodation on the budget.

The tone may be different, but the substance is not.

Three years ago, of course, the majority plumbed the depths of budgetary gridlock. It could not even pass a budget resolution.

Mr. Speaker, to that poor soul who accidentally lost two pages in the budget resolution on the way to the House floor early last Friday, let me say, do not be too hard on yourself.

Mr. Speaker, that oversight is just a tiny blip on a fiscal radar screen, full, frankly, of Republican pretense.

The substance of this budget resolution is shameless. It is not a plan for our future. It is a stalking horse for Republican tax cuts that would mainly benefit the wealthy.

I am for a tax cut, a tax cut that is responsible and will fit defense and domestic discretionary spending and will help pay down the debt and save Social Security and Medicare.

Who would bear the brunt of the proposed spending cuts? The millions of Americans with no health insurance; the kids who go to school in crumbling buildings, zero-funded education in terms of any increases; the seniors who cannot afford prescription drugs not provided for.

My colleagues are either going to steal from Medicare, from Peter and pay Paul, but neither Peter nor Paul are going to be able to be funded.

Meanwhile, the President is pushing a missile defense system. It may be a good policy. He has no idea how to fund it, no idea how to pay for it.

He is pushing his plan to privatize Social Security, no idea and no plan in this budget how to pay for it; unless that is, of course, we continue to plan on raiding the Social Security surplus.

This budget resolution is not real any more than last year's, the year before, or the year before that. The chair of the Committee on Appropriations in the other body thinks that as well. He is a member of the party of the gentleman from Iowa (Mr. NUSSLE), not mine.

Mr. Speaker, we ought to reject this budget resolution. We ought to go back and do some real work for real Americans for a real future.

Mr. NUSSLE. Mr. Speaker, the Chairman of our Committee on Appropriations thinks it is a real number.

Mr. Speaker, I yield 2¼ minutes to the gentleman from Iowa (Mr. GANSKE).

Mr. GANSKE. Mr. Speaker, I want to thank the gentleman from Iowa (Mr. NUSSLE), the chairman of the Committee on the Budget, for doing a great job on this budget.

We will end up at the end of the day with a significant tax cut. We will have additional funds for education and many other of our priorities, agriculture; but I do want to point out something that Members of both sides need to be aware of, and that is the projected high costs for the prescription drug benefit.

If my colleagues look at the policies that looked relatively inexpensive just a year ago, we had a $6,000 stop loss, and we can see the area in green above that for the costs above that.

In just 6 months since we debated that, we have seen a 30 percent increase in the baseline, which means a 500 percent increase in the stop loss area. What that means is that in just 6 months, if we look at the projected costs for the Republican plan last year, it would go from $150 billion to $320 billion.

If we look at the projected costs of the Daschle bill, it would go from $300 billion to $505 billion to $600 billion, and that does not necessarily include a low-income senior benefit; because if we then look at that cost, these are the senior citizens existing on Social Security just above the poverty level, so they are not in Medicaid.

If we look at that and we go up to, say, 175 percent of poverty, you now have $600 billion. If we go up to 135 percent, phase it out as in a bill that I have before Congress, we are looking at $400 billion. Some of that is already picked up by Medicaid, maybe half of that. If we add that amount to the bill that we had last year, we come up with a 35 percent cost share, about $500 billion. That is only up to the 2011.

In the year 2012, the baby boomers start to retire. We can afford a helping hand right now, but we need to structure prescription drugs in the context of Medicare reform.

Mr. SPRATT. Mr. Speaker, I yield 90 seconds to the gentleman from Texas (Mr. BENTSEN).

Mr. BENTSEN. Mr. Speaker, it is interesting, all of the bipartisan things that were supposed to be in this budget. The bipartisan things in the House seem to be lost from this balanced budget, whether it is our commitment to education, whether it is our commitment to increasing funding for basic science research, whether it is our commitment not to spend the Medicare trust funds.

I want to go to comments of the gentleman from Georgia (Mr. KINGSTON) about little Julie Lawhon from Savannah. In fact, the way this budget is structured, she would not get any of that tax cut back, because she does not make enough money to qualify for the tax cut that they want to provide.

Second of all, what would happen is this budget would spend so much of the Medicare Trust Fund that by the time little Julie was able to get Medicare benefits that she is paying out of that $4, the benefits would be cut so low and probably the payroll taxes raised so high because we raided it through this budget, that she would not get much for that.

So I am afraid little Julie from Savannah, Georgia would end up paying a lot more under this budget than less.

Mr. Speaker, the problem with this budget is contrary to what Congress voted on this year and last year. This budget spends about $300 billion of obligated Medicare trust funds to help pay for the tax cut and to help provide some sort of prescription drug component and some form of Medicare reform, whatever that may be.

In fact, in the budget there is no specific reconciliation instruction telling the committees to report a prescription drug component to the full House or the full Senate. So we do not know if there is going to be a prescription drug program or not.

I would urge the Members to vote down this budget, let us write a real bipartisan budget as opposed to one that abandons our bipartisan commitments.

Mr. NUSSLE. Mr. Speaker, I yield 1 minute to the distinguished gentleman from South Carolina (Mr. BROWN), a member of the Committee on the Budget.

Mr. BROWN of South Carolina. Mr. Speaker, today we declare victory for every taxpayer in America. Finally, a tax refund is on the way. The government has overcharged the American people, and it is time to return their money.

This budget will provide long-term tax relief of $1.35 trillion over the next 11 years. This includes an immediate, much-needed hundred billion dollars this year.

When Americans have more money in their pockets, the Nation's economy will benefit.

This agreement on the budget resolution between the House and the Senate will also repay a historic $2.4 trillion on the debt by 2011, which is the maximum that can be repaid without penalty. This, too, will benefit our economy by lowering interest rates.

Do not be misled by political rhetoric. Let us look at the facts and support this budget resolution. This budget is good for America and a victory for the taxpayers of this great Nation.

Mr. SPRATT. Mr. Speaker, I yield 1 minute to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Speaker, we are all entitled to our own opinion but not to our own set of facts. The fact is, contrary to what the gentleman from Georgia (Mr. KINGSTON) said earlier, it was not President Clinton that cut the shipbuilding program, it was actually President Bush that first did that. I want to clear that up for the RECORD. The facts will bear that out.

Mr. Speaker, when the Congressional Budget Office estimated last year that economic growth would increase by two-tenths of a percent on average over the next 10 years, we were faced with a historic choice. When they told us that the surplus estimates would increase by 75 percent up to $5.6 trillion, we had to decide, are we going to use this unprecedented opportunity to sustain the American legacy of leaving a better quality of life to our children than we inherited from our parents, or are we going to take care of ourselves first?

The problem with this budget resolution is that it does the latter and not the former. It breaks that American legacy, because we had a historic opportunity to pay off the debt that we incurred during the 1980s. When $3 trillion matures by the end of this decade, that should be our first priority, get rid of that debt. The second priority should be to take care of the baby boomers' retirement.

I am a baby boomer. I was born in 1945. I do not want my kids having to pay for my retirement, but this budget resolution is going to force them to, and that is unfair, to leave them with trillions of dollars of debt and the responsibility to pay for our Social Security and Medicare costs. That is wrong. That is what this budget does. That is why it should be defeated.

Mr. NUSSLE. Mr. Speaker, I yield 1½ minutes to the gentleman from Florida (Mr. YOUNG), the very distinguished chairman of the Committee on Appropriations.

Mr. YOUNG of Florida. Mr. Speaker, I thank the gentleman from Iowa (Mr. NUSSLE), the chairman of the Committee on the Budget, for yielding the time to me.

Mr. Speaker, I want to compliment the gentleman from Iowa (Mr. NUSSLE) for having done an outstanding job, in my opinion, of bringing this budget resolution through the process. That job is not always easy.

I would like the Members to know that the Committee on the Budget and the Committee on Appropriations probably has a better relationship and better communication between each other this year than we have had in a long, long time.

□ 1315

I want to say, in the few remaining seconds, that this is a good budget. There are those who think that it does not spend enough money. But there are always Members in Congress who think budgets do not spend enough money. There are also those who think it spends too much. Somewhere in between is where we ought to be; and that is where we are today, somewhere in between.

I would remind my colleagues that this budget provides for $60 billion more than we had last year at this same point in the process. So for those who think it is not enough money, understand, there is $60 billion more than we started with last year.

So I commend this budget resolution to the Members. I also want the Members to know that there are 61 working days basically left before the end of the fiscal year. We have 52 specific appropriations events that must take place in that 61-day period. None of them can take place at the same time. Fifty-two separate events that all have to have their own block of time.

So we need to pass this resolution today. The 302(b) process is next. Then we will start bringing appropriations bills to the floor. Again, I compliment the gentleman from Iowa (Mr. NUSSLE). He has done a really great job, and I encourage the Members to support this budget resolution.

Mr. SPRATT. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Speaker, I thank the gentleman from South Carolina for yielding me this time.

Mr. Speaker, the choice before us today is whether we choose the future or the present. In the present, the smart political thing to do is go home and tell everyone you cut their taxes. People like to hear that. It makes for good political patter.

But the future demands that we do something very different. It demands that we relieve our children of the $5 trillion debt that we have placed upon them. A family would never make the choice the majority is about to make. When a family has some excess income and a huge debt, they would pay off that debt, not pass it on to their children. So should we. The appropriate vote for the future is to vote no on the budget resolution before us because unlike the Democratic plan, it does not pay down the debt.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. GARY G. MILLER), a distinguished member of the committee.

Mr. GARY G. MILLER of California. Mr. Speaker, I thank the gentleman from Iowa (Chairman NUSSLE) for this time, and it is a fine job he has done this year.

The Members on the Democratic aisle talked about telling the truth. Let us tell the truth. Last year, Republicans proposed a $373 billion tax cut for the American people, and they did not support it. In fact, the President vetoed it, and they upheld his veto.

Then they held the budget up till December. Why? Because they wanted to spend more money, and we did. Shamelessly, we did. And that spending increase alone will cost us $572 billion over 10 years. They had no problem spending $572 billion of the people's money, but they could not give those same people the $373 billion tax cut.

On average, since 1990, the Federal revenues have grown 9.1 percent each and every year on average. How many of you at home got a 9.1 percent increase in pay every year since 1990? Nobody I know of.

My colleagues on that side of the aisle talk about cutting education. The fact is, read the budget. We are spending 11.5 percent more this year on education than we did last year. How many of you at home got an 11.5 percent increase in pay this year? Nobody I know.

Every time we set aside funds, the problem is my colleagues do not want to give them back to the people. They want to spend those dollars. We are paying down 100 percent of the debt that we can pay down over 10 years. We can pay no more than is due.

We are saying we are going to set aside 100 percent of the Social Security money. We are going to set an additional $300 billion aside to reform Medicare and prescription drugs; yet my colleagues say we are not dealing with the problem.

The problem is they want to feed the cow. We tell the cow owner that he deserves more of the revenue from the milk coming from that cow.

The problem is we are never going to agree. The facts are very clear. They are in the record as far as the tax cut last year. They are in the record as far as the tax cut this year.

We can afford it. The American people earned these dollars. They deserve to spend their dollars. We talk about it is for the children. Why do we not let the American family keep more of their hard-earned money so they can provide for their children. They know the needs of their children. We do not.

Mr. NUSSLE. Mr. Speaker, we have, as I understand it, 2 minutes remaining on our side; and we will close with that, I would just inform the gentleman from South Carolina (Mr. SPRATT).

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from South Carolina (Mr. SPRATT) has 6 minutes remaining.

Mr. SPRATT. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, I would say to the gentleman from California (Mr. GARY MILLER) who just spoke that it is as a matter of record we overspent the President's request last year. While there were some things the President got that were over and above what we were willing to give him before the negotiations began, we were already beyond the President's request for spending, and we added $4 billion among other things to his request for national defense.

We added a huge sum to transportation precipitated by the Speaker's request that we take care of Chicago's mass transit.

So there was a mutual effort to add to spending last year. We ought to really come clean and say we all were part of that process last year, the President, the Congress on both sides of the aisle.

Let me direct our attention to this budget. I have said from the start that my concern with this budget is, first of all, it is a watershed budget. It will affect what we do, not just in 2002, it will frame what we can do for the next 10 years, because we are making fundamental watershed decisions in this budget.

In dealing with a budget of that gravity, that importance, the numbers ought to be real. I am not worried about a couple of missing pages. I am worried about plugs and placeholders and numbers that I do not think are real. Let me tell my colleagues which ones.

First of all, defense spending, the largest account in the budget other than Social Security, the largest appropriation bill that we handle on the floor every year. $325 billion is a number inserted for defense spending in the year 2002. But we all know that is not the number. That is the Clinton-coined budget number. That is a placeholder.

We also all know that Mr. Rumsfeld has been working for months now behind closed doors, 18 different committees, making a comprehensive review of our national security requirements. We have seen leaks in recent weeks in all kinds of publications and some directly from him by way of television, indicating that his request will be substantial; I mean 2 to $400 billion a year over the period that we are talking about. $25 billion a year at least in the way of an increase in defense spending over and above what this budget provides. That is why the defense number is patently unreal.

In fact, we have given the chairman of this committee unprecedented unilateral authority, once he gets the numbers from Mr. Rumsfeld, without consulting with anybody else, to come over and adjust the allocation to defense by up to $400 billion.

I cannot recall any kind of authority like that that we have given any single individual before, but that shows us we explicitly recognize in this budget that the defense number is not a real number. It will be jacked up considerably before this fiscal year is over.

Emergency spending. To his credit, the gentleman from Iowa (Mr. NUSSLE) tried to deal with this spending. He tried to put it in the budget because, historically, we know from experience every year we have emergencies. Hurricanes, tornados, you name it, we have them. And we pay for it out of this budget through FEMA.

The gentleman from Iowa (Mr. NUSSLE) provided $5.6 billion after a tussle with the appropriators that was taken out. But if we add it back, that is $60 billion that is not in the budget but ought to be provided in the budget.

Discretionary spending. This budget purports to have a tight limit, a tight tether on discretionary spending. In the outyears, 2003 to 2011, the purported rate of increase is 2.6 percent. That is not even inflation. Over a 10-year period of time, for nondefense discretionary, this provides less than inflation, $50 billion less than inflation.

Now, that is a tough challenge to the appropriators at a time when we have a massive surplus. It used to be we could say we have got this deficit, and you could deter people from pushing their spending request; but now we have this surplus, it is a lot tougher to beat back the people who want to add this, and add the other.

Does one think that we are going to hold discretionary spending to 2.6 percent at the same time we are taking the budget and favoring things like transportation? We have allowed transportation a special niche in the budget, giving them substantially more than inflation. We have allowed NIH and other favored activities like that a much bigger than inflationary increase. When we allow those favored programs their extra share of the budget, it means we have got to cut everything else.

That is the reason, Mr. Speaker, when we look at this budget, we should realize that all the numbers down to function 920 called allowances are not real. If we look at function 920, we will see a number called $67 billion. That is $67 billion in unspecified cuts.

The conference labored hard to come to a final conclusion, but they effectively threw in the towel. What they effectively adopted as the spending level for every function was just an inflationary rate of increase.

My colleagues know and I know that is not the way the appropriations process works. But if they cannot resolve at the function level where the cuts are going to hit, how in the world will we resolve it and bring in total spending at a 2.6 percent rate of increase for 10 years? I do not believe it will happen. I do not believe this is a real number. Function 920 is the ultimate tip-off.

Finally, Mr. Speaker, I do not believe that the tax cuts are real. As soon as the compromise at $1.35 trillion for tax reduction over 10 years, as soon as it was announced, Senator LOTT said there are other ways to do tax cuts. This is round one.

Secretary O'Neill was on the Hill. He testified that this is more of a floor than a ceiling, that there are other ways to skin this cat and provide additional tax relief. Look at what is on the cutting room floor. Once we trim this $1.6 trillion request to $1.3 trillion tax cut bill, it will have to be increased.

Look at the charts and realize that the bottom line here will soon be gone. It puts the bottom line in jeopardy. Two numbers I would say to my colleagues. $342 billion invasion of Medicare, $255 billion invasion of Social Security is the arithmetic. That is where this budget leads us.

Mr. NUSSLE. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, this is an opportunity to vote for either excuses or opportunities. That is what we are faced with here today. First the excuses: "we cannot," "we should not," "it will not work." Those are the excuses.

The excuses have been going on for years why we cannot return the tax surplus to the American people. First is do not have a tax cut until we balance the budget. We balanced the budget. Then it was do not cut taxes until we have saved Social Security. We have saved all of Social Security. Then it was do not cut taxes until the Medicare trust fund is set aside. We set aside the Medicare trust fund.

There was still money left over, but they said do not do it until you significantly increase spending. We increased spending for important priorities. They say do not cut taxes because it is the wrong time. Then it was the wrong way. Then it was the wrong process. Then they said it was too big.

Today there has even been Members who have come to the floor and have suggested that the tax cut will not work because it is too small.

Now, look, we have all heard the story about the three bears and the excuses. The excuses stop today with a budget that provides for opportunities: the fifth balanced budget in a row, maximum debt relief of $2.4 trillion, saves Social Security, provides for a Medicare surplus for modernization, budgets for Americans priorities at 4 percent for education, 11.5 percent increase. Agriculture is increased. Defense is increased. Veterans priorities are maintained. The National Institutes of Health, the largest increase in history. There is still money left over.

It is at that time that we have to recognize who does this money belong to. It is the American people. The budget that they negotiate around their kitchen table is more important than the Federal budget. So let us stop making excuses about the Federal budget. Let us recognize where those tax dollars come from. Let us take the opportunity to provide tax relief for the American people. Vote for a budget of opportunities. Vote for the conference report.

Mr. UDALL of Colorado. Mr. Speaker, when we first debated this budget resolution in the House, I opposed it because I thought it would risk the opportunities of the future on the outcome of a riverboat gamble.

The original resolution was based entirely on a long-range forecast about the economy—a forecast that predicts good economic weather and budget surpluses for a full decade ahead. How prudent is that? If you want to know, ask any rancher in Colorado, or anyone who watches for fires in our forests, or anybody who has watched the stock market lately. They will tell you how risky it can be to bet too much on forecasting the weather or the economy for one year, let alone for a decade.

The original resolution ran the risk of shortening the solvency of Social Security and Medicare, while neglecting other important needs in order to pay for the President's tax plan. And it would not have done enough to reduce the publicly held debt and would have shortchanged education, seniors, research, and the environment.

I had hoped that after the Senate considered the resolution and there had been a conference between the two bodies, it would improve.

Unfortunately, that hasn't happened—in fact, in some important ways the conference report is not even as good as the original resolution passed by the House.

It's still a gamble, all right. But while the original resolution was like a high-stakes poker game on a riverboat, this conference report makes me think of a rigged roulette wheel in a mining town gambling hall—complete with the false front.

On the gambling hall, the false front gave the illusion of a full-sized building, concealing the incomplete structure that lay behind.

Here, the label of "budget" conceals what is not in the conference report. It conceals that the conference report doesn't include a way to pay for a realistic Medicare prescription drug benefit. It conceals that the conference report doesn't include enough for education. It conceals that the conference report doesn't include enough to adequately protect the environment. It conceals that the conference report doesn't include enough for scientific research. It conceals that the conference report would not do enough to reduce our debt.

And, like the false front on the gambling hall, the "balanced budget" label on this conference report conceals the real game here.

That game is to get the President's tax plan over to the Senate under rules that will shorten the time for debate and that will make it harder to make adjustments so it would be less of a gamble with our fiscal future.

Once that has been done, I expect that this unrealistic budget has served its purpose—

and I am tempted to hope it will then be disregarded. I would like to think that its false front will be replaced by a sounder structure that will accommodate doing what should be done to bolster Social Security and Medicare and to make needed investments in education, health, and other vital needs.

But banking on that would be another gamble—and I am afraid that the odds are not very good. What is much more likely—almost a sure thing, in fact—is that the imbalance will be made worse when the Administration completes its defense-policy review and seeks increases in defense spending that are not accounted for in this budget.

What will be the result when that happens—as I expect it will? What will result when Congress acts to relieve middle-class families from the problem of the Alternative Minimum Tax—as it definitely should? And what will result when Congress extends other tax provisions, like the credits for research and development—as it should?

The answer is that the approach of this budget will lead us to further weaken Medicare and fall further short of meeting the test of fiscal responsibility.

I do not want to play that game. And so I cannot support this conference report.

Mr. COYNE. Mr. Speaker, I rise in opposition to the conference report on the fiscal year 2002 budget resolution.

The compromise that was crafted in conference and in consultation with the White House—and finished, apparently, just hours ago—suffers from the same failings as the budget resolution passed by the House in March.

The conference report on the budget resolution calls for an irresponsible $1.25 trillion tax cut over the next ten years, and a number of Republican Representatives and Senators have already expressed an interest in enacting additional tax cuts. How can the members of the House Majority in good conscience pass a budget that they have no intention of following? We shouldn't be surprised—we've seen the same actions in previous years.

The unrealistic tax cuts are only one of the problems with this budget. Unrealistic spending levels are another. The discretionary spending levels specified in the conference report are, I believe, inadequate to address the many domestic challenges facing this nation over the next ten years. Moreover, if previous years are an indication, many members of the House Majority want higher appropriations levels as well. This budget plan does not include the additional discretionary spending that would be needed for President Bush's proposed ballistic missile defense system, nor does it include the increased defense spending that the President will probably request once Secretary Rumsfeld completes his review of our current defense policies. It doesn't do enough for education, nor does it provide enough money to enact a decent Medicare prescription drug benefit or address the problem of Americans without any health insurance.

What is even more troubling is the fact that under this budget plan, Congress would most likely be forced to dip into the Medicare surpluses in order to pay for the tax cuts and new spending that we can already anticipate. Throwing fiscal caution to the wind is not my idea of conservative government.

And finally, and the most troubling of all, I am concerned that this budget plan leaves no room for error or unanticipated bad news. If some of the projected surpluses fail to materialize over the next ten years, the federal government could easily start running deficits again—or dipping into the Social Security Trust Fund.

I'd like to see the House's so-called conservatives show a little more interest in responsible fiscal policy. I will oppose this conference report, and I urge my colleagues to do the same.

Ms. LEE. Mr. Speaker, I rise in opposition to this budget which shamefully does not fund education, health care, and housing programs that this country so desperately needs. The meager 3.6 percent increase in this budget's education funds is simply not enough to modernize our crumbling schools and institute programs to retain teachers and improve student aptitude nationwide. There is simply not enough money in the budget to fund the education rhetoric coming from the Administration.

The basis of this budget is a massive tax cut that does not come for free. It has a price. In my district in Alameda County, California we are having an affordable housing crisis at all income levels but particularly affecting low and moderate income people. To pay for this tax cut we will cut 1.7 billion in real dollars from the federal housing budget, including cuts to the drug elimination program, the community development block grant, and empowerment zone funding.

We are also having a health care crisis in this country. Many of us have been pushing for a Medicare prescription drug plan for our seniors who cannot afford costly drugs. Because of this tax cut our seniors will continue to pay the highest cost for drugs among developed nations. This is the cost of the Bush tax cut.

This budget eliminates the COPS program which practically any law enforcement official will tell you made our streets safer and crime go down during the past several years. Another cost of the Republican tax cut.

A vote for this budget and the Bush Administration's mega tax cut is a vote against most Americans and their rights to decent shelter, healthcare and safety. I urge my colleagues to vote "no" on this budget.

Ms. MCCOLLUM. Mr. Speaker, as Democrats and Republicans it is our job to work together on a budget that reflects the issues that the voters sent us all to Congress to address. The nation's priorities are clear. Americans want a balanced federal budget that meets our health, education, retirement and infrastructure needs while paying down our national debt and providing for a reasonable tax cut.

Unfortunately, the Republican budget abandons the fiscal responsibility that has resulted in the budget surpluses we are presently enjoying. The sum of the Republican tax cuts reach almost $2 trillion and are completely based on a projection for surpluses that may or may not materialize over the next ten years. I support responsible tax cuts that are targeted to working families and ensure our seniors will continue to have retirement security.

In fact, the Republicans controlling Congress spend more on tax cuts for the wealthiest one percent of Americans than they spend on every other need in this budget. Worst of all, the Republican budget uses Medicare and Social Security as a slush fund that will be raided if the projected surpluses are not realized.

Today's budget resolution shortchanges education and provides even less money than the President asked for in his budget plan. It threatens Medicare by raiding the trust fund, jeopardizing the benefits to which seniors are now entitled and does not guarantee that any portion will go toward a prescription drug benefit. In addition, it cuts back on energy programs that we should be strengthening to help our constituents deal with the energy crisis and cope with sky-high prices.

This budget resolution should balance all of our priorities—from the need for tax cuts to investments in public schools, our national defense to prescription drugs. Most of all, America's budget should do nothing to break faith with the millions of seniors who rely on Social Security and Medicare.

Mr. STARK. Mr. Speaker, I rise in strong opposition to the Budget Resolution Conference Report presented to us today. That opposition is based on the substance of the budget as well as the tactics used by the Republican majority to force this bill to the floor of the House of Representatives with no input from those of us on the Democratic side of the aisle.

I guess it doesn't matter that Democrats have not had real input into the budget process because the overall document is a sham anyway. It does not reflect the total cost of the tax cuts that Republicans plan to pursue this year. Nor does it reflect the total defense spending increases that will become law before this year is over. And, this budget resolution still fails to account for additional cuts that will have to occur in many domestic programs in order to make room for the bloated tax cut and defense spending increases. Finally, it fails to protect Medicare and Social Security and falls far short of guaranteeing the funds necessary to add a prescription drug benefit to Medicare.

On the tax cut front, the House has already passed tax cut legislation totaling more than $1.54 trillion. That is more than this budget resolution would even allow. Yet, the House-passed bills and this budget resolution still fail to address many tax issues that we know will be included before the year is over. Such tax changes include: a business tax package that will ultimately be part of any proposal to increase the minimum wage, tax extenders like the Research and Development Tax Credit, adjustments to the Alternative Minimum Tax, and various tax incentives for health care and education.

I applaud my Senate colleagues for fighting to lower the amount of dollars dedicated to tax cuts in this budget resolution conference report from the $1.6 trillion requested by the President to approximately $1.215 trillion (and the $100 billion stimulus package for fiscal years 2001 and 2002). However, that appreciation is strongly dampened by the reality that even $1.25 trillion is too high and the tax cut number in this budget resolution is going to grow still larger. We will surpass these dollar limitations for tax cuts; in fact, we already have. And we will pay the price in more ways than one when we are forced to reduce expenditures in vital domestic programs that mean much more to a wider array of Americans than the tax cuts ever will.

We can and should be increasing our investment in education. President Bush has made education one of his highest rhetorical priorities, but rhetoric alone won't fund education improvements. This budget fails to follow through with the resources necessary to make great strides on education.

My colleagues in the Senate were able to dramatically increase funding for education by $294 billion in their version of the budget resolution. This conference report strips those increases from the package. The total funding level for education in this budget conference report is even less than the amount the President requested and the House approved this past March! That's moving backward on education—not forward.

This budget puts at risk the Medicare and Social Security Trust Funds to finance other expensive components of this package.

In 2011, the baby boom generation will start to become eligible for Medicare benefits. That begins a major demographic shift with far fewer workers supporting far greater numbers of seniors on Medicare. Today the ratio is approximately 3.4 workers per Medicare beneficiary. According to the Medicare actuary, that number is predicted to drop to about 2.1 workers per beneficiary by 2029. All of this cries out for protecting every cent that we have in the Medicare Trust Fund and making changes to law to ensure that more funds go into the Trust Fund in the future. But, the budget before us does the opposite. It raids the Medicare Trust Fund to fund an inadequate prescription drug benefit and makes the Medicare Trust Fund vulnerable for raiding for other purposes as well.

Make no mistake about it. The dollars diverted from the Medicare Trust Fund in the budget before us today will never be returned to the Trust Fund. They are being spent elsewhere. That means that there are fewer resources dedicated to Medicare's future. We are robbing Peter to pay Paul. No ifs, ands, or buts about it.

It is past time for us to add a prescription drug benefit to Medicare. None of us would join a health insurance plan that didn't include prescription drug coverage, but Medicare does not cover these necessary medical costs. The Congressional Budget Office estimates that Medicare beneficiaries will spend $1.5 trillion on prescription drugs over the next ten years.

Instead of using a portion of the surplus to assure meaningful coverage, this budget resolution presents a Hobson's choice between covering prescription drugs or assuring available funds for future hospital, home health and nursing home services that are already covered. It diverts needed dollars from the Medicare surplus into an account that is labeled by the Majority for use on prescription drug coverage and so-called "modernization."

I opposed the earlier House-passed budget for the same reasons that I am opposing this budget resolution conference report before us today. This version still fails to appropriately prioritize the needs of our nation. It could put us back in the economic ditch that the Reagan tax package created in the 1980s, and from which we only recently emerged.

During this time of unprecedented surplus, we should be shoring up the federal programs on which people rely, we should be increasing our investment in education, we should be improving the quality and availability of child care in our nation, we should be covering prescription drugs through Medicare, and doing much, much more. Instead, this budget squanders projected resources on tax cuts that disproportionately benefit the most well-off and puts at risk our ability to finance important government priorities now and in the future. I urge my colleagues to vote no on the budget resolution conference report before us.

Ms. HARMAN. Mr. Speaker, I strongly oppose the budget resolution conference report.

It is not a fiscally responsible plan. It does not spend our surplus wisely nor make any additional reductions in the public debt. Instead, it sets out a course that may well result in huge deficits by the end of the 10–11 year period.

When I was first elected to Congress in 1992, the annual federal budget deficit was close to $300 billion. But I joined many of my colleagues in making the hard-fought and difficult deficit cutting votes of the 1990s. I voted for the 1993 budget, Penny-Kasich, constitutional amendments to balance the budget and to limit tax increases. And I voted for the 1997 Balanced Budget Act, which finally produced the first federal surpluses in a generation.

The budget before us could well restore that $300 billion annual deficit by 2011, undoing everything I fought for.

It could return us to raiding the Social Security and Medicare trust funds—despite this chamber's repeated promise not to do so.

And the budget retreats from making needed investments in our citizens. For example, it eliminates 98 percent of the increase proposed in the Senate's budget for special education—a program of critical importance to educators in my district and elsewhere.

The budget before us has accounting margins so precarious that any small bump in the economy will result in a deficit. It spends, for example, all but $1 billion of the FY01 $96 billion surplus. That surplus, however, was estimated in January—before the downturn in the economy and the freefall of the stock market.

Mr. Speaker, a fiscally responsible budget should meet our nation's investment needs while using the surplus to reduce the public debt and enact responsible and affordable tax cuts. The framework I support—fashioned by the Blue Dogs—would allocate the surplus 50%—25%—25% across these three budget categories.

Most important, the Blue Dog framework earmarks half of the surplus to reducing the debt—the policy most preferred by my constituents and most Americans.

The budget before us has none of these characteristics. It is imbalanced in its priorities, and predicated on budget surplus numbers that are ephemeral at best and illusory at worst.

My constituents deserve better.

Mr. BENTSEN. Mr. Speaker, I rise in opposition to H. Con. Res. 83, the conference report to the Fiscal Year 2001 Budget Resolution. The document before us is sham which purports to set spending and tax policy for the next fiscal year, as well as important parameters for the next ten years when, in fact, this is a highly flawed budget that is destined to fail when actual legislation is adopted to put it in place. Mr. Speaker, here we are again for part II of a budget debacle that defies all reason. Even if the conference report before us includes the two pages missing from last week's submission, it is still incomplete. This conference report abandons any commitment to improving education. This conference does not provide for the Administration's national missile defense proposal or the other increases in the defense budget that will be recommended as a result of the administration's review of defense policy and requirements. Further, this conference report claims a tax cut of $1.35, yet it leaves out such proposals as $300 billion to fix the AMT, extension of the R&D credit, and enact the Portman-Cardin pension/IRA bill that the House passed. Finally, this conference report does not set aside the requisite level of funds needed to pay for the President's Social Security privatization plan, approximately $1.0 trillion. Without that transition funding, the $1.0 trillion would have to be taken out of the Social Security trust fund, benefit cuts or new debt generated.

Mr. Speaker, I predict that this so-called compromise of tax cuts totaling $1.35 trillion over eleven years and spending held to 4% in FT 2002 will be breached before the end of the year. This budget also turns its back on our commitment to paying off the national debt. If we were to stay the course, the nation could retire all of the debt held by the public for the first time since 1835, and add three trillion dollars to net national savings. This budget clearly indicates that the Republican Majority has no qualms about turning its back on budget process and policies that has served this nation so well and is readily willing to risk returning us to the budgetary turmoil of the 1980s and early 1990's to make room for the President's tax cut.

The Republican Majority knows that their appetite for tax cuts will be too hard to control, just as their appetite for spending. Tax cuts are the overriding priority of the Republican budget. Over eleven years, their cut will cost anywhere between $2.2 trillion and $2.5 trillion, including debt service and the inevitable cost of fixing the alternative minimum tax (AMT). Thus, this tax plan consumes nearly all of the $2.7 trillion surplus outside of Social Security and Medicare. The "tax-cuts-at-all-costs" strategy, employed by the drafters of this resolution, ignores logic and history to make room for this plan.

Rather than take a long look at obligations on the horizon, the national debt, Social Security and Medicare solvency and the need to invest in education and research, the Republicans seek to push this resolution through the Congress before anyone has a chance to read it. The Republicans are bound and determined to push this budget through on a party line vote without telling the American people how they intend to live within the confines of their budget resolution or how they will pay back Medicare for the amount they seek to spend from the trust fund or how they will fund the recommendations from Secretary Rumsfeld's

Defense review or how they will fund the national missile defense or even how they will fund the President's Social Security privatization scheme. And, now we find that the Republicans have dropped even the President's education initiative in the name of tax cuts. Hollow as it may be, the Republican Majority is desperate to claim victory here and drive the death nail into the coffin of the Budget Act. This budget is not about funding priorities. It's not about tax cuts or tax policy. It's certainly not about fiscal responsibility and it is most certainly not a product of bipartisanship. It's about politics.

This budget is not so much the product of deliberation but rather arbitrariness. The Republican Majority arbitrarily set each of the non-defense discretionary levels to the CBO baseline, thus failing to make any decisions about how to allocate these resources. Then, they dropped any assumption for natural disasters or emergencies. And, finally, they assume unspecified cuts in discretionary spending of $6 billion per year. Mr. Speaker, this budget's failure to list a meaningful dollar level for each budget function means that the Congress and the public can have no clear idea about what the budget really means for America. Aside from failing to articulate our current obligations, this budget also turns a blind eye to the looming costs of the President's agenda, such as missile defense, privatization of Social Security, prescription drugs for seniors and tax cuts.

Mr. Speaker, not only does H. Con. Res. 83 fail to reflect any contemplation, it is seriously flawed. This conference report turns its back on all the fiscal policies that led to the greatest period of sustained economic expansion but sets us on the path back to "spend today, borrow tomorrow." H. Con. Res. 83 eliminates the budget surplus in the non-Social Security, non-Medicare operations of the federal government, and spends at least $300 billion of already-obligated Medicare Trust Fund monies on other benefits. It's like spending the house payment on roof repairs and not acknowledging that you still owe on the mortgage. Thus, the conference report puts the Medicare and Social Security Trust Fund surpluses in jeopardy. The Republicans claim they want to fund a prescription drug program for senior citizens but they plan to raid Medicare to do it. They don't even require that such a plan be reported to the House. Any economic adversity or policy miscalculation could leave the government again spending out of the trust fund surpluses, instead of adding those surpluses to the nation's pool of savings for business investment to make the economy grow. At the very worst, H. Con. Res. 83 sets us on a course of returning to deficit spending.

With the CBO reporting that its average projection error for a budget is about 0.5 percent of the GDP, or roughly $52 billion this year and rising to around $85 billion in 2011, the funding level for this conference agreement falls below that minimal level of security until the last two years of the ten-year budget window. Lest we forget that more than 87 percent of the projected non-Social Security, non-Medicare surplus under the conference agreement would occur in the last five years of the ten-year budget cycle. History has taught us that it is far better for our national interest to pay down debt and make our economy grow than consume surplus funds on new spending or tax cuts. If fully implemented, the Republicans use none of the on-budget surplus to pay down debt and spend a portion of the Social Security surplus for their tax cut. If history is any judge, and the Republican Majority fails to make huge discretionary spending cuts, it will spend even more of the Social Security surplus.

Mr. Speaker, this budget finances its large tax cut by assuming that non-defense appropriations will be held to unrealistically low levels over the next ten years. This budget ignores the fact that it is very unlikely that this Congress will execute the cuts prescribed under the budget. The Republican Majority claim that the funding level for all appropriated programs will be increased by about 4.0 percent. When advance appropriations made last year on a one-time-only emergency funding basis are discounted, the total overall increase is around 3.8 percent, which is just about the amount necessary to maintain purchasing power at the 2001 level. With most of the 3.8 percent increase devoted to defense, international affairs, that leaves an increase of only about 1.8 percent over the CBO baseline in 2002 for domestic discretionary programs. Among non-defense discretionary programs, most will see cuts of, on average, 1.2 percent, including the SBA, NASA, flood control, drug enforcement, alien incarceration programs and the COPS in school program. This budget does not merely limit the growth of domestic spending, as the Republican Majority asserts, it cuts domestic programs. Are the Republicans really advocating that we cut the FBI, INS or DEA?

The conference report claims to increase our bipartisan commitment to double funding at the National Institutes of Health (NIH) but it turns its back on the bipartisan commitment to double funding for the National Science Foundation. Further, the budget cuts so many health programs it will pit the NIH against such things as Community Health Centers and child and maternal health programs. But worse, Mr. Speaker, the Republican budget fails to adequately invest in education, one of the President's own priorities. This partisan budget ignores the strong bipartisan support for education funding, retreating from this commitment. This measure not only strips the $294 billion in increased education funding provided for by the Senate, but also provides $21 billion less education support than provided for under the President's budget. It eliminates all of the Senate provision to increase the federal share for special education costs absorbed by local school districts, as mandated under IDEA and it fails to adequately advance the goal of improving our schools.

If the cuts provided for under H. Con. Res. 83 are made, they will hurt key domestic investments which enjoy broad support among the American people. If the cuts are not made and the large tax cut is enacted, Congress risks raiding the Social Security and Medicare Trust Funds and possibly pushing us back into deficits. I believe the Republicans know that these cuts will never occur, but they provide cover for their huge tax cut which will ultimately eat through the on-budget surplus and into the Social Security surplus at the expense of solvency and long-term economic growth.

As I have said before, logic tells us that basing a tax cut plan on ten-year revenue projections, when the CBO has only been in the business of doing such long-term projections, is playing with fire. In fact, CBO itself acknowledges that current projections may substantially overstate projected surpluses and has concluded that "the estimated surpluses could be off in one direction or the other, on average, by about $52 billion in 2001, $120 billion in 2002, and $412 billion in 2006." Second, history has taught us that it is far easier to enact additional tax cuts in future years if economic projections hold up or improve, while it is far more difficult to enact tax increases or budget cuts in the future if the projections go unrealized. And, Mr. Speaker, we all know that the President will come back to Congress, after we pass this budget, and ask for billions of dollars of new spending for defense.

Mr. Speaker, I urge my colleagues to join me in rejecting this "spend today, borrow tomorrow" measure that was bound together by the Republican Majority in such a haphazard fashion, so as to leave no room for adequately funding the nation's priorities or protecting against unforeseen economic downturns. As I have said before, I support a substantial tax cut but not at the expense of hard-fought fiscal ground and long-standing domestic priorities, such as strengthening Social Security and Medicare, providing a universal prescription drug benefit, and adequately funding education and defense. Mr. Speaker, that is why I cannot support H. Con. Res. 83 and would urge my colleagues to join me in rejecting this sham budget.

Mr. BLUMENAUER. Mr. Speaker, I rise in opposition to the budget conference committee report. Amazingly, this proposal keeps getting worse, not better. The item before us, in order to accommodate the tax cut, does not include provisions earlier passed by the Senate for education. The $294 billion supported by the bipartisan majority in the Senate, and that would be supported by a majority of the members in this body, is nowhere to be seen. It even does not have $21.5 billion for education proposed by President Bush and approved by the House in March. It also provides less money than the President requested for the Ryan White AIDS Treatment Grants, Maternal and Child Care Health Block Grants, the Centers for Disease Control, and the Food and Drug Administration. This budget proposal has $700 million less for veteran's programs in FY 2002 than the House-passed resolution and $2.7 billion less than the Senate-passed resolution. Furthermore, at a time of energy crisis, this document does nothing to restore the significant reductions in energy conservation proposed by the Administration. It is in short, a resolution that stands our bipartisan budget priorities on their head.

The part that is most objectionable to those of us in Oregon is the silence on where future budget cuts are going to fall. There will be a requirement for additional budget cuts of at least $6 billion next year and more than ten times that amount over the next ten years, without a hint of where those reductions will come from. Last week the budget process fell apart after keeping the Members of this House waiting until the early hours of the morning for a vote. In part, this breakdown was less due to the two pages that were lost, and more due to the fact that this bill has not proceeded as a serious piece of bipartisan legislation. Despite the hopeful rhetoric about changing the tone in Washington from the Bush Administration, nobody had seen the resolution last week, and now what has been revealed to us leaves gaping holes in essential priorities.

What we do know is the Administration is about to unveil massive increases for defense. When coupled with the known requirement for annual emergency spending that is not accounted for in this document, the cost rises by hundreds of billions of extra dollars. Additionally, we must acknowledge the need to correct the problem of the Alternative Minimum Tax that was originally implemented to ensure the super wealthy at least paid some income tax. Instead the AMT is affecting lower income Americans with large families in ways never intended and the impact will be much worse under President Bush's proposed income tax rate reductions. Everyone in Congress knows it has to be fixed and this budget resolution ignores our duty to correct this inequity in the tax code.

Congress and the American people deserve an honest budget resolution that tells us where we want to go and how we are realistically going to get there. This proposal does neither.

Mr. ETHERIDGE. Mr. Speaker, I rise in strong opposition to this Republican budget. Unfortunately, this budget is nothing but missed opportunities and misplaced priorities.

Mr. Speaker, our nation needs a national economic strategy for economic opportunities for all Americans. We can charge boldly into the 21st Century with prosperity for all if we have the vision to see our opportunities and the courage to seize those opportunities. But this budget will squander our prosperity and set America back on a failed course.

We must invest in science and technology and innovation, but this budget cuts Research and Development. We must invest in better schools and training so we can have the greatest workforce in the world, but this budget neglects education. Some people say education is too expensive; I say it's a whole lot cheaper than ignorance. We must strengthen Social Security and reform Medicare to include a benefit for prescriptions, but this budget will raid those trust funds. We must rewrite the Farm Bill so North Carolina's farm families have an opportunity to make a living, but this budget puts agriculture under the knife. We must modernize our defenses and make America's military second to none, but this budget blows the resources we need to accomplish that mission.

Don't get me wrong: I support responsible tax relief for our working families. But this budget will run our economy into the ditch and return us to the days of huge deficits, economic stagnation, high unemployment and out-of-control inflation. Our North Carolina values call for balanced budgets and responsible policy, but this budget sends us a on riverboat gamble with America's future. I urge its defeat.

Mr. BEREUTER. Mr. Speaker, this Member rises in strong support of the Budget Conference Report.

This Member is especially pleased with the funds proposed for agriculture. Not only does the budget agreement include $26.3 billion for agriculture related programs in FY2001, but it also includes funds for emergency spending of $5.5 billion in FY2001 and $7.35 billion in FY2002. Furthermore, an additional $66.15 billion will be held in reserve for reauthorization of farm support programs between FY2003 and FY2011. This sends a strong signal that there will be money available for farmers this year to meet emergencies and in the coming years as we develop the new farm bill. Farmers and their bankers certainly need assurance that there will be money there and these numbers demonstrate that commitment.

This Member strongly regrets that the funds originally in the conference report for the creation of a new natural disaster contingency fund within the budget were eliminated during last minute conference negotiations. Not only were there disagreements about the emergency fund between authorizers and appropriators, but there was a crucial and possibly erroneous ruling by the parliamentarian in the other body that the emergency fund would trigger a requirement for a 60-vote majority. That ruling caused the other body to oppose the creation of the funds in the conference report. While the amount of money in the emergency fund ($5 billion) might end up being an underestimate, depending on the number and severity of natural disasters, it would have been a good start in responsibly addressing the certainty of a need for disaster assistance funding in this big and diverse nation. This Member has been a long-time supporter of the establishment of such a fund and is hopeful that it will be created as soon as possible.

The compromise includes $1.35 trillion in tax cuts over the next 11 years including $100 billion in an immediate tax cut "stimulus" for the current fiscal year, and it holds overall spending to a four percent increase. While the overall tax cut is less than President Bush proposed, it is still the largest tax reduction in the last 20 years. Furthermore, the budget conference report provides an historic $2.3 trillion in public debt reduction by 2011 (the maximum that can be repaid without penalties).

Mr. Speaker, this is a good budget agreement that provides a strong framework for the future of our country. Accordingly this Member is pleased to support this common sense plan that funds our nation's top priorities, provides for the continuation of the retirement of our national debt, and which also gives tax relief to every taxpayer. At a time of actual and projected budget surpluses the American taxpayers deserve "a refund" to keep that money from being collected for dramatic increases in spending. Therefore, the tax relief offered by this agreement will help strengthen our economy, create jobs, and leaves more money in the pockets of those who earned it.

In closing Mr. Speaker, this Member urges his colleagues to support this important measure.

Mr. COSTELLO. Mr. Speaker, I rise in opposition to the $1.35 trillion budget resolution. While I am in favor of tax relief for the American people, I do not believe relief should be accomplished through tax cuts benefiting big business and the wealthiest of Americans.

I believe that the Congress can and should pass legislation giving tax relief to the American people. That is why I have consistently voted to eliminate the death-inheritance tax and the marriage tax penalty.

Mr. Speaker, the Congress can and should give tax relief to the American people. However, any tax cut should not threaten our Social Security and Medicare programs. While we still have a surplus we should provide a prescription drug coverage paid by Medicare, an initiative the majority of Americans support. Even so, we should not support a budget and ensuring tax cut that spends expected revenue 11 years down the road. We need to have a mechanism in place to adjust the plan if revenue projections prove to be wrong.

Today I intend to vote against the Republican budget. A more realistic five-year spending bill should be put in place to fund critical programs important to the American people like Social Security, Medicare/Medicaid, national defense and other important programs. Then we should bring a tax relief package before the Congress that is realistic and that has a mechanism that directly ties tax cuts to controlled spending and the amount of revenue that will come to the federal treasury each year.

I am also troubled that this budget does nothing to ensure the solvency of Social Security, instead relying on a commission loaded down with individuals who have publicly supported the privatization of Social Security. I am adamantly opposed to investing any money intended for a secure retirement through our current Social Security system in a stock market that is increasingly more volatile.

Mr. Speaker, today we should reject this misguided budget.

The SPEAKER pro tempore. Pursuant to House Resolution 136, the previous question is ordered.

The question is on the conference report.

Pursuant to clause 10 of rule XX, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 221, nays 207, not voting 4, as follows:

[Roll No. 104]

YEAS—221

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Condit
Cooksey
Cox
Cramer
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof

Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—207

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Gephardt
Gonzalez
Gordon
Green (TX)
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Hall (OH)
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Hefley
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Hinchey
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Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
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Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
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McCollum
McDermott
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McNulty
Meehan
Meek (FL)
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Menendez
Millender-McDonald
Miller, George
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Moakley
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Smith (WA)
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Taylor (MS)
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Watt (NC)
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Weiner
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Woolsey
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NOT VOTING—4

Cubin
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Stump

□ 1402

Mr. SHERMAN changed his vote from "yea" to "nay."

Mr. TOOMEY changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. STUMP. Madam Speaker, it was unfortunately not possible for me to be in Washington, D.C. today.

Had I been present and voting, I would have voted "yea" on rollcall No. 103, the rule providing for the consideration of the Budget Resolution for Fiscal Year 2002 Conference Report and "yea" on rollcall No. 104, approving the Budget Resolution for Fiscal Year 2002 Conference Report.

COMMENDING STAFF OF COMMITTEE ON THE BUDGET

(Mr. NUSSLE asked and was given permission to address the House for 1 minute.)

Mr. NUSSLE. Madam Speaker, I rise to thank the Members who supported the conference report first of all, but most especially I would like to thank the staff of the Committee on the Budget, both majority and minority, Rich Meade and Jim Bates from the majority side, Tom Kahn from the minority side, and others who worked so hard to get us to this point. It is a huge task, a huge undertaking to put all of this together in the time that is allotted. Both sides deserve a lot of credit for the work that they do.

Mr. SPRATT. Madam Speaker, will the gentleman yield?

Mr. NUSSLE. I yield to the gentleman from South Carolina.

Mr. SPRATT. I simply want to underscore what my counterpart, the chairman of the committee, is saying. We do the talking; our staffs do the arduous analytical work and all the document preparation, working long, long hours to meet this peak-period requirement. They do an enormous job and do an excellent job as well on both sides. I think this commendation of the staff on both sides of the aisle is entirely appropriate and well in order. I thank the gentleman very much for doing so.

Mr. NUSSLE. I thank the gentleman.

GENERAL LEAVE

Mr. NUSSLE. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore (Mrs. BIGGERT). Is there objection to the request of the gentleman from Iowa?

There was no objection.

PERMISSION FOR MEMBER TO REVISE REMARKS

Mr. FROST. Madam Speaker, I ask unanimous consent to revise my statement made on the consideration of the rule today to make it in compliance with the precedents of the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 581, WILDLAND FIRE MANAGEMENT ACT

Mr. HASTINGS of Washington. Madam Speaker, by direction of the Committee on Rules, I call up House Resolution 135 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 135

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 581) to authorize the Secretary of the Interior and the Secretary of Agriculture to use funds appropriated for wildland fire management in the Department of the Interior and Related Agencies Appropriations Act, 2001, to reimburse the United States Fish and Wildlife Service and the National Marine Fisheries Service to facilitate the interagency cooperation required under the Endangered Species Act of 1973 in connection with wildland fire management. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with section 311 of the Congressional Budget Act of 1974 are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Resources. After general debate the bill shall be considered for amendment under the five-minute rule. The bill shall be considered as read. All points of order against provisions in the bill are waived. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII. Amendments so printed shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Washington (Mr. HASTINGS) is recognized for 1 hour.

Mr. HASTINGS of Washington. Madam Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. FROST), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Madam Speaker, House Resolution 135 is an open rule providing for consideration of the bill H.R. 581, the Wildland Fire Management Act. The rule waives section 311 of the Congressional Budget Act of 1974 against consideration of the bill and provides for 1 hour of general debate equally divided and controlled by the chairman and ranking member of the Committee on Resources.

The rule further provides that the bill shall be open for amendment at any point and waives all points of order against the bill. Finally, the rule authorizes the Chair to accord priority in recognition to Members who have preprinted their amendments in the CONGRESSIONAL RECORD, and provides one motion to recommit, with or without instructions.

Madam Speaker, the Wildland Fire Management Act would authorize the Secretary of the Interior and the Secretary of Agriculture to use funds appropriated for wildland fire management in the Department of the Interior and Related Agencies Appropriations Act of 2001 to reimburse several Federal agencies for costs associated with the interagency cooperation required under the Endangered Species Act when managing wildland fires.

In response to devastating fire seasons in 1999 and 2000, Congress appropriated $2.9 billion to reimburse funds borrowed by agencies for wildfire emergency suppression efforts, to rehabilitate and restore damaged lands and waters, to increase wildfire fighting readiness, and to provide State and local community assistance.

Subsequently, however, the U.S. Forest Service requested legislation to clarify that funds appropriated under the National Fire Plan can also be used for reviews of fire management plans required under the Endangered Species Act. Accordingly, H.R. 581 was introduced by the gentleman from Colorado (Mr. HEFLEY) in February of this year, and it was reported favorably by the Committee on Resources without amendment on March 28, 2001.

The Congressional Budget Office estimates that enacting H.R. 581 would increase direct spending by $3 million in 2001 and decrease direct spending by the same amount in 2002. Because the bill would affect direct spending, pay-as-you-go procedures would apply. Members should also be advised that the bill contains no governmental or private sector mandates as defined in the Unfunded Mandates Reform Act.

Madam Speaker, I am pleased that, consistent with the request of the gentleman from Utah (Mr. HANSEN), the Committee on Rules has reported an open rule on this bill so that Members wishing to offer amendments may have every opportunity to do so.

As the fire season out West approaches, those of us who represent western States are particularly aware of the need for a coordinated Federal approach to wildfire suppression. The gentleman from Colorado's bill would certainly advance that important goal. Accordingly, I encourage my colleagues to support both the rule and the underlying bill, H.R. 581.

Madam Speaker, I reserve the balance of my time.

Mr. FROST. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, H.R. 581, the Wildland Fire Management Act, is a worthy legislative proposal which will facilitate Federal interagency cooperation in the control and abatement of wildland fires and fuel load reduction. The Committee on Rules has reported an open rule and Democratic members of the committee have no objections. We would like to point out, however, this noncontroversial bill could have been considered under suspension but is being brought to the floor today to serve as filler in order to give the House some business to conduct.

Madam Speaker, I reserve the balance of my time.

Mr. HASTINGS of Washington. Madam Speaker, I am pleased to yield 2 minutes to the gentleman from Colorado (Mr. HEFLEY), the sponsor of the bill.

Mr. HEFLEY. Madam Speaker, I stand in strong support of the rule and thank the gentleman from Washington (Mr. HASTINGS) and the gentleman from Texas (Mr. FROST) for their work in crafting this rule.

H.R. 581 is a noncontroversial, I believe, and a nonpartisan bill that is strongly supported by the administration. It deserves our immediate consideration and support.

It is imperative, especially for those of us who represent districts in the West and Northwest, that the U.S. Forest Service be able to transfer national fire program funds as soon as possible to the U.S. Fish and Wildlife Service and National Marine Fisheries Service so that they can complete their consultation requirements under the Endangered Species Act. Once this work is complete, the Forest Service will have the opportunity to reduce dangerous high levels of fuel load.

I urge adoption of the rule.

Mr. FROST. Madam Speaker, I yield back the balance of my time.

Mr. HASTINGS of Washington. Madam Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GREAT FALLS HISTORIC DISTRICT STUDY ACT OF 2001

Mr. HEFLEY. Madam Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 146) to authorize the Secretary of the Interior to study the suitability and feasibility of designating the Great Falls Historic District in Paterson, New Jersey, as a unit of the National Park System, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

Mr. RAHALL. Madam Speaker, reserving the right to object, and I will not object, I yield to the gentleman from Colorado for purposes of explaining the legislation.

□ 1415

Mr. HEFLEY. Madam Speaker, H.R. 146, as introduced by the gentleman from New Jersey (Mr. PASCRELL), would authorize the Secretary of the Interior to study the suitability and feasibility of designating the Great Falls Historic District in Paterson, New Jersey as a unit of the National Park Service. Designed by Alexander Hamilton and Pierre L'Enfant in 1791, the Great Falls District is one of the earliest industrial centers of America and was once considered the manufacturing center of the United States. At 77 feet, the Great Falls is the second highest waterfall on the East Coast, second only to Niagara Falls.

Madam Speaker, H.R. 146, I believe, is not controversial. It has strong support from State and local officials, the residents of Paterson and the surrounding communities, and I urge my colleagues to support H.R. 146.

Mr. RAHALL. Madam Speaker, continuing on my reservation, I yield to the distinguished gentleman from New Jersey (Mr. PASCRELL), the former mayor of Paterson, New Jersey, and a valued member of my other committee, the Committee on Transportation and Infrastructure.

Mr. PASCRELL. Madam Speaker, first I would like to thank the gentleman from Utah (Mr. HANSEN) and the gentleman from West Virginia (Mr. RAHALL) for this legislation. This is very significant legislation in New Jersey and for the United States. The Great Falls Historic District possesses an historic significance that makes it an area to be preserved and treasured. I thank the gentleman for describing what this district is all about.

The Falls and the surrounding neighborhoods really represent the genesis of the American economic miracle, and increasing the presence of the National Park Service will give the area the attention and resources it rightfully needs.

These Falls represent our city, its people and all of its potential. This place can be a real destination that will create jobs, grow businesses and bring people from all over. We cannot put a velvet rope around the district. We must make it a living, breathing attraction that will celebrate our past.

In conclusion, I will steal the words of the National Park Service in the Design Guidelines created for the Great Falls Historic District in 1999. "The district bears eloquent testimony to the astounding feats of engineering and construction, to ingenious manufacturers, and to the courage, creativity and drudgery of untold lives spent within the mills. It is also about the human propensity to harness the forces of nature, to put water and gravity and stone to work. The district retains the sense of having been one large factory driven by one powerful engine, an image completely consistent with Hamilton's vision of a centralized national manufactory."

Mr. RAHALL. Madam Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mrs. MORELLA). Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the bill, as follows:

H.R. 146

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Great Falls Historic District Study Act of 2001".

SEC. 2. NATIONAL PARK SERVICE STUDY REGARDING GREAT FALLS HISTORIC DISTRICT, PATERSON, NEW JERSEY.

(a) DEFINITIONS.—In this section:

(1) GREAT FALLS HISTORIC DISTRICT.—The term "Great Falls Historic District" means the Great Falls Historic District in the city of Paterson, New Jersey, established as an historic district by section 510 of the Omnibus Parks and Public Lands Management Act of 1996 (Public Law 104–333; 110 Stat. 4158; 16 U.S.C. 461 note).

(2) SECRETARY.—The term "Secretary" means the Secretary of the Interior, acting through the Director of the National Park Service.

(b) STUDY.—As soon as practicable after funds are made available to carry out this section, the Secretary shall commence a study regarding the suitability and feasibility of further recognizing the historic and cultural significance of the lands and structures of the Great Falls Historic District through the designation of the Great Falls Historic District as a unit of the National Park System.

(c) STUDY PROCESS AND COMPLETION.—Section 8(c) of Public Law 91–383 (16 U.S.C. 1a–5(c)) shall apply to the study required by this section.

(d) SUBMISSION.—The Secretary shall submit to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report describing the results of the study.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANIMAL DISEASE RISK ASSESSMENT, PREVENTION, AND CONTROL ACT OF 2001

Mr. EVERETT. Madam Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 700) to establish a Federal interagency task force for the purpose of coordinating actions to prevent the outbreak of bovine spongiform encephalopathy (commonly known as "mad cow disease") and foot-and-mouth disease in the United States, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 700

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Animal Disease Risk Assessment, Prevention, and Control Act of 2001".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) it is in the interest of the United States to maintain healthy livestock herds;

(2) managing the risks of foot and mouth disease, bovine spongiform encephalopathy, and related diseases in the United States may require billions of dollars for remedial activities by consumers, producers, and distributors of livestock, and animal, and blood products;

(3) the potential introduction of those diseases into the United States would cause devastating financial losses to—

(A) the agriculture industry and other economic sectors; and

(B) United States trade in the affected animals and animal products;

(4) foot and mouth disease is a severe and highly contagious viral infection affecting cattle, deer, goats, sheep, swine, and other animals;

(5) the most effective means of eradicating foot and mouth disease is by the slaughter of affected animals;

(6) while foot and mouth disease was eradicated in the United States in 1929, the virus could be reintroduced by—

(A) a single infected animal, an animal product, or a person carrying the virus;

(B) an act of terrorism; or

(C) other means;

(7) once introduced, foot and mouth disease can spread quickly through—

(A) exposure to aerosols from infected animals;

(B) direct contact with infected animals; and

(C) contact with contaminated feed, equipment, or humans harboring the virus or carrying the virus on their clothing;

(8) foot and mouth disease is endemic to more than ⅔ of the world and is considered to be widespread in parts of Africa, Asia, Europe, and South America;

(9) foot and mouth disease occurs in over 7 different serotypes and 60 subtypes;

(10) as foot and mouth disease outbreaks have occurred, the United States has banned the importation of live ruminants and swine and many animal products from countries affected by foot and mouth disease;

(11) recently, the United States has implemented bans in response to outbreaks in Argentina, the European Union, and Taiwan;

(12) although United States exclusion programs have been successful at keeping foot and mouth disease out of the United States since 1929, recent outbreaks in Argentina, the European Union, and Taiwan are placing an unprecedented strain on our animal health system;

(13) bovine spongiform encephalopathy is a transmissible, neuro-degenerative disease found in cattle;

(14) in cattle with bovine spongiform encephalopathy, the active agent is found primarily in the brain and spinal cord and has not been found in commonly consumed beef products;

(15) bovine spongiform encephalopathy is thought to have an incubation period of several years but is ultimately fatal to cattle within weeks of onset of the active disease;

(16) bovine spongiform encephalopathy was first widely found in 1986 in cattle in the United Kingdom;

(17) bovine spongiform encephalopathy-carrying cattle have been found in cattle in Belgium, Denmark, France, Germany, Ireland, Italy, Liechtenstein, Luxembourg, the Netherlands, Portugal, Spain, and Switzerland;

(18) cattle infected with bovine spongiform encephalopathy originating from the United Kingdom have been found and intercepted in Canada;

(19) since 1989, the Secretary of Agriculture has prohibited the importation of live grazing animals from countries where bovine spongiform encephalopathy has been found in cattle;

(20) other products derived from grazing animals, such as blood meal, bonemeal, fat, fetal bovine serum, glands, meat-and-bone meal, and offal, are prohibited from entry, except under special conditions or under permits issued by the Secretary of Agriculture for scientific or research purposes;

(21) on December 12, 1997, the Secretary of Agriculture extended those restrictions to include all countries in Europe because of concerns about widespread risk factors and inadequate surveillance for bovine spongiform encephalopathy;

(22) on December 7, 2000, the Secretary of Agriculture prohibited all imports of rendered animal protein products from Europe;

(23) Creutzfeldt-Jacob disease is a human spongiform encephalopathy;

(24) on March 20, 1996, the Spongiform Encephalopathy Advisory Committee of the United Kingdom announced the identification of 10 cases of a new variant of Creutzfeldt-Jacob disease;

(25) all 10 patients developed onsets of the disease in 1994 or 1995;

(26) scientific experts (including scientists at the Department of Agriculture, the Department of Health and Human Services, and the World Health Organization) are studying the possible link (including potential routes of transmission) between bovine spongiform encephalopathy and variant Creutzfeldt-Jacob disease;

(27) from October 1996 to December 2000, 87 cases of variant Creutzfeldt-Jacob disease have been reported in the United Kingdom, 3 cases in France, and 1 case in Ireland; and

(28) to reduce the risk of human spongiform encephalopathies in the United States, the Commissioner of Food and Drugs has—

(A) banned individuals who lived in Great Britain for at least 180 days since 1980 from donating blood in the United States; and

(B) established regulations that prohibit the feeding of most animal-derived proteins to grazing animals.

(b) Purpose.—The purpose of this Act is to provide the people of the United States and Congress with information concerning—

(1) actions by Federal agencies to prevent foot and mouth disease, bovine spongiform encephalopathy, and related diseases;

(2) the sufficiency of legislative authority to prevent or control foot and mouth disease, bovine spongiform encephalopathy, and related diseases in the United States;

(3) the economic impacts associated with the potential introduction of foot and mouth disease, bovine spongiform encephalopathy, and related diseases into the United States; and

(4) the risks to public health from possible links between bovine spongiform encephalopathy and other spongiform encephalopathies to human illnesses.

SEC. 3. REPORT TO CONGRESS.

(a) Preliminary Report.—

(1) In general.—Not later than 30 days after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committees and Subcommittees described in paragraph (2) a preliminary report concerning—

(A) coordinated interagency activities to assess, prevent, and control the spread of foot and mouth disease and bovine spongiform encephalopathy in the United States;

(B) sources of information from the Federal Government available to the public on foot and mouth disease and bovine spongiform encephalopathy; and

(C) any immediate needs for additional legislative authority, appropriations, or product bans to prevent the introduction of foot and mouth disease or bovine spongiform encephalopathy into the United States.

(2) Submission of report to congress.—The Secretary shall submit the preliminary report to—

(A) the Committee on Agriculture of the House of Representatives;

(B) the Committee on Agriculture, Nutrition, and Forestry of the Senate;

(C) the Subcommittee on Agriculture, Rural Development, and Related Agencies of the Committee on Appropriations of the Senate; and

(D) the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies of the Committee on Appropriations of the House of Representatives.

(b) Final Report.—

(1) In general.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committees and Subcommittees described in subsection (a)(2) a final report that—

(A) discusses the economic impacts associated with the potential introduction of foot and mouth disease, bovine spongiform encephalopathy, and related diseases into the United States;

(B) discusses the potential risks to public and animal health from foot and mouth disease, bovine spongiform encephalopathy, and related diseases; and

(C) provides recommendations to protect the health of animal herds and citizens of the United States from those risks including, if necessary, recommendations for additional legislation, appropriations, or product bans.

(2) Contents.—The report shall contain—

(A) an assessment of the risks to the public presented by the potential presence of foot and mouth disease, bovine spongiform encephalopathy, and related diseases in domestic and imported livestock, livestock and animal products, wildlife, and blood products;

(B) recommendations to reduce and manage the risks of foot and mouth disease, bovine spongiform encephalopathy, and related diseases;

(C) any plans of the Secretary to identify, prevent, and control foot and mouth disease, bovine spongiform encephalopathy, and related diseases in domestic and imported livestock, livestock products, wildlife, and blood products;

(D) a description of the incidence and prevalence of foot and mouth disease, bovine spongiform encephalopathy, variant Creutzfeldt-Jacob disease, and related diseases in other countries;

(E) a description and an analysis of the effectiveness of the measures taken to assess, prevent, and control the risks of foot and mouth disease, bovine spongiform encephalopathy, variant Creutzfeldt-Jacob disease, and related diseases in other countries;

(F) a description and an analysis of the effectiveness of the measures that the public, private, and nonprofit sectors have taken to assess, prevent, and control the risk of foot and mouth disease, bovine spongiform encephalopathy, and related diseases in the United States, including controls of ports of entry and other conveyances;

(G) a description of the measures taken to prevent and control the risk of bovine spongiform encephalopathy and variant Creutzfeldt-Jacob disease , transmission through blood collection and transfusion;

(H) a description of any measures (including any planning or managerial initiatives such as interagency, intergovernmental, international, and public-private sector partnerships) that any Federal agency plans to initiate or continue to assess, prevent, and control the spread of foot and mouth disease, bovine spongiform encephalopathy, variant Creutzfeldt-Jacob disease, and related diseases in the United States and other countries;

(I) plans by Federal agencies (including the Centers for Disease Control and Prevention)—

(i) to monitor the incidence and prevalence of the transmission of foot and mouth disease, bovine spongiform encephalopathy, variant Creutzfeldt-Jacob disease, and related diseases in the United States; and

(ii) to assess the effectiveness of efforts to prevent and control the spread of foot and mouth disease, bovine spongiform encephalopathy, variant Creutzfeldt-Jacob disease, and related diseases in the United States;

(J) plans by Federal agencies (including the Agricultural Research Service, the Cooperative State Research, Education, and Extension Service, and the National Institutes of Health) to carry out, in partnership with the private sector—

(i) research programs into the causes and mechanism of transmission of foot and mouth disease and bovine spongiform encephalopathy; and

(ii) diagnostic tools and preventive and therapeutic agents for foot and mouth disease, bovine spongiform encephalopathy, variant Creutzfeldt-Jacob disease, and related diseases;

(K) plans for providing appropriate compensation for affected animals in the event of the introduction of foot and mouth disease, bovine spongiform encephalopathy, or related diseases into the United States; and

(L) recommendations to Congress for legislation that will improve efforts to assess, prevent, or control the transmission of foot and mouth disease, bovine spongiform encephalopathy, variant Creutzfeldt-Jacob disease, and related diseases in the United States and in other countries.

(c) Consultation.—

(1) Preliminary report.—In preparing the preliminary report under subsection (a), the Secretary shall consult with—

(A) the Secretary of the Treasury

(B) the Secretary of Commerce;

(C) the Secretary of State;

(D) the Secretary of Health and Human Services;

(E) the Secretary of Defense;

(F) the United States Trade Representative;

(G) the Director of the Federal Emergency Management Agency; and

(H) representatives of other appropriate Federal agencies;

(2) Final report.—In preparing the final report under subsection (b), the Secretary shall consult with—

(A) the individuals listed in paragraph (1);

(B) private and nonprofit sector experts in infectious disease, research, prevention, and control;

(C) international, State, and local governmental animal health officials;

(D) private, nonprofit, and public sector livestock experts;

(E) representatives of blood collection and distribution entities; and

(F) representatives of consumer and patient organizations and other interested members of the public.

Mr. STENHOLM. Madam Speaker, I rise today in support of this bill that deals with two, separate, animal health issues facing our nation. While Foot and Mouth Disease and BSE, commonly called "Mad Cow" disease, are not related, they are both concerns to agricultural producers and citizens of this Nation. We are thankful that our efforts have successfully prevented the introduction of either of these diseases into the United States and we all want to work to maintain our disease-free status.

I am hopeful that reports and the coordination encouraged by this bill will help to keep us free from both these diseases. The U.S. Department of Agriculture has done an excellent job thus far, but I hope that increased thought and coordination will help to make our efforts even better.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. EVERETT. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 700, the Senate bill just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

WILDLAND FIRE MANAGEMENT ACT

The SPEAKER pro tempore (Mr. MICA). Pursuant to House Resolution 135 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 581.

□ 1423

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 581) to authorize the Secretary of the Interior and the Secretary of Agriculture to use funds appropriated for the wildland fire management in the Department of the Interior and Related Agencies Appropriations Act, 2001, to reimburse the United States Fish and Wildlife Service and the National Marine Fisheries Service to facilitate the interagency cooperation required under the Endangered Species Act of 1973 in connection with wildland fire management, with Mrs. MORELLA in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Colorado (Mr. HEFLEY) and the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN) each will control 30 minutes.

The Chair recognizes the gentleman from Colorado (Mr. HEFLEY).

Mr. HEFLEY. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I introduced H.R. 581 to assist the U.S. Forest Service in expediting the transfer of funds from the Service to other Federal agencies for critical and necessary interagency consultation activities in connection with wildland fire management.

H.R. 581 is simply a technical fix to clarify that funds appropriated in the 2001 Interior and Related Agencies Appropriation Act for wildland fire management may be transferred to the U.S. Fish and Wildlife Service and the National Marine Fisheries Service to reimburse those agencies for the fuel load reduction consultation activities required by section 7 of the Endangered Species Act.

Madam Chairman, the fiscal 2001 Interior Appropriations Act appropriated $2.9 billion towards the National Fire Plan in response to the devastating 1999 and 2000 fire seasons. The $2.9 billion which was appropriated, which included $1.6 billion designated as emergency contingent funding, is administered by the Department of Interior and the Forest Service. Included in the plan are funds specifically directed for reducing fuel load. However, before fuel loads can be reduced, the Forest Service must meet existing laws, including the Endangered Species Act.

Among the goals of the National Fire Plan are: to build firefighting readiness, to be better prepared to fight wildland fires; to reduce hazardous fuels, to invest in projects to reduce the fire risk; to restore fire-impacted sites, to restore landscapes damaged by fire; to protect communities, to concentrate efforts in the wildland-urban interface; and to assure accountability and track accomplishments of the plan.

Decades of excluding fire from our forests and past management practices have drastically changed the ecological condition of western forests and rangelands and dramatically affected fire behavior. A century ago when low-intensity, high-frequency fires were commonplace, many forests were less dense and had larger, more fire-resistant trees. Over the last century, the number of trees has increased dramatically and composition of our forests has changed from primarily fire-resistant tree species to more species that are nonresistant to fire.

Madam Chairman, the fire ecologists point out the paradox in which we now find ourselves in terms of fire suppression: The more effective we become at fire suppression, the more fuels accumulate and ultimately create conditions for the occurrence of more intense fires, such as those we in the West have experienced the last 2 years.

To illustrate my point, here is a statistic to think about: In the early 1930s, the annual acreage burned by wildfires in the lower 48 States was about 40 million acres a year. By the late 1950s, we were effectively controlling fires at less than 5 million acres per year. Through the 1970s and much of the 1980s, the annual acreage burned by wildfires in the lower 48 States stayed at about the same levels, but in 1988 and again in the late 1990s we had severe seasons, burning close to 10 million acres each year.

Experts predict that future fire seasons will be similar to last year's devastation.

Reversing the effects of a century of aggressive fire suppression and past management practices will take time and money targeted to high-priority areas to protect people, communities, readily-accessible municipal watersheds, and habitat for threatened and endangered species. The most at-risk areas are those wildland-urban interface zones represented by areas with increased residential development in fire-prone areas adjacent to Federal land.

With continuing drought in the western and southern United States, we are facing the threat of another possibly horrendous and catastrophic wildfire season. It is important that H.R. 581 proceed expeditiously to launch the multiagency fire prevention initiative needed to ward off another devastating wildfire season.

The funds made available in this bill to the Fish and Wildlife Services and the National Marine Fisheries Services will enable the Forest Service and Bureau of Land Management to proceed with their fire management program, as intended by the 2001 Appropriations Act. The bill will not affect other aspects of the National Fire Plan.

Lastly, Madam Chairman, H.R. 581, I do not believe, is controversial. It is nonpartisan and it is supported by the administration. It is also reported by unanimous consent from the Committee on Resources. So I would urge an aye vote on H.R. 581.

Madam Chairman, I reserve the balance of my time.

Mrs. CHRISTENSEN. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, H.R. 581 was introduced, as we heard, by the gentleman from Colorado (Mr. HEFLEY) from the Committee on Resources and our esteemed chairman of the Subcommittee on National Parks, Recreation, and Public Lands.

The legislation authorizes the Secretary of the Interior and the Secretary of Agriculture to use funds appropriated for wildland fire management in the fiscal year 2001 Interior Appropriations Act to reimburse the U.S. Fish and Wildlife Service and the National Marine Fisheries Service for the costs of carrying out the responsibilities under the Endangered Species Act in connection with wildland fire management activities.

□ 1430

The legislation is necessary because without such reimbursement authority, the U.S. Fish and Wildlife Service and the National Marine Fisheries Service would be required to carry out their endangered species responsibilities related to wildland fire management activities using their existing resources. The effect of this would be potentially to delay important fire management projects.

Although no hearings were held on this measure, the Committee on Resources favorably recommended the bill to the House by voice vote. The technical change made by the legislation will help facilitate completion of environmental compliance for wildland fire projects in a timely manner. I think that is something we can and should support seeing happen.

Making sure that wildland fire management activities are done in an environmentally sound manner is a key element of the national wildland fire plan. It is a policy that will yield long-term benefits for both humans and nature.

Madam Chairman, H.R. 581 is a noncontroversial measure supported by all interested parties. I appreciate the leadership of the gentleman from Colorado (Mr. HEFLEY) on this matter, as well as that shown by the bill cosponsors, the gentleman from Colorado (Mr. UDALL) and the gentleman from New Mexico (Mr. UDALL). I support the bill as well, and favor its adoption by the House today.

Madam Chairman, I yield such time as he may consume to the gentleman from New Mexico (Mr. UDALL).

Mr. UDALL of New Mexico. Madam Chairman, I rise in support of H.R. 581. This bill allows us to use wildland fire funds to deal with endangered species issues, and it does so in a very responsible way.

This is a win-win for everyone. It is a responsible piece of environmental legislation. The National Fire Plan will move forward on an expedited basis, thereby protecting our communities and their watersheds. The U.S. Fish and Wildlife Service will have the essential tools and resources to resolve issues related to overall ecosystem health.

I want to applaud the gentleman from Colorado (Chairman HEFLEY) and the ranking member, the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN), for their hard work and leadership on this issue. I urge all of my colleagues to vote for this bill.

Madam Chairman, the Wildland Fire Management Act, H.R. 581, provides the Secretary of the Interior and the Secretary of Agriculture legal authority to use wildland fire management funds for reimbursement of costs associated with Endangered Species Act compliance.

The strategy of the National Fire Plan is to identify ecosystem health issues in a manner that protects our communities. I support the National Fire Plan and believe it is a significant step in addressing a complex problem.

To support the implementation of the National Fire Plan, the Departments of the Interior and Agriculture attempted to transfer funds to the U.S. Fish and Wildlife Service and the National Marine Fisheries Service in support of administering the Endangered Species Act.

On December 26, 2000, however, the USDA Office of the General Council (OGC) rendered a formal opinion eliminating the use of the Economy Act as the vehicle for transferring to other agencies funds that were originally appropriated in FY 2001 to the Forest Service for ESA consultation in implementing the National Fire Plan. Thus, the wildland fire management agencies were forced to identify other alternatives to meet ESA requirements.

Moreover, on January 10, 2001, the deputy chiefs of the USDA Forest Service wrote to their field units about the importance of implementing the National Fire Plan. In the letter, they recommended the Plan be a top priority because consultation for activities such as fuels management is critical to achieving success on the ground and to the establishment of a long-term program. The letter outlined several options to keep the agency moving forward. However, there is still concern that a lack of funding for ESA consultations will slow down the approval of all wildland fire projects.

The intent of H.R. 581 is to allow the federal agencies to do their job, implement the National Fire Plan, and keep the agencies moving forward. This bill is consistent with the National Fire Plan's goal of assigning the highest priority for hazardous fuels reduction to communities at risk, readily accessible municipal watersheds, threatened and endangered species habitat, and other important local features, where conditions favor uncharacteristically intense fires.

In conclusion, the National Fire Plan is a step in the right direction. The fires of 2000 underscored the importance of pursuing an aggressive program that addresses the fuels problem by encouraging collaboration between local communities, state governments, and Tribal, and federal agencies. In fact, the Report to the President In Response to the Wildfires of 2000, issued by the Departments of Agriculture and the Interior, stated that funding would be available to support Endangered Species Act consultation work by the U.S. Fish and Wildlife Service and the National Marine Fisheries Service. H.R. 581 ensures that a mechanism is in place to do just that. I therefore strongly urge my colleagues to support this measure.

Mrs. CHRISTENSEN. Madam Chairman, I yield such time as he may consume to the gentleman from Colorado (Mr. UDALL).

Mr. UDALL of Colorado. Madam Chairman, I want to thank the gentlewoman from the Virgin Islands for yielding me time.

Madam Chairman, I rise in support of this important legislation introduced by my colleague, the gentleman from Colorado (Mr. HEFLEY). I commend the gentleman for his leadership in this regard. I also note with pride that he and I last year introduced a piece of legislation specifically targeted at the State of Colorado to deal with the red zone situation that we face there, the urban wildland interface, and my pride is because much of what is in the National Fire Plan includes some the ideas and sections of our legislation from last year.

The legislation provides that the United States Forest Service can use National Fire Plan monies to undertake Endangered Species Act studies. In the end, this will ensure that projects comply with the Endangered Species Act so we can reduce fuel loads, return our forests to a healthier condition and minimize the potential for catastrophic fire this year and in years to come.

So, in short, I urge the House to promptly pass this legislation to forestall problems and to keep the fire plan both on track and on a sound legal and environmental footing.

Madam Chairman, I thank again the gentlewoman from the Virgin Islands.

Madam Chairman, an original cosponsor, I rise in support of this bill and I congratulate my colleague from Colorado, Mr. HEFLEY, for his leadership in introducing it.

This is an important bill, Mr. Speaker, but it is not complicated or controversial. It was passed by the Resources Committee by a unanimous voice vote and could well have been considered under suspension rather than being brought up under a rule.

As has already been explained, the bill deals with funds provided to the Forest Service and the Bureau of Land Management to implement the new national fire plan established and funded in last year's Interior appropriations bill.

The bill makes clear that fire plan funds can be transferred to the Fish and Wildlife Service and the National Marine Fisheries Service.

The purpose of that is to enable those agencies to make sure the requirements of the Endangered Species Act are met in connection with fuel-reduction and other projects that are part of the fire plan.

This is completely consistent with the intent of the legislation establishing the fire plan. But the Agriculture Department's lawyers think the current wording of the legislation does not permit the transfer of funds from the Forest Service to the other agencies for that purpose.

So, the bill does not establish a new policy—it merely makes clear what was intended when the fire plan was enacted last year.

We definitely need to press forward with the important work of reducing the risk of catastrophic wildfires in the areas where our communities border on forest lands.

But it is just as important that this be done in a way that fully complies with the requirements of the Endangered Species Act and all the other environmental laws—and this bill will help make sure that occurs.

This is very significant for everyone in Colorado and in other western States.

Across Colorado—and across the west—rapid population growth means that more and more communities are pressing against and into our forest lands.

That means our state has a large "urban interface"—what in Colorado we refer to as the "red zone." That is the area where forest fires present the greatest dangers to people's lives and homes.

The fire plan focuses on that "urban interface," and that is where it will be implemented through projects to reduce the danger by reducing the buildup of brush and other fuels that has resulted from policies that suppressed the normal role of fire in the ecosystem.

Of course, this danger of forest fires in the "red zone" is not new. But last year we got a wake-up call about it—and so did the rest of the county. That was what led to enactment of the fire-plan legislation.

It also was what had earlier led me to introduce a bill to address the problem in Colorado.

That bill was cosponsored by my colleague, Mr. HEFLEY, and by Representatives DEGETTE and TANCREDO as well.

Our bill had many similarities to the legislation that set up the national fire plan. But it would have applied only to Colorado—and it had some other significant differences, too.

For one thing, our bill emphasized public involvement by providing for setting up a committee—representing a broad spectrum of interests—to establish priorities for use of funds.

And our bill specifically provided that fuel-reduction projects would have to meet some essential guidelines.

Like the fire-plan legislation, our bill required compliance with the Endangered Species Act and other environmental laws.

It also specified that projects could not be performed in Congressionally-designated wilderness areas and that roadless areas would have to be protected.

And, notably, our bill included a specific limit on the size of trees that could be removed as part of a fuel-reduction project.

That idea—a cutting limit based on tree size—drew many comments from people holding differing views about the use of mechanical thinning to reduce fire risks.

Some people do not support removal of trees as big as our bill would have allowed, or perhaps of trees of any size. Others see any specific limit as both arbitrary and too restrictive.

I respect the sincerity of both those points of view. However, I think our bill struck an appropriate balance and represented a legitimate starting point for legislative action.

The bill recognized that where the risk of catastrophic wildfires comes from overly-dense vegetation, it is because of the build-up of small-sized materials.

It also reflected the fact that cutting larger trees often can lead to more severe fires, for a variety of reasons, and can also have other adverse effects.

The limit in our bill also reflected the fact that cutting larger trees is controversial—especially when the larger trees may have commercial value.

It is simple fact that some will see the inclusion of larger trees as evidence that a project ostensibly aimed at reducing the risk of fire is really intended to be a commercial undertaking, by the Forest Service and by industry.

This could lead to challenges that would unnecessarily complicate necessary projects that were otherwise not controversial.

In short, both on the scientific merits and for reasons of public acceptability, I thought—and I still think—that there should be limits on the scope of these projects, of the kind that would have been set by our bill.

That is why last year, after enactment of the legislation setting up the national fire plan, I initiated a letter—ultimately also signed by 25 other Members of the House—to the Secretary of Agriculture and the Secretary of the Interior urging that the fire plan be implemented under appropriate safeguards and conditions.

I later received a response from the Deputy Chief of the Forest Service for State and Private Forestry, stating that the Agriculture Department shares the concerns expressed in our letter and outlining how those concerns will be addressed in the implementation of the national fire plan.

At the end of my remarks, I will attach both of these letters for inclusion in the RECORD.

In conclusion, Madam Chairman, in Colorado's "red zone" and other areas covered by the national fire plan, there are very real risks to people, property and the environment—some of them resulting from past fire-management policies.

It is important that we respond to those risks—and that is why I support the national fire plan.

But it is also important that the need to respond to those risks is not misused as a convenient rationale for projects that do not meet proper standards.

That's why the fire-plan projects should reflect public involvement. That's why the projects need to be based on sound science. And that's why the projects need to be completely consistent with applicable environmental laws.

Enacting this bill will be an important step in that direction—because, as I said, the purpose of this bill is to make sure the projects comply with the Endangered Species Act.

So, I urge the House to promptly pass this legislation, to forestall problems and to keep the fire plan both on track and on a sound legal and environmental footing.

CONGRESS OF THE UNITED STATES,
Washington, DC, October 20, 2000.

Hon. DAN GLICKMAN,
Secretary of Agriculture, Jamie L. Whitten Building, Washington, DC.

Hon. BRUCE BABBITT,
Secretary of the Interior, Department of the Interior, Washington, DC.

DEAR SECRETARY GLICKMAN AND SECRETARY BABBITT: As you know, the fiscal 2001 Interior and Related Agencies Appropriations Act provides important funding for work to restore federal lands damaged by large-scale forest fires and to lessen the risk of such fires in the future by reducing accumulations of fuels.

We support these objectives. However, in the past there have been efforts to use the "fuel reduction" label to justify environmentally-unsound timber sales and it is very important that pursuit of restoration and fuel reduction does not weaken sound land management or the protection of the environment. So, we urge you to make sure that these activities will be subject to appropriate safeguards and conditions.

Recent events have shown the importance of a scientifically sound fuels reduction program targeted to protect communities in the wildland/urban interface. However, the relevant language in the Interior appropriations bill does not spell out adequate environmental safeguards to protect wilderness, roadless areas, old growth forests, endangered species habitat, or riparian areas. Wilderness areas should be off-limits to fuels reduction by mechanical means, and appropriate conditions should be imposed to assure that mechanical fuel-reduction projects will not adversely affect old growth forests, roadless areas, endangered species habitat, or riparian areas.

In addition, we believe direction is needed to ensure that fuels reduction projects focus on the fine and surface fuels that create the greatest fire risks. We urge that the agencies be directed to develop ecologically-sound treatment criteria with an emphasis on underbrush and small-diameter trees.

The Interior bill also includes language providing the Administration with an option to develop expedited NEPA procedures within the next 60 days. We are strongly opposed to any weakening of the current NEPA procedures and public involvement in decision-making for fuels reduction projects. We respectfully urge the Administration to not exercise this authority to expedite NEPA procedures.

We also believe the funding increase for fuels reduction should be carefully targeted to protect communities at risk from wildfire. The need for fuel reduction is greatest in those areas where homes exist within or about forested areas—the wildland/urban interface or "red zones," and in particular in the areas closest to homes and communities. In many cases that means within 200 feet of homes or communities. We urge the Administration to prioritize emergency fuels reduction funds to support projects to reduce risks in these narrowly defined areas to the maximum extent practicable. In addition, we urge the Administration to support the Firewise program and other cooperative efforts for community protection in the wildland/urban interface.

There is a significant increase in funding for preparedness activities. We urge the Administration to make the completion of fire management plans the top priority for these funds. Currently only 5 percent of the National Forests have completed fire management plans which were mandated by the Fire Management Policy of 1995.

The Forest Service and BLM undoubtedly will be pressured to expedite fuel-reduction efforts by taking old projects, including timber sales, off the shelf regardless of whether they are environmentally sound fuels reduction projects. We urge that before funds under this program be allocated for any "old project," the projects first be reevaluated to make sure that they are consistent with the focus on fuels reduction rather than other objectives.

We have noted with some concern that the report to the President in response to this year's fires seems to identify "recovering some of the economic value of forest stands" as one reason for including removal of burned trees in restoration and fuel-reduction efforts. We think that salvage logging based in part on economic considerations should remain separate from fuels reduction.

We are also concerned that funds intended to address hazardous fuels issues in western forests will be diverted to eastern forests which do not have the same ecological needs. For example, conditions in the relatively moist Southern Appalachian forests naturally limit the spread of fire. Fuel reduction bears little relevance to the decline of native forest types, which is a major threat confronting the Southern Appalachians. We urge that emergency fuels reduction funds be used in the Forest Regions that are subject to the greatest risks—principally those in western States.

On a related point, the Interior bill authorizes the Forest Service to enter into an additional 25 "end-result" stewardship contracts. The "goods-for-services" authority allows the Forest Service to trade National Forest trees for contracted services and, if not subject to appropriate restrictions, could encourage large-scale logging in conjunction with restoration projects. We urge that in the fuels-reduction program the Forest Service be directed to place priority on use of appropriated funds rather than issuance of additional stewardship contracts under the fuels-reduction program and that all agencies be required to ensure that the protections discussed above are followed in any "goods-for-services" contracts to assure that these projects remain exclusively focused on fuels reduction purposes.

Finally, we appreciate that the Administration opposed and was able to remove from the Interior bill language to set excessive targets for timber sales. However, the statement of managers in the conference report still urges the Forest Service to prepare for sale 3.6 billion board feet of timber. This would represent a significant increase in timber sales above the current level of 2.1 billion board feet, and this timber targets language is backed up by a significant increase in funding for logging. The bill contains a $40 million increase in logging subsidies, including $5 million earmarked specifically for the Tongass National Forest. We are very concerned that this $40 million in additional logging subsidies could result in unsound timber sales on the National Forests. We urge that instead this unrequested increase in funding be used to mitigate environmental degradation by spending it on forest restoration through road decommissioning and obliteration.

If the fuels-reduction program is to bring real benefit, it must be implemented in a way that avoids the controversies, appeals, and litigation associated with significant increases in logging that degrade water quality and fish and wildlife habitat. We look forward to working with the Administration to avoid such results.

Sincerely,

Mark Udall, James Leach, George Miller, Cynthia McKinney, Lloyd Doggett, John Lewis, Frank Pallone, Jr., Barbara Lee, Fortney (Pete) Stark, Grace F. Napolitano, Edolphus Towns, Sam Gejdenson, Sander Levin, Bob Filner, Rush Holt, Earl Blumenauer, Bill Pascrell, Jr., Nancy Pelosi, Anna G. Eshoo, Maurice Hinchey, Sherrod Brown, Henry A. Waxman, Diana DeGette, Howard L. Berman, Ellen O. Tauscher, Michael R. McNulty.

DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, DC, February 6, 2001.

Hon. MARK UDALL,
House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR CONGRESSMAN UDALL: thank you for your October 20, 2000, letter from you and your colleagues, to former Secretary of Agriculture Dan Glickman regarding the Fiscal Year 2001 Interior and Related Agencies Appropriations Act.

The Department of Agriculture (USDA) shares your concerns about the implementation of the fuels reduction program. As directed in the Interior Appropriations Act, funds provided to reduce hazardous fuels will be focused in and around communities at risk. In these areas, protecting life and property from catastrophic wildfire will be the primary objective of the treatments. In complying with existing environmental laws, we will work closely with the treatments. In complying with existing environmental laws, we will work closely with the local communities to design and implement these treatments. I assure you that environmentally appropriate safeguards will be maintained throughout the planning and implementation efforts to restore lands damaged by recent wildland fires and to mitigate future wildland fire risks through fuel reduction projects.

The USDA Forest Service has developed the Cohesive Strategy, Protecting People and Sustaining Resources in Fire-Adapted Ecosystems—A Cohesive Strategy. A suite of Federal laws and regulations guide management of fire-related activities on those lands. They include the Organic Act, Clean Air Act, Clean Water Act, Endangered Species Act, and National Environmental Policy Act (NEPA), among others, that will ensure clean air, clean water, and biodiversity in fire-adapted ecosystems. Long-term sustainability is a consistent theme embodied within these laws. The Forest Service's efforts to reduce hazardous fuels compliment long-term sustainability and will fully comply with these laws and regulations. All Forest Service activities will be in full compliance with procedures established by the Council on Environmental Quality for implementation of NEPA.

The National Fire Plan is in response to Managing the Impact of Wildfires on Communities and the Environment, A Report to the President in Response to the Wildfires of 2000, which was submitted on September 8, 2000. The Plan discusses the Forest Service's strategy to remove excessive fuel through vegetative treatments and prescribed fire in order to protect communities at risk, help prevent insect and disease damage, and generally improve overall ecosystem health and sustainability. It also discusses how the Forest Service's locally-led, integrated teams should coordinate environmental reviews and consultations, facilitate and encourage public participation, and monitor and evaluate project implementation.

The 1995 Federal Wildland Fire Policy and Program Review reinforces the Forest Service's efforts to utilize the best available science that incorporates the role of fire in land, resource and fire management planning. Recently, the Agency requested a review of the 1995 Policy. The review found the basic policy sound. The review group made 11 recommendations, which were accepted by the Agency, on ecosystem sustainability, restoration, science, communication, and evaluation. As the Forest Service continues to implement this Policy, planning efforts will ensure that full environmental safeguards, as required by laws and policies, are more than adequate to address all concerns raised in your letter.

Thank you again for your thoughtful letter and expressing your concerns. Identical letters will be sent to your colleagues. I appreciate your continued support for our forest health and restoration program. Please do not hesitate to contact me at (202) 205–1657, if I can be of further assistance.

Sincerely,

MICHAEL T. RAINS,
Deputy Chief,
State and Private Forestry.

Mrs. CHRISTENSEN. Madam Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. HEFLEY. Madam Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Madam Chairman, I do have an amendment at the desk. At the conclusion of debate, I will just offer that amendment.

Madam Chairman, this is basically a buy-American amendment. I realize much of this money is to be transferred, but some of it will end up trickling down to make a purchase or an expendable consumption.

I want to commend this chairman and the ranking gentlewoman handling this bill and thank them for accommodating my amendment.

Mr. CRENSHAW. Madam Chairman, I rise in support of the Wildland Fire Management Act, which would make a small technical correction that would free up resources for fighting wildfires.

When you drive from the northern end of my district in Florida to the southern end, you pass through an area that still bears the scars of wildfires from only a few years ago. Those fires devastated families, businesses, and farms. And, while we can rebuild our facilities and buy new belongings, there's a toll exacted on the people whose lives are disrupted that can never be quantified or reimbursed.

Right now there are wildfires raging nearby in Florida, and there is a serious drought across the state. The concern my constituents feel is palpable. And, it is precisely because we in Florida's Fourth District understand the destruction that wildfires can cause that I support the swift passage of this legislation, which merely makes a technical correction necessary to keep the fire management tools for which Congress has already appropriated funding from drying up.

Madam Chairman, I urge my colleagues to support H.R. 581.

Mr. HEFLEY. Madam Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the bill is considered read for amendment under the 5-minute rule.

The text of H.R. 581 is as follows:

H.R. 581

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. USE OF WILDLAND FIRE MANAGEMENT FUNDS TO FACILITATE COMPLIANCE WITH ENDANGERED SPECIES ACT CONSULTATION REQUIREMENTS.

The Secretary of the Interior and the Secretary of Agriculture may use funds appropriated for wildland fire management in the Department of the Interior and Related Agencies Appropriations Act, 2001 (Public Law 106–291; 114 Stat. 922), to reimburse the United States Fish and Wildlife Service and the National Marine Fisheries Service for the costs of carrying out their responsibilities under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) to consult and conference, as required by section 7 of such Act (16 U.S.C. 1536), in connection with wildland fire management activities.

The CHAIRMAN. During consideration of the bill for amendment, the Chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

Are there any amendments to the bill?

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT:

Add at the end the following new section:

SEC. 2. SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or products that may be authorized to be purchased using funds provided under section 1, it is the sense of the Congress that entities receiving the funds should, in expending the funds, purchase only American-made equipment and products.

(b) NOTICE TO RECIPIENTS OF FUNDS.—In expending funds provided under section 1, the head of each Federal agency receiving such funds shall provide to each recipient of the funds a notice describing the statement made in subsection (a) by the Congress.

(c) NOTICE OF REPORT.—Any entity which receives funds under section 1 shall report any expenditures on foreign-made items to the Congress within 180 days of the expenditure.

Mr. TRAFICANT. Madam Chairman, I would like to commend the chairman of the subcommittee and the ranking gentlewoman on our side for their work on the bill. It is a good bill. Some of this money may trickle down to be used for the purchasing of some equipment and certainly some services.

Just briefly, I would like to say our last month's trade deficit was $83 billion. Our trade deficit projected for this year will exceed $300 billion. China is now taking $100 billion a year out of our economy. Madam Chairman, even our trade deficit bears a label "made in China."

This is a very simple amendment that says any use of these funds, we recommend where possible, services and goods, if purchased, give the American worker and the American companies a tumble.

Mr. HEFLEY. Madam Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Colorado.

Mr. HEFLEY. Madam Chairman, I thank the gentleman for yielding.

Madam Chairman, I am supportive of this amendment. I would like to commend the gentleman from Ohio for keeping our feet to the fire when it comes to this buy-American theme that the gentleman has been the leader in Congress on. I think in the appropriations bill where the money is appropriated, the gentleman has gotten the amendment in last year there, so we have it there. We have it in the authorization side. I think both are good, and I support the amendment.

Mrs. CHRISTENSEN. Madam Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentlewoman from the Virgin Islands.

Mrs. CHRISTENSEN. Madam Chairman, we have no objection to the amendment as well.

Mr. TRAFICANT. Madam Chairman, I move the question on the amendment, and yield back my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. TRAFICANT).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments?

If not, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. MICA) having assumed the chair, Mrs. MORELLA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 581) to authorize the Secretary of the Interior and the Secretary of Agriculture to use funds appropriated for wildland fire management in the Department of the Interior and Related Agencies Appropriations Act, 2001, to reimburse the United States Fish and Wildlife Service and the National Marine Fisheries Service to facilitate the interagency cooperation required under the Endangered Species Act of 1973 in connection with wildland fire management, pursuant to House Resolution 135, she reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HEFLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 581 and H. Con. Res. 83.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain one-minute speeches.

CUBAN MUNICIPIOS

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks).

Ms. ROS-LEHTINEN. Mr. Speaker, fleeing the repressive communist regime that took the political and military power in Cuba on January 1, 1959, Cuban nationals started to arrive in the United States for freedom and democracy. The Cuban diaspora had to face the hardships of their new lives.

But despite their difficulties, the exiled Cuban-Americans succeeded in preserving their cultural heritage. They never failed to dedicate time to promote liberty for the land they had left behind. They initiated ways to help their homeland regain its freedom.

In the early 1960s, the Cuban exile community regrouped by "Municipios," or cities from which they originated. The Municipios formed the Municipios de Cuba en el Exilio, the Cuban Municipalities in Exile, that became the largest Cuban organization outside of the island.

Undertaking numerous actions to advance the cause of democracy, freedom and human rights in Cuba, the Municipios also participate actively in projects aimed at improving mutual understanding in South Florida and beyond.

Mr. Speaker, I congratulate all of the Municipio members for helping to advance the cause of freedom and democracy in my native Cuba.

GARY YOUMANS, NATIONAL FINANCIAL SERVICES ADVOCATE OF THE YEAR

(Mr. ISSA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ISSA. Mr. Speaker, I rise today to congratulate Gary Youmans, a constituent of mine from Fallbrook, California. Mr. Youmans has been named National Financial Services Advocate of the Year by the U.S. Small Business Administration.

This prestigious award recognizes Mr. Youmans for his continued service to small businesses and his effort to encourage the flow of investment capital to small ventures.

I would like to take a moment to describe some of the many contributions that Mr. Youmans has made to advance the interests of small businesses.

In 1991, Mr. Youmans started with Community National Bank and, in 8 years, established an SBA loan department ranked in the top 25 banks nationwide in overall lending. For over 20 years, he has been involved with SCORE, a volunteer business consulting counseling program. He is also a founding director and original board member of the National Association of Government Guaranteed Lenders, an organization created to represent the interests of the small businesses lending community, who utilize SBA and other government guaranteed programs.

In San Diego, Mr. Youmans organized a consortium of 11 lenders of the Greater San Diego Chamber of Commerce to financially support the "Small Business Today" page that appears monthly on the San Diego Union Tribune. In addition to all of his business-related service, he also finds time to volunteer at a local church and the Boy Scouts of America.

□ 1445

WOMEN'S HEALTH OFFICE ACT OF 2001

(Mrs. MORELLA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MORELLA. Mr. Speaker, this week all around the country Americans are preparing for a time-honored tradition. This tradition is as apple pie as America; it is what we have come to know as Mother's Day.

Mother's Day is not just a day when we honor mothers, we also honor our wives who are mothers, as well as our sisters, our aunts. It is indeed a day that honors women.

Mr. Speaker, I too would like to honor women through our Mother's Day tradition. I would like to raise awareness and promote the health of American women, an important issue.

As my colleagues may know, for years the National Institutes of Health, our Nation's premier medical research institute, ignored, maybe inadvertently, the health concerns of women; and in 1989 we had a report issued by the General Accounting Office that reflected that. A year later, in 1990, we established the Office of Research on Women's Health. Since that time, we have made great strides in women's health research, but we still must be vigilant and must address the issues that are not receiving the public attention and research priority that they deserve.

That is why today I have introduced legislation that can serve as the catalyst to advance women's health. It is called the Women's Health Office Act of 2001. It will provide for permanent authorization of offices of women's health in five Federal agencies: Health and Human Services, the Centers for Disease Control and Prevention, the Agency for Health Care Research and Quality, Health Resources and Services Administration, and the Food and Drug Administration.

The bill has 28 original cosponsors from both sides of the aisle. I hope that all will join in sponsoring this important legislation.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. MICA). Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

ENVIRONMENTAL EXTREMISM THREATENS U.S. ECONOMY

The SPEAKER pro tempore (Mrs. MORELLA). Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 5 minutes.

Mr. DUNCAN. Madam Speaker, yesterday, I read one news item and heard another, both of which caused me great concern. One was the headline in the Knoxville News-Sentinel which said, "Tennessee Economic Outlook Grim."

Now, Tennessee has become one of the most popular places to move to in the whole country. Also, our economy is very diversified and not overly dependent on two or three big-ticket items and, thus, not as subject to the boom-and-bust cycle seen in some other places. So if Tennessee's economic outlook is grim, it causes me great concern about the economy in the Nation as a whole.

The second item was a report on a national news cast that said Dell Computer and some other leading companies were withdrawing job offers previously made to people about to graduate from college. The report said that Dell was announcing additional layoffs which will soon total about 6,000, or 10 percent of their workforce, in addition to the withdrawn job offers.

Over the years, I have had many parents and grandparents bring their children or grandchildren who have graduated from college to me for help in getting jobs. For the most part, they are good-looking young people and have made very good grades, but who are unable to find jobs. Many young people are going to graduate schools today because they cannot find good jobs with just a bachelor's degree, as in the past. Also, many young people are majoring in subjects in which there are almost no jobs. Colleges and universities cannot discourage people from majoring in some subject where the job prospects are poor because they would make the professors of those subjects very angry. But it is really sad when someone spends years in college and cannot find a job.

Also, some universities are encouraging students to incur huge student loans which they cannot then repay. I remember last year reading in the Washington Times about the glut of Ph.D.s. The story told of one man who had gotten a doctorate in English and had sent out almost 400 resumes and got only one job offer for a job he really did not want.

There are far too many lawyers. We always read about what the top graduates from the top schools are getting. The reality is that many law school graduates cannot find jobs or end up making less than they would if they managed a McDonald's or drove a truck.

I was visited recently by members of the Tennessee Hospital Association. Their main problem is a severe shortage of nurses. Nursing is a great profession to go into at this time. But I strongly encourage all young people to check out the job prospects before they spend a small fortune and years of their lives getting a degree or even degrees that are almost meaningless.

The main thing, though, that is going to cause our economy real trouble if we do not wake up is the energy crisis. We have wealthy environmental extremists all over this country that protest anytime anyone wants to drill for any oil, dig for any coal, produce any natural gas or cut any trees. Bill Bryson, in his book "A Walk in the Woods" about hiking the Appalachian Trail, mentions that New England was once only 40 percent in forest land, while today it is almost 70 percent covered by forests. My own State of Tennessee is half in forests now, 50 percent, compared to only 36 percent in 1950.

The amount of forest land has gone way up in the last 50 years; yet the children in our schools have been so brainwashed in recent years by extreme left-wing environmentalists. I am sure almost none of them would answer correctly if asked if the forest land had gone up over the last half century. The Sierra Club and some other environmental groups have gone so far to the left in recent years they are making socialists look conservative.

Some wonder why gas is going toward $3 a gallon, as many are predicting, and why utility bills are going way up. Well, it is primarily because rich, yuppie environmentalists are slowly but surely shutting this country down economically. They may not be hurt when gas and utility bills go way up, but millions of lower-income and middle-income people are. Jobs are destroyed and prices go up when we stop or delay for years the production of any energy or even many other forms of production in this country.

We have closed half of our oil refineries since 1980. We now have to import most of our oil. We are now cutting only one-seventh of the new growth in our national forests each year. Environmentalists pushed for it and won and passed a law in the mid-1980s saying we would only cut 80 percent of the new growth. But they always demand more, and they continually have to exaggerate the problems or their contributions will dry up.

East Tennessee had 157 small coal companies in the late 1970s. Now there are none due to environmental extremism. Former President Clinton locked up 213 trillion cubic feet of natural gas just before he left office. Now the mayor of the small town of Englewood, Tennessee, tells me he has senior citizens in his town who are having to choose between eating or paying their utility bills. One Illinois water district said its water bills would have to go up $72 a month to achieve the unrealistic Clinton standards on arsenic levels; yet even at the present safe levels, people would have to drink water full-time for their entire lives to run even a minute, minuscule risk of cancer from the 50-parts-per-billion standard now in effect. All of the coal, oil, lumber, and natural gas companies we have shut down or greatly restricted used to hire many college graduates and other workers.

When we drive up energy costs, we harm almost all companies and individuals. College graduates cannot find jobs at the very time prices for everything are going way up.

Madam Speaker, if we do not soon stop this extremism and bring some balance and moderation back into our environmental policies, many more college graduates will be unable to find jobs and millions of lower- and middle-income people will suffer greatly.

THE GEORGE McGOVERN-ROBERT DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION ACT OF 2001

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. McGOVERN) is recognized for 5 minutes.

Mr. McGOVERN. Madam Speaker, last Thursday was a remarkable day. That morning, the gentlewoman from Missouri (Mrs. EMERSON) and I joined a broad, bipartisan coalition of Members from the House and the Senate in introducing landmark legislation to end hunger among the world's children in our lifetimes.

In a time when rancor and bitterness often characterize business in the Congress, we have come together around a vision for the future, a future where every child receives at least one nutritious meal a day and that meal is served in a school setting.

I want to commend my colleagues who join the gentlewoman from Missouri (Mrs. EMERSON) and me in introducing H.R. 1700: the gentleman from Ohio (Mr. HALL), the gentleman from Illinois (Mr. JOHNSON), the gentlewoman from Ohio (Ms. KAPTUR), the gentleman from Iowa (Mr. LEACH), the gentlewoman from North Carolina (Mrs. CLAYTON), the gentleman from Illinois (Mr. MANZULLO), the gentleman from Washington (Mr. NETHERCUTT), the gentleman from South Dakota (Mr. THUNE), the gentleman from Iowa (Mr. BOSWELL), the gentleman from Wisconsin (Mr. GREEN), the gentleman from Wisconsin (Mr. BARRETT), and the gentlewoman from Wisconsin (Ms. BALDWIN).

Our bill is called the George McGovern-Robert Dole International Food for Education and Child Nutrition Act of 2001. It is named after two great men who, in their time together in the Senate, spear-headed bipartisan legislation to create our own school lunch, school breakfast and WIC programs here in the United States. Now they have called upon this Congress and this administration to duplicate those actions worldwide.

Our bill will provide long-term, reliable funding to purchase U.S. commodities in order to provide millions of hungry children around the world with a school breakfast or a school lunch or both.

Madam Speaker, over 300 million of the world's children are hungry. About 130 million of these children do not go to school, and about 60 percent of those are girls.

Isolated programs around the world have demonstrated that more families send their children to school, including the girls, when a meal is provided. In fact, in many cases, enrollment doubles within 1 or 2 years. The children become more alert and capable of learning with a meal in their bellies; and test scores improve, attendance increases, more children graduate, and dropout rates decline.

For just 10 cents a day for each meal, we can feed a hungry child and help that child learn. With what we pay for a Big Mac, fries, and a soft drink, we could afford to feed two classrooms of kids in Ghana or Nepal. Hands down, education is the best way to improve people's lives. Education reduces disease rates, increases economic activity, reduces the birth rate, and strengthens communities; and the best way to get a child into school is to have a nutritious meal waiting for them.

These children will grow up to be the teachers, the more productive farmers, the bankers, the small business owners, and the leaders of their countries. They will also grow up to be the new consumers of American goods and services. In the meantime, our farmers, food processors, transportation industry, ports and maritime shipping benefit from the purchases and shipment of this food aid.

This program will succeed because its scale is large, its vision is long-term, and its approach is multilateral. It will succeed because this will not just be America going it alone. We call on every country that can step up to the plate to do just that. It will succeed because we will not take money away from existing food and development programs. We need those programs to address our other long-term development priorities.

So much is already in place to move ahead with this initiative. We already have successful partnerships with U.S. private and voluntary organizations to carry out the programs on the ground. We already have relationships with international food and education agencies such as the World Food Program and UNICEF to help us coordinate with other countries; and we already have a successful history with our farmers in providing food aid.

Quite frankly, we have the resources to eliminate hunger among the world's children and get them into school. We do not need to raise taxes; we do not need to cut any domestic programs. We just need to get to work. The only thing that could stand in our way is the lack of political will.

□ 1500

By introducing H.R. 1700, we have shown the world that in this Congress of the United States that the political will could be mustered.

Mr. Speaker, I ask all of my colleagues to join the gentlewoman from Missouri (Mrs. EMERSON) and me in support of this bill. We can help end hunger in our lifetime.

Mr. Speaker, I include the following for the RECORD:

THE McGOVERN-EMERSON BILL BUILDS UPON AND ENHANCES THE GLOBAL FOOD FOR EDUCATION INITIATIVE PILOT PROGRAM

On December 28, 2000, President Clinton formally announced the launching of a $300 million pilot program authorizing 630,000 metric tons in commodity purchases to provide hungry children in developing countries at least one nutritious meal each day in a school setting. Inspired by a proposal put forward by Ambassador George McGovern and Senator Bob Dole, the Global Food for Education Initiative pilot program, administered through the U.S. Department of Agriculture, will reach approximately 9 million children through 49 projects in 38 countries.

Representatives Jim McGovern (D–MA) and Jo Ann Emerson (R–MO) are introducing legislation—the George McGovern-Robert Dole International Food for Education and Child Nutrition Act of 2001—that builds upon and enhances the program initiated by the pilot program.

Makes the Global Food for Education Initiative a permanently-established program with funding consistent with the proposal put forward by Ambassador McGovern and Senator Dole: $300 million beginning in fiscal year 2002 and increasing to $750 million fiscal year 2004.

Adds a Global WIC program, as originally envisioned by Ambassador McGovern and Senator Dole, beginning with $50 million in fiscal year 2002 and increasing to $250 million by fiscal year 2004.

Ensures that any commodity that would enhance the effectiveness of school feeding programs may be designated by the Secretary of Agriculture as eligible for purchase (e.g. lentils, beans, etc.)

Provides for transportation of commodities to storage and distribution sites.

Provides for purchase of commodities in non-surplus years.

Allows the Food and Nutrition Service (FNS) at the U.S. Department of Agriculture to provide technical assistance and advice to recipient countries and to other USDA departments on how to establish and carry out effective school feeding programs.

Allows for financial assistance to be made available to agencies and organizations for itemized administrative costs and to undertake activities that enhance the effectiveness of these programs (e.g., training of cooks, establishing and equipping school kitchens, holding community workshops to inform families that a school feeding program has begun and the benefits of such a program, etc.).

Allows for the monetization of commodities to ensure the effectiveness, longevity and self-sustainability of these programs (e.g. purchase of local foods to round out nutritional balance of meals, helping communities establish a pre-school or school feeding program, expanding facilities as successful programs attract and maintain more children as students, etc.)

Provides for interagency coordination and reimbursement to relevant federal agencies, such as the U.S. Agency for International Development, for activities related to implementing the program (e.g. technical assistance, monitoring in the filed, evaluation, auditing, etc.). This is especially important in countries where USAID has mission staff but USDA does not.

Calls upon the President to ensure multilateral involvement in this global effort, as well as engaging private sector and foundation support, and to report annually to Congress on progress in these efforts.

Support for the George McGovern-Robert Dole International Food for Education and Child Nutrition Act of 2001

Academy for Educational Development
ACDI/VOCA
Adventise Development & Relief Agency International
American Farm Bureau Federation
American Soybean Association
American School Food Service Association
Archer Daniels Midland/ADM Milling Co.
Bartlett Milling Company
Bread for the World
Breedlove Dehydrated Foods
Bunge Lauhoff/Milling Division
Cargill Foods/Flour Milling
Catholic Relief Services
Cereal Food Processors, Inc.
Coalition for Food Aid
ConAgra Grain Processing Company
Counterpart International
Didion Milling, Inc.
Friends of the World Food Program
International Partnership for Human Development
International Orthodox Christian Charities
Land O' Lakes, Inc.
Mercy USA
National Association of Wheat Growers
National Corn Growers Association
National Farmers Union
National Pork Producers Council
North American Millers' Association
Opportunities Industrialization Centers International.
Project Concern International
Save the Children
USA Rice Federation
U.S. Rice Producers Association
World Food Program
World Share

ASFSA Supports Global Meals for Education Initiative

ALEXANDRIA, VA (May 3, 2001)—The American School Food Service Association (ASFSA) is excited and proud to lend its support to the McGovern-Dole International Food for Education and Child Nutrition Act of 2001 that is being introduced today. It is our hope that Congress will quickly approve this legislation so that this program can continue helping needy children throughout the world.

"The global meals initiative is bringing the success and know-how of this country's school breakfast and lunch programs to poor school children around the world," said ASFSA President Marilyn Hurt, SFNS. "Further, providing school meals in poor countries gives children extra incentive to attend school and get the education they need."

An estimated 300 million children worldwide, most of them female, either do not attend School or do not receive a meal at school. Of that total, approximately 170 million children do attend school but are not fed at school. The United Nations' World Food Programme (WFP), which has been addressing these problems for years, uses food to entice children to school, which in turn helps improve literacy, break the cycle of poverty, and reduce pregnancies among school-age girls. Last year, WFP fed more than 12 million school children in 54 countries.

Former U.S. Senators George McGovern and Robert Dole have played a leading role in advocating for an international; school lunch program to spread the benefits enjoyed by American children worldwide. Last December, the White House authorized $300 million to help fund school feeding projects in poor nations. Of that amount, $140 million will go to WFP to expand existing efforts and develop new school meal programs in 23 countries.

"By itself, feeding poor and hungry children would seem like a moral imperative to many," Hurt said. "But when you learn of the strong linkage between nutrition, learning and the positive impact of school attendance on early pregnancy and child mortality rates, it becomes even more clear that this initiative is worthwhile in countless ways."

ASFSA is a national, non-profit professional organization representing more than 58,000 members who provide high-quality, low-cost meals to students across the country. Founded in 1946, ASFSA is the only association devoted exclusively to protecting and enhancing children's health and well-being through school meals and sound nutrition education.

USA Rice Supports International Food for Education Bill

FUNDING FOR NEEDY OVERSEAS CHILDREN ALSO A CRITICAL FOOD AID PROGRAM FOR U.S. RICE

Why Is the George McGovern-Robert Dole International Food for Education and Child Nutrition Act of 2001 important to the rice industry when there are other food aid programs?

The International Food for Education bill is designed to target commodities and resources directly to the beneficiaries, needy children. At the same time, this unique program provides a new outlet for U.S. rice movement, a commodity particularly suited for school feeding. Rice is ready to eat with minimal preparation, and is easy to transport and store. It provides a complete protein when combined with pulses such as peas.

Getting U.S. rice to needy children should not be dependent on the unpredictability of surplus designation. The International Food for Education bill secures permanent funding under Section 416(b) authority, as well as the inclusion of non-surplus commodities. This allows the rice industry to work closely with USDA and private voluntary organizations to find consistent, ongoing uses for rice in feeding and monetization projects, which helps to stabilize market conditions in the United States.

Overall, food aid funding has declined significantly over the last 10 years. The International Food for Education bill will assist the U.S. rice industry in maintaining rice food aid tonnage supply to meet overseas demand, and will generate important economic activity in local communities here in the United States.

Why are food aid programs like International Food for Education so important to the U.S. rice industry?

The movement of food aid tonnage is important to the rice industry because we produce more rice than can be consumed on the domestic market. 40–60 percent of the U.S. rice crop is exported, and up to 20 percent of this is in the form of food aid. Food Aid means export opportunity for the U.S. rice market as it faces increased production costs, extremely low prices, competition from low-price foreign competitors, and export demand restricted by trade barriers and unilateral sanctions.

Last year the movement of rice food aid (9 million hundredweight) accounted for 1,200 jobs, and created an influx of millions of dollars to local economies in terms of labor hours, utilization of equipment and services, and investment in the rice industry infrastructure.

Food aid serves as a long-term market development tool for the U.S. rice industry as well as a humanitarian effort. USA Rice continually seeks new outlets for U.S. rice. Food aid movement allows U.S. rice to enter developing countries that cannot currently afford to buy high-quality U.S. product. Introducing U.S. rice to consumers and traders in recipient countries allows commercial trade to develop when economic conditions improve.

LAND O'LAKES, INC.,
Arden Hills, MN, May 3, 2001.

Hon. JAMES P. MCGOVERN,
House of Representatives, Cannon House Office Building, Washington, DC.

Hon. JO ANN EMERSON,
House of Representatives, Cannon House Office Building, Washington, DC.

DEAR REPRESENTATIVES MCGOVERN AND EMERSON: Land O'Lakes commends you for taking the lead in introducing, "The George McGovern-Robert Dole International Food for Education and Child Nutrition Act of 2000". This legislation will codify as an enduring program the feeding of many hungry school children in developing countries. At the same time this activity assists U.S. farmers through the removal of excess stocks. Utilizing U.S. commodities in this program allows our farmers to operate in a market environment that is more balanced rather than the current situation that is characterized by burdensome levels of carry-over stocks.

International child feeding programs provide increased nutrition resulting in increased attendance at school. As a result, more children participate in the educational system and prepare themselves to be skilled participants in today's global economy. Furthermore, feeding children at school also provides them the nourishment to improve their cognitive ability so that they also will retain the knowledge imparted during the time that they spend in the classroom. The long-term results will be: (a) to enable educated people to rise out of poverty, (b) to increase the education and earning capacity for girls providing the means to reduce the incidence of exploitation of women; and, (c) to improve the quality of life for millions of people in developing countries around the world.

The specific elements of this legislation that Land O'Lakes is particularly supportive of include: 1. Making the recently announced Global Food for Education Initiative pilot program a permanently funded program. 2. Encouraging private sector involvement in the delivery of programs under this authority. 3. Directing the Commodity Credit Corporation to devote $600 million in Fiscal Year 2002 and $750 million in succeeding fiscal years to establish preschool and school feeding programs and $100 million in fiscal Year 2002 and $250 million in succeeding fiscal years for maternal and infant health and feeding programs.

Land O'Lakes is currently participating in school feeding programs through the 416(b) allocations in Indonesia. Working in partnership with the Tetra Pak Company, we provide 450,000 children in 3,000 primary schools with a long-shelf life milk drink and fortified biscuit three times a week.

Already we have achieved remarkable results. The Ministry of Education is reporting marked increases in school attendance rates, especially by girls. There is also evidence of significant improvement in the health and stamina of children receiving the nutritious products they consume at school For too many of the recipient children, those servings are their predominant source of vitamins and protein.

Land O'Lakes was also gratified that it was selected to implement similar programs in Bangladesh and Vietnam as part of the Global School for Education Initiative pilot program announced in December 2000. Land O'Lakes will work with Tetra Pak to provide over 1.5 million school children with the same combination of a milk beverage and snack three days per week. These programs require considerable collaboration with the local processing industry, the Ministry of Education, and strong local NGO's to monitor the distribution of product and consumption by students.

Our private sector team's approach to deliver low-cost, industry-enhancing, sustainable school feeding programs combines Tetra Pak's 40 year international school feeding expertise with Land O'Lakes 20-year history of international economic development programs. We believe that this unique approach will create immediate nutritional benefits for innumerable children. Moreover, this program increases capacity in developing countries by assisting the local dairy and food industry to become more sustainable through commercial partnerships.

It is important to note that this program performs a long-term market development function for U.S. commodities. Students are being introduced to dairy products during their formative years, which is the most effective time to develop tastes and preferences and create millions of future consumers. Furthermore, important linkages are established among private sector firms that may form the foundation for future commerce and investment that will benefit U.S. cooperatives and agribusinesses as the move toward increased globalization presses forward.

The George McGovern-Robert Dole International Food for Education and Child Nutrition Act of 2001 will provide valuable nutritional and educational assistance to countless children around the world while supporting American agriculture. Land O'Lakes supports the enactment of legislation to create a permanent global school feeding program and is ready to assist in this endeavor.

I offer our support in moving the bill towards enactment, and I look forward to working with you in this regard. Members of the Land O'Lakes International Division staff, including myself, are available to meet with you to discuss the necessary steps for moving this bill forward. In addition, Land O'Lakes will gladly testify in support of the legislation in hearings held by any of the committees with jurisdiction over this matter.

Thank you for your leadership in making the international school feeding program a permanent means of improving the lives of needy children around the world. Please let me know when and how we can help to secure passage of this legislation.

Sincerely,

THOMAS A. VERDOORN,
Vice President, International and Dairy Proteins.

REMARKS OF KENNETH HACKETT, EXECUTIVE DIRECTOR, CATHOLIC RELIEF SERVICES

It is a pleasure to be here today with these distinguished guests and with the Senators and Members of Congress. You have taken the bold, first steps to turn concept into legislation in a hope that millions of young lives can be improved. Today, I am speaking on behalf of 13 private voluntary organizations (PVOs) that are members of the Coalition for Food Aid. As U.S. charitable organizations and cooperatives, we draw our support from tens of millions of Americans.

We are very pleased that the issues of child nutrition and education are the focus of this tremendous level of bipartisan support in Congress.

Starting over half a century ago, in a true public-private partnership, the U.S. has provided over 60 million metric tons of food aid through PVOs to meet disaster and human development needs. PVOs have implemented pre-school, primary-school and mother-child health programs in poor communities throughout the world. PVO participation has been critical to changing lives, assuring program accountability, and demonstrating the effectiveness of American food aid. We will build on that experience in managing and implementing this wonderful program.

But, achieving educational and nutritional goals among the world's poorest communities takes more than just handing out food. Both bills recognize this by providing funds directly, and through commodity sales, to support not only the distribution of food but also the necessary educational and health activities. These activities include providing books, teacher training, micronutrient supplements, and take home food rations—particularly to encourage girls attendance in school.

We see two critical issues that need watchful attention as these bills progress through the legislative process: 1. PVOs must continue to have direct partnerships, as we do in the other food programs, with our Government in the implementation of this legislation. This should include substantial involvement in the decision-making processes relative to implementation. 2. The Food for Education and Child Nutrition program should be an addition to other, well-established and successful food aid programs, including PL 480 Title II and Food for Progress.

Thank you for this opportunity to comment on the Food for Education and Child Nutrition bills.

[From the Washington Post, May 1, 2001]

(By George McGovern and Robert Dole)

ONE LUNCH AT A TIME

In the summer of 1968, CBS television broadcast a powerful hour-long documentary titled "Hunger: USA." The cameras peered into the dismal pockets of hunger and misery populated by poor American families. Hollow cheeks and rickety legs plagued children and adults alike.

The most moving scene was filmed in a school where all students—even those who were too poor to pay for a meal—were required to go to the cafeteria at lunchtime. One 9- or 10-year-old boy was asked how he felt standing at the rear of the room watching his better-off classmates eat. Lowering his head, the boy confessed softly, "I'm ashamed."

Thirty years later, a child going hungry in an American school is practically unheard of. That's because of the overwhelming success of bipartisan legislation we sponsored in the 1970s, while we were both U.S. Senators, which ensures a nutritious meal at school for all children, including America's poorest. While hunger has not yet been eradicated in the United States, the lives of a whole generation of American schoolchildren have been improved thanks to that program.

Now we have the opportunity to reach an even higher goal: to implement a similar plan for the 300 million poor children in the world who either receive no meal at school or do not even attend class.

Once again we have jointly made a proposal, this time to establish a global school feeding program. It is currently being discussed among Washington policymakers and will soon be introduced in Congress. Building on a pilot program initiated this year, the bill commits an annual amount of American agricultural surpluses to provide nutritious meals to already enrolled students and to attract poorer children to school.

Studies show that when food is provided at schools in the developing world, attendance often doubles within a year, and within two years, academic performance can improve by as much as 40 percent. Students remain in school longer, and more of them graduate. Long-term studies indicate that increased literacy rates among girls and women mean they have fewer children. Of the estimated 130 million children who currently do not attend school, 60 percent are girls.

We are not talking about ordinary charity. Feeding children at school yields tangible results in their lives as well as long-term benefits for society as a whole. And in contrast to questionable mega-projects for development school feeding focuses on the individual child. Reducing children's hunger and improving their educational opportunities creates the human infrastructure needed by nations if they are to prosper and become self-reliant.

This global challenge can once again be met in the spirit of bipartisanship. By committing annual funds for a global school lunch program, we will not only dramatically improve the lives and futures of millions of poor children. We will also be helping out American farmers by increasing purchases of surplus food commodities.

To use these surpluses, especially in periods when prices are down, strengthens our farmers' markets and takes some of the burden off storage capacities or selling surpluses off at rock-bottom prices. Overseas shipments of U.S. agricultural products also generate business for American processors, packers, shippers, railroads, stevedores and ocean carriers.

Start-up costs to cover the first two years of a global program would be about $3 billion. As the leader of the effort, the U.S. government should commit half of that amount, the bulk of it in purchased surplus commodities.

As the program grows and more students enroll in participating schools, costs will increase, but it is hoped and expected that other countries will join in to help. Discussions with other governments have already begun. Rich nations that do not have farm surpluses could contribute cash, shipping, personnel, utensils and other educational inputs. Government costs could be further reduced or supplemented with contributions from private foundations, corporations, labor unions and individuals.

In order for the program to be sustainable, the benefiting governments should be expected to take over financing within five to 10 years. In the meantime, the initiative would be under the instructional and monitoring eyes of the World Food Program, which has nearly 40 years of school feeding experience. Working with other charities and aid groups, WFP can ensure that the other necessary aspects such as teacher training, sanitation and health inputs are coordinated.

In an era of cynicism and weariness about Third World problems, using food surpluses to feed and help educate poor children may seem like a surprisingly simple way to make an impact. But a hot meal to a poor student today is key to helping him or her become a literate, self-reliant adult tomorrow. This could become the first generation in human history that is finally free from the scourge of hunger.

THE GEORGE McGOVERN-ROBERT DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION ACT OF 2001

The SPEAKER pro tempore (Mrs. MORELLA). Under a previous order of the House, the gentlewoman from Missouri (Mrs. EMERSON) is recognized for 5 minutes.

Mrs. EMERSON. Madam Speaker, I want to join with the gentleman from Massachusetts (Mr. McGOVERN), my good friend, to talk about the global food for our education bill, and also to thank the gentleman for doing such a tremendous job in leading the charge forward on this particular legislation that I think is so very, very important for all of the children in the world who have no means to get a nutritional meal, and also because of the importance that it will mean for our farmers in America who are now suffering from the fourth year of low commodity prices, whose revenues will probably decrease in the neighborhood of about $4 billion this year.

This legislation, quite frankly, is a win-win for the American farmer, and it is a win-win for children all over the world who desperately need food assistance and who need an education.

Madam Speaker, I am particularly excited and motivated by the vision of former Senator and now Ambassador George McGovern and former Senator Bob Dole who really led the charge early in this fight against hunger, back many years ago when they were both serving in the Senate.

It is also a very important issue for members of my family, because my late husband Bill was so very instrumental in bringing the issue of hunger, both domestically and internationally, into the Congress and worked so closely with his friend, the late Mickey Leland, as well as the gentleman from Ohio (Mr. HALL) and the gentleman from Virginia (Mr. WOLF).

I know that we all share a common desire to try to help as many people as we can all over the world, and I am particularly hopeful that we will be successful in passing this legislation as a stand-alone, but if not, hopefully it will be part of the next farm bill as it is written.

I cannot think of anything that is more important for us to do as a country. I think Senator McGovern probably said it best when he said we had a moral responsibility as a country with our rich and valuable natural resources and our abundant and very safe food supply to help people who cannot help themselves.

And I say to the gentleman from Massachusetts (Mr. McGOVERN), that the gentleman has done a magnificent job in getting our colleagues to be very excited about this, to be enthusiastic, and I am so very pleased also that the United States Senate is participating as well with their bill.

Madam Speaker, let me say that from an agricultural standpoint, there are many, many benefits for the United States economy for international food assistance. We have done this for many, many years as a country. I am very hopeful that this will be a policy that we perpetuate, that we are able to get the rest of the world involved in, but, most importantly, this kind of foreign assistance.

U.S. food aid helps alleviate poverty. It promotes economic growth to the recipient countries, and this is very, very important, because as incomes in developing countries rise, then we know that consumption patterns change, and we also know that food and other imports of U.S. goods and services increase.

In fact, back in 1996, 9 of the top 10 agricultural importers of U.S. products were food aid recipients. While we are shipping food aid abroad, it is important for people to understand that most of the money stays in the United States.

The domestic beneficiaries of U.S. food aid exports include our agricultural producers and suppliers, our processors, our millers, edible oil refiners, packaging, manufacturing, rail and motor transportation lines; I could go on and on and on. Most every State in the country does benefit from food aid exports, in spite of the fact that most people would not knowingly think that they were agricultural States.

I think that we must do everything possible to help the world's hungry children. When my late husband Bill came back from a trip in the Sudan, when he came back from various trips to Ethiopia and other countries, it was a very, very sad experience. He would hold dying children in his arms, children who were 12 years old and 13 years old, who were about the size of a 3-year-old or 4-year-old, who did not weigh anything, who had no opportunity to go to school.

Mr. Speaker, I just want to say in closing, then, that I hope that more people will help all of us help children all over the world, as well as the American farmer.

CINCO DE MAYO CELEBRATION

The SPEAKER pro tempore (Mr. TOOMEY). Under a previous order of the House, the gentleman from Texas (Mr. HINOJOSA) is recognized for 5 minutes.

Mr. HINOJOSA. Mr. Speaker, this past weekend, I had the pleasure of joining my constituents in Goliad, Texas to celebrate Cinco de Mayo. Cinco de Mayo is celebrated with music, with dancing, with great food and, yes, and Mr. Speaker, with great speeches.

Texas A&M associate professor, Armando Alonzo, said so eloquently, and I quote, "The important thing about this celebration is that it comes from the citizens of the community, not from scholars, not from politicians, or those of us who are at universities with special training."

Although the holiday has spread throughout the world, its true spirit is in communities like Goliad, Texas, where people honor the value of their Mexican history and culture and the contributions that Mexican Americans have made across the spectrum of American life.

Mr. Speaker, I stand before my colleagues as a proud first generation Texan, born of Mexican immigrant parents who came to the United States as children in 1910.

Mr. Speaker, Goliad is the true heart of Cinco de Mayo, because it is the birthplace of General Ignacio Zaragoza, the young Mexican general who defeated the French at the battle of Puebla on May 5, 1862. This triumph was not only a military victory, but a moral victory over tyranny and oppression.

General Zaragoza is rightly called the "George Washington of Mexico." His dedication to the cause of freedom and democracy is an inspiration and challenge to us all.

General Zaragoza was born in Goliad, Texas on March 24, 1829. He was the son of a soldier, but was educated as a priest. He was a small businessman for a short time, but his passionate support of Mexico's struggle for democracy led him to follow his father into military service.

During the years of the War of the Reform in 1857 to 1860, he joined with the legendary Benito Juarez and fought in numerous battles, including the Battle of Calpulalpan, which ended the War of Reform.

His military brilliance in those 4 years was recognized, and he quickly moved up the ranks to general. When Mexican President Juarez was forced to declare a moratorium on Mexico's European debt in order to salvage the bankrupt economy, Spain, England, and France sent their fleets and forced the surrender of Veracruz.

Because General Zaragoza was serving as head of the War Ministry, President Juarez initially sent one of his other generals to Veracruz, Mexico. When the general saw the awesome forces of the great European powers arrayed in front of Veracruz, he immediately resigned.

President Juarez then turned to General Zaragoza to lead the Army of the East. Although the Spanish and the English withdrew after negotiations with President Juarez, the French army, recognized as the finest army in the world at that time, began its march towards Mexico City. Napoleon III had dreams of an empire in the Americas, with Mexico as its center, in alliance with the Confederate States of America. However, standing in the way of French conquest was General Zaragoza.

The young Mexican general was determined to make his stand at Pueblo, 100 miles east of the capital. He did not know it could not be done. His ill-equipped and outnumbered Army was composed of farmers, Indians, militia and many young residents of Puebla. Many had obsolete firearms or they used rocks, sticks and machetes.

The French forces attacked on May 5, 1862. The battle lasted throughout the day. Despite repeated assaults by the French cavalry and infantry, General Zaragoza's army held. They were fighting for their homes and their families and they would not be denied a victory.

The French were forced to retreat in defeat. After that battle, General Zaragoza proved he was a man of compassion as well as valor. He ordered his medical staff to treat the French wounded. He received a hero's welcome in Mexico City, but while visiting his own sick troops, he contracted typhoid fever and died soon after, on September 8, 1862. He was only 33 years old. He was given a state funeral; and on September 11, 1862, President Benito Juarez declared May 5, Cinco de Mayo, a national holiday.

This weekend's celebrations in Goliad were even more special as the birthplace of General Zaragoza was reopened to the public and rededicated after several months of renovation.

Mr. Speaker, I want to especially thank Lupita Barrera and the Texas Department of Parks and Wildlife for the wonderful job they did restoring this great man's home.

Mr. Speaker, I am extending an invitation to the two Presidents of Mexico and the United States to come to Goliad, Texas this next year.

The people of Goliad are proud and determined to keep the legacy of General Zaragoza alive. The little town and surrounding communities have taken the time not only to celebrate, but also to teach their children the true lesson of Cinco de Mayo; namely, the freedom we now enjoy has a price, and each successive generation must be vigilant and willing to continue the fight if freedom is to endure.

Goliad is over a thousand miles away from Puebla, Mexico. Yet the citizens of Goliad have adopted Puebla and Hidalgo, Nuevo Leon, Mexico, the birthplace of General Zaragoza's wife, Rafaela Padilla, as sister cities. Cooperation, trade and interaction among the three cities is vigorous. People along the border realize that what affects their neighbors affects them as well.

The Rio Grande River—a Heritage River, has become a bridge between two peoples and two rich cultures. We all prosper through open communication, undying friendship and growing trade. This, too, is a lesson of Cinco de Mayo. General Zaragoza helped preserve our Union by defeating the French troops. Today, trade with Mexico is helping to drive our booming economy and strengthening the North American continent. In this interdependent world, we truly need each other.

As you can see, I—Congressman HINOJOSA am very proud to represent and speak in the Halls of Congress for Goliad and Goliad County. I am starting early—I am extending a very cordial invitation to Mexican President Vincente Fox and President George W. Bush to jointly visit Goliad, Texas during May of 2002 to celebrate Cinco de Mayo. I want to extend the invitation to all of you, my colleagues in Congress, as well.

Mr. Speaker, include for the record an exemplary speech given at Saturday's Goliad Cinco de Mayo celebration by Professor Armando C. Alonzo, an Associate Professor of History at Texas A&M University into the RECORD immediately following my remarks.

EXCERPTS FROM TALK GIVEN BY PROF. ARMANDO C. ALONZO AT THE CINCO DE MAYO CELEBRATION

Good morning. I'm very happy to be here today with all of you for today's celebration and I want to thank the Society of General Ignacio Zaragoza for inviting me to be part of this important event along with the city and county officials as well as Congressman Ruben Hinojosa. I'm always happy to be in Goliad because I also have some roots in this area because my father was born and raised in Yorktown, not very far from here. I want to make two points today without going too much into the historical facts of General Zaragoza's victory over the French in 1862 because others have already talked about that.

One of the important things about this celebration is that it comes from the citizens of the community not from scholars, politicians, or those of us who are at universities with special training. It's important that events like this be planned and organized by the people in the community because history is made by the people of these communities. Trade and the economy are certainly important but this celebration reminds us of the value that history and culture have for Mexico and its citizens and for Texas and its citizens. The people in this community have taken the time and effort to celebrate our history and culture and that is very important because of the impact that this kind of events have for our children and for the entire community. Even though we are about a thousand miles from Puebla where the battle took place, this celebration still has connections and its far-reaching impact is evident by the fact that there are people here from the sister city of Hidalgo, Nuevo Leon, Mexico, from other parts of the country, and we even have a direct descendant of a soldier who fought at the Battle of Puebla—the lady who lives in South Texas, whose grandfather fought at the battle.

Memory helps to keep our history alive. This celebration is a memory of an important historical event—the battle that took place on the Cinco de Mayo. It's important for parents to connect the memory of that event to our culture and history and pass it on to our children.

This celebration, which goes back at least 55 years, keeps the memory alive of our history and our culture for the entire community. Professor Americo Paredes, who died two years ago, said the Mexican experience in Texas is part of the story of "Greater Mexico." In his works 50 years ago Professor Paredes explained how cultural influences, such as language, music, the corridos, that are familiar to us, theater, and other factors made Texas a part of "Greater Mexico." Today we see this "Greater Mexico" through the flow of trade and people. I look at the Rio Grande not as a political boundary but as a bridge between two peoples and two cultures. The Rio Grande is a bridge that connects us together rather than divides us. For us in Texas especially, "Greater Mexico" is part of our daily lives. In fact our roots can be traced to Coahuila from which the Spanish colonization of the provincia de Los Tejas proceeded. As a matter of fact, the settlers initially called this land, Texas, Las Nuevas Filipinas (in honor of King Philip of Spain). Nuevo Leon and Nuevo Santander also helped colonize Texas by sending settlers. So as we can see, the history of Texas is connected to Mexico in different ways.

In Zaragoza we have a Tejano who is a hero of Mexico. Ignacio de Zaragoza was born in this little village, in this pueblito in Texas but his work, his values and his love were for his country, his patria, instead of for Santiago Vidaurri, the strongman of Nuevo Leon. Through his mother, who was part of the Seguins of San Antonio, he was a multi-generation citizen of Texas. Ignacio de Zaragoza was a Texan of Hispanic origin, a son of Texas who moved with his father to the lower Valley and then to Nuevo Leon. The legacy of General Zaragoza is the value and worth that his life gives to our history and culture. That is what this community is celebrating today.

Thank you very much. I hope you have a good day.

EXPRESSING SORROW AT THE UNTIMELY PASSING OF STEVE GREEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. HUNTER) is recognized for 5 minutes.

Mr. HUNTER. Mr. Speaker, I want to take this time to talk about a great loss to San Diego, a great loss to journalism and a great loss to our Nation, and that is the untimely passing of Steve Green of Copley Press.

Steve had a long career in journalism. He worked as a reporter for the old Washington Star. He used to get the scoop on his better-financed opposition and adversaries in the Washington Post. He later went on to the Washington Post and worked for them during the Watergate period and was the kind of guy who really knew how to get a scoop, how to follow a story until he got everything out of that story.

He later went to work for Copley Press and was ultimately the bureau chief in the Washington Bureau of Copley Press, and it was there that I and the other members of the San Diego delegation and lot of other folks in politics in Washington, DC got to know Steve.

The reason I am talking about Steve today is because I think that Steve

Green represented the very best of one of the most important aspects of this democracy, and that is journalism.

Steve was a guy who was in the middle, in the heart of a lot of the very fundamental, earthshaking events in the last 34 years in Washington, DC, and he was in the middle of the Watergate scandal. He covered a lot of national stories that had a great deal of importance to this country and to this town.

After he left the position of bureau chief for Copley, he went on to become the editor who covered the Pentagon and the U.S. military, a very, very important issue, especially for those of us from San Diego.

Throughout this stint of covering very important issues, issues which often revealed the sordid side of politics, like the bribery scandals and, to some degree, the Watergate scandal, Steve Green was a real person, was a real human being.

He was a guy who had a great sense of humor, a great sense of evenness, a great sense of decency. And those people, people with good hearts, are very important to this democracy, especially in a position in the center of journalism in Washington, DC.

Mr. Speaker, I got to know Steve when he was covering the San Diego congressional delegation, and you noticed in Steve's stories, Steve was a guy who got all the details. You could not pull the wool over his eyes. He knew what was going on, and he always kind of knew the story behind the story.

He also wrote those stories in a way that was very even, very fair-handed, without an agenda, and I think with a little sense of humor also, and with a sense of civility.

□ 1515

With this entire city searching for civility and, of course, the President asking for it and using that as a trademark for this new administration, it is guys like Steve Green in Copley Press who really manifest that civility, because they do it in writing evenhanded stories and portraying to the great public out there what is really happening in Washington, DC.

While sometimes there are sordid sides and bad sides for the story and stories that reveal some of the darker parts of human nature, he also liked to write a story that would reveal the better sides of human nature and justice and triumph in the end and the good things about America.

To be able to cover this period in which a lot of journalists turn to cynicism when looking at Washington, DC and this great Capitol, this people's House, to remember Steve Green sitting here in the Speaker's lobby with his pencil and his paper out taking an interview after a vote on the floor or after something happened, and doing it in his evenhanded manner, his optimistic manner, always looking for the good aspect of the story was something that was very important to myself and to the other Members of the congressional delegation.

So Steve passed away, Mr. Speaker. He leaves a great legacy for Copley Press and for anybody who wants to be a journalist and cover the great national theater of action which is in Washington, DC with the Congress and the President and all of the aspects of a new administration like the one that is in place right now.

In fact, Alison, his daughter, sent me a few notes on Steve's life the other night, and I could tell from her conversation that she is kind of a chip off the old block. But he leaves Ginny. His widow is a wonderful lady. We all wish all the best to Steve's family.

EDUCATION BUDGET AND VALUES

The SPEAKER pro tempore (Mr. TOOMEY). Under a previous order of the House, the gentleman from North Carolina (Mr. ETHERIDGE) is recognized for 5 minutes.

Mr. ETHERIDGE. Mr. Speaker, I rise today to speak about education, the budget, and something those of us in North Carolina call North Carolina values.

Mr. Speaker, we have often heard that the projected budget surplus, assuming it materializes like predicted, is the people's money. Of course it is. It is the people's money. We agree on that. It should be spent on the people's priorities. The budget must reflect the values of the American people. It must affirm their long-term dreams and help them meet their daily needs.

This Congress should invest in a better future for the American people. We must build the human infrastructure. We need for an economy that creates the opportunity for prosperity for all Americans who are willing to work for it.

We must invest in long-term research in science and technology and engineering that will yield a long-term benefit but may not be seen as benefiting a short-term political gain. But it certainly will produce a strong economy down the road.

We must invest in education and lifelong learning so that Americans will have the most skilled work force in the world and continue to exert global economic leadership. We must repair the torn farm safety net so that farm families will have the opportunity, not only to survive, but to thrive.

Unfortunately, this House today passed along party lines a budget full of missed opportunities and misplaced priorities. Do not get me wrong. I strongly support responsible tax relief for working families in America. But this budget will run our economy in the ditch, and it will turn us to the days of large budget deficits, economic stagnation, high unemployment, and, yes, inflation.

I come from North Carolina, and we say North Carolina values call for balancing your budget every year and responsible policies. But this budget sends us on a river boat gamble with America's future.

Mr. Speaker, the other day I visited Anderson Creek Elementary School in my home county in North Carolina, and I saw the good work they are doing every day to prepare for a bright future in this country for those children. We are blessed with some of the most wonderful teachers and staff and dedicated parents and, yes, bright, hard-working students at Anderson Creek.

They are going like gang busters on a program we call Key to the Future. It is a reading award we give out each year. Here are some of the totals, and I would like to share with my colleagues what good work is being done on the ground out there where teachers work every day.

At Anderson Creek, of the 683 students enrolled this year, 500 of those students have read more than 100 books on their own with their parents in the evening. In the kindergarten class alone, they read 24,883 books. In the first grade, they have read 37,514 books. In the second grade, the students have read 40,130 books.

As a former county commissioner, State legislator and two-term elected State superintendent, it does my heart good to see local communities throwing themselves into the education effort. It holds so much promise for a bright future for these children and for all the rest of us.

Mr. Speaker, the folks in Anderson Creek demonstrated the kind of priorities that Congress ought to be adopting. We should forgo the short-term appeal of an easy path and choose, instead, the right path. It takes vision and hard work, but in the end, the payoff is well worth the effort.

We missed an opportunity today to put money in the budget for school construction. I will talk about that at another time. But those are the kind of values that the people of North Carolina sent me to Congress to represent, and those are the values this Congress should embrace when making important decisions on the budget, taxes, and appropriations.

Today's vote was, unfortunately, a big step in the wrong direction. But, hopefully, Congress will get its priorities straight and enact policies that honor what I call North Carolina values and reflect the kind of priorities that the American people truly want and expect us to deal with.

CLEVELAND PASSES ISSUE 14; A BOND TO FIX CRUMBLING SCHOOLS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Mrs. JONES) is recognized for 5 minutes.

Mrs. JONES of Ohio. Mr. Speaker, on Tuesday, May 8, the voters of the City of Cleveland did a great thing. They voted overwhelmingly to pass issue 14, a bond issue needed to fix our crumbling school buildings.

This was our T-shirt. It said "Safe schools for Cleveland's children. The cause is right. The time is now." The voters of the City of Cleveland said that the cause was right, and they realized that the time was now.

It is a day of celebration for the children, for the teachers, for the schools, for the administrators, for the maintenance workers, for the custodians, for labor, for the neighborhoods, for property owners, for businesses, and for our country.

The bond issue was a bond issue for $338 million. We are very excited about it. Particularly because it made us eligible for a $500 million match from the State of Ohio to fix the crumbling school buildings of the City of Cleveland.

The voters looked past mismanagement, failure on the part of prior school boards to the needs of the children of the City of Cleveland and the need for safe schools.

I want to congratulate a number of people who participated in this great bond issue yesterday: Mayor Michael R. White, who is the mayor of the City of Cleveland, the first mayor to take over the responsibility for oversight over the Cleveland public school system.

I want to celebrate our new, CEO, Barbara Byrd Bennett. For the past 2½ years, she has brought hope, energy, and optimism to the City of Cleveland at Cleveland schools.

I want to congratulate the school board chair, Reverend Hilton Smith; his vice chair is Miggie Hopkins; and other members of the school board; the president of the Cleveland Teachers Union, Richard DeColibus; his vice chair is Merle Johnson and Michael Churney; the athletic chair, Leonard Jackson; campaign chair, Arnold Pinkney, who has forever, it seems, run campaigns in the City of Cleveland and been quite successful; to his senior advisor on the campaign, Steve Rusniak; and the media manager, Alan Seiffulah.

My cochairs for the campaign, and I should say that I had the privilege to cochair the campaign for the bond issue. My cochairs were the Reverend ET Caviness of Greater Abyssinia Baptist Church and John Ryan, the head of the AFL–CIO.

I want to congratulate other organizations that supported Cleveland in this great effort, the Black Elected Democrats of Cleveland, Ohio; the 11th Congressional District Caucus for the New Millennium; the NAACP; Urban League; Growth Association; Bishop Pilla, the head of the Catholic Diocese; the Baptist Ministers Conference; the Southern Christian Leadership Conference; the New Future Outlook League; and an organization called BUILD, Black United In Labor and Democracy.

Finally, I want to congratulate all of the elected officials and organizations who I did not mention in this statement who were willing to sign on to this important issue.

I have to say that, as we debate the budget here in Congress and as we talk about the importance of education and a lack of Federal funding for school construction, I am so happy and even more proud that I come from the City of Cleveland, Ohio where we stepped up to the plate yesterday and voted to fund school improvement in our area.

I want to thank God. I want to thank Cleveland for hearing and responding to the needs of Cleveland's children. The time is right. The time is now.

NEW ADMINISTRATION'S ENERGY POLICY IS TO DRILL, NOT CONSERVATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. MCDERMOTT) is recognized for 5 minutes.

Mr. MCDERMOTT. Mr. Speaker, the news magazines of this country often give us warning what is going to happen. If one wants to know what is going to happen in the United States, always look at California. No matter what is happening, if California has got something going on, it is going to be everywhere in the United States in the next 3 years.

Now, if one picks up this week's Newsweek magazine, there is an article by Allan Sloan called "Profiting From the Darkness." It really lays out the rape and pillage of the California electrical consumers over the course of the last few years, last few months actually.

Now, who saves us from this kind of assault on the consumers? Well, the government does. But in January, we put into this country a new dynasty or brought back an old dynasty. George II of the oil dynasty took the White House; and he brought with him some of his counts and his dukes and so forth. The Duke of Wyoming became the Vice President. He has worked for an oil company, as did the President. The Secretary of Commerce, he came from an oil company. Go right down the line and one can see that the oil dynasty is fully in charge in this country.

Now, the question that has to be raised here is how are we going to deal with the energy problems in this country. Now, there are only three things one can do. Well, there are three major things one can do. One is increase the supply, the second is conserve, and the third is develop alternative energy sources.

Now, the Vice President of the United States met with all the legislators from California, Washington, Oregon, Idaho and Montana and told us this is not a Federal problem. It is not a Federal problem. This is a State problem. Whatever happens to California, that is their problem. Whatever happens to Washington, it is their problem.

When the issue of conservation was raised, he said conservation may be a sign of personal virtue, but it is not a sufficient basis for sound comprehensive energy policy.

Now, his answer to our problems in this country is to drill, drill in the Arctic National Wildlife Refuge, drill under the Great Lakes, even go down to the President's brother's State, Florida, and drill in the shelf off the coast of Florida. The Governor of Florida told his brother to go on back home and stay out of his local waters. But that is the solution being offered, drill wherever you can, and maybe we can fix it.

Now, the fact is that the American Council on Energy Efficiency Economy estimates that gradually raising the fuel efficiency on automobiles and small trucks to 35 miles per gallon would save a million and a half barrels a day in 2010 and four and a half million barrels a day by 2020.

□ 1530

That is seven times what could be attained if we drill in the Arctic National Wildlife Refuge. There is no reason to be drilling. We ought to be raising the conservation standards in this country.

The energy czar the President appointed also says that we ought to have 1,300 new generating plants in the next 20 years. This comes from an arm of the Energy Department that has always pushed coal and gas and oil. But at the same time they are using that study to say we have got to build 1,300 new plants, they conveniently overlook another Energy Department study, called "Scenarios For a Clean Energy Future," which is put out by the Energy Department's national laboratories. This study concludes that efficiency measures alone could obviate the need for building 610 of those 1,300 plants. Conservation alone would cut it in half. In fact, constructing buildings that were more efficient would eliminate the need for 100 plants. Air-conditioning, clothes dryers, water heater changes could save another 180 plants.

But our government is designed to help the oil industry, make it possible for them to drill everywhere. And this spring and summer, as they are now talking about $3-a-gallon gasoline, when our constituents are riding around in a car and they stop and pay three bucks for a gallon of gasoline, who is the person they should thank? The President of the United States. He wants us to use that. We do not hear anything out of this administration about conservation or about alternative energy sources.

Now, here is a simple little fact: every day in California, seven times the energy that is used in California falls out of the sky in the form of solar energy. Seven times. There is no energy crisis in California, and we ought to be talking about a lot of other things besides drilling for oil.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Ms. Wanda Evans, one of his secretaries.

THE EDUCATION BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. LANGEVIN) is recognized for 5 minutes.

Mr. LANGEVIN. Mr. Speaker, I rise today to protest the Republican budget on which we voted because it slashes critical investments in education that are essential to Rhode Island's schools. This budget falls $21 billion short of even the President's proposal for education investment. President Bush and too many of my colleagues on the other side of the aisle have made this tax cut for the rich a top priority and paid for it with Draconian budget cuts in critical social services.

I am disheartened to see the President abandoning his campaign promise and abandoning our children. Under this partisan budget that we were forced to vote on today, Rhode Island will lose critical funding for class size reduction, school construction and violence prevention programs. In 1999 and 2000, Rhode Island received more than $11 million under the 100,000 New Teachers program. With these funds, Rhode Island was able to hire 145 new teachers. President Bush wants to terminate this valuable program and resign Rhode Island's children to overcrowded classrooms. More teachers and smaller class sizes are critical to helping all students, and they have a particularly dramatic impact on those from low-income families. In fact, smaller class sizes are key to substantially closing the achievement gap between high-performing and low-performing students. To leave no child behind, we must reduce the size of classes by helping schools recruit and hire more teachers.

Rhode Island is also in serious need of money for school construction. Many schools throughout the State are deteriorating dramatically. Too many children are learning in trailers and in classrooms that do not meet even the minimum health and safety standards. In sum, Rhode Island schools are in need of $1.6 billion in repairs. Yet the Republican budget abandons Rhode Island's children by providing zero funding for school construction. Instead of creating modern and safe schools that are conducive to learning, the Bush budget eliminates the school renovation program and retroactively redirects the $1.2 billion already appropriated for this year to other programs. As many as 1,000 schools in disrepair will not be renovated because of this budget.

Mr. Speaker, reforms without resources will not produce results. Public demand to invest in education has never been stronger. Parents and taxpayers want to reduce class size, repair schools, ensure students have the highest-quality teachers and target Federal assistance to schools that are most in need.

This opportunity must not be squandered on ill conceived plans or sacrificed because of inadequate funding and a lack of political courage. Let us make children and public education our top priority and provide resources needed to make a difference for every child in America.

To truly leave no child behind, the White House and Congress must match rhetoric with resources needed to turn words into deeds and hope into reality.

PUBLIC SERVICE RECOGNITION WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Speaker, today we are in the midst of Public Service Recognition Week, and I rise to salute the public servants whose hard work and determination have markedly improved the way government does business.

Each May, the Public Employees Roundtable launches activities in cities across our Nation which highlight excellence in public service at the Federal, State, and local government levels. The organization hosts agency exhibits and demonstrations that educate the public about the array of programs and services that public employees provide to the American people.

Activities in my own hometown were kicked off yesterday by the Chicago Federal Executive Board. The board held its 44th Annual Excellence in Federal Career Awards program at the grand ballroom at Navy Pier in Chicago. Thirty-one agencies submitted a total of 487 nominations for the Board's consideration. Among the 11 first place Outstanding Employee or Team winners were: Lynn Hoffstadter, a manager with the Department of Veterans Affairs, who was recognized as an outstanding supervisor for leading Hines Veterans Administration Hospital to the highest level of accreditation that hospitals can receive. Michael Johnson, an employee with the U.S. Customs Service, was recognized as an outstanding community service employee for his work with the homeless and the troubled in his church. And the Chicago Lead Enforcement Initiative at the Environmental Protection Agency was awarded the Outstanding Law Enforcement Team Award for forming an aggressive alliance between Federal, State, and local agencies to protect families from the debilitating effects of lead contamination.

Mr. Speaker, while I have only enough time to recognize a few of the winners, I believe that each award recipient and each person nominated deserves our appreciation. This past Monday the Public Employees Roundtable held a ceremony here on Capitol Hill and presented its "Breakfast of Champions" award to representatives of exceptional programs at each level of government. The 2001 award winner at the Federal level was the Ricky Ray Program at the Department of Health and Human Services in Rockville, Maryland.

Other programs receiving special recognition this year were the Ohio Appalachian Center for Higher Education in Portsmouth, Ohio; Hennepin County Adult Correctional Facility Productive Day Program in Plymouth, Minnesota; and the Long Beach, California, Department of Parks, Recreation and Marine's Public Art in Private Spaces program.

Beginning this past Monday, and continuing through Sunday, May 13, over two dozen Federal agencies and employee organizations will have exhibits set up in large tents on the National Mall at Third and Independence Avenues. The public is invited to come out to learn more about the functions of these agencies and the services that each one provides. There will also be a job fair and a science fair. Some of our military bands and other groups will provide entertainment during this family-oriented event.

So, Mr. Speaker, Public Service Recognition Week offers all Americans, especially young people, the opportunity to learn and get excited about a career in public service. It also provides the opportunity to thank those who serve us daily for their efforts. I believe that public service should be valued and respected by all Americans, and the activities occurring this week across the Nation prove why. I thank all our public service employees, Mr. Speaker.

SMALL BUSINESS WEEK

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Illinois (Mr. MANZULLO) is recognized for 60 minutes as the designee of the majority leader.

Mr. MANZULLO. Mr. Speaker, as chairman of the Committee on Small Business of the House of Representatives, I am pleased to join with the President in helping to celebrate Small Business Week. We have several members of our Committee on Small Business here on the floor today, and I would recognize and yield to the gentlewoman from West Virginia (Mrs. CAPITO).

Mrs. CAPITO. Mr. Speaker, I thank the chairman of our Committee on Small Business for yielding to me.

I come to the floor today as a member of the Committee on Small Business to recognize the significant role of small businesses in the spirit of National Small Business Week. In my home State of West Virginia, where small business is big business, 90 percent of the businesses employ less than 20 people. Those smaller-sized firms employ nearly 60 percent of West Virginia's private sector employees. They are at the forefront of job creation, adding a net total of 4,700 employees between the years of 1995 and 1996 in West Virginia alone.

These numbers prove that small business is the backbone of our economy. But small businesses often serve other roles: as a second family to the employees or as pillars to their community. Often small businesses invest time and resources in other causes and organizations, or they become involved in local schools, churches, and sports teams.

In Charleston, West Virginia, my home, Bill Signorelli, the owner of Security America, sponsors a Little League team, along with volunteering much of his free time to the Charleston area chamber of commerce. Bill has built his business from the ground up, and now his business works to encourage the same work ethic that he used as a young person in many children through their baseball team.

In Lewis County, West Virginia, a man by the name of Frank Brewster owns and runs Sun Lumber Company, a company that employs about 10 employees. Aside from running his own business, Frank spends many hours of his valuable time as the head of the employer support of the Guard and Reserve for West Virginia. Frank's tireless commitment helps strengthen our country by easing the way for other small businesses to serve in the National Guard and in the Reserves.

That kind of spirit and local involvement is not unique to these particular small businesses; rather, it is very common among small businesses across the country. That spirit is why I stand here today, and that is why I wish to join in the celebration of National Small Business Week.

So today, and for the rest of the week, we recognize, celebrate, and commend the vital and significant contributions of small businesses, not only to our families, to their employees, but also to our local communities and our country.

Mr. MANZULLO. I have a question for the gentlewoman. She was kind enough to participate in a full small business hearing that we held this past week concerning the purchase of berets for our soldiers.

Mrs. CAPITO. Yes.

Mr. MANZULLO. About $29 million in purchases, of which only about $4 million was domestic and the rest was procured overseas. We have succeeded to a large part in stopping the overseas procurement, but the gentlewoman had mentioned to me something to the effect that just this past week she lost several hundred jobs involved in the clothing industry; is that correct?

Mrs. CAPITO. Yes. Over the last several months we have lost an enormous employer in Roane County, in Spencer, West Virginia, which actually had a factory for clothing and textiles sewing. So we would have liked to have had that business in Spencer, West Virginia. It was a small business, and it has kind of gutted the community now that they have left. So if the military is going to rebid that, we sure want to be in on that.

□ 1545

Mr. MANZULLO. There is about $40 billion a year worth of all types of procurement coming from the Department of Defense; a good percentage of that is clothing. I know that your heart was hurting over the fact that 3- or 400 people lost their jobs.

Mrs. CAPITO. Yes.

Mr. MANZULLO. And being it is a small town in a rural county, it is very difficult to find work elsewhere.

Mrs. CAPITO. That is right. I appreciate your bringing that to my colleague's attention. When you lose that many jobs, it not only guts the community in terms of the economics, but also the local involvement, the church, the Little League teams, school fundraisers, all of these things start to fall apart when you lose a large employer like that.

Mr. MANZULLO. Mr. Speaker, I appreciate the gentlewoman's participation in our special order this afternoon.

Mr. Speaker, I yield to the gentleman from Indiana (Mr. PENCE).

Mr. PENCE. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, each year for the past 38 years the President has issued a proclamation calling for the celebration of National Small Business Week. National Small Business Week, which is sponsored by the SBA, is being held this week. We honor the estimated 25.5 million small businesses in America that employ more than half the country's private workforce and create three out of four new jobs, and generate a majority of American innovations.

As chairman of the Subcommittee on Regulatory Reform and Oversight, I would like to lay out the principles that I believe should inform this body's agenda for our Nation's small businesses.

First, we need tax relief for small business owners. The House has taken a step in the right direction in passing a fiscally responsible budget that leaves room for tax relief. Contrary to what our opponents charge, cutting rates in the highest income tax brackets does not yield benefits just for the wealthy. Most small businesses pay taxes as individuals. Sixty-three percent of tax filers who will benefit from the top rate cut are small business owners who will likely reinvest their money in their businesses.

The Department of Treasury reports that a top tax rate reduction could increase small business receipts by 9 percent. The tax reform and relief allowed by today's budget will help encourage risk-taking and investment in small businesses.

Secondly, we need health care reform that protects employees and small businesses. In many cases, associations and industry organizations can provide health care to their member organizations at lower cost than those charged by traditional providers. We should actively promote legislation that will free small businesses to choose health benefit packages that will attract and retain the best people.

Right now, government employees, our own staffs, have far more choice in health plans than the small businesses in our districts. Colleagues, this ought not to be. Let us let small business employers offer the same health care choices to their workers that our staffers on Capitol Hill are given. In reforming health care, we must not extend legal liability to employers for health care decisions made by HMOs or other similar providers. Holding small businesses responsible for mistakes made by health care providers will drive many of them out of business and millions of employees out of insurance.

Thirdly, I believe we must create high-tech infrastructure that aids entrepreneurs. If we do not create an economic environment that allows for high-tech innovation, our small businesses will stagnate, unable to keep up with competitors in the high-tech marketplace.

Increasingly, new small business owners are starting their own businesses in cyberspace. Unless the high-tech infrastructure is in place to make this possible, there will be a dangerous divide between the "haves" and "havenots" which could significantly undermine business growth and development in small and medium-size towns, like many which I represent in east central Indiana. Without access to the information superhighway, both education and local economies will suffer.

Fourth, we need regulatory reform which is informed by sound scientific information and careful and unbiased research. Much of the debate in the small business area is driven by Federal regulatory agencies and the new policies they create for health, safety and the environment. While the government has made great strides in recent years to improve compliance assistance and review for impact on small businesses, much more remains to be done. Let us work together to remove the regulatory impediments to innovation and problem solving.

Congress must ensure that the engine of our economy, our Nation's small family-owned businesses, are not undermined by flawed and burdensome regulations.

Finally, we must explore new opportunities for trade to open up new markets and opportunities for small businesses. Small manufacturers and entrepreneurs are increasingly successful because they are able to win new customers in overseas markets. Congress should help the President win access to new markets through fast track trading authority. Also, we must work to expand free trade zones around the world. The President's recently announced initiative to advance a Free Trade Area of the Americas is a visionary first step. By fighting for fair free trade in our own hemisphere, we will help end unfair trade practices that undermine America's natural competitive advantage. These new markets will help grow our economy and ensure that our allies in the Western Hemisphere continue to grow politically and economically.

Our Nation's small businesses are the strongest in the world. With tax relief for small business owners, health care reform that provides choice for employees, high-tech infrastructure that aids entrepreneurs, and regulatory reform to eliminate burdensome regulations, combined with expanded international trade, I believe that our small businesses will continue to be the backbone of our economy in the 21st century.

Mr. Speaker, I thank the gentleman from Illinois (Mr. MANZULLO) for the opportunity to speak during this special order and for his leadership of the Committee on Small Business, and permitting me to join with you in celebrating the small businesses of Indiana and the small businesses of America.

Mr. MANZULLO. Mr. Speaker, I thank the gentleman from Indiana for participating in our special order today.

Mr. Speaker, I yield to the gentleman from New York (Mr. GRUCCI).

Mr. GRUCCI. Mr. Speaker, I thank the gentleman from Indiana (Mr. MANZULLO), the chairman of the Committee on Small Business, for yielding to me to honor America's small businesses, and I thank him for his guiding and stable hand in directing the committee which is doing so much good work for our small businesses throughout this great country in helping to create the economic stability or the cornerstone of our economic revival.

As you may know, Mr. Speaker, over 22 million viable small businesses are thriving across the United States. Small businesses with fewer than 500 employees make up the vast majority, 99.7 percent of all employer firms. Let me repeat that number. It is 99.7 percent of our small businesses make up our employer firms.

Small businesses generate approximately 50 percent of all U.S. jobs and sales. One of small businesses' biggest contributions to the economy is that they hire a greater population of individuals who might otherwise be unemployed than larger businesses. Very small firms with fewer than 10 employees hire part-time workers at a rate twice that of large firms of 1,000 or more employees. These small firms employ a higher proportion of workers under 25 and age 65 and older.

Mr. Speaker, I would like to focus my remarks this afternoon on the benefit of streamlining the paperwork across the board to improve the efficiency of America's small businesses as well as their experiences with the Federal Government.

During my career both in the private sector, and as a small family businessman, and in the public sector where I served as supervisor of the largest town in Suffolk County on Long Island, I have always been a proponent of streamlining the costly bureaucracy that hinders the success of small businesses and stifles the entrepreneurial spirit.

In my small family business, I experienced firsthand how encyclopedia-sized applications discourage owners from competing for government projects. I had to hire additional attorneys, accountants and consultants just to fill out the basic paperwork. These requirements place unnecessary burdens on the backbone of our Nation's economy.

As a local town supervisor, I streamlined and enhanced the planning review process on so many small businesses so that they could obtain permits at a faster pace. I created a streamlined, one-stop shopping system where small business owners and potential entrepreneurs could find all of the information and permits they needed to quickly expand their business or, in fact, start up a new one. For example, my policies afforded a high-technology company the opportunity to begin construction on a 40,000 square foot facility that created new jobs in less than 30 days. Without my streamlining plan, this process could have taken months, if not years, and those jobs would have been lost.

By streamlining the process, small businesses open faster, expand at a greater rate, create additional jobs and improve the quality of life for all Americans. In addition, I implemented budgets that cut the property tax burden on homeowners and businesses by $72 million. The result was the creation and retention of more than 20,000 good-paying jobs in less than 5 years.

Once again, I ask my colleagues to join in honoring small business owners across the Nation.

Mr. Speaker, I thank the gentleman for his leadership of the committee.

Mr. MANZULLO. Mr. Speaker, this is National Small Business Week, and it is a time to reflect on exactly who these small business people are, why they are involved in small businesses operating for themselves as opposed to working for somebody else. There is a lady back home by the name of Rebecca Hillburst in Rockford, Illinois, and she has been honored this week in the field of government procurement as the Regional Subcontractor of the Year.

Mr. Speaker, few people know that small businesses provide over $63 billion worth of goods and services to the Federal Government. Rebecca is the first in our region to receive this award. Rebecca's father started the Commercial Printing Company in Rockford in 1948. She assumed the helm of the company in 1989. The business performs customized and commercial printing jobs. Rebecca Hillburst and her four employees, George, Lars and Eleanor Hillburst, as well as Darcie Powelson, are symbolic of the small entrepreneur enterprise that makes America great. I applaud their hard work and dedication.

When I was 4 years old in 1948, my father bought a grocery store on the southeast side of Rockford, Illinois. At that time, right after World War II, times were very difficult. The immigrants coming from eastern Europe would often stop right in front of my father's grocery store, which was also a bus stop, and they would walk in with a piece of paper which would say, "See Frank at Frank's Port Market when in Rockford." Likewise, hundreds of families came out of Arkansas, came to Rockford because of a huge crop failure in Arkansas at that time.

Dad, over the period of years that he had that grocery store, grubstaked literally hundreds of families who otherwise could possibly have starved. He would extend them credit based upon the fact that he knew he would get repaid and he was doing the right thing.

He was also a master carpenter. I recall on occasions when dad would take the Blue Star potato chip boxes which were about an inch thick, he would go to garages and places where these people lived and use those potato chip boxes to insulate their homes so the cold air would not come right through the board walls. Those were times when in the summer, people lived in tents, and many times people lived in basements, not being able to build the house on top of the basement that they themselves had constructed.

□ 1600

Dad chose to go into small business because of his desire to work for himself. He could have earned a lot more money working for other people, but he envisions today what we know as the entrepreneurial spirit. That spirit gave rise to a sense of social consciousness that has been passed down to me. Oftentimes on Saturday night, Dad and other people in the community would get a large painter's tarpaulin and hang it from a billboard and get the 16-millimeter projector from Morris Kennedy School and show Hopalong Cassidy movies and all types of movies that those people in this country that are in their 50's will remember at that time.

The small businesses worked very closely with the schools and the churches and brought together what we call this sense of community, people working together to make a community a better place to live. When I ran for Congress, I would talk about my father and his commitment to the people. Time after time people would come up to me and say, Mr. MANZULLO, we knew your father. Were it not for him, our family would have had a very difficult time making our way even to live in this country. He found us places to live. He found us jobs. We would go into the grocery store with a cut hand, and he would be there to break open a package of Band-Aids just to help us.

But Dad is not unique. He envisioned along with my mother the spirit of entrepreneurship and, that is, you work as hard as you possibly can to get ahead in life. But he also recognized something else. Dad was not much about government. Oh, he voted all the time and believed that government was necessary; but he also believed that government was getting involved in too many areas where it should have stayed out of, the regulations that hit Dad's grocery and then eventually the restaurant business that he went into in 1953. My brother Frankie carries on that tradition today with Manzullo's Famous Italian Foods. I told my brother I think that name is a little bit facetious, but he believes that his menu is famous; and he believes that the fact that people eat that Italian food, that they will be famous also. But Frankie also with his 13 tables and a small Italian restaurant carries on the tradition of entrepreneurship. He believes very strongly that people are supposed to work hard, it is an ethic that is ingrained into our system of America today, and that small businesspeople should be rewarded, not asking for anything except to keep the fruits of their labor.

What do we have today? We have a government that has gotten so big, so large, exercised jurisdiction where it has no business being, that small businesses are crushed under the burden of regulations.

Mr. Speaker, I yield to the gentleman from Pennsylvania.

Mr. TOOMEY. Mr. Speaker, I would like to thank the chairman for his leadership. And advocating for small businesses, the gentleman understands very well the critical role that small business plays in our economy, that small business plays in our entire society. I am sure he is well aware of the fact that small businesses have in recent years created 80 percent of the new jobs in America. It is very hard to overstate the importance of small business, and so it is fitting that we recognize small businesses this week. I just want to recognize and commend him on his leadership, the hearings that he has held and the attention that he has focused on finding ways that the government can relieve the burden that government imposes on those people creating these jobs and really contributing so much to our economy.

I wanted to speak in particular about why today is a big day for small business owners across America and not just small business owners but every single person who is employed by a small business, the people who provide supplies and services to small businesses, the communities that derive tax revenue from small businesses and suffice it to say our entire economy and that is the budget resolution that we passed today. One of the highlights of the budget resolution is the tax relief that is contemplated, it is allowed for by this budget resolution. It is modest tax relief. If you look at it in any historical standards, it is quite modest. If you look at it compared to the size of our economy it is quite modest; but it is important because it is significant, it is across the board, it will provide tax relief for all tax-paying Americans, and it is the most significant tax relief in a generation.

Why is it so important? There are a number of reasons, but let me focus on one in particular. The tax relief that we voted to allow today with our budget resolution, if enacted, which I believe it will be and I am sure the President will sign it into law, it is going to lead to economic growth and prosperity. It is going to increase the economic output of our country, and that means productivity of our workers is going to rise, that means workers' wages will go up, that means standards of living will improve and that means a better quality of life for all Americans.

That is why this is a big day, not just for small businesses really but for everybody, but especially for small business. Part of what is going to help small businesses in particular is lowering of the marginal rates of taxes.

As the gentleman knows, many small businesses, probably most small businesses in America, are taxed using the personal income tax rates, especially those that choose a subsection S designation, which is to say most, they are subject to personal tax rates. When we lower the tax rate that that small business is going to pay, we increase the incentive to work, to save, to invest and to grow that business.

Now, the fact is the majority of people in America are going to get up and go to work every day whether or not we lower taxes. That is a fact. But growth occurs on the margin; and many small business owners have flexibility, they have a choice, they have a decision to make. Should they put in extra time, extra work, more effort, more risk, more of their capital at risk, expanding their business, growing their business, should they do that? Or should they spend that marginal savings, time, energy doing other things, spending it with their families, spending it at leisure, spending it doing something else? If you think about it, when we increase the rewards that that small business owner is going to be able to take home by lowering the amount of money we confiscate from him in the form of taxes, when we increase the rewards for working and saving and investing, people choose to do more working, saving and investing.

Every single time in our Nation's history that we have had significant across-the-board tax relief, we have seen a corresponding increase in economic activity and economic productivity, in growth and prosperity. That is what is going to happen when we finish through this process and we enact the tax relief that is contemplated by this budget. I am convinced if we continue on this path and we follow through with this budget resolution and we provide this tax relief, and frankly I hope that this will be a floor, not a ceiling, in terms of tax relief, there are many important elements that we could include, that we could add to the tax relief that was proposed by the President, I hope we will because we should, if we do that, we are going to increase the rewards and we are going to increase the incentives and we will see a corresponding increase in the output of economic activity, and that is higher wages, higher standards of living, greater economic growth.

That is what this is all about. It is going to give people the opportunity to develop and accumulate capital which gets invested in this economy and really leads to all good things and continued growth in the tremendous engine of growth for our economy which small business has been.

I am delighted today to recognize the contribution small businesses make to our economy, to our prosperity, and to recognize also that the budget resolution we passed today is going to help everybody who is an owner, an employee, a provider of services or products for small businesses. That is a big step forward for all of them.

Mr. MANZULLO. I would like to ask the gentleman from Pennsylvania a question if he has the opportunity to stick around for a few minutes.

Mr. TOOMEY. Certainly.

Mr. MANZULLO. So often we hear people saying, well, look at all the things that government can do for businesses. I would like to ask the gentleman what in his mind he envisions when he hears that question asked.

Mr. TOOMEY. One of the best things that I think government could do for business is get out of the way. We share several things in common, one of which is our historical involvement in the restaurant industry. My brothers and I have been in the restaurant industry, I no longer am, but for many years we were in this business, having started a restaurant business from scratch. The regulations are extremely onerous; but even more onerous from my point of view was the tax burden and the Tax Code, both obviously visited upon business owners by the Federal Government.

To give my colleague an example, or to put it in perspective, I think of the restaurant business in many ways; it is a simple business. You go out, you buy food, you cook it, and you sell it. It is not terribly complicated. But every year at the end of the year when it comes tax time, I have to hire an accountant and pay a great deal in fees for the accountant to go out and calculate what our tax obligation is. What he sends back to me, or what he used to when I was an owner of these restaurants, would be a stack of documents at least an inch high with instructions to fill out a check for a particular amount, sign the form, send it in and hope for the best.

That is what small business owners do every day. There is no reason for that. There is no justification for a Tax Code that is too complicated to understand. There is no justification for a Tax Code that rewards and punishes people with their own money based on whether they behave in a fashion that is approved of by politicians. This is not the way we ought to be doing things. Part of what we need to do is move on and provide meaningful simplification of our Tax Code and more fairness in our Tax Code.

When I talk to the people who are still in small businesses back in Lehigh and Northampton Counties and Montgomery County in Pennsylvania, the folks across the Upper Perkiomen Valley and the Lehigh Valley who are creating all those jobs, what they tell me is, Give us some room. Just step back, lower our tax burden, lower the regulatory burden and we will be fine. These folks are not looking for a gift; they are not looking to be given anything except the opportunity to go out and run their own businesses as they see fit. I think they deserve that.

Mr. MANZULLO. I concur with the gentleman. The best thing that government can do for all businesses is to stay out of the way. Obviously, there are necessary things that the government has to do with regard to safety. We are not questioning those things. But take the area, when my mother died about 1 year ago and although our brother's business is not affected because of the very modest amounts, I would like to ask the gentleman what in his opinion this death tax does when the owner of the business dies and he wants to pass it on to his children. What has been the gentleman's experience on that?

Mr. TOOMEY. I know of a number of cases and circumstances in which the effect is devastating. An important point to remember is that the death tax which the gentleman is referring to, which is the tax whereby at the occasion of a person's death the government comes in and confiscates up to 55 percent of everything that person has left over, let us step back and remember that whatever a person has left over is left over after multiple layers of taxation were already paid.

Mr. MANZULLO. During the lifetime.

Mr. TOOMEY. During the course of a working person's lifetime, the person pays tax on their income. If there is a little money left over from that and you save it or invest it, you pay taxes on dividend or interest. If you have a capital gain because an asset appreciates in value, you pay a tax on that. If you still manage to have something left over after all those taxes are paid at the end of your life when you die, the government comes in and takes more than one-half of that. I think to most Americans that is absolutely unreasonable and unfair to have that many layers of tax on the same income, the same savings. But nevertheless that is what we do.

What are the ramifications of that? They are extremely negative. One example that is all too common is that small businesses, farms, they might grow to the point where there are assets that are substantial, they may be several million dollars, but very frequently they are not cash, they are not in the form of securities. They are not liquid assets that are available to pay bills. They are investment in plants, in equipment, in factories, in land, in very tangible real property but property that is not liquid.

When suddenly the government comes in and says we are going to assess the value of this entire operation, and we want more than one-half of it now, that forces the heirs to that person's family business or farm to make some very, very difficult and sometimes devastating decisions. Often they have to sell the entire thing to generate the revenue to pay the tax bill. Sometimes they have to sell portions of it. Sometimes, Mr. Speaker, a family is forced to take on a huge amount of debt to pay the tax bill, continue to try to operate the business now with this huge debt that has saddled them and sometimes they have to lay off workers, sometimes they have to cut back on their workforce in order to afford the service on the debt.

The point is the Tax Code should not be driving that kind of decision. It should be the economics of the operation that determine whether you sell the operation, take on debt, not a Tax Code that says it is time for the government to take one-half of their value. That is the kind of devastating impact it can have. It can force farmers to sell their farm, it can force small businesses out of business altogether, and it can force small businesses to have to take on a mountain of debt which their business may not be well equipped to handle.

□ 1615

It can have all of these unintended consequences, all in the name of trying to confiscate a person's savings at the occasion of their death.

So it is important to remember that this is not just a tax that penalizes those people who chose to be frugal and to save and invest and accumulate an asset over their life, but also they are employees; the contribution that business makes to the community; the revenue that is derived from people who provide goods and services to that business; the ramifications spread out from there, and they do much harm.

Mr. MANZULLO. One of the things that I have seen taking place is farmers that really want to pass the farm on to their kids but they know the death tax would be so excessive that they sell out because the capital gains tax is cheaper than the death tax and the capital gains tax can be timed over a period of time.

Some folks in our country are concerned, and in many cases rightly so, over the loss of green space. A person wants to sell his or her farm, that is obviously their right of private property. But to sell it, essentially prematurely, that is not the way it should be.

Mr. TOOMEY. If the gentleman will yield, in my district in the Lehigh Valley and the Upper Perkiomen Valley of Pennsylvania, we have beautiful rolling countryside, farmland and a rural area, within a short distance of the center cities that make up the heart of my district.

Many people are quite justifiably concerned about the sprawl that is going on; the development that is extending ever further outward; the congestion that arises as a result of that; the diminution of the quality of the countryside as these developments have gone on.

What we have is we have a Tax Code that encourages that. In some ways, the Tax Code forces that kind of development because just as the gentleman points out, it is an economically rational decision in many cases, not a decision a farmer wants to make but an economically rational decision, given the Tax Code, to sell that farm, even though he would much prefer to pass it on to his children.

To sell that farm, who is the likely buyer of a farm? It is going to be a developer.

Mr. MANZULLO. I was in a position years ago, as an attorney in Ogle County, Illinois, when a family had to sell half the 640 in order to keep the 320, just to pay the death taxes. That is not nice. That was before there was the unlimited marital deduction.

To see the widow and the kids devastated by the sale of that farm, and money just to pay taxes and they had worked on that farm their entire lives. What we see is the farmers who have to have a tremendous amount of capital assets, and restaurant owners, grocery store people, people with construction companies literally can run into the millions of dollars worth of equipment in many cases to make a very modest living. They are absolutely totally devastated.

Take the difference between a professional person such as an attorney. He does not need but literally a few thousand dollars' worth of equipment to get started. At the end of that person's career, the cases are picked up by other people within his office and not taxed. The firm is not taxed.

Yet, for a farmer or the grocery store owner or the restaurant owner, that cannot be done because their wealth, their income, is based upon the use of assets that cost a tremendous amount of money.

So we see that 80 percent of small employers have to spend costly resources to protect their families from the death tax. There is a tremendous amount of money in attorneys' fees, accountants' fees, life insurance premiums all going towards that eventual date when the person dies that there be enough resources out there to pass that farm on to the kids. What happens when that money is used for expenses like that, it does not get plowed back into the business.

Mr. TOOMEY. If the gentleman will yield once again, that is a very important point. There is an enormous amount of money, by many responsible estimates, as much or more than what is collected from the death tax every year, is spent to avoid it.

Now think of how counterproductive that is; to force people to spend that kind of money all to circumvent this onerous tax. The gentleman is exactly right. This money is going to pay attorneys and accountants to set up trusts and all kinds of funds and to pay massive amounts of insurance premiums, which is such a counterproductive use of this capital.

This is money that could be invested in our economy to grow the economy, to grow those small businesses, to create more of those jobs that we know these businesses are so inclined to do if given the opportunity. But instead, we force them to allocate resources in a way that makes no economic sense; no sense for their business; no sense for our economy. It is all driven by this terrible flaw in the Tax Code, which is why it is so important that we repeal the death tax in its entirety rather than just create some increase in the exemption.

If we just increase the exemption, we have not gotten rid of the problem. We have diminished it somewhat, but the only way to resolve this problem is to repeal an unfair tax.

Mr. MANZULLO. If we just increase the exemption, then the next Congress can come back and lower it way back again. Back in 1992, before I was elected to Congress, there was a bill that was introduced that would lower the then-exemption from $400,000 to under $200,000, which would make it even more obstructive.

We have introduced a bill called the Small Employer Tax Relief Act of 2001, H.R. 1037, that is a bipartisan bill. I signed onto it, helped draw it, along with the gentlewoman from New York (Ms. VELÁZQUEZ), who is the ranking minority member on the Committee on Small Business. I believe that this is a breakthrough, a bill that really will help small businesses.

First of all, small businesspeople that are not incorporated should be allowed to write off 100 percent of the cost of health and accident insurance for the self-employed. My brother is facing $600 and $700 a month for health and accident insurance, and there are small businesspeople that actually go out of business, decide to work for somebody else, simply because they can get the health insurance benefits. So it is time that this Congress really stepped up to the plate and said, look, for too long we have gone with playing games. Now I think it is only 60 percent is deductible.

Mr. TOOMEY. Again, I think this is a very important point, because again we have a Tax Code that causes such an inappropriate distortion in our economy. We have a Tax Code that says if a corporation goes out and buys insurance, health insurance for an employee, the corporation can deduct that as a legitimate expense. It is deducted from their tax liability. That is fine.

When an individual or a small business, unincorporated small business, goes out and tries to purchase that identical policy, that person cannot deduct it.

Now, what is the possible justification for that?

Mr. MANZULLO. There is no rationale for it.

Mr. TOOMEY. It is not rational. It is not in the interest of anybody to do this, but yet we perpetuate this, even in light of the fact that we have millions of Americans who are uninsured.

Clearly, many of those would be better able to afford the insurance if they could deduct it; just as corporations already do.

I think what the chairman is suggesting is merely that individuals get the same kind of treatment that corporations already get.

Mr. MANZULLO. Yes.

Mr. TOOMEY. Why would we not extend that tax treatment to individuals?

Mr. MANZULLO. It is just something that the small businesses have been trying and trying for the longest period of time to get, and it has had a very difficult time getting through. Hopefully, it will get through this year.

On this bipartisan bill, as to which I believe the gentleman is a cosponsor, it would get rid of it by repealing the FUTA, a 2 percent surtax. It would increase expensing up to $50,000. In fact, we are in the process now of looking at whether or not the small business owner or the casual investor should be allowed to set his or her own depreciation schedule.

I just put a rubber roof on a building, a 130-year-old building, not worth that much but the roof cost $25,000. The law says one has to take 39 years to depreciate it. It has a 10-year warranty on parts and a 5-year warranty on labor. It absolutely does not make sense to have arbitrary rules like that.

If we allowed the small business owner to set his or her own depreciation schedule, then, for example, I could choose the number of years I want to do it, say 4 or 5 years, but if I expense it then I could no longer add it to the basis for the property when I sell it. Well, that is all right.

To have to go through that tremendous expense and really get very little tax break to help with it, simply does not make sense.

So there are a lot of things that we can do. This small business bill also allows small businesses with annual gross receipts of $5 million or less to automatically use a cash method of accounting as opposed to the accrual system.

The gentleman would recall a hearing that was held in the Committee on Small Business where people were involved in the installation of drywall. It was a very small company and the Federal Government said even though they did not have a storehouse where they took the drywall, and even though they called the wholesaler and the wholesaler delivers the drywall directly to the place where it is to be installed, that we are going to consider this to be inventory and, therefore, we are going to tax them on the accrual method, which means that they are taxed based upon what they bill as opposed to what they receive.

This is a company of about 12 people, got hit with a $200,000 tax bill. Now, it does not make sense because essentially the Federal Government collects no more money on the accrual system than it does on the cash system.

Mr. TOOMEY. It is really a question of timing, is it not, in terms of the Federal revenue on the taxes?

Mr. MANZULLO. It is.

Mr. TOOMEY. It is a question of timing, which is not terribly important to the Federal Government but it is incredibly important to the small business operator who in the example the gentleman just presented is forced to pay a huge tax bill on income that he has not collected yet. Is that correct?

Mr. MANZULLO. And may never collect.

Mr. TOOMEY. Right.

Mr. MANZULLO. In fact, the IRS had entered into some type of an agreement with a dentist in downstate Illinois that said he would have to be on the accrual method. We got wind of this and worked with a couple of organizations. I actually sat down with Commissioner Rossotti of the IRS. His background is in systems as opposed to being a tax attorney. He was really surprised that one of his 106,000 employees had forced this dentist to do that, and he put an end to it.

So we see all of these tremendous numbers of abuses and we are really working on, I believe, some monumental, in fact bipartisan, legislation to help out the small businesspeople.

I appreciate the gentleman from Pennsylvania joining us today for special orders.

SIX-MONTH PERIODIC REPORT ON NATIONAL EMERGENCY WITH RESPECT TO IRAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 107–68)

The SPEAKER pro tempore (Ms. HART) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to Iran that was declared in Executive Order 12170 of November 14, 1979.

GEORGE W. BUSH.

THE WHITE HOUSE, *May 9, 2001.*

WHAT ARE OUR REAL NATIONAL PRIORITIES?

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentlewoman from California (Ms. MILLENDER-MCDONALD) is recognized for 60 minutes as the designee of the minority leader.

Ms. MILLENDER-McDONALD. Madam Speaker, it is good to be here today, though I am saddened by the fact that a budget has passed out of this House and I was unable to be on this budget resolution. That budget did not speak to the needs of my community. In fact, it did not speak to many communities, that of the environmental community as well as the education community.

It is amazing that the President said, when he was Candidate Bush, that he promised a new era of environmental protection, and that we should leave no child behind. Yet the impact of this budget today was simply that: We are leaving children behind, and the environment has not been given anything to enhance or direct some of the toxic wastes, the brownfields and all of those other environmental hazards that impact my district.

□ 1630

I can recall that last year in the budget when we talked about 100,000 new teachers. When I was a teacher, I really did gleam at the whole notion that we would for once pay attention to the importance of quality teachers, to bring those 100,000 new teachers into classrooms, whereby no child would be left behind in having a quality teacher.

When we talked about reducing class sizes, where class sizes would be no more than 20 students per class, again I was excited about the budget last year that brought forth those types of innovative provisions and initiatives that certainly did speak to leaving no child behind.

Today's budget resolution did not have either of those in there. In fact, the President has been very inconsistent with the application of his promise. If the President were true to his promise, he would not cut critical and necessary environmental and education programs.

It is so important for Watts in my community and other Members' urban communities to have gotten from this body a budget that would speak to the issues that are so important to them, and yet we rushed quickly to get out the $1.6 trillion tax cut, which invariably the Senate did reduce a bit to a $1.35 trillion tax cut overall.

I am for a tax cut, have always been for one, but we must have targeted tax cuts that will enable us to have those 100,000 new teachers, that will enable us to have those reduced class sizes, so that in my districts of Compton and Watts and the Los Angeles Unified School District, students really will get quality education that they sorely need.

It is important that the American people understand that the children that we speak about are poor children. Those 53 million children that we have to educate in this country are poor, they are disabled; they are, for the most part, limited English speaking. They are in need of a budget that speaks to them, a budget that does not leave them behind.

So the Republican proposal provided less than half the average funds Congress granted the Department of Education for the past 5 years, in speaking to education, the Department of Education that Congress granted over the past 5 years, speaking to education, speaking to the environment, speaking to those needs of the children, the majority of the children who make up the 53 million children who are in dire need of those qualified teachers.

This proposal that the majority put out fraudulently inflates their increase by taking credit for funding previously provided initiatives during the past administration for the 2002 appropriations. In reality, Madam Speaker, that is not the way you do business in terms of a budget.

Let us look at some of the things that happened in this budget proposal. It actually guts out school renovation, whereby States have to then divert $1.2 billion in their 2001 budget to fund other critical education programs, because they need more than $100 billion to bring classrooms up to adequate condition.

I certainly would like for Members who voted on this budget to come to my district and to look at the classrooms in my district, where the ceilings are falling, where the seats have splinters, where the students cannot move around in the seats because they will really be in danger of getting some type of sore, some kind of mark, or just simply cannot sit still in a seat because the seat is not adequate for them.

I would like for you to come to my district, where we do not have computers for every student, that once a semester they get a different teacher, and this teacher has an emergency credential.

I want those who really voted on this budget to come to my district to look at the school environment and recognize that this budget did not speak to those students. This budget also caps the Individuals With Disabilities Education Act, IDEA, funding at $1.25 billion. Disabled students, students we are trying to bring into the mainstream, should be in the mainstream of education, having now to deal with caps and funding that is below par in meeting their needs, the needs of these students who have special needs, but still are very sharp, very much wanting to be in the mainstream of education, and needing the funding to provide them the type of resources that are critically needed.

Madam Speaker, it also cuts educational technology funding by $55 million, less than the 2001 freeze level of $872 million. What a travesty. We have an H1-B bill that passed out of this House sending for folks from other countries over here to do high-tech jobs because we do not have trained personnel for these jobs, and yet we are not even in the process of trying to train the future leaders in high-tech when we cut educational technology by $55 million.

I have just mentioned to you that these schools do not have computers for every child or even a computer for every two or three children in a classroom; and if you look at the projections of the workforce in the next 5, 10, or 15 years, they will be the absolute children we are talking about today who are the poor children who will not have a chance to move into the world of work and high-tech jobs. They will simply be unable to meet the criteria for these jobs because of our not putting the money in a budget today that speaks to education for our children who will be the workforce of tomorrow.

So, I am simply concerned about this. It is a critical issue that really touches me deeply, because I was sent here by people who want to make their life better by education. They want to have a better quality of life by ensuring that their children have a qualified teacher and that the class sizes are conducive to learning. That means students who are in classes which have no more than 20 students.

So I say to you, those of you who voted on this bill, obviously you do not need the money for educational technology. Perhaps you do not need the money in your district for the individuals with disabilities. But I certainly do, and many of the Members here who represent urban and rural districts need this. So when we talk about "leave no child behind," I am afraid this budget in terms of education has left many children behind, many of whom represent the 53 million children who I speak of today.

When we talk about the environment, we again recognize that Candidate Bush promised a new era of environmental protection. I have grandchildren who talk about the water, because they have heard by others and have seen on television that we have a problem with arsenic in our drinking water. Yet this budget rescinded an order that limits arsenic in drinking water, rescinded that, that limits the arsenic in drinking water. It is asking for more studies.

How many more studies will we have to present to discern the notion that we must limit arsenic in our drinking water, that we must have that Clean Water Act, and cannot erode that by any means; and yet it is being looked at as a possibility of being eroded by this budget, this President's budget that passed out of this House today.

There has been a renouncement of the Kyoto Agreement on global warming and reversed a campaign promise to regulate carbon dioxide emission from power plants. Again, there was a promise that the Candidate Bush did, but now we see has totally dissipated. But the emissions in the air are not dissipating at all. We still have this problem of carbon dioxide and other toxics in the air.

This is why the clean air and clean water bills cannot and should not be eliminated or diminished in their effectiveness, because of the critical need for the environment to again be conducive to children who play outside, who have no other recourse but to play outside, and they are playing in these areas where you have toxics, where you have carbon dioxide emissions in the air.

If that was not enough, we looked in this budget to see delayed new hard rock mining regulations that would require companies to protect water quality, pay for cleanup, and restore public lands ruined by mining activities.

These are provisions that were inside of this budget. A delay on this, rescinding on that, pushing back, suspending on others, clearly issues that do not and will not help this environment at all. We will not have a budget that speaks to clean air, clean water, clean up of toxic waste, clean up of brownfields.

Another provision in this budget that was proposed was a proposal to drill for oil and gas in the Arctic National Wildlife Refuge. We have heard a lot about ANWR. We have heard a lot about the need for that. And that is not a need. We should not disturb wildlife. We should try to find alternative means by which to deal with our environment, and it should not be that drilling for oil and gas at all in a place that will disturb the inhabitants.

The proposal was to suspend several of the past administration's environmental rules, including one that would protect the remaining roadless areas in the National Forest. What are we trying to do? What are we simply trying to do when we tend to erode those things that past administrations have done to speak to the needs of a cleaner, safer environment? Why are we trying to destroy those provisions, those initiatives, that will help the communities, the urban and rural communities, to reach levels where the air is cleaner, the water is safer, and, indeed, that there is no drilling in places that will create a climate that is not conducive to one who wants to go into National Forests and wants to not have roads and other areas that will, again, impede their solace of being there.

We have looked at EPA in the budget that is supposed to help us with the clean water, clean air, brownfield cleanups, and yet there has been a cut in the funding of EPA by $500 million, less than the 2001 freeze level.

Those of us who come out of local government, and once as a mayor of a city I recognized if you do not clean up the environment, you will not be able to induce or to even bring in businesses to provide the jobs for those who are the least of those who will get a tax cut or the results of a tax cut. You will simply not have those persons who will be able to make the charge of investing in this economy, investing in this country, if they do not have the jobs that accord them the salaries that will be conducive to the quality of life that we would want all Americans to have.

☐ 1645

Yet we see these cuts in EPA of $500 million.

The budget also provides $850 million for the Clean Water State-Revolving Fund program, but it is less than two-thirds of last year's level. If, again, Madam Speaker, we are talking about clean water, we cannot make this budget and its resources less than two-thirds of last year's level. We have to bring this up to the level where those in this country will realize that we are trying to clean the water, we are trying to clean the air, we are trying to clean those brown fields, we are trying to stop the emissions in the air. We simply cannot state that charge if, in fact, the budget reflects something that is totally different, and which this budget did.

The budget also cut the EPA's science and technology program by $54 million, again, from the 2001 freeze level. This cut includes $4.5 million for safe drinking water research and a $6.3 million cut in research on key air pollutants. I simply cannot understand a person who said with the most oratorical stance that one could make that there will be a new era of environmental protection; and yet this budget does not reflect any of that, a person who spoke about this comprehensive education package that will leave no child behind; and yet we see that many children will be left behind.

I simply say as an educator, I cannot go back to my district and say, well done, we have done what you need, we have met those needs that you have. I cannot go back to my grandchildren and those children who think that the water is tainted, that there should be something done with the water and say, well, we do not know whether we can do that; we do not know whether we can fix that now. I cannot tell my asthmatic children and grandchildren who have asthma that you really cannot go outside because the emission in the air is so thick that you will not be able to breath. I simply cannot go home and say that "well done" on a great budget resolution. I cannot go home and say that this budget speaks to the needs of my community.

I simply will have to say that we do not have the right people making the right decisions for you; and, therefore, we need to look at the possibility of changing that in the near future. Because, Madam Speaker, if we are talking about the environmental and educational welfare of our children, then our Nation is at stake, our children, the environment really are at stake here. Because we have to speak to the children. We have to speak to the environment. We have to speak to the critical needs that will help us to address these needs, the critical needs of these areas that will not be advantaged by this tax cut. In fact, they do not even meet the levels of the tax cuts.

So if we are to live up to our promises, if we are to be the types of leaders that will be obligated to be responsible for those who are less fortunate, for those who are looking to us to provide those things that have not been provided for on the local and State level, then we must address why this budget resolution did not present itself in the fashion that would create the type of climate that would be conducive to the needs of those of whom I speak.

This is why I could not support the budget. I wanted to. I really wanted to help the President and help our country to have a budget that we could all rally behind and would appreciate. But that budget left behind our Nation's poorest and the most underserved children. And because of that, we simply cannot go out and rally that this budget was one for the urban or the rural communities. In fact, we cannot even say this budget presented itself for children so that we could bring them forward and not leave them behind.

It is a pretty sad day when we cut from educational technology and children are desperately trying to get on the Internet and trying to see just what that computer is all about. It is a sad day when the disabled student cannot get some of the resources that he or she needs because of this budget that did not speak to them. It is a very sad day when children cannot have adequate schools because of the renovation, the funding that has been cut from this budget.

I am pleased that we have one who has come to the floor who is a great leader, who is one of our budget persons, and who can speak to and articulate why the majority of this Democratic House did not vote on this budget. I present to my colleagues now this outstanding leader, the gentlewoman from the State of North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Madam Speaker, I thank the gentlewoman for yielding. I appreciate her leadership in coming to the floor and speaking about the seriousness of this budget and how it affects children, how it affects the environment. I heard the gentlewoman say what a marvelous thing he is doing for the country, to point out the seriousness of a budget document. The budget document is very important. It says, where are we going to put our resources. It says, indeed, where we place value. It says if we are talking from a political campaign or from a deep-seated commitment of American resources.

Now, the document should indeed be about where our priorities and our needs are; and the gentlewoman was correct, I think I heard her talk about recruiting teachers. I know the gentlewoman has taken a leadership role on that before she came to Congress on the whole issue, and she knows the critical shortage of teachers we have across America. She also knows that the future of our country is based on having good schools. So we have to have those who are able to lead the others. So it is so critical, and the number one priority in America happens to be education. Yet it was the most egregious omission in the budget.

Now, I come from agriculture; and I am very pleased that I saw there was some lifting up of the agriculture over what we had originally, so I want to applaud that. But I cannot accept that this budget was an important document; and you know that at the end of the day, that document will not be the guide that we just passed for several reasons. One, we cannot ignore the priorities of education and prescription drugs and the needs of America without the appropriators hearing from all of us and hearing from America who is saying, regardless of what we did with the budget, we have desperate needs. Regardless of what we have heard in terms of opportunities for us to get by with so little, we need more resources. So we know at the end of the day they are going to ignore those caps, and they are going to exceed those caps.

Also, we know that the budget is an important document because it should tell us where we are going to get our resources. We know that when we balance our budget at home, we cannot speculate that the job I do not have, I can just plug in a number. Well, the Federal Government, how we fund our resources is usually from taxes; and those are the actions we now have an obligation or that are legal on the books. So that is one.

The other one for resources happens to be trust funds, trust funds committed for the future. What are those trust funds? The trust fund for Social Security, the trust fund for Medicare. Or another way we can add resources, we can say well, if I need more money, I will just reduce spending over here in order to put money over there. So that is another way. So our budget should clearly indicate to the American people, how do we plan to pay for this and where do we get those monies? What tax reductions will do? So if we reduce the taxes, do we get more from the trust fund? Or do we cut programs? The money has to come from somewhere. So if we have an important document that should be telling the American people, this is a guide, well, the guide should clearly say, if I look at your budget, I know your resources and I know your revenue; and I know where these resources are from and how we gather the revenue, and that I am not either going into the Medicare Trust Fund, I am not going into the Social Security Trust Fund.

Why is that important? Well, in the tax budget we just passed, it says that we will have a $1.25 trillion tax reduction over the next 10 years. Now, that is just the beginning of the process. That is not the end. And we are paying down less of our debt. If we pay less of our debt, that means, guess what? Interest will go up. And as the interest goes up, so will that tax bill go up. We will find as we do that, the American people will say, well, I thought you said that the tax reduction was only about 1.3. How come at the end of the day, it is almost 1.6 or $2 trillion? Well, you have to add interest; and guess what, there are some other tax adjustments that we need to do, and a number for interest will be knocking on the door.

So again, I want to commend the gentlewoman for taking the time to explain to the American people and to our colleagues that the gentlewoman takes seriously the budget process, and I know I do. I am on the Committee on the Budget. I am offended not only by process, but also by substance. We have 435 of us, and the process allows that in a conference stage, the conferees, taken from both sides, should meet together. Now, we understand that the Democrats are in the minority and they will lose many of those battles supposedly, but we do not expect to be shut out completely.

So I am offended by process, but I am equally offended by substance, which is not there, the kinds of things that we will not be able to do. The kids will not be able to get educated, the environment will not be able to keep clean, and the commitment to the American people we cannot sustain if, indeed, we go with this budget resolution as it is. It means that we have to indeed get the money from somewhere. So it has to come from the trust funds, Social Security and Medicare. When we do that, we have violated the trust and our commitment to the American people. There is not enough money for prescription drugs, and the gentlewoman knows that as well.

Ms. MILLENDER-McDONALD. Madam Speaker, I thank the gentlewoman for coming to the floor, because I tried to just take portions of this to speak on and next week we will speak on some of the others; and hopefully, this will send a signal to those conferees that we really are concerned about the impact this budget will have on our communities.

But when we look at the cuts in educational technology, the gentlewoman was one of the lead persons on the H1B bill, that really suggests to me and hopefully to some others of us that we are not trying to get the future ready for these high-tech jobs that surely should be the workforce from this country and not having to bring folks from across the waters to try to fill those types of high-tech jobs. So when we cut from educational technology, we are simply saying, that workforce that will mirror more of a minority, we do not worry about them anyway. We will just continue to bring people over. So the gentlewoman's take on that is really very valid.

Mrs. CLAYTON. Again, Madam Speaker, I just want to thank the gentlewoman for taking the time and taking the leadership and for raising the consciousness and the understanding of the importance or the lack thereof, as we propose, of the budget process. Perhaps the American people will understand what happened today is of some significance, and they should wake up and be engaged in this process.

Ms. MILLENDER-McDONALD. Well, again, we thank the gentlewoman so much and thank her for the work that she has done on the budget, irrespective of how it came out today.

We have again with us one of the great leaders of another State that has been front and center on education and on the environment, and I am sure she can pull from that budget any number of things that she feels was really egregious for the constituents whom she serves. Let me please recognize now the gentlewoman from Georgia (Ms. McKINNEY).

□ 1700

Ms. McKINNEY. Madam Speaker, I want to thank the gentlewoman from California (Ms. MILLENDER-McDONALD) for yielding to me.

Madam Speaker, I would like to applaud the fact that the gentlewoman had the initiative, the gentlewoman took the initiative to come down here to talk to the American people, to talk to our constituents about the issues that are very important to us and issues that are important to them, promises made and promises broken.

At the same time, we hear from the White House statements like, I am keeping the promises I campaigned on.

Let us just go and replay that campaign, because as far as I can remember, if I remember correctly, the current occupant of the White House lost the vote of the American people by 500,000.

Then on top of that, I had an election reform town hall meeting, and at the town hall meeting, we had the private company ChoicePoint come and testify about how the voter list was affected, so that those people who would go and present themselves in Florida and try to vote were denied the right to vote, because they started off the process with a list that was wrong.

What ChoicePoint testified at our hearing was that the State of Florida requested an inaccurate list. They requested a list of ineligible voters that was larger than the number of actual ineligible voters in Florida.

Where did they get those additional names of ineligible voters? They got those additional names from the State of Texas. Remind me. Who was running the State of Texas? Who is now running the State of Florida?

So we have the Bush brothers getting together and deciding who is going to vote in Florida and who is not going to vote in Florida, and then we have Kathy Harris coming up here on Capitol Hill to the Congress, the most powerful legislative body on the planet of Earth, coming and saying that election reform is the most important agenda for me as Secretary of State.

If the State of Florida was important to the Bush brothers in the year 2000, just imagine after having lost the popular vote by 500,000-plus, how important is the State of Florida going to be in the year 2004?

Now we are asked to come here to talk about the environment and the budget, and I see that the gentlewoman from Pennsylvania (Ms. HART), who is sitting in the chair, is watching the timer, because this is the kind of information that folks do not want to come out.

Forty-five percent of George W. Bush's tax cut is going to go to the wealthiest 1 percent of taxpayers. If you make a million dollars, you are going to get a lot back. But if you happen to be a regular, average American, you will not get very much back; but we want to make sure that regular, average Americans get the most that they can get back.

Is it not interesting, I just happened to compile a list, we got up to 80 important issues for the first 100 of the Bush days. I would like to remind the people that this is the wealthiest Cabinet in the history of the United States. So, of course, they are going to go all over the country talking about we have to support the President's tax proposal.

How much are they going to get back? Our Secretary of Energy, Spencer Abraham, campaigned on a platform to abolish the Department of Energy; is that not interesting? Can you imagine? No wonder the White House is now going into apoplexy as they try and recover their position on the environment.

Americans, by a remarkable 7–1 margin, think that Bush is less concerned about protecting the environment than protecting the interests of the energy industry. Of course, we see that oil is thicker than blood, because now George W. is even going against his brother Jeb down in Florida, so that they can auction off offshore oil and gas leases in the Gulf of Mexico.

The gentleman from New York (Mr. BOEHLERT) gave the administration an "incomplete" with respect to dealing with the environment in their first 100 days. Now, we also would have to give the administration an incomplete, because even as we try and take care of business on behalf of our constituents, and, of course, we have to interact with the White House, I guess they are just yelling down the hall to empty offices, because 90 percent of the positions have not even been filled.

Madam Speaker, I have written letters to the White House on the Yucca Mountain project, the apparent appointment of Walter Kansteiner, which is an abomination, to be the assistant Secretary of State for African Affairs. That appointment is an abomination.

I have written to the White House on the Kyoto Protocol, on behalf of the people of Vieques, on behalf of people who have hemophilia, about the issue of the Free Trade Area of the Americas, about the education rate or the E-rate program, about the National Science Foundation, about the need for the Center for Disease Control and Prevention in my district, which is responsible for doing the most incredible things around the world on behalf of our health security.

I have written about contract bundling and the negative impact that it has on minorities and women who want to do business with the Federal Government. I have written about the 2000 Census. I have also written about the 1946 murders of four black sharecroppers in Walton, Georgia, who were lynched.

What have I gotten in response? I got a letter that says, I have shared your letter with the President's advisers and the appropriate agencies who have been formulating policy recommendations in this area.

Hello.

You were elected how many months ago? You had your plan of operation how many months ago? You certainly had your plan of operation in effect in November of the year 2000, because you took the election. But what comes after the election is governing, and that unfortunately is not what is being done.

The American people are being shortchanged. The American people are being shortchanged by what is happening in this Congress, with this Republican majority, that since it was elected in 1994 has failed to produce a budget on time.

Madam Speaker, I want to thank the gentlewoman from California (Ms. MILLENDER-MCDONALD) for her leadership. I want to thank her for allowing us to have this opportunity to come here tonight and to let the American people know what is really happening with their government, our government.

We must have change. We must be able to deliver on behalf of our constituents.

Madam Speaker, I include the following for the RECORD:

1. Bush campaigned on a pledge to provide a $1.6 trillion tax cut to America's wealthiest families.

2. Bush named the wealthiest cabinet in the history of the United States.

3. Bush's Cabinet stumped for the President's tax cut proposal.

4. Bush's number one priority in his first 100 days has been promoting a tax plan that will cost $2.6 trillion over the next ten years. 45% of his cut will benefit the wealthiest one-percent of taxpayers, people with an average income of $915,000.

5. The Bush tax plan against women and lower income earners gives no tax relief at all to those families too poor to pay income taxes (12 million families with 24 million children), no tax deductions for 53% of Black and Hispanic families; and no tax cuts made for single persons earning between $6,001 to $27,050 nor for married persons earning $12,001 to $45,200.

6. The administration's proposal also fails to make adjustments that would make tax rates truly progressive. Completely untouched is the regressive payroll tax that places the heaviest burden on low to middle income workers, predominately female, while leaving in place a substantial break for high income earners who make no payroll tax contributions above the $80,400 level (most of whom are men, of course).

7. Bush's tax cut would wipe out the rest of any funds available, leaving nothing for future contingencies, including shoring up Social Security.

8. The richest cabinet in history will get a kickback of over $100 million through Bush's efforts to push the Estate Tax legislation through Congress.

9. The Republican party is so devoid of talent that Bush named a record number of George Herbert Walker retreads to his Administration. There's no question about one assignment that's going to get a big, fat "Incomplete"—installing the 487 top officials who will run the executive branch the next four years. 90% of assigned positions are unfilled.

10. Our new Secretary of Energy, Spencer Abraham, recently campaigned on eliminating the Department of Energy, the very program he now runs, while also leading efforts to prevent increased fuel efficiency in vehicles.

11. Our Secretary of the Interior, Gale Norton, has led efforts to rollback endangered species protection and allowed mining company polluters to escape clean up requirements and liability.

12. Bush appointed Gale Norton as Secretary of Interior because she believes that corporations have a constitutional right to pollute.

13. Gale Norton's first concrete attempt at a regulatory rollback was a proposal to gut updated environmental mining regulations that went into effect at the end of the Clinton administration. Independent reports estimate that taxpayers could be on the hook for about $1 billion in environmental cleanup cost from today's mines.

14. President Bush's choice for the No. 3 spot at the Department of Energy is Robert G. Card, who until recently was CEO and president of a cleanup contractor that has been fined or penalized more than $725,000 for numerous worker safety, procurement and other violations since 1996.

15. The New Attorney General has a history of blocking enforcement of environmental laws; and throughout his career, Ashcroft has worked tirelessly to restrict a woman's right to choose.

16. The new head of the EPA, Christine Whitman, who doubts that global warming is a serious problem, defended global warming and got kicked by Bush. In a memo from Whitman to Bush, the EPA Administrator stressed the need for Bush to "appear" to be engaged in addressing global warming, as if the environment responds to appearances.

17. Tommy Thompson, the new Secretary of the Department Of Health and Human Services was one of the country's most anti-choice governors and now heads up the department that wields the greatest influence over policies affecting women's reproductive health.

18. Bush named Don Eberly, a right wing activist who was an official with the National Fatherhood Institute, to head up a White House office for faith-based programs. Some women's rights advocates are concerned that Eberly will utilize the office to help funnel even more federal monies to misogynist groups who promote so-called fatherhood initiatives.

19. John Negroponte, Bush's appointee for UN Ambassador has a track record of disrespecting human rights. During his tour as ambassador to Honduras, Negorponte earned his reputation for being soft on human rights abuses. Under the helm of General Gustavo Alvarez Martinez, Honduras's military government was both a close ally of the Reagan administration and was disappearing dozens of political opponents in classic death squad fashion. Negroponte turned a blind eye to human rights abuses and even helped to cover up extrajudicial killings.

20. Bush's appointee for Undersecretary of State for Arms Control and International Security, John Bolton, does not belong in the arms control job because, as the director of the Carnegie Non-Proliferation Project, Joseph Cirincione, says: "Bolton is philosophically opposed to most of the international treaties that comprise the nonproliferation regime."

21. The nomination of Cuban-born Otto J. Reich as the State Department's top Latin American official is drawing Democratic criticism based on his role in the 1980s Central American wars. The Democrats' concerns over Reich focus on his leadership of the State Department's one-time Office of Public Diplomacy for Latin America and the Caribbean. The office—which Reich led from its inception in June 1983 until January 1986 was accused of running an illegal, covert domestic propaganda effort against Nicaragua's leftist Sandinista government and in favor of the Contra rebels.

22. Bush named Linda Fisher, an executive with Monsanto Co., a leading developer of the world's most dangerous chemicals and biotech foods, for the second-ranking job at the Environmental Protection Agency, the White House said yesterday.

23. Energy interests gave $2.9 million to Bush for his political campaign, and then kicked in an additional $2.2 million for his inauguration fund.

24. Bush plans to allow drilling in the Arctic Wildlife Refuge and to sell out our public lands to private interests.

25. He did a big favor for major electricity wholesalers by keeping the federal government largely out of the California energy crisis, which has produced major profits for energy companies including Dynegy Inc., Enron Corp. and Reliant Energy Inc., all of which are based in Bush's home state of Texas.

26. Bush showed his loyalty to the coal mining and electricity industries when he reversed a campaign pledge to reduce carbon dioxide emissions, which may have saved an estimated 30,000 lives a year of those who die due to respiratory illness.

27. Bush endangered the world's future and damaged our credibility in the International community when he announced the United States' withdrawal from the Kyoto Protocol, an international treaty aimed at combating global warming. Seems that he's more interested in changing the global climate than the political climate.

28. Dick Cheney formulated crucial energy policy decisions behind closed doors.

29. Cheney's task force focused heavily on incentives for production; easing regulatory barriers for energy development; and opening more public lands to drilling including national monuments and the Arctic National Wildlife Refuge in Alaska.

30. Americans, by a remarkable 7-to-1 margin, think that Bush is less concerned about protecting the environment than about protecting the interests of the energy industry.

31. Despite objections from his brother, Florida Governor Jeb Bush, he plans on auctioning offshore oil and gas leases in the Gulf of Mexico. Seems that natural gas is thicker than blood.

32. The Bush administration announced that it will block a rule from Clinton's administration requiring more energy efficient air conditioners.

33. Republican representative Sherwood Boehlert said that the Bush first 100 days deserve the grade of "incomplete in dealing with the environment."

34. Bush's budget proposes slashing more than $200 million from federal renewable energy and efficiency research programs, even as his administration declares the United States needs to find ways to cope with an "energy crisis."

35. The snows of Mount Kilimanjaro melt away as global temperatures and ocean levels rise, Bush plans nothing to address it.

36. The Environmental Protection Agency announced it would withdraw the pending decrease in allowable arsenic for drinking water, prepared during the final days of the Clinton administration.

37. Bush asked Congress to remove from the Endangered Species Act a provision that allows environmental groups and others to sue the Interior Department to get rare plants and animals listed as endangered.

38. The Bush Administration plans to suspend rules that require federal contractors to comply with environmental, civil rights and labor laws.

39. In Quebec, Bush announced his intention to promote a trade plan for the Americas based on the failed NAFTA model. This will lead to further erosion of labor rights, human rights, and environmental protections throughout the hemisphere.

40. And Bush is looking to kill the roadless policy rule that will protect millions of acres

of public land from taxpayer subsidized logging.

41. A Bush White House aide confirms that Bush is taking a look at recommending easing clean air regulations without Congressional actions, thus saving utilities and coal-mining companies billions of dollars of violations of clean air regulations and at the same time mooting legal action against polluting companies.

42. Bush was the top recipient of contributions from tobacco companies. Through carefully orchestrated budget cuts, Bush has managed to kill the lawsuit that the Justice Department has against big tobacco for deliberately deceiving the American people on public health issues. This move could potentially save big tobacco billions.

43. Speaking of Bankrupt public policy. Legislation championed for years by the financial industry that would make it harder for consumers to wipe away their debts was passed by an overwhelming margin in both chambers of Congress. Though a similar measure had been approved last year, President Clinton vetoed it. Bush, however, has signaled he will sign the bill, a move that could generate an estimated tens of millions of dollars in additional revenue for major credit card companies.

44. Where did Bush's enthusiasm come from? Charles Cawley, President of MBNA America personally raised at least $100,000 for the Bush campaign, qualifying him for admission into the Pioneers, the campaign's roster of top supporters. Last January, Cawley broke out his checkbook again, writing a $100,000 check to the Bush-Cheney Inaugural Fund.

45. The U.S. Chamber of Commerce contributed more than $514,000 to candidates and parties, 94% of that money went to Republicans, and the National Association of Manufacturers spent $12.8 million lobbying Members of Congress from 1997 to 1999.

46. In a private meeting in late February, Bush and Republican congressional leaders decided to kill the ergonomics rule put forth by the Clinton Administration, which would protect workers from workplace related injuries.

47. Following his pledge to leave no [rich] child behind, President's Bush's budget reduces resources for the Child Care and Development Block Grant projects by $200 million. That means that many low-income children will no longer be eligible for childcare, making it more difficult for their parents to work.

48. Bush plans to eliminate all funding for the Early Learning Opportunities program, which would have supported parent education and family support services.

49. Bush's budget will shortchange vital education programs; including efforts to reduce class sizes, improve teacher training, repair crumbling schools, promote after-school programs, and increase the number of Pell Grants available to low income freshmen.

50. Bush plans to cut in half grants that help states investigate and prevent child abuse and neglect.

51. President Bush has proposed a regime of annual testing for all students between grades three and eight. Schools that demonstrated an improvement in performance would be granted increased federal funding. Students at schools designated as low-performing would, after three years, be able to use their share of federal funds to attend other public or private schools. The school would then be privatized with the assistance of the federal government.

52. Bush's budget does not even provide funds to keep up with inflation for the WIC program, which provides vital nutrition assistance to low-income women, infants, and children.

53. On the anniversary of Roe v. Wade, President Bush ordered the reinstatement of the global "gag" rule on international family planning programs, programs that strive to prevent unintended pregnancies, reduce abortion, and avert hundreds of thousands of infant and maternal deaths worldwide each year.

54. Bush is prepared to unilaterally abrogate the Anti-Ballistic Missile Treaty.

55. Bush strongly advocates the National Missile Defense System or "Star Wars". This program has cost taxpayers over $40 billion to date, and yet it has failed repeatedly in carefully orchestrated tests. The program is destabilizing and China has already indicated that it would initiate an arms race if the U.S. pursues the program.

56. The Bush administration has put its European allies on notice that it intends to move quickly to develop a missile defense and plans to abandon or fundamentally alter the treaty that has been the keystone of arms control for nearly 30 years.

57. Bush said he would suspend negotiations with North Korea, this strict stance on Korea has soured once-improving relations with North Korea.

58. The U.S. bombs 10 miles outside of Baghdad—a major metropolitan area—saying that the area was "unpopulated."

59. Plans by U.S. President George W. Bush to sell weapons including eight diesel-powered submarines to Taiwan have received an embarrassing setback at the hands of European governments. Neither the Germans nor the Dutch, who have sown up the market in diesel submarines, are willing to allow the sale of the subs to Taiwan.

60. Under Bush, there has been a growing Anti-US feeling in the EU and around the world.

61. Bush's decision to proceed with arms sales to Taiwan—China has said that offensive weapons such as subs will only lead to greater tensions in Asia.

62. Bush's commitment to the Balkans. While trying to build peace he is reducing U.S. commitment to peacebuilding. Same with the Middle East where tensions are growing and he is seeking to be less involved.

63. Bush has continued use of drug certification and the nomination of another hard liner to lead the War on Drugs.

64. President Bush worked with the CIA and a Private Military Company to cover up their responsibility in the deaths of two American missionaries killed by a Peruvian fighter as part of U.S. drug war strategy.

65. For women who depend upon government to advance economic equity in an economically unjust society, there would be little or no money for improved child care/early childhood education programs, effective Equal Employment Opportunity Commission enforcement against discrimination and harassment.

66. There will be little or no money for expansion of Violence Against Women programs, few options for expansion of health care coverage to the 43 million uncovered, no funds for a new prescription drug benefit for seniors.

67. A multi-trillion dollar tax cut may also jeopardize the future financial solvency of Social Security and Medicare—the majority of beneficiaries being women—and there will be few resources remaining for critically needed social investments.

68. Bush proposes to privatize Social Security, a move that jeopardizes the financial future of millions of Americans.

69. President Bush announced an expanded faith-based initiative and a vigorous, but misguided campaign to turn over social service programs to religious organizations. Faith-based initiatives, a more pernicious version of the old "charitable choice," would permit direct federal funding of programs run by religious organizations, free to proselytize and discriminate, that would have little public accountability.

70. Bush's faith based initiative faces major setback: people of faith have little faith in it!

71. President Bush's budget will propose deep cuts in a variety of health programs for people without health insurance. Services providing "health care access for the uninsured," would be reduced 86 percent, to $20 million, from $140 million in the current fiscal year.

72. Mr. Bush's budget request would also cut federal spending for the training of doctors, dentists, nurses, pharmacists and other health professionals.

73. Bush put a stop to giving unions preference on contracts for federal building projects.

74. Senator Pete Domenici disagrees vehemently with Bush's decision to hold all federal spending to no more than a 4% increase.

75. Kathy Harris, symbol of a purposely-failed election, travels to Washington to testify before Congress on the need to have elections that the people can believe in.

76. George W. Bush needs to win the Florida electoral college vote more in 2004 than in 2000. Therefore, don't look too soon for any election reform from this President.

77. According to David Broder, "The Bush White House so far has not made changing the election system a priority. The President's proposed budget, along with the budget resolutions of the House and Senate, set aside no fund for federal aid for improving election equipment or administration.

78. Republican Jim Ramstad said that Bush White House interference in Minnesota politics could end up hurting the party. A phone call by Dick Cheney to dissuade a potential candidate from running has all the markings of Bush and Cheney trying to be a "kingmaker" thwarting the will of the people.

79. World reaction was tepid, critical or simply silent to President Bush's announcement that the United States would build a shield against ballistic missile attacks.

80. President Bush throws a bash featuring 535 Members of Congress to celebrate his first 100 days and schedules it on a Monday when few Members of Congress are in town: fewer than 200 Members of Congress bothered to show up.

Ms. MILLENDER-McDONALD. Madam Speaker, I would like to thank the gentlewoman from Georgia (Ms. McKINNEY) for her extraordinary leadership, for bringing the really poignant issues to the American people. The American people need to hear what passed out of this House or, more importantly, what did not pass out of this House in terms of a budget for them.

If we are indeed to have a value system that speaks to those who are less fortunate, then a budget should reflect that.

Madam Speaker, I am pleased to have the gentlewoman from California

(Mrs. NAPOLITANO) here, who is an outstanding Member, an outstanding woman who had served with me in the State legislature of California, who was also a mayor of a city at the time that I, too, was one in another city in California.

The gentlewoman has been extremely strong in her leadership on the issues of education, the environment, on our children who are limited English-speaking.

Madam Speaker, I yield to the gentlewoman from California (Mrs. NAPOLITANO) to discuss this budget.

Mrs. NAPOLITANO. Madam Speaker, I want to thank the gentlewoman from California (Ms. MILLENDER-MCDONALD) for the opportunity to speak on our President's budget and the environment; that topic is very near and dear to many of us from the West Coast.

President Bush certainly has not received any honeymoon from the Nation's environmentalists: global warming, oil drilling in Alaska, arsenic levels in drinking water, all of the issues that have garnered headlines as environmentalists and others have argued with the President's position.

President Bush also stated last week in a Los Angeles Times article that he is committed to clean air and clean water. We hear him. We honor him. I have the perfect opportunity for him to demonstrate that commitment and achieve an early, bipartisan environmental safety victory.

There is a 10½ million ton mountain of radioactive uranium scrap in a city called Moab in the State of Utah. That particular site is leaking 57,000 gallons a day of poison into the Colorado River, which is one of the main sources of tap water for over 20 million Americans, some 18 out of California, and then others from Nevada, Utah, Colorado, Arizona. And it is the main source of tap water for all of these individuals.

Even though Moab is several hundred miles upstream from where we are, from the point of where southern California draws its water, and no unsafe level of radioactivity or toxic substances to date have been detected in our area, it is a matter that requires our immediate attention.

Let me tell my colleagues a little bit about this. This is a very dangerous situation that scientists and environmental groups and many public officials from those areas have referred to as a radioactive time bomb.

Picture a truncated mountain or an ancient ruin that is covering 130 acres and in circumference rising 11 stories high. This is the ominous legacy of a nearby uranium ore mill, which for 28 years processed uranium ore for our national defense during the Cold War.

These mill tailings, or scrap, were dumped into an unlined pond that eventually grew into this huge mountain. Because of the mountain's concave top, rainwater funnels through the tailings, out the bottom, as a brew 650 feet away that includes arsenic, lead and ammonia. That is just to name a few of those contaminants.

Pressed to clean up this toxic site, the Atlas Corporation that ran it filed bankruptcy in 1998. Now, who can predict when this mountain's poisons will endanger our health and that of our children, of our grandchildren and their grandchildren? As a grandmother of 14, there is a question I sure do not wish to contemplate. We must act now. We cannot wait.

Last year, Congress passed and former President Clinton signed a bipartisan legislation for the Department of Energy to take control of this site of Moab, to clean it up, take it over from the Nuclear Regulatory Commission.

This would not have been possible without the support of Members of Congress on both sides, the generosity of the Ute Indian Tribe who had agreed to sign a memorandum of understanding with the Department of Energy to allow them to acquire the Department's naval oil shale reserve.

This Federal land, rich in gas reserve, was taken away from the Ute Tribe by the Federal Government in 1915. In return, the pledge made by the Ute Tribe dedicates a portion of the gas royalties towards the cleanup and removal, not capping, removal of the uranium tailings pile.

Our legislative goal this year will be to get this $10 million for cleanup in the Department of Energy's nondefense environmental programs.

I remind my colleagues, this is not a line item in the budget. It was not included in our President's budget. It is such an important issue, and yet it was not even considered for entry into our budget for this coming year.

The cleanup is not just a priority to the residents of the 34th Congressional District, my district; it is an issue for agencies like the Metropolitan Water District and others who import the drinking water from Colorado for over 17 million urban Southland residents. Efforts to clean up these uranium wastes are being championed by all of them throughout the western States of Utah, Nevada Arizona, California and other States.

□ 1715

The gentleman from California (Mr. FILNER), the gentleman from California (Mr. GEORGE MILLER), and the gentleman from Utah (Mr. CANNON) are all moving in a broad bipartisan coalition to press for the removal of this radioactive uranium waste and the cleanup of this site that affects millions of Americans.

My colleagues and I will work diligently to educate our new Secretary of Energy and Members in the House and Senate about this looming catastrophe. In these exciting days of this new Congress, and with our new administration, we all look forward to joining with our president, with Secretary Abraham, and with colleagues on both sides to serve the best interest of our western States to ensure that clean water from the Colorado is available for future generations and will protect not only the environment but the precious sites that exist in that area.

I do not know how much time the gentlewoman has left; but if I have another few minutes, I have another issue of environment that I would like to mention.

Ms. MILLENDER-McDONALD. That would be fine.

Mrs. NAPOLITANO. There is another issue that deals with environmental issues, and that is the tertiary treatment of water now being effectuated in some areas, including in California water that is treated before it is released into the ocean. EPA is now mandating that treatment plants be set up, costing taxpayers billions of dollars, in order to do a fourth treatment before that water is released into the ocean, or at least a third of it is treated. This water, which is used for irrigation in green spaces, in government areas for commercial and industrial use, is to be given a fourth treatment.

Now, imagine that we have an agency, EPA, that is saying that we will now have to consider doing a fourth treatment to water that is already given the highest treatment before release for any other use. I think that we need to be very careful. Although we want to protect the health concerns of our citizens, and we are certainly concerned about the after-effects of anything that we release for consumption, although we do not drink tertiary-treated water, it is used for commercial and industrial and irrigation purposes, we are also aware that the costs that are going to be borne to do a treatment for which there has not been any validity given to it, that fourth treatment.

We must find ways of being able to work with the environmental community to give that fourth treatment, whether it is through settling ponds, so that it can filter through nature's way, or be able to utilize it in melding through the rivers and aquifers, so that we do not saddle the taxpayers with additional burdens of paying for additional costs to set up agencies to do a fourth treatment on water. That is a very important issue for anybody who is concerned about their aquifer refurbishment so that we have enough water in times of drought.

That is very important and a very safe way of being able to deal with water shortages and other issues that are now facing us in many areas of our country.

Ms. MILLENDER-McDONALD. Mr. Speaker, I thank my dear friend and colleague, one of the great women out of the State of California, for coming today to lend the support of why we did not vote on this budget and why this budget is not good for American people who have been left short of the American Dream.

I now have another outstanding leader of this House who has demonstrated over and over and over again her leadership on a myriad of issues, but critically on the environment and education. I am pleased to yield to the gentlewoman from Illinois (Ms. SCHAKOWSKY) to speak about the impact of this budget on her constituents and on some of our American people.

Ms. SCHAKOWSKY. I thank the gentlewoman from California for yielding to me and for her leadership in gathering us today to talk about the budget that just passed the House of Representatives. And I am sorry to say it passed without my vote, because I would have liked to have voted for a budget that would have done what is right for the American people. That was not this budget.

We are at a remarkable point in our history right now. For the first time in memory, really, we have a surplus of money in the budget. We have an opportunity as Americans now, as a family might do, to say, okay, now we have some extra money available, why do we not look around and see if it is not time to fix the roof, to send our kids to a really good university, to provide ourselves with the health care that we need, to clean up our community, to make things better, to pay down our debts. How about that? We could pay off our debts, if as a family we had extra money.

But instead of doing that, we are about to squander the money that we have by giving most of it to the wealthiest of Americans, at the expense of what? Well, as a mother and as a grandmother, I am very concerned about education. As a Congresswoman, I have been going around my district, and not just to poor communities but to my suburban communities, and what do I find? I find schools that are overcrowded, where kids are bundled up in a couple of classes in one room, where ceiling paint is falling down, where there is not enough computers to teach the new technologies. We cannot even plug in computers in some schools because the wiring is faulty.

We have the money now to do school construction, to provide after-school programs, and early childhood education. Things that would benefit all of our children are within our reach right now because we have a surplus of dollars. What instead are we doing? We look at the education budget that came out of this House today, and it does not even include what the President of the United States asked for in increasing the budget. It barely increases education funding by the rate of inflation, one of the poorest increases in education funding that we have ever seen, or at least in recent years. And yet this President says he is an education President. We are doing so little for what needs so much right now. And knowing what we could do, it just makes me want to weep.

I live in Chicago; I represent a district in Chicago where there is a crisis in affordable housing. We are short about 155,000 affordable housing units in the Chicago area. This budget that came out of this House today cuts $2 billion from housing and urban development, money that could go to provide housing. Not more housing. As a consequence, we could get less housing. We are meeting less of the need than we should have.

If we look at the programs that have formed the basis of our security net in this country, Social Security and Medicare, programs that have worked to lift seniors out of poverty, have provided health care for our elders, people with disabilities, widows and orphans, things that all Americans can be proud of, all Americans rely on, this threatens the integrity of the Social Security Trust Fund. It threatens Medicare. It raids the Medicare Trust Fund to pay for an inadequate prescription drug benefit.

So senior citizens who thought, my goodness, both candidates for President, including George Bush, campaigned he wanted a prescription drug benefit under Medicare: But do not look in this budget that just came out of the House. I am afraid to say it is not there. There is a measly program that will go to seniors, some of whom earn $11,500 or less. But we know even middle-income seniors are going broke because they cannot buy their prescription drugs. Where is the prescription drug benefit under Medicare? It is not there.

This is the first budget in a long time that does not give more funding for the Ryan White Care Act for the AIDS pandemic that continues to rage in the United States, even as AIDS cases, particularly among women, particularly among women of color, continues to accelerate. There is no money for that.

Child abuse prevention is cut. Child care is cut. Graduate medical education training for doctors to work in children's hospitals is cut. Veterans benefits are inadequate. Medicaid is being cut. We are supposed to be trying to pay down our debt, which would help us bolster the Social Security Trust Fund.

All of this is being crowded out by a tax cut almost half of which is going to go to the wealthiest Americans. Does it make any sense that we help the million millionaires at the expense of 39 million senior citizens and persons with disabilities who want a prescription drug benefit or want to know that their Medicare is safe? And it is all based on projections of a surplus for the next 10 years that is using a flawed crystal ball.

What makes us think that our projections are going to work when they never have in the past? We have always been way off; yet we are going to commit this money. No family would do that. We are going to commit this money now and hope that it will be there. This budget is fuzzy math, big time; and it jeopardizes all of the programs that have helped Americans to improve their quality of life.

I thank the gentlewoman for letting me say that.

Ms. MILLENDER-McDONALD. Mr. Speaker, I thank the gentlewoman so much. I really do thank her, and I appreciate her leadership on the issues.

Mr. Speaker, as we close, we want to remind all of us that the number one priority for this country must be our children, the future of tomorrow. And if education is going to be anything, it should be to not leave any child behind. Hopefully, the conferees will look at that; and we will have a budget coming out of the Senate side, I should say, that will help us in bridging the ones who are underrepresented along with those who are represented in terms of the American Dream.

RECESS

The SPEAKER pro tempore (Mr. BROWN of South Carolina). Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 5 o'clock and 28 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1825

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. DREIER) at 6 o'clock and 25 minutes p.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1646, FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 2002 AND 2003

Mr. DIAZ-BALART, from the Committee on Rules, submitted a privileged report (Rept. No. 107–62) on the resolution (H. Res. 138) providing for consideration of the bill (H.R. 1646) to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes, which was referred to the House Calendar and ordered to be printed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. INSLEE (at the request of Mr. GEPHARDT) for May 8 on account of flight delays.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Members (at the request of Mr. McNULTY) to revise and extend their remarks and include extraneous material:

Mr. HINCHEY, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. HINOJOSA, for 5 minutes, today.

Mr. DeFAZIO, for 5 minutes, today.

Mr. LANGEVIN, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mr. McGOVERN, for 5 minutes, today.

Mr. ETHERIDGE, for 5 minutes, today.

Mrs. JONES of Ohio, for 5 minutes, today.

Mr. McDERMOTT, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

The following Members (at the request of Mr. PENCE) to revise and extend their remarks and include extraneous material:

Mr. HUNTER, for 5 minutes, today.

Ms. ROS-LEHTINEN, for 5 minutes, May 16.

Mr. DUNCAN, for 5 minutes, today.

Mr. WALDEN of Oregon, for 5 minutes, today.

ADJOURNMENT

Mr. DIAZ-BALART. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 26 minutes p.m.), the House adjourned until Thursday, May 10, 2001, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

1796. A letter from the Acting Administrator, FSA, Department of Agriculture, transmitting the Department's final rule—Wool and Mohair Market Loss Assistance Program and Apple Market Loss Assistance Program (RIN: 0560–AG35) received April 30, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1797. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Brucellosis in Cattle; State and Area Classifications; Oklahoma [Docket No. 01–016–1] received April 25, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1798. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Plant Protection Act; Revisions to Authority Citations [Docket No. 00–063–2] received April 30, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1799. A letter from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting the Department's final rule—Energy Conservation Program for Consumer Products; Central Air Conditioners and Heat Pumps Energy Conservation Standards [Docket No. EE–RM–98–440] (RIN: 1904–AA77) received April 24, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1800. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—Revision to Requirements for Licensed Anti-Human Globulin and Blood Grouping Reagents; Confirmation of Effective Date [Docket No. 00N–1586] received April 30, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1801. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Implementation Plans; Illinois [IL197–1a; FRL–6970–6] received April 23, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1802. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Plans For Designated Facilities and Pollutants: Rhode Island; Plan for Controlling Emissions From Existing Hospital/Medical/Infectious Waste Incinerators [Docket No. RI040–7167a; FRL–6971–1] received April 23, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1803. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; New York; Motor Vehicle Inspection and Maintenance Program [Region II Docket No. 45–216; FRL–6924–3] received April 23, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1804. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Revisions to the California State Implementation Plan, Butte County Air Quality Management District [CA 153–0195a; FRL–6958–1] received April 26, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1805. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Revisions to the Arizona State Implementation Plan, Pinal-Gila Counties Air Quality Control District and Pinal County Air Quality Control District [AZ 099–0032a; FRL–6967–8] received April 26; 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1806. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.606(b), Table of Allotments, Television Broadcast Stations (New Iberia, Louisiana) [MM Docket No. 01–2; RM–10036] received April 24, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1807. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Kankakee and Park Forest, Illinois) [MM Docket No. 99–330; RM–9677] received April 24, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1808. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), FM Table of Allotments, FM Broadcast Stations (Monticello, Arkansas and Bastrop, Louisiana) [MM Docket No. 99–141; RM–9339] received April 24, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1809. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations (Jacksonville, North Carolina) [MM Docket No. 01–3; RM–10010] received April 24, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1810. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 14–48, "Prevention of Unauthorized Switching of Customer Natural Gas Accounts Temporary Act of 2001" received May 9, 2001, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform.

1811. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 14–46, "Dedication and Designation of Tremont Street, S.E., Act of 2001" received May 9, 2001, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform.

1812. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 14–49, "Arena Fee Rate Adjustment and Elimination Temporary Act of 2001" received May 9, 2001, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform.

1813. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 14–47, "Approval of the Extension of the Term of Comcast Cablevision of the District, LLC's Franchise Temporary Act of 2001" received May 9, 2001, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform.

1814. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 14–54, "Moratorium on the Construction of Certain Telecommunications Towers Temporary Act of 2001" received May 9, 2001, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform.

1815. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 14–45, "Closing of Public Alleys in Square 697, S.O. 98–270, Act of 2001" received May 9, 2001, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform.

1816. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 14–50, "Master Facility Plan Requirement Temporary Amendment Act of 2001" received May 9, 2001, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform.

1817. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 14–52, "Brownfield Revitalization Temporary Amendment Act of 2001" received May 9, 2001, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform.

1818. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting the Committee's final rule—Additions to and Deletions from the Procurement List—received April 30, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

1819. A letter from the White House Liaison, Department of Justice, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1820. A letter from the White House Liaison, Department of Justice, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1821. A letter from the Executive Resources and Special Programs Division, Environmental Protection Agency, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1822. A letter from the Chairman, National Labor Relations Board, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1823. A letter from the Executive Services Staff, Social Security Administration, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1824. A letter from the Congressional Liaison, U.S. Trade and Development Agency, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1825. A letter from the the Chief Administrative Officer, transmitting the quarterly report of receipts and expenditures of appropriations and other funds for the period January 1, 2001, through March 31, 2001 as compiled by the Chief Administrative Officer, pursuant to 2 U.S.C. 104a; (H. Doc. No. 107—67); to the Committee on House Administration and ordered to be printed.

1826. A letter from the Deputy Assistant Secretary, Indian Affairs, Department of the Interior, transmitting the Department's final rule—Law and Order on Indian Reservations (RIN: 1076-AE15) received April 30, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1827. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Yellowfin Sole by Vessels Using Trawl Gear in Bering Sea and Aleutian Islands Management Area [Docket No. 010112013-1013-01; I.D. 042601A] received May 1, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1828. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Atlantic Highly Migratory Species; Pelagic Longline Fishery; Sea Turtle Protection; Shark Drift Gillnet Fishery [Docket No. 010319072-1072-01; I.D. 110600A] (RIN: 0648-A076) received April 26, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1829. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Cessna Model 750 Airplanes [Docket No. 2000-NM-63-AD; Amendment 39-12169; AD 2001-07-04] received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1830. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 767 Series Airplanes Powered by General Electric or Pratt & Whitney Engines [Docket No. 2000-NM-157-AD; Amendment 39-12170; AD 2001-07-05] (RIN: 2120-AA64) received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1831. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Saab Model SAAB 2000 Series Airplanes [Docket No. 2000-NM-178-AD; Amendment 39-12171; AD. 2001-07-06] (RIN: 2120-AA64) received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1832. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 737-600, -700, -800, and -700C Series Airplanes [Docket No. 2001-NM-48-AD; Amendment 39-12186; AD 2001-08-09] (RIN: 2120-AA64) received May 03, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1833. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model MD-11 Series Airplanes Equipped With Pratt & Whitney Model PW4400 Series Engines [Docket No. 2001-NM-43-AD; Amendment 39-12173; AD 2001-07-08] (RIN: 2120-AA64) received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1834. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Bassett, NE; Correction [Airspace Docket No. 00-ACE-39] received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1835. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; Molokai, HI [Airspace Docket No. 00-AWP-12] received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1836. A letter from the Attorney, NHTSA, Department of Transportation, transmitting the Department's final rule—Safety Incentive Grants for Use of Seat Belts-Allocations Based on State Seat Belt Use Rates [Docket No. NHTSA-98-4494] (RIN: 2127-AH38) received April 26, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1837. A letter from the Chief, Regulations Branch, Customs Service, Department of the Treasury, transmitting the Department's final rule—Licenses for Certain Worsted Wool Fabrics Subject to Tariff-Rate Quota [T.D. 01-35] (RIN: 1515-AC83) received April 26, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1838. A letter from the Chief, Regulations Branch, Customs Service, Department of the Treasury, transmitting the Department's final rule—Rules of Origin for Textile and Apparel Products [T.D. 01-36] (RIN: 1515-AC80) received April 26, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1839. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Definitions Relating to Corporate Reorganizations [Rev. Rul. 2001-24] received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1840. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Definitions Relating to Corporate Reorganizations [Rev. Rul. 2001-25] received May 4, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1841. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Administrative, Procedural, and Miscellaneous [Rev. Rul. 2001-29] received April 24, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1842. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Last-in, First-out, Inventories [Rev. Rul. 2001-23] received April 30, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1843. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Administrative, Procedural, and Miscellaneous [Rev. Rul. 2001-32] received April 30, 2001, pursuant to 5 U.S.C: 801(a)(1)(A); to the Committee on Ways and Means.

1844. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Low-Income Housing Credit—received April 30, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DIAZ-BALART: Committee on Rules. House Resolution 138. Resolution providing for consideration of the bill (H.R. 1646) to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes (Rept. 107-62). Referred to the House Calendar.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 2 of rule XII the following action was taken by the Speaker:

[Omitted from the Record of May 8, 2001]

H.R. 1088. Referral to the Committee on Government Reform extended for a period ending not later than May 9, 2001.

[Submitied May 9, 2001]

H.R. 1088. Referral to the Committee on Government Reform extended for a period ending not later than May 10, 2001.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. WELLER (for himself, Mr. MORAN of Virginia, Mr. MCGOVERN, Mr. ROGERS of Michigan, Mr. BOUCHER, Mr. HONDA, Mr. GORDON, Mr. VITTER, Mr. COX, Mr. TOM DAVIS of Virginia, Mr. GOODLATTE, Mr. CANNON, Mr. KENNEDY of Minnesota, Mr. OSE, and Mrs. KELLY):

H.R. 1769. A bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for information technology training expenses, and for other purposes; to the Committee on Ways and Means.

By Mr. BARTLETT of Maryland (for himself, Mr. HUNTER, Mr. PAUL, Mr. CAMP, Mr. DOOLITTLE, Mr. EHRLICH, Mr. EVERETT, Mr. GILCHREST, Mr. GRAHAM, Mr. HAYWORTH, Mr. MCKEON, Mr. ROHRABACHER, Mr. STEARNS, Mr. TRAFICANT, Mr. WELDON of Florida, and Mr. JONES of North Carolina):

H.R. 1770. A bill to prohibit the purchasing, issuing, or wearing of berets as standard Army headgear (other than for certain specialized units) until the Secretary of the Army certifies to Congress that the Army ammunition shortfall has been eliminated; to the Committee on Armed Services.

By Mr. BROWN of Ohio (for himself, Mr. BILIRAKIS, Mr. DINGELL, Mr. WAXMAN, Mr. GANSKE, Mr. TOWNS, Ms. SLAUGHTER, Mr. PALLONE, Ms. DEGETTE, Mr. GREEN of Texas, Mr. SAWYER, Mr. FILNER, Ms. LEE, Mrs. JONES of Ohio, Mr. KILDEE, Mr. HINCHEY, Mr. CAPUANO, Mr. KUCINICH, Mr. TIERNEY, and Mr. DEFAZIO):

H.R. 1771. A bill to provide for funding for the top priority action items in the interagency public health action plan that has been developed in response to the problem of antimicrobial resistance, to the extent that the activities involved are within the jurisdiction of the Department of Health and Human Services; to the Committee on Energy and Commerce.

By Mr. CANNON:

H.R. 1772. A bill to provide for an exchange of certain property between the United States and Ephraim City, Utah; to the Committee on Resources.

By Mr. ENGLISH (for himself and Mrs. THURMAN):

H.R. 1773. A bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for the purchase of a principal residence by a first-time homebuyer; to the Committee on Ways and Means.

By Mr. FLETCHER (for himself, Mr. DOOLEY of California, Mr. HASTERT, Mr. ARMEY, Ms. VELÁZQUEZ, Mr. FROST, Mr. BAKER, Mr. BALLENGER, Mr. BRYANT, Mr. CALVERT, Mr. CANTOR, Mr. COLLINS, Mr. COOKSEY, Mr. CUNNINGHAM, Mr. DEAL of Georgia, Mr. EHLERS, Mrs. EMERSON, Mr. GONZALEZ, Mr. GOSS, Mr. GREENWOOD, Ms. HART, Mr. HERGER, Mr. HILLEARY, Mrs. KELLY, Mr. KOLBE, Mr. LIPINSKI, Mr. LUCAS of Kentucky, Mr. MCHUGH, Mr. MALONEY of Connecticut, Mr. MANZULLO, Mr. GARY G. MILLER of California, Mr. MORAN of Virginia, Mrs. NORTHUP, Mr. OSE, Mr. PENCE, Mr. PETRI, Ms. PRYCE of Ohio, Mr. REHBERG, Ms. SANCHEZ, Mr. SCHAFFER, Mr. SESSIONS, Mr. SHAYS, Mr. SMITH of Washington, Mr. UPTON, Mr. WAMP, Mr. WATKINS, Mr. WELDON of Florida, and Mr. WYNN):

H.R. 1774. A bill to amend title I of the Employee Retirement Income Security Act of 1974 to improve access and choice for entrepreneurs with small businesses with respect to medical care for their employees; to the Committee on Education and the Workforce.

By Mr. GALLEGLY:

H.R. 1775. A bill to amend title 18, United States Code, to create an offense of solicitation or recruitment of persons in criminal street gang activity; to the Committee on the Judiciary, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GREEN of Texas:

H.R. 1776. A bill to authorize the Secretary of the Interior to study the suitability and feasibility of establishing the Buffalo Bayou National Heritage Area in west Houston, Texas; to the Committee on Resources.

By Mr. HOLT:

H.R. 1777. A bill to amend the Internal Revenue Code of 1986 to make higher education more affordable by providing a tax deduction for higher education expenses, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. JACKSON-LEE of Texas (for herself and Ms. CARSON of Indiana):

H.R. 1778. A bill to provide for the collection of data on traffic stops; to the Committee on the Judiciary.

By Mr. LANTOS (for himself, Mr. KIRK, Mr. ACKERMAN, Mr. PAYNE, Mr. BOUCHER, Mr. ABERCROMBIE, Mr. ROHRABACHER, Ms. PELOSI, Mr. STARK, Ms. BALDWIN, Mr. KUCINICH, Mr. DELAHUNT, Mr. BROWN of Ohio, Mr. SHERMAN, Mr. MCGOVERN, Mr. KING, Mr. HOEFFEL, Mr. FALEOMAVAEGA, Mr. GILMAN, Mr. FRANK, Mr. COX, Mr. WEXLER, Mr. MENENDEZ, Mr. WOLF, Mr. BONIOR, Ms. MCKINNEY, Mr. ALLEN, Ms. KAPTUR, Mr. HINCHEY, Mr. RODRIGUEZ, Ms. LOFGREN, Mr. BLUNT, Mr. EVANS, Mr. TOWNS, Mr. SUNUNU, Mr. BERMAN, Mr. SANDERS, Mr. TANCREDO, and Ms. MCCOLLUM):

H.R. 1779. A bill to support the aspirations of the Tibetan people to safeguard their distinct identity; to the Committee on International Relations.

By Mr. LARSON of Connecticut (for himself and Mr. WELDON of Pennsylvania):

H.R. 1780. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for contributions to a volunteer firefighter savings account; to the Committee on Ways and Means.

By Ms. LOFGREN (for herself, Mr. NETHERCUTT, Mr. HALL of Texas, Mr. CUNNINGHAM, Mr. HOLT, Mr. CALVERT, Mr. GORDON, Mr. TOM DAVIS of Virginia, Mr. HONDA, Mr. ISSA, Mrs. THURMAN, Mr. DOOLITTLE, Mr. FILNER, Mr. WAMP, Ms. HARMAN, Ms. LEE, Mrs. DAVIS of California, Mr. BACA, and Mrs. TAUSCHER):

H.R. 1781. A bill to require the Secretary of Energy to develop a plan for a magnetic fusion burning plasma experiment for the purpose of accelerating the scientific understanding and development of fusion as a long term energy source, and for other purposes; to the Committee on Science.

By Mr. MANZULLO:

H.R. 1782. A bill to amend the Trade Act of 1974 to provide for the position of Assistant United States Trade Representative for Small Business; to the Committee on Ways and Means.

By Mr. MANZULLO:

H.R. 1783. A bill to amend the Internal Revenue Code of 1986 to provide a safe harbor for determining that certain individuals are not employees; to the Committee on Ways and Means.

By Mrs. MORELLA (for herself, Mrs. MALONEY of New York, Mr. WAXMAN, Mr. TOM DAVIS of Virginia, Ms. SLAUGHTER, Mr. MCNULTY, Mr. HONDA, Ms. BROWN of Florida, Mrs. THURMAN, Ms. ESHOO, Mr. LANTOS, Ms. LEE, Mr. WYNN, Mr. FROST, Ms. NORTON, Ms. MCCARTHY of Missouri, Mr. HILLIARD, Mr. HORN, Ms. BALDWIN, Ms. MILLENDER-MCDONALD, Mrs. CHRISTENSEN, Ms. DELAURO, Ms. JACKSON-LEE of Texas, Mr. WEXLER, Ms. SOLIS, Mrs. ROUKEMA, Mr. KILDEE, Ms. KAPTUR, Ms. HARMAN, Ms. SCHAKOWSKY, Mr. BENTSEN, and Mrs. JONES of Ohio):

H.R. 1784. A bill to establish an Office on Women's Health within the Department of Health and Human Services, and for other purposes; to the Committee on Energy and Commerce.

By Mr. NEAL of Massachusetts:

H.R. 1785. A bill to amend the Internal Revenue Code of 1986 to prevent the avoidance of gain recognition through swap funds; to the Committee on Ways and Means.

By Mr. OBEY (for himself, Mr. GUTKNECHT, Mr. SANDERS, Ms. BALDWIN, and Mr. MCHUGH):

H.R. 1786. A bill to impose tariff-rate quotas on certain casein and milk protein concentrates; to the Committee on Ways and Means.

By Mr. PETERSON of Minnesota:

H.R. 1787. A bill to amend the Indian Health Care Improvement Act require that certain technical medical employees of the Indian Health Service be compensated for time during which they are required to be on-call; to the Committee on Resources, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. RANGEL:

H.R. 1788. A bill to amend the Internal Revenue Code of 1986 with respect to the treatment of cooperative housing corporations; to the Committee on Ways and Means.

By Mr. SHAW (for himself, Mr. FOLEY, Mr. DAVIS of Florida, Mr. SCARBOROUGH, Mrs. MEEK of Florida, Ms. ROS-LEHTINEN, Ms. BROWN of Florida, Mr. MICA, Mr. DIAZ-BALART, Mr. WEXLER, Mr. PUTNAM, Mrs. THURMAN, Mr. CRENSHAW, Mr. KELLER, Mr. GOSS, Mr. BILIRAKIS, Mr. DEUTSCH, and Mr. WELDON of Florida):

H.R. 1789. A bill to amend the Internal Revenue Code of 1986 to exempt from income tax State-created organizations providing property and casualty insurance for property for which such coverage is otherwise unavailable; to the Committee on Ways and Means.

By Mr. SMITH of Michigan (for himself, Mr. ROGERS of Michigan, Mr. BARCIA, Mr. HOEKSTRA, Mr. UPTON, Mr. CAMP, Mr. EHLERS, Ms. RIVERS, Mr. STUPAK, and Mr. BONIOR):

H.R. 1790. A bill to reauthorize the tree loss assistance program to compensate orchardists and tree farmers who plant trees for commercial purposes but lose the trees as a result of a natural disaster; to the Committee on Agriculture.

By Mr. TRAFICANT:

H.R. 1791. A bill to provide a grant under the Land and Water Conservation Fund Act of 1965 to assist in the development of a Millennium Cultural Cooperative Park in Youngstown, Ohio; to the Committee on Resources.

By Mr. WATTS of Oklahoma:

H.R. 1792. A bill to amend title 49, United States Code, to ensure that air carriers meet their obligations under the Airline Customer Service Agreement, and provide improved passenger service in order to meet public convenience and necessity; to the Committee on Transportation and Infrastructure.

By Mr. CUMMINGS:

H. Res. 139. A resolution expressing the sense of Congress regarding commitment to the Voting Rights Act of 1965; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 17: Mr. Baldacci.

H.R. 21: Mr. Green of Wisconsin.

H.R. 25: Mr. Houghton.

H.R. 80: Mr. Boucher.

H.R. 82: Mr. Boucher.

H.R. 123: Mr. Hastings of Washington and Mr. Walden of Oregon.

H.R. 192: Mr. Saxton.

H.R. 224: Mrs. Bono.

H.R. 228: Mr. Akin, Ms. Millender-McDonald, Mr. Rodriguez, and Mr. Smith of New Jersey.

H.R. 239: Mr. Blagojevich and Mr. Borski.

H.R. 298: Mr. Kerns and Mr. Bonior.

H.R. 389: Mr. Bonior.

H.R. 397: Mr. Deutsch, Mr. Waxman, Ms. Jackson-Lee of Texas, Mr. Akin, Mr. Langevin, and Mr. Condit.

H.R. 425: Mr. Matheson.

H.R. 436: Mr. Rogers of Michigan and Mr. Baird.

H.R. 440: Ms. Jackson-Lee of Texas, Mr. Sanders, Ms. Brown of Florida, and Mr. Gordon.

H.R. 442: Mr. McInnis, Mr. Rangel, and Ms. McKinney.

H.R. 458: Mr. Hayworth.

H.R. 490: Mr. Markey, Mr. McGovern, Mr. Wicker, Mr. Ehrlich, and Mr. Wu.

H.R. 500: Mr. Conyers and Mr. Rodriguez.

H.R. 534: Mr. Barr of Georgia, Mr. English, Mr. Spence, Mr. Rahall, Mr. Watkins, and Mr. Jones of North Carolina.

H.R. 586: Mr. Shaw and Mr. Crane.

H.R. 606: Mr. Capuano, and Mr. Baldacci.

H.R. 622: Mr. Watkins, Mr. Matheson, Mr. Sawyer, and Mr. Smith of Washington.

H.R. 678: Mr. Deutsch.

H.R. 690: Mr. Olver and Ms. DeGette.

H.R. 696: Mr. Davis of Illinois, Ms. Kilpatrick, Ms. McKinney, and Mr. Cummings.

H.R. 717: Mr. Rehberg, Mr. Gallegly, Mr. Weldon of Pennsylvania, Mr. Israel, Mr. Houghton, Mr. Kennedy of Minnesota, and Mr. Kirk.

H.R. 737: Mrs. Biggert.

H.R. 746: Mr. Evans and Mr. Collins.

H.R. 781: Mr. Olver, Ms. Lofgren, Mr. Gonzalez, Mr. Rangel, Ms. Hooley of Oregon, Mr. Kildee, Ms. Solis, and Mr. Hastings of Florida.

H.R. 783: Ms. Hart.

H.R. 786: Mr. Sawyer and Mr. Clay.

H.R. 805: Mr. Cooksey.

H.R. 808: Mr. Bryant, Mr. Price of North Carolina, Ms. Solis, Mr. Hill, Mr. Skelton, Mr. McHugh, Mr. Fattah, Mr. Holt, Mr. Nadler, and Mr. Smith of New Jersey.

H.R. 822: Mr. Ramstad.

H.R. 832: Mr. Shimkus.

H.R. 840: Ms. Rivers, Mr. Tierney, Mr. Hoeffel, Mrs. Mink of Hawaii, and Mr. Olver.

H.R. 854: Ms. Roybal-Allard, Mr. Evans, Mr. Berman, Mr. McHugh, Mr. Horn, Mr. Dreier, Ms. Lee, Mr. Kildee, Mr. Boucher, Mr. Strickland, and Mr. Stupak.

H.R. 902: Mrs. Emerson, Mr. Wexler, Mr. English, Mr. Sandlin, and Mr. LoBiondo.

H.R. 917: Mr. Rangel.

H.R. 932: Mr. Matheson.

H.R. 936: Mr. Brown of Ohio.

H.R. 954: Mr. Smith of New Jersey.

H.R. 964: Mr. Shays, Mr. Berman, Mr. Gutierrez, and Mr. Owens.

H.R. 968: Mr. Souder.

H.R. 975: Mr. Moran of Kansas, Mr. Sununu, Mr. Bonior, Mr. Ford, and Mr. Jenkins.

H.R. 978: Mr. Jones of North Carolina and Mrs. Meek of Florida.

H.R. 992: Mr. Shays.

H.R. 994: Mr. Hastings of Florida.

H.R. 1005: Mr. Barcia.

H.R. 1008: Mr. Tiahrt, Mr. Pickering, and Mr. Weller.

H.R. 1037: Mr. Blunt.

H.R. 1073: Mr. Mascara, Ms. Carson of Indiana, Mr. Larsen of Washington, Mr. Peterson of Pennsylvania, Mr. Brady of Pennsylvania, Mr. Toomey, Ms. Waters, and Mr. Tierney.

H.R. 1086: Mr. Baird.

H.R. 1110: Mr. Strickland, Mr. LaFalce, and Mr. Vitter.

H.R. 1127: Mr. Kingston and Mr. Horn.

H.R. 1129: Mr. Hinchey.

H.R. 1130: Mr. Hinchey.

H.R. 1140: Mr. Hobson, Mr. Hostettler, Mr. Ose, Mr. Issa, Mr. Dooley of California, Ms. Solis, Ms. Harman, Mr. Brown of South Carolina, and Mr. Radanovich.

H.R. 1151: Mr. Boucher.

H.R. 1162: Mr. Deutsch.

H.R. 1185: Ms. Baldwin and Ms. Carson of Indiana.

H.R. 1189: Mr. Sanders.

H.R. 1192: Mr. Strickland.

H.R. 1195: Mr. Dooley of California, Mr. Reyes, Mr. Becerra, Ms. Ros-Lehtinen, and Ms. Hart.

H.R. 1199: Ms. Kilpatrick.

H.R. 1201: Ms. Millender-McDonald, Mr. Frank, Mrs. Mink of Hawaii, and Mr. Gutierrez.

H.R. 1212: Mr. Tancredo.

H.R. 1232: Ms. McKinney, Mr. Boucher, and Mrs. Mink of Hawaii.

H.R. 1242: Mr. Osborne.

H.R. 1262: Ms. Brown of Florida, Ms. McKinney, and Mr. Gonzalez.

H.R. 1266: Mr. Dooley of California, Mr. Ney, Mr. Owens, and Mr. Rangel.

H.R. 1276: Mr. Kucinich and Ms. DeLauro.

H.R. 1291: Mr. Peterson of Minnesota, Mrs. Thurman, and Mr. Peterson of Pennsylvania.

H.R. 1292: Mr. Reyes and Mr. Taylor of Mississippi.

H.R. 1305: Mr. Ballenger, Mr. Filner, Mr. Green of Texas, Mr. Gutknecht, Mr. Kennedy of Rhode Island, Mr. Kildee, Mr. Kingston, Mr. Matsui, Mrs. Meek of Florida, Ms. McKinney, Mr. Miller of Florida, Mr. Paul, Mr. Rangel, Mr. Shaw, Mr. Stump, Mr. Ford, Mr. Langevin, and Mr. Rehberg.

H.R. 1306: Mr. Kucinich.

H.R. 1307: Ms. Millender-McDonald, Mrs. Roukema, Ms. Schakowsky, Mr. Owens, Mr. Moran of Virginia, Mr. Tom Davis of Virginia, and Ms. Kilpatrick.

H.R. 1323: Ms. Lee, Ms. McKinney, and Ms. Millender-McDonald.

H.R. 1334: Mr. Sweeney, Mr. Quinn, Mr. Walsh, Mr. McHugh, Mr. King, Mrs. Kelly, Mr. Boehlert, Mr. Grucci, Mr. Reynolds, Mr. Fossella, Mr. McNulty, Mr. Hinchey, Ms. Velázquez, Ms. Slaughter, Mr. Towns, Mr. Engel, Mrs. McCarthy of New York, Mr. Crowley, Mr. Serrano, Mr. Owens, Mr. Weiner, Mrs. Lowey, Mr. LaFalce, Mr. Israel, and Mr. Ackerman.

H.R. 1342: Mr. Fossella, Mr. Burr of North Carolina, Mr. Sessions, and Mr. Hefley.

H.R. 1354: Mr. Rangel and Mr. Hefley.

H.R. 1377: Mr. Crowley, Mr. Souder, Ms. McKinney, Mr. Sessions, Mr. Fletcher, Mr. Calvert, Ms. Pryce of Ohio, and Ms. Solis.

H.R. 1382: Ms. McKinney.

H.R. 1388: Mr. Clement, Mr. Isakson, Mr. Chambliss, Mr. Clyburn, and Mr. Roemer.

H.R. 1406: Ms. McKinney.

H.R. 1436: Mrs. Mink of Hawaii, Mr. Kennedy of Rhode Island, Mr. Thompson of California, Mr. Borski, Mr. Wexler, Mr. Ford, Mr. Engel, Mrs. Roukema, Mr. Jefferson, Mr. Filner, Mrs. Emerson, Mr. Larsen of Washington, Mr. Dooley of California, and Mr. Hinchey.

H.R. 1454: Mr. McDermott, Mr. Lantos, Mr. Doggett, Mr. Lipinski, Mr. Souder, Ms. Millender-McDonald, and Mr. Smith of New Jersey.

H.R. 1459: Mr. Watkins and Mr. Rodriguez.

H.R. 1464: Mr. Rehberg.

H.R. 1482: Ms. Sanchez.

H.R. 1487: Mr. Ramstad and Mr. Gilman.

H.R. 1494: Mr. Crowley and Mr. Davis of Illinois.

H.R. 1540: Mr. Filner Mr. Thompson of Mississippi, and Mr. Clyburn.

H.R. 1541: Mr. Bonior.

H.R. 1556: Mrs. Maloney of New York, Mr. LaFalce, and Mr. Baldacci.

H.R. 1561: Mr. Owens.

H.R. 1562: Mr. Owens.

H.R. 1563: Mr. Owens.

H.R. 1581: Mr. Watkins and Mr. Sessions.

H.R. 1585: Mr. Brady of Pennsylvania, Mr. Hall of Ohio, Mr. Davis of Illinois, Mr. Lantos, and Mr. Honda.

H.R. 1586: Mr. Bonior.

H.R. 1592: Mr. Stump.

H.R. 1597: Mr. Frank.

H.R. 1599: Mr. Shimkus.

H.R. 1609: Mr. Houghton, Mr. Ganske, Mr. Bachus, Mr. Everett, Mr. Combest, Mr. LaFalce, Mr. Walsh, and Mr. Baldacci.

H.R. 1613: Mr. Kirk and Mr. Peterson of Minnesota.

H.R. 1615: Ms. Ros-Lehtinen and Mr. Owens.

H.R. 1624: Mr. Thompson of Mississippi, Mr. Cramer, Mr. Young of Alaska, Mr. Barcia, Mr. Tanner and Mr. Nethercutt.

H.R. 1626: Mr. Frost.

H.R. 1644: Mr. Goode, Mr. Lewis of Kentucky, Mr. Akin, Mr. Cantor, Mr. Bachus, Mr. Jones of North Carolina, Mr. Doolittle, and Mr. Terry.

H.R. 1677: Mr. Otter, Mr. Simpson, Mr. Hastings of Washington, Mr. Nethercutt, and Mr. Graham.

H.R. 1713: Ms. Schakowsky, Mr. Green of Texas, Ms. Lofgren, Mr. Bonior, Mr. Crowley, and Mr. Owens.

H.R. 1727: Mr. Stark, Mr. Shaw, Mr. Portman, Mr. English, and Mr. Crane.

H.R. 1765: Mr. Ganske.

H.J. Res. 36: Mr. Culberson and Mr. Goodlatte.

H. Con. Res. 12: Mr. Bonior.

H. Con. Res. 63: Mrs. Thurman and Ms. Sanchez.

H. Con. Res. 104: Mr. Frank and Mr. McGovern.

H. Con. Res. 106: Mr. English, Mr. Schaffer, Ms. Hart, Mr. Kleczka, Mrs. Myrick, Mr. Hutchinson, and Mr. Hayworth.

H. Con. Res. 120: Mr. Sessions.

H. Res. 86: Mr. Cummings, Mr. Honda, Mr. Thompson of Mississippi, Mr. Watt of North Carolina, Mr. Sabo, Mr. Luther, Mr. Matsui, Mr. TIERNEY, Ms. RIVERS, Ms. WATERS, and Ms. JACKSON-LEE of Texas.

H. Res. 106: Mrs. JONES of Ohio.

H. Res. 120: Mr. GIBBONS.

AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 1646

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 2: Page 122, after line 23, add the following:

SEC. 747. SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or products that may be authorized to be purchased with financial assistance provided under this Act (including any amendment made by this Act), it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act (including any amendment made by this Act), the head of each Federal agency shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.

(c) NOTICE OF REPORT.—Any entity which receives funds under this Act shall report any expenditures on foreign-made items to the Congress within 180 days of the expenditure.

SENATE—*Wednesday, May 9, 2001*

The Senate met at 9:30 a.m. and was called to order by the Honorable TIM HUTCHINSON, a Senator from the State of Arkansas.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious Father, thank You for the gifts of life, intellect, good memories, and daring dreams. We do not ask for challenges equal to our talent and training, education and experience; rather, we ask for opportunities equal to Your power and vision. Forgive us when we pare life down to what we could do on our own without Your power. Make us adventuresome, undaunted people who seek to know what You want done and attempt it because You will provide us with exactly what we need to accomplish it. We thank You that problems are nothing more than possibilities wrapped in negative attitudes. We commit the work of this day to You and will attempt great things for You because we know we will receive great strength from You. You are our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable TIM HUTCHINSON led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

> U.S. SENATE,
> PRESIDENT PRO TEMPORE,
> *Washington, DC, May 9, 2001.*
>
> *To the Senate:*
>
> Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable TIM HUTCHINSON, a Senator from the State of Arkansas, to perform the duties of the Chair.
>
> STROM THURMOND,
> *President pro tempore.*

Mr. HUTCHINSON thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The distinguished acting majority leader.

SCHEDULE

Mr. JEFFORDS. Mr. President, today the Senate will have 5 minutes to complete debate on a Mikulski amendment regarding community technology centers, with a vote to occur at approximately 9:35 a.m.

Following the vote, the Senate will continue to debate those amendments pending or any newly offered amendments to the education bill. The Senate will suspend debate on S. 1 as soon as the papers to the budget conference report are received from the House. Further votes will occur this morning on education amendments. It is expected that a vote on the budget conference report will occur either late this evening or tomorrow morning. As a reminder, all first-degree amendments to the education bill must be filed by 5 p.m. this evening.

I thank my colleagues for their attention.

BETTER EDUCATION FOR STUDENTS AND TEACHERS ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 1, which the clerk will report.

The legislative clerk read as follows:

> A bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965.

Pending:

> Jeffords amendment No. 358, in the nature of a substitute.
>
> Kennedy (for Murray) amendment No. 378 (to amendment No. 358), to provide for class size reduction programs.
>
> Kennedy (for Mikulski/Kennedy) amendment No. 379 (to amendment No. 358), to provide for the establishment of community technology centers.
>
> Kennedy (for Dodd) amendment No. 382 (to amendment No. 358), to remove the 21st century community learning center program from the list of programs covered by performance agreements.
>
> McConnell amendment No. 384 (to amendment No. 358), to provide for teacher liability protection.
>
> Cleland amendment No. 376 (to amendment No. 358), to provide for school safety enhancement, including the establishment of the National Center for School and Youth Safety.
>
> Biden amendment No. 386 (to amendment No. 358), to establish school-based partnerships between local law enforcement agencies and local school systems, by providing school resource officers who operate in and around elementary and secondary schools.
>
> Specter modified amendment No. 388 (to amendment No. 378), to provide for class size reduction.
>
> Voinovich amendment No. 389 (to amendment No. 358), to modify provisions relating to State applications and plans and school improvement to provide for the input of the Governor of the State involved.
>
> Carnahan amendment No. 374 (to amendment No. 358), to improve the quality of education in our Nation's classrooms.

AMENDMENT NO. 379

The ACTING PRESIDENT pro tempore. We have 5 minutes equally divided on the Mikulski amendment.

The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I rise to ask the support of my colleagues for my amendment to create 1,000 community tech-based centers around the country.

The BEST Act creates a national goal to ensure that every child is computer literate by the 8th grade regardless of race, ethnicity, income, gender, geography, or disability.

My amendment will help make this goal a reality.

What does this amendment do? My amendment builds on the excellent work of Senator JEFFORDS, Senator KENNEDY, and Senator GREGG. It expands 21st Century Learning Centers by authorizing $100 million to create 1,000 community based technology centers around the country. The Department of Education would provide competitive grants to community based organizations such as a YMCA, the Urban League, or a public library.

Up to half the funds for these centers must come from the private sector, so we'll be helping to build public/private partnerships around the country.

What does this mean for local communities? It means a safe haven for children where they could learn how to use computers and use them to do homework or surf the web. It means job training for adults who could use the technology centers to sharpen their job skills or write their resumes.

Why is this amendment necessary? Because even with dot coms becoming dot bombs, we badly need high tech workers. In fact, we have a skill shortage, not a worker shortage.

Senators SPECTER and HARKIN have provided funds for Community Technology Centers in Appropriations but the program has never been authorized, so it has been skimpy. Only 90 centers were created last year, although over 700 applied.

We need to bring technology to where kids learn, not just where we want them to learn. They don't just learn in

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

school. they learn in their communities.

Not every family has a computer in their home, but every American should have access to computers in their community.

My amendment is endorsed by: the NAACP, the American Library Association, the National Council of La Raza, the YMCA, the American Association of Community Colleges, and the Computer and Communications Industry Association.

I urge my colleagues to join me in ensuring that no child is left out or left behind in the technology revolution.

Mr. JEFFORDS. Mr. President, I regretfully rise to oppose the amendment of my colleague, although I agree with the program she is talking about, the community technology centers. On the other hand, this belongs with other programs such as the community block grants, not on the educational side.

I must say I admire what the Senator is doing. The programs themselves can be very useful, but I don't believe it belongs in this bill; rather, it belongs in other bills. For instance, the 21st century schools can provide similar programs. In a sense, it is duplication.

Regretfully, I must oppose the amendment, although I think it is only once or twice a century that I do that.

Ms. MIKULSKI. Mr. President, the cosponsors of my amendment are Senators KENNEDY, BINGAMAN, SARBANES, WELLSTONE, and REID.

Mr. JEFFORDS. I yield back the remaining time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to a vote in relation to the Mikulski amendment numbered 379 to amendment No. 358.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Connecticut (Mr. DODD) is necessarily absent.

The PRESIDING OFFICER (Mr. CHAFEE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 50, nays 49, as follows:

[Rollcall Vote No. 96 Leg.]

YEAS—50

Akaka
Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Byrd
Cantwell
Carnahan
Carper
Cleland
Clinton
Conrad
Corzine
Daschle
Dayton
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Harkin
Hollings
Inouye
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Mikulski
Miller
Murray
Nelson (FL)
Nelson (NE)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Snowe
Stabenow
Torricelli
Wellstone
Wyden

NAYS—49

Allard
Allen
Bennett
Bond
Brownback
Bunning
Burns
Campbell
Chafee
Cochran
Collins
Craig
Crapo
DeWine
Domenici
Ensign
Enzi
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kyl
Lott
Lugar
McCain
McConnell
Murkowski
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Specter
Stevens
Thomas
Thompson
Thurmond
Voinovich
Warner

NOT VOTING—1

Dodd

The amendment (No. 379) was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote.

Ms. MIKULSKI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, would the Chair inform the Senate how long it took for that vote to be completed?

The PRESIDING OFFICER. Thirty-one minutes.

The Senator from Minnesota.

AMENDMENT NO. 403 TO AMENDMENT NO. 358

Mr. WELLSTONE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 403 to amendment No. 358.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To modify provisions relating to State assessments)

On page 46, strike line 19 and replace with the following:

"assessments developed and used by national experts on educational testing.

"(D) be used only if the State provides to the Secretary evidence from the test publisher or other relevant sources that the assessment used is of adequate technical quality for each purpose for which the assessment is used, such evidence to be made public by the Secretary upon request;".

On page 51, between lines 15 and 16, insert the following:

"(K) enable itemized score analyses to be reported to schools and local educational agencies in a way that parents, teachers, schools, and local educational agencies can interpret and address the specific academic needs of individual students as indicated by the students' performance on assessment items."

On page 125, between lines 4 and 5, insert the following:

SEC. 118A. GRANTS FOR ENHANCED ASSESSMENT INSTRUMENTS.

Part A of title I (20 U.S.C. 6311 et seq.) is amended by inserting after section 1117 (20 U.S.C. 6318) the following:

"SEC. 1117A. GRANTS FOR ENHANCED ASSESSMENT INSTRUMENTS.

"(a) PURPOSE.—The purpose of this section is to—

"(1) enable States (or consortia or States) and local educational agencies (or consortia of local educational agencies) to collaborate with institutions of higher education, other research institutions, and other organizations to improve the quality and fairness of State assessment systems beyond the basic requirements for assessment systems described in section 1111(b)(3);

"(2) characterize student achievement in terms of multiple aspects of proficiency;

"(3) chart student progress over time;

"(4) closely track curriculum and instruction; and

"(5) monitor and improve judgments based on informed evaluations of student performance.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $200,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(c) GRANTS AUTHORIZED.—The Secretary is authorized to award grants to States and local educational agencies to enable the States and local educational agencies to carry out the purpose described in subsection (a).

"(d) APPLICATION.—In order to receive a grant under this section for any fiscal year, a State or local educational agency shall submit an application to the Secretary at such time and containing such information as the Secretary may require.

"(e) AUTHORIZED USE OF FUNDS.—A State or local educational agency having an application approved under subsection (d) shall use the grant funds received under this section to collaborate with institutions of higher education or other research institutions, experts on curriculum, teachers, administrators, parents, and assessment developers for the purpose of developing enhanced assessments that are aligned with standards and curriculum, are valid and reliable for the purposes for which the assessments are to be used, are grade-appropriate, include multiple measures of student achievement from multiple sources, and otherwise meet the requirements of section 1111(b)(3). Such assessments shall strive to better measure higher order thinking skills, understanding, analytical ability, and learning over time through the development of assessment tools that include techniques such as performance, curriculum-, and technology-based assessments.

"(f) ANNUAL REPORTS.—Each State or local educational agency receiving a grant under this section shall report to the Secretary at the end of the fiscal year for which the State or local educational agency received the grant on the progress of the State or local educational agency in improving the quality and fairness of assessments with respect to the purpose described in subsection (a).".

Mr. WELLSTONE. Mr. President, this amendment greatly strengthens this legislation. It focuses on an issue that we haven't really spent a lot of time on yet. This has to do with how we make sure we have the very highest quality of testing and how we make sure we give our States and school districts the flexibility to do the very best job.

There has been a rush to expand testing without stepping back to determine whether the testing system we have is working. It is only common sense—I believe we have worked hard on this amendment, and there will be strong support for it—to assume that if you want the tests to be effective, they have to be of high quality.

This goes back to why we are measuring student achievement in the first place and what our goals are if we are going to set up these accountability systems. Are we measuring for the sake of measuring only or are we measuring to get the best picture of how our children are doing? That is what we are all about or should be all about.

If we want to get the best picture of how our students are doing and how effective the schools are in teaching, we need to have the best possible assessments. That is what this amendment seeks. These assessments need to be aligned with standards, local curriculum, and classroom instruction. These assessments need to be free from bias. They need to reflect both the range and depth of student knowledge, and they need to assess not just memorized responses but student reasoning and understanding. They need to be used only for the purposes for which they are valid and reliable. This is important.

Holding States and school districts and teachers accountable to the wrong test can, in fact, be more harmful than helpful. Using low-level national tests to measure performance within a State shows us little of how the States, the school districts, the schools, and the students are doing in achieving their State and local educational goals.

This amendment seeks to allow States to develop tests that are of higher quality and better meet the localized needs of their students, their parents, and their teachers.

I will repeat these words again. They should be important to Senators and staff. This amendment allows States to develop tests that are of higher quality and better meet the localized needs of their students, teachers, and parents.

To ensure that the assessments are of high quality, this amendment says the assessments under title I have to meet relevant national standards developed by the American Educational Research Association, the American Psychological Association and the National Council of Measurement in Education. These standards are the standards from everyone in the testing field—I say to the Senator from Vermont and the Senator from Massachusetts, these are the standards that have been used as guides for testmakers and test users for decades, and they are implied but they are not specifically referenced in the current law.

Secondly, it says that States have to provide evidence to the Secretary that the tests they use are of adequate technical quality for each purpose for which they are used.

Third, it says that itemized score analyses should be provided to districts and schools so the tests can meet their intended purpose, which is to help the people on the ground, the teachers and the parents, to know specifically what their children are struggling with and how they can help them do better.

Finally, the amendment provides grants to States to enter into partnerships to research and develop the highest quality assessments possible so they can most accurately and fairly measure student achievement.

I will go into this later on, but I say to the Senate: My background is education. I was a teacher for 20 years. I don't want to give any ground on rigor or accountability, but I don't want us to do this the wrong way. I want to make sure our States and school districts can design the kinds of tests that are comprehensive, that have multiple measures, that are coherent, that we are actually measuring what is being taught, and also to make sure they assess progress over time.

This is so important because we don't want to put our teachers and school districts in a position of having to teach to tests. We don't want to drive out our best teachers. We want to have the best teachers in our schools. We don't want teachers to be drill sergeants. There is a distinction between training and education.

The need for this amendment is clear. The Independent Review Panel on title I, which was mandated in the 1994 reauthorization, issued its report "Improving the Odds" this January. The report concluded:

> Many States use assessment results from a single test—often traditional multiple choice tests. Although the tests may have an important place in state assessment systems, they rarely capture the depth and breadth of knowledge reflected in State content standards.

The panel went on to make a strong recommendation. It said:

> Better assessments for instructional and accountability purposes are urgently needed.

The link between better assessments and better accountability was made by Robert Schwartz, president of Achieve, Inc., the nonprofit arm of the standards-based reform movement. He recently said:

> You simply can't accomplish the goals of this movement if you're using off-the-shelf, relatively low-level tests . . . Tests have taken on too prominent of a role in these reforms and that's in part because of people rushing to attach consequences to them before, in a lot of places, we have really gotten the tests right.

This amendment is about making sure we get the tests right. That is what this amendment is about.

This is exactly my point. We need to get the tests right. Research shows that low-quality assessments can actually do more harm than good. The Standards on Educational and Psychological Testing clearly indicate this. The standards state:

> The proper use of tests can result in wiser decisions about individuals and programs than would be the case without their use and also can provide a route to broader and more equitable access to education and employment.

That is if it is done the right way.

> The improper use of tests, however, can cause considerable harm to test takers and other parties affected by test-based decisions.

It is our obligation to help States and districts ensure that tests are done right so they can achieve the best effect.

The standards go on to say:

> Beyond any intended policy goals, it is important to consider any potential unintended effects that may result from large scale testing programs. Concerns have been raised, for instance, about narrowing the curriculum to focus only on the objectives tested, restricting the range of instructional approaches to correspond to testing format, increasing the number of drop-outs among students who do not pass the test, and encouraging other instructional or administrative practices that may raise test scores without affecting the quality of education. It is important for those who mandate tests to consider and monitor their consequences and to identify and minimize the potential of negative consequences.

With my colleagues' support, we want to make sure the testing is done the right way, and that is what we will do if we adopt this amendment.

One of the key problems with low-quality tests and accountability systems that rely too heavily on a single measure of student progress is in producing very counterproductive educational effects. There is too much teaching to the test, leading to drill instruction which does not reflect real learning and which excludes key components of education that are not covered by the tests. Further, the over-reliance on tests could cause teachers to leave the profession at a time when good teachers are what our country needs the most.

Again, I am going to talk about this more, but if we do not get this right, we will rue the day that we have set up a system that basically creates a situation where your very best teachers are going to leave the profession, and we are not going to attract the best teachers.

The first concern has to do with teaching to the test. Let me cite for my colleagues the Committee for Economic Development, which is a strongly pro-testing coalition of business leaders which warns against test-based accountability systems that "lead to narrow test based coaching rather than rich instruction."

Test preparation is not necessarily bad, but if it comes at the expense of real learning, it becomes a major problem. Many will say that teaching to tests can be good, but if the tests are of low quality, which too many are, then it most certainly is not for the good.

The recent Education Week/Pew Charitable Trust study, "Quality Counts," found that nearly 70 percent of the teachers said that instruction stresses tests "far" or "somewhat" too much. Sixty-six percent of the teachers also said that State assessments were forcing them to concentrate too much on what is tested to the detriment of other report topics.

I will tell you what topics are neglected: social studies, arts, science, technology, all of which are integral to good education.

For example, in Washington State, a recent analysis by the Rand Corporation showed that fourth grade teachers shifted significant time away from the arts, science, health and fitness, social studies, and communication and listening skills because none of these areas were measured by the tests. Is that what we want to do? We do not want to end up undercutting the quality of education of children in this country.

"Quality Counts" goes on to say:

> Any one test samples only a narrow range of what students should be learning. If teachers concentrate on the test—rather than the broader content undergirding the exams—it could lead to a bump in test results that does not lead or does not reflect real learning gains.

In fact, 45 percent of the teachers surveyed said they spent a great deal of time teaching students how to take tests, doing activities such as learning to fill in bubbles correctly.

Another recent survey of Texas teachers indicated that only 27 percent of the teachers believe that increases in the TAAS scores reflect an increase in the quality of learning and teaching, rather than teaching to the test.

A 1998 study of the Chicago public schools concluded that the demand for high test scores had actually slowed down instruction as teachers stopped introducing new material to review and practice for upcoming exams.

The most egregious examples of teaching to the test are schools such as the Stevenson Elementary School in Houston that pays as much as $10,000 per year to hire the Stanley Kaplan Test Preparation Company to teach teachers how to teach kids to take tests.

According to the San Jose Mercury News, schools in East Palo Alto, which is one of the poorest districts in California, also paid Stanley Kaplan $10,000 each to consult with them on test-taking strategies.

According to the same article:

> Schools across California are spending thousands to buy computer programs, hire consultants, and purchase workbooks and materials. They're redesigning spelling tests and math lessons, all in an effort to help students become better test takers.

Sadly, it is the low-income schools that are affected the most. The National Science Foundation found that teachers with more than 60 percent minority students in their classes reported more test preparation and more test-altered instruction than those with fewer minority students in their class. This research is confirmed by the Harvard Civil Rights Project and several other studies.

The reason I believe the vote on this amendment will be one of the most important votes on this bill is that this amendment speaks directly to whether or not we are going to have the best teachers. I am very concerned that drill education and an increasing emphasis on scores is going to cause the best teachers to leave the profession, to leave the schools where they are needed the most. This is tragic at the very time we face an acute teacher shortage. We know that the single most important factor in closing the achievement gap between students is the quality of the teachers the students have. We will see teachers leaving the profession.

Linda Darling Hammond, who is a renowned educator at Stanford University, and Jonathan Kozol, who has written some of the most powerful books about poor children and education in America, have both addressed this issue. Jonathan Kozol said:

> Hundreds of the most exciting and beautifully educated teachers are already fleeing from inner city schools in order to escape what one brilliant young teacher calls "examination hell."

It is ironic because in our quest to close the achievement gap, Kozol finds that what we are actually doing is "robbing urban and poor rural children of the opportunities Senators give their own kids."

What is going on? We already know where all the pressure is. We already know where all the focus is on the drill education, the teaching to the tests. It is in inner-city, rural, small towns. What you are going to have, or what you have right now, is the teachers who know how to teach and are not involved in worksheet education are the very teachers who are going to leave. It is the teachers who are more robotic and are intent to do worksheet teaching and learning, which is educationally deadening—they are going to be the teachers who stay. We will be making a huge mistake if we don't make sure the testing is done in a comprehensive and coherent way.

There was an op-ed piece in the New York Times. It was written by a fifth-grade teacher who obviously had great passion for his work. Listen to his words:

> But as I teach from day to day . . . I no longer see the students in the way I once did—certainly not in the same exuberant light as when I first started teaching five years ago. Where once they were "challenging" or "marginal" students, I am now beginning to see "liabilities." Where once there was a student of "limited promise," there is now an inescapable deficit that all available efforts will only nominally affect.

One way to avoid such negative outcomes and ensure that tests do not inhibit real learning is to design higher quality tests that measure how children think rather than just what they can remember. The Standards for Educational and Psychological Testing asserts, for example, that:

> If a test is intended to measure mathematical reasoning, it becomes important to determine whether examinees are in fact reasoning about the material given instead of following just a standard algorithm.

Too often, today's tests are failing their mission. The Center for Education Policy's recent study on the state of education reform concludes:

> The tests commonly used for accountability purposes don't tell us how students reached an answer, why they are having difficulty, or how we can help them.

We therefore need to design assessments that are more closely linked to classroom instruction. That is what our school districts, schools, teachers, principals, school boards, and our PTAs at the local level are telling us. We need to reflect student learning over time so that schools are not judged in a single shot but, rather, are judged more deeply and comprehensively through multiple measures of achievement.

Such an approach would reward teachers who, as the Center for School Change in Minnesota recommends, are able to actually effect and improve children's analytic abilities and communications skills rather than teachers who drill the best. It would reward schools and teachers who ensure that day-to-day classroom instruction is high quality, not just those who have learned how best to game assessments. That is what this amendment seeks to do.

The Committee for Economic Development report urges this approach. It says:

> There is more work to do in designing assessment instruments that can measure a rich array of knowledge and skills embedded in rigorous and substantive standards.

Before we rush ahead, let's meet that challenge.

Beyond the effects in the classroom, higher quality tests and fairer use of tests are needed because low-quality tests can lead to inaccurate assessments, which do not serve but, rather, subvert the efforts at true educational accountability. Nobody put it better than the strongly protesting Committee for Economic Development. These business leaders concluded in their report—there should be almost unanimous support for this amendment—entitled "Measuring What Matters" that:

> Tests that are not valid, reliable, and fair will obviously be inaccurate indicators of the academic achievement of students and can lead to wrong decisions being made about students and the schools.

We want to make sure these tests are accurate, reliable, and fair. I know the language I speak is technical, but the issue is of great import.

Let me just simply summarize my position. There is more to say, and perhaps we will listen to other colleagues as well, because there is much more than I can cite as evidence.

One of the things we have to make sure of is that we have comprehensive multiple measures that will measure schools and students. You have to do that; otherwise, you are abusing the tests. It is very dangerous to use a single measure to determine how well schools and students are doing. But beyond pure error, it is important to realize that even without technical error, tests tell only a part of the education story. They should be accompanied by other measures to ensure that we are getting the best picture possible of how these students and schools are doing. That is the way we can hold the schools truly and fairly accountable.

In his testimony before the House Education and Workforce Committee, Kurt M. Landgraf, president and CEO of the Educational Testing Service, which is one of the largest providers of K-12 testing services in the country, said:

> Scores from large scale assessments should not be used alone if other information will increase the validity of the decisions being made.

Riverside Publishing, another of the major test publishers in the country, in their Interpretive Guide For School Administrators for the Iowa Test of Basic Skills, said:

> Many of the common misuses (of standardized tests) stem from depending on a single test score to make a decision about a student or class of students.

The National Association of State Boards of Education also did a comprehensive study which indicated the same thing.

The study I mentioned before, "Quality Counts," shows that we need to have multiple measures. In no area is this phenomenon more evident than in the use of a single standardized test to make a high-stakes decision about a student, as whether or not that student will be promoted from one grade to another or in what reading group that student will be placed.

Nearly everybody involved in the testing field, whether it is the groups that write the professional standards, the National Research Council, test publishers, the business community that invested so much in the testing movement—all agree that a single test should never be the sole determinant in making high-stakes educational decisions about individual students or, for that matter, about individual schools.

The Standards for Educational and Psychological Testing asserts that in educational settings, a decision or characterization that will have a major impact on a student should not be made on the basis of a single test score. The National Research Council—we commissioned this report—in 1999 concludes that:

> No single test score can be considered a definitive measure of a student's knowledge, and an educational decision that will have a major impact on a test taker should not be made solely or automatically on the basis of a single test score.

So we need multiple measures. Second, right now, too many of the tests are not aligned with the curriculum and standards. So another condition that has to be met, another problem that has to be met, is that current assessments all too often are not aligned with standards, curriculum, and instruction. That is what it has to be.

I am putting into the language what we have implied. Alignment is the cornerstone of accountability. If we don't have tests that are aligned with the standards and curriculum and the instruction, then we are not going to have real accountability.

Now, the Committee for Economic Development in their report makes the point that barriers to alignment are more serious when States use so-called off-the-shelf commercial tests rather than developing their own. The National Association of State Boards of Education confirms in their study and makes the point that norm reference tests are unable to measure the attainment of content and performance standards.

This amendment provides grants to States to better align their assessments, as well as to ensure that the tests validly assess the domain they are intended to measure. This is common sense, but it is so important.

This amendment seeks not to stop using tests but to ensure fairness and accuracy in the large-scale assessments that are used under title I. This amendment seeks not to stop using tests. I want to make sure this is done the right way. I want to make sure it is fair. I want to make sure the tests are accurate. I want to make sure we have real accountability. I want to make sure we are respectful of teachers. I want to make sure we are respectful of school boards. I want to make sure we are respectful of what goes on in our schools.

This call for fairness and accuracy is a call that has been made by business leaders, by educators, by government leaders, and by the most respected research institutes in the country. I rarely read text when I speak on the floor of the Senate. However, there are so many authorities and studies to cite, the evidence is irrefutable. We want to make sure we do this the right way and we must do it the right way.

This research and this call for accurate, fair testing has crossed party lines. I hope it will have bipartisan support in the Senate.

The most recent National Research Council report on testing, "Knowing What Students Know," outlines the direction in which I think we as policymakers need to move to make sure the testing is done fairly and correctly. The report concludes that:

> . . . policymakers are urged to recognize the limits of current assessments and to support the development of new systems of multiple assessments that would improve their ability to make decisions about educational programs and allocation of resources.

It says:

> . . . needed are classroom and large-scale assessments that help all students succeed in school by making as clearly as possible to them, their teachers and other educational stakeholders the nature of their accomplishments and the progress of their learning.

We surely ought to be able to meet that condition.

Right now, the authors report:

> Assessment practices need to move beyond a focus on component skills and discrete bits of knowledge to encompass more complex aspects of student achievement.

The authors recommended that:

> Funding should be provided for a major program of research, guided by a synthesis of cognitive and measurement principles, that focus on the design of assessments that yield more valid and fair inferences about student achievement.

And key components are what? Multiple measures of student achievement and a move to more performance-based, curriculum-embedded assessment.

Doesn't that make sense, to have multiple measures, and to make sure what you are testing is aligned with the curriculum? The three principles of good assessment are laid out.

I conclude on the principles: Comprehensiveness, meaning you have a range of measurement approaches so that you have a variety of evidence to support educational decisionmaking; coherence, meaning that the assessment should be closely linked to curriculum and instruction; and continuity, meaning that the assessment should measure student progress over time.

I emphasize, this legislation, S. 1. is a major departure in public policy in the sense we are now calling on all of the school districts in all of the States in all of the schools in all of our States to test children as young as age 8 to age 13 every single year. There can be a philosophical discussion about whether we should be doing that. The only thing I am saying is, let's do it the right way.

I have been working on this amendment, using the best studies we have. I have been in touch with people all over the country. Basically, I am saying, let's make sure there is comprehensiveness, which means multiple measures. Make sure there is coherence; that we actually measure the curriculum and instruction. Otherwise the teachers teach to the tests. We don't want that. We don't want drill education.

Finally, let's have continuity, which means that the assessment should measure student progress over time.

Jonathan Kozol is someone I think we all respect. He writes that it is the best teachers that hate testing agenda the most. They will not remain in public schools if they are forced to be drill sergeants for exams instead of being educators. Hundreds of the most exciting and beautifully educated teachers are already fleeing from inner-city schools in order to escape what one teacher, a graduate of Swarthmore calls "examination hell." I don't know that we have been in the inner-city neighborhoods; I don't think we visit the inner-city neighborhoods that Jonathan Kozol does.

> The dreariest and most robotic teachers will remain, the flowing and passionate teachers will get out as fast as they can. They will be hired in exclusive prep schools to teach the children of the rich under ideal circumstances.

He goes on to say: Who will you find to replace these beautiful young teachers? This is another way of robbing the urban poor and rural children of the opportunities that we give to our own children.

I think he is right. I have been a college teacher for 20 years. I have been in a school almost all the time in Minnesota, about every 2 weeks for the last 10½ years. I desperately believe in the value of equal opportunity for every child. I absolutely believe education is the foundation of opportunity. I know from my 20 years as a college teacher that you can take a spark of learning in a child and if you ignite that spark of learning and you can take a child from any background to a lifetime of creativity and accomplishment. That is the best thing about the United States of America. I also know you can pour cold water on that spark of learning.

I have raised two objections to this piece of legislation, but I think this legislation can be improved upon and can end up being a good, strong, bipartisan effort. Maybe. One of those concerns is, for God's sake, if you are going to do the testing, you better give the children and the teachers and the schools the tools so they can do well. That is the Federal Government living up to our commitment by way of resources. That is holding us accountable.

The other issue I raise, which is what this amendment speaks to, is let's just do the testing the right way. There is a reaction all over the country about too much of a reliance on one single standardized test. You have to have multiple measures. Let's make sure the tests actually are connected to the curriculum and to the instruction that is taking place, that is respectful of our teachers and our local school districts. Let's make sure the tests assess the progress of a child over a period of time.

I have been taking all of the best research and all of what we have implied in this bill, language we already have in this bill, making it explicit that we are going to do this the right way; that we are going to make sure that States and school districts can do this the right way.

There could not be a more important amendment. I am sorry that some of my presentation was so technical and seemed so cut-and-dried. But if we do this the wrong way, we will have worksheet teaching and worksheet education. We will have drill education. It is going to be training, but it is not really going to be education. It is not going to fire the imagination. Then arts gets dropped and music gets dropped and social studies gets dropped and drama gets dropped—because none of it is tested in this drill education. My God, we do not want to do that. We do not want to channel schools down that direction. We do not want to force them to go in that direction.

This amendment makes sure that this testing—if this is the path we are going down, using this definition of accountability—is done the right way.

If my colleagues think about their own States, they will see what is happening. A lot of the teachers and kids around the country, actually mainly in the suburbs, are now rebelling against these standardized tests. They hate them. Some are refusing to take them, because the parents in the suburbs are saying we don't want one-third of the time of the teachers who could be involved in great education wasted just teaching to these tests. It is interesting from where the rebellion is coming.

Again, one more time: The very school districts which are the most underserved are the ones where you want to get the best teachers. I have two children in public education. One is in an inner-city school, the other isn't, but both hate this reliance on single standardized tests. You are not going to get the teachers. I would not teach under this kind of situation, and you would not.

If the Federal Government is going to have this mandate, for God's sake, let's do it the right way.

I yield the floor and reserve the remainder of my time. There is no time limit, I gather, on this amendment.

The PRESIDING OFFICER. The Senator is correct.

The Senator from Wyoming.

Mr. ENZI. Mr. President, I am pleased today to discuss the Better Education for Students and Teachers Act, the BEST Act. We can never have too much debate on education. It is the future of our country.

This legislation achieves the simple yet powerful goal of ensuring no child is left behind. It does this by strengthening accountability for how Federal dollars are spent, by increasing students' access to technology, by improving teacher quality, and by making the schools safer for all students. It also fulfills an important commitment to States such as Wyoming that are already heavily invested in improving student achievement by allowing them the flexibility they need to continue to innovate.

I want to address a series of amendments we have and will be offering. I will be concentrating on quality of teachers, but I want to mention that yesterday we had two sense-of-the-Senate amendments. I am not going to go into what those amendments were about, but I do want to mention that I voted against both of them. It had nothing to do with the content of each of the sense-of-the-Senate amendments. It was because it was a sense-of-the-Senate amendment.

Sense-of-the-Senate amendments take a great deal of time, including if there are requested rollcall votes, which we know take 30 to 45 minutes. When we are done, they get discarded because the sense of the Senate doesn't have anything to do with the House. So they are just making a statement, and we have a lot of different ways we can make a statement. Since I have not generally seen any value to a sense-of-the-Senate amendment since I arrived in the Senate some 5 years ago, I will be voting against sense-of-the-Senate amendments.

Sense-of-the-Senate amendments are often agreed to. It is because of a mixture of approaches to sense-of-the-Senate amendments. A number of my colleagues say: They never go anywhere, they don't mean anything, so I'll vote for them. Then I will have a good recorded vote.

Some people turn in sense-of-the-Senate amendments so they can have a good recorded vote. I prefer to concentrate my efforts on those things that will wind up in a final bill, in final legislation that will affect the country, if we are going to have votes.

Today we had a technology amendment. It passed on a 50–49 vote. Something people might not be aware of is that technology is built into the bill, but it is built in with a great deal of flexibility. The $100 million to which we agreed pulled out money from the big technology pool and put it into a very specific area.

Let me tell you what happens when that gets down to Wyoming. We don't have enough money to do a project. But if it is left in the big pool and we can utilize the technology as the school districts see fit, with a bigger pool of money, it can make a difference to every kid in Wyoming.

We have to be very careful in this legislation that we do not put in little protections, because we were asked to, that destroy the flexibility of the bill. Flexibility is the key philosophy of this bill that allows the decisions to be made closest to the child and involve the parent, the teacher, the school board, and the community. That is where education works best.

The amendment before us now is on testing. I am not sure what all the fuss is about having some testing required. When I was in grade school, we had annual testing. I know the kinds of tests we had were called into question because they were multiple choice, which doesn't allow people their full expression. It puts some limitation on the value of the test as it comes out. But let me tell you, my parents looked at those results. They expected to see my results. They expected to see how it fit in with the rest of the class and the other students in the district who were in my grade. They used that as a comparison. I can tell you, if everybody had been off the chart, they would not have been pleased. They wanted to know how I was doing. That resulted in parent involvement, which we have said is one of the big keys to education.

When I was in the Wyoming Legislature, I headed up an education task force at one point. It was interesting to hear teacher after teacher essentially say that the biggest problem they had in the classroom was getting kids to show up, do their work, and behave. That is basic education. The way it was handled when I was growing up was it was, again, parent involvement, discipline at home. If my teacher would have told my parents I did something wrong, the discipline would have happened first and then the explanation of why I felt justified. The teacher was right. I had an opportunity to appeal after the punishment because discipline in the classroom was important.

When I was in fourth grade, I had the unique experience of being in a class that was half fourth graders and half fifth graders. We do not have a lot of class size problems in Wyoming. We definitely did not at that time. To have about 15 students in the class, they combined the 2 classes. It gave those of us in the fourth grade a little added advantage because we were always hearing the things that the fifth graders were being taught at the point that their particular lessons were being taught.

But I also had the unfortunate situation of living about a half block from the school. I had this delightful teacher who said: As soon as you finish your work, you can go out to recess. My dad happened to notice I was out at recess a lot. I was a fast worker. So he asked to see some of my work. When he checked it, he found out it was not correct. So we did a little discipline at that point, too.

He found out I was writing extremely small and that made it difficult for the teacher to check my work. I do remember him saying I would never write small again. It embarrassed him. He could afford the paper, and it looked as if he could not, and he was not going to put up with that. And we moved. We moved to another school so I would not have the same opportunity for recess.

My parents always said "when you go to college." They didn't say "if you go to college." Parents make a huge impact on students by their faith in their child and their encouragement for their child.

My dad was a traveling shoe salesman most of his life, and I got to travel with him in the summer. When we were making those trips, people would say: Are you going to grow up and be a salesman like your dad? Before I could answer, my dad would always jump into the conversation and say: I don't care whether he is a doctor or a lawyer or a shoe salesman or a ditch digger. But what I always tell him is, if he is a ditch digger, I want that ditch to be so distinctive that anybody can look at it and say, "That is a Mike Enzi ditch."

Parental encouragement, parental faith—one of the unfortunate things for us around here is we can't legislate that. There are just some things that should not be legislated and can't be legislated. But they can be encouraged. Today we are talking about one of these things. We are talking about the subject of teachers, which we can do something about, and we are doing something about that in this bill.

Some of the most important provisions in this bill concern our Nation's teachers. As we all know, one of our Nation's greatest educational resources is our teachers. Quite often our teachers spend more time with our kids than we do. I say this not only because my daughter is a teacher but because research has found that with the exception of the involved parent, no other factor affects a child's academic achievement more than having knowledgeable, skillful teachers.

While I have been very interested in ongoing negotiations over some of the provisions in this bill, there is one area that is not negotiable, and that is ensuring that our children have high-quality teachers, especially when it comes to reading and math.

I would like everybody to think back through their past to people who influenced them the most. I suspect as you go through that little exercise—I hope you will spend some time doing that—that many of the people who will be on your list will be former teachers, ones who had some kind of an influence on your life. I hope you will not only list them, but I hope if there are any who are living, you will write them a little note and mention the effect they had on your life.

At this point I have to mention a couple that were my teachers.

When I was in eighth grade I had a home room teacher who made us concentrate on where we were going to go to college and what we would take, and even had us follow a curriculum and write to colleges, get their course book, and outline the exact courses we would take through a 4-year college education in the field of our choice. I learned a great deal about how to plan for college.

She also involved us in a lot of interesting discussions and later served in the State legislature with me. I have to mention that she quit teaching and became an administrator. After she retired, she ran for the State legislature. It was a great deal of fun to be in the State legislature with a former teacher, particularly one with a voice that attracts people's attention, gets their attention, and drives home a point. I always did like the way she started a speech just after I had spoken where she said: MIKE ENZI was a student of mine, and he knows what he is talking about. Do what he says.

You just can't have that kind of backing in legislation you are doing and with quite as much effect as she had.

I had a math teacher in eighth grade, Mr. Shovelin. He introduced us to slide rules. Kids today don't know what slide rules are. He helped us form a future engineers club so we would be able to compete in math. He did anything he could do to get us excited about math. Teachers do that.

Later I had Mr. Popovich in high school, another math teacher, who was probably the most enthusiastic teacher I ever had. He made sure that everybody in our math class understood each principle we covered, and he did that by asking questions. If you got it right, he was enthusiastic and jumped in the air. If we got it wrong, he was enthusiastic, and he would literally climb onto the chalk tray saying, No, that is not it, and giving another version of how it could be.

I also liked his explanation of geometry. He said that is really the only course that you get in high school that is logic. Today, I think there are some courses that are actually logic courses. But he pointed out how geometry is logic, and approached it as the old Greeks did, trying to prove verbally and through pictures very basic concepts by starting out with the most basic and building on it.

Mrs. Embry is a lady who is about 4-foot-nothing with bright red hair. She taught international affairs. I needed an elective, and I didn't think I would have any interest in it. Before I left high school, I applied for college at George Washington University and was planning to go into international affairs. She had a tremendous effect on my life. She also happened to be the lady who was part of the team that decoded the messages when Pearl Harbor was being bombed.

Mrs. Sprague, an English teacher, had an impact on me. She said, "Why don't you use more humor in what you write? You do very well with humor."

One little sentence such as that changes a student's perspective on themselves and their future.

There are thousands and thousands of teachers out there who are doing that every day.

I am pleased that title II of S. 1 addresses the issue of teacher quality. Unlike more restrictive proposals that require States and local school districts to use Federal funds exclusively for the purpose of hiring new teachers, this legislation provides maximum flexibility to States. It will allow them to develop high-quality, professional development programs, provide incentives to retain quality teachers, fund innovative teacher programs such as teacher testing, merit-based teacher performance systems, or alternative routes of certification, or hire additional teachers if that is what they believe is necessary.

It would authorize a separate program to support math and science partnerships between State education agencies, higher education math and science departments and local school districts, and activities for these partnerships through the development of rigorous math and science curriculum; professional development activities specifically geared toward math and science teachers; recruitment efforts to encourage more college students majoring in math and science to enter the teaching profession and summer workshops; and follow-up training in the fields of math and science.

When I was in junior high, Russia set off Sputnik. It launched a whole new interest in science in the United States. A group of boys, who were my friends, and I, formed a rocket explorer post. It was the flexibility in the Boy Scout Program that allowed us to do career investigation.

The reason I mention this is because I personally had a teacher named Tom Allen who was the biology teacher at the high school who worked with me on my special project. Many of us have seen the October Skies movie of young men who were encouraged by this great Russian event, and then the American challenge that was issued at that point. That is the group of people with whom I worked.

This biology teacher worked with me to design a nose cone for our rocket that would take a mouse up and safely return it. We never put a mouse in the nose cone, but I designed space capsules for them, put mice in the capsule, spun them on a centrifuge, and then had to evaluate the way they came out of it.

I learned a lot of math. I learned a lot of science. I learned a lot of biology. He was a special teacher.

There are two teachers in Gillette, who are retiring now—Nello and Rollo Williams. They are brothers. One runs the planetarium. One of them runs the adventurium. The adventurium is a science lab that invites kids from all over northern Wyoming to do actual experiments and special projects. They can see a series of events that give them a better understanding of science. Each of them taught during the summers for science camps, kids doing extra school work, learning through extra special teachers.

It isn't just limited to the generation that is retiring. My daughter is a teacher. She is part of the new generation. While she has been teaching, she has been working on two master's degrees so that she can be a better teacher, although one of those gets her a certificate in administration.

I mentioned Mrs. Wright, who went to administration, Mr. Shovelin, who went to administration, and Mr. Popovich, who went to administration. My daughter is looking to go to administration. Part of the reason is that that is where the money is. All of those people liked their classroom work better and believed they made more of an impact on the kids as a teacher.

My daughter emphasizes school-to-career. She does some of that summer teaching. When she finishes a major assignment, she calls the parents of the kids who did not turn in the assignment. That sounds fairly simple. Check and see how many teachers do that. If they don't, let me suggest to you the reason they don't. Her biggest discouragement was the first time she did it, and then she called us in tears. She called the parents, told them the assignment had not been turned in, and the parents said: So, what are you going to do about it?

Not a very good parental involvement activity. But she persists in it.

She also catches them doing things right, writes a note to their parents, and slips it in their book or their backpack, where sooner or later the child discovers it, and rather than delivering this missive to their parents, they open it first to see what it is, and find out that it is something good, and it does get delivered to the parents. But whatever she notes that they are doing well—better than anyone—they do the rest of the year, perhaps the rest of their life.

Teachers do have an impact. This bill will affect teachers. This bill does allow States to pursue alternative routes of certification, to encourage talented individuals from other fields to enter the teaching profession. There are many qualified individuals who might be willing to teach if it were easier to become certified.

Although the Federal Government should never dictate certification standards to individual States, we should make it as easy as possible for interested States to recruit midcareer professionals, and perhaps retired members of the military, into the teaching profession. Title II of S. 1 goes a long way toward achieving that goal.

Of course, it has some very good rural possibilities, too. I know of one very small community in Wyoming where there was a lady who grew up in France who had a good command of the French language. She wanted to teach French to the very few students—fewer than 15—who were in the school district. Sometimes certification can get in the way of that.

I think we also need to bring professionals from all careers into the schools to help the kids understand that what they are learning will be valuable later in their life. I do not think I have ever learned anything that did not turn out to be valuable sometime later. Good teachers encourage that kind of participation.

Despite all these efforts to improve teacher quality, there are some who say: All we really need to do to improve student achievement is to hire more teachers. I have to tell you, for small rural States such as Wyoming, that is not the answer. While I certainly recognize that our Nation is facing a teacher shortage in the coming years, Wyoming currently has a declining student enrollment which is forcing some districts to eliminate teaching positions. More money specifically earmarked for hiring new teachers will be of little help to the schools in those areas with declining enrollment.

In addition, rural States such as Wyoming often have difficulty recruiting and retaining teachers, especially highly qualified teachers. Money that is earmarked for hiring new teachers will not help Wyoming keep our best teachers from leaving the State.

Congress must provide States and local school districts the flexibility to pay good teachers more money or to provide them with other incentives in order to get them to continue teaching. This bill provides flexibility.

I think it may be helpful to provide my colleagues with some hard data on Wyoming to illustrate that this is not simply lip service to a particular philosophy on education. The variations in education staffing needs across the country are real, and they are very dramatic.

For example, Wyoming has 48 school districts, with a total of 378 elementary and secondary schools. Here is the important part: Of those schools, 79 have an enrollment of fewer than 50 students. I am not talking of a classroom size of 50 students, I am talking of a total enrollment in the school of 50 students. I am not kidding when I say, in Wyoming 79 schools are defined as "rural."

Then we have what we call the "small schools." Those are the schools with an enrollment of 50 to 199 kids. There are 122 such schools in Wyoming. There are 143 "medium-sized" schools, with an enrollment ranging from 200 to 599 students. And we have a whopping

34 schools with an enrollment exceeding 500 kids for grade school and 600 kids for high school.

Districts often have to incorporate several grade schools to form a big high school. Let me tell you, nothing gets the good people of Wyoming more agitated than suggestions that they ought to consolidate those small or rural schools into a medium-sized or big school. It takes away the community. It takes away the emphasis. It takes away the way we have done things in Wyoming.

Now let me put this in context. The total enrollment in Wyoming's 378 public schools was 91,883. That is 1999 data. In New York State, 2.8 million children were enrolled in public school. That is 1997 data. So both of those would have changed a little.

As for teachers in Wyoming, they are our heroes. There are 6,887 of them. Based on aggregate teacher salary expenditures reported for the State last year, the average salary of a teacher in Wyoming is just under $29,000. Those teachers are underpaid.

This bill can do something about that. If we adopt the flexibility in title II of this bill, the teacher quality provision, then schools in Wyoming can use funds to give teachers a raise or reward outstanding teachers or provide incentives to recruit highly qualified teachers to our great State.

When educators from Wyoming visit me, the resounding message is usually not: Make our schools and class sizes even smaller; it is: Help us recruit good teachers and keep good teachers—with a lot of emphasis on the "keep good teachers," and the need for higher pay and flexibility.

If you can believe it, there have been teachers hired in Wyoming under the Class Size Reduction Initiative that was appropriated but never authorized for the past 2 years. If they so choose, the schools that hired those teachers can retain them under this bill. However, the question I ask, on behalf of all the schools that were not eligible for that money because they already had small school size, is: Are the struggles they face in recruiting and retaining quality teachers any less important in ensuring that every child receives a quality education?

Do not forget the variations in this country, the fact that we cannot have one-size-fits-all Government. When it comes from Washington, it is too little, with too many regulations. We are not suggesting it ought to be more, with more regulations.

The research shows that while a small class size may have an effect on student performance and achievement, having a highly qualified teacher has an even greater impact. That was shown in a study by Rivkin, Hanushek, and Kain in 1998. And, according to the Department of Education's National Center for Education Statistics, we still need to invest in figuring out how to best help current and new teachers to be highly qualified. Massachusetts provided the perfect example of that, that assisting schools in having great teachers is as important, if not more so, than meeting federally targeted class size goals.

I hope this background about Wyoming's uniquely rural public education system, juxtaposed on that of "big" States, can help my colleagues to appreciate why the flexibility in this bill is so important to meeting the needs of all our children.

I will not see a bill enacted that doesn't provide as much support for Wyoming students' success as it does for the students in big cities. Our children are our most valuable resource, and we must prepare them to face the challenges of the 21st century. We cannot do this by allowing Washington politicians to implement a one-size-fits-all approach to education.

The Better Education for Students and Teachers Act allows States to decide how to best serve their students and teachers. I strongly support this legislation and encourage my colleagues to do the same, and to maintain the flexibility that it has.

I yield the floor.

The PRESIDING OFFICER (Mr. BUNNING). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I thank my friend and colleague from Wyoming for sharing his good judgment and observation about education in rural areas, States with smaller populations, and about their particular needs and the challenges they are facing in terms of strengthening teacher quality in those communities. We are grateful for his comments.

I add my strong support to the amendment offered by my good friend Senator WELLSTONE of Minnesota, making sure the tests that are developed under this legislation are going to be the kinds of tests that are going to be helpful and useful in terms of advancing the academic achievement of the children in this country.

We know tests in and of themselves are not reform. Tests don't provide a well-qualified teacher. Tests don't provide smaller class sizes. Tests don't provide afterschool programs. Tests, in and of themselves, are a device and only a device.

In Lancaster, PA, we have seen tests used as frequently as every 9 weeks by teachers. The purpose of those tests is to find out how the children are making progress in different courses. They have had a remarkable amount of success because they are broad dimensioned. They are challenging the thinking process of the children. It demonstrates that when the tests are done well, not just in the kinds of tests, the multiple choice tests, but ones that really evaluate the children's progress and look at the thinking process of the child, and then takes action, it is going to be supplementary services for those children in order to enhance their academic achievement, then there is legitimacy in terms of these kinds of evaluations.

I commend the Senator from Minnesota for bringing this measure to the floor. This has been a matter, among others, that he has been absolutely passionate about. It is well deserved.

What we don't want to do is pass legislation that claims we are doing something about accountability and are relying on the slick, simple, easy multiple choice tests which are being taught by teachers in different communities and then think we are doing something for children. We are not. That is something the Senator wants to address.

There are some wonderful studies that have been done in evaluating what is working and what is not working in the States and local communities. The statement of the Research and Policy Committee of the Committee for Economic Development is a very interesting evaluation of the effectiveness of evaluating students, measuring student achievement. It reviews in great detail what is being done. They start off by saying that tests are a means, not an end, in school reform.

> Real educational improvement requires changing what goes on in classrooms.

It continues from there.

Perhaps one of the more interesting comments came from Education Week, which also has been doing evaluations of the testing process. I will mention a paragraph here:

> Districts must draft policies that rely on multiple criteria, including test scores, student's academic performance, and teacher recommendations.

That is how they think you can do the best kinds of evaluation of a child.

"Initially I was resistant to the use of multiple criteria," acknowledges Gary Cook, director of the Office of Education Accountability in the State education department. This is in the State of Wisconsin.

> I have changed my opinion. I think it really forces districts to consider all the pieces of evidence in a student's performance to determine whether they should advance to the next grade or graduate. We need something more than just whether the child is going to be able to get the right answer or guess at the right answer. We need to evaluate how the children get to the answer.

That is the essence of the Wellstone amendment. He has explained it very well.

I know there are other colleagues who want to address the issue. I commend him.

We have enough experience now to know what doesn't work and what is an abuse of the whole testing process and what does work and can be used in evaluating children's progress so that well-trained teachers in classrooms that are small enough so they can teach and can use these tests in ways to help children make progress during the year, understanding what the needs are of those children, and so they can continue to make progress.

That is the essence of the Senator's amendment. He is right on target. It is one of the most important aspects of this legislation. This is one of the most important amendments we have. Many of us have been thinking about how to try to address it. The Senator from Minnesota has, in his typical way, found a pathway to do it.

I commend him and thank him. This is an extraordinary addition to what we are attempting to do with the legislation. I am grateful to him for his bringing this to our attention. I am hopeful we will be able to achieve it.

Let me mention one other evaluation. This is using these portfolio assessments. Here students collect what they have done over a period of time, not just because it is helpful to have all that material in one place but because the process of choosing what to include and deciding how long to evaluate becomes an opportunity for them to reflect on their past learning as well as to set new goals.

As in other forms of performance assessment, they provide data far more meaningful than what would be learned from a conventional test, standardized or otherwise, about what the student can do and where they still need help. This is the conclusion of an evaluation of a number of the existing tests. It really captures in a few short words what is being sought by the Senator from Minnesota. I again thank him.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I will be brief. I thank the Senator from Massachusetts for his very gracious remarks.

To summarize: What this amendment says is there is three critical ingredients about this testing to make sure that it is reliable, to make sure it is fair, and that it is accurate. One of those ingredients is that it is comprehensive. You want to use multiple measures. You do not want to use one single standardized test to evaluate how students are doing or how schools are doing or how a school district is doing.

The second thing is, you want it to be coherent. You want the testing to actually measure the curriculum, the subject matter that is being taught. You want there to be a connection. You don't want, in turn, teachers to have to teach to standardized tests that have no relation to the subject matter.

It is critically important. This is what the Committee on Economic Development was trying to say in their report. The final thing is that it should be continuous and it should measure the progress of a child over a period of time. That is terribly important to do.

I want to, one more time, say to colleagues that I guarantee you that if we don't have this language that just makes explicit what I think all of us are in agreement on, which is that this testing should be based upon the very best professional standards, then what you are going to have is teachers all over the country having to teach to standardized tests. It is going to be drill education, educationally deadening. It is going to be horrible for kids. It is not going to fire their imagination. It is going to be at cross-purposes to getting people to go into education.

A great deal is at stake. I hope to have support and I appreciate the support of the Senator from Massachusetts. I hope I will have support from the other side of the aisle and that we will pass this amendment. The two concerns I have had about the legislation when we went through committee—I say to the Senator, when we marked up the bill, this was one question. The other is the resource question.

At the very minimum, I think it is terribly important to do this the right way. If I could, I am speaking from this desk, and I will move to my desk. If I may have the floor for one more second, let me just also list a number of the organizations that are supporting this. They are: the American Association of School Administrators, Hispanic Education Coalition, Mexican American Legal Defense and Education Fund, National Council of La Raza, National Education Association, National Parent Teacher Association, National Hispanic Leadership Agency Scorecard, and the American Psychological Association.

There are a variety of organizations around the country that support it. So I hope this amendment will engender widespread support and that the Senate will pass this amendment. I think it will make it a much better bill. I don't think it is the whole answer. It deals with part of the testing legislation.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mrs. CLINTON. Mr. President, I am a big believer in the importance of testing students. I think that testing has an essential and appropriate role in the curriculum of any educational system. I think there is no doubt that we have to test in order to determine whether or not students are meeting high academic standards. It would be a delight, I suppose, to most students who think that we are not going to test them but, indeed, we are.

I think this debate and what the Senator from Minnesota is attempting to bring our attention to is that there are "tests" and there are "tests." Making sure that the tests are used for the purpose of measuring student performance, determining what kind of additional help a student might need, is really what we are focused on through the Senator's amendment.

I appreciated very much Chairman JEFFORDS' important amendment that we voted on last week to make sure we have Federal support, financial support, behind the design and implementation of these tests because we want to send a clear message to States and local districts that we believe in accountability, but we want to put some dollars behind that belief by saying we want you to design and implement tests that are going to really measure what students learn.

Right now, many teachers who contact my office, or the ones I see when I visit schools, as I did on Monday in New York City, are terribly concerned that what might very well happen is that more and more testing will be piled on without there being any requirement that they be worthwhile tests and without the resources to assist the teachers—who, after all, are on the front lines in the classrooms—in knowing how best to address the needs of their students that are revealed by the tests.

I was very impressed by this document put out by the Committee for Economic Development. My colleagues know that the Committee for Economic Development is a group of business people in our country. They are very committed to creating the conditions that will further economic development, and they know that one of the key conditions, if not the most important one, is the quality of our education. Looking at the board of trustees and the Committee for Economic Development, we have people from the leading corporations in America who see firsthand what their employees need when they come into the workplace, who are on the front lines of hiring people for a job. They have put out a publication that I really commend to my colleagues, to the administration, and to all of us who are concerned about using testing to improve student learning. It is called "Measuring What Matters." It makes many of the same points that Senator WELLSTONE makes.

It might be somewhat surprising for some of the people who serve on the board of trustees for the Committee for Economic Development to know that they agree with Senator WELLSTONE, but they do. They agree that what we need are tests that will actually improve student learning. That certainly is what the intent of the bill that we reported out of the Health Committee under Chairman JEFFORDS' leadership was aimed at doing. How do we make it clear that tests are a means, they are not an end, in school reform. We don't just give the tests and pick out winners and losers. We have never done that in the United States—one of the reasons our educational system is both unique and successful and has been for decades despite our problems, which we talk about endlessly. We should look at some of the reasons why we have been successful.

I would rank near the top of that the flexibility of our educational system. We don't give a test when a child is 11 years old and say, all right, this group of children, you are consigned to a certain set of occupations; this other group, you did well on the 11-year-old test, so we are going to send you to different schools and put you on a different path.

We don't test when children are 14 and make that conclusion. We don't say that there are some children who can only attend certain kinds of courses in certain schools and others are barred because of tests. We don't have the kind of one-test determination that opens the doors or shuts them in colleges in other parts of the world. I think that has served us well in our country.

There are a lot of people who don't take school seriously until they are in high school. Sometimes they graduate and maybe then find their way to a community college. Then they really get energized; they know what they want to learn. So we have always viewed tests not as a stop sign for a child the system holds up and says: You are a loser; you don't know anything. We use them to say: Look, we need to help. How can we provide more support for you to be able to get the most out of your education?

I think it is important for us to remember that tests are not an end; they are a means. They should be a means toward lifelong learning or improving the climate for learning or for giving individuals the tools they need to be successful, not just in the classroom but in life.

It is also important, as the Committee for Economic Development points out, that tests need to be valid and reliable and equitable. There should not be any doubt that I think any good test would meet those three criteria. First of all, validity: Are we measuring what we intend to measure? If we spend the whole year teaching children one set of facts or studying one set of subjects and we test on something else, that is not a valid test. So we need to make sure that what we measure is what we are teaching, and what we are teaching is in some way reflective of the standards of what we expect from our educational system.

Reliability is also a given. How consistent and dependable are the assessment results? Are these tests that teachers and parents and students and community leaders can depend on because they really reflect what we want our children to know?

Finally, are they equitable tests? That doesn't mean there are two standards, one for certain children who live in affluent suburbs and one for children who live in our poorest neighborhoods. No, if we are doing anything with this effort, it is to try to make sure we combine both excellence and equity and we do everything possible to give the opportunities where they are most needed.

We know we have to be very careful that our tests are fair, that they have no sign of bias toward any group of students. We need the help the Federal Government should provide if they are going to stand behind the regimen of testing we are considering in this bill.

We also need to be sure, if we are going to be using tests, that we get timely results. I offered an amendment in the committee. If tests are going to be given, the results ought to be available in 30 days and no more. What is the point of giving a test in April and you get the results in June or July when the children have gone home or may not get them until the following year?

We should have a sensible testing schedule, and we should require that the results be provided in a timely manner to parents, students, and especially our teachers if they are going to be used for diagnostic purposes and to measure and grade the curriculum as well as the children.

There are a lot of tests that are currently being administered. We give tests for everything now. We give tests for graduation. We give tests for promotion. We ought to be sensible about this. If the Federal Government, through our actions in the Congress and the administration, are going to say we want a test every year from third to eighth grade to determine how effective our children are learning reading and mathematics, then States have to take a hard look at what else they are testing because it is getting so that many of our schools feel they are spending all their time preparing for tests, administering tests, and grading tests. We have to be sure the tests are appropriate in number as well as content.

I also hope as we move forward on this important education debate that we recognize that accountability for students and teachers is best tied to school performance. I go into schools all the time that are literally within blocks of each other. Some are very successful and some are not. A lot of it has to do with how the school is organized and what their priorities are. I hope the testing we are discussing to be implemented in this bill will help us move entire schools toward better outcomes so that we lift up the performance of a school and create the atmosphere that will be conducive to learning and teaching.

One thing that bothers me, though, is that in our rush for tests and in our implementation of so many tests, a lot of schools are finding it impossible to keep the more well-rounded curriculum that has been the hallmark of American education.

I believe music, art, physical education, extracurricular activities, even field trips, are a part of the educational process. What I hear from so many schools in my State is that the tests take up so much time. The costs of the tests and all that goes with the tests mean that a lot of other important educational objectives are being eliminated.

I hope we take a view of testing that puts it into the context of American education generally. I take a back seat to no one in saying education has to be a local responsibility and a national priority. I have had experience in advocating for testing.

I believe I was the first person in the country who advocated testing teachers, using high-stakes tests. I even recommended schools be based on their performance in how many students they could bring up to grade level. But I am very cautious—and I guess I am putting up a caution light—that we not go so much toward testing as the definition of education that we forget what the learning process is and how unique the American education system is where people can literally wake up in 10th grade or 12th grade or a child can be exposed to art or music or some other part of the curriculum, such as a good science lab in the eighth grade, and all of a sudden learning becomes real and they are not consigned to a second-class citizenship because they did not get into gear before that time.

We are starting to see, with our high-stakes testing in New York, a lot of dropouts. We are worried we are beginning to see an increase in dropouts. We have to take that seriously. Our goal is not to test children for the sake of testing, then telling them they do not measure up, and then holding them back for the sake of holding them back until they become so frustrated and discouraged they leave the educational system. I do not think that is the goal of any of us in this Chamber.

Our goal is to have an accountability system so that we actually know what is being taught and what our children are learning, and use it for diagnostic purposes to make every child a success.

Raising the caution lights that the amendment of the Senator from Minnesota raises is important for us to think about. I will add one additional caution light. I guess that is the biggest issue of all for me, and that is the resources. I am very concerned, as I will state when we come to this in the days ahead, about the budget. We have been promised it will leave no child behind and will provide the resources for extra testing, to deal with special ed, to deal with more resources for our poorest children, to add teachers so we have lower class sizes, to modernize classrooms. I am worried that none of that will be in the budget.

That puts many of us in a very difficult position because we know that accountability is necessary, but we also know that resources in our poorest schools are an absolute necessary condition for a lot of our kids to be successful.

I enjoyed listening to the Senator from Wyoming talk about the very small school districts of fewer than 50 children. I have some very fond memories of districts that small in Arkansas. I remember going to graduating classes of three and four children. That is a very different and wonderful educational experience. I hope we never get away from that in our country; that we do have schools that are that small in States from Wyoming to upstate New York.

I come from a State that has some different kinds of problems. I have a school system with a million children. I have school systems, such as that of Buffalo, where the school stock is so old they cannot wire them for computers because the buildings were built like forts.

I visited a school called the Black Rock Academy that was built in 1898, last renovated in 1920. They are bewildered about what to do. They cannot figure out how to get those computers set up. They have wires coming up, going in a window, into a little room. They have about 30 computers, only 10 of which can be connected to the Internet. That is the best they can do under the circumstances. Buffalo has undertaken, using State dollars and local dollars, a tremendous school renovation and modernization program.

Our needs in New York are different than the needs of the small districts in Wyoming. I hope we are going to look at all of our children from coast to coast and all of our local school districts to figure out what we can do to make everybody successful. Resources are key. It is more difficult to provide education in remote rural areas and in very concentrated poor areas in our inner cities. We need a bill and we need the resources in the bill that empower local communities to make the decisions that are best for them.

There is a wonderful menu of opportunities in the bill where people can choose professional development or technology, but we would really be selling our children short if we do not also include lower class size and school modernization because in the absence of some Federal help on those two issues, much of what we want to achieve is going to be very difficult and beyond the reach of many of our districts, even those that are making a good-faith effort, such as Buffalo, to deal with a very old stock of schools.

I kid some of my colleagues. We were educating people in some communities in New York before some of the States represented in this body were States. We were building schools before a lot of people had to build schools because of the centuries of history in New York. We have some of those schools that have been around a very long time.

Good education can and does occur in those schools. But the conditions are worsening to the point where, as I said the other day, we have concrete falling out of a ceiling, hitting a teacher on the head. We have overcrowded classrooms. If we are going to be seeking both excellence and equity, we have to do more to provide the resources all districts need to do the job they want to do for their children.

This is a very important issue that goes right to the heart of this budget. I, along with many of my colleagues, was very disturbed to learn there was no increase for education in the budget coming back from the House. This body voted in a bipartisan way for important measures that were attached to the budget. This was not just about numbers; it was about values, the value of making sure we put the dollars into our education system and many other important priorities, from defense to food safety.

The budget coming back does not reflect that. It does not reflect the flexibility for the dollars that will be needed to do what we have already voted for in the Senate.

I was very proud of the vote that said we need to fund special education. It is about as close as we can get to a mandate. A lot of school districts are under tremendous pressure because they cannot afford to do what they need to do. I was proud of this body for voting to fully fund title I. That was a values statement. It said our values are that we will invest in our poorest children. I was proud of our chairman's amendment that if the Federal Government puts this requirement of testing on our districts, the Federal Government should help to pay for the development and implementation of those tests.

This body, in a bipartisan way, made some very important values statements about education—not that we were just going to pass a bill that sounded good but one that could actually produce results. I am very pleased that at least in the Senate we are crafting a bill that I think will make a difference in the lives of our children. If we continue on this path, it could revolutionize education across our country. But it cannot be seen in isolation from the budget which, after all, carries the resources that will determine whether we have anything other than an empty promise.

I appreciate the opportunity to add my voice to what we are trying to do in this Chamber and to look for ways to work with my colleagues on both sides of the aisle to make sure it is real.

Mr. JEFFORDS. I appreciate the comments and excellent statement.

I yield the floor.

AMENDMENT NO. 384

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, it is my understanding that the majority wants to go to the McConnell amendment, so I call up the McConnell amendment.

The PRESIDING OFFICER. The amendment is now pending.

Mr. REID. Mr. President, I think the Senator from Kentucky is offering an amendment that has merit. I do believe, however, that it needs some improvement. I believe the amendment of the Senator from Kentucky leaves a big void. It doesn't do anything to protect teachers. And, most importantly, it doesn't do anything to protect students and parents who have corporal punishment administered to them either legally or illegally.

For example, the National Education Association, which represents almost 3 million teachers and other educational employees, has grave concerns about the McConnell amendment. Specifically, the National Education Association is concerned the amendment will lead to increased incidents of corporal punishment.

There are many instances where we have to take a look at corporal punishment which is administered legally in many States. Take, for example, a situation in Zwolle, LA. A story out of the New York Times a few days ago indicates a young girl was brutally beaten—legally, supposedly—in the school. In fact, the story states:

> Laid out on the kitchen table, the snapshots of 10-year-old Megan make a grim collage. They are not of her sweet face, but of her bare behind. There are 12 in all, taken, her mother says, day by day, as the doughnut-shaped bruises on each cheek faded from a mottled purple to a dirty gray.

Megan's father, Robert, recalls that when he first saw the bruises hours after she was paddled by her school principal for elbowing a friend in the cafeteria, he collapsed on the floor, crying. "It hurt me more than it hurt Megan," Robert said. "You don't hit on my baby."

Megan, a fourth grader, whose name appears more often on the honor roll than on a referral slip at the principal's office, is one of millions of public school students still subject to corporal punishment. In March, her family joined a small but apparently growing number to stop Megan's beating.

One of her classmates, a boy by the name of DeWayne Ebarb, is a hyperactive child who has been paddled regularly throughout his time at this elementary school. In the last 8 weeks, he has been paddled 17 times. This is a small town of some 2,000. People are wondering what is going on.

I think we should be concerned in Washington what we perhaps are laying a stamp of approval on if we allow this amendment to pass as it is written.

Mr. President, 27 States have banned corporal punishment. The first was New Jersey back in 1887. Then came Massachusetts, a century later, in 1971. There was a crusade in effect started by a man name Robert Fathman from Ohio, president of the National Coalition to Abolish Corporal Punishment. You can't whack a prisoner, but you can whack a kindergarten child. The state of the law by the U.S. Supreme Court allows people who teach and train children in schools to beat them, but prisoners cannot be touched. It seems a strange little quirk in the law.

In some communities, the activities to allow a student to be whipped or spanked is approved in the law.

Since Mr. Fathman started his crusade in 1984 after his own daughter landed on the painful end of a paddle, five States have adopted bans. One of those States is the State of Nevada which banned corporal punishment in 1993. West Virginia acted in 1994. The number of paddlings around the country is in the millions. In 1980, it was 1.4 million; it is now down to half a million students beaten each year. We have to look at those children who are beaten. It seems it is quite clear that black students are 2.5 times as likely to be struck as white students, a reflection of what researchers have long found to be more frequent and harsher discipline for members of minorities.

Court challenges have been largely unsuccessful, including a 1977 decision by the Supreme Court rejecting the notion that paddling is cruel and unusual punishment. A decade later, an appeals court ruled that a New Mexico girl held upside down and beaten had been denied due process, signifying school officials could be held liable for severe beatings. But this has been rare.

The vast preponderance of lawsuits challenging the use of corporal punishment are unsuccessful, says Charles Vergone, a professor at Youngstown State University, who has been studying this issue for 15 years.

I hope that my friend from Kentucky, the distinguished senior Senator, will accept an amendment I will offer which, in effect, basically would have corporal punishment not apply to this amendment. This, in effect, would not give a stamp of approval to corporal punishment.

I think the instances pointed out during the discussion I heard from the Senator from Kentucky raise some interesting points: one case about the cheerleader who was asked to run a lap. I don't know all the facts of that case. From what the Senator from Kentucky outlined, it does not seem fair that she was still allowed to cheer on the night that she was supposed to have been reprimanded for not following the instructions of her coach. I don't know all the facts, but from what I heard it appears there is some validity to that.

Also, the long narrative with which the Senator from Kentucky led his discussion, dealing with the student who actually tried to do physical harm, maybe even kill one of his teachers, wound up going to court. I think there is some merit to what the Senator from Kentucky outlined. That is what I think would still be available if the amendment I will offer in a short time were accepted.

We have teachers who talk about having been in areas where they didn't have the right to paddle and they didn't paddle, but they say if you have the right to paddle it becomes the punishment of choice. It makes it easier. Emily Williams, in rural Mississippi, said when she arrived from Williams College last year, one of the fine universities in America, she was horrified to hear teachers striking students in the hallways, classrooms, and cafeteria. But soon she was doing it herself. We are told that a number of teachers, in effect, brag about the fact that they can beat their students.

I started this discussion about 10-year-old Megan who was beaten. If she had gone to law enforcement authorities and showed them her rear end with all the bruises and contusions on it and said, "This was done by my mother or father," very likely the juvenile authorities would have stepped in and been involved in the care and custody of Megan. But because it was done by a teacher and that is legal, nothing has been done or will be done.

If you look at corporal punishment, which a few years ago numbered 1.2 million and is now over 600,000, we recognize there is a real problem. We need not get into Biblical references. "Spare the rod and spoil the child," that is one saying to which people always refer. One police chief said, "The Lord said, 'Spare the rod and spoil the child,' and I think he knows a lot more than those bleeding heart liberals." I am sure that is probably true, that he does, but there is a time and place for everything. We have to be very careful to make sure anything we do here does not, in effect, support something that is not good for children

As I have indicated, the National Education Association policy opposes the use of corporal punishment as a means of disciplining students. There are no studies that have found that paddling, the most prevalent form of corporal punishment, improves school discipline. To the contrary, Dr. Irving Heiman of Temple University has found it is a detriment to children learning.

The National Education Association believes there are better ways to establish and maintain control, including reducing class sizes. Of course, we are going to debate that, as we have. The debate has not been completed.

There is an amendment pending by Senator MURRAY to deal with reducing class size. I think everyone acknowledges that would be a sensible thing to do, to make discipline better. Smaller classes enable teachers to give students more individualized attention and to better control classroom activities. Recent studies have documented reductions in classroom disruptions as a result of class size reduction. I don't think we need a study to show us that if we have smaller classes, there are going to be fewer disruptions.

I hope we will take a positive look at the amendment I will offer shortly. The Teacher Liability Protection Act which is the name of the act, which now, to my understanding, is in the form of an amendment, would immunize negligent teachers, principals, and administrators when their misconduct injures students. Not only would this measure make teachers unaccountable to parents, it would preempt the laws of all 50 States with little or no justification for such a sweeping exercise of Federal control.

I do not think there is any need to create a special Washington-knows-best immunity for principals, teachers, and administrators. The States, which for more than two centuries have had dominion over tort law, already have ample protections in place for teachers and administrators. Washington should not dictate policy to State courts and administrators, and it should not dictate policy to the local school boards.

As I said, I don't know all the facts dealing with the cheerleader case that was mentioned by the Senator from Kentucky, but even though I may disagree with the decision made by the court—I would still like to know the facts—I also say the court had the right to make that judgment.

In the State of Nevada, judges are looked at very closely, the reason being judges in Nevada run for election. They cannot, in effect, thumb their nose at public opinion. As a result of that, I think judges in Nevada generally do an excellent job of determining what the law should be. But they are totally aware of what is going on in the public, and I would say the same applies to the cheerleader case where she refused to run laps. We need to know all those facts.

The American Federation of Teachers indicates there is no crisis. In effect, the American Federation of Teachers challenges whether legal immunity is really needed. I don't think the fear of lawsuits is keeping teachers from doing their jobs.

As I said, I think there is some merit to the amendment of the Senator from Kentucky. That is why I think the best thing to do is offer a second-degree amendment to that, to take away from that, in effect, the approval of corporal punishment, which is in keeping with many States in the United States.

Mr. MCCONNELL. Would the Senator yield?

Mr. REID. I am happy to yield for a question without losing my right to the floor.

Mr. MCCONNELL. I do not seek to have the Senator lose his right to the floor, but just to make certain the Senator understands my amendment neither promotes nor condones corporal punishment. I don't know what second-degree amendment the Senator plans to offer. If he would be willing to discuss it prior to sending it forward, it may be we could agree to it. As I will make clear when I regain the floor after the Senator finishes speaking, my amendment has nothing to do with corporal punishment. I am sorry the Senator from Nevada may have interpreted it otherwise. I think I can make it clear to his satisfaction that it is wholly unrelated to that subject. And I might well be interested in supporting the second-degree if I can take a look at it.

The purpose of this amendment is to leave that matter strictly up to the States. The Federal Government would not either support or oppose corporal punishment.

Mr. REID. The problem with that—I will be happy to share the amendment with the Senator, and I am confident and hopeful he will approve it—is the fact that the amendment offered by the Senator from Kentucky, as I understand it, said basically that teachers and administrators will not be sued for basic, simple negligence, but they can be sued for gross negligence.

Is that the underlying import of the Senator's amendment?

Mr. MCCONNELL. I think pursuant to State law. What we are seeking not to do is to replace State law on this subject.

Mr. REID. I appreciate that. That is my point and my problem. If a teacher spanks, beats—whatever the term we want to use—a student, he is doing that under the confines, and under the direction of the State law, in effect. What we want to say is that any acts of teachers that are negligent that do not apply to their administering corporal punishment, we agree with the Senator from Kentucky. I don't think there is any hindrance on our part of State law. If the State has corporal punishment, fine. The State of Nevada outlawed corporal punishment in 1993. But that was up to the State legislature. I didn't do that.

AMENDMENT NO. 421 TO AMENDMENT NO. 384

Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Nevada [Mr. REID] proposes an amendment numbered 421 to amendment No. 384.

Mr. REID. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To limit the teacher liability protections in this bill for teachers who strike a child to those situations in which such action is necessary to maintain order and in which a parent or guardian has provided recent written consent to such actions)

On page 4, line 23, insert a comma after (b), strike "and" and insert "and (d)" after (c).

On page 6, line 6, insert a new subsection (c), as follows, and renumber accordingly:

"(c) Nothing in this section shall be construed to apply to any action of a teacher that involves the striking of a child, including, but not limited to paddling, whipping, spanking, slapping, kicking, hitting, or punching of a child, unless such action is necessary to control discipline or maintain order in the classroom or school and unless a parent or legal guardian of that child has given written consent to the teacher prior to the striking of the child and during the school year in which the striking incident occurs."

Mr. KENNEDY. Mr. President, will the Senator yield for a question?

Mr. REID. I am happy to yield without losing my right to the floor.

Mr. KENNEDY. To move the process along, will the Senator object if we are able to dispose of the Wellstone amendment while the Senators are talking, with the recognition that the Senator from Kentucky would be next on the matter after the conclusion of the Wellstone amendment?

Mr. JEFFORDS. I would appreciate it if we would withhold on that.

Mr. KENNEDY. There has been a special reservation of that proceeding.

Mr. REID. I say to my friends from Massachusetts and Kentucky that I would be happy to do that. We want to move to another amendment. I wanted to confer with the Senator from Kentucky, but we were told that is what the majority wanted. That is why I called up the amendment without the opportunity of giving it to the Senator. I submitted the amendment. I have other things to say. I could do that at a later time. I simply ask my friend from Kentucky and the majority manager of the bill to take a look at this amendment. If there are problems with it, tell us. We will talk some more about it on both sides.

Mr. MCCONNELL. Mr. President, I guess the understanding is that we would move forward on Wellstone, and then come back to the McConnell amendment in the second degree by agreement. Is that what we are talking about?

Mr. REID. Mr. President, it is my understanding that earlier there was an agreement that the Wellstone amendment would be accepted. I guess that is no longer the case. We are now on the amendment of the Senator from Kentucky. I ask if the Senator would consider a quorum call for a few minutes. The McConnell amendment is the business before the Senate now. We can go to anything else without unanimous consent.

Mr. MCCONNELL. Mr. President, it would be my preference that we stay on the McConnell amendment in the second degree by Senator REID, and, if it is all right with the manager, go into a quorum call to be able to work this out and go forward. Therefore, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SMITH of Oregon). Without objection, it is so ordered.

Mr. REID. Mr. President, the Senator from Kentucky has offered an alternative that I think is in keeping with what we have tried to accomplish. I think it is something that would make his amendment better. It is something named after Senator Coverdell; something Senator Coverdell would appreciate, especially in the fashion that it was done.

Paul Coverdell, as you know, was a great conciliator, was great at mediating problems. I expect perhaps the spirit of Paul Coverdell was involved in this because I think it is a good settlement for everybody.

AMENDMENT NO. 421, WITHDRAWN

So, Mr. President, I ask unanimous consent that my second-degree amendment be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. The Senator from Kentucky, at the appropriate time, will offer a modification to his amendment.

The PRESIDING OFFICER. The Senator from Kentucky.

AMENDMENT NO. 384, AS MODIFIED

Mr. MCCONNELL. Pursuant to the agreement that Senator REID and I have come to, I send a modification of my amendment to the desk and ask unanimous consent that my amendment be so modified.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 384), as modified, is as follows:

At the end, add the following:

TITLE ___—TEACHER PROTECTION

SEC. ___1. TEACHER PROTECTION.

The Act (20 U.S.C. 6301 et seq.) is amended by adding at the end the following:

"TITLE ___—TEACHER PROTECTION

"SEC. ___1. SHORT TITLE.

"This title may be cited as the 'Paul D. Coverdell Teacher Protection Act of 2001'.

"SEC. ___2. FINDINGS AND PURPOSE.

"(a) FINDINGS.—Congress makes the following findings:

"(1) The ability of teachers, principals and other school professionals to teach, inspire and shape the intellect of our Nation's elementary and secondary school students is deterred and hindered by frivolous lawsuits and litigation.

"(2) Each year more and more teachers, principals and other school professionals face lawsuits for actions undertaken as part of their duties to provide millions of school children quality educational opportunities.

"(3) Too many teachers, principals and other school professionals face increasingly severe and random acts of violence in the classroom and in schools.

"(4) Providing teachers, principals and other school professionals a safe and secure environment is an important part of the effort to improve and expand educational opportunities, which are critical for the continued economic development of the United States.

"(5) Frivolous lawsuits against teachers maintaining order in the classroom impose significant financial burdens on local educational agencies, and deprive the agencies of funds that would best be used for educating students.

"(6) Clarifying and limiting the liability of teachers, principals and other school professionals who undertake reasonable actions to maintain order, discipline and an appropriate educational environment is an appropriate subject of Federal legislation because—

"(A) the scope of the problems created by the legitimate fears of teachers, principals and other school professionals about frivolous, arbitrary or capricious lawsuits against teachers is of national importance; and

"(B) millions of children and their families across the Nation depend on teachers, principals and other school professionals for the intellectual development of children.

"(b) PURPOSE.—The purpose of this title is to provide teachers, principals and other school professionals the tools they need to undertake reasonable actions to maintain order, discipline, and an appropriate educational environment.

"SEC. 3. PREEMPTION AND ELECTION OF STATE NONAPPLICABILITY.

"(a) PREEMPTION.—This title preempts the laws of any State to the extent that such laws are inconsistent with this title, except that this title shall not preempt any State law that provides additional protection from liability relating to teachers.

"(b) ELECTION OF STATE REGARDING NONAPPLICABILITY.—This title shall not apply to any civil action in a State court against a teacher with respect to claims arising within that State if such State enacts a statute in accordance with State requirements for enacting legislation—

"(1) citing the authority of this subsection;

"(2) declaring the election of such State that this title shall not apply, as of a date certain, to such civil action in the State; and

"(3) containing no other provisions.

"SEC. 4. LIMITATION ON LIABILITY FOR TEACHERS.

"(a) LIABILITY PROTECTION FOR TEACHERS.—Except as provided in subsections (b) through (d), no teacher in a school shall be liable for harm caused by an act or omission of the teacher on behalf of the school if—

"(1) the teacher was acting within the scope of the teacher's employment or responsibilities related to providing educational services;

"(2) the actions of the teacher were carried out in conformity with local, State, and Federal laws (including rules and regulations) in furtherance of efforts to control, discipline, expel, or suspend a student or maintain order or control in the classroom or school;

"(3) if appropriate or required, the teacher was properly licensed, certified, or authorized by the appropriate authorities for the activities or practice in the State in which the harm occurred, where the activities were or practice was undertaken within the scope of the teacher's responsibilities;

"(4) the harm was not caused by willful or criminal misconduct, gross negligence, reckless misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed by the teacher; and

"(5) the harm was not caused by the teacher operating a motor vehicle, vessel, aircraft, or other vehicle for which the State requires the operator or the owner of the vehicle, craft, or vessel to—

"(A) possess an operator's license; or

"(B) maintain insurance.

"(b) CONCERNING RESPONSIBILITY OF TEACHERS TO SCHOOLS AND GOVERNMENTAL ENTITIES.—Nothing in this section shall be construed to affect any civil action brought by any school or any governmental entity against any teacher of such school.

"(c) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to affect any State or local law (including a rule or regulation) or policy pertaining to the use of corporal punishment.

"(d) EXCEPTIONS TO TEACHER LIABILITY PROTECTION.—If the laws of a State limit teacher liability subject to 1 or more of the following conditions, such conditions shall not be construed as inconsistent with this section:

"(1) A State law that requires a school or governmental entity to adhere to risk management procedures, including mandatory training of teachers.

"(2) A State law that makes the school or governmental entity liable for the acts or omissions of its teachers to the same extent as an employer is liable for the acts or omissions of its employees.

"(3) A State law that makes a limitation of liability inapplicable if the civil action was brought by an officer of a State or local government pursuant to State or local law.

"(e) LIMITATION ON PUNITIVE DAMAGES BASED ON THE ACTIONS OF TEACHERS.—

"(1) GENERAL RULE.—Punitive damages may not be awarded against a teacher in an action brought for harm based on the action or omission of a teacher acting within the scope of the teacher's responsibilities to a school or governmental entity unless the claimant establishes by clear and convincing evidence that the harm was proximately caused by an action or omission of such teacher which constitutes willful or criminal misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed.

"(2) CONSTRUCTION.—Paragraph (1) does not create a cause of action for punitive damages and does not preempt or supersede any Federal or State law to the extent that such law would further limit the award of punitive damages.

"(f) EXCEPTIONS TO LIMITATIONS ON LIABILITY.—

"(1) IN GENERAL.—The limitations on the liability of a teacher under this title shall not apply to any misconduct that—

"(A) constitutes a crime of violence (as that term is defined in section 16 of title 18, United States Code) or act of international terrorism (as that term is defined in section 2331 of title 18, United States Code) for which the defendant has been convicted in any court;

"(B) involves a sexual offense, as defined by applicable State law, for which the defendant has been convicted in any court;

"(C) involves misconduct for which the defendant has been found to have violated a Federal or State civil rights law; or

"(D) where the defendant was under the influence (as determined pursuant to applicable State law) of intoxicating alcohol or any drug at the time of the misconduct.

"(2) HIRING.—The limitations on the liability of a teacher under this title shall not apply to misconduct during background investigations, or during other actions, involved in the hiring of a teacher.

"SEC. 5. LIABILITY FOR NONECONOMIC LOSS.

"(a) GENERAL RULE.—In any civil action against a teacher, based on an action or omission of a teacher acting within the scope of the teacher's responsibilities to a school or governmental entity, the liability of the teacher for noneconomic loss shall be determined in accordance with subsection (b).

"(b) AMOUNT OF LIABILITY.—

"(1) IN GENERAL.—Each defendant who is a teacher, shall be liable only for the amount of noneconomic loss allocated to that defendant in direct proportion to the percentage of responsibility of that defendant (determined in accordance with paragraph (2)) for the harm to the claimant with respect to which that defendant is liable. The court shall render a separate judgment against each defendant in an amount determined pursuant to the preceding sentence.

"(2) PERCENTAGE OF RESPONSIBILITY.—For purposes of determining the amount of noneconomic loss allocated to a defendant who is a teacher under this section, the trier of fact shall determine the percentage of responsibility of each person responsible for the claimant's harm, whether or not such person is a party to the action.

"(c) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to preempt or supersede any Federal or State law that further limits the application of joint liability in a civil action described in subsection (a), beyond the limitations established in this section.

"SEC. 6. DEFINITIONS.

"For purposes of this title:

"(1) ECONOMIC LOSS.—The term 'economic loss' means any pecuniary loss resulting from harm (including the loss of earnings or other benefits related to employment, medical expense loss, replacement services loss, loss due to death, burial costs, and loss of business or employment opportunities) to the extent recovery for such loss is allowed under applicable State law.

"(2) HARM.—The term 'harm' includes physical, nonphysical, economic, and noneconomic losses.

"(3) NONECONOMIC LOSSES.—The term 'noneconomic losses' means losses for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium (other than loss of domestic service), hedonic damages, injury to reputation and all other nonpecuniary losses of any kind or nature.

"(4) SCHOOL.—The term 'school' means a public or private kindergarten, a public or private elementary school or secondary school (as defined in section 14101, or a home school.

"(5) STATE.—The term 'State' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, any other territory or possession of the United States, or any political subdivision of any such State, territory, or possession.

"(6) TEACHER.—The term 'teacher' means a teacher, instructor, principal, administrator, other educational professional that works in a school, or an individual member of a school board (as distinct from the board itself).

"SEC. 7. EFFECTIVE DATE.

"(a) IN GENERAL.—This title shall take effect 90 days after the date of the enactment of the Paul D. Coverdell Teacher Protection Act of 2001.

"(b) APPLICATION.—This title applies to any claim for harm caused by an act or omission of a teacher if that claim is filed on or after the effective date of the Paul D. Coverdell Teacher Protection Act of 2001, without regard to whether the harm that is the subject of the claim or the conduct that caused the harm occurred before such effective date.".

Mr. MCCONNELL. Mr. President, I ask the manager of the bill, are we ready to move forward with a vote after some closing observations?

Mr. JEFFORDS. Yes.

Mr. REID. Mr. President, I think we will have to wait until about 12:40. That is my understanding. Some people may not be available, but I am sure the vote will take a little while anyway. So if it is OK, could we have the vote start at 12:40?

Mr. JEFFORDS. I have no objection.

The PRESIDING OFFICER. The Senator from Kentucky has the floor. Is that the unanimous consent request, that the vote begin at 12:40?

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the vote on the McConnell amendment begin at 12:40.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, we are about to vote on my amendment, the Paul D. Coverdell teacher protection amendment. This important legislation extends important protections from frivolous lawsuits to teachers, principals, administrators, and other education professionals who take reasonable steps to maintain order in the classroom.

The amendment, I hasten to add, does not protect those teachers who engage in "willful or criminal misconduct, gross negligence, or a conscious flagrant indifference to the rights and safety" of a student.

This is not new ground for the Senate. I remind all of my colleagues that last year we approved this virtually identical amendment by a vote of 97–0. It is now the appropriate time for the Senate to revisit this issue and give its full endorsement. Mr. President, 97–0 is about as strong as it gets in the Senate. I hope we will have a similar vote when the vote commences at 12:40.

I know Senator Coverdell would obviously be grateful to see that his legislation may well be on the way to becoming law this year. I urge all of my colleagues to support the amendment, as they did the last time it was offered.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FRIST. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FRIST. Mr. President, I understand we have a vote in about 7 or 8 minutes. During this period of time, unless somebody else wishes to speak on the amendment, I would like to address the issue of teacher quality. This reflects upon one of the underlying amendments we are discussing—which is, class size—with an emphasis on the relationship that exists between a teacher and a child where we know much of that learning experience takes place, kindergarten through the 12th grade. It is that relationship and a number of factors.

We start with having a very good, highly qualified teacher in a classroom, an effective teacher in the classroom so that we really can say that every child has an opportunity to have achievement boosted, to have the achievement gap, which has gotten worse in the last 35 years, be diminished over time.

The argument we have made again and again on this side of the aisle has been that while class size is important, the absolute size should not to be dictated by Washington but determined by local schools, local school districts, local communities. Whether it be Nashville TN, Anchorage, AK, New York, NY, the decision should be made by people, not by Washington, DC.

Thus, what we have done in the underlying bill—and it is important that people understand what is in the bill;—is combine that program, with other programs so that we have the necessary resources we need—up to $3 billion, I should add. And these can be distributed, used, prioritized, locally rather than here in Washington, DC. So that in any particular classroom, a decision can be made whether or not to use that money for smaller class size, for more computers, for better reading materials, for more technology,—that they have the flexibility to prioritize rather than having a Government program for each and every issue.

Yesterday I spent some time underlining what we have in the bill for teacher quality, teacher development. It is quite extensive, in terms of State activities, where States very specifically may use these funds for things such as teacher certification, teacher recruitment, professional development, and other ways of teacher support. Examples of such activities include reforming teacher certification or licensing requirements, addressing alternative routes to State certification of teachers, recruiting teachers and principals, providing professional development activities, looking at issues such as reform of tenure systems for teachers.

Local educational systems may use these funds for professional development, teacher development, teacher recruitment or hiring teachers. Again, these decisions are made locally with the funds provided through the Federal system—as I said, $3 billion.

It moves on down to local accountability because we do want to make sure, if these funds have been pooled and these resources are available locally for teacher development, for improving the quality of teachers, for attracting new teachers to the classroom, that the system is held accountable, and there are extensive accountability provisions in the underlying bill, already in the bill, that include, such things as performance objectives. Those performance objectives are related to student achievement, to reducing that achievement gap over time, to the ability to retain teachers, to the ability of taking teachers who may be certified in one field but haven't been certified in another.

A particular area I hope we will be able to address later this week or next week is this whole specific area of math and science teachers. Again and again I have come to this floor citing the third international mathematics and science study, beginning in 1995 but even since that point in time, which shows that 4th grade students in the United States are among the top scorers from the 41 nations tested. But then both the TIMMS study and the TIMMS repeat study in 1999 show that by the 8th grade, U.S. students tested, not at the top, but in the middle. By the 12th grade, we see that U.S. students are scoring near the very bottom in math and science of all of the countries tested.

In today's global economy this means that if we are not preparing people in the 12th grade in terms of math and science, we are going to see jobs move overseas because Americans, especially for the high tech jobs of the future are going to be very ill equipped to compete with our neighbors globally in job creation, in math and science, in technology, and broadly.

Teacher educational development has to be a continuing process. It has to be done in a collaborative partnership with those people, including at local teacher training, local universities, local high schools, and local elementary schools. It has to be done in a partnership way. Again, this is spelled out in the bill.

In closing, this bill—we call it the BEST Act—authorizes $500 million in fiscal year 2002 for the establishment of math and science partnerships, linking the math and science departments of institutions of higher education with States and local school districts. That is very positive. There is a lot more we can do in terms of clarification of how moneys can be used, in authorizing the States to use funding in certain areas to recruit and retain teachers and, finally, in looking at math and science funding for a master teacher program.

I am very excited about this amendment, which will be filed later today or later in the week. It will build on what is in the underlying bill, and puts the focus on the quality of teachers, not just the quantity of teachers.

The PRESIDING OFFICER. The time has expired. The question is now on agreeing to the amendment of the Senator from Kentucky. The yeas and nays have not been ordered.

Mr. McCONNELL. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Connecticut (Mr. DODD) is necessarily absent.

The PRESIDING OFFICER (Mr. DAYTON). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 98, nays 1, as follows:

[Rollcall Vote No. 97 Leg.]

YEAS—98

Akaka
Allard
Allen
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bunning
Burns
Byrd
Campbell
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Cochran
Collins
Conrad
Corzine
Craig
Crapo
Daschle
Dayton
DeWine
Domenici
Dorgan
Durbin
Edwards
Ensign
Enzi
Feingold
Feinstein
Fitzgerald
Frist
Graham
Gramm
Grassley
Gregg
Hagel
Harkin
Hatch
Helms
Hollings
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Kyl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
McCain
McConnell
Mikulski
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Nickles
Reed
Reid
Roberts
Rockefeller
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stabenow
Stevens
Thomas
Thurmond
Torricelli
Voinovich
Warner
Wellstone
Wyden

NAYS—1

Thompson

NOT VOTING—1

Dodd

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. Without objection, the pending amendments are set aside.

AMENDMENT NO. 425 TO AMENDMENT NO. 358

Mr. REED. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Rhode Island [Mr. REED], for himself, Ms. SNOWE, Mr. KENNEDY, Mr. CHAFEE, Mr. BINGAMAN, Mr. WELLSTONE, Mrs. MURRAY, Mrs. CLINTON, Mr. SARBANES, Mr. JOHNSON, Mr. BAUCUS, Mr. LEVIN, Mr. REID, Mr. ROCKEFELLER, Mr. DURBIN, and Mr. DAYTON, proposes an amendment numbered 425.

Mr. REED. I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To make amendments regarding the Reading First Program)

On page 32, line 11, strike "$900,000,000" and insert "$1,400,000,000".

On page 201, line 19, strike "and".

On page 201, line 21, strike the period and insert "; and".

On page 201, between lines 21 and 22, insert the following:

"(3) shall reserve $500,000,000 for fiscal year 2002 and each of the 6 succeeding fiscal years to carry out section 1228 (relating to school libraries).

On page 203, between lines 20 and 21, insert the following:

"SEC. 1228. IMPROVING LITERACY THROUGH SCHOOL LIBRARIES.

"(a) IN GENERAL.—From funds reserved under section 1225(3) for a fiscal year that are not reserved under subsection (h), the Secretary shall allot to each State educational agency having an application approved under subsection (c)(1) an amount that bears the same relation to the funds as the amount the State educational agency received under part A for the preceding fiscal year bears to the amount all such State educational agencies received under part A for the preceding fiscal year, to increase literacy and reading skills by improving school libraries.

"(b) WITHIN-STATE ALLOCATIONS.—Each State educational agency receiving an allotment under subsection (a) for a fiscal year—

"(1) may reserve not more than 3 percent to provide technical assistance, disseminate information about school library media programs that are effective and based on scientifically based research, and pay administrative costs, related to activities under this section; and

"(2) shall allocate the allotted funds that remain after making the reservation under paragraph (1) to each local educational agency in the State having an application approved under subsection (c)(2) (for activities described in subsection (e)) in an amount that bears the same relation to such remainder as the amount the local educational agency received under part A for the fiscal year bears to the amount received by all such local educational agencies in the State for the fiscal year.

"(c) APPLICATIONS.—

"(1) STATE EDUCATIONAL AGENCY.—Each State educational agency desiring assistance under this section shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary shall require. The application shall contain a description of—

"(A) how the State educational agency will assist local educational agencies in meeting the requirements of this section and in using scientifically based research to implement effective school library media programs; and

"(B) the standards and techniques the State educational agency will use to evaluate the quality and impact of activities carried out under this section by local educational agencies to determine the need for technical assistance and whether to continue funding the agencies under this section.

"(2) LOCAL EDUCATIONAL AGENCY.—Each local educational agency desiring assistance under this section shall submit to the State educational agency an application at such time, in such manner, and containing such information as the State educational agency shall require. The application shall contain a description of—

"(A) a needs assessment relating to the need for school library media improvement, based on the age and condition of school library media resources, including book collections, access of school library media centers to advanced technology, and the availability of well-trained, professionally certified school library media specialists, in schools served by the local educational agency;

"(B) how the local educational agency will extensively involve school library media specialists, teachers, administrators, and parents in the activities assisted under this section, and the manner in which the local educational agency will carry out the activities described in subsection (e) using programs and materials that are grounded in scientifically based research;

"(C) the manner in which the local educational agency will effectively coordinate the funds and activities provided under this section with Federal, State, and local funds and activities under this subpart and other literacy, library, technology, and professional development funds and activities; and

"(D) a description of the manner in which the local educational agency will collect and analyze data on the quality and impact of activities carried out under this section by schools served by the local educational agency.

"(d) WITHIN-LEA DISTRIBUTION.—Each local educational agency receiving funds under this section shall distribute—

"(1) 50 percent of the funds to schools served by the local educational agency that are in the top quartile in terms of percentage of students enrolled from families with incomes below the poverty line; and

"(2) 50 percent of the funds to schools that have the greatest need for school library media improvement based on the needs assessment described in subsection (c)(2)(A).

"(e) LOCAL ACTIVITIES.—Funds under this section may be used to—

"(1) acquire up-to-date school library media resources, including books;

"(2) acquire and utilize advanced technology, incorporated into the curricula of the school, to develop and enhance the information literacy, information retrieval, and critical thinking skills of students;

"(3) facilitate Internet links and other resource-sharing networks among schools and school library media centers, and public and academic libraries, where possible;

"(4) provide professional development described in 1222(c)(7)(D) for school library media specialists, and activities that foster increased collaboration between school library media specialists, teachers, and administrators; and

"(5) provide students with access to school libraries during nonschool hours, including the hours before and after school, during weekends, and during summer vacation periods.

"(f) ACCOUNTABILITY AND CONTINUATION OF FUNDS.—Each local educational agency that receives funding under this section for a fiscal year shall be eligible to continue to receive the funding for a third or subsequent fiscal year only if the local educational agency demonstrates to the State educational agency that the local educational agency has increased—

"(1) the availability of, and the access to, up-to-date school library media resources in the elementary schools and secondary schools served by the local educational agency; and

"(2) the number of well-trained, professionally certified school library media specialists in those schools.

"(g) SUPPLEMENT NOT SUPPLANT.—Funds made available under this section shall be used to supplement and not supplant other Federal, State, and local funds expended to carry out activities relating to library, technology, or professional development activities.

"(h) NATIONAL ACTIVITIES.—From the total amount made available under section 1225(3) for each fiscal year, the Secretary shall reserve not more than 1 percent for annual, independent, national evaluations of the activities assisted under this section. The evaluations shall be conducted not later than 3 years after the date of enactment of the Better Education for Students and Teachers Act, and each year thereafter.

On page 203, line 21, strike "1228" and insert "1229".

Mr. REED. Mr. President, I have sent to the desk an amendment on my behalf and of Ms. SNOWE, Mr. KENNEDY, Mr. CHAFEE, Mr. BINGAMAN, Mr. WELLSTONE, Mrs. MURRAY, Mrs. CLINTON, Mr. SARBANES, Mr. JOHNSON, Mr. BAUCUS, Mr. LEVIN, Mr. REID, Mr. ROCKEFELLER, Mr. DURBIN, and Mr. DAYTON.

This amendment is a bipartisan attempt to ensure that the President's Reading First initiative is a success. Let me commend the President for emphasizing literacy as a very important part of education reform. His proposal would recognize the importance of literacy and increase and support the training of teachers, but it would not reach another important aspect of achieving literacy, and that is a well-equipped school library. My amendment would help students achieve literacy by authorizing funds so schools could acquire new library books, new library material.

Funding school libraries has been part of the educational authorization for the Elementary and Secondary Education Act since its beginning in 1965. The very first ESEA authorized the purchase of library materials.

One of the sad commentaries about school libraries today is that much of that material is still on the shelves, with copyright dates of 1967, 1968, 1969, and 1970. Clearly, the world has moved a great deal from those days. We have landed on the Moon. We have created the Internet and done lots of other interesting things. Many other aspects of life have changed since the mid-1960s and early 1970s.

My proposal would provide resources, based upon a targeted formula, so the poorest schools would have access to these funds, so we could, in fact, replenish library collections throughout the United States.

Last week the Senate uniformly voted for Senator COLLINS' Reading First amendment, where she incorporated additional provisions into the President's proposal for Reading First. I support this effort by Senator COLLINS, but I believe there is a deficiency within this initiative. It fails to include an essential component that would ensure students learn to read. We have to fund school libraries so students have the necessary books, technology, and materials, which is an integral part of our effort to improve reading in our schools.

What we are finding is the gap between the highest and lowest achieving students is widening. But what we are also finding, when we look at data, is that in those schools that have first-rate libraries and trained library personnel, achievement goes up consistently. That is a factor I believe we cannot ignore. It is one of those factors that provide additional support for my proposal today.

Again, the President's underlying proposal authorizes $900 million for the Reading First Initiative. It has been enhanced and improved by Senator COLLINS' amendment. This proposal, which I and my colleagues have offered, would provide further enhancement to this worthwhile goal of ensuring every child in America reads, and reads well.

Let me also acknowledge the great work of Senator JEFFORDS and Senator KENNEDY who have brought us this far. But even though they have brought us this far, even though we have, with the President's direction, emphasized literacy, we still have this gap in achieving literacy. We have to provide funds for school libraries so they can buy the material and books necessary to support the scientifically based reading programs the President has made the centerpiece of his Reading First Initiative.

School libraries are really the places where we reinforce those reading skills. They are, in one sense, the laboratories where children explore their ability to read and explore a great world beyond the confines of their classroom or their community. You can go into a library and, figuratively, travel around the world, even reduce yourself to the size of a microbe, and travel, coursing through the veins of the body. That is what is remarkable about reading and so fundamentally important about reading. It is also something that has to be a lifelong pursuit.

Frankly, even though we can instruct children with respect to literacy, unless we provide them with stimulating books and expose them to the library as students, it is not that likely that they will appreciate reading or continue the habit of reading, this habit of self-improvement. Children leave schools, but we hope they will not leave the library. That is one of the great lessons they will take from their schooling—not just the mechanics of reading but a love of reading so they will leave the school but never leave the library, they will be patrons of public libraries, they will be patrons of books. The library is the foundation for independent learning, and I cannot think of a more worthwhile goal in this reauthorization than creating that type of spirit and that type of ability within the students of America.

As I mentioned before, as we look at high levels of literacy, we find a very strong correlation between these high literacy levels and good school library programs. In one study, this was the case for every school and in every grade level tested, regardless of social and economic factors in the community, and in very dissimilar States: Colorado, Pennsylvania, and Alaska. These findings echo earlier studies which found that students in schools with well-equipped libraries and professional library specialists performed better on achievement tests for reading.

Again, we understand one major focus of this legislation is testing students to standards, bringing those standards up and bringing every child up to those standards. Without the support of good public libraries in the community but, more particularly, good school library programs, we are not going to be able to give these children the tools to reach the standards, to pass the tests we are prescribing now for a vast section of American students.

As I indicated, there is an array of scientific evidence, research evidence, that demonstrates this fundamental point. A 1993 review of research, "Power of Reading" by education professor Stephen Krashen of the University of Southern California, demonstrated that higher test scores result when there is a greater investment in better qualified school library staff and more diverse school library collections.

A 1994 Department of Education report on the impact of school library media centers noted that the highest achieving students tend to come from schools with strong libraries and library programs. So I believe this evidence is further proof that we can improve reading by making a wise and efficient investment by enhancing our school libraries.

We also understand that we have today on our shelves, in our libraries, books that are simply out of date and inaccurate. I have made something of a cottage industry of bringing my favorite anomalous books to committee hearings, such as a book that talks about what is it like to be a flight attendant; only they use an incorrect term "stewardess."

If you look through this book, if you look through these pages, you get a distinctly different impression of what it is like to be a flight attendant. First of all, they are all women. We know that is not the case today. Second, there are very few minorities. We know that is not the case today. Third, they talk about the rule that you must leave if you want to get married, because they all have to be single. They have pictures of flight attendants doing sit-ups and describe that as their homework.

These are images that are totally out of sync with today's times. But yet this book was on the shelves of the school library. Ask yourself. If a young man is interested in that profession and takes that book off the shelf, what impression will he get? Obviously, it is not going to open up the possibility of a career for him as a flight attendant.

That is just one example. There are examples of books on the shelves of today's schools that say things like some day we will get to the Moon.

I received a book from a librarian in Arizona that has the title, "Asbestos, The Magic Mineral," suggesting a book that was not written recently.

One of my favorite selections that was sent to me is the story of the U.S. Constitution, and an analysis of the Constitution, with a foreword by President Calvin Coolidge—a little bit out of date but still on the shelves of a school library.

We can do more than provide our children with outdated sources of information. We also now know that we are in a situation where books are not the only way we are communicating information to children. Libraries need sophisticated, computer-based media. They need the technology of the computer.

Yet what you find at the local level is a situation where despite the best intentions of school committee men and women and the best intentions of Governors and mayors, school library collections are the first casualties of unexpected expenses.

It is not a surprise. Here is typically what happens across this country day in and day out. A school superintendent has worked hard all year. She reserved $50,000 for a new library, new books, and new media.

Then she gets a call. Their unexpected expenses have gone up $75,000. Where do you get that kind of money for an unexpected expense? We will do the library improvement next year. Next year becomes the following year, and the following year. As a result, we have a crisis at school libraries. Some shelves are near empty and the books are out of date. They are not opening up new, modern vistas to students. In some cases they are giving them erroneous stereotypes about the world at a very impressionable age.

Let me suggest, as I said before, some of the books that we find on the shelves of our libraries.

There is one called "Rockets Into Space," copyright 1959. This book, by the way, has been checked out of a Los Angeles school library 13 times since 1995.

It informs the student that there is a way to get to the Moon. Obviously, it was written before there was the successful voyage to the Moon by man. It states that it will take two stages to get to the Moon, first to a space station, and then to the moon. Essentially, that is not what we did. But the book has been checked out numerous times within the last decade.

There is another book which I found interesting. This was from a school library in Richmond, VA, entitled "What A United States Senator Does," copyright 1975. It notes that the Vice President of the United States and the President of the Senate is Nelson Rockefeller, and that there are two Senate office buildings, the Old Senate Office Building and the New Senate Office Building, which we now call the Dirksen Building.

There is a book from a library in Tarzana, CA, entitled "Women At Work," copyright 1959, which informs the reader that there are seven occupations open to young woman: librarian, ballet dancer, airline stewardess, practical nurse, piano teacher, beautician, and author.

These are not positions open exclusively to women and are certainly not the only professions open to women today.

Here is one from a Pennsylvania library entitled, "The First Book Atlas," copyright 1968, which states that the five most populated cities in the world are New York City; Tokyo, Japan; Paris, France; London, England; and Shanghai, China.

That might have been correct in 1968. But, for the record, the five most populated cities in the world today are Seoul, South Korea; Sao Paolo, Brazil; Bombay, India; Jakarta, Indonesia; and Moscow, Russia.

In a rapidly changing world when we expect our students to be internationally adept and not just locally competent, we are providing them with information that is woefully out of date.

I am sure there are atlases and maps throughout most schools and in school libraries that do not have all the present sovereign nations of the world. Since the breakup of the Soviet Union, we know there has been quite a few new nations emerging into the world. But this is what we find consistently.

I believe if we do not provide better materials for our libraries, we are not going to fully complement the President's initiative and Senator COLLINS' amendment. It is one thing to be literate and to have the mechanics of reading, but there is something else. A child must have material to read which provides accurate information and that is not full of stereotypes and misinformation. If you don't provide access through school libraries, students will not acquire the skills and love for reading necessary to boost scores on reading tests.

That is what my legislation will do. It will give the school libraries the opportunity to become up to date, to entreat children with the idea of reading so that in their lifelong pursuits they will know that libraries are the place to go to find knowledge and information that is accurate.

Let me also talk about the situation from the perspective of low-income students because typically this is where you find the most chronic absence of a good school library for the reasons I talked to previously—budget pressures that are so compelling and constraining on municipalities, and the idea that next year we will fix the library. Next year never comes. Jonathan Kozol, who has been referred to many times on this floor, and who is a passionate advocate for students everywhere but who has a particular passion for those disadvantaged students that he works with on a daily basis, wrote in May in a school library article, entitled "An Unequal Education," that a fiscal crisis in the 1970s reduced school libraries and the poorest neighborhoods in New York City to: "little more than poorly stocked collections of torn, tired-looking, or outdated books. As student populations grew and school construction was postponed by scarcity of funds, libraries themselves were soon co-opted to be used as classroom space. Librarians were fired or, more diplomatically, 'retired'—and, as they retired, were not replaced. Books were frequently consigned to spaces scarcely larger than coat closets."

He continues:

> Few forms of theft are quite so damaging to inner-city children as the theft of stimulation, cognitive excitement, and aesthetic provocation by municipal denial of those literacy treasures known to white and middle-class Americans for generations.

The reason for this sad state of affairs is the loss of targeted national funding for libraries, which we had provided in the 1965 ESEA authorization.

I would challenge all of my colleagues to go to their States and go to a school library. It won't take too long until you find a book that has a copyright of 1967, and maybe with a stamp, as they do in the Philadelphia school system, that says, "ESEA 1965."

About 20 years ago, however, a decision was made to roll this dedicated funding into a block grant competing with other programs, and the funding for libraries declined. Schools have not been able to replace outdated books. At the same time funds have diminished, as everything else, the price of quality school library books goes up.

The average school library book costs $16. But the average spending per student for books in elementary schools throughout this country is approximately $6.75, $7.30 in middle schools, and $6.25 in high schools. You can't buy lots of high-quality books at those types of prices.

Earlier in this session, I introduced bipartisan legislation addressing the need for adequate library books, which is the predecessor of this amendment. On February 20, 2001, there was note of that introduction in the Washington Times. Then there was a response on February 23 from a school librarian who described the real frustrations we are talking about, and that I have tried to suggest.

She has worked for 27 years, and she saw the article and took it upon herself to write the newspaper. Here is what she said:

> The money coming down for spending has been diverted by administrators for technology. The computers are bought with book money and the administrators can brag about how wired the schools are. The librarians are ordered to keep the old books on the shelves and count everything, including unbound periodicals and old filmstrips dating back to 1940s.
>
> And most of all keep their mouth shut about the books—just count and keep quiet. Now do you wonder why librarians keep quiet?

Well they are not keeping quiet anymore. They have taken a very strong position with respect to this amendment. Coincidentally, they have come to Washington, and I believe they have visited most of my colleagues' offices, to talk about the need, not some esoteric hypothetical pie-in-the-sky need, but the real need for investments in school libraries.

What happens is that we have a situation where schools face this Hobson's choice: with declining resources, and other demands, do we remove all of the outdated books, leaving only bare shelves or keep outdated books on the shelves, hoping that students wont be confused or turned off by reading? The result is too many of our students don't have the tools they need to learn to read and achieve.

Too often schools sacrifice improvement in libraries. We can help change that dynamic. We can pass this legislation. We can give them flexibility at the local level, although targeted to low-income schools, to go out and buy library materials, to fulfill an important part of our national purpose today to improve the literacy of all American children.

Now I believe that we should, and we must, complement the President's Reading First Initiative. He has, quite rightly, identified the problem. He has very astutely suggested we need to train teachers in the latest scientific methods, that we need to have classroom material, that we need to do many other things. But one aspect is still lacking; and that is books.- books to practice the skills they learn in class and books to foster a love for reading which is the key to success in school and beyond. This amendment addresses that need.

My amendment specifically would add $500 million in funding reserved to support school libraries. It would not take away any resources that have been already identified for the President's Reading First Initiative pursuant to Senator COLLINS' amendment. It targets funding to schools with the highest levels of poverty.

Recall now the comments of Jonathan Kozol: the diminishment of the educational experience by a lack of access to materials which in suburban schools are taken for granted.

If we can get this spirit of inquiry, this excitement about reading, if we can infuse that into every child in every public school, particularly in our disadvantaged schools, we will accomplish a great deal with this reauthorization.

This amendment also provides the districts and the schools with the flexibility to use the funding to meet local school library needs. Who better than a local school system and local librarians to decide what they need? A new atlas, new materials for the younger readers, a better library media that can be used by all the students—all of that will be decided by local individuals.

It also includes language that would help enhance the training of library specialists. There is a misconception sometimes that all you need to do is have the teacher just take the children into the library and say: Pick a book. That overlooks the huge contribution a well-trained librarian can make to the education of young children. A well trained librarian is essential to helping students read. It is also important to have librarians with particular skills to be able to show children different means of research, different techniques, to be able to answer their questions, to find material for them, and to show them how to find material. That is not done simply by walking the children into the library, and saying: Pick a book. You need to try to get a sense of their interests and you need to try to lead them from one interest to another interest.

This might be the most fundamental aspect of education, and yet if you do not have the trained professionals to do it, you will not get the kind of high-level achievement we seek in this legislation.

The amendment would also allow establishing resource sharing initiatives. In my home State of Rhode Island, and in Ohio, the school librarians have set up a wonderful network with other school libraries, with public libraries, with academic libraries, so they can multiply the resources at their disposal. That would provide the kind of support that I believe is not only necessary but long overdue with respect to school libraries.

This amendment allocates funding on a formula basis to school districts, so that all needy districts and schools get the assistance they need to improve school libraries, rather than authorizing a very limited, competitive grant program which would only help certain districts that have a knack for grant writing.

This amendment is built upon the initial legislation I introduced along with Senators COCHRAN, KENNEDY, SNOWE, CHAFEE, DASCHLE, and others. The amendment, as I indicated, has broad support.

This bipartisan amendment I offer today, along with Senators SNOWE, KENNEDY, CHAFEE, BINGAMAN, WELLSTONE, MURRAY, CLINTON, SARBANES, JOHNSON, BAUCUS, LEVIN, REID, ROCKEFELLER, DURBIN, and DAYTON, is a modified version of that legislation because, rather than being a separate, stand-alone portion of the ESEA, this amendment includes support for books as part of the Reading First initiative.

In conclusion, since I have talked about what the amendment does, I would like to briefly talk about some of things the amendment does not do.

First of all, this is not a new program. This amendment would incorporate school library funding into the Reading First Initiative, the President's reading initiative. Unanimously, last week, we embraced Senator COLLINS' amendment, so I assume, without contradiction, we are all for Reading First, we are all for literacy. This would be incorporated into that. This is not a new program.

The second point I make is that this is not, as I said before, a novel Federal intervention into school policy. In 1965, we authorized funds to buy library materials. It worked. Those materials are still on the shelves. It is something that has been long associated with our Federal effort to help local schools.

Now we all want to consolidate programs. I think that makes a great deal of sense. As you look across the board, some programs could be more efficient. But here is an effort to present, within the context of the Reading First Initiative, a comprehensive reading program: training teachers to teach reading based on scientific principles, classroom materials, and then, if you will, the laboratory for reading, which is the school library and the books to read.

If we are serious—and I know we are—that we want to see every child succeed, if we want to see every child meet challenging standards, and in a very real sense pass the test, then we have to invest more in our school libraries. It is not simply enough to just prescribe the test and hope for the best. We have to give children books to read, the tools to master these techniques and, hopefully, I think in a broader sense, to acquire a passion for reading that will carry them far beyond their schooldays into their adult days. That truly, in my view, is the sign of an educated person.

Let me conclude my initial remarks by citing the Department of Education's guide for parents entitled "A Guide For Parents: How Do I Know a Good Early Reading Program When I See One?" In that guide they say that a good early reading program has: "a school library [which] is used often and has many books."

We must take this opportunity to dispense with inaccurate, out-of-date books that line the shelves of our school libraries. We have an opportunity to complement the President's proposal and provide the funding that is critical to making the program work so it can actually improve the reading and literacy skills of our nation's students. I hope we will seize this opportunity and urge my colleagues to support this amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I ask unanimous consent to proceed as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. BOND pertaining to the introduction of S. 849 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER (Mrs. CLINTON). The Senator from Wisconsin.

ANOTHER LANDMARK TORN DOWN

Mr. FEINGOLD. Madam President, I rise to voice my objection to another blow committed by this majority against the Senate. I wish to express my dismay with the majority leader's decision, of which I first learned in Monday's Roll Call, summarily to fire the Senate Parliamentarian because of his advice on a number of budget-related issues.

This action appears to be yet another unfortunate turn in the majority's heavy-handed efforts to transform the Senate into another House of Representatives. And I fear that the real victim of this latest purge will be the rules and traditions of this great body. Bob Dove has borne the brunt of the majority's latest outburst, but I fear that the Senate, too, will suffer.

Let me begin by noting that I, as others, have had my share of disagreements with Bob Dove during his time as Parliamentarian. I suspect that most Senators who have devoted any time to learning the Senate's rules will find points on which they differ with the Parliamentarian. But in the practice of law that is Senate procedure, the Parliamentarian plays the role of the judge. It is before the Parliamentarian that staff and even Senators make their arguments and state their cases, much as advocates before a court.

It is in the nature of judging that a judge cannot please all litigants, and it is in the nature of having a Parliamentarian that the Parliamentarian's advice to the Presiding Officer cannot always please all Senators.

Were it not so, we would not have a Parliamentarian. If the Parliamentarian cannot advise the Chair what the Parliamentarian truly believes that the law and precedents of the Senate require, then the office of the Parliamentarian ceases to exist.

If the Parliamentarian merely says what the majority leader wishes, then the majority leader has taken over the job. And in that case, the Senate has become less a body governed by rules and precedent and more a body that proceeds according to rule and precedent only when it pleases, in effect at the whim of the majority leader.

That the Senate rules constrain the majority has been one of its strengths. It is oft-recounted lore that when Jefferson returned from France, he asked Washington why he had agreed that the Congress should have two chambers. "Why," replied Washington to Jefferson, "did you pour that coffee into your saucer?" "To cool it," said Jefferson. "Even so," said Washington, "we pour legislation into the senatorial saucer to cool it."

It is the Senate's rules that allow legislation to cool. It is the Senate's adherence to its precedents and not to a rule adopted for this day and this day only that distinguishes the Senate from the House of Representatives. The Parliamentarian is a vital link in that chain of precedents. It is the Parliamentarian's advice to the Chair that makes this a body governed by rules.

The Senate has had an officer with the title of Parliamentarian since July 1, 1935, when the Senate changed the title of the journal clerk, Charles Watkins, to Parliamentarian and journal clerk. Since then, only four other men have occupied the office: Floyd Riddick, Murray Zweben, Bob Dove, and Alan Frumin. These five Parliamentarians held that office for an average of more than 12 years each. By comparison, during the same time, the Senate has had 14 different majority leaders.

As Justices sit on the Supreme Court, though Presidents will come and go, so Parliamentarians have maintained the rule of precedent, through changes in political majority. Removing a Parliamentarian because a majority leader disagrees with a decision is akin to a President's attack on the Supreme Court. History has roundly decried President Franklin Roosevelt for seeking to pack the Court. I predict that history will also roundly decry the majority leader's man-handling of the Senate's rules.

This majority has torn down another ancient landmark that our predecessors had set up. Once again, this majority has removed another boundary stone that once marked how far we could go. We are left today more bereft of rules, a body less governed by law, and unfortunately more governed by the wishes and ambitions of men and women.

The new Parliamentarian, Alan Frumin, has, as I have said, served as Parliamentarian before. I hope this time he can serve for a good long time.

I have always known Alan to be a man who calls them as he sees them. I hope that the majority leader will allow Alan to continue to do so. For only by allowing the Parliamentarian to follow his or her best judgment will the office of the Parliamentarian continue to be able to play its important role in preserving the Senate rules, and, thus, in preserving the Senate itself.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002—CONFERENCE REPORT

Mr. LOTT. Madam President, I submit a report of the committee of conference on the concurrent resolution (H. Con. Res. 83) and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Committee of Conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 83), establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011, having met, have agreed that the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, and the Senate agree to the same, signed by a majority of the conferees on the part of both Houses.

The PRESIDING OFFICER. The Senate will proceed to the consideration of the conference report.

(The report was printed in the House proceedings of the RECORD of May 8, 2001.)

Mr. LOTT. There are 10 hours for debate provided under statute. I expect all debate to be used or yielded back by the close of business today with the exception of an hour or so. We will then obtain a consent for closing remarks tomorrow morning to be followed by a vote on the conference report. I will not propound that request now but will consult with the Democratic leader and will propound the unanimous consent at a later time. I do think it best to get started.

The distinguished chairman of the Budget Committee has arrived. We will begin debate and go as long as Senators desire today and reserve about an hour tomorrow so there will be time equally divided to wrap up and then get a recorded vote.

Madam President, I thank the distinguished chairman of the Budget Committee for the job he has done again this year. A lot of people are appointed different jobs in the Senate in terms of leadership or offices of the Senate and have difficulties in doing our jobs. But few have a job any tougher than being chairman of the Budget Committee because it lays out the plan for the year. It does have to take a look at the whole budget.

The Presiding Officer, the Senator from New York, is on the Budget Committee. I know she found the process interesting, including the hearings. It is the committee that has to decide what is set aside for Medicare, for instance; if we have reform and need additional funds; how much will be available for tax relief and how much will be available for the nondefense and, in fact, defense discretionary accounts.

It is very hard to accommodate all the different parties. We have to work it through the Budget Committee, Democrats and Republicans, and on the floor of the Senate, with many amendments, and quite often vote-aramas at the end of the process where we vote, many times, on 20, 30, 40 amendments, in sequence. It is not a pretty process, but it is one that has to be done.

The chairman of the committee and the ranking member of the committee go to conference and see if they can find ways to work together and deal with the House, too.

So it is a long process. Senator DOMENICI has been involved in that process, either as ranking member or chairman, I believe, almost since we began. I remember I voted for the original Budget and Impoundment Act way back in 1973 or 1974. This time was probably even more difficult than usual, trying to thread the eye of the needle, trying to get something that can pass.

I believe they have done a good job. It surprises me when I hear some of the condemnation that I just heard from the Senator from Wisconsin and in press conferences. I think this is a good budget resolution.

Some people seem to think that people who work and make money should not be able to keep a little bit more of their money. Anybody who wants to defend this Tax Code can go right at it, but I don't believe it is going to work with the American people because the people I talk to, blue-collar working neighbors in my hometown—shipyard workers, paper mill workers, refinery workers, small business men and women—don't think it is fair; they think they are overtaxed by the Federal Government, and by the State and local government, for that matter. They think they pay too much for gasoline taxes, which contributes to the price with which they are having to deal.

They think the Tax Code is too long, too complicated, and unfair. When I say: Does anybody in this room want to defend the marriage penalty tax, any Democrat, any Republican, anybody, old or young, married or single? I see not one hand.

Yet we have been yapping around here for 10 years about how we are going to get rid of the marriage penalty tax. It has gotten so serious, my daughter who got married 2 years ago, has threatened to run against me if I don't finally do something about this. This is an unfair, ridiculous tax.

Does it cost some money? Yes. Whose money is it, for Heaven's sake? It is my daughter's and her husband's, a young couple trying to make ends meet. Nobody wants to defend that.

The very concept of the Federal Government coming in when you die and reaching into the grave to take the benefit of the fruits of your labor in your lifetime is so alien to what America should be about, I just cannot believe people will say estate taxes are a good idea.

Oh, it will not affect me. I have asked for and been given a life in this institution in the Congress. I came here young and don't have any money and don't really ever expect to have very much. But the idea that my son, who has chosen a different route, would have the Federal Government show up and say: Give me 40 percent or 50 percent of your life's earnings—I am not going to give him an estate; he is not going to inherit it; whatever he has, he is going to earn it—I think that is wrong, fundamentally unfair and basically wrong. Rates are too high; taxes are too high.

Oh, there will be weeping and gnashing of teeth—the very idea that you would lower the top rate from 39.6 to 33 percent. You go out and ask the average man or woman on the street, do they think one-third of what they earn is enough to pay for Federal taxes—anybody—anybody should pay more than a third, 33 percent?

Then you have to add on to that State taxes, local taxes, sales taxes. On everything you do from the moment you get up and flip on a switch and you drink that cup of coffee until you get your paycheck, you are paying taxes.

I realize in this city, unbelievably, it is hard to cut taxes. But I don't think this is too much. In fact, I don't think it is enough. Allow people to keep a little bit more of their money through a child tax credit? We should not do that? We have been trying now to get some other things, such as the education savings account, in place to allow people to save a little bit more of their money.

People say we need more money from the Federal Government so we can help people with the things they need, such as child care. I have a unique idea. How about letting them keep some of their own money and pay for their own childcare as they see fit. That will be one way to do it. I am not saying we don't need additional support, but that is one way to do it.

I think what is provided in this budget resolution is not an unfair amount. We went through a process. It is not as high as I would like for it to be, but it is a pretty substantial amount. I assume it has bipartisan support.

In terms of spending, why, listening to some of the stuff I heard on TV last night, you would think we were going in there and slashing Federal programs all over the place. I thought it said a 4-percent increase—4-percent or more increase over what we are going to spend in this fiscal year. Is there anybody in this room who thinks it is only going to be 4 percent? No; this opens the bidding, unfortunately. I hope the President will veto these appropriations bills if they start providing increases of 6 percent, 7 percent, 12 percent. There is no limit.

We have been saying it right here in the Senate. Does anybody want to offer an amendment to have more spending? Just offer it. It will pass. It doesn't matter what it is. I don't know what we think. I guess we think somebody somewhere some other day will pay for all this or we will worry about that later.

This is a balanced, fiscally responsible budget resolution. It provides for additional action on Medicare. It provides for increases in a lot of areas. The President's budget does provide for some reductions in certain areas, but can we not have priorities in the Government? Can't we spend a little more here and a little less there? Isn't a 4-percent increase over an inflated expenditure from last year and the previous year an adequate amount? I think it is.

I don't know, maybe we are just not reading the same budget resolution. I think this is a responsible resolution. I urge Senators to vote for it. Again, it is not the end of the process. This is the kickoff. We have been wrestling around with this thing now for 3 months, and this is just the kickoff. We haven't even gotten into the first quarter. We need to get it done.

Think of the alternative if we didn't pass this budget resolution. What happens? We are stalled out right here and cannot go forward with the annual appropriations bills, with the tax relief package. There would be uncertainty about what would be available, I guess, in certain entitlement programs.

I hope we can calm the rhetoric. Sure, there will be substantive disagreements. There will be people who advocate spending more or less at various places. That can be done. We have budget resolutions. We have authorization bills. We are going to be continuing to vote on education. We are going to have more spending for education. Everybody knows that; that is part of the package. I am for that. I think further investment in education is a good investment. I am prepared to support it.

There are going to be emergencies. Unfortunately, there will be disasters somewhere in this country, probably in my own State. We have floods, tornadoes, droughts—everything but locust so far. We will help people with their disasters.

We are going to have emergency requests for defense. We have costs that were unexpected in health care and additional steaming and flying time. But we will work through that process.

I hope we will overwhelmingly pass this resolution tomorrow and go forward with the bills that will follow in due course.

Again, I say to you, Senator DOMENICI, thank you. I know it is never easy. For some reason I am not quite sure, you have been willing to continue to do it year after year. I will be looking forward to hearing what you have to say about the final product. I know Senator CONRAD will have some remarks, too, and then we will go to a vote.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from New Mexico.

Mr. DOMENICI. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. Madam President, I ask unanimous consent the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Madam President, I know Senator CONRAD will come to the floor in the not too distant future. But until he arrives, I want to take a moment to comment on the budget resolution and respond, in part, to some of the comments made by the distinguished majority leader.

I don't know that there has been a budget resolution during my years in the Senate, or at least as Democratic Leader, that has generated greater anger and frustration among our colleagues than this one.

There are three concerns we have with this budget resolution. I want to address each of them briefly and accommodate other Senators, if they wish to speak.

The first is process.

This process was an abomination. I have great respect for the distinguished chairman of the Budget Committee. I admire him for a lot of reasons. I know that he isn't the one who calls all the shots in all cases. But I think this process is inexplicable. As we profess the desire and a need for bipartisanship, I don't know why we have a process that is so highly partisan on an issue that is so important.

I think it is fair to say—and I don't know that any Republicans would ever dispute it—that the Democrats were virtually locked out from the beginning on this issue. No Democrats participated. There wasn't a markup in the Budget Committee, therefore you didn't see Democratic participation in formulating this budget or Democratic opportunities to offer amendments. There was none. You didn't see any participation among Democrats in the conference committee—none, zero.

I am sure that when those who created this budget process nearly 30 years ago and enacted it into law, as well intended as they were, they did not envision decisions as paramount as these being made in some closed room, locking out one party, denying the opportunity for Democrats to be involved. I don't think that they even imagined that something like this could happen.

Unfortunately, that is precisely what has happened. I believe it is fair to say that there isn't a Member of this body who has seen this budget in its entirety other than the chairman. I can guarantee you there are no Democrats who have seen it. Yet, with less than 24 hours to review it, we are being asked to vote on a budget blueprint that will dictate our fiscal policy for the next 10 years. We have been given nearly a $2 trillion budget without a fair opportunity to evaluate it, without an opportunity to participate, and now we are being asked to vote up or down.

This is an abomination. This is inexcusable, especially in a 50/50 Senate.

But here we are. I am angered and frustrated that we even have to begin this debate with this reality. It is an outrage.

The second concern I have is this budget is a fabrication. This isn't a budget. This is a make-believe document with more holes, more gaps, more missing pages, and more questions than there are answers. Don't like the baseline? Create a new one. Don't like the numbers? Come up with other ones you like better. Don't know what the President wants to do on the defense budget? Give him an opportunity to put that number in later.

This isn't a budget. This isn't even close to a budget. In fact, because this is such a fabrication, we have virtually destroyed the budget process as it was originally designed by excluding Democrats and by making up things as we have gone along.

Let me rephrase that. Democrats haven't made it up because we weren't involved. Republicans made it up.

This is a fabrication. This is make-believe budgeting. This is a budget process gone awry.

This is absolutely one of the worst documents we will be called upon to vote on in this Congress. We ought to be ashamed that we are bringing this budget to the floor—ashamed.

The third problem is, of course, policy. I have to say, I don't know anybody who can say without equivocation the policy implications contained within this budget fabrication. If it is possible to come to any conclusions based on what little we already know, here are the conclusions one has to reach.

First of all, don't let anybody fool you. If this budget does go into effect, the tax cut is so large that we could ultimately tap right into the Medicare and Social Security trust funds.

There is no question about that. The Medicare trust fund is no longer inviolate. All of these votes and all of these speeches about protecting Medicare and having this lockbox are malarkey. This budget threatens the Social Security trust funds. Malarkey.

When this resolution passes, we will dramatically hasten the date when the Social Security trust fund becomes insolvent. I guarantee you that we are going to hear actuaries talk about how short the viability for the trust fund will be as a result of this resolution passing. Why? We just heard the majority leader, and he was right about this. Who can vote against a tax cut? Who can vote against all of these wonderful-sounding opportunities to reduce taxes? If you are a politician of any ability, you ought to be able to support a tax cut. However, this President couldn't even get his $1.6 billion.

I have to say no one should believe that the final cost of the tax cut is $1.4 trillion because that is what Republicans say it is.

I want to see what they do when the alternative minimum tax is proposed. That is $300 billion. I want to see what happens when the extenders are proposed. That is $100 billion. I want to see what people say when they are forced to acknowledge that the cost of the tax cut must include about $400 billion in interest. Where does that go? That is $800 billion on top of the $1.4 trillion. That is $2.2 trillion, and we haven't gotten to capital gains reductions, business tax breaks, pension reform, and all the other tax ideas that someone is going to conjure up.

This budget is going critically wound the fiscal well-being of this country, in a manner in which we haven't seen in our lifetime.

This is outrageous. We gut education at the very time we are talking about education policy in this country. It is gutted. Don't let anybody mislead you. You are going to hear nice-sounding phrases about sense of the Senate language and ideas about how we are going to be able to manipulate the numbers to put additional education money in the budget.

If you believe that, there is a tooth fairy and a bridge I want to talk to you about.

This isn't budgeting with priorities the American people care about. There isn't any new money in here for education. There isn't a real plan in this budget to provide a prescription drug benefit—regardless of how many people campaigned in the last election on the importance of this issue. This is a tax cut made into a budget, and it is a budget lacking in virtually everything we said is important. Is Social Security important? Not in this budget. Is Medicare important? Not in this budget. Is education important? Not in this budget. Are prescription drug benefits important? Not in this budget.

I daresay everything we stand for on this side of the aisle is lost in this budget. I can't think of a reason why somebody who holds the core values that many of us hold would ever even think about voting for a fabrication as disastrous for this country as this budget will be.

If I sound exercised, I am. If I sound as deeply troubled as I hope my rhetoric would convey, I am.

This is not good for the country. It is not good because there has been a complete breakdown of whatever modicum of bipartisanship that I hoped a 50/50 Senate would deliver. There isn't any bipartisanship reflected in this budget.

I think the die is cast. But I hope somehow over the course of this year we can truly find ways to reverse some of the incredibly disastrous decisions that have been made in this budget.

Senator CONRAD has done an outstanding job in leading the Democratic caucus and providing us with his guidance and his insight. I publicly want to acknowledge my gratitude to him. No one cares more deeply. No one has studied this issue more thoroughly. As a consequence, no one has the respect of our caucus more than the Senator from North Dakota. I thank him for that. This has to have been a frustrating experience for him. But there will be another day.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, fellow Senators, and anyone listening, I am very sorry that the minority leader is frustrated. I wish he were not. I am also very sorry that my facts and what is in this budget, as I see it, are very different from his—very different. I have been part of this process.

I want to talk for a minute about partisanship. I can tell you when President Clinton won office and had a Democratic Senate, they did the budget. They did the tax bill. We did nothing. We were left out of everything. And I do not think our leader came to the floor and called that the kind of names the minority leader has used today.

Frankly, I think the Senate, itself, will prove that what he has said is wrong because they will vote for this budget resolution. If it were a fabrication, they would not vote for it. If it were unreal, they would not vote for it.

But I want to start by using a different approach. I want to start by saying: If not now, when? If not now, when will the American taxpayer get back some of the surplus that their taxes have generated? How big must the surplus be, Madam President, and fellow Senators, before we give the taxpayers some of their money back? How big should it be?

It is $5.6 trillion. That means getting that much money more than we need for the policies of our Government. Should it be $10 trillion before we give them back any money? Should it be $20 trillion before we give them back some? Absolutely not. Madam President, $5.6 trillion yields to the American people in their hands for use as taxpayers—let's get the number—$1.25 trillion. Remember, there is a $5.6 trillion surplus, and then, secondly, $100 billion that must be spent this year and next year as an economic stimulus. And the Democrats wanted that. Of course, they did not want the other one. They did not want the long-term one.

So every single thing has been invented by way of the fault of this budget, to put it in the way of one thing, and one thing only: taxes given back to the American people. In fact, the minority leader, again, to borrow his own words, is frustrated. I tell you, tomorrow I think the Senate will indicate that it is frustrated, that it is frustrated in not giving back the taxpayers some of their money, and they are going to vote to do that.

Frankly, I wish we were here without controversy and that those who lead on that side and those who lead on this side, including this Senator, could say: This has been done together; we have had total bipartisan support. But let me tell you, we have already gone from the $1.6 trillion that the President asked for in the tax cut, and with some Democratic help we are down to $1.25 trillion, plus $100 billion for stimulus.

How far down would we have to go under the idea we would have bipartisan support, and write this together in the Budget Committee, and go the conference, Democrat and Republican? Just think of it. It is already, on the one hand, being claimed as a loss for the President because he did not get enough tax cuts, and, on the other hand, it is too much; and, therefore, we talk about everything wrong in this budget because we would not like to see this tax cut pass.

The good news is, fellow Americans and taxpayers, regardless of the rhetoric of today, within a week to 10 days, the Finance Committee of the Senate will produce a tax cut bill. It will come to the floor. Then we are going to see how many support it and how many support the stimulus of $100 billion spread equally this year and next year. I surmise there will be plenty of support for it.

But every obstacle is put in its way by those who lead on the other side of the aisle. Now they complain: It's too big a tax cut. But the President did not get what he wanted. And there are all these other things we should be doing, not giving back money to the taxpayers.

So I again say: If not now, when? And I answer my own question: Now. Give them back some of their money. It is not an extraordinary amount. Social Security is funded. Some would like to say: Before we give the tax cuts, we want to fund the next generation of Social Security. I don't know about that. I think we put all the money into Social Security that they are entitled. No matter what is said on the other side of the aisle, it is our position—and I think it is right—we do not touch Social Security and we do not touch Medicare.

For those who want to get up on the other side of the aisle and just say we do, I stand up on this side of the aisle and say we don't. You can believe who you would like, but we have committed to not bringing you a budget that offended the Social Security trust fund. We have committed that we will not do that on the HI, the Medicare program. You say we do, and I say we don't.

So let's see how we vote tomorrow. If there were a large group of Senators who thought we were violating Social Security and Medicare, this would not be adopted tomorrow. So they can keep on repeating it, but let's see how the Senators vote tomorrow.

One thing happened during this process that is very extraordinary and good. The other side of the aisle has developed a budget ranking member who works hard, knows a lot, and makes his case. It is not that I agree with him all the time, but he makes his case. I commend him for that. And he does it well. It is just that on this one I do not believe he is going to tell all of you and tell the American people what this budget means.

I would like very much to quickly tick off on the charts right there behind me—and we will do it early on so the other side can go on and produce a chart that says it isn't so, but I do not like to say things in this Chamber that I do not believe are true and honest and forthright.

First, it reduces the debt to $818 billion, down from $2.4 trillion. For those who complain that it isn't enough, just look at the numbers. We have Treasury bills that we owe to people that are accruing interest, that we have to pay every year; and it is $2.4 trillion. It is almost as large as the surplus—well, half as large. We are going to reduce it to $818 billion, which is the largest decrease we have ever had in history and I believe very close to the maximum amount we can do. We can talk about what it does in terms of the budget percentages, and the like, but those are the numbers.

It protects Social Security and the HI trust fund. In fact, on Social Security, none of the tax cuts here are predicated on any numbers that include Social Security trust fund money. That is taken out first. I don't know what else we ought to do to live up to our lockbox commitment, unless it is to start a new funding to take care of Social Security in another way that we have not yet passed and don't know anything about.

It maintains a balanced budget every year: $219 billion in fiscal year 2002, $48 billion not counting the Social Security trust fund surplus.

When you added it all up, people thought we were using the entire contingency fund, but we did not. There is a $½ trillion—$500 billion—unspent over the 10 years. For those who want to do something about the ID or special ed program, by making it mandatory, have at it. Let's get it passed. It can come out of that $500 billion. We just could not pass a new mandatory program in a conference with the House for that piece of education.

On taxes, let me repeat, you can state it two ways, but, in essence, over the next 11 years, the American people will either get back in their pockets or have changed the law such that $1.25 trillion is back in their pockets. In addition, for the rest of this year, plus next year, we will rebate, refund, cut, another $100 billion for the American people.

So you might say this is a $1.35 trillion reduction in taxes for the American people, and that would be a correct statement. Some would like to put it in two pieces: having the $100 billion for stimulus first, and take that out first. That is all right with me. The sum total is what I have said.

I repeat: If we are not going to give them back some of this money now, when will we? Will we wait 3 or 4 more years and find ways to spend the surplus? If you want to wait, I am not sure who will spend it, but somebody will spend it. You had better get on the record giving some back to the people.

On spending, there are a lot of ways to look at this budget, but I suggest that the spending in this budget, as we add it up, is $1.92 trillion for the year 2002—excuse me, $1.952 trillion for everything. This authorizes, for the appropriations process, $631 billion in 2002. In that number there is both defense and nondefense, and Social Security and everything, but the 631 is just appropriated accounts. There are many assumptions made—many—but the appropriators will decide what they are going to fund out of that total amount and how. If they do what we assume, they will put an awful lot of it in education. They may not do that, but you can't do more in a budget than to say that we assume it and ask the others to pay for it.

In addition to the President's increase, which was about 4 percent for the year, we have authorized an additional $6.2 billion for nondefense programs. That is without emergencies, which are handled as they were in the past; when they come, they are added to the budget. We didn't change that. The House wanted to change it. That was one of the things over which we fought in an argument with reference to using our budget process.

Let me talk about Medicare for a minute. I can't understand when there is a reserve fund in this budget that says, if you do a new Medicare bill with prescription drugs in it, $300 billion is given to you to spend: How much did you want: 500? 600? 800? The House had 146. We won that debate. We got 300, just as the Senate had voted. I don't know what else we can do. We have stated unequivocally, you cannot use any of these programs or moneys to affect either Social Security and/or Medicare.

Let's talk about defense for a minute. How could we have budgeted defense when the President gave us a number and said, we are having a top-to-bottom review and it won't be ready until a few months down the line? Are we supposed to say, let's leave it all out of the budget and start over in 3 months? The best thing I could see to do was the following: Fund defense as he requested it, which is not a very big increase, and put in this budget that when the top-to-bottom review is completed, whatever their number is, they get to submit it, and it belongs to defense and nothing else.

But guess what. It is not a free ticket. It has to be appropriated by the Congress. If we don't like it or don't want some of it, we don't have to do it. I didn't know any other way to do it. It is not intended as a blank check. It is intended as what I have described.

There are some saying, what else did we do in this budget, besides the $300 billion we set aside for Medicare, if they reform it and if they do prescription drugs? Frankly, I am very pleased to say the House gave in on that to us; it went our way.

In addition, we had a program in here to make sure that the farmers this year, 2002, and for the decade—we had unanimous support that we ought to increase the authorization and allocation and use some of the contingency fund for that. Guess what. The House had nothing for that in their budget, and before we finished, they said, we think we should do a little more than the Senate—I assume because that is what they want to show their House Members. So we did agriculture at an $80 billion increase, to make sure it gets money. Frankly, I don't know how much more you can do. I believe if we are not right, it has so much support that next year or the next year we can do more. We could take it out of the contingency fund and fund agriculture even more.

Here on the Senate floor, Senator KENNEDY was going to propose a very large amount which had to do with uninsureds—health uninsureds. Senator SMITH of Oregon, joined by his friend, Senator WYDEN, proposed an add-on to the health uninsured fund of $28 billion to be used over the next 3 years. They can use it if they want in the committee for uninsured benefits and enhancement of the program. The House had zero. We got a full $28 billion. They gave us everything we asked.

So Medicare, health insurance for the uninsured, agriculture, and then in the area that many here worry about, home health care. For home health care we have another reserve fund that comes from Senator COLLINS' work in the Chamber. We put in $14 billion to make sure that that fund continued unabated; that is, that home health care funding, instead of coming down at a point in time which is currently prescribed, it says that sunset brings it back up, and it is almost $14 billion.

There is another one Senator GRASSLEY and Senator KENNEDY have been working on that is called the childcare credit and earned income tax, $18.5 billion for its expansion. Then we added to it nearly $8 billion to expand Medicaid benefits to children with special needs.

We don't hear anything about any of those as this budget is denounced, as it is called a fabrication, as it is called a sham of process, none of which is true. I have brought budgets here many times. This is a solid budget.

I will close by talking about the appropriated accounts because every year we have to do 13 bills. There is a lot of commotion about them and a lot of trouble getting them done. I just described to you what is going to happen on defense. I might tell you this budget resolution contemplates a supplemental this year principally for defense, which everyone knew would happen. This contemplates it because we have room under the caps for this year. But if you take just the nondefense part of this budget that is appropriated, our mathematics and arithmetic say that that is going up 5.5 percent, not 4 as the President asked.

There are some—perhaps the other side—who will say it didn't go up at all. Let's deal with that on apples and apples, the totality of the accounts now this year and the totality of the domestic accounts next year. There is $6.2 billion in new money, and the percentage increase is 5.5. If the House knew it was 5.5, I am not sure they would pass the resolution. So they used their numbers; I used mine. I know what is going to appropriations, and it is not 4 percent for which the President asked. It is not 5 percent. It is more than 5 percent.

Can you get along with it? I don't know. Is there enough money for education? Absolutely. If you want to take every assumption in this resolution that is attributed to education and then add the 6.2 new money and assume they are going to give some of that to education, you have funding of education programs that I believe will be voted for in appropriations by both sides of the aisle because there is sufficient money in there for education, including the increase, a substantial increase, in special ed. In fact, I think the amount is $7 billion, 7.9—almost $8 billion for special ed, the IDEA program.

Let me say to everyone, the Senate voted in an amendment that said, do a huge new mandatory entitlement program for IDEA for special ed. It is not a mandatory entitlement. It is appropriated every year. Congress has not done well, except in the last 2 or 3 years, in doing its part for the funding for special ed kids, but we are starting up that path. For anybody who is looking in this budget to find a brand new mandatory entitlement for IDEA, it isn't here. I guarantee you, there is no way you can get a new entitlement out of the House. It will work its will, and we will work our will. But we couldn't do it in the budget resolution because they said it is a whole new way to approach it; do it separately. There is still money around if you want to do that, still money around over the decade, without violating the balanced budget, Medicare, or Social Security.

I guess I could close just like the minority leader did. If you think I am kind of worked up, first of all, that is the way I am all the time. However, I am just slightly worked up more than I normally am. While he is infuriated about certain things, I am infuriated about some things said by a number of people about this budget. I won't say who.

I close by saying to everybody, there is no doubt in this Senator's mind that the people of this country deserve to have a significant amount of this surplus given back to them now. There is no doubt in my mind that it is fair; it will help the American economy; it won't hurt it. I close by saying, if we can do anything to stimulate the economy through tax changes, this resolution will permit that to happen. It will permit money to be spent from the hands of our people, encouraging them to spend money and keep the economy going, or to pay some of the money for expenditures for gasoline and related fuel prices.

I anxiously await hearing from my friend, who I have just indicated, right in the middle of my speech, has done a great job becoming very learned and an expert. He knows I was here a lot longer and, probably today, he is willing to stand up on the floor and say in all ways I know more than Domenici about the budget because I have really learned it. I would not doubt that. I think I have just enough to get it done. It has been a lot of years.

The charge of partisanship could be levied more times than not, as budgets have been produced in this place. I didn't go through each one to find out how partisan they were, but I can vividly remember the budget resolution ran through here with no Republican support, no votes in the Senate, when President Bill Clinton was given what he requested.

Whether that was the right thing to do, who knows? Whether this is the right thing to do, some say no on the other side; some say yes. I believe the American people are watching us. We had a big chart that said: $5.6 trillion overpayment to Government, $1.25 trillion to the people in taxes, and $100 billion to stimulate the economy by giving people back some money to spend. We will let them judge whether that is too much.

Let me close by saying those are simple numbers. They already take into account a 4-percent growth in Government. That still yields those numbers. How much more should Government grow? I don't know. I surely think there ought to be enough to give people tax cuts. It seems to me it is rather basic and simple. Nonetheless, because we are a different body than the House, we have more allocated than 4 percent, for which the President asked. Repeating, for the domestic side, it is more like 5.5 percent they are going to have to spend. We still have those numbers—$5.6 trillion, and $1.25 trillion of that going back to the people, plus $100 billion to be in their pockets this year and early next year as a stimulus, for them to use as they see fit.

I yield the floor.

The PRESIDING OFFICER (Mr. CRAPO). The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I rise to speak to the budget resolution that is now before us and the conference report on the budget resolution.

First, let me say I have profound respect for the chairman of the Senate Budget Committee. I have worked with him for the 15 years that I have been in the Senate. He is a man of integrity. He is an honest man. He is well motivated. He does what he believes is the right thing for the country, and certainly for New Mexico. I don't question any of that in the slightest degree. He also has an outstanding staff that benefits the entire Senate. So I want to stipulate right at the beginning that I have respect for him and affection for the Senator from New Mexico as well.

He is Italian. My wife is Italian. Italians have a lot of spirit. We saw some of that spirit from the Senator from New Mexico this afternoon. I am Scandinavian, and we Scandinavians don't show a lot of emotion, although from time to time it erupts. We also have strong feelings and strong beliefs.

I believe this budget is a very poor product for the conference committee. One of the reasons I believe it is a poor product is because the fact is that Democrats were locked out completely from the process of writing this budget. There was one meeting at the conference committee, the initial meeting, in which we were allowed to give opening remarks. After that, we were locked out completely. We weren't invited. In fact, we were told by the chairman we would not be invited back. That was true on the House side as well. The Democrats were simply excluded.

So make no mistake; this is not a bipartisan budget. This is a budget that has been written by one side and one side alone. They bear full responsibility for what flows from this budget.

I agree with much of what the Senator described in this resolution. What he is not talking about is what is not in this budget. What he is not talking about is what has been left out. What he is not talking about is what is left hidden from view and how profound an effect it will have on every decision we make in this Congress, not only for this year but for 10 years, and for years beyond. These are consequential decisions that are going to have an effect that is going to last a very long time. Let no one make any mistake about it.

The Washington Post, on Monday, had as their lead editorial this work, entitled "An Unreal Budget." That is a pretty good description of this budget because it, I would say, borders on bizarre. It is not a budget. Much of what we know is going to be spent is not revealed in this document.

The conclusion of the Washington Post was:

> The theme of this budget is tax cuts first, sweep up afterward. It's the wrong way around. Budget resolutions are supposed to foster fiscal responsibility. This one will have the opposite effect.

Unfortunately, in my judgment, that is true. This budget abandons fiscal responsibility. The chairman of the committee referred back to 1993 and suggested, well, it was really done the same way then as it is being done now. That is not true. In 1993, we had a full markup in the Senate Budget Committee. This year there was no markup in the Budget Committee. In 1993, we had full debate, full discussion. What we did in 1993 was to reduce deficits.

Let's go back to 1993. We had a $290 billion budget deficit the year before. We put in place a package that reduced deficits each and every year for the 5 years of that budget resolution. We then followed it with a bipartisan plan in 1997. That one we did in a bipartisan way. We finished the job of balancing the budget and moving us from deficits to surpluses.

This is an unreal budget because there are whole chunks of spending that have been left out, conveniently forgotten, like the two pages that were lost in the House that hung up consideration of this package. The two pages that were lost, interestingly enough, just happened to be the critical two pages. You know what. They did not just lose two pages; they lost dozens more because this budget does not contain all the spending that is going to be done, and all of us know it. It is not in this budget because it is the only way they could make this budget add up.

If they put in what we all know is going to happen, it does not add up, and they take us back to the bad old days of deficits and expanding debt.

That is the harsh reality about this budget. First of all, we ought to deal with the uncertainty of the projections that surround this budget. All of this is based on a 10-year projection that we will enjoy a surplus of $5.6 trillion over the next 10 years—$5.6 trillion. That is not money in the bank; that is a forecast, that is a projection, and the people who made the forecast themselves have warned us of its uncertainty.

What did they tell us? They said there is only a 10-percent chance that number is going to come true, $5.6 trillion. There is a 45-percent chance there will be more money. There is a 45-percent chance there will be less money. That forecast was done more than 8 weeks ago. With what has happened in the economy during this interval, between the time the forecast was made and today, do you think it is safe to assume there is going to be less money or more money?

Just one statistic. Yesterday, the productivity numbers were released for the first quarter of this year. They were estimating that productivity would be up 1 full percentage point. Instead, it went down by one-tenth of 1 point.

That difference makes a profound change over time. That would wipe out hundreds of billions of dollars of this forecasted surplus over time.

The people who made the forecast provided us this chart. It shows in the fifth year alone, we could expect a range of anywhere from a $50 billion deficit to more than a $1 trillion surplus.

How did they come up with that forecast? How did they come up with that projection? They looked at their previous forecasts. They looked at what they said in the past and they looked at the difference between what they predicted and what actually occurred. Then they applied it to this forecast. As I say, in the fifth year alone, they said it could be anywhere from a $50 billion deficit to more than a $1 trillion deficit. That is how uncertain this forecast is.

What does that tell us? I believe it says we ought to be cautious. We ought to be conservative. We ought to be careful. This budget throws caution to the winds. This budget reminds me very much of what happened in 1981: A new President, big tax cut proposal, big defense buildup proposal, rosy economic forecast, and what happened. The deficits and the debt of this country multiplied geometrically, and they put this country in a deep hole which has taken 15 years to dig out. And these same folks with the same view and the same philosophy are getting ready to do it all over again.

Unfortunately, this time there is not time to recover. In the 1980s, we had two decades to recover. This time the baby boomers start to retire in 11 years, and then it all changes. We will go from massive surpluses to substantial deficits because all of a sudden the number of people eligible for Medicare and Social Security increases dramatically.

That is the first thing we need to keep in mind about this budget: the uncertainty of the forecast that underlines all of the assumptions. I do not think there is a family in America who would bet the farm or bet their household on the basis of a 10-year forecast. I think most people would say it would be nice if it came true, but we are not going to count on it; we are going to be careful in what we do.

I put up the Washington Post editorial that called it an unreal budget. Boy, they have it right. It is unreal. Huge chunks of Federal spending are not included.

Let's start with defense. We all know what is going to happen with defense. Here is a story from USA Today, Friday, April 27: "Billions Sought for Arms." The Secretary is going to propose a boost in defense spending of $200 billion to $300 billion over the next 6 years. That is just USA Today. This is in headline after headline all across the country. The Secretary of Defense is going to ask for very major increases in defense expenditures, $200 billion to $300 billion in additional spending in just the next 6 years.

Not a dime of it is in this budget. It is not here. They did not include it. Why not? Let's go to the Secretary of Defense and see what he said. The Secretary of Defense was interviewed on "Meet the Press" on May 6, this past weekend.

The host of the show: Will you get the $10 billion more in defense money this year that you need?

The Secretary of Defense: I don't know. I have not gone to the President as yet. He wanted to wait until after some of the studies had been completed and until the tax bill was behind us and we're going to be discussing that over the coming weeks.

The host of the show: But you need more money.

The Secretary of Defense: We do.

And indeed they do, but the money is not in this budget. This is supposed to be a budget document that tells us the revenue and the spending of the Federal Government over the next 10 years, but it is not that. This is a document that excludes as much as it reveals.

It leaves out this major defense expenditure. Oh, not completely. It provides for a reserve fund so if there is a determination by the chairman of the Budget Committee that more money should be added, and the authorization committee believes it, they can put it in with no vote in this Chamber, no opportunity to review their decision. They make the decision alone.

It does not resemble representative democracy to me. It resembles a handful of people in a back room making a decision that has a profound impact on the budget of the United States without ever being considered by the full Senate or the full House of Representatives. That is what is in this budget: the authority to do precisely that. That is the wrong way to do business.

The President has said education is the top priority. Those have been the President's remarks during the campaign and during his first weeks in office: Education is the top priority. We have speech after speech in the Senate by our colleagues saying education is the top priority, but it has not been given priority in this budget because there is no new money for education in this budget.

In the Senate, when the budget resolution was considered, we adopted a Harkin amendment. It reduced the tax cut by $450 billion. It gave $225 billion to education. It gave $225 billion to a further paydown of our national debt.

We got back from conference committee zero—not a dollar. In the Senate, a bipartisan Breaux-Jeffords amendment was adopted by the Senate providing $70 billion for IDEA. That is the disabilities act. That is the promise the Federal Government made to local school districts, that we were going to fund a certain percentage of the cost, a promise we have not kept.

When we moved to keep the promise, we adopted an amendment when the budget resolution was considered by the Senate. We added $70 billion to keep the promise. Every dollar was taken out. There is not a single new dollar for education in this budget. They have increased it by inflation, but there is no new money for education.

The same is true of Social Security. The President had a big meeting at the White House. He said in that meeting: We have to strengthen Social Security. The baby boomers are going to start to retire, and Social Security will be under enormous pressure.

He is right. That is going to happen.

Here are contradictory goals of the administration, an editorial from the

Columbus Dispatch of December 24, 2000:

> . . . the tax-cut proposal works against this plan to begin privatizing Social Security. Experts differ on how much this "transition cost" will be, but it won't be cheap. Thus, Bush's 10-year $1.3 trillion tax cut would deprive the government of the cash it would need to pay the $1 trillion transition cost for the first 10 years of Bush's Social Security privatization plan. The goals are contradictory.

They couldn't be more right.

In the Democratic plan, we provided $750 billion to strengthen Social Security in the long term. Not one penny of that is in this budget.

If we review the situation, we have the administration proposing a major defense buildup, but none of the money is in this budget. We have the President saying education is the top priority, but there is no new money in the budget. We have the President saying Social Security should be strengthened, but there is no money in the budget.

Excuse those who are somewhat skeptical about this process. The Democrats are locked out. The budget is written in secret in a back room in the dead of night, presented to us late at night. And when we look at the details, if they put in the things they say they are for, if they put in money for education, if they put in money for defense, if they put in money to strengthen Social Security, the budget doesn't add up. That is their problem. That is the little secret about this budget.

If it is a compendium of the expenditures of the Federal Government, what we are really going to do in terms of additional resources for education, a buildup for national defense, strengthening Social Security, if you put all those numbers on a page and add them up, you will find we are raiding the Social Security trust fund and the Medicare trust fund. That is why they don't have a full budget. That is why they don't add it all up. That is why they have excluded the money to strengthen Social Security, the money to build up national defense, the money to improve education. They know what we know: When you couple it with the President's massive tax cut, it doesn't add up.

They will be into the Medicare trust fund for $200 billion and more. They will be into the Social Security trust fund by hundreds of billions of dollars. That is the reason we have what the Washington Post called "an unreal budget" because they don't dare come with all of the details. They don't dare come up with all of the numbers. They don't dare come up with what they really intend to do because it doesn't add up.

Let's talk a little about the tax cut in this bill. They say this tax cut is $1.35 trillion. It is a lot of money. It is a stunning amount of money—$1.35 trillion. Indeed, the amount reconciled over 10 years is $1.25 trillion. The economic stimulus is another $100 billion.

There are other elements they do not talk about, including expanded health insurance coverage, designed in the Senate to be additional spending that is now written as a tax cut, another $28 billion. A special reserve fund has been set up that blocks points of order against the use of that money. They have refundable tax credits—I call those tax cuts—for health, childcare, for earned-income tax credit, another $37 billion. Those they call "spending." They don't call them tax cuts. In common parlance, any person would recognize them as tax cuts because that is what they do.

We have a reduction in SEC matters and other minor matters, another $19 billion. The total revenue reduction is $1.434 trillion. That is one of the reasons they don't have the defense buildup. That is one of the reasons they have taken out the additional money for education. That is a reason they don't have the money to strengthen Social Security for the long term. The tax cut has become so large, the package doesn't add up if you put in all of the things we know are going to happen.

We have a calculation on how the final conference agreement threatens Social Security and Medicare. This calculation will not be found in the budget. They don't want to put these numbers on a page. They don't want to add them up. They don't want to have any one place to look to, to put the whole puzzle together. When we put the puzzle together, it does not fit; it does not add up.

If we adjust the defense number for what the new Secretary of Defense is talking about, if we adjust the tax cost by what is needed to fix the alternative minimum tax, which now affects 2 million taxpayers, if we pass the tax cut plan before us, the Joint Tax Committee says it will affect over 30 million taxpayers. There is no provision to deal with that problem in the President's tax proposal—none. It costs $292 billion just to pay for fixing the alternative minimum tax problem created by the Bush tax cut.

Make no mistake; that amount of money isn't enough to fix the alternative minimum tax in total. That is just the amount of money necessary to fix the costs created by the Bush tax cut itself. The alternative minimum tax is growing every year with the effects of inflation. We have gone from 2 million people being affected. If the Bush tax cut passes, the Joint Tax Committee says 35 million people are going to be affected. Boy, are they in for a big surprise. They think they are getting a tax cut. What will happen is they will get pushed into the alternative minimum tax—one in every four taxpayers. But there is not a dime in this budget to fix it.

As I indicated, there is no new education money. Even though this week on the floor of the Senate, or last week, we passed an amendment to put in $150 billion for education, there is not a dime of it in this budget.

Emergencies. Over the next 11 years, we can anticipate $55 billion of emergency costs—tornadoes, hurricanes, earthquakes, floods. Every year it averages $5 billion. They don't have it in here. We know it will happen. When you apply the interest costs to all of the above, you are deep into the Medicare trust fund and you are deep into Social Security: into the Medicare trust fund by over $300 billion; into the Social Security trust fund by over $200 billion.

What is it going to be? We are not going to have the defense buildup? We will not have any new money for education? We will not fix the alternative minimum tax? We are not going to have emergencies? I don't think so. I think we have a budget document that simply is not telling the whole story. It is telling just a piece of the story, just part of the story because if you tell the whole story, it does not add up.

This is an especially important time because we know that in this 10-year period we are forecasted to have surpluses. We also know from testimony before the Budget Committee that we are headed for a circumstance very soon, in the next decade when the baby boomers start to retire, that the Social Security and Medicare trust funds face huge cash deficits. Those deficits start in the year 2016, and you can see what happens after that. There is a cascade of red ink. The deficits explode.

There is no provision in this budget for strengthening Social Security for the long term. In our proposal, we had $750 billion. It is just another one of the missing pieces of this budget.

Some have said there are all these increases in spending in this budget. The chairman talked about a 4-percent increase. The only 4-percent increase that is in this budget is for 1 year in one part of the budget. It is not the whole budget. The whole budget over the 10 years goes up by 3.5 percent a year. Domestic discretionary spending goes up by 2.9 percent a year on average over the 10 years of this budget. This is not big spending.

In fact, what we see, as I have indicated, is that total spending goes up on average per year for the 10 years of this budget by 3.5 percent a year. Discretionary spending goes up on average by 2.9 percent a year. When we look at spending as a percentage of our gross domestic product, which the economists tell us is the best way to measure changes in spending over time, what we see is the total spending in this budget resolution is going to the lowest level since 1951—the lowest level since 1951. The size of Federal Government, that has already come down rather dramatically over the last 9 years from 22 percent of the gross domestic product to 18 percent of the gross domestic product today, will continue to decline to 16.3 percent of the domestic product in the year 2011, the lowest percentage since 1951.

Discretionary spending is military spending. Discretionary spending is the other part of domestic spending that is not controlled by the mandatory spending. Discretionary spending is law enforcement, education, parks. Discretionary spending as a percentage of GDP is going to its lowest level ever, 5.1 percent. So much for the claims of big spending.

In fact, the appropriated spending levels shortchange education and other critical priorities. Here is what the Senate passed: $181 billion over 10 years. The conference committee has actually produced a cut of $56 billion. This is going to mean dramatic changes—in law enforcement funding, funding for parks, funding for education, funding for health care—because the money simply will not be there.

The fundamental difference in our budget approach and the budget approach of the other side has been, yes, we have had a difference on the tax cut. We believe the tax cut should be about half as big and that we should do twice as much on debt reduction, both short term and long term. That is the fundamental difference between us on budget matters. But, in addition to that, we also have different priorities on education. We believe that is a place where a significant investment should be made. But in this budget there is no new money for education.

As I indicated, this budget threatens to put us back into deficit, back into debt, and to see the gross debt of the United States actually larger at the end of this period rather than smaller.

The chairman of the Budget Committee has talked about the reduction in the so-called publicly held debt. That is what the red line on this chart shows. He is exactly correct: Debt held by the public is going down. Debt held by the public is going to be paid down to about $800 billion.

But at the very same time that debt held by the public is going down, debt held by the trust funds of the country is going up. In fact, the gross debt of the United States at the end of this period is going to be substantially more than it is as we meet here today. The gross debt of the United States today is $5.6 trillion. At the end of this 10-year period, the gross debt of the United States will be $7.1 trillion. The gross debt is increasing by just about the same amount as the tax cuts contained in this budget resolution.

Here is a comparison of what President Bush proposed, what the Democratic alternative was, what the Senate passed, and with what the conference has come back. There are two differences that really jump out at you. They are dramatic differences. The first one is in education, where the President proposed $13 billion of new money over the 10 years, Democrats proposed $139 billion, the Senate passed $308 billion, and the conference committee has come back with nothing—zero. That is a pretty dramatic difference.

The second dramatic difference is in strengthening Social Security. The President had reserved $600 billion of the trust fund to strengthen Social Security for the long term. We proposed $750 billion, but not out of the trust fund because we believe that is double counting. We took it out of the general fund to strengthen Social Security because that is what we believe it will take to do the job. Just taking money out of the trust fund does not solve the problem. This problem is bigger than saving every penny of the trust fund.

What came back out of the conference committee? Nothing, zero.

The same on defense—defense—where they have left out the massive defense buildup that we all know is about to be proposed by the Secretary of Defense.

I want to conclude by saying I believe there are six key reasons to oppose the budget resolution conference report that is before us.

No. 1, there is no new money for education.

No. 2, the magnitude of this tax cut crowds out other important priorities, including national defense, including education, and including expanding health care coverage in America.

No. 3, this budget hides the defense spending increases by providing a blank check to the Bush administration. I have never seen this before, a reserve fund created where one person is able to determine what the defense spending of the United States is going to be. That is a rather extraordinary grant of power to one individual.

No. 4, it sets up a raid on the Social Security and Medicare trust funds just as certainly as night follows day. Because of all they have left out, because of all they have left aside, because of all that we know is to come, this budget sets us up for major raids on the Social Security and Medicare trust fund.

No. 5, it cuts spending for high priority domestic needs by $56 billion over the next 10 years. That, by the way, was something that just changed in the final hours of the conference committee.

No. 6, it fails to set aside funds for strengthening Social Security for the long term.

I submit to our colleagues that those are the reasons this budget conference report should fail.

I urge my colleagues to oppose it so that we can have a bipartisan budget agreement, one that is in line with the values of the American people.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, it almost seems to me as if we are not reading the same pages. To say that there is no new money in this budget for education is incomprehensible to me.

In fact, this chart shows exactly what the increase in spending in education is. This is just the baseline. We are probably going to increase spending even above this.

But this is the Clinton request. This is the Bush request. This is what we are voting on right now. The difference is $40 billion, and the Bush request we are voting on as a baseline is $44 billion. We probably have $6 billion on top of that.

When we are talking about no spending increases when the President has clearly given an 11.6-percent spending increase, the largest of any Federal agency, I think it is just some vast miscommunication.

Senators understand what is in this budget resolution. We are increasing spending 5 percent above last year's level. That is bigger than the rate of inflation.

There is not a business or household in this country that considers a 5-percent increase a cut—a cut in our spending needs? I think what we have here is really a difference in basic philosophy and basic priority.

The budget we will be voting on today increases spending in priority areas, such as education at the 11-percent increase. It will also increase defense. It will increase other high-priority areas. It will bright-line some areas; there is no doubt about that.

Those are the kinds of choices that every American has to make in their own household budgets. Why shouldn't Government do the same thing with the American taxpayer dollars? Let's not forget whose money it is. Let's not forget our responsibility for the stewardship of other people's money. If we had our own choices, maybe we would spend it a little differently. But we must be careful stewards of taxpayer dollars. That is what this budget does.

It also makes sure that we return some of the excess money back to the people—$1.5 trillion in tax relief for the American people, which is about 25 percent of the projected surplus. It is not the whole surplus; it is approximately 25 percent of the surplus.

Social Security is going to be kept totally intact. All of the money that comes into the Social Security fund is going to stay with Social Security because we are going to need to reform Social Security to keep it from going into a deficit in the year 2038. We are going to keep the money in the Social Security trust fund, just as we said we would do, in order to prepare for the reform that will keep Social Security secure. And the downpayment on that is to keep the money that is coming in, in Social Security, right there and not allow it to be spent for any other purpose.

Yes, there is a difference in philosophy. We will see that coming forward. The difference is we believe the money that is coming into the coffers of the taxpayers of America should be carefully managed, should not be overspent, and should not be thrown around but should be carefully spent and carefully prioritized, just as the people who earned the money and send it to Washington do in their own budgets. That is our responsibility. That is what we are producing in this budget today.

Senator DOMENICI has been the most bipartisan and cooperative chairman of the Budget Committee I have ever seen. When I heard some of the comments about Democrats not having a role in this budget, I couldn't believe my ears because I have been watching Senator DOMENICI for the last month. I know he has been in meeting after meeting after meeting with the Republicans and the Democrats on the committee and, yes, with the White House to have the total input and, yes, with Members of the House of Representatives to try to see what we could do to pass a bill in a very evenly divided Senate.

I think what was produced by the Budget Committee under the leadership of this great chairman is a wonderful budget that shows we respect the taxpayers of this country and we are going to manage their dollars wisely. We are going to spend more on public education, on Medicare, and on defense. We are going to spend money in high-priority areas. We are not going to spend more money in every area. I think it would be irresponsible to do that.

Let's argue about those priorities. That is legitimate. That is a legitimate debate. But to say that we aren't increasing spending when we are increasing spending 5 percent, which is more than the rate of inflation and more than the spending increases in most households in this country, I think we have to get the truth on the table.

The fact of the matter is, in the area of education, we see the largest increase and the highest level of funding for education for disabled children. We are making a commitment to the disabled children in this country. We are increasing Pell grants for low-income college students. It is a clear priority in this bill that we would try to make sure every young person in this country will have the ability to go to college if that is his or her desire. If that is a goal of a young person in this country, through Pell grants, low-interest loans, we want to make it possible for those children to have that opportunity.

We have increased Pell grants every year I have been in the Senate. In fact, I submitted the amendment that made sure Pell grants went to needy students first rather than being peeled off by other interests.

New reading program: That is the basis of the increase in spending in the education bill, $1 billion, tripling current funding, because we believe that if a child can't read at grade level in the third grade, that child is going to fall behind. There is no doubt about it. If you wait until that child drops out of junior high school or high school, of course, the child is lost. Of course, the child is frustrated. In fact, that is exactly the cause of many high school dropouts today—not that the young people aren't smart. It is not that they can't learn. It is that they cannot read. If they cannot read, of course, they can't comprehend the math and the history and the geography: Of course, they can't.

That is why we are prioritizing getting to those young people at the early stages and finding out what the weaknesses are and correcting those weaknesses while they still have a chance to have the full benefit of their education.

There is $472 million to encourage school choice and innovation. We are increasing the spending for historically black colleges and Hispanic-serving institutions. That is an area where I have been involved since I have been here. We have been year after year after year increasing the spending in both of those areas, and this is going to increase what we have increased by 30 percent by the year 2005 because that is a priority.

Under the National Science Foundation, there will be $200 million for new K–12 math-science partnerships to try to encourage our young people to go into science and math because we know that is where the future is.

I commend the Senator from New Mexico. I appreciate that he has been a responsible steward of taxpayer dollars in our country. I would not want someone in the Senate who thought that just because the money was there it should be spent whether or not the program warranted the added expenditures. And continuing spending is still something that should be worth applauding. If we are continuing the spending for a program, if we are increasing it, then I think that we have determined it is a priority. I think we should look at this budget from the eyes of the people we are representing to determine what the priorities should be, and knowing that perhaps we did not increase in some areas, and we might have decreased in some areas, but that does not mean we will not be able to come back and do something later. But it does mean we are going to keep our eye on the ball, and we are going to increase education spending, we are going to increase defense spending, we are going to increase Medicare, we are going to keep Social Security secure, and we are going to do the things that people elected us to do; that is, to represent them and their tax dollars with respect for their hard work to earn that money.

The people of this country are hard working. They are productive. They should be able to keep as much of their money as we do not need for Government, to spend as they wish on their families. I do not think that is a bad priority.

So, Mr. President, I thank the Senators. I thank them for this budget. I hope we will have a budget adopted by a large majority because I think they have done a good job.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I have been talking with the ranking member. There are two Members on his side ready to speak. I am going to just speak for a couple minutes, and then the other side can have two in a row. If we have another speaker come, we will work to accommodate that person, but that will be after the two speakers from the other side.

Mr. CONRAD. Might we just lock it in at this point?

Mr. DOMENICI. Sure.

Mr. CONRAD. We will recognize the two Senators after Senator DOMENICI has concluded his thoughts. On our side, we will first go to Senator KENNEDY.

I ask Senator KENNEDY, are you seeking 20 minutes?

Mr. KENNEDY. Please.

Mr. CONRAD. Twenty minutes for Senator KENNEDY.

I ask Senator STABENOW, are you seeking 20 minutes?

Ms. STABENOW. Fifteen minutes.

Mr. CONRAD. And then we will go to Senator STABENOW for 15 minutes, if we can enter into that as an agreement after Senator DOMENICI concludes. I ask unanimous consent that that be the sequence of recognition.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Let me say to the Senator, I hope the debate does not go late into the evening. But I think we are just on a path now where each side has 5 hours. I hope we do not use it. I do not know if you will use it. But essentially, for anybody who wants to speak on our side, you just heard the consent agreement. So if you want to speak, it will be 40, 50 minutes before we have another Senator from our side. I hope we will all recognize that. We will welcome you before the evening is out.

I might say to anybody who is concerned about what this budget resolution has in it, I have stated that one time today. But I believe as a wrap-up

I will go through again everything that we have put in this because anyone can pick out certain areas and debate them.

But overall, I want to first thank those Democrats who voted with us, those from the other side, so we could go to conference. Anyone who thinks they have not had an impact, they have had an impact. They had an impact to permit us to get a budget, go to conference, and get a conference report that included tax cuts. How the tax cuts are going to come out and all the ingredients of that over the next 11 years, including 2 years of stimulus, clearly, those on the other side will have a very big impact on that. Not only did they have an impact as we left here, they had an impact as we produced the conference report for the Senate and final wrap-up of the language that went to conference. But essentially I assume they will be big participants in the kind of tax reductions that people are going to get. I thank them for that.

I am going to summarize on education because I am sure there will be many speakers speaking to what they thought should have been the numbers on education. I just want to say that whatever the President assumed as education increases are assumed in this budget. IDEA is assumed to increase to $7.6 billion. That is up $1.25 billion. That is a 20-percent increase in special education. There will be some who think it should be more. There are some who think it should be a new entitlement program. But it did receive a pretty substantial increase.

For those who are wondering about funding IDEA, we can look at the last 3 years, plus this year, and we are well on our way to living up to our commitment, which has taken a long time to fulfill. We are moving toward the amount we assumed the Federal Government's participation in special ed was going to be a long time ago. We are moving aggressively on that. We have another $6.2 billion that could be, if the appropriators see fit, part of it—they could use all of it, half of it. It could go to education if they choose to do that. That is what is in the budget resolution.

I want to wrap up and say, I understand my worthy opposition talks about the assumptions in this budget, the 10-year totals. I can only say to everyone, if you believe that we have assumptions for growth, inflation, and the like, that are optimistic, then go ask those who are not optimistic what their assumptions are. You will find this is a modest set of assumptions. It is not extraordinarily high. If some President in the past and some Budget Director in the past used rosy scenarios in economics, we did not. It is not in this budget. It was not done by CBO.

Lastly, there is no question that everyone wants to do something in Medicare. I repeat, I think when the Senate comes out with a $300 billion reserve fund—the House had $145 billion or $146 billion, and we end up with $300 billion—we did pretty good, considering that both Houses have to speak. We doubled the amount the House had. Frankly, it is a pretty good number for those who want to work on that.

There are many other things that will be addressed from time to time. I will try, after much discussion, to recap it all. But it may be we will get through early enough and, who knows, maybe the Senate will not want to even hear from me again.

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I ask that the Presiding Officer be good enough to tell me when I have 5 minutes remaining.

The PRESIDING OFFICER. The Chair will notify the Senator.

Mr. KENNEDY. Mr. President, I see my good friend from New Mexico in the Chamber, Senator DOMENICI. I saw, as well, my friend from the State of Texas in the Chamber. They were commenting earlier—particularly the Senator from Texas—about how this budget protects education. Well, it does not.

We Democrats challenge the chairman of the Budget Committee or the Senator from Texas to take the budget here and show us where and how education is protected in this budget—because it is not protected.

We will give you a very quick lesson on why the budget fails to protect education.

First of all, let's take how this budget considered the tax breaks. It is very clear, on the top of page H1961 in the CONGRESSIONAL RECORD, in how it treats the tax cut. It says, "the Senate Committee on Finance shall report a reconciliation bill" which is to include their tax reduction of $1.25 trillion. The Finance Committee shall do it.

Then we come over to the issue of defense on page H1962. And it says: "Senate Defense Firewall." It says: "for the nondefense category, $336,230,000,000 in new budget authority." That is less than current services. Still nothing on education. Written right here, H1962. Let's at least, when we are talking about this extremely important measure, get away from general rhetoric and let's look at the facts written in this budget.

It says right up here on H1962 that you won't even have current services. Current services means the money needed to provide the same services the government provides today next year. It costs more to provide the same services because of inflation. We are not even going to get the current services level of funding for domestic discretionary spending under this budget. It is written right in here on H1962, but you need to look at the Congressional Budget Office report to know that current services in domestic discretionary spending will require $343 billion next year, in fiscal year 2002.

Then we stay on the same page H1962 and go on to the third column. As a reserve fund for agriculture, it says the Committee on the Budget may increase the allocation for farmers by $66 billion.

Well, then, let's go ahead and look in here on page H1964 and see what they say about education, when we have all of that written in here to set money aside for tax cuts and defense and agriculture. Now we come to education.

If the Senator from Texas or the Senator from New Mexico can read the language of the report at H1964 and tell me where we have this increase in funding for education, I will be glad to wait here for all 10 hours to hear it. But we won't hear it. They can't get there because this is what it says: "It is the sense of the Senate." No requirement, no mandate, no words like "shall," or even "may" set aside specific funds. Instead, "It is the sense of the Senate" that the budget makes available "up to $6.2 billion." "Up to"—"up to." Come on. Please, please, for those who are going to support this budget, don't insult our intelligence by maintaining that this is any commitment even of $6 billion for education. It is not. Read the language. It is not there. Don't distort the facts. No new money is in this budget for education. If it is, answer where it is, because it isn't there. We have given you the references. We await the answers. We await the answers from the members of the Budget Committee.

Money for education just isn't there. It is a sham. The commitment of the administration and the budgeteers is a sham when it talks about increasing education for the children of this country. It is a cliche. It is a shibboleth. It is nonexistent. This budget doesn't provide it. We wait to find out where it is. We wait to have it clarified. We wait for them to tell us how they claim it is in here. They won't be able to do it.

The only increases they have provided in the last year come not from new money but come from the cuts in other programs. We heard Members here on the floor of the Senate talk about the increases last year in education. Wouldn't we be proud to have all this in education? You wouldn't be proud of it if you were a worker who needed job training and you had your job training resources cut $540 million next year alone. And you wouldn't be proud if you were a mother and your child needed early learning opportunities—you wouldn't be so proud of it. And you wouldn't be so proud of it if you were a young person trying to upgrade your skills to be trained as a pediatrician and to try to get some help for training so that we have the best doctors in the world to take care of our children. They slashed that program too, to pay for what they call a one-time "increase" in education.

The list goes on—the slashing of clean water, the slashing of renewable energy, the slashing of the National Science Foundation, disaster relief, community policing. It adds up to, what, $1.8 billion, just to the level of new real dollars that the administration claims it will provide for education. Come on, please. Please, Budget Committee. Please don't insult our intelligence. You don't have a nickel in this program that is new money in terms of education. You just don't have it.

The money you put in there you have taken from someplace else. You don't have it in the outer years, as we see the outer years. Here it is in the Education Department's own 2002 budget. You talk about it here on in the budget resolution as well. There will be no new education money in the outer years. It is very clear what it is, on page H1983, if you read through the "Functions and Revenues" paragraph on the first column. The budget plainly says, "This report assumes that the 2002 discretionary function level grows by inflation." There it is. There it is, "grows by inflation." That is all for education. It grows by inflation. That means zero increase in 2003, zero increase in 2004, zero increase in 2005, zero increase in 2006, zero in 2007, zero in 2008, zero in 2009, zero in 2010, and zero in 2011. That is in the CONGRESSIONAL RECORD on page H1983. There are others who may know this document better than I, but I'm just reading the words written in this budget. We have cited the relevant passages.

This budget comes in the wake of actions of this body, in a bipartisan way, to provide $250 billion through the Harkin amendment. We look around here, we look around and say, the Harkin amendment? We were going to reduce the tax bill by $200 billion so that education could be realistically funded. Is there $200 billion in here for education? No. Is there $100 billion? No. Is there $50 billion in here? No. Is there $10 billion? No. The Senate voted, Republicans and Democrats, to reduce the tax cut by $250 billion and put that in education. Is there $5 billion in here? No. Here's what new money the budgeteers and the administration provide for education: Zero.

Mr. CONRAD. Will the Senator yield for a question?

Mr. KENNEDY. I yield for a question.

Mr. CONRAD. The Senator had up a chart that shows the Bush increase compared to the Clinton proposal.

Mr. KENNEDY. Yes, the differences in proposed Elementary and Secondary Education Act increases.

Mr. CONRAD. That is what is in the President's proposal. It is very interesting. We had the Senator from Texas hold up a chart that talked about the President's proposal. Will the Senator from Massachusetts correct me if I am wrong? Are we voting on the President's proposal or are we voting on the conference report?

Mr. KENNEDY. The Senator, who has spoken so eloquently, knows we are voting on the budget conference report.

Mr. CONRAD. And would the Senator from Massachusetts correct me if I am wrong. As I read the conference report, there is no increase in any year for education, other than the sense-of-the-Senate language buried deep in the document that every Senator knows isn't worth the paper it is written on because it means zero. Isn't that correct?

Mr. KENNEDY. The Senator is absolutely correct and reminds us about the importance of being accurate in the representation of what is in this budget.

I hope that those on the other side will take the time to come out here, because we are challenging them on this point on education. Come out here and refute us. Show us where we are wrong. I would welcome that opportunity to hear how we are wrong. As the Senator from North Dakota has pointed out, the language is what is guiding. It isn't what we think might be in here. It isn't what might be in here at some time. It is what is in here. It is what is written down for all to see.

The Senator has pointed out the controlling language which shows that there is no increase in education. Education is funded at current services, adjusted for inflation. That is against a background of an administration that has said: "Education is the No. 1 priority. We are not going to leave a child behind."

Well, we know that two-thirds of the children are being left behind with the current expenditures in title I—two-thirds of them. And 50 percent of the children are being left behind in the Head Start Program. And 95 percent of the children are being left behind in Early Head Start. And we know we are only funding about 15 percent of the eligible children in terms of the childcare for working mothers.

We are leaving no child behind? We are leaving them all behind, a whole generation behind. That is what this budget does.

Mr. CONRAD. Will the Senator yield for another question?

Mr. KENNEDY. I am glad to. I hope the Senator will give me 5 more minutes at the end.

Mr. CONRAD. I would be happy to do that.

It is interesting, our friends on the other side, first of all, they hold up the Bush budget, which has nothing to do with what we are voting on here. We are voting on the conference report that has no increase in education. They also tried to misrepresent what the Bush increase was by claiming credit for money that was advance funded last year when he was Governor of Texas. He didn't have a thing to do with it. They count that in their so-called 11-percent increase he has proposed. Of course, none of that is relevant to what we are doing here because we are dealing with the conference report.

Correct me if I am wrong because I look at discretionary spending, the total pot of money that education comes out of, and just to keep pace with inflation it requires $663 billion for 2002. The conference report says they have $661 billion available. So they have cut $2 billion in the total pool of money from which education funding comes. On top of that, defense is about half, and they have increased defense by $3.3 billion. So other nondefense programs have to be cut by $5.5 billion to make this budget.

Will the Senator from Massachusetts indicate whether that is a correct conclusion or not?

(Mr. BROWNBACK assumed the Chair.)

Mr. KENNEDY. Well, just in answering—and I intend to—I was looking at page H1867 of the budget that Republicans filed before they lost their two pages last Friday, which contains the exact same numbers for education, Function 500, as the budget they filed today, if you look at page H1960. I don't know whether the Senator is looking at this particular passage. It has in here education training employment and social services. Then it has the budget authority, the outlays for 2001; from 2002 with $76 billion; for 2003, $81 billion; 2004, $83 billion; 2005, $85 billion—you get the drift—then $85 billion to $87 billion. It goes up about $2 billion a year. That looks like flat funding to me, adjusted only for inflation, which describes what is going happen if Republicans have their way. Flat funding on education all the way to the year 2011.

Let me ask the Senator this. In this budget proposal, they include figures in the tax program, don't they—for example, for all of the out years; am I correct? Maybe the Senator can inform me. As I understand it, the budgeteers were able to say what would be given or returned to taxpayers all the way through to 2011, but we can't do it with regard to education.

Mr. CONRAD. The Senator makes a powerful point. What they have done—when they want to reserve money for something, they know how to do it. When they want to reserve money for the tax cut, it is in a reconciliation instruction that goes to the Finance Committee, and they have to report it. When they want to reserve money for defense, they know how to do it. They create a special fund, and the chairman of the committee will decide how much we spend on defense. It is a remarkable thing that one person has the power to decide what we are going to spend on defense. When they want to have funding for education, there is no reserve fund. They say it is the top priority. There is no reserve fund, and there is no increase. In fact——

The PRESIDING OFFICER. The Senator from Massachusetts has 5 minutes remaining.

Mr. CONRAD. We are talking a real increase for education. It would require more than inflation, would it not, because the student populations are growing. It isn't enough to just offset inflation. The school population is growing. So the truth of the matter is, in real terms, education is being cut under this budget.

Mr. KENNEDY. Well, the Senator is correct. The fact is, the poorest students—yes, poorest students—in America over the last few years have increased in terms of poverty, yet the budget includes nothing to address their needs. We expect a doubling in those attending school who speak foreign languages, yet we have nothing in this budget but current services; no increase. The total numbers of students are increasing, and we'll have a million more to educate by 2009. We will have a million more students that will come to school over the next 9 years whose interests aren't even being taken care of. This budget is a complete abdication of responsibility to students in this country.

I wonder if I could have 10 minutes for to offer my prepared remarks for the consideration of my colleagues.

Mr. CONRAD. Mr. President, I ask unanimous consent that the Senator from Massachusetts be given 10 minutes off the bill.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I oppose this budget conference report. Its tax breaks are excessive and tilted overwhelmingly to the wealthy, and it ignores the urgent need to invest effectively in education.

Under the enormous tax breaks provided by this Republican budget, there will be no funds to increase education investments for the next ten years. It's a budget that fails to provide the nation's schools, teachers, parents, and communities with the resources that are essential to carry out the reforms we all know are needed. At the same time, it gives away half a trillion dollars to the wealthiest one percent of Americans. How very Republican!

That is the bottom line proposed by this Republican budget—nothing new for education, and over half a trillion new dollars for those whose incomes already average over $1.1 million a year.

This budget doesn't just leave some children behind—it shortchanges an entire generation of children. Nowhere are Republicans' misplaced priorities clearer. After all the talk about the importance of education to children's lives and the nation's future after all the talk about unmet needs in the nation's schools—after all the Senate votes to increase investments to meet the most basic education needs, this Republican budget contains no new funds for education. It tells millions of children who attend disadvantaged schools that they don't count—that no help is on the way to give them the long-overdue support they need and deserve.

The federal budget is, in fact, the budget of the American family as a whole. Individual families have their own budget process. They know what they would like to do, but almost all of them have limited resources, so they set their priorities. Wise family budgets guarantee that the family's basic daily needs for food and shelter are met. Then the family can plan for long-term needs. And after these needs are met, vacations and other non-essential items can be included. Families know that failing to budget for both immediate and long-term needs can risk financial disaster even bankruptcy.

The same is true of the federal budget. Yet Republicans have chosen to purchase the country club membership, the extravagant cruise, and the high-priced sports car, while refusing to invest in educating the youth who will lead the nation and guide its economy in the next generation. Today's irresponsible Republican decisions on this budget jeopardize America's future.

Two basic facts tell the whole sad story about how badly this budget treats education. First, it spends every penny of the total $2.7 trillion surplus that will be available over the next ten years, without providing even one penny of that surplus to improve education. Second, to add insult to injury, this GOP budget caps education funding at the amount needed only to maintain current services and then it applies heavy additional pressure to cut education funding even below the level of current services over the next ten years.

In allocating the surplus, the only real Republican priority is to protect the GOP tax cut. As the conference report bluntly states, "the Committee on Finance of the Senate shall report to the Senate a reconciliation bill not later than May 18, 2001 that consists of changes in laws within its jurisdiction sufficient to reduce revenues" by $1.25 trillion through the year 2011. This language requires a tax cut. It sets a date certain for the tax cut to be sent to the full Senate for a vote. It sets a specific amount for the tax cut. And it even protects the tax cut from a Senate filibuster—the ultimate protection for GOP tax cuts. Wouldn't it be nice if our Republican friends would give the same tender loving care to education that they give to tax cuts under their budget?

Democrats support a tax cut. But it must be a responsible tax cut—one that the Nation can afford, and one that is fair to all workers. But the tax cut supported in this budget flunks those tests. The GOP tax cut—so explicitly touted and protected in this budget—is irresponsible, excessive, unfair, and unaffordable.

In addition to tax cuts, this GOP budget carves $66 billion out of the surplus to enable the Agriculture Committee to increase support for farmers. The GOP budget also adds special protections to increase spending on defense. Democrats support these priorities too and their inclusion in the conference report clearly demonstrates that Republican members of the House and Senate know how to write a priority into the budget when they want to. But they refuse to do so for education.

Let's look at what the budget does say about education. Here it is: "Sense of the Senate With Respect to Education Funding. It is the Sense of the Senate that this budget resolution makes available up to $6.2 billion in discretionary budget authority for funding domestic priorities. . . ." As we all know, a Sense of the Senate provision has no binding legal effect on anyone. That is why Republicans did not use a Sense of the Senate to protect their tax cut.

The language of this budget proves that Republicans know how to protect their priorities—it also proves that education is nowhere to be found in Republican priorities. All of the GOP education rhetoric rings hollow when you examine the GOP budget.

The Republican leadership could easily have accepted the recent Senate vote on the Harkin amendment, to reduce the size of the tax cut by 20 percent, so that support for education could increase by $250 billion over the next 10 years. A responsible proposal like that would enable vital improvements to be made in education throughout America, while still leaving $1 trillion dollars for tax cuts. But no, said our Republican friends. They want every last penny for their tax cut, and they write specific language to force it into law.

In addition, they added specific budget language that restricts education funding. The conference report itself specifically sets education discretionary funding at CBO's current services level, and then adjusts it for inflation for the next 10 years. These figures fail to account for the estimated increase in enrollment of 1.1 million new students, which the Department of Education expects between now and 2008. When this increase is taken into account, it is clear that Federal spending per student will actually decline under the Republican budget. With all the challenges facing schools and students today, Republicans intend to reduce Federal funding per student.

The conference report goes even further, and directs a $5.5 billion cut next year in total nondefense discretionary spending—2 percent below the amount that the Congressional Budget Office says is needed to maintain current services next year. With all this downward pressure on overall domestic discretionary spending, any increased education investments will be difficult at best to achieve.

We are already well aware of the difficulty in funding the small $1.8 billion increase that President Bush proposes for education next year. None of it comes from the surplus. Instead, Republicans expect it to come from cuts in other domestic programs, as I pointed out earlier.

Those cuts include—$541 million from a range of job training programs, $20 million from the Early Learning Opportunities Act, $35 million from Pediatric Graduate Medical Education, $497 million from the Environmental Protection Agency's Clean Water Fund, $156 million from renewable energy programs, $200 million from basic science research at NASA and the National Science Foundation, $270 million from disaster relief at the Federal Emergency Management Agency, and $270 million from Community Oriented Policing Services. All of these cuts are demanded under the Republican budget in exchange for a small increase in education.

If the tax cut were trimmed by 20 percent, major resources in the range of $250 billion over the next decade such as the Harkin amendment that was approved by a bipartisan vote in the Senate a few weeks ago, would be available to vastly improve education throughout America, without requiring cuts in other essential services.

America's school administrators, teachers, and State and local leaders all know the need for additional Federal investments in education. They are the ones today who cannot afford to hire additional qualified teachers in overcrowded school districts. They are the ones today who confront the social problems that arise when 7 million children are left alone after school each day. They are the ones who endure first-hand the crumbling school buildings.

Countless business executives know the needs too. They are the ones who see young children enter school without being ready to learn. They are the ones who search in vain for qualified employees among graduates of many public schools.

Across America, 12 million children live in poverty—but we provide the full range of title I Federal education services to only one in three of these children. The rest are left to fend for themselves, with the most inadequate teaching, the most inadequate attention, and the most inadequate facilities.

Four of every 10 children in poverty are taught by teachers who lack an undergraduate major or minor degree in their primary field. Gym teachers are teaching math. English teachers are teaching physics.

Because Federal title I funding is so deficient, needy children have more teachers' aides than teachers. The vast majority of teachers' aides never graduated from college. In all, at least 750,000 well-meaning but underqualified teachers are working in classrooms across America today.

Nearly one in five first through third graders are attempting to learn in overcrowded classes of 25 or more students. In these cases, some students inevitably lose in the competition for essential teacher time. Entire classrooms suffer as well. Ask any teacher or student. Overcrowded classrooms undermine teaching for everyone.

In addition, over 7 million latchkey children are left alone to fend for themselves after school each day, without constructive after school activities to keep them off the streets, out of gangs, and away from drugs and other dangerous behavior.

Even though Head Start ranks as the public's favorite Government program, inadequate funding continues to deny Head Start to half of all eligible children. In the case of Early Head Start, 95 percent of eligible infants and toddlers are left out.

Students with disabilities suffer from the same Federal neglect. The Federal Government has long promised to fund 40 percent of disability education. Yet it still only funds 17 percent. As a result, only one in six children with a disability obtains the needed Federal support.

This afternoon, we have a release from the White House talking about the education program:

> The administration strongly opposes the costly and unwarranted amendment to convert special education funding under the Individuals with Disabilities Education Act to direct spending.

Unwarranted. Tell that to the parents of disabled children. Tell that to local communities that are paying for these services. Unwarranted. Unwarranted against this tax program? Please.

For years, States have called on the Federal Government to live up to its commitment to disabled students. Yet this Republican budget says no.

Fourteen million children attend crumbling schools—schools with contaminated drinking water, heating and plumbing systems that do not work, falling tiles, broken windows, and soot-filled ventilation systems. Seven million children attend schools with severe safety code violations.

Parents across the country are pleading for increased investments to meet these basic needs for modern facilities. But the Republican leadership says no, no, no.

In all of these cases, our Republican colleagues say that "money doesn't guarantee a quality education." What a preposterous response. Money may not guarantee quality education, but it is impossible to provide quality education in today's schools without substantial new investments. "Reform" without resources simply rearranges the deck chairs on the Education Titanic.

Make no mistake. The Nation stands at a crossroads. It is long past time for Congress to make the investments that are so urgently needed in education, and we can do so by using less than ten percent of the $2.7 trillion budget surplus estimated over the next decade.

Sadly, lipservice is all the Republican leadership gives to education. We have a unique opportunity to use the budget surplus to improve education, and we cannot afford to waste that opportunity. I urge my colleagues to vote against this anti-education budget and send it back to conference so Congress can do the job that needs to be done and do it right.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Michigan is recognized.

Mr. CONRAD. Will the Senator yield?

Ms. STABENOW. Absolutely.

Mr. CONRAD. The Senator from West Virginia is here seeking time on another matter. Could we enter into an agreement that the Senator from West Virginia be recognized for 15 minutes after the Senator from Michigan has completed?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I thank the Senator and manager of this conference report, and I thank the distinguished Senator from Michigan.

Ms. STABENOW. Mr. President, I rise to thank our ranking member on the Budget Committee, Senator CONRAD from North Dakota, for his leadership on this important issue and, as well, Senator KENNEDY, who has spoken so eloquently about the fact that there are no dollars in this budget resolution for education for our children.

One of the real pleasures for me as a new Member of the Senate on the Budget Committee has been to serve with Senator BYRD and to learn from him, as well, about the processes of budget and appropriations.

We all, today, stand in opposition to this conference report that puts the United States on a risky fiscal path and threatens the longest peacetime economic expansion in our history.

I had an opportunity as a member of the Senate Budget Committee to sit through 16 different hearings. Secretary after Secretary came forward—the General Accounting Office, the CBO, Chairman Greenspan. In every case, people came forward and said what was driving this economy and these projected surpluses was increased labor productivity.

I echo what Senator KENNEDY has discussed in terms of education. If in every case before the Budget Committee the discussion was about increased labor productivity, doesn't that mean education? It means research and technology development. But if we don't have the skilled workforce to be able to use that technology, to do the research, to be able to work in these new economy jobs, we will not be able to keep this economy going.

When we look at this budget and we see zero being guaranteed for education, it makes no sense. It makes no sense from an economic standpoint, it makes no sense from a human standpoint, and it makes no sense from the standpoint of our families.

What we are saying regarding this budget is that this is a budget in toto, not just a debate about a tax cut. It is a debate about the values and priorities of the American people. I believe in using and I know the people in Michigan desire using common sense. They want us to be balanced in our approach. They want to see tax cuts. I support tax cuts geared to middle-class families, folks working hard every day, having to make those choices for their families—our small businesses, our family farmers. I support providing meaningful tax relief.

I also hear from my constituents of a concern about paying down our national debt. We have certainly heard a lot of people talk about it for years and years. Now is the time when we can actually do it. We need to do it.

I also hear great concern about making key investments in the education of our children. I hear that whether I am talking to a business group, whether I am talking to a local PTA, or whether I am talking to people in the community on a daily basis. There is a great concern about education and what it means for the future of the country. I hear great concerns about education.

There is more than one way to put money into people's pockets. One way is tax relief. I support that. Another way is to provide lower interest rates by paying down the debt. That means lower mortgage payments. That means lower car payments. Coming from the great State of Michigan where we make a lot of those automobiles, we want people to be able to buy new automobiles. We want those car payments to be low. Lower student loan payments, business loans, all of these things put money in people's pockets.

But there is another item that puts money in people's pockets. That is for those who are senior citizens in this country. When we look at the tax cut proposed for those under $25,000 in income a year, they don't see anything from the proposed tax cut. A large percentage of those are our seniors. For them, if we want to put money back into their pockets, we need to lower the cost of their prescription drugs.

There is more than one way to put money back into people's pockets. I support a variety of strategies that make sure we do that, as well as making sure we are responsible and that we are willing to make sensible commitments for the future.

We will hear colleagues talk about different percentages, different amounts on the budget surplus, but I choose to look at it like this: When we look at a surplus, some of it is Social Security and Medicare. We are paying in; we are building up surpluses in the trust funds. Within 11 years, many baby boomers will start to retire and we will see the major strain on Medicare and Social Security, but we are building up surpluses. If we take that out of the equation and the debate, as I believe we should, and we look at the non-Medicare and Social Security surpluses, when all is said and done, virtually every penny of that surplus, non-Medicare and Social Security, is dedicated to the tax cut. That means for the next 10 years for our families, the only priority we believe American families have is the tax cut geared to the wealthiest Americans with the idea that it will trickle down, through supply side economics, somehow into people's pockets.

Then in order to provide any spending, the majority of the Medicare trust fund is moved over into something called a contingency fund and spent. This budget spends the Medicare trust fund as if it were not a trust fund but as if it were dollars to be spent on other programs.

This is a serious issue underlying this budget. We now find out, in addition to Medicare, this budget spends a portion of Social Security. We know within 11 years baby boomers will start to retire in large numbers. We don't have time to pay it back. This is a serious issue, and there is no doubt in my mind that the way this is structured puts us back into debt. It causes Medicare to be insolvent much sooner—within 10 years—and it seriously weakens Social Security.

What we see underlying this budget and all that is being talked about is the idea of using Medicare and a portion of Social Security to finance this tax cut and budget. I believe that is fundamentally wrong. I support the position that we strengthen Medicare both for our hospitals and home health and other providers, and we strengthen it by modernizing it with the prescription drug benefit for our seniors. I believe it is important we say, "Hands off Social Security and Medicare."

We have a budget surplus. There is no reason we ought to be spending a dime out of Medicare or Social Security to fund anything in this budget or a tax cut. Yet that is what is happening. That is a fundamental flaw in this budget. We have a situation where we are using Medicare and Social Security in this budget resolution to fund the tax cut and the budget. We see zero dollars being put aside for education. We find ourselves in a situation where, despite the amendment that was agreed to by the Senate by a bipartisan vote to increase funds for education and to pay down the national debt, in the end analysis those things are taken out. We are back where we started. We are not paying down all the national debt that we can, we do not have dollars included for education, and we have a very narrow, ill-conceived budget resolution in front of us.

I also believe we need to keep our promise to special education, as was talked about earlier. I think we have made several promises as a country. Two of them were Medicare and Social Security—great American success stories, promises made to the American people.

Another promise that was made 25 years ago was that the Federal Government was to provide 40 percent of special education costs for our children in schools. We have yet to hit 15 percent. If we are not going to keep that promise now, when will we keep it? We are hearing now the President is saying he will not support that. Yet when I go home and talk to my teachers and principals, they tell me if we would just keep our promise to special education, that would go a long way to free up other dollars for them to be able to address lowering class size, safety in schools, math and science efforts, reading, and other important areas—if we just kept our promise.

If we cannot do it when we are projecting trillions of dollars in budget surpluses at this time in our history, when will we? When do we keep our promises, if not now?

Finally, we all know we are looking 10 years into the future. We do not have to be doing that, but this is being designed as a process to somehow look 10 years down the road. We know in the Budget Committee, the Congressional Budget Office told us there is a 10-percent chance they are accurate. It may be more; it may be less. It could be a $1 trillion surplus; it could be a $50 billion deficit. We do not know. We are being asked to look 10 years down the road and to guess, to basically gamble with the future of the country and the families of this country by picking a number and somehow spending dollars that we do not know will materialize in the future.

I joined earlier in this debate with Senators on both sides of the aisle to propose that we put in place some kind of budget trigger so that if the dollars did not materialize, they would not be spent. I don't know; I am just a midwesterner. I am new here. But it seems to me common sense says we ought to have it in hand before we spend it. A trigger would do that. Yet there is no trigger in this budget resolution. We are guessing about what will happen down the road. CBO says there is a 10-percent chance they are right.

I urge my colleagues to take another look. We can do better than this. We can do better than this for everybody. We can provide a meaningful tax cut. We can pay down the national debt. We can do it without spending Medicare and Social Security. And we can invest in education and in health care and critical quality-of-life issues for our families if we decide that is what we want to do.

It can be done the right way and can be done in a way that is fiscally responsible, that keeps the books balanced, and makes sure we can be proud when we are done that we have truly kept going in the right direction as a country.

My fear with this budget is it is looking at the future through a rearview mirror. I am very afraid of what is coming down the road because we are using Medicare to pay for this tax-cutting budget, using part of Social Security, and refusing to invest in education even though we know increased labor productivity is what will keep our economy going. We know what works and what does not work and what needs to be done to be fiscally responsible.

I urge my colleagues to vote no on this legislation and give us a chance, as the Budget Committee, to do our work. We were not given a chance to sit down together and work something out that made sense. It is not too late if we stop now and vote no and decide we are going to try again because we can do better for our families.

I yield.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, it is my understanding that the order was entered permitting me to speak out of order for not to exceed 15 minutes.

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. Is my understanding correct that by my speaking out of order the time is not charged against either side on the pending measure? That was what I had hoped.

The PRESIDING OFFICER. That was the Chair's understanding.

Mr. BYRD. I thank the Chair.

Mr. DOMENICI. Might I say to Senator BYRD, I was not here but I would not have agreed to that just because we have plenty of time, 5 hours on each side. But I will not object.

SENATE PARLIAMENTARIAN

Mr. BYRD. Mr. President, the Senate has just undergone an abrupt change in an office well known to all of us here in the Senate, but hardly visible, until lately, outside of the Senate—the office of the Senate Parliamentarian. I wish to make some comments on this matter. But first I would like to commend the outgoing Parliamentarian, Robert Dove, for his years of devoted service and to congratulate Alan Frumin on his assumption of the duties of the office.

In my view, there are important institutional considerations that must guide the selection of any individual who aspires to become the Parliamentarian of the Senate.

A long career in non-partisan service in the Senate offers the obvious benefit of experience, and fosters a detailed comprehension of the Senate's institutional role. An understanding of the Senate's unique constitutional role can best be developed by actually working on the floor of the Senate, and by close observation of Senate debate.

A prospective parliamentarian should have little or no history of active partisan politics but instead should demonstrate an interest in the whole Senate as an institution. An individual with such a background can best represent the Senate's prerogatives in its dealings with the other departments of Government and with the other body, the House of Representatives.

To date, each person who has served as Senate Parliamentarian has devoted a career to non-partisan service to the Senate. Every person who has become Senate Parliamentarian has served at least a decade as an assistant Senate parliamentarian before rising to the position of Senate Parliamentarian. Each person who has become Parliamentarian was promoted to that role from the status of most senior assistant parliamentarian.

The five individuals who have been Senate Parliamentarian—and I have known them all—served an average of 12 years in the Secretary's Office before becoming Parliamentarian, with none less than 10 years. Each Parliamentarian served as an apprentice to his predecessor and progressed in sequence through the ranks following his predecessor.

The first Parliamentarian, Charles Watkins, served in the office of the Secretary of the Senate as the Journal Clerk for 13 years before becoming Senate Parliamentarian.

The second Parliamentarian, Dr. Floyd Riddick, who only recently passed from this life, served in the office of the Secretary of the Senate for 17 years, 13 as assistant parliamentarian, before becoming Senate Parliamentarian.

The third Parliamentarian, Murray Zweben, who I believe only recently was deceased, served in the Parliamentarian's office for 16 years, 13 as assistant parliamentarian, before becoming Parliamentarian. The fourth Parliamentarian, Bob Dove, served as an assistant parliamentarian for 14½ years before becoming Parliamentarian. The fifth Parliamentarian, Alan Frumin, served as an assistant parliamentarian for 10 years and had a total of almost 13 years of non-partisan Congressional service before becoming Parliamentarian.

Mr. President, trust is the basis of all fruitful human relationships. Loss of trust has poisoned many as well.

Kings have fallen, presidents have fallen, and Senators have fallen because the people lost their trust. Treaties have been abrogated because trust was compromised. Especially in a body like the Senate, where one's word is one's currency, trust makes the wheels turn. Trust and comity, I would say, are the twin pillars upon which this body really rests.

The Parliamentarian is the keeper of the rules. He guards the precedents. He keeps the game fair. His advice about complicated procedural matters must be above suspicion. Both sides must view him as having no personal agenda—no goal but the goal of the best interests of the institution; no calling but the calling of doing his utmost to see that the Senate remains true to its constitutional mandate. He must be trusted by both sides.

Such an individual must be steeped in the Senate's history and traditions. He or she must understand intuitively not only the rules and precedents but also the underlying principles which they seek to protect and the pitfalls they seek to avoid. His must be a calling and a commitment. His must be a labor of love.

It is heavy, heavy lifting—not a job for a faint heart or a faint intellect.

Benjamin Disraeli once observed that, "Individualities may form communities, but it is institutions alone that can create a nation." The Senate is the one institution in that constellation of institutional stars that comprise the universe of a Representative democracy which is designed to protect the rights of the minority. The right of unlimited debate and the right to amend are prima facie evidence of the Senate's raison d'etre.

Unlike the House of Representatives, unlike the Judiciary, the Senate alone guarantees that the minority will be heard, and will have the opportunity to alter the course of events.

In the Senate, when we speak of the minority of the membership, we also speak of the minority of the States.

The Parliamentarian and his rulings are key to guarding those rights and preventing the Senate from losing its purpose. Remember, majorities change, and it is in the interests of both political parties to have an independent, experienced keeper of the Senate's historical and constitutional mandate.

There must never, ever be a majority or a minority parliamentarian. As difficult as it may be in such times as these, we must all work together to strive to avoid the crass politicization of that critical office. Such an event, were it ever to occur, would be a nail in the coffin of the United States Senate. We must not travel down that road, no matter how tempting such a path may be. Expediency must never become the watchword of the Parliamentarian.

I have given most of my life to this institution of the Senate. To me this is hallowed ground. This Chamber is a sanctuary. To me the protection of the liberty of the people rests squarely on these old floors. I speak not as a member of any political party today. I speak only, as I hope I am, as a faithful steward of this grand and glorious institution. I hope that we all can come together in a spirit of true bipartisanship to reject any tendency to use the office of Parliamentarian as a tool for partisan advantage.

To guard against such a possibility, I urge that any decision to remove or replace a Parliamentarian be the joint decision of both Leaders.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, might I say to the distinguished Senator, with reference to this place, that while I can't claim to have spent as much of my life as you, it seems almost forever. It has been 29 years for me. It has been a long time since I first met you. You had been here a long time before you met the Senator from New Mexico. But I have 29 years of activity here of seeing how things are done.

This is a rather unique institution—unique in the very best sense of the word. You really have to be part of it for a while. You can't just read a history book. Many political scientists have written about it, but none have really captured what it is.

What you say about trust and comity is very right. There is no doubt about it. When people ask you how it runs, you say by rules. But by unanimous consent, a lot of the time, Senators can agree. A lot of times they are not here when agreements are entered into. Leadership does that. That is just one example. Everybody trusts them. They trust us who are doing it. We put together a unanimous consent, or my good friend, the ranking member, did, and it sounds right to both sides. Everybody thinks we are not going to cut them out or improperly agree to something. But we run that way.

Unanimous consent is an interesting word. It means a lot of comity, a lot of trustworthiness between individual Members.

I am not as acquainted with the history, but I have known a number of those who are mentioned.

But you took to the floor talking about this great institution of America, and about its moving forward. I thank you.

When I talked about whether your time should come off the resolution and about whether you had 15 minutes or an hour, whatever you needed, you got.

Mr. BYRD. Mr. President, I thank the distinguished Senator from New Mexico, my friend.

Mr. DOMENICI. Thank you.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002—CONFERENCE REPORT—Continued

Mr. DOMENICI. Mr. President, so Members on our side of the aisle understand, I want to say that we are going to go on this evening because there is kind of a gentleman's agreement that we are going to use up most of the time tonight; that is, most of the 10 hours allowed, and set a small amount aside tomorrow just before the vote. I am not dictating that. I am merely saying under the rules we can stay here until the 10 hours are used tonight. I hope we don't use all of it. I don't intend to do so. But if there are Senators who would like to speak, and for whatever reason they want to talk about one portion of this budget, they want to talk about defense, they want to talk about taxes, we have time. I don't have anyone planning at this time to address the Senate.

I want to make a couple of comments, however, before I move to the other side to see if Senator CONRAD has additional speakers. I want to talk about a habit we get into, depending upon what we have been saying and how we have been acting in the past. But, essentially, there were some comments about what the tax bill would look like and how one part of this institution—to wit, Republicans—were for the rich. I assume by that they meant that the other party is for the poor. But, in any event, I think it would be good for the American people, and those who are watching the evolution of a tax bill pursuant to this budget resolution, to know who is going to make the decision about the tax bill. So give me a moment while I tell everyone who is going to make that decision.

The makeup of that bill—that $1.25 trillion over 11 years and the $100 billion that is going to go back to the American taxpayers this year and next year—is not decided or determined by this budget resolution. It tells them how much to do. But the Finance Committee of the Senate decides what are the cuts.

I believe it will serve a purpose to read their names. Then people can think about them as a group, and then remember that at least 11 of them have to agree. Frankly, I believe it is a very representative group. I believe it represents the various philosophical and ideological attitudes of Senators from both sides of the aisle, and even subgroups between it as to Senators.

So let me start: The chairman is Senator CHARLES GRASSLEY of Iowa; the ranking member is Senator MAX BAUCUS of Montana. Senator ORRIN HATCH is second on the Republican side; and Senator JOHN ROCKEFELLER is the counterpart on the Democrat side. Senator FRANK MURKOWSKI is a Republican; and Senator TOM DASCHLE, the minority leader, is a Democrat. Senator DON NICKLES is a Republican; Senator JOHN BREAUX is a Democrat. Senator PHIL GRAMM is a Republican; Senator KENT CONRAD, who has been speaking here about the budget, is a Democrat; Senator TRENT LOTT, a Republican, was also here speaking about the budget; Senator BOB GRAHAM of Florida; Senator JAMES JEFFORDS of Vermont; Senator JEFF BINGAMAN of New Mexico; Senator FRED THOMPSON of Tennessee; Senator JOHN KERRY of Massachusetts; Senator OLYMPIA SNOWE of Maine; Senator ROBERT TORRICELLI of New Jersey; Senator JON KYL of Arizona; Senator BLANCHE LINCOLN of Arkansas.

All I want everybody to know is they are going to decide what the tax cuts are. They are going to decide who benefits over the next 11 years and how we give people back money in an urgent manner this year and next year.

Frankly, I believe if we were to decide we wanted a well-balanced committee, that clearly would make its own decisions based upon very big differences of opinion, that is what you would have. Those would be the Senators. And more than half—half plus one—must agree on what is the tax plan.

I am not fearful they are going to bias this result in favor of the rich against the poor or they are going to bias it in some way that is not common to the desires of this place we call the Senate. I do not see how they could and expect it to be adopted.

So after all the words are finished about who is going to be helped by the tax bill, let me say, no matter what we say in this Senate Chamber in a budget resolution, no matter what we agree to, no matter what we are accusatory about, that group of Senators, with a simple majority required—which means one more than half—will decide what is the tax bill.

Having said that, I want to speak for a moment and then I will yield the floor. I will be pleased, once again, before we finish, to wrap up on what is in this budget and how we got there and how it will be implemented.

I believe it is a good budget. If one were to look at a previous budget and determine that we wanted to look at every single item in it, and analyze it, and take it to the floor and talk about what should have been done versus what somebody else would do, sure, it is subject to others looking at it and saying: We would have done it differently. But I say, whatever the adjectives are that have been used to describe it, it is an honest budget. It may not be what some want, and it may not answer questions the way some would want them answered, but it is a well-intentioned, honest, honorable budget.

I am hopeful that those who helped us get where we are will help us get the vote tomorrow and let the Congress, with the President, decide what is going to happen during the next 8 or 9 months.

For those who are concerned about Social Security or Medicare, let me repeat, on the Medicare side, we have set aside $300 billion that can be used for Medicare reform and for prescription drugs.

How well did we do? The House had $146 billion. They went to our number of $300 billion—a pretty good compromise. We won. They gave up. We have a lot more available if we get a bill.

With reference to farms in America, and the farm program, which clearly, for some reason or another, requires that we supplement the money that would come under the existing law every year by way of emergencies and the like, we have put in a number for the next decade that uses $5 billion in the first year, $80 billion over a baseline that would be the law as we have it implemented on the books. The House even asked that we put in more than we had passed which had received very broad bipartisan support.

If you look at education—we will prepare, before we close, a separate chart about it, but I want to repeat, the special ed program of the United States is going up $1.25 billion year over year. I know that is not enough for some, but it is a pretty good sum of money for others. The rest of the programs in education, those within the control of the appropriators, surely some that are not real education will come down, but essentially the rest of education will go up 11 percent.

People can say that isn't enough and there are other programs in there that should go up, but let me suggest, as I started today, when might it be right to give the taxpayers back some of this surplus? I think it is now. I think that is what the vote is going to be about: Do we want to really seriously give back to the American taxpayers some of this surplus tax money? And if not now, with a $5.6 trillion surplus, then when? That is what we are trying to do.

We are very grateful we had bipartisan support, albeit it reduced the tax number from $1.6 trillion, which the President wanted, to $1.25 trillion, plus $100 billion in stimulus this year and next year, which would go into the pockets of American working men and women, those who invest, small businesspeople, and the like.

The President did not get all he wanted. Republicans did not get all they wanted. We came to the floor with a budget resolution with $1.6 trillion. I just told you what we ended up with.

Let me also say that when it comes to defense, some have continued to speak about this as if we gave a blank check to the military. I want to repeat, what should we have done when there was almost bipartisan concurrence that the President's top-to-bottom review, if it were going to be credible, should ask us to do some things differently but we did not know what they were, and we could not have them for 4 or 5 months. Would we have said, let's wait around and do another budget resolution for defense? I do not think so. So we said, let's use the President's number for this year, which is a low number, I acknowledge. Then let us say, subject to appropriations when the President is finished, we can put his number in and see what the appropriators want to do but not more than the number he recommends.

I guess we could have done it differently. There are a number of ways to do it, but I do not think it is a blank check because I think Congress has to vote on it, on any additions above his request, which is a very meager request for this year.

I want to also close by saying that I think, because some Senators from both sides of the aisle insisted we do something in the field of health care for the uninsured, we did something.

We have an additional $28 billion over and above the current programs for the uninsured, thanks to Senator SMITH and Senator WYDEN, on which the House had zero. They conceded and said OK. We also have home health care which one of our Senators championed, Senator COLLINS, with support. We put in $13 billion to complete it over the decade with the increases instead of the cuts currently contemplated. In the conference they said: We should have give and take. They gave us the whole number and conceded that we could proceed on that front.

Then there is the bill of Senator GRASSLEY and Senator KENNEDY, the Family Opportunity Act. We went into conference with nothing on that. We came out with $9 billion on top of the other items for just that program. The House gave in and gave us the whole thing.

We had some great successes in the direction of championed causes that came from the Senate to the Senate budget resolution, to conference, and back to us intact.

AGRICULTURE RESERVE FUND

Mr. LUGAR. Mr. President, I rise to thank Senator DOMENICI for all his efforts helping to bring about this historic conference agreement on the fiscal year 2002 budget resolution, H. Con. Res. 83. The agreement's reserve fund for agriculture, Section 213, provides the Agriculture Committee with mandatory spending authority totaling $66.15 billion over fiscal year 2003–2011 in addition to the current law baseline to support the Agriculture Committee's work to formulate a new multi-year farm bill.

I want to make certain that there is full agreement and understanding as to how the Budget Committee will interpret the reserve fund for agriculture on a couple of key points. First, I understand that the $66.15 billion in new mandatory spending authority over fiscal year 2003–2011 will be available to support reauthorization, modification, extension, expansion, and innovation concerning any or all titles of the Federal Agriculture Improvement and Reform Act of 1996. FAIR Act titles are the Agricultural Market Transition Act, Agricultural Trade, Conservation, Nutrition Assistance, Agricultural Promotion, Credit, Rural Development, Research, Extension and Education, and Miscellaneous. Is my understanding correct?

Mr. DOMENICI. Yes, Senator LUGAR's understanding is correct. Section 213 is intended to give the Agriculture Committee the flexibility to use this additional mandatory spending authority in the ways the Senator mentioned, if it so chooses in reporting a new farm bill.

Mr. LUGAR. I thank the Senator. I also understand that the Joint Explanatory Statement of the Committee of Conference which accompanies this conference agreement suggests that the agriculture reserve fund's $66.15 billion be divided among two budget functions—$63 billion for agriculture (budget function 350) and $3.15 billion for natural resources and environment (budget function 300). It is my understanding that the conference agreement permits the Agriculture Committee to spend more or less in each of these functional areas when it reports out a new farm bill as long as the $66.15 billion total is not exceeded over the specified time period. Is my understanding correct?

Mr. DOMENICI. Yes, the Senator's understanding is correct.

Mr. LUGAR. I thank the Senator for clarifying these key points.

Mr. DOMENICI. Mr. President, I hope on our side, if anyone wants to speak, they will let me know. I will be here and try to reserve time. The Democrats can go with one Senator. Then we go with one. In the meantime, if there is none, I will tell Senator CONRAD he can have as many Senators as he wants in a row if he wants to line some of them up. If I don't hear from our side,I may agree in advance with Senator CONRAD.

Mr. CONRAD. Mr. President, we have Senator DORGAN ready to go for 20 minutes and then Senator SARBANES. If we could put those two in at this point, that would be helpful to moving the process along.

Mr. DOMENICI. Let's agree now so they will know where they are.

Mr. CONRAD. Twenty minutes for Senator DORGAN, and Senator SARBANES only requested 10.

Mr. DOMENICI. Mr. President, I make that request.

The PRESIDING OFFICER (Mr. ALLARD). Without objection, it is so ordered.

Senator DORGAN is recognized.

Mr. DORGAN. I thank Senator CONRAD.

What I would like to do at the beginning is to ask a few questions and see if I can get some information from Senator CONRAD. It is interesting to me, we now have this budget agreement on the floor of the Senate. We have a Senate that is divided 50/50—50 Democrats, 50 Republicans, elected by the American people to come and serve. We have a Budget Committee, and that Budget Committee worked and produced a budget. We had a vote on the floor. Then we had a conference between the Senate and the House.

I ask Senator CONRAD whether, as the ranking Democrat on the Budget Committee of the Senate, he was part of the conference. Was he, along with the other Democrats, part of the budget conference which produced this conference report?

Mr. CONRAD. No. What happened was, we had an initial meeting in which statements were made, the opening statements that are traditionally done in any conference. Then we were invited not to return. So this is a budget that has been written wholly by the other side of the aisle.

Mr. DORGAN. Mr. President, I further ask the Senator, isn't it the case that at the start of this year we heard all of this talk about, "this is a new day, a new approach; we are all going to work together, have a great deal of bipartisanship; we are not going to do things like we used to do them"?

Isn't it the case that when you have a 50/50 Senate and you have a Budget Committee that is 50/50, equal membership on each side, and then you have a conference but only one side is invited to the conference, that that somehow sounds like the old way, sounds like the partisanship we used to see? Would the Senator from North Dakota agree with that?

Mr. CONRAD. It certainly is not a new way. It is certainly not what we were given to believe we were going to see when the President came to town, saying he was a uniter, not a divider. We have seen precious little of his moving in any way but insisting that it be his way or no way.

This budget is certainly an example of that. Not only was there no involvement of our side or any Member of our side in the budget conference, there was not even a markup in the Budget Committee—none. There was not even an attempt to mark up a budget resolution in the Budget Committee.

Mr. DORGAN. The reason I ask the question is I think most people would be very surprised by that. They see a Senate that is 50/50, a Budget Committee that has 50 percent of its membership Democrats, 50 percent Republican. Then you go to a conference, and the Democrats are told they are not welcome. The American people would be mighty surprised by that.

Let me ask a couple other questions because this is a very important area. I want to try to understand it. I heard the chairman of the Budget Committee talk about this conference report with respect to defense. He said: This is not a blank check with respect to defense. He said: What we have done is we have created a circumstance where whatever number the President would ask us for will be "subject to appropriation." In other words, we don't have the right number in here. Whatever it is the President wants, he is going to get, subject to appropriation.

I ask Senator CONRAD, is there any other area of this budget that is treated quite that way? For example, have they decided that for education we won't put the right number in, whatever somebody else wants at some point, subject to appropriation? Is there any other area that is treated quite that generously?

Mr. CONRAD. No, not to my knowledge. I find it really rather incredible that we have a circumstance in which one person is going to be able to decide the defense budget for the United States—one person in the Senate, one person in the House of Representatives. In the Senate, the Budget Committee chairman for 1 year will be able to decide what number goes in, and in the House, the chairman of the Budget Committee there can decide for 10 years what the defense budget is going to be. It is fairly breathtaking.

Think about what we read in the textbooks: That we have a representative democracy, that every State has two Senators and they have Members of Congress determined by the population of their States. They come here, they vote, and they decide. But in this circumstance, with the Republicans in control of the House and in nominal control of the Senate, because they have the Vice President prepared to break a tie, they are in complete control. They are in total control. This is their document.

Mr. DORGAN. Without using all of my time, let me further propound a question on the subject of debt. I have here the conference report, and it says the following with respect to (5), under title I, recommended levels and amounts: (5), public debt, the appropriate levels of public debt are as follows: Fiscal year 2001, $5.660 trillion; 10 years later, $6.720 trillion.

It looks to me as if we have gross Federal debt increasing by $1.1 trillion with this conference report. Would that be accurate?

Mr. CONRAD. The Senator would be correct, if he is on page H1958 of the CONGRESSIONAL RECORD.

Mr. DORGAN. That is correct.

Mr. CONRAD. Dated May 8, it shows there the public debt increasing during this period. There has been a lot of talk out here that we are reducing the debt. That is true of the so-called publicly held debt, that debt which is held outside of Government coffers, outside of Government hands. The publicly held debt of the United States as we sit here today is some $3.4 trillion. By the end of this year, it will be $3.2 trillion. That is being reduced to the $800 billion referred to by the chairman.

But the gross debt, the combination of the publicly held debt and the debt to the trust funds of the United States from the general fund, is actually growing.

Mr. DORGAN. Further asking a question, that gross debt, the debt that is owed to the trust funds, the debt that is a debt that represents a liability by Government agencies, is that real debt or is that just a number someplace? We hear people saying: We can have very large tax cuts; that is not a problem; and we are also paying down the debt.

I look at this and I see gross debt is increasing by $1.1 trillion. I just heard a statement a few minutes ago by a Senator who said: Here is what we are going to give the taxpayers, referring to tax cuts.

Are we also in this budget going to give the taxpayers $1.1 trillion in an increase in gross indebtedness in this country during the 10 years?

Mr. CONRAD. I don't know of any other way to read it. This chart I have shows the two debts that we have.

The debt held by the public is the red line on this chart. The debt held in Government accounts, debt that is owed to the trust funds, is the green line. We see the debt held by the public going down, which is what has been described by the Senator from New Mexico. We see the debt that is owed to the trust funds going up. And the reason for that is, what is being done to pay off the publicly held debt is to use the surpluses from the Social Security trust fund—money that is not used now. That money is going to pay down publicly held debt—debt that is held by companies and individuals and other countries that is in U.S. securities—that debt is being paid down. But it is being paid down by using trust fund surpluses of the United States and, of course, they are then owed from the general fund of the United States, the money that has been borrowed from them to pay down the publicly held debt. So at the end of this time, the gross debt of the United States—the combined debt—will actually be more than when we started.

So I think it is a little misleading for people just to talk about the publicly held debt.

Mr. DORGAN. Mr. President, I ask how much time remains.

The PRESIDING OFFICER. The Senator has 11 minutes remaining.

Mr. DORGAN. Mr. President, I appreciate the answers to the questions I have raised. They are very important questions. I think it suggests that there is false advertising involved here. In the commercial sector, we have the Federal Trade Commission that regulates that kind of thing, but in politics it cannot be regulated. It seems clear to me that you have a $1 trillion increase in gross indebtedness.

If anybody comes to the floor of the Senate—and if they would, I would love to spend time with them, and I will be available—to talk about indebtedness and whether the liabilities incurred by Federal agencies and programs that we must meet—whether those are real liabilities—and I think they are—then we have an increase in gross indebtedness by $1.1 trillion in the next 10 years. At the same time, we have people advertising that there is so much money that we need to create a huge tax cut, the bulk of which will go to the top 1 percent of the taxpayers, and that is fine because we are paying down the debt at the same time.

That is fundamentally untrue. Gross debt will increase by over a trillion dollars. That is the bottom line. Let's talk about that. I will be here if someone wants to talk about it.

Let me talk about this general budget. Here is a budget written in a conference by the majority party, telling the minority party: You are not welcome. See you later. We are going to write this. It is true that you have 50 percent of the membership on the Budget Committee, but you are not welcome as part of the conference.

That is the way it was written. The way it was brought to us is kind of a virtual budget, in the sense that it suggests certain things that exist that don't exist.

I was thinking about the story about raccoons and something raccoons do that is quite unusual. They apparently have a tendency—and I watched this as a kid—when they get their food, to take it to a stream and begin to wash it meticulously with their hands. They wash it and wash it. But if raccoons find something to eat and there is no water around, they still walk away and pretend there is water, and they do the same actions with their hands, pretending they are washing. Somehow it makes them feel they have done the right thing.

We have kind of a pantomime activity in this budget like the raccoons, I guess. We believe if we pantomime it, somehow people will believe it. Let me talk about what this pantomime is about. Education. We have replaced the Elementary and Secondary Education Act on the floor of the Senate—that is what we were debating—with this budget conference report. In the Elementary and Secondary Education Act, we have made commitments as a Senate. We have said we commit ourselves to education. We, by the way, are going to require accountability. We are going to insist on accountability, and we have a whole series of things to do that.

We want better schools and we also say, by the way, we are willing to authorize funding to pay for those schools—at least to pay for the improvement of those schools. We know most of the funding for schools comes from State and local governments and school boards. We know that, but we provide some important niche funding.

We have said we insist on accountability and we want to improve this country's schools and we commit ourselves to authorizing the funding to do it.

Then we bring a budget conference report to the floor of the Senate and say, no; I know we committed ourselves, but we are not going to pay for it. We are going to require these things, but we will not pay for it. Talk about unfunded mandates.

I have been around here year after year when we have had people standing on the ceiling talking about unfunded mandates, how awful that is. Well, the fact is, we are, in the underlying bill—the Elementary and Secondary Education Act—going to make certain representations about what we expect of schools and what we are going to do to help them; and then in this budget we say, by the way, we didn't mean that. That was kind of a virtual argument we made. That is kind of the raccoon washing without water—a pantomime. We didn't really mean that.

This budget would have been a much better budget had that conference been able to get the best ideas that everyone had to offer. We work better, it seems to me, when we take the ideas from all sides and try to find out what works and what doesn't, who has a good idea and who doesn't, gather all the ideas, make it a competition of ideas. That is not what happened. The reason it didn't happen that way is because we had a mission at the start by the President and majority party—I should say the majority party, Republican Party, which has 50 votes in the Senate. They said: We want a $1.6 trillion tax cut, which got shaved a little bit. We insist on that and we are going to try to make everything else fit in that format.

Well, it doesn't fit. They know it; we know it; everybody knows it. In fact, the gross debt is going to go up $1.1 trillion, even as we shortchange schools and give a blank check to defense. Can you imagine a city council doing this? Voters would run them out of town. Can you imagine a family making these choices? It doesn't make any sense. It is the wrong way to do business. It is the wrong result. It is not giving anything to the American taxpayers except a future in which we underfund the most important things that exist in this country's future—educating our children.

We underfund a range of areas that are very important to this country, including agriculture, which is critically important to my State. At the same time, we provide substantial room for a very large tax cut, at the very time that our economy is softening, and the tax cut is going to spend surpluses that don't yet exist. It anticipates 10 years of straight surpluses at a time when our economy is beginning to have significant troubles, when yesterday productivity was down for the first time in some long while, and we know and everybody should know that we will not likely have 10 straight years of surpluses. I hope we do. I wish we would. But we may not.

If we don't, this $1.1 trillion in increased gross debt in the budget will balloon and grow, and we will find ourselves back in the same circumstance we were in during the late 1980s and early 1990s, with a mushrooming budget deficit strangling the economy of this country and driving up interest rates and causing economic havoc.

We worked long and hard to get back to a point where we had a balanced budget. That wasn't easy to do. We ought to have a budget that comes to the floor of this Senate that represents the priorities of a 50/50 Senate and priorities of the American people, and one that doesn't undercut the opportunity for this economy to grow and expand and produce new jobs and new economic opportunity.

Now, this budget was not prepared the right way and it didn't come out with the right answer for this country's future. It is a partisan document, produced by people who excluded half of the committee from the room, and then said to us: We are going to be true to the President's mission by bringing a document to the floor of the Senate that you didn't help write on the other side of the aisle because we would not let you. Now we insist that you accept our representations of what it contains.

We don't accept that. My colleague, Senator CONRAD, describes it very accurately. This issue about added money for education is a mirage, just a myth. I will give you one example.

We have a huge energy problem in this country and we have folks cutting research for renewable energy by 40, 50 percent. That is a small example but an important one. It represents all of the wrong priorities.

We can do much better than this. I hope we will turn this conference report down and say, look, we have a Budget Committee that has half Democrats, half Republicans. Let's get the best ideas that each has to offer. Politics doesn't have to produce the worst of both. You can get the best of each, and it seems to me that we could go back and do this in a week or 2 and come up with an approach that, yes, has a tax cut—I support a tax cut—but not one that crowds out all other opportunities for investing in matters of importance to the country; one that makes the right investments in education; one that says schools for our children are important and we intend to hold them accountable. But we also do intend to help them and to meet our promises to those kids. We need one that says let's fix our energy problem but not cut back on renewable energy research, for example to contribute to solving our energy problem.

We have a whole series of opportunities. We ought not to be wringing our hands and gnashing our teeth and wiping our brow about this. This represents an opportunity. We live in a time and place that is a blessing. We have an opportunity to do the right thing. I fear at this point that if this Senate passes this conference report, it moves this country in the wrong direction.

Let's do it over and do it right. Mr. President, I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Maryland is recognized for 10 minutes.

Mr. SARBANES. Mr. President, because I know he has a pressing commitment, I yield 2 minutes to the Senator from Delaware.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. SARBANES. I yield him 2 minutes out of my time.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. CARPER. Mr. President, I thank the Senator from Maryland.

I voted for the original budget resolution a month or so ago. I did so because I believe we ought to cut taxes and cut marginal tax rates, eliminate the marriage penalty, and provide estate tax relief. I would like to see us increase the child tax credit.

I also voted for a budget resolution that dramatically increased Federal funding for education. We are in the throes, last week and this week, of redefining the Federal role in education in this country. Part of that legislation says to States: We expect you to narrow the achievement gap for all your students over the next 10 years. We expect your students to perform at higher marks, making progress along the achievement path toward being able to read well and doing math well.

If States, school districts, and schools do not measure up, under the accountability provisions of the education bill on which we are working, there is real accountability and real consequences for those schools that do not measure up, that do not make progress, and that do not narrow the achievement gap.

Meanwhile, in our Nation's Capital, we fund one out of every three children for Head Start. We do not provide for the others.

We fund one out of every three kids who are eligible for title I funding. These are kids who need extra help, especially in reading and math.

For special ed students, we meet one-third of what we promised to fund. We are supposed to be providing 40 percent. We do about 13 percent. We are pretty good at thirds.

We had hoped the budget resolution that came back to us would meet some of those shortcomings. It does not. Regrettably, there is not more money for Head Start, there is precious little more money for title I, and there is precious little more money to meet our obligations under the Individuals with Disabilities Education Act.

I cannot support this conference report on the budget resolution. I wish I could, but I cannot.

This is what I fear we are going to end up doing. I fear we are going to end up cutting taxes more than we ought to and, in the end, come back and say we are spending more money than we can afford. We went down that path in 1981, and my fear is we are going to go right down that same path in 2001.

We do not have to do it. The real tragedy is we could have had a broad bipartisan agreement on a tax cut of a trillion dollars. We could invest in education, defense, and needed investments in health care, and we could have had a bipartisan majority do that. My fear is we are, in the end, shortchanging the States, the schools, and the kids about whom we say we care so much.

I wish it did not have to be this way. Unless we defeat this budget resolution tomorrow, it will be.

I, again, thank the Senator from Maryland for yielding me this time.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I rise in very strong opposition to the conference report pending before us. Unfortunately, this budget falls far short of the mark in almost every respect.

We had just a brief meeting of the conference committee in which the Democrats participated. We were excluded from everything else that took place. I said then that I thought we were at a crossroads in considering this budget; that I thought we had a historic opportunity before us if we made wise decisions, and that I was fearful we were going to lose that opportunity. This conference report bears out that fear.

If we pass this misguided budget, I have no doubt that in a few years we will all be put in mind of the words of John Greenleaf Whittier, who wrote:

> For of all sad words of tongue or pen,
> The saddest are these: "It might have been."

We are throwing away a magnificent opportunity to develop a sane, rational fiscal policy for the Nation which will help to deal with a whole series of problems. We have this unparalleled opportunity to pay down the Nation's debt, to invest in our Nation's future, and to shore up vital programs. If we act prudently, we can ensure that the Federal Government will have the resources in the future to meet our obligations after the baby boomers retire and beyond. We can do a reasonable tax cut in response to the problems confronting working families all across the Nation, and we can do this all in a very balanced way.

Instead, because of this excessive zeal for a massive tax cut, we risk knocking our economy off track and sending ourselves back into the deficit ditch from which we have only recently emerged.

The budget outlined in this conference report would squander our best chance for investing in America's future, lifting the debt burden off the next generation, and providing a reasonable tax cut for our working families.

We are constantly told these revenues are the people's money. Of course they are the people's money. From where else does it come? But the debt is the people's debt. The challenge of educating our children is the people's challenge. Providing Social Security and Medicare for our seniors is the people's challenge. It all flows from the people.

That sort of bumper-sticker comment does not come to grips with the real problems. There are other bumper-sticker comments we can make. Every time they say, "Well, the tax money is the people's money," we can say, "The debt is the people's debt," and on and on.

One cannot use a bumper-sticker slogan as a substitute for tough analysis and a real calculation of what serves the Nation's interest.

I commend the ranking member of the Budget Committee, the very distinguished Senator from North Dakota, for his terrific leadership through this budget process. I know how frustrating it was. He continually implored the chairman of the committee to work together to deal with these difficult problems.

The Budget Committee, the only committee in the Senate that is uniquely focused on the Federal budget, never held a markup. It never held a markup. Thus, the committee was prevented from fulfilling its primary duty of developing a responsible Federal budget. That is what the committee is there for. It was not allowed to do its job.

The budget resolution was debated for the first time in this Chamber before we had even seen the President's detailed budget submission.

Of course, others have spoken about how the conference functioned. We were clearly closed out of the conference. In fact, the chairman, at the one meeting they had, said there was going to be a meeting over the weekend. I said: "Mr. Chairman, I didn't quite catch that; when will the meeting be and where," preparing myself, of course, to attend the meeting the chairman indicated we were going to have over the weekend.

He was very blunt in his response. He said: "You all are not going to be at the meeting. This is not a meeting for you. This is all going to be done by the Republican side."

I regret that. I thought the ranking member of the House Budget Committee, Congressman SPRATT of South Carolina, a very able Member, made a very eloquent statement about how the product of the conference would be better if it went through a proper conference deliberation. We at least would have had the opportunity to get the benefit of thinking on both sides.

That was really brought home when the House last week had to suspend its consideration of the budget because they left a couple of pages out of the budget document. So much for handling it all on one side.

Surely if there had been a consultative process, it would have been pointed out that these pages were missing. But instead, they tried to rush this through, staying in until a wee hour in the morning trying to pass this thing, and all of a sudden they discovered two essential pages were missing out of the budget document.

That led Paul Krugman in the New York Times to write an article which I enjoyed called "More Missing Pages." I ask unanimous consent this article be printed in the RECORD at the end of my comments.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit No. 1.)

Mr. SARBANES. There is a subheading called "The Farce is With Us."

> It was, if you believe the official story, a case of farce majeure: House Republican leaders had to call off Thursday's planned vote on the budget resolution because two pages that were supposed to be in the document were accidentally omitted. . . .
>
> Whatever really happened, the fundamental cause of the mishap was that the Republican leadership was trying to pull a fast one—to rush through a huge tax cut before anyone had a chance to look at the details.

Krugman, in this column, goes on to talk about, in effect, other missing pages in the budget document.

Now we have had a little chance to look at the details, and I want to ask the ranking member, my good friend from North Dakota, a couple of questions. First, on defense, am I correct in understanding that the way this document is drawn, there is a blank check for a defense figure that will be filled in later? Is there a defense number coming later that will simply be slugged into the budget?

Mr. CONRAD. The Senator is correct. This is a budget with many missing pieces. Not only do we have missing pages, we have missing numbers. The defense buildup that the administration will ask for next week, after we finish with the budget, will ask for a massive defense buildup. So they have created a special reserve fund with a black hole in this budget that says whatever they decide later—whatever the President recommends—they can stick into this budget. They will not have a vote on it. We will sort of have a vote, we will vote now, before we know what the number is.

Mr. SARBANES. What does this budget do about education? We are voting on education this week, the President says we will not leave any child behind, and everyone is making terrific speeches about education and beating on their chests about education. But to do a lot of these programs, we need resources. What does the budget do on education?

Mr. CONRAD. It is interesting, it is mostly speeches. All the speeches that were given, all the votes that were cast when we had the budget resolution on the floor, all the money added for education, all of it has been taken out.

We are in the middle of a budget debate on the floor of the Senate, last week adding $150 billion. Meanwhile, we are passing a budget with no new money for education. The President said his top priority was education. The priority is every place but in the budget. There is no new money for education.

Mr. SARBANES. Defense is a missing piece; education is a missing piece. And this tax cut will create a problem, as I understand it, with the alternative minimum tax. I am told that there is no provision in this budget for alternative minimum tax reform, and that such reform may cost as much as $300 billion over the 10-year-period; is that correct?

Mr. CONRAD. Unfortunately, the Senator is correct. In fact, the alternative minimum tax that affects now 2 million Americans, if the President's plan is passed, will affect 35 million American taxpayers, nearly 1 out of every 4. Just to fix the part of the alternative minimum tax caused by the President's tax bill will cost nearly $300 billion.

Mr. SARBANES. That $300 billion is not allowed for in the budget?

Mr. CONRAD. That is a missing page.

Mr. SARBANES. I am told that, while there is some adjustment for inflation in this budget, there is no adjustment for a growing population and the additional stress and strain that places on program levels; is that correct? There is no adjustment for population growth, which we know will happen?

Mr. CONRAD. Not only is there no adjustment for population growth, in truth, there is not a full adjustment for inflation. This was done in the dark of the night in one of these closed rooms when none of us was able to be there. They actually took out another chunk of money, nearly $60 billion, so they don't even have an inflation-adjusted budget.

Mr. SARBANES. Imagine that. It is incredible to come out with a fiscal program for the country with all these missing pages and vanished pieces.

This conference report, which provides for this excessive tax cut, is premised on a projected surplus, two-thirds of which is in the last 5 years of the 10-year-period. And now we discover that there is no money for education, and the defense figure will rise by who knows how much? Clearly, it will rise. It will be slugged into this budget. We don't even provide for inflation, let alone a growing population, and there is no allowance for the alternative minimum tax fix.

I ask my friend from North Dakota, given all these missing pages, won't this budget plan eat into the Medicare trust fund and the Social Security trust fund? I don't see any other way. Once all the pieces are put into place, are we not going to be eating into the trust funds?

Mr. CONRAD. I think there is no question that is what will happen. There is no question that is why the budget has been presented the way it has. They don't want all the numbers put together in one place so we can add them up because it doesn't add up.

They have been presented with a difficult problem. They have a budget that does not add up. How do you avoid making that obvious? You avoid making it obvious by not having all of the elements of the budget in the budget resolution. That is exactly what we have. It is kind of a phantom budget. There is the budget we have been presented with, and then there is the real budget. One of them doesn't add up. That is why they don't want to present it to the membership.

Mr. SARBANES. It is absolutely irresponsible to be doing the budget this way. I think we are going to pay the price in the years to come. I thank my very able colleague for his constant effort to try to get the Budget Committee to come to grips with these problems.

We have a budget before the Senate based on projections that may never materialize. They made assumptions about growth and productivity which have been severely undercut by the report of the productivity figures in the first quarter, which failed to grow. They are assuming a growth of 2.2 percent in productivity as we project out, which is a very unusual growth. Now all of a sudden, we have a first quarter figure that was negative. Imagine what that will do to the surplus projections.

We are running the risk, by this excessive tax cut, that we will not pay down the debt at the rate we could have done. We won't invest in a number of important programs for the future strength of the country—education, the environment, health care. All will be undercut. There is no money here for education because instead, we give an excessive tax cut. It will knock the economy off track, and we will lose this magnificent opportunity we had to move forward in a reasonable, sensible, and constructive way.

I thank the Senator for his leadership. I regret this document before the Senate. I urge my colleagues to vote against it.

I yield the floor.

EXHIBIT 1

[From the New York Times, May 5, 2001]

MORE MISSING PAGES

(By Paul Krugman)

It was, if you believe the official story, a case of farce majeure: House Republican leaders had to call off Thursday's planned vote on the budget resolution because two pages that were supposed to be in the document were accidentally omitted. Strangely, the two missing pages happened to contain language crucial to the compromise that had persuaded moderates to agree to the budget. Just as strangely, the budget resolution contained only a 4 percent increase in spending—the amount George W. Bush originally wanted, not the 5 percent he had agreed to.

Whatever really happened, the fundamental cause of the mishap was that the Republican leadership was trying to pull a fast one—to rush through a huge tax cut before anyone had a chance to look at the details. Now the case of the missing pages has delayed things for a few days. So may I suggest that Congress—and Senate moderates in particular—check carefully around that Xerox machine? You see, there seem to be a few other pages missing from the budget plan.

For starters, we seem to be missing the page that factors in the likely cost of a missile defense system. (The page that explains how missile defense will work in the first place is missing from some other document.) Nobody knows how much this system will cost, but few think it will come in under $100 billion.

We also seem to be missing the page that explains how the conventional defense buildup being planned by Secretary of Defense Donald Rumsfeld—reports suggest an extra $25 billion per year on weapons systems alone, that is, $250 billion or more over the next decade—is consistent with a budget that makes no room for increases in defense spending beyond those already proposed by the Clinton administration.

Then there's the page about prescription drug coverage under Medicare—a solemn pledge by Mr. Bush during the campaign. Everyone in Congress agrees that the $115 billion allotted by the administration is laughably inadequate, that a realistic program would cost hundreds of billions more. But the extra money doesn't seem to be in the budget plan; maybe the missing page explains the discrepancy.

Somewhere near the page on prescription drug coverage we might find an explanation of the administration's position on the Medicare hospital insurance surplus—$400 billion that both parties have promised to put in a "lockbox," but which the administration plans to devote to other uses. Presumably there's a missing page that explains why this isn't a naked plan to raid Medicare to pay for tax cuts.

Then there's the puzzle of how the administration plans to maintain government services in the face of a growing population while increasing spending no faster than inflation. Either some unspecified drastic cuts are planned or the spending numbers are at least $400 billion too small. I'm sure there's a page somewhere that explains what's going on.

Not all the missing pages involve spending. Everyone familiar with the issue knows that the Bush tax cut will cause a crisis involving the Alternative Minimum Tax, causing the much-hated tax to apply to tens of millions of additional taxpayers. The inevitable fix will reduce revenue by at least $300 billion, but there doesn't seem to be any allowance for that revenue loss in the budget. I guess there must be a missing page that explains why.

Finally, there's the page on Social Security reform. Because Social Security has been run on a pay-as-you-go basis, with each generation's taxes financing the previous generation's retirement, the system has a huge "implicit debt"—the money promised to people whose past contributions were used to support their elders. If Mr. Bush wants to partially privatize the system, he must pay off some of that implicit debt; to make his campaign proposal work would require infusing more than a trillion dollars into the Social Security system. But that money isn't in his budget plan. There must be a missing page with some explanation of the omission.

Oh, and there's one more page missing: the one that explains why moderates should support a tax cut that, while slightly smaller than Mr. Bush wanted, is still irresponsibly large—and why they should put their names to a budget resolution that is patently, shamelessly dishonest.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I thank the senior Senator from Maryland, one of the most senior Members of the Senate Budget Committee, who has been a strong voice for fiscal responsibility on the Budget Committee of the Senate. He is one of the key reasons that we restored fiscal sanity in 1993 and put us on a program to reduce the deficits, ultimately eliminate them and start running surpluses.

I thank the Senator from Maryland who was named as a conferee on the budget because of the respect with which he is held.

Mr. SARBANES. Will the Senator yield?

Mr. CONRAD. I am happy to yield.

Mr. SARBANES. I thought when I was named as a conferee I would have important work to do as a member of the conference committee on the budget. As it turned out, there was nothing to do. We went to one meeting. The chairman told us there was nothing for us to do. He said, you are dismissed, you can leave now. Don't bother to come around again.

It was an incredible way to do business—an incredible way not to do business, to put it more accurately.

Mr. CONRAD. It was a disappointing way to do business. I think the result has suffered.

I will follow up on the point the Senator made about slower productivity growth. We saw in the first quarter, instead of 1 percent increase, it was negative one-tenth of 1 percent. If we were to have 1 percent less productivity growth per year, the projected surplus of $5.6 trillion would be reduced to $3.2 trillion. That is the hard reality of how dramatically affected the ultimate results are by very small changes in the assumptions in these forecasts. That is something we should all understand.

How much time is the Senator from Illinois seeking?

Mr. DURBIN. I ask the Senator for 15 minutes.

Mr. CONRAD. The Senator from Illinois wishes 15 minutes. The Senator from Minnesota?

Mr. WELLSTONE. I ask I follow the Senator from Illinois, just for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Illinois.

Mr. DURBIN. I thank the Senator from North Dakota for yielding to me.

Mr. President, during the course of this presentation, I would like to call on the Senator from North Dakota from time to time.

Let me thank the Senator from Maryland for coming to the floor. He made an eloquent statement to put in perspective the issue on which we now have to vote. It may be one of the most important votes we will cast this year.

People say: A budget resolution? What in the world is a budget resolution? What does it mean to my family or my business?

A budget resolution is basically the blueprint which says this is how far we can go and no further under the rules of the Senate and the House, in spending. So once you put that blueprint in place, when the Appropriations Committee sits down to put the spending bills in place, they look to this blueprint, this budget resolution, as does the Finance Committee when it looks to the tax consequences of this same budget resolution. So we have to pay careful attention to this blueprint.

I salute the Senator from North Dakota. I tell you, we are fortunate on this side of the aisle. In fact, the Senate is fortunate to have a man of his ability and commitment in the midst of this debate.

I have just spoken to my colleague from Minnesota. I will gladly speak to others and tell them I have been so proud of the job Senator CONRAD has done. He is good at this. He is extremely good at this. I never want to get on the other side of debate with Senator CONRAD when there is a row of numbers up on a page because I am going to lose. He understands them. He doesn't just see the numbers on the page, he sees the policy behind them. He can think beyond the box we are in many times, to the ultimate impact of some of these decisions.

I would like for a moment to reflect on what we have been doing for the last week and a half or 2 weeks on the Senate floor. We have been discussing the issue which the American people identify as their single highest priority, not just this month or this year, but for all time. At every level, when it comes to local government, State and Federal Government, their highest single priority is education—education, our schools. I often wonder why do we always keep identifying education as our biggest issue? I think the reason is fairly obvious. Education really defines this country. Education says we will give you an opportunity as a young child to walk into a classroom and prove yourself and improve yourself and then be a better person for it.

We happen to believe—I do not think it is uniquely American, but we sure believe in this country—if you give kids the right opportunity to prove and improve themselves, they will succeed. You are looking at one. My mother was an immigrant to this country. Neither my mother or father went beyond the eighth grade and I stand here on the floor of the U.S. Senate. That is because when I brought home a report card, it was an event in my house. We stopped everything and they pored over the numbers and the letters. They gave me a frown or a smile.

A lot of families in America know the same experience. So when we come to the floor of the Senate and debate education, we are debating something we know personally to be important, and every American family will identify as their single highest priority. So it is no surprise Democrats and Republicans come to the floor and want to stand up and talk about how to improve schools and education.

For the last 2 weeks, that discussion has ranged from accountability and standards to teacher improvement, the number of kids in a classroom, the quality of the school, the computers and the technology available to our children, how long the school day will last, will we give the kids an adequate lunch, what will we do after school to improve their lives and keep them safe, what are we going to do during the summer months, how can we recruit new teachers. This floor has just been alive with this debate on both sides and both parties believe they are committed to this.

The interesting thing is that debate for the last 2 weeks has been an important debate, but it may not be as important as the bill on the Senate budget resolution on which we are about to vote. Let me tell you why.

When I served in the U.S. House of Representatives, I served with a Congressman, still there, from Wausau, WI, by the name of DAVID OBEY. Congressman OBEY used to like to take to the House floor and admonish his colleagues for what he called "posing for holy pictures." In other words, efforts made by Members of the House—and it applies as well to the Senate—to be on the side of the angels, to put a halo above their heads, to say they were for all the right things.

For the last 2 weeks, there has been a lot of debate about education and a lot of effort to be on the side of the angels, on the side of American families, when it comes to education.

But mark my words, all of that debate is worth nothing, absolutely nothing, if tomorrow we vote for this budget resolution because this budget resolution which was proffered by the Republicans provides no additional funding for education—none.

You look at it and say, How can this be? President Bush came to office. He invited Senator KENNEDY and Congressman MILLER and all the Democrats. He wrapped his arms around them. He invited them to movies and lunch and gave them all nicknames and he said: I just love education. I can't wait to make it the linchpin of my Presidency.

He convinced a lot of people in this town and a lot of people across America that he was genuine. But in this town you have to look beyond the holy pictures. You have to look at the facts. When you look at the facts of this budget resolution, you find there is no money there.

All the promises have been made: We are going to test the kids year after year after year; we are going to hold them to high standards, as we should; we are going to demand accountability; we are going to want the very best teachers, the very best technology. Then take a look at this budget resolution.

I ask the Senator from North Dakota, if I might, if he will answer a question. I want to make certain it is clear on the record. In the budget resolution before us, House Concurrent Resolution 83, which projects spending over the next 11 years, would the Senator from North Dakota, having analyzed this, tell me what commitment is being made by the Republican leadership and the Bush administration to new funding for education to improve the schools and the lives of children across America?

Mr. CONRAD. There is no increase for education beyond simple inflation. I think the most honest direct answer that I can give is that there is no real increase for education, period.

In addition to that, the pool of money from which education spending comes is actually below inflation. The cuts are going to have to come from somewhere.

Mr. DURBIN. I ask the Senator from North Dakota, so there is clarity on the record: We have been debating for 2 weeks about education on the floor of the Senate. But it is a debate about authorizations and this is a debate about a budget resolution.

Will the Senator from North Dakota explain the difference, if we say we are going to commit hundreds of millions of dollars to education as part of the elementary and secondary education authorization, will that money then automatically go to the schools and improve the schools for our children?

Mr. CONRAD. No. The way it works, authorizations mean nothing without appropriations. And the money for appropriations is not available unless it is made available by the budget resolution.

The hard reality here is all of this talk about money for education is just that, it is talk. We can pass 100 amendments that say we are going to provide money for education, but if the money is not in the budget, it does not get allocated to the Appropriations Committee to be available for actual expenditure. We have a lot of great speeches out here, but without the money in the budget resolution, they don't mean much.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. CONRAD. Yes.

Mr. SARBANES. Mr. President, I draw the analogy: For 2 weeks now we have been out on the floor on this education authorization bill. It is like putting the sides of a box into place. You put the sides of a box into place like this. You build up your education box. But then you need a budget resolution because you need the resources to make this work. You look in the box when the budget resolution comes along after 2 weeks of putting up these sides, and the box is empty. It is empty. There is nothing in here for education. It is a phony box. People need to understand that.

Mr. DURBIN. Mr. President, I would like to ask the Senator from Minnesota, because he has followed this education debate. He and I may disagree to some extent on this. We believe testing is an important part of education. It has proven itself in the city of Chicago with our public schools. But if we in fact agree to test students as we have debated for a long time, and don't provide any resources once we have identified the problems those kids are running into so they can improve their reading and math scores, what kind of situation are we going to be in when we talk about education reform? We will have the standards and the testing, but with this budget resolution we will not have the money to provide good teachers, good resources, and good class time to improve the kids.

Is that how the Senator from Minnesota sees it?

Mr. WELLSTONE. Mr. President, I thank my colleague. I thank him for the question.

This also goes to what the Senator from Maryland says. It is not just a question of nothing in the box; it is how it affects the lives of people. I am heartbroken. I don't mean to be melodramatic, but I am heartbroken about what is going on here because I say to the Senator from Illinois that it is quite one thing to have our picture taken with children—we all love to do that; we all love to be in the schools—it is quite another thing to make a real investment to help improve their lives.

The Senator is quite right. If all you do is tell every school and every school district and every State you will have these tests age 3 to 13 every year, and you don't provide the resources, and we don't live up to our commitment, in fact we provide a pittance—next to nothing—to give them the tools so the teachers and the schools and, most important of all, the children, do you want to know something? This is cruel. It will be cruel and it will be punitive. It will be downright dishonest. It is symbolic politics, with children's lives, at its worst.

Mr. DURBIN. The President's motto is "Leave No Child Behind." Only one out of three kids is currently enrolled in Head Start—that early learning experience which gives kids a chance to be successful in the classroom. Only a third of the kids who are struggling in school because of poverty in their family and circumstances beyond their control receive any help whatsoever from the Federal Government. What we are told by the Senator from North Dakota is there are no additional funds; we will still be stuck at one out of three when this is all over. I say to the Senator from Minnesota, two out of three kids are going to be left behind by the Republican budget resolution which we are going to be asked to vote for tomorrow.

I do not know if the Senator sees it that way. We certainly aren't getting the resources necessary to making sure no child is left behind.

Mr. WELLSTONE. Mr. President, I can say to the Senator from Illinois that at least 100 times I have said on the Senate floor you cannot realize a goal of leaving no child behind if you cut budgets. You can't.

Again, think about it for a moment. Then I will promise not to take much time. We are going to start testing these children. Let's have the best test. Let's make sure it is done the right way so you know how these children are doing. Take 8-year-olds. You have two, and one of them has 4 years of schooling—grades 1, 2 and 3, then also kindergarten. The other child is probably receiving 7 years of early schooling because he came from a family with a lot more income, and you can count on the home. There was all the intellectual stimulation, with reading to them, and where there was really good child care. They came to kindergarten ready to learn.

If you are going to fund Head Start—not at the 50-percent level—and Early Head Start, grades 1 and 2, at the 3-percent level, and that is all, do you know what you are measuring with 1- and 2-year-olds when you do these tests? It is poverty. You are not measuring anything else. This is a really critical time. I hope people in the country will realize that.

I thank the Senator for his question.

This is all about who we are. It is all about priorities and values. This budget reflects the most distorted and perverted values imaginable because it is Robin-Hood-in-reverse tax cuts, with over 40 percent of the benefits going to the top 1 percent, and not the investment in children and education.

Mr. DURBIN. I thank the Senator from Minnesota.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. One minute, 10 seconds.

Mr. DURBIN. I ask the Senator from North Dakota for 2 additional minutes.

Mr. DOMENICI. I have no objection. I would like to make sure that under the current time agreement, when the time agreed upon time has expired, the next Senator to speak from our side, Senator INHOFE, has 10 minutes.

Mr. WELLSTONE. Reserving the right to object, I believe I was in order to follow. To give other Senators time, I have had an opportunity to speak. So if you want to go to the other side after the Senator from Illinois, that is all right.

Mr. CONRAD. After the Senator from Minnesota, because he has time, we will give 2 additional minutes to the Senator from Illinois.

Mr. DURBIN. With my 3 minutes remaining, Mr. President, let me say to my colleagues and those who are following this debate that I want to give you a political science 101 introductory course on how you can evaluate what politicians say and what they mean.

Don't pay attention to the words coming out of our mouths because many times we give speeches that may lead you to conclusions that may not be factual. Instead, look at what we do. Read the conference report for H. Con. Res. 83, the budget resolution. Ignore, if you will, some of the great speeches and some of the posing for holy pictures on the floor of the Senate and this commitment to education we have heard about for 2 weeks. Instead, look at the budget resolution we will vote on tomorrow.

The budget resolution we will vote on tomorrow has no commitment to improving education in America. The speeches notwithstanding, we have walked away from that rhetoric. We have not backed it up with reality. We have not backed it up with facts. We have given our speeches. We have heard the applause. Many of us have been elected and reelected as education Senators. Then tomorrow, watch the rollcall on H. Con. Res. 83 and find out how many are voting yes or actually voting against any increases in funding for education.

Why? Because this White House and this President have a higher priority than education. What is it? A tax cut for the wealthiest people in America. President Bush has proposed a tax cut that gives to people making over $300,000 a year a $46,000 tax break. Imagine. You have $25,000 a month coming in, and the President says you need a tax break.

I will tell you who the people are who need a tax break. It is the folks who are paying for gasoline in the Midwest and heating bills during the winter and families struggling to put their kids through school. We need a commitment in this Congress from Democrats and Republicans to get beyond campaign rhetoric and put money into education.

This budget resolution does not deserve the vote of those who claim to be standing for education.

I yield the floor.

Mr. WELLSTONE. Mr. President, the Senator from New Mexico wants to go to the Senator from Oklahoma; is that correct?

Mr. DOMENICI. That is correct.

Mr. WELLSTONE. I wonder if I might have 3 minutes after the Senator from Oklahoma.

Mr. DOMENICI. I ask for 3 minutes now and then 3 minutes for Senator WELLSTONE.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I want to answer the distinguished Senator from Illinois who just spoke.

We haven't said very much about who is responsible for gasoline prices. The fact is we don't have enough electricity for America. But to come down here and talk about it as if this President has anything to do with it or this budget has anything to do with it is absolutely wrong.

What happened is the previous President who was in for 8 years—we don't like to be partisan, but he sure wasn't a Republican—did absolutely nothing to give America an energy policy. It was a nothing policy. It finally caught hold and gave us California, giving us higher prices for gasoline. And we are going to have to fix it—this Congress and this President—because no one did anything about it during the last 8 years.

I gather Senator INHOFE is next.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, I thank the Senator from New Mexico for yielding.

Let me be the first to say, I am not on the Education Committee. I am not on the committees dealing with this resolution. But I have been listening to some of this debate. I feel compelled to at least share some thoughts that I have as someone who does not serve on all these committees.

First, I want to respond to the distinguished Senator from Illinois, who was talking about the tax cuts for the wealthy. I just wish that President Kennedy were still around so he could hear this debate because I can remember so well back in the 1960s when we had new programs. I say to Senator WELLSTONE, they had decided that they were going to expand into areas, expand into the Great Society.

I remember the exact quote, just from memory, of President Kennedy. He said: We have a desperate need for more revenue. We have to have more revenue to take care of some of the needs that we have. He said: The best way to increase revenue is to reduce marginal rates. And he did it. In fact, the tax reduction during the Kennedy administration was twice the reduction that is being advocated by President Bush right now. And it worked. At the end of that period of time, the increase almost doubled over the next 5 years as a result of cutting marginal rates.

Let's remember some of those rates. They were cutting down the highest rate from 91 percent down to 70 percent. It did stimulate the economy. And it did increase the revenues that came from that. But that is not supposed to be the discussion today. The discussion is supposed to be on education.

The budget resolution that we are talking about provides a total of $661 billion in discretionary spending. It provides an additional $6.2 billion above the President's request for nondefense programs. This $6.2 billion can be used for additional spending on our domestic priorities. Everyone agrees that education is one of these priorities. Certainly we have heard the President say this over and over again, both during the campaign and currently.

At the bare minimum, this resolution will fully fund the President's request for education, which is an 11.5-percent increase over last year, the largest of all Federal agencies.

Just so Senators understand the minimum in education spending they will be voting for if they vote for this resolution, the President's request will support the highest ever level of funding for the education of disabled children; a $460 million increase for title I, including a 78-percent increase in the assistance to low-performing schools; a $1 billion increase in Pell grants for low-income college students; $1 billion for new reading programs, a tripling of current funding; $320 million to ensure accountability with State assessments; $2.6 billion for quality teachers, a $400 million increase; a 14-percent increase in Impact Aid; doubling funds for charters schools; $472 million to encourage school choice and innovation; a down payment on increasing aid to black and Hispanic-serving colleges and universities by 30 percent by 2005; $6.3 billion to serve 916,000 children under Head Start; and under the National Science Foundation, $200 million for new K–12 math and science partnerships.

In addition to all of the above, we have up to $6.2 billion for further increases to high-priority education programs, such as IDEA, title I, class size, school construction, assessments, and reading—whatever priorities emerge from the current debate on ESEA reauthorization.

For example, the conference report has singled out IDEA as a particular priority, so we say that an additional $250 million should be added to the President's request of $1 billion for grants to States to educate disabled children.

I listened to the statements in this Chamber where Senators were saying: We have cut every penny of money to strengthen these programs. That is just not true. We are increasing funding. One of the increases, as I have listed, is a 14-percent increase for impact aid. That happens to be what my amendment did. In looking at impact aid, I think it is very important that we realize this is a part of this program.

Back in the 1950s, we established impact aid. This is a program with which I heartily agree. It said simply that if the Federal Government comes along with either a military base or Indian lands, something that the Federal Government has required to be taken off of the tax rolls, that impact aid should replenish that portion of the money that would go to education. There is not a Senator who would disagree with that. However, because we are all kind of sneaky, and have been over the years, different politicians have gone down, since the 1950s, and taken money out of impact aid. So it dropped down to about a 20-percent funding level. In my State of Oklahoma, I have five major military installations. We have a lot of Indian land there. It is something where we should live up to the obligation that we said we would live up to back in the 1950s and fully fund impact aid.

I started last year, with the help of some Democrats, and virtually all the Republicans, saying: Let's go ahead and fully fund impact aid over a period of time. I want to do it over 4 years, but it looks as if it is going to be closer to 7 years. I had the amendment last year. I have the amendment this year. It has been very popular.

I have some letters that I pulled out of a long stack of letters coming from the various States. I know the Senator from North Dakota has been in this Chamber talking about it. I have a letter from the superintendent of Garrison Public School district in Garrison, ND, saying:

> Again, thank you for taking on the challenge of putting Impact Aid on a time line that hopefully will get it to a point where the federal obligation of full funding is realized.

That is from Garrison Public School district in North Dakota.

Here is one from the Minot public school system in North Dakota:

> The amendment you offered on the Senate floor to the Fiscal Year 2002 Budget Resolution is appreciated by federally connected school districts all across the country.

We have another one from Cass School District 63. They are in Illinois. I know that the Senator from Illinois has been talking about this. The superintendent writes: Thank you for doing this.

Mr. President, I ask unanimous consent that those three letters be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. INHOFE. I guess what I am saying is, we have letters from every State saying this is something that should be done.

This budget resolution stays on line to ultimately fully fund the impact aid.

I want to share an experience that I am going to abbreviate because I know we are short on time. I do not have that much time.

I was having a townhall meeting in Frederick, OK. Frederick, OK, is in the southern part of the State. At the meeting, I noticed on the sign-in sheet—I know the Senator from North Dakota and Senators from all the other States have townhall meetings. People sign in so we know where they are from.

There were two ladies there in Frederick, OK, who were from Texas. I said: I am glad to have you ladies here. You are certainly welcome to stay; however, I am a Senator from Oklahoma. I don't have a lot of say about what goes on in the State of Texas. They said: No, we want to be here because we want to give a testimonial. These two ladies stood up and they said: We are Democrats. We are very strong supporters of the NEA. When Governor Bush came out with some new programs we were violently opposed to them because they deviated from the programs we have been used to. The values have been increased. And we decided, since we were leading the opposition to what Governor Bush was trying to do in Texas, we would now come up here and say to you, in every place we can, that we were wrong, because essentially what we have been doing—and what I hear a lot of these Democrats over here talking about—is taking a failed system, a system that has not worked, and just pouring more and more money into it.

The criticism I hear on this budget is that we are trying to pour on more and more money without making major changes. I think we ought to have vouchers. We ought to do a lot of things we are not doing. At least we are trying some things that are new and different. That is what President

Bush was doing when he was Governor Bush in the State of Texas.

These two ladies, these Democrats came up to make their testimonial at my public hearing in Frederick, OK. They said: What he has done is try new things. It is having a huge, positive impact on the quality of education, on testing in the State of Texas.

We need to try something new and innovative, and we are.

I will share an experience. Some of these things that are new and innovative really go back and latch on to things that have been discarded over a period of time. I happen to have four children and eight grandchildren. Back when my kids were young, I can remember coming home after I had been out of town. My older son at that time, Jimmy, who is now in his forties, was 7 years old or something like that. He came up to me and he had a smile across his face. I said: Jimmy, you look like something good happened.

He said: Yes, you know, daddy, I am in the fourth grade.

I said: Yes, Jimmy, I know that.

He said: Did you know that in reading and in arithmetic I am in the fifth grade?

I said: No, how does that work?

He said: Well, it is something that is brand new and innovative. What they do is, if you excel in one particular area, they move you up a grade so you can compete with those who are at your level, and you are not down there competing with someone who is at a lower level. He said: It is brand new and innovative.

I said: That is really great, Jimmy.

Then I remembered back. I always remember the timeframe of this because it was during the bombing of Pearl Harbor. I happened to be going to a country school. It was called Hazel Dell. And in this school there were eight grades in one room. There was a big potbellied, wood-burning stove. The school master's name was Harvey Bean, a giant of a man, I thought. Probably he wasn't all that big after all, if I were to meet him again today, if he were still alive. But I remember that they had eight grades in one room.

The first row was for the first grade; second row for the second grade, on up. So my brother was in the second row. I was in the first row. My sister was in the eighth row at this country schoolhouse called Hazel Dell. Every time you missed a spelling word, you would have to go up in front of the class and Harvey Bean and you would have to bend over. He had a big wooden paddle and he would swat you.

I tell my colleagues, I was the best speller in the first row. And so I was moved up to the second row so I could spell with the second graders, with my brother and some of the rest of them. So that program that my son called brand new and innovative was alive and well back in the early 1940s.

I understand in the State of Texas some of these things that they have tried that deviate from what we are trying to do now is just going back and getting things that worked in the past. I have to say that this President is going to do things that are new and innovative. He is going to try things that haven't been tried before. Our system has not worked. Our test scores have not gone up. Rather than just pour more money on a failed system, we need to try these things that worked in Texas. I think they are going to work in our Nation.

It is high time we try something new and that we get in a position where we can actually compete now with some of these other industrial nations.

I yield the floor.

EXHIBIT 1

GARRISON PUBLIC SCHOOL,
Garrison, ND, April 23, 2001.

Hon. JAMES M. INHOFE,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR INHOFE: On behalf of the Garrison School District including the students and the community we serve, I want to thank you for your leadership and support for the Impact Aid Program. The amendment you offered on the Senate floor to the Fiscal Year 2002 Budget Resolution is appreciated by federally connected school districts all across the country. You have consistently been there for the Impact Aid Program, but the leadership you have brought to the Senate floor the past two years has put Impact Aid on the list of priority education programs among your Senate colleagues. Although the program does enjoy a broad base of bi-partisan support in the Senate, because of your role Impact Aid has been taken to a new level.

All of us working with Impact Aid realize that much work still remains if the $1.293 billion figure you placed in the Senate Budget Resolution is to become reality. Please know you can count on our school district and the community it serves to do whatever it takes to help make that happen. You have been there for us and now is the time for the Impact Aid community to be there for you. Again, thank you for taking on the challenge of putting Impact Aid on a timeline that hopefully will get it to a point where the federal obligation of full funding is realized. Not since the late 1960's has the program been fully funded, but due to your efforts we find ourselves at the threshold of a new era for Impact Aid.

Sincerely,

MIKE KLABO,
Superintendent.

MINOT PUBLIC SCHOOLS,
Minot, ND, April 27, 2001.

Hon. JAMES M. INHOFE,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR INHOFE: On behalf of the Minot Air Force Base School District, including the students and the community we serve, I want to thank you for your leadership and support for the Impact Aid Program. The amendment you offered on the Senate floor to the Fiscal Year 2002 Budget Resolution is appreciated by federally connected school districts all across the country. You have consistently supported the Impact Aid Program. The leadership during the past two years has put Impact Aid on the list of priority education programs among your Senate colleagues. Although the program does enjoy a broad base of bi-partisan support in the Senate, because of your role Impact Aid has been taken to a new level.

All of us working with Impact Aid realize that much work still remains if the $1.293 billion figure you placed in the Senate Budget Resolution is to become reality. Please know you can count on our school district and the community it serves to do whatever it takes to help make that happen. You have been there for us and now is the time for the Impact Aid community to be there for you. Again, thank you for taking on the challenge of putting Impact Aid on a timeline that hopefully will get it to a point where the federal obligation of full funding is realized. Not since the late 1960's has the program been fully funded, but due to your efforts we find ourselves at the threshold of a new era for Impact Aid.

Sincerely,

RICHARD LARSON,
Superintendent of Schools.

CASS SCHOOL DISTRICT 63,
Darien, IL, April 25, 2001.

Hon. JAMES M. INHOFE,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR INHOFE: On behalf of the Cass #63 School District including the students and the community we serve, I want to thank you for your leadership and support for the Impact Aid Program. The amendment you offered on the Senate floor to the Fiscal Year 2002 Budget Resolution is appreciated by federally connected school districts all across the country. You have consistently been there for the Impact Aid Program, but the leadership you have brought to the Senate floor the past two years has put Impact Aid on the list of priority education programs among your Senate colleagues. Although the program does enjoy a broad base of bi-partisan support in the Senate, because of your role Impact Aid has been taken to a new level.

All of us working with Impact Aid realize that much work still remains if the $1.293 billion figure you placed in the Senate Budget Resolution is to become reality. Please know you can count on our school district and the community it serves to do whatever it takes to help make that happen. You have been there for us and now is the time for the Impact Aid community to be there for you. Again, thank you for taking on the challenge of putting Impact Aid on a timeline that hopefully will get it to a point where the federal obligation of full funding is realized. Not since the late 1960's has the program been fully funded, but due to your efforts we find ourselves at the threshold of a new era for Impact Aid.

Sincerely,

KELLEY M. KALINICH,
Superintendent.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Let me say to the Senator, I appreciate his comments. It is good to have somebody who understands the overarching activities that this budget resolution provides, and his constant concern about overspending and his concern about the taxpayers has been evident from the day he arrived. I am very pleased because we need to get this finished so we can start down the path of finishing the year, working with a President who is going to try to help us get a tax bill that is representative of the Senate.

People keep talking about a rich man's bill. Before you arrived, I read the names of the members of the Finance Committee. I think you know it has had a lot of changes of late, but clearly they will produce a tax bill. It is going to be representative of this Senate. It is not going to be one little faction's bill because of the makeup. So that is going to be a good thing. That will prove out the contentions in the Chamber about rich versus poor and what kind of tax cuts we do.

Clearly, it is going to have a marriage penalty. Clearly, it will have some rate reductions. Clearly, it is going to have childcare credits. However they do that, they are going to be there for American families with children. Obviously, there is going to be some estate tax reform of significance because we have already voted on that.

Mr. INHOFE. If the Senator will yield, particularly in western Oklahoma, when I have my townhall meetings, these farmers out there, they work 7 days a week. They are not wealthy people. For 13 townhall meetings in a row in western Oklahoma, at least one person stood up and said: Our family farm has been in our family now for three generations. We won't be able to do it anymore because maybe on paper, maybe on the IRS evaluation it is worth $1 million but not to us.

Then when all the corporate farms are buying up this land, 25 cents on the dollar, that is the greatest thing we could do for the farmers. It is not just in Oklahoma. I am sure it is in New Mexico and North Dakota, too.

Lastly, I hope you didn't miss the point, it was not a Republican but a Democrat who observed that the best way to increase revenues is to have marginal tax reductions. That was President Kennedy.

Mr. DOMENICI. Joined by Dr. Alan Greenspan, saying that is the best thing for the American economy. I thank the Senator and yield the floor.

What would the Senator like to do next?

Mr. CONRAD. How much time would the Senator from Iowa like?

Mr. HARKIN. Fifteen minutes, maybe.

Mr. CONRAD. And the Senator from Florida?

Mr. GRAHAM. Fifteen.

Mr. CONRAD. I wonder, could we give 12½ to both? Would that be all right? At this point we are starting to run out of time.

Mr. HARKIN. That is fine.

Mr. CONRAD. I yield the Senator from Iowa 12½ minutes and I yield the Senator from Florida 12½. And can we lock that in at this point?

Mr. DOMENICI. We will do that. If we have no Senators to go on our side, they can go sequentially, the two of them? That is our unanimous consent request.

The PRESIDING OFFICER (Mr. INHOFE). Without objection, it is so ordered.

Mr. HARKIN. Mr. President, I understand I have been yielded 12½ minutes. I thank the Senator from North Dakota for yielding me some time to speak on this budget.

I guess you could sum up this budget in very few words. It is bad for what ails us in this country. It is bad for our people. It is bad for our future. It is bad for our kids, and especially bad for our elderly.

Hubert Humphrey, one of my great political heroes, once said that the moral test of government is how the government treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly; those who are in the shadows of life, the sick and the needy.

Let's be clear: This conference report flunks the moral test of government. It turns its back on far too many of these Americans. And to the extent that it implements the Bush tax proposal, it basically says: If you earn $1 million a year, if you are very secure, we are going to help you get wealthier. But if you are in the dawn of life and you are a child, perhaps, who needs some help because you are in the lower socioeconomic strata of America, if you are poor, sick, elderly, if you are one of the baby boomers getting ready to go on Medicare, well, they are telling you, so long, sucker, we will see you later. That is what this budget to the extent that we stick to the President's plan, says.

I think stacking the deck even more against those who already have the deck stacked against them, through no fault of their own, is not the purpose of government. It is not why I came here, and I don't think that is what we ought to be about. I hope we will see a strong shift from this Bush budget.

This budget was fashioned under a plan to make room for huge tax cuts that to far to large an extent go to the wealthiest. In my saying these things, you might say that is just rhetoric. I am just saying those things. I am a Democrat, and the people who put this together are Republicans, so I am just saying these things.

But let's look at the facts. Don't accept what I say, look at the facts. This Senate, by a majority vote, said that we wanted to cut the Bush tax proposal by $225 billion and put that into education. That was the amendment this Senator offered, and it was adopted by the Senate. Senator JEFFORDS and Senator BREAUX offered an amendment that also put $70 billion into education over the next 10 years. Well, that adds up to almost $300 billion—$295 billion—and that was in the Senate-passed budget. The House of Representatives had only provided $21.3 billion for education over those next 10 years. That was what President Bush wanted, $21.3 billion.

Well, now, you would think that, since we passed $225 billion over 10 years and the House passed $21.3 billion, they would compromise somewhere. Well, they compromised all right—at zero. Not only did they take out the $225 billion over 10 years under my amendment to zero, they took out the Jeffords-Breaux amendment of $70 billion down to zero, and the Bush plan of $21.3 billion.

They say they put it in a contingency fund. Good luck in getting anything out of that contingency fund. Why do I say that? Because also last week the Senate passed, on a bipartisan vote, a unanimous vote—a voice vote, and no one objected to it—we appropriated for the next 10 years about $181 billion to fully fund the Individuals With Disabilities Education Act, to move towards and meet our obligation of 40 percent of the average per pupil expenditure for IDEA over 10 years. A welcome sigh of relief echoed from our local school districts and our State boards of education. Finally, the Federal Government was going to provide this money for special education. We just did that last week here in the education bill that is in front of us. But this budget, with its projected contingency fund, is not going to allow us to meet our obligations in other areas.

This is kind of a busy chart. But what this chart really points out is that if we pass this budget as it is presented to us, doing the things that are talked about, we are going to raid Social Security and we are going to raid Medicare. The facts are here. If we take the final conference and look out over the next 10 years to what we are going to spend on defense—we are not going to cut defense; let's not kid anybody around here. We are not going to cut defense below this. The alternative minimum tax is going to be paid by an ever growing number of people exasperated lowering the top tax rates, creating a pressure to change the AMT. Look at special education that we passed last week, which is mandatory. It is mandatory spending. We have to spend this money if we are to meet a commitment that this Senate has voted without objection to finally meet. Think about the emergencies that will occur. We always have to come up with additional money for emergencies. Then there are the interest payments we have to make.

So when you add all of this up, they gave us a $504 billion surplus in this budget—they say. OK, it looks like a nice little slush fund we can use for all these things, but when you add up all of the mandatory things we are going to be spending over 10 years, it comes to a deficit of minus $552 billion.

So that means in order to make up this deficit in each of these years, we are going to have to take money out of Medicare for the first 3 years and then, from year 4 on, both Medicare and Social Security. Again, this is not rhetoric; the numbers are there.

What the House of Representatives gave us, what they voted on in the House of Representatives—every Congressman and Congresswoman who voted for that budget voted to raid Medicare and to raid Social Security over the next 10 years. Make no mistake about it. That is what they did, and that is what we have in front of us here.

So if you vote for this budget, you are voting to take money out of Medicare and you are voting to take money out of Social Security, to pay for what? The House has already passed a set of tax cuts that dramatically favor tax break that goes to the wealthiest in our society.

President Bush is always talking about waitresses and the people working out there and how they need a tax break, too. Here is a letter which appeared in the Des Moines Register on May 3. It was written by Deb Stehr of Lake View, IA. She is a waitress. She wrote this. The headline is "Bush's Tax Cut Won't Help This Waitress Mom." I ask unanimous consent that this entire letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Des Moines Register, May 3, 2001]

BUSH'S TAX CUT WON'T HELP THIS WAITRESS MOM

IF HE'S NOT GOING TO TALK TO ME, SHOULDN'T HE STOP TALKING ABOUT ME?

(By Deb Stehr)

> President Bush has said his tax plan would be great for a waitress with two kids and income of $26,000.
>
> I'm a waitress, married, with one child still at home and a family income that's a little lower than $26,000 in most years.
>
> If Bush visited the cafe where I work in Lake View, I would tell him that when it comes to my family and folks like us, he has it all wrong.
>
> The fact is, we wouldn't get anything from his tax cuts. Instead, they would hurt programs we depend upon and gladly pay taxes to support, such as Medicare and Medicaid. They would kill the chances for programs such as prescription-drug coverage for our parents, which would make all our lives a little easier.
>
> I'm the kind of person the politicians woo like crazy when there's an election coming up, and then forget about the rest of the time. So let me explain a little about my life to help them remember moms like me.
>
> I am a waitress who has worked in the same local cafe for 13 years, and my husband owns a small auto-body repair shop. We don't have private health insurance so, like lots of working families, we have to rely on Medicaid. It has been a lifeline for one family member.
>
> Our youngest son, Jonathan, was born with severe cerebral palsy 18 years ago. He receives Medicaid because of his disability, a program that has covered his extensive health-care needs over the years. For now, it also covers the necessary support services that enable us to keep him at home. Jon, like most young adults, looks forward to finishing his education, getting a job and living on his own. He will need Medicaid to help him become independent.
>
> We're part of the "sandwich generation"—baby boomers who care for aging parents as well as our kids. For the past year, my dad has been treated for a rare cancer. Fortunately, Medicare has paid for what would have been tens of thousands of dollars of medical bills. Ironically, the largest out-of-pocket expenses he had to pay were for prescription drugs.
>
> That's my story, and when I hear Bush talk about families who would benefit from his tax plan, I know he's not talking about me. He might think he is talking about a waitress mom. But I know better. We pay payroll taxes, sales taxes and other taxes. I make more in tips on a bad day than I would ever get back from his tax cut. I don't think most of the customers who come to the cafe—mostly working people and seniors—would make out any better.
>
> I am afraid that we'd lose out because Bush would have to cut programs that help our families survive. When I read that he plans to cut $17 billion from Medicaid over 10 years and "borrow" from the Medicare surplus, it makes me scared and angry. What would happen to my son if they cut Medicaid? What would happen to my dad, and many of the seniors I care about, if they cut Medicare?
>
> Bush likes to say that the money the government gets from income taxes is the people's money. Some of the money in the Medicare surplus came from my payroll taxes and the taxes of workers in situations similar to mine. I'd just as soon see that money help people like my dad who worked hard and paid taxes all their lives.
>
> Worst of all, I'm afraid Bush's tax plan would make the future less hopeful for working families like mine. This is a good country, with a big heart and supposedly a helping hand. Now that we finally have a surplus, we should use some of it to help seniors buy prescription drugs by adding a comprehensive, prescription-drug benefit to Medicare. We should provide health-care coverage for the uninsured and invest in education for all students. It makes more sense to help millions of people than to give millionaires a tax cut.
>
> That's what I'd tell Bush if I ever had the chance. Even though he likes to say his plan would help someone like me, he's not likely to visit with a waitress in a small town in northwest Iowa. But if he's not going to talk to me, then shouldn't he stop talking about me?

Deb said:

> President Bush has said his tax plan would be great for a waitress with two kids and an income of $26,000.
>
> I'm a waitress, married, with one child still at home and a family income that's a little lower than $26,000 in most years.
>
> If Bush visited the cafe where I work in Lake View—She goes on to say later that she has worked there for 13 years, and she also has a son who was born with severe cerebral palsy and lives at home. She said:
>
> If Bush visited the cafe where I work in Lake View, I would tell him that when it comes to my family and folks like us, he has it all wrong.
>
> The fact is, we wouldn't get anything from his tax cuts. Instead, they would hurt programs we depend upon and gladly pay taxes to support, such as Medicare and Medicaid. They would kill the chances for programs such as prescription drug coverage for our parents, which would make all our lives a little easier.

Deb goes on to say that she has been a waitress for 13 years and her husband owns a small auto body repair shop. They don't have private health insurance. They have to rely on Medicaid because their son Jonathan was born with severe cerebral palsy 18 years ago. He receives Medicaid because of his disability. Medicaid helps him to be independent. She has an elder parent who has cancer, and he relies upon Medicare money.

Well, she said in the end:

> That's what I'd tell Bush if I ever had the chance. Even though he likes to say his plan would help someone like me, he is not likely to visit with a waitress in a small town in northwest Iowa. But if he is not going to talk to me, then shouldn't he stop talking about me?

I think that sums it up, Mr. President. If you want to help the working people of America who are out in the small towns and communities, who have their small businesses and are working hard to keep their families together, this is not the budget you want for their future. This budget is going to hurt them. This is not the budget you want to help educate our kids and to make sure they are going to have the funds necessary for their future growth and development.

If you want to make sure our elderly get the prescription drugs they need so that their lives are healthier and better, this is not the budget you want. If you want to make sure that we secure Social Security for the baby boomers and that we have the ability to make sure the Social Security System is sound for the next 40 to 50 years, this is not the budget you want.

This budget has everything in there for people who have everything in this country. The President likes to say he wants to "leave no child behind." I think we have to revise that. What he really is saying is he wants to leave no child in the wealthiest suburbs behind, no child whose parents have a great income; he doesn't want to leave them behind. But if you are poor, black, Hispanic, and you are from the lower socioeconomic strata, if you are in elementary school, if you are nearing retirement with an average income, you are left behind with this budget.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. President, the other thing I want to say is if you are interested in reducing the national debt, because we also put $250 billion in the Senate bill through the amendment I proposed to reduce the national debt so that our kids are not saddled with interest payments every year of their lives, if you are interested in paying down the national debt, this is not the budget for you because this budget does not pay down the national debt.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Florida is recognized for 12½ minutes.

Mr. GRAHAM. I thank the Chair.

Mr. President, a week ago today on May 2, the front page of the Washington Post had three significant articles about the debate we are conducting tonight.

The first says, "Bush Calls for Missile Shield."

The second says, "Bush to Unveil Panel on Social Security Change."

And the third says, "Tax Cut Compromise Reached."

What is the relationship of those three articles? The relationship is that the decisions we are going to be making tonight, tomorrow, and next week on the tax cut compromise which has been reached will have significant effects on our ability to finance the missile shield and the Social Security changes which, on the same front page, the President has asked our Nation to consider.

Although we do not have a number, we have heard that the Secretary of Defense may be asking for as much as $250 billion above the amount in this budget resolution for additional defense expenditures. Whether that includes the national missile defense is a question mark.

We do not know the exact number, but the projection is, to pay for the privatization of a portion of Social Security as this Commission has been charged to develop will cost upwards of a trillion dollars over the next 10 years in the transition costs.

What these three stories show is the need to set priorities and to set priorities at the same time so that, just as any family, you would know how much you were going to spend for every component of the family's budget as you started the new year, as you began the new intelligent planning for your family's resources.

I suggest one intelligent step to take tonight is not to take one 10-year tax cut based on projections of what the Federal Government surplus will be from this year through the year 2011 but, rather, to take a step-by-step approach. Yes, passing a significant tax bill—and I will discuss later what I think its components should be—then reviewing what the state of the economy is after that tax cut, evaluating what our projected surpluses would be after that first tax cut, and deciding whether, when, and for what purpose a second tax cut would be prudent.

It has been said that we are engaged in a zero-sum game, and we are. Much attention has been given over the last several weeks to how big a tax cut Congress should build into the budget. Much less has been given to the fact that these budget decisions are a zero-sum game. Every dollar we spend on a tax cut is a dollar we cannot spend for something else. Every dollar we spend for something else is a dollar we cannot spend on the tax cut. The greater the tax cut, the fewer dollars are available for other priorities.

What are some of those priorities? In my opinion, they would be paying down the $5.5 trillion national debt we have developed over the last 20 years and have just started the process of reducing so we do not leave to our children and our grandchildren a credit card bill of ours to pay; meeting the No. 1 priority, which the President has stated and which this Congress has reaffirmed, and that is education; providing prescription drug coverage for older Americans; dealing with the serious issues of energy security and the contractual responsibilities we have for Social Security and providing for an adequate national defense.

In addition to being a zero-sum game, there is also a zero-sum minus because one of the flaws in this budget resolution that includes using the Medicare trust fund without a question, and arguably also the Social Security surplus trust fund as a means of being able to finance this enormous tax cut.

This violates the fundamental spirit of the agreement that we have with Medicare taxpayers, with Medicare beneficiaries, and with our Social Security beneficiaries.

Congress, instead of spending those trust funds or making them vulnerable to being spent, should use this opportunity to place the Medicare trust fund in a protected status and to recommit ourselves to do the same for the Social Security trust fund.

Senator STABENOW and I will be offering legislation, to be introduced shortly, which will do just that by providing a point of order against any attempt to use the Medicare trust funds for any purposes other than for paying current Medicare Part A benefits. So part of this game is zero-sum minus, minus the proposal of using the Medicare trust fund and the Social Security trust fund to pay for this.

Another part is zero-sum plus, and that is we are looking at the world as if it ends in the year 2011. Taking such a narrow focus prevents us from addressing the longer term budget challenges facing this country.

I understand that under the Budget Act we look at our Nation's finances for 10 years, but that does not put us in unneeded handcuffs to recognize the fact that there are responsibilities just beyond that horizon.

A very significant event in world history occurred in late March of this year. My daughter, Suzanne, and her husband, Tom, hosted a sixth birthday party for their triplet daughters, my triplet granddaughters. Ansley, Adele, and Kendall Gibson all became 6 years old on the same day. What is the significance of that for this debate? The significance is they are all going to become 16 10 years from now. If the Gibson family looked at the life of their triplets and said, let's just plan for the next 10 years, it would be a fairly smooth ride because the expenses from 6 to 16 are not that daunting.

The problem is that 2 years later, in the year 2013, those triplets are all going to want to go to college at the same time. Anybody who is putting one child through college can appreciate what the challenge is going to be to put through triplets at the same time.

That is almost an exact parallel to what our Nation is facing. We are on the verge of one of the most significant demographic surges in the history of America, and it can be seen in this chart.

If we just use as our amount to pay down the national debt the sums in the Social Security surplus, we are going to go back into deficit in the year 2017. The reason we are going to go back into deficit is because we will be 5 years into the baby boomers reaching their retirement age and starting to draw down Social Security.

Conversely, if we put all of the unified surplus into paying down the national debt, we will stretch that out to the year 2050 before we will be back into a deficit position. But we are just looking at this narrow window into which we are now entering and saying things look great for the next 10 years, but it is the period just after the 10 years that is going to be the challenge for Congress and for this Nation.

What are some of the implications of this chart? In the year 2017, the year we are going to go back into deficit, 52 million Americans will be receiving Social Security retirement benefits. That is up from 36 million in the year 2000, a 16 million increase in the number of Social Security retirees in just a 17-year period. Mr. President, that is 44 percent above current beneficiary levels. In addition, 56 million Americans will be eligible for Medicare benefits, up from 39 million in the year 2000.

Those are some of the challenges in the zero-sum-plus game. We have to add a longer vision to our fiscal telescope than just the 10 years immediately ahead.

I am also concerned in this approach of one humongous tax bill. We are not putting first priorities first in our Nation's economic life. I think the most challenging issue for America today is the fact we are facing the potential of a further and even more serious economic decline. There have been mixed economic figures in the past few weeks. The figures of last week show unemployment has risen to 4.5 percent, with a whole series of major American companies announcing yet another round of layoffs. Certainly that sends alarm signals. We ought to be using our energy and using the people's resources to help buy an economic insurance policy to do everything we can on the fiscal side of the American economy as the Federal Reserve Board is doing on the monetary side in order to give the American people the greatest confidence that they will not be facing a hard, perhaps a crash landing.

My suggestion is rather than pass the $1.35 trillion, 10-year "spend it all right now" tax plan, which I think will be seen quickly in history as being the equivalent of the 1981 tax cut which brought these enormous deficits and now a $5.5 trillion national debt, we ought to be patient and proceed step by step.

I suggest the first step ought to be to buy an economic insurance policy by passing a simple, immediate, broadbased and substantial tax cut of approximately $60 billion this year and in the next years, which will go, primarily, to American families in a sufficient amount to provide a $950 per year, or approximately $35 every other week in the paycheck, increase in the disposable income of American families so they will have not only the additional dollars to contribute to strengthening the demand side of our American economy but also the psychological reassurance that they are going to be that much better off on a permanent basis.

That is the kind of tax plan this Senate ought to be considering. The American people have worked hard for the last few years to get where we are. In 1992, we had the largest single deficit in any year in the history of the United States of America, almost $300 billion. Now we are in the happy circumstance of surplus. We are facing the prospect of surpluses for the foreseeable future. We have the potential of making that future stretch all the way to the middle of the 21st century if we act prudently tonight, tomorrow, and next week. This is not the time to go back where we have been and where we do not want to go again, a nation on its economic knees through deficits and excessive debt.

Mr. CONRAD. I yield 12½ minutes to the Senator from Florida.

The PRESIDING OFFICER (Mr. ALLEN). The Senator from Florida is recognized.

Mr. NELSON of Florida. Mr. President, the chairman of my committee has given courageous leadership in trying to sort through all of the funny money and the distorted figures as we try to make some sense out of this budget resolution. I thank the Senator from North Dakota for his leadership.

I strongly support a tax cut that would benefit all Americans fairly, but I support a tax cut that doesn't sacrifice the fiscal discipline that enables us to provide tax relief for this year. I support a tax cut that doesn't abandon our commitment to such critical areas as Social Security, Medicare, education, national defense, and the environment. I was among those voting for such a tax cut when we first debated the budget a few weeks ago. It would have given taxpayers substantial relief—$900 billion over 10 years—while enabling us to meet our Nation's most pressing needs.

With the administration demanding $1.6 trillion instead of $900 billion, that sensible proposal of a balanced way of approaching the budget for all of these different needs that I want to talk about, and that my colleague, my senior Senator from Florida, has already talked about, was rejected. Instead, we are now considering a budget resolution calling for a $1.4 trillion tax cut over 10 years that is certain to cost far more if it is carried out.

We are about to vote for an illusion, a political head fake, because this budget before the Senate provides none of the additional money we approved for educational reform. Every day now we are on the education bill, S. 1. We have added needed money for lowering classroom size, as we are about to vote on the amendment from the Senator from Washington. We have added money to bring title I up, fully funded, over the course of the next decade. We have put additional money into Head Start, to get children ready to start school at the kindergarten and first grade level.

Yet this budget doesn't provide any of that money. This is one of the most inconsistent, legislative decisionmaking times we have ever seen. On the one hand, we are considering a budget resolution that strips out all of the additional money we promised our people last year in the election that was going to be invested in education while, at the same time, we are voting on an educational bill that adds all of this additional investment into education.

There is no money here for the public school improvements we all agreed were critically needed. This budget conveniently overlooks anticipated costs for such big ticket items as the President's plans for overhauling the military and the President's plans for building a missile defense system. It is based on distant revenue projections that are uncertain in the best of times and, increasingly, revenue projections of surplus that are very unlikely in our slowing economy.

My senior Senator from Florida, who is so kind to be here, knows that I made promises to our people in Florida. I promised to fight any raids on Medicare and Social Security trust funds. Instead of strengthening Medicare and Social Security, which we must do, this unconscionable budget would raid them.

Look at the chart referred to in an earlier speech. With everything in this present budget at the end of 10 years, there isn't enough left in the present budget projections, to the tune of $1½ trillion. At the end of 10 years, where will we get it? We will get it by raiding the Medicare trust fund, $326 billion over 10 years. I promised I wasn't going to do that.

We are going to get it by raiding the Social Security trust fund, $225 billion over 10 years. I promised I would not do that, and I will not.

And I promised to give all children a chance for a quality education. And we are stripping out that money for education.

I promised to protect our precious natural resources. There is not any money for that.

I promised to strengthen our Nation's military. And there is not any money for that, either.

I promised to modernize Medicare with a real prescription drug benefit, and there is no money for that. I promised one of the most sacred promises to all of the people of Florida who have labored under budget deficits and who have worried, as they worry about paying off their mortgages on their homes—I promised to pay down the national debt with this surplus so our economy can grow and prosper. We are not doing that with this budget.

No, the budget plan before us would eat up our entire surplus. It would cripple our ability to do all of those things I promised our people in Florida. So I am going to vote against it. Because of the promises I made to our people in Florida, I will continue to fight for reforms and I will continue to fight for tax cuts in the days and the weeks ahead. I will continue to fight for those reforms and tax cuts that will better serve all of our people.

I say to the chairman of our committee, my senior Senator, the distinguished Senator from the State of Washington, it has been a privilege to be a part of this process. Thank you for letting me express some very deeply felt convictions, most of which were discussed in detail as I had the privilege of visiting all of the back roads and cities, the rural areas, and the backwaters of Florida as I traversed the State last year in the campaign. What a high honor it was to be elected to represent the State of Florida. I came here with those promises. I intend to keep them.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. If the Senator will yield for just a moment—

Mr. SESSIONS. I will be glad to.

Mr. CONRAD. I appreciate the courtesy of the Senator very much. I would like to say that Senator NELSON of Florida has been a very valuable member of the Senate Budget Committee. Nobody has been more serious about the work of the committee. I think nobody is more dedicated to fiscal responsibility. His senior colleague as well, who sits next to me on the Senate Finance Committee—I think on the questions of fiscal responsibility, they are two of the most sound thinkers who come before the Senate. I admire the remarks of both tonight.

I especially want to say to the junior Senator from Florida, Mr. NELSON, how much I appreciate the effort he has extended to be involved in the budget process. It has been a great help to me, and I will not forget the assistance he has provided.

I yield the floor. Again, I thank the Senator for his courtesy.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. DOMENICI. How much time did the Senator ask for?

Mr. SESSIONS. I haven't asked but 7 minutes.

Mr. DOMENICI. I yield 10 minutes, if you like. Will you yield me 1 minute of that time--or let me ask consent that the Senator be permitted to speak for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. And then who is next? Do we have another Senator?

Mr. CONRAD. We are ready on our side with Senator MURRAY.

Mr. DOMENICI. How long would she like? Why don't we just set it in place.

Mr. CONRAD. I yield 12½ minutes for Senator MURRAY, and then Senator CORZINE on our side, 12½ minutes as well.

Mr. DOMENICI. We will do that following the Senator from Alabama, and if any other Republicans want to speak, anyway that is fair. Does the Senator yield me 2 minutes?

Mr. SESSIONS. Yes.

Mr. DOMENICI. Mr. President, it is just amazing to this Senator. I don't know where they get the numbers. Somebody is giving them to them. Somebody is making a lot of assumptions that are not in this budget resolution.

We do not need a lesson from anyone about whether or not we should dip into Social Security trust funds for purposes of spending in this budget. We were the first to put before the Congress of the United States a lockbox concept. By the time we were finished, everybody took credit for it—lock in the Social Security trust fund. That is a lockbox. Before we were finished, President Clinton was for it. He had not been for it before. We start it; everybody takes credit.

Let me say to the American people, whenever you want to give the American people a tax cut of sizable proportions—not as big as the Kennedy tax cut, not as big as the Reagan tax cut—just try to give the taxpayers some of their money back out of this huge surplus, there is no end to excuses as to why we cannot do it.

The latest one is: Seniors, you ought to be angry about this tax cut, even though it is going to your children and grandchildren and to your friends because, they are saying on that side, we are spending it; we are spending part of your trust fund money for tax cuts.

Not true. And it should not be a condition precedent to cutting taxes.

Next, what do they insist on? You can't touch Medicare. We didn't have to learn that from anyone. We did not, we do not, and wherever those numbers came from, they are not the numbers in the budget. They are not what we assume will be spent. They are assuming the alternative minimum tax will be passed. They are assuming defense will get $370 billion. They are assuming education will get $146 billion more. How are we responsible when we do not even have that in our budget? We don't know what is going to happen there. What is in our budget does not use Medicare, does not use Social Security.

I believe every time we have a significant tax cut going to Americans so the economy will keep going, that is the best thing for seniors. Keep an economy that is booming. What do we boom on? Low tax rates. That is what America's economy expects. So you do that to help over the long run, and you get excuses that you have not done everything yet that is necessary.

Mr. SESSIONS. Will the Senator yield for a question?

Mr. DOMENICI. I am pleased to yield on your time.

Mr. SESSIONS. This tax cut that you proposed and the analysis that has been made of it, does it have dynamic scoring? Does it provide any projected boost in the economy by virtue of the tax cut?

Mr. DOMENICI. No, it does not.

Mr. SESSIONS. That is a very conservative posture to take.

Mr. DOMENICI. Also, let me say the economy is not booming as much as we like, and there is $100 billion in it that was sought after by Democrats for upfront stimulus between this year and next year. That is going to go right into the pockets of Americans. It is going to go into the pockets of the neighbors and nephews and grandchildren of the seniors whom they are trying to scare in that we cannot keep our faith with Social Security and give people back some of their money. We can. We will. And it will not touch Social Security. So don't get worked up about it, our friends who are seniors. If you want to call our offices, we will give you the numbers.

Those numbers are invented. Since they use all kinds of invective here on the floor about our budget resolution, they are invented numbers. That is not accusing anyone. They just borrowed them from somewhere. They are not in the budget.

I will be pleased to yield the remainder of my time, except I want to say we were asked to balance the budget before we would give any tax relief. We have. It will be. We were asked to reduce the debt. We have. It will be. It will be reduced dramatically.

The real numbers are $3.2 trillion in debt. It will be down to $0.8 trillion under this budget resolution, a huge reduction in debt. What are we arguing about? It is as big as you can get. Probably you cannot do any more.

Go onto everything they ask, that everybody says this budget should do before we give Americans a tax break. We have done them all. We tried. They are inventing new ones. Every time we are on the floor, they are inventing new ones.

I don't kid anybody. This is not a budget that Senator HARKIN would put forward. This is not a budget resolution he would write. I don't know what he would write, I don't know what he would support. Clearly, he came and spoke his piece, and that is fine. He didn't vote for it even when it left the Senate when 15 Democrats did. Nor did most of the people who are speaking against it. They didn't even vote for it when it passed the Senate with 15 Democrats in support of it, with a lower tax number than the President wanted and that we wanted.

So I want to wrap my arguments up very simply. Everything a budget could be asked to do before we give any money back to our American people to grow our economy even better, we have done it all.

Every time we try to do a reasonable tax reduction plan, we find new conditions and new things we ought to be doing as a Government. What? Before we can give the American people a tax break? Give us a break. How many more conditions? There will be more tonight. We have a couple of hours. There will be more tomorrow morning. We have an hour or so. There will be more things we should have been doing before we give the American people a tax break. I guarantee you that is what it will be about—more things the Government ought to do and less and less about what people should get. Give back to them some of their money.

I yield the rest of your time. I am sorry I used it. I ask unanimous consent that he have 10 minutes nonetheless.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Alabama.

Mr. SESSIONS. Mr. President, I thank the Chair and the distinguished Budget Committee chairman. There is no one who has given more of his heart and soul to battling for a sound economy in this country and a sound balance between the individual American citizen and our Government than the chairman of the Budget Committee.

We are looking at numbers. They are extraordinary. Money is pouring into our National Government. Even in this time of slowdown, preliminary numbers I heard recently indicate that we will still have more money coming into the Government this year than was projected even last year. All the projections for the last 4 years have been below the size of the actual surplus.

What are we talking about? We are talking about an unusual period of time in which the Federal Government is growing at an unprecedented rate.

It is a fundamental period for us to make a decision. Are we going to go down the road of the socialistic economic philosophies of European nations and others in the world, or are we going to maintain the great American tradition of individual freedom and free enterprise? It is a fundamental question. There are Members of this body who either have not thought about that, or have thought about it and won't admit it and want to see us go in that direction because every time a tax cut is proposed, they say: No, we can't trust the American people with their money. We have to take it and spend it on this program, this program, this program, and this program.

Are there not families in America and senior citizens in America who need to put a set of tires on their car and need a $75-a-month tax reduction to help them do that? Are there not people who will benefit from that? Aren't children going to benefit from the tax credit that families will have with two children with a $1,000-a-year tax credit?

I don't mean you get $1,000 and have to pay taxes on it. I mean they get to keep $1,000, if they have two children, for the year. It adds up to almost $100 a month to help them raise their children, to take care of us when we retire, educate their children, and raise them in the proper way.

But the most important thing for us to know is that in 1992 this Federal Government alone took 17.6 percent of the total gross domestic product in the form of taxes. Mr. President, 17.6 percent of all the goods and services produced in this country were sent to Washington, DC. Since 1992, it has grown every single year. We are now at 20.7 percent of the gross domestic product going to the Federal Government in Washington.

Is there any wonder why we have a surplus? There is no doubt about it. The Government is taking a larger percentage of America's wealth. Are we going to let it go to 22 percent or 25 percent so politicians can spend it and go out and claim they did great things for you, and have buildings named for them that they built with your money? I don't think so. I think this is a defining moment of great historical importance.

The bipartisan majority, I am confident, will approve this budget of $1.3 trillion in tax reductions over 10 years, with $100 billion in the first 2 years for an economic stimulus to help get this economy moving again, and to help do something about these high energy prices which are a direct result of a no-growth environmental extreme policy that did not allow production of energy sources and left us in a shortage and left us with high prices. We do not need that kind of shortsighted mentality, in my view.

We are in a position to do something very special. We are in a position to allow the American people, vis-a-vis their central government, to have a little bit more money, to be able to keep a little more of what they earn, and to reverse that trend. Because when money is taken from an individual, a free American citizen, and is sent to Washington, Washington is empowered. Washington is enriched. Washington is strengthened. And the individual American is diminished. His wealth is diminished; his freedom, his autonomy, his ability to do as he or she wishes is diminished.

I think we are at a point where we are sending enough here. I don't believe the people who elected me said, Jeff, go up there and preside over one of the greatest increases in accumulation of wealth in Washington, DC, in the history of our country. I don't believe that is what I was sent here to do.

The 20.7 percent coming to this Government right now as a percentage of gross domestic product is the highest figure since the height of World War II. One year in World War II it hit 20.9 percent.

We are drifting into a state-dominated, socialist-type economy, if we don't watch it. The trends are not healthy. Let's slow that down.

Compared to the Reagan tax cut, this one is small. Compared to the John F. Kennedy tax cut, this is small. It is not a breathtaking tax cut. We are looking at it over 10 years. But it is significant. I believe it will help contain that trend of ever increasing concentration of wealth in Washington, with more and more Federal programs—all for the greatest sounding good that seldom produces the results they set out to do.

I think we are on the right track. I believe we are going to have a strong vote for this. I think it is the right direction for our country to go in. I could not be more excited about it.

I have no doubt that we will not cast a more important vote. We will not deal with a more important governmental issue than trying to contain this powerful growth in spending and wealth in this Nation's Capital.

By the way, we are paying down the debt as fast as it can be paid down without paying penalties on the Treasury bills that are out there. It is a tremendous reduction of wealth. The estimates are that instead of paying 14 percent down now to fund our debtload, we will be down to under 2 percent at the end of this budget projection at the rate we are going. It is a good trend to be on. Less than 2 percent for debt service is a healthy trend for us. In a couple more years, we could have all the debt eliminated. That is a wise economic step for us to take at that time.

I certainly believe in paying down debt. I certainly believe we ought to lock up the Social Security surplus and not spend it.

Senator DOMENICI is correct. Senator DOMENICI founded the idea of a lockbox, and fought for it on this floor. I supported him. Senator Spence Abraham of Michigan supported him. We worked hard on the lockbox. We didn't get it passed. The Democrats opposed it. The Democrats opposed that lockbox.

Then, stunningly, we were in a political campaign and the Vice President said he was all for a lockbox. He should have told some of his friends in the Senate.

But we are going to do that. We are locking that money up.

I will say one thing. I am not voting for a budget that is going to spend the Social Security surplus. That debt needs to be paid down. It should be for that purpose and should not be spent. I will oppose any spending or any tax program that reduces or spends any of that surplus. It is not going to happen. It is a commitment on both sides of the aisle not to allow that to happen. We are not going to allow that to happen. That would be wrong. We have done that too long. It is time to end that. In fact, a good frugal congressional battle has resulted in better spending ideas and the containment of spending which has helped produce this surplus.

The budget is pretty good on spending increases. The President wants us to hold to 4 percent. It looks like the budget is going to have us at a little over 5 percent. We have to watch ourselves. It is so tempting to spend. If we can just maintain spending at the rate of inflation, or only slightly above the rate of inflation, I think we can do well. But if we go crazy and we spend like we did last year—nearly an 8-percent budget increase in spending—and do that every year, we are not going to have any Social Security or tax cut possibilities.

I am excited about what is happening. I think we will have bipartisan support for this. I know some people just cannot stand the thought of a tax cut. I think it is a great idea. I think it is time, and we have the money to do it. We ought to let the American people keep some of their money, and quit this unprecedented growth in the accumulation of wealth going to Washington, DC.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. I thank the Senator from Alabama.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I ask if Senator MURRAY will yield to me briefly, so I can respond to a number of points that have been made.

The PRESIDING OFFICER. Does the Senator yield?

Mrs. MURRAY. Yes.

Mr. CONRAD. Mr. President, the Senator from Alabama used some pretty strong language out here. Socialistic? Please. I do not know of a single socialist in the Senate or anybody that has any thought of proposing anything socialistic in this Chamber. That is talk that is a little beyond the pale.

Let's review what has happened in fact—not the rhetoric, the fact. This chart I have here demonstrates what has happened to Federal spending as a share of national income since 1966. Ronald Reagan took over in 1980. I do not think he was a socialist. But look what happened to Federal spending as a share of national income under Ronald Reagan and, effectively, Republican control of both the House and the Senate. Federal spending as a share of gross domestic product shot up under President Reagan.

Now look what happened when a Democrat took over in 1992. Federal spending as share of GDP plunged. We have gone from 22 percent of GDP going to the Federal Government when Bill Clinton came into office to last year going down to 18 percent—a dramatic reduction of money coming to Washington for the Federal Government as a share of national income. Those are facts. As President Reagan used to say, facts are stubborn things.

The Senator from Alabama said the Democrats defeated the lockbox. You bet we defeated the lockbox they proposed because the lockbox they proposed would have prevented us from honoring our national debt. The Secretary of the Treasury wrote us and said that would endanger the ability of the United States to meet its financial obligations. I was the author on this side of the lockbox legislation that passed, with the strongest vote in the Senate on a bipartisan basis. That lockbox passed.

So when they say the Democrats opposed the lockbox, we opposed a fiscally irresponsible lockbox, and we supported the lockbox that with bipartisan support passed in the Senate. Facts are stubborn things. Senator DOMENICI said, in answer to Senator NELSON, that Senator NELSON put up a chart that had things that were not in their budget. That is exactly the point. The defense buildup they are calling for, this administration is calling for, is not in the budget. The strengthening of Social Security that this President is calling for is not in the budget. The additional resources for education this President is calling for are not in the budget.

That is the problem with this budget: It is not a true accounting of what is going to happen here. The result is precisely what Senator NELSON described: We are going to be deep into the Medicare trust fund, deep into the Social Security trust fund, because what we have here is not a real budget.

I thank the Senator from Washington for the time.

Mr. President, I ask unanimous consent that the Senator from Washington be given an additional 5 minutes because I used her time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Washington.

Mrs. MURRAY. Mr. President, how much time do I have total at this point?

The PRESIDING OFFICER. The Senator from North Dakota used 3½ minutes. The Senator had 12½ minutes reserved. So now the Senator has about 16 or 17 minutes.

Mrs. MURRAY. I thank the Presiding Officer. And I thank the Senator from North Dakota for his tremendous leadership on this issue and for working with us who serve on the Budget Committee in one of the best ways I have ever seen, including, in the process, helping us to understand the true impact of this budget. I really want to let him know how much I appreciate that.

Mr. President, as my colleagues know, the budget resolution before us provides the framework for Federal budget priorities for the coming fiscal year. In fact, this debate and this budget are the most important things the Senate will do this year. The vote we take will have a significant impact on our Nation's ability to meet our challenges and to provide opportunity for America's working families.

But this vote isn't just about what happens to Americans a year from now. It is about what happens to our country generations from now because this budget will have a major impact on the projected surplus and on future budgets.

Over the last 8 years, we learned what a difference a responsible budget can make. We learned it starts with the basics—such as using real numbers and not "betting the farm" on rosy projections. We learned that if we invest in the American people and their needs, our country and our economy will also benefit. We learned we need to be fiscally responsible. That means making tough choices and holding the line on deficit spending. And we learned that we have to work together to get things done.

The last 8 years have shown us that if we follow those lessons—using real numbers, investing in people, meeting our needs, being fiscally responsible, and working together—we can turn deficits into surpluses, and we can transform the American economy into a job-creating machine.

Today, there is a new President in office. There is a new Congress. And there are new economic challenges as our economy slows and an energy crisis grows.

Mr. President, the times are different, but the lessons are the same.

This isn't the time to throw away the handbook we have used for the past 8 years. It is time to follow the lessons it offers. Unfortunately, the administration and the Republican leadership are running in the opposite direction. And I fear we are going to repeat the same mistakes of the past—mistakes that we are just now getting over. Let me say that again. The Republican budget ignores the lessons of the last 8 years. Instead of focusing on real numbers and realistic estimates, the Republican budget puts all its faith in projected surpluses that may never materialize.

The things we know so far about this budget are disturbing. We know it is based on surplus estimates that may not come true. We know that it abandons fiscal responsibility in the name of a tax cut primarily benefitting a few. We know that it fails to adequately meet the priorities and needs of the American people and the people of my home State. We know it fails to invest in our future economic security and competitiveness. And we know it fails to eliminate the $5.3 trillion in debt that has accumulated over the past 20 years.

What we already know about this budget is enough to give us pause, but what we don't yet know about this budget is enough to stop it cold. We don't know what the surplus or the overall economy will look like a few years from now. And today there are very real reasons to be concerned. In my home State, and up and down the West Coast, we are experiencing an energy crisis. Gasoline prices are skyrocketing, factories are closing down, and energy bills are up significantly. This energy crisis is having a negative impact on the economy of the country—but this budget resolution and its projections do not take any of that into account.

This budget resolution is also silent on two major Bush proposals: developing an unfettered missile defense system and privatizing Social Security.

Now, what is significant about these announcements is not just that they represent major departures from past policy, but that they came with no price tag. So, we have the President proposing to spend huge sums on these initiatives, but they are not accounted for in the budget proposal, that he presented, nor in the one being considered by this Congress.

Why would we as a country pass a budget that we know is based on shaky projections, that excludes huge bills we know we are going to have to pay, and that forces cuts in vital services just to fund a tax cut that is tilted to just a few? Why are we proceeding down the slippery slope of rosy predictions and fiscal irresponsibility? Frankly, it is because it is the only way this President can pay for his tax cut.

Democrats support a fair tax cut. All of us have been working on that. We want a fair tax cut for middle-class Americans, and we are fighting for an immediate tax rebate that would put an average of $600 in your family's pocket this year. A tax cut is one of the many things Americans deserve, but it is not the only thing. We also deserve a Government that stops corporate polluters, that supports the hiring of more police officers and good teachers, and that strengthens Medicare with a real prescription drug benefit. Americans do deserve to get a tax cut this year. After all, it is our money. But it is also our national debt, our overcrowded classrooms, our prescription drug costs, and our drinking water. And we cannot walk away from those responsibilities.

Finally, this budget does not address the needs of the American people. I want to talk about some of those.

This budget eliminated the amendment that this Senate passed to increase our investment in education. This budget falls short of our targeted debt reduction goals. It fails to give communities the tools they rely on to prepare for natural disasters and to limit their damage. In fact, President Bush's budget eliminated a program called Project Impact, which is a predisaster program that saved lives and prevented damage during the February 28 earthquake that occurred in my home State of Washington.

The President's budget also cut the Federal share of a program that helps communities rebuild after disasters strike. The Senate passed my amendment to restore those vital programs, but this budget resolution took them out.

This budget eliminates the successful community-oriented COPS Program and other law enforcement programs that have helped thousands of communities achieve some of the lowest crime rates in a generation. The police on our streets have worked to restore a measure of safety and security in our communities, and this budget takes away that funding.

This budget also cuts the budget for Eximbank which allows our Nation's industries to compete with highly subsidized foreign competitors. This budget also jeopardizes the Federal class size initiative which has helped school districts hire 40,000 new qualified teachers so our kids can learn in a safe environment.

This budget cuts rural health care initiatives, including telemedicine grants that literally provide a lifeline for remote and underserved areas, and it cuts support to our family farmers who need it now more than ever. This budget does not invest enough in environmental restoration and conservation. It cuts research and development of renewable energy sources and energy conservation efforts.

This budget does not provide adequate funding for veterans programs for which the House and the Senate voted. In fact, both Chambers told the budget conferees to do better than the President's funding level. The Republicans met behind closed doors and stuck us with the President's insufficient number. Not only did the conferees refuse to honor the increases for veterans programs that were approved by both the House and Senate, but they also discarded an amendment that I proudly cosponsored about concurrent receipt. The amendment that was offered by Senator REID would have allowed our military retirees to collect both their retirement pay and their disability benefits. Today, we single out veterans by denying them these benefits.

The Senate passed an amendment that would have corrected that injustice, but the Republican conferees, behind closed doors, when no one was looking, dropped that critically important provision. America's veterans are big losers in this budget.

To me, that is another example of why this process should have been bipartisan and open from the start. By closing the door on bipartisanship, the conferees have left America's priorities behind.

Let me mention two more: prescription drugs for seniors and the Federal Government's obligation to clean up nuclear waste. On prescription drugs, we all know that the lack of affordable drug coverage is a problem not just for those with low incomes, all seniors and the disabled face the escalating costs of prescription drugs and lack of affordable coverage. This issue did not go away the day after the election. We know that a prescription drug benefit was estimated to cost $153 billion; that was originally. Now estimates show that it will take about twice that amount to provide a real benefit. We know that seniors need an affordable drug benefit that is part of Medicare. The Republican budget that we are looking at does not set aside enough money to provide that budget and that benefit. That is a promise all of us made in the last several years.

Let me turn to another example. This budget reduces the Federal Government's responsibility for the cleanup of nuclear materials and waste. In Washington State, we face a tremendous challenge of cleaning up the Hanford Nuclear Reservation. Hanford cleanup has always been a nonpartisan issue, and I hope we can keep it that way. There were some press reports back in February that the Bush budget was going to cut these important critical cleanup funds. I talked to the White House budget Director, Mitch Daniels. He assured me there would actually be an increase in funding for the Hanford cleanup.

The President's proposed budget cut the nuclear cleanup program, which is assumed, by the way, in this conference report, and that would make it very difficult to meet the Federal Government's legal operations in this area. Any retreat from our cleanup commitment will result in a legal action by the State of Washington. To avoid that and to meet our legal obligations to clean up the Hanford Nuclear Reservation, we need an increase of approximately $330 million. The price of America's victory in World War II and the cold war is buried in underground storage tanks and in facilities, and we have a responsibility, both morally and legally, to clean it up. That is not in the budget we are considering.

As you can see, this budget leaves a lot of American priorities behind. It takes rosy projections. It leaves out major bills we know will come due, and it puts a squeeze on hard-working families. We can do a lot better.

We ought to be working together to come up with a proposal that is fair and balanced, that meets the needs of the American people.

This administration came to town and promised to restore bipartisanship and promised to reach across party lines to meet the challenges of governing. This budget doesn't do that. As a member of the joint House-Senate conference committee, I can tell my colleagues, Senator CONRAD and I were not invited to that table. We were told our presence was not necessary. This partisan, back room dealing spells disaster for the entire budget process. Adoption of this budget resolution is only the first step in a lengthy budget process. It is far too early for this bipartisanship to break down now.

I am really disappointed in the decision to ignore many of the bipartisan amendments that were adopted in the Senate. As a member of the Senate Appropriations Committee, I fear this kind of partisan tone will make past budget battles pretty mild.

We have learned a lot about responsible budgeting over the last 8 years. I think those lessons are being ignored in this budget resolution. I fear that it is going to put us on the road to repeating the same costly mistakes of yesteryear.

I urge my colleagues to reject this budget agreement. I hope we can sit down and work on a budget agreement that is bipartisan and that works for the needs of the American people.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank the Senator from Washington for her contribution tonight and, more importantly, for her contribution on the Senate Budget Committee. She is one of the most valued Members on our side of the aisle. I believe she could have made a significant contribution in the conference committee but, of course, we were excluded from the conference committee.

Again, I thank Senator MURRAY for everything she has done as a member of the Budget Committee.

I believe the Senator from New Mexico wanted to deal with a unanimous consent request.

Mr. DOMENICI. Would the Senator permit me to talk to Senator MURRAY about a mutual problem?

Mr. CONRAD. Certainly.

Mr. DOMENICI. I know we have an area of mutual concern with reference to defense cleanup that has to do with your State and has to do with two or three others, not as much with my State as other defense issues. I told you awhile ago that I was going to do my very best. We are short a significant amount of money in the President's budget in terms of cleanup which will have a big effect on Idaho, your State, and South Carolina. I want you to know, I am still working on that.

Contrary to what some people would think, we can do it under this budget. We are going to work very hard with you to see that we can.

Mrs. MURRAY. Mr. President, if I could respond quickly, I thank the Senator from New Mexico. He has been a champion for our State in assuring that we have the cleanup dollars that are so drastically needed. I know he understands the moral obligation we have to clean up that site. So I thank him for his comments.

Mr. DOMENICI. On behalf of the leader, I have a unanimous consent request in hand. I ask unanimous consent that all time be used or yielded back by the close of business this evening with the exception of the following: 40 minutes under the control of Senator CONRAD or his designee, 30 minutes under the control of Senator BYRD or his designee, and 40 minutes under the control of Senator DOMENICI or his designee, with 15 minutes of that time consumed just prior to the vote.

I further ask consent that when the Senate resumes consideration of the conference report at 9:30 a.m. on Thursday, tomorrow, the vote occur on adoption of the conference report following the use or yielding back of the time as described in this unanimous consent agreement.

The PRESIDING OFFICER. Is there objection?

Mr. CONRAD. We have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, in light of this agreement, there will be no further votes this evening. I think most Senators will not be surprised by that announcement. The next vote will occur at 11:30, or thereabouts, on Thursday, on the adoption of the budget resolution conference report. It is also my understanding, and the Senators should note, that the two leaders would have leader time available for their use prior to the vote. However, we would still expect the vote to occur at 11:30, or shortly thereafter, if the leaders use their allotted time.

Mr. President, with that, I inquire, how many more Senators might speak tonight?

Mr. CONRAD. I am pleased to report that Senator CORZINE is next for 12 and a half minutes, and then we have Senator LEVIN, who has reserved 12 and a half minutes. We are told by his staff he should be on his way. So then we will be able to wrap up quickly thereafter.

Mr. DOMENICI. Fine. I have no objection to finishing up with two more Democrats in a row. We have no Senators desiring to speak. They may speak as part of my 40 minutes tomorrow.

With that, I thank the Senator for his cooperation today and his side of the aisle for the way they have handled the use of time, and I thank my side of the aisle for placing so much faith in me that you left it all up to me. I wish you could have come down and I could have taken a rest.

I will have substantially more to say tomorrow with reference to education, and one other item—the $500 billion contingency fund that remains in the budget to be used for other items beyond this budget. That will be part of my wrap-up tomorrow.

I yield the floor.

Mr. CONRAD. Mr. President, I yield 12 and a half minutes to the Senator from New Jersey, Mr. CORZINE. Before he starts that, I say to my colleague, Senator DOMENICI, I think we have moved pretty well today. I thank the Senator very much for his leadership and his graciousness during the day.

Mr. DOMENICI. I thank the Senator.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. CORZINE. Mr. President, I rise in strong opposition to the conference report on the budget resolution.

Before I make specific comments on the resolution, let me express my sincere appreciation to the distinguished senator from North Dakota for his leadership in revealing the hard truth about this budget. He has done a truly outstanding job of analyzing, clarifying and revealing this budget proposal for what it is—a overreaching, transparent defense of a misguided and oversized tax cut.

I know all of us on this side of the aisle are grateful for Senator CONRAD's and his staff, disciplined and intellectually honest efforts.

I am new to the federal budget process. But I find virtually everything about this resolution, and the so-called process by which it was developed, utterly mystifying. It appears to have been produced in a partisan way with no meaningful input from Democrats—and with little regard for the Senate-passed version of the budget resolution. The conference report now has been put on the Senate floor with little opportunity to study the final numbers and language. And it leaves more questions than it answers.

What we do know, is that its numbers are based on surplus projections that are little more than guesses based on assumptions with incredibly real world variability. What we do know, is that the resolution puts no new money into education, the environment or other priorities. What we do know, is that the resolution raids the Medicare Trust Fund.

What we do know, it that it does nothing to prepare for the future of Social Security and the retirement of the baby boomers. And if changes in productivity and economic growth lead to a reduction in future revenues, and Congress later, as expected, increases defense spending substantially, we clearly will be invading the Social Security Trust Fund—an outcome anathema to senators on both sides of the aisle.

Mr. President, as most of my colleagues know, I used to run a major investment banking firm. We didn't plan with abstract numbers or set inflexible budgets that fixed policies for ten years without review. And I can tell you that if I ever presented a prospectus or budget plan to my management team or the investing public, and gave them 24 hours to review and approve it, I'd be opening myself up to an enforcement action by the SEC. And if I produced prospectus which ignored major costs or risks that I knew our company would be facing, I could have faced potential criminal liability.

Unfortunately, that's what's happening here in the United States Senate as we debate this budget resolution. And it's simply wrong.

We haven't had time to study it. There are a whole bunch of risks that are ignored, and we are making commitments that go on far too long relative to the priority mix that I think the country needs to address.

There are so many unanswered and unaddressed issues in this resolution that it's hard to know where to begin. But I'm profoundly concerned that it fails to make needed investments in education. In my view, the people of New Jersey believe that nothing is more important for the future of our country than investing in our kids, and they want a real partnership between the federal, state and local governments to pay for that investment.

New Jersey's citizens are fed up with property taxes having to bear the major brunt of the costs of education. They want relief. They expect the unfunded mandate of special education to be paid for by those who create the mandates.

Unfortunately, the conferees rejected the Harkin amendment, a bipartisan effort to increase the Federal government's investment in a variety of education programs. And the end result is a totally inadequate commitment to the many educational needs facing our country, from dilapidating schools to the need to reduce class sizes, to the need to fully fund IDEA and Title I.

Unfortunately, education is just one of many priorities being ignored by this conference report. It also does too little to move forward in protecting our environment, to keep our air and water clean, too little to provide prescription drug coverage for our seniors, too little to expand health care coverage for the uninsured, and too little to strengthen our national defense.

And, incredibly, we are turning our backs on the successful economic formula of the last few years: paying down the debt, and keeping interest rates low so that the private sector isn't competing with the federal government for scarce investment dollars.

All of these priorities have been sacrificed on the alter of huge tax breaks—tax breaks that, in all likelihood, will be provided disproportionately to the top one percent of taxpayers in our nation—the most fortunate—those who have done the best, and who need help the least.

I support cutting taxes—cutting them for the middle class. But the proposed mix of tax cuts we are about to debate and the subsequent limitations on priority investments is flatout irresponsible.

In light of my experience in the private sector, it is hard for me to comprehend why we would make such enormous long-term commitments based on 10-year projections that nobody accepts as reliable.

After all, 1 year ago, CBO's then 10-year projection was lower by $2.4 trillion than this year's. Think about that. One year ago, we were projecting $2.4 trillion less than what we are now using as the baseline to make these tax cuts and set our investing priorities.

If last year's projection was so far off, for the life of me, I do not understand why we can be so certain about this year's, and we want to set all these variables in place.

I also think it is remarkable that, even as we vote to establish this budget, many around here already are talking about pushing beyond the resolution's limits. This conference report says we should have $1.35 trillion of tax cuts over the next 11 years. I believe that is more than we can afford. Yet many assume that Congress will soon violate even that limit with a series of additional tax breaks beyond those anticipated in this resolution, sort of the Lego approach to how we build things.

Forgive me for asking the obvious, but what is the point of having a budget if you know you are going to ignore it? I am new around here; I admit it. I am reluctant to cast aspersions based on only a few months of Senate service, but the more I see, the more I share Americans' deep frustration with the political rhetoric that does not match the discipline that I think they expect us to bring to this budget process.

No legitimate business, no individual, no family would budget this way. None would completely ignore such huge unfunded liabilities. None would rely on speculative 10-year projections to lock itself into vast, permanent commitments. None would adopt a budget knowing that it later would be ignored. In the real world, it just would not happen. People would get fired and creditors would just say no.

I hope my colleagues will forgive my frustration with this process and substance of this budget resolution. Maybe that is the way it works around here, but I believe this budget is wrong for our Nation and wrong for our future. I suspect it will pass, but for me I think we are making a very serious mistake—a serious mistake with regard to priorities, a serious mistake in locking in on a plan that gives us very little flexibility down the road.

Simply put, I hope that many of my colleagues will rethink their views, bring some flexibility to their own thinking and have a truly bipartisan approach to putting together this budget resolution.

The Senator from North Dakota has done a terrific job of informing us. I appreciate his help. I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank Senator CORZINE from New Jersey for his remarks. He brings a special credibility to financial questions given the fact he was one of the most successful businessmen in America before he came to this Chamber, and given the fact that he was known for his brilliant financial analysis. I thank him for commenting on this process and outlining to colleagues the extraordinary divergence from how things would be done in the private sector, the really almost breathtaking decisions that are being made based on a 10-year projection that the people who made the forecast warn us of its uncertainty, the people who made the forecast telling us there is only a 10-percent chance of this number coming true, a 45-percent chance there will be more money, a 45-percent chance there will be less money, and we are rushing and betting the farm that it all comes true on a 10-year forecast.

If that is conservative, I do not understand the meaning of the word. It is not conservative. I think what is being done here borders on radical. I do not think there is a company in America that would make decisions in the way they are being made in this budget.

Mr. President, the Senator from Michigan was recognized to be the next speaker on our side. Does the Senator from Michigan seek 10 minutes?

Mr. LEVIN. I would appreciate 10 minutes. That will be fine.

Mr. LEVIN. Mr. President, the budget resolution before us does not offer a fiscally responsible budget, and it should be rejected. It uses most of the projected surplus for tax cuts that not only go mainly to upper income people but are also based on surplus projections which are highly speculative.

I want to turn the attention of the Senate to this chart for a moment. In 1985, we projected a deficit 5 years hence, in 1990, of $167 billion. It turned out the deficit was much worse—by $50 billion. That was an error rate of 30 percent in this 5-year projection.

Every single year in the last 10 years that we looked at these projections, the error rates have averaged over 100 percent, with the smallest error rate being 28.1 percent and the largest error rate being the most recent one, a 268-percent error rate.

We talk about speculative projections. This is a 5-year projection. That is how far off these projections have been for the last 10 years using a 5-year projection. The budget resolution before us has a 10-year projection. A 100-percent-plus error rate for the last 10 years and we are betting the economy on that kind of a wildly speculative projection of surpluses down the road. To base permanent tax cuts on such projections is simply fiscally irresponsible.

Tax cuts should be based on real surpluses, not on far-off projections. It would be far preferable to use most of the projected surplus for debt reduction and a smaller immediate tax cut which would give our economy a boost. That way, if the surplus projection is wrong, we will not go back into a deficit ditch out of which we just climbed.

As for tax cuts beyond this year, we should have a smaller tax cut which helps middle-income and lower income people more and upper income people less than the Bush tax proposals, and we should also give tax relief to the 25 million working Americans who pay Federal payroll taxes but who get no tax cut at all under the Bush proposal.

The budget resolution before us is fiscally irresponsible for other reasons as well. It is timed to be passed before we receive an expected request for a huge defense spending increase, which is going to follow the strategic review due to be completed by the Secretary of Defense in the next few months. The request for added defense dollars could well be $250 billion over 10 years. It is going to be in that range, reliable reports indicate; $250 billion more for defense is likely to be requested by the administration following the strategic review which is going to be completed within the next few months. It just is simply not sound planning to rush to a judgment on a tax cut, as this resolution forces us to do, with its 8-day deadline to the Finance Committee to write a huge Tax Code when we know, with reasonable certainty, that the administration will be seeking a huge increase in the defense budget.

Because the projected surplus will have been used for the tax cut, the defense increase will dig further into Medicare and Social Security surpluses. I say "further" because does anyone here really seriously doubt that there are going to be tax extenders which are going to be added to the tax cut? Does anyone doubt that the tax-writing committees are going to avoid pushing additional millions of people into paying alternative minimum taxes? Does anyone here really doubt that there is going to be added interest costs that result from the budget resolution and its tax cuts?

I think it is clear, almost beyond any doubt, that there are going to be tax extenders, there are going to be further interest costs as a result of this budget resolution and its tax cuts, and that we are going to force millions of Americans to pay alternative minimum taxes. When all that happens, we have additional huge raids on Medicare and Social Security. That is before the expected defense increase is presented to this Congress by the administration.

The budget resolution also violates the pledges to add money for education. For instance, the Senate version of this budget resolution included the Harkin amendment and the Breaux-Jeffords amendment. Those two amendments alone projected $300 billion in added spending for education. They were summarily dropped in conference.

The budget resolution will result in significant cuts in renewable energy funding. Funds for energy research will be cut. There will be cuts in clean water infrastructure. It provides for cuts in clean air research and investment. All the rhetoric about a prescription drug program will go up in smoke because other Medicare programs are used in this resolution to pay for the prescription-drug benefit.

The opportunity to keep our economy sound, keep Social Security sound, to keep Medicare sound, to keep education commitments to our children, and to keep the commitment of a prescription drug program to our seniors, to keep our promises of environmental and alternative energy initiatives—they are all thrown out the window in the frenzy of this administration to give big tax cuts to upper income people.

This budget resolution represents a terrible application of fiscal and social responsibility. And it should be defeated.

I thank the Chair. I not only thank the ranking member of the Budget Committee, but I know that I add my voice to probably every voice on this floor, even those who may vote for this budget resolution, but particularly those of us on this side who rely so heavily on the ranking member for his tenacious determination to simply get to the facts—just the facts.

The good Member of this body from North Dakota has spent a huge amount of his time and his life looking at numbers and looking at the facts. He has given us some unvarnished information which is of immense value to this body. And as time goes on, I think we will realize the truthfulness of it, and the honesty of those facts will regard him in greater esteem, even if that is possible, for the courage that he brings to this process, and the determination that this body, before it votes on a budget resolution, understands fully the implications of what it is voting for and the fundamental underlying numbers which are either there or hidden and which are an important part of the future economy of this country.

I want to add my personal thanks to him.

Mr. President, I ask unanimous consent that a chart setting forth the history of the unreliability of budget projections over the 10-year period I referred to be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HISTORY OF UNRELIABILITY IN BUDGET PROJECTIONS: FIVE-YEAR PROJECTED v. ACTUAL SURPLUS OR DEFICIT

[Projected in Jan. 1986 for FY 1990, Jan. 1987 for FY 1991, etc.—$ billions]

	Projected	Actual	Difference	% error
1990	−167	−220	−53	31.7
1991	−109	−269	−160	146.8
1992	−85	−290	−205	241.2
1993	−129	−255	−126	97.7
1994	−130	−203	−73	56.2
1995	−128	−164	−36	28.1
1996	−178	−107	71	39.9
1997	−319	−22	297	93.1
1998	−180	−69	249	138.3
1999	−182	124	306	168.1
2000	−134	236	370	276.1

Source: CBO.

Mr. LEVIN. I thank the Chair and thank my good friend from North Dakota for his extraordinary effort.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank my colleague, the senior Senator from Michigan. Praise from him is high praise indeed. There is nobody that I respect more in this Chamber than the Senator from Michigan. The Senator from Michigan is the ranking member on the Armed Services Committee. He is our leader on defense issues.

Mr. FEINGOLD. Mr. President, I rise with regret to oppose this conference report on the budget resolution. I regret this Congress appears willing to turn its back on 8 years of fiscal responsibility and prudent stewardship of our Nation's resources.

The favorable surpluses that we enjoy today did not come quickly or easily. Many of our citizens experienced cuts in their benefits, and many Members of Congress took some hard votes to get there. Regrettably, this Congress seems all too willing hurriedly to dissipate that achievement.

The fiscal responsibility over the last 8 years has allowed the Government to pay down hundreds of billions of dollars of Federal debt, and it has allowed interest rates to remain lower than they otherwise would have been, saving so many Americans billions of dollars on their mortgages, car loans, and student loans. We should continue to pay down the debt.

Yes, taxpayers deserve tax relief. The surplus does give us a golden opportunity to cut taxes. I supported Senator CONRAD's proposal to cut taxes by $745 billion over the next 10 years. With its associated interest costs, that package would have devoted roughly $900 billion to tax relief.

The tax cut in this conference report is too large and not responsible. It seeks to devote $1.35 trillion to this one purpose. Interest costs could add another $400 billion to the cost. The budget resolution tax cut is thus almost twice the size of Senator CONRAD's more measured approach.

The budget resolution seeks to commit these resources all in one fell swoop before the projections of future surplus dollars have proved real, before we have ensured the long-term solvency of the vital Medicare system, before we have brought that program up-to-date with needed prescription drug and long-term-care benefits, and before we have done a single thing to prepare the vital Social Security safety net for the impending retirement of the baby boom generation. This budget resolution addresses the Nation's needs in exactly the wrong order.

Some on the other side of the aisle have argued that we need to engage in this rush to cut taxes because if we don't, then Congress will simply spend the money. I share the concern of many of my Colleagues that the Government will spend more than it should.

But it appears that this massive tax cut is by no means abating the Government's appetite for spending. Just last Tuesday, for example, the Wall Street Journal reported that the Pentagon wants $25 billion more a year for new weapons alone a whopping 42 percent jump in the Pentagon's procurement budget. And almost unbelievably, this budget resolution gives the Pentagon what amounts to a blank check to spend just what it wants. It contains a special reserve fund that allows for increases in military spending if the President's National Defense Review just asks for them.

Some argue that this tax cut will prevent unconstrained government spending. I am concerned that we will end up with both.

I share the unease expressed by Senator SARBANES at a Budget Committee hearing earlier this year, when he said that the powers-that-be here in Washington appear to be taking the lid off of the punch bowl. Remembering the party that Washington had with the taxpayers' money in 1981, I am concerned about the hangover that will follow these festivities today.

Recall that back in 1981, they had surplus projections, too. In President Reagan's first budget, incorporating his major tax cut, the administration projected a $28 billion surplus in the fifth year, 1986. In the actual event, the federal government ran up a $221 billion deficit in 1986. The Reagan budget was thus off by $249 billion in its fifth year alone. Over the 5 years covered by the Reagan budget, its projections were off by a total of $921 billion.

Expressed relative to the government's total outlays, the first Reagan budget's surplus projection for 1986 was off by an amount equal to fully a quarter of all the government's spending. Expressed as a share of the gross domestic product, the first Reagan budget's surplus projection for 1986 was off by 5.6 percent of the economy.

If this budget resolution conference report is off by the same share of the economy as President Reagan's budget was, it will miss the mark by $744 billion in the year 2006 alone and $2.9 trillion over 5 years.

As both Senators CONRAD and BYRD have ably pointed out, the people who make the surplus projections, the Congressional Budget Office, say in their own report that they regularly miss the mark in their projections. CBO says that over the history of their 5-year projections, they have been wrong in the fifth year by an average of more than 3 percent of the gross domestic product. Thus, CBO says right in their own report that just their average error in the past would lead you to expect that they will be off by $412 billion in 2006.

We should not commit to massive tax cuts of the size in this conference report on the strength of these flimsy projections. Rather, we should enact a moderately-sized tax cut now, and revisit the possibility of additional tax cuts in a few years if the projected surpluses actually materialize.

And this budget resolution conference report also puts the Nation's needs in the wrong order by committing to these massive tax cuts before we have updated and ensured the long-term solvency of the Medicare system. In their 2001 annual report, concluded under the Bush Administration, the Trustees of the Medicare Hospital Insurance trust fund project that its costs will likely exceed projected revenues beginning in the year 2016. The Trustees say: "Over the long range, the HI Trust Fund fails by a wide margin to meet our test of financial balance. The sooner reforms are made the smaller and less abrupt they will have to be in order to achieve solvency through 2075."

This budget resolution conference report puts the Nation's needs in the wrong order by putting these massive tax cuts before extending the solvency of Social Security. Social Security's Trustees remind us again this year that when the baby-boom generation begins to retire around 2010, "financial pressure on the Social Security trust funds will rise rapidly." The Trustees project that, as with Medicare, Social Security revenues will fall short of outlays beginning in 2016. The Trustees conclude: "We should be prepared to take action to address the OASDI financial shortfall in a timely way because, as with Medicare, the sooner adjustments are made the smaller and less abrupt they will have to be."

We know, these are not alarmist projections. These projections were signed by, among others, Secretary of the Treasury Paul O'Neill, Secretary of Labor Elaine Chao, and Secretary of Health and Human Services Tommy Thompson. If the right hand of this Government knew what the left hand was saying about our future commitments, we would not be acting first to cut taxes and only later taking steps to extend the lives of Medicare and Social Security.

This budget resolution addresses only one side of the Nation's needs. It is a lopsided budget. And we can do better.

Let us not neglect our long-term commitments to Medicare and Social Security. Let us not squander years of efforts to balance the budget in one great fiscal jubilee.

I urge my Colleagues to reject this conference report. And let us begin to address the long-term needs of our Nation.

The PRESIDING OFFICER. The Senator from Nevada, Mr. ENSIGN.

Mr. ENSIGN. Mr. President, on behalf of the leader, I have a number of items for wrapup. I ask the following consents as in morning business.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. ENSIGN. Mr. President, in executive session, I ask unanimous consent that the HELP Committee be discharged from further consideration of the following nominations, and, further, the Senate proceed to their consideration: Pat Pizzella, PN296; Ann Combs, PN354; David Lauriski, PN324; Shinae Chun, PN370; and Stephen Goldsmith, PN222. I further ask unanimous consent that the nominations be confirmed, the motions to reconsider be laid upon the table, any statements relating to the nominations be printed in the RECORD, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed are as follows:

Pat Pizzella, of Virginia, to be an Assistant Secretary of Labor.

Ann Laine Combs, of Michigan, to be an Assistant Secretary of Labor.

David D. Lauriski, of Utah, to be Assistant Secretary of Labor for Mine Safety and Health.

Shinae Chun, of Illinois, to be Director of the Women's Bureau, Department of Labor.

Stephen Goldsmith, of Indiana, to be a Member of the Board of Directors of the Corporation for National and Community Service for a term expiring October 6, 2005.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

TEACHER APPRECIATION WEEK AND NATIONAL TEACHER DAY

Mr. ENSIGN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 85, submitted earlier by Senator WARNER for himself and others.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 85) designating the week of May 6 through 12, 2001, as "Teacher Appreciation Week", and designating Tuesday, May 8, 2001, as "National Teacher Day".

There being no objection, the Senate proceeded to consider the resolution.

Mr. ENSIGN. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to the resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 85) was agreed to.

The preamble was agreed to.

(The text of the resolution is located in today's RECORD under "Statements on Submitted Resolutions.")

HONORING THE NATIONAL SCIENCE FOUNDATION

Mr. ENSIGN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H. Con. Res. 108, which is at the desk.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 108) honoring the National Science Foundation for 50 years of service to the Nation.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. ENSIGN. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (H. Con. Res. 108) was agreed to.

The preamble was agreed to.

AUTHORIZING THE USE OF THE CAPITOL GROUNDS

Mr. ENSIGN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H. Con. Res. 74.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 74) authorizing the use of the Capitol Grounds for the 20th annual National Peace Officers' Memorial Service.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. ENSIGN. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (H. Con. Res. 74) was agreed to.

HONORING THE "WHIDBEY 24"

Mr. ENSIGN. Mr. President, I ask unanimous consent that the Armed Services Committee be discharged from consideration of S. Res. 80 and the Senate then proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 80) honoring the "Whidbey 24" for their professionalism, bravery, and courage.

There being no objection, the Senate proceeded to consider the resolution.

Mr. ENSIGN. Mr. President, I ask unanimous consent that the resolution and preamble be agreed to en bloc, and the motion to reconsider be laid upon the table, with no intervening action.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 80) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 80

Whereas the Electronic Countermeasures Squadron One (VQ-1) at Whidbey Island Naval Air Station performs an electronic reconnaissance mission for the defense of our Nation;

Whereas on April 1, 2001, a VQ-1 EP-3E Aries II electronic surveillance plane collided with a Chinese fighter jet and made an emergency landing at the Chinese military airfield on Hainan Island;

Whereas the 24 crew members on board the plane (referred to in this resolution as the "Whidbey 24") displayed exemplary bravery and courage and the highest standards of professionalism in responding to the collision and during the ensuing 11 days in detention in the People's Republic of China;

Whereas Navy Lieutenant, Shane J. Osborn, displayed courage and extraordinary skill by safely landing the badly damaged EP-3E; and

Whereas each member of the "Whidbey 24" embodies the selfless dedication it takes to defend our Nation: Now, therefore, be it

Resolved, That the Senate—

(1) expresses relief at the release and safe return of the "Whidbey 24" and shares in their families' joy;

(2) applauds the selfless devotion to duty of the "Whidbey 24" who risked their lives to defend our Nation;

(3) praises the "Whidbey 24" for their professionalism and bravery and expresses the admiration and gratitude of our Nation; and

(4) acknowledges the sacrifices made every day by the members of our Nation's Armed Forces as they defend and preserve our Nation.

RECOGNIZING THE IMPORTANT ROLE PLAYED BY THE SMALL BUSINESS ADMINISTRATION

Mr. ENSIGN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 86, submitted earlier by Senator BOND for himself and others.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 86) to express the sense of the Senate recognizing the important role played by the Small Business Administration on behalf of the United States small business community.

There being no objection, the Senate proceeded to consider the resolution.

Mr. BOND. Mr. President, as has been the tradition for the past 38 years, the President of the United States has issued a proclamation calling for the celebration of Small Business Week. Today, we are in the middle of Small Business Week 2001, which is being sponsored by the Small Business Administration. The purpose of this week's celebration is to honor over 25 million businesses that make up the U.S. small business community. It is very appropriate for us, today, to recognize the importance of America's small businesses, and the significant role played by the Small Business Administration, SBA, in our Nation's economic growth.

Congress established the SBA in 1953 to provide financial and management assistance to start-up and growing small businesses. Over the past 48 years, the success of SBA in meeting its missions is legend. It maintains a portfolio of guaranteed small business loans and disaster loans totaling more than $45 billion. And the Agency has guaranteed another $13 billion in venture capital investments to small businesses. To compliment it successful credit programs, the SBA's management assistance programs were delivered to more than one million small businesses during the past fiscal year.

Over the past decade of record economic growth and prosperity, U.S. small businesses have been the engine driving our economy. More than 99% of all employers in the United States are small businesses, providing nearly 75% of the net new jobs added to our workforce. Small businesses have proven, year-in and year-out, that they are a potent force in the economy, accounting for 51% of the private sector output. And their sights are not set just at home; leading the way toward a global economy, the small business community represents 96% of all U.S. exporters.

Over the past 6 years I have been the chairman of the Committee on Small Business, and I have witnessed the enormous potential of America's small businesses at work. They are flexible; they are creative; they give us jobs; they provide economic growth; and most importantly, they provide hope and a future for millions of families and communities across our great nation.

The resolution now before the Senate recognizes the critical role played by small businesses and the Small Business Administration in this business community. It is appropriate that we take a moment from our hectic lives to acknowledge the success of small businesses and to encourage our federal government to continue to provide its help to insure future successes.

I urge each of my colleagues to vote for the Small Business resolution as a way to thank the SBA and the small business community for its contributions to our Nation.

IMPORTANCE OF THE SMALL BUSINESS ADMINISTRATION

Mr. KERRY. Mr. President, I speak today in strong support of the sense-of-the Senate resolution introduced by Chairman BOND and myself, recognizing the important role played by the Small Business Administration on behalf of the United States small business community. I am pleased to say that nearly every Senator on the Small Business Committee has cosponsored this important Resolution. I would like to thank Senators BURNS, LEVIN, BENNETT, HARKIN, SNOWE, LIEBERMAN, ENZI, WELLSTONE, CRAPO, CLELAND, ENSIGN, LANDRIEU, EDWARDS, and CANTWELL for showing their support for America's small businesses by cosponsoring this Resolution.

Mr. President, small businesses keep the U.S. economy moving. They are responsible for employing more than 52 percent of the private workforce; for generating more than 51 percent of the nation's gross domestic product; and are the principal source of new jobs. They were also responsible for helping to end the recession of the early 1990's, and with the right programs and assistance, will be a major factor in sustaining our current economy.

To help them achieve success, small businesses rely on a range of programs administered and monitored by the Small Business Administration (SBA), such as the Small Business Innovation Research Program (SBIR), the 7(a) Guaranteed Loan Program, the 8(a) Business Development Program, the Small Business Development Center and Women's Business Center Programs, and the New Markets Venture Capital Program. And these are just a few of the many initiatives that continue to receive widespread support from the Senate and House Committees on Small Business, as well as the Congress as a whole. Our resolution commends the SBA for their activities, and calls on the President to make every effort to strengthen and expand assistance to small business concerns through Federal programs.

SBA programs are relied upon to help restore economically depressed communities, spur technological innovation, provide access to capital, train entrepreneurs, monitor the procurement practices of Federal agencies, and ensure small businesses are heard when new regulations are being developed. Unfortunately, the SBA has received increasing responsibilities without the necessary increase in resources to do the job as effectively as possible.

To make the situation worse, the Bush administration's budget request for fiscal year 2002 is woefully inadequate and goes in the wrong direction. President Bush has consistently stated that the economy is in a period of economic decline, yet he has proposed limiting the resources available to our small businesses by cutting funding and charging additional fees for programs that create businesses and jobs, and help generate revenue for the American people.

Mr. President, I would like to commend Chairman Bond for working with me to pass an amendment to the budget resolution restoring many of the cuts initiated by the Bush administration. I am hopeful that our joint effort will be retained in the final budget. I also hope that by continuing to work in a bipartisan fashion on this critical issue, we can further increase SBA resources for the next fiscal year. The SBA deserves our continued support for its important work, and I urge my colleagues to support this resolution as well as sufficient resources for the SBA and America's small businesses.

Mr. ENSIGN. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to the resolution be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 86) was agreed to.

The preamble was agreed to.

(The text of the resolution is located in today's Record under "Statements on Submitted Resolutions.")

COMMENDING MEMBERS OF THE UNITED STATES MISSION IN THE PEOPLE'S REPUBLIC OF CHINA

Mr. ENSIGN. I ask unanimous consent that the Foreign Relations Committee be discharged from further consideration of S. Res. 81 and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the bill by title.

The legislative clerk read as follows:

A resolution (S. Res. 81), commending the members of the United States mission in the People's Republic of China for their persistence, devotion to duty, sacrifice, and success in obtaining the safe repatriation to the United States of the crew of the Navy EP-3E ARIES II aircraft who had been detained in China.

There being no objection, the Senate proceeded to consider the resolution.

Mr. ENSIGN. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and, finally, any statements be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 81) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

Whereas, on March 31, 2001, two fighter aircraft of the People's Republic of China intercepted a United States Navy EP–3E ARIES II maritime patrol aircraft on a routine reconnaissance mission in international airspace over the China Sea;

Whereas one of the two Chinese aircraft collided with the United States aircraft, jeopardizing the lives of its 24 crewmembers, causing serious damage, and forcing the United States aircraft commander, Navy Lieutenant Shane Osborn, to issue a "MAYDAY" distress call and perform an emergency landing at a Chinese airfield on Hainan Island;

Whereas, in violation of international norms, the Government of the People's Republic of China detained the United States aircrew for 11 days, initially refusing the requests of United States consular and military officials for access to the crew; and

Whereas the persistence and devotion to duty of the members of the United States mission in the People's Republic of China resulted in the release of all members of the United States aircrew on April 12, 2001: Now, therefore, be it

Resolved, That the Senate hereby commends the members of the United States mission in the People's Republic of China, and other responsible officials of the Departments of State and Defense, for their outstanding performance in obtaining the safe repatriation to the United States of the crew of the Navy EP–3E ARIES II aircraft.

PARTICIPATION OF TAIWAN IN THE WORLD HEALTH ORGANIZATION

Mr. ENSIGN. I ask unanimous consent that the Foreign Relations Committee be discharged from further consideration of H.R. 428 and that the Senate then proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 428) concerning participation of Taiwan in the World Health Organization.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 647

Mr. ENSIGN. Senator Hatch has an amendment at the desk. I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. Ensign], for Mr. Hatch, proposes an amendment numbered 647.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. CONCERNING THE PARTICIPATION OF TAIWAN IN THE WORLD HEALTH ORGANIZATION (WHO).

(a) Findings.—The Congress makes the following findings:

(1) Good health is important to every citizen of the world and access to the highest standards of health information and services is necessary to improve the public health.

(2) Direct and unobstructed participation in international health cooperation forums and programs is beneficial for all parts of the world, especially with today's greater potential for the cross-border spread of various infectious diseases such as the human immunodeficiency virus (HIV), tuberculosis, and malaria.

(3) Taiwan's population of 23,500,000 people is larger than that of ¾ of the member states already in the World Health Organization (WHO).

(4) Taiwan's achievements in the field of health are substantial, including one of the highest life expectancy levels in Asia, maternal and infant mortality rates comparable to those of western countries, the eradication of such infectious diseases as cholera, smallpox, and the plague, and the first to eradicate polio and provide children with hepatitis B vaccinations.

(5) The United States Centers for Disease Control and Prevention and its Taiwan counterpart agencies have enjoyed close collaboration on a wide range of public health issues.

(6) In recent years Taiwan has expressed a willingness to assist financially and technically in international aid and health activities supported by the WHO.

(7) On January 14, 2001, an earthquake, registering between 7.6 and 7.9 on the Richter scale, struck El Salvador. In response, the Taiwanese government sent 2 rescue teams, consisting of 90 individuals specializing in firefighting, medicine, and civil engineering. The Taiwanese Ministry of Foreign Affairs also donated $200,000 in relief aid to the Salvadoran Government.

(8) The World Health Assembly has allowed observers to participate in the activities of

the organization, including the Palestine Liberation Organization in 1974, the Order of Malta, and the Holy See in the early 1950's.

(9) The United States, in the 1994 Taiwan Policy Review, declared its intention to support Taiwan's participation in appropriate international organizations.

(10) Public Law 106–137 required the Secretary of State to submit a report to the Congress on efforts by the executive branch to support Taiwan's participation in international organizations, in particular the WHO.

(11) In light of all benefits that Taiwan's participation in the WHO can bring to the state of health not only in Taiwan, but also regionally and globally, Taiwan and its 23,500,000 people should have appropriate and meaningful participation in the WHO.

(b) PLAN.—The Secretary of State is authorized—

(1) to initiate a United States plan to endorse and obtain observer status for Taiwan at the annual week-long summit of the World Health Assembly in May 2001 in Geneva, Switzerland; and

(2) to instruct the United States delegation to Geneva to implement that plan.

(c) REPORT.—Not later than 14 days after the date of the enactment of this Act, the Secretary of State shall submit a written report to the Congress in unclassified form containing the plan authorized under subsection (b).

Mr. ENSIGN. I ask unanimous consent that the amendment be agreed to, the bill, as amended, be read the third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 647) was agreed to.

The bill (H.R. 428), as amended, was read the third time and passed.

HONORING MRS. RAE UNZICKER OF SIOUX FALLS, SOUTH DAKOTA

Mr. DASCHLE. Mr. President, recently, South Dakota, and the country, lost a friend and dedicated public servant. Mrs. Rae Unzicker of Sioux Falls, South Dakota, died in her home on March 22, 2001. She was 52 years old.

Rae Unzicker was a tireless champion for the rights of the disabled, particularly those with psychiatric disabilities. Her contributions to her field were significant. She started the first mental health advocacy project in South Dakota, served on the board of directors of the National Association for Rights Protection and Advocacy, and was the chair of the Protection and Advocacy for Individuals with Mental Illness Council for South Dakota Advocacy Services. She also authored several articles on the subject of mental health and spoke in 43 states, England, and the Netherlands during her career.

In 1995, President Clinton appointed Rae Unzicker to the National Council on Disabilities, an agency dedicated to increasing the inclusion, independence, and empowerment of all Americans with disabilities. She was one of the first outspoken advocates for the civil rights of people with mental illness to receive a major Presidential appointment. Her work helped minimize the stigma associated with people with mental illness and ensured they had the same rights and privileges as other Americans.

I join the mental health community in mourning the loss of a person so dedicated to the rights of those with mental illness. My condolences go out to Rae Unzicker's brother, her children, and their families. In this difficult time, my thoughts and prayers are with them, and with Rae's many friends.

RECENT DECISION TO EXTRADITE MEXICAN NATIONALS

Mr. DOMENICI. Mr. President, I rise today to praise the Mexican government's decision to extradite Everardo Arturo Paez Martinez.

I have criticized Mexico's extradition policy for many years. Historically, Mexican drug kingpins have not paid much attention to indictments from the United States.

Many Mexican Administrations have talked about reform. Some have even extradited a few low level criminals to placate U.S. critics.

This critic has not been placated.

Today, however, I am pleased and encouraged to see substantive reform taking place in Mexico. The Fox administration and the Mexican judiciary have taken an important step toward cooperation and partnership. Furthermore, extraditing such an infamous drug trafficker as "El Kitti" Paez sends a resounding signal that Mexico is not doing business as usual.

Mexico's recent action should be recognized and commended. I hope that Mexico will continue to work with United States law enforcement and will become a partner in fighting crime as it is in other areas, such as trade.

As a Senator from a border state, I look forward to working with President Fox on issues that affect both our nations and support his reform efforts.

C–5 PARTS SHORTAGES ENDANGER NATIONAL SECURITY

Mr. BIDEN. Mr. President, I rise today to draw my colleagues attention to an on-going problem that impacts our national security—parts shortages for the C–5. I know it may surprise some that I say this is a national security problem. Well, it is. My colleagues on the Armed Services Committee and on the Defense Appropriations Subcommittee are not surprised. They know how vital strategic airlift is to national security. They also know that C–5s are the backbone of our strategic airlift capability. Working with the C–17, the C–5 provides the airlift needed for both wars and for humanitarian missions.

For those who have not spent as much time on the issue, let me explain. The C–5 can carry more cargo, farther than any other plane in the American military. It is what brings the big, heavy stuff to the fight. For example, C–5s brought precision munitions into our major European bases for Allied Force in Kosovo. Once the big loads are brought into a theater, where necessary the C–17 then moves the equipment and supplies around the theater. As the Commander in Chief of United States Transportation Command has said many times, seventy percent of the cargo most needed in the first 30 days by the warfighter can only be airlifted on a C–5 or a C–17. And, by the way, this is stuff we'll need even if we get lighter and more mobile because time will always matter and the more we can get to the fight quickly, the better our military position.

In addition to our warfighting needs, America uses the C–5 to promote goodwill and to help those made needy by natural disasters. C–5s are almost always involved in providing humanitarian assistance. For example, large desalinization plants to provide drinkable water must go on the C–5. So must the Fairfax Search and Rescue Team that we heard so much about after earthquakes in Turkey and Taiwan.

To get back to my earlier point, America is a global power that needs a healthy C–5 fleet. One major factor in low mission capable rates and lower airlift capacity has been a lack of parts for the C–5. In short, without parts, C–5s are not available to the Nation.

Because I was seeing the impact of this on a regular basis at Dover Air Force Base, in my State of Delaware, I thought it was important to take a closer look at this problem. What I was seeing was maintenance crews being overworked on a regular basis because there were no parts available to repair planes. In order to keep C–5s flying, two or more C–5s had to be turned into "hangar queens" or "cann-birds". Sad terms that describe million dollar airplanes that must be used to provide parts for other planes. Parts are taken from that plane and then put into another plane that needs that part. This process, called aircraft cannibalization, cost the Logistics Groups at Dover over $2.77 million for Fiscal Year 1999 according to an independent review of Logistics cost done for Air Mobility Command.

Cannibalization not only wastes money, it also requires significantly more work hours to open up an airplane, remove a part, open up the other airplane and install the part, and then eventually install a replacement part in the original airplane. This process also increases the risk that something else on the cann-bird will break or that the part itself will break. The end result was that morale was low because without an adequate supply of spare and repair parts, inefficient procedures had become standard practice. In addition, the overall health of the C–5 fleet suffered.

As I became more aware of the impact this lack of parts was having on morale and the readiness of the C–5 fleet 2 years ago, I brought then Secretary of Defense Bill Cohen to Dover to make him aware of the problem.

While I believe that visit was helpful, it was clear to me that continued attention to the issue was necessary. That led me to write a short report on the issue. I have sent copies of the report to my colleagues in the Senate.

The report seeks to explain the important role played by the C–5, the extent of the parts problem for the C–5, the impact those parts shortages have had on the fleet and those who work on the C–5, and to describe the failures in logistics system management that made the problem even worse. I hope that my colleagues will take the time to review the report and will reach the same conclusions that I did. In the end, it was clear to me that we must do three things.

First, we must continue to increase funding for parts and keep it predictable.

Second, we must completely modernize the C–5 fleet with new avionics and the Reliability Enhancement and Re-engining Program.

Third, we must continue to promote smart management reform throughout the defense logistics system.

Again, I know that none of this is news to my colleagues on the defense committees who have provided so much leadership and support for addressing these challenges, but I hope the report will be helpful to them and their staffs and to other colleagues.

I know that spare and repair parts is not glamorous, but it is vital to America's ability to protect and promote our national security. For that reason, we must build on the good work done by the defense committees over the past four years to begin to solve the parts shortage problem and ensure that we do not lose sight of what must be done now and in the future to eliminate the problem.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY last month. The Local law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to detail a heinous crime that occurred October 31, 1999 off the coast of California. A 37-year-old gay man was the target of a brutal anti-gay attack on board a cruise ship. The victim was assaulted by two other passengers in a hallway of the ship, who called him a "f—-ing faggot" several times. He sustained injuries including a broken nose, three skull fractures around his eyes, chipped teeth and multiple contusions. Because the attack happened at sea, beyond the reach of state and local laws, police have been unable to pursue the case as a bias-related incident, referring it instead to the federal government.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.

THE PRESIDENT'S SPEECH AT NATIONAL DEFENSE UNIVERSITY

Mr. BINGAMAN. Mr. President, I rise to offer a few observations regarding the President's speech at the National Defense University regarding missile defense and the future security of our nation. The President was quite correct in describing today's world as one that is far different from the days of the Cold War some 30 years ago. However, his prescription for how best to ensure our national security and achieve a more peaceful world is seriously flawed. The President has assigned the nation's highest military priority to building a robust missile defense that will cost tens of billions of dollars during the coming decade with no assurance that the system of interceptors will work. The primary objective of such a system, in his view, is to counteract intercontinental missiles carrying weapons of mass destruction from targeting our nation. I would urge the President to take a step back; a more effective and higher priority approach would be to cut off weapons of mass destruction at their source, before they are in the hands of our potential enemies. The greatest potential source of those weapons, materials, and technological expertise resides in Russia, and therein lies the fundamental key to our national and global security.

The President's view of Russia misunderstands this important point. While it is true that, in the President's words, Russia is no longer a communist country and that its president is an elected official, it does not follow that we needn't worry about the security threat which it can pose to the United States and our allies. Indeed, there are very disturbing stories in the press about the internal dynamics of the Russian government and its fragile democratic ways. Its economy remains in dire straits, unemployment is high, and the future, particularly for those who live outside of Moscow, continues to look grim. I'm certain that many of us were alarmed at the recent mutual recriminations and dismissals of dozens of Americans and Russians in an exchange that hearkened back to Cold War days.

In Russia's weakened state, I believe it poses an even greater threat to the United States than the "nations of concern" that we hear about so often. Why is that? Aside from the United States, Russia is the most advanced nation in the world to possess advanced missile technologies and weapons of mass destruction. Its scientific expertise is second only to our own. Weapons of mass destruction, including chemical, biological, and nuclear weapons, number in the tens of thousands, and materials that go into making those weapons are widely distributed, and poorly guarded, around Russia. If countries of concern pose a serious threat to the United States, it is likely that the tools underlying those threats have been or could most easily be gained from the most likely source, a cash-strapped, antagonistic Russia.

Senior advisors to the Secretary of Energy, including former Senators Howard Baker and Sam Nunn, recently released a report that stated, "The most urgent unmet national security threat to the United States today is the danger that weapons of mass destruction or weapons-usable material in Russia could be stolen and sold to terrorists or hostile nation states . . . ." Having reviewed the scope of the WMD threat in Russia, the Secretary of Energy's Advisory Board recommended that the United States spend $30 billion over the next decade to secure those weapons and materials, and to prevent Russia's technological expertise from finding paychecks in the wrong places. Despite that recommendation, the President has submitted a budget request to the Congress that cuts funding for those programs by $100 million below what was appropriated a year ago. In fact, this year's funding request is over $500 million below what was planned for FY 2002 just twelve months ago. I question why the President would choose to cut funding for programs that constitute the nation's "most urgent unmet threat." In light of the imposing costs of a robust missile defense system, it appears that the Administration has determined that such nonproliferation programs are of secondary importance.

Listening to the President's speech, I'm concerned that his vision of missile defense has all the characteristics of the boy sticking his finger in the dike. What's really needed is a new and stronger dike. I believe we must redouble our efforts to support critical nonproliferation programs with Russia as the first line of our own defense and national security interest. Investing tens of billions of dollars in a missile defense program as an alternative approach virtually insures the acceleration of proliferation of weapons of mass destruction if the nation reduces funding for nonproliferation programs as a result. The President and his advisors are missing the forest for the trees.

Let me add one additional thought. Countries of concern that may be genuinely interested in using weapons of mass destruction against us or our allies are likely to choose methods that are affordable, effective, and unanticipated. An intercontinental ballistic missile could be one way to achieve their goal, but there are other, less expensive and more probable ways. Potential enemies seeking to disrupt and destroy the U.S. and our friends, for example, could achieve their aims through weapons delivered in suitcases, small boats, or delivery vans. If the United States devotes its attention, resources, and expertise to solve the potential intercontinental missile threat without addressing the possibility of low tech applications of weapons of mass destruction, we will have made a very grave error. I urge my colleagues, Mr. President, not to be lulled into a false sense of security regarding plans for a robust missile defense of our nation. As with the case of the dike, deployment of a missile defense system may simply redirect the flow of the threat.

That assumes, that we actually have a missile defense system that works. We are a long, long way from that capability, a fact that I hope that we in the Senate and the American people fully understand. I am pleased that the President did not announce the unilateral abrogation of the ABM Treaty in that regard. It would be foolhardy, in my opinion, to step back from our legal obligations under that Treaty without having the means to defend ourselves—a missile defense system that works. Make no mistake, my colleagues, the unilateral abrogation of the ABM Treaty will have major negative security consequences for the United States and our allies and friends. I urge my colleagues, regardless of how they feel about the ABM Treaty, to join me and other senators to insist that any missile defense system be successfully tested in realistic operational conditions before making any decision to deploy it. The American taxpayer being asked to provide tens of billions of dollars to support that effort, not to mention the men and women in uniform who would operate it, deserve nothing less than a system that works.

I applaud the President's desire for building cooperative relationships that should be "reassuring, rather than threatening . . . premised on openness, mutual confidence and real opportunities for cooperation, including the area of missile defense." There are many important ways to achieve those goals that are currently at risk in the worsening climate of U.S.-Russian relations, particularly if the President chooses to abrogate the ABM Treaty either in word or in deed. Cooperation and reassurance are important byproducts of our nonproliferation programs in Russia that have yielded major dividends in preventing the loss of weapons and materials of mass destruction to those who would be our enemies. Greater emphasis, not less, is needed for such programs. In addition, we have made important confidence-building progress in cooperative approaches regarding early warning of missile attacks through the establishment of a data center and research being conducted on the Russian American Observation Satellite program. I am deeply concerned that such confidence-building programs will be at risk should confrontational relations with Russia continue to increase. If that occurs, the ultimate loser could be ourselves in a less secure world of our own making.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, May 8, 2001, the Federal debt stood at $5,647,881,033,420.09, five trillion, six hundred forty-seven billion, eight hundred eighty-one million, thirty-three thousand, four hundred twenty dollars and nine cents.

One year ago, May 8, 2000, the Federal debt stood at $5,662,693,000,000, five trillion, six hundred sixty-two billion, six hundred ninety-three million.

Five years ago, May 8, 1996, the Federal debt stood at $5,094,597,000,000, five trillion, ninety-four billion, five hundred ninety-seven million.

Ten years ago, May 8, 1991, the Federal debt stood at $3,440,039,000,000, three trillion, four hundred forty billion, thirty-nine million.

Fifteen years ago, May 8, 1986, the Federal debt stood at $2,015,014,000,000, two trillion, fifteen billion, fourteen million, which reflects a debt increase of more than $3.5 trillion, $3,632,867,033,420.09, three trillion, six hundred thirty-two billion, eight hundred sixty-seven million, thirty-three thousand, four hundred twenty dollars and nine cents during the past 15 years.

ADDITIONAL STATEMENTS

NATIONAL PET WEEK

• Mr. ALLARD. Mr. President, I often rise on the floor of the Senate and put on my "veterinarian hat" when talking about food safety, animal science or even small business issues. Today, I rise to recognize this week as National Pet Week and say a brief word about the role of pets in our lives. Events taking place all over the Nation this week are designed to remind us of the value of pets.

Sponsored by several leading veterinary organizations, principally the American Veterinary Medical Association (AVMA), National Pet Week gives those of us in the animal health field an opportunity to celebrate the bond between pets and their owners and address the importance of responsible pet ownership. Pets are important members of over half the households in America. They can be many different things to many different people. A pet can be a hunting companion, someone to play catch with, something warm to curl up on your lap, an additional ranch hand, a guide, a guardian, or a child's best friend. Indeed, companionship is often the most important aspect in the relationship between pet and owner.

In the past 25 years, we have come to accept the human-animal bond as an important force. We understand that the bond exists, but it is hard to define. The AVMA gives us this definition:

> The human-animal bond is a mutually beneficial and dynamic relationship between people and animals that is influenced by behaviors that are essential to the health and well-being of both. This includes but is not limited to, emotional, psychological and physical interaction of people, animals and the environment.

The fact is, the addition of a pet to someone's life can do amazing things. Studies have shown that the recovery time and survival rate of people with serious illness can be improved when a pet is part of the equation. The benefits of pets to the blind and disabled are also well known. All over the world, dogs are trained to complete a variety of tasks to assist the disabled in living their lives. Programs to train dogs and place them with disabled owners thrive in every State. The work that they do and the good that results should not go unnoticed. These organizations build new bridges using the human-animal bond formula and enrich lives in so many ways.

Connections between pets and children are well known. Pets can help teach children responsibility, respect and compassion. They can add to a child's growth and development in so many ways. Most of us can certainly remember our first family pet with fond memories. The other part of National Pet Week is pet health. It is certainly true that a healthy pet is a happy pet. Regular veterinarian visits are indeed important and are part of the responsibility as an owner and as a family member. Nutritional care, adequate exercise and proper attention to general health concerns are all necessary in the ownership of a pet and can go a long way in increasing the quality of an animal's life.

So I would like to ask my colleagues to join me in recognizing National Pet Week, and if you have a pet at home, give it an extra hug, a pat on the head or a good scratch in that favorite spot when you get home.•

NATIONAL DANCE INSTITUTE IN NEW MEXICO

• Mr. BINGAMAN. Mr. President, I rise today to commend a friend, Val Diker, for her unflagging efforts in support of the National Dance Institute in New Mexico. As many of my colleagues know, the NDI was founded by the renowned dancer, Jacques d'Amboise, to introduce school children to dance. His dream has been extremely successful in New Mexico in the eight years since it was started here. This year alone there are 2400 students in 32 schools involved in the program.

This weekend, five hundred of these students will appear on the stage of the newly-refurbished, historic Lensic Theatre to honor the program and Val Diker, the Founding Chairman. Making our state her "second home," Val is a leading contributor with her time, talent and treasure to institutions New Mexicans love. Her leadership in NDI, however, is particularly appreciated by all who value those who give and do so much to help children. Val has made a difference in lives of children she'll never see, and for that she deserves our heartfelt thanks. She, and this wonderful institute, certainly have mine.•

IN RECOGNITION OF JOE B. MURRAY

• Mr. DOMENICI. Mr. President, I recently received a copy of To Be as Brave, a collection of memoirs of Joe B. "Bob" Murray. This fine book tells the story of a great American, who evolved from an East Texas farm boy into a valiant soldier who defended his nation during World War II. Bob grew up in Spring Hill, Texas, and shortly after his high school graduation in 1944, he left Texas for Europe and the heart of World War II. Although he was trained for combat against the Japanese in the Pacific, Bob was sent to the Alsace region of France to join a regiment that had been devastated by Hitler's counteroffensive.

Bob proudly served in B Company of the 157th Infantry Regiment of the 45th Division. His regiment was given the herculean task of breaching the Siegfried Line and entering Germany. The young men succeeded beyond anyone's expectations by breaking the Siegfried Line in less than a week, when the high command predicted that it could take up to three months. After entering Germany, his regiment continued to move eastward to protect General Patton's right flank by clearing the territory of enemy troops. The division was so successful that General Patton lauded them as "one of the best, if not the best, division in the history of American arms."

The 45th Division later entered Dachau and liberated tens of thousands of prisoners in several concentration camps. Bob was proud to bring hope and freedom to thousands of captives. Bob's regiment was then assigned the often difficult task of maintaining law and order in Munich, as the war was brought to an end.

After World War II, Bob continued to demonstrate his patriotism by enlisting as a paratrooper in the 82nd Airborne Division during the Korean War. He later had a successful career as an oil and gas consultant in my home state of New Mexico. Bob is married to his childhood sweetheart, Dulcia, and last year, they celebrated their 50th wedding anniversary.

To Be as Brave is an excellent book and it celebrates the life of an outstanding patriotic American, Mr. Joe B. Murray. I thank Joe for my copy of his book and salute his exceptional service to our Nation.•

IN HONOR OF GLADYS AND ABRAHAM BARRON

• Mr. KERRY. Mr. President, it is a special honor for me today to ask all of my colleagues in the United States Senate to join me in commemorating the 60th Wedding Anniversary on April 3, 2001 and the Bat- and Bar-Mitzvah on May 18, 2001 of Gladys and Abraham Barron of Centerville, Massachusetts.

Gladys, born in Roxbury, Massachusetts, of immigrant parents on May 19, 1921, spent her youth in Revere, MA, and graduated from Revere High School. When she was 20, she married Abraham Barron on April 3, 1941.

Abraham had emigrated from Kiev, Russia when he was two-years old and settled in Chelsea with his mother. He graduated from Chelsea High School and began to learn the welder's trade. Following his marriage to Gladys in 1941, his father-in law introduced him to the hat-maker's trade. Abe became so proficient and so gifted in the art of fashioning caps and hats that his colleagues bestowed on him the sobriquet "Golden Hands."

Eventually, Abe began his own business while Gladys raised their two children, Melanie and Jeffrey. Gladys' love for painting inspired her to enroll in art courses and indeed both she and Abe could be called life-long students not only of the arts but also of their Jewish heritage. Gladys was a tireless worker for Hadassah while Abe was a dedicated member of the synagogue. Their respect for others led them to become dedicated to the civil rights movement and to the cause of Israel.

On May 18, 2001 they will at long last celebrate their Bat and Bar Mitzvah, Gladys for the first time and Abe to renew his commitment to his religion. The Bar Mitzvah ceremony; such an essential part of Jewish life is a distinct honor and Abe and Gladys are to be commended for their continued dedication to the Jewish faith throughout their lives. Ordinarily, a rite of passage for young Jewish children about to enter their teens, the ceremony has been adapted so that Gladys and Abe can celebrate that which was denied them so long ago.

It is a true honor to see Abe and Gladys reach this momentous day. Congratulations to you Abe, Gladys and your family as you share in this meaningful and important milestone in your lives.•

GOODBYE TO ARCHBISHOP FRANCIS T. HURLEY

• Mr. MURKOWSKI. Mr. President, I rise today to honor someone who has done so much good for his adopted State, it makes any politician blush with envy at his list of accomplishments. I speak of Roman Catholic Archbishop Francis T. Hurley, who is retiring on May 16, 2001 as the Archbishop of Anchorage, after a 25-year career as head of the Roman Catholic Church in Alaska.

It is a great honor to speak about the Archbishop. I first met the Reverend Hurley in late winter of 1970. I and my family were living in Juneau, the capital of Alaska, serving as Alaska State Commissioner of Commerce and Economic Development, and attending church at the Cathedral of the Nativity, built on the hillside overlooking downtown Juneau and the lovely Gastineau Channel. Reverend Hurley had just been named in February by Pope Paul VI as the Bishop of Juneau. He arrived in town on March 20, 1970.

From his first sermon delivered in America's smallest Catholic Cathedral, it was clear of his admiration for Alaska and of his love for and concern for the physical and spiritual well-being of the people of Alaska—not just the 4,000 Catholics of the Diocese of Juneau in the Panhandle of my State—or 6 years later, of the tens of thousands of Catholics who live in all of the 49th State, but of all Alaskans regardless of race or creed who live and work and learn and play in the far north.

While Bishop of Juneau, he quickly founded Catholic Community Services to help the poor of the Panhandle. He founded St. Ann's Nursing Home in Juneau to provide health care for the elderly, and centers for senior citizens in Juneau, Ketchikan and Tenakee Springs to help the elderly deal with the daily concerns of aging. He also began the "Trays on Sleighs" program to provide hot meals to senior citizens, Alaska's version of the national Meals on Wheels program.

In 1970, after serving on President Richard Nixon's National Advisory Commission on Minority Enterprise, the Bishop, with a group of local Juneau residents, formed the Alaska Housing Development Corp. to foster low-income housing in the region, a desperate need to this day in Alaska.

On May 4, 1976, the Bishop was named the second Archbishop of Anchorage. Under his leadership for the past 25 years, Catholic Social Services has established a day care center for the handicapped, built the Brother Francis Shelter in Anchorage to care for the more than 1,000 homeless who used to live and seek food in the subfreezing winter temperatures on the streets of Alaska's largest city. He helped develop Clare House, a shelter for women and children; McAuley Manor, a home for young women; and also helped found Covenant House of Anchorage.

In both sectarian and religious ways he has excelled in improving education both in Alaska and nationwide. The Archbishop, a native of San Francisco, Calif., was born on Jan. 12, 1927. He received his education in San Francisco and at St. Patrick's Seminary in Menlo Park, Calif. After being ordained to the priesthood on June 16, 1951, he served as assistant pastor in a San Francisco parish and worked as a teacher at Serra High School in San Mateo, Calif. He undertook his graduate studies in sociology from The Catholic University of America in Washington, DC and later at the University of California in Berkeley.

In 1957, he was assigned to the national coordinating office for the Catholic Bishops of the United States, now known as the National Conference of Catholic Bishops. From 1957 to 1970 he served as Associate General Secretary of the conference and worked long hours to help craft the national Elementary and Secondary Education Act during the Presidency of Lyndon Johnson, to this day the landmark legislation governing federal funding for elementary and secondary education in America.

Given his knowledge of education it was only natural for him to serve on the board of trustees of Alaska Pacific University, starting in 1977, and to have worked to establish the Cardinal Newman Chair of Catholic Theology at the Anchorage campus of the Methodist institution.

The Archbishop, selected yearly as one of Alaska's top 25 most "powerful" citizens since 1996, also became the first religious leader in Alaskan history in 1997 to be named "Alaskan of the Year." But his religious achievements are an equal to his sectarian accomplishments.

Shortly after arriving in Juneau in 1970, the Bishop moved to bring the Catholic faith to the small villages of Alaska. In August 1970 he held the first Mass at Excursion Inlet, a former fish cannery at the head of a fiord near Glacier Bay National Park. "There are many more people out in those coves and inlet. We priests must become more mobile," said the Reverend Hurley. And he quickly implemented his belief.

A private pilot, and later a member of the Anchorage Civil Air Patrol, the Archbishop won grants from the Knights of Columbus and the Extension Society in 1970 for two diocesan airplanes so priests could visit small villages to say Mass. He expanded his church initiating the construction of churches in the Southeast villages of Hoonah and Yakutat. Over the years he has been responsible for the construction of five churches in Southeast Alaska and seven more statewide, a significant legacy.

The Archbishop, the most senior archbishop in the United States, has earned his retirement. When Pope John Paul II accepted his retirement on March 3, 2001 it speeded the transition of his leadership to Archbishop Roger Schwietz, who had moved to Anchorage 13 months earlier to begin learning about the uniqueness of Alaska. While the State will be in good hands, it will be hard to follow in The Reverend's shoes.

Archbishop Francis T. Hurley has done much for the economic well-being of the poor, the homeless, the ill and the elderly in Alaska. And he has done even more for the spiritual well being of Alaskans everywhere. All of us in public life will miss his wisdom and guidance, his intellect and good humor. And we will miss his energy and patience. But we all are better for his service to the 49th State. Best wishes and Godspeed in his future endeavors.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO IRAN—MESSAGE FROM THE PRESIDENT—PM 18

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to Iran that was declared in Executive Order 12170 of November 14, 1979.

GEORGE W. BUSH.

THE WHITE HOUSE, *May 9, 2001.*

MESSAGE FROM THE HOUSE

At 2:11 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 74. Concurrent resolution authorizing the use of the Capitol Grounds for the 20th annual National Peace Officers' Memorial Service.

H. Con. Res. 108. Concurrent resolution honoring the National Science Foundation for 50 years of service to the Nation.

The message further announced that pursuant to section 205(a) of the Vietnam Education Foundation Act of 2000 (Public Law 106–554), and upon the recommendation of the Minority Leader, the Speaker appoints the following Member of the House of Representatives to the Board of Directors of the Vietnam Education Foundation: Mr. GEORGE MILLER of California.

The message also announced that pursuant to 22 U.S.C. 276h and clause 10 of rule I, the Speaker appoints the following Members of the House of Representatives to the Mexico-United States Interparliamentary Group, in addition to Mr. KOLBE of Arizona, Chairman, appointed March 28, 2001: Mr. BALLENGER of North Carolina, Vice Chairman; Mr. DREIER of California; Mr. STENHOLM of Texas, Mr. BARTON of Texas, Mr. FILNER of California, Mr. LEWIS of Kentucky, Mr. MANZULLO of Illinois, Mr. GRANGER of Texas, Mr. REYES of Texas; and Mr. THOMPSON of California.

The message further announced that pursuant to section 306(k) of the Public Health Service Act (42 U.S.C. 242k), the Speaker reappoints the following member on the part of the House of Representatives to the National Committee on Vital and Health Statistics for a term of 4 years; Mr. Jeffrey S. Blair of Albuquerque, New Mexico.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GRAMM, from the Committee on Banking, Housing, and Urban Affairs, with an amendment in the nature of a substitute.

S. 206: A bill to repeal the Public Utility Holding Company Act of 1935, to enact the Public Utility Holding Company Act of 2001, and for other purposes (Rept. No. 107–15).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. DAYTON (for himself, Mr. Feingold, Mr. Kohl, Mr. Wellstone, and Mr. Leahy):

S. 847. A bill to impose tariff-rate quotas on certain casein and milk protein concentrates; to the Committee on Finance.

By Mrs. FEINSTEIN (for herself and Mr. Gregg):

S. 848. A bill to amend title 18, United States Code, to limit the misuse of social security numbers, to establish criminal penalties for such misuse, and for other purposes; to the Committee on the Judiciary.

By Mr. BOND:

S. 849. A bill to amend provisions of law enacted by the Small Business Regulatory Enforcement Fairness Act of 1996 (Public Law 104–121) to ensure full analysis of potential impacts on small entities of rules proposed by certain agencies, and for other purposes; to the Committee on Small Business.

By Mr. CHAFEE (for himself, Mr. Graham, Mrs. Lincoln, Mr. Torricelli, and Mr. Kohl):

S. 850. A bill to expand the Federal tax refund intercept program to cover children who are not minors; to the Committee on Finance.

By Mr. THOMPSON (for himself, Mr. Kohl, Mr. Voinovich, Mr. Levin, Mr. Thurmond, Ms. Collins, and Mr. Fitzgerald):

S. 851. A bill to establish a commission to conduct a study of government privacy practices, and for other purposes; to the Committee on Governmental Affairs.

By Mrs. FEINSTEIN (for herself, Mr. Thomas, Mr. Leahy, Mr. Jeffords, Mr. Lieberman, Mr. Levin, Mr. Wellstone, Mrs. Boxer, Mr. Akaka, Mr. Feingold, Mr. Kennedy, Mrs. Murray, and Mr. Torricelli):

S. 852. A bill to support the aspirations of the Tibetan people to safeguard their distinct identity; to the Committee on Foreign Relations.

By Mr. BAYH (for himself, Mrs. Feinstein, Mr. Kerry, Mr. Levin, Ms. Landrieu, Mr. Johnson, and Mr. Durbin):

S. 853. A bill to amend the Internal Revenue Code of 1986 to reduce the marriage penalty by providing a nonrefundable dual-earner credit and adjustment to the earned income credit; to the Committee on Finance.

By Mr. DURBIN (for himself, Mr. Brownback, Mr. Graham, and Mr. Bingaman):

S. 854. A bill to amend titles V, XVIII, and XIX of the Social Security Act to promote cessation of tobacco use under the medicare program, the medicaid program, and maternal and child health services block grant programs; to the Committee on Finance.

By Mrs. BOXER:

S. 855. A bill to protect children and other vulnerable subpopulations from exposure to environmental pollutants, to protect children from exposure to pesticides in schools, and to provide parents with information concerning toxic chemicals that pose risks to children, and for other purposes; to the Committee on Environment and Public Works.

By Mr. KERRY (for himself, Mr. Bond, Mr. Cleland, Ms. Landrieu, Mr. Bennett, Mr. Levin, Mr. Lieberman, Mr. Harkin, Mr. Bingaman, Mr. Enzi, and Ms. Cantwell):

S. 856. A bill to reauthorize the Small Business Technology Transfer Program, and for other purposes; to the Committee on Small Business.

By Mr. HELMS (for himself, Mr. Miller, Mr. Lott, Mr. Warner, Mr. Hatch, Mr. Shelby, and Mr. Murkowski):

S. 857. A bill to protect United States military personnel and other elected and appointed officials of the United States Government against criminal prosecution by an international criminal court to which the United States is not a party; to the Committee on Foreign Relations.

By Mr. HUTCHINSON:

S. 858. A bill to amend title I of the Employee Retirement Income Security Act of 1974 to improve access and choice for entrepreneurs with small business with respect to medical care for their employees; to the Committee on Health, Education, Labor, and Pensions.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. WARNER (for himself, Mr. Allen, Mr. Cochran, Mr. Brownback, Mr. Jeffords, Mr. Craig, Mr. Thurmond, Mr. Crapo, Mr. Enzi, Mr. DeWine, Ms. Mikulski, Mr. Hatch, Mr. Smith of Oregon, and Mr. Stevens):

S. Res. 85. A resolution designating the week of May 6 through 12, 2001, as "Teacher Appreciation Week," and designating Tuesday May 8, 2001 as "National Teacher Day"; considered and agreed to.

By Mr. BOND (for himself, Mr. Kerry, Mr. Burns, Mr. Levin, Mr. Bennett, Mr. Harkin, Ms. Snowe, Mr. Lieberman, Mr. Enzi, Mr. Wellstone, Mr. Crapo, Mr. Cleland, Mr. Ensign, Ms. Landrieu, Mr. Edwards, Ms. Cantwell, and Mr. Daschle):

S. Res. 86. A resolution to express the sense of the Senate recognizing the important role played by the Small Business Administration on behalf of the United States small business community; considered and agreed to.

ADDITIONAL COSPONSORS

S. 39

At the request of Mr. Stevens, the name of the Senator from Washington (Ms. Cantwell) was added as a cosponsor of S. 39, a bill to provide a national medal for public safety officers who act with extraordinary valor above and beyond the call of duty, and for other purposes.

S. 60

At the request of Mr. Byrd, the names of the Senator from Arkansas (Mr. Hutchinson) and the Senator from Kentucky (Mr. Bunning) were added as a cosponsors of S. 60, a bill to authorize the Department of Energy programs to develop and implement an accelerated research and development program for advanced clean coal technologies for use in coal-based electricity generating facilities and to amend the Internal Revenue Code of 1986 to provide financial incentives to encourage the retrofitting, repowering, or replacement of coal-based electicity generating facilities to protect the environment and improve efficiency and encourage the early commercial application of advanced clean coal technologies, so as to allow coal to help meet the growing need of the United States for the generation of reliable and affordable electricity.

S. 148

At the request of Mr. Craig, the name of the Senator from California (Mrs. Boxer) was added as a cosponsor of S. 148, a bill to amend the Internal Revenue Code of 1986 to expand the adoption credit , and for other purposes.

S. 170

At the request of Mr. Reid, the name of the Senator from West Virginia (Mr. Byrd) was added as a cosponsor of S. 170, a bill to amend title 10, United States Code, to permit retired members of the Armed Forces who have a service-connected disability to receive both military retired pay by reason of their years of military service and disability compensation from the Department of Veterans Affairs for their disability.

S. 217

At the request of Mr. Schumer, the names of the Senator from Michigan (Mr. Levin) and the Senator from Washington (Mrs. Murray) were added as a cosponsors of S. 217, a bill to amend the Internal Revenue Code of 1986 to provide a uniform dollar limitation for all types of transportation fringe benefits excludable from gross income , and for other purposes.

S. 281

At the request of Mr. Hagel, the name of the Senator from Idaho (Mr. Craig) was added as a cosponsor of S. 281, a bill to authorize the design and construction of a temporary education center at the Vietnam Veterans Memorial.

S. 283

At the request of Mr. McCain, the name of the Senator from Hawaii (Mr. Inouye) was added as a cosponsor of S. 283, a bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue code of 1986 to protect consumers in managed care plans and other health coverage.

S. 284

At the request of Mr. McCain, the name of the Senator from Hawaii (Mr. Inouye) was added as a cosponsor of S. 284, a bill to amend the Internal Revenue Code of 1986 to provide incentives to expand health care coverage for individuals.

S. 318

At the request of Mr. DASCHLE, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. 318, a bill to prohibit discrimination on the basis of genetic information with respect to health insurance.

S. 345

At the request of Mr. ALLARD, the name of the Senator from Delaware (Mr. CARPER) was added as a cosponsor of S. 345, a bill to amend the Animal Welfare Act to strike the limitation that permits interstate movement of live birds, for the purpose of fighting, to States in which animal fighting is lawful.

S. 403

At the request of Mr. COCHRAN, the name of the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 403, a bill to improve the National Writing Project.

S. 454

At the request of Mr. BINGAMAN, the names of the Senator from Wyoming (Mr. THOMAS), the Senator from Montana (Mr. BAUCUS), the Senator from Nevada (Mr. REID), and the Senator from Vermont (Mr. LEAHY) were added as a cosponsors of S. 454, a bill to provide permanent funding for the Bureau of Land Management Payment in Lieu of Taxes program and for other purposes.

S. 482

At the request of Mr. FRIST, the name of the Senator from Tennessee (Mr. THOMPSON) was added as a cosponsor of S. 482, a bill to amend the Appalachian Regional Development Act of 1965 to add Hickman, Lawrence, Lewis, Perry, and Wayne Counties, Tennessee, to the Appalachian region.

S. 503

At the request of Mr. REID, the names of the Senator from Vermont (Mr. LEAHY) and the Senator from Montana (Mr. BAUCUS) were added as a cosponsors of S. 503, a bill to amend the Safe Water Act to provide grants to small public drinking water system.

S. 525

At the request of Mr. GRAHAM, the names of the Senator from Indiana (Mr. LUGAR), the Senator from Alaska (Mr. MURKOWSKI), and the Senator from Louisiana (Ms. LANDRIEU) were added as a cosponsors of S. 525, a bill to expand trade benefits to certain Andean countries, and for other purposes.

S. 540

At the request of Mr. DEWINE, the name of the Senator from Missouri (Mrs. CARNAHAN) was added as a cosponsor of S. 540, a bill to amend the Internal Revenue Code of 1986 to allow as a deduction in determining adjusted gross income the deduction for expenses in connection with services as a member of a reserve component of the Armed Forces of the United States, to allow employers a credit against income tax with respect to employees who participate in the military reserve components, and to allow a comparable credit for participating reserve component self-employed individuals, and for other purposes.

S. 571

At the request of Mr. THURMOND, the names of the Senator from Utah (Mr. BENNETT) and the Senator from Hawaii (Mr. INOUYE) were added as a cosponsors of S. 571, a bill to provide for the location of the National Museum of the United States Army.

S. 626

At the request of Mr. JEFFORDS, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 626, a bill to amend the Internal Revenue Code of 1986 to permanently extend the work opportunity credit and the welfare-to-work credit, and for other purposes.

S. 682

At the request of Mr. MCCAIN, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. 682, a bill to amend title II of the Social Security Act to restore the link between the maximum amount of earnings by blind individuals permitted without demonstrating ability to engage in substantial gainful activity and the exempt amount permitted in determining excess earnings under the earnings test.

S. 706

At the request of Mr. KERRY, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 706, a bill to amend the Social Security Act to establish programs to alleviate the nursing profession shortage, and for other purposes.

S. 742

At the request of Mr. GRASSLEY, the names of the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Virginia (Mr. WARNER), the Senator from Maryland (Ms. MIKULSKI), and the Senator from Missouri (Mrs. CARNAHAN) were added as a cosponsors of S. 742, a bill to provide for pension reform, and for other purposes.

S. 760

At the request of Mr. HATCH, the name of the Senator from Nevada (Mr. ENSIGN) was added as a cosponsor of S. 760, a bill to amend the Internal Revenue Code of 1986 to encourage and accelerate the nationwide production, retail sale, and consumer use of new motor vehicles that are powered by fuel cell technology, hybrid technology, battery electric technology, alternative fuels, or other advanced motor vehicle technologies, and for other purposes.

S. 778

At the request of Mr. HAGEL, the name of the Senator from Iowa (Mr. GRASSLEY) was added as a cosponsor of S. 778, a bill to expand the class of beneficiaries who may apply for adjustment of status under section 245(i) of the Immigration and Nationality Act by extending the deadline for classification petition and labor certification filings.

S. 823

At the request of Mr. GRAHAM, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. 823, a bill to assure access under group health plans and health insurance coverage to covered emergency medical services.

S. 828

At the request of Mr. LIEBERMAN, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 828, a bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for certain energy-efficient property.

S. 830

At the request of Mr. CHAFEE, the name of the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 830, a bill to amend the Public Health Service Act to authorize the Director of the National Institute of Environmental Health Sciences to make grants for the development and operation of research centers regarding environmental factors that may be related to the etiology of breast cancer.

S. 837

At the request of Mr. BOND, the name of the Senator from Arkansas (Mr. HUTCHINSON) was added as a cosponsor of S. 837, a bill to amend the Internal Revenue Code of 1986 to provide a safe harbor for determining that certain individuals are not employees.

S. 839

At the request of Mrs. HUTCHISON, the names of the Senator from Maine (Ms. COLLINS) and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of S. 839, a bill to amend title XVIII of the Social Security Act to increase the amount of payment for inpatient hospital services under the medicare program and to freeze the reduction in payments to hospitals for indirect costs of medical education.

S.J. RES. 7

At the request of Mr. HATCH, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S.J. Res. 7, a joint resolution proposing an amendment to the Constitution of the United States authorizing Congress to prohibit the physical desecration of the flag of the United States.

S.J. RES. 13

At the request of Mr. WARNER, the name of the Senator from Kansas (Mr. ROBERTS) was added as a cosponsor of S.J. Res. 13, a joint resolution conferring honorary citizenship of the United States on Paul Yves Roch Gilbert du Motier, also known as the Marquis de Lafayette.

S. RES. 63

At the request of Mr. CAMPBELL, the name of the Senator from Mississippi (Mr. LOTT) was added as a cosponsor of S. Res. 63, a resolution commemorating and acknowledging the dedication and sacrifice made by the men and women who have lost their lives while serving as law enforcement officers.

S. RES. 75

At the request of Mr. HUTCHINSON, the names of the Senator from Utah (Mr. HATCH), the Senator from New Mexico (Mr. BINGAMAN), the Senator from Tennessee (Mr. FRIST), and the Senator from Colorado (Mr. CAMPBELL) were added as cosponsors of S. Res. 75, a resolution designating the week beginning May 13, 2001, as "National Biotechnology Week."

S. RES. 80

At the request of Mrs. MURRAY, the name of the Senator from Missouri (Mrs. CARNAHAN) was added as a cosponsor of S. Res. 80, a resolution honoring the "Whidbey 24" for their professionalism, bravery, and courage.

S. CON. RES. 36

At the request of Mr. MCCAIN, the name of the Senator from North Carolina (Mr. EDWARDS) was added as a cosponsor of S. Con. Res. 36, a concurrent resolution honoring the National Science Foundation for 50 years of service to the Nation.

AMENDMENT NO. 378

At the request of Mrs. MURRAY, the name of the Senator from Wisconsin (Mr. FEINGOLD) was withdrawn as a cosponsor of amendment No. 378.

AMENDMENT NO. 379

At the request of Ms. MIKULSKI, the name of the Senator from Iowa (Mr. HARKIN) was added as a cosponsor of amendment No. 379.

AMENDMENT NO. 389

At the request of Mr. VOINOVICH, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of amendment No. 389.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. FEINSTEIN (for herself and Mr. GREGG):

S. 848. A bill to amend title 18, United States Code, to limit the misuse of social security numbers, to establish criminal penalties for such misuse, and for other purposes; to the Committee on the Judiciary.

Mrs. FEINSTEIN. Mr. President, I am pleased, along with Senator GREGG, to introduce the "Social Security Number Misuse Prevention Act." This legislation combats identity theft by making it harder for criminals to steal another person's Social Security number, our de facto national identifier.

The United States faces a growing identity theft crisis. The Federal Bureau of Investigation estimates 350,000 cases of identity theft occur each year. That's one case every two minutes.

The Federal Trade Commission, FTC, reports that identity theft is the fastest growing crime in the country. If recent trends continue, reports of identity theft to the FTC will double between 2000 and 2001, to over 60,000 cases. Fully 40 percent of all consumer fraud complaints received by the FTC in the first three months of 2001 involved identity theft.

Unfortunately, the State most affected by these complaints is California. Fully 17 percent of the identity theft complaints the FTC received this past winter came from my home state.

What is identity theft? Identity theft occurs when one person uses another person's Social Security number, birth date, driver's license number, or other identifying information to obtain credit cards, car loans, phone plans or other services in the victim's name.

Identity thieves can get personal information in a myriad of ways, stealing wallets and purses containing identification cards, using personal information found on the Internet, stealing mail, including pre-approved credit offers and credit statements, fraudulently obtaining credit reports or getting personnel records at work.

Of all sources of identity theft, the most common trigger of the crime is the misappropriation of a person's Social Security number. Reports to the Social Security Administration of the Social Security number misuse have increased from 7,868 in 1997 to 46,839 in 2000, an astonishing increase of over 500 percent.

Let me give some examples of victims whose identities were stolen after a thief got hold of their Social Security number: An identity theft ring in Riverside County allegedly bilked eight victims of $700,000. The thieves stole personal information of employees at a large phone company and drained their on-line stock accounts. One employee reportedly had $285,000 taken from his account when someone was able to access his account by supplying the employee's name and social Security number. Three youths robbed a young woman on a San Francisco MUNI bus. The thieves stole her driver's license and social security card. While the victim was traveling over the Christmas holiday, the thieves represented themselves as her and drained her bank accounts, applied for cell phones, credit cards and other accounts. They also redirected her mail to a general delivery post to the Tenderloin. Amy Boyer, a 20 year-old dental assistant from Maine was killed in 1999 by a stalker who bought her Social Security number off the Internet for $45, and then used it to locate her work address. Michelle Brown of Los Angeles, California, had her Social Security number stolen in 1999, and it was used to charge $50,000 including a $32,000 truck, a $5,000 liposuction operation, and a year-long residential lease. While assuming the victim's name, the perpetrator also became the object of an arrest warrant for drug smuggling in Texas.

This bill proposes concrete measures to get Social Security numbers beyond the reach of criminals.

The bill prohibits anyone from selling or displaying a Social Security number to the general public without the Social Security number holder's consent.

No longer will identity thieves or stalkers, like the man who killed Amy Boyer, be able to log anonymously onto a website and obtain another person's Social Security number. Information brokers will no longer be able to sell Social Security numbers to anyone who asks for a nominal fee.

The bill also requires Federal, State, and local governments to take affirmative steps to protect Social Security numbers. Before giving out records such as bankruptcy filings, liens, or birth certificates to the general public, government entities will need to redact the Social Security number.

Thus, identity thieves can no longer mine Social Security numbers from county clerks' offices or state records offices.

In addition, the bill prohibits States from using Social Security numbers as identifying numbers on drivers licenses or printing Social Security numbers on checks.

Privacy advocates contend half of all identity theft cases stem from lost or stolen wallets. Public entities should not put individuals at risk by requiring them to carry cards which contain Social Security numbers on them.

In addition, the bill will empower individuals who wish to keep their Social Security numbers confidential and out of public circulation. Companies will be prohibited from denying an individual a good or service if he refuses to give out his Social Security number.

In recognition of the needs of the business community, this legislation permits businesses to use Social Security numbers with appropriate safeguards for internal uses or in transactions with other businesses.

I want to state up front that the business-to-business exception is an area of significant compromise. As a matter of policy, I believe that a Social Security number, like other sensitive elements of personal information, should be under the control of the person to whom it belongs.

I also understand that many businesses, unfortunately, rely extensively on Social Security numbers to conduct a range of transactions. Some of these transactions include checking databases to ensure the identity of a customer or purchaser.

The cost of changing to other identifiers can be significant. One California health care company, for example, conducted an internal study on how much it would cost to switch from Social Security numbers to another customer identifier. The price tag was over $25 million.

The bill directs the Attorney General to implement rules to permit legitimate business-to-business transactions, but prevent abuse. The Attorney general must consider several factors in the rulemaking: (i) The need for appropriate safeguards so that employees cannot misappropriate Social Security numbers, and (ii) The need to implement procedures to prevent identity thieves, stalkers, and others with ill intent from posing as legitimate businesses to obtain Social Security numbers.

In drafting the rule, the Attorney General must ensure that any business-to-businesss exception is consistent with other privacy laws, including Gramm-Leach-Bliley.

Thus, the bill would be consistent with a district court ruling issued last week that recognized limits on financial institutions' use of Social Security numbers. In Individual Reference Services Group v. Federal Trade Commission, the court held Gramm-Leach-Bliley requires banks to give consumers the opportunity to opt-out before their Social Security number is sold. I would like to submit into the record a copy of a Los Angeles Times article describing the decision.

I would like to thank Senator GREGG for working so hard with me to draft this legislation. I am pleased to report that this bill has garnered the support of the Attorney General of California, Bill Lockyer, Los Angeles County Sheriff Lee Baca, Crimes Victims United of California, the Los Angeles Coalition of Crime Victim Advocates, and the Doris Tate Crime Victims Bureau.

Over 350,000 people a year are victims of identity theft, and the numbers continue to grow. Passing the "Social Security Number Misuse Prevention Act" will help curb this crime by restricting criminal access to Social Security numbers.

I look forward to working with my colleagues in getting this commonsense bill enacted into law.

I ask unanimous consent that the text of the bill and the article to which I referred be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 848

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Social Security Number Misuse Prevention Act of 2001".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Prohibition of the display, sale, or purchase of social security numbers.
Sec. 4. No prohibition with respect to public records.
Sec. 5. Rulemaking authority of the Attorney General.
Sec. 6. Treatment of social security numbers on government documents.
Sec. 7. Limits on personal disclosure of a social security number for consumer transactions.
Sec. 8. Extension of civil monetary penalties for misuse of a social security number.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The inappropriate display, sale, or purchase of social security numbers has contributed to a growing range of illegal activities, including fraud, identity theft, and, in some cases, stalking and other violent crimes.

(2) While financial institutions, health care providers, and other entities have often used social security numbers to confirm the identity of an individual, the general display to the public, sale, or purchase of these numbers has been used to commit crimes, and also can result in serious invasions of individual privacy.

(3) The Federal Government requires virtually every individual in the United States to obtain and maintain a social security number in order to pay taxes, to qualify for social security benefits, or to seek employment. An unintended consequence of these requirements is that social security numbers have become tools that can be used to facilitate crime, fraud, and invasions of the privacy of the individuals to whom the numbers are assigned. Because the Federal Government created and maintains this system, and because the Federal Government does not permit individuals to exempt themselves from those requirements, it is appropriate for the Federal Government to take steps to stem the abuse of this system.

(4) A social security number does not contain, reflect, or convey any publicly significant information or concern any public issue. The display, sale, or purchase of such numbers in no way facilitates uninhibited, robust, and wide-open public debate, and restrictions on such display, sale, or purchase would not affect public debate.

(5) No one should seek to profit from the display, sale, or purchase of social security numbers in circumstances that create a substantial risk of physical, emotional, or financial harm to the individuals to whom those numbers are assigned.

(6) Consequently, this Act offers each individual that has been assigned a social security number necessary protection from the display, sale, and purchase of that number in any circumstance that might facilitate unlawful conduct.

SEC. 3. PROHIBITION OF THE DISPLAY, SALE, OR PURCHASE OF SOCIAL SECURITY NUMBERS.

(a) PROHIBITION.—

(1) IN GENERAL.—Chapter 47 of title 18, United States Code, is amended by inserting after section 1028 the following:

"§ 1028A. Prohibition of the display, sale, or purchase of social security numbers

"(a) DEFINITIONS.—In this section:

"(1) DISPLAY.—The term 'display' means to intentionally communicate or otherwise make available (on the Internet or in any other manner) to the general public an individual's social security number.

"(2) PERSON.—The term 'person' means any individual, partnership, corporation, trust, estate, cooperative, association, or any other entity.

"(3) PURCHASE.—The term 'purchase' means providing directly or indirectly, anything of value in exchange for a social security number.

"(4) SALE.—The term 'sale' means obtaining, directly or indirectly, anything of value in exchange for a social security number.

"(5) STATE.—The term 'State' means any State of the United States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, the United States Virgin Islands, Guam, American Samoa, and any territory or possession of the United States.

"(b) LIMITATION ON DISPLAY.—Except as provided in section 1028B, no person may display any individual's social security number to the general public without the affirmatively expressed consent of the individual.

"(c) LIMITATION ON SALE OR PURCHASE.—Except as otherwise provided in this section, no person may sell or purchase any individual's social security number without the affirmatively expressed consent of the individual.

"(d) PROHIBITION OF WRONGFUL USE AS PERSONAL IDENTIFICATION NUMBER.—No person may obtain any individual's social security number for purposes of locating or identifying an individual with the intent to physically injure, harm, or use the identity of the individual for any illegal purpose.

"(e) PREREQUISITES FOR CONSENT.—In order for consent to exist under subsection (b) or (c), the person displaying or seeking to display, selling or attempting to sell, or purchasing or attempting to purchase, an individual's social security number shall—

"(1) inform the individual of the general purpose for which the number will be used, the types of persons to whom the number may be available, and the scope of transactions permitted by the consent; and

"(2) obtain the affirmatively expressed consent (electronically or in writing) of the individual.

"(f) EXCEPTIONS.—

"(1) IN GENERAL.—Except as provided in subsection (d), nothing in this section shall be construed to prohibit or limit the display, sale, or purchase of a social security number—

"(A) permitted, required, or excepted, expressly or by implication, under section 205(c)(2), 1124A(a)(3), or 1141(c) of the Social Security Act (42 U.S.C. 405(c)(2), 1320a-3a(a)(3), and 1320b–11(c)), section 7(a)(2) of the Privacy Act of 1974 (5 U.S.C. 552a note), section 6109(d) of the Internal Revenue Code of 1986, or section 6(b)(1) of the Professional Boxing Safety Act of 1996 (15 U.S.C. 6305(b)(1));

"(B) for a public health purpose, including the protection of the health or safety of an individual in an emergency situation;

"(C) for a national security purpose;

"(D) for a law enforcement purpose, including the investigation of fraud, as required under subchapter II of chapter 53 of title 31, United States Code, and chapter 2 of title I of Public Law 91–508 (12 U.S.C. 1951–1959), and the enforcement of a child support obligation;

"(E) if the display, sale, or purchase of the number is for a business-to-business use, including, but not limited to—

"(i) the prevention of fraud (including fraud in protecting an employee's right to employment benefits);

"(ii) the facilitation of credit checks or the facilitation of background checks of employees, prospective employees, and volunteers;

"(iii) compliance with any requirement related to the social security program established under title II of the Social Security Act (42 U.S.C. 401 et seq.); or

"(iv) the retrieval of other information from, or by, other businesses, commercial enterprises, or private nonprofit organizations,

except that, nothing in this subparagraph shall be construed as permitting a professional or commercial user to display or sell a social security number to the general public;

“(F) if the transfer of such a number is part of a data matching program under the Computer Matching and Privacy Protection Act of 1988 (5 U.S.C. 552a note) or any similar computer data matching program involving a Federal, State, or local agency; or

“(G) if such number is required to be submitted as part of the process for applying for any type of Federal, State, or local government benefit or program.

“(g) Civil Action in United States District Court; Damages; Attorney's Fees and Costs.—

“(1) In general.—Any individual aggrieved by any act of any person in violation of this section may bring a civil action in a United States district court to recover—

“(A) such preliminary and equitable relief as the court determines to be appropriate; and

“(B) the greater of—

“(i) actual damages;

“(ii) liquidated damages of $2,500; or

“(iii) in the case of a violation that was willful and resulted in profit or monetary gain, liquidated damages of $10,000.

“(2) Statute of limitations.—No action may be commenced under this subsection more than 3 years after the date on which the violation was or should reasonably have been discovered by the aggrieved individual.

“(3) Nonexclusive remedy.—The remedy provided under this subsection shall be in addition to any other remedy available to the individual.

“(h) Civil Penalties.—

“(1) In general.—Any person who the Attorney General determines has violated this section shall be subject, in addition to any other penalties that may be prescribed by law—

“(A) to a civil penalty of not more than $5,000 for each such violation; and

“(B) to a civil penalty of not more than $50,000, if the violations have occurred with such frequency as to constitute a general business practice.

“(2) Determination of violations.—Any willful violation committed contemporaneously with respect to the social security numbers of 2 or more individuals by means of mail, telecommunication, or otherwise, shall be treated as a separate violation with respect to each such individual.

“(3) Enforcement procedures.—The provisions of section 1128A of the Social Security Act (42 U.S.C. 1320a-7a), other than subsections (a), (b), (f), (h), (i), (j), (m), and (n) and the first sentence of subsection (c) of such section, and the provisions of subsections (d) and (e) of section 205 of such Act (42 U.S.C. 405) shall apply to a civil penalty under this subsection in the same manner as such provisions apply to a penalty or proceeding under section 1128A(a) of such Act (42 U.S.C. 1320a–7a(a)), except that, for purposes of this paragraph, any reference in section 1128A of such Act (42 U.S.C. 1320a–7a) to the Secretary shall be deemed to be a reference to the Attorney General.”.

(2) Conforming amendment.—The chapter analysis for chapter 47 of title 18, United States Code, is amended by inserting after the item relating to section 1028 the following:

“1028A. Prohibition of the display, sale, or purchase of social security numbers.”.

(b) Criminal Sanctions.—Section 208(a) of the Social Security Act (42 U.S.C. 408(a)) is amended—

(1) in paragraph (8), by inserting “or” after the semicolon; and

(2) by inserting after paragraph (8) the following new paragraphs:

“(9) except as provided in paragraph (5) of section 1028A(a) of title 18, United States Code, knowingly and willfully displays, sells, or purchases (as those terms are defined in paragraph (1) of such section) any individual's social security number (as defined in such paragraph) without the affirmatively expressed consent of that individual after having met the prerequisites for consent under paragraph (4) of such section, electronically or in writing, with respect to that individual; or

“(10) obtains any individual's social security number for the purpose of locating or identifying the individual with the intent to injure or to harm that individual, or to use the identity of that individual for an illegal purpose;”.

(c) Effective Date.—Section 1028A of title 18, United States Code (as added by subsection (a)), and section 208 of the Social Security Act (42 U.S.C. 408) (as amended by subsection (b)) shall take effect 30 days after the date on which the final regulations promulgated under section 5(b) are published in the Federal Register.

SEC. 4. NO PROHIBITION WITH RESPECT TO PUBLIC RECORDS.

(a) Public Records Exception.—

(1) In general.—Chapter 47 of title 18, United States Code (as amended by section 3(a)(1)), is amended by inserting after section 1028A the following:

“§ 1028B. No prohibition of the display, sale, or purchase of social security numbers included in public records

“(a) In General.—Nothing in section 1028A shall be construed to prohibit or limit the display, sale, or purchase of any public record which includes a social security number that—

“(1) is incidentally included in a public record, as defined in subsection (d);

“(2) is intended to be purchased, sold, or displayed pursuant to an exception contained in section 1028A(f);

“(3) is intended to be purchased, sold, or displayed pursuant to the consent provisions of subsections (b), (c), and (e) of section 1028A; or

“(4) includes a redaction of the nonincidental occurrences of the social security numbers when sold or displayed to members of the general public.

“(b) Agency Requirements.—Each agency in possession of documents that contain social security numbers which are nonincidental, shall, with respect to such documents—

“(1) ensure that access to such numbers is restricted to persons who may obtain them in accordance with applicable law;

“(2) require an individual who is not exempt under section 1028A(f) to provide the social security number of the person who is the subject of the document before making such document available; or

“(3) redact the social security number from the document prior to providing a copy of the requested document to an individual who is not exempt under section 1028A(f) and who is unable to provide the social security number of the person who is the subject of the document.

“(c) Rule of Construction.—Nothing in this section shall be used as a basis for permitting or requiring a State or local government entity or other repository of public documents to expand or to limit access to documents containing social security numbers to entities covered by the exception in section 1028A(f).

“(d) Definitions.—In this section:

“(1) Incidental.—The term ‘incidental’ means that the social security number is not routinely displayed in a consistent and predictable manner on the public record by a government entity, such as on the face of a document.

“(2) Public record.—The term ‘public record’ means any item, collection, or grouping of information about an individual that is maintained by a Federal, State, or local government entity and that is made available to the public.”.

(2) Conforming amendment.—The chapter analysis for chapter 47 of title 18, United States Code (as amended by section 3(a)(2)), is amended by inserting after the item relating to section 1028A the following:

“1028B. No prohibition of the display, sale, or purchase of social security numbers included in public records.”.

SEC. 5. RULEMAKING AUTHORITY OF THE ATTORNEY GENERAL.

(a) In General.—Except as provided in subsection (b), the Attorney General may prescribe such rules and regulations as the Attorney General deems necessary to carry out the provisions of section 3.

(b) Business-to-Business Commercial Display, Sale, or Purchase Rulemaking.—

(1) In general.—Not later than 1 year after the date of enactment of this Act, the Attorney General, in consultation with the Commissioner of Social Security, the Federal Trade Commission, and such other Federal agencies as the Attorney General determines appropriate, may conduct such rulemaking procedures in accordance with subchapter II of chapter 5 of title 5, United States Code, as are necessary to promulgate regulations to implement and clarify the business-to-business provisions pertaining to section 1028A(f)(1)(E) of title 18, United States Code (as added by section 3(a)(1)). The Attorney General shall consult with other agencies to ensure, where possible, that these provisions are consistent with other privacy laws, including title V of the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.).

(2) Factors to be considered.—In promulgating the regulations required under paragraph (1), the Attorney General shall, at a minimum, consider the following factors:

(A) The benefit to a particular business practice and to the general public of the sale or purchase of an individual's social security number.

(B) The risk that a particular business practice will promote the use of the social security number to commit fraud, deception, or crime.

(C) The presence of adequate safeguards to prevent the misappropriation of social security numbers by the general public , while permitting internal business uses of such numbers.

(D) The implementation of procedures to prevent identity thieves, stalkers, and others with ill intent from posing as legitimate businesses to obtain social security numbers.

SEC. 6. TREATMENT OF SOCIAL SECURITY NUMBERS ON GOVERNMENT DOCUMENTS.

(a) Prohibition of Use of Social Security Account Numbers on Checks Issued for Payment by Governmental Agencies.—

(1) IN GENERAL.—Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) is amended by adding at the end the following new clause:

"(x) No Federal, State, or local agency may display the social security account number of any individual, or any derivative of such number, on any check issued for any payment by the Federal, State, or local agency.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply with respect to violations of section 205(c)(2)(C)(x) of the Social Security Act (42 U.S.C. 405(c)(2)(C)(x)), as added by paragraph (1), occurring after the date that is 3 years after the date of enactment of this Act.

(b) PROHIBITION OF APPEARANCE OF SOCIAL SECURITY ACCOUNT NUMBERS ON DRIVER'S LICENSES OR MOTOR VEHICLE REGISTRATION.—

(1) IN GENERAL.—Section 205(c)(2)(C)(vi) of the Social Security Act (42 U.S.C. 405(c)(2)(C)(vi)) is amended—

(A) by inserting "(I)" after "(vi)"; and

(B) by adding at the end the following new subclause:

"(II)(aa) An agency of a State (or political subdivision thereof), in the administration of any driver's license or motor vehicle registration law within its jurisdiction, may not disclose the social security account numbers issued by the Commissioner of Social Security, or any derivative of such numbers, on any driver's license or motor vehicle registration or any other document issued by such State (or political subdivision thereof) to an individual for purposes of identification of such individual.

"(bb) Nothing in this subclause shall be construed as precluding an agency of a State (or political subdivision thereof), in the administration of any driver's license or motor vehicle registration law within its jurisdiction, from using a social security account number for an internal use or to link with the database of an agency of another State that is responsible for the administration of any driver's license or motor vehicle registration law.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply with respect to licenses, registrations, and other documents issued or reissued after the date that is 1 year after the date of enactment of this Act.

(c) PROHIBITION OF INMATE ACCESS TO SOCIAL SECURITY ACCOUNT NUMBERS.—

(1) IN GENERAL.—Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) (as amended by subsection (b)) is amended by adding at the end the following new clause:

"(xi) No Federal, State, or local agency may employ, or enter into a contract for the use or employment of, prisoners in any capacity that would allow such prisoners access to the social security account numbers of other individuals. For purposes of this clause, the term 'prisoner' means an individual confined in a jail, prison, or other penal institution or correctional facility pursuant to such individual's conviction of a criminal offense.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply with respect to employment of prisoners, or entry into contract with prisoners, after the date that is 1 year after the date of enactment of this Act.

SEC. 7. LIMITS ON PERSONAL DISCLOSURE OF A SOCIAL SECURITY NUMBER FOR CONSUMER TRANSACTIONS.

(a) IN GENERAL.—Part A of title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by adding at the end the following new section:

"SEC. 1150A. LIMITS ON PERSONAL DISCLOSURE OF A SOCIAL SECURITY NUMBER FOR CONSUMER TRANSACTIONS.

"(a) IN GENERAL.—A commercial entity may not require an individual to provide the individual's social security number when purchasing a commercial good or service or deny an individual the good or service for refusing to provide that number except—

"(1) for any purpose relating to—

"(A) obtaining a consumer report for any purpose permitted under the Fair Credit Reporting Act;

"(B) a background check of the individual conducted by a landlord, lessor, employer, voluntary service agency, or other entity as determined by the Attorney General;

"(C) law enforcement; or

"(D) a Federal or State law requirement; or

"(2) if the social security number is necessary to verify identity and to prevent fraud with respect to the specific transaction requested by the consumer and no other form of identification can produce comparable information.

"(b) OTHER FORMS OF IDENTIFICATION.—Nothing in this section shall be construed to prohibit a commercial entity from—

"(1) requiring an individual to provide 2 forms of identification that do not contain the social security number of the individual; or

"(2) denying an individual a good or service for refusing to provide 2 forms of identification that do not contain such number.

"(c) APPLICATION OF CIVIL MONEY PENALTIES.—A violation of this section shall be deemed to be a violation of section 1129(a)(3)(F).

"(d) APPLICATION OF CRIMINAL PENALTIES.—A violation of this section shall be deemed to be a violation of section 208(a)(8).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to requests to provide a social security number made on or after the date of enactment of this Act.

SEC. 8. EXTENSION OF CIVIL MONETARY PENALTIES FOR MISUSE OF A SOCIAL SECURITY NUMBER.

(a) TREATMENT OF WITHHOLDING OF MATERIAL FACTS.—

(1) CIVIL PENALTIES.—The first sentence of section 1129(a)(1) of the Social Security Act (42 U.S.C. 1320a–8(a)(1)) is amended—

(A) by striking "who" and inserting "who—";

(B) by striking "makes" and all that follows through "shall be subject to" and inserting the following:

"(A) makes, or causes to be made, a statement or representation of a material fact, for use in determining any initial or continuing right to or the amount of monthly insurance benefits under title II or benefits or payments under title VIII or XVI, that the person knows or should know is false or misleading;

"(B) makes such a statement or representation for such use with knowing disregard for the truth; or

"(C) omits from a statement or representation for such use, or otherwise withholds disclosure of, a fact which the individual knows or should know is material to the determination of any initial or continuing right to or the amount of monthly insurance benefits under title II or benefits or payments under title VIII or XVI and the individual knows, or should know, that the statement or representation with such omission is false or misleading or that the withholding of such disclosure is misleading,

shall be subject to";

(C) by inserting "or each receipt of such benefits while withholding disclosure of such fact" after "each such statement or representation";

(D) by inserting "or because of such withholding of disclosure of a material fact" after "because of such statement or representation"; and

(E) by inserting "or such a withholding of disclosure" after "such a statement or representation".

(2) ADMINISTRATIVE PROCEDURE FOR IMPOSING PENALTIES.—The first sentence of section 1129A(a) of the Social Security Act (42 U.S.C. 1320a–8a(a)) is amended—

(A) by striking "who" and inserting "who—"; and

(B) by striking "makes" and all that follows through "shall be subject to" and inserting the following new paragraphs:

"(1) makes, or causes to be made, a statement or representation of a material fact, for use in determining any initial or continuing right to or the amount of monthly insurance benefits under title II or benefits or payments under title VIII or XVI, that the person knows or should know is false or misleading;

"(2) makes such a statement or representation for such use with knowing disregard for the truth; or

"(3) omits from a statement or representation for such use, or otherwise withholds disclosure of, a fact which the individual knows or should know is material to the determination of any initial or continuing right to or the amount of monthly insurance benefits under title II or benefits or payments under title VIII or XVI and the individual knows, or should know, that the statement or representation with such omission is false or misleading or that the withholding of such disclosure is misleading,

shall be subject to".

(b) APPLICATION OF CIVIL MONEY PENALTIES TO ELEMENTS OF CRIMINAL VIOLATIONS.—Section 1129(a) of the Social Security Act (42 U.S.C. 1320a–8(a)), as amended by subsection (a)(1), is amended—

(1) by redesignating paragraph (2) as paragraph (4);

(2) by redesignating the last sentence of paragraph (1) as paragraph (2) and inserting such paragraph after paragraph (1); and

(3) by inserting after paragraph (2) (as so redesignated) the following new paragraph:

"(3) Any person (including an organization, agency, or other entity) who—

"(A) uses a social security account number that such person knows or should know has been assigned by the Commissioner of Social Security (in an exercise of authority under section 205(c)(2) to establish and maintain records) on the basis of false information furnished to the Commissioner by any person;

"(B) falsely represents a number to be the social security account number assigned by the Commissioner of Social Security to any individual, when such person knows or should know that such number is not the social security account number assigned by the Commissioner to such individual;

"(C) knowingly alters a social security card issued by the Commissioner of Social Security, or possesses such a card with intent to alter it;

"(D) knowingly displays, sells, or purchases a card that is, or purports to be, a card issued by the Commissioner of Social Security, or possesses such a card with intent to display, purchase, or sell it;

"(E) counterfeits a social security card, or possesses a counterfeit social security card with intent to display, sell, or purchase it;

"(F) discloses, uses, compels the disclosure of, or knowingly displays, sells, or purchases the social security account number of any person in violation of the laws of the United States;

"(G) with intent to deceive the Commissioner of Social Security as to such person's true identity (or the true identity of any other person) furnishes or causes to be furnished false information to the Commissioner with respect to any information required by the Commissioner in connection with the establishment and maintenance of the records provided for in section 205(c)(2);

"(H) offers, for a fee, to acquire for any individual, or to assist in acquiring for any individual, an additional social security account number or a number which purports to be a social security account number; or

"(I) being an officer or employee of a Federal, State, or local agency in possession of any individual's social security account number, willfully acts or fails to act so as to cause a violation by such agency of clause (vi)(II) or (x) of section 205(c)(2)(C),

shall be subject to, in addition to any other penalties that may be prescribed by law, a civil money penalty of not more than $5,000 for each violation. Such person shall also be subject to an assessment, in lieu of damages sustained by the United States resulting from such violation, of not more than twice the amount of any benefits or payments paid as a result of such violation.".

(c) Clarification of Treatment of Recovered Amounts.—Section 1129(e)(2)(B) of the Social Security Act (42 U.S.C. 1320a-8(e)(2)(B)) is amended by striking "In the case of amounts recovered arising out of a determination relating to title VIII or XVI," and inserting "In the case of any other amounts recovered under this section,".

(d) Conforming Amendments.—

(1) Section 1129(b)(3)(A) of the Social Security Act (42 U.S.C. 1320a-8(b)(3)(A)) is amended by striking "charging fraud or false statements".

(2) Section 1129(c)(1) of the Social Security Act (42 U.S.C. 1320a-8(c)(1)) is amended by striking "and representations" and inserting ", representations, or actions".

(3) Section 1129(e)(1)(A) of the Social Security Act (42 U.S.C. 1320a-8(e)(1)(A)) is amended by striking "statement or representation referred to in subsection (a) was made" and inserting "violation occurred".

(e) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply with respect to violations of sections 1129 and 1129A of the Social Security Act (42 U.S.C. 1320-8 and 1320a-8a), as amended by this section, committed after the date of enactment of this Act.

(2) Violations by government agents in possession of social security numbers.—Section 1129(a)(3)(I) of the Social Security Act (42 U.S.C. 1320a-8(a)(3)(I)), as added by subsection (b), shall apply with respect to violations of that section occurring on or after the effective date under section 3(c).

[From the Los Angeles Times, May 8, 2001]

Curb on Sale of Consumer Data Upheld

(By Edmund Sanders)

Washington.—In a victory for privacy advocates, a federal judge has upheld a proposed government regulation that would effectively end the long-standing practice by credit bureaus of selling consumers' names, addresses and Social Security numbers to marketers, information brokers and others.

Industry groups are likely to appeal the decision by District Judge Ellen Segal Huvelle, which was disclosed Monday by the Federal Trade Commission. If the decision is upheld, the rule—issued by the FTC last year and set to take effect in July—would work dramatic changes in the way businesses rely upon the credit bureaus' databases for everything from updating junk-mail lists to locating debtors.

"It's going to set a higher barrier for the privacy of this kind of information," said Robert Gellman, a privacy consultant in Washington.

Credit bureaus and information brokers, who filed suit last year to block the FTC rules, warned that the court decision may have unintended consequences.

"There are many beneficial uses for this information," said Clark Walter, a spokesman for Trans Union, the Chicago-based credit bureau. He said the databases are used to find fugitives, parents who owe child support, missing heirs and runaway children. "How these particular functions would be affected remains to be seen," Walter said.

At the heart of the dispute is the top portion of consumer credit reports, known as the credit "header," which is typically limited to a person's name, address, birth date and Social Security number. The header does not include financial information about credit history or bank accounts, which can be released only to creditors and others with a legal right to see it.

Because it has been considered less sensitive, credit header information has been sold for years. Customers include marketing firms, law enforcement agencies, private investigators and journalists.

Last year, the FTC issued rules to prohibit credit bureaus from continuing to sell the information unless consumers had first been given an opportunity to block the practice. The agency said the rule was mandated by Congress as part of a 1999 financial modernization law, which called for new privacy protections for consumers' financial information.

The Individual Reference Services Group, a trade group of information companies, argued that the FTC had misinterpreted the law. "We don't think a name and address is 'financial information' under the statute," said Ronald Plesser, attorney for the trade group. The companies also argued that the rules violated their constitutional right to free speech.

The FTC countered that any personally identifiable information provided to financial institutions, even if available from other public sources, should be covered by the law.

The disclosure of Social Security numbers, in particular, raised the hackles of privacy advocates, who say the practice has led to an increase in identity theft and other fraud.

In her 62-page ruling, dated April 30, Huvelle said the regulations were lawful and constitutional. "This gives consumers more control over how their information is used," said John Daly, assistant general counsel at the FTC.

The decision marks the latest defeat for credit bureaus and information brokers, whose operating environment is increasingly hostile.

A federal appeals court ruled last month that Trans Union may no longer sell marketing lists based upon certain financial characteristics, such as consumers with three or more credit cards, culled from credit reports.

The FTC banned the practice in 1992, saying it violated federal laws prohibiting the use of credit information for marketing purposes. The other two major credit bureaus halted the practice, but Trans Union continued to sell such lists.

If credit bureaus are prohibited from selling credit header data, businesses will probably turn to other sources, such as the change-of-address database at the U.S. Postal Service or voter registration records.

Mr. GREGG. Mr. President, on October 15, 1999, Amy Boyer, a young woman from Nashua, NH, was killed by a man who went on the Internet, purchased her social security number for $45, used it to find her place of work and kill her.

As a result of that tragic event, and countless others I have subsequently become aware of, it became clear to me that the sale of social security numbers on the Internet was dangerous and needed to be stopped.

Last year, I introduced Amy Boyer's law to do just that. The purpose of that legislation was twofold. First, to ensure that people like Amy Boyer's killer would not be able to purchase social security numbers and second, to prevent companies like Dogpile, and Docusearch.com from being able to sell social security numbers without an individual's consent.

Amy Boyer's law accomplished both of these objectives but became mired down in controversy, frankly from both sides, over how to strike a balance between legitimate business and other lawful uses of the social security number which are necessary in many instances to prevent fraud and identity theft and a desire on the part of the privacy organizations to significantly limit public access to social security numbers.

Let's face it, like it or not, the Social Security Number has become a national identifier of sorts and in many instances, is the only way to ensure accurate identification of people. Health care providers use the social security number to maintain our health records to ensure we are receiving the services we need; banks and financial institutions use them to prevent fraud—a social security number tells them that a loan applicant is exactly who he says he is. The National Center for Missing and Exploited Children and the Association for Children for Enforcement of Support, ACES, use social security numbers to track down kidnappers and deadbeat dads. Big Brothers/Big Sisters of America use social security numbers to do background checks on volunteers to make sure that they are not felons or child molesters. A truly blanket prohibition that did not include any exceptions whatsoever would close-out the above uses. In reality, nobody wants this.

Unfortunately, we were unable to reach a suitable compromise before adjourning last session, but I am pleased today to introduce, with Senator FEINSTEIN, after many months of very hard work, the Social Security Number Misuse Prevention Act of 2001.

This is indeed a compromise proposal. Both Senator FEINSTEIN and myself have had countless meetings with parties interested in this issue and have produced, what I believe to be, a good product. It is not a perfect product, but it is a good first step toward balancing significant diverging interests. We will, of course, continue to work with interested parties to perfect this legislation, but we have agreed in concept to certain key principles.

First, the public access to the social security number must be limited because of the significant risk of invasions of privacy and the potential for misuse, not the least of which is identity theft. And second, that there are certain legitimate purposes for which the social security number is essential—and we must protect those legitimate uses.

Let me summarize the bill's main provisions:

First, the legislation contains a prohibition against obtaining social security number with wrongful intent. Persons are prohibited from obtaining a social security number for the purpose of locating or identifying an individual with the intent to physically injure, harm, or use the identity of the individual for any illegal purpose.

Second, the legislation prohibits the display, sale and purchase of social security numbers to and by the general public without the individual's consent, except for certain limited purposes. Those purposes include: For purposes permitted, required or excepted under the Social Security Act, section 7 (a)(2) of the Privacy Act of 1974, section 6109(d) of the Internal Revenue Code of 1986 or section 6(b)(1) of the Professional Boxing Safety Act of 1996: for a public health purpose, including the protection of the health and safety of an individual or in an emergency situation; for a national security purpose; for a law enforcement purpose, including the investigation of fraud and the enforcement of child support obligations; for business-to-business use, including, but not limited to the prevention of fraud, the facilitation of credit checks or background checks of employees, prospective employees, and volunteers, compliance with any requirement related to the social security program, or the retrieval of other information from other businesses or commercial enterprises; except that no business may sell or display a social security number to the general public. For data matching programs under the Computer Matching and Privacy Protection Act of 1988 or any similar data matching program involving a Federal, State or local agency; or if such number is required to be submitted as part of the process for applying for any type of Federal, State, or local government benefit or program.

Third, an individual may not be required to provide their social security number when purchasing a commercial good or service unless the social security number is necessary: For purposes relating to the Fair Credit Reporting Act, for a background check of the individual conducted by a landlord, lessor, employer, volunteer service agency, or other entity determined by the Attorney General, for law enforcement, or pursuant to a Federal or State law requirement; or if the social security number is necessary to verify identity and prevent fraud with respect to the specific transaction requested by the consumer and no other form of identification can produce comparable information.

Fourth, within 3 years after the date of enactment of this legislation, Social Security numbers may not appear on checks issued for payment by Federal, State, or local government agencies.

Fifth, within 1 year after the date of enactment of this legislation, Social Security numbers may not appear on any driver's license, motor vehicle registration or any other document issued to an individual for purposes of identification of such individual. However, State Departments of Motor Vehicles may continue to use social security numbers internally and for purposes of sharing information about driving records with other jurisdictions.

Sixth, the legislation prohibits prisoners from gaining access to social security numbers.

Finally, on the issue of Public Records, which was and remains a very difficult issue. In fact, last year, it was one of the issues that resulted in our inability to pass Amy Boyer's Law. Amy Boyer's law allowed Social Security Numbers to continue to appear in public records with no limitation on access. It did so in recognition of the fact that many states, local governments, and other governmental entities use Social Security Numbers in the same way that many businesses do—to ensure accurate identification of individuals who use their services and to prevent fraud.

Many States require social security numbers to be used in documents such as marriage licenses, bankruptcy records, real estate and tax liens, etc. These documents are, under most state laws, a matter of public record, which means the general public can readily gain access to them. Were we to make the appearance of social security numbers in every public record illegal, many states and third party beneficiaries whose business is based on providing access to public records to law offices and other subscribers would have to redact social security numbers from many hundreds of thousands of public documents. This would be a huge task, and it is unclear whether we would in any significant way, further reduce the illegal activity we are trying to prevent. In other words, it is unclear whether the administrative burden and cost would outweigh the potential benefit. This was a very real concern.

At the same time we recognized the very real harm that could be caused by unlimited public access to public documents containing social security numbers—in many cases, right on the face of the document. Social security numbers in public records can be dangerous if a stalker knows where to look, and so I made a commitment lasts year to continue to look at this problem and to address it in a way that was sound and fair, and consistent with the overall principles and goals of the legislation.

As with the other provisions in this legislation, Senator FEINSTEIN and I reached a compromise.

Under our compromise proposal there is no requirement for redaction of social security numbers that appear incidentally in public records, (i.e. not on the face of a document or in a document in a consistent manner). We are trying to limit access to social security numbers for routinely appear in a public record consistently and predictably, on the same page, in every document.

For those records, records where the social security number appears non-incidentally, the number must be redacted before the public document is sold or displayed to the general public. Individuals requesting the document who are able to provide the social security belonging to the person who is the subject of the document before receiving the document may receive an unrelated copy of the public document.

I believe that the Feinstein-Gregg Social Security Number Misuse Prevention Act is a well thought-out, tightly woven piece of legislation that has effectively recognized and balanced the many concerns surrounding the uses of Social Security numbers. Passing this legislation is one of the most important things that Congress can do this year to reduce identity theft and protect individual privacy while permitting the continued legitimate and limited uses of the social security number.

I thank Senator FEINSTEIN and look forward to continuing to work with her throughout the legislative process.

By Mr. BOND:

S. 849. A bill to amend provisions of law enacted by the Small Business Regulatory Enforcement Fairness Act of 1996 (Public Law 104–121 to ensure full analysis of potential impacts on small entities of rules proposed by certain agencies, and for other purposes: to the Committee on Small Business.

Mr. BOND. Mr. President, we are awaiting the imminent arrival of the budget from the House. We have had many important things going on in this Chamber. The debate on education is tremendously important. Yet I think it is necessary that we take a moment and recognize something that colleagues on both sides of the aisle will find very important, and I know support; and that is, the fact that this is Small Business Week.

All of us know, particularly those of us who serve on the Small Business Committee, that small businesses are the dynamic engine which keeps the economy of America growing and provides most of the new jobs that are created. It provides opportunities, for the entrepreneurs and their families, for people to gain the kind of life they wish. In many areas, it also provides tremendous innovations that make our economy more advanced and enhances the livelihoods of not only the workers but the customers of those small businesses.

This week I have been working with my colleagues on Small Business. My ranking member, Senator KERRY, and I, and members of the committee have participated in recognition ceremonies for Outstanding Small Businesspersons of the Year. There was White House recognition yesterday.

I say to all my colleagues, there is a Small Businessperson of the Year from your State. I hope you have had the opportunity to congratulate them, to thank them for their work, and also to listen to them on what is important for small business.

Since I took over and had the honor of becoming chairman of the Committee on Small Business in 1995, we have made it a point for the committee to be the eyes and ears of small business. We have listened to what small businesses have had to say, small businesses in Missouri and Massachusetts and Minnesota and Georgia and all across the Nation. If you ask them, they will tell you.

We found out a number of things that are of concern to them. They are concerned about excessive regulation. They are concerned about taxation. They are concerned about the complexity of taxation. They are concerned about getting access to the Government contracting business that is available, unfortunately, too often only to larger businesses.

Last year I hosted a national women's small business summit in Kansas City, MO, and getting access to defense contracts and other Federal Government contracts was high on their list. Working together with members of the Small Business Committee, we pushed to get rid of bundling and make sure that the small businesses get their fair share of contracts.

I will be introducing a measure, a mentoring and protege bill, to do with other agencies of the Federal Government what the Defense Department has done, and that is to assign an experienced government contractor to work with small businesses to help them get in line for the contracts so they can participate in and fulfill those contracts.

I have, with Senator KERRY, introduced a resolution commending Small Business Week. Somebody has put a hold on it. I really hope to reason with them and see if we can't get that passed. Almost anything we have done in small business in this body has been on a bipartisan basis. We hope to overcome that problem.

There are a number of tax measures that are pending before the Senate now. I introduced the Small Business Works Act as a tax measure right after this session of Congress convened. It was based upon the tax priorities that women business owners had. No. 1 was getting rid of the alternative minimum tax. You have to figure out two guides of taxes, and then most small businesses are taxed as individuals. Some 21.2 million of them pay taxes on their personal income tax form. And when you have an AMT, you find out you lose many of the business deductions, and the small business person winds up paying a higher tax—certainly a higher tax, in many instances, than a regular C corporation pays.

In addition, we would move up and make effective now 100-percent deductibility for health insurance paid for by small businesses. A proprietor running a small business should have the same opportunities to get health insurance for herself and her family as a large corporation does for its employees. That is in there.

On Monday I introduced the Independent Contractor Determination Act. One of the things women business owners told us was, it is particularly troubling and has been a longstanding headache for small businesses to figure out who is an independent contractor and who is not. There is a 20-factor formula. Nobody understands the 20 factors, but the one thing you do understand is, if an IRS agent comes in 3 or 4 years later and applies the test, the IRS agent is going to win because nobody knows how to figure it out. The result is many small businesses have faced very heavy burdens. Some have been put out of business because somebody rejiggered them from independent contractor to employee, and this has been a tremendous problem. The laws ought to be simple enough to understand. There is a lot of complexity in the law.

One of the things we must do, as we reform the Tax Code, is make it simpler. There is no more complex, uninterpretable, undefinable, unreasonable provision in the law than the current independent contractor provision. We must change that.

The average small business spends 5 percent of its revenues figuring out the tax. That is not paying the taxes, that is just figuring out how much they owe. A nickel out of every dollar goes to calculating taxes because we have made it too complex. We need to make it simpler.

Today I introduced a measure to build upon the Red Tape Reduction Act, also known as the Small Business Regulatory Enforcement Fairness Act. I was very pleased in 1996 to work with my then ranking member, Senator Bumpers, and we presented a bill unanimously out of the Small Business Committee to provide some relief for small businesses from excessive redtape and regulation. We thought we would have all kinds of problems getting on the floor, but we worked on a bipartisan basis. We had worked with the agencies of government to make sure their concerns were expressed.

The only people who came to the floor were people who wished to be added as cosponsors. It passed unanimously, and it has been having an impact.

The purpose of the Red Tape Reduction Act was to ensure that small businesses would be given a voice in the regulatory process at the time when it could make the difference before the regulation was published. The act has proven to be a regulatory process more attentive to the impact on small business and, consequently, is more fair and more efficient.

I cite my good friend and constituent Dr. Murray Weidenbaum at the Center for the Study of American Business at Washington University who told me a couple of years ago that the Red Tape Reduction Act was perhaps the only—certainly the most—significant regulatory reform measure passed by Congress in recent history, in the last 20 years or so.

We have seen the impact of this provision. The Red Tape Reduction Act, among other things, requires that OSHA and EPA convene panels to involve small businesses in formulating regulations before the regulations are proposed. It gives the agencies the unique opportunity to learn upfront what problems their regulation may cause and to correct the problems with the least difficulty.

In one case, EPA totally abandoned a regulation when they recognized that the industry could deal with it much more effectively on its own.

Experience with the panel process has proven to be an unequivocal success. The former chief counsel for advocacy of the Small Business Administration, Jere Glover, who worked hard to make sure the act worked, stated:

> Unquestionably, the SBREFA panel process has had a very salutary impact on the regulatory deliberations of OSHA and EPA, resulting in major changes to draft regulations. What is important to note is that these changes were accomplished without sacrificing the agencies' public policy objectives.

That is what we had in mind. Many times small businesses get run over if they are left out of the process. We had a hearing just a couple weeks ago in the Small Business Committee and found out the fisheries regulations had worked tremendous hardship on small fishermen along the North Carolina coast when they decided to change the bag limit, the catch limit, in the fall and wiped out many small businesses. They forgot to ask how best to implement the fisheries regulation.

Another business in my State was working on a process to replace a particular chemical that the EPA said it was going to phase out. They had invested a great deal of time, money, and interest in the process of getting it developed. EPA changed the rule and the regulation and the time limit in midprocess and left them completely out in the dark.

These are the kinds of things that Government ought not to be doing. Government ought not to be running roughshod over people who are trying to contribute to the economy, provide good employment opportunities, provide a solid tax base for the community, and provide good wages for the proprietor and employees and their families.

We think the Red Tape Reduction Act can be expanded and can be of even greater value. It has demonstrated the value of small business input in the regulatory process, but still too many agencies are trying to evade the requirements to conduct regulatory flexibility analyses—that is the technical term for seeing how it will impact the small business; "regulatory flexibility" analysis is the technical term—to figure out how it is going to hurt small business.

We now realize that the Internal Revenue Service should also be required to conduct small business review panels so that their regulations will impose the least possible burden on a small business while still achieving the mission of the agency.

I think there is no question we have worked with the new Commissioner of the IRS, Commissioner Rossotti. We have seen many steps taken by the IRS to relieve the burdens. I don't know anybody who really likes to pay taxes. We realize that it is an important part of supporting our Government and our system. But at least we ought to do so in a way that is the least confusing and burdensome.

So I think it is important that we provide a mechanism so that parties will be able to reserve the benefits of their rights to participate at the earliest stages and have the most impact. We believe the litigation that is available at the end of the process if an agency fails to take into account the burden on small business is important because prior to the Redtape Reduction Act, the law had been on the books since 1980 that agencies ought to consider the impact on small business, and it was absolutely, totally ignored by the agencies; without judicial enforcement, they didn't get anywhere. So we added judicial enforcement and they started paying attention.

The Agency Accountability Act, which I introduce today, cures a number of additional problems that we have identified. Let me run through quickly what it does. No. 1, it requires agencies to publish the decision to certify a regulation as not having a significant economic impact on a substantial number of small entities separately in the Federal Register. That means, in certain circumstances, the agency doesn't have to consider the impact on small business. That is how most of the bad regulations get through. EPA was infamous for doing that and saying it didn't have any impact. The regulation comes down to small business, which says we are getting killed. Then they have to fight the battle. Then they go to court and prove that they are impacted and the EPA didn't pay any attention to them.

This says if you are going to use that escape clause to say the regulation doesn't have any impact on a small business, you have to set that out—set out in the Federal Register what you are doing and the fact that it does not have an impact. So you can perhaps correct the problems if there are small businesses that can show they are impacted before the regulation is issued.

Second, the Triple A Act requires the agency to publish a summary of its economic analysis supporting the certification decision; i.e., if you say it doesn't have any economic impact, don't just grab it out of your hip pocket, or hat. You have to have an analysis to show why it would not. You have to make that available to the public so that interested parties will be able to see whether, in fact, it was pulled out of your hat, or whether it is based on sound economic reasoning.

The third thing the Triple A does is it allows small entities to seek judicial review of this certification decision. They can go to the agency and say: Agency, you are trying to get out of the regulatory flexibility requirements—you are trying to get out of the requirement to see how the impact on small business can be lessened. If they say they disagree with them, the small entity can go to court and get it enforced.

When I say "small entity," this is not only available to small businesses, it is available to local governments, to not-for-profit organizations, eleemosynary institutions, available for the small entities in this country that do not have lobbyists or a presence in Washington. Small entities are entitled to use this Redtape Reduction Act.

Fourth, the measure directs the Chief Counsel for Advocacy of the Small Business Administration to put out a regulation defining the terms that the agency has to use in determining whether they can escape an analysis of how small business will be impacted. These terms are "significant economic impact," and "substantial number of small entities." We found that a number of agencies like to jack around with those terms and skew the facts so that they can sneak out the back door without having to do what the bill requires. This gives the advocacy counsel the ability to say this is what we mean and this is how you have to abide by it. If they don't follow that, then they are ducking their responsibilities under SBREFA and the Regulatory Flexibility Act.

The other thing is, Triple A adds the IRS, U.S. Forest Service, National Marine Fisheries Service, and the Fish and Wildlife Service to the list of agencies that must conduct small business review panels before they can issue proposed regulations.

All Federal agencies are covered by the provisions of the Regulatory Flexibility Act. If you ignore it, you can get hauled into court and have your regulation overturned if it has a significant economic impact on a substantial number of small entities. But this is to say that based on their track record and problems in the past, we are going to have you do what OSHA and EPA have been required to do, and that is set up panels involving small businesses prior to formulating the regulation. If you ask small business how is this regulation going to affect you and people like you, you may find out that there are a lot better ways of doing it. That is what EPA found out in one of the regulations it considered.

Certainly, an agency is not going to be able to say: Gee, I had no idea that it would cause such a hardship on you. It is as important as any part of Government service, and it is too bad we have to write it into law. We cannot be good Government servants, either as legislators or bureaucrats, or members of the executive branch if we don't listen to the voices, the hopes, concerns, and problems of average citizens. We are just saying under this new measure that there are a couple of agencies that have to be told by law to listen to the people they are going to regulate. Pay attention to them. They don't have to like all the regulations but at least listen to their concerns about how the regulations affect them and how you may be able to accomplish the purpose of the law you are seeking to administer, without putting burdens on small agencies.

Well, Mr. President, this bill grows out of extensive review of how the Redtape Reduction Act has functioned in the last 5 years. We still see a lot of frustration by small businesses about how agencies continue to find ways to avoid including small business input in rulemakings, and some of the actions that our agencies take confirm the worst image of agency bureaucrats who are thought to know what is best for small business throughout the country, and when the small businesses are actually providing jobs, developing technology and keeping the economy growing. But somebody here in Washington has a lot better idea how they ought to be running their business.

We need to have an interaction so that the people out there who are creating jobs, developing the technology, earning a living for their families and themselves can have an input into the agency that is going to regulate.

The General Accounting Office found recently that the EPA missed 1,098 small companies in the 32 SIC codes of industries that will be affected by their rule lowering the threshold for companies to report their use of lead. EPA thus concluded that their rule would not have a significant economic impact on a substantial number of small entities despite reducing the threshold of lead emissions from 25,000 pounds to 10 pounds—a reduction of 99.96 percent. EPA, instead, relied on an average revenue compiled from all companies in the manufacturing industries to determine what threshold would be set to trigger the small business review panel required by the Redtape Production Act. The average included companies such as General Motors, General Electric, 3M, and others that skewed the average so that it looked as though the rule would have no impact on small business.

But I can tell you that a small business with 11 pounds of lead is absolutely clobbered by this rule.

Although EPA claimed to conduct outreach to find firms that would be affected, they only contacted nine sources, although some of these sources allegedly contacted have no record of EPA contacting them. I think there is no excuse for that type of arrogance and abject avoidance of their requirements with respect to small business. This shoddy economic analysis exposes a loophole through which EPA should no longer be able to drive their trucks, and it will be closed by the Agency Accountability Act.

I submitted previously, when I introduced the measure this morning, the GAO testimony presented at the hearing. Now I know there will be moans and groans by those who claim that this bill will make the regulatory profess more difficult and force agencies to jump through hoops and will make it harder to issue new regulations.

Let me respond as follows: Had the agencies agreed to comply with the intent and spirit of SBREFA, rather than defy SBREFA, the Redtape Reduction Act, the Agency Accountability Act would not be needed.

Frankly, if it were clear that agencies were doing what Congress intended for them to do, then this bill would be unnecessary. If they are doing adequate analysis in reaching out to small business now, then this act will have no impact on how they promulgate their regulation.

I have very simple views on this subject. I want an agency that intends to regulate how a business conducts its affairs, to do so carefully and only after it has listened to the small businesses that will be affected to see if there are ways in which to lessen the burden and still achieve the objective.

Unfortunately, as I said, there is overwhelming evidence that agencies are not treating this obligation seriously, and we must tell them in forceful terms that we really meant it when we said 5 years ago: You have to pay attention to small business.

I was very pleased we did so in a tremendous bipartisan, unanimous vote. I am hoping we can do the same with this agency accountability bill. Let all agencies know firsthand: If you do your job right, then this should be no problem. If you are not doing your job this way, you ought to be because it will cause less headache, less lawsuits, and less problems in the end.

Had EPA done what it should have done in the lead TRI rulemaking, there would not be the litigation we are seeing now, and it would have saved businesses and the Government untold sums of taxpayers' dollars.

This body has said they want to treat small businesses fairly. The Agency Accountability Act is the next step in doing so.

As I said earlier, I have introduced with bipartisan support a number of measures that I think are going to be very helpful for small business. I hope during the course of Small Business Week my colleagues will look at these and particularly take the time to listen to the men and women of small business who have come to Washington and continue the work in their home States to find out what their concerns are.

I will be cosponsoring a measure that my colleague, Senator KERRY, will be introducing to reauthorize and extend a very important STTR bill which is a very important act in terms of transferring technology. It is a small business technology transfer program. I will have a statement that I will add after Senator KERRY introduces the bill. I hope this will merit the attention of our colleagues.

I ask unanimous consent that the testimony of Hubert Potter, Tim Kalinowski, and Victor Rezendes of the General Accounting Office before the Committee on Small Business and a Summary of Provisions be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TESTIMONY OF HUBERT POTTER, A COMMERCIAL FISHERMAN FROM HOBUCKEN, NC, BEFORE THE SENATE SMALL BUSINESS COMMITTEE, APRIL 24, 2001

Thank you Mr. Chairman and Members of the Committee.

My name is Hubert Potter. I am a 4th generation commercial fisherman from Hobucken, North Carolina, a fishing community in Pamlico County. I'll be 67 years old this August, and I've been commercial fishing for a living since I was 15.

I am a member of the North Carolina Fisheries Association, and have been a Board member of that group for several years, including a stint as Vice-Chairman. As such, I've tried to stay on top of the political and bureaucratic issues affecting us.

Just about all of my experience has been aboard a type of fishing vessel called a trawler. My wife and I have owned 5 trawlers over our lifetime, ranging in size from 32 to 75 ft in length. We sold our last one this past September.

Like just about everything else, there have been a lot of things that stay the same in our way of life. Things like the weather, fish prices, and fish cycles. Just like any red-blooded American, us fishermen like it when prices are high, fish are plentiful, and the good Lord provides us with fair weather. We might like all these things, but we also know that it just doesn't work that way all the time, or even most of the time.

Although we can accept whatever bad weather the Lord gives us, or the natural peaks and valleys of fish cycles put on us by mother nature, it is hard to accept or even understand the lack of sensitivity and sometimes the callousness of our own government. At first it seems funny when we read about that some of the bureaucrats say about the effects of proposed regulations. But, Mr. Chairman, after you've had a chance to sit down and think about what they've said, it can really hurt your feelings. When you get over that, it just plain makes you angry that your own government would say that these regulations will not affect your small business.

Commercial fishing is very dependent upon the weather, water temperature, currents, and natural fish cycles. Some years there will be lots of fish in a certain area, and in other years there will be few or none. The difference may be due to weather changes, or just because the cycles are different. That's why diversity is so important to us. For example, it it's possible to fish for summer flounder, that's what I would do. Flounder are not available off our coast year round, so we have to do others things. If I wasn't fishing for summer flounder, I would be shrimping.

One of the most regulated fisheries on the East Coast is the summer flounder fishery. Although us fishermen try to stay on top of all of the regulations, most of us had no idea what the Regulatory Flexibility Act was until we got involved with the North Carolina Fisheries Association in a lawsuit against the National Marine Fisheries Service. That's when we found out that NMFS didn't think that summer flounder regulations had any impact on us as small business people.

During one of the hearings held in Norfolk, Virginia, over 100 fishermen from our state attended at the request of the court. We were all sworn in and I personally took the stand. Allow me to read from the court order: 'The federal government did consider three possible quotas for the 1997 fishery, but the government failed to do any significant analysis to support its conclusion that there would be no significant impact. It is evident to this Court from the some 100 North Carolina fishermen who appeared to testify that their businesses were significantly affected and that there was a significant economic impact. . . .''

The Judge also said, ". . . this Court will not stand by and allow the Secretary to attempt to achieve a desirable end by using illegal means. Granted, administrative agencies have a substantial amount of discretion in determining how they will follow Congressional mandates. That discretion, however, does not include rewriting or ignoring statutes."

And this quote by Judge Doumar says it all: ". . . the Secretary has produced a so-called economic report that obviously is designed to justify a prior determination".

Mr. Chairman, although our life has been like a roller coaster ride over the years, Renona and I have done ok. But we really fear for the future of our younger fishing families because of all the regulations and the lack of feeling for hard working people. There was one year when our summer flounder fishery was closed in December due to regulations, when families just didn't have the money for Christmas. That's because shrimping, crabbing, and other fisheries have naturally slacked out in December and many of us depended on the summer flounder fishing for Christmas money. Yet, we find out that our own government says that the regulations have no significant impact.

Maybe they think a slack Christmas is not having an impact. In my wildest dreams, it's hard for me to figure how they think.

Mr. Chairman, speaking on behalf of commercial fishing families, I want to thank you for scheduling this hearing. Our small businesses are so small that we don't have the time to stay on top of a lot of these kinds of issues. We do know that we are expected to abide by the laws of our land, and we expect that our own government should do that also.

It's been discouraging to see our incomes drop as regulations increase, and read reports by the government that the regulations will have no significant impact on us. Although it's hard work, we love what we do, and we would like to be able to continue providing our country with a healthy and tasty source of protein.

We really hope that our government wants us to continue doing that too.

Thank you, and I would be glad to answer any questions from the Committee.

TESTIMONY OF TIM KALINOWSKI

Good Morning and thank you for the opportunity to address this distinguished committee. My name is Tim Kalinowski and I am the Vice-President of Operations for Foam Supplies, Inc. (FSI) located in Earth City, Missouri.

FSI is a typical, small, mid western family owned business. It is still run by Dave and Karen Keske who founded the business in 1972. They bought the first facility with the help of two small business loans and built their current facility by offering shares in the building and land to their 62 employees, who receive monthly rental income for their investment.

FSI has always operated in an environmentally responsible manner and we are proud of our reputation. FSI manufacturers rigid non-CFC urethane foams and solvent less urethane dispensing equipment. These products have uses ranging from flotation foam used in boat building to insulation foam used in building construction. Our company has always been a leader in the field. In the 1980's, aware of EPA's plans to phase out CFCs due to its negative effect on the earth's ozone layer, FSI worked aggressively to find suitable substitutes. FSI was the first company to patent an HCFC–22 blown urethane foam, years before the EPA mandated phaseout.

Technology development does not occur overnight and it does not come cheap. FSI spends a lot of money to develop new products and is wiling to do so because it is how we compete against the large companies. FSI is a small company with tight margins and we can only be innovative if we are able to spread the costs over time. FSI had the ability to do this in the CFC rulemaking, because the EPA notified us well in advance of the phase out and we had the time to properly test and prepare new formulations.

I am here today to take exception to EPA's actions in the July 11, 2000 Notice of Proposed Rulemaking regarding the Significant New Alternatives Policy or SNAP program. The EPA SNAP program was not designed to accelerate the phase out of ozone depleting substances. For example, under the plan developed by EPA and industry in the early 1990's, HCFC–22 may be produced and imported until 2010. Use may continue after that date until stocks are depleted. In this recent SNAP proposal EPA has ignored the current production and manufacturing deadline and has proposed to accelerate the deadline for not only the manufacture, but also the use of these substitutes to 2005. This new deadline would hit small businesses extremely hard because it changes the rules midstream and gives us less time to develop new products and also absorb the costs of research and development. In addition to finding this new deadline unacceptable, it is our position that this action is not within the scope of the SNAP program.

While this particular issue is extremely important to my small business, the concern that I bring before this committee has more to do with how the EPA approached this proposed rulemaking. I think everyone would agree that regulation works best when all concerned parties work together to consider all the issues. When the regulatory process is by-passed and rules are broken the resulting regulation can be both harmful and ineffective. Sadly, EPA did not follow the rules when it proposed the SNAP program last year.

In late June, 2000 during an unrelated call to EPA, I was informed that EPA was about to publish this proposed rule in the Federal Register. When questioning why the EPA had not contacted manufacturers or end users that this proposal was being considered, I was told that they considered it a success that they were able to keep this proposal quiet, prior to publication.

This would have been less of a concern if EPA understood our industry.

In the NPRM the EPA stated that: (1) "EPA believes that today's proposal will not result in a significant cost to appliance manufacturers or consumers"; (2) "This rule would not have a significant impact on a substantial number of small entities because we expect the cost of the SNAP requirements to be minor"; and (3) "EPA has determined that it is not necessary to prepare a regulatory flexibility analysis in connection with this proposal."

We take great exception to these remarks.

I am here to tell you that this rule will have an affect on thousands of small manufacturers across the country. The only economic study that EPA seems to have done was based on data from a multi-billion dollar appliance manufacturer. If EPA was truly interested in knowing what companies would be impacted by this rule, they only had to make a few phone calls or pull up a few web sites to identify boatbuilders, truck body manufacturers, refrigerator equipment manufacturers, and many other small entities. But they never did. In fact they overlooked our industry. They did not know how much this rule would cost my small business and they did not know how many small businesses would face similar costs.

The only phone call that I am aware of to an end-user was made after the rule was proposed. An EPA staff person contacted the National Marine Manufacturers Association and informed them that boat builders never had an extension and were currently violating the law. When the NMMA called me for a clarification, there was panic in the voice on the other end of the phone. They believed that by commenting they had struck a hornet's nest. I faxed them a copy of the initial rule, which clearly stated that boat builders did have an extension and were not in violation of the law. EPA was eventually forced to recognize that indeed boat builders did have an extension and were overlooked in this rulemaking process.

Instead of accusing boat builders of operating illegally, EPA should have learned from them and tried to find out how the proposed rule affected them. EPA would have learned that the Coast Guard requires boats under 20 feet to have flotation foam injected or poured into the hull of the boat. EPA would have learned that over 1500 small business boat builders use these products and would be impacted by this rule. EPA would have known that it made a big mistake in overlooking these types of small businesses and that it needed to go back and look, listen, and learn about these impacts.

The EPA also stated that "non-ozone depleting substitutes are now available for all end-users." As evidence they cite a 1998 United Nations Technical Options Committee Report. However, one of the authors of that report took exception to EPA's interpretation of the report and commented that, "the proposed rule incorrectly interprets the UNTOC 1998 report. (Copies of the author's comments are in your handouts)

The bottom line is that this rule will affect many small businesses that EPA never considered when the proposal was developed. In addition, it is obvious that the EPA staff did not do their homework, because the proposed alternatives are more expensive, unavailable at this time, less effective or present other VOC or flammability hazards.

This rule will severely jeopardize FSI and it's customers who cannot possibly pass on the increased chemical and testing costs to their customers and still hope to be able to compete with the larger corporations.

Another very important overlooked casualty of this rule would be the environment itself. Breakthroughs in any industry are commonly a result of the efforts of the little guy who has to stay one step ahead of the big corporations just to stay in business. Our industry is constantly trying to develop new products, which benefit our customers and improve the environment. There are products being tested and developed by FSI and others like us that would have to be abandoned due to this new deadline. These products would not only be better for the environment, but also more cost effective for the small businessman.

Dave and Karen Keske's of FSI and other small business entrepreneurs want to be able to continue to dedicate their limited resources to test and develop new products. These are products that they are confident will be better for their customers and for the environment. This will only happen if the issues and concerns of companies directly impacted by the rules are made aware of these rules before they are proposed. This was supposed to happen in this rulemaking. The SBREFA law requires it and in this case the law was ignored. Because this has happened, EPA has put FSI and many other small businesses in serious economic jeopardy.

In closing, I would like to make one point very clear. FSI is not looking for special treatment. We only want to be treated in accordance with the law. It is our belief that when the playing field is kept level, FSI and other small businesses prosper.

Thank you for your attention.

Testimony of Victor Rezendes

I am pleased to be here today to discuss the implementation of the Regulatory Flexibility Act of 1980 (RFA), as amended, and the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA). As you requested, I will discuss our work on the implementation of these two statutes in recent years, with particular emphasis on a report that we prepared for this committee last year on the implementation of the acts by the Environmental Protection Agency (EPA).

The RFA requires federal agencies to examine the impact of their proposed and final rules on "small entities" (small businesses, small governmental jurisdictions, and small organizations) and to solicit the ideas and comments of such entities for this purpose. Specifically, whenever agencies are required to publish a notice of proposed rulemaking, the RFA requires agencies to prepare an initial and a final regulatory flexibility analysis. However, the RFA also states that those analytical requirements do not apply if the head of the agency certifies that the rule will not have a "significant economic impact on a substantial number of small entities," or what I will—for the sake of brevity—term a "significant impact." SBREFA was enacted to strengthen the RFA's protections for small entities, and some of the act's requirements are built on this "significant impact" determination. For example, one provision of SBREFA requires that before publishing a proposed rule that may have a significant impact, EPA and the Occupational Safety and Health Administration must convene a small business advocacy review panel for the draft rule, and collect the advice and recommendations of representatives of affected small entities about the potential impact of the draft rule.

We have reviewed the implementation of the RFA and SBREFA several times during recent years, with topics ranging from specific provisions in each statute to the overall implementation of the RFA. Although both of these reform initiatives have clearly affected how federal agencies regulate, we believe that their full promise has not been realized. To achieve that promise, Congress may need to clarify what it expects the agencies to do with regard to the statutes' requirements. In particular, Congress may need to clearly delineate—or have some other organization delineate—what is meant by the terms "significant economic impact" and "substantial number of small entities." The RFA does not define what Congress meant by these terms and does not give any entity the authority or responsibility to define them governmentwide. As a result, agencies have had to construct their own definitions, and those definitions vary. Over the past decade, we have recommended several times that Congress provide greater clarity with regard to these terms, but to date Congress has not acted on our recommendations.

The questions that remain unanswered are numerous and varied. For example, does Congress believe that the economic impact of a rule should be measured in terms of compliance costs as a percentage of businesses' annual revenues or the percentage of work hours available to the firms? If so, is 3 percent (or 1 percent) of revenues or work hours the appropriate definition of "significant?" Should agencies take into account the cumulative impact of their rules on small entities, even within a particular program area? Should agencies count the impact of the underlying statutes when determining whether their rules have a significant impact? What should be considered a "rule" for purposes of the requirement in the RFA that the agencies review rules with a significant impact within 10 years of their promulgation? Should agencies review rules that had a significant impact at the time they were originally published, or only those that currently have that effect?

These questions are not simply matters of administrative conjecture within the agencies. They lie at the heart of the RFA and SBREFA, and the answers to the questions can be a substantive effect on the amount of regulatory relief provided through those statutes. Because Congress did not answer these questions when the statutes were enacted, agencies have had to developed their own answers. If Congress does not like the answers that the agencies have developed, it needs to either amend the underlying statutes and provide what it believes are the correct answers or give some other entity the authority to issue guidance on these issues.

PROPOSED EPA LEAD RULE

The implications of the current lack of clarity with regard to the term "significant impact" and the discretion that agencies have to define it were clearly illustrated in a report that we prepared for this committee last year. One part of our report focused on a proposed rule that EPA published in August 1999 that would, upon implementation, lower certain reporting thresholds for lead and lead compounds under the Toxics Release Inventory program from as high as 25,000 pounds to 10 pounds. EPA estimated that approximately 5,600 small businesses would be affected by the rule, and that the first-year costs of the rule for each of these small businesses would be between $5,200 and $7,500. EPA said that the total cost of the rule in the first year of implementation would be about $116 million. However, EPA certified that the rule would not have a significant impact, and therefore did not trigger certain analytical and procedural requirements of the RFA.

Mr. Chairman, last year you asked us to review the methodology that EPA used in the economic analysis for the proposed lead rule and describe key aspects of that methodology that may have contributed to the agency's conclusion that the rule would not have a significant impact. You also asked us to determine whether additional data or analysis could have yielded a different conclusion about the rule's impact on small entities. Finally, you also asked us to describe and compare the rates at which EPA's major program offices certified that their substantive proposed rules would not have a significant impact. We did not examine whether lead was a persistent bioaccumulative toxic or the value of the Toxics Release Inventory program in general.

EPA's current guidance on how the RFA should be implemented gives the agency's program offices substantial discretion with regard to certification decisions but also provides numerical guidelines to help define what constitutes a significant impact. For example, the guidance indicates that a rule should be presumed eligible for certification as not having a significant impact if it does not impose annual compliance costs amounting to 1 percent of estimated annual revenues on any number of small entities. However, if those compliance costs amount to 3 percent or more of revenues on 1,000 or more small entities, the guidance indicates that the program office should presume that the rule is ineligible for certification.

These numerical guidelines establish what appears to be a high threshold for what constitutes a significant impact. For example, an EPA rule could theoretically impose $10,000 in compliance costs on 10,000 small businesses, but the guidelines indicate that the agency can presume that the rule does not trigger the requirements of the RFA as long as those costs do not represent at least 1 percent of the affected businesses' annual revenues. The guidance does not take into account the profit margins of the businesses involved. Therefore, if the profit margin in the affected businesses is less than 5 percent, the costs required to implement a rule could conceivably take one-fifth of that profit and, under EPA's guidelines, still not be considered to have a significant impact. Neither does the guidance take into account the cumulative impact of the agency's rules on small businesses. Therefore, if EPA issued 100 rules, each of which imposed compliance costs amounting to one-half of 1 percent of annual sales on 10,000 businesses, the agency could certify each of the rules as not having a significant impact even though the cumulative impact amounted to 50 percent of the affected businesses' revenues. Consideration of cumulative regulatory impact is not even required within a particular area like the Toxics Release Inventory program. Each toxic substance added to the approximately 600 substances already listed in the program, or each change in the reporting threshold for a listed toxin, constitutes a separate regulatory action under the RFA.

An agency's conclusions about the impact of a rule on small entities can also be driven by the agency's analytical approach. In its original economic analysis for the proposed lead rule, EPA made a number of assumptions that clearly contributed to its determination that no small entities would experience significant economic effects. For example, to estimate the annual revenues of companies expected to file new Toxics Release Inventory reports for lead, EPA assumed that (1) the new filers would have employment and economic characteristics similar to current filers, (2) different types of manufacturers would experience similar economic effects, and (3) the revenues of the smallest manufacturers covered by the proposed rule could be exemplified by the firm at the 25th percentile of the agency's projected revenue distribution for small manufacturers. As a result of these and other assumptions, EPA estimated that the smallest manufacturers affected by the proposed lead rule had annual revenues of $4 million. Using that $4 million revenue estimate and other information, EPA concluded that none of the 5,600 small businesses would experience first-year compliance costs of 1 percent or more of their annual revenues. Therefore, EPA certified that the proposed lead rule would not have a significant impact.

EPA revised these and other parts of the economic analysis for the proposed lead rule before submitting it to the Office of Management and Budget (OMB) for final review in July 2000. According to a summary of the draft revised economic analysis that we reviewed, EPA changed several analytic assumptions and methods, and revised its estimates of the rule's impact on small businesses. Specifically, the agency said that the lead rule would affect more than 8,600 small companies (up from about 5,600 in the original analysis), and as many as 464 of them would experience first-year compliance costs of at least 1 percent of their annual revenues (up from zero in the original estimate). Nevertheless, EPA again concluded that the rule would not have a significant impact. During our review, we discovered that the agency's revised estimate of the number of small companies that would experience a 1 percent economic impact was based on only 36 of the 69 industries that the agency said could be affected by the rule. EPA officials said that the other 33 industries were not included in the agency's estimate because of lack of data.

We attempted to provided a more complete picture of how the lead rule would affect small businesses by estimating how many companies in these missing 33 industries could experience a first-year economic impact of at least 1 percent of annual revenues. We obtained data from the Bureau of the Census for 32 of these 33 industries and estimated that as many as 1,098 additional small businesses could experience this 1-percent effect. If EPA had used this analytic approach in combination with its own studies, it would have concluded that as many as 1,500 small businesses would experience compliance costs amounting to at least 1 percent of annual revenues. Therefore, using its own guidance, EPA could have concluded that the rule should not be certified, prepared a regulatory flexibility analysis, and convened an advocacy review panel for the rule. However, we ultimately concluded that the agency's initial and revised analyses and the conclusions that it based on those studies were within the broad discretion that the RFA and the EPA guidance provided in determining what constituted a "significant economic impact" on a "substantial number of small entities."

In the final lead rule that EPA published in January 2001, EPA set the new reporting threshold for lead at 100 pounds—up from 10 pounds in the proposed rule. However, just as it did for the proposed rule, EPA concluded that the final rule would not have a significant impact. EPA said that it reached this conclusion because it did not believe the rule would have a significant economic impact (defined as annual costs between 1 and 3 percent of annual revenues) on more than 250 of the 4,100 small businesses expected to be affected by the rule. EPA also illustrated what it viewed as nonsignificant impact in terms of work hours. The agency said that it would take a first-time filer about 110 hours to fill out the form. Because the smallest firm that could be affected by the rule must have at least 20,000 labor hours per year (10 employees times 50 weeks per year per employee times 40 hours per week), EPA said that the 110 hours required to fill out the Toxics Release Inventory form in the first year represents only about one-half of 1 percent of the total amount of time the firm has available in that year.

EPA's determination that the proposed lead rule would not have a significant impact on small entities was not unique. Its four major program offices certified about 78 percent of the substantive proposed rules that they published in the 2½ years before SBREFA took effect in 1996 but certified 96 percent of the proposed rules published in the 2½ years after the act's implementation. In fact, two of the program offices—the Office of Prevention, Pesticides and Toxic Substances and the Office of Solid Waste—certified all 47 of their proposed rules in this post-SBREFA period as not having a significant impact. The Office of Air and Radiation certified 97 percent of its proposed rules during this period, and the Office of Water certified 88 percent. EPA officials told us that the increased rate of certification after SBREFA's implementation was caused by a change in the agency's RFA guidance on what constituted a significant impact. Prior to SBREFA, EPA's policy was to prepare a regulatory flexibility analysis for any rule that the agency expected to have any impact on any small entities. The officials said that this guidance was changed because the SBREFA requirement to convene an advocacy review panel for any proposed rule that was not certified made the continuation of the agency's more inclusive RFA policy too costly and impractical.

PREVIOUS REPORTS ON THE RFA AND SBREFA

We have issued several other reports in recent years on the implementation of the RFA and SBREFA that, in combination, illustrate both the promise and the problems associated with the statutes. For example, in 1991, we examined the implementation of the RFA with regard to small governments and concluded that each of the four federal agencies we reviewed had a different interpretation of key RFA provisions. We said that the act allowed agencies to interpret when they believed their proposed regulations affected small government, and recommended that Congress consider amending the RFA to require the Small Business Administration (SBA) to develop criteria regarding whether and how to conduct the required analyses.

In 1994, we noted that the RFA required the SBA Chief Counsel for Advocacy to monitor agencies' compliance with the act. However, we also said that one reason for agencies' lack of compliance with the RFA's requirements was that the act did not expressly authorize SBA to interpret key provisions in the statute and did not require SBA to develop criteria for agencies to follow in reviewing their rules. We said that if Congress wanted to strengthen the implementation of the RFA, it should consider amending the act to (1) provide SBA with clearer authority and responsibility to interpret the RFA's provisions, and (2) require SBA, in consultation with OMB, to develop criteria as to whether and how federal agencies should conduct RFA analyses.

In our 1998 report on the implementation of the small business advocacy review requirements in SBREFA, we said that the lack of clarity regarding whether EPA should have convened panels for two of its proposed rules was traceable to the lack of agreed-upon governmentwide criteria as to whether a rule has a significant impact. Nevertheless, we said that the panels that had been convened were generally well received by both the agencies and the small business representatives. We also said that if Congress wished to clarify and strengthen the implementation of the RFA and SBREFA, it should consider (1) providing SBA or another entity with clearer authority and responsibility to interpret the RFA's provisions and (2) requiring SBA or some other entity to develop criteria defining a "significant economic impact on a substantial number of small entities." In 1999, we noted a similar lack of clarity regarding the RFA's requirement that agencies review their existing rules that have a significant impact within 10 years of their promulgation. We said that if Congress is concerned that this section of the RFA has been subject to varying interpretations, it may wish to clarify those provisions. We also recommended that OMB take certain actions to improve the administration of these review requirements, some of which have been implemented.

Last year we convened a meeting at GAO on the rule review provision of the RFA, focusing on why the required reviews were not being conducted. Attending that meeting were representatives from 12 agencies that appeared to issue rules with an impact on small entities, representatives from relevant oversight organizations (e.g., OMB and SBA's Office of Advocacy), and congressional staff from the House and Senate Committees on Small Business. The meeting revealed significant differences of opinion regarding key terms in the statute. For example, some agencies did not consider their rules to have a significant impact because they believed the underlying statutes, not the agency-developed regulations, caused the effect on small entities. There was also confusion regarding whether the agencies were supposed to review rules that *had* a significant impact on small entities at the time the rule was first published in the Federal Register or those that currently have such an impact. It was not even clear what should be considered to "rule" under RFA's rule review requirements—the entire section of the Code of Federal Regulations that was affected by the rule, or just the part of the existing rule that was being amended. By the end of the meeting it was clear that, as one congressional staff member said, "determining compliance with (the RFA) is less obvious that we believed before."

Mr. Chairman, this concludes my prepared statement. I reveal would be happy to responded to any questions.

AGENCY ACCOUNTABILITY ACT—SUMMARY OF PROVISIONS

SECTION 1. SHORT TITLE

This act may be cited as the "Agency Accountability Act of 2001".

SECTION 2. FINDINGS AND PURPOSES

SECTION 3. ENSURING FULL ANALYSIS OF POTENTIAL IMPACTS ON SMALL ENTITIES OF RULES PROPOSED BY CERTAIN AGENCIES

This section improves the procedure for the conducting Small Business Advocacy Review Panels by requiring the agency to collaborate with the Chief Counsel for Advocacy of the Small Business Administration in selecting the small entity representatives. It requires the agency to publish the panel report in the Federal Register and to distribute the report to the small entity representatives.

SECTION 4. DEFINITIONS

This section expands the list of agencies required to conduct Small Business Advocacy Review Panels for regulations that will have a significant economic impact on a substantial number of small entities to include the Internal Revenue Service of the Treasury Department, the National Marine Fisheries Service of the Commerce Department, the U.S. Forest Service of the Agriculture Department, and the U.S. Fish and Wildlife Service of the Interior Department. The section also allows organizations that primarily represent small entities to serve as Small Entity Representatives. Finally, this section directs the Chief Counsel for Advocacy of the Small Business Administration to promulgate a rule making to further define the terms "significant economic impact" and "substantial number of small entities" and to consider the indirect impacts regulations have on small businesses when promulgating these regulations.

SECTION 5. COLLECTION OF INFORMATION REQUIREMENT

This section revises the conditions under which the Internal Revenue Service must conduct an initial regulatory flexibility analysis for interpretative regulations. If the IRS is promulgating a temporary regulation, the IRS may avoid this requirement but it must inform the Chief Counsel for Advocacy at the time of the decision and include an explanation of why the temporary regulation is required because using a notice and comment procedure would be impracticable, unnecessary, or contrary to the public interest, and an explanation of the reasons that circumstances warrant an exception from the panel review requirement. This notice and explanation must also be published in the Federal Register.

SECTION 6. INITIAL REGULATORY FLEXIBILITY ANALYSIS

This sections adds the requirement of conducting a cost/benefit analysis of the regulation to the requirements of the Initial Regulatory Flexibility Analysis required under the Regulatory Flexibility Act. Agencies are also directed to take into account, to the extent practical, the cumulative cost of their regulations on small businesses and the effect of the proposed regulation on those cumulative costs. Finally, agencies are directed to make an initial certification that the benefits of the proposed rule justify the costs of the proposed rule to small entities.

SECTION 7. FINAL REGULATORY FLEXIBILITY ANALYSIS

This section adds cost/benefit analyses to the requirements of the Final Regulatory Flexibility Analysis called for under the Regulatory Flexibility Act. It also requires agencies to make a final certification that the benefits of the regulation justify the costs of the regulation to the small entities that will be subject to it. Finally, agencies are required to describe the comments received on the Initial Regulatory Flexibility Analysis and a statement of any change made as a result of those comments.

SECTION 8. PUBLICATION OF DECISION TO CERTIFY A RULE

This section requires agencies to publish separately in the Federal Register their decision to certify a regulation as not having a significant economic impact on a substantial number of small entities instead of the current requirement of publishing that decision with the proposed rule. This also requires the agency to publish a summary of the economic analysis supporting that decision and indicates what must be in that summary. The complete analysis is to be made available on the Internet to the extent practicable.

SECTION 9. JUDICIAL REVIEW OF CERTIFICATION DECISION

This section makes the agency decision to certify a regulation as not having a singificant economic impact on a substantial number of small entities judicially reviewable and specifies that the remedy shall be voiding of the certification and requiring the agency to conduct the Initial Regulatory Flexibility Analysis, Final Regulatory Flexibility Analysis, and the small business advocacy review panel if required.

SECTION 10. EXCLUSION OF AGENCY OUTREACH TO SMALL BUSINESSES FROM CERTAIN COLLECTION OF INFORMATION REQUIREMENTS

This section excludes outreach efforts to small businesses to determine the impact of regulations from the requirements for Office of Management and Budget clearance under the Paperwork Reduction Act.

SECTION 11. EFFECTIVE DATE

This act shall take effect 90 days after the date of enactment.

By Mr. CHAFEE (for himself, Mr. GRAHAM, Mrs. LINCOLN, Mr. TORRICELLI, and Mr. KOHL):

S. 850. A bill to expand the Federal tax refund intercept program to cover children who are not minors; to the Committee on Finance.

Mr. CHAFEE. Mr. President, I am pleased to be joined today by Senators GRAHAM, LINCOLN, TORRICELLI, and KOHL in introducing the Child Support Fairness and Tax Refund Interception Act of 2001.

The Child Support Fairness and Tax Refund Interception Act of 2001 closes a loophole in current federal statute by expanding the eligibility of one of the most effective means of enforcing child support orders, that of intercepting the federal tax refunds of parents who are delinquent in paying their court-ordered financial support for their children.

Under current law, eligibility for the federal tax refund offset program is limited to cases involving minors, parents on public assistance, or adult children who are disabled. Custodial parents of adult, non-disabled children are not assisted under the IRS tax refund intercept program, and in many cases, they must work multiple jobs in order to make ends meet. Some of these parents have gone into debt to put their college-age children through school.

The legislation we are introducing today will address this inequity by expanding the eligibility of the federal tax refund offset program to cover parents of all children, regardless of whether the child is disabled or a minor. This legislation will not create a cause of action for a custodial parent to seek additional child support. In will merely assist the custodial parent in removing debt that is owed for a level of child support that was determined by a court.

Improving our child support enforcement programs is an issue that should be of concern to us all as it remains a serious problem in the United States. According to the most recent government statistics, there are approximately twelve million active cases in which a child support order requires a noncustodial parent to contribute to the support of his or her child. Of the $22 billion owed in 1999, only $12 billion has been collected. In 1998, only 23 percent of children entitled to child support through our public system received some form of payment, despite federal and state efforts. Similar shortfalls in previous years bring the combined delinquency total to approximately $47 billion. We can fix this injustice in our federal tax refund offset program by helping some of our most needy constituents receive the financial assistance they are owed.

While previous administrations have been somewhat successful in using tax refunds as a tool to collect child support payments, more needs to be done. The IRS tax refund interception program has only collected one-third of tardy child support payments. The Child Support Fairness and Tax Refund Interception Act of 2001 will remove the current barrier to fulfilling an individual's obligation to pay child support, while helping to provide for the future of our nation's children.

I urge my colleagues to join me in supporting this important legislation, and ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 850

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Child Support Fairness and Tax Refund Interception Act of 2001".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Enforcing child support orders remains a serious problem in the United States. There are approximately 12,000,000 active cases in which a child support order requires a noncustodial parent to contribute to the support of his or her child. Of the $22,000,000,000 owed in 1999 pursuant to such orders, $12,000,000,000, or 54 percent, has been collected.

(2) It is an injustice for the Federal Government to issue tax refunds to a deadbeat spouse while a custodial parent has to work 2 or 3 jobs to compensate for the shortfall in providing for their children.

(3) The Internal Revenue Service (IRS) program to intercept the tax refunds of parents who owe child support arrears has been successful in collecting a tenth of such arrears.

(4) The Congress has periodically expanded eligibility for the IRS tax refund intercept program. Initially, the program was limited to intercepting Federal tax refunds owed to parents on public assistance. In 1984, the Congress expanded the program to cover parents not on public assistance. Finally, the Omnibus Budget Reconciliation Act of 1990 made the program permanent and expanded the program to cover parents of adult children who are disabled.

(5) The injustice to the custodial parent is the same regardless of whether the child is disabled, non-disabled, a minor, or an adult, so long as the child support obligation is provided for by a court or administrative order. It is common for parents to help their adult children finance a college education, a wedding, or a first home. Some parents cannot afford to do that because they are recovering from debt they incurred to cover expenses that would have been covered if they had been paid the child support owed to them in a timely manner.

(6) This Act would address this injustice by expanding the program to cover parents of all adult children, regardless of whether the child is disabled.

(7) This Act does not create a cause of action for a custodial parent to seek additional child support. This Act merely helps the custodial parent recover debt they are owed for

a level of child support that was set by a court after both sides had the opportunity to present their arguments about the proper amount of child support.

SEC. 3. USE OF TAX REFUND INTERCEPT PROGRAM TO COLLECT PAST-DUE CHILD SUPPORT ON BEHALF OF CHILDREN WHO ARE NOT MINORS.

Section 464 of the Social Security Act (42 U.S.C. 664) is amended—

(1) in subsection (a)(2)(A), by striking "(as that term is defined for purposes of this paragraph under subsection (c))"; and

(2) in subsection (c)—

(A) in paragraph (1)—

(i) by striking "(1) Except as provided in paragraph (2), as used in" and inserting "In"; and

(ii) by inserting "(whether or not a minor)" after "a child" each place it appears; and

(B) by striking paragraphs (2) and (3).

By Mr. THOMPSON (for himself, Mr. KOHL, Mr. VOINOVICH, Mr. LEVIN,.Mr. THURMOND, Ms. COLLINS, and Mr. FITZGERALD):

S. 851. A bill to establish a commission to conduct a study of government privacy practices, and for other purposes; to the Committee on Governmental Affairs.

Mr. THOMPSON. Mr. President, I rise today to introduce the "Citizens' Privacy Commission Act of 2001." This legislation will establish an 11-member commission to examine how Federal, State, and local governments collect and use our personal information and to make recommendations to Congress as we consider how to map out government privacy protections for the future. The Citizens' Privacy Commission, whose members will include experts with a diversity of experiences, will look at the spectrum of privacy concerns involving Federal, State, and local government, from protecting citizens' genetic information, to guaranteeing the safe use of Social Security numbers, to ensuring confidentiality to citizens visiting government web sites.

As we all know, Americans are increasingly concerned about the potential misuse of their personal information. A variety of measures intended to address the collection, use, and distribution of personal information by the private sector have been introduced in Congress. Recent events, however, suggest that government privacy practices warrant closer scrutiny. For example, details surfaced last summer about the FBI's new e-mail surveillance system—Carnivore. Civil libertarians and Internet users alike continue to question the legitimacy of this "online wiretapping."

Also last summer, after the White House Office of National Drug Control Policy was found to be using "cookies" on Internet search engines, I requested that GAO investigate Federal agencies' use of these information-collection devices on their own Web sites. GAO only had time to investigate a small sample of Federal agency sites, but they found a number of unauthorized "cookies," including one that was operated by a third-party private company on an agency Web site under an agreement that gave the private company co-ownership of the data collected on visitors to the site.

As a follow-up to the GAO investigation, Congressman JAY INSLEE and I worked together on an amendment to require all agency Inspectors General to report to Congress on each agency's Internet information-collection practices. Fewer than half of the Inspectors General have completed their investigations, but the preliminary findings are cause for concern. In audits performed this past winter, sixteen Inspectors General identified sixty-four agency Web sites that were violating the privacy policies established by the last Administration by using information-collection devices called "cookies" without the required approval.

Last fall, Congressmen ARMEY and TAUZIN released a GAO report that revealed that 97 percent of the Web sites of Federal agencies, including the Federal Trade Commission, weren't in compliance with privacy standards that the FTC was advocating for private sector Web sites.

On top of all these examples, there is the issue of computer security at Federal agencies, which has been notoriously lax for years. GAO and Federal agency Inspectors General report time and time again that sensitive information on citizens' health and financial records is vulnerable to hackers. Just this spring, GAO issued a report which explained how easily their investigators were able to hack into IRS computers and gain access to citizens' e-filed taxes. Not surprisingly, a recent poll shows that most Americans perceive government as the greatest threat to their personal privacy, above both the media and corporations.

Last year, Senator KOHL and I sponsored the Senate companion bill to the Hutchinson-Moran Privacy Commission Act. This bill would have created a commission to study privacy issues in both the government and the private sector. The House bill failed a suspension vote by a narrow margin. There was a lack of consensus on whether a commission was warranted for the private sector issues being deliberated by the Congress. There was no disagreement, however, on the need for a commission to study the government's management of citizens' personal privacy. Many privacy advocates believe that the Privacy Act of 1974 and other laws addressing government privacy practices need to be updated, but we need a better understanding of the extent of the problem and of what exactly needs to be done.

Federal, State, and local governments collect, use, and distribute a large quantity of personal information for legitimate purposes. Yet because governments operate under different incentives and under a different legal relationship than the private sector, they may pose unique privacy problems. Unlike businesses, governments collect personal information under the force of law. Furthermore, governments do not face the market incentives that can discourage information collection or sharing. With the power and authority of government and the breadth of information it collects comes the potential for mistakes or abuse. The risk of privacy violations could also threaten to undermine the public's confidence in e-Government, our effort to make government more accessible and responsive to citizens through the Internet. In fact, according to a recent Pew Internet and American Life report, only 31 percent of Americans say they trust the government to do the right thing most of the time or all of the time.

The last Federal privacy commission operated over 25 years ago, from 1975 to 1977. Since then, there have been enormous leaps in technology. Today, a few keystrokes on a computer hooked up to the Internet can produce a quantity of information that was unimaginable in 1975. The question we must answer today is the same question Congress addressed in 1975: "How can government achieve the correct balance between protecting personal privacy and allowing appropriate uses of information?" The technological advances and other changes that have occurred since the 1970's, however, demand a reevaluation of the government privacy protections that we currently have in place. While we have passed laws laying out a framework for the Federal government, it is time to reassess the laws designed to safeguard citizens' privacy in light of the current state of technology.

The Citizens' Privacy Commission will help us find the balance between protecting the privacy of individuals and permitting specific and appropriate uses of personal information for legitimate and necessary government purposes. The Commission will be directed to study a wide variety of issues relating to personal privacy and the government, including the collection, use, and distribution of personal information by Federal, State, and local governments, as well as current legislative and regulatory efforts to respond to privacy problems in the government. In the course of its examination of these issues, the Commission will also be required to hold at least three field hearings around the country and to set up a Web site to facilitate public participation and public comment. After 18 months of study, the Commission will submit a report to Congress on its findings, including any recommendations for legislation to reform or augment current laws. The Commission's report will be available for consideration by the next Congress.

It is my hope that we all can work together to pass the Citizens' Privacy

Commission Act of 2001 to help us make informed and thoughtful decisions to protect the privacy of the American people. I would like to thank Senator KOHL, who has worked with me on a privacy commission bill for some time, as well as Senators VOINOVICH, LEVIN, THURMOND, COLLINS, and FITZGERALD for joining us as cosponsors. I urge my colleagues to support this important legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 851

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Citizens' Privacy Commission Act of 2001".

SEC. 2. FINDINGS.

Congress finds the following:

(1) Americans are increasingly concerned about their civil liberties and the security, collection, use, and distribution of their personal information by government, including medical records and genetic information, educational records, health records, tax records, library records, driver's license numbers, and other records.

(2) The shift from a paper based government to an information technology reliant government calls for a reassessment of the most effective way to balance personal privacy and information use, keeping in mind the potential for unintended effects on technology development and privacy needs.

(3) Concerns have been raised about the adequacy of existing government privacy laws and the adequacy of their enforcement in light of new technologies.

SEC. 3. ESTABLISHMENT.

There is established a commission to be known as the "Citizens' Privacy Commission" (in this Act referred to as the "Commission").

SEC. 4. DUTIES OF COMMISSION.

(a) STUDY.—The Commission shall conduct a study of issues relating to protection of individual privacy and the appropriate balance to be achieved between protecting individual privacy and allowing appropriate uses of information, including the following:

(1) The collection, use, and distribution of personal information by Federal, State, and local governments.

(2) Current efforts and proposals to address the collection, use, and distribution of personal information by Federal and State governments, including—

(A) existing statutes and regulations relating to the protection of individual privacy, including section 552a of title 5, United States Code (commonly referred to as the Privacy Act of 1974) and section 552 of that title (commonly referred to as the Freedom of Information Act); and

(B) privacy protection efforts undertaken by the Federal Government, State governments, foreign governments, and international governing bodies.

(3) The extent to which individuals in the United States can obtain redress for privacy violations by government.

(b) FIELD HEARINGS.—The Commission shall conduct at least 3 field hearings in different geographical regions of the United States.

(c) REPORT.—

(1) IN GENERAL.—Not later than 18 months after the appointment of all members of the Commission—

(A) a majority of the members of the Commission shall approve a report; and

(B) the Commission shall submit the approved report to the Congress and the President.

(2) CONTENTS.—The report shall include a detailed statement of findings, conclusions, and recommendations regarding government collection, use and disclosure of personal information, including the following:

(A) Findings on potential threats posed to individual privacy.

(B) Analysis of purposes for which sharing of information is appropriate and beneficial to the public.

(C) Analysis of the effectiveness of existing statutes, regulations, technology advances, third-party verification, and market forces in protecting individual privacy.

(D) Recommendations on whether additional legislation or regulation is necessary, and if so, specific suggestions on proposals to reform or augment current laws and regulations relating to citizens' privacy.

(E) Analysis of laws, regulations, or proposals which may impose unreasonable costs or burdens, raise constitutional concerns, or cause unintended harm in other policy areas, such as security, law enforcement, medical research and treatment, employee benefits, or critical infrastructure protection.

(F) Cost analysis of legislative or regulatory changes proposed in the report.

(G) Recommendations on non-legislative solutions to individual privacy concerns, including new technology, education, best practices, and third party verification.

(H) Recommendations on alternatives to government collection of information, including private sector retention.

(I) Review of the effectiveness and utility of third-party verification.

(d) ADDITIONAL REPORT.—Together with the report under subsection (c), the Commission shall submit to the Congress and the President any additional report of dissenting opinions or minority views by a member of the Commission.

(e) INTERIM REPORT.—The Commission may submit to the Congress and the President an interim report approved by a majority of the members of the Commission.

SEC. 5. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—The Commission shall be composed of 11 members appointed as follows:

(1) 2 members appointed by the President.

(2) 2 members appointed by the Majority Leader of the Senate.

(3) 2 members appointed by the Minority Leader of the Senate.

(4) 2 members appointed by the Speaker of the House of Representatives.

(5) 2 members appointed by the Minority Leader of the House of Representatives.

(6) 1 member, who shall serve as Chairperson of the Commission, appointed jointly by the President, the Majority Leader of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives, and the Minority Leader of the House of Representatives.

(b) DIVERSITY OF VIEWS.—The appointing authorities under subsection (a) shall seek to ensure that the membership of the Commission has a diversity of experiences and expertise on the issues to be studied by the Commission, such as views and experiences of Federal, State, and local governments, the media, the academic community, consumer groups, public policy groups and other advocacy organizations, civil liberties experts, and business and industry (including small business, the information technology industry, the health care industry, and the financial services industry).

(c) DATE OF APPOINTMENT.—The appointment of the members of the Commission shall be made not later than 30 days after the date of the enactment of this Act.

(d) TERMS.—Each member of the Commission shall be appointed for the life of the Commission.

(e) VACANCIES.—A vacancy in the Commission shall be filled in the same manner in which the original appointment was made.

(f) COMPENSATION; TRAVEL EXPENSES.—Members of the Commission shall serve without pay, but shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(g) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(h) MEETINGS.—

(1) IN GENERAL.—The Commission shall meet at the call of the Chairperson or a majority of its members.

(2) INITIAL MEETING.—Not later than 45 days after the date of the enactment of this Act, the Commission shall hold its initial meeting.

SEC. 6. DIRECTOR; STAFF; EXPERTS AND CONSULTANTS.

(a) DIRECTOR.—

(1) IN GENERAL.—Not later than 40 days after the date of enactment of this Act, the Chairperson of the Commission shall appoint a Director without regard to the provisions of title 5, United States Code, governing appointments to the competitive service.

(2) PAY.—The Director shall be paid at the rate payable for level III of the Executive Schedule established under section 5314 of such title.

(b) STAFF.—The Director may appoint staff as the Director determines appropriate.

(c) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—

(1) IN GENERAL.—The staff of the Commission shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

(2) PAY.—The staff of the Commission shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for grade GS-15 of the General Schedule under section 5332 of that title.

(d) EXPERTS AND CONSULTANTS.—The Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(e) STAFF OF FEDERAL AGENCIES.—

(1) IN GENERAL.—Upon request of the Director, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of that department or agency to the Commission to assist it in carrying out this Act.

(2) NOTIFICATION.—Before making a request under this subsection, the Director shall give notice of the request to each member of the Commission.

SEC. 7. POWERS OF COMMISSION.

(a) HEARINGS AND SESSIONS.—The Commission may, for the purpose of carrying out this Act, hold hearings, sit and act at times and places, take testimony, and receive evidence as the Commission considers appropriate. The Commission may administer oaths or affirmations to witnesses appearing before it.

(b) Powers of Members and Agents.—Any member or agent of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take by this section.

(c) Obtaining Official Information.—

(1) In general.—Except as provided in paragraph (2), if the Chairperson of the Commission submits a request to a Federal department or agency for information necessary to enable the Commission to carry out this Act, the head of that department or agency shall furnish that information to the Commission.

(2) Exception for national security.—If the head of that department or agency determines that it is necessary to guard that information from disclosure to protect the national security interests of the United States, the head shall not furnish that information to the Commission.

(d) Website.—The Commission shall establish a website to facilitate public participation and the submission of public comments.

(e) Mails.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(f) Administrative Support Services.—Upon the request of the Director, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out this Act.

(g) Gifts and Donations.—The Commission may accept, use, and dispose of gifts or donations of services or property to carry out this Act, but only to the extent or in the amounts provided in advance in appropriation Acts.

(h) Contracts.—The Commission may contract with and compensate persons and government agencies for supplies and services, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(i) Subpoena Power.—

(1) In general.—The Commission may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence relating to any matter that the Commission is empowered to investigate by section 4. The attendance of witnesses and the production of evidence may be required by such subpoena from any place within the United States and at any specified place of hearing within the United States.

(2) Failure to obey a subpoena.—If a person refuses to obey a subpoena issued under paragraph (1), the Commission may apply to a United States district court for an order requiring that person to appear before the Commission to give testimony, produce evidence, or both, relating to the matter under investigation. The application may be made within the judicial district where the hearing is conducted or where that person is found, resides, or transacts business. Any failure to obey the order of the court may be punished by the court as civil contempt.

(3) Service of subpoenas.—The subpoenas of the Commission shall be served in the manner provided for subpoenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

(4) Service of process.—All process of any court to which application is made under paragraph (2) may be served in the judicial district in which the person required to be served resides or may be found.

SEC. 8. PRIVACY PROTECTIONS.

(a) Destruction or Return of Information Required.—Upon the conclusion of the matter or need for which individually identifiable information was disclosed to the Commission, the Commission shall either destroy the individually identifiable information or return it to the person or entity from which it was obtained, unless the individual that is the subject of the individually identifiable information has authorized its disclosure.

(b) Disclosure of Information Prohibited.—The Commission—

(1) shall protect individually identifiable information from improper use; and

(2) may not disclose such information to any person, including the Congress or the President, unless the individual that is the subject of the information has authorized such a disclosure.

(c) Proprietary Business Information and Financial Information.—The Commission shall protect from improper use, and may not disclose to any person, proprietary business information and proprietary financial information that may be viewed or obtained by the Commission in the course of carrying out its duties under this Act.

(d) Individually Identifiable Information Defined.—In this section, the term "individually identifiable information" means any information, whether oral or recorded in any form or medium, that identifies an individual, or with respect to which there is a reasonable basis to believe that the information can be used to identify an individual.

SEC. 9. BUDGET ACT COMPLIANCE.

Any new contract authority authorized by this Act shall be effective only to the extent or in the amounts provided in advance in appropriation Acts.

SEC. 10. TERMINATION.

The Commission shall terminate 30 days after submitting a report under section 4(c).

SEC. 11. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—There are authorized to be appropriated to the Commission $3,000,000 to carry out this Act.

(b) Availability.—Any sums appropriated pursuant to the authorization in subsection (a) shall remain available until expended.

Mr. KOHL. Mr. President, I rise today to introduce the "Citizens' Privacy Commission Act" with my colleague, Senator Fred Thompson. Privacy has become an issue of paramount importance in this era of electronic commerce, advanced communications, and far-reaching business conglomerates. Our challenge is to clearly define privacy concerns and decide how best to protect privacy as technology and the economy move forward. However, even as we consider privacy guidelines for the private sector, the government should follow the highest privacy standards and demonstrate not only that they are preferable, but that they work.

The measure we introduce today would create a Commission to examine how the various levels of government collect, use and share information about citizens. Although the recent privacy debate has been focused on online privacy and how the private sector collects and sells personally identifiable information, the government should not be overlooked. All levels of government have their own websites that are as capable of collecting sensitive information. There is also concern that the Privacy Act of 1974, which regulates how the government can collect, use and share personal information, is not being enforced or properly adhered to by federal government agencies. Furthermore, there is evidence that some government websites continue to collect information through the use of "cookies" in direct violation of former President Clinton's June 2000 executive order forbidding them to do so absent a "compelling reason" to do so.

Our proposal is simple, and its goals are modest and meaningful. Specifically, our measure creates an 11 member, bipartisan panel to study data collection practices, privacy protection standards, and existing privacy laws that apply to government collection and use of personal information. We also ask the Commission to examine pending privacy initiatives before Congress. Furthermore, we ask the Commission to determine if federal legislation is needed, and what impact new privacy laws would be. Finally, we direct the Commission to detail its findings and recommendations in a Final Report to be issued 18 months after enactment.

There is ample precedent for this Commission. In the mid-1970's, the privacy debate focused on government collection and misuse of personal data. Ultimately, Congress enacted the Freedom of Information Act, the Privacy Act, and the Privacy Study Commission. Since that time, however, very little attention has been paid to genuine concerns about government use of sensitive personal information. Having passed critical legislation in the 1970s, many people felt satisfied that the issue was taken care of. Unfortunately, we have grown lax about policing ourselves in this area. This bill will right the course and change that. In fact, this legislation provides us with the opportunity to establish a model of privacy protection. The intellectual capital created by the work of this Commission will help us set a responsible example for the private sector.

Privacy protection is a unique struggle, cutting across the public and private sector and involving virtually every sector of our nation's economy. Perhaps there is no possibility of a universal principle defining necessary privacy protections. But the federal government has an unparalleled opportunity to try to craft a set of guidelines for privacy protection that can serve as a model. We believe the time has come for Congress to enact reasonable and thoughtful privacy legislation. This legislation is a sensible first step in that process.

In closing, let me be clear that this bill is neither a ploy to prevent the enactment of more specific privacy proposals, nor a stalling tactic to suspend discussion of privacy protection until the Commission publishes its final report. Rather, this legislation is both a genuine effort to gather information on this increasingly complex topic and a plan to accomplish something positive in this field. This is legislation that can and should be passed by the Congress. Therefore, I truly hope we can move quickly to enact this measure into law, so that the Commission can get to work as soon as possible.

By Mrs. FEINSTEIN (for herself, Mr. THOMAS, Mr. LEAHY, Mr. JEFFORDS, Mr. LIEBERMAN, Mr. LEVIN, Mr. WELLSTONE, Mrs. BOXER, Mr. AKAKA, Mr. FEINGOLD, Mr. KENNEDY, Mrs. MURRAY, and Mr. TORRICELLI):

S. 852. A bill to support the aspirations of the Tibetan people to safeguard their distinct identity; to the Committee on Foreign Relations.

Mrs. FEINSTEIN. Mr. President, I rise today to address the tragedy that is unfolding in Tibet and, alongside Senators THOMAS, LEAHY, JEFFORDS, LIEBERMAN, LEVIN, WELLSTONE, BOXER, AKAKA, FEINGOLD, KENNEDY, MURRAY, and TORICELLI introduce the Tibetan Policy Act of 2001.

This legislation is intended to safeguard the legitimate aspirations of the Tibetan people in their struggle to preserve their cultural and religious identity, and to encourage dialogue between the Dalai Lama or his representative and the Government of the People's Republic of China about the future of Tibet.

As many of my colleagues are aware, I have worked for well over a decade, since before I came to the Senate, to find the right balance for establishing a lasting, constructive dialogue between Chinese and Tibetan leaders. I have tried to do so with the best interests of both sides in mind. For years, I have tried to build trust and improve communication between Chinese and Tibetan leaders.

For me this is very personal. I first met the Dalai Lama in 1978. I have watched him. I have seen him. I have talked with him many, many times.

The Dalai Lama has pledged, over and over again, that what he wants is "one-country, two systems" approach, whereby Tibetans could live their life, practice their religion, educate their children, and maintain their language with dignity and respect among the Han Chinese people.

I have had the opportunity to speak, at great length, with the President of China and other senior members of the Chinese leadership about Tibet.

For years, I believed compromise, good will, and moderation were the right tools for tearing down obstacles and building cooperation between the peoples of China and Tibet.

I have even carried messages between the Dalai Lama and the President of China seeking to bring the two together.

In 1997, for example, I carried a letter from the Dalai Lama to President Jiang which, in part, stated that "I have, for my part, openly and in confidence conveyed to you that I am not demanding independence for Tibet, which I believe is fundamental to the Chinese government." The letter also suggested that the Dalai Lama and President Jiang meet to discuss relations between the Tibetans and the Chinese government, and the "maintenance and enhancement of those cultural, civic, and religious institutions that are so important to the Tibetan people and others throughout the world."

What I got back was essentially that the Dalai Lama was just a splittist and that his word was not good.

I, for one, believe he is sincere, in his non-violence, in his dedication to being a monk, in his concern for the Tibetan people, heritage, and religion.

Yet Beijing has consistently ignored promises to preserve indigenous Tibetan political, cultural and religious systems. Indeed, Beijing has not kept its commitments made twice by China's paramount leaders—Deng Xiaoping in 1979 and Jiang Zemin in 1997.

I believe that the time has come for the United States government to increase our attention to enhanced Tibetan cultural and religious autonomy.

And I feel that I can no longer, in conscience, sit quietly and allow the situation in Tibet, the wiping away of Tibetan culture from the Tibetan Plateau, in fact, to deteriorate further.

In many ways, introducing this legislation, especially now, is a very difficult step for me. I have a strong, abiding interest in good relations between the United States and China, and I am fully aware that in the current environment there will be many in China who would rather dismiss this legislation out of hand than work together to address the underlying issues.

But, the many reasonable overtures made by me, many of my colleagues in Congress, and other individuals and organizations throughout the world to work together with China over the past several years to address this issue have thus far failed to persuade Beijing to reconsider its approach to Tibet.

And there does not appear to be a "good time," in U.S.-China relations to introduce this legislation.

So I would say this to my friends in China that as they consider this legislation and its intent: I take this action now because I and many of my colleagues are at the point where we feel that this legislation is necessary to open Beijing's eyes to a simple truth: honoring the basic rights of minorities in China is not a threat to China's sovereignty, and running roughshod over its own citizens is not in China's best interest.

I say this because many senior Chinese leaders, including Mao Zedong, Zhou En Lai, Deng Xiaoping, Hu Yaobang, and Jiang Zemin have acknowledged as much in the past.

And I say this because the aspirations of the Tibetan people are not for independence, but for autonomy and respect for their cultural and religious institutions. As both the letter I conveyed to President Jiang in 1997 and the Dalai Lama's statement on the 41st Anniversary of the Tibetan National Uprising stated, "my approach envisages that Tibet enjoy genuine autonomy within the framework of the People's Republic of China . . . such a mutually beneficial solution would contribute to the stability and unity of China, their two most important priorities, while at the same time the Tibetans would be ensured of their basic right to preserve their own civilization and to protect the delicate environment of the Tibetan plateau."

And I say this because I recognize that China is a rising great nation, with a rich culture and long history. Careful reading of its history shows that China, like the United States, draws real strength from its diversity, from its cultural, religious, and ethnic multiplicity.

But, I am now convinced China's leadership will not modify its behavior in Tibet until it becomes crystal clear that China's behavior risks tarnishing its international image and burdening China with tangible costs.

Unfortnately, the situation in Tibet today is dreadful, and promises only to get worse. Beijing is pursuing policies that threaten the Tibetan people's very existence and distinct identity, and Chinese security forces hold the region in an iron grip.

As Secretary Powell stated in his confirmation hearing before the Foreign Relations Committee, "It is a very difficult situation right now with the Chinese sending more and more Han Chinese in to settle Tibet." Chinese settlers are flooding into Tibet, displacing ethnic Tibetans, guiding development in ways that clash with traditional Tibetan needs and values, and monopolizing local resources.

I do not want to debate the complex historical interactions that characterize the history of relations between China and Tibet. I am not interested in arguing about events in the past. What I am interested in is the quality of life and the right to exist as these concepts apply to Tibetans and Chinese today.

And, without question, a strong case can be made that Tibet has fared poorly under Chinese stewardship during the past fifty years: Beijing has consistently ignored promises to preserve indigenous Tibetan political, cultural and religious systems and institutions, despite having formally guaranteed these rights in the 1951 Seventeen Point Agreement that incorporated Tibet into China. And, as I stated earlier, Beijing has never seriously moved itself to carry through on promises to find solutions to the Tibet problem, promises made at least twice by China's paramount leaders, Deng Xiaoping in 1979 and Jiang Zemin in 1997. Tibet has been the scene of many grassroots movements protesting unwelcome Chinese intrusions and policies since 1956, when Beijing first began seriously disrupting Tibetan society by forcefully imposing so-called "democratic reforms" in the region. China's response to Tibetan protests has typically been violent, excessive, and unrestrained. In 1959, Beijing viciously and bloodily suppressed the massive popular protest known as the Lhasa Uprising. Indeed, it is estimated that nearly 1.2 million Tibetans died at the hands of Chinese forces during the worst years of violence, between 1956 and 1976. International commissions and third-party courts of opinion, most notably the International Commission of Jurists and numerous United Nations resolutions, consistently pointed fingers at China as a violator in Tibet of fundamental human rights and of the basic principles of international law.

According to the 2000 State Department Country Report on Human Rights Practices: Chinese Government authorities continued to commit numerous serious human rights abuses in Tibet, including instances of torture, arbitrary arrest, detention without public trial, and lengthy detention of Tibetan nationalists for peacefully expressing political or religious views. Tight controls on religion and on other fundamental freedoms continued and intensified during the year.

And, as Human Rights Watch/Asia reports, China's activities are targeting not just the present, but Tibet's future as well: Children in the Tibetan capital, Lhasa, are being discouraged from expressing religious faith and practicing devotional activities as part of the authorities' campaign in middle schools and some primary schools. Children aged between seven and thirteen in schools targeted by the campaign are being told that Tibetan Buddhist practice is 'backward behavior' and an obstacle to progress. In some schools, children are given detention of forced to pay fines when they fail to observe a ban on wearing traditional Buddhist "protection cords."

Corrupt officials. Oppressive police tactics and midnight arrests. Seizure and imprisonment without formal charges. Beatings and unexplained deaths while in custody. The steady grinding down of Tibetan cultural and religious institutions. The list of abuses in Tibet goes on and on. There is no need for me to repeat them here.

I say all this as one who wants to work with China's leadership to help find a solution to this, and other, problems, and see a positive relationship between the U.S. and China, and between the people of China and the people of Tibet.

I want to be a positive force for bringing Tibetan and Chinese leaders to the table for face-to-face dialog.

It is not my intention with this legislation to merely point fingers and lay blame. My intent in introducing the Tibetan Policy Act of 2001 is not to stigmatize or chastise China.

My intent in introducing the Tibetan Policy Act of 2001 is to place the full faith of the U.S. Government behind efforts to preserve the distinct cultural, religious and ethnic autonomy of the Tibetan people.

Specifically. the Tibetan Policy Act of 2001: Outlines Tibet's unique historical, cultural and religious heritage and describes the efforts by the United States, the Dalai Lama, and others to initiate dialogue with China on the status of Tibet. Codifies the position of Special Coordinator for Tibetan Issues at the Department of State, assures that relevant U.S. Government reports will list Tibet as a separate section under China and that the Congressional-Executive Commission on the People's Republic of China will hold Beijing to acceptable standards of behavior in Tibet. Authorizes $2.75 million for humanitarian assistance for Tibetan refugees, scholarships for Tibetan exiles, and human rights activities by Tibetan non-governmental organizations. Establishes U.S. policy goals for international economic assistance to and in Tibet to ensure that ethnic Tibetans benefit from development policies in Tibet. Calls on the Secretary of State to make best efforts to establish an office in Lhasa, the Capital of Tibet. Provides U.S. support for consideration of Tibet at the United Nations. Ensures that Tibetan language training is available for foreign service officers. Highlights concerns about the lack of religious freedom in Tibet by calling on China to cease activities which attack the fundamental characteristics of religious freedom in Tibet.

In addition, the Tibet Policy Act expresses the Sense of the Congress that: The President and the Secretary of State should initiate steps to encourage China to enter into negotiations with the Dalai Lama or his representatives on the question of Tibet and the cultural and religious autonomy of the Tibetan people. That the President and the Secretary of State should request the immediate and unconditional release of political or religious prisoners in Tibet; seek access for international humanitarian organizations to prisons in Tibet; and seek the immediate medical parole of Ngawang Choephel and other Tibetan prisoners known to be in ill-health. The United States will seek ways to support economic development, cultural preservation, health care, and education and environmental sustainability for Tibetans inside Tibet.

The Tibetan Policy Act does not aim to punish anyone. I do not believe that threats or force will sway Beijing from its present course.

But, I am convinced that we must send a clear message.

I am under no illusion that passing the Tibetan Policy Act of 2001 will immediately change the situation in Tibet.

Nor am I under any illusion that changing current conditions in Tibet will be an easy process. It will be a long and difficult process requiring patience and perseverance.

But I am hopeful that better, more effective efforts on our part and better coordination with like-minded members of the international community will encourage China to change its thinking and modify its behavior toward Tibet.

To paraphrase an old Chinese proverb: you have to take a first step to start any journey. This legislation, I hope, is a first step in bringing together the Dalai Lama or his representative and the Chinese government to discuss the future of Tibet and to take action to safeguard the distinct cultural, religious, and social identity of the Tibetan people.

I urge my colleagues here in the Senate, as well as my friends in China, to join with me in taking it.

By Mrs. BOXER:

S. 855. A bill to protect children and other vulnerable subpopulations from exposure to environmental pollutants, to protect children from exposure to pesticides in schools, and to provide parents with information concerning toxic chemicals that pose risks to children, and for other purposes; to the Committee on Environment and Public Works.

Mrs. BOXER. Mr. President, today I am reintroducing a bill to protect children from the dangers posed by pollution and toxic chemicals in our environment. The Children's Environmental Protection Act, (CEPA), is based on the fact that children are not small adults. Children eat more food, drink more water, and breathe more air as a percentage of their bodyweight than adults. Children also grow rapidly, and therefore are physiologically more vulnerable to toxic substances than adults. This makes them more susceptible to the dangers posed by those substances.

How is this understanding that children suffer higher risks from the dangers posed by toxic and harmful substances taken into account in our environmental and public health standards? Do we gather and consider data that specifically evaluates how those substances affect children? If that data is lacking, do we apply extra caution when we determine the amount of toxics that can be released into the air and water, the level of harmful contaminants that may be present in our drinking water, or the amount of pesticides that may be present in our food?

In most cases, the answer to all of these questions is "no." In fact, most of these standards are designed to protect adults rather than children. In most cases, we do not even have the data that would allow us to measure how those substances specifically affect children. And, in the face of that uncertainty, we generally assume that what we don't know about the dangers toxic and harmful substances pose to our children won't hurt them. We generally don't apply extra caution to take account of that uncertainty.

CEPA would change the answers to those questions from "no" to "yes." It would childproof our environmental laws. CEPA is based on the premise that what we don't know about the dangers toxic and harmful substances pose to our children may very well hurt them.

CEPA would require the Environmental Protection Agency (EPA) to set environmental and public health standards to protect children. It would require EPA to explicitly consider the dangers that toxic and harmful substances pose to children when setting those standards. Finally, if EPA discovers that it does not have specific data that would allow it to measure those dangers, EPA would be required to apply an additional safety factor, an additional measure of caution, to account for that lack of information. The Safe Drinking Water Act Amendments of 1996 included my amendment to require EPA to set drinking water standards at safe levels for children. All of our environmental laws should reflect the special needs of children. CEPA would ensure that children's health risks are properly taken into account.

This process would, I acknowledge, take some time. So, while EPA is in the process of updating the standards, CEPA would provide parents and teachers with a number of tools to immediately protect their children from toxic and harmful substances.

First, CEPA would require EPA to provide all schools and day care centers that receive federal funding a copy of EPA's guide to help schools adopt a least toxic pest management policy. CEPA would also prohibit the use of dangerous pesticides—those containing known or probably carcinogens, reproductive toxins, acute nerve toxins and endocrine disrupters—in those areas. Under CEPA, parents would also receive advance notification before pesticides are applied on school or day care center grounds.

Second, CEPA would expand the federal Toxics Release Inventory (TRI) to require the reporting of toxic chemical releases that may pose special risks to children. In particular, CEPA provides that releases of small amounts of lead, mercury, dioxin, cadmium and chromium be reported under TRI. These chemicals are either highly toxic, persist in the environment or can accumulate in the human body over many years—all features that render them particularly dangerous to children. Lead, for example, will seriously affect a child's development, but is still released into the environment through lead smelting and waste incineration. CEPA would then require EPA to identify other toxic chemicals that may present special risks to children, and to provide that releases of those chemicals be reported under TRI.

Third, CEPA would direct EPA to create a list of recommended safer-for-children products that minimize potential risks to children.

Finally, CEPA would require EPA to create a family right-to-know information kit that would include practical suggestions to help parents reduce their children's exposure to toxic and harmful substances in the environment.

My CEPA bill is based on the premise that what we don't know about the dangers that toxic and harmful substances pose to our children may very well hurt them. It would require EPA to apply caution in the face of that uncertainty. And, ultimately, it would childproof our environmental laws to ensure that those laws protect the most vulnerable among us—our children.

I encourage my colleagues to support this bill.

By Mr. KERRY (for himself, Mr. BOND, Mr. CLELAND, Ms. LANDRIEU, Mr. BENNETT, Mr. LEVIN, Mr. LIEBERMAN, Mr. HARKIN, Mr. BINGAMAN, Mr. ENZI, and Ms. CANTWELL):

S. 856. A bill to reauthorize the Small Business Technology Transfer Program, and for other purposes; to the Committee on Small Business.

Mr. KERRY. Mr. President, today I rise to introduce legislation to reauthorize the Small Business Administration's Small Business Technology Transfer, STTR, Program.

The STTR program funds cooperative R&D projects between small companies and research institutions as an incentive to advance the nation's technological progress. For those of us who were here when Congress created this program in 1992, we will remember that we were looking for ways to move research from the laboratories to market. What could we do to keep promising research from stagnating in Federal labs and research universities? Our research in this country is world renowned, so it wasn't a question of good science and engineering. We, without a doubt, have one of the finest university systems in the world, and we have outstanding research institutions. What we needed was more development, development of innovative technology. We needed a system that would take this research and find ways it could be applied to everyday life and national priorities. One such company is Sterling Semiconductor. Sterling, in conjunction with the University of Colorado, has developed silicon carbide wafers for use in semiconductors that can withstand extreme temperatures and conditions. In addition to defense applications, these wafers can be used for everything from traffic lights to automobile dashboards and communications equipment.

With technology transfer, it was not just the issue of the tenured professor who risked security if he or she left to try and commercialize their research; it was also an issue of creating businesses and jobs that maximized the contributions of our scientists and engineers once they graduated. There simply weren't enough opportunities at universities and labs for these bright individuals to do research and development. The answer was to encourage the creation of small businesses dedicated to research, its development, and ultimately moving that research out of the lab and finding a commercial application.

We knew that the SBA's existing Small Business Innovation Research, SBIR, program had proven to be extremely successful over the previous 10 years, so we established what is now known as the Small Business Technology Transfer program. The STTR program complements the SBIR program. Whereas the SBIR program funds R&D projects at small companies, STTR funds cooperative R&D projects between a small company and a research institution, such as a university or federally funded R&D lab. The STTR program fosters development and commercialization of ideas that either originate at a research institution or require significant research institution involvement, such as expertise or facilities, for their successful development.

This has been a very successful program. One company, Cambridge Research Instruments of Woburn, Massachusetts, has been working on an STTR project with the Marine Biological Lab in Woods Hole. They have developed a liquid crystal-based polarized light microscope for structural imaging. While that is a mouthful, I'm told that it helps in manufacturing flat screen computer monitors, and even helps improve the in vitro fertilization procedure. Together this company and the lab expect to have sales in excess of $1 million dollars next year from this STTR project.

As this example illustrates, the STTR program serves an important purpose for this country's research and development, our small businesses, our economy, and our nation. The program is set to expire at midnight on Sunday, September 30th. By the way, we absolutely have no intention of letting reauthorization get down to the wire, which was the unfortunate fate of the reauthorization of the SBIR program last year. I have worked in partnership with Senator BOND to develop this legislation, and as part of the process we have consulted with and listened to our friends in the House, both on the Small Business Committee and the Science Committee. We do not see this legislation as contentious, and we have every intention of seeing this bill signed into law well before September.

Shaping this legislation has gone beyond policy makers; we have reached out to small companies that conduct the STTR projects and research universities and Federal labs. On my part, I sponsored two meetings in Massachusetts on March 16th to discuss the STTR program. At my office in Boston, there was a very helpful discussion with six of Massachusetts' research universities expressing what they like and dislike about the program, and why they use it, or don't use it more. The meeting included the licensing managers from Boston University, Harvard, MIT, Northeastern University, and the University of Massachusetts. They said they need to hear more about the STTR program and have more outreach to their scientists and engineers so that they understand when and how to apply for the program. Based on their suggestions, we've included an outreach mandate in our bill. In addition, we're trying to provide SBA with more resources in its Office of Technology to be responsive to the concerns of STTR institutions and small businesses.

Later that day, my office was part of a meeting in Newton at Innovative Training Systems in which about 20 leaders and representatives of small high-tech companies talked about the SBIR and STTR programs. They make a tremendous contribution to the economy and state of Massachusetts. They said that the Phase II award for STTR should be raised form $500,000 to $750,000 to be consistent with the SBIR program. Otherwise, since a minimum of 30 percent of the award goes to the university partner, it was too little money to really develop the research.

As I said, we listened to them. And we also listened to what the program managers of the participating agencies had to say. Agencies participate in this program if their extramural R&D budget is greater than $1 billion. Consequently, there are five eligible agencies: the Department of Defense, the Department of Energy, the National Aeronautics and Space Administration, the Department of Health and Human Services, and the National Science Foundation. For the STTR projects, they set aside .15 percent of their extramural R&D budget. The comes to about $65 million per year invested in these collaborations between small business and research institutions.

Combining all the suggestions for improvement, the STTR Program Reauthorization Act of 2001 does the following:

1. It reauthorizes the program for nine years, setting the expiration date for September 30th, 2010.

2. Starting in two years, FY2003, it raises in small increments the percentage that Departments and Agencies set aside for STTR R&D. In FY2004, the percentage increases from .15 percent to .3 percent. After three years, in FY2007, the bill raises the percentage from .3 percent to .5 percent;

3. Starting in two years, FY2003, the legislation raises the Phase II grant award amount from $500,000 to $750,000;

4. It requires the participating agencies to implement an outreach program to research institutions in conjunction with any such outreach done with the SBIR program;

5. As last year's legislation did for the SBIR program, this bill strengthens the data collection requirements regarding awards and the data rights for companies and research institutions that conduct STTR projects. The goal is to collect better information about the companies doing the projects, as well as the research and development, so that we can measure success and track technologies.

While I believe that these changes reflect common sense and are reasonable, I would like to discuss two of the proposed changes.

First, I would like to talk about reauthorizing the program for nine years. The STTR program was a pilot program when it was first enacted in 1992. Upon review in 1997, the results of the program were generally good and the program was reauthorized that year. A more recent review and study of the program shows that the program has become more successful as it has had more time to develop. Specifically, the commercialization rate of the research is higher than for most research and development expenditures. Further, universities and research is higher than for most research and development expenditures. Further, universities and research institutions have developed excellent working relationships with small businesses, and the program has also had good geographic diversity, involving small companies and research institutions throughout the country. The nine-year reauthorization will allow the agencies, small businesses and universities to gradually ramp up to the higher percentage in a predictable and orderly manner.

Second, I would like to talk about the gradual, incremental increases in the percentages reserved for STTR contracts and the increase in the Phase II awards. When we reached out to the small businesses and the research institutions that conduct STTR projects, and the program managers of the five agencies that participate in the STTR program, we heard two recurring themes: one, raise the amount of the Phase II awards; and two, increase the amount of the percentage reserved for STTR projects.

Speaking to the first issue, we heard that the Phase II awards of $500,000 generally are not sufficient for the research and development projects and should be increased to $750,000, the same as the SBIR Phase II awards, to make the awards worth applying for the small businesses and research institutions.

As for the second issue, we were told that the percentage of .15 reserved for STTR awards needed to be increased in order to better meet the needs of the agencies. Last year, that .15 percent of the five agencies' extramural research and development budgets amounted to a total $65 million dollars available for small businesses and research institutions to further develop research and transfer technology from the lab to market through the STTR program. Less than a quarter of one percent to help strengthen this country's technological progress is not extravagant; in fact, it is not adequate support for this important segment of the economy.

Nevertheless, we are very conscientious about the needs of the departments and agencies to meet their missions for the nation and have proposed gradual increases that take into full consideration the realities of implementing the changes for the agencies and departments that participate in the program. Consequently, the legislation does not increase the percentage for STTR awards until two full years after the program has been reauthorized.

We are also conscientious about the fact that we want more research, not less, so we have timed the increase of the Phase II awards to coincide with the initial percentage increase reserved for STTR projects.

Overall, we believe this gradual increase will help encourage more innovation and greater cooperation between research institutions and small businesses. As the program requires, at least 30 percent of these additional funds will go to university and research institutions. Not only do the universities and research institutions that collaborate with small businesses get 30 percent of the STTR award money for each contract, they also benefit in that they often receive license fees and royalties. We are also conscientious about being fiscally responsible, the percentage increases will have no budget implication since it does not increase the amount of the money spent. Rather, it ultimately, after six years, redirects one half of one percent to this very successful program which benefits the economy overall.

This bill will ensure that this successful program is continued and increased. It will also provide Congress with important information and data on the program and encourage more outreach to small businesses and research institutions.

I want to encourage my colleagues to learn about this program, to find out the benefits to their state's hi-tech small businesses and research universities and labs, and to join me in passing this legislation in the Senate as soon as possible. To my friend from Missouri, Senator BOND, I want to thank you and your staff for working with me and my staff to build this country's technological progress. I also want to thank all of the cosponsors: Senators CLELAND, LANDRIEU, BENNETT, LEVIN, LIEBERMAN, HARKIN, BINGAMAN, ENZI, and CANTWELL.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 856

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Technology Transfer Program Reauthorization Act of 2001".

SEC. 2. EXTENSION OF PROGRAM AND EXPENDITURE AMOUNTS.

(a) IN GENERAL.—Section 9(n)(1) of the Small Business Act (15 U.S.C. 638(n)(1)) is amended to read as follows:

"(1) REQUIRED EXPENDITURE AMOUNTS.—

"(A) IN GENERAL.—With respect to each fiscal year through fiscal year 2010, each Federal agency that has an extramural budget for research, or research and development, in excess of $1,000,000,000 for that fiscal year, shall expend with small business concerns not less than the percentage of that extramural budget specified in subparagraph (B), specifically in connection with STTR programs that meet the requirements of this section and any policy directives and regulations issued under this section.

"(B) EXPENDITURE AMOUNTS.—The percentage of the extramural budget required to be expended by an agency in accordance with subparagraph (A) shall be—

"(i) 0.15 percent for each fiscal year through fiscal year 2003;

"(ii) 0.3 percent for each of fiscal years 2004 through 2006; and

"(iii) 0.5 percent for fiscal year 2007 and each fiscal year thereafter.

(b) CONFORMING AMENDMENT.—Section 9 of the Small Business Act (15 U.S.C. 638) is amended in subsections (b)(4) and (e)(6), by striking "pilot" each place it appears.

SEC. 3. INCREASE IN AUTHORIZED PHASE II AWARDS.

(a) IN GENERAL.—Section 9(p)(2)(B)(ix) of the Small Business Act (15 U.S.C. 638(p)(2)(B)(ix)) is amended—

(1) by striking "$500,000" and inserting "$750,000"; and

(2) by inserting before the semicolon at the end the following: ", and shorter or longer periods of time to be approved at the discretion of the awarding agency where appropriate for a particular project".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective beginning in fiscal year 2004.

SEC. 4. AGENCY OUTREACH.

Section 9(o) of the Small Business Act (15 U.S.C. 638(o)) is amended—

(1) in paragraph (12), by striking "and" at the end;

(2) in paragraph (13), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(14) implement an outreach program to research institutions and small business concerns for the purpose of enhancing its STTR program, in conjunction with any such outreach done for purposes of the SBIR program; and".

SEC. 5. POLICY DIRECTIVE MODIFICATIONS.

Section 9(p) of the Small Business Act (15 U.S.C. 638(p)) is amended by adding at the end the following:

"(3) MODIFICATIONS.—Not later than 120 days after the date of enactment of this paragraph, the Administrator shall modify the policy directive issued pursuant to this subsection to clarify that the rights provided for under paragraph (2)(B)(v) apply to all Federal funding awards under this section, including the first phase (as described in subsection (e)(6)(A)), the second phase (as described in subsection (e)(6)(B)), and the third phase (as described in subsection (e)(6)(C)).".

SEC. 6. STTR PROGRAM DATA COLLECTION.

(a) IN GENERAL.—Section 9(o) of the Small Business Act (15 U.S.C. 638(o)), as amended by this Act, is amended by adding at the end the following:

"(15) collect, and maintain in a common format in accordance with subsection (v), such information from awardees as is necessary to assess the STTR program, including information necessary to maintain the database described in subsection (k).".

(b) DATABASE.—Section 9(k) of the Small Business Act (15 U.S.C. 638(k)) is amended—

(1) in paragraph (1)—

(A) by inserting "or STTR" after "SBIR" each place it appears;

(B) in subparagraph (C), by striking "and" at the end;

(C) in subparagraph (D), by striking the period at the end and inserting "; and"; and

(D) by adding at the end the following:

"(E) with respect to assistance under the STTR program only—

"(i) whether the small business concern or the research institution initiated their collaboration on each assisted STTR project;

"(ii) whether the small business concern or the research institution originated any technology relating to the assisted STTR project;

"(iii) the length of time it took to negotiate any licensing agreement between the small business concern and the research institution under each assisted STTR project; and

"(iv) how the proceeds from commercialization, marketing, or sale of technology resulting from each assisted STTR project were allocated (by percentage) between the small business concern and the research institution."; and

(2) in paragraph (2)—

(A) by inserting "or an STTR program under subsection (n)(1)" after "(f)(1)";

(B) in subparagraph (A)(iii), by inserting "and STTR" after "SBIR"; and

(C) in subparagraph (D), by inserting "or STTR" after "SBIR".

(c) SIMPLIFIED REPORTING REQUIREMENTS.—Section 9(v) of the Small Business Act (15 U.S.C. 638(v)) is amended by inserting "or STTR" after "SBIR" each place it appears.

(d) REPORTS TO CONGRESS.—Section 9(b)(7) of the Small Business Act (15 U.S.C. 638(b)(7)) is amended by striking "and (o)(9)" and inserting ", (o)(9), and (o)(15)".

Mr. BOND. Mr. President, I am pleased to join with Senator JOHN KERRY, my colleague and ranking member on the Small Business Committee, in sponsoring legislation to reauthorize the Small Business Technology Transfer, STTR, Program. This program has proven itself to be highly effective. The bill we are introducing today acknowledges the success of the STTR Program by expanding it during the length of the reauthorization so that its benefits will increase in the coming years.

The STTR Program was created in 1992 to stimulate technology transfer from research institutions to small firms while, at the same time, accomplishing the Federal government's research and development goals. The program is designed to convert the billions of dollars invested in research and development at our nation's universities, federal laboratories and nonprofit research institutions into new commercial technologies. It does this by joining the ideas and resources of research institutions with the commercialization experience of small companies.

Each agency with an extramural research and development budget of more than $1 billion participates in the program. Currently, the Department of Defense, the National Institutes of Health, the National Aeronautics and Space Administration, NASA, the National Science Foundation, NSF, and the Department of Energy, DOE, have STTR Programs.

To receive an award under the STTR Program, a research institution and a small firm jointly submit a proposal to conduct research on a topic that reflects an agency's mission and research and development needs. The proposals are then peer-reviewed and judged on their scientific, technical and commercial merit. Similar to the Small Business Innovation Research Program, awards are provided in three phases. Phase one awards are designed to determine the scientific and technical merit and feasibility of a proposed research idea, with funding for individual awards limited to $100,000. Phase two awards further develop research from phase one and emphasize the idea's commercialization potential, with individual awards up to $500,000. Phase three awards consist of non-Federal funds for the commercial application of the technology, non-STTR Federal funds for the commercialization of products or services intended for procurement by the Federal government, or non-STTR Federal funds for continued research and development of the technology.

The benefits of fostering collaboration between research institutions and small firms are numerous. Small firms have shown themselves to be excellent at commercializing research when they are provided the opportunity to take advantage of the expertise and resources that reside in our nation's universities. A recent Small Business Administration Office of Advocacy report reviewed the rate of return for research and development by large and small firms both with and without university partners. When these firms do not have university partners, their rate of return is 14 percent. When a collaboration is formed between universities and small firms, however, the rate of return jumps to 44 percent. By contrast, the rate of return only increases to 30 percent when large firms and universities collaborate.

Moreover, partnerships between small firms and universities have led to world-class high-technology economic development. Numerous studies cite the emergence of Silicon Valley and the Route 128 corridor in Massachusetts as directly resulting from the partnerships and technology transfer that occurred, and are still occurring, among small firms, Stanford University and the Massachusetts Institute of Technology. The cooperation between industry and these universities has strengthened considerably our economic competitiveness in the world. The STTR Program seeks to foster this same type of economic development in the hundreds of communities around the country that contain universities and federal laboratories. And, the STTR Program has proven to be immensely successful at growing small firms from these types of partnerships.

The Committee on Small Business has recently received data on the commercial success of small firms that received STTR awards between 1995 and 1997. The results are truly outstanding. Of the 102 projects surveyed in that time-frame, 53 percent had either resulted in sales or the companies involved in the projects had received follow-on developmental funding for the technology. To date, these projects had resulted in $132 million from sales and $53 million in additional developmental funding. Moreover, the Committee has learned that the companies who had received these STTR awards are projecting an additional $186 million in sales in 2001 and an estimated additional $900 million in sales by 2005. These numbers are even more remarkable when one considers that it typically takes between 7 to 10 years to successfully commercialize new technologies.

In addition to proving to be an amazing commercial success, the STTR Program has also provided high-quality research to the Federal Government. In the most recent published report of the General Accounting Office on the STTR Program, Federal agencies rated highly the technical quality of the proposals. The DOE, as an example, rated the quality of the proposed research in the top ten percent of all research funded by the Department.

A good example of the benefits that the STTR Program provides to small firms and universities is the experience of Engineering Software Research and Development, Inc. in St. Louis, MO. Engineering Software, in partnership with Washington University in St. Louis, received a phase two award from the Air Force to develop an innovative method of analyzing the stresses placed on composite materials. While this technology is currently being used in the aeronautics industry, it has many other practical applications.

The STTR Program permitted Dr. Barna Szabo, who had originated an algorithm he developed at Washington University, to transfer the technology to Engineering Software, which had the software infrastructure to transition the technology from an academic to a practical commercial application. According to Dr. Szabo, Engineering Software has received to date at an estimated $1.25 million in sales and follow-on developmental funding resulting from the technology funded by the STTR award and that the STTR Program was of great assistance in transferring the technology from the academic environment to actual use and application.

Based on the proven success of the STTR Program to date, this legislation increases the funds allocated for the program. This increase is phased-in through the length of the reauthorization. When a program is working as well as the STTR Program, it would be a mistake if Congress did not build on its success.

This is especially true for Federal investment in small business research and development. Despite report after report demonstrating that small businesses innovate at a greater rate than large firms, small businesses only receive less than four percent of all Federal research and development dollars. This number has remained essentially unchanged for the past 22 years. Increasing funds for the STTR Program sends a strong message that the Federal Government acknowledges the contributions that small businesses have made and will continue to make to government research and development efforts and to our nation's economy.

I am pleased that my colleague Senator KERRY and I have worked together on this bi-partisan legislation. It is a good bill for the small business high-technology community and will ensure that our Federal research and development needs are well met in the next decade. When this bill is debated by the full Senate, I trust that it will receive the support of all of our colleagues.

Ms. CANTWELL. Mr. President, research and development has been a fundamental driver of the growth of our economy. It is critical that we continue significant investment in R&D and improve commercialization of the research undertaken at our non-profit institutions.

I thank the Small Business Committee ranking member JOHN KERRY and Chairman CHRISTOPHER BOND for taking a leadership role in reauthorizing the Small Business Technology Transfer program. The program is a companion to the very successful Small Business Innovation Research (SBIR) program which funds R&D projects undertaken by small businesses. Under the STTR program, the U.S. Departments of Defense, Energy, and Health and Human Services, the National Aeronautics and Space Administration, and the National Science Foundation must set-aside .15 percent of their research dollars for award to small high technology firms that partner with non-profit research institutions.

The STTR program is scheduled to expire on September 30, 2001. The Kerry-Bond bill, entitled the Small Business Technology Transfer Program Reauthorization Act of 2001, extends the program until 2010. In addition to extending the STTR program it gradually increases the percentage of Federal R&D funding going to the program from .15 percent to .5 percent over 9 years. There is also a provision to encourage agencies to increase outreach to small business and universities to promote the STTR Program.

Many of our most successful businesses in the changing economy were only recently small businesses. Going back only 25 years, one of my State's largest employers, Microsoft, was a small business. Even today, many of the innovators driving the rapid industrial evolution work in small businesses. But the risk and expense of conducting serious R&D efforts can be beyond the means of many of these businesses.

On the other side of the equation, the commercial value of non-profit research often remains unrealized because there are not adequate opportunities to bring researchers together with those who could best make the research into a marketable product.

This program fills a very important need by bringing together the capabilities of our non-profit research institutions with the entrepreneurial spirit of our small businesses. The program holds great promise as one way to meet the scientific and technological challenges of our changing economy. And this program has already been successful throughout the United States. In my state alone over the past 5 years, 52 grants have been awarded for work in biotechnology, medicine, fluid mechanics, chemistry, electronics and computer technologies. I am very pleased to be able to lend my support to this program and look forward to this bill moving rapidly into law.

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE RESOLUTION 85—DESIGNATING THE WEEK OF MAY 6 THROUGH 12, 2001, AS "TEACHER APPRECIATION WEEK", AND DESIGNATING TUESDAY, MAY 8, 2001 AS "NATIONAL TEACHER DAY"

Mr. WARNER (for himself, Mr. ALLEN, Mr. COCHRAN, Mr. BROWNBACK, Mr. JEFFORDS, Mr. CRAIG, Mr. THURMOND, Mr. CRAPO, Mr. ENZI, Mr. DEWINE, Ms. MIKULSKI, Mr. HATCH, Mr. SMITH of Oregon, and Mr. STEVENS) submitted the following resolution; which was considered and agreed to:

S. RES. 85

Whereas the foundation of American Freedom and democracy is a strong, effective system of education where every child has the opportunity to learn in a safe and nurturing environment;

Whereas a first rate education system depends on a partnership between parents, principals, teachers, and children;

Whereas much of the success of our Nation is the result of the hard work and dedication of teachers across the Nation;

Whereas in addition to a child's family, knowledgeable and skillful teachers can have a profound impact on the child's early development and future success;

Whereas many people spend their lives building careers, teachers spend their careers building lives;

Whereas our Nation's teachers serve our Nation's children beyond the call of duty as coaches, mentors, and adviser's without regard to fame or fortune; and

Whereas across our Nation, nearly 3,000,000 men and women experience the joys of teaching young minds the virtues of reading, writing, and arithmetic: Now, therefore, be it

Resolved, That the Senate—

(1) designates the week of May 6 through 12, 2001, as "Teacher Appreciation Week";

(2) designates Tuesday, May 8, 2001 as "National Teacher Day"; and

(3) calls upon the people of the United States to take a moment out of their busy lives to say thanks and pay tribute to our Nation's teachers.

Mr. WARNER. Mr. President, I rise today to say thank you to the over 3,000,000 teachers in this Nation for all of the hard work and personal sacrifices they make to educate our youth. For this reason, I introduce a resolution designating the week of May 6 through 12, 2001, as "Teacher Appreciation Week" and designating Tuesday, May 8, 2001 as "National Teacher Day."

All of us know that individuals do not pursue a career in the teaching profession for the money. People go into the teaching profession for grander reasons—to educate our youth, to make a lasting influence.

While many people spend their lives building careers, our teachers spend their careers building lives. Simply put, to teach is to touch a life forever.

How true that is. I venture to say that every one of us can remember at least one teacher and the special influence he or she had on our lives.

By educating today's youth, our teacher's are preparing tomorrow's leaders.

This week in the Senate, we are considering legislation to reauthorize the Elementary and Secondary Education Act. How appropriate it is that during this debate Teacher Appreciation Week and National Teacher Day are upon us.

The education legislation before us this week is based on the principle that our education system must ensure that no child is left behind.

As we move towards education reforms to achieve this goal, we must keep in mind the other component in our education system—the teachers. If we forget our teachers in this debate, our children will be left behind.

Quality, caring teachers, along with quality, caring parents, play the predominant roles in ensuring that no child is left behind.

I urge my colleagues to join me in recognizing our Nation's teachers by passing this resolution designating the week of May 6 through 12, 2001, as "Teacher Appreciation Week, and Tuesday, May 8, 2001, as "National Teacher Day."

SENATE RESOLUTION 86—TO EXPRESS THE SENSE OF THE SENATE RECOGNIZING THE IMPORTANT ROLE PLAYED BY THE SMALL BUSINESS ADMINISTRATION ON BEHALF OF THE UNITED STATES SMALL BUSINESS COMMUNITY

Mr. BOND (for himself, Mr. KERRY, Mr. BURNS, Mr. LEVIN, Mr. BENNETT, Mr. HARKIN, Ms. SNOWE, Mr. LIEBERMAN, Mr. ENZI, Mr. WELLSTONE, Mr. CRAPO, Mr. CLELAND, Mr. ENSIGN, Ms. LANDRIEU, Mr. EDWARDS, Ms. CANTWELL, and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 86

Whereas small businesses comprise 99 percent of all firms in the United States;

Whereas small businesses offer a significant number of job opportunities, with 52 percent of all private sector workers employed by small businesses;

Whereas small businesses contribute to the economic well-being of the Nation by providing 51 percent of the private sector output;

Whereas small businesses represent 96 percent of all exporters of goods; and

Whereas the Congress established the Small Business Administration in 1953 to aid, counsel, assist, and protect the interests of small business concerns in order to preserve free competitive enterprise, to ensure that a fair proportion of the total purchases and contracts or subcontracts for property and services for the Federal Government be placed with small business enterprises, to ensure that a fair proportion of the total sales of Government property be made to such enterprises, and to maintain and strengthen the overall economy for the Nation: Now, therefore, be it

Resolved, That—

(1) the Small Business Administration should continue to be the leading advocate in the Federal Government for small business concerns;

(2) the Senate strongly urges the President to strengthen and expand assistance to small business concerns through Federal Government programs to ensure that—

(A) a growing number of small business concerns receive contracts for goods and services from the Federal Government;

(B) the Federal Government undertakes steps to increase the number of opportunities provided to women-owned and minority-owned small business concerns for contracting with the Federal Government for the provision of goods and services;

(C) guaranteed loans, including microloans and microloan technical assistance for startup and growing small business concerns, and venture capital are made available to all qualified small business concerns;

(D) special programs are implemented in economically distressed urban and rural areas in order to create new business opportunities for small business concerns that will create meaningful jobs and economic growth; and

(E) the management assistance programs delivered by resource partners on behalf of the Small Business Administration, such as the Service Corps of Retired Executives (SCORE) and the Small Business Development Center and Women's Business Center programs, are provided with the Federal resources necessary to do their jobs;

(3) the Senate strongly urges the President to adopt a policy to achieve the applicable procurement goals for small business concerns, including the goals for women-owned small business concerns, HUBZone small business concerns, socially and economically disadvantaged small business concerns, and small business concerns owned by service-disabled veterans;

(4) the President should hold the head of each Federal department and agency accountable to ensure that the small business procurement goals are achieved during the term of his Administration;

(5) the President should direct the heads of each Federal department and agency to comply fully with the requirements of the Small Business Regulatory Enforcement Fairness Act and the Regulatory Flexibility Act; and

(6) the Administrator of the Small Business Administration should have an active role as a member of the President's Cabinet and the Domestic and National Economic Policy Councils.

AMENDMENTS SUBMITTED AND PROPOSED

SA 396. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table.

SA 397. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 398. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 399. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 400. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 401. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 402. Mr. BYRD submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 403. Mr. WELLSTONE proposed an amendment to amendment SA 358 proposed by Mr. Jeffords to the bill (S. 1) supra.

SA 404. Mr. MURKOWSKI submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 405. Mr. WYDEN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 406. Mr. WYDEN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 407. Mr. AKAKA submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 408. Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 409. Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 410. Mr. BYRD submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 411. Mr. GRAHAM submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 412. Mr. GRAHAM (for himself and Mr. Allen) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 413. Mr. BROWNBACK (for himself and Mr. Kohl) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 414. Mr. DOMENICI (for himself and Mr. Dodd) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 415. Mr. DOMENICI (for himself and Mr. Kennedy) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 416. Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 417. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 418. Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 419. Mr. SPECTER submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 420. Mr. SPECTER submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 421. Mr. REID proposed an amendment to amendment SA 384 proposed by Mr. McConnell to the amendment SA 358 proposed by Mr. Jeffords to the bill (S. 1) supra.

SA 422. Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 423. Mr. KERRY submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 424. Mr. HATCH (for himself, Mr. Leahy, Mr. Thurmond, Mr. Kohl, Mr. Biden, and Mr. Kennedy) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 425. Mr. REED (for himself, Ms. Snowe, Mr. Kennedy, Mr. Chafee, Mr. Bingaman, Mr. Wellstone, Mrs. Murray, Mrs. Clinton, Mr. Sarbanes, Mr. Johnson, Mr. Baucus, Mr. Levin, Mr. Reid, Mr. Rockefeller, Mr. Durbin, and Mr. Dayton) proposed an amendment to amendment SA 358 proposed by Mr. Jeffords to the bill (S. 1) supra.

SA 426. Mr. CONRAD (for himself and Mr. Bingaman) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 427. Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 428. Mrs. MURRAY submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 429. Mr. CLELAND submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 430. Mr. CLELAND submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 431. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 432. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 433. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 434. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 435. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 436. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 437. Mr. BOND submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 438. Mr. BOND submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 439. Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 440. Mr. CAMPBELL (for himself, Mr. Grassley, Mr. Akaka, and Mr. Inouye) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 441. Mr. LUGAR (for himself and Mr. Bingaman) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 442. Mr. CRAPO submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 443. Mr. VOINOVICH (for himself, Mrs. Feinstein, Mr. Cochran, Mr. Baucus, Ms. Landrieu, and Mrs. Murray) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 444. Mr. DeWINE submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 445. Mr. DeWINE submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 446. Mr. DeWINE submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 447. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 448. Mrs. CARNAHAN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 449. Mr. CLELAND submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 450. Mr. WYDEN (for himself, Mr. Sessions, Mr. Breaux, and Ms. Landrieu) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 451. Mrs. LINCOLN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 452. Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 453. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 454. Mr. GREGG submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 455. Mr. KERRY (for himself, Mr. Smith, of Oregon, Mr. Carper, and Mrs. Clinton) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 456. Mr. DODD submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 457. Mr. DODD (for himself and Mr. Shelby) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 458. Mr. DODD submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 459. Mr. DODD (for himself and Mr. Biden) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 460. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 461. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 462. Mr. EDWARDS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 463. Mr. WELLSTONE (for himself and Mr. FEINGOLD) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 464. Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 465. Mr. WELLSTONE (for himself and Mr. FEINGOLD) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 466. Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 467. Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 468. Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 469. Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 470. Mr. ROBERTS (for himself, Mr. FRIST, Mr. GREGG, Mr. CRAPO, Mr. WARNER, Mr. SCHUMER, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 471. Mr. JOHNSON submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 472. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 473. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 474. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 475. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 476. Mr. BOND submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 477. Mr. MCCAIN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 478. Mr. MCCAIN (for himself, Mr. EDWARDS, and Mr. KENNEDY) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 479. Mr. MCCAIN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 480. Mr. MCCAIN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 481. Mr. BIDEN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 482. Mr. BIDEN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 483. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 484. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 485. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 486. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 487. Mr. SMITH, of New Hampshire submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 488. Mr. SMITH, of New Hampshire submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 489. Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 490. Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 491. Mr. BIDEN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 492. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 493. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 494. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 495. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 496. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 497. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 498. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 499. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 500. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 501. Mr. KYL submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 502. Mr. ALLEN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 503. Mr. BENNETT (for himself, Ms. COLLINS, and Mr. CONRAD) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 504. Mr. BENNETT submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 505. Mr. CAMPBELL submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 506. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 507. Ms. COLLINS (for herself and Ms. SNOWE) submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 508. Ms. COLLINS (for herself and Mr. CONRAD) submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 509. Ms. COLLINS (for herself and Mr. CONRAD) submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 510. Ms. COLLINS (for herself, Mr. HATCH, Mr. COCHRAN, and Ms. LANDRIEU) submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 511. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 512. Mr. COCHRAN (for himself, Mr. WARNER, Mr. CHAFEE, Mr. GRASSLEY, Mr. ENSIGN, Mr. DOMENICI, Mr. HATCH, Mr. STEVENS, Mr. SPECTER, Mrs. HUTCHISON, and Mr. LUGAR) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 513. Mr. VOINOVICH submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 514. Mr. DODD (for himself and Mr. DOMENICI) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 515. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 516. Mrs. CLINTON (for herself, Mr. TORRICELLI, and Mr. CORZINE) submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 517. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 518. Mr. CARPER (for himself, Mr. GREGG, Mr. FRIST, Mr. LIEBERMAN, Mr. BIDEN, Mr. BINGAMAN, Mr. KERRY, Mr. HUTCHINSON, Mr. CRAPO, and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 519. Mr. BINGAMAN (for himself, Mr. HUTCHINSON, Mr. HOLLINGS, and Mr. CORZINE) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 520. Mr. BAYH submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 521. Mr. BAYH submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 522. Mr. BAYH submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 523. Mr. LIEBERMAN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 524. Mr. AKAKA submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 525. Mr. HARKIN (for himself, Mr. Kerry, Mr. Levin, Mr. Reid, Mr. Biden, Mr. Corzine, and Mr. Johnson) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 526. Mr. HARKIN (for himself, Mr. Levin, and Mr. Johnson) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 527. Mr. KYL (for himself and Mr. McCain) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 528. Mr. DURBIN (for himself and Mr. Corzine) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 529. Mr. DURBIN (for himself and Mr. Corzine) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 530. Mr. DURBIN (for himself and Mr. Corzine) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 531. Mr. DURBIN (for himself and Mr. Corzine) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 532. Mr. DURBIN (for himself, Mr. Schumer, and Mr. Corzine) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 533. Mr. NELSON of Nebraska submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 534. Mrs. HUTCHISON (for herself, Mr. Wellstone, Mr. DeWine, Mrs. Clinton, Mr. Schumer, Mr. Biden, Mr. Crapo, and Mr. Kennedy) submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 535. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 536. Mr. GREGG (for himself and Mr. Hutchinson) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 537. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 538. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 539. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 540. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 541. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 542. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 543. Mr. KYL (for himself and Mr. Hutchinson) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 544. Mr. STEVENS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 545. Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 546. Ms. SNOWE submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 547. Mr. SMITH, of New Hampshire submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 548. Mr. SMITH, of New Hampshire submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 549. Mr. HAGEL (for himself, Mr. Baucus, and Mrs. Hutchison) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 550. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 551. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 552. Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 553. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 554. Mr. HUTCHINSON (for himself and Mr. Torricelli) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 555. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 556. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 557. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 558. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 559. Mr. McCAIN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 560. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 561. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 562. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 563. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 564. Mr. BYRD submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 565. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 566. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 567. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 568. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 569. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 570. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 571. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 572. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 573. Mr. HELMS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 574. Mr. HELMS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 575. Mr. HARKIN (for himself, Mr. Kerry, Mr. Levin, Mr. Biden, Mr. Reid, Mr. Johnson, Mr. Corzine, and Ms. Cantwell) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 576. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 577. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 578. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 579. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 580. Mr. KYL submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 581. Mr. KYL submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 582. Mr. HUTCHINSON submitted an amendment intended to be proposed to amendment SA 457 submitted by Mr. DODD and intended to be proposed to the bill (S. 1) supra; which was ordered to lie on the table.

SA 583. Mr. INHOFE submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 584. Mr. INHOFE submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 585. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 586. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 587. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 588. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 589. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 590. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 591. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 592. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 593. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 594. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 595. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 596. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 597. Mr. WELLSTONE (for himself, Mr. DAYTON, and Mr. FEINGOLD) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 598. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 599. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 600. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 601. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 602. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 603. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 604. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 605. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 606. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 607. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 608. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 609. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 610. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 611. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 612. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 613. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 614. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 615. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 616. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 617. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 618. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 619. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 620. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 621. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 622. Mr. DAYTON (for himself and Mr. CORZINE) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 623. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 624. Mr. HOLLINGS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 625. Mr. WYDEN (for himself, Mr. CONRAD, and Mrs. LINCOLN) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 626. Mr. WYDEN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 627. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 628. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 629. Mr. WELLSTONE (for himself, Mr. DEWINE, Mrs. CLINTON, Mr. SCHUMER, Mr. BIDEN, and Mr. KENNEDY) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 630. Ms. CANTWELL (for herself and Mr. HARKIN) submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 631. Mr. LEVIN (for himself, Ms. LANDRIEU, and Mr. COCHRAN) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 632. Mr. LEVIN (for himself and Mr. JEFFORDS) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 633. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 634. Mr. STEVENS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 635. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 636. Mr. McCAIN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 637. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 638. Mr. NELSON, of Florida submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 639. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 640. Mr. DORGAN (for himself, Mr. REID, Mr. DURBIN, Mrs. BOXER, Mrs. FEINSTEIN, and Mrs. MURRAY) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 641. Mr. CONRAD submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 642. Mr. ENZI submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 643. Mr. ENZI (for himself, Ms. COLLINS, Mrs. MURRAY, and Mr. BINGAMAN) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 644. Mr. ENZI submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 645. Mr. CONRAD submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 646. Mr. EDWARDS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 647. Mr. HATCH proposed an amendment to the bill H.R. 428, concerning the participation of Taiwan in the World Health Organization.

TEXT OF AMENDMENTS

SA 396. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 246, line 4, insert "health services programs," before "art,".

On page 246, line 6, insert "that provide a comprehensive approach to learning and" after "programs,".

On page 246, line 8, insert "and meet other needs of students and families" after "students".

On page 246, line 24, insert "health service programs," before "art,".

On page 247, lines 1 and 2, insert "that provide a comprehensive approach to learning and" after "programs)".

On page 247, line 3, insert "and meet other needs of students and families" after "students".

On page 255, strike lines 21 and 22 and insert the following:

"(B) an identification and assessment of Federal, State, and local programs and services that will be combined or co-

On page 256, line 21, strike "and".

On page 256, line 24, strike the period and insert "; and".

On page 256, after line 24, insert the following:

"(I) a description of how the eligible organization will use the funds made available under this part to provide comprehensive support services and how those services will be integrated with existing (as of the date of submission of the application) Federal, State, and local programs and services; and

"(J) a description of measurable outcomes anticipated from the use of the funds, including outcomes related to improving student achievement and the wellbeing of students, families, and the community, and other related outcomes.

On page 257, line 7, strike "and".

On page 257, line 10, strike the period and insert "; and".

On page 257, between lines 10 and 11, and insert the following:

"(4) describing programs that—

"(A) offer a broad selection of services that address the needs of the community; and

"(B) have a comprehensive approach to integrating Federal, State, and local programs and services to reach clearly defined outcomes, including outcomes related to improving student achievement and the wellbeing of students, family, and the community, and other related outcomes.

SA 397. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 77, line 10, strike "and" after the semicolon.

On page 77, between lines 17 and 18, insert the following:

(iii) by adding at the end the following:

"(I) Coordination and integration of Federal, State, and local services and programs, including services that support improved student learning through access for children and families to health, social and human services, recreation, and cultural services."; and

On page 77, line 24, strike "and".

On page 78, line 4, strike "and".

On page 78, between lines 4 and 5, insert the following:

(III) in clause (vi), by striking "and" after the semicolon;

(IV) in clause (vii), by striking the period and inserting "; and"; and

(V) by adding at the end the following:

"(viii) describes how the school will coordinate and collaborate with other agencies providing services to children and families, including services that support improved student learning through access for children and families to health, social and human services, recreation, and cultural services."; and

On page 79, line 11, strike "and" both places it appears.

On page 79, strike line 18, and insert the following:

teams; and"; and

On page 79, between lines 18 and 19, insert the following:

(C) by adding at the end the following:

"(I) coordinate and integrate Federal, State, and local services and programs, including services that support improved student learning through access for children and families to health, social and human services, recreation, and cultural services.".

SA 398. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 62, line 16, strike "and".

On page 62, line 22, strike the period and insert "; and".

On page 62, between lines 22 and 23, insert the following:

"(ix) information on the extent of parental participation in schools in the State, and information on parental involvement activities in the State.

On page 63, strike lines 17 through 20.

On page 63, line 21, strike "(viii);; and insert "(vi)".

On page 63, line 23, strike "(ix)" and insert "(vii)".

On page 64, line 1, strike "(x)" and insert "(viii)".

SA 399. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 739, between lines 15 and 16, insert the following:

"(iii) ensure compliance with the parental involvement provisions of this Act;".

SA 400. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 249, line 7, strike "1" and insert "2.5".

On page 257, between lines 18 and 19, insert the following:

"SEC. 1610. NATIONAL ACTIVITIES.

"(a) DEFINITION.—In this section, the term 'eligible partnership' means a partnership—

"(1) that contains—

"(A) at least 1 public elementary school or secondary school that—

"(i) receives assistance under this title and for which a measure of poverty determination is made under section 1113(a)(5) with respect to a minimum of 40 percent of the children in the school; and

"(ii) demonstrates parent involvement and parent support for the partnership's activities;

"(B) a local educational agency;

"(C) a public agency, other than a local educational agency, such as a local or State department of health, mental health, or social services;

"(D) a nonprofit community-based organization, providing health, mental health, or social services;

"(E) a local child care resource and referral agency; and

"(F) a local organization representing parents; and

"(2) that may contain—

"(A) an institution of higher education; and

"(B) other public or private nonprofit entities with experience in providing services to disadvantaged families.

"(b) GRANTS.—

"(1) IN GENERAL.—From funds reserved under section 1605(a)(2), the Secretary may award grants to eligible partnerships to pay for the Federal share of the cost of establishing and expanding school-based or school-linked community service centers that provide to children and families, or link children and families with, comprehensive support services to improve the children's educational, health, and mental health outcomes and overall wellbeing.

"(2) DURATION.—The Secretary shall award grants under this section for periods of 5 years.

"(c) REQUIRED ACTIVITIES.—Each eligible partnership receiving a grant under this section shall use the grant funds—

"(1) in accordance with the needs assessment described in subsection (d)(2)(A), to provide or link children and their families with information, support, activities, or services in core areas such as education, child care, before- and after-school care and enrichment programs, health services, mental health services, family support, nutrition, literacy services, parenting skills, and drop-out prevention; and

"(2) to provide intensive, high-quality, research-based programs that—

"(A) provide violence prevention education for families and developmentally appropriate instructional services to children (including children below the age of compulsory school attendance); and

"(B) provide effective strategies for nurturing and supporting the emotional, social, and cognitive growth of children.

"(d) APPLICATIONS.—

"(1) IN GENERAL.—Each eligible partnership desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

"(2) CONTENTS.—Each application submitted pursuant to paragraph (1) shall—

"(A) include a needs assessment, including a description of how the partnership will ensure that the activities to be assisted under this section will be tailored to meet the specific needs of the children and families to be served;

"(B) describe arrangements that have been formalized between the participating public elementary school or secondary school, and other partnership members;

"(C) describe how the partnership will effectively coordinate activities with the centers described in section 1118(g) and utilize Federal, State, and local sources of funding that provide assistance to families and their children;

"(D) describe the partnership's plan to—

"(i) develop and carry out the activities assisted under this section with extensive participation of parents, administrators, teachers, pupil services personnel, social and human service agencies, and community organizations and leaders; and

"(ii) coordinate the activities assisted under this section with the education reform efforts of the participating public elementary school or secondary school, and the participating local educational agency;

"(E) describe how the partnership will ensure that underserved populations such as families of students with limited English proficiency, or families of students with disabilities, are effectively involved, informed, and assisted;

"(F) describe how the partnership will collect and analyze data, and will utilize specific performance measures and indicators to—

"(i) determine the impact of activities assisted under this section as described in subsection (g); and

"(ii) improve the activities assisted under this section; and

"(G) describe how the partnership will protect the privacy of families and their children participating in the activities assisted under this section.

"(e) FEDERAL SHARE.—The Federal share of the cost described in subsection (b)(1)—

"(1) for the first year for which an eligible partnership receives assistance under this section shall not exceed 90 percent;

"(2) for the second such year, shall not exceed 80 percent;

"(3) for the third such year, shall not exceed 70 percent;

"(4) for the fourth such year, shall not exceed 60 percent; and

"(5) for the fifth such year, shall not exceed 50 percent.

"(f) FUNDING.—

"(1) CONTINUATION OF FUNDING.—Each eligible partnership that receives a grant under this section shall, after the third year for which the partnership receives funds through the grant, be eligible to continue to receive the funds only if the Secretary determines that the partnership has made significant progress in meeting the performance measures used for the partnership's local evaluation under subsection (g).

"(2) LIMITATION ON USE OF FUNDS TO OFFSET OTHER PROGRAMS.—Notwithstanding any other provision of law, none of the funds received under a grant under this section may be used to pay for expenses related to any other Federal program, including treating such funds as an offset against such a Federal program.

"(g) EVALUATIONS AND REPORTS.—Each partnership receiving funds under this section shall conduct annual evaluations and submit to the Secretary reports containing the results of the evaluations. The reports shall include the results of an evaluation of the partnership's effectiveness in reaching and meeting the needs of families and children served under this section, assessed through performance measures, including performance measures assessing—

"(1) improvements in areas such as student achievement, family participation in schools, and access to health care, mental health care, child care, and family support services, resulting from activities assisted under this section; and

"(2) reductions in such areas as violence among youth, truancy, suspension, and dropout rates, resulting from activities assisted under this section.

"(h) REFERENCES.—References in this part (other than this section and section 1605(a)(2)) to activities or funding provided under this part shall not be considered to be references to activities or funding provided under this section.

SA 401. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 479, strike line 8 and insert the following: for limited English proficient students, and to assist parents to become active participants in the education of their children.

SA 402. Mr. BYRD submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 794, after line 7, add the following:

SEC.   . GRANTS FOR THE TEACHING OF TRADITIONAL AMERICAN HISTORY AS A SEPARATE SUBJECT.

Title IX (as added by section 901) is amended by adding at the end the following:

"PART B—TEACHING OF TRADITIONAL AMERICAN HISTORY

"SEC. 9201. GRANTS FOR THE TEACHING OF TRADITIONAL AMERICAN HISTORY AS A SEPARATE SUBJECT.

"(a) IN GENERAL.—There are authorized to be appropriated $100,000,000 to enable the Secretary to establish and implement a program to be known as the 'Teaching American History Grant Program' under which the Secretary shall award grants on a competitive basis to local educational agencies—

"(1) to carry out activities to promote the teaching of traditional American history in schools as a separate subject; and

"(2) for the development, implementation, and strengthening of programs to teach American history as a separate subject (not as a component of social studies) within the school curricula, including the implementation of activities to improve the quality of instruction and to provide professional development and teacher education activities with respect to American history.

"(b) REQUIRED PARTNERSHIP.—A local educational agency that receives a grant under subsection (a) shall carry out activities under the grant in partnership with 1 or more of the following:

"(1) An institution of higher education.

"(2) A non-profit history or humanities organization.

"(3) A library or museum.".

SA 403. Mr. WELLSTONE proposed an amendment to amendment SA 358 proposed by Mr. JEFFORDS to the bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965; as follows:

On page 46, strike line 19 and replace with the following:

"assessments developed and used by national experts on educational testing.

"(D) be used only if the State provides to the Secretary evidence from the test publisher or other relevant sources that the assessment used is of adequate technical quality for each purpose for which the assessment is used, such evidence to be made public by the Secretary upon request;".

On page 51, between lines 15 and 16, insert the following:

"(K) enable itemized score analyses to be reported to schools and local educational agencies in a way that parents, teachers, schools, and local educational agencies can interpret and address the specific academic needs of individual students as indicated by the students' performance on assessment items."

On page 125, between lines 4 and 5, insert the following:

SEC. 118A. GRANTS FOR ENHANCED ASSESSMENT INSTRUMENTS.

Part A of title I (20 U.S.C. 6311 et seq.) is amended by inserting after section 1117 (20 U.S.C. 6318) the following:

"SEC. 1117A. GRANTS FOR ENHANCED ASSESSMENT INSTRUMENTS.

"(a) PURPOSE.—The purpose of this section is to—

"(1) enable States (or consortia or States) and local educational agencies (or consortia of local educational agencies) to collaborate with institutions of higher education, other research institutions, and other organizations to improve the quality and fairness of State assessment systems beyond the basic requirements for assessment systems described in section 1111(b)(3);

"(2) characterize student achievement in terms of multiple aspects of proficiency;

"(3) chart student progress over time;

"(4) closely track curriculum and instruction; and

"(5) monitor and improve judgments based on informed evaluations of student performance.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $200,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(c) GRANTS AUTHORIZED.—The Secretary is authorized to award grants to States and local educational agencies to enable the States and local educational agencies to carry out the purpose described in subsection (a).

"(d) APPLICATION.—In order to receive a grant under this section for any fiscal year, a State or local educational agency shall submit an application to the Secretary at such time and containing such information as the Secretary may require.

"(e) AUTHORIZED USE OF FUNDS.—A State or local educational agency having an application approved under subsection (d) shall use the grant funds received under this section to collaborate with institutions of higher education or other research institutions, experts on curriculum, teachers, administrators, parents, and assessment developers for the purpose of developing enhanced assessments that are aligned with standards and curriculum, are valid and reliable for the purposes for which the assessments are to be used, are grade-appropriate, include multiple measures of student achievement from multiple sources, and otherwise meet the requirements of section 1111(b)(3). Such assessments shall strive to better measure higher order thinking skills, understanding, analytical ability, and learning over time through the development of assessment tools that include techniques such as performance, curriculum-, and technology-based assessments.

"(f) ANNUAL REPORTS.—Each State or local educational agency receiving a grant under this section shall report to the Secretary at the end of the fiscal year for which the State or local educational agency received the grant on the progress of the State or local educational agency in improving the quality and fairness of assessments with respect to the purpose described in subsection (a).".

SA 404. Mr. MURKOWSKI submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 507, line 4, strike "and".

On page 507, line 6, strike the period and insert "; and".

On page 507, between lines 6 and 7, insert the following:

"(5) $25,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out section 4126.".

On page 565, between lines 18 and 19, insert the following:

"SEC. 4126. SUICIDE PREVENTION PROGRAMS.

"(a) GRANTS AUTHORIZED.—

"(1) AUTHORITY.—The Secretary is authorized to award grants and contracts to elementary schools and secondary schools for the purpose of—

"(A) developing and implementing suicide prevention programs; and

"(B) to provide training to school administrators, faculty, and staff, with respect to identifying the warning signs of suicide and creating a plan of action for helping those at risk.

"(2) AWARD BASIS.—The Secretary shall award grants and contracts under this section—

"(A) on a competitive basis; and

"(B) in a manner that ensures that such grants and contracts are equitably distributed throughout a State among elementary schools and secondary schools located in rural, urban, and suburban areas in the State.

"(3) POLICY DISSEMINATION.—The Secretary shall disseminate to elementary schools and secondary schools any Department of Education policy guidance regarding the prevention of suicide.

"(b) USES OF FUNDS.—Funds provided under this section may be used for the following purposes:

"(1) To provide training for elementary school and secondary school administrators, faculty, and staff with respect to identifying the warning signs of suicide and creating a plan of action for helping those at risk.

"(2) To provide education programs for elementary school and secondary school students that are developmentally appropriate for the students' grade levels and are designed to meet any unique cultural and language needs of the particular student populations.

"(3) To conduct evaluations to assess the impact of programs and policies assisted under this section in order to enhance the development of the programs.

"(c) CONFIDENTIALITY.—Policies, programs, training materials, and evaluations developed and implemented under subsection (b) shall address issues of safety and confidentiality for the victim and the victim's family in a manner consistent with applicable Federal and State laws.

"(d) APPLICATION.—

"(1) IN GENERAL.—To be eligible to be awarded a grant or contract under this section for any fiscal year, an elementary school or secondary school shall submit an application to the Secretary at such time and in such manner as the Secretary shall prescribe.

"(2) CONTENTS.—Each application submitted under paragraph (1) shall—

"(A) describe the need for funds provided under the grant or contract and the plan for implementation of any of the activities described in subsection (b);

"(B) provide measurable goals for and expected results from the use of the funds provided under the grant or contract; and

"(C) incorporate appropriate remuneration for collaborating partners.

"(e) APPLICABILITY.—The provisions of this part (other than this section) shall not apply to this section."

SA 405. Mr. WYDEN submitted an amendment intended to be proposed by him to the bill S. 1 to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 778, strike line 21 and insert the following:

years.

"PART C—STUDENT EDUCATION ENRICHMENT

"SEC. 6301. SHORT TITLE.

"This part may be cited as the 'Student Education Enrichment Demonstration Act'.

"SEC. 6302. PURPOSE.

"The purpose of this part is to establish a demonstration program that provides Federal support to States and local educational agencies to provide high quality summer academic enrichment programs, for public school students who are struggling academically, that are implemented as part of statewide education accountability programs.

"SEC. 6303. DEFINITION.

"In this part, the term 'student' means an elementary school or secondary school student.

"SEC. 6304. GRANTS TO STATES.

"(a) IN GENERAL.—The Secretary shall establish a demonstration program through which the Secretary shall make grants to State educational agencies, on a competitive basis, to enable the agencies to assist local educational agencies in carrying out high quality summer academic enrichment programs as part of statewide education accountability programs.

"(b) ELIGIBILITY.—For a State educational agency to be eligible to receive a grant under subsection (a), the State served by the State educational agency shall—

"(1) have in effect all standards and assessments required under section 1111; and

"(2) compile and annually distribute to parents a public school report card that, at a minimum, includes information on student and school performance for each of the assessments required under section 1111.

"(c) APPLICATION.—

"(1) IN GENERAL.—To be eligible to receive a grant under this section, a State educational agency shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

"(2) CONTENTS.—Such application shall include—

"(A) information describing specific measurable goals and objectives to be achieved in the State through the summer academic enrichment programs carried out under this part, which may include specific measurable annual educational goals and objectives relating to—

"(i) increased student academic achievement;

"(ii) decreased student dropout rates; or

"(iii) such other factors as the State educational agency may choose to measure; and

"(B) information on criteria, established or adopted by the State, that—

"(i) the State will use to select local educational agencies for participation in the summer academic enrichment programs carried out under this part; and

"(ii) at a minimum, will assure that grants provided under this part are provided to—

"(I) the local educational agencies in the State that have the highest percentage of students not achieving a proficient level of performance on State assessments required under section 1111;

"(II) local educational agencies that submit grant applications under section 6305 describing programs that the State determines would be both highly successful and replicable; and

"(III) an assortment of local educational agencies serving urban, suburban, and rural areas.

"SEC. 6305. GRANTS TO LOCAL EDUCATIONAL AGENCIES.

"(a) IN GENERAL.—

"(1) FIRST YEAR.—

"(A) IN GENERAL.—For the first year that a State educational agency receives a grant under this part, the State educational agency shall use the funds made available through the grant to make grants to eligible local educational agencies in the State to pay for the Federal share of the cost of carrying out the summer academic enrichment programs, except as provided in subparagraph (B).

"(B) TECHNICAL ASSISTANCE AND PLANNING ASSISTANCE.—The State educational agency may use not more than 5 percent of the funds—

"(i) to provide to the local educational agencies technical assistance that is aligned with the curriculum of the agencies for the programs;

"(ii) to enable the agencies to obtain such technical assistance from entities other than the State educational agency that have demonstrated success in using the curriculum; and

"(iii) to assist the agencies in planning activities to be carried out under this part.

“(2) Succeeding years.—

“(A) In general.—For the second and third year that a State educational agency receives a grant under this part, the State educational agency shall use the funds made available through the grant to make grants to eligible local educational agencies in the State to pay for the Federal share of the cost of carrying out the summer academic enrichment programs, except as provided in subparagraph (B).

“(B) Technical assistange and planning assistance.—The State educational agency may use not more than 5 percent of the funds—

“(i) to provide to the local educational agencies technical assistance that is aligned with the curriculum of the agencies for the programs;

“(ii) to enable the agencies to obtain such technical assistance from entities other than the State educational agency that have demonstrated success in using the curriculum; and

“(iii) to assist the agencies in evaluating activities carried out under this part.

“(b) Application.—

“(1) In general.—To be eligible to receive a grant under this section, a local educational agency shall submit an application to the State educational agency at such time, in such manner, and containing by such information as the Secretary or the State may require.

“(2) Contents.—The State shall require that such an application shall include, to the greatest extent practicable—

“(A) information that—

“(i) demonstrates that the local educational agency will carry out a summer academic enrichment program funded under this section—

“(I) that provides intensive high quality programs that are aligned with challenging State content and student performance standards and that are focused on reinforcing and boosting the core academic skills and knowledge of students who are struggling academically, as determined by the State;

“(II) that focuses on accelerated learning, rather than remediation, so that students served through the program will master the high level skills and knowledge needed to meet the highest State standards or to perform at high levels on all State assessments required under section 1111;

“(III) that is based on, and incorporates best practices developed from, research-based enrichment methods and practices;

“(IV) that has a proposed curriculum that is directly aligned with State content and student performance standards;

“(V) for which only teachers who are certified and licensed, and are otherwise fully qualified teachers, provide academic instruction to students enrolled in the program;

“(VI) that offers to staff in the program professional development and technical assistance that are aligned with the approved curriculum for the program; and

“(VII) that incorporates a parental involvement component that seeks to involve parents in the program's topics and students' daily activities; and

“(ii) may include—

“(I) the proposed curriculum for the summer academic enrichment program;

“(II) the local educational agency's plan for recruiting highly qualified and highly effective teachers to participate in the program; and

“(III) a schedule for the program that indicates that the program is of sufficient duration and intensity to achieve the State's goals and objectives described in section 6304(c)(2)(A);

“(B) an outline indicating how the local educational agency will utilize other applicable Federal, State, local, or other funds, other than funds made available through the grant, to support the program;

“(C) an explanation of how the local educational agency will ensure that only highly qualified personnel who volunteer to work with the type of student targeted for the program will work with the program and that the instruction provided through the program will be provided by qualified teachers;

“(D) an explanation of the types of intensive training or professional development, aligned with the curriculum of the program, that will be provided for staff of the program;

“(E) an explanation of the facilities to be used for the program;

“(F) an explanation regarding the duration of the periods of time that students and teachers in the program will have contact for instructional purposes (such as the hours per day and days per week of that contact, and the total length of the program);

“(G) an explanation of the proposed student/teacher ratio for the program, analyzed by grade level;

“(H) an explanation of the grade levels that will be served by the program;

“(I) an explanation of the approximate cost per student for the program;

“(J) an explanation of the salary costs for teachers in the program;

“(K) a description of a method for evaluating the effectiveness of the program at the local level;

“(L) information describing specific measurable goals and objectives, for each academic subject in which the program will provide instruction, that are consistent with, or more rigorous than, the annual measurable objectives for adequate yearly progress established by the State under section 1111;

“(M) a description of how the local educational agency will involve parents and the community in the program in order to raise academic achievement; and

“(N) a description of how the local educational agency will acquire any needed technical assistance that is aligned with the curriculum of the agency for the program, from the State educational agency or other entities with demonstrated success in using the curriculum.

“(c) Priority.—In making grants under this section, the State educational agency shall give priority to applicants who demonstrate a high level of need for the summer academic enrichment programs.

“(d) Federal Share.—

“(1) In general.—The Federal share of the cost described in subsection (a) is 50 percent.

“(2) Non-federal share.—The non-Federal share of the cost may be provided in cash or in kind, fairly evaluated, including plant, equipment, or services.

“SEC. 6306. SUPPLEMENT NOT SUPPLANT.

“Funds appropriated pursuant to the authority of this part shall be used to supplement and not supplant other Federal, State, and local public or private funds expended to provide academic enrichment programs.

“SEC. 6307. REPORTS.

“(a) State Reports.—Each State educational agency that receives a grant under this part shall annually prepare and submit to the Secretary a report. The report shall describe—

“(1) the method the State educational agency used to make grants to eligible local educational agencies and to provide assistance to schools under this part;

“(2) the specific measurable goals and objectives described in section 6304(c)(2)(A) for the State as a whole and the extent to which the State met each of the goals and objectives in the year preceding the submission of the report;

“(3) the specific measurable goals and objectives described in section 6305(b)(2)(L) for each of the local educational agencies receiving a grant under this part in the State and the extent to which each of the agencies met each of the goals and objectives in that preceding year;

“(4) the steps that the State will take to ensure that any such local educational agency who did not meet the goals and objectives in that year will meet the goals and objectives in the year following the submission of the report or the plan that the State has for revoking the grant of such an agency and redistributing the grant funds to existing or new programs;

“(5) how eligible local educational agencies and schools used funds provided by the State educational agency under this part; and

“(6) the degree to which progress has been made toward meeting the goals and objectives described in section 6304(c)(2)(A).

“(b) Report to Congress.—The Secretary shall annually prepare and submit to Congress a report. The report shall describe—

“(1) the methods the State educational agencies used to make grants to eligible local educational agencies and to provide assistance to schools under this part;

“(2) how eligible local educational agencies and schools used funds provided under this part; and

“(3) the degree to which progress has been made toward meeting the goals and objectives described in sections 6304(c)(2)(A) and 6305(b)(2)(L).

“(c) Government Accounting Office Report to Congress.—The Comptroller General of the United States shall conduct a study regarding the demonstration program carried out under this part and the impact of the program on student achievement. The Comptroller General shall prepare and submit to Congress a report containing the results of the study.

“SEC. 6308. ADMINISTRATION.

“The Secretary shall develop program guidelines for and oversee the demonstration program carried out under this part.

“SEC. 6309. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to carry out this part $10,000,000 for each of fiscal years 2002 through 2005.

“SEC. 6310. TERMINATION.

“The authority provided by this part terminates 3 years after the date of enactment of the Better Education for Students and Teachers Act.”.

SA 406. Mr. WYDEN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 573, after line 25, add the following:

“SEC. 4203. 24-HOUR HOLDING PERIOD FOR STUDENTS WHO UNLAWFULLY BRING A GUN TO SCHOOL.

“(a) In General.—Notwithstanding section 222 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5632) or any other provision of law, for fiscal year 2002 and each fiscal year thereafter, to be eligible for Federal safe and drug free schools and communities grants under this title for a fiscal year, a State shall have in effect a policy or practice described in subsection (b) by not later than the first day of the fiscal year involved.

"(b) STATE POLICY OR PRACTICE DESCRIBED.—A policy or practice described in this subsection is a policy or practice of the State that requires State and local law enforcement agencies to detain, in an appropriate juvenile community-based placement setting or in an appropriate juvenile justice facility, for not less than 24 hours, any juvenile who—

"(1) unlawfully possesses a firearm in a school; and

"(2) is found by a judicial officer to be a possible danger to himself or herself or to the community.".

SA 407. Mr. AKAKA submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 482, lines 23 and 24, strike "which are recognized by the Governor of the State of Hawaii".

SA 408. Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING TAX TREATMENT OF TEACHER BONUSES.

(a) FINDINGS.—The Senate finds the following:

(1) The combination of growing enrollment and teacher shortages is putting a strain on communities in the United States to provide quality education for our children and their teachers.

(2) In addition, the current emphasis on accountability and standards and improving low-performing schools makes paramount the need for high quality teachers.

(3) Yet, the teachers who we rely on to educate our children are not paid nearly what they are worth and entry level teacher salaries are not competitive with salaries paid in other entry level professions.

(4) Some States are developing teacher bonuses in order to attract students to teaching and provide additional support.

(5) This year, Maryland is paying $2,000 to each of the teachers in schools performing poorly on test scores.

(6) In South Carolina, teachers working in low-scoring rural schools will receive an extra $19,000 each this year.

(7) States throughout the Nation are developing teacher bonus programs to encourage high quality teachers to commit to the education of our children.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the Federal Government should support the increase in teacher salaries and the incentives to commit to teaching by allowing teachers to keep all of their bonuses, and

(2) State teacher bonuses granted to teachers in low-performing and high poverty schools should be excluded from gross income for purposes of Federal taxation.

SA 409. Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 794, after line 7, add the following:

SEC. . NOTIFICATION.

Section 485(f) of the Higher Education Act of 1965 (20 U.S.C. 1092(f)) is amended—

(1) by redesignating paragraph (15) as paragraph (16); and

(2) by inserting after paragraph (14) the following:

"(15) NOTIFICATION.—(A) Each institution participating in any program under this title, after the campus police or security authority for the institution receives a report that a student is missing, shall—

"(i) make a preliminary investigation to determine the whereabouts of the student; and

"(ii) subject to subparagraph (B) and if the authority is unable to verify that the student is safe within 24 hours of receiving the report—

"(I) notify the student's parents and the local police agency that the student is missing; and

"(II) cooperate with the local police agency regarding the investigation of the missing student including entering into a written agreement with the local police agency that establishes the authority's and agency's responsibilities with respect to the investigation.

"(B) The 24 hour period described in subparagraph (A)(ii) excludes holiday periods at the institution.".

SA 410. Mr. BYRD submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end, add the following:

TITLE X—MISCELLANEOUS JUVENILE FIREARMS PROVISIONS

SEC. 1001. SHORT TITLE.

This title may be cited as the "Miscellaneous Juvenile Firearms Provisions of 2001".

SEC. 1002. PENALTIES FOR UNLAWFUL ACTS BY JUVENILES.

(a) JUVENILE WEAPONS PENALTIES.—Section 924(a) of title 18, United States Code, is amended—

(1) in paragraph (4) by striking "Whoever" and inserting "Except as provided in paragraph (6) of this subsection, whoever"; and

(2) in paragraph (6), to read as follows:

"(6)(A) A juvenile who violates section 922(x) shall be fined under this title, imprisoned not more than 1 year, or both, except that—

"(i) a juvenile shall be sentenced to probation on appropriate conditions and shall not be incarcerated unless the juvenile fails to comply with a condition of probation, if—

"(I) the offense of which the juvenile is charged is possession of a handgun, ammunition, a large capacity ammunition feeding device, or a semiautomatic assault weapon in violation of section 922(x)(2); and

"(II) the juvenile has not been convicted in any court of an offense (including an offense under section 922(x) or a similar State law, but not including any other offense consisting of conduct that if engaged in by an adult would not constitute an offense) or adjudicated as a juvenile delinquent for conduct that if engaged in by an adult would constitute an offense; or

"(ii) a juvenile shall be fined under this title, imprisoned not more than 20 years, or both, if—

"(I) the offense of which the juvenile is charged is possession of a handgun, ammunition, a large capacity ammunition feeding device, or a semiautomatic assault weapon in violation of section 922(x)(2); and

"(II) during the same course of conduct in violating section 922(x)(2), the juvenile violated section 922(q), with the intent to carry or otherwise possess or discharge or otherwise use the handgun, ammunition, large capacity ammunition feeding device, or semiautomatic assault weapon in the commission of a violent felony.

"(B) A person other than a juvenile who knowingly violates section 922(x)—

"(i) shall be fined under this title, imprisoned not more than 1 year, or both; and

"(ii) if the person sold, delivered, or otherwise transferred a handgun, ammunition, large capacity ammunition feeding device, or a semiautomatic assault weapon to a juvenile knowing or having reasonable cause to know that the juvenile intended to carry or otherwise possess or discharge or otherwise use the handgun, ammunition, large capacity ammunition feeding device, or semiautomatic assault weapon in the commission of a violent felony, shall be fined under this title, imprisoned not more than 20 years, or both.

"(C) For purposes of this paragraph the term 'violent felony' has the same meaning given that term in section 924(e)(2)(B).

"(D) Except as otherwise provided in this chapter, in any case in which a juvenile is prosecuted in a district court of the United States, and the juvenile is subject to the penalties under clause (ii) of paragraph (A), the juvenile shall be subject to the same laws, rules, and proceedings regarding sentencing (including the availability of probation, restitution, fines, forfeiture, imprisonment, and supervised release) that would be applicable in the case of an adult. No juvenile sentenced to a term of imprisonment shall be released from custody simply because the juvenile has reached the age of 18 years.".

(b) UNLAWFUL WEAPONS TRANSFERS TO JUVENILES.—Section 922(x) of title 18, United States Code, is amended to read as follows:

"(x)(1) It shall be unlawful for a person to sell, deliver, or otherwise transfer to a person who the transferor knows or has reasonable cause to believe is a juvenile—

"(A) a handgun;

"(B) ammunition that is suitable for use only in a handgun;

"(C) a semiautomatic assault weapon; or

"(D) a large capacity ammunition feeding device.

"(2) It shall be unlawful for any person who is a juvenile to knowingly possess—

"(A) a handgun;

"(B) ammunition that is suitable for use only in a handgun;

"(C) a semiautomatic assault weapon; or

"(D) a large capacity ammunition feeding device.

"(3) This subsection does not apply to—

"(A) a temporary transfer of a handgun, ammunition, a large capacity ammunition feeding device, or a semiautomatic assault weapon to a juvenile or to the possession or use of a handgun, ammunition, a large capacity ammunition feeding device, or a semiautomatic assault weapon by a juvenile—

"(i) if the handgun, ammunition, large capacity ammunition feeding device, or semiautomatic assault weapon are possessed and used by the juvenile—

"(I) in the course of employment;

"(II) in the course of ranching or farming related to activities at the residence of the juvenile (or on property used for ranching or farming at which the juvenile, with the permission of the property owner or lessee, is performing activities related to the operation of the farm or ranch);

"(III) for target practice;

"(IV) for hunting; or

"(V) for a course of instruction in the safe and lawful use of a firearm; and

"(ii) if the possession and use of a handgun, ammunition, a large capacity ammunition feeding device, or a semiautomatic assault weapon by the juvenile under this subparagraph are in accordance with State and local law, and—

"(I) except when a parent or guardian of the juvenile is in the immediate and supervisory presence of the juvenile, the juvenile shall have in the juvenile's possession at all times when a handgun, ammunition, a large capacity ammunition feeding device, or a semiautomatic assault weapon is in the possession of the juvenile, the prior written consent of the parent or guardian of the juvenile who is not prohibited by Federal, State, or local law from possessing a firearm or ammunition; and

"(II) during transportation by the juvenile directly from the place of transfer to a place at which an activity described in clause (i) is to take place the firearm shall be unloaded and in a locked container or case, and during the transportation by the juvenile of that firearm, directly from the place at which such an activity took place to the transferor, the firearm shall also be unloaded and in a locked container or case; or

"(III) with respect to employment, ranching or farming activities as described in clause (i), a juvenile may possess and use a handgun, ammunition, a large capacity ammunition feeding device, or a semiautomatic assault rifle with the prior written approval of the parent or legal guardian of the juvenile, if such approval is on file with the adult who is not prohibited by Federal, State, or local law from possessing a firearm or ammunition and that person is directing the ranching or farming activities of the juvenile;

"(B) a juvenile who is a member of the Armed Forces of the United States or the National Guard who possesses or is armed with a handgun, ammunition, a large capacity ammunition feeding device, or a semiautomatic assault weapon in the line of duty;

"(C) a transfer by inheritance of title (but not possession) of a handgun, ammunition, a large capacity ammunition feeding device, or a semiautomatic assault weapon to a juvenile; or

"(D) the possession of a handgun, ammunition, a large capacity ammunition feeding device, or a semiautomatic assault weapon taken in lawful defense of the juvenile or other persons in the residence of the juvenile or a residence in which the juvenile is an invited guest.

"(4) A handgun, ammunition, a large capacity ammunition feeding device, or a semiautomatic assault weapon, the possession of which is transferred to a juvenile in circumstances in which the transferor is not in violation of this subsection, shall not be subject to permanent confiscation by the Government if its possession by the juvenile subsequently becomes unlawful because of the conduct of the juvenile, but shall be returned to the lawful owner when that handgun, ammunition, large capacity ammunition feeding device, or semiautomatic assault weapon is no longer required by the Government for the purposes of investigation or prosecution.

"(5) For purposes of this subsection, the term 'juvenile' means a person who is less than 18 years of age.

"(6)(A) In a prosecution of a violation of this subsection, the court shall require the presence of a parent or legal guardian of a juvenile defendant at all proceedings.

"(B) The court may use the contempt power to enforce subparagraph (A).

"(C) The court may excuse attendance of a parent or legal guardian of a juvenile defendant at a proceeding in a prosecution of a violation of this subsection for good cause shown.

"(7) For purposes of this subsection only, the term 'large capacity ammunition feeding device' has the same meaning as in section 921(a)(31) and includes similar devices manufactured before the effective date of the Violent Crime Control and Law Enforcement Act of 1994.".

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect 180 days after the date of enactment of this title.

SEC. 1003. PROHIBITION ON FIREARMS POSSESSION BY VIOLENT JUVENILE OFFENDERS.

(a) DEFINITION.—Section 921(a)(20) of title 18, United States Code, is amended—

(1) by inserting "(A)" after "(20)";

(2) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respeetively;

(3) by inserting after subparagraph (A) the following:

"(B) For purposes of subsections (d) and (g) of section 922, the term 'act of violent juvenile delinquency' means an adjudication of delinquency in a Federal or State court, based on a finding of the commission of an act by a person before that person has reached the age of 18 years that, if committed by an adult, would be a serious or violent felony, as defined in section 3559(c)(2)(F)(i) had Federal jurisdiction existed and been exercised (except that section 3559(c)(3)(A) shall not apply to this subparagraph)."; and

(4) in the undesignated paragraph following subparagraph (B) (as added by paragraph (3) of this subsection), by striking "What constitutes" and all that follows through "this chapter," and inserting the following:

"(C) What constitutes a conviction of such a crime or an adjudication of an act of violent juvenile delinquency shall be determined in accordance with the law of the jurisdiction in which the proceedings were held. Any State conviction or adjudication of an act of violent juvenile delinquency that has been expunged or set aside, or for which a person has been pardoned or has had civil rights restored, by the jurisdiction in which the conviction or adjudication of an act of violent juvenile delinquency occurred shall not be considered to be a conviction or adjudication of an act of violent juvenile delinquency for purposes of this chapter,".

(b) PROHIBITION.—Section 922 of title 18, United States Code, is amended—

(1) in subsection (d)—

(A) in paragraph (8), by striking "or" at the end;

(B) in paragraph (9), by striking the period at the end and inserting "; or"; and

(C) by inserting after paragraph (9) the following:

"(10) has committed an act of violent juvenile delinquency."; and

(2) in subsection (g)—

(A) in paragraph (8), by striking "or" at the end;

(B) in paragraph (9), by striking the comma at the end and inserting "; or"; and

(C) by inserting after paragraph (9) the following:

"(10) who has committed an act of violent juvenile delinquency,".

(c) EFFECTIVE DATE OF ADJUDICATION PROVISIONS.—The amendments made by this section shall only apply to an adjudication of an act of violent juvenile delinquency that occurs after the date that is 30 days after the date on which the Attorney General certifies to Congress and separately notifies Federal firearms licensees, through publication in the Federal Register by the Secretary of the Treasury, that the records of such adjudications are routinely available in the national instant criminal background check system established under section 103(b) of the Brady Handgun Violence Prevention Act.

SEC. 1004. CHILD HANDGUN SAFETY.

(a) PURPOSES.—The purposes of this section are to:

(1) promote the safe storage and use of handguns by consumers;

(2) prevent unauthorized persons from gaining access to or use of a handgun, including children who may not be in possession of a handgun, unless it is under one of the circumstances provided for in the Youth Handgun Safety Act; and

(3) avoid hindering industry from supplying law abiding citizens firearms for all lawful purposes, including hunting, self-defense, collecting, and competitive or recreational shooting.

(b) UNLAWFUL ACTS.—

(1) MANDATORY TRANSFER OF SECURE GUN STORAGE OR SAFETY DEVICE.—Section 922 of title 18, United States Code, is amended by inserting after subsection (y) the following:

"(z) SECURE GUN STORAGE OR SAFETY DEVICE.—

"(1) IN GENERAL.—Except as provided in paragraph (2), it shall be unlawful for any licensed manufacturer, licensed importer, or licensed dealer to sell, deliver, or transfer any handgun to any person other than any person licensed under the provisions of this chapter, unless the transferee is provided with a secure gun storage or safety device, as described in section 921(a)(34) of this chapter, for that handgun.

"(2) EXCEPTIONS.—Paragraph (1) does not apply to the—

"(A)(i) manufacture for, transfer to, or possession by, the United States or a State, or a department or agency of the United States or a State, or a department, agency, or political subdivision of a State, of a handgun; or

"(ii) transfer to, or possession by, a law enforcement officer of a handgun for law enforcement purposes (whether on or off duty), if that officer is employed by an entity referred to in clause (i); or

"(B) transfer to, or possession by, a rail police officer of a handgun for purposes of law enforcement (whether on or off duty), if that officer is employed by a rail carrier and certified or commissioned as a police officer under the laws of a State ;

"(C) transfer to any person of a handgun listed as a curio or relic by the Secretary pursuant to section 921(a)(13); or

"(D) transfer to any person of a handgun for which a secure gun storage or safety device is temporarily unavailable for the reasons described in the exceptions stated in section 923(e), so long as the licensed manufacturer, licensed importer, or licensed dealer delivers to the transferee, within 10 calendar days from the date of the delivery of the handgun to the transferee, a secure gun storage or safety device for the handgun.

"(3) Immunity for a lawful possessor.—Notwithstanding any other provision of law, a person who has lawful possession and control of a handgun, and who uses a secure gun storage or safety device with the handgun, shall be entitled to immunity from a qualified civil liability action as described in paragraph (4).

"(4) Qualified civil liability action.—

"(A) Definition.—The term 'qualified civil liability action' means a civil action brought by any person against a person described in paragraph (3) for damages resulting from the criminal or unlawful misuse of the handgun by a third party, where—

"(i) the handgun was accessed by another person who did not have the permission or authorization of the person having lawful possession and control of the handgun to have access to the handgun; and

"(ii) at the time access was gained by the person not so authorized, the handgun had been made inoperable by use of a secure gun storage or safety device.

"(B) Jurisdiction.—A qualified civil liability action, as defined in this paragraph, may not be brought in any Federal or State court.

"(C) Negligence of lawful possessor.—A qualified civil liability action, as defined in this paragraph, shall not include an action brought against the person having lawful possession and control of the handgun for negligent entrustment or negligence per se.".

(c) Civil Penalties.—Section 924 of title 18, United States Code, is amended—

(1) in subsection (a)(1), by striking "or (f)" and inserting "(f), or (p)"; and

(2) by adding at the end the following:

"(p) Penalties Relating To Secure Gun Storage or Safety Device.—

"(1) In general.—

"(A) Suspension or revocation of license; civil penalties.—With respect to each violation of section 922(z)(1) by a licensed manufacturer, licensed importer, or licensed dealer, the Secretary may, after notice and opportunity for hearing—

"(i) suspend for up to six months, or revoke, the license issued to the licensee under this chapter that was used to conduct the firearms transfer; or

"(ii) subject the licensee to a civil penalty in an amount equal to not more than $2,500.

"(B) Review.—An action of the Secretary under this paragraph may be reviewed only as provided in section 923(f).

"(2) Administrative remedies.—The suspension or revocation of a license or the imposition of a civil penalty under paragraph (1) does not preclude any administrative remedy that is otherwise available to the Secretary.".

(d) Liability; Evidence.—

(1) Liability.—Nothing in this section shall be construed to—

(A) create a cause of action against any Federal firearms licensee or any other person for any civil liability; or

(B) establish any standard of care.

(2) Evidence.—Notwithstanding any other provision of law, evidence regarding compliance or noncompliance with the amendments made by this section shall not be admissible as evidence in any proceeding of any court, agency, board, or other entity, except with respect to an action to enforce paragraphs (1) and (2) of section 922(z), or to give effect to paragraphs (3) and (4) of section 922(z).

(3) Rule of construction.—Nothing in this subsection shall be construed to bar a governmental action to impose a penalty under section 924(p) of title 18, United States Code, for a failure to comply with section 922(z) of that title.

(e) Effective Date.—This section and the amendments made by this section shall take effect 180 days after the date of enactment of this title.

SA 411. Mr. GRAHAM submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 46, line 13, insert "the school's contribution to the" after "about".

On page 47, line 4, insert "and of the school's contribution to student performance," after "performance,".

SA 412. Mr. GRAHAM (for himself and Mr. Allen) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 53, between lines 7 and 8, insert the following:

"(8) Factors impacting student achievement.—Each State plan shall include a description of the process that will be used with respect to any school within the State that is identified for school improvement or corrective action under section 1116 to identify the academic and nonacademic factors that may have impacted student achievement at the school.

On page 71, line 24, strike "and".

On page 72, line 3, strike the period and end quotation mark, and insert "and" after the semicolon.

On page 72, between lines 3 and 4, insert the following:

"(11) a description of the process that will be used with respect to any school identified for school improvement or corrective action that is served by the local educational agency to determine the academic and nonacademic factors that may have impacted student achievement at the school.";

On page 104, line 7, strike "and".

On page 104, line 13, strike the period and insert a semicolon.

On page 104, between lines 13 and 14, insert the following:

"(C) for each school in the State that is identified for school improvement or corrective action, notify the Secretary of any factors outside of the school that were determined by the State educational agency under section 1111(b)(8) as impacting student achievement; and

"(D) if a school in the State is identified for corrective action, encourage appropriate State and local agencies and community groups to mitigate any factors that were determined by the State educational agency under section 1111(b)(8) as impacting student achievement.".

On page 119, line 19, strike the end quotation mark and the second period.

On page 119, between lines 19 and 20, insert the following:

"(g) Other Agencies.—If a school is identified for school improvement, the Secretary shall notify any agency having jurisdiction over issues related to factors outside of the identified school that were determined by the State educational agency under section 1111(b)(8) as impacting student achievement that such factors were so identified.".

SA 413. Mr. BROWNBACK (for himself and Mr. Kohl) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 902. STUDY AND INFORMATION.

(a) Study.—

(1) In general.—The Director of the National Institutes of Health and the Secretary of Education jointly shall—

(A) conduct a study regarding how exposure to violent entertainment (such as movies, music, television, Internet content, video games, and arcade games) affects children's cognitive development and educational achievement; and

(B) submit a final report to Congress regarding the study.

(2) Plan.—The Director and the Secretary jointly shall submit to Congress, not later than 6 months after the date of enactment of this Act, a plan for the conduct of the study.

(3) Interim reports.—The Director and the Secretary jointly shall submit to Congress annual interim reports regarding the study until the final report is submitted under paragraph (1)(B).

(b) Information.—Section 411(b)(3) of the National Education Statistics Act of 1994 (20 U.S.C. 9010(b)(3) et seq.) is amended by adding at the end the following: "Notwithstanding the preceding sentence, in carrying out the National Assessment the Commissioner shall gather data regarding how much time children spend on various forms of entertainment, such as movies, music, television, Internet content, video games, and arcade games.".

SA 414. Mr. DOMENICI (for himself and Mr. Dodd) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

"PART B—PARTNERSHIPS IN CHARACTER EDUCATION

"SEC. 9201. SHORT TITLE.

"This part may be cited as the 'Strong Character for Strong Schools Act'.

"SEC. 9202. PARTNERSHIPS IN CHARACTER EDUCATION PROGRAM.

"(a) Program Authorized.—

"(1) In general.—The Secretary is authorized to award grants to eligible entities for the design and implementation of character education programs that may incorporate the elements of character described in subsection (d).

"(2) Eligible entity.—The term 'eligible entity' means—

"(A) a State educational agency in partnership with 1 or more local educational agencies;

"(B) a State educational agency in partnership with—

“(i) one or more local educational agencies; and

“(ii) one or more nonprofit organizations or entities, including institutions of higher education;

“(C) a local educational agency or consortium of local educational agencies; or

“(D) a local educational agency in partnership with another nonprofit organization or entity, including institutions of higher education.

“(3) DURATION.—Each grant under this section shall be awarded for a period not to exceed 3 years, of which the eligible entity shall not use more than 1 year for planning and program design.

“(4) AMOUNT OF GRANTS FOR STATE EDUCATIONAL AGENCIES.—Subject to the availability of appropriations, the amount of grant made by the Secretary to a State educational agency in a partnership described in subparagraph (A) or (B) of paragraph (2), that submits an application under subsection (b) and that meets such requirements as the Secretary may establish under this section, shall not be less than $500,000.

“(b) APPLICATIONS.—

“(1) REQUIREMENT.—Each eligible entity desiring a grant under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may require.

“(2) CONTENTS OF APPLICATION.—Each application submitted under this section shall include—

“(A) a description of any partnerships or collaborative efforts among the organizations and entities of the eligible entity;

“(B) a description of the goals and objectives of the program proposed by the eligible entity;

“(C) a description of activities that will be pursued and how those activities will contribute to meeting the goals and objectives described in subparagraph (B), including—

“(i) how parents, students (including students with physical and mental disabilities), and other members of the community, including members of private and nonprofit organizations, will be involved in the design and implementation of the program and how the eligible entity will work with the larger community to increase the reach and promise of the program;

“(ii) curriculum and instructional practices that will be used or developed;

“(iii) methods of teacher training and parent education that will be used or developed; and

“(iv) how the program will be linked to other efforts in the schools to improve student performance;

“(D) in the case of an eligible entity that is a State educational agency—

“(i) a description of how the State educational agency will provide technical and professional assistance to its local educational agency partners in the development and implementation of character education programs; and

“(ii) a description of how the State educational agency will assist other interested local educational agencies that are not members of the original partnership in designing and establishing character education programs;

“(E) a description of how the eligible entity will evaluate the success of its program—

“(i) based on the goals and objectives described in subparagraph (B); and

“(ii) in cooperation with the national evaluation conducted pursuant to subsection (c)(2)(B)(iii);

“(F) an assurance that the eligible entity annually will provide to the Secretary such information as may be required to determine the effectiveness of the program; and

“(G) any other information that the Secretary may require.

“(c) EVALUATION AND PROGRAM DEVELOPMENT.—

“(1) EVALUATION AND REPORTING.—

“(A) STATE AND LOCAL REPORTING AND EVALUATION.—Each eligible entity receiving a grant under this section shall submit to the Secretary a comprehensive evaluation of the program assisted under this section, including the impact on students (including students with physical and mental disabilities), teachers, administrators, parents, and others—

“(i) by the second year of the program; and

“(ii) not later than 1 year after completion of the grant period.

“(B) CONTRACTS FOR EVALUATION.—Each eligible entity receiving a grant under this section may contract with outside sources, including institutions of higher education, and private and nonprofit organizations, for purposes of evaluating its program and measuring the success of the program toward fostering character in students.

“(2) NATIONAL RESEARCH, DISSEMINATION, AND EVALUATION.—

“(A) IN GENERAL.—The Secretary is authorized to make grants to, or enter into contracts or cooperative agreements with, State or local educational agencies, institutions of higher education, tribal organizations, or other public or private agencies or organizations to carry out research, development, dissemination, technical assistance, and evaluation activities that support or inform State and local character education programs. The Secretary shall reserve not more than 5 percent of the funds made available under this section to carry out this paragraph.

“(B) USES.—Funds made available under subparagraph (A) may be used—

“(i) to conduct research and development activities that focus on matters such as—

“(I) the effectiveness of instructional models for all students, including students with physical and mental disabilities;

“(II) materials and curricula that can be used by programs in character education;

“(III) models of professional development in character education; and

“(IV) the development of measures of effectiveness for character education programs which may include the factors described in paragraph (3);

“(ii) to provide technical assistance to State and local programs, particularly on matters of program evaluation;

“(iii) to conduct a national evaluation of State and local programs receiving funding under this section; and

“(iv) to compile and disseminate, through various approaches (such as a national clearinghouse)—

“(I) information on model character education programs;

“(II) character education materials and curricula;

“(III) research findings in the area of character education and character development; and

“(IV) any other information that will be useful to character education program participants, educators, parents, administrators, and others nationwide.

“(C) PRIORITY.—In carrying out national activities under this paragraph related to development, dissemination, and technical assistance, the Secretary shall seek to enter into partnerships with national, nonprofit character education organizations with expertise and successful experience in implementing local character education programs that have had an effective impact on schools, students (including students with disabilities), and teachers.

“(3) FACTORS.—Factors which may be considered in evaluating the success of programs funded under this section may include—

“(A) discipline issues;

“(B) student performance;

“(C) participation in extracurricular activities;

“(D) parental and community involvement;

“(E) faculty and administration involvement;

“(F) student and staff morale; and

“(G) overall improvements in school climate for all students, including students with physical and mental disabilities.

“(d) ELEMENTS OF CHARACTER.—Each eligible entity desiring funding under this section shall develop character education programs that may incorporate elements of character such as—

“(1) caring;

“(2) civic virtue and citizenship;

“(3) justice and fairness;

“(4) respect;

“(5) responsibility;

“(6) trustworthiness; and

“(7) any other elements deemed appropriate by the members of the eligible entity.

“(e) USE OF FUNDS BY STATE EDUCATIONAL AGENCY RECIPIENTS.—Of the total funds received in any fiscal year under this section by an eligible entity that is a State educational agency—

“(1) not more than 10 percent of such funds may be used for administrative purposes; and

“(2) the remainder of such funds may be used for—

“(A) collaborative initiatives with and between local educational agencies and schools;

“(B) the preparation or purchase of materials, and teacher training;

“(C) grants to local educational agencies, schools, or institutions of higher education; and

“(D) technical assistance and evaluation.

“(f) SELECTION OF GRANTEES.—

“(1) CRITERIA.—The Secretary shall select, through peer review, eligible entities to receive grants under this section on the basis of the quality of the applications submitted under subsection (b), taking into consideration such factors as—

“(A) the quality of the activities proposed to be conducted;

“(B) the extent to which the program fosters character in students and the potential for improved student performance;

“(C) the extent and ongoing nature of parental, student, and community involvement;

“(D) the quality of the plan for measuring and assessing success; and

“(E) the likelihood that the goals of the program will be realistically achieved.

“(2) DIVERSITY OF PROJECTS.—The Secretary shall approve applications under this section in a manner that ensures, to the extent practicable, that programs assisted under this section—

“(A) serve different areas of the Nation, including urban, suburban, and rural areas; and

“(B) serve schools that serve minorities, Native Americans, students of limited-English proficiency, disadvantaged students, and students with disabilities.

“(g) PARTICIPATION BY PRIVATE SCHOOL CHILDREN AND TEACHERS.—Grantees under this section shall provide, to the extent feasible and appropriate, for the participation of students and teachers in private elementary and secondary schools in programs and activities under this section.

"(h) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section, $50,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.".

SA 415. Mr. DOMENICI (for himself and Mr. Kennedy) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 565, between lines 18 and 19, insert the following:

"SEC. 4126. GRANTS FOR THE INTEGRATION OF SCHOOLS AND MENTAL HEALTH SYSTEMS.

"(a) In General.—The Secretary shall award grants, contracts, or cooperative agreements to State educational agencies, local educational agencies, or Indian tribes, for the purpose of increasing student access to quality mental health care by developing innovative programs to link local school systems with the local mental health system.

"(b) Duration.—With respect to a grant, contract, or cooperative agreement awarded under this section, the period during which payments under such award are made to the recipient may not exceed 5 years.

"(c) Interagency agreements.—

"(1) Designation of lead agency.—The recipient of each grant, contract, or cooperative agreement shall designate a lead agency to direct the establishment of an interagency agreement among local educational agencies, juvenile justice authorities, mental health agencies, and other relevant entities in the State, in collaboration with local entities and parents and guardians of students.

"(2) Contents.—The interagency agreement shall ensure the provision of the services to a student described in subsection (e) specifying with respect to each agency, authority or entity—

"(A) the financial responsibility for the services;

"(B) the conditions and terms of responsibility for the services, including quality, accountability, and coordination of the services; and

"(C) the conditions and terms of reimbursement among the agencies, authorities or entities that are parties to the interagency agreement, including procedures for dispute resolution.

"(d) Application.—

"(1) In general.—To be eligible to receive a grant, contract, or cooperative agreement under this section, a State educational agency, local educational agency, or Indian tribe shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(2) Content.—An application submitted under this section shall—

"(A) describe the program to be funded under the grant, contract, or cooperative agreement;

"(B) explain how such program will increase access to quality mental health services for students;

"(C) explain how the applicant will establish a crisis intervention program to provide immediate mental health services to the school community when necessary;

"(D) provide assurances that—

"(i) persons providing services under the grant, contract or cooperative agreement are adequately trained to provide such services;

"(ii) the services will be provided in accordance with subsection (e); and

"(iii) teachers, principal administrators, and other school personnel are aware of the program;

"(E) explain how the applicant will support and integrate existing school-based services with the program to provide appropriate mental health services for students; and

"(F) explain how the applicant will establish a program that will support students and the school in maintaining an environment conducive to learning.

"(e) Use of Funds.—A State educational agency, local educational agency, or Indian tribe, that receives a grant, contract, or cooperative agreement under this section shall use amounts made available through such grant, contract or cooperative agreement to—

"(1) enhance, improve, or develop collaborative efforts between school-based service systems and mental health service systems to provide, enhance, or improve prevention, diagnosis, and treatment services to students;

"(2) enhance the availability of crisis intervention services, appropriate referrals for students potentially in need of mental health services and on going mental health services;

"(3) provide training for the school personnel and mental health professionals who will participate in the program carried out under this section;

"(4) provide technical assistance and consultation to school systems and mental health agencies and families participating in the program carried out under this section;

"(5) provide linguistically appropriate and culturally competent services; and

"(6) evaluate the effectiveness of the program carried out under this section in increasing student access to quality mental health services, and make recommendations to the Secretary about sustainability of the program.

"(f) Distribution of Awards.—The Secretary shall ensure that grants, contracts, and cooperative agreements awarded under subsection (a) are equitably distributed among the geographical regions of the United States and between urban and rural populations.

"(g) Other Services.—Any services provided through programs established under this section must supplement and not supplant existing Mental Health Services, including any services required to be provided under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.).

"(h) Evaluation.—The Secretary shall evaluate each program carried out by a State educational agency, local educational agency, or Indian tribe, under this section and shall disseminate the findings with respect to each such evaluation to appropriate public and private entities.

"(i) Reporting.—Nothing in Federal law shall be construed—

"(1) to prohibit an entity involved with the program from reporting a crime that is committed by a student, to appropriate authorities; or

"(2) to prevent State law enforcement and judicial authorities from exercising their responsibilities with regard to the application of Federal and State law to crimes committed by a student.

"(j) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section, $50,000,000 for fiscal year 2002, and such sums as may be necessary for fiscal years 2003 through 2005.

SA 416. Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 319, between lines 19 and 20, insert the following:

"(12) Establishing and operating a center that—

"(A) serves as a statewide clearinghouse for the recruitment and placement of kindergarten, elementary school, and secondary school teachers; and

"(B) establishes and carries out programs to improve teacher recruitment and retention within the State.

SA 417. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 794, after line 7, add the following:

SEC. 902. INDIVIDUALS WITH DISABILITIES EDUCATION ACT.

(a) Short Title.—This section may be cited as the "Growing Resources in Educational Achievement for Today and Tomorrow Act" or the "GREATT IDEA Act".

(b) Purpose.—It is the purpose of this section to more than double the Federal funding authorized for programs and services under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.).

(c) Amendments to the Individuals with Disabilities Education Act.—

(1) Assistance for education of all children with disabilities.—Section 611(j) of the Individuals with Disabilities Education Act (20 U.S.C. 1411(j)) is amended to read as follows:

"(j) Authorization of Appropriations.—For the purpose of carrying out this part, other than section 619, there are authorized to be appropriated—

"(1) $7,779,800,800 for fiscal year 2002;

"(2) $9,714,403,800 for fiscal year 2003;

"(3) $12,130,084,000 for fiscal year 2004; and

"(4) $15,146,471,000 for fiscal year 2005.".

(2) General provisions.—Part A of the Individuals with Disabilities Education Act (20 U.S.C. 1401 et seq.) is amended by adding at the end the following:

"SEC. 608. MAINTENANCE OF EFFORT.

"A State utilizing the proceeds of a grant received under this Act, shall maintain expenditures for activities carried out under this Act for each of fiscal years 2002 through 2005 at least at a level equal to not less than the level of such expenditures maintained by such State for fiscal year 2001.".

SA 418. Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Open page 64, between lines 2 and 3, insert the following

(F) Protection of pupil rights.—Notwithstanding any other provision in law, Section

445 of the General Education Provisions Act (20 U.S.C. 1232h) is applicable to all activities undertaken by a State in order to provide the information allowable in this section.

SA 419. Mr. SPECTER submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 233, strike lines 9 through 14, and insert the following:

"(a) TRANSITION SERVICES.—Each State agency shall reserve not less than 5 percent and not more than 30 percent of the amount such agency receives under this chapter for any fiscal year to support—

"(1) projects that facilitate the transition of children and youth from State-operated institutions to local educational agencies; or

"(2) the successful reentry of youth offenders, who are age 20 or younger and have received a secondary school diploma or its recognized equivalent, into postsecondary education and vocational training programs through strategies designed to expose the youth to, and prepare the youth for, postsecondary education and vocational training programs, such as—

"(A) preplacement programs that allow adjudicated or incarcerated students to audit or attend courses on college, university, or community college campuses, or through programs provided in institutional settings;

"(B) worksite schools, in which institutions of higher education and private or public employers partner to create programs to help students make a successful transition to postsecondary education and employment;

"(C) essential support services to ensure the success of the youth, such as—

"(i) personal, vocational, and academic counseling;

"(ii) placement services designed to place the youth in a university, college, or junior college program;

"(iii) health services;

"(iv) information concerning, and assistance in obtaining, available student financial aid;

"(v) exposure to cultural events; and

"(vi) job placement services.

On page 233, strike lines 20 through 24.

On page 234, between lines 4 and 5, insert the following:

"SEC. 1419. EVALUATION; TECHNICAL ASSISTANCE; ANNUAL MODEL PROGRAM.

"The Secretary shall reserve not more than 5 percent of the amount made available to carry out this chapter for a fiscal year—

"(1) to develop a uniform model to evaluate the effectiveness of programs assisted under this chapter;

"(2) to provide technical assistance to and support the capacity building of State agency programs assisted under this chapter; and

"(3) to create an annual model correctional youthful offender program event under which a national award is given to programs assisted under this chapter which demonstrate program excellence in—

"(A) transition services for reentry in and completion of regular or other education programs operated by a local educational agency;

"(B) transition services to job training programs and employment, utilizing existing support programs such as One Stop Career Centers;

"(C) transition services for participation in postsecondary education programs;

"(D) the successful reentry into the community; and

"(E) the impact on recidivism reduction for juvenile and adult programs.

On page 242, line 19, strike "and".

On page 242, line 22, strike the period and insert "; and".

On page 242, between lines 22 and 23, insert the following:

"(5) participate in postsecondary education and job training programs.

On page 243, line 6, insert "and the Secretary" after "agency".

SA 420. Mr. SPECTER submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. . EXEMPTION.

Section 13(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(c)) is amended by adding at the end the following:

"(6)(A) Subject to subparagraph (B), in the administration and enforcement of the child labor provisions of this Act, it shall not be considered oppressive child labor for an individual who—

"(i) is under the age of 18 and over the age of 14, and

"(ii) by statute or judicial order is exempt from compulsory school attendance beyond the eighth grade,

to be employed inside or outside places of business where machinery is used to process wood products.

"(B) The employment of an individual under subparagraph (A) shall be permitted—

"(i) if the individual is supervised by an adult relative of the individual or is supervised by an adult member of the same religious sect or division as the individual;

"(ii) if the individual does not operate or assist in the operation of power-driven woodworking machines;

"(iii) if the individual is protected from wood particles or other flying debris within the workplace by a barrier appropriate to the potential hazard of such wood particles or flying debris or by maintaining a sufficient distance from machinery in operation; and

"(iv) if the individual is required to use personal protective equipment to prevent exposure to excessive levels of noise and saw dust.".

SA 421. Mr. REID proposed an amendment to amendment SA 384 proposed by Mr. MCCONNELL to the amendment SA 358 proposed by Mr. JEFFORDS to the bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965; as follows:

On page 4, line 23, insert a comma after (b), strike "and" and insert "and (d)" after (c).

On page 6, line 6, insert a new subsection (c), as follows, and renumber accordingly:

"(c) Nothing in this section shall be construed to apply to any action of a teacher that involves the striking of a child, including, but not limited to paddling, whipping, spanking, slapping, kicking, hitting, or punching of a child, unless such action is necessary to control discipline or maintain order in the classroom or school and unless a parent or legal guardian of that child has given written consent to the teacher prior to the striking of the child and during the school year in which the striking incident occurs."

SA 422. Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 794, after line 7, add the following:

SEC. 902. MICROBIOLOGICAL PERFORMANCE STANDARDS FOR MEAT AND POULTRY FOR SCHOOL NUTRITION PROGRAMS.

Section 9(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(a)) is amended by adding at the end the following:

"(4) MICROBIOLOGICAL PERFORMANCE STANDARDS FOR MEAT AND POULTRY FOR SCHOOL NUTRITION PROGRAMS.—

"(A) IN GENERAL.—The Secretary shall ensure that all meat and poultry purchased by the Secretary for a program carried out under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) meets performance standards for microbiological hazards, as determined by the Secretary.

"(B) BASIS.—The standards shall be based on and comparable to the stringent requirements used by national purchasers of meat and poultry (including purchasers for fast food restaurants), as determined by the Secretary.

"(C) REVIEW.—The Secretary shall periodically review the standards to determine the impact of the standards on reducing human illness.".

SA 423. Mr. KERRY submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 383, after line 21, insert the following:

SEC. . TEACHERS AND PRINCIPALS.

Part A of title II (as amended in section 201) is further amended—

(1) by striking the title heading and all that follows through the part heading for part A and inserting the following:

"TITLE II—TEACHERS AND PRINCIPALS

"PART A—TEACHER AND PRINCIPAL QUALITY;

(2) in section 2101(1)—

(A) by striking "teacher quality" and inserting "teacher and principal quality"; and

(B) by inserting before the semicolon "and highly qualified principals in schools";

(3) in section 2102—

(A) in paragraph (4)—

(i) in subparagraph (B)(ii), by striking "and";

(ii) in subparagraph (C), by striking the period and inserting "; and"; and

(iii) by adding at the end the following:

"(D) with respect to an elementary school or secondary school principal, a principal—

"(i)(I) with at least a master's degree in educational administration and at least 3 years of classroom teaching experience; or

"(II) who has completed a rigorous alternative certification program that includes instructional leadership courses, an internship under the guidance of an accomplished principal, and classroom teaching experience;

"(ii) who is certified or licensed as a principal by the State involved; and

"(iii) who can demonstrate a high level of competence as an instructional leader with knowledge of theories of learning, curricula design, supervision and evaluation of teaching and learning, assessment design and application, child and adolescent development, and public reporting and accountability."; and

(B) in paragraph (9)(B), by striking "teachers" each place it appears and inserting "teachers, principals,";

(4) in section 2112(b)(4), by striking "teaching force" and inserting "teachers and principals";

(5) in section 2113(b)—

(A) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by striking "teacher" and inserting "teacher and principal";

(ii) in subparagraph (A)—

(I) by inserting "(i)" after "(A)";

(II) by adding "and" after the semicolon; and

(III) by adding at the end the following:

"(ii) principals have the instructional leadership skills to help teachers teach and students learn;"; and

(iii) in subparagraph (C), by inserting ", and principals have the instructional leadership skills," before "necessary";

(B) in paragraph (2), by striking "the initial teaching experience" and inserting "an initial experience as a teacher or a principal";

(C) in paragraph (3)—

(i) by striking "of teachers" and inserting "of teachers and principals";

(ii) by striking "degree" and inserting "or master's degree"; and

(iii) by striking "teachers." and inserting "teachers or principals."; and

(D) in paragraph (7), by striking "teacher" and inserting "teacher and principal";

(6) in section 2122(c)(2)—

(A) by striking "and, where appropriate, administrators,"; and

(B) by inserting "and to give principals the instructional leadership skills to help teachers," after "skills,";

(7) in section 2123(b)—

(A) in paragraph (2), by inserting "and principal" before "mentoring";

(B) in paragraph (3), striking the period and inserting ", nonprofit organizations, local educational agencies, or consortia of appropriate educational entities."; and

(C) in paragraph (4)—

(i) by striking "teachers" and inserting "teachers and principals"; and

(ii) by striking "teaching" and inserting "employment as teachers or principals, respectively";

(8) in section 2133(a)(1)—

(A) by striking ", paraprofessionals; and, if appropriate, principals" and inserting "and paraprofessionals"; and

(B) by striking the semicolon and inserting the following: "and that principals have the instructional leadership skills that will help the principals work most effectively with teachers to help students master core academic subjects;";

(9) in section 2134—

(A) in paragraph (1), by striking "teachers" and inserting "teachers and principals"; and

(B) in paragraph (2)—

(i) by striking "teachers" and inserting "teachers and principals"; and

(ii) by inserting "a principal organization," after "teacher organization,"; and

(10) in section 2142(a)(2), by striking subparagraph (A) and inserting the following:

"(A) shall establish for the local educational agency an annual measurable performance objective for increasing retention of teachers and principals in the first 3 years of their careers as teachers and principals, respectively; and".

SA 424. Mr. HATCH (for himself, Mr. LEAHY, Mr. THURMOND, Mr. KOHL, Mr. BIDEN, and Mr. KENNEDY) submitted an amendment intended to be proposed by him to the bill S. 1, toextend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. . BOYS AND GIRLS CLUBS OF AMERICA.

Section 401 of the Economic Espionage Act of 1966 (42 U.S.C. 13751 note) is amended—

(1) in subsection (a)(2)—

(A) by striking "1,000" and inserting "1,200";

(B) by striking "2,500" and inserting "4,000"; and

(C) by striking "December 31, 1999" and inserting "December 31, 2006, serving not less than 6,000,000 young people";

(2) in subsection (c)—

(A) in paragraph (1), by striking "1997, 1998, 1999, 2000, and 2001" and inserting "2002, 2003, 2004, 2005, and 2006"; and

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking "90 days" and inserting "30 days";

(ii) in subparagraph (A), by striking "1,000" and inserting "1,200"; and

(iii) in subparagraph (B), by striking "2,500 Boys and Girls Clubs of America facilities in operation before January 1, 2000" and inserting "4,000 Boys and Girls Clubs of America facilities in operation before January 1, 2007"; and

(3) in subsection (e), by striking paragraph (1) and inserting the following:

"(1) IN GENERAL.—There are authorized to be appropriated to carry out this section—

"(A) $60,000,000 for fiscal year 2002;

"(B) $60,000,000 for fiscal year 2003;

"(C) $60,000,000 for fiscal year 2004;

"(D) $60,000,000 for fiscal year 2005; and

"(E) $60,000,000 for fiscal year 2006.".

SA 425. Mr. REED (for himself, Ms. SNOWE, Mr. KENNEDY, Mr. CHAFEE, Mr. BINGAMAN, Mr. WELLSTONE, Mrs. MURRAY, Mrs. CLINTON, Mr. SARBANES, Mr. JOHNSON, Mr. BAUCUS, Mr. LEVIN, Mr. REID, Mr. ROCKFELLER, Mr. DURBIN, and Mr. DAYTON) proposed an amendment to amendment SA 358 proposed by Mr. JEFFORDS to the bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965; as follows:

On page 32, line 11, strike "$900,000,000" and insert "$1,400,000,000".

On page 201, line 19, strike "and".

On page 201, line 21, strike the period and insert "; and".

On page 201, between lines 21 and 22, insert the following:

"(3) shall reserve $500,000,000 for fiscal year 2002 and each of the 6 succeeding fiscal years to carry out section 1228 (relating to school libraries).

On page 203, between lines 20 and 21, insert the following:

"SEC. 1228. IMPROVING LITERACY THROUGH SCHOOL LIBRARIES.

"(a) IN GENERAL.—From funds reserved under section 1225(3) for a fiscal year that are not reserved under subsection (h), the Secretary shall allot to each State educational agency having an application approved under subsection (c)(1) an amount that bears the same relation to the funds as the amount the State educational agency received under part A for the preceding fiscal year bears to the amount all such State educational agencies received under part A for the preceding fiscal year, to increase literacy and reading skills by improving school libraries.

"(b) WITHIN-STATE ALLOCATIONS.—Each State educational agency receiving an allotment under subsection (a) for a fiscal year—

"(1) may reserve not more than 3 percent to provide technical assistance, disseminate information about school library media programs that are effective and based on scientifically based research, and pay administrative costs, related to activities under this section; and

"(2) shall allocate the allotted funds that remain after making the reservation under paragraph (1) to each local educational agency in the State having an application approved under subsection (c)(2) (for activities described in subsection (e)) in an amount that bears the same relation to such remainder as the amount the local educational agency received under part A for the fiscal year bears to the amount received by all such local educational agencies in the State for the fiscal year.

"(c) APPLICATIONS.—

"(1) STATE EDUCATIONAL AGENCY.—Each State educational agency desiring assistance under this section shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary shall require. The application shall contain a description of—

"(A) how the State educational agency will assist local educational agencies in meeting the requirements of this section and in using scientifically based research to implement effective school library media programs; and

"(B) the standards and techniques the State educational agency will use to evaluate the quality and impact of activities carried out under this section by local educational agencies to determine the need for technical assistance and whether to continue funding the agencies under this section.

"(2) LOCAL EDUCATIONAL AGENCY.—Each local educational agency desiring assistance under this section shall submit to the State educational agency an application at such time, in such manner, and containing such information as the State educational agency shall require. The application shall contain a description of—

"(A) a needs assessment relating to the need for school library media improvement, based on the age and condition of school library media resources, including book collections, access of school library media centers to advanced technology, and the availability of well-trained, professionally certified school library media specialists, in schools served by the local educational agency;

"(B) how the local educational agency will extensively involve school library media specialists, teachers, administrators, and parents in the activities assisted under this section, and the manner in which the local educational agency will carry out the activities described in subsection (e) using programs and materials that are grounded in scientifically based research;

"(C) the manner in which the local educational agency will effectively coordinate the funds and activities provided under this section with Federal, State, and local funds and activities under this subpart and other literacy, library, technology, and professional development funds and activities; and

"(D) a description of the manner in which the local educational agency will collect and analyze data on the quality and impact of activities carried out under this section by schools served by the local educational agency.

"(d) WITHIN-LEA DISTRIBUTION.—Each local educational agency receiving funds under this section shall distribute—

"(1) 50 percent of the funds to schools served by the local educational agency that are in the top quartile in terms of percentage of students enrolled from families with incomes below the poverty line; and

"(2) 50 percent of the funds to schools that have the greatest need for school library media improvement based on the needs assessment described in subsection (c)(2)(A).

"(e) LOCAL ACTIVITIES.—Funds under this section may be used to—

"(1) acquire up-to-date school library media resources, including books;

"(2) acquire and utilize advanced technology, incorporated into the curricula of the school, to develop and enhance the information literacy, information retrieval, and critical thinking skills of students;

"(3) facilitate Internet links and other resource-sharing networks among schools and school library media centers, and public and academic libraries, where possible;

"(4) provide professional development described in 1222(c)(7)(D) for school library media specialists, and activities that foster increased collaboration between school library media specialists, teachers, and administrators; and

"(5) provide students with access to school libraries during nonschool hours, including the hours before and after school, during weekends, and during summer vacation periods.

"(f) ACCOUNTABILITY AND CONTINUATION OF FUNDS.—Each local educational agency that receives funding under this section for a fiscal year shall be eligible to continue to receive the funding for a third or subsequent fiscal year only if the local educational agency demonstrates to the State educational agency that the local educational agency has increased—

"(1) the availability of, and the access to, up-to-date school library media resources in the elementary schools and secondary schools served by the local educational agency; and

"(2) the number of well-trained, professionally certified school library media specialists in those schools.

"(g) SUPPLEMENT NOT SUPPLANT.—Funds made available under this section shall be used to supplement and not supplant other Federal, State, and local funds expended to carry out activities relating to library, technology, or professional development activities.

"(h) NATIONAL ACTIVITIES.—From the total amount made available under section 1225(3) for each fiscal year, the Secretary shall reserve not more than 1 percent for annual, independent, national evaluations of the activities assisted under this section. The evaluations shall be conducted not later than 3 years after the date of enactment of the Better Education for Students and Teachers Act, and each year thereafter.

On page 203, line 21, strike "1228" and insert "1229".

SA 426. Mr. CONRAD (for himself and Mr. BINGMAN) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. . CARL D. PERKINS VOCATIONAL AND TECHNICAL EDUCATION ACT OF 1998.

(a) IN GENERAL.—Section 117 of the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2327) is amended—

(1) in subsection (a), by inserting "that are not receiving Federal support under the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801 et seq.) or the Navajo Community College Act (25 U.S.C. 640a et seq.)" after "institutions";

(2) in subsection (b), by adding "institutional support of" after "for";

(3) in subsection (d), by inserting "that is not receiving Federal support under the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801 et seq.) or the Navajo Community College Act (25 U.S.C. 640a et seq.)" after "institution"; and

(4) in subsection (e)(1)—

(A) by striking "and" at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(C) by adding at the end the following:

"(D) institutional support of vocational and technical education.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall take effect on the date of enactment of this Act.

(2) APPLICATION.—The amendments made by subsection (a) shall apply to grants made for fiscal year 2001 only if this Act is enacted before September 30, 2001.

SA 427. Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of title VII, add the following:

SEC. . ADDITION TO LIST OF 1994 INSTITUTIONS.

Section 532 of the Equity in Educational Land-Grant Status Act of 1994 (Public Law 103-382; 7 U.S.C. 301 note) is amended by adding at the end the following:

"(31) White Earth Tribal and Community College.".

SA 428. Mrs. MURRAY submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 752, strike line 16.

SA 429. Mr. CLELAND submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 319, between lines 19 and 20, insert the following:

"(12) Supporting the activities of education councils and professional development schools, involving partnerships described in paragraphs (1) and (3) of subsection (c), respectively, for the purpose of—

"(A) preparing out-of-field teachers to be qualified to teach all of the classes that the teachers are assigned to teach;

"(B) preparing paraprofessionals to become fully qualified teachers in areas served by high need local educational agencies;

"(C) supporting teams of master teachers, including teachers certified by the National Board for Professional Teaching Standards, and student teacher interns as a part of an extended teacher education program; and

"(D) supporting teams of master teachers, including teachers certified by the National Board for Professional Teaching Standards, to serve in low-performing schools.

On page 329, line 7, strike "; and" and insert a semicolon.

On page 329, line 13, strike the period and insert "; and".

On page 329, between lines 13 and 14, insert the following:

"(C) may include activities carried out jointly with education councils and professional development schools, involving partnerships described in paragraphs (1) and (3) of subsection (c), respectively, for the purpose of improving teaching and learning at low-performing schools.

On page 329, between lines 18 and 19, insert the following:

"(c) DEFINITIONS.—In this section:

"(1) EDUCATION COUNCIL.—The term 'education council' means a partnership that—

"(A) is established between—

"(i) 1 or more local educational agencies; and

"(ii) 1 or more institutions of higher education, including community colleges, that meet the requirements applicable to the institutions under title II of the Higher Education Act of 1965 (20 U.S.C. 1021 et seq.); and

"(B) provides professional development to teachers to ensure that the teachers are prepared and meet high standards for teaching, particularly by educating and preparing prospective teachers in a classroom setting and enhancing the knowledge of in-service teachers while improving the education of the classroom students.

"(2) LOW-PERFORMING SCHOOL.—The term 'low-performing school' means an elementary school or secondary school that is determined to be low-performing by a State, on the basis of factors such as low student achievement, low student performance, unclear academic standards, high rates of student absenteeism, high dropout rates, and high rates of staff turnover or absenteeism.

"(3) PROFESSIONAL DEVELOPMENT SCHOOL.—The term 'professional development school' means a partnership that—

"(A) is established between—

"(i) a local educational agency on behalf of an elementary or secondary school within the local educational agency's jurisdiction; and

"(ii) an institution of higher education, including a community college, that meets the requirements applicable to the institution under title II of the Higher Education Act of 1965; and

"(B)(i) provides sustained and high quality preservice clinical experience, including the mentoring of prospective teachers by veteran teachers;

"(ii) substantially increases interaction between faculty at institutions of higher education described in subparagraph (A) and new and experienced teachers, principals, and other administrators at elementary schools or secondary schools; and

“(iii) provides support, including preparation time, for such interaction.

SA 430. Mr. CLELAND submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 480, line 12, strike the period at the end and insert a semicolon and the following:

“(6) other instructional services that are designed to assist immigrant students to achieve in elementary and secondary schools in the United States, such as literacy programs, programs of introduction to the educational system, and civics education; and

“(7) activities, coordinated with community-based organizations, institutions of higher education, private sector entities, or other entities with expertise in working with immigrants, to assist parents of immigrant students by offering comprehensive community social services, such as English as a second language courses, health care, job training, child care, and transportation services.”.

SA 431. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 125, line 6, insert “(a) In General.—” before “Section”.

On page 127, between lines 20 and 21, insert the following:

(b) Grants.—Section 1118(a)(3) (20 U.S.C. 6319(a)(3)) is amended by adding at the end the following:

“(C)(i)(I) The Secretary is authorized to award grants to local educational agencies to enable the local educational agencies to supplement the implementation of the provisions of this section and to allow for the expansion of other recognized and proven initiatives and policies to improve student achievement through the involvement of parents.

“(II) Each local educational agency desiring a grant under this subparagraph shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

“(ii) Each application submitted under clause (i)(II) shall describe the activities to be undertaken using funds received under this subparagraph and shall set forth the process by which the local educational agency will annually evaluate the effectiveness of the agency's activities in improving student achievement and increasing parental involvement.

“(iii) Each grant under this subparagraph shall be awarded for a 5-year period.

“(iv) The Secretary shall conduct a review of the activities carried out by each local educational agency using funds received under this subparagraph to determine whether the local educational agency demonstrates improvement in student achievement and an increase in parental involvement.

“(v) The Secretary shall terminate grants to a local educational agency under this subparagraph after the fourth year if the Secretary determines that the evaluations conducted by such agency and the reviews conducted by the Secretary show no improvement in the local educational agency's student achievement and no increase in such agency's parental involvement.

“(vi) There are authorized to be appropriated to carry out this subparagraph $500,000,000 for fiscal year 2002, and such sums as may be necessary for each subsequent fiscal year.”.

SA 432. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 324, between lines 10 and 11, insert the following:

“(11) A description of how the local educational agency will provide training to enable teachers to—

“(A) address the needs of students with disabilities, students with limited English proficiency, and other students with special needs;

“(B) involve parents in their child's education; and

“(C) understand and use data and assessments to improve classroom practice and student learning.

On page 326, line 2, strike “and”.

On page 326, line 7, strike the period and insert “; and”.

On page 326, between lines 7 and 8, insert the following:

“(D) effective instructional practices that involve collaborative groups of teachers and administrators, using such strategies as—

“(i) provision of dedicated time for collaborative lesson planning and curriculum development meetings;

“(ii) consultation with exemplary teachers;

“(iii) team teaching, peer observation, and coaching;

“(iv) provision of short-term and long-term visits to classrooms and schools;

“(v) establishment and maintenance of local professional development networks that provide a forum for interaction among teachers and administrators about content knowledge and teaching and leadership skills; and

“(vi) the provision of release time as needed for the activities.

SA 433. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 307, line 16, strike “and”.

On page 307, line 18, strike the period and insert “; and”.

On page 307, between lines 18 and 19, insert the following:

“(v) encourage and provide instruction on how to work with and involve parents to foster student achievement.”

SA 434. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 12, strike lines 23 through 24.

On page 13, strike lines 1 through 2, and insert the following:

“(23) Parental involvement.—The term ‘parental involvement’ means the participation of parents in regular, two-way, and meaningful communication, including ensuring—

“(A) that parenting skills are promoted and supported;

“(B) that parents play an integral role in assisting student learning;

“(C) that parents are welcome in the schools;

“(D) that parents are included in decision-making and advisory committees; and

“(E) the carrying out of other activities described in section 1118.

SA 435. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 369, between lines 6 and 7, insert the following and redesignate the remaining paragraphs accordingly:

“(2) outlines the strategies for increasing parental involvement in schools through the effective use of technology;”.

On page 370, line 24, strike “and”

On page 370, line 26, strike the period and insert a semicolon.

On page 371, line 1, insert the following:

“(7) utilizing technology to develop or expand efforts to connect schools and teachers with parents to promote meaningful parental involvement and foster increased communication about curriculum, assignments, and assessments; and

“(8) providing support to help parents understand the technology being applied in their child's education so that parents are able to reinforce their child's learning.”.

On page 371, between lines 23 and 24, insert the following and redesignate the remaining paragraphs accordingly:

“(3) a description of how the local educational agency will ensure the effective use of technology to promote parental involvement and increase communication with parents;

“(4) a description of how parents will be informed of the use of technologies so that the parents are able to reinforce at home the instruction their child receives at school;”.

On page 374, line 24, strike “and”.

On page 375, line 1, insert the following and redesignate the remaining paragraph accordingly:

“(3) increased parental involvement through the use of technology; and”.

On page 378, line 24, strike “and”.

On page 379, line 1, insert the following and redesignate the remaining subparagraph accordingly:

“(F) increased parental involvement in schools through the use of technology; and”.

SA 436. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 90, line 5, after “problems” insert the following:

“including problems, if any, in implementing the parental involvement requirements described in section 1118, the professional development requirements described in section

1119, and the responsibilities of the school and local educational agency under the school plan".

SA 437. Mr. BOND submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 586, between lines 18 and 19, insert the following:

PART B—DISCIPLINARY MEASURES RELATING TO SCHOOL VIOLENCE

SEC. 411. SHORT TITLE.

This part may be cited as the "School Safety Act of 2001".

SEC. 412. AMENDMENTS TO THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.

(a) PROCEDURAL SAFEGUARDS.— Section 615 of the Individuals with Disabilities Education Act (20 U.S.C. 1415) is amended by adding at the end the following:

"(n) DISCIPLINE BY LOCAL AUTHORITY WITH RESPECT TO WEAPONS, DRUGS, AND TEACHER ASSAULTS.—

"(1) AUTHORITY OF SCHOOL PERSONNEL WITH RESPECT TO WEAPONS, DRUGS, AND TEACHER ASSAULTS.—Notwithstanding any other provision of this title, school personnel may discipline (including expel or suspend) a child with a disability in the same manner in which such personnel may discipline a child without a disability if the child with a disability—

"(A) carries or possesses a weapon to or at a school, on school premises, or to or at a school function under the jurisdiction of a State or a local educational agency;

"(B) threatens to carry, possess, or use a weapon to or at a school, on school premises, or to or at a school function under the jurisdiction of a State or a local educational agency;

"(C) possesses or uses illegal drugs or sells or solicits the sale of a controlled substance while at school, on school premises, or at a school function under the jurisdiction of a State or local educational agency; or

"(D) assaults or threatens to assault a teacher, teacher's aide, principal, school counselor, or other school personnel, including independent contractors and volunteers.

"(2) INDIVIDUAL DETERMINATIONS.—In carrying out any disciplinary action described in paragraph (1), school personnel have discretion to consider all germane factors in each individual case and modify any disciplinary action on a case-by-case basis.

"(3) DEFENSE.—Nothing in paragraph (1) shall be construed to prevent a child with a disability who is disciplined pursuant to the authority provided under paragraph (1) from asserting a defense that the alleged act was unintentional or innocent.

"(4) FREE APPROPRIATE PUBLIC EDUCATION.—

"(A) CEASING TO PROVIDE EDUCATION.—Notwithstanding section 612(a)(1)(A), or any other provision of this title, a child expelled or suspended under paragraph (1) shall not be entitled to continued educational services, including a free appropriate public education, under this subsection, during the term of such expulsion or suspension, if the State in which the local educational agency responsible for providing educational services to such child does not require a child without a disability to receive educational services after being expelled or suspended.

"(B) PROVIDING EDUCATION.—Notwithstanding subparagraph (A), the local educational agency responsible for providing educational services to a child with a disability who is expelled or suspended under paragraph (1) may choose to continue to provide educational services to such child. If the local educational agency so chooses to continue to provide the services—

"(i) nothing in this subsection shall be construed to require the local educational agency to provide such child with a free appropriate public education, or any particular level of service; and

"(ii) the location where the local educational agency provides the services shall be left to the discretion of the local educational agency.

"(5) RELATIONSHIP TO OTHER REQUIREMENTS.—

"(A) PLAN REQUIREMENTS.—No agency shall be considered to be in violation of section 612 or 613 because the agency has provided discipline, services, or assistance in accordance with this subsection.

"(B) PROCEDURE.—None of the procedural safeguards or disciplinary procedures of this Act shall apply to this subsection, and the relevant procedural safeguards and disciplinary procedures applicable to children without disabilities may be applied to the child with a disability in the same manner in which such safeguards and procedures would be applied to children without disabilities.

"(6) DEFINITIONS.—In this subsection:

"(A) THREATEN TO CARRY, POSSESS, OR USE A WEAPON.—The term 'threaten to carry, possess, or use a weapon' includes behavior in which a child verbally threatens to kill another person.

"(B) WEAPON, ILLEGAL DRUG, CONTROLLED SUBSTANCE, AND ASSAULT.—The terms 'weapon', 'illegal drug', 'controlled substance', 'assault', 'unintentional', and 'innocent' have the meanings given such terms under State law.".

(b) CONFORMING AMENDMENTS.—Section 615 of the Individuals with Disabilities Education Act (20 U.S.C. 1415) is amended—

(1) in subsection (f)(1), by striking "Whenever" and inserting the following: "Except as provided in section 615(n), whenever"; and

(2) in subsection (k)—

(A) in paragraph (1), by striking subparagraph (A) and inserting the following:

"(A) In any disciplinary situation except for such situations as described in subsection (n), school personnel under this section may order a change in the placement of a child with a disability to an appropriate interim alternative educational setting, another setting, or suspension, for not more than 10 school days (to the extent such alternatives would apply to children without disabilities).";

(B) by striking paragraph (3) and inserting the following:

"(3) Any interim alternative educational setting in which a child is placed under paragraph (1) or (2) shall—

"(A) be selected so as to enable the child to continue to participate in the general curriculum, although in another setting, and to continue to receive those services and modifications, including those described in the child's current IEP, that will enable the child to meet the goals set out in that IEP; and

"(B) include services and modifications designed to address the behavior described in paragraphs (1) or (2) so that it does not recur.";

(C) in paragraph (6)(B)—

(i) in clause (i), by striking "(i) In reviewing" and inserting "In reviewing"; and

(ii) by striking clause (ii);

(D) in paragraph (7)—

(i) in subparagraph (A), by striking "paragraph (1)(A)(ii) or" each place it appears; and

(ii) in subparagraph (B), by striking "paragraph (1)(A)(ii) or"; and

(E) by striking paragraph (10) and inserting the following:

"(10) SUBSTANTIAL EVIDENCE.—The term 'substantial evidence' means beyond a preponderance of the evidence.".

SEC. 413. AMENDMENT TO THE GUN-FREE SCHOOLS ACT OF 1994.

Subsection (c) of section 14601 of the Gun-Free Schools Act of 1994 (20 U.S.C. 8921) is amended to read as follows:

"(c) SPECIAL RULE.—Notwithstanding any other provision of this section, this section shall be subject to section 615(n) of the Individuals with Disabilities Education Act (20 U.S.C. 1415(n)).".

SEC. 414. APPLICATION.

The amendments made by sections 412 and 413 shall not apply to conduct occurring prior to the date of the enactment of this Act.

SA 438. Mr. BOND submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 586, between lines 18 and 19, insert the following:

PART B—SCHOOL SAFETY AND VIOLENCE PREVENTION

SEC. 411. SCHOOL SAFETY AND VIOLENCE PREVENTION.

Title XIV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801 et seq.) is amended by adding at the end the following:

"PART I—SCHOOL SAFETY AND VIOLENCE PREVENTION

"SEC. 14851. SCHOOL SAFETY AND VIOLENCE PREVENTION.

"Notwithstanding any other provision of titles IV and VI, funds made available under such titles may be used for—

"(1) training, including in-service training, for school personnel (including custodians and bus drivers), with respect to—

"(A) identification of potential threats, such as illegal weapons and explosive devices;

"(B) crisis preparedness and intervention procedures; and

"(C) emergency response;

"(2) training for parents, teachers, school personnel, and other interested members of the community regarding identification of and responses to early warning signs of troubled and violent youth;

"(3) innovative research-based delinquency and violence prevention programs, including—

"(A) school anti-violence programs; and

"(B) mentoring programs;

"(4) comprehensive assessments of school security;

"(5) purchase of school security equipment and technologies, such as—

"(A) metal detectors;

"(B) electronic locks; and

"(C) surveillance cameras;

"(6) collaborative efforts with community-based organizations, including faith-based organizations, statewide consortia, and law enforcement agencies, that have demonstrated expertise in providing effective, research-based violence prevention and intervention programs to school-aged children;

"(7) providing assistance to States, local educational agencies, and schools to establish school uniform policies;

"(8) school resource officers, including community policing officers; and

"(9) other innovative, local responses that are consistent with reducing incidents of school violence and improving the educational atmosphere of the classroom.".

SEC. 412. STUDY OF SCHOOL SAFETY ISSUES.

(a) STUDY.—The Comptroller General shall carry out a study regarding school safety issues, including an examination of—

(1) incidents of school-based violence in the United States;

(2) impediments to combating school-based violence, including local, state, and Federal education and law enforcement impediments;

(3) promising initiatives for addressing school-based violence;

(4) crisis preparedness of school personnel;

(5) preparedness of local, State, and Federal law enforcement to address incidents of school-based violence; and

(6) current school violence prevention programs.

(b) REPORT.—The Comptroller General shall submit to Congress a report regarding the results of the study conducted under subsection (a).

SA 439. Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 794, after line 7, add the following:

SEC. 902. INTEGRATED PEST MANAGEMENT.

(a) SHORT TITLE.—This section may be cited as the "School Environment Protection Act of 2001".

(b) INTEGRATED PEST MANAGEMENT SYSTEMS FOR SCHOOLS.—The Federal Insecticide, Fungicide, and Rodenticide Act is amended—

(1) by redesignating sections 33 and 34 (7 U.S.C. 136x, 136y) as sections 34 and 35, respectively; and

(2) by inserting after section 32 (7 U.S.C. 136w-7) the following:

"SEC. 33. INTEGRATED PEST MANAGEMENT SYSTEMS FOR SCHOOLS.

"(a) DEFINITIONS.—In this section:

"(1) BOARD.—The term 'Board' means the National School Integrated Pest Management Advisory Board established under subsection (c).

"(2) CONTACT PERSON.—The term 'contact person' means an individual who is—

"(A) knowledgeable about integrated pest management systems; and

"(B) designated by a local educational agency as the contact person under subsection (f).

"(3) CRACK AND CREVICE TREATMENT.—The term 'crack and crevice treatment' means the application of small quantities of a pesticide in a building into openings such as those commonly found at expansion joints, between levels of construction, and between equipment and floors.

"(4) EMERGENCY.—The term 'emergency' means an urgent need to mitigate or eliminate a pest that threatens the health or safety of a student or staff member.

"(5) FUND.—The term 'Fund' means the Integrated Pest Management Trust Fund established under subsection (m).

"(6) INTEGRATED PEST MANAGEMENT SYSTEM.—The term 'integrated pest management system' means a managed pest control system that—

"(A) eliminates or mitigates economic, health, and aesthetic damage caused by pests;

"(B) uses—

"(i) integrated methods;

"(ii) site or pest inspections;

"(iii) pest population monitoring;

"(iv) an evaluation of the need for pest control; and

"(v) 1 or more pest control methods, including sanitation, structural repair, mechanical and living biological controls, other nonchemical methods, and (if nontoxic options are unreasonable and have been exhausted) least toxic pesticides; and

"(C) minimizes—

"(i) the use of pesticides; and

"(ii) the risk to human health and the environment associated with pesticide applications.

"(7) LEAST TOXIC PESTICIDES.—

"(A) IN GENERAL.—The term 'least toxic pesticides' means—

"(i) boric acid and disodium octoborate tetrahydrate;

"(ii) silica gels;

"(iii) diatomaceous earth;

"(iv) nonvolatile insect and rodent baits in tamper resistant containers or for crack and crevice treatment only;

"(v) microbe-based pesticides;

"(vi) pesticides made with essential oils (not including synthetic pyrethroids) without toxic synergists; and

"(vii) materials for which the inert ingredients are nontoxic and disclosed.

"(B) EXCLUSIONS.—The term 'least toxic pesticides' does not include—

"(i) a pesticide that is determined by the Administrator to be an acutely or moderately toxic pesticide, probable, likely, or known carcinogen, mutagen, teratogen, reproductive toxin, developmental neurotoxin, endocrine disrupter, or immune system toxin; or

"(ii) and any application of a pesticide described in clause (i) using a broadcast spray, dust, tenting, fogging, or baseboard spray application.

"(8) LIST.—The term 'list' means the list of least toxic pesticides established under subsection (d).

"(9) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

"(10) PERSON.—The term 'person' means—

"(A) an individual that attends, has children enrolled in, works at, or uses a school;

"(B) a resident of a school district; and

"(C) any other individual that may be affected by pest management activities of a school.

"(11) OFFICIAL.—The term 'official' means the official appointed by the Administrator under subsection (e).

"(12) PESTICIDE.—

"(A) IN GENERAL.—The term 'pesticide' means any substance or mixture of substances, including herbicides and bait stations, intended for—

"(i) preventing, destroying, repelling, or mitigating any pest;

"(ii) use as a plant regulator, defoliant, or desiccant; or

"(iii) use as a spray adjuvant such as a wetting agent or adhesive.

"(B) EXCLUSION.—The term 'pesticide' does not include antimicrobial agents such as disinfectants or deodorizers used for cleaning products.

"(13) SCHOOL.—The term 'school' means a public—

"(A) elementary school (as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801));

"(B) secondary school (as defined in section 14101 of that Act); or

"(C) kindergarten or nursery school.

"(14) SCHOOL GROUNDS.—

"(A) IN GENERAL.—The term 'school grounds' means the area outside of the school buildings controlled, managed, or owned by the school or school district.

"(B) INCLUSIONS.—The term 'school grounds' includes a lawn, playground, sports field, and any other property or facility controlled, managed, or owned by a school.

"(15) SPACE SPRAYING.—

"(A) IN GENERAL.—The term 'space spraying' means application of a pesticide by discharge into the air throughout an inside area.

"(B) INCLUSION.—The term 'space spraying' includes the application of a pesticide using a broadcast spray, dust, tenting, or fogging.

"(C) EXCLUSION.—The term 'space spraying' does not include crack and crevice treatment.

"(16) STAFF MEMBER.—

"(A) IN GENERAL.—The term 'staff member' means an employee of a school or local educational agency.

"(B) INCLUSIONS.—The term 'staff member' includes an administrator, teacher, and other person that is regularly employed by a school or local educational agency.

"(C) EXCLUSIONS.—The term 'staff member' does not include—

"(i) an employee hired by a school, local educational agency, or State to apply a pesticide; or

"(ii) a person assisting in the application of a pesticide.

"(17) STATE EDUCATIONAL AGENCY.—The term 'State educational agency' has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

"(18) UNIVERSAL NOTIFICATION.—The term 'universal notification' means notice provided by a local educational agency or school to—

"(A) all parents or guardians of children attending the school; and

"(B) staff members of the school or local educational agency.

"(b) INTEGRATED PEST MANAGEMENT SYSTEMS.—

"(1) IN GENERAL.—The Administrator, in consultation with the Secretary of Education, shall establish a National School Integrated Pest Management Advisory System to develop and update uniform standards and criteria for implementing integrated pest management systems in schools.

"(2) IMPLEMENTATION.—Not later than 18 months after the date of enactment of this subsection, each local educational agency of a school district shall develop and implement in each of the schools in the school district an integrated pest management system that complies with this section.

"(3) STATE PROGRAMS.—If, on the date of enactment of this section, a State maintains an integrated pest management system that meets the standards and criteria established under paragraph (1) (as determined by the Board), a local educational agency in the State may continue to implement the system in a school or in the school district in accordance with paragraph (2).

"(4) APPLICATION TO SCHOOLS AND SCHOOL GROUNDS.—The requirements of this section that apply to a school, including the requirement to implement an integrated management system, apply to pesticide application in a school building and on the school grounds.

"(5) Application of pesticides when schools in use.—A school shall prohibit—

"(A) the application of a pesticide when a school or a school ground is occupied or in use; or

"(B) the use of an area or room treated by a pesticide, other than a least toxic pesticide, during the 24-hour period beginning at the end of the treatment.

"(c) National School Integrated Pest Management Advisory Board.—

"(1) In general.—The Administrator, in consultation with the Secretary of Education, shall establish a National School Integrated Pest Management Advisory Board to—

"(A) establish uniform standards and criteria for developing integrated pest management systems and policies in schools;

"(B) develop standards for the use of least toxic pesticides in schools; and

"(C) advise the Administrator on any other aspects of the implementation of this section.

"(2) Composition of board.—The Board shall be composed of 12 members and include 1 representative from each of the following groups:

"(A) Parents.

"(B) Public health care professionals.

"(C) Medical professionals.

"(D) State integrated pest management system coordinators.

"(E) Independent integrated pest management specialists that have carried out school integrated pest management programs.

"(F) Environmental advocacy groups.

"(G) Children's health advocacy groups.

"(H) Trade organization for pest control operators.

"(I) Teachers and staff members.

"(J) School facility managers or school maintenance staff.

"(K) School administrators.

"(L) School board members.

"(3) Appointment.—Not later than 180 days after the date of enactment of this section, the Administrator shall appoint members of the Board from nominations received from Parent Teacher Associations, school districts, States, and other interested persons and organizations.

"(4) Term.—

"(A) In general.—A member of the Board shall serve for a term of 5 years, except that the Administrator may shorten the terms of the original members of the Board in order to provide for a staggered term of appointment for all members of the Board.

"(B) Consecutive terms.—Subject to subparagraph (C), a member of the Board shall not serve consecutive terms unless the term of the member has been reduced by the Administrator.

"(C) Maximum term.—In no event may a member of the Board serve for more than 6 consecutive years.

"(5) Meetings.—The Administrator shall convene—

"(A) an initial meeting of the Board not later than 60 days after the appointment of the members; and

"(B) subsequent meetings on a periodic basis, but not less often than 2 times each year.

"(6) Compensation.—A member of the Board shall serve without compensation, but may be reimbursed by the Administrator for expenses (in accordance with section 5703 of title 5, United States Code) incurred in performing duties as a member of the Board.

"(7) Chairperson.—The Board shall select a Chairperson for the Board.

"(8) Quorum.—A majority of the members of the Board shall constitute a quorum for the purpose of conducting business.

"(9) Decisive votes.—Two-thirds of the votes cast at a meeting of the Board at which a quorum is present shall be decisive for any motion.

"(10) Administration.—The Administrator—

"(A) shall—

"(i) authorize the Board to hire a staff director; and

"(ii) detail staff of the Environmental Protection Agency, or allow for the hiring of staff for the Board; and

"(B) subject to the availability of appropriations, may pay necessary expenses incurred by the Board in carrying out this subtitle, as determined appropriate by the Administrator.

"(11) Responsibilities of the board.—

"(A) In general.—The Board shall provide recommendations to the Administrator regarding the implementation of this section.

"(B) List of least toxic pesticides.—Not later than 1 year after the initial meeting of the Board, the Board shall—

"(i) review implementation of this section (including use of least toxic pesticides); and

"(ii) review and make recommendations to the Administrator with respect to new proposed active and inert ingredients or proposed amendments to the list in accordance with subsection (d).

"(C) Technical advisory panels.—

"(i) In general.—The Board shall convene technical advisory panels to provide scientific evaluations of the materials considered for inclusion on the list.

"(ii) Composition.—A panel described in clause (i) shall include experts on integrated pest management, children's health, entomology, health sciences, and other relevant disciplines.

"(D) Special review.—

"(i) In general.—Not later than 2 years after the initial meeting of the Board, the Board shall review, with the assistance of a technical advisory panel, pesticides used in school buildings and on school grounds for their acute toxicity and chronic effects, including cancer, mutations, birth defects, reproductive dysfunction, neurological and immune system effects, and endocrine system disruption.

"(ii) Determination.—The Board—

"(I) shall determine whether the use of pesticides described in clause (i) may endanger the health of children; and

"(II) may recommend to the Administrator restrictions on pesticide use in school buildings and on school grounds.

"(12) Requirements.—In establishing the proposed list, the Board shall—

"(A) review available information from the Environmental Protection Agency, the National Institute of Environmental Health Studies, medical and scientific literature, and such other sources as appropriate, concerning the potential for adverse human and environmental effects of substances considered for inclusion in the proposed list; and

"(B) cooperate with manufacturers of substances considered for inclusion in the proposed list to obtain a complete list of ingredients and determine that such substances contain inert ingredients that are generally recognized as safe.

"(13) Petitions.—The Board shall establish procedures under which individuals may petition the Board for the purpose of evaluating substances for inclusion on the list.

"(14) Periodic review.—

"(A) In general.—The Board shall review each substance included on the list at least once during each 5-year period beginning on—

"(i) the date that the substance was initially included on the list; or

"(ii) the date of the last review of the substance under this subsection.

"(B) Submission to administrator.—The Board shall submit the results of a review under subparagraph (A) to the Administrator with a recommendation as to whether the substance should continue to be included on the list.

"(15) Confidentiality.—Any business sensitive material obtained by the Board in carrying out this section shall be treated as confidential business information by the Board and shall not be released to the public.

"(d) List of Least Toxic Pesticides; Pesticide Review.—

"(1) In general.—The Board shall recommend to the Administrator a list of least toxic pesticides (including the pesticides described in subsection (a)(7)) that may be used as least toxic pesticides, any restrictions on the use of the listed pesticides, and any recommendations regarding restrictions on all other pesticides, in accordance with this section.

"(2) Procedure for evaluating pesticide use.—

"(A) List of least toxic pesticides.—

"(i) In general.—The Administrator shall establish a list of least toxic pesticides that may be used in school buildings and on school grounds, including any restrictions on the use of the pesticides, that is based on the list prepared by the Board.

"(ii) Regulatory review.—The Administrator shall initiate regulatory review of all other pesticides recommended for restriction by the Board.

"(B) Recommendations.—Not later than 1 year after receiving the proposed list and restrictions, and recommended restrictions on all other pesticides from the Board, the Administrator shall—

"(i) publish the proposed list and restrictions and all other proposed pesticide restrictions in the Federal Register and seek public comment on the proposed proposals; and

"(ii) after evaluating all comments received concerning the proposed list and restrictions, but not later than 1 year after the close of the period during which public comments are accepted, publish the final list and restrictions in the Federal Register, together with a discussion of comments received.

"(C) Findings.—Not later than 2 years after publication of the final list and restrictions, the Administrator shall make a determination and issue findings on whether use of registered pesticides in school buildings and on school grounds may endanger the health of children.

"(D) Notice and comment.—

"(i) In general.—Prior to establishing or making amendments to the list, the Administrator shall publish the proposed list or any proposed amendments to the list in the Federal Register and seek public comment on the proposals.

"(ii) Recommendations.—The Administrator shall include in any publication described in clause (i) any changes or amendments to the proposed list that are recommended to and by the Administrator.

"(E) Publication of list.—After evaluating all comments received concerning the proposed list or proposed amendments to the list, the Administrator shall publish the final list in the Federal Register, together with a description of comments received.

"(e) Office of Pesticide Programs.—

“(1) ESTABLISHMENT.—The Administrator shall appoint an official for school pest management within the Office of Pesticide Programs of the Environmental Protection Agency to coordinate the development and implementation of integrated pest management systems in schools.

“(2) DUTIES.—The official shall—

“(A) coordinate the development of school integrated pest management systems and policies;

“(B) consult with schools concerning—

“(i) issues related to the integrated pest management systems of schools;

“(ii) the use of least toxic pesticides; and

“(iii) the registration of pesticides, and amendments to the registrations, as the registrations and amendments relate to the use of integrated pest management systems in schools; and

“(C) support and provide technical assistance to the Board.

“(f) CONTACT PERSON.—

“(1) IN GENERAL.—Each local educational agency of a school district shall designate a contact person for carrying out an integrated pest management system in schools in the school district.

“(2) DUTIES.—The contact person of a school district shall—

“(A) maintain information about pesticide applications inside and outside schools within the school district, in school buildings, and on school grounds;

“(B) act as a contact for inquiries about the integrated pest management system;

“(C) maintain material safety data sheets and labels for all pesticides that may be used in the school district;

“(D) be informed of Federal and State chemical health and safety information and contact information;

“(E) maintain scheduling of all pesticide usage for schools in the school district;

“(F) maintain contact with Federal and State integrated pest management system experts; and

“(G) obtain periodic updates and training from State integrated pest management system experts.

“(3) PESTICIDE USE DATA.—A local educational agency of a school district shall—

“(A) maintain all pesticide use data for each school in the school district; and

“(B) on request, make the data available to the public for review.

“(g) NOTICE OF INTEGRATED PEST MANAGEMENT SYSTEM.—

“(1) IN GENERAL.—At the beginning of each school year, each local educational agency or school of a school district shall include a notice of the integrated pest management system of the school district in school calendars or other forms of universal notification.

“(2) CONTENTS.—The notice shall include a description of—

“(A) the integrated pest management system of the school district;

“(B) any pesticide (including any least toxic pesticide) or bait station that may be used in a school building or on school grounds as part of the integrated pest management system;

“(C) the name, address, and telephone number of the contact person of the school district;

“(D) a statement that—

“(i) the contact person maintains the product label and material safety data sheet of each pesticide (including each least toxic pesticide) and bait station that may be used by a school in buildings or on school grounds;

“(ii) the label and data sheet is available for review by a parent, guardian, staff member, or student attending the school; and

“(iii) the contact person is available to parents, guardians, and staff members for information and comment; and

“(E) the time and place of any meetings that will be held under subsection (g)(1).

“(3) USE OF PESTICIDES.—A local educational agency or school may use a pesticide during a school year only if the use of the pesticide has been disclosed in the notice required under paragraph (1) at the beginning of the school year.

“(4) NEW EMPLOYEES AND STUDENTS.—After the beginning of each school year, a local educational agency or school of a school district shall provide the notice required under this subsection to—

“(A) each new staff member who is employed during the school year; and

“(B) the parent or guardian of each new student enrolled during the school year.

“(h) USE OF PESTICIDES.—

“(1) IN GENERAL.—If a local educational agency or school determines that a pest in the school or on school grounds cannot be controlled after having used the integrated pest management system of the school or school district and least toxic pesticides, the school may use a pesticide (other than space spraying of the pesticide) to control the pest in accordance with this subsection.

“(2) PRIOR NOTIFICATION OF PARENTS, GUARDIANS, AND STAFF MEMBERS.—

“(A) IN GENERAL.—Subject to paragraphs (4) and (5), not less than 72 hours before a pesticide (other than a least toxic pesticide) is used by a school, the school shall provide to a parent or guardian of each student enrolled at the school and each staff member of the school, notice that includes—

“(i) the common name, trade name, and Environmental Protection Agency registration number of the pesticide;

“(ii) a description of the location of the application of the pesticide;

“(iii) a description of the date and time of application, except that, in the case of outdoor pesticide applications, 1 notice shall include 3 dates, in chronological order, that the outdoor pesticide applications may take place if the preceding date is canceled;

“(iv) a statement that ‘The Office of Pesticide Programs of the United States Environmental Protection Agency has stated: ‘Where possible, persons who potentially are sensitive, such as pregnant women and infants (less than 2 years old), should avoid any unnecessary pesticide exposure.’;

“(v) a description of potential adverse effects of the pesticide based on the material safety data sheet of the pesticide;

“(vi) a description of the reasons for the application of the pesticide;

“(vii) the name and telephone number of the contact person of the school district; and

“(viii) any additional warning information related to the pesticide.

“(B) METHOD OF NOTIFICATION.—The school may provide the notice required by subparagraph (A) by—

“(i) written notice sent home with the student and provided to the staff member;

“(ii) a telephone call;

“(iii) direct contact; or

“(iv) written notice mailed at least 1 week before the application.

“(C) REISSUANCE.—If the date of the application of the pesticide needs to be extended beyond the period required for notice under this paragraph, the school shall reissue the notice under this paragraph for the new date of application.

“(3) POSTING OF SIGNS.—

“(A) IN GENERAL.—Subject to paragraphs (4) and (5), at least 72 hours before a pesticide (other than a least toxic pesticide) is used by a school, the school shall post a sign that provides notice of the application of the pesticide—

“(i) in a prominent place that is in or adjacent to the location to be treated; and

“(ii) at each entrance to the buildings or school grounds to be treated.

“(B) ADMINISTRATION.—A sign required under subparagraph (A) for the application of a pesticide shall—

“(i) remain posted for at least 72 hours after the end of the treatment;

“(ii) be at least 8½ inches by 11 inches; and

“(iii) state the same information as that required for prior notification of the application under paragraph (2).

“(C) OUTDOOR PESTICIDE APPLICATIONS.—

“(i) IN GENERAL.—In the case of outdoor pesticide applications, each sign shall include 3 dates, in chronological order, that the outdoor pesticide application may take place if the preceding date is canceled due to weather.

“(ii) DURATION OF POSTING.—A sign described in clause (i) shall be posted after an outdoor pesticide application in accordance with subparagraph (B).

“(4) ADMINISTRATION.—

“(A) APPLICATORS.—Paragraphs (2) and (3) shall apply to any person that applies a pesticide in a school or on school grounds, including a custodian, staff member, or commercial applicator.

“(B) TIME OF YEAR.—Paragraphs (2) and (3) shall apply to a school—

“(i) during the school year; and

“(ii) during holidays and the summer months, if the school is in use, with notice provided to all staff members and the parents or guardians of the students that are using the school in an authorized manner.

“(5) EMERGENCIES.—

“(A) IN GENERAL.—A school may apply a pesticide (other than a least toxic pesticide) in the school or on school grounds without complying with paragraphs (2) and (3) in an emergency, subject to subparagraph (B).

“(B) SUBSEQUENT NOTIFICATION OF PARENTS, GUARDIANS, AND STAFF MEMBERS.—Not later than the earlier of the time that is 24 hours after a school applies a pesticide under this paragraph or on the morning of the next school day, the school shall provide to each parent or guardian of a student enrolled at the school, and staff member of the school, notice of the application of the pesticide for emergency pest control that includes—

“(i) the information required for a notice under paragraph (2)(A);

“(ii) a description of the problem and the factors that qualified the problem as an emergency that threatened the health or safety of a student or staff member; and

“(iii) a description of the steps the school will take in the future to avoid emergency application of a pesticide under this paragraph.

“(C) METHOD OF NOTIFICATION.—The school may provide the notice required by subparagraph (B) by—

“(i) written notice sent home with the student and provided to the staff member;

“(ii) a telephone call; or

“(iii) direct contact.

“(D) POSTING OF SIGNS.—A school applying a pesticide under this paragraph shall post a sign warning of the pesticide application in accordance with paragraph (3).

“(E) MODIFICATION OF INTEGRATED PEST MANAGEMENT PLANS.—If a school in a school district applies a pesticide under this paragraph, the local educational agency of the school district shall modify the integrated pest management plan of the school district to minimize the future applications of pesticides under this paragraph.

“(6) DRIFT OF PESTICIDES ONTO SCHOOL GROUNDS.—Each local educational agency, State pesticide lead agency, and the Administrator are encouraged to—

“(A) identify sources of pesticides that drift from treated land to school grounds of the educational agency; and

“(B) take steps necessary to create an indoor and outdoor school environment that are protected from pesticides described in subparagraph (A).

“(i) MEETINGS.—

“(1) IN GENERAL.—Before the beginning of a school year, at the beginning of each new calendar year, and at a regularly scheduled meeting of a school board, each local educational agency shall provide an opportunity for the contact person designated under subsection (d) to receive and address public comments regarding the integrated pest management system of the school district.

“(2) EMERGENCY MEETINGS.—An emergency meeting of a school board to address a pesticide application may be called under locally appropriate procedures for convening emergency meetings.

“(j) INVESTIGATIONS AND ORDERS.—

“(1) IN GENERAL.—Not later than 60 days after receiving a complaint of a violation of this section, the Administrator shall—

“(A) conduct an investigation of the complaint;

“(B) determine whether it is reasonable to believe the complaint has merit; and

“(C) notify the complainant and the person alleged to have committed the violation of the findings of the Administrator.

“(2) PRELIMINARY ORDER.—If the Administrator determines it is reasonable to believe a violation occurred, the Administrator shall issue a preliminary order (that includes findings) to impose the penalty described in subsection (j).

“(3) OBJECTIONS TO PRELIMINARY ORDER.—

“(A) IN GENERAL.—Not later than 30 days after the preliminary order is issued under paragraph (2), the complainant and the person alleged to have committed the violation may—

“(i) file objections to the preliminary order (including findings); and

“(ii) request a hearing on the record.

“(B) FINAL ORDER.—If a hearing is not requested within 30 days after the preliminary order is issued, the preliminary order shall be final and not subject to judicial review.

“(4) HEARING.—A hearing under this subsection shall be conducted expeditiously.

“(5) FINAL ORDER.—Not later than 120 days after the end of the hearing, the Administrator shall issue a final order.

“(6) SETTLEMENT AGREEMENT.—Before the final order is issued, the proceeding may be terminated by a settlement agreement, which shall remain open, entered into by the Administrator, the complainant, and the person alleged to have committed the violation.

“(7) COSTS.—

“(A) IN GENERAL.—If the Administrator issues a final order against a school or school district for violation of this section and the complainant requests, the Administrator may assess against the person against whom the order is issued the costs (including attorney's fees) reasonably incurred by the complainant in bringing the complaint.

“(B) AMOUNT.—The Administrator shall determine the amount of the costs that were reasonably incurred by the complainant.

“(8) JUDICIAL REVIEW AND VENUE.—

“(A) IN GENERAL.—A person adversely affected by an order issued after a hearing under this subsection may file a petition for review not later than 60 days after the date that the order is issued, in a district court of the United States or other United States court for any district in which a local educational agency or school is found, resides, or transacts business.

“(B) TIMING.—The review shall be heard and decided expeditiously.

“(C) COLLATERAL REVIEW.—An order of the Administrator subject to review under this paragraph shall not be subject to judicial review in a criminal or other civil proceeding.

“(k) CIVIL PENALTY.—

“(1) IN GENERAL.—Any local educational agency, school, or person that violates this section may be assessed a civil penalty by the Administrator under subsections (h) and (i), respectively, of not more than $10,000 for each offense.

“(2) TRANSFER TO TRUST FUND.—Except as provided in subsection (l)(4)(B), civil penalties collected under paragraph (1) shall be deposited in the Fund.

“(l) INTEGRATED PEST MANAGEMENT TRUST FUND.—

“(1) ESTABLISHMENT.—There is established in the Treasury of the United States a trust fund to be known as the ‘Integrated Pest Management Trust Fund’, consisting of—

“(A) amounts deposited in the Fund under subsection (j)(2);

“(B) amounts transferred to the Secretary of the Treasury for deposit into the Fund under paragraph (5); and

“(C) any interest earned on investment of amounts in the Fund under paragraph (3).

“(2) EXPENDITURES FROM FUND.—

“(A) IN GENERAL.—Subject to subparagraph (B), on request by the Administrator, the Secretary of the Treasury shall transfer from the Fund to the Administrator, without further appropriation, such amounts as the Secretary determines are necessary to provide funds to each State educational agency of a State, in proportion to the amount of civil penalties collected in the State under subsection (j)(1), to carry out education, training, propagation, and development activities under integrated pest management systems of schools in the State to remedy the harmful effects of actions taken by the persons that paid the civil penalties.

“(B) ADMINISTRATIVE EXPENSES.—An amount not to exceed 6 percent of the amounts in the Fund shall be available for each fiscal year to pay the administrative expenses necessary to carry out this subsection.

“(3) INVESTMENT OF AMOUNTS.—

“(A) IN GENERAL.—The Secretary of the Treasury shall invest such portion of the Fund as is not, in the judgment of the Secretary of the Treasury, required to meet current withdrawals. Investments may be made only in interest-bearing obligations of the United States.

“(B) ACQUISITION OF OBLIGATIONS.—For the purpose of investments under subparagraph (A), obligations may be acquired—

“(i) on original issue at the issue price; or

“(ii) by purchase of outstanding obligations at the market price.

“(C) SALE OF OBLIGATIONS.—Any obligation acquired by the Fund may be sold by the Secretary of the Treasury at the market price.

“(D) CREDITS TO FUND.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to and form a part of the Fund.

“(4) TRANSFERS OF AMOUNTS.—

“(A) IN GENERAL.—The amounts required to be transferred to the Fund under this subsection shall be transferred at least monthly from the general fund of the Treasury to the Fund on the basis of estimates made by the Secretary of the Treasury.

“(B) ADJUSTMENTS.—Proper adjustment shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

“(5) ACCEPTANCE AND USE OF DONATIONS.—The Secretary may accept and use donations to carry out paragraph (2)(A). Amounts received by the Secretary in the form of donations shall be transferred to the Secretary of the Treasury for deposit into the Fund.

“(m) EMPLOYEE PROTECTION.—

“(1) IN GENERAL.—No local educational agency, school, or person may harass, prosecute, hold liable, or discriminate against any employee or other person because the employee or other person—

“(A) is assisting or demonstrating an intent to assist in achieving compliance with this section (including any regulation);

“(B) is refusing to violate or assist in the violation of this section (including any regulation); or

“(C) has commenced, caused to be commenced, or is about to commence a proceeding, has testified or is about to testify at a proceeding, or has assisted or participated or is about to participate in any manner in such a proceeding or in any other action to carry out this section.

“(2) COMPLAINTS.—Not later than 1 year after an alleged violation occurred, an employee or other person alleging a violation of this section, or another person at the request of the employee, may file a complaint with the Administrator.

“(3) REMEDIAL ACTION.—If the Administrator decides, on the basis of a complaint, that a local educational agency, school, or person violated paragraph (1), the Administrator shall order the local educational agency, school, or person to—

“(A) take affirmative action to abate the violation;

“(B reinstate the complainant to the former position with the same pay and terms and privileges of employment; and

“(C) pay compensatory damages, including back pay.

“(n) GRANTS.—

“(1) IN GENERAL.—The Administrator, in consultation with the Secretary of Education, shall provide grants to local educational agencies to develop and implement integrated pest management systems in schools in the school district of the local educational agencies.

“(2) AMOUNT.—The amount of a grant provided to a local educational agency of a school district under paragraph (1) shall be based on the ratio that the number of students enrolled in schools in the school district bears to the total number of students enrolled in schools in all school districts in the United States.

“(o) RELATIONSHIP TO STATE AND LOCAL REQUIREMENTS.—This section (including regulations promulgated under this section) shall not preempt requirements imposed on local educational agencies and schools related to the use of integrated pest management by State or local law (including regulations) that are more stringent than the requirements imposed under this section.

“(p) REGULATIONS.—Subject to subsection (m), the Administrator shall promulgate such regulations as are necessary to carry out this section.

"(q) Restriction on Pesticide Use.—Not later than 6 years after the date of enactment of this section, no pesticide, other than a pesticide that is defined as a least toxic pesticide under this subsection, shall be used in a school or on school grounds unless the Administrator has met the deadlines and requirements of this section.

"(r) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section $7,000,000 for each of fiscal years 2002 through 2006.".

(c) Conforming Amendment.—The table of contents in section 1(b) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. prec. 121) is amended by striking the items relating to sections 30 through 32 and inserting the following:

"Sec. 30. Minimum requirements for training of maintenance applicators and service technicians.
"Sec. 31. Environmental Protection Agency minor use program.
"Sec. 32. Department of Agriculture minor use program.
"(a) In general.
"(b)(1) Minor use pesticide data.
"(2) Minor Use Pesticide Data Revolving Fund.
"Sec. 33. Integrated pest management systems for schools.
"(a) Definitions.
"(1) Board.
"(2) Contact person.
"(3) Crack and crevice treatment.
"(4) Emergency.
"(5) Fund.
"(6) Integrated pest management system.
"(7) Least toxic pesticides.
"(8) List.
"(9) Local educational agency.
"(10) Official.
"(11) Person.
"(12) Pesticide.
"(13) School.
"(14) School grounds.
"(15) Space spraying.
"(16) Staff member.
"(17) State educational agency.
"(18) Universal notification.
"(b) Integrated pest management systems.
"(1) In general.
"(2) Implementation.
"(3) State programs.
"(4) Application to schools and school grounds.
"(5) Application of pesticides when schools in use.
"(c) National School Integrated Pest Management Advisory Board.
"(1) In general.
"(2) Composition of Board.
"(3) Appointment.
"(4) Term.
"(5) Meetings.
"(6) Compensation.
"(7) Chairperson.
"(8) Quorum.
"(9) Decisive votes.
"(10) Administration.
"(11) Responsibilities of the Board.
"(12) Requirements.
"(13) Petitions.
"(14) Periodic review.
"(15) Confidentiality.
"(d) List of least toxic pesticides.
"(1) In general.
"(2) Procedure for evaluating pesticide use.
"(e) Office of Pesticide Programs.
"(1) Establishment.
"(2) Duties.
"(f) Contact person.
"(1) In general.
"(2) Duties.
"(3) Pesticide use data.
"(g) Notice of integrated pest management system.
"(1) In general.
"(2) Contents.
"(3) Use of pesticides.
"(4) New employees and students.
"(h) Use of pesticides.
"(1) In general.
"(2) Prior notification of parents, guardians, and staff members.
"(3) Posting of signs.
"(4) Administration.
"(5) Emergencies.
"(6) Drift of pesticides onto school grounds.
"(i) Meetings.
"(1) In general.
"(2) Emergency meetings.
"(j) Investigations and orders.
"(1) In general.
"(2) Preliminary order.
"(3) Objections to preliminary order.
"(4) Hearing.
"(5) Final order.
"(6) Settlement agreement.
"(7) Costs.
"(8) Judicial review and venue.
"(k) Civil penalty.
"(1) In general.
"(2) Transfer to Trust Fund.
"(l) Integrated Pest Management Trust Fund.
"(1) Establishment.
"(2) Expenditures from Fund.
"(3) Investment of amounts.
"(4) Transfers of amounts.
"(5) Acceptance and use of donations.
"(m) Employee protection.
"(1) In general.
"(2) Complaints.
"(3) Remedial action.
"(n) Grants.
"(1) In general.
"(2) Amount.
"(o) Relationship to State and local requirements.
"(p) Regulations.
"(q) Restriction on pesticide use.
"(r) Authorization of appropriations.
"Sec. 34. Severability.
"Sec. 35. Authorization of appropriations.".

(d) Effective Date.—This section and the amendments made by this section take effect on October 1, 2001.

SA 440. Mr. CAMPBELL (for himself, Mr. GRASSLEY, Mr. AKAKA, and Mr. INOUYE) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . SENIOR OPPORTUNITIES.

(a) Twenty-First Century Community Learning Centers.—Section 1609(a)(2) (as amended in section 151) is further amended—

(1) in subparagraph (G), by striking "and" after the semicolon;

(2) in subparagraph (H), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(I) if the organization plans to use seniors as volunteers in activities carried out through the center, a description of how the organization will encourage and use appropriately qualified seniors to serve as the volunteers.".

(b) Safe and Drug-Free Schools and Communities; Governor's Programs.—Section 4114(d) (as amended in section 401) is further amended—

(1) in paragraph (14), by striking "and" after the semicolon;

(2) in paragraph (15), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(16) drug and violence prevention activities that use the services of appropriately qualified seniors for activities that include mentoring, tutoring, and volunteering.".

(c) Safe and Drug-Free Schools and Communities; Local Drug and Violence Prevention Programs.—Section 4116(b) (as amended in section 401) is further amended—

(1) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by inserting "(including mentoring by appropriately qualified seniors)" after "mentoring"; and

(B) in subparagraph (C)—

(i) in clause (i), by striking "and" after the semicolon;

(ii) in clause (ii), by inserting "and" after the semicolon; and

(iii) by adding at the end the following:

"(iii) drug and violence prevention activities that use the services of appropriately qualified seniors for such activities as mentoring, tutoring, and volunteering;";

(2) in paragraph (4)(C), by inserting "(including mentoring by appropriately qualified seniors)" after "mentoring programs"; and

(3) in paragraph (8), by inserting ", which may involve appropriately qualified seniors working with students" after "settings".

(d) Safe and Drug-Free Schools and Communities; Federal Activities.—Section 4121(a) (as amended in section 401) is further amended—

(1) in paragraph (10), by inserting ", including projects and activities that promote the interaction of youth and appropriately qualified seniors" after "responsibility"; and

(2) in paragraph (13), by inserting ", including activities that integrate appropriately qualified seniors in activities, such as mentoring, tutoring, and volunteering" after "title".

(e) Indian, Native Hawaiian, and Alaska Native Education; Formula Grants.—Section 7115(b) (as amended in section 701) is further amended—

(1) in paragraph (10), by striking "and" after the semicolon;

(2) in paragraph (11), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(12) activities that recognize and support the unique cultural and educational needs of Indian children, and incorporate appropriately qualified tribal elders and seniors.".

(f) Indian, Native Hawaiian, and Alaska Native Education; Special Programs and Projects.—Section 7121(c)(1) (as amended in section 701) is further amended—

(1) in subparagraph (K), by striking "or" after the semicolon;

(2) in subparagraph (L), by striking "(L)" and inserting "(M)"; and

(3) by inserting after subparagraph (K) the following:

"(L) activities that recognize and support the unique cultural and educational needs of Indian children, and incorporate appropriately qualified tribal elders and seniors; or".

(g) Indian, Native Hawaiian, and Alaska Native Education; Professional Development.—The second sentence of section

7122(d)(1) (as amended in section 701) is further amended by striking the period and inserting ", and may include programs designed to train tribal elders and seniors.".

(h) Indian, Native Hawaiian, and Alaska Native Education; Native Hawaiian Programs.—Section 7205(a)(3)(H) (as amended in section 701) is further amended—

(1) in clause (ii), by striking "and" after the semicolon;

(2) in clause (iii), by inserting "and" at the end; and

(3) by adding at the end the following:

"(iv) programs that recognize and support the unique cultural and educational needs of Native Hawaiian children, and incorporate appropriately qualified Native Hawaiian elders and seniors;".

(i) Indian, Native Hawaiian, and Alaska Native Education; Alaska Native Programs.—Section 7304(a)(2)(F) (as amended in section 701) is further amended—

(1) in clause (i), by striking "and" after the semicolon;

(2) in clause (ii), by inserting "and" after the semicolon; and

(3) by adding at the end the following:

"(iii) may include activities that recognize and support the unique cultural and educational needs of Alaskan Native children, and incorporate appropriately qualified Alaskan Native elders and seniors;".

SA 441. Mr. LUGAR (for himself and Mr. BINGAMAN) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 34, line 8, strike "$250,000,000" and insert "$500,000,000".

On page 86, line 22, insert before the semicolon the following: "and may include a strategy for the implementation of a comprehensive school reform model that meets each of the components described in section 1706(a)".

On page 96, line 15, after "curriculum" insert ", or a comprehensive school reform model that meets each of the components described in section 1706(a)".

On page 99, between lines 22 and 23, insert the following:

"(vi) Implementing a comprehensive school reform model that meets each of the components described in section 1706(a) and that shall, at a minimum, have been found, through rigorous field experiments in multiple sites, to significantly improve the academic performance of students participating in such activity or program as compared to similar students in similar schools, who have not participated in such activity or program.

On page 258, line 22, strike "and".

On page 258, line 25, strike the period and insert "; and".

On page 258, after line 25, add the following:

"(iii) 3 percent to promote quality initiatives described in section 1708.".

On page 260, strike lines 5 through 9, and insert the following:

"(2) how the State educational agency will ensure that funds under this part are limited to comprehensive school reform programs that—

"(A) include each of the components described in section 1706(a);

"(B) have the capacity to improve the academic achievement of all students in core academic subjects within participating schools; and

"(C) are supported by technical assistance providers that have a successful track record, financial stability and the capacity to deliver high quality materials, professional development for school personnel and on-site support during the full implementation period of the reforms.".

On page 260, line 15, insert "annually" before "evaluate".

On page 261, line 7, insert before the period the following: "to support comprehensive school reforms in schools that are eligible for funds under part A".

On page 261, line 11, strike "for the particular" and insert "of".

On page 261, line 12, strike "reform plan" and insert "reforms".

On page 261, line 22, strike "shall" and all through "that" on line 23.

On page 261, line 24, insert after "(1)" the following: "may give priority to local educational agencies or consortia that".

On page 262, line 1, insert after "(2)" the following: "shall give priority to local educational agencies or consortia that".

On page 263, line 1, strike "and".

On page 263, line 2, strike "reform model selected and used" and insert "reforms selected and used, and a copy of the State's annual evaluation of the implementation of comprehensive school reforms supported under this part and the student results achieved".

On page 263, strike lines 15 through 17, and insert the following:

"(2) describe the comprehensive school reforms based on scientifically-based research and effective practices that such schools will implement;".

On page 264, line 1, insert "comprehensive" after "such".

On page 264, line 10, strike "innovative" and insert "proven".

On page 264, line 14, strike "schools with diverse characteristics" and insert "schools".

On page 265, line 17, insert "annually" after "(8)".

On page 265, line 18, strike "and".

On page 265, line 22, strike "school reform effort." and insert "comprehensive school reform effort; and".

On page 265, between lines 22 and 23, insert the following:

"(10) has been found, through rigorous field experiments in multiple sites, to significantly improve the academic performance of students participating in such activity or program as compared to similar students in similar schools, who have not participated in such activity or program, or which has been found to have strong evidence that such model will significantly improve the performance of participating children.".

On page 265, line 25 strike "the approaches identified" and all that follows through "Secretary" on line 1 of page 266, and insert "nationally available".

On page 266, line 2, strike "programs" and insert "program".

On page 266, after line 23, add the following:

"SEC. 1708. QUALITY INITIATIVES.

"The Secretary, through grants or contracts, shall promote—

"(1) a public-private effort, in which funds are matched by the private sector, to assist States, local educational agencies, and schools, in making informed decisions upon approving or selecting providers of comprehensive school reform, consistent with the requirements described in section 1706(a); and

"(2) activities to foster the development of comprehensive school reform models and to provide effective capacity building for comprehensive school reform providers to expand their work in more schools, assure quality, and promote financial stability.

SA 442. Mr. CRAPO submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 787, between lines 14 and 15, insert the following:

(c) Special Rule Relating to the Computation of Payments for Eligible Federally Connected Children.—Section 8003(a) (20 U.S.C. 7703(a)) is amended—

(1) by striking paragraph (3); and

(2) by redesignating paragraph (4) as paragraph (3).

SA 443. Mr. VOINOVICH (for himself, Mrs. FEINSTEIN, Mr. COCHRAN, Mr. BAUCUS, Ms. LANDRIEU, and Mrs. MURRAY) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. . LOAN FORGIVENESS FOR HEAD START TEACHERS.

(a) Short Title.—This section may be cited as the "Loan Forgiveness for Head Start Teachers Act of 2001".

(b) Head Start Teachers.—Section 428J of the Higher Education Act of 1965 (20 U.S.C 1078-10) is amended—

(1) in subsection (b), by amending paragraph (1) to read as follows:

"(1)(A) has been employed—

"(i) as a full-time teacher for 5 consecutive complete school years in a school that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such a school; or

"(ii) as a Head Start teacher for 5 consecutive complete program years under the Head Start Act; and

"(B)(i) if employed as a secondary school teacher, is teaching a subject area that is relevant to the borrower's academic major as certified by the chief administrative officer of the public or nonprofit private secondary school in which the borrower is employed;

"(ii) if employed as an elementary school teacher, has demonstrated, as certified by the chief administrative officer of the public or nonprofit private elementary school in which the borrower is employed, knowledge and teaching skills in reading, writing, mathematics, and other areas of the elementary school curriculum; and

"(iii) if employed as a Head Start teacher, has demonstrated knowledge and teaching skills in reading, writing, early childhood development, and other areas of a preschool curriculum, with a focus on cognitive learning; and";

(2) in subsection (g), by adding at the end the following:

"(3) Head start.—An individual shall be eligible for loan forgiveness under this section for service described in clause (ii) of subsection (b)(1)(A) only if such individual received a baccalaureate or graduate degree on or after the date of enactment of the Loan Forgiveness for Head Start Teachers Act of 2001."; and

(3) by adding at the end the following:

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for fiscal year 2007 and succeeding fiscal years to carry out loan repayment under this section for service described in clause (ii) of subsection (b)(1)(A).".

(c) CONFORMING AMENDMENTS.—Section 428J of such Act (20 U.S.C. 1078–10) is amended—

(1) in subsection (c)(1), by inserting "or fifth complete program year" after "fifth complete school year of teaching";

(2) in subsection (f), by striking "subsection (b)" and inserting "subsection (b)(1)(A)(i)";

(3) in subsection (g)(1)(A), by striking "subsection (b)(1)(A)" and inserting "subsection (b)(1)(A)(i)"; and

(4) in subsection (h), by inserting "except as part of the term 'program year'," before "where".

(d) DIRECT STUDENT LOAN FORGIVENESS.—

(1) IN GENERAL.—Section 460 of the Higher Education Act of 1965 (20 U.S.C 1087j) is amended—

(A) in subsection (b)(1), by amending subparagraph (A) to read as follows:

"(A)(i) has been employed—

"(I) as a full-time teacher for 5 consecutive complete school years in a school that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such a school; or

"(II) as a Head Start teacher for 5 consecutive complete program years under the Head Start Act; and

"(ii)(I) if employed as a secondary school teacher, is teaching a subject area that is relevant to the borrower's academic major as certified by the chief administrative officer of the public or nonprofit private secondary school in which the borrower is employed;

"(II) if employed as an elementary school teacher, has demonstrated, as certified by the chief administrative officer of the public or nonprofit private elementary school in which the borrower is employed, knowledge and teaching skills in reading, writing, mathematics, and other areas of the elementary school curriculum; and

"(III) if employed as a Head Start teacher, has demonstrated knowledge and teaching skills in reading, writing, early childhood development, and other areas of a preschool curriculum, with a focus on cognitive learning; and";

(B) in subsection (g), by adding at the end the following:

"(3) HEAD START.—An individual shall be eligible for loan forgiveness under this section for service described in subclause (II) of subsection (b)(1)(A)(i) only if such individual received a baccalaureate or graduate degree on or after the date of enactment of the Loan Forgiveness for Head Start Teachers Act of 2001."; and

(C) by adding at the end the following:

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for fiscal year 2007 and succeeding fiscal years to carry out loan repayment under this section for service described in subclause (II) of subsection (b)(1)(A)(i).".

(2) CONFORMING AMENDMENTS.—Section 460 of such Act (20 U.S.C. 1087j) is amended—

(A) in subsection (c)(1), by inserting "or fifth complete program year" after "fifth complete school year of teaching";

(B) in subsection (f), by striking "subsection (b)" and inserting "subsection (b)(1)(A)(i)(I)";

(C) in subsection (g)(1)(A), by striking "subsection (b)(1)(A)" and inserting "subsection (b)(1)(A)(i)(I)"; and

(D) in subsection (h), by inserting "except as part of the term 'program year'," before "where".

SA 444. Mr. DEWINE submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 13, line 12, insert "therapists," before "and other".

On page 568, line 19, insert "therapists," before "nurses".

SA 445. Mr. DEWINE submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 514, line 21, insert ", such as mentoring programs" before the semicolon.

On page 516, line 15, insert "mentoring providers," after "providers,".

On page 517, line 5, insert "and mentoring programs" before the semicolon.

On page 537, line 10, insert ", mentoring" after "services".

On page 550, line 15, insert "mentoring," after "mediation,".

SA 446. Mr. DEWINE submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 504, between lines 5 and 6, insert the following:

"(3) The chronic level of violence among the Nation's youth of all ages, including elementary and secondary school students, constitutes a serious threat to such students' educational achievement, mental and physical well-being, and quality of life. For example, studies confirm that students have great difficulty learning in schools that are not safe and that the percentage of students in grades 9 through 12 who were threatened or injured with a weapon on school property has remained constant in recent years.

On page 514, line 10, insert ", suspended and expelled students," after "dropouts".

On page 524, line 7, insert before the semicolon the following: "including administrative incident reports, anonymous surveys of students or teachers, and focus groups".

On page 535, line 21, strike "violence problem" and insert "and violence problems".

On page 537, line 15, by inserting "and violence" after "use,".

On page 538, line 22, strike "and peer mediation" and insert ", peer mediation, and anger management".

On page 539, between lines 17 and 18, insert the following:

"(6) administrative approaches to promote school safety, including professional development for principals and administrators to promote effectiveness and innovation, implementing a school disciplinary code, and effective communication of the school disciplinary code to both students and parents at the beginning of the school year;".

On page 545, line 9, insert ", that is subject to independent review," after "data".

On page 545, lines 10 and 11, strike "social disapproval of".

On page 545, line 12, after the period add the following: "The collected data shall include incident reports by schools officials, anonymous student surveys, and anonymous teacher surveys.".

On page 549, between lines 18 and 19, insert the following:

"(4) the provision of information on violence prevention and education and school safety to the Department of Justice, for dissemination by the National Resource Center for Safe Schools as a national clearinghouse on violence and school safety information;".

On page 550, line 14, insert "administrative approaches, security services, anger management," after "include".

On page 553, line 2, insert "to" after "research".

On page 553, after line 24, add the following:

"(J) Researchers and expert practitioners.

On page 557, line 6, strike "or dispute resolution" and insert ", dispute resolution, or anger management".

SA 447. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 366, strike line 25 and all that follows through page 368, line 7, and insert the following:

"(a) GRANTS TO STATES.—

"(1) IN GENERAL.—From amounts made available under section 2303, the Secretary, through the Office of Educational Technology, shall award grants to State educational agencies having applications approved under section 2305.

"(2) USE OF GRANTS.—

"(A) ALLOCATION TO LOCAL EDUCATIONAL AGENCIES.—Each State educational agency receiving a grant under paragraph (1) shall allocate such funds not reserved under section 2310(b) to make subgrants to local educational agencies to enable such local educational agencies to carry out the activities described in section 2306.

"(B) DETERMINATION OF ALLOCATIONS.—From the amount made available under subparagraph (A), the State shall allocate to each of the eligible local educational agencies the sum of—

"(i) an amount that bears the same relationship to 25 percent of the total amount as the number of individuals age 5 through 17 in the geographic area served by the agency, as determined by the Secretary on the basis of the most recent satisfactory data, bears to the number of those individuals in the geographic areas served by all the local educational agencies in the State, as so determined; and

"(ii) an amount that bears the same relationship to 75 percent of the total amount as the number of individuals age 5 through 17 from families with incomes below the poverty line, in the geographic area served by the agency, as determined by the Secretary on the basis of the most recent satisfactory data, bears to the number of those individuals in the geographic areas served by all the local educational agencies in the State, as so determined.

Each State educational agency receiving a grant under paragraph (1) shall allocate such funds not reserved under section 2310(b) to make subgrants to local educational agencies to enable such local educational agencies to carry out the activities described in section 2306.

On page 369, line 6, insert “and” after the semicolon.

On page 369, line 13, strike “; and” and insert a period.

On page 369, strike lines 14 through 22.

On page 371, strike lines 5 through 7 and insert the following:

“(a) APPLICATION.—To be eligible to receive a grant under this part from a State educational agency, a local educational agency shall submit an application, consistent

On page 375, strike line 11 and insert the following:

“(c) SANCTION.—If after 3 years, and after receiving technical assistance under subsection (d), the local edu-”.

SA 448. Mrs. CARNAHAN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 319, line 4, insert “, including teaching specialists in core academic subjects” after “principals”.

On page 326, line 1, insert “, including strategies to implement a year-round school schedule that will allow the local educational agency to increase pay for veteran teachers after “performance”.

On page 327, line 2, insert “as well as teaching specialists in core academic subjects who will provide increased individualized instruction to students served by the local educational agency participating in the eligible partnership” after “qualified”.

On page 517, line 18, strike “and”.

On page 517, line 20, strike the period and insert “; and”.

On page 517, between lines 20 and 21, insert the following:

“(I) alternative programs for the education and discipline of chronically violent and disruptive students as it relates to drug and violence prevention.

On page 528, line 11, strike “and”.

On page 528, line 14, strike the period and insert “; and”.

On page 528, between lines 14 and 15, insert the following:

“(16) alternative programs for the education and discipline of chronically violent and disruptive students as it relates to drug and violence prevention.

On page 539, line 10, strike “and”.

On page 539, between lines 10 and 11, insert the following:

“(E) alternative programs for the education and discipline of chronically violent and disruptive students as it relates to drug and violence prevention; and”.

SA 449. Mr. CLELAND submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 319, between lines 19 and 20, insert the following:

“(12) Supporting the activities of education councils and professional development schools, involving partnerships described in paragraphs (1) and (3) of subsection (c), respectively, for the purpose of—

“(A) preparing out-of-field teachers to be qualified to teach all of the classes that the teachers are assigned to teach;

“(B) preparing paraprofessionals to become fully qualified teachers in areas served by high need local educational agencies;

“(C) supporting teams of master teachers, including teachers certified by the National Board for Professional Teaching Standards, and student teacher interns as a part of an extended teacher education program; and

“(D) supporting teams of master teachers, including teachers certified by the National Board for Professional Teaching Standards, to serve in low-performing schools.

On page 329, line 7, strike “; and”, and insert a semicolon”.

On page 329, line 13, strike the period and insert “; and”.

On page 329, between lines 13 and 14, insert the following:

“(C) may include activities carried out jointly with education councils and professional development schools, involving partnerships described in paragraphs (1) and (3) of subsection (c), respectively, for the purpose of improving teaching and learning at low-performing schools.

On page 329, between lines 18 and 19, insert the following:

“(c) DEFINITIONS.—In this section:

“(1) EDUCATION COUNCIL.—The term ‘education council’ means a partnership that—

“(A) is established between—

“(i) 1 or more local educational agencies, acting on behalf of elementary schools or secondary schools served by the agencies; and

“(ii) 1 or more institutions of higher education, including community colleges, that meet the requirements applicable to the institutions under title II of the Higher Education Act of 1965 (20 U.S.C. 1021 et seq.); and

“(B) provides professional development to teachers to ensure that the teachers are prepared and meet high standards for teaching, particularly by educating and preparing prospective teachers in a classroom setting and enhancing the knowledge of in-service teachers while improving the education of the classroom students.

“(2) LOW-PERFORMING SCHOOL.—The term ‘low-performing school’ means an elementary school or secondary school that is determined to be low-performing by a State, on the basis of factors such as low student achievement, low student performance, unclear academic standards, high rates of student absenteeism, high dropout rates, and high rates of staff turnover or absenteeism.

“(3) PROFESSIONAL DEVELOPMENT SCHOOL.—The term ‘professional development school’ means a partnership that—

“(A) is established between—

“(i) 1 or more local educational agencies, acting on behalf of elementary schools or secondary schools served by the agencies; and

“(ii) 1 or more institutions of higher education, including community colleges, that meet the requirements applicable to the institutions under title II of the Higher Education Act of 1965; and

“(B)(i) provides sustained and high quality preservice clinical experience, including the mentoring of prospective teachers by veteran teachers;

“(ii) substantially increases interaction between faculty at institutions of higher education described in subparagraph (A) and new and experienced teachers, principals, and other administrators at elementary schools or secondary schools; and

“(iii) provides support, including preparation time, for such interaction.”.

SA 450. Mr. WYDEN (for himself, Mr. SESSIONS, Mr. BREAUX, and Ms. LANDRIEU) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 778, strike line 21 and insert the following:

years.

“PART C—STUDENT EDUCATION ENRICHMENT

“SEC. 6301. SHORT TITLE.

“This part may be cited as the ‘Student Education Enrichment Demonstration Act’.

“SEC. 6302. PURPOSE.

“The purpose of this part is to establish a demonstration program that provides Federal support to States and local educational agencies to provide high quality summer academic enrichment programs, for public school students who are struggling academically, that are implemented as part of statewide education accountability programs.

“SEC. 6303. DEFINITION.

“In this part, the term ‘student’ means an elementary school or secondary school student.

“SEC. 6304. GRANTS TO STATES.

“(a) IN GENERAL.—The Secretary shall establish a demonstration program through which the Secretary shall make grants to State educational agencies, on a competitive basis, to enable the agencies to assist local educational agencies in carrying out high quality summer academic enrichment programs as part of statewide education accountability programs.

“(b) ELIGIBILITY.—For a State educational agency to be eligible to receive a grant under subsection (a), the State served by the State educational agency shall—

“(1) have in effect all standards and assessments required under section 1111; and

“(2) compile and annually distribute to parents a public school report card that, at a minimum, includes information on student and school performance for each of the assessments required under section 1111.

“(c) APPLICATION.—

“(1) IN GENERAL.—To be eligible to receive a grant under this section, a State educational agency shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

“(2) CONTENTS.—Such application shall include—

“(A) information describing specific measurable goals and objectives to be achieved in the State through the summer academic enrichment programs carried out under this part, which may include specific measurable annual educational goals and objectives relating to—

“(i) increased student academic achievement;

“(ii) decreased student dropout rates; or

“(iii) such other factors as the State educational agency may choose to measure; and

“(B) information on criteria, established or adopted by the State, that—

“(i) the State will use to select local educational agencies for participation in the summer academic enrichment programs carried out under this part; and

“(ii) at a minimum, will assure that grants provided under this part are provided to—

"(I) the local educational agencies in the State that have the highest percentage of students not achieving a proficient level of performance on State assessments required under section 1111;

"(II) local educational agencies that submit grant applications under section 6305 describing programs that the State determines would be both highly successful and replicable; and

"(III) an assortment of local educational agencies serving urban, suburban, and rural areas.

"SEC. 6305. GRANTS TO LOCAL EDUCATIONAL AGENCIES.

"(a) IN GENERAL.—

"(1) FIRST YEAR.—

"(A) IN GENERAL.—For the first year that a State educational agency receives a grant under this part, the State educational agency shall use the funds made available through the grant to make grants to eligible local educational agencies in the State to pay for the Federal share of the cost of carrying out the summer academic enrichment programs, except as provided in subparagraph (B).

"(B) TECHNICAL ASSISTANCE AND PLANNING ASSISTANCE.—The State educational agency may use not more than 5 percent of the funds—

"(i) to provide to the local educational agencies technical assistance that is aligned with the curriculum of the agencies for the programs;

"(ii) to enable the agencies to obtain such technical assistance from entities other than the State educational agency that have demonstrated success in using the curriculum; and

"(iii) to assist the agencies in planning activities to be carried out under this part.

"(2) SUCCEEDING YEARS.—

"(A) IN GENERAL.—For the second and third year that a State educational agency receives a grant under this part, the State educational agency shall use the funds made available through the grant to make grants to eligible local educational agencies in the State to pay for the Federal share of the cost of carrying out the summer academic enrichment programs, except as provided in subparagraph (B).

"(B) TECHNICAL ASSISTANCE AND PLANNING ASSISTANCE.—The State educational agency may use not more than 5 percent of the funds—

"(i) to provide to the local educational agencies technical assistance that is aligned with the curriculum of the agencies for the programs;

"(ii) to enable the agencies to obtain such technical assistance from entities other than the State educational agency that have demonstrated success in using the curriculum; and

"(iii) to assist the agencies in evaluating activities carried out under this part.

"(b) APPLICATION.—

"(1) IN GENERAL.—To be eligible to receive a grant under this section, a local educational agency shall submit an application to the State educational agency at such time, in such manner, and containing by such information as the Secretary or the State may require.

"(2) CONTENTS.—The State shall require that such an application shall include, to the greatest extent practicable—

"(A) information that—

"(i) demonstrates that the local educational agency will carry out a summer academic enrichment program funded under this section—

"(I) that provides intensive high quality programs that are aligned with challenging State content and student performance standards and that are focused on reinforcing and boosting the core academic skills and knowledge of students who are struggling academically, as determined by the State;

"(II) that focuses on accelerated learning, rather than remediation, so that students served through the program will master the high level skills and knowledge needed to meet the highest State standards or to perform at high levels on all State assessments required under section 1111;

"(III) that is based on, and incorporates best practices developed from, research-based enrichment methods and practices;

"(IV) that has a proposed curriculum that is directly aligned with State content and student performance standards;

"(V) for which only teachers who are certified and licensed, and are otherwise fully qualified teachers, provide academic instruction to students enrolled in the program;

"(VI) that offers to staff in the program professional development and technical assistance that are aligned with the approved curriculum for the program; and

"(VII) that incorporates a parental involvement component that seeks to involve parents in the program's topics and students' daily activities; and

"(ii) may include—

"(I) the proposed curriculum for the summer academic enrichment program;

"(II) the local educational agency's plan for recruiting highly qualified and highly effective teachers to participate in the program; and

"(III) a schedule for the program that indicates that the program is of sufficient duration and intensity to achieve the State's goals and objectives described in section 6304(c)(2)(A);

"(B) an outline indicating how the local educational agency will utilize other applicable Federal, State, local, or other funds, other than funds made available through the grant, to support the program;

"(C) an explanation of how the local educational agency will ensure that only highly qualified personnel who volunteer to work with the type of student targeted for the program will work with the program and that the instruction provided through the program will be provided by qualified teachers;

"(D) an explanation of the types of intensive training or professional development, aligned with the curriculum of the program, that will be provided for staff of the program;

"(E) an explanation of the facilities to be used for the program;

"(F) an explanation regarding the duration of the periods of time that students and teachers in the program will have contact for instructional purposes (such as the hours per day and days per week of that contact, and the total length of the program);

"(G) an explanation of the proposed student/teacher ratio for the program, analyzed by grade level;

"(H) an explanation of the grade levels that will be served by the program;

"(I) an explanation of the approximate cost per student for the program;

"(J) an explanation of the salary costs for teachers in the program;

"(K) a description of a method for evaluating the effectiveness of the program at the local level;

"(L) information describing specific measurable goals and objectives, for each academic subject in which the program will provide instruction, that are consistent with, or more rigorous than, the annual measurable objectives for adequate yearly progress established by the State under section 1111;

"(M) a description of how the local educational agency will involve parents and the community in the program in order to raise academic achievement; and

"(N) a description of how the local educational agency will acquire any needed technical assistance that is aligned with the curriculum of the agency for the program, from the State educational agency or other entities with demonstrated success in using the curriculum.

"(c) PRIORITY.—In making grants under this section, the State educational agency shall give priority to applicants who demonstrate a high level of need for the summer academic enrichment programs.

"(d) FEDERAL SHARE.—

"(1) IN GENERAL.—The Federal share of the cost described in subsection (a) is 50 percent.

"(2) NON-FEDERAL SHARE.—The non-Federal share of the cost may be provided in cash or in kind, fairly evaluated, including plant, equipment, or services.

"SEC. 6306. SUPPLEMENT NOT SUPPLANT.

"Funds appropriated pursuant to the authority of this part shall be used to supplement and not supplant other Federal, State, and local public or private funds expended to provide academic enrichment programs.

"SEC. 6307. REPORTS.

"(a) STATE REPORTS.—Each State educational agency that receives a grant under this part shall annually prepare and submit to the Secretary a report. The report shall describe—

"(1) the method the State educational agency used to make grants to eligible local educational agencies and to provide assistance to schools under this part;

"(2) the specific measurable goals and objectives described in section 6304(c)(2)(A) for the State as a whole and the extent to which the State met each of the goals and objectives in the year preceding the submission of the report;

"(3) the specific measurable goals and objectives described in section 6305(b)(2)(L) for each of the local educational agencies receiving a grant under this part in the State and the extent to which each of the agencies met each of the goals and objectives in that preceding year;

"(4) the steps that the State will take to ensure that any such local educational agency who did not meet the goals and objectives in that year will meet the goals and objectives in the year following the submission of the report or the plan that the State has for revoking the grant of such an agency and redistributing the grant funds to existing or new programs;

"(5) how eligible local educational agencies and schools used funds provided by the State educational agency under this part; and

"(6) the degree to which progress has been made toward meeting the goals and objectives described in section 6304(c)(2)(A).

"(b) REPORT TO CONGRESS.—The Secretary shall annually prepare and submit to Congress a report. The report shall describe—

"(1) the methods the State educational agencies used to make grants to eligible local educational agencies and to provide assistance to schools under this part;

"(2) how eligible local educational agencies and schools used funds provided under this part; and

"(3) the degree to which progress has been made toward meeting the goals and objectives described in sections 6304(c)(2)(A) and 6305(b)(2)(L).

"(c) GOVERNMENT ACCOUNTING OFFICE REPORT TO CONGRESS.—The Comptroller General of the United States shall conduct a study regarding the demonstration program carried out under this part and the impact of the program on student achievement. The Comptroller General shall prepare and submit to Congress a report containing the results of the study.

"SEC. 6308. ADMINISTRATION.

"The Secretary shall develop program guidelines for and oversee the demonstration program carried out under this part.

"SEC. 6309. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this part $25,000,000 for each of fiscal years 2002 through 2004.

"SEC. 6310. TERMINATION.

"The authority provided by this part terminates 3 years after the date of enactment of the Better Education for Students and Teachers Act.".

SA 451. Mrs. LINCOLN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, add the following:

SEC. 902. SENSE OF THE SENATE; AUTHORIZATION OF APPROPRIATIONS.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that Congress should appropriate $750,000,000 for fiscal year 2002 to carry out part A and part D of title III of the Elementary and Secondary Education Act of 1965 and thereby—

(1) provide that schools, local educational agencies, and States have the resources they need to assist all limited English proficient students in attaining proficiency in the English language, and meeting the same challenging State content and student performance standards that all students are expected to meet in core academic subjects;

(2) provide for the development and implementation of bilingual education programs and language instruction educational programs that are tied to scientifically based research, and that effectively serve limited English proficient students; and

(3) provide for the development of programs that strengthen and improve the professional training of educational personnel who work with limited English proficient students.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out part A and part D of title III of the Elementary and Secondary Education Act of 1965—

(1) $1,100,000,000 for fiscal year 2003;
(2) $1,400,000,000 for fiscal year 2004;
(3) $1,700,000,000 for fiscal year 2005;
(4) $2,100,000,000 for fiscal year 2006;
(5) $2,400,000,000 for fiscal year 2007; and
(6) $2,800,000,000 for fiscal year 2008.

SA 452. Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 887, between lines 2 and 3, insert the following

SEC. 900. ARTS IN EDUCATION; FINDINGS AND PURPOSE.

"(a) FINDINGS.—Congress finds that—

"(1) the arts are forms of understanding and knowledge that are fundamentally important to education;

"(2) appreciation of the arts is important to excellence in education and to effective school reform;

"(3) the most significant contribution of the arts to education reform is the transformation of teaching and learning;

"(4) such transformation is best realized in the context of comprehensive, systemic education reform;

"(5) participation in performing arts activities has proven to be an effective strategy for promoting the inclusion of persons with disabilities in mainstream settings;

"(6) opportunities in the arts have enabled persons of all ages with disabilities to participate more fully in school and community activities;

"(7) the arts can motivate at-risk students to stay in school and become active participants in the educational process; and

"(8) arts education should be an integral part of the elementary school and secondary school curriculum.

"(b) PURPOSES.—The purposes of this section are to—

"(1) support systemic education reform by strengthening arts education as an integral part of the elementary school and secondary school curriculum;

"(2) help ensure that all students have the opportunity to learn to challenging State content standards and challenging State student performance standards in the arts; and

"(3) support the national effort to enable all students to demonstrate competence in the arts.

"(c) ELIGIBLE RECIPIENTS.—In order to carry out the purposes of this section, the Secretary is authorized to award grants to, or enter into contracts or cooperative agreements with—

"(1) State educational agencies;

"(2) local educational agencies;

"(3) institutions of higher education;

"(4) museums and other cultural institutions; and

"(5) other public and private agencies, institutions, and organizations.

"(d) AUTHORIZED ACTIVITIES.—Funds under this section may be used for—

"(1) research on arts education;

"(2) the development of, and dissemination of information about, model arts education programs;

"(3) the development of model arts education assessments based on high standards;

"(4) the development and implementation of curriculum frameworks for arts education;

"(5) the development of model preservice and inservice professional development programs for arts educators and other instructional staff;

"(6) supporting collaborative activities with other Federal agencies or institutions involved in arts education, such as the National Endowment for the Arts, the Institute of Museum and Library Services, the John F. Kennedy Center for the Performing Arts, VSA Arts, and the National Gallery of Art;

"(7) supporting model projects and programs in the performing arts for children and youth through arrangements made with the John F. Kennedy Center for the Performing Arts;

"(8) supporting model projects and programs by VSA Arts which assure the participation in maintstream settings in arts and education programs of individuals with disabilities;

"(9) supporting model projects and programs to integrate arts education into the regular elementary school and secondary school curriculum; and

"(10) other activities that further the purposes of this section.

"(e) COORDINATION.—

"(1) IN GENERAL.—A recipient of funds under this section shall, to the extent possible, coordinate projects assisted under this section with appropriate activities of public and private cultural agencies, institutions, and organizations, including museums, arts education associations, libraries, and theaters.

"(2) SPECIAL RULE.—In carrying out this section, the Secretary shall coordinate with the National Endowment for the Arts, the Institute of Museum and Library Services, the John F. Kennedy Center for the Performing Arts, VSA Arts, and the National Gallery of Art.

SA 453. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING THE BENEFITS OF MUSIC EDUCATION.

(a) FINDINGS.—The Senate finds that—

(1) there is a growing body of scientific research demonstrating that children who receive music instruction perform better on spatial-temporal reasoning tests and proportional math problems;

(2) music education grounded in rigorous academic instruction is an important component of a well-rounded academic program;

(3) opportunities in music and the arts have enabled children with disabilities to participate more fully in school and community activities;

(4) music and the arts can motive at-risk students to stay in school and become active participants in the educational process;

(5) according to the College Board, college-bound high school seniors in 1998 who received music or arts instruction scored 57 points higher on the verbal portion of the Scholastic Aptitude test and 43 points higher on the math portion of the test than college-bound seniors without any music or arts instruction;

(6) a 1999 report by the Texas Commission on Drug and Alcohol Abuse states that individuals who participated in band, choir, or orchestra reported the lowest levels of current and lifelong use of alcohol, tobacco, and illicit drugs; and

(7) comprehensive sequential music education instruction enhances early brain development and improves cognitive and communicative skills, self-discipline, and creativity.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) music education enhances intellectual development and enriches the academic environment for children of all ages; and

(2) music educators greatly contribute to the artistic, intellectual, and social development of the children of our Nation, and play a key role in helping children to succeed in school.

SA 454. Mr. GREGG submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 53, line 22, insert before the semicolon the following: ", except that a State in which less than .25 percent of the total number of poor, school-aged children in the United States is located shall be required to comply with the requirement of this paragraph on a biennial basis".

SA 455. Mr. KERRY (for himself, Mr. SMITH of Oregon, Mr. CARPER, and Mrs. CLINTON) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 505, line 18, insert after "intervention," the following: "high quality alternative education for chronically disruptive and violent students that includes drug and violence prevention programs,".

On page 528, line 11, strike "and".

On page 528, between lines 11 and 12, insert the following:

"(15) developing, establishing, or improving alternative educational opportunities for chronically disruptive and violent students that are designed to promote drug and violence prevention, reduce disruptive behavior, to reduce the need for repeat suspensions and expulsions, to enable students to meet challenging State academic standards, and to enable students to return to the regular classroom as soon as possible;

"(16) training teachers, pupil services personnel, and other appropriate school staff on effective strategies for dealing with chronically disruptive and violent students; and".

On page 528, line 12, strike "(15)" and insert "(17)".

On page 541, between lines 9 and 10, insert the following:

"(15) the provision of educational supports, services, and programs, including drug and violence prevention programs, using trained and qualified staff, for students who have been suspended or expelled so such students make continuing progress toward meeting the State's challenging academic standards and to enable students to return to the regular classroom as soon as possible;

"(16) training teachers, pupil services personnel, and other appropriate school staff on effective strategies for dealing with disruptive students;".

On page 541, line 10, strike "(15)" and insert "(17)".

On page 541, line 18, strike "(16)" and insert "(18)".

On page 550, between lines 16 and 17, insert the following:

"(10) the development of professional development programs necessary for teachers, other educators, and pupil services personnel to implement alternative education supports, services, and programs for chronically disruptive and violent students;

"(11) the development, establishment, or improvement of alternative education models, either established within a school or separate and apart from an existing school, that are designed to promote drug and violence prevention, reduce disruptive behavior, to reduce the need for repeat suspensions and expulsions, to enable students to meet challenging State academic standards, and to enable students to return to the regular classroom as soon as possible;".

On page 550, line 17, strike "(10)" and insert "(12)".

On page 550, line 22, strike "(11)" and insert "(13)".

On page 551, line 3, strike "(12)" and insert "(14)".

On page 551, line 9, strike "(13)" and insert "(15)".

SA 456. Mr. DODD submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 383, after line 21, add the following:

"PART E—EARLY CHILDHOOD EDUCATOR PROFESSIONAL DEVELOPMENT

"SEC. 2501. PURPOSE.

"In support of the national effort to attain the first of America's Education Goals, the purpose of this part is to enhance the school readiness of young children, particularly disadvantaged young children, and to prevent them from encountering difficulties once they enter school, by improving the knowledge and skills of early childhood educators who work in communities that have high concentrations of children living in poverty.

"SEC. 2502. PROGRAM AUTHORIZED.

"(a) GRANTS TO PARTNERSHIPS.—The Secretary shall carry out the purpose of this part by awarding grants, on a competitive basis, to partnerships consisting of—

"(1)(A) one or more institutions of higher education that provide professional development for early childhood educators who work with children from low-income families in high-need communities; or

"(B) another public or private, nonprofit entity that provides such professional development;

"(2) one or more public agencies (including local educational agencies, State educational agencies, State human services agencies, and State and local agencies administering programs under the Child Care and Development Block Grant Act of 1990), Head Start agencies, or private, nonprofit organizations; and

"(3) to the extent feasible, an entity with demonstrated experience in providing training to educators in early childhood education programs in identifying and preventing behavior problems or working with children identified or suspected to be victims of abuse.

"(b) DURATION AND NUMBER OF GRANTS.—

"(1) DURATION.—Each grant under this part shall be awarded for not more than 4 years.

"(2) NUMBER.—No partnership may receive more than 1 grant under this part.

"SEC. 2503. APPLICATIONS.

"(a) APPLICATIONS REQUIRED.—Any partnership that desires to receive a grant under this part shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

"(b) CONTENTS.—Each such application shall include—

"(1) a description of the high-need community to be served by the project, including such demographic and socioeconomic information as the Secretary may request;

"(2) information on the quality of the early childhood educator professional development program currently conducted by the institution of higher education or other provider in the partnership;

"(3) the results of the needs assessment that the entities in the partnership have undertaken to determine the most critical professional development needs of the early childhood educators to be served by the partnership and in the broader community, and a description of how the proposed project will address those needs;

"(4) a description of how the proposed project will be carried out, including—

"(A) how individuals will be selected to participate;

"(B) the types of research-based professional development activities that will be carried out;

"(C) how research on effective professional development and on adult learning will be used to design and deliver project activities;

"(D) how the project will coordinate with and build on, and will not supplant or duplicate, early childhood education professional development activities that exist in the community;

"(E) how the project will train early childhood educators to provide services that are based on developmentally appropriate practices and the best available research on child social, emotional, physical and cognitive development and on early childhood pedagogy;

"(F) how the program will train early childhood educators to meet the diverse educational needs of children in the community, including children who have limited English proficiency, disabilities, or other special needs; and

"(G) how the project will train early childhood educators in identifying and preventing behavioral problems or working with children identified as or suspected to be victims of abuse;

"(5) a description of—

"(A) the specific objectives that the partnership will seek to attain through the project, and how the partnership will measure progress toward attainment of those objectives; and

"(B) how the objectives and the measurement activities align with the performance indicators established by the Secretary under section 2506(a);

"(6) a description of the partnership's plan for institutionalizing the activities carried out under the project, so that the activities continue once Federal funding ceases;

"(7) an assurance that, where applicable, the project will provide appropriate professional development to volunteers working directly with young children, as well as to paid staff; and

"(8) an assurance that, in developing its application and in carrying out its project, the partnership has consulted with, and will consult with, relevant agencies, early childhood educator organizations, and early childhood providers that are not members of the partnership.

"SEC. 2504. SELECTION OF GRANTEES.

"(a) CRITERIA.—The Secretary shall select partnerships to receive funding on the basis of the community's need for assistance and the quality of the applications.

"(b) GEOGRAPHIC DISTRIBUTION.—In selecting partnerships, the Secretary shall seek to ensure that communities in different regions of the Nation, as well as both urban and rural communities, are served.

"SEC. 2505. USES OF FUNDS.

"(a) IN GENERAL.—Each partnership receiving a grant under this part shall use the grant funds to carry out activities that will improve the knowledge and skills of early childhood educators who are working in early childhood programs that are located in high-need communities and serve concentrations of children from low-income families.

"(b) ALLOWABLE ACTIVITIES.—Such activities may include—

"(1) professional development for individuals working as early childhood educators, particularly to familiarize those individuals with the application of recent research on child, language, and literacy development and on early childhood pedagogy;

"(2) professional development for early childhood educators in working with parents, based on the best current research on child social, emotional, physical and cognitive development and parent involvement, so that the educators can prepare their children to succeed in school;

"(3) professional development for early childhood educators to work with children who have limited English proficiency, disabilities, and other special needs;

"(4) professional development to train early childhood educators in identifying and preventing behavioral problems in children or working with children identified or suspected to be victims of abuse;

"(5) activities that assist and support early childhood educators during their first three years in the field;

"(6) development and implementation of early childhood educator professional development programs that make use of distance learning and other technologies;

"(7) professional development activities related to the selection and use of screening and diagnostic assessments to improve teaching and learning; and

"(8) data collection, evaluation, and reporting needed to meet the requirements of this part relating to accountability.

"SEC. 2506. ACCOUNTABILITY.

"(a) PERFORMANCE INDICATORS.—Simultaneously with the publication of any application notice for grants under this part, the Secretary shall announce performance indicators for this part, which shall be designed to measure—

"(1) the quality and accessibility of the professional development provided;

"(2) the impact of that professional development on the early childhood education provided by the individuals who are trained; and

"(3) such other measures of program impact as the Secretary determines appropriate.

"(b) ANNUAL REPORTS; TERMINATION.—

"(1) ANNUAL REPORTS.—Each partnership receiving a grant under this part shall report annually to the Secretary on the partnership's progress against the performance indicators.

"(2) TERMINATION.—The Secretary may terminate a grant under this part at any time if the Secretary determines that the partnership is not making satisfactory progress against the indicators.

"SEC. 2507. COST-SHARING.

"(a) IN GENERAL.—Each partnership shall provide, from other sources, which may include other Federal sources—

"(1) at least 50 percent of the total cost of its project for the grant period; and

"(2) at least 20 percent of the project cost in each year.

"(b) ACCEPTABLE CONTRIBUTIONS.—A partnership may meet the requirement of subsection (a) through cash or in-kind contributions, fairly valued.

"(c) WAIVERS.—The Secretary may waive or modify the requirements of subsection (a) in cases of demonstrated financial hardship.

"SEC. 2508. DEFINITIONS.

"In this part:

"(1) HIGH-NEED COMMUNITY.—

"(A) IN GENERAL.—The term 'high-need community' means—

"(i) a municipality, or a portion of a municipality, in which at least 50 percent of the children are from low-income families; or

"(ii) a municipality that is one of the 10 percent of municipalities within the State having the greatest numbers of such children.

"(B) DETERMINATION.—In determining which communities are described in subparagraph (A), the Secretary shall use such data as the Secretary determines are most accurate and appropriate.

"(2) LOW-INCOME FAMILY.—The term 'low-income family' means a family with an income below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved for the most recent fiscal year for which satisfactory data are available.

"(3) EARLY CHILDHOOD EDUCATOR.—The term 'early childhood educator' means a person providing or employed by a provider of non-residential child care services (including center-based, family-based, and in-home child care services) for compensation that is legally operating under State law, and that complies with applicable State and local requirements for the provision of child care services to children at any age from birth through kindergarten.

"SEC. 2509. FEDERAL COORDINATION.

"The Secretary and the Secretary of Health and Human Services shall coordinate activities under this part and other early childhood programs administered by the two Secretaries.

"SEC. 2510. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of carrying out this part, there are authorized to be appropriated $100,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.".

SA 457. Mr. DODD (for himself and Mr. SHELBY) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 778, after line 21, add the following:

"PART C—INCREASING PARENTAL INVOLVEMENT AND PROTECTING STUDENT PRIVACY

"SEC. 6301. INTENT.

"It is the purpose of this part to provide parents with notice of and opportunity to make informed decisions regarding commercial activities occurring in their children's classrooms.

"SEC. 6302. COMMERCIALIZATION POLICIES AND PRIVACY FOR STUDENTS.

"(a) POLICY DEVELOPMENT.—A State educational agency or local educational agency that receives funds under this Act shall develop a policy regarding in-school commercialization activities in consultation with parents and provide notice to parents regarding such policy and any changes to such policy, including locally developed exceptions under subsection (e).

"(b) FUNDING PROHIBITION.—Except as provided in subsection (c), no State educational agency or local educational agency that receives funds under this Act may—

"(1) disclose data or information the agency gathered from a student to a person or entity that seeks disclosure of the data or information for the purpose of benefiting the person or entity's commercial interests; or

"(2) permit by contract a person or entity to gather from a student, or assist a person or entity in gathering from a student, data or information, if the purpose of gathering the data or information is to benefit the commercial interests of the person or entity.

"(c) PARENTAL CONSENT.—

"(1) DISCLOSURE.—A State educational agency or local educational agency that is a recipient of funds under this Act may disclose data or information under subsection (b)(1) if the agency, prior to the disclosure—

"(A) explains to the student's parent, in writing, what data or information will be disclosed, to which person or entity the data or information will be disclosed, the amount of class time, if any, that will be consumed by the disclosure, and how the person or entity will use the data or information; and

"(B) obtains the parent's written permission for the disclosure.

"(2) GATHERING.—A State educational agency or local educational agency that is a recipient of funds under this Act may permit by contract, or assist, the gathering of data or information under subsection (b)(2) if the agency, prior to the gathering—

"(A) explains to the student's parent, in writing, what data or information will be gathered including whether any of the information is personally identifiable, which person or entity will gather the data or information, the amount of class time if any, that will be consumed by the gathering, and how the person or entity will use the data or information; and

"(B) obtains the parent's written permission for the gathering.

"(d) DEFINITIONS.—In this part:

"(1) STUDENT.—The term 'student' means a student under the age of 18.

"(2) COMMERCIAL INTEREST.—The term 'commercial interest' does not include the interest of a person or entity in gathering data or information from a student for the purpose of developing, evaluating, or providing educational products or services for or to students or educational institutions, such as—

"(A) college and other post-secondary education recruiting;

"(B) book clubs and other programs providing access to low cost books or other related literary products;

"(C) curriculum and instructional materials used by elementary and secondary schools to teach if—

"(i) the information is not used to sell or advertise another product, or to develop another product that is not covered by the exemption from commercial interest in this paragraph; and

"(ii) the curriculum and instructional materials are used in accordance with applicable Federal, State, and local policies, if any; and

"(D) the development and administration of tests and assessments used by elementary and secondary schools to provide cognitive, evaluative, diagnostic, clinical, aptitude, or achievement information about students (or to generate other statistically useful data for the purpose of securing such tests and assessments) and the subsequent analysis and public release of aggregate data if—

"(i) the information is not used to sell or advertise another product, or to develop another product that is not covered by the exemption from commercial interest in this paragraph; and

"(ii) the tests are conducted in accordance with applicable Federal, State, and local policies, if any.

"(e) Locally Developed Exceptions.—A local educational agency, in consultation with parents, may develop appropriate exceptions to the consent requirements contained in this part.

"(f) Funding.—A State educational agency or local educational agency may use funds provided under part A of title VI to enhance parental involvement in areas affecting children's in-school privacy.

"(g) Technical Assistance.—Upon the request of a State educational agency or local educational agency, the Secretary shall provide technical assistance to such an agency concerning compliance with this part.

"(h) Rule of Construction.—Nothing in this section shall be construed to supersede the Family Educational Rights and Privacy Act (20 U.S.C. 1232g).".

SA 458. Mr. DODD submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 149, strike line 23 and all that follows through page 150, line 11, and insert the following:

"(4) Puerto rico.—For each fiscal year, the amount of the grant which the Commonwealth of Puerto Rico shall be eligible to receive under this section shall be the amount determined with respect to Puerto Rico under paragraph (1) multiplied by the larger of—

"(A) the percentage that the average per pupil expenditure in the Commonwealth of Puerto Rico is of the lowest average per pupil expenditure of any of the 50 States; or

"(B) the minimum percentage, which shall not be less than—

"(i) for fiscal year 2002, 77.5 percent;

"(ii) for fiscal year 2003, 80.0 percent;

"(iii) for fiscal year 2004, 82.5 percent;

"(iv) for fiscal year 2005, 85 percent;

"(v) for fiscal year 2006, 89 percent;

"(vi) for fiscal year 2007, 94 percent; and

"(vii) for fiscal year 2008, and each subsequent fiscal year, 100 percent."

SA 459. Mr. DODD (for himself and Mr. BIDEN) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 134, between lines 11 and 12, insert the following:

(5) by striking subsection (d) (as so redesignated) and inserting the following:

"(d) Comparability of Services.—

"(1) In general.—(A) A State that receives funds under this part shall provide services in schools receiving funds under this part that, taken as a whole, are at least comparable to services in schools that are not receiving funds under this part.

"(B) A State shall meet the requirements of subparagraph (A) on a school-by-school basis.

"(2) Written assurance.—(A) A State shall be considered to have met the requirements of paragraph (1) if such State has filed with the Secretary a written assurance that such State has established and implemented policies to ensure comparability among schools in—

"(i) class size and qualifications of teachers (by category of assignment, such as regular education, special education, and bilingual education) and professional staff;

"(ii) curriculum, the range of courses offered (including the opportunity to participate in rigorous courses such as advanced placement courses), and instructional materials and instructional resources to ensure that participating children have the opportunity to achieve to the highest student performance levels under the State's challenging content and student performance standards;

"(iii) accessibility to technology; and

"(iv) the safety of school facilities.

"(B) A State need not include unpredictable changes in student enrollment or personnel assignments that occur after the beginning of a school year in determining comparability of services under this subsection.

"(3) Construction.—Nothing in this subsection shall be construed to require a jurisdiction to increase its property tax or other tax rates.

"(4) Effective date.—A State shall comply with the requirements of this subsection by not later than the beginning of the 2003-2004 school year.

"(5) Sanctions.—If a State fails to comply with the requirements of this subsection, the Secretary shall withhold funds for State administration until such time as the Secretary determines that the State is in compliance with this subsection."

SA 460. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 254, line 21, insert before the period the following: "(including organizations and entities that carry out projects described in section 1609(d))".

On page 257, between lines 18 and 19, insert the following:

"(d) After School Services.—Grant funds awarded under this part may be used by organizations or entities to implement programs to provide after school services for limited English proficient students that emphasize language and life skills."

SA 461. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 379, line 24, insert after the period the following: "Of the amount appropriated under the preceding sentence for each fiscal year, the Secretary shall make available 5 percent of such amount to carry out part E.".

On page 383, after line 12, insert the following:

SEC. 203. RURAL TECHNOLOGY EDUCATION ACADEMIES.

Title II (20 U.S.C. 6601 et seq.), as amended by section 202, is further amended by adding at the end the following:

"PART E—RURAL TECHNOLOGY EDUCATION ACADEMIES

"SEC. 2501. SHORT TITLE.

This part may be cited as the 'Rural Technology Education Academies Act'.

"SEC. 2502. FINDINGS AND PURPOSE.

"(a) Findings.—Congress makes the following findings:

"(1) Rural areas offer technology programs in existing public schools, such as those in career and technical education programs, but they are limited in numbers and are not adequately funded. Further, rural areas often cannot support specialized schools, such as magnet or charter schools.

"(2) Technology can offer rural students educational and employment opportunities that they otherwise would not have.

"(3) Schools in rural and small towns receive disproportionately less funding than their urban counterparts, necessitating that such schools receive additional assistance to implement technology curriculum.

"(4) In the future, workers without technology skills run the risk of being excluded from the new global, technological economy.

"(5) Teaching technology in rural schools is vitally important because it creates an employee pool for employers sorely in need of information technology specialists.

"(6) A qualified workforce can attract information technology employers to rural areas and help bridge the digital divide between rural and urban American that is evidenced by the out-migration and economic decline typical of many rural areas.

"(b) Purpose.—It is the purpose of this part to give rural schools comprehensive assistance to train the technology literate workforce needed to bridge the rural-urban digital divide.

"SEC. 2503. GRANTS TO STATES.

"(a) In General.—The Secretary shall use amounts made available under section 2310(a) to carry out this part to make grants to eligible States for the development and implementation of technology curriculum.

"(b) State Eligibility.—

"(1) In general.—To be eligible for a grant under subsection (a), a State shall—

"(A) have in place a statewide educational technology plan developed in consultation with the State agency responsible for administering programs under the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.); and

"(B) include eligible local educational agencies (as defined in paragraph (2)) under the plan.

"(2) Definition.—In this part, the term 'eligible local educational agency' means a local educational agency—

"(A) with less than 800 total students in average daily attendance at the schools served by such agency; and

"(B) with respect to which all of the schools served by the agency have a School Locale Code of 7, as determined by the Secretary.

"(c) Amount of Grant.—Of the amount made available under section 2310(a) to carry out this part for a fiscal year and reduced by amounts used under section 2504, the Secretary shall provide to each State under a grant under subsection (a) an amount the bears that same ratio to such appropriated amount as the number of students in average daily attendance at the schools served by eligible local educational agencies in the State bears to the number of all such students at the schools served by eligible local educational agencies in all States in such fiscal year.

"(d) Use of Amounts.—

"(1) IN GENERAL.—A State that receives a grant under subsection (a) shall use—

"(A) not less than 85 percent of the amounts received under the grant to provide funds to eligible local educational agencies in the State for use as provided for in paragraph (2); and

"(B) not to exceed 15 percent of the amounts received under the grant to carry out activities to develop or enhance and further the implementation of technology curriculum, including—

"(i) the development or enhancement of technology courses in areas including computer network technology, computer engineering technology, computer design and repair, software engineering, and programming;

"(ii) the development or enhancement of high quality technology standards;

"(iii) the examination of the utility of web-based technology courses, including college-level courses and instruction for both students and teachers;

"(iv) the development or enhancement of State advisory councils on technology teacher training;

"(v) the addition of high-quality technology courses to teacher certification programs;

"(vi) the provision of financial resources and incentives to eligible local educational agencies to enable such agencies to implement a technology curriculum; and

"(vii) the implementation of a centralized web-site for educators to exchange computer-related curriculum and lesson plans.

"(2) LOCAL USE OF FUNDS.—Amounts received by an eligible local educational agency under paragraph (1)(A) shall be used for—

"(A) the implementation of a technology curriculum that is based on standards developed by the State, if applicable;

"(B) professional development in the area of technology, including for the certification of teachers in information technology;

"(C) teacher-to-teacher technology mentoring programs;

"(D) the provision of incentives to teachers teaching in technology-related fields to persuade such teachers to remain in rural areas;

"(E) the purchase of equipment needed to implement a technology curriculum; or

"(F) the development of, or entering into a, consortium with other local educational agencies, institutions of higher education, or for-profit businesses, nonprofit organizations, community-based organizations or other entities with the capacity to contribute to technology training for the purposes of subparagraphs (A) through (E).

"(3) AMOUNT OF ASSISTANCE.—In providing assistance to eligible local educational agencies under this section, a State shall ensure that the amount provided to any eligible agency reflects the size and financial need of the agency as evidenced by the number or percentage of children served by the agency who are in poverty.

"SEC. 2504. TECHNICAL ASSISTANCE.

"From amounts made available for a fiscal year under section 2310(a) to carry out this part, the Secretary may use not to exceed 5 percent of such amounts to—

"(1) establish a position within the Office of Educational Technology of the Department of Education for a specialist in rural schools;

"(2) identify and disseminate throughout the United States information on best practices concerning technology curricula; and

"(3) conduct seminars in rural areas on technology education.".

SA 462. Mr. EDWARDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 679, after line 25, add the following:

"(6) support for arrangements that provide for independent analysis to measure and report on school district achievement.".

SA 463. Mr. WELLSTONE (for himself and Mr. FEINGOLD) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 47, between lines 12 and 13, insert the following:

"(i) during the period beginning on the date of enactment of the Better Education for Students and Teachers Act and ending on September 20, 2008, the assessments described in this subparagraph—

"(I) shall not be required to be considered in determining whether a school, school district, or the State is making adequate yearly progress with respect to the challenging State content and student performance standards; and

"(II) may be used for diagnostic purposes at the discretion of the State;".

SA 464. Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 48, between lines 14 and 15, insert the following:

"(iii) no State shall be required to conduct any assessments under this subparagraph in any school year if, by July 1, 2005, the amount appropriated to carry out the Head Start Program for fiscal year 2005 does not equal or exceed $92,408,000,000".

SA 465. Mr. WELLSTONE (for himself and Mr. FEINGOLD) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 776, strike lines 1 through 5, and insert the following:

"(b) ASSESSMENT COMPLETION BONUSES.—

"(1) IN GENERAL.—At the end of school year 2006–2007, the Secretary shall make 1-time bonus payments to States that develop State assessments as required under section 1111(b)(3)(F) that are of particularly high quality in terms of assessing the performance of students in grades 3 through 8. The Secretary shall make the awards to States that develop assessments that involve up-to-date measures of student performance from multiple sources that assess the range and depth of student knowledge and proficiency in meeting State performance standards, in each academic subject in which the State is required to conduct the assessments.

"(2) PEER REVIEW.—In making awards under paragraph (1), the Secretary shall use a peer review process.

SA 466. Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 48, between lines 14 and 15, insert the following:

"(iii) no State shall be required to conduct any assessments under this subparagraph in any school year if, by July 1, 2005, the amount appropriated to carry out this part for fiscal year 2005 does not equal or exceed $24,720,000,000;"

SA 467. Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. 902. EXPANSION OF EDUCATIONAL OPPORTUNITIES FOR WELFARE RECIPIENTS.

(a) POSTSECONDARY EDUCATION OR VOCATIONAL EDUCATIONAL TRAINING AS PERMISSIBLE WORK ACTIVITIES.—Section 407(d)(8) of the Social Security Act (42 U.S.C. 607(d)(8)) is amended to read as follows:

"(8) postsecondary education or vocational educational training (not to exceed 24 months or, at the option of the State, 48 months, with respect to any individual);".

(b) MODIFICATIONS TO THE EDUCATIONAL CAP.—

(1) REMOVAL OF TEEN PARENTS FROM 30 PERCENT LIMITATION.—Section 407(c)(2)(D) of the Social Security Act (42 U.S.C. 607(c)(2)(D)) is amended by striking ", or (if the month is in fiscal year 2000 or thereafter) deemed to be engaged in work for the month by reason of subparagraph (C) of this paragraph".

(2) EXTENSION OF CAP TO POSTSECONDARY EDUCATION.—Section 407(c)(2)(D) of the Social Security Act (42 U.S.C. 607(c)(2)(D)) is amended by striking "vocational educational training" and inserting "education or training described in subsection (d)(8)".

(c) CLARIFICATION THAT PARTICIPATION IN A FEDERAL WORK-STUDY PROGRAM IS A PERMISSIBLE WORK ACTIVITY UNDER THE TANF PROGRAM.—Paragraphs (2) and (3) of section 407(d) of the Social Security Act (42 U.S.C. 607(d)) are each amended by inserting "(including participation in an activity under a program established under part C of title IV of the Higher Education Act of 1965)" before the semicolon.

SA 468. Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 4, between lines 16 and 17, insert the following:

"(1) ASSESSMENT.—The term 'assessment' means any systematic method of obtaining information from tests and other sources that is used to draw inferences about the characteristics of individuals, objects, or programs.

On page 44, strike lines 12 through 14, and insert the following: "sistent with the Standards for Educational and Psychological

Testing as developed by the American Educational Research Association, the American Psychological Association and the National Council on Measurement in Education;

"(D) be used only if the State provides to the Secretary evidence from the test publisher or other relevant sources that the assessment used is of adequate technical quality for each purpose for which the assessment is used, such evidence to be made public by the Secretary upon request;".

On page 49, between lines 11 and 12, insert the following:

"(K) enable itemized score analyses to be reported to schools and local educational agencies in a way that parents, teachers, schools, and local educational agencies can interpret and address the specific academic needs of individual students as indicated by the students' performance on assessment items.

On page 110, between lines 21 and 22, insert the following:

SEC. 118A. GRANTS FOR ENHANCED ASSESSMENT INSTRUMENTS.

Part A of title I (20 U.S.C. 6311 et seq.) is amended by inserting after section 1117 (20 U.S.C. 6318) the following:

"SEC. 1117A. GRANTS FOR ENHANCED ASSESSMENT INSTRUMENTS.

"(a) PURPOSE.—The purpose of this section is to—

"(1) enable States (or consortia or States) and local educational agencies (or consortia of local educational agencies) to collaborate with institutions of higher education, other research institutions, and other organizations to improve the quality and fairness of State assessment systems beyond the basic requirements for assessment systems described in section 1111(b)(3);

"(2) characterize student achievement in terms of multiple aspects of proficiency;

"(3) chart student progress over time;

"(4) closely track curriculum and instruction; and

"(5) monitor and improve judgments based on informed evaluations of student performance.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $200,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(c) GRANTS AUTHORIZED.—The Secretary is authorized to award grants to States and local educational agencies to enable the States and local educational agencies to carry out the purpose described in subsection (a).

"(d) APPLICATION.—In order to receive a grant under this section for any fiscal year, a State or local educational agency shall submit an application to the Secretary at such time and containing such information as the Secretary may require.

"(e) AUTHORIZED USE OF FUNDS.—A State or local educational agency having an application approved under subsection (d) shall use the grant funds received under this section to collaborate with institutions of higher education or other research institutions, experts on curriculum, teachers, administrators, parents, and assessment developers for the purpose of developing enhanced assessments that are aligned with standards and curriculum, are valid and reliable for the purposes for which the assessments are to be used, are grade-appropriate, include multiple measures of student achievement from multiple sources, and otherwise meet the requirements of section 1111(b)(3). Such assessments shall strive to better measure higher order thinking skills, understanding, analytical ability, and learning over time through the development of assessment tools that include techniques such as performance, curriculum-, and technology-based assessments.

"(f) ANNUAL REPORTS.—Each State or local educational agency receiving a grant under this section shall report to the Secretary at the end of the fiscal year for which the State or local educational agency received the grant on the progress of the State or local educational agency in improving the quality and fairness of assessments with respect to the purpose described in subsection (a).".

SA 469. Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 773, strike lines 20–24, and insert the following:

"SEC. 6107.

"(1) IN GENERAL.—For the purpose of carrying out part D, there are authorized to be appropriated $70,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(2) RESERVATION.—Of the amount appropriated under paragraph (1) for a fiscal year—

"(A) the Secretary shall reserve $50,000,000 to carry out part A, other than section 6106A; and

"(B) in the case of any amounts appropriated in excess of $50,000,000 for such fiscal year, the Secretary shall allocate an amount equal to—

"(i) 85 percent of such excess to carry out section 6106A; and

"(ii) 15 percent of such excess to carry out part A, other than section 6106A."

On page 773, between lines 19 and 20, insert the following:

"SEC. 6106A. LOCAL FAMILY INFORMATION CENTERS.

"(a) CENTERS AUTHORIZED.—The Secretary shall award grants to, and enter into contracts and cooperative agreements with, local nonprofit parent organizations to enable the organizations to support local family information centers that help ensure that parents of students in schools assisted under part A have the training, information, and support the parents need to enable the parents to participate effectively in helping their children to meet challenging State standards.

"(b) DEFINITION OF LOCAL NONPROFIT PARENT ORGANIZATION.—In this section, the term 'local nonprofit parent organization' means a private nonprofit organization (other than an institution of higher education) that—

"(1) has a demonstrated record of working with low-income individuals and parents;

"(2)(A) has a board of directors the majority of whom are parents of students in schools that are assisted under part A and located in the geographic area to be served by the center; or

"(B) has a special governing committee to direct and implement the center, a majority of the members of whom are parents of students in schools assisted under part A; and

"(3) is located in a community with schools that receive funds under part A, and is accessible to the families of students in those schools."

SA 470. Mr. ROBERTS (for himself, Mr. FRIST, Mr. GREGG, Mr. CRAPO, Mr. WARNER, Mr. SCHUMER, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 344, line 9, insert "engineering," before "mathematics".

On page 344, line 17, strike "a" and insert "an engineering".

On page 344, line 22, insert "engineering," before "mathematics".

On page 345, line 7, insert "or high-impact public coalition composed of leaders from business, kindergarten through grade 12 education, institutions of higher education, and public policy organizations" before the period.

On page 347, line 10, insert "or a consortium of local educational agencies that include a high need local education agency" before the period.

On page 347, line 18, strike "an" and insert "the results of a comprehensive".

On page 347, line 22, strike the semicolon and insert: ", and such assessment may include, but not be limited to, data that accurately represents—

"(A) the participation of students in advanced courses in mathematics and science,

"(B) the percentages of secondary school classes in mathematics and science taught by teachers with academic majors in mathematics and science, respectively,

"(C) the number and percentage of mathematics and science teachers who participate in content-based professional development activities, and

"(D) the extent to which elementary teachers have the necessary content knowledge to teach mathematics and science;

On page 349, line 6, strike the period and insert "through the use of—

"(A) recruiting individuals with demonstrated professional experience in mathematics or science through the use of signing incentives and performance incentives for mathematics and science teachers as long as those incentives are linked to activities proven effective in retaining teachers;

"(B) stipends to mathematics teachers and science teachers for certification through alternative routes;

"(C) scholarships for teachers to pursue advanced course work in mathematics or science; and

"(D) carrying out any other program that the State believes to be effective in recruiting into and retaining individuals with strong mathematics or science backgrounds in the teaching field.

On page 350, line 4, insert "engineers and" before "scientists".

On page 350, between lines 4 and 5, insert the following:

"(9) Designing programs to identify and develop mathematics and science master teachers in the kindergarten through grade 8 classrooms.

"(10) Performing a statewide systemic needs assessment of mathematics, science, and technology education, analyzing the assessment, developing a strategic plan based on the assessment and its analysis, and engaging in activities to implement the strategic plan consistent with the authorized activities in this section.

"(11) Establishing a mastery incentive system for elementary school or secondary school mathematics or science teachers under which—

"(A) experienced mathematics or science teachers who are licensed or certified to teach in the State demonstrate their mathematics or science knowledge and teaching expertise, through objective means such as an advanced examination or professional evaluation of teaching performance and classroom skill including a professional video;

"(B) incentives shall be awarded to teachers making the demonstration described in subparagraph (A);

"(C) priority for such incentives shall be provided to teachers who teach in high need and local educational agencies; and

"(D) the partnership shall devise a plan to ensure that recipients of incentives under this paragraph remain in the teaching profession."

SA 471. Mr. JOHNSON submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, add the following:

SEC. . MENTAL HEALTH SERVICES DELIVERED VIA TELEHEALTH.

(a) Program Authorized.—

(1) In general.—The Secretary of Health and Human Services, acting through the Director of the Office for the Advancement of Telehealth of the Health Resources and Services Administration, shall award grants to eligible entities to establish demonstration projects for the provision of mental health services to special populations as delivered remotely by qualified mental health professionals using telehealth and for the provision of education regarding mental illness as delivered remotely by qualified mental health professionals and qualified mental health education professionals using telehealth.

(2) Number of demonstration projects.—Twenty grants shall be awarded under paragraph (1) to provide services for children and adolescents as described in subsection (d)(1). Not less than 10 such grants shall be for services rendered to individuals in rural areas.

(b) Definitions.—In this section:

(1) Eligible entity.—The term "eligible entity" means a public or nonprofit private telehealth provider network which has as part of its services mental health services provided by qualified mental health providers.

(2) Qualified mental health education professionals.—The term "qualified mental health education professionals" refers to teachers, community mental health professionals, nurses, and other entities as determined by the Secretary who have additional training in the delivery of information on mental illness in children and adolescents.

(3) Qualified mental health professionals.—The term "qualified mental health professionals" refers to providers of mental health services currently reimbursed under medicare who have additional training in the treatment of mental illness in children and adolescents.

(4) Special populations.—The term "special populations" refers to children and adolescents located in primary and secondary public schools in mental health underserved rural areas or in mental health underserved urban areas.

(5) Telehealth.—The term "telehealth" means the use of electronic information and telecommunications technologies to support long-distance clinical health care, patient and professional health-related education, public health, and health administration.

(c) Amount.—Each entity that receives a grant under subsection (a) shall receive not more than $1,500,000, with no more than 40 percent of the total budget outlined for equipment.

(d) Use of Funds.—

(1) In general.—An eligible entity that receives a grant under this section shall use such funds for the special population described in subsection (b)(4)—

(A) to provide mental health services, including diagnosis and treatment of mental illness, in primary and secondary public schools as delivered remotely by qualified mental health professionals using telehealth;

(B) to provide education regarding mental illness (including suicide and violence) in primary and secondary public schools as delivered remotely by qualified mental health professionals and qualified mental health education professionals using telehealth, including early recognition of the signs and symptoms of mental illness, and instruction on coping and dealing with stressful experiences of childhood and adolescence (such as violence, social isolation, and depression); and

(C) to collaborate with local public health entities and the eligible entity to provide the mental health services.

(2) Other uses.—An eligible entity receiving a grant under this section may also use funds to—

(A) acquire telehealth equipment to use in primary and secondary public schools for the purposes of this section;

(B) develop curriculum to support activities described in subsections (d)(1)(B);

(C) pay telecommunications costs; and

(D) pay qualified mental health professionals and qualified mental health education professionals on a reasonable cost basis as determined by the Secretary for services rendered.

(3) Prohibited uses.—An eligible entity that receives a grant under this section shall not use funds received through such grant to—

(A) purchase or install transmission equipment (other than such equipment used by qualified mental health professionals to deliver mental health services using telehealth under the project); or

(B) build upon or acquire real property (except for minor renovations related to the installation of reimbursable equipment).

(e) Equitable Distribution.—In awarding grants under this section, the Secretary shall ensure, to the greatest extent possible, that such grants are equitably distributed among geographical regions of the United States.

(f) Application.—An entity that desires a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary considers appropriate.

(g) Report.—Not later than 5 years after the date of the enactment of this Act, the Secretary shall submit to the appropriate committees of Congress a report that shall evaluate activities funded with grants under this section.'

(h) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section, $30,000,000 for fiscal year 2002, and such sums as may be necessary for fiscal years 2003 through 2007.

(i) Sunset Provision.—This section shall be effective for 6 years from the date of the enactment of this Act.

SA 472. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING TAX INCENTIVES FOR TEACHERS RECEIVING ADVANCED CERTIFICATION.

(a) Findings.—The Senate finds the following:

(1) Studies have shown that the greatest single in-school factor affecting student achievement is teacher quality.

(2) Most accomplished teachers do not get the rewards they deserve.

(3) After adjusting amounts for inflation, the average teacher salary for 1997-1998 of $39,347 is just $2 above what it was in 1993. Such salary is also just $1,924 more than the average salary recorded in 1972, a real increase of only $75 per year.

(4) While K-12 enrollments are steadily increasing, the teacher population is aging. There is a need, now more than ever, to attract competent, capable, and bright college graduates or mid-career professionals to the teaching profession.

(5) The Department of Education projects that 2,000,000 new teachers will have to be hired in the next decade. Shortages, if they occur, will most likely be felt in urban or rural regions of the country where working conditions may be difficult or compensation low.

(6) If students are to receive a high quality education and remain competitive in the global market the United States must attract talented and motivated people to the teaching profession in large numbers.

(b) Sense of the Senate.—It is the sense of the Senate that Congress should act expeditiously to pass legislation in the 107th Congress providing—

(1) a $5,000 refundable tax credit to elementary and secondary school teachers who receive advanced certification, and

(2) an exclusion from gross income for any reasonable financial benefits received by such teachers solely because of such certification.

SA 473. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. . SENSE OF THE SENATE CONCERNING POSTAL RATES FOR EDUCATIONAL MATERIALS.

(a) Findings.—The Senate finds that—

(1) the President and Congress both agree that education is of the highest domestic priority;

(2) access to education is a basic right for all Americans regardless of age, race, economic status or geographic boundary;

(3) reading is the foundation of all educational pursuits;

(4) the objective of schools, libraries, literacy programs, and early childhood development programs is to promote reading skills and prepare individuals for a productive role in our society;

(5) individuals involved in the activities described in paragraph (4) are less likely to be drawn into negative social behavior such

as alcohol and drug abuse and criminal activity;

(6) a highly educated workforce in America is directly tied to a strong economy and our national security;

(7) the increase in postal rates by the United States Postal Service in the year 2000 for such reading materials sent for these purposes was substantially more than the increase for any other class of mail and threatens the affordability and future distribution of such materials;

(8) failure to provide affordable access to reading materials would seriously limit the fair and universal distribution of books and classroom publications to schools, libraries, literacy programs and early childhood development programs; and

(9) the Postal Service has the discretionary authority to set postal rates.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that, since educational materials sent to schools, libraries, literacy programs, and early childhood development programs received the highest postal rate increase in the year 2000 rate case, the United States Postal Service should freeze the rates for those materials.

SA 474. Ms. LANDRIEU submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 312, strike line 18 and all that follows through page 313, line 4, and insert the following:

"(I) an amount that bears the same relationship to 35 percent of the excess amount as the number of individuals age 5 through 17 in the State, as determined by the Secretary on the basis of the most recent satisfactory data, bears to the number of those individuals in all such States, as so determined; and

"(II) an amount that bears the same relationship to 65 percent of the

* * * * *

On page 320, strike lines 16 through 26 and insert the following:

"(1) an amount that bears the same relationship to 20 percent of the total amount as the number of individuals age 5 through 17 in the geographic area served by the agency, as determined by the Secretary on the basis of the most recent satisfactory data, bears to the number of those individuals in the geographic areas served by all the local educational agencies in the State, as so determined; and

"(2) an amount that bears the same relationship to 80 percent of the total amount as the num-".

SA 475. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of part A of title I, add the following:

SEC. 120D. ADEQUACY OF FUNDING OF TARGETED GRANTS TO LOCAL EDUCATIONAL AGENCIES IN FISCAL YEARS AFTER FISCAL YEAR 2001.

(a) FINDINGS.—Congress makes the following findings:

(1) The current Basic Grant Formula for the distribution of funds under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.), often does not provide funds for the economically disadvantaged students for which such funds are targeted.

(2) Any school district in which at least two percent of the students live below the poverty level qualifies for funding under the Basic Grant Formula. As a result, 9 out of every 10 school districts in the country receive some form of aid under the Formula.

(3) Fifty-eight percent of all schools receive at least some funding under title I of the Elementary and Secondary Education Act of 1965, including many suburban schools with predominantly well-off students.

(4) One out of every 5 schools with concentrations of poor students between 50 and 75 percent receive no funding at all under title I of the Elementary and Secondary Education Act of 1965.

(5) In passing the Improving America's Schools Act in 1994, Congress declared that grants under title I of the Elementary and Secondary Education Act of 1965 would more sharply target high poverty schools by using the Targeted Grant Formula, but annual appropriation Acts have prevented the use of that Formula.

(6) The advantage of the Targeted Grant Formula over other funding formulas under title I of the Elementary and Secondary Education Act of 1965 is that the Targeted Grant Formula provides increased grants per poor child as the percentage of economically disadvantaged children in a school district increases.

(7) Studies have found that the poverty of a child's family is much more likely to be associated with educational disadvantage if the family lives in an area with large concentrations of poor families.

(8) States with large populations of high poverty students would receive significantly more funding if more funds under title I of the Elementary and Secondary Education Act of 1965 were allocated through the Targeted Grant Formula.

(9) Congress has an obligation to allocate funds under title I of the Elementary and Secondary Education Act of 1965 so that such funds will positively affect the largest number of economically disadvantaged students.

(b) LIMITATION ON ALLOCATION OF TITLE I FUNDS CONTINGENT ON ADEQUATE FUNDING OF TARGETED GRANTS.—Notwithstanding any other provision of law, the total amount allocated in any fiscal year after fiscal year 2001 for programs and activities under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.) may not exceed the amount allocated in fiscal year 2001 for such programs and activities unless the amount available for targeted grants to local educational agencies under section 1125 of that Act (20 U.S.C. 6335) in the applicable fiscal year is sufficient to meet the purposes of grants under that section.

SA 476. Mr. BOND submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 763, lines 23, insert "(including statewide nonprofit organizations)" after "organizations".

On page 764, line 4, strike "(including parents of preschool age children)" and insert "(including parents of children from birth through age 5)".

On page 764, line 17, insert "(including statewide nonprofit organizations)" before the comma.

On page 765, line 4, insert "and Parents as Teachers organizations" after "associations".

On page 765, line 14, insert "(including a statewide nonprofit organization)" before "or nonprofit".

On page 767, line 23, strike "part of" and insert "at least ½ of".

On page 769, line 22, insert "(such as training related to Parents as Teachers activities)" before the semicolon.

On page 770, line 8, strike "and".

On page 770, line 12, strike the period and insert "; and".

On page 770, between lines 12 and 13, insert the following:

"(6) to coordinate and integrate early childhood programs with school age programs.

SA 477. Mr. McCAIN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING TRANSMITTAL OF S. 27 TO HOUSE OF REPRESENTATIVES

(A) FINDINGS.—The Senate finds that—

(1) on April 2, 2001, the Senate of the United States passed S. 27, the Bipartisan Campaign Reform Act of 2001, by a vote of 59 to 41;

(2) it has been over 30 days since the Senate moved to third reading and final passage of S. 27;

(3) it was then in order for the bill to be engrossed and officially delivered to the House of Representatives of the United States;

(4) the precedents and traditions of the Senate dictate that bills passed by the Senate are routinely sent in a timely manner to the House of Representatives;

(5) the will of the majority of the Senate, having voted in favor of campaign finance reform is being unduly thwarted;

(6) the American people are taught that when a bill passed one body of Congress, it is routinely sent to the other body for consideration; and

(7) the delay in sending S. 27 to the House of Representatives appears to be an arbitrary action taken to deliberately thwart the will of the majority of the Senate.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary of the Senate should properly engross and deliver S. 27 to the House of Representatives without any intervening delay.

SA 478. Mr. McCAIN (for himself, Mr. EDWARDS, and Mr. KENNEDY) submitted an amendment intended to be proposed by him to the bill S.1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

DIVISION II—BIPARTISAN PATIENT PROTECTION

SEC. 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This division may be cited as the "Bipartisan Patient Protection Act of 2001".

(b) TABLE OF CONTENTS.—The table of contents of this division is as follows:

Sec. 1. Short title; table of contents.

TITLE I—IMPROVING MANAGED CARE

Subtitle A—Utilization Review; Claims; and Internal and External Appeals

Sec. 101. Utilization review activities.
Sec. 102. Procedures for initial claims for benefits and prior authorization determinations.
Sec. 103. Internal appeals of claims denials.
Sec. 104. Independent extefnal appeals procedures.

Subtitle B—Access to Care

Sec. 111. Consumer choice option.
Sec. 112. Choice of health care professional.
Sec. 113. Access to emergency care.
Sec. 114. Timely access to specialists.
Sec. 115. Patient access to obstetrical and gynecological care.
Sec. 116. Access to pediatric care.
Sec. 117. Continuity of care.
Sec. 118. Access to needed prescription drugs.
Sec. 119. Coverage for individuals participating in approved clinical trials.
Sec. 120. Required coverage for minimum hospital stay for mastectomies and lymph node dissections for the treatment of breast cancer and coverage for secondary consultations.

Subtitle C—Access to Information

Sec. 121. Patient access to information.

Subtitle D—Protecting the Doctor-Patient Relationship

Sec. 131. Prohibition of interference with certain medical communications.
Sec. 132. Prohibition of discrimination against providers based on licensure.
Sec. 133. Prohibition against improper incentive arrangements.
Sec. 134. Payment of claims.
Sec. 135. Protection for patient advocacy.

Subtitle E—Definitions

Sec. 151. Definitions.
Sec. 152. Preemption; State flexibility; construction.
Sec. 153. Exclusions.
Sec. 154. Coverage of limited scope plans.
Sec. 155. Regulations.
Sec. 156. Incorporation into plan or coverage documents.

TITLE II—APPLICATION OF QUALITY CARE STANDARDS TO GROUP HEALTH PLANS AND HEALTH INSURANCE COVERAGE UNDER THE PUBLIC HEALTH SERVICE ACT

Sec. 201. Application to group health plans and group health insurance coverage.
Sec. 202. Application to individual health insurance coverage.

TITLE III—AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Sec. 301. Application of patient protection standards to group health plans and group health insurance coverage under the Employee Retirement Income Security Act of 1974.
Sec. 302. Availability of civil remedies.
Sec. 303. Limitations on actions.

TITLE IV—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986

Sec. 401. Application of requirements to group health plans under the Internal Revenue Code of 1986.
Sec. 402. Conforming enforcement for women's health and cancer rights.

TITLE V—EFFECTIVE DATES; COORDINATION IN IMPLEMENTATION

Sec. 501. Effective dates.
Sec. 502. Coordination in implementation.
Sec. 503. Severability.

TITLE I—IMPROVING MANAGED CARE

Subtitle A—Utilization Review; Claims; and Internal and External Appeals

SEC. 101. UTILIZATION REVIEW ACTIVITIES.

(a) COMPLIANCE WITH REQUIREMENTS.—

(1) IN GENERAL.—A group health plan, and a health insurance issuer that provides health insurance coverage, shall conduct utilization review activities in connection with the provision of benefits under such plan or coverage only in accordance with a utilization review program that meets the requirements of this section and section 102.

(2) USE OF OUTSIDE AGENTS.—Nothing in this section shall be construed as preventing a group health plan or health insurance issuer from arranging through a contract or otherwise for persons or entities to conduct utilization review activities on behalf of the plan or issuer, so long as such activities are conducted in accordance with a utilization review program that meets the requirements of this section.

(3) UTILIZATION REVIEW DEFINED.—For purposes of this section, the terms "utilization review" and "utilization review activities" mean procedures used to monitor or evaluate the use or coverage, clinical necessity, appropriateness, efficacy, or efficiency of health care services, procedures or settings, and includes prospective review, concurrent review, second opinions, case management, discharge planning, or retrospective review.

(b) WRITTEN POLICIES AND CRITERIA.—

(1) WRITTEN POLICIES.—A utilization review program shall be conducted consistent with written policies and procedures that govern all aspects of the program.

(2) USE OF WRITTEN CRITERIA.—

(A) IN GENERAL.—Such a program shall utilize written clinical review criteria developed with input from a range of appropriate actively practicing health care professionals, as determined by the plan, pursuant to the program. Such criteria shall include written clinical review criteria that are based on valid clinical evidence where available and that are directed specifically at meeting the needs of at-risk populations and covered individuals with chronic conditions or severe illnesses, including gender-specific criteria and pediatric-specific criteria where available and appropriate.

(B) CONTINUING USE OF STANDARDS IN RETROSPECTIVE REVIEW.—If a health care service has been specifically pre-authorized or approved for a participant, beneficiary, or enrollee under such a program, the program shall not, pursuant to retrospective review, revise or modify the specific standards, criteria, or procedures used for the utilization review for procedures, treatment, and services delivered to the enrollee during the same course of treatment.

(C) REVIEW OF SAMPLE OF CLAIMS DENIALS.—Such a program shall provide for a periodic evaluation of the clinical appropriateness of at least a sample of denials of claims for benefits.

(c) CONDUCT OF PROGRAM ACTIVITIES.—

(1) ADMINISTRATION BY HEALTH CARE PROFESSIONALS.—A utilization review program shall be administered by qualified health care professionals who shall oversee review decisions.

(2) USE OF QUALIFIED, INDEPENDENT PERSONNEL.—

(A) IN GENERAL.—A utilization review program shall provide for the conduct of utilization review activities only through personnel who are qualified and have received appropriate training in the conduct of such activities under the program.

(B) PROHIBITION OF CONTINGENT COMPENSATION ARRANGEMENTS.—Such a program shall not, with respect to utilization review activities, permit or provide compensation or anything of value to its employees, agents, or contractors in a manner that encourages denials of claims for benefits.

(C) PROHIBITION OF CONFLICTS.—Such a program shall not permit a health care professional who is providing health care services to an individual to perform utilization review activities in connection with the health care services being provided to the individual.

(3) ACCESSIBILITY OF REVIEW.—Such a program shall provide that appropriate personnel performing utilization review activities under the program, including the utilization review administrator, are reasonably accessible by toll-free telephone during normal business hours to discuss patient care and allow response to telephone requests, and that appropriate provision is made to receive and respond promptly to calls received during other hours.

(4) LIMITS ON FREQUENCY.—Such a program shall not provide for the performance of utilization review activities with respect to a class of services furnished to an individual more frequently than is reasonably required to assess whether the services under review are medically necessary and appropriate.

SEC. 102. PROCEDURES FOR INITIAL CLAIMS FOR BENEFITS AND PRIOR AUTHORIZATION DETERMINATIONS.

(a) PROCEDURES OF INITIAL CLAIMS FOR BENEFITS.—

(1) IN GENERAL.—A group health plan, or health insurance issuer offering health insurance coverage, shall—

(A) make a determination on an initial claim for benefits by a participant, beneficiary, or enrollee (or authorized representative) regarding payment or coverage for items or services under the terms and conditions of the plan or coverage involved, including any cost-sharing amount that the participant, beneficiary, or enrollee is required to pay with respect to such claim for benefits; and

(B) notify a participant, beneficiary, or enrollee (or authorized representative) and the treating health care professional involved regarding a determination on an initial claim for benefits made under the terms and conditions of the plan or coverage, including any cost-sharing amounts that the participant, beneficiary, or enrollee may be required to make with respect to such claim for benefits, and of the right of the participant, beneficiary, or enrollee to an internal appeal under section 103.

(2) ACCESS TO INFORMATION.—

(A) TIMELY PROVISION OF NECESSARY INFORMATION.—With respect to an initial claim for benefits, the participant, beneficiary, or enrollee (or authorized representative) and the treating health care professional (if any) shall provide the plan or issuer with access to information requested by the plan or issuer that is necessary to make a determination relating to the claim. Such access shall be provided not later than 5 days after the date on which the request for information is received, or, in a case described in subparagraph (B) or (C) of subsection (b)(1), by such earlier time as may be necessary to comply with the applicable timeline under such subparagraph.

(B) LIMITED EFFECT OF FAILURE ON PLAN OR ISSUER'S OBLIGATIONS.—Failure of the participant, beneficiary, or enrollee to comply with the requirements of subparagraph (A) shall not remove the obligation of the plan or issuer to make a decision in accordance with the medical exigencies of the case and as soon as possible, based on the available information, and failure to comply with the time limit established by this paragraph shall not remove the obligation of the plan or issuer to comply with the requirements of this section.

(3) ORAL REQUESTS.—In the case of a claim for benefits involving an expedited or concurrent determination, a participant, beneficiary, or enrollee (or authorized representative) may make an initial claim for benefits orally, but a group health plan, or health insurance issuer offering health insurance coverage, may require that the participant, beneficiary, or enrollee (or authorized representative) provide written confirmation of such request in a timely manner on a form provided by the plan or issuer. In the case of such an oral request for benefits, the making of the request (and the timing of such request) shall be treated as the making at that time of a claims for such benefits without regard to whether and when a written confirmation of such request is made.

(b) TIMELINE FOR MAKING DETERMINATIONS.—

(1) PRIOR AUTHORIZATION DETERMINATION.—

(A) IN GENERAL.—A group health plan, or health insurance issuer offering health insurance coverage, shall make a prior authorization determination on a claim for benefits (whether oral or written) in accordance with the medical exigencies of the case and as soon as possible, but in no case later than 14 days from the date on which the plan or issuer receives information that is reasonably necessary to enable the plan or issuer to make a determination on the request for prior authorization and in no case later than 28 days after the date of the claim for benefits is received.

(B) EXPEDITED DETERMINATION.—Notwithstanding subparagraph (A), a group health plan, or health insurance issuer offering health insurance coverage, shall expedite a prior authorization determination on a claim for benefits described in such subparagraph when a request for such an expedited determination is made by a participant, beneficiary, or enrollee (or authorized representative) at any time during the process for making a determination and a health care professional certifies, with the request, that a determination under the procedures described in subparagraph (A) would seriously jeopardize the life or health of the participant, beneficiary, or enrollee or the ability of the participant, beneficiary, or enrollee to maintain or regain maximum function. Such determination shall be made in accordance with the medical exigencies of the case and as soon as possible, but in no case later than 72 hours after the time the request is received by the plan or issuer under this subparagraph.

(C) ONGOING CARE.—

(i) CONCURRENT REVIEW.—

(I) IN GENERAL.—Subject to clause (ii), in the case of a concurrent review of ongoing care (including hospitalization), which results in a termination or reduction of such care, the plan or issuer must provide by telephone and in printed form notice of the concurrent review determination to the individual or the individual's designee and the individual's health care provider in accordance with the medical exigencies of the case and as soon as possible, with sufficient time prior to the termination or reduction to allow for an appeal under section 103(b)(3) to be completed before the termination or reduction takes effect.

(II) CONTENTS OF NOTICE.—Such notice shall include, with respect to ongoing health care items and services, the number of ongoing services approved, the new total of approved services, the date of onset of services, and the next review date, if any, as well as a statement of the individual's rights to further appeal.

(ii) RULE OF CONSTRUCTION.—Clause (i) shall not be construed as requiring plans or issuers to provide coverage of care that would exceed the coverage limitations for such care.

(2) RETROSPECTIVE DETERMINATION.—A group health plan, or health insurance issuer offering health insurance coverage, shall make a retrospective determination on a claim for benefits in accordance with the medical exigencies of the case and as soon as possible, but not later than 30 days after the date on which the plan or issuer receives information that is reasonably necessary to enable the plan or issuer to make a determination on the claim, or, if earlier, 60 days after the date of receipt of the claim for benefits.

(c) NOTICE OF A DENIAL OF A CLAIM FOR BENEFITS.—Written notice of a denial made under an initial claim for benefits shall be issued to the participant, beneficiary, or enrollee (or authorized representative) and the treating health care professional in accordance with the medical exigencies of the case and as soon as possible, but in no case later than 2 days after the date of the determination (or, in the case described in subparagraph (B) or (C) of subsection (b)(1), within the 72-hour or applicable period referred to in such subparagraph).

(d) REQUIREMENTS OF NOTICE OF DETERMINATIONS.—The written notice of a denial of a claim for benefits determination under subsection (c) shall be provided in printed form and written in a manner calculated to be understood by the average participant, beneficiary, or enrollee and shall include—

(1) the specific reasons for the determination (including a summary of the clinical or scientific evidence used in making the determination);

(2) the procedures for obtaining additional information concerning the determination; and

(3) notification of the right to appeal the determination and instructions on how to initiate an appeal in accordance with section 103.

(e) DEFINITIONS.—For purposes of this part:

(1) AUTHORIZED REPRESENTATIVE.—The term "authorized representative" means, with respect to an individual who is a participant, beneficiary, or enrollee, any health care professional or other person acting on behalf of the individual with the individual's consent or without such consent if the individual is medically unable to provide such consent.

(2) CLAIM FOR BENEFITS.—The term "claim for benefits" means any request for coverage (including authorization of coverage), for eligibility, or for payment in whole or in part, for an item or service under a group health plan or health insurance coverage.

(3) DENIAL OF CLAIM FOR BENEFITS.—The term "denial" means, with respect to a claim for benefits, a denial (in whole or in part) of, or a failure to act on a timely basis upon, the claim for benefits and includes a failure to provide benefits (including items and services) required to be provided under this title.

(4) TREATING HEALTH CARE PROFESSIONAL.—The term "treating health care professional" means, with respect to services to be provided to a participant, beneficiary, or enrollee, a health care professional who is primarily responsible for delivering those services to the participant, beneficiary, or enrollee.

SEC. 103. INTERNAL APPEALS OF CLAIMS DENIALS.

(a) RIGHT TO INTERNAL APPEAL.—

(1) IN GENERAL.—A participant, beneficiary, or enrollee (or authorized representative) may appeal any denial of a claim for benefits under section 102 under the procedures described in this section.

(2) TIME FOR APPEAL.—

(A) IN GENERAL.—A group health plan, or health insurance issuer offering health insurance coverage, shall ensure that a participant, beneficiary, or enrollee (or authorized representative) has a period of not less than 180 days beginning on the date of a denial of a claim for benefits under section 102 in which to appeal such denial under this section.

(B) DATE OF DENIAL.—For purposes of subparagraph (A), the date of the denial shall be deemed to be the date as of which the participant, beneficiary, or enrollee knew of the denial of the claim for benefits.

(3) FAILURE TO ACT.—The failure of a plan or issuer to issue a determination on a claim for benefits under section 102 within the applicable timeline established for such a determination under such section is a denial of a claim for benefits for purposes this subtitle as of the date of the applicable deadline.

(4) PLAN WAIVER OF INTERNAL REVIEW.—A group health plan, or health insurance issuer offering health insurance coverage, may waive the internal review process under this section. In such case the plan or issuer shall provide notice to the participant, beneficiary, or enrollee (or authorized representative) involved, the participant, beneficiary, or enrollee (or authorized representative) involved shall be relieved of any obligation to complete the internal review involved, and may, at the option of such participant, beneficiary, enrollee, or representative proceed directly to seek further appeal through external review under section 104 or otherwise.

(b) TIMELINES FOR MAKING DETERMINATIONS.—

(1) ORAL REQUESTS.—In the case of an appeal of a denial of a claim for benefits under this section that involves an expedited or concurrent determination, a participant, beneficiary, or enrollee (or authorized representative) may request such appeal orally. A group health plan, or health insurance issuer offering health insurance coverage, may require that the participant, beneficiary, or enrollee (or authorized representative) provide written confirmation of such request in a timely manner on a form provided by the plan or issuer. In the case of such an oral request for an appeal of a denial, the making of the request (and the timing of such request) shall be treated as the making at that time of a request for an appeal without regard to whether and when a written confirmation of such request is made.

(2) ACCESS TO INFORMATION.—

(A) TIMELY PROVISION OF NECESSARY INFORMATION.—With respect to an appeal of a denial of a claim for benefits, the participant, beneficiary, or enrollee (or authorized representative) and the treating health care professional (if any) shall provide the plan or issuer with access to information requested by the plan or issuer that is necessary to make a determination relating to the appeal. Such access shall be provided not later than 5 days after the date on which the request for information is received, or, in a case described in subparagraph (B) or (C) of paragraph (3), by such earlier time as may be necessary to comply with the applicable timeline under such subparagraph.

(B) LIMITED EFFECT OF FAILURE ON PLAN OR ISSUER'S OBLIGATIONS.—Failure of the participant, beneficiary, or enrollee to comply with the requirements of subparagraph (A) shall not remove the obligation of the plan or issuer to make a decision in accordance with the medical exigencies of the case and as soon as possible, based on the available information, and failure to comply with the time limit established by this paragraph shall not remove the obligation of the plan or issuer to comply with the requirements of this section.

(3) PRIOR AUTHORIZATION DETERMINATIONS.—

(A) IN GENERAL.—A group health plan, or health insurance issuer offering health insurance coverage, shall make a determination on an appeal of a denial of a claim for benefits under this subsection in accordance with the medical exigencies of the case and as soon as possible, but in no case later than 14 days from the date on which the plan or issuer receives information that is reasonably necessary to enable the plan or issuer to make a determination on the appeal and in no case later than 28 days after the date the request for the appeal is received.

(B) EXPEDITED DETERMINATION.—Notwithstanding subparagraph (A), a group health plan, or health insurance issuer offering health insurance coverage, shall expedite a prior authorization determination on an appeal of a denial of a claim for benefits described in subparagraph (A), when a request for such an expedited determination is made by a participant, beneficiary, or enrollee (or authorized representative) at any time during the process for making a determination and a health care professional certifies, with the request, that a determination under the procedures described in subparagraph (A) would seriously jeopardize the life or health of the participant, beneficiary, or enrollee or the ability of the participant, beneficiary, or enrollee to maintain or regain maximum function. Such determination shall be made in accordance with the medical exigencies of the case and as soon as possible, but in no case later than 72 hours after the time the request for such appeal is received by the plan or issuer under this subparagraph.

(C) ONGOING CARE DETERMINATIONS.—

(i) IN GENERAL.—Subject to clause (ii), in the case of a concurrent review determination described in section 102(b)(1)(C)(i)(I), which results in a termination or reduction of such care, the plan or issuer must provide notice of the determination on the appeal under this section by telephone and in printed form to the individual or the individual's designee and the individual's health care provider in accordance with the medical exigencies of the case and as soon as possible, with sufficient time prior to the termination or reduction to allow for an external appeal under section 104 to be completed before the termination or reduction takes effect.

(ii) RULE OF CONSTRUCTION.—Clause (i) shall not be construed as requiring plans or issuers to provide coverage of care that would exceed the coverage limitations for such care.

(4) RETROSPECTIVE DETERMINATION.—A group health plan, or health insurance issuer offering health insurance coverage, shall make a retrospective determination on an appeal of a claim for benefits in no case later than 30 days after the date on which the plan or issuer receives necessary information that is reasonably necessary to enable the plan or issuer to make a determination on the appeal and in no case later than 60 days after the date the request for the appeal is received.

(c) CONDUCT OF REVIEW.—

(1) IN GENERAL.—A review of a denial of a claim for benefits under this section shall be conducted by an individual with appropriate expertise who was not involved in the initial determination.

(2) REVIEW OF MEDICAL DECISIONS BY PHYSICIANS.—A review of an appeal of a denial of a claim for benefits that is based on a lack of medical necessity and appropriateness, or based on an experimental or investigational treatment, or requires an evaluation of medical facts, shall be made by a physician (allopathic or osteopathic) with appropriate expertise (including, in the case of a child, appropriate pediatric expertise) who was not involved in the initial determination.

(d) NOTICE OF DETERMINATION.—

(1) IN GENERAL.—Written notice of a determination made under an internal appeal of a denial of a claim for benefits shall be issued to the participant, beneficiary, or enrollee (or authorized representative) and the treating health care professional in accordance with the medical exigencies of the case and as soon as possible, but in no case later than 2 days after the date of completion of the review (or, in the case described in subparagraph (B) or (C) of subsection (b)(3), within the 72-hour or applicable period referred to in such subparagraph).

(2) FINAL DETERMINATION.—The decision by a plan or issuer under this section shall be treated as the final determination of the plan or issuer on a denial of a claim for benefits. The failure of a plan or issuer to issue a determination on an appeal of a denial of a claim for benefits under this section within the applicable timeline established for such a determination shall be treated as a final determination on an appeal of a denial of a claim for benefits for purposes of proceeding to external review under section 104.

(3) REQUIREMENTS OF NOTICE.—With respect to a determination made under this section, the notice described in paragraph (1) shall be provided in printed form and written in a manner calculated to be understood by the average participant, beneficiary, or enrollee and shall include—

(A) the specific reasons for the determination (including a summary of the clinical or scientific evidence used in making the determination);

(B) the procedures for obtaining additional information concerning the determination; and

(C) notification of the right to an independent external review under section 104 and instructions on how to initiate such a review.

SEC. 104. INDEPENDENT EXTERNAL APPEALS PROCEDURES.

(a) RIGHT TO EXTERNAL APPEAL.—A group health plan, and a health insurance issuer offering health insurance coverage, shall provide in accordance with this section participants, beneficiaries, and enrollees (or authorized representatives) with access to an independent external review for any denial of a claim for benefits.

(b) INITIATION OF THE INDEPENDENT EXTERNAL REVIEW PROCESS.—

(1) TIME TO FILE.—A request for an independent external review under this section shall be filed with the plan or issuer not later than 180 days after the date on which the participant, beneficiary, or enrollee receives notice of the denial under section 103(d) or notice of waiver of internal review under section 103(a)(4) or the date on which the plan or issuer has failed to make a timely decision under section 103(d)(2) and notifies the participant or beneficiary that it has failed to make a timely decision and that the beneficiary must file an appeal with an external review entity within 180 days if the participant or beneficiary desires to file such an appeal.

(2) FILING OF REQUEST.—

(A) IN GENERAL.—Subject to the succeeding provisions of this subsection, a group health plan, and a health insurance issuer offering health insurance coverage, may—

(i) except as provided in subparagraph (B)(i), require that a request for review be in writing;

(ii) limit the filing of such a request to the participant, beneficiary, or enrollee involved (or an authorized representative);

(iii) except if waived by the plan or issuer under section 103(a)(4), condition access to an independent external review under this section upon a final determination of a denial of a claim for benefits under the internal review procedure under section 103;

(iv) except as provided in subparagraph (B)(ii), require payment of a filing fee to the plan or issuer of a sum that does not exceed $25; and

(v) require that a request for review include the consent of the participant, beneficiary, or enrollee (or authorized representative) for the release of necessary medical information or records of the participant, beneficiary, or enrollee to the qualified external review entity only for purposes of conducting external review activities.

(B) REQUIREMENTS AND EXCEPTION RELATING TO GENERAL RULE.—

(i) ORAL REQUESTS PERMITTED IN EXPEDITED OR CONCURRENT CASES.—In the case of an expedited or concurrent external review as provided for under subsection (e), the request may be made orally. A group health plan, or health insurance issuer offering health insurance coverage, may require that the participant, beneficiary, or enrollee (or authorized representative) provide written confirmation of such request in a timely manner on a form provided by the plan or issuer. Such written confirmation shall be treated as a consent for purposes of subparagraph (A)(v). In the case of such an oral request for such a review, the making of the request (and the timing of such request) shall be treated as the making at that time of a request for such an external review without regard to whether and when a written confirmation of such request is made.

(ii) EXCEPTION TO FILING FEE REQUIREMENT.—

(I) INDIGENCY.—Payment of a filing fee shall not be required under subparagraph (A)(iv) where there is a certification (in a form and manner specified in guidelines established by the appropriate Secretary) that the participant, beneficiary, or enrollee is indigent (as defined in such guidelines).

(II) FEE NOT REQUIRED.—Payment of a filing fee shall not be required under subparagraph (A)(iv) if the plan or issuer waives the internal appeals process under section 103(a)(4).

(III) REFUNDING OF FEE.—The filing fee paid under subparagraph (A)(iv) shall be refunded if the determination under the independent external review is to reverse or modify the denial which is the subject of the review.

(IV) COLLECTION OF FILING FEE.—The failure to pay such a filing fee shall not prevent the consideration of a request for review but, subject to the preceding provisions of this clause, shall constitute a legal liability to pay.

(c) REFERRAL TO QUALIFIED EXTERNAL REVIEW ENTITY UPON REQUEST.—

(1) IN GENERAL.—Upon the filing of a request for independent external review with the group health plan, or health insurance issuer offering health insurance coverage, the plan or issuer shall immediately refer such request, and forward the plan or issuer's initial decision (including the information described in section 103(d)(3)(A)), to a qualified external review entity selected in accordance with this section.

(2) ACCESS TO PLAN OR ISSUER AND HEALTH PROFESSIONAL INFORMATION.—With respect to an independent external review conducted under this section, the participant, beneficiary, or enrollee (or authorized representative), the plan or issuer, and the treating health care professional (if any) shall provide the external review entity with information that is necessary to conduct a review under this section, as determined and requested by the entity. Such information shall be provided not later than 5 days after the date on which the request for information is received, or, in a case described in clause (ii) or (iii) of subsection (e)(1)(A), by such earlier time as may be necessary to comply with the applicable timeline under such clause.

(3) SCREENING OF REQUESTS BY QUALIFIED EXTERNAL REVIEW ENTITIES.—

(A) IN GENERAL.—With respect to a request referred to a qualified external review entity under paragraph (1) relating to a denial of a claim for benefits, the entity shall refer such request for the conduct of an independent medical review unless the entity determines that—

(i) any of the conditions described in clauses (ii) or (iii) of subsection (b)(2)(A) have not been met;

(ii) the denial of the claim for benefits does not involve a medically reviewable decision under subsection (d)(2);

(iii) the denial of the claim for benefits relates to a decision regarding whether an individual is a participant, beneficiary, or enrollee who is enrolled under the terms and conditions of the plan or coverage (including the applicability of any waiting period under the plan or coverage); or

(iv) the denial of the claim for benefits is a decision as to the application of cost-sharing requirements or the application of a specific exclusion or express limitation on the amount, duration, or scope of coverage of items or services under the terms and conditions of the plan or coverage unless the decision is a denial described in subsection (d)(2).

Upon making a determination that any of clauses (i) through (iv) applies with respect to the request, the entity shall determine that the denial of a claim for benefits involved is not eligible for independent medical review under subsection (d), and shall provide notice in accordance with subparagraph (C).

(B) PROCESS FOR MAKING DETERMINATIONS.—

(i) NO DEFERENCE TO PRIOR DETERMINATIONS.—In making determinations under subparagraph (A), there shall be no deference given to determinations made by the plan or issuer or the recommendation of a treating health care professional (if any).

(ii) USE OF APPROPRIATE PERSONNEL.—A qualified external review entity shall use appropriately qualified personnel to make determinations under this section.

(C) NOTICES AND GENERAL TIMELINES FOR DETERMINATION.—

(i) NOTICE IN CASE OF DENIAL OF REFERRAL.—If the entity under this paragraph does not make a referral to an independent medical reviewer, the entity shall provide notice to the plan or issuer, the participant, beneficiary, or enrollee (or authorized representative) filing the request, and the treating health care professional (if any) that the denial is not subject to independent medical review. Such notice—

(I) shall be written (and, in addition, may be provided orally) in a manner calculated to be understood by an average participant or enrollee;

(II) shall include the reasons for the determination;

(III) include any relevant terms and conditions of the plan or coverage; and

(IV) include a description of any further recourse available to the individual.

(ii) GENERAL TIMELINE FOR DETERMINATIONS.—Upon receipt of information under paragraph (2), the qualified external review entity, and if required the independent medical reviewer, shall make a determination within the overall timeline that is applicable to the case under review as described in subsection (e), except that if the entity determines that a referral to an independent medical reviewer is not required, the entity shall provide notice of such determination to the participant, beneficiary, or enrollee (or authorized representative) within such timeline and within 2 days of the date of such determination.

(d) INDEPENDENT MEDICAL REVIEW.—

(1) IN GENERAL.—If a qualified external review entity determines under subsection (c) that a denial of a claim for benefits is eligible for independent medical review, the entity shall refer the denial involved to an independent medical reviewer for the conduct of an independent medical review under this subsection.

(2) MEDICALLY REVIEWABLE DECISIONS.—A denial of a claim for benefits is eligible for independent medical review if the benefit for the item or service for which the claim is made would be a covered benefit under the terms and conditions of the plan or coverage but for one (or more) of the following determinations:

(A) DENIALS BASED ON MEDICAL NECESSITY AND APPROPRIATENESS.—A determination that the item or service is not covered because it is not medically necessary and appropriate or based on the application of substantially equivalent terms.

(B) DENIALS BASED ON EXPERIMENTAL OR INVESTIGATIONAL TREATMENT.—A determination that the item or service is not covered because it is experimental or investigational or based on the application of substantially equivalent terms.

(C) DENIALS OTHERWISE BASED ON AN EVALUATION OF MEDICAL FACTS.—A determination that the item or service or condition is not covered based on grounds that require an evaluation of the medical facts by a health care professional in the specific case involved to determine the coverage and extent of coverage of the item or service or condition.

(3) INDEPENDENT MEDICAL REVIEW DETERMINATION.—

(A) IN GENERAL.—An independent medical reviewer under this section shall make a new independent determination with respect to whether or not the denial of a claim for a benefit that is the subject of the review should be upheld, reversed, or modified.

(B) STANDARD FOR DETERMINATION.—The independent medical reviewer's determination relating to the medical necessity and appropriateness, or the experimental or investigation nature, or the evaluation of the medical facts of the item, service, or condition shall be based on the medical condition of the participant, beneficiary, or enrollee (including the medical records of the participant, beneficiary, or enrollee) and valid, relevant scientific evidence and clinical evidence, including peer-reviewed medical literature or findings and including expert opinion.

(C) NO COVERAGE FOR EXCLUDED BENEFITS.—Nothing in this subsection shall be construed to permit an independent medical reviewer to require that a group health plan, or health insurance issuer offering health insurance coverage, provide coverage for items or services for which benefits are specifically excluded or expressly limited under the plan or coverage in the plain language of the plan document (and which are disclosed under section 121(b)(1)(C)) except to the extent that the application or interpretation of the exclusion or limitation involves a determination described in paragraph (2).

(D) EVIDENCE AND INFORMATION TO BE USED IN MEDICAL REVIEWS.—In making a determination under this subsection, the independent medical reviewer shall also consider appropriate and available evidence and information, including the following:

(i) The determination made by the plan or issuer with respect to the claim upon internal review and the evidence, guidelines, or rationale used by the plan or issuer in reaching such determination.

(ii) The recommendation of the treating health care professional and the evidence, guidelines, and rationale used by the treating health care professional in reaching such recommendation.

(iii) Additional relevant evidence or information obtained by the reviewer or submitted by the plan, issuer, participant, beneficiary, or enrollee (or an authorized representative), or treating health care professional.

(iv) The plan or coverage document.

(E) INDEPENDENT DETERMINATION.—In making determinations under this subtitle, a qualified external review entity and an independent medical reviewer shall—

(i) consider the claim under review without deference to the determinations made by the plan or issuer or the recommendation of the treating health care professional (if any); and

(ii) consider, but not be bound by the definition used by the plan or issuer of "medically necessary and appropriate", or "experimental or investigational", or other substantially equivalent terms that are used by the plan or issuer to describe medical necessity and appropriateness or experimental or investigational nature of the treatment.

(F) DETERMINATION OF INDEPENDENT MEDICAL REVIEWER.—An independent medical reviewer shall, in accordance with the deadlines described in subsection (e), prepare a written determination to uphold, reverse, or modify the denial under review. Such written determination shall include—

(i) the determination of the reviewer;

(ii) the specific reasons of the reviewer for such determination, including a summary of the clinical or scientific evidence used in making the determination; and

(iii) with respect to a determination to reverse or modify the denial under review, a timeframe within which the plan or issuer must comply with such determination.

(G) Nonbinding nature of additional recommendations.—In addition to the determination under subparagraph (F), the reviewer may provide the plan or issuer and the treating health care professional with additional recommendations in connection with such a determination, but any such recommendations shall not affect (or be treated as part of) the determination and shall not be binding on the plan or issuer.

(e) Timelines and Notifications.—

(1) Timelines for independent medical review.—

(A) Prior authorization determination.—

(i) In general.—The independent medical reviewer (or reviewers) shall make a determination on a denial of a claim for benefits that is referred to the reviewer under subsection (c)(3) in accordance with the medical exigencies of the case and as soon as possible, but in no case later than 14 days after the date of receipt of information under subsection (c)(2) if the review involves a prior authorization of items or services and in no case later than 21 days after the date the request for external review is received.

(ii) Expedited determination.—Notwithstanding clause (i) and subject to clause (iii), the independent medical reviewer (or reviewers) shall make an expedited determination on a denial of a claim for benefits described in clause (i), when a request for such an expedited determination is made by a participant, beneficiary, or enrollee (or authorized representative) at any time during the process for making a determination, and a health care professional certifies, with the request, that a determination under the timeline described in clause (i) would seriously jeopardize the life or health of the participant, beneficiary, or enrollee or the ability of the participant, beneficiary, or enrollee to maintain or regain maximum function. Such determination shall be made as soon in accordance with the medical exigencies of the case and as soon as possible, but in no case later than 72 hours after the time the request for external review is received by the qualified external review entity.

(iii) Ongoing care determination.—Notwithstanding clause (i), in the case of a review described in such subclause that involves a termination or reduction of care, the notice of the determination shall be completed not later than 24 hours after the time the request for external review is received by the qualified external review entity and before the end of the approved period of care.

(B) Retrospective determination.—The independent medical reviewer (or reviewers) shall complete a review in the case of a retrospective determination on an appeal of a denial of a claim for benefits that is referred to the reviewer under subsection (c)(3) in no case later than 30 days after the date of receipt of information under subsection (c)(2) and in no case later than 60 days after the date the request for external review is received by the qualified external review entity.

(2) Notification of determination.—The external review entity shall ensure that the plan or issuer, the participant, beneficiary, or enrollee (or authorized representative) and the treating health care professional (if any) receives a copy of the written determination of the independent medical reviewer prepared under subsection (d)(3)(F). Nothing in this paragraph shall be construed as preventing an entity or reviewer from providing an initial oral notice of the reviewer's determination.

(3) Form of notices.—Determinations and notices under this subsection shall be written in a manner calculated to be understood by an average participant.

(f) Compliance.—

(1) Application of determinations.—

(A) External review determinations binding on plan.—The determinations of an external review entity and an independent medical reviewer under this section shall be binding upon the plan or issuer involved.

(B) Compliance with determination.—If the determination of an independent medical reviewer is to reverse or modify the denial, the plan or issuer, upon the receipt of such determination, shall authorize coverage to comply with the medical reviewer's determination in accordance with the timeframe established by the medical reviewer.

(2) Failure to comply.—

(A) In general.—If a plan or issuer fails to comply with the timeframe established under paragraph (1)(B) with respect to a participant, beneficiary, or enrollee, where such failure to comply is caused by the plan or issuer, the participant, beneficiary, or enrollee may obtain the items or services involved (in a manner consistent with the determination of the independent external reviewer) from any provider regardless of whether such provider is a participating provider under the plan or coverage.

(B) Reimbursement.—

(i) In general.—Where a participant, beneficiary, or enrollee obtains items or services in accordance with subparagraph (A), the plan or issuer involved shall provide for reimbursement of the costs of such items or services. Such reimbursement shall be made to the treating health care professional or to the participant, beneficiary, or enrollee (in the case of a participant, beneficiary, or enrollee who pays for the costs of such items or services).

(ii) Amount.—The plan or issuer shall fully reimburse a professional, participant, beneficiary, or enrollee under clause (i) for the total costs of the items or services provided (regardless of any plan limitations that may apply to the coverage of such items or services) so long as the items or services were provided in a manner consistent with the determination of the independent medical reviewer.

(C) Failure to reimburse.—Where a plan or issuer fails to provide reimbursement to a professional, participant, beneficiary, or enrollee in accordance with this paragraph, the professional, participant, beneficiary, or enrollee may commence a civil action (or utilize other remedies available under law) to recover only the amount of any such reimbursement that is owed by the plan or issuer and any necessary legal costs or expenses (including attorney's fees) incurred in recovering such reimbursement.

(D) Available remedies.—The remedies provided under this paragraph are in addition to any other available remedies.

(3) Penalties against authorized officials for refusing to authorize the determination of an external review entity.—

(A) Monetary penalties.—

(i) In general.—In any case in which the determination of an external review entity is not followed by a group health plan, or by a health insurance issuer offering health insurance coverage, any person who, acting in the capacity of authorizing the benefit, causes such refusal may, in the discretion in a court of competent jurisdiction, be liable to an aggrieved participant, beneficiary, or enrollee for a civil penalty in an amount of up to $1,000 a day from the date on which the determination was transmitted to the plan or issuer by the external review entity until the date the refusal to provide the benefit is corrected.

(ii) Additional penalty for failing to follow timeline.—In any case in which treatment was not commenced by the plan in accordance with the determination of an independent external reviewer, the Secretary shall assess a civil penalty of $10,000 against the plan and the plan shall pay such penalty to the participant, beneficiary, or enrollee involved.

(B) Cease and desist order and order of attorney's fees.—In any action described in subparagraph (A) brought by a participant, beneficiary, or enrollee with respect to a group health plan, or a health insurance issuer offering health insurance coverage, in which a plaintiff alleges that a person referred to in such subparagraph has taken an action resulting in a refusal of a benefit determined by an external appeal entity to be covered, or has failed to take an action for which such person is responsible under the terms and conditions of the plan or coverage and which is necessary under the plan or coverage for authorizing a benefit, the court shall cause to be served on the defendant an order requiring the defendant—

(i) to cease and desist from the alleged action or failure to act; and

(ii) to pay to the plaintiff a reasonable attorney's fee and other reasonable costs relating to the prosecution of the action on the charges on which the plaintiff prevails.

(C) Additional civil penalties.—

(i) In general.—In addition to any penalty imposed under subparagraph (A) or (B), the appropriate Secretary may assess a civil penalty against a person acting in the capacity of authorizing a benefit determined by an external review entity for one or more group health plans, or health insurance issuers offering health insurance coverage, for—

(I) any pattern or practice of repeated refusal to authorize a benefit determined by an external appeal entity to be covered; or

(II) any pattern or practice of repeated violations of the requirements of this section with respect to such plan or coverage.

(ii) Standard of proof and amount of penalty.—Such penalty shall be payable only upon proof by clear and convincing evidence of such pattern or practice and shall be in an amount not to exceed the lesser of—

(I) 25 percent of the aggregate value of benefits shown by the appropriate Secretary to have not been provided, or unlawfully delayed, in violation of this section under such pattern or practice; or

(II) $500,000.

(D) Removal and disqualification.—Any person acting in the capacity of authorizing benefits who has engaged in any such pattern or practice described in subparagraph (C)(i) with respect to a plan or coverage, upon the petition of the appropriate Secretary, may be removed by the court from such position, and from any other involvement, with respect to such a plan or coverage, and may be precluded from returning to any such position or involvement for a period determined by the court.

(4) Protection of legal rights.—Nothing in this subsection or subtitle shall be construed as altering or eliminating any cause of action or legal rights or remedies of participants, beneficiaries, enrollees, and others under State or Federal law (including sections 502 and 503 of the Employee Retirement Income Security Act of 1974), including the right to file judicial actions to enforce rights.

(g) Qualifications of Independent Medical Reviewers.—

(1) In general.—In referring a denial to 1 or more individuals to conduct independent medical review under subsection (c), the qualified external review entity shall ensure that—

(A) each independent medical reviewer meets the qualifications described in paragraphs (2) and (3);

(B) with respect to each review at least 1 such reviewer meets the requirements described in paragraphs (4) and (5); and

(C) compensation provided by the entity to the reviewer is consistent with paragraph (6).

(2) Licensure and expertise.—Each independent medical reviewer shall be a physician (allopathic or osteopathic) or health care professional who—

(A) is appropriately credentialed or licensed in 1 or more States to deliver health care services; and

(B) typically treats the condition, makes the diagnosis, or provides the type of treatment under review.

(3) Independence.—

(A) In general.—Subject to subparagraph (B), each independent medical reviewer in a case shall—

(i) not be a related party (as defined in paragraph (7));

(ii) not have a material familial, financial, or professional relationship with such a party; and

(iii) not otherwise have a conflict of interest with such a party (as determined under regulations).

(B) Exception.—Nothing in subparagraph (A) shall be construed to—

(i) prohibit an individual, solely on the basis of affiliation with the plan or issuer, from serving as an independent medical reviewer if—

(I) a non-affiliated individual is not reasonably available;

(II) the affiliated individual is not involved in the provision of items or services in the case under review;

(III) the fact of such an affiliation is disclosed to the plan or issuer and the participant, beneficiary, or enrollee (or authorized representative) and neither party objects; and

(IV) the affiliated individual is not an employee of the plan or issuer and does not provide services exclusively or primarily to or on behalf of the plan or issuer;

(ii) prohibit an individual who has staff privileges at the institution where the treatment involved takes place from serving as an independent medical reviewer merely on the basis of such affiliation if the affiliation is disclosed to the plan or issuer and the participant, beneficiary, or enrollee (or authorized representative), and neither party objects; or

(iii) prohibit receipt of compensation by an independent medical reviewer from an entity if the compensation is provided consistent with paragraph (6).

(4) Practicing health care professional in same field.—

(A) In general.—In a case involving treatment, or the provision of items or services—

(i) by a physician, a reviewer shall be a practicing physician (allopathic or osteopathic) of the same or similar specialty, as a physician who typically treats the condition, makes the diagnosis, or provides the type of treatment under review; or

(ii) by a health care professional (other than a physician), a reviewer shall be a practicing physician (allopathic or osteopathic) or, if determined appropriate by the qualified external review entity, a practicing health care professional (other than such a physician), of the same or similar specialty as the health care professional who typically treats the condition, makes the diagnosis, or provides the type of treatment under review.

(B) Practicing defined.—For purposes of this paragraph, the term "practicing" means, with respect to an individual who is a physician or other health care professional that the individual provides health care services to individual patients on average at least 2 days per week.

(5) Pediatric expertise.—In the case of an external review relating to a child, a reviewer shall have expertise under paragraph (2) in pediatrics.

(6) Limitations on reviewer compensation.—Compensation provided by a qualified external review entity to an independent medical reviewer in connection with a review under this section shall—

(A) not exceed a reasonable level; and

(B) not be contingent on the decision rendered by the reviewer.

(7) Related party defined.—For purposes of this section, the term "related party" means, with respect to a denial of a claim under a plan or coverage relating to a participant, beneficiary, or enrollee, any of the following:

(A) The plan, plan sponsor, or issuer involved, or any fiduciary, officer, director, or employee of such plan, plan sponsor, or issuer.

(B) The participant, beneficiary, or enrollee (or authorized representative).

(C) The health care professional that provides the items or services involved in the denial.

(D) The institution at which the items or services (or treatment) involved in the denial are provided.

(E) The manufacturer of any drug or other item that is included in the items or services involved in the denial.

(F) Any other party determined under any regulations to have a substantial interest in the denial involved.

(h) Qualified External Review Entities.—

(1) Selection of qualified external review entities.—

(A) Limitation on plan or issuer selection.—The appropriate Secretary shall implement procedures—

(i) to assure that the selection process among qualified external review entities will not create any incentives for external review entities to make a decision in a biased manner; and

(ii) for auditing a sample of decisions by such entities to assure that no such decisions are made in a biased manner.

No such selection process under the procedures implemented by the appropriate Secretary may give either the patient or the plan or issuer any ability to determine or influence the selection of a qualified external review entity to review the case of any participant, beneficiary, or enrollee.

(B) State authority with respect to qualified external review entities for health insurance issuers.—With respect to health insurance issuers offering health insurance coverage in a State, the State may provide for external review activities to be conducted by a qualified external appeal entity that is designated by the State or that is selected by the State in a manner determined by the State to assure an unbiased determination.

(2) Contract with qualified external review entity.—Except as provided in paragraph (1)(B), the external review process of a plan or issuer under this section shall be conducted under a contract between the plan or issuer and 1 or more qualified external review entities (as defined in paragraph (4)(A)).

(3) Terms and conditions of contract.—The terms and conditions of a contract under paragraph (2) shall—

(A) be consistent with the standards the appropriate Secretary shall establish to assure there is no real or apparent conflict of interest in the conduct of external review activities; and

(B) provide that the costs of the external review process shall be borne by the plan or issuer.

Subparagraph (B) shall not be construed as applying to the imposition of a filing fee under subsection (b)(2)(A)(iv) or costs incurred by the participant, beneficiary, or enrollee (or authorized representative) or treating health care professional (if any) in support of the review, including the provision of additional evidence or information.

(4) Qualifications.—

(A) In general.—In this section, the term "qualified external review entity" means, in relation to a plan or issuer, an entity that is initially certified (and periodically recertified) under subparagraph (C) as meeting the following requirements:

(i) The entity has (directly or through contracts or other arrangements) sufficient medical, legal, and other expertise and sufficient staffing to carry out duties of a qualified external review entity under this section on a timely basis, including making determinations under subsection (b)(2)(A) and providing for independent medical reviews under subsection (d).

(ii) The entity is not a plan or issuer or an affiliate or a subsidiary of a plan or issuer, and is not an affiliate or subsidiary of a professional or trade association of plans or issuers or of health care providers.

(iii) The entity has provided assurances that it will conduct external review activities consistent with the applicable requirements of this section and standards specified in subparagraph (C), including that it will not conduct any external review activities in a case unless the independence requirements of subparagraph (B) are met with respect to the case.

(iv) The entity has provided assurances that it will provide information in a timely manner under subparagraph (D).

(v) The entity meets such other requirements as the appropriate Secretary provides by regulation.

(B) Independence requirements.—

(i) In general.—Subject to clause (ii), an entity meets the independence requirements of this subparagraph with respect to any case if the entity—

(I) is not a related party (as defined in subsection (g)(7));

(II) does not have a material familial, financial, or professional relationship with such a party; and

(III) does not otherwise have a conflict of interest with such a party (as determined under regulations).

(ii) Exception for reasonable compensation.—Nothing in clause (i) shall be construed to prohibit receipt by a qualified external review entity of compensation from a plan or issuer for the conduct of external review activities under this section if the compensation is provided consistent with clause (iii).

(iii) Limitations on entity compensation.—Compensation provided by a plan or issuer to a qualified external review entity in connection with reviews under this section shall—

(I) not exceed a reasonable level; and

(II) not be contingent on any decision rendered by the entity or by any independent medical reviewer.

(C) CERTIFICATION AND RECERTIFICATION PROCESS.—

(i) IN GENERAL.—The initial certification and recertification of a qualified external review entity shall be made—

(I) under a process that is recognized or approved by the appropriate Secretary; or

(II) by a qualified private standard-setting organization that is approved by the appropriate Secretary under clause (iii).

In taking action under subclause (I), the appropriate Secretary shall give deference to entities that are under contract with the Federal Government or with an applicable State authority to perform functions of the type performed by qualified external review entities.

(ii) PROCESS.—The appropriate Secretary shall not recognize or approve a process under clause (i)(I) unless the process applies standards (as promulgated in regulations) that ensure that a qualified external review entity—

(I) will carry out (and has carried out, in the case of recertification) the responsibilities of such an entity in accordance with this section, including meeting applicable deadlines;

(II) will meet (and has met, in the case of recertification) appropriate indicators of fiscal integrity;

(III) will maintain (and has maintained, in the case of recertification) appropriate confidentiality with respect to individually identifiable health information obtained in the course of conducting external review activities; and

(IV) in the case recertification, shall review the matters described in clause (iv).

(iii) APPROVAL OF QUALIFIED PRIVATE STANDARD-SETTING ORGANIZATIONS.—For purposes of clause (i)(II), the appropriate Secretary may approve a qualified private standard-setting organization if such Secretary finds that the organization only certifies (or recertifies) external review entities that meet at least the standards required for the certification (or recertification) of external review entities under clause (ii).

(iv) CONSIDERATIONS IN RECERTIFICATIONS.—In conducting recertifications of a qualified external review entity under this paragraph, the appropriate Secretary or organization conducting the recertification shall review compliance of the entity with the requirements for conducting external review activities under this section, including the following:

(I) Provision of information under subparagraph (D).

(II) Adherence to applicable deadlines (both by the entity and by independent medical reviewers it refers cases to).

(III) Compliance with limitations on compensation (with respect to both the entity and independent medical reviewers it refers cases to).

(IV) Compliance with applicable independence requirements.

(v) PERIOD OF CERTIFICATION OR RECERTIFICATION.—A certification or recertification provided under this paragraph shall extend for a period not to exceed 2 years.

(vi) REVOCATION.—A certification or recertification under this paragraph may be revoked by the appropriate Secretary or by the organization providing such certification upon a showing of cause.

(vii) SUFFICIENT NUMBER OF ENTITIES.—The appropriate Secretary shall certify and recertify a number of external review entities which is sufficient to ensure the timely and efficient provision of review services.

(D) PROVISION OF INFORMATION.—

(i) IN GENERAL.—A qualified external review entity shall provide to the appropriate Secretary, in such manner and at such times as such Secretary may require, such information (relating to the denials which have been referred to the entity for the conduct of external review under this section) as such Secretary determines appropriate to assure compliance with the independence and other requirements of this section to monitor and assess the quality of its external review activities and lack of bias in making determinations. Such information shall include information described in clause (ii) but shall not include individually identifiable medical information.

(ii) INFORMATION TO BE INCLUDED.—The information described in this subclause with respect to an entity is as follows:

(I) The number and types of denials for which a request for review has been received by the entity.

(II) The disposition by the entity of such denials, including the number referred to a independent medical reviewer and the reasons for such dispositions (including the application of exclusions), on a plan or issuer-specific basis and on a health care specialty-specific basis.

(III) The length of time in making determinations with respect to such denials.

(IV) Updated information on the information required to be submitted as a condition of certification with respect to the entity's performance of external review activities.

(iii) INFORMATION TO BE PROVIDED TO CERTIFYING ORGANIZATION.—

(I) IN GENERAL.—In the case of a qualified external review entity which is certified (or recertified) under this subsection by a qualified private standard-setting organization, at the request of the organization, the entity shall provide the organization with the information provided to the appropriate Secretary under clause (i).

(II) ADDITIONAL INFORMATION.—Nothing in this subparagraph shall be construed as preventing such an organization from requiring additional information as a condition of certification or recertification of an entity.

(iv) USE OF INFORMATION.—Information provided under this subparagraph may be used by the appropriate Secretary and qualified private standard-setting organizations to conduct oversight of qualified external review entities, including recertification of such entities, and shall be made available to the public in an appropriate manner.

(E) LIMITATION ON LIABILITY.—No qualified external review entity having a contract with a plan or issuer, and no person who is employed by any such entity or who furnishes professional services to such entity (including as an independent medical reviewer), shall be held by reason of the performance of any duty, function, or activity required or authorized pursuant to this section, to be civilly liable under any law of the United States or of any State (or political subdivision thereof) if there was no actual malice or gross misconduct in the performance of such duty, function, or activity.

Subtitle B—Access to Care

SEC. 111. CONSUMER CHOICE OPTION.

(a) IN GENERAL.—If—

(1) a health insurance issuer providing health insurance coverage in connection with a group health plan offers to enrollees health insurance coverage which provides for coverage of services only if such services are furnished through health care professionals and providers who are members of a network of health care professionals and providers who have entered into a contract with the issuer to provide such services, or

(2) a group health plan offers to participants or beneficiaries health benefits which provide for coverage of services only if such services are furnished through health care professionals and providers who are members of a network of health care professionals and providers who have entered into a contract with the plan to provide such services,

then the issuer or plan shall also offer or arrange to be offered to such enrollees, participants, or beneficiaries (at the time of enrollment and during an annual open season as provided under subsection (c)) the option of health insurance coverage or health benefits which provide for coverage of such services which are not furnished through health care professionals and providers who are members of such a network unless such enrollees, participants, or beneficiaries are offered such non-network coverage through another group health plan or through another health insurance issuer in the group market.

(b) ADDITIONAL COSTS.—The amount of any additional premium charged by the health insurance issuer or group health plan for the additional cost of the creation and maintenance of the option described in subsection (a) and the amount of any additional cost sharing imposed under such option shall be borne by the enrollee, participant, or beneficiary unless it is paid by the health plan sponsor or group health plan through agreement with the health insurance issuer.

(c) OPEN SEASON.—An enrollee, participant, or beneficiary, may change to the offering provided under this section only during a time period determined by the health insurance issuer or group health plan. Such time period shall occur at least annually.

SEC. 112. CHOICE OF HEALTH CARE PROFESSIONAL.

(a) PRIMARY CARE.—If a group health plan, or a health insurance issuer that offers health insurance coverage, requires or provides for designation by a participant, beneficiary, or enrollee of a participating primary care provider, then the plan or issuer shall permit each participant, beneficiary, and enrollee to designate any participating primary care provider who is available to accept such individual.

(b) SPECIALISTS.—

(1) IN GENERAL.—Subject to paragraph (2), a group health plan and a health insurance issuer that offers health insurance coverage shall permit each participant, beneficiary, or enrollee to receive medically necessary and appropriate specialty care, pursuant to appropriate referral procedures, from any qualified participating health care professional who is available to accept such individual for such care.

(2) LIMITATION.—Paragraph (1) shall not apply to specialty care if the plan or issuer clearly informs participants, beneficiaries, and enrollees of the limitations on choice of participating health care professionals with respect to such care.

(3) CONSTRUCTION.—Nothing in this subsection shall be construed as affecting the application of section 114 (relating to access to specialty care).

SEC. 113. ACCESS TO EMERGENCY CARE.

(a) COVERAGE OF EMERGENCY SERVICES.—

(1) IN GENERAL.—If a group health plan, or health insurance coverage offered by a health insurance issuer, provides or covers any benefits with respect to services in an emergency department of a hospital, the plan or issuer shall cover emergency services (as defined in paragraph (2)(B))—

(A) without the need for any prior authorization determination;

(B) whether the health care provider furnishing such services is a participating provider with respect to such services;

(C) in a manner so that, if such services are provided to a participant, beneficiary, or enrollee—

(i) by a nonparticipating health care provider with or without prior authorization, or

(ii) by a participating health care provider without prior authorization,

the participant, beneficiary, or enrollee is not liable for amounts that exceed the amounts of liability that would be incurred if the services were provided by a participating health care provider with prior authorization; and

(D) without regard to any other term or condition of such coverage (other than exclusion or coordination of benefits, or an affiliation or waiting period, permitted under section 2701 of the Public Health Service Act, section 701 of the Employee Retirement Income Security Act of 1974, or section 9801 of the Internal Revenue Code of 1986, and other than applicable cost-sharing).

(2) Definitions.—In this section:

(A) Emergency medical condition.—The term "emergency medical condition" means a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in a condition described in clause (i), (ii), or (iii) of section 1867(e)(1)(A) of the Social Security Act.

(B) Emergency services.—The term "emergency services" means, with respect to an emergency medical condition—

(i) a medical screening examination (as required under section 1867 of the Social Security Act) that is within the capability of the emergency department of a hospital, including ancillary services routinely available to the emergency department to evaluate such emergency medical condition, and

(ii) within the capabilities of the staff and facilities available at the hospital, such further medical examination and treatment as are required under section 1867 of such Act to stabilize the patient.

(C) Stabilize.—The term "to stabilize", with respect to an emergency medical condition (as defined in subparagraph (A)), has the meaning give in section 1867(e)(3) of the Social Security Act (42 U.S.C. 1395dd(e)(3)).

(b) Reimbursement for Maintenance Care and Post-Stabilization Care.—A group health plan, and health insurance coverage offered by a health insurance issuer, must provide reimbursement for maintenance care and post-stabilization care in accordance with the requirements of section 1852(d)(2) of the Social Security Act (42 U.S.C. 1395w-22(d)(2)). Such reimbursement shall be provided in a manner consistent with subsection (a)(1)(C).

(c) Coverage of Emergency Ambulance Services.—

(1) In general.—If a group health plan, or health insurance coverage provided by a health insurance issuer, provides any benefits with respect to ambulance services and emergency services, the plan or issuer shall cover emergency ambulance services (as defined in paragraph (2)) furnished under the plan or coverage under the same terms and conditions under subparagraphs (A) through (D) of subsection (a)(1) under which coverage is provided for emergency services.

(2) Emergency ambulance services.—For purposes of this subsection, the term "emergency ambulance services" means ambulance services (as defined for purposes of section 1861(s)(7) of the Social Security Act) furnished to transport an individual who has an emergency medical condition (as defined in subsection (a)(2)(A)) to a hospital for the receipt of emergency services (as defined in subsection (a)(2)(B)) in a case in which the emergency services are covered under the plan or coverage pursuant to subsection (a)(1) and a prudent layperson, with an average knowledge of health and medicine, could reasonably expect that the absence of such transport would result in placing the health of the individual in serious jeopardy, serious impairment of bodily function, or serious dysfunction of any bodily organ or part.

SEC. 114. TIMELY ACCESS TO SPECIALISTS.

(a) Timely Access.—

(1) In general.—A group health plan or health insurance issuer offering health insurance coverage shall ensure that participants, beneficiaries, and enrollees receive timely access to specialists who are appropriate to the condition of, and accessible to, the participant, beneficiary, or enrollee, when such specialty care is a covered benefit under the plan or coverage.

(2) Rule of construction.—Nothing in paragraph (1) shall be construed—

(A) to require the coverage under a group health plan or health insurance coverage of benefits or services;

(B) to prohibit a plan or issuer from including providers in the network only to the extent necessary to meet the needs of the plan's or issuer's participants, beneficiaries, or enrollees; or

(C) to override any State licensure or scope-of-practice law.

(3) Access to certain providers.—

(A) In general.—With respect to specialty care under this section, if a participating specialist is not available and qualified to provide such care to the participant, beneficiary, or enrollee, the plan or issuer shall provide for coverage of such care by a nonparticipating specialist.

(B) Treatment of nonparticipating providers.—If a participant, beneficiary, or enrollee receives care from a nonparticipating specialist pursuant to subparagraph (A), such specialty care shall be provided at no additional cost to the participant, beneficiary, or enrollee beyond what the participant, beneficiary, or enrollee would otherwise pay for such specialty care if provided by a participating specialist.

(b) Referrals.—

(1) Authorization.—A group health plan or health insurance issuer may require an authorization in order to obtain coverage for specialty services under this section. Any such authorization—

(A) shall be for an appropriate duration of time or number of referrals; and

(B) may not be refused solely because the authorization involves services of a nonparticipating specialist (described in subsection (a)(3)).

(2) Referrals for ongoing special conditions.—

(A) In general.—A group health plan or health insurance issuer shall permit a participant, beneficiary, or enrollee who has an ongoing special condition (as defined in subparagraph (B)) to receive a referral to a specialist for the treatment of such condition and such specialist may authorize such referrals, procedures, tests, and other medical services with respect to such condition, or coordinate the care for such condition, subject to the terms of a treatment plan (if any) referred to in subsection (c) with respect to the condition.

(B) Ongoing special condition defined.—In this subsection, the term "ongoing special condition" means a condition or disease that—

(i) is life-threatening, degenerative, potentially disabling, or congenital; and

(ii) requires specialized medical care over a prolonged period of time.

(c) Treatment Plans.—

(1) In general.—A group health plan or health insurance issuer may require that the specialty care be provided—

(A) pursuant to a treatment plan, but only if the treatment plan—

(i) is developed by the specialist, in consultation with the case manager or primary care provider, and the participant, beneficiary, or enrollee, and

(ii) is approved by the plan or issuer in a timely manner, if the plan or issuer requires such approval; and

(B) in accordance with applicable quality assurance and utilization review standards of the plan or issuer.

(2) Notification.—Nothing in paragraph (1) shall be construed as prohibiting a plan or issuer from requiring the specialist to provide the plan or issuer with regular updates on the specialty care provided, as well as all other reasonably necessary medical information.

(d) Specialist Defined.—For purposes of this section, the term "specialist" means, with respect to the condition of the participant, beneficiary, or enrollee, a health care professional, facility, or center that has adequate expertise through appropriate training and experience (including, in the case of a child, appropriate pediatric expertise) to provide high quality care in treating the condition.

SEC. 115. PATIENT ACCESS TO OBSTETRIC AND GYNECOLOGICAL CARE.

(a) General Rights.—

(1) Direct access.—A group health plan, or health insurance issuer offering health insurance coverage, described in subsection (b) may not require authorization or referral by the plan, issuer, or any person (including a primary care provider described in subsection (b)(2)) in the case of a female participant, beneficiary, or enrollee who seeks coverage for obstetrical or gynecological care provided by a participating health care professional who specializes in obstetrics or gynecology.

(2) Obstetrical and gynecological care.—A group health plan or health insurance issuer described in subsection (b) shall treat the provision of obstetrical and gynecological care, and the ordering of related obstetrical and gynecological items and services, pursuant to the direct access described under paragraph (1), by a participating health care professional who specializes in obstetrics or gynecology as the authorization of the primary care provider.

(b) Application of Section.—A group health plan, or health insurance issuer offering health insurance coverage, described in this subsection is a group health plan or coverage that—

(1) provides coverage for obstetric or gynecologic care; and

(2) requires the designation by a participant, beneficiary, or enrollee of a participating primary care provider.

(c) Construction.—Nothing in subsection (a) shall be construed to—

(1) waive any exclusions of coverage under the terms and conditions of the plan or health insurance coverage with respect to coverage of obstetrical or gynecological care; or

(2) preclude the group health plan or health insurance issuer involved from requiring that the obstetrical or gynecological provider notify the primary care health care professional or the plan or issuer of treatment decisions.

SEC. 116. ACCESS TO PEDIATRIC CARE.

(a) Pediatric Care.—In the case of a person who has a child who is a participant, beneficiary, or enrollee under a group health plan, or health insurance coverage offered by a health insurance issuer, if the plan or issuer requires or provides for the designation of a participating primary care provider for the child, the plan or issuer shall permit such person to designate a physician (allopathic or osteopathic) who specializes in pediatrics as the child's primary care provider if such provider participates in the network of the plan or issuer.

(b) Construction.—Nothing in subsection (a) shall be construed to waive any exclusions of coverage under the terms and conditions of the plan or health insurance coverage with respect to coverage of pediatric care.

SEC. 117. CONTINUITY OF CARE.

(a) Termination of Provider.—

(1) In general.—If—

(A) a contract between a group health plan, or a health insurance issuer offering health insurance coverage, and a treating health care provider is terminated (as defined in paragraph (e)(4)), or

(B) benefits or coverage provided by a health care provider are terminated because of a change in the terms of provider participation in such plan or coverage,

the plan or issuer shall meet the requirements of paragraph (3) with respect to each continuing care patient.

(2) Treatment of termination of contract with health insurance issuer.—If a contract for the provision of health insurance coverage between a group health plan and a health insurance issuer is terminated and, as a result of such termination, coverage of services of a health care provider is terminated with respect to an individual, the provisions of paragraph (1) (and the succeeding provisions of this section) shall apply under the plan in the same manner as if there had been a contract between the plan and the provider that had been terminated, but only with respect to benefits that are covered under the plan after the contract termination.

(3) Requirements.—The requirements of this paragraph are that the plan or issuer—

(A) notify the continuing care patient involved, or arrange to have the patient notified pursuant to subsection (d)(2), on a timely basis of the termination described in paragraph (1) (or paragraph (2), if applicable) and the right to elect continued transitional care from the provider under this section;

(B) provide the patient with an opportunity to notify the plan or issuer of the patient's need for transitional care; and

(C) subject to subsection (c), permit the patient to elect to continue to be covered with respect to the course of treatment by such provider with the provider's consent during a transitional period (as provided for under subsection (b)).

(4) Continuing care patient.—For purposes of this section, the term "continuing care patient" means a participant, beneficiary, or enrollee who—

(A) is undergoing a course of treatment for a serious and complex condition from the provider at the time the plan or issuer receives or provides notice of provider, benefit, or coverage termination described in paragraph (1) (or paragraph (2), if applicable);

(B) is undergoing a course of institutional or inpatient care from the provider at the time of such notice;

(C) is scheduled to undergo non-elective surgery from the provider at the time of such notice;

(D) is pregnant and undergoing a course of treatment for the pregnancy from the provider at the time of such notice; or

(E) is or was determined to be terminally ill (as determined under section 1861(dd)(3)(A) of the Social Security Act) at the time of such notice, but only with respect to a provider that was treating the terminal illness before the date of such notice.

(b) Transitional Periods.—

(1) Serious and complex conditions.—The transitional period under this subsection with respect to a continuing care patient described in subsection (a)(4)(A) shall extend for up to 90 days (as determined by the treating health care professional) from the date of the notice described in subsection (a)(3)(A).

(2) Institutional or inpatient care.—The transitional period under this subsection for a continuing care patient described in subsection (a)(4)(B) shall extend until the earlier of—

(A) the expiration of the 90-day period beginning on the date on which the notice under subsection (a)(3)(A) is provided; or

(B) the date of discharge of the patient from such care or the termination of the period of institutionalization, or, if later, the date of completion of reasonable follow-up care.

(3) Scheduled non-elective surgery.—The transitional period under this subsection for a continuing care patient described in subsection (a)(4)(C) shall extend until the completion of the surgery involved and post-surgical follow-up care relating to the surgery and occurring within 90 days after the date of the surgery.

(4) Pregnancy.—The transitional period under this subsection for a continuing care patient described in subsection (a)(4)(D) shall extend through the provision of post-partum care directly related to the delivery.

(5) Terminal illness.—The transitional period under this subsection for a continuing care patient described in subsection (a)(4)(E) shall extend for the remainder of the patient's life for care that is directly related to the treatment of the terminal illness or its medical manifestations.

(c) Permissible Terms and Conditions.—A group health plan or health insurance issuer may condition coverage of continued treatment by a provider under this section upon the provider agreeing to the following terms and conditions:

(1) The treating health care provider agrees to accept reimbursement from the plan or issuer and continuing care patient involved (with respect to cost-sharing) at the rates applicable prior to the start of the transitional period as payment in full (or, in the case described in subsection (a)(2), at the rates applicable under the replacement plan or coverage after the date of the termination of the contract with the group health plan or health insurance issuer) and not to impose cost-sharing with respect to the patient in an amount that would exceed the cost-sharing that could have been imposed if the contract referred to in subsection (a)(1) had not been terminated.

(2) The treating health care provider agrees to adhere to the quality assurance standards of the plan or issuer responsible for payment under paragraph (1) and to provide to such plan or issuer necessary medical information related to the care provided.

(3) The treating health care provider agrees otherwise to adhere to such plan's or issuer's policies and procedures, including procedures regarding referrals and obtaining prior authorization and providing services pursuant to a treatment plan (if any) approved by the plan or issuer.

(d) Rules of Construction.—Nothing in this section shall be construed—

(1) to require the coverage of benefits which would not have been covered if the provider involved remained a participating provider; or

(2) with respect to the termination of a contract under subsection (a) to prevent a group health plan or health insurance issuer from requiring that the health care provider—

(A) notify participants, beneficiaries, or enrollees of their rights under this section; or

(B) provide the plan or issuer with the name of each participant, beneficiary, or enrollee who the provider believes is a continuing care patient.

(e) Definitions.—In this section:

(1) Contract.—The term "contract" includes, with respect to a plan or issuer and a treating health care provider, a contract between such plan or issuer and an organized network of providers that includes the treating health care provider, and (in the case of such a contract) the contract between the treating health care provider and the organized network.

(2) Health care provider.—The term "health care provider" or "provider" means—

(A) any individual who is engaged in the delivery of health care services in a State and who is required by State law or regulation to be licensed or certified by the State to engage in the delivery of such services in the State; and

(B) any entity that is engaged in the delivery of health care services in a State and that, if it is required by State law or regulation to be licensed or certified by the State to engage in the delivery of such services in the State, is so licensed.

(3) Serious and complex condition.—The term "serious and complex condition" means, with respect to a participant, beneficiary, or enrollee under the plan or coverage—

(A) in the case of an acute illness, a condition that is serious enough to require specialized medical treatment to avoid the reasonable possibility of death or permanent harm; or

(B) in the case of a chronic illness or condition, is an ongoing special condition (as defined in section 114(b)(2)(B)).

(4) Terminated.—The term "terminated" includes, with respect to a contract, the expiration or nonrenewal of the contract, but does not include a termination of the contract for failure to meet applicable quality standards or for fraud.

SEC. 118. ACCESS TO NEEDED PRESCRIPTION DRUGS.

(a) In General.—To the extent that a group health plan, or health insurance coverage offered by a health insurance issuer, provides coverage for benefits with respect to prescription drugs, and limits such coverage to drugs included in a formulary, the plan or issuer shall—

(1) ensure the participation of physicians and pharmacists in developing and reviewing such formulary;

(2) provide for disclosure of the formulary to providers; and

(3) in accordance with the applicable quality assurance and utilization review standards of the plan or issuer, provide for exceptions from the formulary limitation when a non-formulary alternative is medically necessary and appropriate and, in the case of such an exception, apply the same cost-sharing requirements that would have applied in the case of a drug covered under the formulary.

(b) Coverage of Approved Drugs and Medical Devices.—

(1) In general.—A group health plan (or health insurance coverage offered in connection with such a plan) that provides any coverage of prescription drugs or medical devices shall not deny coverage of such a drug or device on the basis that the use is investigational, if the use—

(A) in the case of a prescription drug—

(i) is included in the labeling authorized by the application in effect for the drug pursuant to subsection (b) or (j) of section 505 of the Federal Food, Drug, and Cosmetic Act, without regard to any postmarketing requirements that may apply under such Act; or

(ii) is included in the labeling authorized by the application in effect for the drug under section 351 of the Public Health Service Act, without regard to any postmarketing requirements that may apply pursuant to such section; or

(B) in the case of a medical device, is included in the labeling authorized by a regulation under subsection (d) or (3) of section 513 of the Federal Food, Drug, and Cosmetic Act, an order under subsection (f) of such section, or an application approved under section 515 of such Act, without regard to any postmarketing requirements that may apply under such Act.

(2) Construction.—Nothing in this subsection shall be construed as requiring a group health plan (or health insurance coverage offered in connection with such a plan) to provide any coverage of prescription drugs or medical devices.

SEC. 119. COVERAGE FOR INDIVIDUALS PARTICIPATING IN APPROVED CLINICAL TRIALS.

(a) Coverage.—

(1) In general.—If a group health plan, or health insurance issuer that is providing health insurance coverage, provides coverage to a qualified individual (as defined in subsection (b)), the plan or issuer—

(A) may not deny the individual participation in the clinical trial referred to in subsection (b)(2);

(B) subject to subsection (c), may not deny (or limit or impose additional conditions on) the coverage of routine patient costs for items and services furnished in connection with participation in the trial; and

(C) may not discriminate against the individual on the basis of the enrollee's participation in such trial.

(2) Exclusion of certain costs.—For purposes of paragraph (1)(B), routine patient costs do not include the cost of the tests or measurements conducted primarily for the purpose of the clinical trial involved.

(3) Use of in-network providers.—If one or more participating providers is participating in a clinical trial, nothing in paragraph (1) shall be construed as preventing a plan or issuer from requiring that a qualified individual participate in the trial through such a participating provider if the provider will accept the individual as a participant in the trial.

(b) Qualified Individual Defined.—For purposes of subsection (a), the term "qualified individual" means an individual who is a participant or beneficiary in a group health plan, or who is an enrollee under health insurance coverage, and who meets the following conditions:

(1)(A) The individual has a life-threatening or serious illness for which no standard treatment is effective.

(B) The individual is eligible to participate in an approved clinical trial according to the trial protocol with respect to treatment of such illness.

(C) The individual's participation in the trial offers meaningful potential for significant clinical benefit for the individual.

(2) Either—

(A) the referring physician is a participating health care professional and has concluded that the individual's participation in such trial would be appropriate based upon the individual meeting the conditions described in paragraph (1); or

(B) the participant, beneficiary, or enrollee provides medical and scientific information establishing that the individual's participation in such trial would be appropriate based upon the individual meeting the conditions described in paragraph (1).

(c) Payment.—

(1) In general.—Under this section a group health plan or health insurance issuer shall provide for payment for routine patient costs described in subsection (a)(2) but is not required to pay for costs of items and services that are reasonably expected (as determined by the appropriate Secretary) to be paid for by the sponsors of an approved clinical trial.

(2) Payment rate.—In the case of covered items and services provided by—

(A) a participating provider, the payment rate shall be at the agreed upon rate; or

(B) a nonparticipating provider, the payment rate shall be at the rate the plan or issuer would normally pay for comparable services under subparagraph (A).

(d) Approved Clinical Trial Defined.—

(1) In general.—In this section, the term "approved clinical trial" means a clinical research study or clinical investigation approved and funded (which may include funding through in-kind contributions) by one or more of the following:

(A) The National Institutes of Health.

(B) A cooperative group or center of the National Institutes of Health.

(C) The Food and Drug Administration.

(D) Either of the following if the conditions described in paragraph (2) are met:

(i) The Department of Veterans Affairs.

(ii) The Department of Defense.

(2) Conditions for departments.—The conditions described in this paragraph, for a study or investigation conducted by a Department, are that the study or investigation has been reviewed and approved through a system of peer review that the appropriate Secretary determines—

(A) to be comparable to the system of peer review of studies and investigations used by the National Institutes of Health; and

(B) assures unbiased review of the highest scientific standards by qualified individuals who have no interest in the outcome of the review.

(e) Construction.—Nothing in this section shall be construed to limit a plan's or issuer's coverage with respect to clinical trials.

SEC. 120. REQUIRED COVERAGE FOR MINIMUM HOSPITAL STAY FOR MASTECTOMIES AND LYMPH NODE DISSECTIONS FOR THE TREATMENT OF BREAST CANCER AND COVERAGE FOR SECONDARY CONSULTATIONS.

(a) Inpatient Care.—

(1) In general.—A group health plan, and a health insurance issuer providing health insurance coverage, that provides medical and surgical benefits shall ensure that inpatient coverage with respect to the treatment of breast cancer is provided for a period of time as is determined by the attending physician, in consultation with the patient, to be medically necessary and appropriate following—

(A) a mastectomy;

(B) a lumpectomy; or

(C) a lymph node dissection for the treatment of breast cancer.

(2) Exception.—Nothing in this section shall be construed as requiring the provision of inpatient coverage if the attending physician and patient determine that a shorter period of hospital stay is medically appropriate.

(b) Prohibition on Certain Modifications.—In implementing the requirements of this section, a group health plan, and a health insurance issuer providing health insurance coverage, may not modify the terms and conditions of coverage based on the determination by a participant, beneficiary, or enrollee to request less than the minimum coverage required under subsection (a).

(c) Secondary Consultations.—

(1) In general.—A group health plan, and a health insurance issuer providing health insurance coverage, that provides coverage with respect to medical and surgical services provided in relation to the diagnosis and treatment of cancer shall ensure that full coverage is provided for secondary consultations by specialists in the appropriate medical fields (including pathology, radiology, and oncology) to confirm or refute such diagnosis. Such plan or issuer shall ensure that full coverage is provided for such secondary consultation whether such consultation is based on a positive or negative initial diagnosis. In any case in which the attending physician certifies in writing that services necessary for such a secondary consultation are not sufficiently available from specialists operating under the plan or coverage with respect to whose services coverage is otherwise provided under such plan or by such issuer, such plan or issuer shall ensure that coverage is provided with respect to the services necessary for the secondary consultation with any other specialist selected by the attending physician for such purpose at no additional cost to the individual beyond that which the individual would have paid if the specialist was participating in the network of the plan or issuer.

(2) Exception.—Nothing in paragraph (1) shall be construed as requiring the provision of secondary consultations where the patient determines not to seek such a consultation.

(d) Prohibition on Penalties or Incentives.—A group health plan, and a health insurance issuer providing health insurance coverage, may not—

(1) penalize or otherwise reduce or limit the reimbursement of a provider or specialist because the provider or specialist provided care to a participant, beneficiary, or enrollee in accordance with this section;

(2) provide financial or other incentives to a physician or specialist to induce the physician or specialist to keep the length of inpatient stays of patients following a mastectomy, lumpectomy, or a lymph node dissection for the treatment of breast cancer below certain limits or to limit referrals for secondary consultations; or

(3) provide financial or other incentives to a physician or specialist to induce the physician or specialist to refrain from referring a

participant, beneficiary, or enrollee for a secondary consultation that would otherwise be covered by the plan or coverage involved under subsection (c).

Subtitle C—Access to Information

SEC. 121. PATIENT ACCESS TO INFORMATION.

(a) REQUIREMENT.—

(1) DISCLOSURE.—

(A) IN GENERAL.—A group health plan, and a health insurance issuer that provides coverage in connection with health insurance coverage, shall provide for the disclosure to participants, beneficiaries, and enrollees—

(i) of the information described in subsection (b) at the time of the initial enrollment of the participant, beneficiary, or enrollee under the plan or coverage;

(ii) of such information on an annual basis—

(I) in conjunction with the election period of the plan or coverage if the plan or coverage has such an election period; or

(II) in the case of a plan or coverage that does not have an election period, in conjunction with the beginning of the plan or coverage year; and

(iii) of information relating to any material reduction to the benefits or information described in such subsection or subsection (c), in the form of a notice provided not later than 30 days before the date on which the reduction takes effect.

(B) PARTICIPANTS, BENEFICIARIES, AND ENROLLEES.—The disclosure required under subparagraph (A) shall be provided—

(i) jointly to each participant, beneficiary, and enrollee who reside at the same address; or

(ii) in the case of a beneficiary or enrollee who does not reside at the same address as the participant or another enrollee, separately to the participant or other enrollees and such beneficiary or enrollee.

(2) PROVISION OF INFORMATION.—Information shall be provided to participants, beneficiaries, and enrollees under this section at the last known address maintained by the plan or issuer with respect to such participants, beneficiaries, or enrollees, to the extent that such information is provided to participants, beneficiaries, or enrollees via the United States Postal Service or other private delivery service.

(b) REQUIRED INFORMATION.—The informational materials to be distributed under this section shall include for each option available under the group health plan or health insurance coverage the following:

(1) BENEFITS.—A description of the covered benefits, including—

(A) any in- and out-of-network benefits;

(B) specific preventive services covered under the plan or coverage if such services are covered;

(C) any specific exclusions or express limitations of benefits described in section 104(b)(3)(C);

(D) any other benefit limitations, including any annual or lifetime benefit limits and any monetary limits or limits on the number of visits, days, or services, and any specific coverage exclusions; and

(E) any definition of medical necessity used in making coverage determinations by the plan, issuer, or claims administrator.

(2) COST SHARING.—A description of any cost-sharing requirements, including—

(A) any premiums, deductibles, coinsurance, copayment amounts, and liability for balance billing, for which the participant, beneficiary, or enrollee will be responsible under each option available under the plan;

(B) any maximum out-of-pocket expense for which the participant, beneficiary, or enrollee may be liable;

(C) any cost-sharing requirements for out-of-network benefits or services received from nonparticipating providers; and

(D) any additional cost-sharing or charges for benefits and services that are furnished without meeting applicable plan or coverage requirements, such as prior authorization or precertification.

(3) SERVICE AREA.—A description of the plan or issuer's service area, including the provision of any out-of-area coverage.

(4) PARTICIPATING PROVIDERS.—A directory of participating providers (to the extent a plan or issuer provides coverage through a network of providers) that includes, at a minimum, the name, address, and telephone number of each participating provider, and information about how to inquire whether a participating provider is currently accepting new patients.

(5) CHOICE OF PRIMARY CARE PROVIDER.—A description of any requirements and procedures to be used by participants, beneficiaries, and enrollees in selecting, accessing, or changing their primary care provider, including providers both within and outside of the network (if the plan or issuer permits out-of-network services), and the right to select a pediatrician as a primary care provider under section 116 for a participant, beneficiary, or enrollee who is a child if such section applies.

(6) PREAUTHORIZATION REQUIREMENTS.—A description of the requirements and procedures to be used to obtain preauthorization for health services, if such preauthorization is required.

(7) EXPERIMENTAL AND INVESTIGATIONAL TREATMENTS.—A description of the process for determining whether a particular item, service, or treatment is considered experimental or investigational, and the circumstances under which such treatments are covered by the plan or issuer.

(8) SPECIALTY CARE.—A description of the requirements and procedures to be used by participants, beneficiaries, and enrollees in accessing specialty care and obtaining referrals to participating and nonparticipating specialists, including any limitations on choice of health care professionals referred to in section 112(b)(2) and the right to timely access to specialists care under section 114 if such section applies.

(9) CLINICAL TRIALS.—A description of the circumstances and conditions under which participation in clinical trials is covered under the terms and conditions of the plan or coverage, and the right to obtain coverage for approved clinical trials under section 119 if such section applies.

(10) PRESCRIPTION DRUGS.—To the extent the plan or issuer provides coverage for prescription drugs, a statement of whether such coverage is limited to drugs included in a formulary, a description of any provisions and cost-sharing required for obtaining on- and off-formulary medications, and a description of the rights of participants, beneficiaries, and enrollees in obtaining access to access to prescription drugs under section 118 if such section applies.

(11) EMERGENCY SERVICES.—A summary of the rules and procedures for accessing emergency services, including the right of a participant, beneficiary, or enrollee to obtain emergency services under the prudent layperson standard under section 113, if such section applies, and any educational information that the plan or issuer may provide regarding the appropriate use of emergency services.

(12) CLAIMS AND APPEALS.—A description of the plan or issuer's rules and procedures pertaining to claims and appeals, a description of the rights (including deadlines for exercising rights) of participants, beneficiaries, and enrollees under subtitle A in obtaining covered benefits, filing a claim for benefits, and appealing coverage decisions internally and externally (including telephone numbers and mailing addresses of the appropriate authority), and a description of any additional legal rights and remedies available under section 502 of the Employee Retirement Income Security Act of 1974 and applicable State law.

(13) ADVANCE DIRECTIVES AND ORGAN DONATION.—A description of procedures for advance directives and organ donation decisions if the plan or issuer maintains such procedures.

(14) INFORMATION ON PLANS AND ISSUERS.—The name, mailing address, and telephone number or numbers of the plan administrator and the issuer to be used by participants, beneficiaries, and enrollees seeking information about plan or coverage benefits and services, payment of a claim, or authorization for services and treatment. Notice of whether the benefits under the plan or coverage are provided under a contract or policy of insurance issued by an issuer, or whether benefits are provided directly by the plan sponsor who bears the insurance risk.

(15) TRANSLATION SERVICES.—A summary description of any translation or interpretation services (including the availability of printed information in languages other than English, audio tapes, or information in Braille) that are available for non-English speakers and participants, beneficiaries, and enrollees with communication disabilities and a description of how to access these items or services.

(16) ACCREDITATION INFORMATION.—Any information that is made public by accrediting organizations in the process of accreditation if the plan or issuer is accredited, or any additional quality indicators (such as the results of enrollee satisfaction surveys) that the plan or issuer makes public or makes available to participants, beneficiaries, and enrollees.

(17) NOTICE OF REQUIREMENTS.—A description of any rights of participants, beneficiaries, and enrollees that are established by the Bipartisan Patient Protection Act of 2001 (excluding those described in paragraphs (1) through (16)) if such sections apply. The description required under this paragraph may be combined with the notices of the type described in sections 711(d), 713(b), or 606(a)(1) of the Employee Retirement Income Security Act of 1974 and with any other notice provision that the appropriate Secretary determines may be combined, so long as such combination does not result in any reduction in the information that would otherwise be provided to the recipient.

(18) AVAILABILITY OF ADDITIONAL INFORMATION.—A statement that the information described in subsection (c), and instructions on obtaining such information (including telephone numbers and, if available, Internet websites), shall be made available upon request.

(c) ADDITIONAL INFORMATION.—The informational materials to be provided upon the request of a participant, beneficiary, or enrollee shall include for each option available under a group health plan or health insurance coverage the following:

(1) Status of providers.—The State licensure status of the plan or issuer's participating health care professionals and participating health care facilities, and, if available, the education, training, specialty qualifications or certifications of such professionals.

(2) Compensation methods.—A summary description by category of the applicable methods (such as capitation, fee-for-service, salary, bundled payments, per diem, or a combination thereof) used for compensating prospective or treating health care professionals (including primary care providers and specialists) and facilities in connection with the provision of health care under the plan or coverage.

(3) Prescription drugs.—Information about whether a specific prescription medication is included in the formulary of the plan or issuer, if the plan or issuer uses a defined formulary.

(4) External appeals information.—Aggregate information on the number and outcomes of external medical reviews, relative to the sample size (such as the number of covered lives) under the plan or under the coverage of the issuer.

(d) Manner of Disclosure.—The information described in this section shall be disclosed in an accessible medium and format that is calculated to be understood by an average participant or enrollee.

(e) Rules of Construction.—Nothing in this section shall be construed to prohibit a group health plan, or a health insurance issuer in connection with health insurance coverage, from—

(1) distributing any other additional information determined by the plan or issuer to be important or necessary in assisting participants, beneficiaries, and enrollees in the selection of a health plan or health insurance coverage; and

(2) complying with the provisions of this section by providing information in brochures, through the Internet or other electronic media, or through other similar means, so long as—

(A) the disclosure of such information in such form is in accordance with requirements as the appropriate Secretary may impose, and

(B) in connection with any such disclosure of information through the Internet or other electronic media—

(i) the recipient has affirmatively consented to the disclosure of such information in such form,

(ii) the recipient is capable of accessing the information so disclosed on the recipient's individual workstation or at the recipient's home,

(iii) the recipient retains an ongoing right to receive paper disclosure of such information and receives, in advance of any attempt at disclosure of such information to him or her through the Internet or other electronic media, notice in printed form of such ongoing right and of the proper software required to view information so disclosed, and

(iv) the plan administrator appropriately ensures that the intended recipient is receiving the information so disclosed and provides the information in printed form if the information is not received.

Subtitle D—Protecting the Doctor-Patient Relationship

SEC. 131. PROHIBITION OF INTERFERENCE WITH CERTAIN MEDICAL COMMUNICATIONS.

(a) General Rule.—The provisions of any contract or agreement, or the operation of any contract or agreement, between a group health plan or health insurance issuer in relation to health insurance coverage (including any partnership, association, or other organization that enters into or administers such a contract or agreement) and a health care provider (or group of health care providers) shall not prohibit or otherwise restrict a health care professional from advising such a participant, beneficiary, or enrollee who is a patient of the professional about the health status of the individual or medical care or treatment for the individual's condition or disease, regardless of whether benefits for such care or treatment are provided under the plan or coverage, if the professional is acting within the lawful scope of practice.

(b) Nullification.—Any contract provision or agreement that restricts or prohibits medical communications in violation of subsection (a) shall be null and void.

SEC. 132. PROHIBITION OF DISCRIMINATION AGAINST PROVIDERS BASED ON LICENSURE.

(a) In General.—A group health plan, and a health insurance issuer with respect to health insurance coverage, shall not discriminate with respect to participation or indemnification as to any provider who is acting within the scope of the provider's license or certification under applicable State law, solely on the basis of such license or certification.

(b) Construction.—Subsection (a) shall not be construed—

(1) as requiring the coverage under a group health plan or health insurance coverage of a particular benefit or service or to prohibit a plan or issuer from including providers only to the extent necessary to meet the needs of the plan's or issuer's participants, beneficiaries, or enrollees or from establishing any measure designed to maintain quality and control costs consistent with the responsibilities of the plan or issuer;

(2) to override any State licensure or scope-of-practice law; or

(3) as requiring a plan or issuer that offers network coverage to include for participation every willing provider who meets the terms and conditions of the plan or issuer.

SEC. 133. PROHIBITION AGAINST IMPROPER INCENTIVE ARRANGEMENTS.

(a) In General.—A group health plan and a health insurance issuer offering health insurance coverage may not operate any physician incentive plan (as defined in subparagraph (B) of section 1876(i)(8) of the Social Security Act) unless the requirements described in clauses (i), (ii)(I), and (iii) of subparagraph (A) of such section are met with respect to such a plan.

(b) Application.—For purposes of carrying out paragraph (1), any reference in section 1876(i)(8) of the Social Security Act to the Secretary, an eligible organization, or an individual enrolled with the organization shall be treated as a reference to the applicable authority, a group health plan or health insurance issuer, respectively, and a participant, beneficiary, or enrollee with the plan or organization, respectively.

(c) Construction.—Nothing in this section shall be construed as prohibiting all capitation and similar arrangements or all provider discount arrangements.

SEC. 134. PAYMENT OF CLAIMS.

A group health plan, and a health insurance issuer offering group health insurance coverage, shall provide for prompt payment of claims submitted for health care services or supplies furnished to a participant, beneficiary, or enrollee with respect to benefits covered by the plan or issuer, in a manner consistent with the provisions of section 1842(c)(2) of the Social Security Act (42 U.S.C. 1395u(c)(2)).

SEC. 135. PROTECTION FOR PATIENT ADVOCACY.

(a) Protection for Use of Utilization Review and Grievance Process.—A group health plan, and a health insurance issuer with respect to the provision of health insurance coverage, may not retaliate against a participant, beneficiary, enrollee, or health care provider based on the participant's, beneficiary's, enrollee's or provider's use of, or participation in, a utilization review process or a grievance process of the plan or issuer (including an internal or external review or appeal process) under this title.

(b) Protection for Quality Advocacy by Health Care Professionals.—

(1) In general.—A group health plan or health insurance issuer may not retaliate or discriminate against a protected health care professional because the professional in good faith—

(A) discloses information relating to the care, services, or conditions affecting one or more participants, beneficiaries, or enrollees of the plan or issuer to an appropriate public regulatory agency, an appropriate private accreditation body, or appropriate management personnel of the plan or issuer; or

(B) initiates, cooperates, or otherwise participates in an investigation or proceeding by such an agency with respect to such care, services, or conditions.

If an institutional health care provider is a participating provider with such a plan or issuer or otherwise receives payments for benefits provided by such a plan or issuer, the provisions of the previous sentence shall apply to the provider in relation to care, services, or conditions affecting one or more patients within an institutional health care provider in the same manner as they apply to the plan or issuer in relation to care, services, or conditions provided to one or more participants, beneficiaries, or enrollees; and for purposes of applying this sentence, any reference to a plan or issuer is deemed a reference to the institutional health care provider.

(2) Good faith action.—For purposes of paragraph (1), a protected health care professional is considered to be acting in good faith with respect to disclosure of information or participation if, with respect to the information disclosed as part of the action—

(A) the disclosure is made on the basis of personal knowledge and is consistent with that degree of learning and skill ordinarily possessed by health care professionals with the same licensure or certification and the same experience;

(B) the professional reasonably believes the information to be true;

(C) the information evidences either a violation of a law, rule, or regulation, of an applicable accreditation standard, or of a generally recognized professional or clinical standard or that a patient is in imminent hazard of loss of life or serious injury; and

(D) subject to subparagraphs (B) and (C) of paragraph (3), the professional has followed reasonable internal procedures of the plan, issuer, or institutional health care provider established for the purpose of addressing quality concerns before making the disclosure.

(3) Exception and special rule.—

(A) General exception.—Paragraph (1) does not protect disclosures that would violate Federal or State law or diminish or impair the rights of any person to the continued protection of confidentiality of communications provided by such law.

(B) NOTICE OF INTERNAL PROCEDURES.—Subparagraph (D) of paragraph (2) shall not apply unless the internal procedures involved are reasonably expected to be known to the health care professional involved. For purposes of this subparagraph, a health care professional is reasonably expected to know of internal procedures if those procedures have been made available to the professional through distribution or posting.

(C) INTERNAL PROCEDURE EXCEPTION.—Subparagraph (D) of paragraph (2) also shall not apply if—

(i) the disclosure relates to an imminent hazard of loss of life or serious injury to a patient;

(ii) the disclosure is made to an appropriate private accreditation body pursuant to disclosure procedures established by the body; or

(iii) the disclosure is in response to an inquiry made in an investigation or proceeding of an appropriate public regulatory agency and the information disclosed is limited to the scope of the investigation or proceeding.

(4) ADDITIONAL CONSIDERATIONS.—It shall not be a violation of paragraph (1) to take an adverse action against a protected health care professional if the plan, issuer, or provider taking the adverse action involved demonstrates that it would have taken the same adverse action even in the absence of the activities protected under such paragraph.

(5) NOTICE.—A group health plan, health insurance issuer, and institutional health care provider shall post a notice, to be provided or approved by the Secretary of Labor, setting forth excerpts from, or summaries of, the pertinent provisions of this subsection and information pertaining to enforcement of such provisions.

(6) CONSTRUCTIONS.—

(A) DETERMINATIONS OF COVERAGE.—Nothing in this subsection shall be construed to prohibit a plan or issuer from making a determination not to pay for a particular medical treatment or service or the services of a type of health care professional.

(B) ENFORCEMENT OF PEER REVIEW PROTOCOLS AND INTERNAL PROCEDURES.—Nothing in this subsection shall be construed to prohibit a plan, issuer, or provider from establishing and enforcing reasonable peer review or utilization review protocols or determining whether a protected health care professional has complied with those protocols or from establishing and enforcing internal procedures for the purpose of addressing quality concerns.

(C) RELATION TO OTHER RIGHTS.—Nothing in this subsection shall be construed to abridge rights of participants, beneficiaries, enrollees, and protected health care professionals under other applicable Federal or State laws.

(7) PROTECTED HEALTH CARE PROFESSIONAL DEFINED.—For purposes of this subsection, the term "protected health care professional" means an individual who is a licensed or certified health care professional and who—

(A) with respect to a group health plan or health insurance issuer, is an employee of the plan or issuer or has a contract with the plan or issuer for provision of services for which benefits are available under the plan or issuer; or

(B) with respect to an institutional health care provider, is an employee of the provider or has a contract or other arrangement with the provider respecting the provision of health care services.

Subtitle E—Definitions

SEC. 151. DEFINITIONS.

(a) INCORPORATION OF GENERAL DEFINITIONS.—Except as otherwise provided, the provisions of section 2791 of the Public Health Service Act shall apply for purposes of this title in the same manner as they apply for purposes of title XXVII of such Act.

(b) SECRETARY.—Except as otherwise provided, the term "Secretary" means the Secretary of Health and Human Services, in consultation with the Secretary of Labor and the term "appropriate Secretary" means the Secretary of Health and Human Services in relation to carrying out this title under sections 2706 and 2751 of the Public Health Service Act and the Secretary of Labor in relation to carrying out this title under section 713 of the Employee Retirement Income Security Act of 1974.

(c) ADDITIONAL DEFINITIONS.—For purposes of this title:

(1) APPLICABLE AUTHORITY.—The term "applicable authority" means—

(A) in the case of a group health plan, the Secretary of Health and Human Services and the Secretary of Labor; and

(B) in the case of a health insurance issuer with respect to a specific provision of this title, the applicable State authority (as defined in section 2791(d) of the Public Health Service Act), or the Secretary of Health and Human Services, if such Secretary is enforcing such provision under section 2722(a)(2) or 2761(a)(2) of the Public Health Service Act.

(2) ENROLLEE.—The term "enrollee" means, with respect to health insurance coverage offered by a health insurance issuer, an individual enrolled with the issuer to receive such coverage.

(3) GROUP HEALTH PLAN.—The term "group health plan" has the meaning given such term in section 733(a) of the Employee Retirement Income Security Act of 1974, except that such term includes a employee welfare benefit plan treated as a group health plan under section 732(d) of such Act or defined as such a plan under section 607(1) of such Act.

(4) HEALTH CARE PROFESSIONAL.—The term "health care professional" means an individual who is licensed, accredited, or certified under State law to provide specified health care services and who is operating within the scope of such licensure, accreditation, or certification.

(5) HEALTH CARE PROVIDER.—The term "health care provider" includes a physician or other health care professional, as well as an institutional or other facility or agency that provides health care services and that is licensed, accredited, or certified to provide health care items and services under applicable State law.

(6) NETWORK.—The term "network" means, with respect to a group health plan or health insurance issuer offering health insurance coverage, the participating health care professionals and providers through whom the plan or issuer provides health care items and services to participants, beneficiaries, or enrollees.

(7) NONPARTICIPATING.—The term "nonparticipating" means, with respect to a health care provider that provides health care items and services to a participant, beneficiary, or enrollee under group health plan or health insurance coverage, a health care provider that is not a participating health care provider with respect to such items and services.

(8) PARTICIPATING.—The term "participating" means, with respect to a health care provider that provides health care items and services to a participant, beneficiary, or enrollee under group health plan or health insurance coverage offered by a health insurance issuer, a health care provider that furnishes such items and services under a contract or other arrangement with the plan or issuer.

(9) PRIOR AUTHORIZATION.—The term "prior authorization" means the process of obtaining prior approval from a health insurance issuer or group health plan for the provision or coverage of medical services.

(10) TERMS AND CONDITIONS.—The term "terms and conditions" includes, with respect to a group health plan or health insurance coverage, requirements imposed under this title with respect to the plan or coverage.

SEC. 152. PREEMPTION; STATE FLEXIBILITY; CONSTRUCTION.

(a) CONTINUED APPLICABILITY OF STATE LAW WITH RESPECT TO HEALTH INSURANCE ISSUERS.—

(1) IN GENERAL.—Subject to paragraph (2), this title shall not be construed to supersede any provision of State law which establishes, implements, or continues in effect any standard or requirement solely relating to health insurance issuers (in connection with group health insurance coverage or otherwise) except to the extent that such standard or requirement prevents the application of a requirement of this title.

(2) CONTINUED PREEMPTION WITH RESPECT TO GROUP HEALTH PLANS.—Nothing in this title shall be construed to affect or modify the provisions of section 514 of the Employee Retirement Income Security Act of 1974 with respect to group health plans.

(3) CONSTRUCTION.—In applying this section, a State law that provides for equal access to, and availability of, all categories of licensed health care providers and services shall not be treated as preventing the application of any requirement of this title.

(b) APPLICATION OF SUBSTANTIALLY EQUIVALENT STATE LAWS.—

(1) IN GENERAL.—In the case of a State law that imposes, with respect to health insurance coverage offered by a health insurance issuer and with respect to a group health plan that is a non-Federal governmental plan, a requirement that is substantially equivalent (within the meaning of subsection (c)) to a patient protection requirement (as defined in paragraph (3)) and does not prevent the application of other requirements under this division (except in the case of other substantially equivalent requirements), in applying the requirements of this title under section 2707 and 2753 (as applicable) of the Public Health Service Act (as added by title II), subject to subsection (a)(2)—

(A) the State law shall not be treated as being superseded under subsection (a); and

(B) the State law shall apply instead of the patient protection requirement otherwise applicable with respect to health insurance coverage and non-Federal governmental plans.

(2) LIMITATION.—In the case of a group health plan covered under title I of the Employee Retirement Income Security Act of 1974, paragraph (1) shall be construed to apply only with respect to the health insurance coverage (if any) offered in connection with the plan.

(3) PATIENT PROTECTION REQUIREMENT DEFINED.—For purposes of this section, the term "patient protection requirement" means a requirement under this title, and includes (as a single requirement) a group or related set of requirements under a section or similar unit under this title.

(c) Determinations of Substantial Equivalence.—

(1) Certification by states.—A State may submit to the Secretary a certification that a State law provides for patient protections that are at least substantially equivalent to one or more patient protection requirements. Such certification shall be accompanied by such information as may be required to permit the Secretary to make the determination described in paragraph (2)(A).

(2) Review.—

(A) In general.—The Secretary shall promptly review a certification submitted under paragraph (1) with respect to a State law to determine if the State law provides for at least substantially equivalent and effective patient protections to the patient protection requirement (or requirements) to which the law relates.

(B) Approval deadlines.—

(i) Initial review.—Such a certification is considered approved unless the Secretary notifies the State in writing, within 90 days after the date of receipt of the certification, that the certification is disapproved (and the reasons for disapproval) or that specified additional information is needed to make the determination described in subparagraph (A).

(ii) Additional information.—With respect to a State that has been notified by the Secretary under clause (i) that specified additional information is needed to make the determination described in subparagraph (A), the Secretary shall make the determination within 60 days after the date on which such specified additional information is received by the Secretary.

(3) Approval.—

(A) In general.—The Secretary shall approve a certification under paragraph (1) unless—

(i) the State fails to provide sufficient information to enable the Secretary to make a determination under paragraph (2)(A); or

(ii) the Secretary determines that the State law involved does not provide for patient protections that are at least substantially equivalent to and as effective as the patient protection requirement (or requirements) to which the law relates.

(B) State challenge.—A State that has a certification disapproved by the Secretary under subparagraph (A) may challenge such disapproval in the appropriate United States district court.

(4) Construction.—Nothing in this subsection shall be construed as preventing the certification (and approval of certification) of a State law under this subsection solely because it provides for greater protections for patients than those protections otherwise required to establish substantial equivalence.

(d) Definitions.—For purposes of this section:

(1) State law.—The term "State law" includes all laws, decisions, rules, regulations, or other State action having the effect of law, of any State. A law of the United States applicable only to the District of Columbia shall be treated as a State law rather than a law of the United States.

(2) State.—The term "State" includes a State, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, any political subdivisions of such, or any agency or instrumentality of such.

SEC. 153. EXCLUSIONS.

(a) No Benefit Requirements.—Nothing in this title shall be construed to require a group health plan or a health insurance issuer offering health insurance coverage to include specific items and services under the terms of such a plan or coverage, other than those provided under the terms and conditions of such plan or coverage.

(b) Exclusion From Access to Care Managed Care Provisions for Fee-for-Service Coverage.—

(1) In general.—The provisions of sections 111 through 117 shall not apply to a group health plan or health insurance coverage if the only coverage offered under the plan or coverage is fee-for-service coverage (as defined in paragraph (2)).

(2) Fee-for-service coverage defined.—For purposes of this subsection, the term "fee-for-service coverage" means coverage under a group health plan or health insurance coverage that—

(A) reimburses hospitals, health professionals, and other providers on a fee-for-service basis without placing the provider at financial risk;

(B) does not vary reimbursement for such a provider based on an agreement to contract terms and conditions or the utilization of health care items or services relating to such provider;

(C) allows access to any provider that is lawfully authorized to provide the covered services and that agrees to accept the terms and conditions of payment established under the plan or by the issuer; and

(D) for which the plan or issuer does not require prior authorization before providing for any health care services.

SEC. 154. COVERAGE OF LIMITED SCOPE PLANS.

Only for purposes of applying the requirements of this title under sections 2707 and 2753 of the Public Health Service Act and section 714 of the Employee Retirement Income Security Act of 1974, section 2791(c)(2)(A), and section 733(c)(2)(A) of the Employee Retirement Income Security Act of 1974 shall be deemed not to apply.

SEC. 155. REGULATIONS.

The Secretaries of Health and Human Services and Labor shall issue such regulations as may be necessary or appropriate to carry out this title. Such regulations shall be issued consistent with section 104 of Health Insurance Portability and Accountability Act of 1996. Such Secretaries may promulgate any interim final rules as the Secretaries determine are appropriate to carry out this title.

SEC. 156. INCORPORATION INTO PLAN OR COVERAGE DOCUMENTS.

The requirements of this title with respect to a group health plan or health insurance coverage are deemed to be incorporated into, and made a part of, such plan or the policy, certificate, or contract providing such coverage and are enforceable under law as if directly included in the documentation of such plan or such policy, certificate, or contract.

TITLE II—APPLICATION OF QUALITY CARE STANDARDS TO GROUP HEALTH PLANS AND HEALTH INSURANCE COVERAGE UNDER THE PUBLIC HEALTH SERVICE ACT

SEC. 201. APPLICATION TO GROUP HEALTH PLANS AND GROUP HEALTH INSURANCE COVERAGE.

(a) In General.—Subpart 2 of part A of title XXVII of the Public Health Service Act is amended by adding at the end the following new section:

"SEC. 2707. PATIENT PROTECTION STANDARDS.

"Each group health plan shall comply with patient protection requirements under title I of the Bipartisan Patient Protection Act of 2001, and each health insurance issuer shall comply with patient protection requirements under such title with respect to group health insurance coverage it offers, and such requirements shall be deemed to be incorporated into this subsection.".

(b) Conforming Amendment.—Section 2721(b)(2)(A) of such Act (42 U.S.C. 300gg-21(b)(2)(A)) is amended by inserting "(other than section 2707)" after "requirements of such subparts".

SEC. 202. APPLICATION TO INDIVIDUAL HEALTH INSURANCE COVERAGE.

Part B of title XXVII of the Public Health Service Act is amended by inserting after section 2752 the following new section:

"SEC. 2753. PATIENT PROTECTION STANDARDS.

"Each health insurance issuer shall comply with patient protection requirements under title I of the Bipartisan Patient Protection Act of 2001 with respect to individual health insurance coverage it offers, and such requirements shall be deemed to be incorporated into this subsection.".

TITLE III—AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

SEC, 301. APPLICATION OF PATIENT PROTECTION STANDARDS TO GROUP HEALTH PLANS AND GROUP HEALTH INSURANCE COVERAGE UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

Subpart B of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 is amended by adding at the end the following new section:

"SEC. 714. PATIENT PROTECTION STANDARDS.

"(a) In General.—Subject to subsection (b), a group health plan (and a health insurance issuer offering group health insurance coverage in connection with such a plan) shall comply with the requirements of title I of the Bipartisan Patient Protection Act of 2001 (as in effect as of the date of the enactment of such Act), and such requirements shall be deemed to be incorporated into this subsection.

"(b) Plan Satisfaction of Certain Requirements.—

"(1) Satisfaction of certain requirements through insurance.—For purposes of subsection (a), insofar as a group health plan provides benefits in the form of health insurance coverage through a health insurance issuer, the plan shall be treated as meeting the following requirements of title I of the Bipartisan Patient Protection Act of 2001 with respect to such benefits and not be considered as failing to meet such requirements because of a failure of the issuer to meet such requirements so long as the plan sponsor or its representatives did not cause such failure by the issuer:

"(A) Section 111 (relating to consumer choice option).

"(B) Section 112 (relating to choice of health care professional).

"(C) Section 113 (relating to access to emergency care).

"(D) Section 114 (relating to timely access to specialists).

"(E) Section 115 (relating to patient access to obstetrical and gynecological care).

"(F) Section 116 (relating to access to pediatric care).

"(G) Section 117 (relating to continuity of care), but only insofar as a replacement issuer assumes the obligation for continuity of care.

"(H) Section 118 (relating to access to needed prescription drugs).

"(I) Section 119 (relating to coverage for individuals participating in approved clinical trials).

"(J) Section 120 (relating to required coverage for minimum hospital stay for mastectomies and lymph node dissections for the treatment of breast cancer and coverage for secondary consultations).

"(K) Section 134 (relating to payment of claims).

"(2) INFORMATION.—With respect to information required to be provided or made available under section 121 of the Bipartisan Patient Protection Act of 2001, in the case of a group health plan that provides benefits in the form of health insurance coverage through a health insurance issuer, the Secretary shall determine the circumstances under which the plan is not required to provide or make available the information (and is not liable for the issuer's failure to provide or make available the information), if the issuer is obligated to provide and make available (or provides and makes available) such information.

"(3) INTERNAL APPEALS.—With respect to the internal appeals process required to be established under section 103 of such Act, in the case of a group health plan that provides benefits in the form of health insurance coverage through a health insurance issuer, the Secretary shall determine the circumstances under which the plan is not required to provide for such process and system (and is not liable for the issuer's failure to provide for such process and system), if the issuer is obligated to provide for (and provides for) such process and system.

"(4) EXTERNAL APPEALS.—Pursuant to rules of the Secretary, insofar as a group health plan enters into a contract with a qualified external appeal entity for the conduct of external appeal activities in accordance with section 104 of such Act, the plan shall be treated as meeting the requirement of such section and is not liable for the entity's failure to meet any requirements under such section.

"(5) APPLICATION TO PROHIBITIONS.—Pursuant to rules of the Secretary, if a health insurance issuer offers health insurance coverage in connection with a group health plan and takes an action in violation of any of the following sections of the Bipartisan Patient Protection Act of 2001, the group health plan shall not be liable for such violation unless the plan caused such violation:

"(A) Section 131 (relating to prohibition of interference with certain medical communications).

"(B) Section 132 (relating to prohibition of discrimination against providers based on licensure).

"(C) Section 133 (relating to prohibition against improper incentive arrangements).

"(D) Section 135 (relating to protection for patient advocacy).

"(6) CONSTRUCTION.—Nothing in this subsection shall be construed to affect or modify the responsibilities of the fiduciaries of a group health plan under part 4 of subtitle B.

"(7) TREATMENT OF SUBSTANTIALLY EQUIVALENT STATE LAWS.—For purposes of applying this subsection, any reference in this subsection to a requirement in a section or other provision in the Bipartisan Patient Protection Act of 2001 with respect to a health insurance issuer is deemed to include a reference to a requirement under a State law that is substantially equivalent (as determined under section 152(c) of such Act) to the requirement in such section or other provisions.

"(8) APPLICATION TO CERTAIN PROHIBITIONS AGAINST RETALIATION.—With respect to compliance with the requirements of section 135(b)(1) of the Bipartisan Patient Protection Act of 2001, for purposes of this subtitle the term 'group health plan' is deemed to include a reference to an institutional health care provider.

"(c) ENFORCEMENT OF CERTAIN REQUIREMENTS.—

"(1) COMPLAINTS.—Any protected health care professional who believes that the professional has been retaliated or discriminated against in violation of section 135(b)(1) of the Bipartisan Patient Protection Act of 2001 may file with the Secretary a complaint within 180 days of the date of the alleged retaliation or discrimination.

"(2) INVESTIGATION.—The Secretary shall investigate such complaints and shall determine if a violation of such section has occurred and, if so, shall issue an order to ensure that the protected health care professional does not suffer any loss of position, pay, or benefits in relation to the plan, issuer, or provider involved, as a result of the violation found by the Secretary.

"(d) CONFORMING REGULATIONS.—The Secretary shall issue regulations to coordinate the requirements on group health plans and health insurance issuers under this section with the requirements imposed under the other provisions of this title. In order to reduce duplication and clarify the rights of participants and beneficiaries with respect to information that is required to be provided, such regulations shall coordinate the information disclosure requirements under section 121 of the Bipartisan Patient Protection Act of 2001 with the reporting and disclosure requirements imposed under part 1, so long as such coordination does not result in any reduction in the information that would otherwise be provided to participants and beneficiaries.".

(b) SATISFACTION OF ERISA CLAIMS PROCEDURE REQUIREMENT.—Section 503 of such Act (29 U.S.C. 1133) is amended by inserting "(a)" after "SEC. 503." and by adding at the end the following new subsection:

"(b) In the case of a group health plan (as defined in section 733) compliance with the requirements of subtitle A of title I of the Bipartisan Patient Protection Act of 2001, and compliance with regulations promulgated by the Secretary, in the case of a claims denial shall be deemed compliance with subsection (a) with respect to such claims denial.".

(c) CONFORMING AMENDMENTS.—(1) Section 732(a) of such Act (29 U.S.C. 1185(a)) is amended by striking "section 711" and inserting "sections 711 and 714".

(2) The table of contents in section 1 of such Act is amended by inserting after the item relating to section 713 the following new item:

"Sec. 714. Patient protection standards.".

(3) Section 502(b)(3) of such Act (29 U.S.C. 1132(b)(3)) is amended by inserting "(other than section 135(b))" after "part 7".

SEC. 302. AVAILABILITY OF CIVIL REMEDIES.

(a) AVAILABILITY OF FEDERAL CIVIL REMEDIES IN CASES NOT INVOLVING MEDICALLY REVIEWABLE DECISIONS.—

(1) IN GENERAL.—Section 502 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132) is amended by adding at the end the following new subsection:

"(n) CAUSE OF ACTION RELATING TO PROVISION OF HEALTH BENEFITS.—

"(1) IN GENERAL.—In any case in which—

"(A) a person who is a fiduciary of a group health plan, a health insurance issuer offering health insurance coverage in connection with the plan, or an agent of the plan, issuer, or plan sponsor—

"(i) upon consideration of a claim for benefits of a participant or beneficiary under section 102 of the Bipartisan Patient Protection Act of 2001 (relating to procedures for initial claims for benefits and prior authorization determinations) or upon review of a denial of such a claim under section 103 of such Act (relating to internal appeal of a denial of a claim for benefits), fails to exercise ordinary care in making a decision—

"(I) regarding whether an item or service is covered under the terms and conditions of the plan or coverage,

"(II) regarding whether an individual is a participant or beneficiary who is enrolled under the terms and conditions of the plan or coverage (including the applicability of any waiting period under the plan or coverage), or

"(III) as to the application of cost-sharing requirements or the application of a specific exclusion or express limitation on the amount, duration, or scope of coverage of items or services under the terms and conditions of the plan or coverage, or

"(ii) otherwise fails to exercise ordinary care in the performance of a duty under the terms and conditions of the plan with respect to a participant or beneficiary, and

"(B) such failure is a proximate cause of personal injury to, or the death of, the participant or beneficiary,

such person shall be liable to the participant or beneficiary (or the estate of such participant or beneficiary) for economic and noneconomic damages (but not exemplary or punitive damages) in connection with such personal injury or death.

"(2) CAUSE OF ACTION MUST NOT INVOLVE MEDICALLY REVIEWABLE DECISION.—

"(A) IN GENERAL.—A cause of action is established under paragraph (1)(A) only if the decision referred to in clause (i) or the failure described in clause (ii) does not include a medically reviewable decision.

"(B) MEDICALLY REVIEWABLE DECISION.—For purposes of subparagraph (A), the term 'medically reviewable decision' means a denial of a claim for benefits under the plan which is described in section 104(d)(2) of the Bipartisan Patient Protection Act of 2001 (relating to medically reviewable decisions).

"(3) DEFINITIONS.—For purposes of this subsection.—

"(A) ORDINARY CARE.—The term 'ordinary care' means—

"(i) with respect to a determination on a claim for benefits, that degree of care, skill, and diligence that a reasonable and prudent individual would exercise in making a fair determination on a claim for benefits of like kind to the claim involved; and

"(ii) with respect to the performance of a duty, that degree of care, skill, and diligence that a reasonable and prudent individual would exercise in performing the duty or a duty of like character.

"(B) PERSONAL INJURY.—The term 'personal injury' means a physical injury and includes an injury arising out of the treatment (or failure to treat) a mental illness or disease.

"(C) CLAIM FOR BENEFITS; DENIAL.—The terms 'claim for benefits' and 'denial of a claim for benefits' have the meanings provided such terms in section 102(e) of the Bipartisan Patient Protection Act of 2001.

"(D) TERMS AND CONDITIONS.—The term 'terms and conditions' includes, with respect to a group health plan or health insurance coverage, requirements imposed under title I of the Bipartisan Patient Protection Act of 2001 or under part 6 or 7.

"(E) GROUP HEALTH PLAN AND OTHER RELATED TERMS.—The provisions of sections

732(d) and 733 apply for purposes of this subsection in the same manner as they apply for purposes of part 7, except that the term 'group health plan' includes a group health plan (as defined in section 607(1)).

‘‘(4) EXCLUSION OF EMPLOYERS AND OTHER PLAN SPONSORS.—

‘‘(A) CAUSES OF ACTION AGAINST EMPLOYERS AND PLAN SPONSORS PRECLUDED.—Subject to subparagraph (B), paragraph (1)(A) does not authorize a cause of action against an employer or other plan sponsor maintaining the plan (or against an employee of such an employer or sponsor acting within the scope of employment).

‘‘(B) CERTAIN CAUSES OF ACTION PERMITTED.—Notwithstanding subparagraph (A), a cause of action may arise against an employer or other plan sponsor (or against an employee of such an employer or sponsor acting within the scope of employment)—

‘‘(i) under clause (i) of paragraph (1)(A), to the extent there was direct participation by the employer or other plan sponsor (or employee) in the decision of the plan under section 102 of the Bipartisan Patient Protection Act of 2001 upon consideration of a claim for benefits or under section 103 of such Act upon review of a denial of a claim for benefits, or

‘‘(ii) under clause (ii) of paragraph (1)(A), to the extent there was direct participation by the employer or other plan sponsor (or employee) in the failure described in such clause.

‘‘(C) DIRECT PARTICIPATION.—

‘‘(i) DIRECT PARTICIPATION IN DECISIONS.—For purposes of subparagraph (B), the term 'direct participation' means, in connection with a decision described in clause (i) of paragraph (1)(A) or a failure described in clause (ii) of such paragraph, the actual making of such decision or the actual exercise of control in making such decision or in the conduct constituting the failure.

‘‘(ii) RULES OF CONSTRUCTION.—For purposes of clause (i), the employer or plan sponsor (or employee) shall not be construed to be engaged in direct participation because of any form of decisionmaking or other conduct that is merely collateral or precedent to the decision described in clause (i) of paragraph (1)(A) on a particular claim for benefits of a participant or beneficiary or that is merely collateral or precedent to the conduct constituting a failure described in clause (ii) of paragraph (1)(A) with respect to a particular participant or beneficiary, including (but not limited to)—

‘‘(I) any participation by the employer or other plan sponsor (or employee) in the selection of the group health plan or health insurance coverage involved or the third party administrator or other agent;

‘‘(II) any engagement by the employer or other plan sponsor (or employee) in any cost-benefit analysis undertaken in connection with the selection of, or continued maintenance of, the plan or coverage involved;

‘‘(III) any participation by the employer or other plan sponsor (or employee) in the process of creating, continuing, modifying, or terminating the plan or any benefit under the plan, if such process was not substantially focused solely on the particular situation of the participant or beneficiary referred to in paragraph (1)(A); and

‘‘(IV) any participation by the employer or other plan sponsor (or employee) in the design of any benefit under the plan, including the amount of copayment and limits connected with such benefit.

‘‘(iv) IRRELEVANCE OF CERTAIN COLLATERAL EFFORTS MADE BY EMPLOYER OR PLAN SPONSOR.—For purposes of this subparagraph, an employer or plan sponsor shall not be treated as engaged in direct participation in a decision with respect to any claim for benefits or denial thereof in the case of any particular participant or beneficiary solely by reason of—

‘‘(I) any efforts that may have been made by the employer or plan sponsor to advocate for authorization of coverage for that or any other participant or beneficiary (or any group of participants or beneficiaries), or

‘‘(II) any provision that may have been made by the employer or plan sponsor for benefits which are not covered under the terms and conditions of the plan for that or any other participant or beneficiary (or any group of participants or beneficiaries).

‘‘(5) REQUIREMENT OF EXHAUSTION.—

‘‘(A) IN GENERAL.—Except as provided in this paragraph, a cause of action may not be brought under paragraph (1) in connection with any denial of a claim for benefits of any individual until all administrative processes under sections 102 and 103 of the Bipartisan Patient Protection Act of 2001 (if applicable) have been exhausted.

‘‘(B) LATE MANIFESTATION OF INJURY.—The requirements under subparagraph (A) for a cause of action in connection with any denial of a claim for benefits shall be deemed satisfied, notwithstanding any failure to timely commence review under section 103 with respect to the denial, if the personal injury is first known (or first reasonably should have been known) to the individual (or the death occurs) after the latest date by which the applicable requirements of subparagraph (A) can be met in connection with such denial.

‘‘(C) OCCURRENCE OF IMMEDIATE AND IRREPARABLE HARM OR DEATH PRIOR TO COMPLETION OF PROCESS.—

‘‘(i) IN GENERAL.—The requirements of subparagraph (A) shall not apply if the action involves an allegation that immediate and irreparable harm or death was, or would be, caused by the denial of a claim for benefits prior to the completion of the administrative processes referred to in subparagraph (A) with respect to such denial.

‘‘(ii) CONSTRUCTION.—Nothing in clause (i) shall be construed to preclude—

‘‘(I) continuation of such processes to their conclusion if so moved by any party, and

‘‘(II) consideration in such action of the final decisions issued in such processes.

‘‘(iii) DEFINITION.—In clause (i), the term 'irreparable harm', with respect to an individual, means an injury or condition that, regardless of whether the individual receives the treatment that is the subject of the denial, cannot be repaired in a manner that would restore the individual to the individual's pre-injured condition.

‘‘(D) RECEIPT OF BENEFITS DURING APPEALS PROCESS.—Receipt by the participant or beneficiary of the benefits involved in the claim for benefits during the pendency of any administrative processes referred to in subparagraph (A) or of any action commenced under this subsection—

‘‘(i) shall not preclude continuation of all such administrative processes to their conclusion if so moved by any party, and

‘‘(ii) shall not preclude any liability under subsection (a)(1)(C) and this subsection in connection with such claim.

The court in any action commenced under this subsection shall take into account any receipt of benefits during such administrative processes or such action in determining the amount of the damages awarded.

‘‘(6) STATUTORY DAMAGES.—

‘‘(A) IN GENERAL.—The remedies set forth in this subsection (n) shall be the exclusive remedies for causes of action brought under this subsection.

‘‘(B) ASSESSMENT OF CIVIL PENALTIES.—In addition to the remedies provided for in paragraph (1) (relating to the failure to provide contract benefits in accordance with the plan), a civil assessment, in an amount not to exceed $5,000,000, payable to the claimant may be awarded in any action under such paragraph if the claimant establishes by clear and convincing evidence that the alleged conduct carried out by the defendant demonstrated bad faith and flagrant disregard for the rights of the participant or beneficiary under the plan and was a proximate cause of the personal injury or death that is the subject of the claim.

‘‘(7) LIMITATION OF ACTION.—Paragraph (1) shall not apply in connection with any action commenced after 3 years after the later of—

‘‘(A) the date on which the plaintiff first knew, or reasonably should have known, of the personal injury or death resulting from the failure described in paragraph (1), or

‘‘(B) the date as of which the requirements of paragraph (5) are first met.

‘‘(8) TOLLING PROVISION.—The statute of limitations for any cause of action arising under State law relating to a denial of a claim for benefits that is the subject of an action brought in Federal court under this subsection shall be tolled until such time as the Federal court makes a final disposition, including all appeals, of whether such claim should properly be within the jurisdiction of the Federal court. The tolling period shall be determined by the applicable Federal or State law, whichever period is greater.

‘‘(9) PURCHASE OF INSURANCE TO COVER LIABILITY.—Nothing in section 410 shall be construed to preclude the purchase by a group health plan of insurance to cover any liability or losses arising under a cause of action under subsection (a)(1)(C) and this subsection.

‘‘(10) EXCLUSION OF DIRECTED RECORDKEEPERS.—

‘‘(A) IN GENERAL.—Subject to subparagraph (C), paragraph (1) shall not apply with respect to a directed recordkeeper in connection with a group health plan.

‘‘(B) DIRECTED RECORDKEEPER.—For purposes of this paragraph, the term 'directed recordkeeper' means, in connection with a group health plan, a person engaged in directed recordkeeping activities pursuant to the specific instructions of the plan or the employer or other plan sponsor, including the distribution of enrollment information and distribution of disclosure materials under this Act or title I of the Bipartisan Patient Protection Act of 2001 and whose duties do not include making decisions on claims for benefits.

‘‘(C) LIMITATION.—Subparagraph (A) does not apply in connection with any directed recordkeeper to the extent that the directed recordkeeper fails to follow the specific instruction of the plan or the employer or other plan sponsor.

‘‘(11) NO EFFECT ON STATE LAW.—No provision of State law (as defined in section 514(c)(1)) shall be treated as superseded or otherwise altered, amended, modified, invalidated, or impaired by reason of the provisions of subsection (a)(1)(C) and this subsection.’’.

(2) CONFORMING AMENDMENT.—Section 502(a)(1) of such Act (29 U.S.C. 1132(a)(1)) is amended—

(A) by striking ‘‘or’’ at the end of subparagraph (A);

(B) in subparagraph (B), by striking "plan;" and inserting "plan, or"; and

(C) by adding at the end the following new subparagraph:

"(C) for the relief provided for in subsection (n) of this section.".

(b) RULES RELATING TO ERISA PREEMPTION.—Section 514 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144) is amended—

(1) by redesignating subsection (d) as subsection (f); and

(2) by inserting after subsection (c) the following new subsections:

"(d) PREEMPTION NOT TO APPLY TO CAUSES OF ACTION UNDER STATE LAW INVOLVING MEDICALLY REVIEWABLE DECISION.—

"(1) NON-PREEMPTION OF CERTAIN CAUSES OF ACTION.—

"(A) IN GENERAL.—Except as provided in this subsection, nothing in this title (including section 502) shall be construed to supersede or otherwise alter, amend, modify, invalidate, or impair any cause of action under State law of a participant or beneficiary under a group health plan (or the estate of such a participant or beneficiary) to recover damages resulting from personal injury or for wrongful death against any person if such cause of action arises by reason of a medically reviewable decision.

"(B) MEDICALLY REVIEWABLE DECISION.—For purposes of subparagraph (A), the term 'medically reviewable decision' means a denial of a claim for benefits under the plan which is described in section 104(d)(2) of the Bipartisan Patient Protection Act of 2001 (relating to medically reviewable decisions).

"(C) LIMITATION ON PUNITIVE DAMAGES.—

"(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), with respect to a cause of action described in subparagraph (A) brought with respect to a participant or beneficiary, State law is superseded insofar as it provides any punitive, exemplary, or similar damages if, as of the time of the personal injury or death, all the requirements of the following sections of the Bipartisan Patient Protection Act of 2001 were satisfied with respect to the participant or beneficiary:

"(I) Section 102 (relating to procedures for initial claims for benefits and prior authorization determinations).

"(II) Section 103 of such Act (relating to internal appeals of claims denials).

"(III) Section 104 of such Act (relating to independent external appeals procedures).

"(ii) EXCEPTION FOR CERTAIN ACTIONS FOR WRONGFUL DEATH.—Clause (i) shall not apply with respect to an action for wrongful death if the applicable State law provides (or has been construed to provide) for damages in such an action which are only punitive or exemplary in nature.

"(iii) EXCEPTION FOR WILLFUL OR WANTON DISREGARD FOR THE RIGHTS OR SAFETY OF OTHERS.—Clause (i) shall not apply with respect to any cause of action described in subparagraph (A) if, in such action, the plaintiff establishes by clear and convincing evidence that conduct carried out by the defendant with willful or wanton disregard for the rights or safety of others was a proximate cause of the personal injury or wrongful death that is the subject of the action.

"(2) DEFINITIONS.—For purposes of this subsection and subsection (e)—

"(A) GROUP HEALTH PLAN AND OTHER RELATED TERMS.—The provisions of sections 732(d) and 733 apply for purposes of this subsection in the same manner as they apply for purposes of part 7, except that the term 'group health plan' includes a group health plan (as defined in section 607(1)).

"(B) PERSONAL INJURY.—The term 'personal injury' means a physical injury and includes an injury arising out of the treatment (or failure to treat) a mental illness or disease.

"(C) CLAIM FOR BENEFIT; DENIAL.—The terms 'claim for benefits' and 'denial of a claim for benefits' shall have the meaning provided such terms under section 102(e) of the Bipartisan Patient Protection Act of 2001.

"(3) EXCLUSION OF EMPLOYERS AND OTHER PLAN SPONSORS.—

"(A) CAUSES OF ACTION AGAINST EMPLOYERS AND PLAN SPONSORS PRECLUDED.—Subject to subparagraph (B), paragraph (1) does not apply with respect to—

"(i) any cause of action against an employer or other plan sponsor maintaining the plan (or against an employee of such an employer or sponsor acting within the scope of employment), or

"(ii) a right of recovery, indemnity, or contribution by a person against an employer or other plan sponsor (or such an employee) for damages assessed against the person pursuant to a cause of action to which paragraph (1) applies.

"(B) CERTAIN CAUSES OF ACTION PERMITTED.—Notwithstanding subparagraph (A), paragraph (1) applies with respect to any cause of action described in paragraph (1) maintained by a participant or beneficiary against an employer or other plan sponsor (or against an employee of such an employer or sponsor acting within the scope of employment)—

"(i) in the case of any cause of action based on a decision of the plan under section 102 of the Bipartisan Patient Protection Act of 2001 upon consideration of a claim for benefits or under section 103 of such Act upon review of a denial of a claim for benefits, to the extent there was direct participation by the employer or other plan sponsor (or employee) in the decision, or

"(ii) in the case of any cause of action based on a failure to otherwise perform a duty under the terms and conditions of the plan with respect to a claim for benefits of a participant or beneficiary, to the extent there was direct participation by the employer or other plan sponsor (or employee) in the failure.

"(C) DIRECT PARTICIPATION.—

"(i) DIRECT PARTICIPATION IN DECISIONS.—For purposes of subparagraph (B), the term 'direct participation' means, in connection with a decision described in subparagraph (B)(i) or a failure described in subparagraph (B)(ii), the actual making of such decision or the actual exercise of control in making such decision or in the conduct constituting the failure.

"(ii) RULES OF CONSTRUCTION.—For purposes of clause (i), the employer or plan sponsor (or employee) shall not be construed to be engaged in direct participation because of any form of decisionmaking or other conduct that is merely collateral or precedent to the decision described in subparagraph (B)(i) on a particular claim for benefits of a particular participant or beneficiary or that is merely collateral or precedent to the conduct constituting a failure described in subparagraph (B)(ii) with respect to a particular participant or beneficiary, including (but not limited to)—

"(I) any participation by the employer or other plan sponsor (or employee) in the selection of the group health plan or health insurance coverage involved or the third party administrator or other agent;

"(II) any engagement by the employer or other plan sponsor (or employee) in any cost-benefit analysis undertaken in connection with the selection of, or continued maintenance of, the plan or coverage involved;

"(III) any participation by the employer or other plan sponsor (or employee) in the process of creating, continuing, modifying, or terminating the plan or any benefit under the plan, if such process was not substantially focused solely on the particular situation of the participant or beneficiary referred to in paragraph (1)(A); and

"(IV) any participation by the employer or other plan sponsor (or employee) in the design of any benefit under the plan, including the amount of copayment and limits connected with such benefit.

"(iii) IRRELEVANCE OF CERTAIN COLLATERAL EFFORTS MADE BY EMPLOYER OR PLAN SPONSOR.—For purposes of this subparagraph, an employer or plan sponsor shall not be treated as engaged in direct participation in a decision with respect to any claim for benefits or denial thereof in the case of any particular participant or beneficiary solely by reason of—

"(I) any efforts that may have been made by the employer or plan sponsor to advocate for authorization of coverage for that or any other participant or beneficiary (or any group of participants or beneficiaries), or

"(II) any provision that may have been made by the employer or plan sponsor for benefits which are not covered under the terms and conditions of the plan for that or any other participant or beneficiary (or any group of participants or beneficiaries).

"(4) REQUIREMENT OF EXHAUSTION.—

"(A) IN GENERAL.—Except as provided in this paragraph, paragraph (1) shall not apply with respect to a cause of action described in such paragraph in connection with any denial of a claim for benefits of any individual until all administrative processes under sections 102, 103, and 104 of the Bipartisan Patient Protection Act of 2001 (if applicable) have been exhausted.

"(B) LATE MANIFESTATION OF INJURY.—The requirements under subparagraph (A) for a cause of action in connection with any denial of a claim for benefits shall be deemed satisfied, notwithstanding any failure to timely commence review under section 103 or 104 with respect to the denial, if the personal injury is first known (or first should have been known) to the individual (or the death occurs) after the latest date by which the applicable requirements of subparagraph (A) can be met in connection with such denial.

"(C) OCCURRENCE OF IMMEDIATE AN IRREPARABLE HARM OR DEATH PRIOR TO COMPLETION OF PROCESS.—

"(i) IN GENERAL.—The requirements of subparagraph (A) shall not apply if the action involves an allegation that immediate and irreparable harm or death was, or would be, caused by the denial of a claim for benefits prior to the completion of the administrative processes referred to in subparagraph (A) with respect to such denial.

"(ii) CONSTRUCTION.—Nothing in clause (i) shall be construed to preclude—

"(I) continuation of such processes to their conclusion if so moved by any party, and

"(II) consideration in such action of the final decisions issued in such processes.

"(iii) DEFINITION.—In clause (i), the term 'irreparable harm', with respect to an individual, means an injury or condition that, regardless of whether the individual receives the treatment that is the subject of the denial, cannot be repaired in a manner that would restore the individual to the individual's pre-injured condition.

"(D) Receipt of benefits during appeals process.—Receipt by the participant or beneficiary of the benefits involved in the claim for benefits during the pendency of any administrative processes referred to in subparagraph (A) or of any action commenced under this subsection—

"(i) shall not preclude continuation of all such administrative processes to their conclusion if so moved by any party, and

"(ii) shall not preclude any liability under subsection (a)(1)(C) and this subsection in connection with such claim.

"(5) Tolling provision.—The statute of limitations for any cause of action arising under section 502(n) relating to a denial of a claim for benefits that is the subject of an action brought in State court shall be tolled until such time as the State court makes a final disposition, including all appeals, of whether such claim should properly be within the jurisdiction of the State court. The tolling period shall be determined by the applicable Federal or State law, whichever period is greater.

"(6) Exclusion of directed recordkeepers.—

"(A) In general.—Subject to subparagraph (C), paragraph (1) shall not apply with respect to a directed recordkeeper in connection with a group health plan.

"(B) Directed recordkeeper.—For purposes of this paragraph, the term 'directed recordkeeper' means, in connection with a group health plan, a person engaged in directed recordkeeping activities pursuant to the specific instructions of the plan or the employer or other plan sponsor, including the distribution of enrollment information and distribution of disclosure materials under this Act or title I of the Bipartisan Patient Protection Act of 2001 and whose duties do not include making decisions on claims for benefits.

"(C) Limitation.—Subparagraph (A) does not apply in connection with any directed recordkeeper to the extent that the directed recordkeeper fails to follow the specific instruction of the plan or the employer or other plan sponsor.

"(7) Construction.—Nothing in this subsection shall be construed as—

"(A) saving from preemption a cause of action under State law for the failure to provide a benefit for an item or service which is specifically excluded under the group health plan involved, except to the extent that—

"(i) the application or interpretation of the exclusion involves a determination described in section 104(d)(2) of the Bipartisan Patient Protection Act of 2001, or

"(ii) the provision of the benefit for the item or service is required under Federal law or under applicable State law consistent with subsection (b)(2)(B);

"(B) preempting a State law which requires an affidavit or certificate of merit in a civil action;

"(C) affecting a cause of action or remedy under State law in connection with the provision or arrangement of excepted benefits (as defined in section 733(c)), other than those described in section 733(c)(2)(A); or

"(D) affecting a cause of action under State law other than a cause of action described in paragraph (1)(A).

"(8) Purchase of insurance to cover liability.—Nothing in section 410 shall be construed to preclude the purchase by a group health plan of insurance to cover any liability or losses arising under a cause of action described in paragraph (1)(A).

"(e) Rules of Construction Relating to Health Care.—Nothing in this title shall be construed as—

"(1) affecting any State law relating to the practice of medicine or the provision of medical care, or affecting any action based upon such a State law,

"(2) superseding any State law permitted under section 152(b)(1)(A) of the Bipartisan Patient Protection Act of 2001, or

"(3) affecting any applicable State law with respect to limitations on monetary damages.".

(c) Effective Date.—The amendments made by this section shall apply to acts and omissions (from which a cause of action arises) occurring on or after the date of the enactment of this division.

SEC. 303. LIMITATIONS ON ACTIONS.

Section 502 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132) (as amended by section 302(a)) is amended further by adding at the end the following new subsection:

"(o) Limitations on Actions Relating to Group Health Plans.—

"(1) In general.—Except as provided in paragraph (2), no action may be brought under subsection (a)(1)(B), (a)(2), or (a)(3) by a participant or beneficiary seeking relief based on the application of any provision in section 101, subtitle B, or subtitle D of title I of the Bipartisan Patient Protection Act of 2001 (as incorporated under section 714).

"(2) Certain actions allowable.—An action may be brought under subsection (a)(1)(B), (a)(2), or (a)(3) by a participant or beneficiary seeking relief based on the application of section 101, 113, 114, 115, 116, 117, 118(a)(3), 119, or 120 of the Bipartisan Patient Protection Act of 2001 (as incorporated under section 714) to the individual circumstances of that participant or beneficiary, except that—

"(A) such an action may not be brought or maintained as a class action; and

"(B) in such an action, relief may only provide for the provision of (or payment of) benefits, items, or services denied to the individual participant or beneficiary involved (and for attorney's fees and the costs of the action, at the discretion of the court) and shall not provide for any other relief to the participant or beneficiary or for any relief to any other person.

"(3) Other provisions unaffected.—Nothing in this subsection shall be construed as affecting subsections (a)(1)(C) and (n) or section 514(d).

"(4) Enforcement by secretary unaffected.—Nothing in this subsection shall be construed as affecting any action brought by the Secretary.".

TITLE IV—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986

SEC. 401. APPLICATION TO GROUP HEALTH PLANS UNDER THE INTERNAL REVENUE CODE OF 1986.

Subchapter B of chapter 100 of the Internal Revenue Code of 1986 is amended—

(1) in the table of sections, by inserting after the item relating to section 9812 the following new item:

"Sec. 9813. Standard relating to patients' bill of rights.";

and

(2) by inserting after section 9812 the following:

"SEC. 9813. STANDARD RELATING TO PATIENTS' BILL OF RIGHTS.

"A group health plan shall comply with the requirements of title I of the Bipartisan Patient Protection Act of 2001 (as in effect as of the date of the enactment of such Act), and such requirements shall be deemed to be incorporated into this section.".

SEC. 402. CONFORMING ENFORCEMENT FOR WOMEN'S HEALTH AND CANCER RIGHTS.

Subchapter B of chapter 100 of the Internal Revenue Code of 1986, as amended by section 401, is further amended—

(1) in the table of sections, by inserting after the item relating to section 9813 the following new item:

"Sec. 9814. Standard relating to women's health and cancer rights.";

and

(2) by inserting after section 9813 the following:

"SEC. 9814. STANDARD RELATING TO WOMEN'S HEALTH AND CANCER RIGHTS.

"The provisions of section 713 of the Employee Retirement Income Security Act of 1974 (as in effect as of the date of the enactment of this section) shall apply to group health plans as if included in this subchapter.".

TITLE V—EFFECTIVE DATES; COORDINATION IN IMPLEMENTATION

SEC. 501. EFFECTIVE DATES.

(a) Group Health Coverage.—

(1) In general.—Subject to paragraph (2) and subsection (d), the amendments made by sections 201(a), 301, 303, and 401 and 402 (and title I insofar as it relates to such sections) shall apply with respect to group health plans, and health insurance coverage offered in connection with group health plans, for plan years beginning on or after January 1, 2002 (in this section referred to as the "general effective date").

(2) Treatment of collective bargaining agreements.—In the case of a group health plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified before the date of the enactment of this division, the amendments made by sections 201(a), 301, 303, and 401 and 402 (and title I insofar as it relates to such sections) shall not apply to plan years beginning before the later of—

(A) the date on which the last collective bargaining agreements relating to the plan terminates (determined without regard to any extension thereof agreed to after the date of the enactment of this division); or

(B) the general effective date.

For purposes of subparagraph (A), any plan amendment made pursuant to a collective bargaining agreement relating to the plan which amends the plan solely to conform to any requirement added by this division shall not be treated as a termination of such collective bargaining agreement.

(b) Individual Health Insurance Coverage.—Subject to subsection (d), the amendments made by section 202 shall apply with respect to individual health insurance coverage offered, sold, issued, renewed, in effect, or operated in the individual market on or after the general effective date.

(c) Treatment of Religious Nonmedical Providers.—

(1) In general.—Nothing in this division (or the amendments made thereby) shall be construed to—

(A) restrict or limit the right of group health plans, and of health insurance issuers offering health insurance coverage, to include as providers religious nonmedical providers;

(B) require such plans or issuers to—

(i) utilize medically based eligibility standards or criteria in deciding provider status of religious nonmedical providers;

(ii) use medical professionals or criteria to decide patient access to religious nonmedical providers;

(iii) utilize medical professionals or criteria in making decisions in internal or external appeals regarding coverage for care by religious nonmedical providers; or

(iv) compel a participant or beneficiary to undergo a medical examination or test as a condition of receiving health insurance coverage for treatment by a religious nonmedical provider; or

(C) require such plans or issuers to exclude religious nonmedical providers because they do not provide medical or other required data, if such data is inconsistent with the religious nonmedical treatment or nursing care provided by the provider.

(2) Religious nonmedical provider.—For purposes of this subsection, the term "religious nonmedical provider" means a provider who provides no medical care but who provides only religious nonmedical treatment or religious nonmedical nursing care.

(d) Transition for Notice Requirement.—The disclosure of information required under section 121 of this division shall first be provided pursuant to—

(1) subsection (a) with respect to a group health plan that is maintained as of the general effective date, not later than 30 days before the beginning of the first plan year to which title I applies in connection with the plan under such subsection; or

(2) subsection (b) with respect to a individual health insurance coverage that is in effect as of the general effective date, not later than 30 days before the first date as of which title I applies to the coverage under such subsection.

SEC. 502. COORDINATION IN IMPLEMENTATION.

The Secretary of Labor, the Secretary of Health and Human Services, and the Secretary of the Treasury shall ensure, through the execution of an interagency memorandum of understanding among such Secretaries, that—

(1) regulations, rulings, and interpretations issued by such Secretaries relating to the same matter over which such Secretaries have responsibility under the provisions of this division (and the amendments made thereby) are administered so as to have the same effect at all times; and

(2) coordination of policies relating to enforcing the same requirements through such Secretaries in order to have a coordinated enforcement strategy that avoids duplication of enforcement efforts and assigns priorities in enforcement.

SEC. 503. SEVERABILITY.

If any provision of this division, an amendment made by this division, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this division, the amendments made by this division, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SA 479. Mr. McCAIN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, insert the following:

TITLE —EDUCATIONAL CHOICES FOR DISADVANTAGED CHILDREN.

SEC. 01. PURPOSES.

The purposes of this title are—

(1) to assist States to—

(A) give children from low-income families the same choices among all elementary and secondary schools and other academic programs as children from wealthier families already have;

(B) improve schools and other academic programs by giving parents in low-income families increased consumer power to choose the schools and programs that the parents determine best fit the needs of their children; and

(C) more fully engage parents in their children's schooling; and

(2) to demonstrate, through a 3-year national grant program, the effects of a voucher program that gives parents in low-income families—

(A) choice among public, private, and religious schools for their children; and

(B) access to the same academic options as parents in wealthy families have for their children.

SEC. 02. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—There is authorized to be appropriated to carry out this title (other than section 10) $1,800,000,000 for each of fiscal years 2002 through 2005.

(b) Evaluation.—There is authorized to be appropriated to carry out section 10 $17,000,000 for each of fiscal years 2002 through 2005.

SEC. 03. PROGRAM AUTHORITY.

(a) In General.—The Secretary shall make grants to States, from allotments made under section 04 to enable the States to carry out educational choice programs that provide scholarships, in accordance with this title.

(b) Limit on Federal Administrative Expenditures.—The Secretary may reserve not more than $1,000,000 of the amounts appropriated under section 02(a) for a fiscal year to pay for the costs of administering this title.

SEC. 04. ALLOTMENTS TO STATES.

(a) Allotments.—The Secretary shall make the allotments to States in accordance with a formula specified in regulations issued in accordance with subsection (b). The formula shall provide that the Secretary shall allot to each State an amount that bears the same relationship to the amounts appropriated under section 02(a) for a fiscal year (other than funds reserved under section 03(b)) as the number of covered children in the State bears to the number of covered children in all such States.

(b) Formula.—Not later than 90 days after the date of enactment of this title, the Secretary shall issue regulations specifying the formula referred to in subsection (a).

(c) Limit on State Administrative Expenditures.—The State may reserve not more than 1 percent of the funds made available through the State allotment to pay for the costs of administering this title.

(d) Definition.—In this section, the term "covered child" means a child who is enrolled in a public school (including a charter school) that is an elementary school or secondary school.

SEC. 05. ELIGIBLE SCHOOLS.

(a) Eligibility.—

(1) In general.—Schools identified by a State under paragraph (2) shall be considered to be eligible schools under this title.

(2) Determination.—Not later than 180 days after the date the Secretary issues regulations under section 04(b), each State shall identify the public elementary schools and secondary schools in the State that are at or below the 25th percentile for academic performance of schools in the State.

(b) Performance.—The State shall determine the academic performance of a school under this section based on such criteria as the State may consider to be appropriate.

SEC. 06. SCHOLARSHIPS.

(a) In General.—

(1) Scholarship awards.—With funds awarded under this title, each State awarded a grant under this title shall provide scholarships to the parents of eligible children, in accordance with subsections (b) and (c). The State shall ensure that the scholarships may be redeemed for elementary or secondary education for the eligible children at any of a broad variety of public and private schools, including religious schools, in the State.

(2) Scholarship amount.—The amount of each scholarship shall be $2000 per year.

(3) Tax exemption.—Scholarships awarded under this title shall not be considered income of the parents for Federal income tax purposes or for determining eligibility for any other Federal program.

(b) Eligible Child.—To be eligible to receive a scholarship under this title, a child shall be—

(1) a child who is enrolled in a public elementary school or secondary school that is an eligible school; and

(2) a member of a family with a family income that is not more than 200 percent of the poverty line.

(c) Award Rules.—

(1) Priority.—In providing scholarships under this title, the State shall provide scholarships for eligible children through a lottery system administered for all eligible schools in the State by the State educational agency.

(2) Continuing eligibility.—Each State receiving a grant under this title to carry out an educational choice program shall provide a scholarship in each year of the program to each child who received a scholarship during the previous year of the program, unless—

(A) the child no longer resides in the area served by an eligible school;

(B) the child no longer attends school;

(C) the child's family income exceeds, by 20 percent or more, 200 percent of the poverty line;

(D) the child is expelled; or

(E) the child is convicted of possession of a weapon on school grounds, convicted of a violent act against another student or a member of the school's faculty, or convicted of a felony, including felonious drug possession.

SEC. 07. USES OF FUNDS.

Any scholarship awarded under this title for a year shall be used—

(1) first, for—

(A) the payment of tuition and fees at the school selected by the parents of the child for whom the scholarship was provided; and

(B) the reasonable costs of the child's transportation to the school, if the school is not the school to which the child would be assigned in the absence of a program under this title;

(2) second, if the parents so choose, to obtain supplementary academic services for the child, at a cost of not more than $500, from any provider chosen by the parents, that the State determines is capable of providing such services and has an appropriate refund policy; and

(3) finally, for educational programs that help the eligible child achieve high levels of academic excellence in the school attended by the eligible child, if the eligible child chooses to attend a public school.

SEC. 08. STATE REQUIREMENT.

A State that receives a grant under this title shall allow lawfully operating public and private elementary schools and secondary schools, including religious schools, if any, serving the area involved to participate in the program.

SEC. 09. EFFECT OF PROGRAMS.

(a) Title I.—Notwithstanding any other provision of law, if a local educational agency in the State would, in the absence of an educational choice program that is funded under this title, provide services to a participating eligible child under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.), the State shall ensure the provision of such services to such child.

(b) Individuals With Disabilities.—Nothing in this title shall be construed to affect the requirements of part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

(c) Aid.—

(1) In general.—Scholarships under this title shall be considered to aid families, not institutions. For purposes of determining Federal assistance under Federal law, a parent's expenditure of scholarship funds under this title at a school or for supplementary academic services shall not constitute Federal financial aid or assistance to that school or to the provider of supplementary academic services.

(2) Supplementary academic services.—

(A) In general.—Notwithstanding paragraph (1), a school or provider of supplementary academic services that receives scholarship funds under this title shall, as a condition of participation under this title, comply with the provisions of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

(B) Regulations.—The Secretary shall promulgate regulations to implement the provisions of subparagraph (A), taking into account the purposes of this title and the nature, variety, and missions of schools and providers that may participate in providing services to children under this title.

(d) Other Federal Funds.—No Federal, State, or local agency may, in any year, take into account Federal funds provided to a State or to the parents of any child under this title in determining whether to provide any other funds from Federal, State, or local resources, or in determining the amount of such assistance, to such State or to a school attended by such child.

(e) No Discretion.—Nothing in this title shall be construed to authorize the Secretary to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school participating in a program under this title.

SEC. 10. EVALUATION.

The Comptroller General of the United States shall conduct an evaluation of the program authorized by this title. Such evaluation shall, at a minimum—

(1) assess the implementation of educational choice programs assisted under this title and their effect on participants, schools, and communities in the school districts served, including parental involvement in, and satisfaction with, the program and their children's education;

(2) compare the educational achievement of participating eligible children with the educational achievement of similar non-participating children before, during, and after the program; and

(3) compare—

(A) the educational achievement of eligible children who use scholarships to attend schools other than the schools the children would attend in the absence of the program; with

(B) the educational achievement of children who attend the schools the children would attend in the absence of the program.

SEC. 11. ENFORCEMENT.

(a) Regulations.—The Secretary shall promulgate regulations to enforce the provisions of this title.

(b) Private Cause.—No provision or requirement of this title shall be enforced through a private cause of action.

SEC. 12. FUNDING.

The Committee on Finance and the Committee on Appropriations of the Senate and the Committee on Ways and Means and the Committee on Appropriations of the House of Representatives shall identify wasteful spending (including loopholes to revenue raising tax provisions) by the Federal Government as a means of providing funding for this title. Not later than 60 days after the date of enactment of this title, the committees referred to in the preceding sentence shall jointly prepare and submit to the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives, a report concerning the spending (and loopholes) identified under such sentence.

SEC. 13. DEFINITIONS.

In this title:

(1) Charter school.—The term "charter school" has the meaning given the term in section 5120 of the Elementary and Secondary Education Act of 1965.

(2) Elementary school; local educational agency; parent; secondary school; State educational agency.—The terms "elementary school", "local educational agency", "parent", "secondary school", and "State educational agency" have the meanings given the terms in section 3 of the Elementary and Secondary Education Act of 1965.

(3) Poverty line.—The term "poverty line" means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved.

(4) Secretary.—The term "Secretary" means the Secretary of Education.

(5) State.—The term "State" means each of the 50 States.

SA 480. Mr. McCAIN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, insert the following:

TITLE —EDUCATIONAL CHOICES FOR DISADVANTAGED CHILDREN.

SEC. 01. PURPOSES.

The purposes of this title are—

(1) to assist States to—

(A) give children from low-income families the same choices among all elementary and secondary schools and other academic programs as children from wealthier families already have;

(B) improve schools and other academic programs by giving parents in low-income families increased consumer power to choose the schools and programs that the parents determine best fit the needs of their children; and

(C) more fully engage parents in their children's schooling; and

(2) to demonstrate, through a 3-year national grant program, the effects of a voucher program that gives parents in low-income families—

(A) choice among public, private, and religious schools for their children; and

(B) access to the same academic options as parents in wealthy families have for their children.

SEC. 02. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—There is authorized to be appropriated to carry out this title (other than section 10) $1,800,000,000 for each of fiscal years 2002 through 2005.

(b) Evaluation.—There is authorized to be appropriated to carry out section 10 $17,000,000 for each of fiscal years 2002 through 2005.

SEC. 03. PROGRAM AUTHORITY.

(a) In General.—The Secretary shall make grants to States, from allotments made under section 04 to enable the States to carry out educational choice programs that provide scholarships, in accordance with this title.

(b) Limit on Federal Administrative Expenditures.—The Secretary may reserve not more than $1,000,000 of the amounts appropriated under section 02(a) for a fiscal year to pay for the costs of administering this title.

SEC. 04. ALLOTMENTS TO STATES.

(a) Allotments.—The Secretary shall make the allotments to States in accordance with a formula specified in regulations issued in accordance with subsection (b). The formula shall provide that the Secretary shall allot to each State an amount that bears the same relationship to the amounts appropriated under section 02(a) for a fiscal year (other than funds reserved under section 03(b)) as the number of covered children in the State bears to the number of covered children in all such States.

(b) Formula.—Not later than 90 days after the date of enactment of this title, the Secretary shall issue regulations specifying the formula referred to in subsection (a).

(c) Limit on State Administrative Expenditures.—The State may reserve not more than 1 percent of the funds made available through the State allotment to pay for the costs of administering this title.

(d) Definition.—In this section, the term "covered child" means a child who is enrolled in a public school (including a charter school) that is an elementary school or secondary school.

SEC. 05. ELIGIBLE SCHOOLS.

(a) Eligibility.—

(1) In general.—Schools identified by a State under paragraph (2) shall be considered to be eligible schools under this title.

(2) Determination.—Not later than 180 days after the date the Secretary issues regulations under section 04(b), each State shall identify the public elementary schools and secondary schools in the State that are at or below the 25th percentile for academic performance of schools in the State.

(b) Performance.—The State shall determine the academic performance of a school under this section based on such criteria as the State may consider to be appropriate.

SEC. 06. SCHOLARSHIPS.

(a) In General.—

(1) Scholarship awards.—With funds awarded under this title, each State awarded a grant under this title shall provide scholarships to the parents of eligible children, in

accordance with subsections (b) and (c). The State shall ensure that the scholarships may be redeemed for elementary or secondary education for the eligible children at any of a broad variety of public and private schools, including religious schools, in the State.

(2) SCHOLARSHIP AMOUNT.—The amount of each scholarship shall be $2000 per year.

(3) TAX EXEMPTION.—Scholarships awarded under this title shall not be considered income of the parents for Federal income tax purposes or for determining 'eligibility for any other Federal program.

(b) ELIGIBLE CHILD.—To be eligible to receive a scholarship under this title, a child shall be—

(1) a child who is enrolled in a public elementary school or secondary school that is an eligible school; and

(2) a member of a family with a family income that is not more than 200 percent of the poverty line.

(c) AWARD RULES.—

(1) PRIORITY.—In providing scholarships under this title, the State shall provide scholarships for eligible children through a lottery system administered for all eligible schools in the State by the State educational agency.

(2) CONTINUING ELIGIBILITY.—Each State receiving a grant under this title to carry out an educational choice program shall provide a scholarship in each year of the program to each child who received a scholarship during the previous year of the program, unless—

(A) the child no longer resides in the area served by an eligible school;

(B) the child no longer attends school;

(C) the child's family income exceeds, by 20 percent or more, 200 percent of the poverty line;

(D) the child is expelled; or

(E) the child is convicted of possession of a weapon on school grounds, convicted of a violent act against another student or a member of the school's faculty, or convicted of a felony, including felonious drug possession.

SEC. 07. USES OF FUNDS.

Any scholarship awarded under this title for a year shall be used—

(1) first, for—

(A) the payment of tuition and fees at the school selected by the parents of the child for whom the scholarship was provided; and

(B) the reasonable costs of the child's transportation to the school, if the school is not the school to which the child would be assigned in the absence of a program under this title;

(2) second, if the parents so choose, to obtain supplementary academic services for the child, at a cost of not more than $500, from any provider chosen by the parents, that the State determines is capable of providing such services and has an appropriate refund policy; and

(3) finally, for educational programs that help the eligible child achieve high levels of academic excellence in the school attended by the eligible child, if the eligible child chooses to attend a public school.

SEC. 08. STATE REQUIREMENT.

A State that receives a grant under this title shall allow lawfully operating public and private elementary schools and secondary schools, including religious schools, if any, serving the area involved to participate in the program.

SEC. 09. EFFECT OF PROGRAMS.

(a) TITLE I.—Notwithstanding any other provision of law, if a local educational agency in the State would, in the absence of an educational choice program that is funded under this title, provide services to a participating eligible child under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.), the State shall ensure the provision of such services to such child.

(b) INDIVIDUALS WITH DISABILITIES.—Nothing in this title shall be construed to affect the requirements of part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

(c) AID.—

(1) IN GENERAL.—Scholarships under this title shall be considered to aid families, not institutions. For purposes of determining Federal assistance under Federal law, a parent's expenditure of scholarship funds under this title at a school or for supplementary academic services shall not constitute Federal financial aid or assistance to that school or to the provider of supplementary academic services.

(2) SUPPLEMENTARY ACADEMIC SERVICES.—

(A) IN GENERAL.—Notwithstanding paragraph (1), a school or provider of supplementary academic services that receives scholarship funds under this title shall, as a condition of participation under this title, comply with the provisions of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

(B) REGULATIONS.—The Secretary shall promulgate regulations to implement the provisions of subparagraph (A), taking into account the purposes of this title and the nature, variety, and missions of schools and providers that may participate in providing services to children under this title.

(d) OTHER FEDERAL FUNDS.—No Federal, State, or local agency may, in any year, take into account Federal funds provided to a State or to the parents of any child under this title in determining whether to provide any other funds from Federal, State, or local resources, or in determining the amount of such assistance, to such State or to a school attended by such child.

(e) NO DISCRETION.—Nothing in this title shall be construed to authorize the Secretary to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school participating in a program under this title.

SEC. 10. EVALUATION.

The Comptroller General of the United States shall conduct an evaluation of the program authorized by this title. Such evaluation shall, at a minimum—

(1) assess the implementation of educational choice programs assisted under this title and their effect on participants, schools, and communities in the school districts served, including parental involvement in, and satisfaction with, the program and their children's education;

(2) compare the educational achievement of participating eligible children with the educational achievement of similar non-participating children before, during, and after the program; and

(3) compare—

(A) the educational achievement of eligible children who use scholarships to attend schools other than the schools the children would attend in the absence of the program; with

(B) the educational achievement of children who attend the schools the children would attend in the absence of the program.

SEC. 11. ENFORCEMENT.

(a) REGULATIONS.—The Secretary shall promulgate regulations to enforce the provisions of this title.

(b) PRIVATE CAUSE.—No provision or requirement of this title shall be enforced through a private cause of action.

SEC. 12. FUNDING.

The Committee on Finance and the Committee on Appropriations of the Senate and the Committee on Ways and Means and the Committee on Appropriations of the House of Representatives shall identify wasteful spending by the Federal Government as a means of providing funding for this title. Not later than 60 days after the date of enactment of this title, the committees referred to in the preceding sentence shall jointly prepare and submit to the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives, a report concerning the spending identified under such sentence.

SEC. 13. DEFINITIONS.

In this title:

(1) CHARTER SCHOOL.—The term "charter school" has the meaning given the term in section 5120 of the Elementary and Secondary Education Act of 1965.

SA 481. Mr. BIDEN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 902. SENSE OF THE SENATE REGARDING TAX RELIEF FOR HIGHER EDUCATION EXPENSES.

(a) FINDINGS.—The Senate finds that—

(1) a college education is increasingly becoming vital for the success of an individual in our competitive, high-tech economy;

(2) nearly 60 percent of today's jobs require some college education;

(3) over the last 20 years, the cost of attending college has outpaced increases in median family income and has risen substantially faster than the rate of inflation;

(4) the average cost this year, including tuition, fees, room, and board, for attending a public 4-year college is $8,470, and for a private 4-year college is $22,541;

(5) the cost of attending some of the best private colleges or universities in the Nation represents approximately 40 percent of the annual income of an average family, and the cost of attending some of the best public colleges or universities represents approximately 15 percent of the annual income of an average family;

(6) in 1997, Congress adopted the Hope Scholarship, a tax credit of up to $1,500 for each of the first 2 years of college, to help families send their children to college; and

(7) in 1997, Congress adopted the Lifetime Learning Credit that permits a 20 percent tax credit on up to $5,000 worth of higher education expenses, and the amount of higher education expenses eligible for the 20 percent tax credit will rise to $10,000 in 2003.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress should adopt legislation that would expand—

(1) the favorable tax treatment of higher education expenses to provide greater assistance to families with the costs of sending their children to college; and

(2) the number of families eligible for the tax relief described in paragraph (1).

SA 482. Mr. BIDEN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 902. SENSE OF CONGRESS ON ENHANCING AWARENESS OF THE CONTRIBUTIONS OF VETERANS TO THE NATION.

(a) Findings.—Congress makes the following findings:

(1) Tens of millions of Americans have served in the Armed Forces of the United States during the past century.

(2) Hundreds of thousands of Americans have given their lives while serving in the Armed Forces during the past century.

(3) The contributions and sacrifices of the men and women who served in the Armed Forces have been vital in maintaining our freedoms and way of life.

(4) The advent of the all-volunteer Armed Forces has resulted in a sharp decline in the number of individuals and families who have had any personal connection with the Armed Forces.

(5) This reduction in familiarity with the Armed Forces has resulted in a marked decrease in the awareness by young people of the nature and importance of the accomplishments of those who have served in our Armed Forces, despite the current educational efforts of the Department of Veterans Affairs and the veterans service organizations.

(6) Our system of civilian control of the Armed Forces makes it essential that the Nation's future leaders understand the history of military action and the contributions and sacrifices of those who conduct such actions.

(7) Senate Resolution 304 of the 106th Congress, adopted on September 25, 2000, designated the week that includes Veterans Day as "National Veterans Awareness Week" to focus attention on educating elementary and secondary school students about the contributions of veterans to the Nation.

(b) Sense of Congress.—It is the sense of the Congress that—

(1) the Secretary of Education should work with the Secretary of Veterans Affairs, the Veterans Day National Committee, and the veterans service organizations to encourage, prepare, and disseminate educational materials and activities for elementary and secondary school students aimed at increasing awareness of the contributions of veterans to the prosperity and freedoms enjoyed by United States citizens;

(2) the week in 2001 that includes Veterans Day be designated as "National Veterans Awareness Week" for the purpose of presenting such materials and activities; and

(3) the President should issue a proclamation calling on the people of the United States to observe that week with appropriate educational activities.

SA 483. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 380, strike line 5 and all that follows through page 383, line 21, and insert the following:

SEC. 202. TEACHER MOBILITY.

(a) Short Title.—This section may be cited as the "Teacher Mobility Act".

(b) Mobility of Teachers.—Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.), as amended by section 201, is further amended by adding at the end the following:

"PART D—TEACHER MOBILITY

"SEC. 2401. NATIONAL PANEL ON TEACHER MOBILITY.

"(a) Establishment.—There is established a panel to be known as the National Panel on Teacher Mobility (referred to in this section as the 'panel').

"(b) Membership.—The panel shall be composed of members appointed by the Secretary. The Secretary shall appoint the members from among practitioners and experts with experience relating to teacher mobility, such as teachers, members of teacher certification or licensing bodies, faculty of institutions of higher education that prepare teachers, and State policymakers with such experience.

"(c) Period of Appointment; Vacancies.—Members shall be appointed for the life of the panel. Any vacancy in the panel shall not affect the powers of the panel, but shall be filled in the same manner as the original appointment.

"(d) Duties.—

"(1) Study.—

"(A) In general.—The panel shall study strategies for increasing mobility and employment opportunities for high quality teachers, especially for States with teacher shortages and States with districts or schools that are difficult to staff.

"(B) Data and analysis.—As part of the study, the panel shall evaluate the desirability and feasibility of State initiatives that support teacher mobility by collecting data and conducting effective analysis on—

"(i) teacher supply and demand;

"(ii) the development of recruitment and hiring strategies that support teachers; and

"(iii) increasing reciprocity of licenses across States.

"(2) Report.—Not later than 1 year after the date on which all members of the panel have been appointed, the panel shall submit to the Secretary and to the appropriate committees of Congress a report containing the results of the study.

"(e) Powers.—

"(1) Hearings.—The panel may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the panel considers advisable to carry out the objectives of this section.

"(2) Information from federal agencies.—The panel may secure directly from any Federal department or agency such information as the panel considers necessary to carry out the provisions of this section. Upon request of a majority of the members of the panel, the head of such department or agency shall furnish such information to the panel.

"(3) Postal services.—The panel may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

"(f) Personnel.—

"(1) Travel expenses.—The members of the panel shall not receive compensation for the performance of services for the panel, but shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the panel. Notwithstanding section 1342 of title 31, United States Code, the Secretary may accept the voluntary and uncompensated services of members of the panel.

"(2) Detail of government employees.—Any Federal Government employee may be detailed to the panel without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

"(g) Permanent Committee.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the panel.

"(h) Authorization of Appropriations.—

"(1) In general.—There is authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2002.

"(2) Availability.—Any sums appropriated under the authorization contained in this subsection shall remain available, without fiscal year limitation, until expended.".

SA 484. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 16, line 4, insert "servers and storage devices," before "video".

On page 16, line 5, insert "and other digital" after "web-based".

On page 16, line 7, strike "environments for problem-solving" and insert "learning environments,".

On page 37, line 14, insert "and technology literacy" after "skills".

On page 52, line 21, insert ", including how it will use technology or assist local educational agencies in the use of technology to meet these requirements" after "school".

On page 56, line 3, strike "and".

On page 56, line 6, strike the period and insert "; and".

On page 56, between lines 6 and 7, insert the following:

"(13) the State will integrate, as appropriate, the use of technology to meet the purposes of this part, including assistance to local educational agencies in the use of technology to meet these purposes, such as for professional development, curricula and instruction delivery, data collection and assessment, and parental involvement.

On page 71, line 24, strike "and".

On page 72, line 3, strike the period and the end quote and insert "and" after the semi colon.

On page 72, between lines 3 and 4, insert the following:

"(11) a description of how the local educational agency will integrate, as appropriate, the use of technology to meet the purposes of this part, such as for professional development, curricula and instruction, data collection and assessment, and parental involvement.";.

On page 88, line 22, strike "and".

On page 88, line 24, strike the period and insert "; and".

On page 88, after line 24, insert the following:

"(ix) describe how the school will use and integrate technology, as appropriate, to address the elements of this paragraph.

On page 182, line 16, insert ", including education technology such as software and other digital curricula," after "materials".

On page 316, between lines 20 and 21, insert the following:

"(12) a description of how the State educational agency will—

"(A) ensure that all teachers are technology literate and proficient in their ability to effectively integrate technology into their instruction and curricula; and

"(B) use and encourage the use of technology and distance education to provide professional development and improve the quality of the State's teaching force.

On page 317, line 16, insert ", including through a grant or contract with a for-profit or nonprofit entity" after "activities".

On page 317, line 26, insert ", including technology literacy" after "skills".

On page 319, between lines 19 and 20, insert the following:

"(12) Encouraging and supporting the training of teachers and administrators to effectively integrate technology into curricula and instruction, including the ability to collect, manage, and analyze data to improve teaching, decision making and school improvement efforts and accountability.

"(13) Developing or supporting programs that encourage or expand the use of technology to provide professional development, including through Internet-based distance education and peer networks.

On page 324, line 8, inserting ", including through technology and distance education and by ensuring all teachers and administrators are technology literate and able to effectively integrate technology into curricula and instruction" before the period.

On page 325, line 18, insert ", including through a grant or contract with a for-profit or nonprofit entity" after "activities".

On page 325, line 25, insert ", including technology literacy," after "skills".

On page 326, line 2, strike "and".

On page 326, line 7, strike the period and insert "; and".

On page 326, between lines 7 and 8, insert the following:

"(D) effective integration of technology into curricula and instruction to enhance the learning environment and improve student academic achievement, performance, technology literacy, and related 21st century skills; and

"(E) ability to collect, manage, and analyze data, including through use of technology, to inform teaching, decision making, and school improvement efforts and to increase accountability.

On page 326, line 11, insert ", other for profit or nonprofit entities, and through distance education" after "education".

On page 344, line 5, strike "and".

On page 344, line 10, strike the period and insert "; and".

On page 344, between lines 10 and 11, insert the following:

"(5) improve and expand training of math and science teachers, including in the effective integration of technology into curricula and instruction.

On page 348, line 8, strike "and".

On page 348, line 15, strike the period and insert "; and".

On page 348, between lines 15 and 16, insert the following:

"(5) a description of how the activities to be carried out by the eligible partnership will both enable teachers to more effectively integrate technology into the curricula and instruction and, as appropriate, use technology to provide distance training and facilitate peer networks.

On page 349, line 10, insert "and technology-based teaching methods" after "methods".

On page 349, line 19, strike "experiment oriented" and insert "innovative".

On page 356, line 21, strike the period and insert ", and to improve the ability of institutions of higher education to carry out such programs".

On page 358, line 17, insert "both" after "would".

On page 358, line 24, strike the semi colon and insert "and to improve the ability of at least 1 participating institution of higher education as described in section 2232(a)(1) to ensure such preparation;".

Beginning on page 360, strike line 23 through line 7, page 361, and insert the following:

"(A) learn the full range of resources that can be accessed through the use of technology;

"(B) integrate a variety of technologies into the curricula and instruction in order to expand students' knowledge;

"(C) evaluate educational technologies and their potential for use in instruction;

"(D) help students develop their technical skills and ability to be self-directed learners in digital learning environments;

"(E) integrate technology to enhance the degree to which curricula and instruction are engaging, individualized and self-paced, include real-time and real-world content and exploration, promote student collaboration and problem-solving, and enable students to become self-directed and life-long learners; and

"(F) use technology to collect, manage and analyze data to inform their teaching and decision-making;".

On page 361, strike lines 22 through 24 and insert the following:

"(6) subject to section 2232(c)(2), acquiring technology equipment, networking capabilities, infrastructure and software and digital curriculum to carry out the project.

On page 365, line 10, insert "and teacher training in technology under section 3122" before "prior".

On page 367, line 24, strike the period and insert "and have a substantial.demonstrated need for assistance in acquiring and integrating technology.".

On page 369, strike line 3 through line 22, and insert the following:

"(1) outlines the long-term strategies for improving student performance, academic achievement, and technology literacy, and related 21st century skills through the effective use of technology in classrooms throughout the State, including through improving the capacity of teachers to effectively integrate technology into the curricula and instruction;

"(2) outlines long-term strategies for financing technology education in the State to ensure all students, teachers, and classrooms will have access to technology, describes how the State will use funds provided under this part to help ensure such access, and describes how business, industry, and other public and private agencies, including libraries, library literacy programs, and institutions of higher education, can participate in the implementation, ongoing planning, and support of the plan;

"(3) provides assurance that financial assistance provided under this part shall supplement, not supplant, State and local funds;

"(4) describes how the State will encourage and support the integration of innovative technology to enhance the degree to which curricula and instruction are engaging, individualized and self-paced, include real-time and real-world content and exploration, promote student collaboration and problem solving, enables students to become self directed life-long learners, and therefore improve student academic achievement, technology literacy, and related 21st century skills; and

"(5) meets such other criteria as the Secretary may establish in order to enable such agency to provide assistance to local educational agencies that have the highest numbers or percentages of children in poverty and demonstrate the greatest need for technology, in order to enable such local educational agencies, for the benefit of school sites served by such local educational agencies, to improve student academic achievement and student performance.

On page 370, strike line 5 through line 3, page 371, and insert the following:

"(1) acquiring, adapting, expanding, implementing and maintaining existing and new applications of technology, to support the school reform effort, improve student academic achievement, performance, and technology literacy and related 21st century skills;

"(2) providing ongoing professional development in the integration of quality educational technologies into school curriculum to enable teachers to enhance the degree to which curricula and instruction are engaging, individualized and self-paced, including real-time and real-world content and exploration, promote student collaboration and problem solving, enable students to become self-directed life-long learners, and therefore improve student academic achievement, technology literacy and 21 century skills, including connectivity linkages, resources, and services, such as hardware, software, and digital curriculum, for use by teachers, students, and school library media personnel in the classroom or in school library media centers;

"(3) acquiring connectivity with wide area networks for purposes of accessing information, educational programming sources and professional development, particularly with institutions of higher education and public libraries;

"(4) providing educational services for adults and families;

"(5) repairing and maintaining school technology equipment;

"(6) acquiring, expanding, and implementing technology to collect, manage, and analyze data, including student achievement data, to inform teaching, decision-making, and school improvement efforts, including the training of teachers and administrators; and

"(7) using technology to promote parent and family involvement and support communications between parents, teachers, and students.

"(b) Special Rule.—A local educational agency receiving a grant under this part shall use at least 30 percent of allocated funds to provide, either directly or through a grant or contract with a for-profit or nonprofit entity, sustained and intensive high-quality professional development to enable teachers and administrators to more effectively integrate technology into curricula and instruction to enhance learning environments, including training in the use of technology to—

"(1) access data and resources to develop curricula and instructional materials and integrate such data and resources into the curricula and instruction;

"(2) enable teachers to use the Internet to communicate with parents, administrators, and other teachers and retrieve Internet-based learning resources;

"(3) lead to improvements in classroom instruction in the core academic subject areas to better prepare students to meet challenging State content and student performance standards;

"(4) enhance the degree to which curricula and instruction are engaging, individualized and self-paced, include real-time and real-world content and exploration, promote student collaboration and problem-solving, enable students to become self-directed life-long learners, and therefore improve student academic achievement, technology literacy and related 21st century skills; and

"(5) collect, manage, and analyze data, including student achievement data, to inform teaching, decision making and school improvement efforts and to increase accountability.

Beginning on page 371, strike line 14 through line 13, page 373, and insert the following:

"(1) a description of how the activities to be carried out by the local educational agency under this part will be based on a review of relevant research and an explanation of why the activities are expected to improve student achievement, technology literacy and related 21st century skills;

"(2) an explanation of how the acquired technologies will be integrated into the curriculum to help the local educational agency improve student academic achievement, student performance, and teaching, including by enhancing the degree to which curricula and instruction are engaging, individualized and self-paced, include real-time and real-world content and exploration, promote student collaboration and problem solving, and enable students to be self-directed, life-long learners;

"(3) a description of the type of technologies to be acquired, including services, software, and digital curricula, including specific provisions for interoperability among components of such technologies;

"(4) a description of how the local educational agency will ensure ongoing, sustained professional development for teachers, administrators, and school library media personnel served by the local educational agency to further the effective use of technology in the classroom or library media center, including a list of those entities that will partner with the local educational agency in providing ongoing sustained professional development;

"(5) the projected cost of technologies to be acquired and related expenses needed to implement the plan;

"(6) a description of how the local educational agency will coordinate the technology provided pursuant to this part with other grant funds available for technology from other Federal, State, and local sources;

"(7) a description of a process for the ongoing evaluation of how technologies acquired under this part will be integrated into the school curriculum; and will affect student academic achievement, performance, technology literacy, and related 21st century skills as related to challenging State content standards and State student performance standards in all subjects; and

"(8) a description of the evaluation plan that the local educational agency will carry out pursuant to section 2308(a).

Beginning on page 374, strike line 19 through line 2, page 375, and insert the following:

"(1) increased professional development and increased effective use of technology in educating students;

"(2) increased student academic achievement, performance, and technology literacy and related 21st century skills;

"(3) increased access to technology in the classroom, especially in low-income schools;

"(4) increased degree to which curricula and instruction are engaging, individualized and self-paced, promote student collaboration and problem solving, and enable students to become self-directed, life-long learners; and

"(5) other indicators reflecting increased student academic achievement or student performance.

On page 375, line 13, strike "in all of the areas".

On page 379, strike line 4 through line 19, and insert the following:

"(5) EXCHANGE.—The plan shall describe the manner in which the Secretary will promote the exchange of information among States, local educational agencies, schools, consortia, and other entities concerning the conditions and practices that support effective use of technology in improving teaching and student educational opportunities, academic achievement, and technology literacy.

"(6) GOALS.—The plan shall describe the Secretary's long-range measurable goals and objectives relating to the purposes of this part."

SA 485. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 349, line 18, strike the quote and period.

On page 349, between lines 18 and 19, insert the following:

"SEC. 2311. NATIONAL TECHNOLOGY INITIATIVES.

"(a) IN GENERAL.—The Secretary shall establish a program to identify and disseminate the practices under which technology is effectively integrated into education to enhance teaching and learning and to improve student achievement, performance and technology literacy.

"(b) USE OF FUNDS.—In carrying out the program established under subsection (a), the Secretary shall—

"(1) organize activities to identify and disseminate findings regarding the conditions and practices under which educational technology is effective in increasing student academic achievement;

"(2) organize activities to identify and disseminate findings regarding the conditions and practices that increase the ability of teachers to effectively integrate technology into the curricula and instruction, enhance the learning environment and opportunities, and increase student performance, technology literacy, and related 21st century skills;

"(3) conduct, through the Office of Educational Research and Improvement, in consultation with the Office of Educational Technology, an independent, longitudinal study using control groups on the effectiveness of the uses of educational technology;

"(4) award grants or contracts, pursuant to a peer review process, to fund the independent evaluations of programs that are comprehensive, innovative, or research-based and integrate technology into teaching and learning;

"(5) develop tools and provide resources, including technical assistance, to support the activities described in this section; and

"(6) make widely available, including through dissemination on the Internet and to all State educational agencies and other grantees under this section, the findings identified through the activities of this section regarding the conditions and practices under which education technology is effective.

"(c) PERMISSIVE USE.—

"(1) IN GENERAL.—In carrying out the program established under subsection (a), the Secretary may award grants, pursuant to a peer review process, to local educational agencies or partnerships for research-based or innovative programs that use technology in education.

"(2) PARTNERSHIP.—In this subsection, the term 'partnership' means a local educational agency and a State, institution of higher education, or public or private nonprofit entity or agency.

"(3) PRIORITY.—In awarding grants under paragraph (1), the Secretary shall give priority to projects that—

"(A) develop innovative models using electronic networks or other forms of distance learning to provide challenging courses which are otherwise not readily available to students in a particular school district, particularly in rural areas;

"(B) increase access to technology to those residing in districts served by high-need local educational agencies;

"(C) implement comprehensive models that use innovative, proven, or research-based practices, integrate technology into the curricula and instruction, and enhance the learning environment to improve student academic achievement and technology literacy; and

"(D) are carried out by a partnership.

"(4) APPLICATION.—A local educational agency or partnership desiring a grant under this subsection shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

"(A) a description of the project and how it would achieve the purposes of this subsection;

"(B) a detailed plan for the independent evaluation of the project to determine the impact on the academic achievement of students served under such project, including as appropriate those conditions and practices that increase the ability of teachers to effectively integrate technology into the curricula and instruction, that enhance the learning environment and opportunities, and that increase student performance, technology literacy, and related 21st century skills;

"(C) a detailed plan to make widely available, including through dissemination on the Internet and to other local educational agencies in the State, the findings identified through the project; and

"(D) as appropriate, a detailed plan for making widely available, including to other local educational agencies in the State, the opportunity to directly participate in or benefit from the activities carried out by the project.

"(d) TECHNICAL ASSISTANCE.—The Secretary may provide technical assistance to States, local educational agencies, and other grantees, under this section (directly or through the competitive award of grants or contracts) in order to assist such States, local educational agencies, and other grantees to achieve the purposes of this section.

"(e) NON-FEDERAL SHARE.—

"(1) IN GENERAL.—The Secretary may require any recipient of a grant or contract under this section to share in the cost of the activities assisted under such grant or contract, which may be in the form of cash or in-kind contributions fairly valued.

"(2) INCREASE.—The Secretary may increase the non-Federal share required of a recipient of a grant or contract under this section after the first year such recipient receives funds under such grant or contract.

"(3) MAXIMUM.—The non-Federal share required under this subsection may not exceed 50 percent of the cost of the activities assisted under a grant or contract under this section.

"(4) NOTICE.—The Secretary shall publish in the Federal Register the non-Federal share required under this section.

"(f) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated to carry out this section $100,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(2) LIMITATION.—Not more than 5 percent of the funds made available to a recipient under this section for any fiscal year may be used by such recipient for administrative costs.".

SA 486. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 586, between lines 18 and 19, insert the following:

SEC. 405. SMALLER LEARNING COMMUNITIES.

Title IV (20 U.S.C. 7101 et seq.) is further amended by adding at the end the following:

"PART E—SMALLER LEARNING COMMUNITIES

"SEC. 4501. SMALLER LEARNING COMMUNITIES.

"(a) IN GENERAL.—Each local educational agency desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require. Each such application shall describe—

"(1) strategies and methods the applicant will use to create the smaller learning community or communities;

"(2) curriculum and instructional practices, including any particular themes or emphases, to be used in the learning environment;

"(3) the extent of involvement of teachers and other school personnel in investigating, designing, implementing and sustaining the smaller learning community or communities;

"(4) the process to be used for involving students, parents and other stakeholders in the development and implementation of the smaller learning community or communities;

"(5) any cooperation or collaboration among community agencies, organizations, businesses, and others to develop or implement a plan to create the smaller learning community or communities;

"(6) the training and professional development activities that will be offered to teachers and others involved in the activities assisted under this part;

"(7) the goals and objectives of the activities assisted under this part, including a description of how such activities will better enable all students to reach challenging State content standards and State student performance standards;

"(8) the methods by which the applicant will assess progress in meeting such goals and objectives;

"(9) if the smaller learning community or communities exist as a school-within-a-school, the relationship, including governance and administration, of the smaller learning community to the rest of the school;

"(10) a description of the administrative and managerial relationship between the local educational agency and the smaller learning community or communities, including how such agency will demonstrate a commitment to the continuity of the smaller learning community or communities, including the continuity of student and teacher assignment to a particular learning community;

"(11) how the applicant will coordinate or use funds provided under this part with other funds provided under this Act or other Federal laws;

"(12) grade levels or ages of students who will participate in the smaller learning community or communities; and

"(13) the method of placing students in the smaller learning community or communities, such that students are not placed according to ability, performance or any other measure, so that students are placed at random or by their own choice, not pursuant to testing or other judgments.

"(b) AUTHORIZED ACTIVITIES.—Funds under this section may be used—

"(1) to study the feasibility of creating the smaller learning community or communities as well as effective and innovative organizational and instructional strategies that will be used in the smaller learning community or communities;

"(2) to research, develop and implement strategies for creating the smaller learning community or communities, as well as effective and innovative changes in curriculum and instruction, geared to high State content standards and State student performance standards;

"(3) to provide professional development for school staff in innovative teaching methods that challenge and engage students to be used in the smaller learning community or communities; and

"(4) to develop and implement strategies to include parents, business representatives, local institutions of higher education, community-based organizations, and other community members in the smaller learning communities, as facilitators of activities that enable teachers to participate in professional development activities, as well as to provide links between students and their community.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, such sums as may be necessary for fiscal year 2002 and for each of the next 6 succeeding fiscal years.".

SA 487. Mr. SMITH of New Hampshire submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF SENATE ON THE PERCENTAGE OF FEDERAL EDUCATION FUNDING THAT IS SPENT IN THE CLASSROOM.

(a) FINDINGS.—The Senate makes the following findings:

(1) Effective and meaningful teaching begins by helping children master basic academics, holding children to high academic standards, using sound research based methods of instruction in the classroom, engaging and involving parents, establishing and maintaining safe and orderly classrooms, and getting funds to the classroom.

(2) America's children deserve an educational system that provides them with numerous opportunities to excel.

(3) States and localities spend a significant amount of education tax dollars on bureaucratic red tape by applying for and administering Federal education dollars.

(4) Several States have reported that although they receive less than 10 percent of their education funding from the Federal Government, more than 50 percent of their education paperwork and administration efforts are associated with those Federal funds.

(5) According to the Department of Education, in 1998, 84 percent of the funds allocated by the Department for elementary and secondary education were allocated to local educational agencies and used for instruction and instructional support.

(6) The remainder of the funds allocated by the Department of Education for elementary and secondary education in 1998 was allocated to States, universities, national programs, and other service providers.

(7) The total spent by the Department of Education for elementary and secondary education does not take into account what States spend to receive Federal funds and comply with Federal requirements for elementary and secondary education, nor does it reflect the percentage of Federal funds allocated to school districts that is spent on students in the classroom.

(8) American students are not performing up to their full academic potential, despite significant Federal education initiatives and funding from a variety of Federal agencies.

(9) According to the Digest of Education Statistics, only 54 percent of $278,965,657,000 spent on elementary and secondary education during the 1995–96 school year was spent on "instruction".

(10) According to the National Center for Education Statistics, only 52 percent of staff employed in public elementary and secondary school systems in 1996 were teachers, and, according to the General Accounting Office, Federal education dollars funded 13,397 full-time equivalent positions in State educational agencies in fiscal year 1993.

(11) In fiscal year 1998, the paperwork and data reporting requirements of the Department of Education amounted to 40,000,000 so-called "burden hours", which is equivalent to nearly 20,000 people working 40 hours a week for one full year, time and energy which would be better spent teaching children in the classroom.

(12) Too large a percentage of Federal education funds is spent on bureaucracy, special interests, and ineffective programs, and too little is effectively and efficiently spent on our America's youth.

(13) Requiring an allocation of 95 percent of all Federal elementary and secondary education funds to classrooms would provide substantial additional funding per classroom across the United States.

(14) More education funding should be put in the hands of someone in a classroom who knows the children personally and frequently interacts with the children.

(15) Burdensome regulations, requirements, and mandates should be refined, consolidated or removed so that school districts can devote more resources to educating children in classrooms.

(b) SENSE OF THE SENATE.—It is the sense of the Senate to urge the Department of Education, the States, and local educational agencies to work together to ensure that not less than 95 percent of all funds appropriated for carrying out elementary and secondary education programs administered by the Department be spent to improve the academic achievement of our children in their classrooms.

SA 488. Mr. SMITH of New Hampshire submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. . STUDY AND RECOMMENDATION WITH RESPECT TO SEXUAL ABUSE IN SCHOOLS.

(a) Findings.—Congress finds that—

(1) sexual abuse in schools between a student and a member of the school staff or a student and another student is a cause for concern in the United States;

(2) relatively few studies have been conducted on sexual abuse in schools and the extent of this problem is unknown;

(3) according to the Child Abuse and Neglect Reporting Act, a school administrator is required to report any allegation of sexual abuse to the appropriate authorities;

(4) an individual who is falsely accused of sexual misconduct with a student deserves appropriate legal and professional protections;

(5) it is estimated that many cases of sexual abuse in schools are not reported; and

(6) many of the accused staff quietly resign at their present school district and are then rehired at a new district which has no knowledge of their alleged abuse.

(b) Study and Recommendations.—The Secretary of Education in conjunction with the Attorney General shall provide for the conduct of a comprehensive study of the prevalence of sexual abuse in schools. Not later than May 1, 2002, the Secretary and the Attorney General shall prepare and submit to the appropriate committees of Congress and to State and local governments, a report concerning the study conducted under this subsection, including recommendations and legislative remedies for the problem of sexual abuse in schools.

SA 489. Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING AFFORDABLE HOUSING.

(a) Findings.—The Senate finds that—

(1) according to the National Low-Income Housing Coalition, there is no county, metro area or state in the country where a full-time minimum wage worker can afford the fair market rent for a 1-, 2- or 3-bedroom home;

(2) the national median housing wage is $12.47 an hour, more than twice the Federal minimum wage of $5.15 per hour;

(3) 4,900,000 unassisted renter households in 1999 had worst-case housing needs, paying more than half of their income for housing, or living in severely substandard housing;

(4) an additional 5,000,000 assisted renter households may also live in substandard housing;

(5) as many as 1,000,000 people are homeless in the United States;

(6) of the 34,000,000 renter households in the United States, 7,700,000 have extremely low incomes (defined as 30 percent of the area median income or less);

(7) besides low-wage workers, the population of extremely low-income rental households includes elderly and disabled people whose only income is from Supplemental Security Income or other fixed income sources;

(8) in the aggregate, there are only 4,900,000 units of rental housing that are affordable to these households, thus an absolute shortage of 2,800,000 units;

(9) only 2,300,000 of the available 4,900,000 affordable rental units are actually occupied by extremely low-income households;

(10) overall, there is a shortage of 5,300,000 units, affordable for the poorest renter households; and

(11) the lack of stable housing affects the ability of children to succeed in school, and children who are homeless struggle in school, as evidenced by the facts that—

(A) 45 percent of children who are homeless do not attend school on a regular basis while they are homeless; and

(B) compared with other children, children who are homeless are 4 times as likely to have development delays, twice as likely to have learning disabilities, and twice as likely to repeat a grade, most often due to frequent absences and moves to new schools.

(b) Sense of the Senate.—It is the sense of the Senate that—

(1) many communities across the United States, urban and rural, large and small, are experiencing a severe affordable housing crisis;

(2) safe, stable, affordable housing is critical to the well-being of families and children;

(3) safe, stable, affordable housing is critical to the ability of children to succeed in school; and

(4) this Congress should consider legislation that would begin to address the current affordable housing crisis, including legislation to promote the production of new affordable housing units and legislation to preserve existing affordable housing units.

SA 490. Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. . REDUCTION OF CHILD POVERTY.

(a) Report To Congress Regarding Extent and Severity of Child Poverty.—

(1) In general.—Not later than January 1, 2002, and prior to any reauthorization of the temporary assistance to needy families program under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) for any fiscal year after fiscal year 2002, the Secretary of Health and Human Services (in this subsection referred to as the "Secretary"), subject to paragraph (3), shall report to Congress on the extent and severity of child poverty in the United States. Such report shall, at a minimum—

(A) determine for the period since the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193; 110 Stat. 2105)—

(i) whether the rate of child poverty in the United States has increased;

(ii) whether the children who live in poverty in the United States have gotten poorer; and

(iii) how changes in the availability of cash and non-cash benefits to poor families have affected child poverty in the United States;

(B) identify alternative methods for defining child poverty that are based on consideration of factors other than family income and resources, including consideration of a family's work-related expenses; and

(C) contain multiple measures of child poverty in the United States that may include the child poverty gap and the extreme poverty rate.

(2) Legislative proposal.—If the Secretary determines that during the period since the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193; 110 Stat. 2105) the extent or severity of child poverty in the United States has increased to any extent, the Secretary, subject to paragraph (3), shall include with the report to Congress required under paragraph (1) a legislative proposal addressing the factors that led to such increase.

(3) Consultation required.—The Secretary shall consult with appropriate experts in the field of child poverty in preparing the report and, if applicable, the legislative proposal, required under this subsection.

(b) Addition of Poverty Reduction Bonus to TANF.—Section 403(a) of the Social Security Act (42 U.S.C. 603(a)), is amended by adding at the end the following:

"(6) Bonus to reward states that reduce poverty.—

"(A) In general.—The Secretary shall make a grant pursuant to this paragraph to each State for each fiscal year beginning with fiscal year 2003 for which the State is a qualified poverty reduction State, as determined under subparagraph (C).

"(B) Amount of grant.—With respect to a fiscal year, each State that the Secretary determines is a qualified poverty reduction State for that fiscal year shall receive a grant in an amount equal to the ratio of the amount appropriated under subparagraph (D) for that fiscal year to the total number of all such States for that fiscal year.

"(C) Determination of qualified poverty reduction states.—

"(i) Demonstration of improved outcomes for current and former recipients of assistance.—For purposes of subparagraph (A), a State shall be considered a qualified poverty reduction State for a fiscal year if, with respect to the fiscal year, the State is one of the 10 States with the greatest year-to-year decline (or least year-to-year increase) in the child poverty rate adjusted by the severity of poverty. For purposes of this subclause, the child poverty rate adjusted by the severity of poverty shall be determined with respect to a State for a fiscal year by multiplying—

"(I) the State's percentage of children with family income below the poverty line for that fiscal year; by

"(II) the average difference per poor child in the State between the child's family income and the poverty line.

"(ii) Determination of income.—For purposes of clause (i), the Secretary shall, to the extent feasible, consider the following in calculating a family's income:

"(I) Cash income, such as earnings, child support received by the family, and government cash payments.

"(II) Benefits received under the Food Stamp Act of 1977.

"(III) Federal, State, or local income taxes paid by the family for the preceding taxable year and the refundable portion of any tax credits received for that year.

"(D) Authorization of appropriations.—There are authorized to be appropriated for fiscal year 2002 and each fiscal year thereafter, $200,000,000 to make the grants required under this paragraph.".

SA 491. Mr. BIDEN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. . TECHNICAL AMENDMENT TO THE KIDS 2000 ACT.

Amounts appropriated pursuant to section 112(f)(1) of the Kids 2000 Act (42 U.S.C. 13751 note) and the initiative to be carried out under such Act shall be administered by the Secretary of Education.

SA 492. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

SEC. . STUDY OF GAMBLING ON COLLEGE AND UNIVERSITY CAMPUSES.

At the appropriate place insert the following:

(a) Establishment of Panel.—Not later than 90 days after the date of enactment of this Act, the Attorney General shall establish a panel, which shall be composed of Federal, State, and local government law enforcement officials, to conduct a study of illegal college sports gambling.

(b) Contents of Study.—The study conducted by the panel established under subsection (a) shall include an analysis of—

(1) the scope and prevalence of illegal college sports gambling, including unlawful sports gambling (as defined in section 3702 of title 28, United States Code);

(2) the role of organized crime in illegal gambling on college sports;

(3) the role of State regulators and the legal sports books in Nevada in assisting law enforcement to uncover illegal sports gambling and related illegal activities;

(4) the enforcement and implementation of the Professional and Amateur Sports Protection Act of 1992, including whether it has been adequately enforced;

(5) the effectiveness of steps taken by institutions of higher education to date, whether individually or through national organizations, to reduce the problem of illegal gambling on college sports;

(6) the factors that influence the attitudes or levels of awareness of administrators, professors, and students, including student athletes, about illegal gambling on college sports;

(7) the effectiveness of new countermeasures to reduce illegal gambling on college sports, including related requirements for institutions of higher education and persons receiving Federal education funds;

(8) potential actions that could be taken by the National Collegiate Athletic Association to address illegal gambling on college and university campuses; and

(9) other matters relevant to the issue of illegal gambling on college sports as determined by the Attorney General.

(c) Report to Congress.—Not later than 12 months after the establishment of the panel under this section, the Attorney General shall submit to Congress a report on the study conducted under this section, which shall include—

(1) recommendations for actions colleges, universities, and the National Collegiate Athletic Association should implement to address the issue of illegal gambling on college sports;

(2) recommendations for intensive educational campaigns which the National Collegiate Athletic Association could implement to assist in the effort to prevent illegal gambling on college sports;

(3) recommendations for any Federal and State legislative actions to address the issue of illegal gambling on college sports; and

(4) recommendations for any administrative or private sector actions to address the issue of illegal gambling on college sports.

SA 493. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. . INCREASED PENALTIES FOR ILLEGAL GAMBLING.

(a) Interstate Transmission of Bets or Information Assisting in Placing Bets on Sporting Events.—Section 1084(a) of title 18, United States Code, is amended by striking "two" and inserting "5".

(b) Interstate Transportation of Wagering Paraphernalia.—Section 1953(a) of title 18, United States Code, is amended by adding at the end the following: "If the matter carried or sent in interstate or foreign commerce was intended by the defendant to be used to assist in the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years."

(c) Illegal Gambling Business.—Section 1955(a) of title 18, United States Code, is amended by adding at the end the following: "If the gambling business included the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years."

(d) Interstate Travel To Promote and Conduct an Illegal Gambling Business.—Section 1952 of title 18, United States Code, is amended by adding at the end the following: "(d) If the offense violated paragraph (1) or (3) of subsection (a) and the illegal activity included the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years."

(e) Sports Bribery.—Section 224(a) of title 18, United States Code, is amended by adding at the end the following: "If the purpose of the bribery is to affect the outcome of a bet or wager placed on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years."

SA 494. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. . NATIONAL MINIMUM GAMBLING AGE.

Notwithstanding any other provision of law it shall be unlawful for a governmental entity to authorize by law or compact that a person under the age of 21 years may place a wager or otherwise engage in organized gambling activity. A civil action to enjoin a violation of this subsection may be commenced in an appropriate district court of the United States by Attorney General of the United States.

SA 495. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. . INCREASED PENALTIES FOR ILLEGAL GAMBLING.

(a) Interstate Transmission of Bets or Information Assisting in Placing Bets on Sporting Events.—Section 1084(a) of title 18, United States Code, is amended by striking "two" and inserting "5".

(b) Interstate Transporting of Wagering Paraphernalia.—Section 1953(a) of title 18, United States Code, is amended by adding at the end the following: "If the matter carried or sent in interstate or foreign commerce was intended by the defendant to be used to assist in the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years."

(c) Illegal Gambling Business.—Section 1955(a) of title 18, United States Code, is amended by adding at the end the following: "If the gambling business included the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.".

(d) Interstate Travel To Promote and Conduct an Illegal Gambling Business.—Section 1952 of title 18, United States Code, is amended by adding at the end the following: "(d) If the offense violated paragraph (1) or (3) of subsection (a) and the illegal activity included the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.".

(e) Sports Bribery.—Section 224(a) of title 18, United States Code, is amended by adding at the end the following: "If the purpose of the bribery is to affect the outcome of a bet or wager placed on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years."

SA 496. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. . INCREASED PENALTIES FOR ILLEGAL GAMBLING.

(a) Interstate Transmission of Bets or Information Assisting in Placing Bets on Sporting Events.—Section 1084(a) of title 18, United States Code, is amended by striking "two" and inserting "5".

(b) Interstate Transportation of Wagering Paraphernalia.—Section 1953(a) of title 18, United States Code, is amended by adding at the end the following: "If the matter carried or sent in interstate or foreign commerce was intended by the defendant to be used to assist in the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years."

(c) ILLEGAL GAMBLING BUSINESS.—Section 1955(a) of title 18, United States Code; is amended by adding at the end the following: "If the gambling business included the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.".

(d) INTERSTATE TRAVEL TO PROMOTE AND CONDUCT AN ILLEGAL GAMBLING BUSINESS.—Section 1952 of title 18, United States Code, is amended by adding at the end the following: "(d) If the offense violated paragraph (1) or (3) of subsection (a) and the illegal activity included the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.".

(e) SPORTS BRIBERY.—Section 224(a) of title 18, United States Code, is amended by adding at the end the following: "If the purpose of the bribery is to affect the outcome of a bet or wager placed on any sporting event or contest, the maximum term of imprisonment for the offense shall by 10 years."

SA 497. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. . STUDY OF GAMBLING ON COLLEGE AND UNIVERSITY CAMPUSES.

(a) ESTABLISHMENT OF PANEL.—Not later than 90 days after the date of enactment of this Act, the Attorney General shall establish a panel, which shall be composed of Federal, State, and local government law enforcement officials, to conduct a study of illegal college sports gambling

(b) CONTENTS OF STUDY.—The study conducted by the panel established under subsection (a) shall include an analysis of—

(1) the scope and prevalence of illegal college sports gambling, including unlawful sports gambling (as defined in section 3702 of title 28, United States Code);

(2) the role of organized crime in illegal gambling on college sports;

(3) the role of State regulators and the legal sport books in Nevada in assisting law enforcement to uncover illegal sports gambling and related illegal activities;

(4) the enforcement and implementation of the Professional and Amateur Sports Protection Act of 1992, including whether it has been adequately enforced;

(5) the effectiveness of steps taken by institutions of higher education to date, whether individually or through national organizations, to reduce the problem of illegal gambling on college sports;

(6) the factors that influence the attitudes or levels of awareness of administrators, professors, and students, including student athletes, about illegal gambling on college sports;

(7) the effectiveness of new countermeasures to reduce illegal gambling on college sports, including related requirements for institutions of higher education and persons receiving Federal education funds;

(8) potential actions that could be taken by the National Collegiate Athletic Association to address illegal gambling on college and university campuses; and

(9) other matters relevant to the issue of illegal gambling on college sports as determined by the Attorney General.

(c) REPORT TO CONGRESS.—Not later than 12 months after the establishment of the panel under this section, the Attorney General shall submit to Congress a report on the study conducted under this section, which shall include—

(1) recommendations for actions colleges, universities, and the National Collegiate Athletic Association should implement to address the issue of illegal gambling on college sports;

(2) recommendations for intensive educational campaigns which the National Collegiate Athletic Association could implement to assist in the effort to prevent illegal gambling on college sports;

(3) recommendations for any Federal and State legislative actions to address the issue of illegal gambling on college sports; and

(4) recommendations for any administrative or private sector actions to address the issue of illegal gambling on college sports.

SA 498. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. . STUDY OF GAMBLING ON COLLEGE AND UNIVERSITY CAMPUSES.

(a) ESTABLISHMENT OF PANEL.—Not later than 90 days after the date of enactment of this Act, the Attorney General shall establish a panel, which shall be composed of Federal, State, and local government law enforcement officials, to conduct a study of illegal college sports gambling

(b) CONTENTS OF STUDY.—The study conducted by the panel established under subsection (a) shall include an analysis of—

(1) the scope and prevalence of illegal college sports gambling, including unlawful sports gambling (as defined in section 3702 of title 28, United States Code);

(2) the role of organized crime in illegal gambling on college sports;

(3) the role of State regulators and the legal sports books in Nevada in assisting law enforcement to uncover illegal sports gambling and related illegal activities;

(4) the enforcement and implementation of the Professional and Amateur Sports Protection Act of 1992, including whether it has been adequately enforced;

(5) the effectiveness of steps taken by institutions of higher education to date, whether individually or through national organizations, to reduce the problem of illegal gambling on college sports;

(6) the factors that influence the attitudes or levels of awareness of administrators, professors, and students, including student athletes, about illegal gambling on college sports;

(7) the effectiveness of new countermeasures to reduce illegal gambling on college sports, including related requirements for institutions of higher education and persons receiving Federal education funds;

(8) potential actions that could be taken by the National Collegiate Athletic Association to address illegal gambling on college and university campuses; and

(9) other matters relevant to the issue of illegal gambling on college sports as determined by the Attorney General.

(c) REPORT TO CONGRESS.—Not later than 12 months after the establishment of the panel under this section, the Attorney General shall submit to Congress a report on the study conducted under this section, which shall include—

(1) recommendations for actions colleges, universities, and the National Collegiate Athletic Association should implement to address the issue of illegal gambling on college sports;

(2) recommendations for intensive educational campaigns which the National Collegiate Athletic Association could implement to assist in the effort to prevent illegal gambling on college sports;

(3) recommendations for any Federal and State legislative actions to address the issue of illegal gambling on college sports; and

(4) recommendations for any administrative or private sector actions to address the issue of illegal gambling on college sports.

SA 499. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. . NATIONAL MINIMUM GAMBLING AGE.

Notwithstanding any other provision of law it shall be unlawful for a governmental entity to authorize by law or compact that a person under the age of 21 years may place a wager or otherwise engage in organized gambling activity. A civil action to enjoin a violation of this subsection may be commenced in an appropriate district court of the United States by the Attorney General of the United States.

SA 500. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. . NATIONAL MINIMUM GAMBLING AGE.

Notwithstanding any other provision of law it shall be unlawful for a governmental entity to authorize by law or compact that a person under the age of 21 years may place a wager or otherwise engage in organized gambling activity. A civil action to enjoin a violation of this subsection may be commenced in an appropriate district court of the United States by Attorney General of the United States.

SA 501. Mr. KYL submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. . BLOCK GRANT OPTIONS.

(a) STATE OPTIONS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, each State shall notify the Secretary regarding the State's election to receive the State's portion of the applicable funding described in paragraph (2) according to one of the following options:

(A) STATE BLOCK GRANT OPTION.—The State may receive the funding pursuant to a State allotment described in subsection (b)(1)(A).

(B) LOCAL BLOCK GRANT OPTION.—The State may direct the Secretary to send the funding directly to local educational agencies in the State pursuant to a local allotment described in subsection (b)(1)(B).

(C) FEDERAL STATUTE OPTION.—The State may receive the funding according to the provisions of law described in paragraph (2).

(2) APPLICABLE FUNDING.—In this subsection, the term "applicable funding" means all funds that are appropriated for the Department of Education for fiscal year 2002 or any succeeding fiscal year to carry out programs or activities under the following provisions of law:

(A) The Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) (as amended by this Act), other than titles VII and VIII of that Act.

(B) The School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

(C) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

(b) BLOCK GRANTS.—

(1) ALLOTMENTS.—

(A) STATES.—From the total applicable funding available for a fiscal year, the Secretary may make allotments to each State selecting the option described in subsection (a)(1)(A) in an amount that bears the same relation to such total applicable funding as the number of individuals in the State who are aged 5 through 17 bears to the total number of such individuals in all States.

(B) LOCAL EDUCATIONAL AGENCIES.—From the total applicable funding available for a fiscal year, the Secretary may make allotments to each local educational agency in a State selecting the option described in subsection (a)(1)(B) in an amount that bears the same relation to such total applicable funding as the number of individuals in the school district served by the local educational agency who are aged 5 through 17 bears to the total number of such individuals in all school districts served by all local educational agencies in all States.

(C) ENROLLMENT DETERMINATION.—The Secretary shall determine the number of children described in subparagraphs (A) and (B)—

(i) for the academic year for which the determination is made, after the beginning of the academic year; and

(ii) on the basis of the most recent data available to the Secretary.

(2) DISTRIBUTION OF ALLOTTED FUNDS.—

(A) RESERVATIONS.—

(i) STATES.—Each State that receives funds allotted under paragraph (1) may reserve not more than 1 percent of the funds for the cost of administration, evaluation, reporting, and other activities related to activities assisted under this section.

(ii) LOCAL EDUCATIONAL AGENCIES.—Each local educational agency that receives funds allotted under paragraph (1) may reserve not more than 2 percent of the funds for the costs of administration, overhead costs, or indirect costs.

(B) AWARDS.—In States selecting the State block grant option described in subsection (a)(1)(A), all funds allotted under paragraph (1)(A) that are not reserved under subparagraph (A)(i) shall be made available, in accordance with subparagraph (C), on behalf of each student who resides in the State and is enrolled in a public elementary school or secondary school, or in a private or home elementary school or secondary school, located in the State. In States selecting the local block grant option described in subsection (a)(1)(B), all funds allotted under paragraph (1)(B) that are not reserved under subparagraph (A)(ii) shall be made available, in accordance with subparagraph (C), on behalf of each student who resides in the school district served by a local educational agency and is enrolled in a public elementary school or secondary school, or in a private elementary school or secondary school, in the school district. In States selecting the State block grant option or the local block grant option, the amount allotted on behalf of each student shall be adjusted in accordance with subparagraph (E).

(C) RECIPIENTS.—Funds awarded under subparagraph (B)—

(i) in the case of a public school student, including a charter school student, shall be made available to the public school or charter school, respectively; and

(ii) in the case of a private school student, shall be made available to the parent or legal guardian of the student.

(D) USES.—

(i) PUBLIC SCHOOL STUDENTS.—Each public school that receives assistance under this section shall use the assistance for any qualified elementary and secondary education expenses.

(ii) PRIVATE SCHOOL STUDENTS.—Each parent or guardian of a private school student that receives assistance under this Act shall use the assistance to pay the costs of attendance at the private school.

(E) ADJUSTMENTS.—A State or local educational agency shall adjust the amount awarded for students under subparagraph (B) to account for—

(i) high need students, such as students from poor families and students with limited English proficiency; or

(ii) different costs of living in urban and rural areas.

(c) FEDERAL STATUTE OPTIONS.—

(1) IN GENERAL.—From the applicable funding that remains after making the allotments under subparagraphs (A) and (B) of subsection (b)(1) for a fiscal year, the Secretary may make awards according to the provisions of law described in subsection (a)(2), to State and local recipients, in States selecting the option described in subsection (a)(1)(C).

(2) PERCENTAGE REDUCTIONS.—The Secretary, after making the allotments under subparagraphs (A) and (B) of subsection (b)(1) for a fiscal year, shall reduce the total amount of applicable funding available to carry out the provisions of law described in subsection (a)(2) for the fiscal year, for any State selecting the option described in subsection (a)(1)(C), by an equal percentage for each such provision.

(d) ACCOUNTABILITY.—

(1) IN GENERAL.—Each entity receiving assistance under this section shall—

(A) use the funds to supplement and not supplant State and local funds; and

(B) involve parents and members of the public in planning for the use of funds provided under this section, such as through a representative advisory committee.

(2) REPORTS.—

(A) IN GENERAL.—Each local educational agency receiving an allotment under this section shall prepare and submit to the State, and each State receiving an allotment under this section shall prepare and submit to Congress, a report regarding the distribution and use of the allotted funds, and how the use of the funds effects student achievement.

(B) AVAILABILITY.—Each State and local educational agency submitting a report under subparagraph (A) shall make copies of the report available to parents and other members of the public.

(C) SPECIAL RULE.—Each State or local educational agency receiving an allotment under this section that has developed or established challenging content or student performance standards shall include in the report submitted under subparagraph (A) information regarding student achievement with respect to the standards.

(e) DEFINITIONS.—In this section:

(1) LOCAL EDUCATIONAL AGENCY.—The term "local educational agency" has the meaning given the term in section 3(18) of the Elementary and Secondary Education Act of 1965 (as amended by this Act).

(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—The term "qualified elementary and secondary education expenses" means—

(A) expenses for tuition, fees, academic tutoring, special needs services, books, supplies, computer equipment (including related software and services), and other equipment which are incurred in connection with the enrollment or attendance of a student at a school; or

(B) expenses for room and board, uniforms, transportation, and supplementary items and services (including extended day programs) which are required or provided by a school in connection with such enrollment or attendance.

(3) SCHOOL.—The term "school" means any school that provides kindergarten education, elementary education or secondary education, as determined under State law.

(4) SECRETARY.—The term "Secretary" means the Secretary of Education.

(5) STATE.—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the United States Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

SA 502. Mr. ALLEN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 1. THE EDUCATION OPPORTUNITY TAX RELIEF; SHORT TITLE.

This Act may be cited as the "Education Opportunity Tax Credit Act".

SEC. 2. REFUNDABLE CREDIT FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. CREDIT FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual who maintains a household which includes as a member one or more qualifying students (as defined in subsection (b)(1)), there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the qualified elementary and secondary education expenses with respect to such students which are paid or incurred by the individual during such taxable year.

"(b) Maximum Credit.—The credit allowed by subsection (a) for any taxable year shall not exceed the greater of—

"(1) $1000 per qualifying student, or

"(2) $2000.

"(c) Qualifying Student.—For purposes of this section, the term "qualifying student" means a dependent of the taxpayer (within the meaning of section 152) who is enrolled in school on a full-time basis.

"(d) Qualified Elementary and Secondary Education Expenses.—For purposes of this section—

"(1) In general.—The term 'qualified elementary and secondary education expenses' means tutoring and computer technology or equipment expenses.

"(2) Computer technology or equipment.—The term 'computer technology or equipment' has the meaning given such term by section 170(e)(6)(E)(i) and includes Internet access and related services.

"(e) School.—For purposes of this section, the term 'school' means any public, charter, private, religious, or home school which provides elementary education or secondary education (through grade 12), as determined under State law.

"(f) Denial of Double Benefit.—No deduction shall be allowed under this chapter for any contribution for which credit is allowed under this section.

"(g) Election To Have Credit Not Apply.—A taxpayer may elect to have this section not apply for any taxable year.".

(b) Conforming Amendments.

(1) Section 1324(b)(2) of title 31, United States Code, is amended by striking "or" before "enacted" and by inserting before the period at the end ", or from section 35 of such Code".

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the item relating to section 35 and inserting the following new items:

"Sec. 35. Credit for elementary and secondary school expenses.
"Sec. 36. Overpayments of tax.".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SA 503. Mr. BENNETT (for himself, Ms. COLLINS, and Mr. CONRAD) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 649, line 4, strike "(1)" and insert "(1)(A)".

On page 649, line 6, strike "and" and insert "or".

On page 649, between lines 6 and 7, insert the following:

"(B) each county in which a school served by the local educational agency is located has a total population density of less than 10 persons per square mile; and".

On page 651, line 3, strike "(1)" and insert "(1)(A)".

On page 651, line 5, strike "and" and insert "or".

On page 651, between lines 5 and 6, insert the following:

"(B) each county in which a school served by the local educational agency is located has a total population density of less than 10 persons per square mile; and".

SA 504. Mr. BENNETT submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 145, line 6, strike "32" and insert "36".

SA 505. Mr. CAMPBELL submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

TITLE —NATIVE AMERICAN EDUCATION IMPROVEMENT

SEC. 001. SHORT TITLE.

This title may be cited as the "Native American Education Improvement Act of 2001".

Subtitle A—Amendments to the Education Amendments of 1978

SEC. 101. AMENDMENTS TO THE EDUCATION AMENDMENTS OF 1978.

Part B of title XI of the Education Amendments of 1978 (25 U.S.C. 2001 et seq.) is amended to read as follows:

"PART B—BUREAU OF INDIAN AFFAIRS PROGRAMS

"SEC. 1120. FINDING AND POLICY.

"(a) Finding.—Congress finds and recognizes that—

"(1) the Federal Government's unique and continuing trust relationship with and responsibility to the Indian people includes the education of Indian children; and

"(2) the Federal Government has the responsibility for the operation and financial support of the Bureau of Indian Affairs funded school system that the Federal Government has established on or near reservations and Indian trust lands throughout the Nation for Indian children.

"(b) Policy.—It is the policy of the United States to work in full cooperation with tribes toward the goal of assuring that the programs of the Bureau of Indian Affairs funded school system are of the highest quality and provide for the basic elementary and secondary educational needs of Indian children, including meeting the unique educational and cultural needs of these children.

"SEC. 1121. ACCREDITATION FOR THE BASIC EDUCATION OF INDIAN CHILDREN IN BUREAU OF INDIAN AFFAIRS SCHOOLS.

"(a) Purpose; Declarations of Purpose.—

"(1) Purpose.—The purpose of the accreditation required under this section shall be to ensure that Indian students being served by a school funded by the Bureau of Indian Affairs are provided with educational opportunities that equal or exceed those for all other students in the United States.

"(2) Declarations of purpose.—

"(A) In general.—Local school boards for schools operated by the Bureau of Indian Affairs, in cooperation and consultation with the appropriate tribal governing bodies and their communities, are encouraged to adopt declarations of purpose for education for their communities, taking into account the implications of such declarations on education in their communities and for their schools. In adopting such declarations of purpose, the school boards shall consider the effect the declarations may have on the motivation of students and faculties.

"(B) Contents.—A declaration of purpose for a community shall—

"(i) represent the aspirations of the community for the kinds of people the community would like the community's children to become; and

"(ii) contain an expression of the community's desires that all students in the community shall—

"(I) become accomplished in things and ways important to the students and respected by their parents and community;

"(II) shape worthwhile and satisfying lives for themselves;

"(III) exemplify the best values of the community and humankind; and

"(IV) become increasingly effective in shaping the character and quality of the world all students share.

"(b) Accreditation.—

"(1) Deadline.—

"(A) In general.—Not later than 12 months after the date of enactment of the Native American Education Improvement Act of 2001, each Bureau funded school shall, to the extent that necessary funds are provided, be a candidate for accreditation or be accredited—

"(i) by a tribal department of education if such accreditation is accepted by a generally recognized State certification or regional accrediting agency;

"(ii) by a regional accreditation agency;

"(iii) in accordance with State accreditation standards for the State in which the school is located; or

"(iv) in the case of a school that is located on a reservation that is located in more than 1 State, in accordance with the State accreditation standards of 1 State as selected by the tribal government.

"(B) Feasibility study.—Not later than 12 months after the date of enactment of the Native American Education Improvement Act of 2001, the Secretary of the Interior and the Secretary of Education shall, in conjunction with Indian tribes, Indian education organizations, and accrediting agencies, develop and submit to the appropriate Committees of Congress a report on the desirability and feasibility of establishing a National Tribal Accreditation Agency that would serve as an accrediting body for Bureau funded schools.

"(2) Determination of accreditation to be applied.—The accreditation type applied for each school shall be determined by the school board of the school, in consultation with the Administrator of the school, provided that in the case where the School Board and the Administrator fail to agree on the type of accreditation to apply, the decision of the school board with the approval of the tribal governing body shall be final.

"(3) Assistance to school boards.—The Secretary, through contracts and grants, shall provide technical and financial assistance to Bureau funded schools, to the extent that necessary amounts are made available, to enable such schools to obtain the accreditation required under this subsection, if the school boards request that such assistance, in part or in whole, be provided. The Secretary may provide such assistance directly or through the Department of Education, an institution of higher education, a private not-for profit organization or for-profit organization, an educational service agency, or another entity with demonstrated experience in assisting schools in obtaining accreditation.

“(4) APPLICATION OF CURRENT STANDARDS DURING ACCREDITATION.—A Bureau funded school that is seeking accreditation shall remain subject to the standards issued under section 1121 of the Education Amendments of 1978 and in effect on the date of enactment of the Native American Education Improvement Act of 2001 until such time as the school is accredited, except that if any of such standards are in conflict with the standards of the accrediting agency, the standards of such agency shall apply in such case.

“(5) ANNUAL REPORT ON UNACCREDITED SCHOOLS.—Not later than 90 days after the end of each school year, the Secretary shall prepare and submit to the Committees on Appropriations and the Committee on Resources of the House of Representatives and the Committees on Appropriations and the Committee on Indian Affairs of the Senate, a report concerning unaccredited Bureau funded schools that—

“(A) identifies those Bureau funded schools that fail to be accredited or to be candidates for accreditation within the period provided for in paragraph (1);

“(B) with respect to each Bureau funded school identified under subparagraph (A), identifies the reasons that each such school is not accredited or a candidate for accreditation, as determined by the appropriate accreditation agency, and a description of any possible way in which to remedy such nonaccreditation; and

“(C) with respect to each Bureau funded school for which the reported reasons for the lack of accreditation under subparagraph (B) are a result of the school's inadequate basic resources, contains information and funding requests for the full funding needed to provide such schools with accreditation, such funds if provided shall be applied to such unaccredited school under this paragraph.

“(6) OPPORTUNITY TO REVIEW AND PRESENT EVIDENCE.—

“(A) IN GENERAL.—Prior to including a Bureau funded school in an annual report required under paragraph (5), the Secretary shall—

“(i) ensure that the school has exhausted all administrative remedies provided by the accreditation agency; and

“(ii) provide the school with an opportunity to review the data on which such inclusion is based.

“(B) PROVISION OF ADDITIONAL INFORMATION.—If the school board of a school that the Secretary has proposed for inclusion in an annual report under paragraph (5) believes that such inclusion is in error, the school board may provide to the Secretary such information as the board believes is in conflict with the information and conclusions of the Secretary with respect to the determination to include the school in such annual report. The Secretary shall consider such information provided by the school board before making a final determination concerning the inclusion of the school in any such report.

“(C) PUBLICATION OF ACCREDITATION STATUS.—Not later than 30 days after making an initial determination to include a school in an annual report under paragraph (5), the Secretary shall make public the final determination on the accreditation status of the school.

“(7) SCHOOL PLAN.—

“(A) IN GENERAL.—Not later than 120 days after the date on which a school is included in an annual report under paragraph (5), the school shall develop a school plan, in consultation with interested parties including parents, school staff, the school board, and other outside experts (if appropriate), that shall be submitted to the Secretary for approval. The school plan shall cover a 3-year period and shall—

“(i) incorporate strategies that address the specific issues that caused the school to fail to be accredited or fail to be a candidate for accreditation;

“(ii) incorporate policies and practices concerning the school that have the greatest likelihood of ensuring that the school will obtain accreditation during the 3 year-period beginning on the date on which the plan is implemented;

“(iii) contain an assurance that the school will reserve the necessary funds, from the funds described in paragraph (3), for each fiscal year for the purpose of obtaining accreditation;

“(iv) specify how the funds described in clause (iii) will be used to obtain accreditation;

“(v) establish specific annual, objective goals for measuring continuous and significant progress made by the school in a manner that will ensure the accreditation of the school within the 3-year period described in clause (ii);

“(vi) identify how the school will provide written notification about the lack of accreditation to the parents of each student enrolled in such school, in a format and, to the extent practicable, in a language the parents can understand; and

“(vii) specify the responsibilities of the school board and any assistance to be provided by the Secretary under paragraph (3).

“(B) IMPLEMENTATION.—A school shall implement the school plan under subparagraph (A) expeditiously, but in no event later than the beginning of the school year following the school year in which the school was included in the annual report under paragraph (5) so long as the necessary resources have been provided to the school.

“(C) REVIEW OF PLAN.—Not later than 45 days after receiving a school plan, the Secretary shall—

“(i) establish a peer-review process to assist with the review of the plan; and

“(ii) promptly review the school plan, work with the school as necessary, and approve the school plan if the plan meets the requirements of this paragraph.

“(8) CORRECTIVE ACTION.—

“(A) DEFINITION.—In this subsection, the term ‘corrective action’ means action that—

“(i) substantially and directly responds to—

“(I) the failure of a school to achieve accreditation; and

“(II) any underlying staffing, curriculum, or other programmatic problem in the school that contributed to the lack of accreditation; and

“(ii) is designed to increase substantially the likelihood that the school will be accredited.

“(B) CORRECTIVE ACTION INAPPLICABLE.—The Secretary shall grant a waiver to any school that fails to be accredited for reasons that are beyond the control of the school board, as determined by the Secretary, including a significant decline in financial resources, the poor condition of facilities, vehicles or other property, or a natural disaster. Such a waiver shall exempt such school from any or all of the requirements of this paragraph and paragraph (7), but such school shall be required to comply with the standards contained in part 36 of title 25, Code of Federal Register, as in effect on the date of enactment of the Native American Education Improvement Act of 2001.

“(C) DUTIES OF SECRETARY.—After providing assistance to a school under paragraph (3), the Secretary shall—

“(i) annually review the progress of the school under the applicable school plan, to determine whether the school is meeting, or making adequate progress towards, achieving the goals described in paragraph (7)(A)(v) with respect to reaccreditation or becoming a candidate for accreditation;

“(ii) except as provided in subparagraph (B), continue to provide assistance while implementing the school's plan, and, if determined appropriate by the Secretary, take corrective action with respect to the school if it fails to be accredited at the end of the third year of the school's plan;

“(iii) promptly notify the parents of children enrolled in the school of the option to transfer their child to another school;

“(iv) provide all students enrolled in the school with the option to transfer to another school, including a public or charter school, that is accredited; and

“(v) provide, or pay for the provision of, transportation for each student described in clause (iv) to the school to which the student elects to be transferred.

“(D) FAILURE OF SCHOOL PLAN.—With respect to a Bureau operated school that fails to be accredited at the end of the 3-year period during which the school's plan is in effect under paragraph (7), the Secretary may take 1 or more of the following corrective actions:

“(i) Institute and fully implement actions suggested by the accrediting agency.

“(ii) Consult with the tribe involved to determine the causes for the lack of accreditation including potential staffing and administrative changes that are or may be necessary.

“(iii) Set aside a certain amount of funds that may only be used by the school to obtain accreditation.

“(iv)(I) Provide the tribe with a 60-day period in which to determine whether the tribe desires to operate the school as a contract or grant school, before meeting the accreditation requirements in section 5207 of the Tribally Controlled Schools Act, at the beginning of the next school year following the determination to take corrective action. If the tribe agrees to operate the school as a contract or grant school, the tribe shall prepare a plan, pursuant to paragraph (7), for approval by the Secretary in accordance with paragraph (7), to achieve accreditation.

“(II) If the tribe declines to assume control of the school, the Secretary, in consultation with the tribe, may contract with an outside entity, consistent with applicable law, or appoint a receiver or trustee to operate and administer the affairs of the school until the school is accredited. The outside entity, receiver or trustee shall prepare a plan, pursuant to paragraph (7), for approval by the Secretary in accordance with paragraph (7).

“(III) Upon accreditation of the school, the Secretary shall allow the tribe to continue to operate the school as a grant or contract school, or if being controlled by an outside entity, provide the tribe with the option to assume operation of the school as a contract school, in accordance with the Indian Self Determination Act, or as a grant school in accordance with the Tribally Controlled Schools Act, at the beginning of the school year following the school year in which the school obtains accreditation. If the tribe declines, the Secretary may allow the outside entity, receiver or trustee to continue the operation of the school or reassume control of the school.

"(v)(I) With respect to—

"(aa) a school that is a grant school, comply with section 5207 of the Tribally Controlled Schools Act;

"(bb) a school that is a contract school, comply with the Indian Self Determination Act;

"(cc) a school described in item (aa) or (bb), take any corrective actions described in clauses (i) through (iii); or

"(dd) a school described in item (aa) or (bb), the Secretary, after complying with the notice and hearing requirements of the reassumption provisions of the Indian Self Determination Act, may assume the operation and administration of the school at the beginning of the school year following the revocation of the school's determination of eligibility and shall adopt a plan in accordance with paragraph (7).

"(II) With respect to a school described in subclause (I), if, at the end of the 3-year period during which the school's plan is in effect under paragraph (7), the school is still not accredited, the Secretary in consultation with the tribe may contract with an outside entity or appoint a receiver or trustee, which shall adopt a plan in accordance with paragraph (7), to operate and administer the affairs of the school until the school is accredited.

"(III) Upon accreditation of the school, the tribe shall have the option to assume the operation and administration of the school as a contract school after complying with the Indian Self Determination Act, or as a grant school,. after complying with the Tribally Controlled Schools Act, at the beginning of the school year following the year in which the school obtains accreditation.

"(IV) The provisions of this clause shall be construed consistent with the provisions of the Tribally Controlled Schools Act and the Indian Self Determination Act as in effect on the date of enactment of the Native American Education Improvement Act of 2001, and shall not be construed as expanding the authority of the Secretary under any other law.

"(E) Hearing.—With respect to a school that is operated pursuant to a grant, or a school that is operated under a contract under the Indian Self Determination Act, prior to implementing any corrective action under this paragraph, the Secretary shall provide notice and an opportunity for a hearing to the affected school pursuant to section 5207 of the Tribally Controlled Schools Act.

"(9) Statutory construction.—Nothing in this section shall be construed to alter or otherwise affect the rights, remedies, and procedures afforded to school employees under applicable law (including applicable regulations or court orders) or under the terms of any collective bargaining agreement, memorandum of understanding, or other agreement between such employees and their employers.

"(c) Annual Plan.—

"(1) In general.—Except as provided in subsection (b), the Secretary shall implement the Bureau standards in effect on the date of enactment of the Native American Education Improvement Act of 2001.

"(2) Plan.—On an annual basis, the Secretary shall submit to the appropriate committees of Congress, all Bureau funded schools, and the tribal governing bodies of such schools a detailed plan to ensure that all Bureau funded schools are accredited, or if such school are in the process of obtaining accreditation that such school meet the Bureau standards in effect on the date of enactment of the Native American Education Improvement Act of 2001 to the extent that such standards do not conflict with the standards of the accrediting agency. Such plan shall include detailed information on the status of each school's educational program in relation to the applicable standards, specific cost estimates for meeting such standards at each school, and specific timelines for bringing each school up to the level required by such standards.

"(d) Closure or Consolidation of Schools.—

"(1) In general.—Except as specifically required by law, no Bureau funded school or dormitory operated on or after January 1, 1992, may be closed, consolidated, or transferred to another authority and no program of such a school may be substantially curtailed except in accordance with the requirements of this subsection.

"(2) Exceptions.—This subsection (other than this paragraph) shall not apply—

"(A) in those cases in which the tribal governing body for a school, or the local school board concerned (if designated by the tribal governing body to act under this paragraph), requests the closure, consolidation, or substantial curtailment; or

"(B) if a temporary closure, consolidation, or substantial curtailment is required by facility conditions that constitute an immediate hazard to health and safety.

"(3) Regulations.—The Secretary shall, by regulation, promulgate standards and procedures for the closure, transfer to another authority, consolidation, or substantial curtailment of school programs of Bureau schools, in accordance with the requirements of this subsection.

"(4) Notification.—

"(A) Consideration.—Whenever closure, transfer to another authority, consolidation, or substantial curtailment of a school program of a Bureau school is under active consideration or review by any division of the Bureau or the Department of the Interior, the head of the division or the Secretary shall ensure that the affected tribe, tribal governing body, and local school board, are notified (in writing) immediately, kept fully and currently informed, and afforded an opportunity to comment with respect to such consideration or review.

"(B) Formal decision.—When the head of any division of the Bureau or the Secretary makes a formal decision to close, transfer to another authority, consolidate, or substantially curtail a school program of a Bureau school, the head of the division or the Secretary shall notify (in writing) the affected tribes, tribal governing body, and local school board at least 6 months prior to the end of the academic year preceding the date of the proposed action.

"(C) Copies of notifications and information.—The Secretary shall transmit copies of the notifications described in this paragraph promptly to the appropriate committees of Congress and publish such notifications copies in the Federal Register.

"(5) Report.—

"(A) In general.—The Secretary shall submit a report to the appropriate committees of Congress, the affected tribal governing body and the designated local school board, describing the process of the active consideration or review referred to in paragraph (4).

"(B) Contents.—The report shall include the results of a study of the impact of the action under consideration or review on the student population of the school involved, identify those students at the school with particular educational and social needs, and ensure that alternative services are available to such students. Such report shall include a description of consultation conducted between the potential service provider and current service provider of such services, parents, tribal representatives, the tribe involved, and the Director regarding such students.

"(6) Limitation on certain actions.—No irreversible action may be taken to further any proposed school closure, transfer to another authority, consolidation, or substantial curtailment described in this subsection concerning a school (including any action that would prejudice the personnel or programs of such school) prior to the end of the first full academic year after the report described in paragraph (5) is submitted.

"(7) Tribal governing body approval required for certain actions.—The Secretary may terminate, contract, transfer to any other authority, consolidate, or substantially curtail the operation or facilities of—

"(A) any Bureau funded school that is operated on or after January 1, 1999;

"(B) any program of such a school that is operated on or after January 1, 1999; or

"(C) any school board of a school operated under a grant under the Tribally Controlled Schools Act of 1988,

only if the tribal governing body for the school involved approves such action.

"(e) Application for Contracts or Grants for Non-Bureau Funded Schools or Expansion of Bureau Funded Schools.—

"(1) In general.—

"(A) Applications.—

"(i) Tribes; school boards.—The Secretary shall only consider the factors described in subparagraph (B) in reviewing—

"(I) applications from any tribe for the awarding of a contract or grant for a school that is not a Bureau funded school; and

"(II) applications from any tribe or school board associated with any Bureau funded school for the awarding of a contract or grant for the expansion of a Bureau funded school that would increase the amount of funds received by the tribe or school board under section 1126.

"(ii) Limitation.—With respect to applications described in this subparagraph, the Secretary shall give consideration to all the factors described in subparagraph (B), but no such application shall be denied based primarily upon the geographic proximity of comparable public education.

"(B) Factors.—With respect to applications described in subparagraph (A) the Secretary shall consider the following factors relating to the program and services that are the subject of the application:

"(i) The adequacy of existing facilities to support the proposed program and services or the applicant's ability to obtain or provide adequate facilities.

"(ii) Geographic and demographic factors in the affected areas.

"(iii) The adequacy of the applicant's program plans or, in the case of a Bureau funded school, of a projected needs analysis conducted either by the tribe or the Bureau.

"(iv) Geographic proximity of comparable public education.

"(v) The stated needs of all affected parties, including students, families, tribal governing bodies at both the central and local levels, and school organizations.

"(vi) Adequacy and comparability of programs and services already available.

"(vii) Consistency of the proposed program and services with tribal educational codes or tribal legislation on education.

"(viii) The history and success of these services for the proposed population to be served, as determined from all factors, including standardized examination performance.

``(2) DETERMINATION ON APPLICATION.—

``(A) PERIOD.—The Secretary shall make a determination concerning whether to approve any application described in paragraph (1)(A) not later than 180 days after the date such application is submitted to the Secretary.

``(B) FAILURE TO MAKE DETERMINATION.—If the Secretary fails to make the determination with respect to an application by the date described in subparagraph (A), the application shall be treated as having been approved by the Secretary.

``(3) REQUIREMENTS FOR APPLICATIONS.—

``(A) APPROVAL.—Notwithstanding paragraph (2)(B), an application described in paragraph (1)(A) may be approved by the Secretary only if—

``(i) the application has been approved by the tribal governing body of the students served by (or to be served by) the school or program that is the subject of the application; and

``(ii) the tribe or designated school board involved submits written evidence of such approval with the application.

``(B) INFORMATION.—Each application described in paragraph (1)(A) shall contain information discussing each of the factors described in paragraph (1)(B).

``(4) DENIAL OF APPLICATIONS.—If the Secretary denies an application described in paragraph (1)(A), the Secretary shall—

``(A) state the objections to the application in writing to the applicant not later than 180 days after the date the application is submitted to the Secretary;

``(B) provide assistance to the applicant to overcome the stated objections;

``(C) provide to the applicant a hearing on the record regarding the denial, under the same rules and regulations as apply under the Indian Self-Determination and Education Assistance Act; and

``(D) provide to the applicant a notice of the applicant's appeals rights and an opportunity to appeal the decision resulting from the hearing under subparagraph (D).

``(5) EFFECTIVE DATE OF A SUBJECT APPLICATION.—

``(A) IN GENERAL.—Except as otherwise provided in this paragraph, the action that is the subject of any application described in paragraph (1)(A) that is approved by the Secretary shall become effective—

``(i) on the first day of the academic year following the fiscal year in which the application is approved; or

``(ii) on an earlier date determined by the Secretary.

``(B) APPLICATION TREATED AS APPROVED.—If an application is treated as having been approved by the Secretary under paragraph (2)(B), the action that is the subject of the application shall become effective—

``(i) on the date that is 18 months after the date on which the application is submitted to the Secretary; or

``(ii) on an earlier date determined by the Secretary.

``(6) STATUTORY CONSTRUCTION.—Nothing in this section, or any other provision of law, shall be construed to preclude the expansion of grades and related facilities at a Bureau funded school, if such expansion is paid for with non-Bureau funds.

``(f) JOINT ADMINISTRATION.—Administrative, transportation, and program cost funds received by Bureau funded schools, and any program from the Department of Education or any other Federal agency for the purpose of providing education or related services, and other funds received for such education and related services from non-Federally funded programs, shall be apportioned and the funds shall be retained at the school.

``(g) GENERAL USE OF FUNDS.—Funds received by Bureau funded schools from the Bureau of Indian Affairs and under any program from the Department of Education or any other Federal agency for the purpose of providing education or related services may be used for schoolwide projects to improve the educational program of the schools for all Indian students.

``(h) STUDY ON ADEQUACY OF FUNDS AND FORMULAS.—

``(1) STUDY.—The Comptroller General of the United States shall conduct a study to include an analysis of the information contained in the General Accounting Office study evaluating and comparing school systems of the Department of Defense and the Bureau of Indian Affairs, in consultation with tribes and local school boards, to determine the adequacy of funding, and formulas used by the Bureau to determine funding, for programs operated by Bureau funded schools, taking into account unique circumstances applicable to Bureau funded schools.

``(2) FINDINGS.—On completion of the study under paragraph (1), the Secretary shall take such action as may be necessary to ensure distribution of the findings of the study to the appropriate authorizing and appropriating committees of Congress, all affected tribes, local school boards, and associations of local school boards.

"SEC. 1122. NATIONAL STANDARDS FOR HOME LIVING SITUATIONS.

``(a) IN GENERAL.—The Secretary, in accordance with section 1136, shall revise the national standards for home-living (dormitory) situations to include such factors as heating, lighting, cooling, adult-child ratios, need for counselors (including special needs related to off-reservation home-living (dormitory) situations), therapeutic programs, space, and privacy. Such standards shall be implemented in Bureau schools. Any subsequent revisions shall also be in accordance with such section 1136.

``(b) IMPLEMENTATION.—The Secretary shall implement the revised standards established under this section immediately upon their issuance.

``(c) PLAN.—

``(1) IN GENERAL.—Upon the submission of each annual budget request for Bureau educational services (as contained in the President's annual budget request under section 1105 of title 31, United States Code), the Secretary shall submit to the appropriate committees of Congress, the tribes, and the affected schools, and publish in the Federal Register, a detailed plan to bring all Bureau funded schools that have dormitories or provide home-living (dormitory) situations into compliance with the standards established under this section.

``(2) CONTENTS.—Each plan under paragraph (1) shall include—

``(A) a statement of the relative needs of each of the home-living schools and projected future needs of each of the home-living schools;

``(B) detailed information on the status of each of the schools in relation to the standards established under this section;

``(C) specific cost estimates for meeting each standard for each such school;

``(D) aggregate cost estimates for bringing all such schools into compliance with the standards established under this section; and

``(E) specific timelines for bringing each school into compliance with such standards.

``(d) WAIVER.—

``(1) IN GENERAL.—A tribal governing body or local school board may, in accordance with this subsection, waive the standards established under this section for a school described in subsection (a).

``(2) INAPPROPRIATE STANDARDS.—

``(A) IN GENERAL.—A tribal governing body, or the local school board so designated by the tribal governing body, may waive, in whole or in part, the standards established under this section if such standards are determined by such body or board to be inappropriate for the needs of students from that tribe.

``(B) ALTERNATIVE STANDARDS.—The tribal governing body or school board involved shall, not later than 60 days after providing a waiver under subparagraph (A) for a school, submit to the Director a proposal for alternative standards that take into account the specific needs of the tribe's children. Such alternative standards shall be established by the Director for the school involved unless specifically rejected by the Director for good cause and in writing provided to the affected tribes or local school board.

``(e) CLOSURE FOR FAILURE TO MEET STANDARDS PROHIBITED.—No school in operation on or before July 1, 1999 (regardless of compliance or noncompliance with the standards established under this section), may be closed, transferred to another authority, or consolidated, and no program of such a school may be substantially curtailed, because the school failed to meet such standards.

"SEC. 1123. SCHOOL BOUNDARIES.

``(a) ESTABLISHMENT BY SECRETARY.—Except as described in subsection (b), the Secretary shall establish, by regulation, separate geographical attendance areas for each Bureau funded school.

``(b) ESTABLISHMENT BY TRIBAL BODY.—In any case in which there is more than 1 Bureau funded school located on a reservation of a tribe, at the direction of the tribal governing body, the relevant school boards of the Bureau funded schools on the reservation may, by mutual consent, establish the boundaries of the relevant geographical attendance areas for such schools, subject to the approval of the tribal governing body. Any such boundaries so established shall be accepted by the Secretary.

``(c) BOUNDARY REVISIONS.—

``(1) IN GENERAL.—Effective on July 1, 1999, the Secretary may not establish or revise boundaries of a geographical attendance area with respect to any Bureau funded school unless the tribal governing body concerned and the school board concerned has been afforded—

``(A) at least 6 months notice of the intention of the Secretary to establish or revise such boundaries; and

``(B) the opportunity to propose alternative boundaries.

``(2) PETITIONS.—Any tribe may submit a petition to the Secretary requesting a revision of the geographical attendance area boundaries referred to in paragraph (1).

``(3) BOUNDARIES.—The Secretary shall accept proposed alternative boundaries described in paragraph (1)(B) or revised boundaries described in a petition submitted under paragraph (2) unless the Secretary finds, after consultation with the affected tribe, that such alternative or revised boundaries do not reflect the needs of the Indian students to be served or do not provide adequate stability to all of the affected programs. On accepting the boundaries, the Secretary shall publish information describing the boundaries in the Federal Register.

"(4) TRIBAL RESOLUTION DETERMINATION.—Nothing in this section shall be interpreted as denying a tribal governing body the authority, on a continuing basis, to adopt a tribal resolution allowing parents a choice of the Bureau funded school their child may attend, regardless of the geographical attendance area boundaries established under this section.

"(d) FUNDING RESTRICTIONS.—The Secretary shall not deny funding to a Bureau funded school for any eligible Indian student attending the school solely because that student's home or domicile is outside of the boundaries of the geographical attendance area established for that school under this section. No funding shall be made available for transportation without tribal authorization to enable the school to provide transportation for any student to or from the school and a location outside the approved attendance area of the school.

"(e) RESERVATION AS BOUNDARY.—In any case in which there is only 1 Bureau funded school located on a reservation, the boundaries of the geographical attendance area for the school shall be the boundaries (as established by treaty, agreement, legislation, court decision, or executive decision and as accepted by the tribe involved) of the reservation served, and those students residing near the reservation shall also receive services from such school.

"(f) OFF-RESERVATION HOME-LIVING SCHOOLS.—Notwithstanding the boundaries of the geographical attendance areas established under this section, each Bureau funded school that is an off-reservation home-living school shall implement special emphasis programs and permit the attendance of students requiring the programs. The programs provided for such students shall be coordinated among education line officers, the families of the students, the schools, and the entities operating programs that referred the students to the schools.

"SEC. 1124. FACILITIES CONSTRUCTION.

"(a) NATIONAL SURVEY OF FACILITIES CONDITIONS.—

"(1) IN GENERAL.—Not later than 12 months after the date of enactment of the Native American Education Improvement Act of 2001, the General Accounting Office shall compile, collect, and secure the data that is needed to prepare a national survey of the physical conditions of all Bureau funded school facilities.

"(2) DATA AND METHODOLOGIES.—In preparing the national survey required under paragraph (1), the General Accounting Office shall use the following data and methodologies:

"(A) The existing Department of Defense formula for determining the condition and adequacy of Department of Defense facilities.

"(B) Data related to conditions of Bureau funded schools that has previously been compiled, collected, or secured from whatever source derived so long as the data is relevant, timely, and necessary to the survey.

"(C) The methodologies of the American Institute of Architects, or other accredited and reputable architecture or engineering associations.

"(3) CONSULTATIONS.—

"(A) IN GENERAL.—In carrying out the survey required under paragraph (1), the General Accounting Office shall, to the maximum extent practicable, consult (and if necessary contract) with national, regional, and tribal Indian education organizations to ensure that a complete and accurate national survey is achieved.

"(B) REQUESTS FOR INFORMATION.—All Bureau funded schools shall comply with reasonable requests for information by the General Accounting Office and shall respond to such requests in a timely fashion.

"(4) SUBMISSION TO CONGRESS.—Not later than 24 months after the date of enactment of the Native American Education Improvement Act of 2001, the General Accounting Office shall submit the results of the national survey conducted under paragraph (1) to the Committee on Indian Affairs and Committee on Appropriations of the Senate, and the Committee on Resources, Committee on Education and the Workforce, and Committee on Appropriations of the House and to the Secretary, who, in turn shall submit the results of the national survey to school boards of Bureau-funded schools and their respective Tribes.

"(5) NEGOTIATED RULEMAKING COMMITTEE.—

"(A) IN GENERAL.—Not later than 6 months after the date on which the submission is made under paragraph (4), the Secretary shall establish a negotiated rule making committee pursuant to section 1136(c). The negotiated rulemaking committee shall prepare and submit to the Secretary the following:

"(i) A catalogue of the condition of school facilities at all Bureau funded schools that—

"(I) incorporates the findings from the General Accounting Office study evaluating and comparing school systems of the Department of Defense and the Bureau of Indian Affairs;

"(II) rates such facilities with respect to the rate of deterioration and useful life of structures and major systems;

"(III) establishes a routine maintenance schedule for each facility;

"(IV) identifies the complementary educational facilities that do not exist but that are needed; and

"(V) makes projections on the amount of funds needed to keep each school viable, consistent with the accreditation standards required pursuant to this Act.

"(ii) A school replacement and new construction report that determines replacement and new construction need, and a formula for the equitable distribution of funds to address such need, for Bureau funded schools. Such formula shall utilize necessary factors in determining an equitable distribution of funds, including—

"(I) the size of school;

"(II) school enrollment;

"(III) the age of the school;

"(IV) the condition of the school;

"(V) environmental factors at the school; and

"(VI) school isolation.

"(iii) A renovation repairs report that determines renovation need (major and minor), and a formula for the equitable distribution of funds to address such need, for Bureau funded schools. Such report shall identify needed repairs or renovations with respect to a facility, or a part of a facility, or the grounds of the facility, to remedy a need based on disabilities access or health and safety changes to a facility. The formula developed shall utilize necessary factors in determining an equitable distribution of funds, including the factors described in subparagraph (B).

"(B) SUBMISSION OF REPORTS.—Not later than 24 months after the negotiated rulemaking committee is established under subparagraph (A), the reports described in clauses (ii) and (iii) of subparagraph (A) shall be submitted to the committees of Congress referred to in paragraph (4), the national and regional Indian education organizations, and to all school boards of Bureau-funded schools and their respective Tribes.

"(6) FACILITIES INFORMATION SYSTEMS SUPPORT DATABASE.—The Secretary shall develop a Facilities Information Systems Support Database to maintain and update the information contained in the reports under clauses (ii) and (iii) of paragraph (5)(A) and the information contained in the survey conducted under paragraph (1). The system shall be updated every 3 years by the Bureau of Indian Affairs and monitored by General Accounting Office, and shall be made available to school boards of Bureau-funded schools and their respective Tribes, and Congress.

"(b) COMPLIANCE WITH HEALTH AND SAFETY STANDARDS.—The Secretary shall immediately begin to bring all schools, dormitories, and other Indian education-related facilities operated by the Bureau or under contract or grant with the Bureau into compliance with all applicable tribal, Federal, or State health and safety standards, whichever provides greater protection (except that the tribal standards to be applied shall be no greater than any otherwise applicable Federal or State standards), with section 504 of the Rehabilitation Act of 1973, and with the Americans with Disabilities Act of 1990. Nothing in this section shall require termination of the operations of any facility which does not comply with such provisions and which is in use on the date of the enactment of the Native American Education Improvement Act of 2001.

"(c) COMPLIANCE PLAN.—At the time that the annual budget request for Bureau educational services is presented, the Secretary shall submit to the appropriate committees of Congress a detailed plan to bring all facilities covered under subsection (b) of this section into compliance with the standards referred to in subsection (b). Such plan shall include detailed information on the status of each facility's compliance with such standards, specific cost estimates for meeting such standards at each school, and specific timelines for bringing each school into compliance with such standards.

"(d) CONSTRUCTION PRIORITIES.—

"(1) SYSTEM TO ESTABLISH PRIORITIES.—The Secretary shall annually prepare and submit to the appropriate committees of Congress, and publish in the Federal Register, information describing the system used by the Secretary to establish priorities for replacement and construction projects for Bureau funded schools and home-living schools, including boarding schools, and dormitories. On making each budget request described in subsection (c), the Secretary shall publish in the Federal Register and submit with the budget request a list of all of the Bureau funded school construction priorities, as described in paragraph (2).

"(2) LONG-TERM CONSTRUCTION AND REPLACEMENT LIST.—In addition to submitting the plan described in subsection (c), the Secretary shall—

"(A) not later than 18 months after the date of enactment of the Native American Education Improvement Act of 2001, establish a long-term construction and replacement priority list for all Bureau funded schools;

"(B) using the list prepared under subparagraph (A), propose a list for the orderly replacement of all Bureau funded education-related facilities over a period of 40 years to facilitate planning and scheduling of budget requests;

"(C) publish the list prepared under subparagraph (B) in the Federal Register and allow a period of not less than 120 days for public comment;

“(D) make such revisions to the list prepared under subparagraph (B) as are appropriate based on the comments received; and

“(E) publish a final list in the Federal Register.

“(3) EFFECT ON OTHER LIST.—Nothing in this section shall be construed as interfering with or changing in any way the construction and replacement priority list established by the Secretary, as the list exists on the date of enactment of the Native American Education Improvement Act of 2001.

“(e) HAZARDOUS CONDITION AT BUREAU FUNDED SCHOOL.—

“(1) CLOSURE, CONSOLIDATION, OR CURTAILMENT.—

“(A) IN GENERAL.—A Bureau funded school may be closed or consolidated, and the programs of a Bureau funded school may be substantially curtailed by reason of facility conditions that constitute an immediate hazard to health and safety only if a health and safety officer of the Bureau and an individual designated by the tribe involved under subparagraph (B), determine that such conditions exist at a facility of the Bureau funded school.

“(B) DESIGNATION OF INDIVIDUAL BY TRIBE.—To be designated by a tribe for purposes of subparagraph (A), an individual shall—

“(i) be a licensed or certified facilities safety inspector;

“(ii) have demonstrated experience in the inspection of facilities for health and safety purposes with respect to occupancy; or

“(iii) have a significant educational background in the health and safety of facilities with respect to occupancy.

“(C) INSPECTION.—In making a determination described in subparagraph (A), the Bureau health and safety officer and the individual designated by the tribe shall conduct an inspection of the conditions of such facility in order to determine whether conditions at such facility constitute an immediate hazard to health and safety.

“(D) FAILURE TO CONCUR.—If the Bureau health and safety officer, and the individual designated by the tribe, conducting the inspection of a facility required under subparagraph (A) do not concur that conditions at the facility constitute an immediate hazard to health and safety, such officer and individual shall immediately notify the tribal governing body and provide written information related to their determinations.

“(E) CONSIDERATION BY TRIBAL GOVERNING BODY.—Not later than 10 days after a tribal governing body received notice under subparagraph (D), the tribal governing body shall consider all information related to the determinations of the Bureau health and safety officer and the individual designated by the tribe and make a determination regarding the closure, consolidation, or curtailment involved.

“(F) AGREEMENT TO CLOSE, CONSOLIDATE, OR CURTAIL.—If the Bureau health and safety officer, and the individual designated by the tribe, conducting the inspection of a facility required under subparagraph (A), concur that conditions at the facility constitute an immediate hazard to health and safety, or if the tribal governing body makes such a determination under subparagraph (E) the facility involved shall be closed immediately.

“(G) GENERAL CLOSURE REPORT.—If a Bureau funded school is temporarily closed or consolidated or the programs of a Bureau funded school are temporarily substantially curtailed under this subsection and the Secretary determines that the closure, consolidation, or curtailment will exceed 1 year, the Secretary shall submit to the appropriate committees of Congress, the affected tribe, and the local school board, not later than 3 months after the date on which the closure, consolidation, or curtailment was initiated, a report that specifies—

“(i) the reasons for such temporary action;

“(ii) the actions the Secretary is taking to eliminate the conditions that constitute the hazard;

“(iii) an estimated date by which the actions described in clause (ii) will be concluded; and

“(iv) a plan for providing alternate education services for students enrolled at the school that is to be closed.

“(2) NONAPPLICATION OF CERTAIN STANDARDS FOR TEMPORARY FACILITY USE.—

“(A) CLASSROOM ACTIVITIES.—The Secretary shall permit the local school board to temporarily utilize facilities adjacent to the school, or satellite facilities, if such facilities are suitable for conducting classroom activities. In permitting the use of facilities under the preceding sentence, the Secretary may waive applicable minor standards under section 1121 relating to such facilities (such as the required number of exit lights or configuration of restrooms) so long as such waivers do not result in the creation of an environment that constitutes an immediate and substantial threat to the health, safety, and life of students and staff.

“(B) ADMINISTRATIVE ACTIVITIES.—The provisions of subparagraph (A) shall apply with respect to administrative personnel if the facilities involved are suitable for activities performed by such personnel.

“(C) TEMPORARY.—In this paragraph, the term ‘temporary’ means—

“(i) with respect to a school that is to be closed for not more than 1 year, 3 months or less; and

“(ii) with respect to a school that is to be closed for not less than 1 year, a time period determined appropriate by the Bureau.

“(3) TREATMENT OF CLOSURE.—Any closure of a Bureau funded school under this subsection for a period that exceeds 1 month but is less than 1 year, shall be treated by the Bureau as an emergency facility improvement and repair project.

“(4) USE OF FUNDS.—With respect to a Bureau funded school that is closed under this subsection, the tribal governing body, or the designated local school board of each Bureau funded school, involved may authorize the use of funds allocated pursuant to section 1126, to abate the hazardous conditions without further action by Congress.

“(f) FUNDING REQUIREMENT.—

“(1) DISTRIBUTION OF FUNDS.—Beginning with the first fiscal year following the date of enactment of the Native American Education Improvement Act of 2001, all funds appropriated to the budget accounts for the operations and maintenance of Bureau funded schools shall be distributed by formula to the schools. No funds from these accounts may be retained or segregated by the Bureau to pay for administrative or other costs of any facilities branch or office, at any level of the Bureau.

“(2) REQUIREMENTS FOR CERTAIN USES.—

“(A) AGREEMENT.—The Secretary shall not withhold funds that would be distributed under paragraph (1) to any grant or contract school, in order to use the funds for maintenance or any other facilities or road-related purposes, unless such school—

“(i) has consented to the withholding of such funds, including the amount of the funds, the purpose for which the funds will be used, and the timeline for the services to be provided with the funds; and

“(ii) has provided the consent by entering into an agreement that is—

“(I) a modification to the contract; and

“(II) in writing (in the case of a school that receives a grant).

“(B) CANCELLATION.—The school may, at the end of any fiscal year, cancel an agreement entered into under this paragraph, on giving the Bureau 30 days notice of the intent of the school to cancel the agreement.

“(g) NO REDUCTION IN FEDERAL FUNDING.—Nothing in this section shall be construed to reduce any Federal funding for a school because the school received funding for facilities improvement or construction from a State or any other source.

“SEC. 1125. BUREAU OF INDIAN AFFAIRS EDUCATION FUNCTIONS.

“(a) FORMULATION AND ESTABLISHMENT OF POLICY AND PROCEDURE; SUPERVISION OF PROGRAMS AND EXPENDITURES.—The Secretary shall vest in the Assistant Secretary for Indian Affairs all functions with respect to formulation and establishment of policy and procedure, and supervision of programs and expenditures of Federal funds for the purpose of Indian education administered by the Bureau. The Assistant Secretary shall carry out such functions through the Director of the Office of Indian Education Programs.

“(b) DIRECTION AND SUPERVISION OF PERSONNEL OPERATIONS.—

“(1) IN GENERAL.—Not later than 6 months after the date of the enactment of the Native American Education Improvement Act of 2001, the Director of the Office shall direct and supervise the operations of all personnel directly and substantially involved in the provision of education program services by the Bureau, including school or institution custodial or maintenance personnel, and personnel responsible for contracting, a procurement, and finance functions connected with school operation programs.

“(2) TRANSFERS.—The Assistant Secretary for Indian Affairs shall, not later than 6 months after the date of enactment of the Native American Education Improvement Act of 2001, coordinate the transfer of functions relating to procurements for, contracts of, operation of, and maintenance of schools and other support functions to the Director.

“(c) INHERENT FEDERAL FUNCTION.—For purposes of this Act, all functions relating to education that are located at the Area or Agency level and performed by an education line officer shall be subject to contract under the Indian Self-Determination and Education Assistance Act, unless determined by the Secretary to be inherently Federal functions as defined in section 1139(9).

“(d) EVALUATION OF PROGRAMS; SERVICES AND SUPPORT FUNCTIONS; TECHNICAL AND COORDINATION ASSISTANCE.—Education personnel who are under the direction and supervision of the Director of the Office in accordance with subsection (b)(1) shall—

“(1) monitor and evaluate Bureau education programs;

“(2) provide all services and support functions for education programs with respect to personnel matters involving staffing actions and functions; and

“(3) provide technical and coordination assistance in areas such as procurement, contracting, budgeting, personnel, curricula, and operation and maintenance of school facilities.

“(e) CONSTRUCTION, IMPROVEMENT, OPERATION, AND MAINTENANCE OF FACILITIES.—

“(1) PLAN FOR CONSTRUCTION.—The Assistant Secretary for Indian Affairs shall submit as part of the annual budget request for educational services (as contained in the President's annual budget request under section 1105 of title 31, United States Code) a plan—

"(A) for the construction of school facilities in accordance with section 1124(d);

"(B) for the improvement and repair of education facilities and for establishing priorities among the improvement and repair projects involved, which together shall form the basis for the distribution of appropriated funds; and

"(C) for capital improvements to education facilities to be made over the 5 years succeeding the year covered by the plan.

"(2) PROGRAM FOR OPERATION AND MAINTENANCE.—

"(A) IN GENERAL.—

"(i) PROGRAM.—The Assistant Secretary shall establish a program, including a program for the distribution of funds appropriated under this part, for the operation and maintenance of education facilities. Such program shall include—

"(I) a method of computing the amount necessary for the operation and maintenance of each education facility;

"(II) a requirement of similar treatment of all Bureau funded schools;

"(III) a notice of an allocation of the appropriated funds from the Director of the Office directly to the appropriate education line officers and school officials;

"(IV) a method for determining the need for, and priority of, facilities improvement and repair projects, both major and minor; and

"(V) a system for conducting routine preventive maintenance.

"(ii) MEETINGS.—In making the determination referred to in clause (i)(IV), the Assistant Secretary shall cause a series of meetings to be conducted at the area and agency level with representatives of the Bureau funded schools in the corresponding areas and served by corresponding agencies, to receive comment on the projects described in clause (i)(IV) and prioritization of such projects.

"(B) MAINTENANCE.—The appropriate education line officers shall make arrangements for the maintenance of the education facilities with the local supervisors of the Bureau maintenance personnel. The local supervisors of Bureau maintenance personnel shall take appropriate action to implement the decisions made by the appropriate education line officers. No funds made available under this part may be authorized for expenditure for maintenance of such an education facility unless the appropriate education line officer is assured that the necessary maintenance has been, or will be, provided in a reasonable manner.

"(3) IMPLEMENTATION.—The requirements of this subsection shall be implemented as soon as practicable after the date of enactment of the Native American Education Improvement Act of 2001.

"(f) ACCEPTANCE OF GIFTS AND BEQUESTS.—

"(1) GUIDELINES.—Notwithstanding any other provision of law, the Director of the Office shall promulgate guidelines for the establishment and administration of mechanisms for the acceptance of gifts and bequests for the use and benefit of particular schools or designated Bureau operated education programs, including, in appropriate cases, the establishment and administration of trust funds.

"(2) MONITORING AND REPORTS.—Except as provided in paragraph (3), in a case in which a Bureau operated education program is the beneficiary of such a gift or bequest, the Director shall—

"(A) make provisions for monitoring use of the gift or bequest; and

"(B) submit a report to the appropriate committees of Congress that describes the amount and terms of such gift or bequest, the manner in which such gift or bequest shall be used, and any results achieved by such use.

"(3) EXCEPTION.—The requirements of paragraph (2) shall not apply in the case of a gift or bequest that is valued at $5,000 or less.

"(g) FUNCTIONS CLARIFIED.—In this section, the term 'functions' includes powers and duties.

"SEC. 1126. ALLOTMENT FORMULA.

"(a) FACTORS CONSIDERED; REVISION TO REFLECT STANDARDS.—

"(1) FORMULA.—The Secretary shall establish, by regulation adopted in accordance with section 1136, a formula for determining the minimum annual amount of funds necessary to operate each Bureau funded school. In establishing such formula, the Secretary shall consider—

"(A) the number of eligible Indian students served by the school and the total student population of the school;

"(B) special cost factors, such as—

"(i) the isolation of the school;

"(ii) the need for special staffing, transportation, or educational programs;

"(iii) food and housing costs;

"(iv) maintenance and repair costs associated with the physical condition of the educational facilities;

"(v) special transportation and other costs of an isolated or small school;

"(vi) the costs of home-living (dormitory) arrangements, where determined necessary by a tribal governing body or designated school board;

"(vii) costs associated with greater lengths of service by education personnel;

"(viii) the costs of therapeutic programs for students requiring such programs; and

"(ix) special costs for gifted and talented students;

"(C) the costs of providing academic services that are at least equivalent to the services provided by public schools in the State in which the school is located;

"(D) whether the available funding will enable the school involved to comply with the accreditation standards applicable to the school under section 1121; and

"(E) such other relevant factors as the Secretary determines are appropriate including the information contained in the General Accounting Office study evaluating and comparing school systems of the Department of Defense and the Bureau of Indian Affairs.

"(2) REVISION OF FORMULA.—On the establishment of the standards required in section 1122, the Secretary shall—

"(A) revise the formula established under paragraph (1) to reflect the cost of compliance with such standards; and

"(B)(i) after the formula has been established under paragraph (1), take such action as may be necessary to increase the availability of counseling and therapeutic programs for students in off-reservation home-living schools and other Bureau operated residential facilities; and

"(ii) concurrently with any actions taken under clause (i), review the standards established under section 1122 to ensure that such standards adequately provide for parental notification regarding, and consent for, such counseling and therapeutic programs.

"(b) PRO RATA ALLOTMENT.—Notwithstanding any other provision of law, Federal funds appropriated for the general local operation of Bureau funded schools shall be allotted on a pro rata basis in accordance with the formula established under subsection (a).

"(c) ANNUAL ADJUSTMENT; RESERVATION OF AMOUNT FOR SCHOOL BOARD ACTIVITIES.—

"(1) ANNUAL ADJUSTMENT.—

"(A) IN GENERAL.—For fiscal year 2002, and for each subsequent fiscal year, the Secretary shall adjust the formula established under subsection (a) to—

"(i) use a weighted factor of 1.2 for each eligible Indian student enrolled in the seventh and eighth grades of the school in considering the number of eligible Indian students served by the school;

"(ii) consider a school with an enrollment of fewer than 50 eligible Indian students as having an average daily attendance of 50 eligible Indian students for purposes of implementing the adjustment factor for small schools;

"(iii) take into account the provision of residential services on less than a 9-month basis at a school in a case in which the school board and supervisor of the school determine that the school will provide the services for fewer than 9 months for the academic year involved;

"(iv) use a weighted factor of 2.0 for each eligible Indian student that—

"(I) is gifted and talented; and

"(II) is enrolled in the school on a full-time basis,

in considering the number of eligible Indian students served by the school; and

"(v) use a weighted factor of 0.25 for each eligible Indian student who is enrolled in a year long credit course in an Indian or Native language as part of the regular curriculum of a school, in considering the number of eligible Indian students served by such school.

"(B) TIMING.—The Secretary shall make the adjustment required under subparagraph (A)(v) for such school after—

"(i) the school board of such school provides a certification of the Indian or Native language curriculum of the school to the Secretary, together with an estimate of the number of full-time students expected to be enrolled in the curriculum in the second academic year after the academic year for which the certification is made; and

"(ii) the funds appropriated for allotments under this section are designated, in the appropriations Act appropriating such funds, as the funds necessary to implement such adjustment at such school without reducing an allotment made under this section to any school by virtue of such adjustment.

"(2) RESERVATION OF AMOUNT.—

"(A) IN GENERAL.—From the funds allotted in accordance with the formula established under subsection (a) for each Bureau school, the local school board of such school may reserve an amount which does not exceed the greater of—

"(i) $8,000; or

"(ii) the lesser of—

"(I) $15,000; or

"(II) 1 percent of such allotted funds,

for school board activities for such school, including (notwithstanding any other provision of law) meeting expenses and the cost of membership in, and support of, organizations engaged in activities on behalf of Indian education.

"(B) TRAINING.—Each local school board, and any agency school board that serves as a local school board for any grant or contract school, shall ensure that each individual who is a new member of the school board receives, within 12 months after the individual becomes a member of the school board, 40 hours of training relevant to that individual's service on the board. Such training may include training concerning legal issues pertaining to Bureau funded schools, legal issues pertaining to school boards, ethics, and other topics determined to be appropriate by the school board. The training described in this subparagraph shall not be required but is recommended for a tribal governing body that serves in the capacity of a school board.

"(d) RESERVATION OF AMOUNT FOR EMERGENCIES.—

"(1) IN GENERAL.—The Secretary shall reserve from the funds available for allotment for each fiscal year under this section an amount that, in the aggregate, equals 1 percent of the funds available for allotment for that fiscal year.

"(2) USE OF FUNDS.—Amounts reserved under paragraph (1) shall be used, at the discretion of the Director of the Office, to meet emergencies and unforeseen contingencies affecting the education programs funded under this section. Funds reserved under this subsection may only be expended for education services or programs, including emergency repairs of education facilities, at a school site (as defined in section 5204(c)(2) of the Tribally Controlled Schools Act of 1988).

"(3) FUNDS REMAINING AVAILABLE.—Funds reserved under this subsection shall remain available without fiscal year limitation until expended. The aggregate amount of such funds, from all fiscal years, that is available for expenditure in a fiscal year may not exceed an amount equal to 1 percent of the funds available for allotment under this section for that fiscal year.

"(4) REPORTS.—If the Secretary makes funds available under this subsection, the Secretary shall submit a report describing such action to the appropriate committees of Congress as part of the President's next annual budget request under section 1105 of title 31, United States Code.

"(e) SUPPLEMENTAL APPROPRIATIONS.—Any funds provided in a supplemental appropriations Act to meet increased pay costs attributable to school level personnel of Bureau funded schools shall be allotted under this section.

"(f) ELIGIBLE INDIAN STUDENT DEFINED.—In this section, the term 'eligible Indian student' means a student who—

"(1) is a member of, or is at least ¼ degree Indian blood descendant of a member of, a tribe that is eligible for the special programs and services provided by the United States through the Bureau to Indians because of their status as Indians;

"(2) resides on or near a reservation or meets the criteria for attendance at a Bureau off-reservation home-living school; and

"(3) is enrolled in a Bureau funded school.

"(g) TUITION.—

"(1) IN GENERAL.—A Bureau school or contract or grant school may not charge an eligible Indian student tuition for attendance at the school. A Bureau school may not charge a student attending the school under the circumstances described in paragraph (2)(B) tuition for attendance at the school.

"(2) ATTENDANCE OF NON-INDIAN STUDENTS AT BUREAU SCHOOLS.—The Secretary may permit the attendance at a Bureau school of a student who is not an eligible Indian student if—

"(A)(i) the Secretary determines that the student's attendance will not adversely affect the school's program for eligible Indian students because of cost, overcrowding, or violation of standards or accreditation requirements; and

"(ii) the local school board consents; and

"(B)(i) the student is a dependent of a Bureau, Indian Health Service, or tribal government employee who lives on or near the school site; or

"(ii) tuition is paid for the student in an amount that is not more than the amount of tuition charged by the nearest public school district for out-of-district students, and is paid in addition to the school's allotment under this section.

"(3) ATTENDANCE OF NON-INDIAN STUDENTS AT CONTRACT AND GRANT SCHOOLS.—The school board of a contract or grant school may permit students who are not eligible Indian students to attend the contract or grant school. Any tuition collected for those students shall be in addition to the amount the school received under this section.

"(h) FUNDS AVAILABLE WITHOUT FISCAL YEAR LIMITATION.—Notwithstanding any other provision of law, at the election of the local school board of a Bureau school made at any time during a fiscal year, a portion equal to not more than 15 percent of the funds allotted for the school under this section for the fiscal year shall remain available to the school for expenditure without fiscal year limitation. The Assistant Secretary for Indian Affairs shall take such steps as may be necessary to implement this subsection.

"(i) STUDENTS AT RICHFIELD DORMITORY, RICHFIELD, UTAH.—Tuition for the instruction of each out-of-State Indian student in a home-living situation at the Richfield dormitory in Richfield, Utah, who attends Sevier County high schools in Richfield, Utah, for an academic year, shall be paid from Indian school equalization program funds authorized in this section and section 1129, at a rate not to exceed the weighted amount provided for under subsection (b) for a student for that year. No additional administrative cost funds shall be provided under this part to pay for administrative costs relating to the instruction of the students.

"SEC. 1127. ADMINISTRATIVE COST GRANTS.

"(a) DEFINITIONS.—In this section:

"(1) ADMINISTRATIVE COST.—

"(A) IN GENERAL.—The term 'administrative cost' means the cost of necessary administrative functions which—

"(i) the tribe or tribal organization incurs as a result of operating a tribal elementary or secondary educational program;

"(ii) are not customarily paid by comparable Bureau operated programs out of direct program funds; and

"(iii) are either—

"(I) normally provided for comparable Bureau programs by Federal officials using resources other than Bureau direct program funds; or

"(II) are otherwise required of tribal self-determination program operators by law or prudent management practice.

"(B) INCLUSIONS.—The term 'administrative cost' may include—

"(i) contract or grant (or other agreement) administration;

"(ii) executive, policy, and corporate leadership and decisionmaking;

"(iii) program planning, development, and management;

"(iv) fiscal, personnel, property, and procurement management;

"(v) related office services and record keeping; and

"(vi) costs of necessary insurance, auditing, legal, safety and security services.

"(2) BUREAU ELEMENTARY AND SECONDARY FUNCTIONS.—The term 'Bureau elementary and secondary functions' means—

"(A) all functions funded at Bureau schools by the Office;

"(B) all programs—

"(i) funds for which are appropriated to other agencies of the Federal Government; and

"(ii) which are administered for the benefit of Indians through Bureau schools; and

"(C) all operation, maintenance, and repair funds for facilities and government quarters used in the operation or support of elementary and secondary education functions for the benefit of Indians, from whatever source derived.

"(3) DIRECT COST BASE.—

"(A) IN GENERAL.—Except as otherwise provided in subparagraph (B), the direct cost base of a tribe or tribal organization for the fiscal year is the aggregate direct cost program funding for all tribal elementary or secondary educational programs operated by the tribe or tribal organization during—

"(i) the second fiscal year preceding such fiscal year; or

"(ii) if such programs have not been operated by the tribe or tribal organization during the two preceding fiscal years, the first fiscal year preceding such fiscal year.

"(B) FUNCTIONS NOT PREVIOUSLY OPERATED.—In the case of Bureau elementary or secondary education functions which have not previously been operated by a tribe or tribal organization under contract, grant, or agreement with the Bureau, the direct cost base for the initial year shall be the projected aggregate direct cost program funding for all Bureau elementary and secondary functions to be operated by the tribe or tribal organization during that fiscal year.

"(4) MAXIMUM BASE RATE.—The term 'maximum base rate' means 50 percent.

"(5) MINIMUM BASE RATE.—The term 'minimum base rate' means 11 percent.

"(6) STANDARD DIRECT COST BASE.—The term 'standard direct cost base' means $600,000.

"(7) TRIBAL ELEMENTARY OR SECONDARY EDUCATIONAL PROGRAMS.—The term 'tribal elementary or secondary educational programs' means all Bureau elementary and secondary functions, together with any other Bureau programs or portions of programs (excluding funds for social services that are appropriated to agencies other than the Bureau and are expended through the Bureau, funds for major subcontracts, construction, and other major capital expenditures, and unexpended funds carried over from prior years) which share common administrative cost functions, that are operated directly by a tribe or tribal organization under a contract, grant, or agreement with the Bureau.

"(b) GRANTS; EFFECT UPON APPROPRIATED AMOUNTS.—

"(1) GRANTS.—

"(A) IN GENERAL.—The Secretary shall provide a grant to each tribe or tribal organization operating a contract or grant school, in an amount determined under this section, for the purpose of paying the administrative and indirect costs incurred in operating the contract or grant school, in order to—

"(i) enable the tribe or tribal organization operating the school, without reducing direct program services to the beneficiaries of the program, to provide all related administrative overhead services and operations necessary to meet the requirements of law and prudent management practice; and

"(ii) carry out other necessary support functions that would otherwise be provided by the Secretary or other Federal officers or employees, from resources other than direct program funds, in support of comparable Bureau operated programs.

"(B) Amount.—No school operated as a stand-alone institution shall receive less than $200,000 per year under this paragraph.

"(2) Effect upon appropriated amounts.—Amounts appropriated to fund the grants provided for under this section shall be in addition to, and shall not reduce, the amounts appropriated for the program being administered by the contract or grant school.

"(c) Determination of Grant Amount.—

"(1) In general.—The amount of the grant provided to each tribe or tribal organization under this section for each fiscal year shall be determined by applying the administrative cost percentage rate determined under subsection (d) of the tribe or tribal organization to the aggregate cost of the Bureau elementary and secondary functions operated by the tribe or tribal organization for which funds are received from or through the Bureau. The administrative cost percentage rate does not apply to programs not relating to such functions that are operated by the tribe or tribal organization.

"(2) Direct cost base funds.—The Secretary shall—

"(A) reduce the amount of the grant determined under paragraph (1) to the extent that payments for administrative costs are actually received by a tribe or tribal organization under any Federal education program that is included in the direct cost base of the tribe or tribal organization; and

"(B) take such actions as may be necessary to be reimbursed by any other department or agency of the Federal Government (other than the Department of the Interior) for the portion of grants made under this section for the costs of administering any program for Indians that is funded by appropriations made to such other department or agency.

"(3) Reductions.—If the total amount of funds necessary to provide grants to tribes and tribal organizations in the amounts determined under paragraph (1) and (2) for a fiscal year exceeds the amount of funds appropriated to carry out this section for such fiscal year, the Secretary shall reduce the amount of each grant determined under this subsection for such fiscal year by an amount that bears the same relationship to such excess as the amount of such grants determined under this subsection bears to the total of all grants determined under this subsection for all tribes and tribal organizations for such fiscal year.

"(d) Administrative Cost Percentage Rate.—

"(1) In general.—For purposes of this section, the administrative cost percentage rate for a contract or grant school for a fiscal year is equal to the percentage determined by dividing—

"(A) the sum of—

"(i) the amount equal to—

"(I) the direct cost base of the tribe or tribal organization for the fiscal year; multiplied by

"(II) the minimum base rate; plus

"(ii) the amount equal to—

"(I) the standard direct cost base; multiplied by

"(II) the maximum base rate; by

"(B) the sum of—

"(i) the direct cost base of the tribe or tribal organization for the fiscal year; and

"(ii) the standard direct cost base.

"(2) Rounding.—The administrative cost percentage rate shall be determined to $\frac{1}{100}$ of a percent.

"(e) Combining Funds.—

"(1) In general.—Funds received by a tribe, tribal organization, or contract or grant school through grants made under this section for tribal elementary or secondary educational programs may be combined by the tribe, tribal organization, or contract or grant school and placed into a single administrative cost account without the necessity of maintaining separate funding source accounting.

"(2) Indirect cost funds.—Indirect cost funds for programs at the school that share common administrative services with the tribal elementary or secondary educational programs may be included in the administrative cost account described in paragraph (1).

"(f) Availability of Funds.—Funds received through a grant made under this section with respect to tribal elementary or secondary educational programs at a contract or grant school shall remain available to the contract or grant school—

"(1) without fiscal year limitation; and

"(2) without reducing the amount of any grants otherwise payable to the school under this section for any fiscal year after the fiscal year for which the grant is provided.

"(g) Treatment of Funds.—Funds received through a grant made under this section for Bureau funded programs operated by a tribe or tribal organization under a contract or grant shall not be taken into consideration for purposes of indirect cost underrecovery and overrecovery determinations by any Federal agency for any other funds, from whatever source derived.

"(h) Treatment of Entity Operating Other Programs.—In applying this section and section 106 of the Indian Self-Determination and Education Assistance Act with respect to an Indian tribe or tribal organization that—

"(1) receives funds under this section for administrative costs incurred in operating a contract or grant school or a school operated under the Tribally Controlled Schools Act of 1988; and

"(2) operates one or more other programs under a contract or grant provided under the Indian Self-Determination and Education Assistance Act,

the Secretary shall ensure that the Indian tribe or tribal organization is provided with the full amount of the administrative costs that are associated with operating the contract or grant school, and of the indirect costs, that are associated with all of such other programs, except that funds appropriated for implementation of this section shall be used only to supply the amount of the grant required to be provided by this section.

"(i) Applicability to Schools Operating Under Tribally Controlled Schools Act of 1988.—The provisions of this section that apply to contract or grant schools shall also apply to those schools receiving assistance under the Tribally Controlled Schools Act of 1988.

"(j) Authorization of Appropriations.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

"(k) Administrative Cost Grant Budget Requests.—

"(1) In general.—Beginning with President's annual budget request under section 1105 of title 31, United States Code for fiscal year 2002, and with respect to each succeeding budget request, the Secretary shall submit to the appropriate committees of Congress information and funding requests for the full funding of administrative costs grants required to be paid under this section.

"(2) Requirements.—

"(A) Funding for new conversions to contract or grant school operations.—With respect to a budget request under paragraph (1), the amount required to provide full funding for an administrative cost grant for each tribe or tribal organization expected to begin operation of a Bureau-funded school as contract or grant school in the academic year funded by such annual budget request, the amount so required shall not be less than 10 percent of the amount required for subparagraph (B).

"(B) Funding for continuing contract and grant school operations.—With respect to a budget request under paragraph (1), the amount required to provide full funding for an administrative cost grant for each tribe or tribal organization operating a contract or grant school at the time the annual budget request is submitted, which amount shall include the amount of funds required to provide full funding for an administrative cost grant for each tribe or tribal organization which began operation of a contract or grant school with administrative cost grant funds supplied from the amount described in subparagraph (A).

"SEC. 1128. DIVISION OF BUDGET ANALYSIS.

"(a) Establishment.—Not later than 12 months after the date of enactment of the Native American Education Improvement Act of 2001, the Secretary shall establish within the Office of Indian Education Programs a Division of Budget Analysis (referred to in this section as the 'Division'). Such Division shall be under the direct supervision and control of the Director of the Office.

"(b) Functions.—In consultation with the tribal governing bodies and local school boards the Director of the Office, through the head of the Division, shall conduct studies, surveys, or other activities to gather demographic information on Bureau funded schools and project the amounts necessary to provide to Indian students in such schools the educational program set forth in this part.

"(c) Annual Reports.—Not later than the date that the Assistant Secretary for Indian Affairs submits the annual budget request as part of the President's annual budget request under section 1105 of title 31, United States Code for each fiscal year after the date of enactment of the Native American Education Improvement Act of 2001, the Director of the Office shall submit to the appropriate committees of Congress (including the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate), all Bureau funded schools, and the tribal governing bodies relating to such schools, a report that shall contain—

"(1) projections, based on the information gathered pursuant to subsection (b) and any other relevant information, of amounts necessary to provide to Indian students in Bureau funded schools the educational program set forth in this part;

"(2) a description of the methods and formulas used to calculate the amounts projected pursuant to paragraph (1); and

"(3) such other information as the Director of the Office considers to be appropriate.

"(d) Use of Reports.—The Director of the Office and the Assistant Secretary for Indian Affairs shall use the information contained in the annual report required by subsection (c) in preparing their annual budget requests.

"SEC. 1129. UNIFORM DIRECT FUNDING AND SUPPORT.

"(a) Establishment of System and Forward Funding.—

"(1) In general.—The Secretary shall establish, by regulation adopted in accordance with section 1136, a system for the direct funding and support of all Bureau funded schools. Such system shall allot funds in accordance with section 1126. All amounts appropriated for distribution in accordance with this section shall be made available in accordance with paragraph (2).

“(2) Timing for use of funds.—

“(A) Availability.—For the purposes of affording adequate notice of funding available pursuant to the allotments made under section 1126 and the allotments of funds for operation and maintenance of facilities, amounts appropriated in an appropriations Act for any fiscal year for such allotments shall become available for obligation by the affected schools on July 1 of the fiscal year for which such allotments are appropriated without further action by the Secretary, and shall remain available for obligation through the succeeding fiscal year.

“(B) Publications.—The Secretary shall, on the basis of the amounts appropriated as described in this paragraph—

“(i) publish, not later than July 1 of the fiscal year for which the amounts are appropriated, information indicating the amount of the allotments to be made to each affected school under section 1126, of 80 percent of such appropriated amounts; and

“(ii) publish, not later than September 30 of such fiscal year, information indicating the amount of the allotments to be made under section 1126, from the remaining 20 percent of such appropriated amounts, adjusted to reflect the actual student attendance.

Any overpayments made to tribal schools shall be returned to the Secretary not later than 30 days after the final determination that the school was overpaid pursuant to this section.

“(3) Limitation.—

“(A) Expenditures.—Notwithstanding any other provision of law (including a regulation), the supervisor of a Bureau school may expend an aggregate of not more than $50,000 of the amount allotted to the school under section 1126 to acquire materials, supplies, equipment, operation services, maintenance services, and other services for the school, and amounts received as operations and maintenance funds, funds received from the Department of Education, or funds received from other Federal sources, without competitive bidding if—

“(i) the cost for any single item acquired does not exceed $15,000;

“(ii) the school board approves the acquisition;

“(iii) the supervisor certifies that the cost is fair and reasonable;

“(iv) the documents relating to the acquisition executed by the supervisor of the school or other school staff cite this paragraph as authority for the acquisition; and

“(v) the acquisition transaction is documented in a journal maintained at the school that clearly identifies when the transaction occurred, the item that was acquired and from whom, the price paid, the quantities acquired, and any other information the supervisor or the school board considers to be relevant.

“(B) Notice.—Not later than 6 months after the date of enactment of the Native American Education Improvement Act of 2001, the Secretary shall send notice of the provisions of this paragraph to each supervisor of a Bureau school and associated school board chairperson, the education line officer of each agency and area, and the Bureau division in charge of procurement, at both the local and national levels.

“(C) Application and guidelines.—The Director of the Office shall be responsible for—

“(i) determining the application of this paragraph, including the authorization of specific individuals to carry out this paragraph;

“(ii) ensuring that there is at least 1 such individual at each Bureau facility; and

“(iii) the provision of guidelines on the use of this paragraph and adequate training on such guidelines.

“(b) Local Financial Plans for Expenditure of Funds.—

“(1) Plan required.—

“(A) In general.—Each Bureau school that receives an allotment under section 1126 shall prepare a local financial plan that specifies the manner in which the school will expend the funds made available under the allotment and ensures that the school will meet the accreditation requirements or standards for the school pursuant to section 1121.

“(B) Requirement.—A local financial plan under subparagraph (A) shall comply with all applicable Federal and tribal laws.

“(C) Preparation and revision.—The financial plan for a school under subparagraph (A) shall be prepared by the supervisor of the school in active consultation with the local school board for the school. The local school board for each school shall have the authority to ratify, reject, or amend such financial plan and, at the initiative of the local school board or in response to the supervisor of the school, to revise such financial plan to meet needs not foreseen at the time of preparation of the financial plan.

“(D) Role of supervisor.—The supervisor of the school—

“(i) shall put into effect the decisions of the school board relating to the financial plan under subparagraph (A); and

“(ii) shall provide the appropriate local union representative of the education employees of the school with copies of proposed financial plans relating to the school and all modifications and proposed modifications to the plans, and at the same time submit such copies to the local school board.

“(iii) may appeal any such action of the local school board to the appropriate education line officer of the Bureau agency by filing a written statement describing the action and the reasons the supervisor believes such action should be overturned.

A copy of the statement under clause (iii) shall be submitted to the local school board and such board shall be afforded an opportunity to respond, in writing, to such appeal. After reviewing such written appeal and response, the appropriate education line officer may, for good cause, overturn the action of the local school board. The appropriate education line officer shall transmit the determination of such appeal in the form of a written opinion to such board and to such supervisor identifying the reasons for overturning such action.

“(2) Requirement.—A Bureau school shall expend amounts received under an allotment under section 1126 in accordance with the local financial plan prepared under paragraph (1).

“(c) Tribal Division of Education, Self-Determination Grant and Contract Funds.—The Secretary may approve applications for funding tribal divisions of education and developing tribal codes of education, from funds made available pursuant to section 103(a) of the Indian Self-Determination and Education Assistance Act.

“(d) Technical Assistance and Training.—A local school board may, in the exercise of the authority of the school board under this section, request technical assistance and training from the Secretary. The Secretary shall, to the greatest extent possible, provide such assistance and training, and make appropriate provision in the budget of the Office for such assistance and training.

“(e) Summer Program of Academic and Support Services.—

“(1) In general.—A financial plan prepared under subsection (b) for a school may include, at the discretion of the supervisor and the local school board of such school, a provision for funding a summer program of academic and support services for students of the school. Any such program may include activities related to the prevention of alcohol and substance abuse. The Assistant Secretary for Indian Affairs shall provide for the utilization of facilities of the school for such program during any summer in which such utilization is requested.

“(2) Use of other funds.—Notwithstanding any other provision of law, funds authorized under the Act of April 16, 1934 (commonly known as the ‘Johnson-O'Malley Act’; 48 Stat. 596, chapter 147) and this Act may be used to augment the services provided in each summer program referred to in paragraph (1) at the option of the tribe or school receiving such funds. The augmented services shall be under the control of the tribe or school.

“(3) Technical assistance and program coordination.—The Assistant Secretary for Indian Affairs, acting through the Director of the Office, shall provide technical assistance and coordination of activities for any program described in paragraph (1) and shall, to the extent possible, encourage the coordination of such programs with any other summer programs that might benefit Indian youth, regardless of the funding source or administrative entity of such programs.

“(f) Cooperative Agreements.—

“(1) In general.—From funds allotted to a Bureau school under section 1126, the Secretary shall, if specifically requested by the appropriate tribal governing body, implement a cooperative agreement that is entered into between the tribe, the Bureau, the local school board, and a local public school district that meets the requirements of paragraph (2) and involves the school. The tribe, the Bureau, the school board, and the local public school district shall determine the terms of the agreement.

“(2) Coordination provisions.—An agreement under paragraph (1) may, with respect to the Bureau school and schools in the school district involved, encompass coordination of all or any part of the following:

“(A) The academic program and curriculum, unless the Bureau school is accredited by a State or regional accrediting entity and would not continue to be so accredited if the agreement encompassed the program and curriculum.

“(B) Support services, including procurement and facilities maintenance.

“(C) Transportation.

“(3) Equal benefit and burden.—

“(A) In general.—Each agreement entered into pursuant to the authority provided in paragraph (1) shall confer a benefit upon the Bureau school commensurate with the burden assumed by the school.

“(B) Limitation.—Subparagraph (A) shall not be construed to require equal expenditures, or an exchange of similar services, by the Bureau school and schools in the school district.

"(g) PRODUCT OR RESULT OF STUDENT PROJECTS.—Notwithstanding any other provision of law, where there is agreement on action between the superintendent and the school board of a Bureau funded school, the product or result of a project conducted in whole or in major part by a student may be given to that student upon the completion of such project.

"(h) MATCHING FUND REQUIREMENTS.—

"(1) NOT CONSIDERED FEDERAL FUNDS.—Notwithstanding any other provision of law, funds received by a Bureau funded school under this title for education-related activities (not including funds for construction, maintenance, and facilities improvement or repair) shall not be considered Federal funds for the purposes of a matching funds requirement for any Federal program.

"(2) NONAPPLICATION OF REQUIREMENTS.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, no requirement relating to the provision of matching funds or the provision of services or in-kind activity as a condition of participation in a program or project or receipt of a grant, shall apply to a Bureau funded school unless the provision of law authorizing such requirement specifies that such requirement applies to such a school.

"(B) LIMITATION.—In considering an application from a Bureau funded school for participation in a program or project that has a requirement described in subparagraph (A), the entity administering such program or project or awarding such grant shall not give positive or negative weight to such application based solely on the provisions of this paragraph. Such an application shall be considered as if it fully met any matching requirement.

"SEC. 1130. POLICY FOR INDIAN CONTROL OF INDIAN EDUCATION.

"(a) FACILITATION OF INDIAN CONTROL.—It shall be the policy of the United States acting through the Secretary, in carrying out the functions of the Bureau, to facilitate Indian control of Indian affairs in all matters relating to education.

"(b) CONSULTATION WITH TRIBES.—

"(1) IN GENERAL.—All actions under this Act shall be done with active consultation with tribes. The United States acting through the Secretary, and tribes shall work in a government-to-government relationship to ensure quality education for all tribal members.

"(2) REQUIREMENTS.—The consultation required under paragraph (1) means a process involving the open discussion and joint deliberation of all options with respect to potential issues or changes between the Bureau and all interested parties. During such discussions and joint deliberations, interested parties (including tribes and school officials) shall be given an opportunity to present issues including proposals regarding changes in current practices or programs which will be considered for future action by the Secretary. All interested parties shall be given an opportunity to participate and discuss the options presented or to present alternatives, with the views and concerns of the interested parties given effect unless the Secretary determines, from information available from or presented by the interested parties during one or more of the discussions and deliberations, that there is a substantial reason for another course of action. The Secretary shall submit to any Member of Congress, within 18 days of the receipt of a written request by such Member, a written explanation of any decision made by the Secretary which is not consistent with the views of the interested parties.

"SEC. 1131. INDIAN EDUCATION PERSONNEL.

"(a) DEFINITIONS.—In this section:

"(1) EDUCATION POSITION.—The term 'education position' means a position in the Bureau the duties and responsibilities of which—

"(A) are performed on a school-year basis principally in a Bureau school and involve—

"(i) classroom or other instruction or the supervision or direction of classroom or other instruction;

"(ii) any activity (other than teaching) that requires academic credits in educational theory and practice equal to the academic credits in educational theory and practice required for a bachelor's degree in education from an accredited institution of higher education;

"(iii) any activity in or related to the field of education, whether or not academic credits in educational theory and practice are a formal requirement for the conduct of such activity; or

"(iv) provision of support services at, or associated with, the site of the school; or

"(B) are performed at the agency level of the Bureau and involve the implementation of education-related programs, other than the position of agency superintendent for education.

"(2) EDUCATOR.—The term 'educator' means an individual whose services are required, or who is employed, in an education position.

"(b) CIVIL SERVICE AUTHORITIES INAPPLICABLE.—Chapter 51, subchapter III of chapter 53, and chapter 63 of title 5, United States Code, relating to classification, pay, and leave, respectively, and the sections of such title relating to the appointment, promotion, hours of work, and removal of civil service employees, shall not apply to educators or to education positions.

"(c) REGULATIONS.—Not later than 60 days after the date of enactment of the Native American Education Improvement Act of 2001, the Secretary shall prescribe regulations to carry out this section. Such regulations shall include provisions relating to—

"(1) the establishment of education positions;

"(2) the establishment of qualifications for educators and education personnel;

"(3) the fixing of basic compensation for educators and education positions;

"(4) the appointment of educators;

"(5) the discharge of educators;

"(6) the entitlement of educators to compensation;

"(7) the payment of compensation to educators;

"(8) the conditions of employment of educators;

"(9) the leave system for educators;

"(10) the length of the school year applicable to education positions described in subsection (a)(1)(A); and

"(11) such matters as may be appropriate.

"(d) QUALIFICATIONS OF EDUCATORS.—

"(1) REQUIREMENTS.—In prescribing regulations to govern the qualifications of educators, the Secretary shall require—

"(A) that lists of qualified and interviewed applicants for education positions be maintained in the appropriate agency or area office of the Bureau or, in the case of individuals applying at the national level, the Office;

"(B)(i) that a local school board have the authority to waive, on a case-by-case basis, any formal education or degree qualification established by regulation, in order for a tribal member to be hired in an education position to teach courses on tribal culture and language; and

"(ii) that a determination by a local school board that such a tribal member be hired shall be instituted by the supervisor of the school involved; and

"(C) that it shall not be a prerequisite to the employment of an individual in an education position at the local level—

"(i) that such individual's name appear on a list maintained pursuant to subparagraph (A); or

"(ii) that such individual have applied at the national level for an education position.

"(2) EXCEPTION FOR CERTAIN TEMPORARY EMPLOYMENT.—The Secretary may authorize the temporary employment in an education position of an individual who has not met the certification standards established pursuant to regulations, if the Secretary determines that failure to authorize the employment would result in that position remaining vacant.

"(e) HIRING OF EDUCATORS.—

"(1) REQUIREMENTS.—In prescribing regulations to govern the appointment of educators, the Secretary shall require—

"(A)(i)(I) that educators employed in a Bureau school (other than the supervisor of the school) shall be hired by the supervisor of the school; and

"(II) that, in a case in which there are no qualified applicants available to fill a vacancy at a Bureau school, the supervisor may consult a list maintained pursuant to subsection (d)(1)(A);

"(ii) each supervisor of a Bureau school shall be hired by the education line officer of the agency office of the Bureau for the jurisdiction in which the school is located;

"(iii) each educator employed in an agency office of the Bureau shall be hired by the superintendent for education of the agency office; and

"(iv) each education line officer and educator employed in the office of the Director of the Office shall be hired by the Director;

"(B)(i) that, before an individual is employed in an education position in a Bureau school by the supervisor of the school (or, with respect to the position of supervisor, by the appropriate agency education line officer), the local school board for the school shall be consulted; and

"(ii) that a determination by such school board, as evidenced by school board records, that such individual should or should not be so employed shall be instituted by the supervisor (or with respect to the position of supervisor, by the superintendent for education of the agency office);

"(C)(i) that, before an individual is employed in an education position in an agency or area office of the Bureau, the appropriate agency school board shall be consulted; and

"(ii) that a determination by such school board, as evidenced by school board records, that such individual should or should not be employed shall be instituted by the superintendent for education of the agency office; and

"(D) that all employment decisions or actions be in compliance with all applicable Federal, State and tribal laws.

"(2) INFORMATION REGARDING APPLICATION AT NATIONAL LEVEL.—

"(A) IN GENERAL.—Any individual who applies at the local level for an education position shall state on such individual's application whether or not such individual has applied at the national level for an education position.

"(B) EFFECT OF INACCURATE STATEMENT.—If an individual described in subparagraph (A) is employed at the local level, such individual's name shall be immediately forwarded to the Secretary by the local employer. The Secretary shall, as soon as practicable but in no event later than 30 days after the receipt of the name, ascertain the accuracy of the statement made by such individual pursuant to subparagraph (A). Notwithstanding subsection (g), if the Secretary finds that the individual's statement was false, such individual, at the Secretary's discretion, may be disciplined or discharged.

``(C) EFFECT OF APPLICATION AT NATIONAL LEVEL.—If an individual described in subparagraph (A) has applied at the national level for an education position, the appointment of such individual at the local level shall be conditional for a period of 90 days. During that period, the Secretary may appoint a more qualified individual (as determined by the Secretary) from a list maintained pursuant to subsection (e)(1)(A) to the position to which such individual was appointed.

``(3) STATUTORY CONSTRUCTION.—Except as expressly provided, nothing in this section shall be construed as conferring upon local school boards authority over, or control of, educators at Bureau funded schools or the authority to issue management decisions.

``(4) APPEALS.—

``(A) BY SUPERVISOR.—The supervisor of a school may appeal to the appropriate agency education line officer any determination by the local school board for the school that an individual be employed, or not be employed, in an education position in the school (other than that of supervisor) by filing a written statement describing the determination and the reasons the supervisor believes such determination should be overturned. A copy of such statement shall be submitted to the local school board and such board shall be afforded an opportunity to respond, in writing, to such appeal. After reviewing such written appeal and response, the education line officer may, for good cause, overturn the determination of the local school board. The education line officer shall transmit the determination of such appeal in the form of a written opinion to such board and to such supervisor identifying the reasons for overturning such determination.

``(B) BY EDUCATION LINE OFFICER.—The education line officer of an agency office of the Bureau may appeal to the Director of the Office any determination by the local school board for the school that an individual be employed, or not be employed, as the supervisor of a school by filing a written statement describing the determination and the reasons the supervisor believes such determination should be overturned. A copy of such statement shall be submitted to the local school board and such board shall be afforded an opportunity to respond, in writing, to such appeal. After reviewing such written appeal and response, the Director may, for good cause, overturn the determination of the local school board. The Director shall transmit the determination of such appeal in the form of a written opinion to such board and to such education line officer identifying the reasons for overturning such determination.

``(5) OTHER APPEALS.—The education line officer of an agency office of the Bureau may appeal to the Director of the Office any determination by the agency school board that an individual be employed, or not be employed, in an education position in such agency office by filing a written statement describing the determination and the reasons the supervisor believes such determination should be overturned. A copy of such statement shall be submitted to the agency school board and such board shall be afforded an opportunity to respond, in writing, to such appeal. After reviewing such written appeal and response, the Director may, for good cause, overturn the determination of the agency school board. The Director shall transmit the determination of such appeal in the form of a written opinion to such board and to such education line officer identifying the reasons for overturning such determination.

``(f) DISCHARGE AND CONDITIONS OF EMPLOYMENT OF EDUCATORS.—

``(1) REGULATIONS.—In prescribing regulations to govern the discharge and conditions of employment of educators, the Secretary shall require—

``(A) that procedures shall be established for the rapid and equitable resolution of grievances of educators;

``(B) that no educator may be discharged without notice of the reasons for the discharge and an opportunity for a hearing under procedures that comport with the requirements of due process; and

``(C) that each educator employed in a Bureau school shall be notified 30 days prior to the end of an academic year whether the employment contract of the individual will be renewed for the following year.

``(2) PROCEDURES FOR DISCHARGE.—

``(A) DETERMINATIONS.—The supervisor of a Bureau school may discharge (subject to procedures established under paragraph (1)(B)) for cause (as determined under regulations prescribed by the Secretary) any educator employed in such school. On giving notice to an educator of the supervisor's intention to discharge the educator, the supervisor shall immediately notify the local school board of the proposed discharge. A determination by the local school board that such educator shall not be discharged shall be followed by the supervisor.

``(B) APPEALS.—The supervisor shall have the right to appeal a determination by a local school board under subparagraph (A), as evidenced by school board records, not to discharge an educator to the education line officer of the appropriate agency office of the Bureau. Upon hearing such an appeal, the agency education line officer may, for good cause, issue a decision overturning the determination of the local school board with respect to the employment of such individual. The education line officer shall make the decision in writing and submit the decision to the local school board.

``(3) RECOMMENDATIONS OF SCHOOL BOARDS FOR DISCHARGE.—Each local school board for a Bureau school shall have the right—

``(A) to recommend to the supervisor that an educator employed in the school be discharged; and

``(B) to recommend to the education line officer of the appropriate agency office of the Bureau and to the Director of the Office, that the supervisor of the school be discharged.

``(g) APPLICABILITY OF INDIAN PREFERENCE LAWS.—

``(1) IN GENERAL.—Notwithstanding any provision of the Indian preference laws, such laws shall not apply in the case of any personnel action carried out under this section with respect to an applicant or employee not entitled to an Indian preference if each tribal organization concerned grants a written waiver of the application of such laws with respect to such personnel action and states that such waiver is necessary. This paragraph shall not be construed to relieve the Bureau's responsibility to issue timely and adequate announcements and advertisements concerning any such personnel action if such action is intended to fill a vacancy (no matter how such vacancy is created).

``(2) DEFINITIONS.—In this subsection:

``(A) INDIAN PREFERENCE LAWS.—The term 'Indian preference laws' means section 12 of the Act of June 18, 1934 (48 Stat. 986, chapter 576) or any other provision of law granting a preference to Indians in promotions and other personnel actions. Such term shall not include section 7(b) of the Indian Self-Determination and Education Assistance Act.

``(B) TRIBAL ORGANIZATION.—The term 'tribal organization' means—

``(i) the recognized governing body of any Indian tribe, band, nation, pueblo, or other organized community, including a Native village (as defined in section 3(c) of the Alaska Native Claims Settlement Act); or

``(ii) in connection with any personnel action referred to in this subsection, any local school board to which the governing body has delegated the authority to grant a waiver under this subsection with respect to a personnel action.

``(h) COMPENSATION OR ANNUAL SALARY.—

``(1) IN GENERAL.—

``(A) COMPENSATION FOR EDUCATORS AND EDUCATION POSITIONS.—Except as otherwise provided in this section, the Secretary shall establish the compensation or annual salary rate for educators and education positions—

``(i) at rates in effect under the General Schedule for individuals with comparable qualifications, and holding comparable positions, to whom chapter 51 of title 5, United States Code, is applicable; or

``(ii) on the basis of the Federal Wage System schedule in effect for the locality involved, and for the comparable positions, at the rates of compensation in effect for the senior executive service.

``(B) COMPENSATION OR SALARY FOR TEACHERS AND COUNSELORS.—The Secretary shall establish the rate of compensation, or annual salary rate, for the positions of teachers and counselors (including dormitory counselors and home-living counselors) at the rate of compensation applicable (on the date of enactment of the Native American Education Improvement Act of 2001 and thereafter) for comparable positions in the overseas schools under the Defense Department Overseas Teachers Pay and Personnel Practices Act. The Secretary shall allow the local school boards involved authority to implement only the aspects of the Defense Department Overseas Teachers Pay and Personnel Practices Act pay provisions that are considered essential for recruitment and retention of teachers and counselors. Implementation of such provisions shall not be construed to require the implementation of that entire Act.

``(C) RATES FOR NEW HIRES.—

``(i) IN GENERAL.—Beginning with the first fiscal year following the date of enactment of the Native American Education Improvement Act of 2001, each local school board of a Bureau school may establish a rate of compensation or annual salary rate described in clause (ii) for teachers and counselors (including academic counselors) who are new hires at the school and who had not worked at the school, as of the first day of such fiscal year.

``(ii) CONSISTENT RATES.—The rates established under clause (i) shall be consistent with the rates paid for individuals in the same positions, with the same tenure and training, as the teachers and counselors, in any other school within whose boundaries the Bureau school is located.

``(iii) DECREASES.—In an instance in which the establishment of rates under clause (i) causes a reduction in compensation at a school from the rate of compensation that was in effect for the first fiscal year following the date of enactment of the Native American Education Improvement Act of 2001, the new rates of compensation may be applied to the compensation of employees of the school who worked at the school as of such date of enactment by applying those rates at each contract renewal for the employees so that the reduction takes effect in 3 equal installments.

“(iv) Increases.—In an instance in which the establishment of such rates at a school causes an increase in compensation from the rate of compensation that was in effect for the first fiscal year following the date of enactment of the Native American Education Improvement Act of 2001, the school board may apply the new rates at the next contract renewal so that either—

“(I) the entire increase occurs on 1 date; or

“(II) the increase takes effect in 3 equal installments.

“(D) Established regulations, procedures, and arrangements.—

“(i) Promotions and advancements.—The establishment of rates of compensation and annual salary rates under subparagraphs (B) and (C) shall not preclude the use of regulations and procedures used by the Bureau prior to April 28, 1988, in making determinations regarding promotions and advancements through levels of pay that are based on the merit, education, experience, or tenure of an educator.

“(ii) Continued employment or compensation.—The establishment of rates of compensation and annual salary rates under subparagraphs (B) and (C) shall not affect the continued employment or compensation of an educator who was employed in an education position on October 31, 1979, and who did not make an election under subsection (o), as in effect on January 1, 1990.

“(2) Post differential rates.—

“(A) In general.—The Secretary may pay a post differential rate not to exceed 25 percent of the rate of compensation, for educators or education positions, on the basis of conditions of environment or work that warrant additional pay, as a recruitment and retention incentive.

“(B) Supervisor's authority.—

“(i) In general.—Except as provided in clause (ii) on the request of the supervisor and the local school board of a Bureau school, the Secretary shall grant the supervisor of the school authorization to provide 1 or more post differential rates under subparagraph (A).

“(ii) Exception.—The Secretary shall disapprove, or approve with a modification, a request for authorization to provide a post differential rate if the Secretary determines for clear and convincing reasons (and advises the board in writing of those reasons) that the rate should be disapproved or decreased because the disparity of compensation between the appropriate educators or positions in the Bureau school, and the comparable educators or positions at the nearest public school, is—

“(I)(aa) at least 5 percent; or

“(bb) less than 5 percent; and

“(II) does not affect the recruitment or retention of employees at the school.

“(iii) Approval of requests.—A request made under clause (i) shall be considered to be approved at the end of the 60th day after the request is received in the Central Office of the Bureau unless before that time the request is approved, approved with a modification, or disapproved by the Secretary.

“(iv) Discontinuation of or decrease in rates.—The Secretary or the supervisor of a Bureau school may discontinue or decrease a post differential rate provided for under this paragraph at the beginning of an academic year if—

“(I) the local school board requests that such differential be discontinued or decreased; or

“(II) the Secretary or the supervisor, respectively, determines for clear and convincing reasons (and advises the board in writing of those reasons) that there is no disparity of compensation that would affect the recruitment or retention of employees at the school after the differential is discontinued or decreased.

“(v) Reports.—On or before February 1 of each year, the Secretary shall submit to Congress a report describing the requests and approvals of authorization made under this paragraph during the previous year and listing the positions receiving post differential rates under contracts entered into under those authorizations.

“(i) Liquidation of Remaining Leave Upon Termination.—Upon termination of employment with the Bureau, any annual leave remaining to the credit of an individual within the purview of this section shall be liquidated in accordance with sections 5551(a) and 6306 of title 5, United States Code, except that leave earned or accrued under regulations prescribed pursuant to subsection (c)(9) shall not be so liquidated.

“(j) Transfer of Remaining Leave Upon Transfer, Promotion, or Reemployment.—In the case of any educator who—

“(1) is transferred, promoted, or reappointed, without a break in service, to a position in the Federal Government under a different leave system than the system for leave described in subsection (c)(9); and

“(2) earned or was credited with leave under the regulations prescribed under subsection (c)(9) and has such leave remaining to the credit of such educator;

such leave shall be transferred to such educator's credit in the employing agency for the position on an adjusted basis in accordance with regulations that shall be prescribed by the Director of the Office of Personnel Management.

“(k) Ineligibility for Employment of Voluntarily Terminated Educators.—An educator who voluntarily terminates employment under an employment contract with the Bureau before the expiration of the employment contract shall not be eligible to be employed in another education position in the Bureau during the remainder of the term of such contract.

“(l) Dual Compensation.—In the case of any educator employed in an education position described in subsection (a)(1)(A) who—

“(1) is employed at the end of an academic year;

“(2) agrees in writing to serve in such position for the next academic year; and

“(3) is employed in another position during the recess period immediately preceding such next academic year, or during such recess period receives additional compensation referred to in section 5533 of title 5, United States Code, relating to dual compensation;

such section 5533 shall not apply to such educator by reason of any such employment during the recess period with respect to any receipt of additional compensation.

“(m) Voluntary Services.—Notwithstanding section 1342 of title 31, United States Code, the Secretary may, subject to the approval of the local school boards concerned, accept voluntary services on behalf of Bureau schools. Nothing in this part shall be construed to require Federal employees to work without compensation or to allow the use of volunteer services to displace or replace Federal employees. An individual providing volunteer services under this section shall be considered to be a Federal employee only for purposes of chapter 81 of title 5, United States Code, and chapter 171 of title 28, United States Code.

“(n) Proration of Pay.—

“(1) Election of employee.—Notwithstanding any other provision of law, including laws relating to dual compensation, the Secretary, at the election of an educator, shall prorate the salary of the educator for an academic year over a 12-month period. Each educator employed for the academic year shall annually elect to be paid on a 12-month basis or for those months while school is in session. No educator shall suffer a loss of pay or benefits, including benefits under unemployment or other Federal or federally assisted programs, because of such election.

“(2) Change of election.—During the course of such academic year, the employee may change the election made under paragraph (1) once.

“(3) Lump-sum payment.—That portion of the employee's pay that would be paid between academic years may be paid in a lump sum at the election of the employee.

“(4) Application.—This subsection applies to educators, whether employed under this section or title 5, United States Code.

“(o) Extracurricular Activities.—

“(1) Stipend.—Notwithstanding any other provision of law, the Secretary may provide, for Bureau employees in each Bureau area, a stipend in lieu of overtime premium pay or compensatory time off for overtime work. Any employee of the Bureau who performs overtime work that consists of additional activities to provide services to students or otherwise support the school's academic and social programs may elect to be compensated for all such work on the basis of the stipend. Such stipend shall be paid as a supplement to the employee's base pay.

“(2) Election not to receive stipend.—If an employee elects not to be compensated through the stipend established by this subsection, the appropriate provisions of title 5, United States Code, shall apply with respect to the work involved.

“(3) Application.—This subsection applies to Bureau employees, whether employed under this section or title 5, United States Code.

“(p) Covered Individuals; Election.—This section shall apply with respect to any educator hired after November 1, 1979 (and to any educator who elected to be covered under this section or a corresponding provision after November 1, 1979) and to the position in which such educator is employed. The enactment of this section shall not affect the continued employment of an individual employed on October 31, 1979 in an education position, or such person's right to receive the compensation attached to such position.

“(q) Furlough Without Consent.—

“(1) In general.—An educator who was employed in an education position on October 31, 1979, who was eligible to make an election under subsection (p) at that time, and who did not make the election under such subsection, may not be placed on furlough (within the meaning of section 7511(a)(5) of title 5, United States Code, without the consent of such educator for an aggregate of more than 4 weeks within the same calendar year, unless—

“(A) the supervisor, with the approval of the local school board (or of the education line officer upon appeal under paragraph (2)), of the Bureau school at which such educator provides services determines that a longer period of furlough is necessary due to an insufficient amount of funds available for personnel compensation at such school, as determined under the financial plan process as determined under section 1129(b); and

“(B) all educators (other than principals and clerical employees) providing services at such Bureau school are placed on furloughs of equal length, except that the supervisor, with the approval of the local school board (or of the agency education line officer upon appeal under paragraph (2)), may continue 1 or more educators in pay status if—

“(i) such educators are needed to operate summer programs, attend summer training sessions, or participate in special activities including curriculum development committees; and

“(ii) such educators are selected based upon such educator's qualifications after public notice of the minimum qualifications reasonably necessary and without discrimination as to supervisory, nonsupervisory, or other status of the educators who apply.

“(2) Appeals.—The supervisor of a Bureau school may appeal to the appropriate agency education line officer any refusal by the local school board to approve any determination of the supervisor that is described in paragraph (1)(A) by filing a written statement describing the determination and the reasons the supervisor believes such determination should be approved. A copy of such statement shall be submitted to the local school board and such board shall be afforded an opportunity to respond, in writing, to such appeal. After reviewing such written appeal and response, the education line officer may, for good cause, approve the determination of the supervisor. The educational line officer shall transmit the determination of such appeal in the form of a written opinion to such local school board and to the supervisor identifying the reasons for approving such determination.

“(r) Stipends.—The Secretary is authorized to provide annual stipends to teachers who become certified by the National Board of Professional Teaching Standards.

“SEC. 1132. COMPUTERIZED MANAGEMENT INFORMATION SYSTEM.

“(a) In General.—Not later than 12 months after the date of enactment of the Native American Education Improvement Act of 2001, the Secretary shall update the computerized management information system within the Office. The information to be updated shall include information regarding—

“(1) student enrollment;

“(2) curricula;

“(3) staffing;

“(4) facilities;

“(5) community demographics;

“(6) student assessment information;

“(7) information on the administrative and program costs attributable to each Bureau program, divided into discrete elements;

“(8) relevant reports;

“(9) personnel records;

“(10) finance and payroll; and

“(11) such other items as the Secretary determines to be appropriate.

“(b) Implementation of System.—Not later than July 1 2003, the Secretary shall complete the implementation of the updated computerized management information system at each Bureau field office and Bureau funded school.

“SEC. 1133. RECRUITMENT OF INDIAN EDUCATORS.

“The Secretary shall institute a policy for the recruitment of qualified Indian educators and a detailed plan to promote employees from within the Bureau. Such plan shall include provisions for opportunities for acquiring work experience prior to receiving an actual work assignment.

“SEC. 1134. ANNUAL REPORT; AUDITS.

“(a) Annual Reports.—The Secretary shall submit to each appropriate committee of Congress, all Bureau funded schools, and the tribal governing bodies of such schools, a detailed annual report on the state of education within the Bureau and any problems encountered in Indian education during the period covered by the report. Such report shall contain suggestions for the improvement of the Bureau educational system and for increasing tribal or local Indian control of such system. Such report shall also include information on the status of tribally controlled community colleges.

“(b) Budget Request.—The annual budget request for the Bureau's education programs, as submitted as part of the President's next annual budget request under section 1105 of title 31, United States Code shall include the plans required by sections 1121(c), 1122(c), and 1124(c).

“(c) Financial and Compliance Audits.—The Inspector General of the Department of the Interior shall establish a system to ensure that financial and compliance audits are conducted for each Bureau school at least once in every 3 years. Such an audit of a Bureau school shall examine the extent to which such school has complied with the local financial plan prepared by the school under section 1129(b).

“(d) Administrative Evaluation of Schools.—The Director shall, at least once every 3 to 5 years, conduct a comprehensive evaluation of Bureau operated schools. Such evaluation shall be in addition to any other program review or evaluation that may be required under Federal law.

“SEC. 1135. RIGHTS OF INDIAN STUDENTS.

“The Secretary shall prescribe such rules and regulations as may be necessary to ensure the protection of the constitutional and civil rights of Indian students attending Bureau funded schools, including such students' right to privacy under the laws of the United States, such students' right to freedom of religion and expression, and such students' right to due process in connection with disciplinary actions, suspensions, and expulsions.

“SEC. 1136. REGULATIONS.

“(a) In General.—The Secretary may issue only such regulations as may be necessary to ensure compliance with the specific provisions of this part and only such regulations as the Secretary is authorized to issue pursuant to section 5211 of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2510). In issuing the regulations, the Secretary shall publish proposed regulations in the Federal Register, and shall provide a period of not less than 120 days for public comment and consultation on the regulations. The regulations shall contain, immediately following each regulatory section, a citation to any statutory provision providing authority to issue such regulatory section.

“(b) Regional Meetings.—Prior to publishing any proposed regulations under subsection (a) and prior to establishing the negotiated rulemaking committee under subsection (c), the Secretary shall convene regional meetings to consult with personnel of the Office of Indian Education Programs, educators at Bureau schools, and tribal officials, parents, teachers, administrators, and school board members of tribes served by Bureau funded schools to provide guidance to the Secretary on the content of regulations authorized to be issued under this part and the Tribally Controlled Schools Act of 1988.

“(c) Negotiated Rulemaking.—

“(1) In general.—Notwithstanding sections 563(a) and 565(a) of title 5, United States Code, the Secretary shall promulgate regulations authorized under subsection (a) and under the Tribally Controlled Schools Act of 1988, in accordance with the negotiated rulemaking procedures provided for under subchapter III of chapter 5 of title 5, United States Code, and shall publish final regulations in the Federal Register.

“(2) Expiration of authority.—The authority of the Secretary to promulgate regulations under this part and under the Tribally Controlled Schools Act of 1988, shall expire on the date that is 18 months after the date of enactment of this part. If the Secretary determines that an extension of the deadline under this paragraph is appropriate, the Secretary may submit proposed legislation to Congress for an extension of such deadline.

“(3) Rulemaking committee.—The Secretary shall establish a negotiated rulemaking committee to carry out this subsection. In establishing such committee, the Secretary shall—

“(A) apply the procedures provided for under subchapter III of chapter 5 of title 5, United States Code, in a manner that reflects the unique government-to-government relationship between Indian tribes and the United States;

“(B) ensure that the membership of the committee includes only representatives of the Federal Government and of tribes served by Bureau-funded schools;

“(C) select the tribal representatives of the committee from among individuals nominated by the representatives of the tribal and tribally-operated schools;

“(D) ensure, to the maximum extent possible, that the tribal representative membership on the committee reflects the proportionate share of students from tribes served by the Bureau funded school system; and

“(E) comply with the Federal Advisory Committee Act (5 U.S.C. App. 2).

“(4) Authorization of appropriations.—There is authorized to be appropriated such sums as necessary to carry out the negotiated rulemaking provided for under this section. In the absence of a specific appropriation to carry out this subsection, the Secretary shall pay the costs of the negotiated rulemaking proceedings from the general administrative funds of the Department of the Interior.

“(d) Application of Section.—

“(1) Supremacy of provisions.—The provisions of this section shall supersede any conflicting provisions of law (including any conflicting regulations) in effect on the day before the date of enactment of this part, and the Secretary may repeal any regulation that is inconsistent with the provisions of this part.

“(2) Modifications.—The Secretary may modify regulations promulgated under this section or the Tribally Controlled Schools Act of 1988, only in accordance with this section.

“SEC. 1137. EARLY CHILDHOOD DEVELOPMENT PROGRAM.

“(a) Grants.—The Secretary shall make grants to tribes, tribal organizations, and consortia of tribes and tribal organizations to fund early childhood development programs that are operated by such tribes, organizations, or consortia.

"(b) AMOUNT OF GRANTS.—

"(1) IN GENERAL.—The amount of the grant made under subsection (a) to each eligible tribe, tribal organization, or consortium of tribes or tribal organizations for each fiscal year shall be equal to the amount that bears the same relationship to the total amount appropriated under subsection (g) for such fiscal year (other than amounts reserved under subsection (f)) as—

"(A) the total number of children under age 6 who are members of—

"(i) such tribe;

"(ii) the tribe that authorized such tribal organization; or

"(iii) any tribe that—

"(I) is a member of such consortium; or

"(II) so authorizes any tribal organization that is a member of such consortium; bears to

"(B) the total number of all children under age 6 who are members of any tribe that—

"(i) is eligible to receive funds under subsection (a);

"(ii) is a member of a consortium that is eligible to receive such funds; or

"(iii) is authorized by any tribal organization that is eligible to receive such funds.

"(2) LIMITATION.—No grant may be made under subsection (a)—

"(A) to any tribe that has fewer than 500 members;

"(B) to any tribal organization that is authorized to act—

"(i) on behalf of only 1 tribe that has fewer than 500 members; or

"(ii) on behalf of 1 or more tribes that have a combined total membership of fewer than 500 members; or

"(C) to any consortium composed of tribes, or tribal organizations authorized by tribes to act on behalf of the tribes, that have a combined total tribal membership of fewer than 500 members.

"(c) APPLICATIONS.—

"(1) IN GENERAL.—To be eligible to receive a grant under subsection (a), a tribe, tribal organization, or consortium shall submit to the Secretary an application for the grant at such time, in such manner, and containing such information as the Secretary shall prescribe.

"(2) CONTENTS.—An application submitted under paragraph (1) shall describe the early childhood development program that the applicant desires to operate.

"(d) REQUIREMENT OF PROGRAMS FUNDED.—In operating an early childhood development program that is funded through a grant made under subsection (a), a tribe, tribal organization, or consortium—

"(1) shall coordinate the program with other childhood development programs and may provide services that meet identified needs of parents, and children under age 6, that are not being met by the programs, including needs for—

"(A) prenatal care;

"(B) nutrition education;

"(C) health education and screening;

"(D) family literacy services;

"(E) educational testing; and

"(F) other educational services;

"(2) may include, in the early childhood development program funded through the grant, instruction in the language, art, and culture of the tribe served by the program; and

"(3) shall provide for periodic assessments of the program.

"(e) COORDINATION OF FAMILY LITERACY PROGRAMS.—An entity that operates a family literacy program under this section or another similar program funded by the Bureau shall coordinate the program involved with family literacy programs for Indian children carried out under part B of title I of the Elementary and Secondary Education Act of 1965 in order to avoid duplication and to encourage the dissemination of information on quality family literacy programs serving Indians.

"(f) ADMINISTRATIVE COSTS.—The Secretary shall reserve funds appropriated under subsection (g) to include in each grant made under subsection (a) an amount for administrative costs incurred by the tribe, tribal organization, or consortium involved in establishing and maintaining the early childhood development program.

"(g) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of fiscal years 2002, 2003, 2004, 2005, and 2006.

"SEC. 1138. TRIBAL DEPARTMENTS OR DIVISIONS OF EDUCATION.

"(a) IN GENERAL.—Subject to the availability of appropriations, the Secretary shall make grants and provide technical assistance to tribes for the development and operation of tribal departments or divisions of education for the purpose of planning and coordinating all educational programs of the tribe.

"(b) APPLICATIONS.—For a tribe to be eligible to receive a grant under this section, the governing body of the tribe shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

"(c) DIVERSITY.—The Secretary shall award grants under this section in a manner that fosters geographic and population diversity.

"(d) USE.—Tribes that receive grants under this section shall use the funds made available through the grants—

"(1) to facilitate tribal control in all matters relating to the education of Indian children on reservations (and on former Indian reservations in Oklahoma);

"(2) to provide for the development of coordinated educational programs (including all preschool, elementary, secondary, and higher or vocational educational programs funded by tribal, Federal, or other sources) on reservations (and on former Indian reservations in Oklahoma) by encouraging tribal administrative support of all Bureau funded educational programs as well as encouraging tribal cooperation and coordination with entities carrying out all educational programs receiving financial support from other Federal agencies, State agencies, or private entities; and

"(3) to provide for the development and enforcement of tribal educational codes, including tribal educational policies and tribal standards applicable to curriculum, personnel, students, facilities, and support programs.

"(e) PRIORITIES.—In making grants under this section, the Secretary shall give priority to any application that—

"(1) includes—

"(A) assurances that the applicant serves 3 or more separate Bureau funded schools; and

"(B) assurances from the applicant that the tribal department of education to be funded under this section will provide coordinating services and technical assistance to all of such schools; and

"(2) includes assurances that all education programs for which funds are provided by such a contract or grant will be monitored and audited, by or through the tribal department of education, to ensure that the programs meet the requirements of law; and

"(3) provides a plan and schedule that—

"(A) provides for—

"(i) the assumption, by the tribal department of education, of all assets and functions of the Bureau agency office associated with the tribe, to the extent the assets and functions relate to education; and

"(ii) the termination by the Bureau of such functions and office at the time of such assumption; and

"(B) provides that the assumption shall occur over the term of the grant made under this section, except that, when mutually agreeable to the tribal governing body and the Assistant Secretary, the period in which such assumption is to occur may be modified, reduced, or extended after the initial year of the grant.

"(e) TIME PERIOD OF GRANT.—Subject to the availability of appropriated funds, a grant provided under this section shall be provided for a period of 3 years. If the performance of the grant recipient is satisfactory to the Secretary, the grant may be renewed for additional 3-year terms.

"(f) TERMS, CONDITIONS, OR REQUIREMENTS.—A tribe that receives a grant under this section shall comply with regulations relating to grants made under section 103(a) of the Indian Self-Determination and Education Assistance Act that are in effect on the date that the tribal governing body submits the application for the grant under subsection (c). The Secretary shall not impose any terms, conditions, or requirements on the provision of grants under this section that are not specified in this section.

"(g) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $2,000,000 for fiscal year 2002 and such sums as may be necessary for each of fiscal years 2003, 2004, 2005, and 2006.

"SEC. 1139. DEFINITIONS.

"In this part, unless otherwise specified:

"(1) AGENCY SCHOOL BOARD.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'agency school board' means a body, for which—

"(i) the members are appointed by all of the school boards of the schools located within an agency, including schools operated under contracts or grants; and

"(ii) the number of such members shall be determined by the Secretary in consultation with the affected tribes.

"(B) EXCEPTIONS.—In the case of an agency serving a single school, the school board of such school shall be considered to be the agency school board. In the case of an agency serving a school or schools operated under a contract or grant, at least 1 member of the body described in subparagraph (A) shall be from such a school.

"(2) BUREAU.—The term 'Bureau' means the Bureau of Indian Affairs of the Department of the Interior.

"(3) BUREAU FUNDED SCHOOL.—The term 'Bureau funded school' means—

"(A) a Bureau school;

"(B) a contract or grant school; or

"(C) a school for which assistance is provided under the Tribally Controlled Schools Act of 1988.

"(4) BUREAU SCHOOL.—The term 'Bureau school' means—

"(A) a Bureau operated elementary school or secondary school that is a day or boarding school; or

"(B) a Bureau operated dormitory for students attending a school other than a Bureau school.

"(5) COMPLEMENTARY EDUCATIONAL FACILITIES.—The term 'complementary educational facilities' means educational program functional spaces including a library, gymnasium, and cafeteria.

"(6) CONTRACT OR GRANT SCHOOL.—The term 'contract or grant school' means an elementary school, secondary school, or dormitory that receives financial assistance for its operation under a contract, grant, or agreement with the Bureau under section 102, 103(a), or 208 of the Indian Self-Determination and Education Assistance Act, or under the Tribally Controlled Schools Act of 1988.

"(7) DIRECTOR.—The term 'Director' means the Director of the Office of Indian Education Programs.

"(8) EDUCATION LINE OFFICER.—The term 'education line officer' means a member of the education personnel under the supervision of the Director of the Office, whether located in a central, area, or agency office.

"(9) FINANCIAL PLAN.—The term 'financial plan' means a plan of services provided by each Bureau school.

"(10) INDIAN ORGANIZATION.—The term 'Indian organization' means any group, association, partnership, corporation, or other legal entity owned or controlled by a federally recognized Indian tribe or tribes, or a majority of whose members are members of federally recognized tribes.

"(11) INHERENTLY FEDERAL FUNCTIONS.—The term 'inherently Federal functions' means functions and responsibilities which, under section 1125(c), are non-contractible, including—

"(A) the allocation and obligation of Federal funds and determinations as to the amounts of expenditures;

"(B) the administration of Federal personnel laws for Federal employees;

"(C) the administration of Federal contracting and grant laws, including the monitoring and auditing of contracts and grants in order to maintain the continuing trust, programmatic, and fiscal responsibilities of the Secretary;

"(D) the conducting of administrative hearings and deciding of administrative appeals;

"(E) the determination of the Secretary's views and recommendations concerning administrative appeals or litigation and the representation of the Secretary in administrative appeals and litigation;

"(F) the issuance of Federal regulations and policies as well as any documents published in the Federal Register;

"(G) reporting to Congress and the President;

"(H) the formulation of the Secretary's and the President's policies and their budgetary and legislative recommendations and views; and

"(I) the non-delegable statutory duties of the Secretary relating to trust resources.

"(12) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a county, township, or independent or other school district located within a State, and includes any State agency that directly operates and maintains facilities for providing free public education.

"(13) LOCAL SCHOOL BOARD.—The term 'local school board', when used with respect to a Bureau school, means a body chosen in accordance with the laws of the tribe to be served or, in the absence of such laws, elected by the parents of the Indian children attending the school, except that, for a school serving a substantial number of students from different tribes—

"(A) the members of the body shall be appointed by the tribal governing bodies of the tribes affected; and

"(B) the number of such members shall be determined by the Secretary in consultation with the affected tribes.

"(14) OFFICE.—The term 'Office' means the Office of Indian Education Programs within the Bureau.

"(15) REGULATION.—The term "regulation" means any part of a statement of general or particular applicability of the Secretary designed to carry out, interpret, or prescribe law or policy in carrying out this Act.

"(16) SECRETARY.—The term 'Secretary' means the Secretary of the Interior.

"(17) SUPERVISOR.—The term 'supervisor' means the individual in the position of ultimate authority at a Bureau school.

"(18) TRIBAL GOVERNING BODY.—The term 'tribal governing body' means, with respect to any school, the tribal governing body, or tribal governing bodies, that represent at least 90 percent of the students served by such school.

"(19) TRIBE.—The term 'tribe' means any Indian tribe, band, nation, or other organized group or community, including an Alaska Native Regional Corporation or Village Corporation (as defined in or established pursuant to the Alaska Native Claims Settlement Act), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.".

Subtitle B—Tribally Controlled Schools Act of 1988

SEC. 201. TRIBALLY CONTROLLED SCHOOLS.

Sections 5202 through 5213 of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2501 et seq.) are amended to read as follows:

"SEC. 5202. FINDINGS.

"Congress, after careful review of the Federal Government's historical and special legal relationship with, and resulting responsibilities to, Indians, finds that—

"(1) the Indian Self-Determination and Education Assistance Act, which was a product of the legitimate aspirations and a recognition of the inherent authority of Indian nations, was and is a crucial positive step towards tribal and community control;

"(2) because of the Bureau of Indian Affairs' administration and domination of the contracting process under such Act, Indians have not been provided with the full opportunity to develop leadership skills crucial to the realization of self-government and have been denied an effective voice in the planning and implementation of programs for the benefit of Indians that are responsive to the true needs of Indian communities;

"(3) Indians will never surrender their desire to control their relationships both among themselves and with non-Indian governments, organizations, and persons;

"(4) true self-determination in any society of people is dependent upon an educational process that will ensure the development of qualified people to fulfill meaningful leadership roles;

"(5) the Federal administration of education for Indian children have not effected the desired level of educational achievement or created the diverse opportunities and personal satisfaction that education can and should provide;

"(6) true local control requires the least possible Federal interference; and

"(7) the time has come to enhance the concepts made manifest in the Indian Self-Determination and Education Assistance Act.

"SEC. 5203. DECLARATION OF POLICY.

"(a) RECOGNITION.—Congress recognizes the obligation of the United States to respond to the strong expression of the Indian people for self-determination by assuring maximum Indian participation in the direction of educational services so as to render the persons administering such services and the services themselves more responsive to the needs and desires of Indian communities.

"(b) COMMITMENT.—Congress declares its commitment to the maintenance of the Federal Government's unique and continuing trust relationship with and responsibility to the Indian people through the establishment of a meaningful Indian self-determination policy for education that will deter further perpetuation of Federal bureaucratic domination of programs.

"(c) NATIONAL GOAL.—Congress declares that a major national goal of the United States is to provide the resources, processes, and structure that will enable tribes and local communities to obtain the quantity and quality of educational services and opportunities that will permit Indian children—

"(1) to compete and excel in the life areas of their choice; and

"(2) to achieve the measure of self-determination essential to their social and economic well-being.

"(d) EDUCATIONAL NEEDS.—Congress affirms—

"(1) the reality of the special and unique educational needs of Indian people, including the need for programs to meet the linguistic and cultural aspirations of Indian tribes and communities; and

"(2) that the needs may best be met through a grant process.

"(e) FEDERAL RELATIONS.—Congress declares a commitment to the policies described in this section and support, to the full extent of congressional responsibility, for Federal relations with the Indian nations.

"(f) TERMINATION.—Congress repudiates and rejects House Concurrent Resolution 108 of the 83d Congress and any policy of unilateral termination of Federal relations with any Indian Nation.

"SEC. 5204. GRANTS AUTHORIZED.

"(a) IN GENERAL.—

"(1) ELIGIBILITY.—The Secretary shall provide grants to Indian tribes and tribal organizations that—

"(A) operate contract schools under title XI of the Education Amendments of 1978 and notify the Secretary of their election to operate the schools with assistance under this part rather than continuing to operate such schools as contract schools under such title;

"(B) operate other tribally controlled schools eligible for assistance under this part and submit applications (which are approved by their tribal governing bodies) to the Secretary for such grants; or

"(C) elect to assume operation of Bureau funded schools with the assistance provided under this part and submit applications (which are approved by their tribal governing bodies) to the Secretary for such grants.

"(2) DEPOSIT OF FUNDS.—Funds made available through a grant provided under this part shall be deposited into the general operating fund of the tribally controlled school with respect to which the grant is made.

"(3) USE OF FUNDS.—

"(A). EDUCATION RELATED ACTIVITIES.—Except as otherwise provided in this paragraph, funds made available through a grant provided under this part shall be used to defray, at the discretion of the school board of the tribally controlled school with respect to which the grant is provided, any expenditures for education related activities for which the grant may be used under the laws described in section 5205(a), or any similar activities, including expenditures for—

"(i) school operations, and academic, educational, residential, guidance and counseling, and administrative purposes; and

"(ii) support services for the school, including transportation.

"(B) OPERATIONS AND MAINTENANCE EXPENDITURES.—Funds made available through a grant provided under this part may, at the discretion of the school board of the tribally controlled school with respect to which such grant is provided, be used to defray operations and maintenance expenditures for the school if any funds for the operation and maintenance of the school are allocated to the school under the provisions of any of the laws described in section 5205(a).

"(4) WAIVER OF FEDERAL TORT CLAIMS ACT.—Notwithstanding section 314 of the Department of Interior and Related Agencies Appropriations Act, 1991 (Public Law 101-512), the Federal Tort Claims Act shall not apply to a program operated by a tribally controlled school if the program is not funded by the Federal agency. Nothing in the preceding sentence shall be construed to apply to—

"(A) the employees of the school involved; and

"(B) any entity that enters into a contract with a grantee under this section.

"(b) LIMITATIONS.—

"(1) 1 GRANT PER TRIBE OR ORGANIZATION PER FISCAL YEAR.—Not more than 1 grant may be provided under this part with respect to any Indian tribe or tribal organization for any fiscal year.

"(2) NONSECTARIAN USE.—Funds made available through any grant provided under this part may not be used in connection with religious worship or sectarian instruction.

"(3) ADMINISTRATIVE COSTS LIMITATION.—Funds made available through any grant provided under this part may not be expended for administrative cost (as defined in section 1127(a) of the Education Amendments of 1978) in excess of the amount generated for such cost under the formula established in section 1127 of such Act.

"(c) LIMITATION ON TRANSFER OF FUNDS AMONG SCHOOL SITES.—

"(1) IN GENERAL.—In the case of a recipient of a grant under this part that operates schools at more than 1 school site, the grant recipient may expend not more than the lesser of—

"(A) 10 percent of the funds allocated for such school site, under section 1126 of the Education Amendments of 1978; or

"(B) $400,000 of such funds;

at any other school site.

"(2) DEFINITION OF SCHOOL SITE.—In this subsection, the term 'school site' means the physical location and the facilities of an elementary or secondary educational or residential program operated by, or under contract or grant with, the Bureau for which a discrete student count is identified under the funding formula established under section 1126 of the Education Amendments of 1978.

"(d) NO REQUIREMENT TO ACCEPT GRANTS.—Nothing in this part may be construed—

"(1) to require a tribe or tribal organization to apply for or accept; or

"(2) to allow any person to coerce any tribe or tribal organization to apply for, or accept, a grant under this part to plan, conduct, and administer all of, or any portion of, any Bureau program. The submission of such applications and the timing of such applications shall be strictly voluntary. Nothing in this part may be construed as allowing or requiring the grant recipient to make any grant under this part to any other entity.

"(e) NO EFFECT ON FEDERAL RESPONSIBILITY.—Grants provided under this part shall not terminate, modify, suspend, or reduce the responsibility of the Federal Government to provide an educational program.

"(f) RETROCESSION.—

"(1) IN GENERAL.—Whenever a tribal governing body requests retrocession of any program for which assistance is provided under this part, such retrocession shall become effective on a date specified by the Secretary that is not later than 120 days after the date on which the tribal governing body requests the retrocession. A later date may be specified if mutually agreed upon by the Secretary and the tribal governing body. If such a program is retroceded, the Secretary shall provide to any Indian tribe served by such program at least the same quantity and quality of services that would have been provided under such program at the level of funding provided under this part prior to the retrocession.

"(2) STATUS AFTER RETROCESSION.—The tribe requesting retrocession shall specify whether the retrocession relates to status as a Bureau operated school or as a school operated under a contract under the Indian Self-Determination Act.

"(g) TRANSFER OF EQUIPMENT AND MATERIALS.—Except as otherwise determined by the Secretary, the tribe or tribal organization operating the program to be retroceded shall transfer to the Secretary (or to the tribe or tribal organization that will operate the program as a contract school) the existing property and equipment that were acquired—

"(1) with assistance under this part; or

"(2) upon assumption of operation of the program under this part if the school was a Bureau funded school before receiving assistance under this part.

"(h) PROHIBITION OF TERMINATION FOR ADMINISTRATIVE CONVENIENCE.—Grants provided under this part may not be terminated, modified, suspended, or reduced solely for the convenience of the administering agency.

"SEC. 5205. COMPOSITION OF GRANTS.

"(a) IN GENERAL.—The funds made available through a grant provided under this part to an Indian tribe or tribal organization for any fiscal year shall consist of—

"(1) the total amount of funds allocated for such fiscal year under sections 1126 and 1127 of the Education Amendments of 1978 with respect to the tribally controlled school eligible for assistance under this part that is operated by such Indian tribe or tribal organization, including funds provided under such sections, or under any other provision of law, for transportation costs for such school;

"(2) to the extent requested by such Indian tribe or tribal organization, the total amount of funds provided from operations and maintenance accounts and, notwithstanding section 105 of the Indian Self-Determination and Education Assistance Act or any other provision of law, other facilities accounts for such school for such fiscal year (including accounts for facilities referred to in section 1125(e) of the Education Amendments of 1978 or any other law); and

"(3) the total amount of funds that are allocated to such school for such fiscal year under—

"(A) title I of the Elementary and Secondary Education Act of 1965;

"(B) the Individuals with Disabilities Education Act; and

"(C) any other Federal education law.

"(b) SPECIAL RULES.—

"(1) IN GENERAL.—

"(A) APPLICABLE PROVISIONS.—Funds allocated to a tribally controlled school by reason of paragraph (1) or (2) of subsection (a) shall be subject to the provisions of this part and shall not be subject to any additional restriction, priority, or limitation that is imposed by the Bureau with respect to funds provided under—

"(i) title I of the Elementary and Secondary Education Act of 1965;

"(ii) the Individuals with Disabilities Education Act; or

"(iii) any Federal education law other than title XI of the Education Amendments of 1978.

"(B) OTHER BUREAU REQUIREMENTS.—Indian tribes and tribal organizations to which grants are provided under this part, and tribally controlled schools for which such grants are provided, shall not be subject to any requirements, obligations, restrictions, or limitations imposed by the Bureau that would otherwise apply solely by reason of the receipt of funds provided under any law referred to in clause (i), (ii) or (iii) of subparagraph (A).

"(2) SCHOOLS CONSIDERED CONTRACT SCHOOLS.—Tribally controlled schools for which grants are provided under this part shall be treated as contract schools for the purposes of allocation of funds under sections 1125(e), 1126, and 1127 of the Education Amendments of 1978.

"(3) SCHOOLS CONSIDERED BUREAU SCHOOLS.—Tribally controlled schools for which grants are provided under this part shall be treated as Bureau schools for the purposes of allocation of funds provided under—

"(A) title I of the Elementary and Secondary Education Act of 1965;

"(B) the Individuals with Disabilities Education Act; and

"(C) any other Federal education law, that are distributed through the Bureau.

"(4) ACCOUNTS; USE OF CERTAIN FUNDS.—

"(A) SEPARATE ACCOUNT.—Notwithstanding section 5204(a)(2), with respect to funds from facilities improvement and repair, alteration and renovation (major or minor), health and safety, or new construction accounts included in the grant provided under section 5204(a), the grant recipient shall maintain a separate account for such funds. At the end of the period designated for the work covered by the funds received, the grant recipient shall submit to the Secretary a separate accounting of the work done and the funds expended. Funds received from those accounts may only be used for the purpose for which the funds were appropriated and for the work encompassed by the application or submission for which the funds were received.

"(B) REQUIREMENTS FOR PROJECTS.—

"(i) REGULATORY REQUIREMENTS.—With respect to a grant to a tribally controlled school under this part for new construction or facilities improvements and repair in excess of $100,000, such grant shall be subject to the Administrative and Audit Requirements and Cost Principles for Assistance Programs contained in part 12 of title 43, Code of Federal Regulations.

"(ii) EXCEPTION.—Notwithstanding clause (i), grants described in such clause shall not be subject to section 12:61 of title 43, Code of Federal Regulations. The Secretary and the grantee shall negotiate and determine a schedule of payments for the work to be performed.

``(iii) APPLICATIONS.—In considering applications for a grant described in clause (i), the Secretary shall consider whether the Indian tribe or tribal organization involved would be deficient in assuring that the construction projects under the proposed grant conform to applicable building standards and codes and Federal, tribal, or State health and safety standards as required under section 1124 of the Education Amendments of 1978 (25 U.S.C. 2005(a)) with respect to organizational and financial management capabilities.

``(iv) DISPUTES.—Any disputes between the Secretary and any grantee concerning a grant described in clause (i) shall be subject to the dispute provisions contained in section 5209(e).

``(C) NEW CONSTRUCTION.—Notwithstanding subparagraph (A), a school receiving a grant under this part for facilities improvement and repair may use such grant funds for new construction if the tribal governing body or tribal organization that submits the application for the grant provides funding for the new construction equal tc at least 25 percent of the total cost of such new construction.

``(D) PERIOD.—Where the appropriations measure under which the funds described in subparagraph (A) are made available or the application submitted for the funds does not stipulate a period for the work covered by the funds, the Secretary and the grant recipient shall consult and determine such a period prior to the transfer of the funds. A period so determined may be extended upon mutual agreement of the Secretary and the grant recipient.

``(5) ENFORCEMENT OF REQUEST TO INCLUDE FUNDS.—

``(A) IN GENERAL.—If the Secretary fails to carry out a request filed by an Indian tribe or tribal organization to include in such tribe or organization's grant under this part the funds described in subsection (a)(2) within 180 days after the filing of the request, the Secretary shall—

``(i) be deemed to have approved such request; and

``(ii) immediately upon the expiration of such 180-day period amend the grant accordingly.

``(B) RIGHTS.—A tribe or organization described in subparagraph (A) may enforce its rights under subsection (a)(2) and this paragraph, including rights relating to any denial or failure to act on such tribe's or organization's request, pursuant to the dispute authority described in section 5209(e).

“SEC. 5206. ELIGIBILITY FOR GRANTS.

``(a) RULES.—

``(1) IN GENERAL.—A tribally controlled school is eligible for assistance under this part if the school—

``(A) on April 28, 1988, was a contract school under title XI of the Education Amendments of 1978 and the tribe or tribal organization operating the school submits to the Secretary a written notice of election to receive a grant under this part;

``(B) was a Bureau operated school under title XI of the Education Amendments of 1978 and has met the requirements of subsection (b);

``(C) is not a Bureau funded school, but has met the requirements of subsection (c); or

``(D) is a school with respect to which an election has been made under paragraph (2) and that has met the requirements of subsection (b).

``(2) NEW SCHOOLS.—Notwithstanding paragraph (1), for purposes of determining eligibility for assistance under this part, any application that has been submitted under the Indian Self-Determination and Education Assistance Act by an Indian tribe or tribal organization for a school that is not in operation on the date of enactment of the Native American Education Improvement Act of 2001 shall be reviewed under the guidelines and regulations for applications submitted under the Indian Self-Determination and Education Assistance Act that were in effect at the time the application was submitted, unless the Indian tribe or tribal organization elects to have the application reviewed under the provisions of subsection (b).

``(b) ADDITIONAL REQUIREMENTS FOR BUREAU FUNDED SCHOOLS AND CERTAIN ELECTING SCHOOLS.—

``(1) BUREAU FUNDED SCHOOLS.—A school that was a Bureau funded school under title XI of the Education Amendments of 1978 on the date of enactment of the Native American Education Improvement Act of 2001, and any school with respect to which an election is made under subsection (a)(2), meets the requirements of this subsection if—

``(A) the Indian tribe or tribal organization that operates, or desires to operate, the school submits to the Secretary an application requesting that the Secretary—

``(i) transfer operation of the school to the Indian tribe or tribal organization, if the Indian tribe or tribal organization is not already operating the school; and

``(ii) make a determination as to whether the school is eligible for assistance under this part; and

``(B) the Secretary makes a determination that the school is eligible for assistance under this part.

``(2) CERTAIN ELECTING SCHOOLS.—

``(A) DETERMINATION.—By not later than 120 days after the date on which an application is submitted to the Secretary under paragraph (1)(A), the Secretary shall determine—

``(i) in the case of a school that is not being operated by the Indian tribe or tribal organization, whether to transfer operation of the school to the Indian tribe or tribal organization; and

``(ii) whether the school is eligible for assistance under this part.

``(B) CONSIDERATION; TRANSFERS AND ELIGIBILITY.—In considering applications submitted under paragraph (1)(A), the Secretary—

``(i) shall transfer operation of the school to the Indian tribe or tribal organization, if the tribe or tribal organization is not already operating the school; and

``(ii) shall determine that the school is eligible for assistance under this part, unless the Secretary finds by clear and convincing evidence that the services to be provided by the Indian tribe or tribal organization will be deleterious to the welfare of the Indians served by the school and will not carry out the purposes of this Act.

``(C) CONSIDERATION; POSSIBLE DEFICIENCIES.—In considering applications submitted under paragraph (1)(A), the Secretary shall only consider whether the Indian tribe or tribal organization would be deficient in operating the school with respect to—

``(i) equipment;

``(ii) bookkeeping and accounting procedures;

``(iii) ability to adequately manage a school; or

``(iv) adequately trained personnel.

``(c) ADDITIONAL REQUIREMENTS FOR A SCHOOL THAT IS NOT A BUREAU FUNDED SCHOOL.—

``(1) IN GENERAL.—A school that is not a Bureau funded school under title XI of the Education Amendments of 1978 meets the requirements of this subsection if—

``(A) the Indian tribe or tribal organization that operates, or desires to operate, the school submits to the Secretary an application requesting a determination by the Secretary as to whether the school is eligible for assistance under this part; and

``(B) the Secretary makes a determination that the school is eligible for assistance under this part.

``(2) DEADLINE FOR DETERMINATION BY SECRETARY.—

``(A) DETERMINATION.—By not later than 180 days after the date on which an application is submitted to the Secretary under paragraph (1)(A), the Secretary shall determine whether the school is eligible for assistance under this part.

``(B) FACTORS.—In making the determination under subparagraph (A), the Secretary shall give equal consideration to each of the following factors:

``(i) With respect to the applicant's proposal—

``(I) the adequacy of facilities or the potential to obtain or provide adequate facilities;

``(II) geographic and demographic factors in the affected areas;

``(III) adequacy of the applicant's program plans;

``(IV) geographic proximity of comparable public education; and

``(V) the needs to be met by the school, as expressed by all affected parties, including but not limited to students, families, tribal governments at both the central and local levels, and school organizations.

``(ii) With respect to all education services already available—

``(I) geographic and demographic factors in the affected areas;

``(II) adequacy and comparability of programs already available;

``(III) consistency of available programs with tribal education codes or tribal legislation on education; and

``(IV) the history and success of those services for the proposed population to be served, as determined from all factors including, if relevant, standardized examination performance.

``(C) EXCEPTION REGARDING PROXIMITY.—The Secretary may not make a determination under this paragraph that is primarily based upon the geographic proximity of comparable public education.

``(D) INFORMATION ON FACTORS.—An application submitted under paragraph (1)(A) shall include information on the factors described in subparagraph (B)(i), but the applicant may also provide the Secretary such information relative to the factors described in subparagraph (B)(ii) as the applicant considers to be appropriate.

``(E) TREATMENT OF LACK OF DETERMINATION.—If the Secretary fails to make a determination under subparagraph (A) with respect to an application within 180 days after the date on which the Secretary received the application—

``(i) the Secretary shall be deemed to have made a determination that the tribally controlled school is eligible for assistance under this part; and

``(ii) the grant shall become effective 18 months after the date on which the Secretary received the application, or on an earlier date, at the Secretary's discretion.

"(d) FILING OF APPLICATIONS AND REPORTS.—

"(1) IN GENERAL.—Each application or report submitted to the Secretary under this part, and any amendment to such application or report, shall be filed with the education line officer designated by the Director of the Office of Indian Education Programs of the Bureau of Indian Affairs. The date on which the filing occurs shall, for purposes of this part, be treated as the date on which the application, report, or amendment was submitted to the Secretary.

"(2) SUPPORTING DOCUMENTATION.—

"(A) IN GENERAL.—Any application that is submitted under this part shall be accompanied by a document indicating the action taken by the appropriate tribal governing body concerning authorizing such application.

"(B) AUTHORIZATION ACTION.—The Secretary shall administer the requirement of subparagraph (A) in a manner so as to ensure that the tribe involved, through the official action of the tribal governing body, has approved of the application for the grant.

"(C) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed as making a tribal governing body (or tribe) that takes an action described in subparagraph (A) a party to the grant (unless the tribal governing body or the tribe is the grantee) or as making the tribal governing body or tribe financially or programmatically responsible for the actions of the grantee.

"(3) RULES OF CONSTRUCTION.—Nothing in this subsection shall be construed as making a tribe act as a surety for the performance of a grantee under a grant under this part.

"(4) CLARIFICATION.—The provisions of paragraphs (2) and (3) shall be construed as a clarification of policy in existence on the date of enactment of the Native American Education Improvement Act of 2001 with respect to grants under this part and shall not be construed as altering such policy or as a new policy.

"(e) EFFECTIVE DATE FOR APPROVED APPLICATIONS.—Except as provided in subsection (c)(2)(E), a grant provided under this part shall be made, and any transfer of the operation of a Bureau school made under subsection (b) shall become effective, beginning on the first day of the academic year succeeding the fiscal year in which the application for the grant or transfer is made, or on an earlier date determined by the Secretary.

"(f) DENIAL OF APPLICATIONS.—

"(1) IN GENERAL.—If the Secretary disapproves a grant under this part, disapproves the transfer of operations of a Bureau school under subsection (b), or determines that a school is not eligible for assistance under this part, the Secretary shall—

"(A) state the objections in writing to the tribe or tribal organization involved within the allotted time;

"(B) provide assistance to the tribe or tribal organization to cure all stated objections;

"(C) at the request of the tribe or tribal organization, provide to the tribe or tribal organization a hearing on the record regarding the refusal or determination involved, under the same rules and regulations as apply under the Indian Self-Determination and Education Assistance Act; and

"(D) provide to the tribe or tribal organization an opportunity to appeal the decision resulting from the hearing.

"(2) TIMELINE FOR RECONSIDERATION OF AMENDED APPLICATIONS.—The Secretary shall reconsider any amended application submitted under this part within 60 days after the amended application is submitted to the Secretary and shall submit the determinations of the Secretary with respect to such reconsideration to the tribe or the tribal organization.

"(g) REPORT.—The Bureau shall prepare and submit to Congress an annual report on all applications received, and actions taken (including the costs associated with such actions), under this section on the same date as the date on which the President is required to submit to Congress a budget of the United States Government under section 1105 of title 31, United States Code.

"SEC. 5207. DURATION OF ELIGIBILITY DETERMINATION.

"(a) IN GENERAL.—If the Secretary determines that a tribally controlled school is eligible for assistance under this part, the eligibility determination shall remain in effect until the determination is revoked by the Secretary, and the requirements of subsection (b) or (c) of section 5206, if applicable, shall be considered to have been met with respect to such school until the eligibility determination is revoked by the Secretary.

"(b) ANNUAL REPORTS.—

"(1) IN GENERAL.—Each recipient of a grant provided under this part for a school shall prepare an annual report concerning the school involved, the contents of which shall be limited to—

"(A) an annual financial statement reporting revenue and expenditures as defined by the cost accounting standards established by the grant recipient;

"(B) an annual financial audit conducted pursuant to the standards of chapter 71 of title 31, United States Code;

"(C) a biennial compliance audit of the procurement of personal property during the period for which the report is being prepared that shall be in compliance with written procurement standards that are developed by the local school board;

"(D) an annual submission to the Secretary containing information on the number of students served and a brief description of programs offered through the grant; and

"(E) a program evaluation conducted by an impartial evaluation review team, to be based on the standards established for purposes of subsection (c)(1)(A)(ii).

"(2) EVALUATION REVIEW TEAMS.—In appropriate cases, representatives of other tribally controlled schools and representatives of tribally controlled community colleges shall be members of the evaluation review teams.

"(3) EVALUATIONS.—In the case of a school that is accredited, the evaluations required under this subsection shall be conducted at intervals under the terms of the accreditation.

"(4) SUBMISSION OF REPORT.—

"(A) TO TRIBAL GOVERNING BODY.—Upon completion of the annual report required under paragraph (1), the recipient of the grant shall send (via first class mail, return receipt requested) a copy of such annual report to the tribal governing body.

"(B) TO SECRETARY.—Not later than 30 days after receiving written confirmation that the tribal governing body has received the report sent pursuant to subparagraph (A), the recipient of the grant shall send a copy of the report to the Secretary.

"(c) REVOCATION OF ELIGIBILITY.—

"(1) IN GENERAL.—The Secretary may not revoke a determination that a school is eligible for assistance under this part if—

"(A) the Indian tribe or tribal organization submits the reports required under subsection (b) with respect to the school; and

"(B) at least 1 of the following conditions applies with respect to the school:.

"(i) The school is certified or accredited by a State certification or regional accrediting association or is a candidate in good standing for such certification or accreditation under the rules of the State certification or regional accrediting association, showing that credits achieved by the students within the education programs of the school are, or will be, accepted at grade level by a State certified or regionally accredited institution.

"(ii) The Secretary determines that there is a reasonable expectation that the certification or accreditation described in clause (i), or candidacy in good standing for such certification or accreditation, will be achieved by the school within 3 years. The school seeking accreditation shall remain under the standards of the Bureau in effect on the date of enactment of the Native American Education Improvement Act of 2001 until such time as the school is accredited, except that if the Bureau standards are in conflict with the standards of the accrediting agency, the standards of such agency shall apply in such case.

"(iii) The school is accredited by a tribal department of education if such accreditation is accepted by a generally recognized State certification or regional accrediting agency.

"(iv)(I) With respect to a school that lacks accreditation, or that is not a candidate for accreditation, based on circumstances that are not beyond the control of the school board, every 3 years an impartial evaluator agreed upon by the Secretary and the grant recipient conducts evaluations of the school, and the school receives a positive assessment under such evaluations. The evaluations are conducted under standards adopted by a contractor under a contract for the school entered into under the Indian Self-Determination and Education Assistance Act (or revisions of such standards agreed to by the Secretary and the grant recipient) prior to the date of enactment of the Native American Education Improvement Act of 2001.

"(II) If the Secretary and a grant recipient other than a tribal governing body fail to agree on such an evaluator, the tribal governing body shall choose the evaluator or perform the evaluation. If the Secretary and a grant recipient that is a tribal governing body fail to agree on such an evaluator, subclause (I) shall not apply.

"(III) A positive assessment by an impartial evaluator under this clause shall not affect the revocation of a determination of eligibility by the Secretary where such revocation is based on circumstances that were within the control of the school board.

"(2) NOTICE REQUIREMENTS FOR REVOCATION.—The Secretary may not revoke a determination that a school is eligible for assistance under this part, or reassume control of a school that was a Bureau school prior to approval of an application submitted under section 5206(b)(1)(A), until the Secretary—

"(A) provides notice, to the tribally controlled school involved and the appropriate tribal governing body (within the meaning of section 1139 of the Education Amendments of 1978) for the tribally controlled school, which notice identifies—

"(i) the specific deficiencies that led to the revocation or reassumption determination; and

"(ii) the specific actions that are needed to remedy such deficiencies; and

"(B) affords such school and governing body an opportunity to implement the remedial actions.

“(3) Technical assistance.—The Secretary shall provide such technical assistance to enable the school and governing body to carry out such remedial actions.

“(4) Hearing and appeal.—In addition to notice and technical assistance under this subsection, the Secretary shall provide to the school and governing body—

“(A) at the request of the school or governing body, a hearing on the record regarding the revocation or reassumption determination, to be conducted under the rules and regulations described in section 5206(f)(1)(C); and

“(B) an opportunity to appeal the decision resulting from the hearing.

“(d) Applicability of Section Pursuant to Election Under Section 5209(b).—With respect to a tribally controlled school that receives assistance under this part pursuant to an election made under section 5209(b)—

“(1) subsection (b) shall apply; and

“(2) the Secretary may not revoke eligibility for assistance under this part except in conformance with subsection (c).

“SEC. 5208. PAYMENT OF GRANTS; INVESTMENT OF FUNDS; STATE PAYMENTS TO SCHOOLS.

“(a) Payments.—

“(1) Manner of payments.—

“(A) In general.—Except as otherwise provided in this subsection, the Secretary shall make payments to grant recipients under this part in 2 payments, of which—

“(i) the first payment shall be made not later than July 1 of each year in an amount equal to 80 percent of the amount that the grant recipient was entitled to receive during the preceding academic year; and

“(ii) the second payment, consisting of the remainder to which the grant recipient was entitled for the academic year, shall be made not later than December 1 of each year.

“(B) Excess funding.—In a case in which the amount provided to a grant recipient under subparagraph (A)(i) is in excess of the amount that the recipient is entitled to receive for the academic year involved, the recipient shall return to the Secretary such excess amount not later than 30 days after the final determination that the school was overpaid pursuant to this section. The amount returned to the Secretary under this subparagraph shall be distributed equally to all schools in the system.

“(2) Newly funded schools.—For any school for which no payment under this part was made from Bureau funds in the academic year preceding the year for which the payments are being made, full payment of the amount computed for the school for the first academic year of eligibility under this part shall be made not later than December 1 of the academic year.

“(3) Late funding.—With regard to funds for grant recipients under this part that become available for obligation on October 1 of the fiscal year for which such funds are appropriated, the Secretary shall make payments to the grant recipients not later than December 1 of the fiscal year.

“(4) Applicability of certain title 31 provisions.—The provisions of chapter 39 of title 31, United States Code, shall apply to the payments required to be made under paragraphs (1), (2), and (3).

“(5) Restrictions.—Payments made under paragraphs (1), (2), and (3) shall be subject to any restriction on amounts of payments under this part that is imposed by a continuing resolution or other Act appropriating the funds involved.

“(b) Investment of Funds.—

“(1) Treatment of interest and investment income.—Notwithstanding any other provision of law, any interest or investment income that accrues on or is derived from any funds provided under this part for a school after such funds are paid to an Indian tribe or tribal organization and before such funds are expended for the purpose for which such funds were provided under this part shall be the property of the Indian tribe or tribal organization. The interest or income shall not be taken into account by any officer or employee of the Federal Government in determining whether to provide assistance, or the amount of assistance to be provided, under any provision of Federal law.

“(2) Permissible investments.—Funds provided under this part may be invested by an Indian tribe or tribal organization, as approved by the grantee, before such funds are expended for the objectives of this part if such funds are—

“(A) invested by the Indian tribe or tribal organization only—

“(i) in obligations of the United States;

“(ii) in obligations or securities that are guaranteed or insured by the United States; or

“(iii) in mutual (or other) funds that are registered with the Securities and Exchange Commission and that only invest in obligations of the United States, or securities that are guaranteed or insured by the United States; or

“(B) deposited only into accounts that are insured by an agency or instrumentality of the United States, or are fully supported by collateral to ensure protection of the funds, even in the event of a bank failure.

“(c) Recoveries.—Funds received under this part shall not be taken into consideration by any Federal agency for the purposes of making underrecovery and overrecovery determinations for any other funds, from whatever source derived.

“(d) Payments by States.—

“(1) In general.—With respect to a school that receives assistance under this part, a State shall not—

“(A) take into account the amount of such assistance in determining the amount of funds that such school is eligible to receive under applicable State law; or

“(B) reduce any State payments that such school is eligible to receive under applicable State law because of the assistance received by the school under this part.

“(2) Violations.—

“(A) In general.—Upon receipt of any information from any source that a State is in violation of paragraph (1), the Secretary shall immediately, but in no case later than 90 days after the receipt of such information, conduct an investigation and make a determination of whether such violation has occurred.

“(B) Determination.—If the Secretary makes a determination under subparagraph (A) that a State has violated paragraph (1), the Secretary shall inform the Secretary of Education of such determination and the basis for the determination. The Secretary of Education shall, in an expedient manner, pursue penalties under paragraph (3) with respect to the State.

“(3) Penalties.—A State determined to have violated paragraph (1) shall be subject to penalties similar to the penalties described in section 8809(e) of the Elementary and Secondary Education Act of 1965 for a violation of title VIII of such Act.

“SEC. 5209. APPLICATION WITH RESPECT TO INDIAN SELF-DETERMINATION AND EDUCATION ASSISTANCE ACT.

“(a) Certain Provisions To Apply to Grants.—The following provisions of the Indian Self-Determination and Education Assistance Act (and any subsequent revisions thereto or renumbering thereof), shall apply to grants provided under this part and the schools funded under such grants:

“(1) Section 5(f) (relating to single agency audits).

“(2) Section 6 (relating to criminal activities; penalties).

“(3) Section 7 (relating to wage and labor standards).

“(4) Section 104 (relating to retention of Federal employee coverage).

“(5) Section 105(f) (relating to Federal property).

“(6) Section 105(k) (relating to access to Federal sources of supply).

“(7) Section 105(l) (relating to lease of facility used for administration and delivery of services).

“(8) Section 106(f) (relating to limitation on remedies relating to cost disallowances).

“(9) Section 106(j) (relating to use of funds for matching or cost participation requirements).

“(10) Section 106(k) (relating to allowable uses of funds).

“(11) The portions of section 108(c) that consist of model agreements provisions 1(b)(5) (relating to limitations of costs), 1(b)(7) (relating to records and monitoring), 1(b)(8) (relating to property), and 1(b)(9) (relating to availability of funds).

“(12) Section 109 (relating to reassumption).

“(13) Section 111 (relating to sovereign immunity and trusteeship rights unaffected).

“(b) Election for Grant in Lieu of Contract.—

“(1) In general.—A contractor that carries out an activity to which this part applies and who has entered into a contract under the Indian Self-Determination and Education Assistance Act that is in effect on the date of enactment of the Native American Education Improvement Act of 2001 may, by giving notice to the Secretary, elect to receive a grant under this part in lieu of such contract and to have the provisions of this part apply to such activity.

“(2) Effective date of election.—Any election made under paragraph (1) shall take effect on the first day of July immediately following the date of such election.

“(3) Exception.—In any case in which the first day of July immediately following the date of an election under paragraph (1) is less than 60 days after such election, such election shall not take effect until the first day of July of year following the year in which the election is made.

“(c) No Duplication.—No funds may be provided under any contract entered into under the Indian Self-Determination and Education Assistance Act to pay any expenses incurred in providing any program or services if a grant has been made under this part to pay such expenses.

“(d) Transfers and Carryovers.—

“(1) Buildings, equipment, supplies, materials.—A tribe or tribal organization assuming the operation of—

“(A) a Bureau school with assistance under this part shall be entitled to the transfer or use of buildings, equipment, supplies, and materials to the same extent as if the tribe or tribal organization were contracting under the Indian Self-Determination and Education Assistance Act; or

“(B) a contract school with assistance under this part shall be entitled to the transfer or use of buildings, equipment, supplies, and materials that were used in the operation of the contract school to the same extent as if the tribe or tribal organization were contracting under such Act.

"(2) Funds.—Any tribe or tribal organization that assumes operation of a Bureau school with assistance under this part and any tribe or tribal organization that elects to operate a school with assistance under this part rather than to continue to operate the school as a contract school shall be entitled to any funds that would remain available from the previous fiscal year if such school remained a Bureau school or was operated as a contract school, respectively.

"(3) Funding for school improvement.—Any tribe or tribal organization that assumes operation of a Bureau school or a contract school with assistance under this part shall be eligible for funding for the improvement, alteration, replacement, and repair of facilities to the same extent as a Bureau school.

"(e) Exceptions, Problems, and Disputes.—

"(1) In general.—Any exception or problem cited in an audit conducted pursuant to section 5207(b)(1)(B), any dispute regarding a grant authorized to be made pursuant to this part or any modification of such grant, and any dispute involving an administrative cost grant under section 1127 of the Education Amendments of 1978, shall be administered under the provisions governing such exceptions, problems, or disputes described in this paragraph in the case of contracts under the Indian Self-Determination and Education Assistance Act.

"(2) Administrative appeals.—The Equal Access to Justice Act (as amended) and the amendments made by such Act, including section 504 of title 5, and section 2412 of title 28, United States Code, shall apply to an administrative appeal filed after September 8, 1988, by a grant recipient regarding a grant provided under this part, including an administrative cost grant.

"SEC. 5210. ROLE OF THE DIRECTOR.

"Applications for grants under this part, and all modifications to the applications, shall be reviewed and approved by personnel under the direction and control of the Director of the Office of Indian Education Programs. Reports required under this part shall be submitted to education personnel under the direction and control of the Director of such Office.

"SEC. 5211. REGULATIONS.

"The Secretary is authorized to issue regulations relating to the discharge of duties specifically assigned to the Secretary in this part. For all other matters relating to the details of planning, developing, implementing, and evaluating grants under this part, the Secretary shall not issue regulations.

"SEC. 5212. THE TRIBALLY CONTROLLED GRANT SCHOOL ENDOWMENT PROGRAM.

"(a) In General.—

"(1) Establishment.—Each school receiving a grant under this part may establish, at a federally insured financial institution, a trust fund for the purposes of this section.

"(2) Deposits and use.—The school may provide—

"(A) for deposit into the trust fund, only funds from non-Federal sources, except that the interest on funds received from grants provided under this part may be used for that purpose;

"(B) for deposit into the trust fund, any earnings on funds deposited in the fund; and

"(C) for the sole use of the school any noncash, in-kind contributions of real or personal property, which may at any time be used, sold, or otherwise disposed of.

"(b) Interest.—Interest from the fund established under subsection (a) may periodically be withdrawn and used, at the discretion of the school, to defray any expenses associated with the operation of the school consistent with the purposes of this Act.

"SEC. 5213. DEFINITIONS.

"In this part:

"(1) Bureau.—The term 'Bureau' means the Bureau of Indian Affairs of the Department of the Interior.

"(2) Eligible Indian student.—The term 'eligible Indian student' has the meaning given such term in section 1126(f) of the Education Amendments of 1978.

"(3) Indian.—The term 'Indian' means a member of an Indian tribe, and includes individuals who are eligible for membership in a tribe, and the child or grandchild of such an individual.

"(4) Indian tribe.—The term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community, including an Alaska Native Village Corporation or Regional Corporation (as defined in or established pursuant to the Alaskan Native Claims Settlement Act), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

"(5) Local educational agency.—The term 'local educational agency' means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary schools or secondary schools in a city, county, township, school district, or other political subdivision of a State or such combination of school districts or counties as are recognized in a State as an administrative agency for the State's public elementary schools or secondary schools. Such term includes any other public institution or agency having administrative control and direction of a public elementary school or secondary school.

"(6) Secretary.—The term 'Secretary' means the Secretary of the Interior.

"(7) Tribal governing body.—The term 'tribal governing body' means, with respect to any school that receives assistance under this Act, the recognized governing body of the Indian tribe involved.

"(8) Tribal organization.—

"(A) In general.—The term 'tribal organization' means—

"(i) the recognized governing body of any Indian tribe; or

"(ii) any legally established organization of Indians that—

"(I) is controlled, sanctioned, or chartered by such governing body or is democratically elected by the adult members of the Indian community to be served by such organization; and

"(II) includes the maximum participation of Indians in all phases of the organization's activities.

"(B) Authorization.—In any case in which a grant is provided under this part to an organization to provide services through a tribally controlled school benefiting more than 1 Indian tribe, the approval of the governing bodies of Indian tribes representing 80 percent of the students attending the tribally controlled school shall be considered a sufficient tribal authorization for such grant.

"(9) Tribally controlled school.—The term 'tribally controlled school' means a school that—

"(A) is operated by an Indian tribe or a tribal organization, enrolling students in kindergarten through grade 12, including a preschool;

"(B) is not a local educational agency; and

"(C) is not directly administered by the Bureau of Indian Affairs.".

SEC. 202. LEASE PAYMENTS BY THE OJIBWA INDIAN SCHOOL.

(a) In General.—Notwithstanding the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2501 et seq.), or the regulations promulgated under such Act, the Ojibwa Indian School located in Belcourt, North Dakota, may use amounts received under such Act to enter into, and make payments under, a lease described in subsection (b).

(b) Lease.—A lease described in this subsection is a lease that—

(1) is entered into by the Ojibwa Indian School for the use of facilities owned by St. Ann's Catholic Church located in Belcourt, North Dakota;

(2) is entered into in the 2001-2002 school year, or any other school year in which the Ojibwa Indian School will use such facilities for school purposes;

(3) requires lease payments in an amount determined appropriate by an independent lease appraiser that is selected by the parties to the lease, except that such amount may not exceed the maximum amount per square foot that is being paid by the Bureau of Indian Affairs for other similarly situated Indian schools under the Indian Self-Determination and Education Assistance Act (Public Law 93-638); and

(4) contains a waiver of the right of St. Ann's Catholic Church to bring an action against the Ojibwa Indian School, the Turtle Mountain Band of Chippewa, or the Federal Government for the recovery of any amounts remaining unpaid under leases entered into prior to the date of enactment of this Act.

(c) Method of Funding.—Amounts shall be made available by the Bureau of Indian Affairs to make lease payments under this section in the same manner as amounts are made available to make payments under leases entered into by Indian schools under the Indian Self-Determination and Education Assistance Act (Public Law 93-638).

(d) Operation and Maintenance Funding.—The Bureau of Indian Affairs shall provide funding for the operation and maintenance of the facilities and property used by the Ojibwa Indian School under the lease entered into under subsection (a) so long as such facilities and property are being used by the School for educational purposes.

SEC. 203. ENROLLMENT AND GENERAL ASSISTANCE PAYMENTS.

Section 5404(a) of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments Act of 1988 (25 U.S.C. 13d-2(a)) is amended—

(1) by striking the matter preceding paragraph (1) and inserting the following:

"(a) In General.—The Secretary of the Interior shall not disqualify from continued receipt of general assistance payments from the Bureau of Indian Affairs an otherwise eligible Indian for whom the Bureau is making or may make general assistance payments (or exclude such an individual from continued consideration in determining the amount of general assistance payments for a household) because the individual is enrolled (and is making satisfactory progress toward completion of a program or training that can reasonably be expected to lead to gainful employment) for at least half-time study or training in—"; and

(2) by striking paragraph (4), and inserting the following:

"(4) other programs or training approved by the Secretary or by tribal education, employment or training programs.".

SA 506. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 319, between lines 19 and 20, insert the following:

"(12) Funding projects and carrying out programs to encourage men to become elementary school teachers."

SA 507. Ms. COLLINS (for herself and Ms. SNOWE) submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 350, between lines 4 and 5, insert the following:

"(9) Training teachers and developing programs to encourage girls and young women to pursue postsecondary degrees and careers in mathematics and science, including engineering and technology.

"(10) Training teachers to ensure that the teachers meet the educational needs of historically underserved students, including girls and young women, especially with respect to mathematics and science."

SA 508. Ms. COLLINS (for herself and Mr. CONRAD) submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 648, line 18, strike "or 4116" and insert "4116, or 5331(b)".

On page 650, line 25, strike "or 4116" and insert "4116, or 5331(b)".

SA 509. Ms. COLLINS (for herself and Mr. CONRAD) submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 778, strike lines 4 through 10 and insert the following:

"SEC. 6202A. STUDY OF ASSESSMENT COSTS.

"(a) STUDY.—

"(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the costs of conducting student assessments under section 1111.

"(2) CONTENTS.—In conducting the study, the Comptroller General of the United States shall—

"(A) draw on and use the best available data, including cost data from each State that has developed or administered statewide student assessments under section 1111 and cost data from companies that develop student assessments described in such section;

"(B) determine the aggregate cost for all States to develop the student assessments required under section 1111, and the portion of that cost that is expected to be incurred in each of fiscal years 2002 through 2008;

"(C) determine the aggregate cost for all States to administer the student assessments required under section 1111 and the portion of that cost that is expected to be incurred in each of fiscal years 2002 through 2008; and

"(D) determine the costs and portions described in subparagraphs (B) and (C) for each State.

"(b) REPORT.—

"(1) IN GENERAL.—The Comptroller General of the United States shall, not later than January 31, 2002, submit a report containing the results of the study described in subsection (a) to—

"(A) the Committee on Appropriations of the House of Representatives and the Subcommittee on Labor, Health and Human Services, and Education of that Committee;

"(B) the Committee on Appropriations of the Senate and the Subcommittee on Labor, Health and Human Services, and Education of that Committee;

"(C) the Committee on Education and the Workforce of the House of Representatives; and

"(D) the Committee on Health, Education, Labor, and Pensions of the Senate.

"(2) CONTENTS.—The report shall include—

"(A) a thorough description of the methodology employed in conducting the study; and

"(B) the determinations of costs and portions described in subparagraphs (B) through (D) of subsection (a)(2).

"(c) DEFINITION.—In this section, the term 'State' means 1 of the several States of the United States.

"SEC. 6203. AUTHORIZATION OF APPROPRIATIONS.

"(a) STATE ASSESSMENT GRANTS.—

"(1) IN GENERAL.—For the purpose of developing and implementing the standards and assessments required under section 1111, there are authorized to be appropriated $400,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(2) 'SUPPLEMENTAL STATE ASSESSMENT GRANTS.—

"(A) ADDITIONAL AUTHORIZATION.—In addition to the funds authorized to be appropriated under paragraph (1), for the purpose of developing and implementing the standards and assessments required under section 1111, there is authorized to be appropriated $400,000,000 for fiscal year 2002.

"(B) APPLICATION.—No funds may be appropriated under subparagraph (A) until the Comptroller General of the United States meets the requirements of section 6202A.

SA 510. Ms. COLLINS (for herself, Mr. HATCH, Mr. COCHRAN, and Ms. LANDRIEU) submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING TAX INCENTIVES SUPPORTING TEACHERS.

It is the sense of the Senate that the Senate should pass legislation during the First Session of the 107th Congress that—

(1) provides an above-the-line deduction for the expenses of teachers and teacher aides for qualified professional development that—

(A) should directly relate to the curriculum and academic subjects in which a teacher provides instruction or be designed to help a teacher understand and use State standards;

(B) should also be tied to challenging State or local content standards and student performance standards as well as to strategies and programs that demonstrate effectiveness in increasing student academic achievement and student performance, or substantially increasing the knowledge and teaching skills of an eligible teacher; and

(C) generally should be of sufficient intensity and duration to have a positive and lasting impact on the performance of an eligible teacher in the classroom and should be part of a program of professional development that has been approved and certified by the appropriate local educational agency as furthering the goals specified in subparagraphs (A) and (B); and

(2) provides a credit against income tax (limited to $100 per individual) for the qualified classroom expenses paid or incurred by an elementary or secondary school teacher, instructor, counselor, aide, or principal, including expenses for books, supplies (other than nonathletic supplies for courses of instruction in health or physical education), computer equipment (including related software and services) and other equipment, and supplementary materials used by a teacher in the classroom.

SA 511. Ms. COLLINS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE —TEACHER SUPPORT

SEC. 01. ABOVE-THE-LINE DEDUCTION FOR QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) DEDUCTION ALLOWED.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to additional itemized deductions for individuals) is amended by redesignating section 222 as section 223 and by inserting after section 221 the following new section:

"SEC. 222. QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.

"(a) ALLOWANCE OF DEDUCTION.—In the case of an eligible teacher, there shall be allowed as a deduction an amount equal to the qualified professional development expenses paid or incurred by the taxpayer during the taxable year.

"(b) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES OF ELIGIBLE TEACHERS.—For purposes of this section—

"(1) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.—

"(A) IN GENERAL.—The term 'qualified professional development expenses' means expenses for tuition, fees, books, supplies, equipment, and transportation required for the enrollment or attendance of an individual in a qualified course of instruction.

"(B) QUALIFIED COURSE OF INSTRUCTION.—The term 'qualified course of instruction' means a course of instruction which—

"(i) is—

"(I) directly related to the curriculum and academic subjects in which an eligible teacher provides instruction, or

"(II) designed to enhance the ability of an eligible teacher to understand and use State standards for the academic subjects in which such teacher provides instruction,

"(ii) may—

"(I) provide instruction in how to teach children with different learning styles, particularly children with disabilities and children with special learning needs (including children who are gifted and talented), or

"(II) provide instruction in how best to discipline children in the classroom and identify early and appropriate interventions to help children described in subclause (I) to learn,

"(iii) is tied to challenging State or local content standards and student performance standards,

"(iv) is tied to strategies and programs that demonstrate effectiveness in increasing student academic achievement and student performance, or substantially increasing the knowledge and teaching skills of an eligible teacher,

"(v) is of sufficient intensity and duration to have a positive and lasting impact on the performance of an eligible teacher in the classroom (which shall not include 1-day or short-term workshops and conferences), except that this clause shall not apply to an activity if such activity is 1 component described in a long-term comprehensive professional development plan established by an eligible teacher and the teacher's supervisor based upon an assessment of the needs of the teacher, the students of the teacher, and the local educational agency involved, and

"(vi) is part of a program of professional development which is approved and certified by the appropriate local educational agency as furthering the goals of the preceding clauses.

"(C) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given such term by section 14101 of the Elementary and Secondary Education Act of 1965, as in effect on the date of the enactment of this section.

"(2) ELIGIBLE TEACHER.—

"(A) IN GENERAL.—The term 'eligible teacher' means an individual who is a kindergarten through grade 12 classroom teacher or aide in an elementary or secondary school for at least 720 hours during a school year.

"(B) ELEMENTARY OR SECONDARY SCHOOL.—The terms 'elementary school' and 'secondary school' have the meanings given such terms by section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), as so in effect.

"(c) DENIAL OF DOUBLE BENEFIT.—

"(1) IN GENERAL.—No other deduction or credit shall be allowed under this chapter for any amount taken into account for which a deduction is allowed under this section.

"(2) COORDINATION WITH EXCLUSIONS.—A deduction shall be allowed under subsection (a) for qualified professional development expenses only to the extent the amount of such expenses exceeds the amount excludable under section 135, 529(c)(1), or 530(d)(2) for the taxable year.".

(b) DEDUCTION ALLOWED IN COMPUTING ADJUSTED GROSS INCOME.—Section 62(a) of the Internal Revenue Code of 1986 is amended by inserting after paragraph (17) the following new paragraph:

"(18) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.—The deduction allowed by section 222.".

(c) CONFORMING AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the item relating to section 222 and inserting the following new items:

"Sec. 222. Qualified professional development expenses.

"Sec. 223. Cross reference.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 02. CREDIT TO ELEMENTARY AND SECONDARY SCHOOL TEACHERS WHO PROVIDE CLASSROOM MATERIALS.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to other credits) is amended by adding at the end the following new section:

"SEC. 30B. CREDIT TO ELEMENTARY AND SECONDARY SCHOOL TEACHERS WHO PROVIDE CLASSROOM MATERIALS.

"(a) ALLOWANCE OF CREDIT.—In the case of an eligible teacher, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the qualified elementary and secondary education expenses which are paid or incurred by the taxpayer during such taxable year.

"(b) MAXIMUM CREDIT.—The credit allowed by subsection (a) for any taxable year shall not exceed $100.

"(c) DEFINITIONS.—

"(1) ELIGIBLE TEACHER.—The term 'eligible teacher' means an individual who is a kindergarten through grade 12 classroom teacher, instructor, counselor, aide, or principal in an elementary or secondary school on a full-time basis for an academic year ending during a taxable year.

"(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—The term 'qualified elementary and secondary education expenses' means expenses for books, supplies (other than nonathletic supplies for courses of instruction in health or physical education), computer equipment (including related software and services) and other equipment, and supplementary materials used by an eligible teacher in the classroom.

"(3) ELEMENTARY OR SECONDARY SCHOOL.—The term 'elementary or secondary school' means any school which provides elementary education or secondary education (through grade 12), as determined under State law.

"(d) SPECIAL RULES.—

"(1) DENIAL OF DOUBLE BENEFIT.—No deduction shall be allowed under this chapter for any expense for which credit is allowed under this section.

"(2) APPLICATION WITH OTHER CREDITS.—The credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(A) the regular tax for the taxable year, reduced by the sum of the credits allowable under subpart A and the preceding sections of this subpart, over

"(B) the tentative minimum tax for the taxable year.

"(e) ELECTION TO HAVE CREDIT NOT APPLY.—A taxpayer may elect to have this section not apply for any taxable year.".

(b) CLERICAL AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

"Sec. 30B. Credit to elementary and secondary school teachers who provide classroom materials.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SA 512. Mr. COCHRAN (for himself, Mr. WARNER, Mr. CHAFEE, Mr. GRASSLEY, Mr. ENSIGN, Mr. DOMENICI, Mr. HATCH, Mr. STEVENS, Mr. SPECTOR, Mrs. HUTCHISON, and Mr. LUGAR) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

TITLE EDUCATION PROGRAMS OF NATIONAL SIGNIFICANCE

SEC. 01. AMENDMENT TO THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.

The Act (20 U.S.C. 6301 et seq.) is amended by adding at the end the following:

"TITLE X—EDUCATION PROGRAMS OF NATIONAL SIGNIFICANCE

"PART A—READING IS FUNDAMENTAL—INEXPENSIVE BOOK DISTRIBUTION PROGRAM

"SEC. 10101. INEXPENSIVE BOOK DISTRIBUTION PROGRAM FOR READING MOTIVATION.

"(a) AUTHORIZATION.—The Secretary is authorized to enter into a contract with Reading Is Fundamental (RIF) (hereafter in this section referred to as 'the contractor') to support and promote programs, which include the distribution of inexpensive books to students, that motivate children to read.

"(b) REQUIREMENTS OF CONTRACT.—Any contract entered into under subsection (a) shall—

"(1) provide that the contractor will enter into subcontracts with local private nonprofit groups or organizations, or with public agencies, under which each subcontractor will agree to establish, operate, and provide the non-Federal share of the cost of reading motivation programs that include the distribution of books, by gift, to the extent feasible, or loan, to children from birth through secondary school age, including those in family literacy programs;

"(2) provide that funds made available to subcontractors will be used only to pay the Federal share of the cost of such programs;

"(3) provide that in selecting subcontractors for initial funding, the contractor will give priority to programs that will serve a substantial number or percentage of children with special needs, such as—

"(A) low-income children, particularly in high-poverty areas;

"(B) children at risk of school failure;

"(C) children with disabilities;

"(D) foster children;

"(E) homeless children;

"(F) migrant children;

"(G) children without access to libraries;

"(H) institutionalized or incarcerated children; and

"(I) children whose parents are institutionalized or incarcerated;

"(4) provide that the contractor will provide such technical assistance to subcontractors as may be necessary to carry out the purpose of this section;

"(5) provide that the contractor will annually report to the Secretary the number of, and describe, programs funded under paragraph (3); and

"(6) include such other terms and conditions as the Secretary determines to be appropriate to ensure the effectiveness of such programs.

"(c) RESTRICTION ON PAYMENTS.—The Secretary shall make no payment of the Federal share of the cost of acquiring and distributing books under any contract under this section unless the Secretary determines that the contractor or subcontractor, as the case may be, has made arrangements with book publishers or distributors to obtain books at discounts at least as favorable as discounts that are customarily given by such publisher or distributor for book purchases made under similar circumstances in the absence of Federal assistance.

“(d) DEFINITION OF FEDERAL SHARE.—For the purpose of this section, the term ‘Federal share’ means, with respect to the cost to a subcontractor of purchasing books to be paid under this section, 75 percent of such costs to the subcontractor, except that the Federal share for programs serving children of migrant or seasonal farmworkers shall be 100 percent of such costs to the subcontractor.

“(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $23,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

“PART B—NATIONAL WRITING PROJECT

“SEC. 10151. FINDINGS AND PURPOSES.

“(a) FINDINGS.—Congress finds that—

“(1) the United States faces a continuing crisis in writing in schools and in the workplace;

“(2) the writing problem has been magnified by the rapidly changing student population, the growing number of at-risk students due to limited English proficiency, the shortage of adequately trained teachers, and the specialized knowledge required of teachers to teach students with special needs who are now part of mainstream classrooms;

“(3) nationwide reports from universities and colleges show that entering students are unable to meet the demands of college level writing, almost all 2-year institutions of higher education offer remedial writing courses, and three-quarters of public 4-year institutions of higher education and half of all private 4-year institutions of higher education must provide remedial courses in writing;

“(4) American businesses and corporations are concerned about the limited writing skills of both entry-level workers and executives whose promotions are denied due to inadequate writing abilities;

“(5) writing is fundamental to learning, including learning to read, yet writing has been neglected historically in schools and in teacher training institutions;

“(6) writing is a central feature in State and school district education standards in all disciplines;

“(7) since 1973, the only national program to address the writing problem in the Nation's schools has been the National Writing Project, a network of collaborative university-school programs, the goals of which are to improve student achievement in writing and student learning through improving the teaching and uses of writing at all grade levels and in all disciplines;

“(8) the National Writing Project is a nationally recognized and honored nonprofit organization that improves the quality of teaching and teachers through developing teacher-leaders who teach other teachers in summer and school year programs;

“(9) evaluations of the National Writing Project document the positive impact the project has had on improving the teaching of writing, student performance in writing, and student learning;

“(10) the National Writing Project has become a model for programs to improve teaching in such other fields as mathematics, science, history, reading and literature, performing arts, and foreign languages;

“(11) each year, over 150,000 participants benefit from National Writing Project programs in 1 of 156 United States sites located in 46 States and the Commonwealth of Puerto Rico; and

“(12) the National Writing Project is a cost-effective program and leverages over 6 dollars for every 1 Federal dollar.

“(b) PURPOSE.—It is the purpose of this part—

“(1) to support and promote the expansion of the National Writing Project network of sites so that teachers in every region of the United States will have access to a National Writing Project program;

“(2) to ensure the consistent high quality of the sites through ongoing review, evaluation and technical assistance;

“(3) to support and promote the establishment of programs to disseminate effective practices and research findings about the teaching of writing; and

“(4) to coordinate activities assisted under this part with activities assisted under this Act.

“SEC. 10152. NATIONAL WRITING PROJECT.

“(a) AUTHORIZATION.—The Secretary is authorized to award a grant to the National Writing Project, a nonprofit educational organization that has as its primary purpose the improvement of the quality of student writing and learning (hereafter in this section referred to as the ‘grantee’) to improve the teaching of writing and the use of writing as a part of the learning process in our Nation's classrooms.

“(b) REQUIREMENTS OF GRANT.—The grant shall provide that—

“(1) the grantee will enter into contracts with institutions of higher education or other nonprofit educational providers (hereafter in this section referred to as ‘contractors’) under which the contractors will agree to establish, operate, and provide the non-Federal share of the cost of teacher training programs in effective approaches and processes for the teaching of writing;

“(2) funds made available by the Secretary to the grantee pursuant to any contract entered into under this section will be used to pay the Federal share of the cost of establishing and operating teacher training programs as provided in paragraph (1); and

“(3) the grantee will meet such other conditions and standards as the Secretary determines to be necessary to assure compliance with the provisions of this section and will provide such technical assistance as may be necessary to carry out the provisions of this section.

“(c) TEACHER TRAINING PROGRAMS.—The teacher training programs authorized in subsection (a) shall—

“(1) be conducted during the school year and during the summer months;

“(2) train teachers who teach grades kindergarten through college;

“(3) select teachers to become members of a National Writing Project teacher network whose members will conduct writing workshops for other teachers in the area served by each National Writing Project site; and

“(4) encourage teachers from all disciplines to participate in such teacher training programs.

“(d) FEDERAL SHARE.—

“(1) IN GENERAL.—Except as provided in paragraph (2) or (3) and for purposes of subsection (a), the term ‘Federal share’ means, with respect to the costs of teacher training programs authorized in subsection (a), 50 percent of such costs to the contractor.

“(2) WAIVER.—The Secretary may waive the provisions of paragraph (1) on a case-by-case basis if the National Advisory Board described in subsection (e) determines, on the basis of financial need, that such waiver is necessary.

“(3) MAXIMUM.—The Federal share of the costs of teacher training programs conducted pursuant to subsection (a) may not exceed $100,000 for any one contractor, or $200,000 for a statewide program administered by any one contractor in at least 5 sites throughout the State.

“(e) NATIONAL ADVISORY BOARD.—

“(1) ESTABLISHMENT.—The National Writing Project shall establish and operate a National Advisory Board.

“(2) COMPOSITION.—The National Advisory Board established pursuant to paragraph (1) shall consist of—

“(A) national educational leaders;

“(B) leaders in the field of writing; and

“(C) such other individuals as the National Writing Project determines necessary.

“(3) DUTIES.—The National Advisory Board established pursuant to paragraph (1) shall—

“(A) advise the National Writing Project on national issues related to student writing and the teaching of writing;

“(B) review the activities and programs of the National Writing Project; and

“(C) support the continued development of the National Writing Project.

“(f) EVALUATION.—

“(1) IN GENERAL.—The Secretary shall conduct an independent evaluation by grant or contract of the teacher training programs administered pursuant to this part. Such evaluation shall specify the amount of funds expended by the National Writing Project and each contractor receiving assistance under this section for administrative costs. The results of such evaluation shall be made available to the appropriate committees of Congress.

“(2) FUNDING LIMITATION.—The Secretary shall reserve not more than $150,000 from the total amount appropriated pursuant to the authority of subsection (h) for fiscal year 2002 and the 6 succeeding fiscal years to conduct the evaluation described in paragraph (1).

“(g) APPLICATION REVIEW.—

“(1) REVIEW BOARD.—The National Writing Project shall establish and operate a National Review Board that shall consist of—

“(A) leaders in the field of research in writing; and

“(B) such other individuals as the National Writing Project deems necessary.

“(2) DUTIES.—The National Review Board shall—

“(A) review all applications for assistance under this subsection; and

“(B) recommend applications for assistance under this subsection for funding by the National Writing Project.

“(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the grant to the National Writing Project, $15,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years, to carry out the provisions of this section.

“PART C—READY TO LEARN; READY TO TEACH

“Subpart 1—Ready to Learn

“SEC. 10201. SHORT TITLE; FINDINGS.

“(a) SHORT TITLE.—This part may be cited as the ‘Ready to Learn, Ready to Teach Act of 2001’.

“(b) FINDINGS.—Congress makes the following findings:

"(1) In 1994, Congress and the Department collaborated to make a long-term, meaningful and public investment in the principle that high quality preschool television programming will help children be ready to learn by the time the children entered first grade.

"(2) The Ready to Learn Television Program through the Public Broadcasting Service (PBS) and local public television stations has proven to be an extremely cost-effective national response to improving early childhood cognitive development and helping parents, caregivers, and professional child care providers learn how to use television as a means to help children learn and develop social skills and values.

"(3) Independent research shows that parents who participate in Ready to Learn workshops are more selective of the programs that they choose for their children, limit the number of hours of television viewing of their children, and use the television programs as a catalyst for learning.

"(4) The Ready to Learn (RTL) Television Program is supporting and creating commercial-free broadcast programs for young children that are of the highest possible educational quality.

"(5) Through the Nation's 350 local public television stations, these programs and other programming elements reach tens of millions of children, their parents, and caregivers without regard to their economic circumstances, location, or access to cable. Public television is a partner with Federal policy to make television an instrument of preschool children's education and early development.

"(6) The Ready to Learn Television Program supports thousands of local workshops organized and run by local public television stations, child care service providers, Head Start Centers, Even Start family literacy centers and schools. These workshops have trained 630,587 parents and professionals who, in turn, serve and support over 6,312,000 children across the Nation.

"(7) The Ready to Learn Television Program has published and distributed a periodic magazine entitled 'PBS Families' that contains developmentally appropriate material to strengthen reading skills and enhance family literacy.

"(8) Ready to Learn Television stations also have distributed millions of age-appropriate books in their communities. Each station receives a minimum of 300 books each month for free local distribution. Some stations are now distributing more than 1,000 books per month. Nationwide, more than 653,494 books have been distributed in low-income and disadvantaged neighborhoods free of charge.

"(9) Demand for Ready To Learn Television Program outreach and training has increased from 10 Public Broadcasting Service stations to 133 stations in 5 years. This growth has put a strain on available resources resulting in an inability to meet the demand for the service and to reach all the children who would benefit from the service.

"(10) Federal policy played a crucial role in the evolution of analog television by funding the television program entitled 'Sesame Street' in the 1960's. Federal policy should continue to play an equally crucial role for children in the digital television age.

"SEC. 10202. READY TO LEARN.

"(a) IN GENERAL.—The Secretary is authorized to award grants to eligible entities described in section 10203(b) to develop, produce, and distribute educational and instructional video programming for preschool and elementary school children and their parents in order to facilitate the achievement of the National Education Goals.

"(b) AVAILABILITY.—In making such grants, the Secretary shall ensure that eligible entities make programming widely available, with support materials as appropriate, to young children, their parents, child care workers, and Head Start providers to increase the effective use of such programming.

"SEC. 10203. EDUCATIONAL PROGRAMMING.

"(a) AWARDS.—The Secretary shall award grants under section 10202 to eligible entities to—

"(1) facilitate the development directly, or through contracts with producers of children and family educational television programming, of—

"(A) educational programming for preschool and elementary school children; and

"(B) accompanying support materials and services that promote the effective use of such programming;

"(2) facilitate the development of programming and digital content especially designed for nationwide distribution over public television stations' digital broadcasting channels and the Internet, containing Ready to Learn-based children's programming and resources for parents and caregivers; and

"(3) enable eligible entities to contract with entities (such as public telecommunications entities) so that programs developed under this section are disseminated and distributed—

(A) to the widest possible audience appropriate to be served by the programming; and

(B) by the most appropriate distribution technologies.

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a), an entity shall be—

"(1) a public telecommunications entity that is able to demonstrate a capacity for the development and national distribution of educational and instructional television programming of high quality for preschool and elementary school children;

"(2) able to demonstrate a capacity to contract with the producers of children's television programming for the purpose of developing educational television programming of high quality for preschool and elementary school children; and

"(3) able to demonstrate a capacity to localize programming and materials to meet specific State and local needs and provide educational outreach at the local level.

"(c) CULTURAL EXPERIENCES.—Programming developed under this section shall reflect the recognition of rural and urban cultural and ethnic diversity of the Nation's children and the needs of both boys and girls in preparing young children for success in school.

"SEC. 10204. DUTIES OF SECRETARY.

"The Secretary is authorized—

"(1) to award grants to eligible entities described in section 10203(b), local public television stations, or such public television stations that are part of a consortium with 1 or more State educational agencies, local educational agencies, local schools, institutions of higher education, or community-based organizations of demonstrated effectiveness, for the purpose of—

"(A) addressing the learning needs of young children in limited English proficient households, and developing appropriate educational and television programming to foster the school readiness of such children;

"(B) developing programming and support materials to increase family literacy skills among parents to assist parents in teaching their children and utilizing educational television programming to promote school readiness; and

"(C) identifying, supporting, and enhancing the effective use and outreach of innovative programs that promote school readiness;

"(D) developing and disseminating education and training materials, including—

"(i) interactive programs and programs adaptable to distance learning technologies that are designed to enhance knowledge of children's social and cognitive skill development and positive adult-child interactions;

"(ii) teacher training and professional development to ensure qualified caregivers; and

"(iii) support materials to promote the effective use of materials developed under subparagraph (B) among parents, Head Start providers, in-home and center-based daycare providers, early childhood development personnel, elementary school teachers, public libraries, and after-school program personnel caring for preschool and elementary school children; and

"(E) distributing books to low-income individuals to leverage high-quality television programming;

"(2) to establish within the Department a clearinghouse to compile and provide information, referrals, and model program materials and programming obtained or developed under this subpart to parents, child care providers, and other appropriate individuals or entities to assist such individuals and entities in accessing programs and projects under this subpart; and

"(3) to coordinate activities assisted under this subpart with the Secretary of Health and Human Services in order to—

"(A) maximize the utilization of quality educational programming by preschool and elementary school children, and make such programming widely available to federally funded programs serving such populations; and

"(B) provide information to recipients of funds under Federal programs that have major training components for early childhood development, including programs under the Head Start Act and Even Start, and State training activities funded under the Child Care Development Block Grant Act of 1990, regarding the availability and utilization of materials developed under paragraph (1)(D) to enhance parent and child care provider skills in early childhood development and education.

"SEC. 10205. APPLICATIONS.

"Each entity desiring a grant under section 10202 or 10204 shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"SEC. 10206. REPORTS AND EVALUATION.

"(a) ANNUAL REPORT TO SECRETARY.—An eligible entity receiving funds under section 10202 shall prepare and submit to the Secretary an annual report which contains such information as the Secretary may require. At a minimum, the report shall describe the program activities undertaken with funds received under section 10202, including—

"(1) the programming that has been developed directly or indirectly by the eligible entity, and the target population of the programs developed;

"(2) the support materials that have been developed to accompany the programming, and the method by which such materials are distributed to consumers and users of the programming;

“(3) the means by which programming developed under this section has been distributed, including the distance learning technologies that have been utilized to make programming available and the geographic distribution achieved through such technologies; and

“(4) the initiatives undertaken by the eligible entity to develop public-private partnerships to secure non-Federal support for the development, distribution, and broadcast of educational and instructional programming.

“(b) Report to Congress.—The Secretary shall prepare and submit to the relevant committees of Congress a biannual report which includes—

“(1) a summary of activities assisted under section 10203(a); and

“(2) a description of the training materials made available under section 10204(1)(D), the manner in which outreach has been conducted to inform parents and child care providers of the availability of such materials, and the manner in which such materials have been distributed in accordance with such section.

“SEC. 10207. ADMINISTRATIVE COSTS.

“With respect to the implementation of section 10203, eligible entities receiving a grant from the Secretary may use not more than 5 percent of the amounts received under such section for the normal and customary expenses of administering the grant.

“SEC. 10208. DEFINITION.

“For the purposes of this subpart, the term ‘distance learning’ means the transmission of educational or instructional programming to geographically dispersed individuals and groups via telecommunications.

“SEC. 10209. AUTHORIZATION OF APPROPRIATIONS.

“(a) In General.—There are authorized to be appropriated to carry out this subpart, $50,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years.

“(b) Funding Rule.—Not less than 60 percent of the amounts appropriated under subsection (a) for each fiscal year shall be used to carry out section 10203.

“Subpart 2—Ready to Teach

“SEC. 10251. FINDINGS.

“Congress makes the following findings:

“(1) Since 1995, the Telecommunications Demonstration Project for Mathematics (as established under this part pursuant to the Improving America’s Schools Act of 1994) has allowed the Public Broadcasting Service to pioneer and refine a new model of teacher professional development for kindergarten through grade 12 teachers. Video modeling of standards-based lessons, combined with professionally facilitated online learning communities of teachers has been proven to help mathematics teachers adopt and implement standards-based practices. This integrated, self-paced approach breaks down the isolation of classroom teaching while making standards-based best practices available to all participants.

“(2) More than 5,800 teachers have participated over the last 3 years in the demonstration. These teachers have taught more than 1,500,000 students cumulatively.

“(3) Independent evaluations indicate that teaching improves and students benefit as a result of the program.

“(4) The demonstration program should be expanded to reach more teachers in more subject areas under the title of Teacherline. The Teacherline Program will link the digitized public broadcasting infrastructure with education networks by working with the program’s digital membership, and Federal and State agencies, to expand and build upon the successful model and take advantage of greatly expanded access to the Internet and technology in schools, including digital television. The Teacherline Program will leverage the Public Broadcasting Service’s historic relationships with higher education to improve preservice teacher training.

“(5) Over the past several years tremendous progress has been made in wiring classrooms, equipping the classrooms with multimedia computers, and connecting the classrooms to the Internet.

“(6) There is a great need for high quality, curriculum-based digital content for teachers and students to easily access and use in order to meet State and local standards for student performance.

“(7) The congressionally appointed Web-based Education Commission called for the development of high quality public-private online educational content that meets the highest standards of educational excellence.

“(8) Most local public television stations and State networks provide high-quality video programs, and teacher professional development, as a part of their mission to serve local schools. Programs distributed by public broadcast stations are used by more classroom teachers than any other because of their high quality and relevance to the curriculum.

“(9) Digital broadcasting can dramatically increase and improve the types of services public broadcasting stations can offer kindergarten through grade 12 schools.

“SEC. 10252. PROJECT AUTHORIZED.

“(a) Grants Authorized.—The Secretary is authorized to make grants to a nonprofit telecommunications entity, or partnership of such entities, for the purpose of carrying out a national telecommunications-based program to improve teaching in core curriculum areas. The program shall be designed to assist elementary school and secondary school teachers in preparing all students for achieving State and local content standards in core curriculum areas.

“(b) Programming.—The Secretary is also authorized to award grants to eligible entities described in section 10254(b) to develop, produce, and distribute innovative educational and instructional video programming that is designed for use by kindergarten through grade 12 schools and based on State and local standards. In making the grants, the Secretary shall ensure that eligible entities enter into multiyear content development collaborative arrangements with State educational agencies, local educational agencies, institutions of higher education, businesses, or other agencies and organizations.

“SEC. 10253. APPLICATION REQUIRED.

“(a) In General.—Each nonprofit telecommunications entity, or partnership of such entities, desiring a grant under section 10252(a) shall submit an application to the Secretary. Each such application shall—

“(1) demonstrate that the applicant will use the public broadcasting infrastructure and school digital networks, where available, to deliver video and data in an integrated service to train teachers in the use of standards-based curricula materials and learning technologies;

“(2) ensure that the project for which assistance is sought will be conducted in cooperation with appropriate State educational agencies, local educational agencies, national, State or local nonprofit public telecommunications entities, and national education professional associations that have developed content standards in the subject areas;

“(3) ensure that a significant portion of the benefits available for elementary schools and secondary schools from the project for which assistance is sought will be available to schools of local educational agencies which have a high percentage of children counted for the purpose of part A of title I; and

“(4) contain such additional assurances as the Secretary may reasonably require.

“(b) Sites.—In approving applications under section 10252(a), the Secretary shall ensure that the program authorized by section 10252(a) is conducted at elementary school and secondary school sites across the Nation.

“(c) Application.—Each eligible entity desiring a grant under section 10252(b) shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

“SEC. 10254. REPORTS AND EVALUATION.

“An eligible entity receiving funds under section 10252(a) shall prepare and submit to the Secretary an annual report which contains such information as the Secretary may require. At a minimum, the report shall described the program activities undertaken with funds received under section 10252(a), including—

“(1) the core curriculum areas for which program activities have been undertaken and the number of teachers using the program in each core curriculum area; and

“(2) the States in which teachers using the program are located.

“SEC. 10255. EDUCATIONAL PROGRAMMING.

“(a) Awards.—The Secretary shall award grants under section 10252(b) to eligible entities to facilitate the development of educational programming that shall—

“(1) include student assessment tools to give feedback on student performance;

“(2) include built-in teacher utilization and support components to ensure that teachers understand and can easily use the content of the programming with group instruction or for individual student use;

“(3) be created for, or adaptable to, State and local content standards; and

“(4) be capable of distribution through digital broadcasting and school digital networks.

“(b) Eligible Entities.—To be eligible to receive a grant under section 10252(b), an entity shall be a local public telecommunications entity as defined by section 397(12) of the Communications Act of 1934 that is able to demonstrate a capacity for the development and distribution of educational and instructional television programming of high quality.

“(c) Competitive Basis.—Grants under section 10252(b) shall be awarded on a competitive basis as determined by the Secretary.

“(d) Duration.—Each grant under section 10252(b) shall be awarded for a period of 3 years in order to allow time for the creation of a substantial body of significant content.

“SEC. 10256. MATCHING REQUIREMENT.

“Each eligible entity desiring a grant under section 10252(b) shall contribute to the activities assisted under section 10252(b) non-Federal matching funds equal to not less than 100 percent of the amount of the grant. Matching funds may include funds provided for the transition to digital broadcasting, as well as in-kind contributions.

“SEC. 10257. ADMINISTRATIVE COSTS.

“With respect to the implementation of section 10252(b), entities receiving a grant from the Secretary may use not more than 5 percent of the amounts received under the grant for the normal and customary expenses of administering the grant.

"SEC. 10258. AUTHORIZATION OF APPROPRIATIONS; FUNDING RULES.

"(a) IN GENERAL.—There are authorized to be appropriated to carry out this subpart, $45,000,000 for the fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(b) FUNDING RULE.—For any fiscal year in which appropriations for section 10252 exceed the amount appropriated for such section for the preceding fiscal year, the Secretary shall only award the amount of such excess minus at least $500,000 to applicants under section 10252(b).

"PART D—EDUCATION FOR DEMOCRACY

"SEC. 10301. SHORT TITLE.

"This part may be cited as the 'Education for Democracy Act'.

"SEC. 10302. FINDINGS.

"Congress finds that—

"(1) college freshmen surveyed in 1999 by the Higher Education Research Institute at the University of California at Los Angeles demonstrated higher levels of disengagement, both academically and politically, than any previous entering class of students;

"(2) college freshmen in 1999 demonstrated the lowest levels of political interest in the 20-year history of surveys conducted by the Higher Education Research Institute at the University of California at Los Angeles;

"(3) United States secondary school students expressed relatively low levels of interest in politics and economics in a 1999 Harris survey;

"(4) the 32d Annual Phi Delta Kappa/Gallup Poll of 2000 indicated that preparing students to become responsible citizens was the most important purpose of public schools;

"(5) Americans surveyed by the Organization of Economic Cooperation and Development indicated that only 59 percent had confidence that schools have a major effect on the development of good citizenship;

"(6) teachers too often do not have sufficient expertise in the subjects that they teach, and half of all secondary school history students in America are being taught by teachers with neither a major nor a minor in history;

"(7) secondary school students correctly answered less than half of the questions on a national test of economic knowledge in a 1999 Harris survey;

"(8) the 1998 National Assessment of Educational Progress indicated that students have only superficial knowledge of, and lacked a depth of understanding regarding, civics;

"(9) civic and economic education are important not only to developing citizenship competencies in the United States but also are critical to supporting political stability and economic health in other democracies, particularly emerging democratic market economies;

"(10) more than three quarters of Americans surveyed by the National Constitution Center in 1997 admitted that they knew only some or very little about the Constitution of the United States; and

"(11) the Constitution of the United States is too often viewed within the context of history and not as a living document that shapes current events.

"SEC. 10303. PURPOSE.

"It is the purpose of this part—

"(1) to improve the quality of civics and government education by educating students about the history and principles of the Constitution of the United States, including the Bill of Rights;

"(2) to foster civic competence and responsibility; and

"(3) to improve the quality of civic education and economic education through cooperative civic education and economic education exchange programs with emerging democracies.

"SEC. 10304. GENERAL AUTHORITY.

"(a) GRANTS AND CONTRACTS.—

"(1) IN GENERAL.—The Secretary is authorized to award grants to or enter into contracts with—

"(A) the Center for Civic Education to carry out civic education activities under sections 10305 and 10306; and

"(B) the National Council on Economic Education to carry out economic education activities under section 10306.

"(2) CONSULTATION.—The Secretary shall award the grants and contracts under this part in consultation with the Secretary of State.

"(b) DISTRIBUTION.—The Secretary shall use not more than 50 percent of the amount appropriated under section 10307(b) for each fiscal year to carry out economic education activities under section 10306.

"SEC. 10305. WE THE PEOPLE PROGRAM.

"(a) THE CITIZEN AND THE CONSTITUTION.—

"(1) IN GENERAL.—The Center for Civic Education shall use funds awarded under section 10304(a)(1)(A) to carry out The Citizen and the Constitution program in accordance with this subsection.

"(2) EDUCATIONAL ACTIVITIES.—The Citizen and the Constitution program—

"(A) shall continue and expand the educational activities of the 'We the People... The Citizen and the Constitution' program administered by the Center for Civic Education;

"(B) shall enhance student attainment of challenging content standards in civics and government;

"(C) shall provide a course of instruction on the basic principles of our Nation's constitutional democracy and the history of the Constitution of the United States and the Bill of Rights;

"(D) shall provide, at the request of a participating school, school and community simulated congressional hearings following the course of study;

"(E) shall provide an annual national competition of simulated congressional hearings for secondary school students who wish to participate in such a program; and

"(F) shall provide—

"(i) advanced sustained and ongoing training of teachers about the Constitution of the United States and the political system the United States created;

"(ii) materials and methods of instruction, including teacher training, that utilize the latest advancements in educational technology; and

"(iii) civic education materials and services to address specific problems such as the prevention of school violence and the abuse of drugs and alcohol.

"(3) AVAILABILITY OF PROGRAM.—The education program authorized under this subsection shall be made available to public and private elementary schools and secondary schools, including Bureau funded schools, in the 435 congressional districts, and in the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

"(b) PROJECT CITIZEN.—

"(1) IN GENERAL.—The Center for Civic Education shall use funds awarded under section 10304(a)(1)(A) to carry out The Project Citizen program in accordance with this subsection.

"(2) EDUCATIONAL ACTIVITIES.—The Project Citizen program—

"(A) shall continue and expand the educational activities of the 'We the People... Project Citizen' program administered by the Center for Civic Education;

"(B) shall enhance student attainment of challenging content standards in civics and government;

"(C) shall provide a course of instruction at the middle school level on the roles of State and local governments in the Federal system established by the Constitution of the United States;

"(D) shall provide an annual national showcase or competition; and

"(E) shall provide—

"(i) optional school and community simulated State legislative hearings;

"(ii) advanced sustained and ongoing training of teachers on the roles of State and local governments in the Federal system established by the Constitution of the United States;

"(iii) materials and methods of instruction, including teacher training, that utilize the latest advancements in educational technology; and

"(iv) civic education materials and services to address specific problems such as the prevention of school violence and the abuse of drugs and alcohol.

"(3) AVAILABILITY OF PROGRAM.—The education program authorized under this subsection shall be made available to public and private middle schools, including Bureau funded schools, in the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

"(c) DEFINITION OF BUREAU FUNDED SCHOOL.—In this section, the term 'Bureau funded school' has the meaning given the term in section 1146 of the Education Amendments of 1978.

"SEC. 10306. COOPERATIVE CIVIC EDUCATION AND ECONOMIC EDUCATION EXCHANGE PROGRAMS.

"(a) COOPERATIVE EDUCATION EXCHANGE PROGRAMS.—The Center for Civic Education and the National Council on Economic Education shall use funds awarded under section 10304(a)(1) to carry out Cooperative Education Exchange programs in accordance with this section.

"(b) PURPOSE.—The purpose of the Cooperative Education Exchange programs provided under this section shall be to—

"(1) make available to educators from eligible countries exemplary curriculum and teacher training programs in civics and government education, and economics education, developed in the United States;

"(2) assist eligible countries in the adaptation, implementation, and institutionalization of such programs;

"(3) create and implement civics and government education, and economic education, programs for students that draw upon the experiences of the participating eligible countries;

"(4) provide a means for the exchange of ideas and experiences in civics and government education, and economic education, among political, educational, governmental, and private sector leaders of participating eligible countries; and

"(5) provide support for—

"(A) independent research and evaluation to determine the effects of educational programs on students' development of the knowledge, skills, and traits of character essential for the preservation and improvement of constitutional democracy; and

"(B) effective participation in and the preservation and improvement of an efficient market economy.

"(c) Avoidance of Duplication.—The Secretary shall consult with the Secretary of State to ensure that—

"(1) activities under this section are not duplicative of other efforts in the eligible countries; and

"(2) partner institutions in the eligible countries are creditable.

"(d) Activities.—The Cooperative Education Exchange programs shall—

"(1) provide eligible countries with—

"(A) seminars on the basic principles of United States constitutional democracy and economics, including seminars on the major governmental and economic institutions and systems in the United States, and visits to such institutions;

"(B) visits to school systems, institutions of higher education, and nonprofit organizations conducting exemplary programs in civics and government education, and economic education, in the United States;

"(C) translations and adaptations regarding United States civic and government education, and economic education, curricular programs for students and teachers, and in the case of training programs for teachers translations and adaptations into forms useful in schools in eligible countries, and joint research projects in such areas; and

"(D) independent research and evaluation assistance to determine—

"(i) the effects of the Cooperative Education Exchange programs on students' development of the knowledge, skills, and traits of character essential for the preservation and improvement of constitutional democracy; and

"(ii) effective participation in and the preservation and improvement of an efficient market economy;

"(2) provide United States participants with—

"(A) seminars on the histories, economies, and systems of government of eligible countries;

"(B) visits to school systems, institutions of higher education, and organizations conducting exemplary programs in civics and government education, and economic education, located in eligible countries;

"(C) assistance from educators and scholars in eligible countries in the development of curricular materials on the history, government, and economy of such countries that are useful in United States classrooms;

"(D) opportunities to provide onsite demonstrations of United States curricula and pedagogy for educational leaders in eligible countries; and

"(E) independent research and evaluation assistance to determine—

"(i) the effects of the Cooperative Education Exchange programs on students' development of the knowledge, skills, and traits of character essential for the preservation and improvement of constitutional democracy; and

"(ii) effective participation in and improvement of an efficient market economy; and

"(3) assist participants from eligible countries and the United States to participate in conferences on civics and government education, and economic education, for educational leaders, teacher trainers, scholars in related disciplines, and educational policymakers.

"(e) Participants.—The primary participants in the Cooperative Education Exchange programs assisted under this section shall be educational leaders in the areas of civics and government education, and economic education, including teachers, curriculum and teacher training specialists, scholars in relevant disciplines, and educational policymakers, and government and private sector leaders from the United States and eligible countries.

"(f) Definition of Eligible Country.—For the purpose of this section, the term 'eligible country' means a Central European country, an Eastern European country, Lithuania, Latvia, Estonia, the independent states of the former Soviet Union as defined in section 3 of the FREEDOM Support Act (22 U.S.C. 5801), and may include the Republic of Ireland, the province of Northern Ireland in the United Kingdom, and any developing country, as defined in section 209(d) of the Education for the Deaf Act, that has a democratic form of government as determined by the Secretary in consultation with the Secretary of State.

"SEC. 10307. AUTHORIZATION OF APPROPRIATIONS.

"(a) Section 10304.—There are authorized to be appropriated to carry out section 10304, $15,000,000 for fiscal year 2002 and such sums as may be necessary for each of the fiscal years 2003 through 2008.

"(b) Section 10305.—There are authorized to be appropriated to carry out section 10305, $12,000,000 for fiscal year 2002, and such sums as may be necessary for each of the fiscal years 2003 through 2008.

"PART E—GIFTED AND TALENTED CHILDREN

"SEC. 10401. SHORT TITLE.

"This part may be cited as the 'Jacob K. Javits 'Gifted and Talented Students Education Act of 2001'.

"SEC. 10402. FINDINGS.

"Congress finds the following:

"(1) While the families or communities of some gifted students can provide private programs with appropriately trained staff to supplement public educational offerings, most high-ability students, especially those from inner cities, rural communities, or low-income families, must rely on the services and personnel provided by public schools. Therefore, gifted education programs, provided by qualified professionals in the public schools, are needed to provide equal educational opportunities.

"(2) Due to the wide dispersal of students who are gifted and talented and the national interest in a well-educated populace, the Federal Government can most effectively and appropriately conduct research and development to provide an infrastructure for, and to ensure that there is, a national capacity to educate students who are gifted and talented to meet the needs of the 21st century.

"(3) State and local educational agencies often lack the specialized resources and trained personnel to consistently plan and implement effective programs for the identification of gifted and talented students and for the provision of educational services and programs appropriate for their needs.

"(4) Because gifted and talented students generally are more advanced academically, are able to learn more quickly, and study in more depth and complexity than others their age, their educational needs require opportunities and experiences that are different from those generally available in regular education programs.

"(5) Typical elementary school students who are academically gifted and talented already have mastered 35 to 50 percent of the school year's content in several subject areas before the year begins. Without an advanced and challenging curriculum, they often lose their motivation and develop poor study habits that are difficult to break.

"(6) Elementary school and secondary school teachers have students in their classrooms with a wide variety of traits, characteristics, and needs. Most teachers receive some training to meet the needs of these students, such as students with limited English proficiency, students with disabilities, and students from diverse cultural and racial backgrounds. However, most teachers do not receive training on meeting the needs of students who are gifted and talented.

"SEC. 10403. CONDITIONS ON EFFECTIVENESS OF SUBPART 2.

"(a) In General.—Subpart 2 shall be in effect only for—

"(1) the first fiscal year for which the amount appropriated to carry out this part equals or exceeds $50,000,000; and

"(2) all succeeding fiscal years.

"Subpart 1—National Research Program

"SEC. 10411. PURPOSE.

"The purpose of this subpart is to initiate a coordinated program of research, demonstration projects, innovative strategies, and similar activities designed to build a nationwide capability in elementary schools and secondary schools to meet the special educational needs of gifted and talented students.

"SEC. 10412. GRANTS TO MEET EDUCATIONAL NEEDS OF GIFTED AND TALENTED STUDENTS.

"(a) Establishment of Program.—

"(1) In general.—Subject to section 10403, from the sums available to carry out this subpart in any fiscal year, the Secretary shall make grants to, or enter into contracts with, State educational agencies, local educational agencies, institutions of higher education, other public agencies, and other private agencies and organizations (including Indian tribes and Indian organizations (as such terms are defined in section 4 of the Indian Self-Determination and Education Assistance Act) and Native Hawaiian organizations) to assist such agencies, institutions, and organizations in carrying out programs or projects authorized by this subpart that are designed to meet the educational needs of gifted and talented students, including the training of personnel in the education of gifted and talented students and in the use, where appropriate, of gifted and talented services, materials, and methods for all students.

"(2) Application.—Each entity desiring assistance under this subpart shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require. Each such application shall describe how—

"(A) the proposed gifted and talented services, materials, and methods can be adapted, if appropriate, for use by all students; and

"(B) the proposed programs can be evaluated.

"(b) Uses of Funds.—Programs and projects assisted under this subpart may include the following:

"(1) Carrying out—

"(A) research on methods and techniques for identifying and teaching gifted and talented students, and for using gifted and talented programs and methods to serve all students; and

"(B) program evaluations, surveys, and the collection, analysis, and development of information needed to accomplish the purpose of this subpart.

"(2) Professional development (including fellowships) for personnel (including leadership personnel) involved in the education of gifted and talented students.

"(3) Establishment and operation of model projects and exemplary programs for serving gifted and talented students, including innovative methods for identifying and educating students who may not be served by traditional gifted and talented programs, including summer programs, mentoring programs, service learning programs, and cooperative programs involving business, industry, and education.

"(4) Implementing innovative strategies, such as cooperative learning, peer tutoring, and service learning.

"(5) Programs of technical assistance and information dissemination, including assistance and information with respect to how gifted and talented programs and methods, where appropriate, may be adapted for use by all students.

"SEC. 10413. PROGRAM PRIORITIES.

"(a) GENERAL PRIORITY.—In the administration of this subpart, the Secretary shall give highest priority to programs and projects designed to develop new information that—

"(1) improves the capability of schools to plan, conduct, and improve programs to identify and serve gifted and talented students; and

"(2) assists schools in the identification of, and provision of services to, gifted and talented students who may not be identified and served through traditional assessment methods (including economically disadvantaged individuals, individuals of limited English proficiency, and individuals with disabilities).

"(b) SERVICE PRIORITY.—In approving applications for assistance under section 10412(a)(2), the Secretary shall ensure that in each fiscal year at least ½ of the applications approved under such section address the priority described in subsection (a)(2).

"SEC. 10414. CENTER FOR RESEARCH AND DEVELOPMENT.

"(a) IN GENERAL.—The Secretary (after consultation with experts in the field of the education of gifted and talented students) shall establish a National Research Center in the Education of Gifted and Talented Children and Youth through grants to or contracts with 1 or more institutions of higher education or State educational agencies, or a combination or consortium of such institutions and agencies and other public or private agencies and organizations, for the purpose of carrying out activities described in section 10412.

"(b) DIRECTOR.—Such National Center shall have a Director. The Secretary may authorize the Director to carry out such functions of the National Center as may be agreed upon through arrangements with institutions of higher education, State or local educational agencies, or other public or private agencies and organizations.

"(c) FUNDING.—The Secretary may use not more than 30 percent of the funds made available under this subpart for any fiscal year to carry out this section.

"SEC. 10415. GENERAL PROVISIONS FOR SUBPART.

"(a) REVIEW, DISSEMINATION, AND EVALUATION.—The Secretary—

"(1) shall use a peer review process in reviewing applications under sections 10415(d) and 10412;

"(2) shall ensure that information on the activities and results of programs and projects funded under this subpart is disseminated to appropriate State and local educational agencies and other appropriate organizations, including nonprofit private organizations; and

"(3) shall evaluate the effectiveness of programs under this subpart, both in terms of the impact on students traditionally served in separate gifted and talented programs and on other students, and submit the results of such evaluation to Congress not later than 2 years after the date of enactment of the Better Education for Students and Teachers Act.

"(b) PROGRAM OPERATIONS.—The Secretary shall ensure that the programs under this subpart are administered within the Department by a person who has recognized professional qualifications and experience in the field of the education of gifted and talented students and who—

"(1) shall serve as a focal point of national leadership and information on the educational needs of gifted and talented students and the availability of educational services and programs designed to meet such needs;

"(2) shall assist the Assistant Secretary of the Office of Educational Research and Improvement in identifying research priorities which reflect the needs of gifted and talented students; and

"(3) shall disseminate and consult on the information developed under this subpart with other offices within the Department.

"(c) COORDINATION.—Research activities supported under this subpart—

"(1) shall be carried out in consultation with the Office of Educational Research and Improvement to ensure that such activities are coordinated with and enhance the research and development activities supported by such Office; and

"(2) may include collaborative research activities which are jointly funded and carried out with such Office.

"(d) GRANTS TO STATE EDUCATIONAL AGENCIES FOR AUTHORIZED ACTIVITIES.—

"(1) IN GENERAL.—For fiscal year 2002 and succeeding fiscal years, the Secretary shall use the excess amount of funds under subpart 1 to award grants, on a competitive basis, to State educational agencies to begin implementing activities described in section 10422(b).

"(2) EXCESS AMOUNT.—For purposes of paragraph (1), the excess amount described in this subsection is the amount (if any) by which the funds appropriated to carry out this subpart for the fiscal year exceed such funds appropriated for fiscal year 2001.

"(3) APPLICATION.—Each State educational agency desiring a grant under this section shall submit an application to the Secretary that contains the assurances described in section 10424(b), with respect to the implementing activities.

"Subpart 2—Formula Grant Program

"SEC. 10421. PURPOSE.

"The purpose of this subpart is to provide grants to States to support programs, teacher preparation, and other services designed to meet the needs of the Nation's gifted and talented students in elementary schools and secondary schools.

"SEC. 10422. ESTABLISHMENT OF PROGRAM; USE OF FUNDS.

"(a) IN GENERAL.—In the case of each State that in accordance with section 10424 submits to the Secretary an application for a fiscal year, subject to section 10403, the Secretary shall make a grant for the fiscal year to the State for the uses specified in subsection (b). The grant shall consist of the allotment determined for the State under section 10423.

"(b) AUTHORIZED ACTIVITIES.—Each State receiving a grant under this subpart shall use the funds provided under the grant to assist local educational agencies in the State to develop or expand gifted and talented education programs through 1 or more of the following activities:

"(1) Development and implementation of programs to address State and local needs for in-service training programs for general educators, specialists in gifted and talented education, administrators, or other personnel at the elementary school and secondary school levels.

"(2) Making materials and services available through State regional educational service centers, institutions of higher education, or other entities.

"(3) Supporting innovative approaches and curricula used by local educational agencies (or consortia of such agencies) or schools (or consortia of schools).

"(4) Providing funds for challenging, high-level course work, disseminated through new and emerging technologies (including distance learning), for individual students or groups of students in schools and local educational agencies that do not have the resources otherwise to provide such course work.

"(c) COMPETITIVE PROCESS.—Funds provided under this subpart shall be distributed to local educational agencies through a competitive process that results in an equitable distribution by geographic area within the State.

"(d) LIMITATIONS ON USE OF FUNDS.—

"(1) COURSE WORK PROVIDED THROUGH EMERGING TECHNOLOGIES.—Activities under subsection (b)(4) may include development of curriculum packages, compensation of distance-learning educators, or other relevant activities, but funds provided under this subpart may not be used for the purchase or upgrading of technological hardware.

"(2) STATE USE OF FUNDS.—

"(A) IN GENERAL.—A State educational agency receiving a grant under this subpart may not use more than 10 percent of the grant funds for—

"(i) dissemination of general program information;

"(ii) providing technical assistance under this subpart;

"(iii) monitoring and evaluation of programs and activities assisted under this subpart;

"(iv) providing support for parental education; and

"(v) creating a State gifted education advisory board.

"(B) ADMINISTRATIVE COSTS.—A State educational agency may use not more than 50 percent of the funds made available to the State educational agency under subparagraph (A) for administrative costs.

"(C) EDUCATION, INFORMATION, AND SUPPORT.—A State educational agency receiving a grant under this subpart may use not more than 2 percent of the grant funds to provide information, education, and support to parents and caregivers of gifted and talented children to enhance their ability to participate in decisions regarding their children's educational programs. Such education, information, and support shall be developed and carried out by parents and caregivers or by parents and caregivers in partnership with the State.

"SEC. 10423. ALLOTMENTS TO STATES.

"(a) RESERVATION OF FUNDS.—From the amount made available to carry out this subpart for any fiscal year, the Secretary shall reserve ½ of 1 percent for the Secretary of the Interior for programs under this subpart for teachers, other staff, and administrators in schools operated or funded by the Bureau of Indian Affairs.

"(b) STATE ALLOTMENTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall allot the total amount made available to carry out this subpart for any fiscal year and not reserved under subsection (a) to the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico on the basis of their relative populations of individuals aged 5 through 17, as determined by the Secretary on the basis of the most recent satisfactory data.

"(2) MINIMUM GRANT AMOUNT.—No State receiving an allotment under paragraph (1) may receive less than ½ of 1 percent of the total amount allotted under such paragraph.

"(c) REALLOTMENT.—If any State does not apply for an allotment under this section for any fiscal year, the Secretary shall reallot such amount to the remaining States in accordance with this section.

"SEC. 10424. STATE APPLICATION.

"(a) IN GENERAL.—To be eligible to receive a grant under this subpart, a State educational agency shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

"(b) CONTENTS.—Each application under this section shall include assurances that—

"(1) funds received under this subpart will be used to support gifted and talented students in public schools and public charter schools, including students from all economic, ethnic, and racial backgrounds, students of limited English proficiency, students with disabilities, and highly gifted students;

"(2) the funds not retained by the State educational agency shall be used for the purpose of making, in accordance with this subpart and on a competitive basis, grants to local educational agencies;

"(3) funds received under this subpart shall be used only to supplement, but not supplant, the amount of State and local funds expended for specialized education and related services provided for the education of gifted and talented students;

"(4) the State educational agency will provide matching funds for the activities to be assisted under this subpart in an amount equal to not less than 20 percent of the grant funds to be received; and

"(5) the State educational agency shall develop and implement program assessment models to ensure program accountability and to evaluate educational effectiveness.

"(c) APPROVAL.—To the extent funds are made available for this subpart, the Secretary shall approve an application of a State if such application meets the requirements of this section.

"SEC. 10425. DISTRIBUTION TO LOCAL EDUCATIONAL AGENCIES.

"(a) GRANT COMPETITION.—A State educational agency shall use not less than 88 percent of the funds made available to the State educational agency under this subpart to award grants, on a competitive basis, to local educational agencies (including consortia of local educational agencies) to support programs, classes, and other services designed to meet the needs of gifted and talented students.

"(b) SIZE OF GRANT.—A State educational agency shall award a grant under subsection (a) for any fiscal year in an amount sufficient to meet the needs of the students to be served under the grant.

"SEC. 10426. LOCAL APPLICATIONS.

"(a) APPLICATION.—To be eligible to receive a grant under this subpart, a local educational agency (including a consortium of local educational agencies) shall submit an application to the State educational agency.

"(b) CONTENTS.—Each such application shall include—

"(1) an assurance that the funds received under this subpart will be used to identify and support gifted and talented students, including gifted and talented students from all economic, ethnic, and racial backgrounds, such students of limited English proficiency, and such students with disabilities;

"(2) a description of how the local educational agency will meet the educational needs of gifted and talented students, including the training of personnel in the education of gifted and talented students; and

"(3) an assurance that funds received under this subpart will be used to supplement, not supplant, the amount of funds the local educational agency expends for the education of, and related services for, gifted and talented students.

"SEC. 10427. ANNUAL REPORTING.

"Beginning 1 year after the date of enactment of the Better Education for Students and Teachers Act and for each subsequent year thereafter, the State educational agency shall submit an annual report to the Secretary that describes the number of students served and the activities supported with funds provided under this subpart. The report shall include a description of the measures taken to comply with paragraphs (1) and (4) of section 10424(b).

"Subpart 3—General Provisions

"SEC. 10431. CONSTRUCTION.

"Nothing in this subpart shall be construed to prohibit a recipient of funds under this subpart from serving gifted and talented students simultaneously with students with similar educational needs, in the same educational settings where appropriate.

"SEC. 10432. PARTICIPATION OF PRIVATE SCHOOL CHILDREN AND TEACHERS.

"In making grants and entering into contracts under this subpart, the Secretary shall ensure, where appropriate, that provision is made for the equitable participation of students and teachers in private nonprofit elementary schools and secondary schools, including the participation of teachers and other personnel in professional development programs serving such children.

"SEC. 10433. DEFINITIONS.

"For purposes of this subpart:

"(1) GIFTED AND TALENTED.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'gifted and talented' when used with respect to a person or program—

"(i) has the meaning given the term under applicable State law; or

"(ii) in the case of a State that does not have a State law defining the term, has the meaning given such term by definition of the State educational agency or local educational agency involved.

"(B) SPECIAL RULE.—In the case of a State that does not have a State law that defines the term, and the State educational agency or local educational agency has not defined the term, the term has the meaning given the term in section 3.

"(2) STATE.—The term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

"SEC. 10434. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this subpart $170,000,000 for each of fiscal years 2002 through 2008.

"PART F—LOCAL INNOVATIONS FOR EDUCATION (LIFE) FUND

"Subpart 1—Fund for the Improvement of Education

"SEC. 10501. FUND FOR THE IMPROVEMENT OF EDUCATION.

"(a) FUNDS AUTHORIZED.—From funds appropriated under subsection (d), the Secretary is authorized to support nationally significant programs and projects to improve the quality of education, assist all students to meet challenging State content standards and challenging State student performance standards, and carry out activities to raise standards and expectations for academic achievement among all students, especially disadvantaged students traditionally underserved in schools. The Secretary is authorized to carry out such programs and projects directly or through grants to, or contracts with, State and local educational agencies, institutions of higher education, and other public and private agencies, organizations, and institutions.

"(b) USES OF FUNDS.—Funds under this section may be used for—

"(1) joint efforts with other agencies and community organizations, including activities related to improving the transition from preschool to school and from school to work, as well as activities related to the integration of educational, recreational, cultural, health and social services programs within a local community;

"(2) activities to promote and evaluate counseling and mentoring for students, including intergenerational mentoring;

"(3) activities to promote and evaluate coordinated student support services;

"(4) activities to promote comprehensive health education;

"(5) activities to promote environmental education;

"(6) activities to promote consumer, economic, and personal finance education, such as saving, investing, and entrepreneurial education;

"(7) studies and evaluation of various education reform strategies and innovations being pursued by the Federal Government, States, and local educational agencies;

"(8) the identification and recognition of exemplary schools and programs, such as Blue Ribbon Schools;

"(9) programs designed to promote gender equity in education by evaluating and eliminating gender bias in instruction and educational materials, identifying, and analyzing gender inequities in educational practices, and implementing and evaluating educational policies and practices designed to achieve gender equity;

"(10) programs designed to encourage parents to participate in school activities;

"(11) experiential-based learning, such as service-learning;

"(12) developing, adapting, or expanding existing and new applications of technology to support the school reform effort;

"(13) acquiring connectivity linkages, resources, and services, including the acquisition of hardware and software, for use by teachers, students and school library media personnel in the classroom or in school library media centers, in order to improve student learning to ensure that students in schools will have meaningful access on a regular basis to such linkages, resources and services;

“(14) providing ongoing professional development in the integration of quality educational technologies into school curriculum and long-term planning for implementing educational technologies;

“(15) acquiring connectivity with wide area networks for purposes of accessing information and educational programming sources, particularly with institutions of higher education and public libraries;

“(16) providing educational services for adults and families;

“(17) demonstrations relating to the planning and evaluations of the effectiveness of projects under which local educational agencies or schools contract with private management organizations to reform a school or schools; and

“(18) other programs and projects that meet the purposes of this section.

“(c) AWARDS.—

“(1) IN GENERAL.—The Secretary may—

“(A) make awards under this section on the basis of competitions announced by the Secretary; and

“(B) support meritorious unsolicited proposals.

“(2) SPECIAL RULE.—The Secretary shall ensure that programs, projects, and activities supported under this section are designed so that the effectiveness of such programs, projects, and activities is readily ascertainable.

“(3) PEER REVIEW.—The Secretary shall use a peer review process in reviewing applications for assistance under this section and may use funds appropriated under section 10801 for the cost of such peer review.

“SEC. 10502. PROMOTING SCHOLAR-ATHLETE COMPETITIONS.

“(a) IN GENERAL.—The Secretary is authorized to award a grant to a nonprofit organization to reimburse such organization for the costs of conducting scholar-athlete games.

“(b) PRIORITY.—In awarding the grant under subsection (a), the Secretary shall give priority to a nonprofit organization that—

“(1) is described in section 501(c)(3) of, and exempt from taxation under section 501(a) of, the Internal Revenue Code of 1986, and is affiliated with a university capable of hosting a large educational, cultural, and athletic event that will serve as a national model;

“(2) has the capability and experience in administering federally funded scholar-athlete games;

“(3) has the ability to provide matching funds, on a dollar-for-dollar basis, from foundations and the private sector for the purpose of conducting a scholar-athlete program;

“(4) has the organizational structure and capability to administer a model scholar-athlete program; and

“(5) has the organizational structure and expertise to replicate the scholar-athlete program in various venues throughout the United States internationally.

“Subpart 2—Star Schools Program

“SEC. 10551. SHORT TITLE.

“This subpart may be cited as the ‘Star Schools Act’.

“SEC. 10552. FINDINGS.

“Congress finds that—

“(1) the Star Schools program has helped to encourage the use of distance learning strategies to serve multistate regions primarily by means of satellite and broadcast television;

“(2) in general, distance learning programs have been used effectively to provide students in small, rural, and isolated schools with courses and instruction, such as science and foreign language instruction, that the local educational agency is not otherwise able to provide; and

“(3) distance learning programs may also be used to—

“(A) provide students of all ages in all types of schools and educational settings with greater access to high-quality instruction in the full range of core academic subjects that will enable such students to meet challenging, internationally competitive, educational standards;

“(B) expand professional development opportunities for teachers;

“(C) contribute to achievement of the National Education Goals; and

“(D) expand learning opportunities for everyone.

“SEC. 10553. PURPOSE.

“It is the purpose of this subpart to encourage improved instruction in mathematics, science, and foreign languages as well as other subjects, such as literacy skills and vocational education, and to serve underserved populations, including the disadvantaged, illiterate, limited English proficient, and individuals with disabilities, through a Star Schools program under which grants are made to eligible telecommunication partnerships to enable such partnerships to—

“(1) develop, construct, acquire, maintain, and operate telecommunications audio and visual facilities and equipment;

“(2) develop and acquire educational and instructional programming; and

“(3) obtain technical assistance for the use of such facilities and instructional programming.

“SEC. 10554. GRANTS AUTHORIZED.

“(a) AUTHORITY.—The Secretary, through the Office of Educational Technology, is authorized to make grants, in accordance with the provisions of this subpart, to eligible entities to pay the Federal share of the cost of—

“(1) the development, construction, acquisition, maintenance, and operation of telecommunications facilities and equipment;

“(2) the development and acquisition of live, interactive instructional programming;

“(3) the development and acquisition of preservice and inservice teacher training programs based on established research regarding teacher-to-teacher mentoring, effective skill transfer, and ongoing, in-class instruction;

“(4) the establishment of teleconferencing facilities and resources for making interactive training available to teachers;

“(5) obtaining technical assistance; and

“(6) the coordination of the design and connectivity of telecommunications networks to reach the greatest number of schools.

“(b) DURATION.—

“(1) IN GENERAL.—The Secretary shall award grants pursuant to subsection (a) for a period of 5 years.

“(2) RENEWAL.—Grants awarded pursuant to subsection (a) may be renewed for 1 additional 3-year period.

“(c) AVAILABILITY OF FUNDS.—Funds made available to carry out this subpart shall remain available until expended.

“(d) LIMITATIONS.—

“(1) IN GENERAL.—A grant under this section shall not exceed—

“(A) 5 years in duration; or

“(B) $10,000,000 in any 1 fiscal year.

“(2) INSTRUCTIONAL PROGRAMMING.—Not less than 25 percent of the funds available to the Secretary in any fiscal year under this subpart shall be used for the cost of instructional programming.

“(3) SPECIAL RULE.—Not less than 50 percent of the funds available in any fiscal year under this subpart shall be used for the cost of facilities, equipment, teacher training or retraining, technical assistance, or programming, for local educational agencies which are eligible to receive assistance under part A of title I.

“(e) FEDERAL SHARE.—

“(1) IN GENERAL.—The Federal share of the cost of projects funded under this section shall not exceed—

“(A) 75 percent for the first and second years for which an eligible telecommunications partnership receives a grant under this subpart;

“(B) 60 percent for the third and fourth such years; and

“(C) 50 percent for the fifth such year.

“(2) REDUCTION OR WAIVER.—The Secretary may reduce or waive the requirement of the non-Federal share under paragraph (1) upon a showing of financial hardship.

“(f) AUTHORITY TO ACCEPT FUNDS FROM OTHER AGENCIES.—The Secretary is authorized to accept funds from other Federal departments or agencies to carry out the purposes of this section, including funds for the purchase of equipment.

“(g) COORDINATION.—The Department, the National Science Foundation, the Department of Agriculture, the Department of Commerce, and any other Federal department or agency operating a telecommunications network for educational purposes, shall coordinate the activities assisted under this subpart with the activities of such department or agency relating to a telecommunications network for educational purposes.

“(h) CLOSED CAPTIONING AND DESCRIPTIVE VIDEO.—Each entity receiving funds under this subpart is encouraged to provide—

“(1) closed captioning of the verbal content of such program, where appropriate, to be broadcast by way of line 21 of the vertical blanking interval, or by way of comparable successor technologies; and

“(2) descriptive video of the visual content of such program, as appropriate.

“SEC. 10555. ELIGIBLE ENTITIES.

“(a) ELIGIBLE ENTITIES.—

“(1) REQUIRED PARTICIPATION.—The Secretary may make a grant under section 10554 to any eligible entity, if at least 1 local educational agency is participating in the proposed project.

“(2) ELIGIBLE ENTITY.—For the purpose of this subpart, the term ‘eligible entity’ may include—

“(A) a public agency or corporation established for the purpose of developing and operating telecommunications networks to enhance educational opportunities provided by educational institutions, teacher training centers, and other entities, except that any such agency or corporation shall represent the interests of elementary schools and secondary schools that are eligible to participate in the program under part A of title I; or

“(B) a partnership that will provide telecommunications services and which includes 3 or more of the following entities, at least 1 of which shall be an agency described in clause (i) or (ii):

“(i) a local educational agency that serves a significant number of elementary schools and secondary schools that are eligible for assistance under part A of title I, or elementary schools and secondary schools operated or funded for Indian children by the Department of the Interior eligible under section 1121(c)(1)(A);

“(ii) a State educational agency;

“(iii) adult and family education programs;

“(iv) an institution of higher education or a State higher education agency;

“(v) a teacher training center or academy that—

“(I) provides teacher preservice and inservice training; and

“(II) receives Federal financial assistance or has been approved by a State agency;

“(vi)(I) a public or private entity with experience and expertise in the planning and operation of a telecommunications network, including entities involved in telecommunications through satellite, cable, telephone, or computer; or

“(II) a public broadcasting entity with such experience; or

“(vii) a public or private elementary school or secondary school.

“(b) SPECIAL RULE.—An eligible entity receiving assistance under this subpart shall be organized on a statewide or multistate basis.

“SEC. 10556. APPLICATIONS.

“(a) APPLICATIONS REQUIRED.—Each eligible entity which desires to receive a grant under section 10554 shall submit an application to the Secretary, at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

“(b) STAR SCHOOL AWARD APPLICATION.—Each application submitted pursuant to subsection (a) shall—

“(1) describe how the proposed project will assist in achieving the National Education Goals, how such project will assist all students to have an opportunity to learn to challenging State standards, how such project will assist State and local educational reform efforts, and how such project will contribute to creating a high-quality system of lifelong learning;

“(2) describe the telecommunications facilities and equipment and technical assistance for which assistance is sought, which may include—

“(A) the design, development, construction, acquisition, maintenance, and operation of State or multistate educational telecommunications networks and technology resource centers;

“(B) microwave, fiber optics, cable, and satellite transmission equipment or any combination thereof;

“(C) reception facilities;

“(D) satellite time;

“(E) production facilities;

“(F) other telecommunications equipment capable of serving a wide geographic area;

“(G) the provision of training services to instructors who will be using the facilities and equipment for which assistance is sought, including training in using such facilities and equipment and training in integrating programs into the classroom curriculum; and

“(H) the development of educational and related programming for use on a telecommunications network;

“(3) in the case of an application for assistance for instructional programming, describe the types of programming which will be developed to enhance instruction and training and provide assurances that such programming will be designed in consultation with professionals (including classroom teachers) who are experts in the applicable subject matter and grade level;

“(4) describe how the eligible entity has engaged in sufficient survey and analysis of the area to be served to ensure that the services offered by the eligible entity will increase the availability of courses of instruction in English, mathematics, science, foreign languages, arts, history, geography, or other disciplines;

“(5) describe the professional development policies for teachers and other school personnel to be implemented to ensure the effective use of the telecommunications facilities and equipment for which assistance is sought;

“(6) describe the manner in which historically underserved students (such as students from low-income families, limited English proficient students, students with disabilities, or students who have low literacy skills) and their families, will participate in the benefits of the telecommunications facilities, equipment, technical assistance, and programming assisted under this subpart;

“(7) describe how existing telecommunications equipment, facilities, and services, where available, will be used;

“(8) provide assurances that the financial interest of the United States in the telecommunications facilities and equipment will be protected for the useful life of such facilities and equipment;

“(9) provide assurances that a significant portion of any facilities and equipment, technical assistance, and programming for which assistance is sought for elementary schools and secondary schools will be made available to schools or local educational agencies that have a high number or percentage of children eligible to be counted under part A of title I;

“(10) provide assurances that the applicant will use the funds provided under this subpart to supplement and not supplant funds otherwise available for the purposes of this subpart;

“(11) describe how funds received under this subpart will be coordinated with funds received for educational technology in the classroom;

“(12) describe the activities or services for which assistance is sought, such as—

“(A) providing facilities, equipment, training services, and technical assistance;

“(B) making programs accessible to students with disabilities through mechanisms such as closed captioning and descriptive video services;

“(C) linking networks around issues of national importance (such as elections) or to provide information about employment opportunities, job training, or student and other social service programs;

“(D) sharing curriculum resources between networks and development of program guides which demonstrate cooperative, cross-network listing of programs for specific curriculum areas;

“(E) providing teacher and student support services including classroom and training support materials which permit student and teacher involvement in the live interactive distance learning telecasts;

“(F) incorporating community resources such as libraries and museums into instructional programs;

“(G) providing professional development for teachers, including, as appropriate, training to early childhood development and Head Start teachers and staff and vocational education teachers and staff, and adult and family educators;

“(H) providing programs for adults to maximize the use of telecommunications facilities and equipment;

“(I) providing teacher training on proposed or established voluntary national content standards in mathematics and science and other disciplines as such standards are developed; and

“(J) providing parent education programs during and after the regular school day which reinforce a student's course of study and actively involve parents in the learning process;

“(13) describe how the proposed project as a whole will be financed and how arrangements for future financing will be developed before the project expires;

“(14) provide an assurance that a significant portion of any facilities, equipment, technical assistance, and programming for which assistance is sought for elementary schools and secondary schools will be made available to schools in local educational agencies that have a high percentage of children counted for the purpose of part A of title I;

“(15) provide an assurance that the applicant will provide such information and cooperate in any evaluation that the Secretary may conduct under this subpart; and

“(16) include such additional assurances as the Secretary may reasonably require.

“(c) PRIORITIES.—The Secretary, in approving applications for grants authorized under section 10554, shall give priority to applications describing projects that—

“(1) propose high-quality plans to assist in achieving 1 or more of the National Education Goals, will provide instruction consistent with State content standards, or will otherwise provide significant and specific assistance to States and local educational agencies undertaking systemic education reform;

“(2) will provide services to programs serving adults, especially parents, with low levels of literacy;

“(3) will serve schools with significant numbers of children counted for the purposes of part A of title I;

“(4) ensure that the eligible entity will—

“(A) serve the broadest range of institutions, programs providing instruction outside of the school setting, programs serving adults, especially parents, with low levels of literacy, institutions of higher education, teacher training centers, research institutes, and private industry;

“(B) have substantial academic and teaching capabilities, including the capability of training, retraining, and inservice upgrading of teaching skills and the capability to provide professional development;

“(C) provide a comprehensive range of courses for educators to teach instructional strategies for students with different skill levels;

“(D) provide training to participating educators in ways to integrate telecommunications courses into existing school curriculum;

“(E) provide instruction for students, teachers, and parents;

“(F) serve a multistate area; and

“(G) give priority to the provision of equipment and linkages to isolated areas; and

“(5) involve a telecommunications entity (such as a satellite, cable, telephone, computer, or public or private television stations) participating in the eligible entity and donating equipment or in-kind services for telecommunications linkages.

“(d) GEOGRAPHIC DISTRIBUTION.—In approving applications for grants authorized under section 10554, the Secretary shall, to the extent feasible, ensure an equitable geographic distribution of services provided under this subpart.

“SEC. 10557. LEADERSHIP AND EVALUATION.

“(a) Reservation.—From the amount made available to carry out this subpart in each fiscal year, the Secretary may reserve not more than 5 percent of such amount for national leadership, evaluation, and peer review activities.

“(b) Method of Funding.—The Secretary may fund the activities described in subsection (a) directly or through grants, contracts, and cooperative agreements.

“(c) Uses of Funds.—

“(1) Leadership.—Funds reserved for leadership activities under subsection (a) may be used for—

“(A) disseminating information, including lists and descriptions of services available from grant recipients under this subpart; and

“(B) other activities designed to enhance the quality of distance learning activities nationwide.

“(2) Evaluation.—Funds reserved for evaluation activities under subsection (a) may be used to conduct independent evaluations of the activities assisted under this subpart and of distance learning in general, including—

“(A) analyses of distance learning efforts, including such efforts that are assisted under this subpart and such efforts that are not assisted under this subpart; and

“(B) comparisons of the effects, including student outcomes, of different technologies in distance learning efforts.

“(3) Peer review.—Funds reserved for peer review activities under subsection (a) may be used for peer review of—

“(A) applications for grants under this subpart; and

“(B) activities assisted under this subpart.

“SEC. 10558. DEFINITIONS.

“In this subpart:

“(1) Educational institution.—The term ‘educational institution’ means an institution of higher education, a local educational agency, or a State educational agency.

“(2) Instructional programming.—The term ‘instructional programming’ means courses of instruction and training courses for elementary and secondary students, teachers, and others, and materials for use in such instruction and training that have been prepared in audio and visual form on tape, disc, film, or live, and presented by means of telecommunications devices.

“(3) Public broadcasting entity.—The term ‘public broadcasting entity’ has the same meaning given such term in section 397 of the Communications Act of 1934.

“SEC. 10559. ADMINISTRATIVE PROVISIONS.

“(a) Continuing Eligibility.—

“(1) In general.—In order to be eligible to receive a grant under section 10554 for a second 3-year grant period an eligible entity shall demonstrate in the application submitted pursuant to section 10556 that such partnership shall—

“(A) continue to provide services in the subject areas and geographic areas assisted with funds received under this subpart for the previous 5-year grant period; and

“(B) use all grant funds received under this subpart for the second 3-year grant period to provide expanded services by—

“(i) increasing the number of students, schools, or school districts served by the courses of instruction assisted under this part in the previous fiscal year;

“(ii) providing new courses of instruction; and

“(iii) serving new populations of underserved individuals, such as children or adults who are disadvantaged, have limited English proficiency, are individuals with disabilities, are illiterate, or lack secondary school diplomas or their recognized equivalent.

“(2) Special rule.—Grant funds received pursuant to paragraph (1) shall be used to supplement and not supplant services provided by the grant recipient under this subpart in the previous fiscal year.

“(b) Federal Activities.—The Secretary may assist grant recipients under section 10554 in acquiring satellite time, where appropriate, as economically as possible.

“SEC. 10560. OTHER ASSISTANCE.

“(a) Special Statewide Network.—

“(1) In general.—The Secretary, through the Office of Educational Technology, may provide assistance to a statewide telecommunications network under this subsection if such network—

“(A) provides 2-way full motion interactive video and audio communications;

“(B) links together public colleges and universities and secondary schools throughout the State; and

“(C) meets any other requirements determined appropriate by the Secretary.

“(2) State contribution.—A statewide telecommunications network assisted under paragraph (1) shall contribute, either directly or through private contributions, non-Federal funds equal to not less than 50 percent of the cost of such network.

“(b) Special Local Network.—

“(1) In general.—The Secretary may provide assistance, on a competitive basis, to a local educational agency or consortium thereof to enable such agency or consortium to establish a high technology demonstration program.

“(2) Program requirements.—A high technology demonstration program assisted under paragraph (1) shall—

“(A) include 2-way full motion interactive video, audio, and text communications;

“(B) link together elementary schools and secondary schools, colleges, and universities;

“(C) provide parent participation and family programs;

“(D) include a staff development program; and

“(E) have a significant contribution and participation from business and industry.

“(3) Matching requirement.—A local educational agency or consortium receiving a grant under paragraph (1) shall provide, either directly or through private contributions, non-Federal matching funds equal to not less than 50 percent of the amount of the grant.

“(c) Telecommunications Programs for Continuing Education.—

“(1) Authority.—The Secretary is authorized to award grants, on a competitive basis, to eligible entities to develop and operate 1 or more programs which provide online access to educational resources in support of continuing education and curriculum requirements relevant to achieving a secondary school diploma or its recognized equivalent. The program authorized by this section shall be designed to advance adult literacy, secondary school completion, and the acquisition of specified competency by the end of the 12th grade.

“(2) Application.—Each eligible entity desiring a grant under this section shall submit an application to the Secretary. Each such application shall—

“(A) demonstrate that the applicant will use publicly funded or free public telecommunications infrastructure to deliver video, voice, and data in an integrated service to support and assist in the acquisition of a secondary school diploma or its recognized equivalent;

“(B) assure that the content of the materials to be delivered is consistent with the accreditation requirements of the State for which such materials are used;

“(C) incorporate, to the extent feasible, materials developed in the Federal departments and agencies and under appropriate federally funded projects and programs;

“(D) assure that the applicant has the technological and substantive experience to carry out the program; and

“(E) contain such additional assurances as the Secretary may reasonably require.

“Subpart 3—Arts in Education

“SEC. 10571. FINDINGS AND PURPOSE.

“(a) Findings.—Congress finds that—

“(1) the arts are forms of understanding and ways of knowing that are fundamentally important to education;

“(2) the arts are important to excellent education and to effective school reform;

“(3) the most significant contribution of the arts to education reform is the transformation of teaching and learning;

“(4) such transformation is best realized in the context of comprehensive, systemic education reform;

“(5) participation in performing arts activities has proven to be an effective strategy for promoting the inclusion of persons with disabilities in mainstream settings;

“(6) opportunities in the arts have enabled persons of all ages with disabilities to participate more fully in school and community activities;

“(7) the arts can motivate at-risk students to stay in school and become active participants in the educational process; and

“(8) arts education should be an integral part of the elementary school and secondary school curriculum.

“(b) Purposes.—The purposes of this section are to—

“(1) support systemic education reform by strengthening arts education as an integral part of the elementary school and secondary school curriculum;

“(2) help ensure that all students have the opportunity to learn to challenging State content standards and challenging State student performance standards in the arts; and

“(3) support the national effort to enable all students to demonstrate competence in the arts.

“(c) Eligible Recipients.—In order to carry out the purposes of this section, the Secretary is authorized to award grants to, or enter into contracts or cooperative agreements with—

“(1) State educational agencies;

“(2) local educational agencies;

“(3) institutions of higher education;

“(4) museums and other cultural institutions; and

“(5) other public and private agencies, institutions, and organizations.

“(d) Authorized Activities.—Funds under this section may be used for—

“(1) research on arts education;

“(2) the development of, and dissemination of information about, model arts education programs;

“(3) the development of model arts education assessments based on high standards;

“(4) the development and implementation of curriculum frameworks for arts education;

“(5) the development of model preservice and inservice professional development programs for arts educators and other instructional staff;

“(6) supporting collaborative activities with other Federal agencies or institutions involved in arts education, such as the National Endowment for the Arts, the Institute of Museum and Library Services, the John F. Kennedy Center for the Performing Arts, VSA Arts, and the National Gallery of Art;

“(7) supporting model projects and programs in the performing arts for children and youth through arrangements made with the John F. Kennedy Center for the Performing Arts;

“(8) supporting model projects and programs by VSA Arts which assure the participation in mainstream settings in arts and education programs of individuals with disabilities;

“(9) supporting model projects and programs to integrate arts education into the regular elementary school and secondary school curriculum; and

“(10) other activities that further the purposes of this section.

“(e) Coordination.—

“(1) In general.—A recipient of funds under this section shall, to the extent possible, coordinate projects assisted under this section with appropriate activities of public and private cultural agencies, institutions, and organizations, including museums, arts education associations, libraries, and theaters.

“(2) Special rule.—In carrying out this section, the Secretary shall coordinate with the National Endowment for the Arts, the Institute of Museum and Library Services, the John F. Kennedy Center for the Performing Arts, VSA Arts, and the National Gallery of Art.

“(f) Special Rule.—If the amount made available to the Secretary to carry out this subpart for any fiscal year is $15,000,000 or less, then such amount shall only be available to carry out the activities described in paragraphs (7) and (8) of subsection (d).

“Subpart 4—School Counseling

“SEC. 10601. ELEMENTARY SCHOOL AND SECONDARY SCHOOL COUNSELING DEMONSTRATION.

“(a) Counseling Demonstration.—

“(1) In general.—The Secretary may award grants under this section to local educational agencies to enable the local educational agencies to establish or expand elementary school and secondary school counseling programs.

“(2) Priority.—In awarding grants under this section, the Secretary shall give special consideration to applications describing programs that—

“(A) demonstrate the greatest need for new or additional counseling services among the children in the schools served by the applicant;

“(B) propose the most promising and innovative approaches for initiating or expanding school counseling; and

“(C) show the greatest potential for replication and dissemination.

“(3) Equitable distribution.—In awarding grants under this section, the Secretary shall ensure an equitable geographic distribution among the regions of the United States and among urban, suburban, and rural areas.

“(4) Duration.—A grant under this section shall be awarded for a period not to exceed three years.

“(5) Maximum grant.—A grant under this section shall not exceed $400,000 for any fiscal year.

“(b) Applications.—

“(1) In general.—Each local educational agency desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

“(2) Contents.—Each application for a grant under this section shall—

“(A) describe the school population to be targeted by the program, the particular personal, social, emotional, educational, and career development needs of such population, and the current school counseling resources available for meeting such needs;

“(B) describe the activities, services, and training to be provided by the program and the specific approaches to be used to meet the needs described in subparagraph (A);

“(C) describe the methods to be used to evaluate the outcomes and effectiveness of the program;

“(D) describe the collaborative efforts to be undertaken with institutions of higher education, businesses, labor organizations, community groups, social service agencies, and other public or private entities to enhance the program and promote school-linked services integration;

“(E) describe collaborative efforts with institutions of higher education which specifically seek to enhance or improve graduate programs specializing in the preparation of school counselors, school psychologists, and school social workers;

“(F) document that the applicant has the personnel qualified to develop, implement, and administer the program;

“(G) describe how any diverse cultural populations, if applicable, would be served through the program;

“(H) assure that the funds made available under this subpart for any fiscal year will be used to supplement and, to the extent practicable, increase the level of funds that would otherwise be available from non-Federal sources for the program described in the application, and in no case supplant such funds from non-Federal sources; and

“(I) assure that the applicant will appoint an advisory board composed of parents, school counselors, school psychologists, school social workers, other pupil services personnel, teachers, school administrators, and community leaders to advise the local educational agency on the design and implementation of the program.

“(c) Use of Funds.—

“(1) In general.—From amounts made available to carry out this section, the Secretary shall award grants to local education agencies to be used to initiate or expand elementary or secondary school counseling programs that comply with the requirements of paragraph (2).

“(2) Program requirements.—Each program assisted under this section shall—

“(A) be comprehensive in addressing the personal, social, emotional, and educational needs of all students;

“(B) use a developmental, preventive approach to counseling;

“(C) increase the range, availability, quantity, and quality of counseling services in the schools of the local educational agency;

“(D) expand counseling services only through qualified school counselors, school psychologists, and school social workers;

“(E) use innovative approaches to increase children's understanding of peer and family relationships, work and self, decisionmaking, or academic and career planning, or to improve social functioning;

“(F) provide counseling services that are well-balanced among classroom group and small group counseling, individual counseling, and consultation with parents, teachers, administrators, and other pupil services personnel;

“(G) include inservice training for school counselors, school social workers, school psychologists, other pupil services personnel, teachers, and instructional staff;

“(H) involve parents of participating students in the design, implementation, and evaluation of a counseling program;

“(I) involve collaborative efforts with institutions of higher education, businesses, labor organizations, community groups, social service agencies, or other public or private entities to enhance the program and promote school-linked services integration; and

“(J) evaluate annually the effectiveness and outcomes of the counseling services and activities assisted under this section.

“(3) Report.—The Secretary shall issue a report evaluating the programs assisted pursuant to each grant under this subpart at the end of each grant period.

“(4) Dissemination.—The Secretary shall make the programs assisted under this section available for dissemination, either through the National Diffusion Network or other appropriate means.

“(5) Limit on administration.—Not more than 5 percent of the amounts made available under this section in any fiscal year shall be used for administrative costs to carry out this section.

“(d) Definitions.—For purposes of this section:

“(1) School counselor.—The term ‘school counselor’ means an individual who has documented competence in counseling children and adolescents in a school setting and who—

“(A) possesses State licensure or certification granted by an independent professional regulatory authority;

“(B) in the absence of such State licensure or certification, possesses national certification in school counseling or a specialty of counseling granted by an independent professional organization; or

“(C) holds a minimum of a master's degree in school counseling from a program accredited by the Council for Accreditation of Counseling and Related Educational Programs or the equivalent.

“(2) School psychologist.—The term ‘school psychologist’ means an individual who—

“(A) possesses a minimum of 60 graduate semester hours in school psychology from an institution of higher education and has completed 1,200 clock hours in a supervised school psychology internship, of which 600 hours shall be in the school setting;

“(B) possesses State licensure or certification in the State in which the individual works; or

“(C) in the absence of such State licensure or certification, possesses national certification by the National School Psychology Certification Board.

“(3) School social worker.—The term ‘school social worker’ means an individual who—

“(A)(i) holds a master's degree in social work from a program accredited by the Council on Social Work Education; and

“(ii) is licensed or certified by the State in which services are provided; or

“(B) in the absence of such licensure or certification, possesses a national certification or credential as a school social work specialist that has been awarded by an independent professional organization.

“(4) Supervisor.—The term ‘supervisor’ means an individual who has the equivalent number of years of professional experience in such individual's respective discipline as is required of teaching experience for the supervisor or administrative credential in the State of such individual.

"SEC. 10602. SPECIAL RULE.

"For any fiscal year in which the amount made available to carry out this subpart is at least $60,000,000, then at least $60,000,000 shall be made available in such fiscal year to establish or expand elementary school counseling programs.

"Subpart 5—Partnerships in Character Education

"SEC. 10651. SHORT TITLE.

"This subpart may be cited as the 'Strong Character for Strong Schools Act'.

"SEC. 10652. PARTNERSHIPS IN CHARACTER EDUCATION PROGRAM.

"(a) Program Authorized.—

"(1) In general.—The Secretary is authorized to award grants to eligible entities for the design and implementation of character education programs that may incorporate the elements of character described in subsection (d).

"(2) Eligible entity.—The term 'eligible entity' means—

"(A) a State educational agency in partnership with 1 or more local educational agencies;

"(B) a State educational agency in partnership with—

"(i) one or more local educational agencies; and

"(ii) one or more nonprofit organizations or entities, including institutions of higher education;

"(C) a local educational agency or consortium of local educational agencies; or

"(D) a local educational agency in partnership with another nonprofit organization or entity, including institutions of higher education.

"(3) Duration.—Each grant under this section shall be awarded for a period not to exceed 3 years, of which the eligible entity shall not use more than 1 year for planning and program design.

"(4) Amount of grants for state educational agencies.—Subject to the availability of appropriations, the amount of grant made by the Secretary to a State educational agency in a partnership described in subparagraph (A) or (B) of paragraph (2), that submits an application under subsection (b) and that meets such requirements as the Secretary may establish under this section, shall not be less than $500,000.

"(b) Applications.—

"(1) Requirement.—Each eligible entity desiring a grant under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may require.

"(2) Contents of application.—Each application submitted under this section shall include—

"(A) a description of any partnerships or collaborative efforts among the organizations and entities of the eligible entity;

"(B) a description of the goals and objectives of the program proposed by the eligible entity;

"(C) a description of activities that will be pursued and how those activities will contribute to meeting the goals and objectives described in subparagraph (B), including—

"(i) how parents, students (including students with physical and mental disabilities), and other members of the community, including members of private and nonprofit organizations, will be involved in the design and implementation of the program and how the eligible entity will work with the larger community to increase the reach and promise of the program;

"(ii) curriculum and instructional practices that will be used or developed;

"(iii) methods of teacher training and parent education that will be used or developed; and

"(iv) how the program will be linked to other efforts in the schools to improve student performance;

"(D) in the case of an eligible entity that is a State educational agency—

"(i) a description of how the State educational agency will provide technical and professional assistance to its local educational agency partners in the development and implementation of character education programs; and

"(ii) a description of how the State educational agency will assist other interested local educational agencies that are not members of the original partnership in designing and establishing character education programs;

"(E) a description of how the eligible entity will evaluate the success of its program—

"(i) based on the goals and objectives described in subparagraph (B); and

"(ii) in cooperation with the national evaluation conducted pursuant to subsection (c)(2)(B)(iii);

"(F) an assurance that the eligible entity annually will provide to the Secretary such information as may be required to determine the effectiveness of the program; and

"(G) any other information that the Secretary may require.

"(c) Evaluation and Program Development.—

"(1) Evaluation and reporting.—

"(A) State and local reporting and evaluation.—Each eligible entity receiving a grant under this section shall submit to the Secretary a comprehensive evaluation of the program assisted under this section, including the impact on students (including students with physical and mental disabilities), teachers, administrators, parents, and others—

"(i) by the second year of the program; and

"(ii) not later than 1 year after completion of the grant period.

"(B) Contracts for evaluation.—Each eligible entity receiving a grant under this section may contract with outside sources, including institutions of higher education, and private and nonprofit organizations, for purposes of evaluating its program and measuring the success of the program toward fostering character in students.

"(2) National research, dissemination, and evaluation.—

"(A) In general.—The Secretary is authorized to make grants to, or enter into contracts or cooperative agreements with, State or local educational agencies, institutions of higher education, tribal organizations, or other public or private agencies or organizations to carry out research, development, dissemination, technical assistance, and evaluation activities that support or inform State and local character education programs. The Secretary shall reserve not more than 5 percent of the funds made available under this section to carry out this paragraph.

"(B) Uses.—Funds made available under subparagraph (A) may be used—

"(i) to conduct research and development activities that focus on matters such as—

"(I) the effectiveness of instructional models for all students, including students with physical and mental disabilities;

"(II) materials and curricula that can be used by programs in character education;

"(III) models of professional development in character education; and

"(IV) the development of measures of effectiveness for character education programs which may include the factors described in paragraph (3);

"(ii) to provide technical assistance to State and local programs, particularly on matters of program evaluation;

"(iii) to conduct a national evaluation of State and local programs receiving funding under this section; and

"(iv) to compile and disseminate, through various approaches (such as a national clearinghouse)—

"(I) information on model character education programs;

"(II) character education materials and curricula;

"(III) research findings in the area of character education and character development; and

"(IV) any other information that will be useful to character education program participants, educators, parents, administrators, and others nationwide.

"(C) Priority.—In carrying out national activities under this paragraph related to development, dissemination, and technical assistance, the Secretary shall seek to enter into partnerships with national, nonprofit character education organizations with expertise and successful experience in implementing local character education programs that have had an effective impact on schools, students (including students with disabilities), and teachers.

"(3) Factors.—Factors which may be considered in evaluating the success of programs funded under this section may include—

"(A) discipline issues;

"(B) student performance;

"(C) participation in extracurricular activities;

"(D) parental and community involvement;

"(E) faculty and administration involvement;

"(F) student and staff morale; and

"(G) overall improvements in school climate for all students, including students with physical and mental disabilities.

"(d) Elements of Character.—Each eligible entity desiring funding under this section shall develop character education programs that may incorporate elements of character such as—

"(1) caring;

"(2) civic virtue and citizenship;

"(3) justice and fairness;

"(4) respect;

"(5) responsibility;

"(6) trustworthiness; and

"(7) any other elements deemed appropriate by the members of the eligible entity.

"(e) Use of Funds by State Educational Agency Recipients.—Of the total funds received in any fiscal year under this section by an eligible entity that is a State educational agency—

"(1) not more than 10 percent of such funds may be used for administrative purposes; and

"(2) the remainder of such funds may be used for—

"(A) collaborative initiatives with and between local educational agencies and schools;

"(B) the preparation or purchase of materials, and teacher training;

"(C) grants to local educational agencies, schools, or institutions of higher education; and

"(D) technical assistance and evaluation.

"(f) Selection of Grantees.—

“(1) Criteria.—The Secretary shall select, through peer review, eligible entities to receive grants under this section on the basis of the quality of the applications submitted under subsection (b), taking into consideration such factors as—

“(A) the quality of the activities proposed to be conducted;

“(B) the extent to which the program fosters character in students and the potential for improved student performance;

“(C) the extent and ongoing nature of parental, student, and community involvement;

“(D) the quality of the plan for measuring and assessing success; and

“(E) the likelihood that the goals of the program will be realistically achieved.

“(2) Diversity of projects.—The Secretary shall approve applications under this section in a manner that ensures, to the extent practicable, that programs assisted under this section—

“(A) serve different areas of the Nation, including urban, suburban, and rural areas; and

“(B) serve schools that serve minorities, Native Americans, students of limited-English proficiency, disadvantaged students, and students with disabilities.

“(g) Participation by Private School Children and Teachers.—Grantees under this section shall provide, to the extent feasible and appropriate, for the participation of students and teachers in private elementary and secondary schools in programs and activities under this section.

“Subpart 6—Women's Educational Equity Act

“SEC. 10701. SHORT TITLE; FINDINGS.

“(a) Short Title.—This subpart may be cited as the ‘Women's Educational Equity Act of 2001’.

“(b) Findings.—Congress finds that—

“(1) since the enactment of title IX of the Education Amendments of 1972, women and girls have made strides in educational achievement and in their ability to avail themselves of educational opportunities;

“(2) because of funding provided under the Women's Educational Equity Act, more curricula, training, and other educational materials concerning educational equity for women and girls are available for national dissemination;

“(3) teaching and learning practices in the United States are frequently inequitable as such practices relate to women and girls, for example—

“(A) sexual harassment, particularly that experienced by girls, undermines the ability of schools to provide a safe and equitable learning or workplace environment;

“(B) classroom textbooks and other educational materials do not sufficiently reflect the experiences, achievements, or concerns of women and, in most cases, are not written by women or persons of color;

“(C) girls do not take as many mathematics and science courses as boys, girls lose confidence in their mathematics and science ability as girls move through adolescence, and there are few women role models in the sciences; and

“(D) pregnant and parenting teenagers are at high risk for dropping out of school and existing dropout prevention programs do not adequately address the needs of such teenagers;

“(4) efforts to improve the quality of public education also must include efforts to ensure equal access to quality education programs for all women and girls;

“(5) Federal support should address not only research and development of innovative model curricula and teaching and learning strategies to promote gender equity, but should also assist schools and local communities implement gender equitable practices;

“(6) Federal assistance for gender equity must be tied to systemic reform, involve collaborative efforts to implement effective gender practices at the local level, and encourage parental participation; and

“(7) excellence in education, high educational achievements and standards, and the full participation of women and girls in American society, cannot be achieved without educational equity for women and girls.

“SEC. 10702. STATEMENT OF PURPOSES.

“It is the purpose of this subpart—

“(1) to promote gender equity in education in the United States;

“(2) to provide financial assistance to enable educational agencies and institutions to meet the requirements of title IX of the Educational Amendments of 1972; and

“(3) to promote equity in education for women and girls who suffer from multiple forms of discrimination based on sex, race, ethnic origin, limited English proficiency, disability, or age.

“SEC. 10703. PROGRAMS AUTHORIZED.

“(a) In General.—The Secretary is authorized—

“(1) to promote, coordinate, and evaluate gender equity policies, programs, activities, and initiatives in all Federal education programs and offices;

“(2) to develop, maintain, and disseminate materials, resources, analyses, and research relating to education equity for women and girls;

“(3) to provide information and technical assistance to assure the effective implementation of gender equity programs;

“(4) to coordinate gender equity programs and activities with other Federal agencies with jurisdiction over education and related programs;

“(5) to assist the Assistant Secretary of the Office of Educational Research and Improvement in identifying research priorities related to education equity for women and girls; and

“(6) to perform any other activities consistent with achieving the purposes of this subpart.

“(b) Grants Authorized.—

“(1) In general.—The Secretary is authorized to make grants to, and enter into contracts and cooperative agreements with, public agencies, private nonprofit agencies, organizations, institutions, student groups, community groups, and individuals, for a period not to exceed 4 years, to—

“(A) provide grants to develop model equity programs; and

“(B) provide funds for the implementation of equity programs in schools throughout the Nation.

“(2) Support and technical assistance.—To achieve the purposes of this subpart, the Secretary is authorized to provide support and technical assistance—

“(A) to implement effective gender-equity policies and programs at all educational levels, including—

“(i) assisting educational agencies and institutions to implement policies and practices to comply with title IX of the Education Amendments of 1972;

“(ii) training for teachers, counselors, administrators, and other school personnel, especially preschool and elementary school personnel, in gender equitable teaching and learning practices;

“(iii) leadership training for women and girls to develop professional and marketable skills to compete in the global marketplace, improve self-esteem, and benefit from exposure to positive role models;

“(iv) school-to-work transition programs, guidance and counseling activities, and other programs to increase opportunities for women and girls to enter a technologically demanding workplace and, in particular, to enter highly skilled, high paying careers in which women and girls have been underrepresented;

“(v) enhancing educational and career opportunities for those women and girls who suffer multiple forms of discrimination, based on sex, and on race, ethnic origin, limited English proficiency, disability, socioeconomic status, or age;

“(vi) assisting pregnant students and students rearing children to remain in or to return to secondary school, graduate, and prepare their preschool children to start school;

“(vii) evaluating exemplary model programs to assess the ability of such programs to advance educational equity for women and girls;

“(viii) introduction into the classroom of textbooks, curricula, and other materials designed to achieve equity for women and girls;

“(ix) programs and policies to address sexual harassment and violence against women and girls and to ensure that educational institutions are free from threats to the safety of students and personnel;

“(x) nondiscriminatory tests of aptitude and achievement and of alternative assessments that eliminate biased assessment instruments from use;

“(xi) programs to increase educational opportunities, including higher education, vocational training, and other educational programs for low-income women, including underemployed and unemployed women, and women receiving assistance under a State program funded under part A of title IV of the Social Security Act;

“(xii) programs to improve representation of women in educational administration at all levels; and

“(xiii) planning, development, and initial implementation of—

“(I) comprehensive institutionwide or districtwide evaluation to assess the presence or absence of gender equity in educational settings;

“(II) comprehensive plans for implementation of equity programs in State and local educational agencies and institutions of higher education, including community colleges; and

“(III) innovative approaches to school-community partnerships for educational equity;

“(B) for research and development, which shall be coordinated with each of the research institutes of the Office of Educational Research and Improvement to avoid duplication of research efforts, designed to advance gender equity nationwide and to help make policies and practices in educational agencies and institutions, and local communities, gender equitable, including—

“(i) research and development of innovative strategies and model training programs for teachers and other education personnel;

“(ii) the development of high-quality and challenging assessment instruments that are nondiscriminatory;

“(iii) the development and evaluation of model curricula, textbooks, software, and other educational materials to ensure the absence of gender stereotyping and bias;

“(iv) the development of instruments and procedures that employ new and innovative strategies to assess whether diverse educational settings are gender equitable;

“(v) the development of instruments and strategies for evaluation, dissemination, and replication of promising or exemplary programs designed to assist local educational agencies in integrating gender equity in their educational policies and practices;

“(vi) updating high-quality educational materials previously developed through awards made under this subpart;

“(vii) the development of policies and programs to address and prevent sexual harassment and violence to ensure that educational institutions are free from threats to safety of students and personnel;

“(viii) the development and improvement of programs and activities to increase opportunity for women, including continuing educational activities, vocational education, and programs for low-income women, including underemployed and unemployed women, and women receiving assistance under the State program funded under part A of title IV of the Social Security Act; and

“(ix) the development of guidance and counseling activities, including career education programs, designed to ensure gender equity.

“SEC. 10704. APPLICATIONS.

“An application under this subpart shall—

“(1) set forth policies and procedures that will ensure a comprehensive evaluation of the activities assisted under this subpart, including an evaluation of the practices, policies, and materials used by the applicant and an evaluation or estimate of the continued significance of the work of the project following completion of the award period;

“(2) demonstrate how the applicant will address perceptions of gender roles based on cultural differences or stereotypes;

“(3) for applications for assistance under section 10703(b)(1), demonstrate how the applicant will foster partnerships and, where applicable, share resources with State educational agencies, local educational agencies, institutions of higher education, community-based organizations (including organizations serving women), parent, teacher, and student groups, businesses, or other recipients of Federal educational funding which may include State literacy resource centers;

“(4) for applications for assistance under section 10703(b)(1), demonstrate how parental involvement in the project will be encouraged; and

“(5) for applications for assistance under section 10703(b)(1), describe plans for continuation of the activities assisted under this subpart with local support following completion of the grant period and termination of Federal support under this subpart.

“SEC. 10705. CRITERIA AND PRIORITIES.

“(a) CRITERIA AND PRIORITIES.—

“(1) IN GENERAL.—The Secretary shall establish separate criteria and priorities for awards under paragraphs (1) and (2) of section 10703(b) to ensure that funds under this subpart are used for programs that most effectively will achieve the purposes of this part.

“(2) CRITERIA.—The criteria described in subsection (a) may include the extent to which the activities assisted under this part—

“(A) address the needs of women and girls of color and women and girls with disabilities;

“(B) meet locally defined and documented educational equity needs and priorities, including compliance with title IX of the Education Amendments of 1972;

“(C) are a significant component of a comprehensive plan for educational equity and compliance with title IX of the Education Amendments of 1972 in the particular school district, institution of higher education, vocational-technical institution, or other educational agency or institution; and

“(D) implement an institutional change strategy with long-term impact that will continue as a central activity of the applicant after the grant under this subpart has terminated.

“(b) PRIORITIES.—In approving applications under this subpart, the Secretary may give special consideration to applications—

“(1) submitted by applicants that have not received assistance under this subpart or this subpart's predecessor authorities;

“(2) for projects that will contribute significantly to directly improving teaching and learning practices in the local community; and

“(3) for projects that will—

“(A) provide for a comprehensive approach to enhancing gender equity in educational institutions and agencies;

“(B) draw on a variety of resources, including the resources of local educational agencies, community-based organizations, institutions of higher education, and private organizations;

“(C) implement a strategy with long-term impact that will continue as a central activity of the applicant after the grant under this subpart has terminated;

“(D) address issues of national significance that can be duplicated; and

“(E) address the educational needs of women and girls who suffer multiple or compound discrimination based on sex and on race, ethnic origin, disability, or age.

“(c) SPECIAL RULE.—To the extent feasible, the Secretary shall ensure that grants awarded under this subpart for each fiscal year address—

“(1) all levels of education, including preschool, elementary and secondary education, higher education, vocational education, and adult education;

“(2) all regions of the United States; and

“(3) urban, rural, and suburban educational institutions.

“(d) COORDINATION.—Research activities supported under this subpart—

“(1) shall be carried out in consultation with the Office of Educational Research and Improvement to ensure that such activities are coordinated with and enhance the research and development activities supported by the Office; and

“(2) may include collaborative research activities which are jointly funded and carried out with the Office of Educational Research and Improvement.

“(e) LIMITATION.—Nothing in this subpart shall be construed as prohibiting men and boys from participating in any programs or activities assisted with funds under this subpart.

“SEC. 10706. REPORT.

“The Secretary, not later than January 1, 2007, shall submit to the President and Congress a report on the status of educational equity for girls and women in the Nation.

“SEC. 10707. ADMINISTRATION.

“(a) EVALUATION AND DISSEMINATION.—The Secretary shall evaluate and disseminate materials and programs developed under this subpart and shall report to Congress regarding such evaluation materials and programs not later than January 1, 2006.

“(b) PROGRAM OPERATIONS.—The Secretary shall ensure that the activities assisted under this subpart are administered within the Department by a person who has recognized professional qualifications and experience in the field of gender equity education.

“SEC. 10708. AMOUNT.

“From amounts made available to carry out this subpart for a fiscal year, not less than ⅔ of such amount shall be used to carry out the activities described in section 10703(b)(1).

“Subpart 7—Physical Education for Progress

“SEC. 10751. SHORT TITLE.

“This subpart may be cited as the ‘Physical Education for Progress Act’.

“SEC. 10752. PURPOSE.

“The purpose of this subpart is to award grants and contracts to local educational agencies to enable the local educational agencies to initiate, expand and improve physical education programs for all kindergarten through 12th grade students.

“SEC. 10753. FINDINGS.

“Congress makes the following findings:

“(1) Physical education is essential to the development of growing children.

“(2) Physical education helps improve the overall health of children by improving their cardiovascular endurance, muscular strength and power, and flexibility, and by enhancing weight regulation, bone development, posture, skillful moving, active lifestyle habits, and constructive use of leisure time.

“(3) Physical education helps improve the self esteem, interpersonal relationships, responsible behavior, and independence of children.

“(4) Children who participate in high quality daily physical education programs tend to be more healthy and physically fit.

“(5) The percentage of young people who are overweight has more than doubled in the 30 years preceding 1999.

“(6) Low levels of activity contribute to the high prevalence of obesity among children in the United States.

“(7) Obesity related diseases cost the United States economy more than $100,000,000,000 every year.

“(8) Inactivity and poor diet cause at least 300,000 deaths a year in the United States.

“(9) Physically fit adults have significantly reduced risk factors for heart attacks and stroke.

“(10) Children are not as active as they should be and fewer than one in four children get 20 minutes of vigorous activity every day of the week.

“(11) The Surgeon General's 1996 Report on Physical Activity and Health, and the Centers for Disease Control and Prevention, recommend daily physical education for all students in kindergarten through grade 12.

“(12) Twelve years after Congress passed House Concurrent Resolution 97, 100th Congress, agreed to December 11, 1987, encouraging State and local governments and local educational agencies to provide high quality daily physical education programs for all children in kindergarten through grade 12, little progress has been made.

“(13) Every student in our Nation's schools, from kindergarten through grade 12, should have the opportunity to participate in quality physical education. It is the unique role of quality physical education programs to develop the health-related fitness, physical competence, and cognitive understanding about physical activity for all students so that the students can adopt healthy and physically active lifestyles.

“SEC. 10754. PROGRAM AUTHORIZED.

“The Secretary is authorized to award grants to, and enter into contracts with, local educational agencies to pay the Federal share of the costs of initiating, expanding, and improving physical education programs for kindergarten through grade 12 students by—

"(1) providing equipment and support to enable students to actively participate in physical education activities; and

"(2) providing funds for staff and teacher training and education.

"SEC. 10755. APPLICATIONS; PROGRAM ELEMENTS.

"(a) APPLICATIONS.—Each local educational agency desiring a grant or contract under this subpart shall submit to the Secretary an application that contains a plan to initiate, expand, or improve physical education programs in the schools served by the agency in order to make progress toward meeting State standards for physical education.

"(b) PROGRAM ELEMENTS.—A physical education program described in any application submitted under subsection (a) may provide—

"(1) fitness education and assessment to help children understand, improve, or maintain their physical well-being;

"(2) instruction in a variety of motor skills and physical activities designed to enhance the physical, mental, and social or emotional development of every child;

"(3) development of cognitive concepts about motor skill and physical fitness that support a lifelong healthy lifestyle;

"(4) opportunities to develop positive social and cooperative skills through physical activity participation;

"(5) instruction in healthy eating habits and good nutrition; and

"(6) teachers of physical education the opportunity for professional development to stay abreast of the latest research, issues, and trends in the field of physical education.

"(c) SPECIAL RULE.—For the purpose of this subpart, extracurricular activities such as team sports and Reserve Officers' Training Corps (ROTC) program activities shall not be considered as part of the curriculum of a physical education program assisted under this subpart.

"SEC. 10756. PROPORTIONALITY.

"The Secretary shall ensure that grants awarded and contracts entered into under this subpart shall be equitably distributed between local educational agencies serving urban and rural areas, and between local educational agencies serving large and small numbers of students.

"SEC. 10757. PRIVATE SCHOOL STUDENTS AND HOME-SCHOOLED STUDENTS.

"An application for funds under this subpart may provide for the participation, in the activities funded under this subpart, of—

"(1) home-schooled children, and their parents and teachers; or

"(2) children enrolled in private nonprofit elementary schools or secondary schools, and their parents and teachers.

"SEC. 10758. REPORT REQUIRED FOR CONTINUED FUNDING.

"As a condition to continue to receive grant or contract funding after the first year of a multiyear grant or contract under this subpart, the administrator of the grant or contract for the local educational agency shall submit to the Secretary an annual report that describes the activities conducted during the preceding year and demonstrates that progress has been made toward meeting State standards for physical education.

"SEC. 10759. REPORT TO CONGRESS.

"The Secretary shall submit a report to Congress not later than June 1, 2003, that describes the programs assisted under this subpart, documents the success of such programs in improving physical fitness, and makes such recommendations as the Secretary determines appropriate for the continuation and improvement of the programs assisted under this subpart.

"SEC. 10760. ADMINISTRATIVE COSTS.

"Not more than 5 percent of the grant or contract funds made available to a local educational agency under this subpart for any fiscal year may be used for administrative costs.

"SEC. 10761. FEDERAL SHARE; SUPPLEMENT NOT SUPPLANT.

"(a) FEDERAL SHARE.—The Federal share under this subpart may not exceed—

"(1) 90 percent of the total cost of a project for the first year for which the project receives assistance under this subpart; and

"(2) 75 percent of such cost for the second and each subsequent such year.

"(b) SUPPLEMENT NOT SUPPLANT.—Funds made available under this subpart shall be used to supplement and not supplant other Federal, State and local funds available for physical education activities.

"SEC. 10762. AVAILABILITY OF AMOUNTS.

"Amounts made available to the Secretary to carry out this subpart shall remain available until expended.

"Subpart 8—Authorization of Appropriations

"SEC. 10801. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of carrying out this part, there are authorized to be appropriated such sums as may be necessary for fiscal year 2002 and for each of the 6 succeeding fiscal years.".

SA 513. Mr. VOINOVICH submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page , strike lines through , and insert the following:

"(5) Developing and implementing effective mechanisms to assist local education agencies and schools in effectively recruiting and retaining highly qualified teachers and principals, and in cases in which a State or local education agency deems appropriate, academic counselors, mental health counselors, pupil services personnel, and other staff.

On page , between lines and , insert the following:

"(11) Providing professional development for teachers, academic counselors, mental health counselors, pupil services personnel, and other school staff, to help young women, minorities, students with limited English proficiency, disabled individuals, and economically disadvantaged students achieve challenging State content standards and State student performance standards in core academic subjects, such as by providing training to teachers or counselors to encourage young women and minorities to enroll in advanced mathematics or science courses.

On page , strike lines through and insert the following:

"(3) Providing teachers, principals, and, in cases in which a State or local education agency deems appropriate, academic counselors, mental health counselors, pupil services personnel, and other staff, with opportunities for professional development through institutions of higher education.

On page , between lines and , insert the following:

"(7) Developing and implementing mechanisms to assist schools in effectively recruiting and retaining highly qualified teachers and principals, and, in cases in which a State or local education agency deems appropriate, academic counselors, mental health counselors, pupil services personnel, and other staff.

On page , strike lines through and insert the following:

"(3) acquiring connectivity linkages, resources, and services, including the acquisition of hardware and software, for use by teachers, students, academic counselors, and school library media personnel in the classroom, in academic and college counseling centers, or in school library media centers, in order to improve student academic achievement and student performance;"

SA 514. Mr. DODD (for himself and Mr. DOMENICI) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

"PART B—PARTNERSHIPS IN CHARACTER EDUCATION

"SEC. 9201. SHORT TITLE.

"This part may be cited as the 'Strong Character for Strong Schools Act'.

"SEC. 9202. PARTNERSHIPS IN CHARACTER EDUCATION PROGRAM.

"(a) PROGRAM AUTHORIZED.—

"(1) IN GENERAL.—The Secretary is authorized to award grants to eligible entities for the design and implementation of character education programs that may incorporate the elements of character described in subsection (d).

"(2) ELIGIBLE ENTITY.—The term 'eligible entity' means—

"(A) a State educational agency in partnership with 1 or more local educational agencies;

"(B) a State educational agency in partnership with—

"(i) one or more local educational agencies; and

"(ii) one or more nonprofit organizations or entities, including institutions of higher education;

"(C) a local educational agency or consortium of local educational agencies; or

"(D) a local educational agency in partnership with another nonprofit organization or entity, including institutions of higher education.

"(3) DURATION.—Each grant under this section shall be awarded for a period not to exceed 3 years, of which the eligible entity shall not use more than 1 year for planning and program design.

"(4) AMOUNT OF GRANTS FOR STATE EDUCATIONAL AGENCIES.—Subject to the availability of appropriations, the amount of grant made by the Secretary to a State educational agency in a partnership described in subparagraph (A) or (B) of paragraph (2), that submits an application under subsection (b) and that meets such requirements as the Secretary may establish under this section, shall not be less than $500,000.

"(b) APPLICATIONS.—

"(1) REQUIREMENT.—Each eligible entity desiring a grant under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may require.

"(2) CONTENTS OF APPLICATION.—Each application submitted under this section shall include—

"(A) a description of any partnerships or collaborative efforts among the organizations and entities of the eligible entity;

"(B) a description of the goals and objectives of the program proposed by the eligible entity;

"(C) a description of activities that will be pursued and how those activities will contribute to meeting the goals and objectives described in subparagraph (B), including—

"(i) how parents, students (including students with physical and mental disabilities), and other members of the community, including members of private and nonprofit organizations, will be involved in the design and implementation of the program and how the eligible entity will work with the larger community to increase the reach and promise of the program;

"(ii) curriculum and instructional practices that will be used or developed;

"(iii) methods of teacher training and parent education that will be used or developed; and

"(iv) how the program will be linked to other efforts in the schools to improve student performance;

"(D) in the case of an eligible entity that is a State educational agency—

"(i) a description of how the State educational agency will provide technical and professional assistance to its local educational agency partners in the development and implementation of character education programs; and

"(ii) a description of how the State educational agency will assist other interested local educational agencies that are not members of the original partnership in designing and establishing character education programs;

"(E) a description of how the eligible entity will evaluate the success of its program—

"(i) based on the goals and objectives described in subparagraph (B); and

"(ii) in cooperation with the national evaluation conducted pursuant to subsection (c)(2)(B)(iii);

"(F) an assurance that the eligible entity annually will provide to the Secretary such information as may be required to determine the effectiveness of the program; and

"(G) any other information that the Secretary may require.

"(c) Evaluation and Program Development.—

"(1) Evaluation and Reporting.—

"(A) State and Local Reporting and Evaluation.—Each eligible entity receiving a grant under this section shall submit to the Secretary a comprehensive evaluation of the program assisted under this section, including the impact on students (including students with physical and mental disabilities), teachers, administrators, parents, and others—

"(i) by the second year of the program; and

"(ii) not later than 1 year after completion of the grant period.

"(B) Contracts for Evaluation.—Each eligible entity receiving a grant under this section may contract with outside sources, including institutions of higher education, and private and nonprofit organizations, for purposes of evaluating its program and measuring the success of the program toward fostering character in students.

"(2) National Research, Dissemination, and Evaluation.—

"(A) In General.—The Secretary is authorized to make grants to, or enter into contracts or cooperative agreements with, State or local educational agencies, institutions of higher education, tribal organizations, or other public or private agencies or organizations to carry out research, development, dissemination, technical assistance, and evaluation activities that support or inform State and local character education programs. The Secretary shall reserve not more than 5 percent of the funds made available under this section to carry out this paragraph.

"(B) Uses.—Funds made available under subparagraph (A) may be used—

"(i) to conduct research and development activities that focus on matters such as—

"(I) the effectiveness of instructional models for all students, including students with physical and mental disabilities;

"(II) materials and curricula that can be used by programs in character education;

"(III) models of professional development in character education; and

"(IV) the development of measures of effectiveness for character education programs which may include the factors described in paragraph (3);

"(ii) to provide technical assistance to State and local programs, particularly on matters of program evaluation;

"(iii) to conduct a national evaluation of State and local programs receiving funding under this section; and

"(iv) to compile and disseminate, through various approaches (such as a national clearinghouse)—

"(I) information on model character education programs;

"(II) character education materials and curricula;

"(III) research findings in the area of character education and character development; and

"(IV) any other information that will be useful to character education program participants, educators, parents, administrators, and others nationwide.

"(C) Priority.—In carrying out national activities under this paragraph related to development, dissemination, and technical assistance, the Secretary shall seek to enter into partnerships with national, nonprofit character education organizations with expertise and successful experience in implementing local character education programs that have had an effective impact on schools, students (including students with disabilities), and teachers.

"(3) Factors.—Factors which may be considered in evaluating the success of programs funded under this section may include—

"(A) discipline issues;

"(B) student performance;

"(C) participation in extracurricular activities;

"(D) parental and community involvement;

"(E) faculty and administration involvement;

"(F) student and staff morale; and

"(G) overall improvements in school climate for all students, including students with physical and mental disabilities.

"(d) Elements of Character.—Each eligible entity desiring funding under this section shall develop character education programs that may incorporate elements of character such as—

"(1) caring;

"(2) civic virtue and citizenship;

"(3) justice and fairness;

"(4) respect;

"(5) responsibility;

"(6) trustworthiness; and

"(7) any other elements deemed appropriate by the members of the eligible entity.

"(e) Use of Funds by State Educational Agency Recipients.—Of the total funds received in any fiscal year under this section by an eligible entity that is a State educational agency—

"(1) not more than 10 percent of such funds may be used for administrative purposes; and

"(2) the remainder of such funds may be used for—

"(A) collaborative initiatives with and between local educational agencies and schools;

"(B) the preparation or purchase of materials, and teacher training;

"(C) grants to local educational agencies, schools, or institutions of higher education; and

"(D) technical assistance and evaluation.

"(f) Selection of Grantees.—

"(1) Criteria.—The Secretary shall select, through peer review, eligible entities to receive grants under this section on the basis of the quality of the applications submitted under subsection (b), taking into consideration such factors as—

"(A) the quality of the activities proposed to be conducted;

"(B) the extent to which the program fosters character in students and the potential for improved student performance;

"(C) the extent and ongoing nature of parental, student, and community involvement;

"(D) the quality of the plan for measuring and assessing success; and

"(E) the likelihood that the goals of the program will be realistically achieved.

"(2) Diversity of Projects.—The Secretary shall approve applications under this section in a manner that ensures, to the extent practicable, that programs assisted under this section—

"(A) serve different areas of the Nation, including urban, suburban, and rural areas; and

"(B) serve schools that serve minorities, Native Americans, students of limited-English proficiency, disadvantaged students, and students with disabilities.

"(g) Participation by Private School Children and Teachers.—Grantees under this section shall provide, to the extent feasible and appropriate, for the participation of students and teachers in private elementary and secondary schools in programs and activities under this section.

"(h) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section, $50,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.".

SA 515. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC.   . HOTLINE.

(a) Findings.—The Senate finds that—

(1) many middle school and secondary school students attend schools with large or increasing student populations, where the students may feel disconnected from or have no connection with adults in their lives;

(2) students need support or services when the students are suffering emotional distress, have suicidal thoughts and behaviors, use violence, or use drugs or alcohol, that may cause danger to the students or others;

(3) numerous studies have documented that student achievement is higher when the families of the students are healthy;

(4) families need information on support and services to address such issues as domestic violence, and availability of adequate and stable housing, health care, food, afterschool programs, and job training and assistance;

(5) a public need exists for an easy-to-use, easy-to-remember hotline to efficiently bring community information and referral services to persons who need the services, providing a national safety net for those persons to get ready access to assistance;

(6) switching from a 10 digit number to a 2-1-1 hotline has resulted in a 40 percent increase in call volume in Atlanta, Georgia and statewide in Connecticut; and

(7) the Federal Communications Commission has designated 2-1-1 as the national number for human services information and referral hotlines and will review its implementation in 5 years and 2-1-1 hotline providers need funding to plan, develop, and implement 2-1-1 hotlines.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that $10,000,000 should be appropriated for fiscal year 2002 for the development and implementation of 2-1-1 hotlines under title XX of the Social Security Act (42 U.S.C. 1397 et seq.), only if the $10,000,000 is above the fiscal year 2001 funding level for Title XX of the Social Security Act.

SA 516. Mrs. CLINTON (for herself, Mr. TORRICELLI, and Mr. CORZINE) submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 586, between lines 18 and 19, insert the following:

SEC. . STUDY CONCERNING THE HEALTH AND LEARNING IMPACTS OF SICK AND DILAPIDATED PUBLIC SCHOOL BUILDINGS ON AMERICA'S CHILDREN.

Title IV, as amended by this title, is further amended by adding at the end the following:

"PART E—MISCELLANEOUS PROVISIONS

"SEC. 4501. STUDY CONCERNING THE HEALTH AND LEARNING IMPACTS OF SICK AND DILAPIDATED PUBLIC SCHOOL BUILDINGS ON AMERICA'S CHILDREN.

"(a) STUDY AUTHORIZED.—The Secretary of Education, in conjunction with the Director of the Centers for Disease Control and Prevention and in consultation with the Administrator of the Environmental Protection Agency, shall conduct a study on the health and learning impacts of sick and dilapidated public school buildings on children that have attended or are attending such schools.

"(b) STUDY SPECIFICATIONS.—The following information shall be included in the study conducted under subsection (a):

"(1) The characteristics of public elementary and secondary school buildings that contribute to unhealthy school environments, including the prevalence of such characteristics in public elementary and secondary school buildings. Such characteristics may include school buildings that—

"(A) have been built on contaminated property;

"(B) have poor in-door air quality;

"(C) have occurrences of mold;

"(D) have ineffective ventilation, heating or cooling systems, inadequate lighting, drinking water that does not meet health-based standards, infestations of rodents, insects, or other animals that may carry or cause disease;

"(E) have dust or debris from crumbling structures or construction efforts; and

"(F) have been subjected to an inappropriate use of pesticides, insecticides, chemicals, or cleaners, lead-based paint, or asbestos or have radon or such other characteristics as determined by the Director of the Centers for Disease Control and Prevention to indicate an unhealthy school environment.

"(2) The health and leaning impacts of sick and dilapidated public school buildings on students that are attending or that have attended a school described in subsection (a), including information on the rates of such impacts where available. Such health impacts may include higher than expected incidence of injury, infectious disease, or chronic disease, such as asthma, allergies, elevated blood lead levels, behavioral disorders, or ultimately cancer. Such learning impacts may include lower levels of student achievement, inability of students to concentrate, and other educational indicators.

"(3) Recommendations to Congress on the development and implementation of public health and environmental standards for constructing new public elementary and secondary school buildings, remediating existing public school buildings, and the overall monitoring of public school building health, including cost estimates for the development and implementation of such standards and a cost estimate of bringing all public schools up to such standards.

"(4) The identification of the existing gaps in information regarding the health of public elementary and secondary school buildings and the health and learning impacts on students that attend unhealthy public schools, including recommendations for obtaining such information.

"(c) STUDY COMPLETION.—The study under subsection (a) shall be completed by the earlier of—

"(1) not later than 18 months after the date of enactment of this Act; or

"(2) not later than December 31, 2002.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $2,000,000 for fiscal year 2002 for the conduct of the study under subsection (a).".

SA 517. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 309, lines 17 and 18, strike "subsection (f)" and insert "subsections (b) and (f)".

On page 339, line 6, strike "(b)" and insert "(c)".

On page 339, strike lines 7 through 16 and insert the following:

"(b) SCHOOL LEADERSHIP.—

"(1) DEFINITIONS.—

"(A) HIGH-NEED LOCAL EDUCATIONAL AGENCY.—The term 'high-need local educational agency' means a local educational agency for which more than 30 percent of the students served by the local educational agency are students in poverty.

"(B) POVERTY LINE.—The term 'poverty line' means the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved.

"(C) STUDENT IN POVERTY.—The term 'student in poverty' means a student from a family with an income below the poverty line.

"(2) PROGRAM.—The Secretary shall establish and carry out a national principal recruitment program.

"(3) GRANTS.—

"(A) IN GENERAL.—In carrying out the program, the Secretary shall make grants, on a competitive basis, to high-need local educational agencies that seek to recruit and train principals (including assistant principals).

"(B) USE OF FUNDS.—An agency that receives a grant under subparagraph (A) may use the funds made available through the grant to carry out principal recruitment and training activities that may include—

"(i) providing stipends for master principals who mentor new principals;

"(ii) using funds innovatively to recruit new principals, including recruiting the principals by providing pay incentives or bonuses;

"(iii) developing career mentorship and professional development ladders for teachers who want to become principals; and

"(iv) developing incentives, and professional development and instructional leadership training programs, to attract individuals from other fields, including business and law, to serve as principals.

"(C) APPLICATION AND PLAN.—To be eligible to receive a grant under this subsection, a local educational agency shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. The application shall include—

"(i) a needs assessment concerning the shortage of qualified principals in the school district involved and an assessment of the potential for recruiting and retaining prospective and aspiring leaders, including teachers who are interested in becoming principals; and

"(ii) a comprehensive plan for recruitment and training of principals, including plans for mentorship programs, ongoing professional development, and instructional leadership training, for high-need schools served by the agency.

"(D) PRIORITY.—In making grants under this subsection, the Secretary shall give priority to local educational agencies that demonstrate that the agencies will carry out the activities described in subparagraph (B) in partnership with nonprofit organizations and institutions of higher education.

"(E) SUPPLEMENT NOT SUPPLANT.—Funds appropriated to carry out this subsection shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide principal recruitment and retention activities.

"(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $50,000,000 for fiscal year 2002 and each subsequent fiscal year."

SA 518. Mr. CARPER (for himself, Mr. GREGG, Mr. FRIST, Mr. LIEBERMAN, Mr. BIDEN, Mr. BINGAMAN, Mr. KERRY, Mr. HUTCHINSON, Mr. CRAPO, and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 45, between lines 20 and 21, insert the following:

"(H) Each State plan shall provide an assurance that the State's accountability requirements for charter schools (as defined in section 5120), such as requirements established under the State's charter school law and overseen by the State's authorized chartering agencies for such schools, are at least as rigorous as the accountability requirements established under this Act, such as the requirements regarding standards, assessments, adequate yearly progress, school identification, receipt of technical assistance, and corrective action, that are applicable to other schools in the State under this Act.

On page 763, between lines 10 and 11, insert the following:

SEC. 502. EMPOWERING PARENTS.

(a) SHORT TITLE.—This section may be cited as the "Empowering Parents Act of 2001".

(b) PUBLIC SCHOOL CHOICE.—

(1) SHORT TITLE OF SUBSECTION.—This subsection may be referred to as the "Enhancing Public Education Through Choice Act".

(2) PURPOSES.—The purposes of this subsection are—

(A) to prevent children from being consigned to, or left trapped in, failing schools;

(B) to ensure that parents of children in failing public schools have the choice to send their children to higher performing public schools, including public charter schools;

(C) to support and stimulate improved public school performance through increased public school competition and increased Federal financial assistance;

(D) to provide parents with more choices among public school options; and

(E) to assist local educational agencies with low-performing schools to implement districtwide public school choice programs or enter into partnerships with other local educational agencies to offer students interdistrict or statewide public school choice programs.

(3) PUBLIC SCHOOL CHOICE PROGRAMS.—Part A of title V, as amended in section 501, is further amended by adding at the end the following:

"Subpart 4—Voluntary Public School Choice Programs

"SEC. 5161. DEFINITIONS.

"In this subpart:

"(1) CHARTER SCHOOL.—The term 'charter school' has the meaning given such term in section 5120.

"(2) LOWEST PERFORMING SCHOOL.—The term 'lowest performing school' means a public school that has failed to make adequate yearly progress, as described in section 1111, for 2 or more years.

"(3) POVERTY LINE.—The term 'poverty line' means the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved, for the most recent fiscal year for which satisfactory data are available.

"(4) PUBLIC SCHOOL.—The term 'public school' means a charter school, a public elementary school, and a public secondary school.

"(5) STUDENT IN POVERTY.—The term 'student in poverty' means a student from a family with an income below the poverty line.

"SEC. 5162. GRANTS.

"The Secretary shall make grants, on a competitive basis, to State educational agencies and local educational agencies, to enable the agencies, including the agencies serving the lowest performing schools, to implement programs of universal public school choice.

"SEC. 5163. USE OF FUNDS.

"(a) IN GENERAL.—An agency that receives a grant under this subpart shall use the funds made available through the grant to pay for the expenses of implementing a public school choice program, including—

"(1) the expenses of providing transportation services or the cost of transportation to eligible children;

"(2) the cost of making tuition transfer payments to public schools to which students transfer under the program;

"(3) the cost of capacity-enhancing activities that enable high-demand public schools to accommodate transfer requests under the program;

"(4) the cost of carrying out public education campaigns to inform students and parents about the program;

"(5) administrative costs; and

"(6) other costs reasonably necessary to implement the program.

"(b) SUPPLEMENT, NOT SUPPLANT.—Funds made available under this subpart shall supplement, and not supplant, State and local public funds expended to provide public school choice programs for eligible individuals.

"SEC. 5164. REQUIREMENTS.

"(a) INCLUSION IN PROGRAM.—In carrying out a public school choice program under this subpart, a State educational agency or local educational agency shall—

"(1) allow all students attending public schools within the State or school district involved to attend the public school of their choice within the State or school district, respectively;

"(2) provide all eligible students in all grade levels equal access to the program;

"(3) include in the program charter schools and any other public school in the State or school district, respectively; and

"(4) develop the program with the involvement of parents and others in the community to be served, and individuals who will carry out the program, including administrators, teachers, principals, and other staff.

"(b) NOTICE.—In carrying out a public school choice program under this subpart, a State educational agency or local educational agency shall give parents of eligible students prompt notice of the existence of the program and the program's availability to such parents, and a clear explanation of how the program will operate.

"(c) TRANSPORTATION.—In carrying out a public school choice program under this subpart, a State educational agency or local educational agency shall provide eligible students with transportation services or the cost of transportation to and from the public schools, including charter schools, that the students choose to attend under this program.

"(d) NONDISCRIMINATION.—Notwithstanding subsection (a)(3), no public school may discriminate on the basis of race, color, religion, sex, national origin, sexual orientation, or disability in providing programs and activities under this subpart.

"(e) PARALLEL ACCOUNTABILITY.—Each State educational agency or local educational agency receiving a grant under this subpart for a program through which a charter school receives assistance shall hold the school accountable for adequate yearly progress in improving student performance as described in title I and as established in the school's charter, including the use of the standards and assessments established under title I.

"SEC. 5165. APPLICATIONS.

"(a) IN GENERAL.—To be eligible to receive a grant under this subpart, a State educational agency or local educational agency shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

"(b) CONTENTS.—Each application for a grant under this subpart shall include—

"(1) a description of the program for which the agency seeks funds and the goals for such program;

"(2) a description of how the program will be coordinated with, and will complement and enhance, other related Federal and non-Federal projects;

"(3) if the program is carried out by a partnership, the name of each partner and a description of the partner's responsibilities;

"(4) a description of the policies and procedures the agency will use to ensure—

"(A) accountability for results, including goals and performance indicators; and

"(B) that the program is open and accessible to, and will promote high academic standards for, all students; and

"(5) such other information as the Secretary may require.

"SEC. 5166. PRIORITIES.

"In making grants under this subpart, the Secretary shall give priority to—

"(1) first, those State educational agencies and local educational agencies serving the lowest performing schools;

"(2) second, those State educational agencies and local educational agencies serving the highest percentage of students in poverty; and

"(3) third, those State educational agencies or local educational agencies forming a partnership that seeks to implement an interdistrict approach to carrying out a public school choice program.

"SEC. 5167. EVALUATIONS, TECHNICAL ASSISTANCE, AND DISSEMINATION.

"(a) IN GENERAL.—From the amount made available to carry out this subpart for any fiscal year, the Secretary may reserve not more than 5 percent to carry out evaluations, to provide technical assistance, and to disseminate information.

"(b) EVALUATIONS.—In carrying out evaluations under subsection (a), the Secretary may use the amount reserved under subsection (a) to carry out 1 or more evaluations of State and local programs assisted under this subpart, which shall, at a minimum, address—

"(1) how, and the extent to which, the programs promote educational equity and excellence; and

"(2) the extent to which public schools carrying out the programs are—

"(A) held accountable to the public;

"(B) effective in improving public education; and

"(C) open and accessible to all students.

"SEC. 5168. AUTHORIZATION OF APPROPRIATIONS.

"There is authorized to be appropriated to carry out this subpart $125,000,000 for fiscal year 2002 and each subsequent fiscal year.".

(c) PUBLIC CHARTER SCHOOL FACILITIES FINANCING.—

(1) SHORT TITLE OF SUBSECTION.—This subsection may be cited as the "Charter Schools Equity Act".

(2) PURPOSES.—The purposes of this subsection are—

(A) to help eliminate the barriers that prevent charter school developers from accessing the credit markets, by encouraging lending institutions to lend funds to charter schools on terms more similar to the terms typically extended to traditional public schools; and

(B) to encourage the States to provide support to charter schools for facilities financing in an amount more nearly commensurate to the amount the States have typically provided for traditional public schools.

(3) CHARTER SCHOOLS.—

(A) CONFORMING AMENDMENT.—Section 5112(e)(1), as amended in section 501, is further amended by inserting "(other than funds reserved to carry out section 5115(b))" after "section 5121".

(B) MATCHING GRANTS TO STATES.—Section 5115, as amended in section 501, is further amended—

(i) in subsection (a), by inserting "(other than funds reserved to carry out subsection (b))" after "this subpart";

(ii) by redesignating subsection (b) as subsection (c); and

(iii) by inserting after subsection (a) the following:

"(b) PER-PUPIL FACILITIES AID PROGRAMS.—

"(1) GRANTS.—

"(A) IN GENERAL.—From the amount made available to carry out this subsection under section 5121 for any fiscal year, the Secretary shall make grants, on a competitive basis, to States to pay for the Federal share of the cost of establishing or enhancing, and administering, programs in which the States make payments, on a per-pupil basis, to charter schools to assist the schools in financing school facilities (referred to in this subsection as 'per-pupil facilities aid programs').

"(B) PERIOD.—The Secretary shall award grants under this subsection for periods of not more than 5 years.

"(C) FEDERAL SHARE.—The Federal share of the cost described in subparagraph (A) for a per-pupil facilities aid program shall be not more than—

"(i) 90 percent of the cost, for the first fiscal year for which the program receives assistance under this subsection or its predecessor authority;

"(ii) 80 percent in the second such year;

"(iii) 60 percent in the third such year;

"(iv) 40 percent in the fourth such year; and

"(v) 20 percent in the fifth such year.

"(2) USE OF FUNDS.—

"(A) IN GENERAL.—A State that receives a grant under this subsection shall use the funds made available through the grant to establish or enhance, and administer, a per-pupil facilities aid program for charter schools in the State.

"(B) EVALUATIONS; TECHNICAL ASSISTANCE; DISSEMINATION.—From the amount made available to a State through a grant under this subsection for a fiscal year, the State may reserve not more than 5 percent of the amount to carry out evaluations, to provide technical assistance, and to disseminate information.

"(C) SUPPLEMENT, NOT SUPPLANT.—Funds made available under this subsection shall supplement, and not supplant, State and local public funds expended to provide per-pupil facilities aid programs, operations financing programs, or other programs, for charter schools.

"(3) REQUIREMENTS.—

"(A) VOLUNTARY PARTICIPATION.—No State may be required to participate in a program carried out under this subsection.

"(B) STATE LAW.—To be eligible to receive a grant under this subsection, a State shall establish or enhance, and administer, a per-pupil facilities aid program for charter schools in the State, that—

"(i) is specified in State law;

"(ii) provides annual financing, on a per-pupil basis, for charter school facilities; and

"(iii) provides financing that is dedicated solely for funding the facilities.

"(4) APPLICATIONS.—To be eligible to receive a grant under this subsection, a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

"(5) PRIORITIES.—In making grants under this subsection, the Secretary shall give priority to States that meet the criteria described in paragraph (2), and subparagraphs (A), (B), and (C) of paragraph (3), of section 5112(e).

"(6) EVALUATIONS, TECHNICAL ASSISTANCE, AND DISSEMINATION.—

"(A) IN GENERAL.—From the amount made available to carry out this subsection under section 5121 for any fiscal year, the Secretary may carry out evaluations,, provide technical assistance, and disseminate information.

"(B) EVALUATIONS.—In carrying out evaluations under subparagraph (A), the Secretary may carry out 1 or more evaluations of State programs assisted under this subsection, which shall, at a minimum, address—

"(i) how, and the extent to which, the programs promote educational equity and excellence; and

"(ii) the extent to which charter schools supported through the programs are—

"(I) held accountable to the public;

"(II) effective in improving public education; and

"(III) open and accessible to all students.".

(C) AUTHORIZATION OF APPROPRIATIONS.—Section 5121, as amended in section 501, is further amended to read as follows:

"SEC. 5121. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated to carry out this subpart $400,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(b) RESERVATION.—For fiscal year 2002, the Secretary shall reserve, from the amount appropriated under subsection (a)—

"(1) $200,000,000 to carry out this subpart, other than section 5115(b); and

"(2) the remainder to carry out section 5115(b).".

(4) CREDIT ENHANCEMENT INITIATIVES.—Subpart 1 of part A of title V, as amended in section 501, is further amended—

(A) by inserting after the subpart heading the following:

"CHAPTER I—CHARTER SCHOOL PROGRAMS";

(B) by striking "this subpart" each place it appears and inserting "this chapter"; and

(C) by adding at the end the following:

"CHAPTER II—CREDIT ENHANCEMENT INITIATIVES TO PROMOTE CHARTER SCHOOL FACILITY ACQUISITION, CONSTRUCTION, AND RENOVATION

"SEC. 5126. PURPOSE.

"The purpose of this chapter is to provide grants to eligible entities to permit the entities to establish or improve innovative credit enhancement initiatives that assist charter schools to address the cost of acquiring, constructing, and renovating facilities.

"SEC. 5126A. GRANTS TO ELIGIBLE ENTITIES.

"(a) GRANTS FOR INITIATIVES.—

"(1) IN GENERAL.—The Secretary shall use 100 percent of the amount available to carry out this chapter to eligible entities having applications approved under this chapter to carry out innovative initiatives for assisting charter schools to address the cost of acquiring, constructing, and renovating facilities by enhancing the availability of loans or bond financing.

"(2) NUMBER OF GRANTS.—The Secretary shall award not fewer than 3 of the grants.

"(b) GRANTEE SELECTION.—

"(1) DETERMINATION.—The Secretary shall evaluate each application submitted, and shall determine which applications are of sufficient quality to merit approval and which are not.

"(2) MINIMUM GRANTS.—The Secretary shall award at least—

"(A) 1 grant to an eligible entity described in section 5126I(2)(A);

"(B) 1 grant to an eligible entity described in section 5126I(2)(B); and

"(C) 1 grant to an eligible entity described in section 5126I(2)(C),

if applications are submitted that permit the Secretary to award the grants without approving an application that is not of sufficient quality to merit approval.

"(c) GRANT CHARACTERISTICS.—Grants under this chapter shall be in sufficient amounts, and for initiatives of sufficient scope and quality, so as to effectively enhance credit for the financing of charter school acquisition, construction, or renovation.

"(d) SPECIAL RULE.—In the event the Secretary determines that the funds available to carry out this chapter are insufficient to permit the Secretary to award not fewer than 3 grants in accordance with subsections (a) through (c)—

"(1) subsections (a)(2) and (b)(2) shall not apply; and

"(2) the Secretary may determine the appropriate number of grants to be awarded in accordance with subsections (a)(1), (b)(1), and (c).

"SEC. 5126B. APPLICATIONS.

"(a) IN GENERAL.—To receive a grant under this chapter, an eligible entity shall submit to the Secretary an application in such form as the Secretary may reasonably require.

"(b) CONTENTS.—An application submitted under subsection (a) shall contain—

"(1) a statement identifying the activities proposed to be undertaken with funds received under this chapter, including how the applicant will determine which charter schools will receive assistance, and how much and what types of assistance the charter schools will receive;

"(2) a description of the involvement of charter schools in the application's development and the design of the proposed activities;

"(3) a description of the applicant's expertise in capital market financing;

"(4) a description of how the proposed activities will—

"(A) leverage private sector financing capital, to obtain the maximum amount of private sector financing capital, relative to the amount of government funding used, to assist charter schools; and

"(B) otherwise enhance credit available to charter schools;

"(5) a description of how the applicant possesses sufficient expertise in education to evaluate the likelihood of success of a charter school program for which facilities financing is sought;

"(6) in the case of an application submitted by a State governmental entity, a description of the actions that the entity has taken, or will take, to ensure that charter schools within the State receive the funding the schools need to have adequate facilities; and

"(7) such other information as the Secretary may reasonably require.

"SEC. 5126C. CHARTER SCHOOL OBJECTIVES.

"An eligible entity receiving a grant under this chapter shall use the funds received through the grant, and deposited in the reserve account established under section 5126D(a), to assist 1 or more charter schools to access private sector capital to accomplish 1 or more of the following objectives:

"(1) The acquisition (by purchase, lease, donation, or otherwise) of an interest (including an interest held by a third party for the benefit of a charter school) in improved or unimproved real property that is necessary to commence or continue the operation of a charter school.

"(2) The construction of new facilities, or the renovation, repair, or alteration of existing facilities, necessary to commence or continue the operation of a charter school.

"(3) The payment of start-up costs, including the costs of training teachers and purchasing materials and equipment, including instructional materials and computers, for a charter school.

"SEC. 5126D. RESERVE ACCOUNT.

"(a) In General.—For the purpose of assisting charter schools to accomplish the objectives described in section 5126C, an eligible entity receiving a grant under this chapter shall deposit the funds received through the grant (other than funds used for administrative costs in accordance with section 5126E) in a reserve account established and maintained by the entity for that purpose. The entity shall make the deposit in accordance with State and local law and may make the deposit directly or indirectly, and alone or in collaboration with others.

"(b) Use of Funds.—Amounts deposited in such account shall be used by the entity for 1 or more of the following purposes:

"(1) Guaranteeing, insuring, and reinsuring bonds, notes, evidences of debt, loans, and interests therein, the proceeds of which are used for an objective described in section 5126C.

"(2) Guaranteeing and insuring leases of personal and real property for such an objective.

"(3) Facilitating financing for such an objective by identifying potential lending sources, encouraging private lending, and carrying out other similar activities that directly promote lending to, or for the benefit of, charter schools.

"(4) Facilitating the issuance of bonds by charter schools, or by other public entities for the benefit of charter schools, for such an objective, by providing technical, administrative, and other appropriate assistance (including the recruitment of bond counsel, underwriters, and potential investors and the consolidation of multiple charter school projects within a single bond issue).

"(c) Investment.—Funds received under this chapter and deposited in the reserve account shall be invested in obligations issued or guaranteed by the United States or a State, or in other similarly low-risk securities.

"(d) Reinvestment of Earnings.—Any earnings on funds received under this chapter shall be deposited in the reserve account established under subsection (a) and used in accordance with subsection (b).

"SEC. 5126E. LIMITATION ON ADMINISTRATIVE COSTS.

"An eligible entity that receives a grant under this chapter may use not more than 0.25 percent of the funds received through the grant for the administrative costs of carrying out the entity's responsibilities under this chapter.

"SEC. 5126F. AUDITS AND REPORTS.

"(a) Financial Record Maintenance and Audit.—The financial records of each eligible entity receiving a grant under this chapter shall be maintained in accordance with generally accepted accounting principles and shall be subject to an annual audit by an independent public accountant.

"(b) Reports.—

"(1) Grantee annual reports.—Each eligible entity receiving a grant under this chapter annually shall submit to the Secretary a report of the entity's operations and activities under this chapter.

"(2) Contents.—Each such annual report shall include—

"(A) a copy of the most recent financial statements, and any accompanying opinion on such statements, prepared by the independent public accountant auditing the financial records of the eligible entity;

"(B) a copy of any report made on an audit of the financial records of the eligible entity that was conducted under subsection (a) during the reporting period;

"(C) an evaluation by the eligible entity of the effectiveness of the entity's use of the Federal funds provided under this chapter in leveraging private funds;

"(D) a listing and description of the charter schools served by the entity with such Federal funds during the reporting period;

"(E) a description of the activities carried out by the eligible entity to assist charter schools in meeting the objectives set forth in section 5126C; and

"(F) a description of the characteristics of lenders and other financial institutions participating in the activities undertaken by the eligible entity under this chapter during the reporting period.

"(3) Secretarial report.—The Secretary shall review the reports submitted under paragraph (1) and shall provide a comprehensive annual report to Congress on the activities conducted under this chapter.

"SEC. 5126G. NO FULL FAITH AND CREDIT FOR GRANTEE OBLIGATIONS.

"No financial obligation of an eligible entity entered into pursuant to this chapter (such as an obligation under a guarantee, bond, note, evidence of debt, or loan) shall be an obligation of, or guaranteed in any respect by, the United States. The full faith and credit of the United States is not pledged to the payment of funds that may be required to be paid under any obligation made by an eligible entity pursuant to any provision of this chapter.

"SEC. 5126H. RECOVERY OF FUNDS.

"(a) In General.—The Secretary, in accordance with chapter 37 of title 31, United States Code, shall collect—

"(1) all of the funds in a reserve account established by an eligible entity under section 5126D(a) if the Secretary determines, not earlier than 2 years after the date on which the entity first received funds under this chapter, that the entity has failed to make substantial progress in carrying out the purposes described in section 5126D(b); or

"(2) all or a portion of the funds in a reserve account established by an eligible entity under section 5126D(a) if the Secretary determines that the eligible entity has permanently ceased to use all or a portion of the funds in such account to accomplish any purpose described in section 5126D(b).

"(b) Exercise of Authority.—The Secretary shall not exercise the authority provided in subsection (a) to collect from any eligible entity any funds that are being properly used to achieve 1 or more of the purposes described in section 5126D(b).

"(c) Procedures.—The provisions of sections 451, 452, and 458 of the General Education Provisions Act (20 U.S.C. 1234 et seq.) shall apply to the recovery of funds under subsection (a).

"(d) Construction.—This section shall not be construed to impair or affect the authority of the Secretary to recover funds under part D of the General Education Provisions Act (20 U.S.C. 1234 et seq.).

"SEC. 5126I. DEFINITIONS.

"In this chapter:

"(1) Charter school.—The term 'charter school' has the meaning given such term in section 5120.

"(2) Eligible entity.—The term 'eligible entity' means—

"(A) a public entity, such as a State or local governmental entity;

"(B) a private nonprofit entity; or

"(C) a consortium of entities described in subparagraphs (A) and (B).

"SEC. 5126J. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this chapter $200,000,000 for fiscal year 2002 and each subsequent fiscal year.".

(5) Income exclusion for interest paid on loans by charter schools.—

(A) In general.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by redesignating section 139 and section 140 and by inserting after section 138 the following new section:

"SEC. 139. INTEREST ON CHARTER SCHOOL LOANS.

"(a) Exclusion.—Gross income does not include interest on any charter school loan.

"(b) Charter School Loan.—For purposes of this section:

"(1) In general.—The term 'charter school loan' means any indebtedness incurred by a charter school.

"(2) Charter school.—The term 'charter school' has the meaning given such term in section 5120 of the Elementary and Secondary Education Act of 1965.".

(B) Conforming amendment.—The table of sections for such part III is amended by striking the item relating to section 139 and inserting the following:

"Sec. 139. Interest on charter school loans.

"Sec. 140. Cross references to other Acts.".

(C) Effective date.—The amendments made by this paragraph shall apply to taxable years beginning after December 31, 2000, with respect to indebtedness incurred after the date of the enactment of this Act.'

SA 519. Mr. BINGAMAN (for himself, Mr. HUTCHINSON, Mr. HOLLINGS, and Mr. CORZINE) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 577, line 2, strike the double quote and period.

On page 577, between lines 2 and 3, insert the following:

"SEC. 4304. SCHOOL SECURITY TECHNOLOGY AND RESOURCE CENTER.

"(a) Center.—The Attorney General, the Secretary of Education, and the Secretary of Energy shall enter into an agreement for the establishment at the Sandia National Laboratories, in partnership with the National Law Enforcement and Corrections Technology Center—Southeast and the National Center for Rural Law Enforcement in Little Rock, Arkansas, of a center to be known as the 'School Security Technology and Resource Center'.

"(b) ADMINISTRATION.—The center established under subsection (a) shall be administered by the Attorney General.

"(c) FUNCTIONS.—The center established under subsection (a) shall be a resource to local educational agencies for school security assessments, security technology development, evaluation and implementation, and technical assistance relating to improving school security. The center will also conduct and publish school violence research, coalesce data from victim communities, and monitor and report on schools that implement school security strategies.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $2,750,000 for each of the fiscal years 2002, 2003, and 2004, of which $2,000,000 shall be for Sandia National Laboratories in each fiscal year, $2,000,000 shall be for the National Center for Rural Law Enforcement in each fiscal year, and $750,000 shall be for the National Law Enforcement and Corrections Technology Center Southeast in each fiscal year.

"SEC. 4305. LOCAL SCHOOL SECURITY PROGRAMS.

"(a) IN GENERAL.—

"(1) GRANTS AUTHORIZED.—From amounts appropriated under subsection (c), the Secretary shall award grants on a competitive basis to local educational agencies to enable the agencies to acquire security technology for, or carry out activities related to improving security at, the middle and secondary schools served by the agencies, including obtaining school security assessments, and technical assistance, for the development of a comprehensive school security plan from the School Security Technology and Resource Center.

"(2) APPLICATION.—To be eligible to receive a grant under this section, a local educational agency shall submit to the Secretary an application in such form and containing such information as the Secretary may require, including information relating to the security needs of the agency.

"(3) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to local educational agencies that demonstrate the highest security needs, as reported by the agency in the application submitted under paragraph (2).

"(b) APPLICABILITY.—The provisions of this part (other than this section) shall not apply to this section.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002, 2003, and 2004.".

"SEC. 4306. SAFE AND SECURE SCHOOL ADVISORY REPORT.

"Not later than 1 year after the date of enactment of this Act, the Attorney General, in consultation with the Secretary of Education and the Secretary of Energy, or their designees, shall—

"(1) develop a proposal to further improve school security; and

"(2) submit that proposal to Congress."

SA 520. Mr. BAYH submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of title IX, add the following:

SEC. 902. IMPACT AID PAYMENTS RELATING TO FEDERAL ACQUISITION OF REAL PROPERTY.

Section 8002 (20 U.S.C. 7702), as amended by section 1803 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398), is amended—

(1) in subsection (h)(4), by striking subparagraph (B) and inserting the following:

"(B) the Secretary shall make a payment to each local educational agency that is eligible to receive a payment under this section for the fiscal year involved in an amount that bears the same relation to 75 percent of the remainder as a percentage share determined for the local educational agency (as determined by dividing the maximum amount that such agency is eligible to receive under subsection (b) by the total maximum amounts that all such local educational agencies are eligible to receive under such subsection) bears to the percentage share determined (in the same manner) for all local educational agencies eligible to receive a payment under this section for the fiscal year involved, except that for purposes of calculating a local educational agency's maximum payment, data from the most current fiscal year shall be used."; and

(2) by adding at the end the following:

"(n) LOSS OF ELIGIBILITY.—

"(1) IN GENERAL.—Notwithstanding any other provision of this section, the Secretary shall make the following minimum payments for each fiscal year to each local educational agency described in paragraph (2):

"(A) For the first fiscal year following the loss of eligibility (as described in paragraph (2)), an amount equal to 90 percent of the amount received in the final fiscal year of eligibility.

"(B) For the second fiscal year following the loss of eligibility (as described in paragraph (2)), an amount equal to 75 percent of the amount received in the final fiscal year of eligibility.

"(C) For the third fiscal year following the loss of eligibility (as described in paragraph (2)), an amount equal to 50 percent of the amount received in the final fiscal year of eligibility.

"(2) ELIGIBLE LOCAL EDUCATIONAL AGENCIES.—A local educational agency described in this paragraph is an agency that—

"(A) was eligible for, and received, a payment under this section for fiscal year 2002; and

"(B) beginning in fiscal year 2003 or a subsequent fiscal year, is no longer eligible for payments under this section as provided for in subsection (a)(1)(C) as a result of the transfer of the Federal property involved to a non-Federal entity.".

SA 521. Mr. BAYH submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 308, strike line 9 and insert the following:

"(10) STATE EDUCATIONAL AGENCY.—The term 'State educational agency' means the entity or agency designated under the laws of a State as responsible for teacher certification or licensing in the State.

"(11) TEACHER MENTORING.—The term

On page 316, after line 25, add the following:

"(d) SUBMISSION.—Portions of the application that relate to activities carried out under subpart 3 shall be jointly prepared and submitted by the State educational agency and the State agency for higher education.

SA 522. Mr. BAYH submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 308, strike line 9 and insert the following:

"(10) STATE EDUCATIONAL AGENCY.—The term 'State educational agency' means the entity or agency designated under the laws of a State as responsible for teacher certification or licensing in the State.

"(11) TEACHER MENTORING.—The term".

SA 523. Mr. LIEBERMAN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING STREAMLINING OF EDUCATION PROGRAMS.

(a) FINDINGS.—The Senate finds the following:

(1)(A) In 1965, Congress enacted and President Johnson signed into law the Elementary and Secondary Education Act of 1965, taking bold new action with the primary goal of ensuring that low-income children have the same opportunity for a quality public education as their more affluent peers.

(B) Today the Federal role embodied in the original Elementary and Secondary Education Act of 1965 is still critical, but the global economy and increasing demands for a more highly skilled workforce require more from the public education system. Although the number of titles and programs in the Elementary and Secondary Education Act of 1965 have multiplied from efforts to try and address changing times, the underlying philosophy of the Act and methods used in the Act have not been rethought. As a result, the Elementary and Secondary Education Act of 1965 has grown into a confusing, unfocused mix of programs.

(2) Currently the Federal government's funding for and focus on education programs are dispersed in dozens of directions. More importantly, by dispersing the funding, the Federal government has diluted the impact of Federal investments and diminished the government's ability to cause bold changes in the public education system.

(3) The Federal government has a far better chance of spurring far-reaching reforms and improving the quality of schools if the government concentrates on a few, clear national priorities, gives the States and localities room and reason to innovate, and then hold the State and localities responsible for producing results.

(4) This Act streamlines numerous titles, with nearly 50 different funding channels for education programs, into 7 performance-based titles, all of which are geared toward the Nation's top priority of raising academic achievement.

(5) Congress must uphold a commitment to a new streamlined and focused Federal role in education.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) Congress should uphold the streamlining of education programs achieved in S. 1, 107th Congress, as placed on the calendar of the Senate; and

(2) Congress should oppose efforts to create new programs or set asides for elementary school or secondary school education that contradict the goal of concentrating the Federal focus and funding for education programs on a limited, but critical, number of national priorities that are most directly linked to raising student achievement.

SA 524. Mr. AKAKA submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. ____. EXCELLENCE IN ECONOMIC EDUCATION.

Title IX, as amended by section 901, is further amended by adding at the end the following:

"PART B—EXCELLENCE IN ECONOMIC EDUCATION

"SEC. 9201. SHORT TITLE; FINDINGS.

"(a) SHORT TITLE.—This part may be cited as the "Excellence in Economic Education Act of 2001".

"(b) FINDINGS.—Congress makes the following findings:

"(1) The need for economic literacy in the United States has grown exponentially in the 1990's as a result of rapid technological advancements and increasing globalization, giving individuals in the United States more numerous and complex economic and financial choices than ever before as members of the workforce, managers of their families' resources, and voting citizens.

"(2) Studies show that many individuals in the United States lack essential knowledge in personal finance and economic literacy.

"(3) A 1998–1999 test conducted by the National Council on Economic Education pointed out that many individuals in the United States believe that there is a need for our Nation's youth to possess an understanding of personal finance and economic principles, with 96 percent of adults tested believing that basic economics should be taught in secondary school.

"SEC. 9202. EXCELLENCE IN ECONOMIC EDUCATION.

"(a) PURPOSE.—The purpose of this part is to promote economic and financial literacy among all United States students in kindergarten through grade 12 by awarding a competitive grant to a national nonprofit educational organization that has as its primary purpose the improvement of the quality of student understanding of personal finance and economics.

"(b) GOALS.—The goals of this part are—

"(1) to increase students' knowledge of and achievement in economics to enable the students to become more productive and informed citizens;

"(2) to strengthen teachers' understanding of and competency in economics to enable the teachers to increase student mastery of economic principles and their practical application;

"(3) to encourage economic education research and development, to disseminate effective instructional materials, and to promote replication of best practices and exemplary programs that foster economic literacy;

"(4) to assist States in measuring the impact of education in economics, which is 1 of 9 national core content areas described in section 306(c) of the Goals 2000: Educate America Act (20 U.S.C. 5886(c)); and

"(5) to leverage and expand private and public support for economic education partnerships at national, State, and local levels.

"SEC. 9203. GRANT PROGRAM AUTHORIZED.

"(a) COMPETITIVE GRANT PROGRAM FOR EXCELLENCE IN ECONOMIC EDUCATION.—

"(1) IN GENERAL.—The Secretary is authorized to award a competitive grant to a national nonprofit educational organization that has as its primary purpose the improvement of the quality of student understanding of personal finance and economics through effective teaching of economics in the Nation's classrooms (referred to in this section as the 'grantee').

"(2) USE OF GRANT FUNDS.—

"(A) ONE-QUARTER.—The grantee shall use ¼ of the funds made available through the grant and not reserved under subsection (f) for a fiscal year—

"(i) to strengthen and expand the grantee's relationships with State and local personal finance, entrepreneurial, and economic education organizations;

"(ii) to support and promote training, of teachers who teach a grade from kindergarten through grade 12, regarding economics, including the dissemination of information on effective practices and research findings regarding the teaching of economics;

"(iii) to support research on effective teaching practices and the development of assessment instruments to document student performance; and

"(iv) to develop and disseminate appropriate materials to foster economic literacy.

"(B) THREE-QUARTERS.—The grantee shall use ¾ of the funds made available through the grant for a fiscal year to award grants to State or local school boards, and State or local economic, personal finance, or entrepreneurial education organizations (which shall be referred to in this section as a 'recipient'). The grantee shall award such a grant to pay for the Federal share of the cost of enabling the recipient to work in partnership with 1 or more of the entities described in paragraph (3) for 1 or more of the following purposes:

"(i) Collaboratively establishing and conducting teacher training programs that use effective and innovative approaches to the teaching of economics, personal finance, and entrepreneurship.

"(ii) Providing resources to school districts that want to incorporate economics and personal finance into the curricula of the schools in the districts.

"(iii) Conducting evaluations of the impact of economic and financial literacy education on students.

"(iv) Conducting economic and financial literacy education research.

"(v) Creating and conducting school-based student activities to promote consumer, economic, and personal finance education, such as saving, investing, and entrepreneurial education, and to encourage awareness and student achievement in economics.

"(vi) Encouraging replication of best practices to encourage economic and financial literacy.

"(C) ADDITIONAL REQUIREMENTS AND TECHNICAL ASSISTANCE.—The grantee shall—

"(i) meet such other requirements as the Secretary determines to be necessary to assure compliance with this section; and

"(ii) provide such technical assistance as may be necessary to carry out this section.

"(3) PARTNERSHIP ENTITIES.—The entities referred to in paragraph (2)(B) are the following:

"(A) A private sector entity.

"(B) A State educational agency.

"(C) A local educational agency.

"(D) An institution of higher education.

"(E) Another organization promoting economic development.

"(F) Another organization promoting educational excellence.

"(G) Another organization promoting personal finance or entrepreneurial education.

"(4) ADMINISTRATIVE COSTS.—The grantee and each recipient receiving a grant under this section for a fiscal year may use not more than 25 percent of the funds made available through the grant for administrative costs.

"(b) TEACHER TRAINING PROGRAMS.—In carrying out the teacher training programs described in subsection (a)(2)(B) a recipient shall—

"(1) train teachers who teach a grade from kindergarten through grade 12; and

"(2) encourage teachers from disciplines other than economics and financial literacy to participate in such teacher training programs, if the training will promote the economic and financial literacy of their students.

"(c) INVOLVEMENT OF BUSINESS COMMUNITY.—In carrying out the activities assisted under this part the grantee and recipients are strongly encouraged to—

"(1) include interactions with the local business community to the fullest extent possible, to reinforce the connection between economic and financial literacy and economic development; and

"(2) work with private businesses to obtain matching contributions for Federal funds and assist recipients in working toward self-sufficiency.

"(d) FEDERAL SHARE.—

"(1) IN GENERAL.—The Federal share of the cost described in subsection (a)(2)(B) shall be 50 percent.

"(2) NON-FEDERAL SHARE.—The non-Federal share may be paid in cash or in kind, fairly evaluated, including plant, equipment, or services.

"(e) APPLICATIONS.—

"(1) GRANTEE.—To be eligible to receive a grant under this section, the grantee shall submit to the Secretary an application at such time, in such manner, and accompanied by such information as the Secretary may require.

"(2) RECIPIENTS.—

"(A) IN GENERAL.—To be eligible to receive a grant under this section, a recipient shall submit an application to the grantee at such time, in such manner, and accompanied by such information as the grantee may require.

"(B) REVIEW.—The grantee shall invite the individuals described in subparagraph (C) to review all applications from recipients for a grant under this section and to make recommendations to the grantee regarding the funding of the applications.

"(C) INDIVIDUALS.—The individuals referred to in subparagraph (B) are the following:

"(i) Leaders in the fields of economics and education.

"(ii) Such other individuals as the grantee determines to be necessary, especially members of the State and local business, banking, and finance community.

"(f) SUPPLEMENT AND NOT SUPPLANT.—Funds appropriated under this section shall be used to supplement and not supplant other Federal, State, and local funds expended for the purpose described in section 9202(a).

"(g) Report.—The Secretary shall prepare and submit to the appropriate committees of Congress a report regarding activities assisted under this section not later than 2 years after the date funds are first appropriated under subsection (h) and every 2 years thereafter.

"(h) Authorization of Appropriations.—There are authorized to be appropriated to carry out this part $10,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 4 succeeding fiscal years.".

SA 525. Mr. HARKIN (for himself, Mr. Kerry, Mr. Levin, Mr. Reid, Mr. Biden, Mr. Corzine, and Mr. Johnson) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. . PUBLIC SCHOOL REPAIR AND RENOVATION.

(a) Short Title.—This section may be cited as the "Public School Repair and Renovation Act of 2001".

(b) Grants for School Renovation.—Title IX, as added by section 901, is amended by adding at the end the following:

"PART B—SCHOOL RENOVATION

"SEC. 9201. GRANTS FOR SCHOOL RENOVATION.

"(a) In General.—

"(1) Allocation of funds.—Of the amount appropriated for each fiscal year under subsection (k), the Secretary of Education shall allocate—

"(A) 6.0 percent of such amount for grants to impacted local educational agencies (as defined in paragraph (3)) for school repair, renovation, and construction;

"(B) 0.25 percent of such amount for grants to outlying areas for school repair and renovation in high-need schools and communities, allocated on such basis, and subject to such terms and conditions, as the Secretary determines appropriate;

"(C) 2 percent of such amount for grants to public entities, private nonprofit entities, and consortia of such entities, for use in accordance with subpart 2 of part C of this title X; and

"(D) the remainder to State educational agencies in proportion to the amount each State received under part A of title I for fiscal year 2001, except that no State shall receive less than 0.5 percent of the amount allocated under this subparagraph.

"(2) Determination of grant amount.—

"(A) Determination of weighted student units.—For purposes of computing the grant amounts under paragraph (1)(A) for fiscal year 2001, the Secretary shall determine the results obtained by the computation made under section 8003 with respect to children described in subsection (a)(1)(C) of such section and computed under subsection (a)(2)(B) of such section for such year—

"(i) for each impacted local educational agency that receives funds under this section; and

"(ii) for all such agencies together.

"(B) Computation of payment.—For fiscal year 2002, the Secretary shall calculate the amount of a grant to an impacted local educational agency by—

"(i) dividing the amount described in paragraph (1)(A) by the results of the computation described in subparagraph (A)(ii); and

"(ii) multiplying the number derived under clause (i) by the results of the computation described in subparagraph (A)(i) for such agency.

"(3) Definition.—For purposes of this section, the term 'impacted local educational agency' means, for fiscal year 2001—

"(A) a local educational agency that receives a basic support payment under section 8003(b) for such fiscal year; and

"(B) with respect to which the number of children determined under section 8003(a)(1)(C) for the preceding school year constitutes at least 50 percent of the total student enrollment in the schools of the agency during such school year.

"(b) Within-State Allocations.—

"(1) Administrative costs.—

"(A) State educational agency administration.—Except as provided in subparagraph (B), each State educational agency may reserve not more than 1 percent of its allocation under subsection (a)(1)(D) for the purpose of administering the distribution of grants under this subsection.

"(B) State entity administration.—If the State educational agency transfers funds to a State entity described in paragraph (2)(A), the agency shall transfer to such entity 0.75 of the amount reserved under this paragraph for the purpose of administering the distribution of grants under this subsection.

"(2) Reservation for competitive school repair and renovation grants to local educational agencies.—

"(A) In general.—Subject to the reservation under paragraph (1), of the funds allocated to a State educational agency under subsection (a)(1)(D), the State educational agency shall distribute 75 percent of such funds to local educational agencies or, if such State educational agency is not responsible for the financing of education facilities, the agency shall transfer such funds to the State entity responsible for the financing of education facilities (referred to in this section as the 'State entity') for distribution by such entity to local educational agencies in accordance with this paragraph, to be used, consistent with subsection (c), for school repair and renovation.

"(B) Competitive grants to local educational agencies.—

"(i) In general.—The State educational agency or State entity shall carry out a program of competitive grants to local educational agencies for the purpose described in subparagraph (A). Of the total amount available for distribution to such agencies under this paragraph, the State educational agency or State entity, shall, in carrying out the competition—

"(I) award to high poverty local educational agencies described in clause (ii), in the aggregate, at least an amount which bears the same relationship to such total amount as the aggregate amount such local educational agencies received under part A of title I for fiscal year 2002 bears to the aggregate amount received for such fiscal year under such part by all local educational agencies in the State;

"(II) award to rural local educational agencies in the State, in the aggregate, at least an amount which bears the same relationship to such total amount as the aggregate amount such rural local educational agencies received under part A of title I for fiscal year 2001 bears to the aggregate amount received for such fiscal year under such part by all local educational agencies in the State; and

"(III) award the remaining funds to local educational agencies not receiving an award under subclause (I) or (II), including high poverty and rural local educational agencies that did not receive such an award.

"(ii) High poverty local educational agencies.—A local educational agency is described in this clause if—

"(I) the percentage described in subparagraph (C)(i) with respect to the agency is 30 percent or greater; or

"(II) the number of children described in such subparagraph with respect to the agency is at least 10,000.

"(C) Criteria for awarding grants.—In awarding competitive grants under this paragraph, a State educational agency or State entity shall take into account the following criteria:

"(i) The percentage of poor children 5 to 17 years of age, inclusive, in a local educational agency.

"(ii) The need of a local educational agency for school repair and renovation, as demonstrated by the condition of its public school facilities.

"(iii) The fiscal capacity of a local educational agency to meet its needs for repair and renovation of public school facilities without assistance under this section, including its ability to raise funds through the use of local bonding capacity and otherwise.

"(iv) In the case of a local educational agency that proposes to fund a repair or renovation project for a charter school or schools, the extent to which the school or schools have access to funding for the project through the financing methods available to other public schools or local educational agencies in the State.

"(v) The likelihood that the local educational agency will maintain, in good condition, any facility whose repair or renovation is assisted under this section.

"(D) Possible matching requirement.—

"(i) In general.—A State educational agency or State entity may require local educational agencies to match funds awarded under this subsection.

"(ii) Match amount.—The amount of a match described in clause (i) may be established by using a sliding scale that takes into account the relative poverty of the population served by the local educational agency.

"(3) Reservation for competitive IDEA or technology grants to local educational agencies.—

"(A) In general.—Subject to the reservation under paragraph (1), of the funds allocated to a State educational agency under subsection (a)(1)(D), the State educational agency shall distribute 25 percent of such funds to local educational agencies through competitive grant processes, to be used for the following:

"(i) To carry out activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

"(ii) For technology activities that are carried out in connection with school repair and renovation, including—

"(I) wiring;

"(II) acquiring hardware and software;

"(III) acquiring connectivity linkages and resources; and

"(IV) acquiring microwave, fiber optics, cable, and satellite transmission equipment.

"(B) Criteria for awarding IDEA grants.—In awarding competitive grants under subparagraph (A) to be used to carry out activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.), a State educational agency shall take into account the following criteria:

"(i) The need of a local educational agency for additional funds for a student whose individually allocable cost for expenses related to the Individuals with Disabilities Education Act substantially exceeds the State's average per-pupil expenditure (as defined in section 3).

"(ii) The need of a local educational agency for additional funds for special education and related services under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

"(iii) The need of a local educational agency for additional funds for assistive technology devices (as defined in section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401)) or assistive technology services (as so defined) for children being served under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

"(iv) The need of a local educational agency for additional funds for activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.) in order for children with disabilities to make progress toward meeting the performance goals and indicators established by the State under section 612(a)(16) of such Act (20 U.S.C. 1412).

"(C) Criteria for awarding technology grants.—In awarding competitive grants under subparagraph (A) to be used for technology activities that are carried out in connection with school repair and renovation, a State educational agency shall take into account the need of a local educational agency for additional funds for such activities, including the need for the activities described in subclauses (I) through (IV) of subparagraph (A)(ii).

"(c) Rules Applicable to School Repair and Renovation.—With respect to funds made available under this section that are used for school repair and renovation, the following rules shall apply:

"(1) Permissible uses of funds.—School repair and renovation shall be limited to one or more of the following:

"(A) Emergency repairs or renovations to public school facilities only to ensure the health and safety of students and staff, including—

"(i) repairing, replacing, or installing roofs, electrical wiring, plumbing systems, sewage systems, windows, or doors;

"(ii) repairing, replacing, or installing heating, ventilation, or air conditioning systems (including insulation); and

"(iii) bringing public schools into compliance with fire and safety codes.

"(B) School facilities modifications necessary to render public school facilities accessible in order to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).

"(C) School facilities modifications necessary to render public school facilities accessible in order to comply with section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

"(D) Asbestos abatement or removal from public school facilities.

"(E) Implementing measures designed to reduce or eliminate human exposure to lead-based paint hazards through methods including interim controls or abatement or a combination of each.

"(F) Renovation, repair, and acquisition needs related to the building infrastructure of a charter school.

"(2) Impermissible uses of funds.—No funds received under this section may be used for—

"(A) payment of maintenance costs in connection with any projects constructed in whole or part with Federal funds provided under this section;

"(B) the construction of new facilities, except for facilities for an impacted local educational agency (as defined in subsection (a)(3)); or

"(C) stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public.

"(3) Charter schools.—A public charter school that constitutes a local educational agency under State law shall be eligible for assistance under the same terms and conditions as any other local educational agency (as defined in section 3).

"(4) Supplement, not supplant.—Excluding the uses described in subparagraphs (B) and (C) of paragraph (1), a local educational agency shall use Federal funds subject to this subsection only to supplement the amount of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for school repair and renovation.

"(d) Special Rule.—Each local educational agency that receives funds under this section shall ensure that, if it carries out repair or renovation through a contract, any such contract process ensures the maximum number of qualified bidders, including small, minority, and women-owned businesses, through full and open competition.

"(e) Public Comment.—Each local educational agency receiving funds under paragraph (2) or (3) of subsection (b)—

"(1) shall provide parents, educators, and all other interested members of the community the opportunity to consult on the use of funds received under such paragraph;

"(2) shall provide the public with adequate and efficient notice of the opportunity described in paragraph (1) in a widely read and distributed medium; and

"(3) shall provide the opportunity described in paragraph (1) in accordance with any applicable State and local law specifying how the comments may be received and how the comments may be reviewed by any member of the public.

"(f) Reporting.—

"(1) Local reporting.—Each local educational agency receiving funds under subsection (a)(1)(D) shall submit a report to the State educational agency, at such time as the State educational agency may require, describing the use of such funds for—

"(A) school repair and renovation (and construction, in the case of an impacted local educational agency (as defined in subsection (a)(3)));

"(B) activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.); and

"(C) technology activities that are carried out in connection with school repair and renovation, including the activities described in subclauses (I) through (IV) of subsection (b)(3)(A)(ii).

"(2) State reporting.—Each State educational agency shall submit to the Secretary of Education, not later than December 31, 2003, a report on the use of funds received under subsection (a)(1)(D) by local educational agencies for—

"(A) school repair and renovation (and construction, in the case of an impacted local educational agency (as defined in subsection (a)(3)));

"(B) activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.); and

"(C) technology activities that are carried out in connection with school repair and renovation, including the activities described in subclauses (I) through (IV) of subsection (b)(3)(A)(ii).

"(3) Additional reports.—Each entity receiving funds allocated under subsection (a)(1) (A) or (B) shall submit to the Secretary, not later than December 31, 2003, a report on its uses of funds under this section, in such form and containing such information as the Secretary may require.

"(g) Applicability of Part B of IDEA.—If a local educational agency uses funds received under this section to carry out activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.), such part (including provisions respecting the participation of private school children), and any other provision of law that applies to such part, shall apply to such use.

"(h) Reallocation.—If a State educational agency does not apply for an allocation of funds under subsection (a)(1)(D) for fiscal year 2002, or does not use its entire allocation for such fiscal year, the Secretary may reallocate the amount of the State educational agency's allocation (or the remainder thereof, as the case may be) to the remaining State educational agencies in accordance with subsection (a)(1)(D).

"(i) Participation of Private Schools.—

"(1) In general.—Section 5342 shall apply to subsection (b)(2) in the same manner as it applies to activities under title VI, except that—

"(A) such section shall not apply with respect to the title to any real property renovated or repaired with assistance provided under this section;

"(B) the term 'services' as used in section 5342 with respect to funds under this section shall be provided only to private, nonprofit elementary or secondary schools with a rate of child poverty of at least 40 percent and may include for purposes of subsection (b)(2) only—

"(i) modifications of school facilities necessary to meet the standards applicable to public schools under the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.);

"(ii) modifications of school facilities necessary to meet the standards applicable to public schools under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794); and

"(iii) asbestos abatement or removal from school facilities; and

"(C) notwithstanding the requirements of section 5342(b), expenditures for services provided using funds made available under subsection (b)(2) shall be considered equal for purposes of such section if the per-pupil expenditures for services described in subparagraph (B) for students enrolled in private nonprofit elementary and secondary schools that have child poverty rates of at least 40 percent are consistent with the per-pupil expenditures under this section for children enrolled in the public schools in the school district of the local educational agency receiving funds under this section.

"(2) Remaining funds.—If the expenditure for services described in paragraph (1)(B) is less than the amount calculated under paragraph (1)(C) because of insufficient need for such services, the remainder shall be available to the local educational agency for renovation and repair of public school facilities.

"(3) Application.—If any provision of this section, or the application thereof, to any person or circumstances is judicially determined to be invalid, the provisions of the remainder of the section and the application to other persons or circumstances shall not be affected thereby.

"(j) Definitions.—For purposes of this section:

"(1) Charter school.—The term 'charter school' has the meaning given such term in section 5120(1).

"(2) Poor children and child poverty.—The terms 'poor children' and 'child poverty' refer to children 5 to 17 years of age, inclusive, who are from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant (42 U.S.C. 9902(2)) applicable to a family of the size involved for the most recent fiscal year for which data satisfactory to the Secretary are available.

"(3) Rural local educational agency.—The term 'rural local educational agency' means a local educational agency that the State determines is located in a rural area using objective data and a commonly employed definition of the term 'rural'.

"(4) State.—The term 'State' means each of the 50 states, the District of Columbia, and the Commonwealth of Puerto Rico.

"(k) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section, $1,600,000,000 for fiscal year 2002, and such sums as may be necessary for each of fiscal years 2003 through 2006.".

SA 526. Mr. HARKIN (for himself, Mr. Levin, and Mr. Johnson) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. . COUNSELING IMPROVEMENT.

(a) Findings.—Congress finds that—

(1) elementary and secondary school children are being subjected to unprecedented social stresses, including fragmentation of the family, drug and alcohol abuse, violence, child abuse, and poverty;

(2) an increasing number of elementary and secondary school children are exhibiting symptoms of distress, such as substance abuse, emotional disorders, violent outbursts, disruptive behavior, juvenile delinquency, and suicide;

(3) between 1984 and 1994, the homicide rate for adolescents doubled, while the rate of nonfatal violent crimes committed by adolescents increased by almost 20 percent;

(4) according to the National Institute of Mental Health, up to one in five children and youth have psychological problems severe enough to require some form of professional help, yet only 20 percent of youth with mental disorders or their families receive help;

(5) the Institute of Medicine has identified psychological counseling as the most serious school health need for the normal development of our Nation's children and youth;

(6) school counselors, school psychologists, and school social workers can contribute to the personal growth, educational development, and emotional well-being of elementary and secondary school children by providing professional counseling, intervention, and referral services;

(7) the implementation of well designed school counseling programs has been shown to increase students' academic success;

(8) the national average student-to-counselor ratio in elementary and secondary schools is 531 to 1, and the average student-to-psychologist ratio is 2300 to 1;

(9) it is recommended that to effectively address students' mental health and development needs, schools have 1 full-time counselor for every 250 students, 1 psychologist for every 1,000 students, and 1 school social worker for every 800 students;

(10) the population of elementary and secondary school students in the United States is expected to increase dramatically during the 5 to 10 years beginning with 1999;

(11) the Federal Government can help reduce the risk of academic, social, and emotional problems among elementary and secondary school children by stimulating the development of model school counseling programs; and

(12) the Federal Government can help reduce the risk of future unemployment and assist the school-to-work transition by stimulating the development of model school counseling programs that include comprehensive career development.

(b) Purpose.—It is the purpose of this section to enhance the availability and quality of counseling services for elementary and secondary school children by providing grants to local educational agencies to enable such agencies to establish or expand effective and innovative counseling programs that can serve as models for the Nation.

(c) School Counseling.—Title IV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7101 et seq.), as amended by this Act, is amended—

(1) in section 4004 (20 U.S.C. 7104)—

(A) in paragraph (3), by striking "and" at the end;

(B) in paragraph (4), by striking the period and inserting "; and"; and

(C) by adding at the end the following:

"(5) $100,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 4 succeeding fiscal years, for grants under section 4126."; and

(2) by adding at the end of subpart 2 of part A the following:

"SEC. 4126. ELEMENTARY SCHOOL AND SECONDARY SCHOOL COUNSELING DEMONSTRATION.

"(a) Counseling Demonstration.—

"(1) In general.—The Secretary may award grants under this section to local educational agencies to enable the local educational agencies to establish or expand elementary school and secondary school counseling programs.

"(2) Priority.—In awarding grants under this section, the Secretary shall give special consideration to applications describing programs that—

"(A) demonstrate the greatest need for new or additional counseling services among the children in the schools served by the applicant;

"(B) propose the most promising and innovative approaches for initiating or expanding school counseling; and

"(C) show the greatest potential for replication and dissemination.

"(3) Equitable distribution.—In awarding grants under this section, the Secretary shall ensure an equitable geographic distribution among the regions of the United States and among urban, suburban, and rural areas.

"(4) Duration.—A grant under this section shall be awarded for a period not to exceed three years.

"(5) Maximum grant.—A grant under this section shall not exceed $400,000 for any fiscal year.

"(b) Applications.—

"(1) In general.—Each local educational agency desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(2) Contents.—Each application for a grant under this section shall—

"(A) describe the school population to be targeted by the program, the particular personal, social, emotional, educational, and career development needs of such population, and the current school counseling resources available for meeting such needs;

"(B) describe the activities, services, and training to be provided by the program and the specific approaches to be used to meet the needs described in subparagraph (A);

"(C) describe the methods to be used to evaluate the outcomes and effectiveness of the program;

"(D) describe the collaborative efforts to be undertaken with institutions of higher education, businesses, labor organizations, community groups, social service agencies, and other public or private entities to enhance the program and promote school-linked services integration;

"(E) describe collaborative efforts with institutions of higher education which specifically seek to enhance or improve graduate programs specializing in the preparation of school counselors, school psychologists, and school social workers;

"(F) document that the applicant has the personnel qualified to develop, implement, and administer the program;

"(G) describe how any diverse cultural populations, if applicable, would be served through the program;

"(H) assure that the funds made available under this part for any fiscal year will be used to supplement and, to the extent practicable, increase the level of funds that would otherwise be available from non-Federal sources for the program described in the application, and in no case supplant such funds from non-Federal sources; and

"(I) assure that the applicant will appoint an advisory board composed of parents, school counselors, school psychologists, school social workers, other pupil services personnel, teachers, school administrators, and community leaders to advise the local educational agency on the design and implementation of the program.

"(c) Use of Funds.—

"(1) In general.—From amounts made available under section 4004(5) to carry out this section, the Secretary shall award grants to local education agencies to be used to initiate or expand elementary or secondary school counseling programs that comply with the requirements of paragraph (2).

"(2) Program requirements.—Each program assisted under this section shall—

"(A) be comprehensive in addressing the personal, social, emotional, and educational needs of all students;

"(B) use a developmental, preventive approach to counseling;

"(C) increase the range, availability, quantity, and quality of counseling services in the schools of the local educational agency;

"(D) expand counseling services only through qualified school counselors, school psychologists, and school social workers;

"(E) use innovative approaches to increase children's understanding of peer and family relationships, work and self, decisionmaking, or academic and career planning, or to improve social functioning;

"(F) provide counseling services that are well-balanced among classroom group and small group counseling, individual counseling, and consultation with parents, teachers, administrators, and other pupil services personnel;

"(G) include inservice training for school counselors, school social workers, school psychologists, other pupil services personnel, teachers, and instructional staff;

"(H) involve parents of participating students in the design, implementation, and evaluation of a counseling program;

"(I) involve collaborative efforts with institutions of higher education, businesses, labor organizations, community groups, social service agencies, or other public or private entities to enhance the program and promote school-linked services integration; and

"(J) evaluate annually the effectiveness and outcomes of the counseling services and activities assisted under this section.

"(3) Report.—The Secretary shall issue a report evaluating the programs assisted pursuant to each grant under this subsection at the end of each grant period in accordance with section 14701.

"(4) Dissemination.—The Secretary shall make the programs assisted under this section available for dissemination, either through the National Diffusion Network or other appropriate means.

"(5) Limit on administration.—Not more than 5 percent of the amounts made available under this section in any fiscal year shall be used for administrative costs to carry out this section.

"(d) Definitions.—For purposes of this section:

"(1) School counselor.—The term 'school counselor' means an individual who has documented competence in counseling children and adolescents in a school setting and who—

"(A) possesses State licensure or certification granted by an independent professional regulatory authority;

"(B) in the absence of such State licensure or certification, possesses national certification in school counseling or a specialty of counseling granted by an independent professional organization; or

"(C) holds a minimum of a master's degree in school counseling from a program accredited by the Council for Accreditation of Counseling and Related Educational Programs or the equivalent.

"(2) School psychologist.—The term 'school psychologist' means an individual who—

"(A) possesses a minimum of 60 graduate semester hours in school psychology from an institution of higher education and has completed 1,200 clock hours in a supervised school psychology internship, of which 600 hours shall be in the school setting;

"(B) possesses State licensure or certification in the State in which the individual works; or

"(C) in the absence of such State licensure or certification, possesses national certification by the National School Psychology Certification Board.

"(3) School social worker.—The term 'school social worker' means an individual who—

"(A)(i) holds a master's degree in social work from a program accredited by the Council on Social Work Education; and

"(ii) is licensed or certified by the State in which services are provided; or

"(B) in the absence of such licensure or certification, possess a national certification or credential as a school social work specialist that has been awarded by an independent professional organization.

"(4) Supervisor.—The term 'supervisor' means an individual who has the equivalent number of years of professional experience in such individual's respective discipline as is required of teaching experience for the supervisor or administrative credential in the State of such individual.".

SA 527. Mr. KYL (for himself and Mr. McCain) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 264, strike line 14 and insert the following:

students.—

"(A) In general.—In providing a free public education to

On page 264, strike lines 19 and 20 and insert the following:

youth's status as homeless, except as provided in section 723(a)(2)(B)(ii) and subparagraph (B).

"(B) Exception.—Notwithstanding subparagraph (A), paragraphs (1)(H) and (3) of subsection (g), section 723(a)(2), and any other provision of this subtitle relating to the placement of homeless children or youth in schools, a State that has a separate school for homeless children that was established not later than the fiscal year preceding the date of enactment of the Better Education for Students and Teachers Act shall remain eligible to receive funds under this subtitle for programs carried out in such school.

SA 528. Mr. DURBIN (for himself and Mr. Corzine) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 266, after line 23, add the following:

"PART H—SUMMER SCHOOL

"SEC. 1751. SUMMER SCHOOL.

"(a) Program Authorized.—The Secretary is authorized to make allotments to State educational agencies to enable the State educational agencies to award grants to local educational agencies to support summer school programs for students who have not achieved academic standards set by the States.

"(b) State Allotments, Local Grants and Allocations.—

"(1) State allotments.—From funds appropriated under subsection (g) and not reserved under subsection (e) for a fiscal year, the Secretary shall make an allotment to each State educational agency in a State in an amount that bears the same relation to the funds as the amount the State received under part A for the fiscal year bears to the amount received by all States under such part for the fiscal year.

"(2) Local grants and allocations.—Each State educational agency receiving an allotment under paragraph (1) for a fiscal year shall use the allotted funds to award grants to eligible local educational agencies.

"(c) Eligibility.—To be eligible to receive a grant under this section a local educational agency shall—

"(1) adopt a plan for the use of the grant funds that gives priority to providing services to students who do not meet State academic standards applicable to students in grade 3 through grade 8;

"(2) conduct an assessment of the local educational agency's needs for teachers who have the knowledge and skills necessary to ensure that all students have the opportunity to meet challenging academic standards;

"(3) adopt a plan that is approved by the State educational agency to ensure, to the maximum extent possible, that all teachers employed by the local educational agency meet the State's teacher certification or licensure requirements for the subjects in which the teachers teach;

"(4) adopt a plan that is approved by the State educational agency to ensure that each student served by the local educational agency meets academic standards, based on guidelines established by the State educational agency, which plan shall include a description of—

"(A) the procedures used to identify students not meeting State academic standards;

"(B) the supplemental educational and related services provided to students not meeting State academic standards; and

"(C) the additional or alternative programs provided to students who continue to fail to meet State academic standards; and

"(5) establish procedures to evaluate the results of the summer school programs funded under this section.

"(d) Priority.—In awarding grants under this section, the State educational agency shall give priority to local educational agencies—

"(1) serving schools identified for school improvement under section 1116(c); and

"(2) that develop an individualized learning plan for each student who fails to meet State academic standards detailing what steps will be taken by the local educational agency to bring that student within State standards.

"(e) Reservation for Innovative Programs.—The Secretary shall reserve 5 percent of the amount appropriated under subsection (g) for a fiscal year to award grants for innovative summer school programs and to evaluate existing summer school programs.

"(f) General Provisions.—

"(1) Supplement not supplant.—Funds made available under this section shall be used to supplement, and not supplant other Federal, State, local, and private funds available for summer school programs.

"(2) Administrative expenses.—Each State educational agency that receives grant funds under this section may use not more than 5 percent of the grant funds for a fiscal year for the administrative costs of carrying out this section.

"(g) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section the following amounts:

"(1) $200,000,000 for fiscal year 2002.

"(2) Such sums as may be necessary for each of the fiscal years 2003 through 2008.".

SA 529. Mr. DURBIN (for himself and Mr. Corzine) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 266, after line 23, insert the following:

"SEC. 1708. SUMMER SCHOOL.

"(a) Program Authorized.—The Secretary is authorized to make allotments to State educational agencies to enable the State educational agencies to award grants to local educational agencies to support summer school programs for students who have not achieved academic standards set by the States.

"(b) State Allotments, Local Grants and Allocations.—

"(1) State allotments.—From funds appropriated under subsection (g) and not reserved under subsection (e) for a fiscal year, the Secretary shall make an allotment to each State educational agency in a State in an amount that bears the same relation to the funds as the amount the State received under part A for the fiscal year bears to the amount received by all States under such part for the fiscal year.

"(2) Local grants and allocations.—Each State educational agency receiving an allotment under paragraph (1) for a fiscal year shall use the allotted funds to award grants to eligible local educational agencies.

"(c) Eligibility.—To be eligible to receive a grant under this section a local educational agency shall—

"(1) adopt a plan for the use of the grant funds that gives priority to providing services to students who do not meet State academic standards applicable to students in grade 3 through grade 8;

"(2) conduct an assessment of the local educational agency's needs for teachers who have the knowledge and skills necessary to ensure that all students have the opportunity to meet challenging academic standards;

"(3) adopt a plan that is approved by the State educational agency to ensure, to the maximum extent possible, that all teachers employed by the local educational agency meet the State's teacher certification or licensure requirements for the subjects in which the teachers teach;

"(4) adopt a plan that is approved by the State educational agency to ensure that each student served by the local educational agency meets academic standards, based on guidelines established by the State educational agency, which plan shall include a description of—

"(A) the procedures used to identify students not meeting State academic standards;

"(B) the supplemental educational and related services provided to students not meeting State academic standards; and

"(C) the additional or alternative programs provided to students who continue to fail to meet State academic standards; and

"(5) establish procedures to evaluate the results of the summer school programs funded under this section.

"(d) Priority.—In awarding grants under this section, the State educational agency shall give priority to local educational agencies—

"(1) serving schools identified for school improvement under section 1116(c); and

"(2) that develop an individualized learning plan for each student who fails to meet State academic standards detailing what steps will be taken by the local educational agency to bring that student within State standards.

"(e) Reservation for Innovative Programs.—The Secretary shall reserve 5 percent of the amount appropriated under subsection (g) for a fiscal year to award grants for innovative summer school programs and to evaluate existing summer school programs.

"(f) General Provisions.—

"(1) Supplement not supplant.—Funds made available under this section shall be used to supplement, and not supplant other Federal, State, local, and private funds available for summer school programs.

"(2) Administrative expenses.—Each State educational agency that receives grant funds under this section may use not more than 5 percent of the grant funds for a fiscal year for the administrative costs of carrying out this section.

"(3) Applicability.—Notwithstanding any other provision of this part, this part (other than this section) shall not apply to this section.

"(g) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section $200,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years.".

SA 530. Mr. DURBIN (for himself and Mr. Corzine) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 347, strike lines 8 through 10 and insert the following:

"(d) Priority.—

"(1) High need local educational agencies.—In awarding grants under this subpart, the Secretary shall give first priority to an eligible partnership that includes a high need local educational agency.

"(2) Businesses.—In awarding the grants among eligible partnerships that do not include such agencies, the Secretary shall give priority to an eligible partnership that—

"(A) includes a business (such as a corporation); and

"(B) demonstrates that the business will—

"(i) provide a non-Federal share of the cost of the activities carried out under section 2213; and

"(ii) provide a greater non-Federal share of the cost of the activities than the business provided prior to the date the partnership received that priority.

"(3) Non-federal share.—The non-Federal share provided by a business under paragraph (2) may be provided in cash or in kind, fairly evaluated, including plant, equipment, or services.

On page 350, after line 4 add the following:

(9) Designing and implementing year-round small inquiry groups for teachers for the purpose of improving math and science teachers' subject knowledge and teaching skills.

On page 362, line 14, strike "$500,000,000" and insert "$900,000,000".

SA 531. Mr. DURBIN (for himself and Mr. Corzine) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 347, strike lines 8 through 10 and insert the following:

"(d) Priority.—

"(1) High need local educational agencies.—In awarding grants under this subpart, the Secretary shall give first priority to an eligible partnership that includes a high need local educational agency.

"(2) Businesses.—In awarding the grants among eligible partnerships that do not include such agencies, the Secretary shall give priority to an eligible partnership that—

"(A) includes a business (such as a corporation); and

"(B) demonstrates that the business will—

"(i) provide a non-Federal share of the cost of the activities carried out under section 2213; and

"(ii) provide a greater non-Federal share of the cost of the activities than the business provided prior to the date the partnership received that priority.

"(3) Non-federal share.—The non-Federal share provided by a business under paragraph (2) may be provided in cash or in kind, fairly evaluated, including plant, equipment, or services.

SA 532. Mr. DURBIN (for himself, Mr. Schumer, and Mr. Corzine) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 362, line 14, strike "$500,000,000" and insert "$900,000,000".

SA 533. Mr. NELSON of Nebraska submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 586, between lines 18 and 19, insert the following:

SEC. 405. MENTORING PROGRAMS.

Title IV of Elementary and Secondary Education Act of 1965 is further amended by adding at the end the following:

"PART E—MENTORING PROGRAMS

"SEC. 4501. DEFINITIONS.

"In this part:

"(1) Child with greatest need.—The term 'child with greatest need' means a child at risk of educational failure, dropping out of school, or involvement in criminal or delinquent activities, or that has lack of strong positive adult role models.

"(2) Mentor.—The term 'mentor' means an individual who works with a child to provide a positive role model for the child, to establish a supportive relationship with the child, and to provide the child with academic assistance and exposure to new experiences and examples of opportunity that enhance the ability of the child to become a responsible adult.

"(3) State.—The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

"SEC. 4502. PURPOSES.

"The purposes of this part are to make assistance available to promote mentoring programs for children with greatest need—

"(1) to assist such children in receiving support and guidance from a caring adult;

"(2) to improve the academic performance of such children;

"(3) to improve interpersonal relationships between such children and their peers, teachers, other adults, and family members;

"(4) to reduce the dropout rate of such children; and

"(5) to reduce juvenile delinquency and involvement in gangs by such children.

"SEC. 4503. GRANT PROGRAM.

"(a) IN GENERAL.—In accordance with this section, the Secretary may make grants to eligible entities to assist such entities in establishing and supporting mentoring programs and activities that—

"(1) are designed to link children with greatest need (particularly such children living in rural areas, high crime areas, or troubled home environments, or such children experiencing educational failure) with responsible adults, who—

"(A) have received training and support in mentoring;

"(B) have been screened using appropriate reference checks, child and domestic abuse record checks, and criminal background checks; and

"(C) are interested in working with youth; and

"(2) are intended to achieve 1 or more of the following goals:

"(A) Provide general guidance to children with greatest need.

"(B) Promote personal and social responsibility among children with greatest need.

"(C) Increase participation by children with greatest need in, and enhance their ability to benefit from, elementary and secondary education.

"(D) Discourage illegal use of drugs and alcohol, violence, use of dangerous weapons, promiscuous behavior, and other criminal, harmful, or potentially harmful activity by children with greatest need.

"(E) Encourage children with greatest need to participate in community service and community activities.

"(F) Encourage children with greatest need to set goals for themselves or to plan for their futures, including encouraging such children to make graduation from secondary school a goal and to make plans for postsecondary education or training.

"(G) Discourage involvement of children with greatest need in gangs.

"(b) ELIGIBLE ENTITIES.—Each of the following is an entity eligible to receive a grant under subsection (a):

"(1) A local educational agency.

"(2) A nonprofit, community-based organization.

"(3) A partnership between an agency referred to in paragraph (1) and an organization referred to in paragraph (2).

"(c) USE OF FUNDS.—

"(1) IN GENERAL.—Each entity receiving a grant under this section shall use the grant funds for activities that establish or implement a mentoring program, including—

"(A) hiring of mentoring coordinators and support staff;

"(B) providing for the professional development of mentoring coordinators and support staff;

"(C) recruitment, screening, and training of adult mentors;

"(D) reimbursement of schools, if appropriate, for the use of school materials or supplies in carrying out the program;

"(E) dissemination of outreach materials;

"(F) evaluation of the program using scientifically based methods; and

"(G) such other activities as the Secretary may reasonably prescribe by rule.

"(2) PROHIBITED USES.—Notwithstanding paragraph (1), an entity receiving a grant under this section may not use the grant funds—

"(A) to directly compensate mentors;

"(B) to obtain educational or other materials or equipment that would otherwise be used in the ordinary course of the entity's operations;

"(C) to support litigation of any kind; or

"(D) for any other purpose reasonably prohibited by the Secretary by rule.

"(d) TERM OF GRANT.—Each grant made under this section shall be available for expenditure for a period of 3 years.

"(e) APPLICATION.—Each eligible entity seeking a grant under this section shall submit to the Secretary an application that includes—

"(1) a description of the mentoring plan the applicant proposes to carry out with such grant;

"(2) information on the children expected to be served by the mentoring program for which such grant is sought;

"(3) a description of the mechanism that applicant will use to match children with mentors based on the needs of the children;

"(4) an assurance that no mentor will be assigned to mentor so many children that the assignment would undermine either the mentor's ability to be an effective mentor or the mentor's ability to establish a close relationship (a one-on-one relationship, where practicable) with each mentored child;

"(5) an assurance that mentoring programs will provide children with a variety of experiences and support, including—

"(A) emotional support;

"(B) academic assistance; and

"(C) exposure to experiences that children might not otherwise encounter on their own;

"(6) an assurance that mentoring programs will be monitored to ensure that each child assigned a mentor benefits from that assignment and that there will be a provision for the assignment of a new mentor if the relationship between the original mentor is not beneficial to the child;

"(7) information on the method by which mentors and children will be recruited to the mentor program;

"(8) information on the method by which prospective mentors will be screened;

"(9) information on the training that will be provided to mentors; and

"(10) information on the system that the applicant will use to manage and monitor information relating to the program's reference checks, child and domestic abuse record checks, and criminal background checks and to its procedure for matching children with mentors.

"(f) SELECTION.—

"(1) COMPETITIVE BASIS.—In accordance with this subsection, the Secretary shall select grant recipients from among qualified applicants on a competitive basis.

"(2) PRIORITY.—In selecting grant recipients under paragraph (1), the Secretary shall give priority to each applicant that—

"(A) serves children with greatest need living in rural areas, high crime areas, or troubled home environments, or who attend schools with violence problems;

"(B) provides background screening of mentors, training of mentors, and technical assistance in carrying out mentoring programs;

"(C) proposes a mentoring program under which each mentor will be assigned to not more children than the mentor can serve effectively; or

"(D) proposes a school-based mentoring program.

"(3) OTHER CONSIDERATIONS.—In selecting grant recipients under paragraph (1), the Secretary shall also consider—

"(A) the degree to which the location of the programs proposed by each applicant contributes to a fair distribution of programs with respect to urban and rural locations;

"(B) the quality of the mentoring programs proposed by each applicant, including—

"(i) the resources, if any, the applicant will dedicate to providing children with opportunities for job training or postsecondary education;

"(ii) the degree to which parents, teachers, community-based organizations, and the local community have participated, or will participate, in the design and implementation of the applicant's mentoring program;

"(iii) the degree to which the applicant can ensure that mentors will develop long-standing relationships with the children they mentor;

"(iv) the degree to which the applicant will serve children with greatest need in the 4th, 5th, 6th, 7th, and 8th grades; and

"(v) the degree to which the program will continue to serve children from the 4th grade through graduation from secondary school; and

"(C) the capability of each applicant to effectively implement its mentoring program.

"(4) GRANT TO EACH STATE.—Notwithstanding any other provision of this subsection, in selecting grant recipients under paragraph (1), the Secretary shall select not less than 1 grant recipient from each State for which there is a qualified applicant.

"(g) MODEL SCREENING GUIDELINES.—

"(1) IN GENERAL.—Based on model screening guidelines developed by the Office of Juvenile Programs of the Department of Justice, the Secretary shall develop and distribute to program participants specific model guidelines for the screening of mentors who seek to participate in programs to be assisted under this part.

"(2) BACKGROUND CHECKS.—The guidelines developed under this subsection shall include, at a minimum, a requirement that potential mentors be subject to reference checks, child and domestic abuse record checks, and criminal background checks.

"SEC. 4504. STUDY BY GENERAL ACCOUNTING OFFICE.

"(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study to identify successful school-based mentoring programs, and the elements, policies, or procedures of such programs that can be replicated.

"(b) REPORT.—Not later than 3 years after the date of the enactment of this part, the Comptroller General shall submit a report to the Secretary and Congress containing the results of the study conducted under this section.

"(c) USE OF INFORMATION.—The Secretary shall use information contained in the report referred to in subsection (b)—

"(1) to improve the quality of existing mentoring programs assisted under this part and other mentoring programs assisted under this Act; and

"(2) to develop models for new programs to be assisted or carried out under this Act.

"SEC. 4505. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out section 4503 $50,000,000 for fiscal year 2002 and such sums as may be necessary for each of fiscal years 2003 through 2006.".

SA 534. Mrs. HUTCHISON (for herself, Mr. WELLSTONE, Mr. DEWINE, Mrs. CLINTON, Mr. SCHUMER, Mr. BIDEN, Mr. CRAPO, and Mr. KENNEDY) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 309, lines 17 and 18, strike "subsection (f)" and insert "subsections (e) and (f)".

On page 339, line 6, strike "(e)" and insert "(d)".

Beginning on page 340, strike line 9 and all that follows through page 341, line 8.

On page 341, line 9, strike "(e)" and insert "(d)".

On page 341, between lines 21 and 22, insert the following:

"(e) Careers to Classrooms.—

"(1) Purposes.—The purposes of this subsection are—

"(A) to establish a program to recruit and retain highly qualified mid-career professionals, recent graduates from an institution of higher education, and certain paraprofessionals, as teachers in high need schools, including recruiting teachers through alternative routes to certification; and

"(B) to encourage the development and expansion of alternative routes to certification under State-approved programs that enable individuals to be eligible for teacher certification within a reduced period of time, relying on the experience, expertise, and academic qualifications of an individual, or other factors in lieu of traditional course work in the field of education.

"(2) Definitions.—In this subsection:

"(A) Eligible participant.—The term 'eligible participant' means—

"(i) an individual with substantial, demonstrable career experience and competence in a field for which there is a significant shortage of qualified teachers, such as mathematics, natural science, technology, engineering, and special education;

"(ii) an individual who is a graduate of an institution of higher education who—

"(I) has graduated not later than 3 years before applying to an agency or consortium to teach under this subsection;

"(II) in the case of an individual wishing to teach in a secondary school, has completed an academic major (or courses totaling an equivalent number of credit hours) in the academic subject that the individual will teach;

"(III) has graduated in the top 50 percent of the individual's undergraduate or graduate class;

"(IV) can demonstrate a high level of competence through a high level of performance in the academic subject that the individual will teach; and

"(V) meets any additional academic or other standards or qualifications established by the State; or

"(iii) a paraprofessional who—

"(I) has been working as a paraprofessional in an instructional role in an elementary school or secondary school for at least 2 years;

"(II) can demonstrate that the paraprofessional is capable of completing a bachelor's degree in not more than 2 years and is in the top 50 percent of the individual's undergraduate class;

"(III) will work toward completion of an academic major (or courses totaling an equivalent number of credit hours) in the academic subject that the paraprofessional will teach; and

"(IV) can demonstrate a high level of competence through a high level of performance in the academic subject that the paraprofessional will teach.

"(B) High need local educational agency.—The term 'high need local educational agency' means a local educational agency that serves—

"(i) a high need school district; and

"(ii) a high need school.

"(C) High need school.—The term 'high need school' means a school that—

"(i)(I) is located in an area in which the percentage of students from families with incomes below the poverty line is 30 percent or more; or

"(II) is located in an area, other than a metropolitan statistical area, that the State determines has a high percentage of students from families with incomes below the poverty line or that has experienced greater than normal difficulty in recruiting or retaining teachers; and

"(ii)(I) is located in an area in which there is a high percentage of secondary school teachers not teaching in the content area in which teachers were trained to teach, is within the top quartile of schools statewide, as ranked by the number of unfilled, available teacher positions at the schools, is located in an area in which there is a high teacher turnover rate, or is located in an area in which there is a high percentage of teachers who are not certified or licensed.

"(D) High need school district.—The term 'high need school district' means a school district in which there is—

"(i)(I) a high need school; and

"(II) a high percentage of individuals from families with incomes below the poverty line; and

"(ii)(I) a high percentage of secondary school teachers not teaching in the content area in which the teachers were trained to teach; or

"(II) a high teacher turnover rate.

"(E) Poverty line.—The term 'poverty line' means the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved.

"(3) Grant program.—

"(A) In general.—The Secretary shall establish a program to make grants on a competitive basis to State educational agencies, regional consortia of State educational agencies, high need local educational agencies, and consortia of high need local educational agencies, to develop State and local teacher corps or other programs to establish, expand, or enhance teacher recruitment and retention efforts.

"(B) Priority.—In making such a grant, the Secretary shall give priority to an agency or consortium of agencies that applies for the grant in collaboration with an institution of higher education or a nonprofit organization that has a proven record of effectively recruiting and retaining highly qualified teachers in high need school districts.

"(4) Application.—

"(A) In general.—To be eligible to receive a grant under this subsection, an agency or consortium described in paragraph (3) shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

"(B) Contents.—The application shall—

"(i) describe how the agency or consortium will use funds received under this subsection to develop a teacher corps or other program to recruit and retain highly qualified mid-career professionals, recent graduates from an institution of higher education, and paraprofessionals as teachers in high need schools;

"(ii) explain how the agency or consortium will determine that teacher candidates seeking to participate in a program under this section are eligible participants;

"(iii) explain how the program will meet the relevant State laws (including regulations) related to teacher certification and licensing;

"(iv) explain how the agency or consortium will ensure that no paraprofessional will be hired through the program as a teacher until the paraprofessional has obtained a bachelor's degree and meets the requirements of subclauses (II) through (V) of paragraph (2)(A)(ii);

"(v) include a determination of the high need academic subjects in the jurisdiction served by the agency or consortium and how the agency or consortium will recruit teachers for those subjects;

"(vi) describe how the grant will increase the number of highly qualified teachers in high need schools in high need school districts that are urban or rural school districts;

"(vii) describe how the agency or consortium described in paragraph (3) has met the requirements of subparagraph (C);

"(viii) describe how the agency or consortium will coordinate the activities carried out with the funds with activities carried out with other Federal, State, and local funds for teacher recruitment and retention;

"(ix) describe the plan of the agency or consortium described in paragraph (3) to recruit and retain highly qualified teachers in the high need academic subjects and high need schools and facilitate the certification or licensing of such teachers; and

"(x) describe how the agency or consortium described in paragraph (3) will meet the requirements of paragraph (7)(A).

"(C) Collaboration.—In developing the application, the agency or consortium shall consult with and seek input from—

"(i) in the case of a partnership established by a State educational agency or consortium of such agencies, representatives of local educational agencies, including teachers, principals, superintendents, and school board members (including representatives of their professional organizations if appropriate);

"(ii) in the case of a partnership established by a local educational agency or a consortium of such agencies, representatives of a State educational agency;

"(iii) elementary school and secondary school teachers, including representatives of their professional organizations;

"(iv) institutions of higher education;

"(v) parents; and

"(vi) other interested individuals and organizations, such as businesses, experts in curriculum development, and nonprofit organizations with a proven record of effectively recruiting and retaining highly qualified teachers in high need school districts.

"(5) Duration of grants.—The Secretary may make grants under this subsection for periods of 5 years. At the end of the 5-year period for such a grant, the grant recipient may apply for an additional grant under this subsection.

"(6) Equitable distribution.—The Secretary shall ensure an equitable geographic distribution of grants among the regions of the United States.

"(7) Requirements.—

"(A) Targeting.—An agency or consortium that receives a grant under this subsection to carry out a program shall ensure that participants in the program recruited with funds made available under this subsection are placed in high need schools, within high need school districts. In placing the participants in the schools, the agency or consortium shall give priority to the schools that are located in areas with the highest percentage of students from families with incomes below the poverty line.

"(B) SUPPLEMENT NOT SUPPLANT.—Funds made available under this subsection shall be used to supplement and not supplant State and local public funds expended for teacher recruitment and retention programs, including programs to recruit the teachers through alternative routes to certification.

"(C) PARTNERSHIPS ESTABLISHED BY LOCAL EDUCATIONAL AGENCIES.—In the case of a partnership established by a local educational agency or a consortium of such agencies to carry out a program under this section the local educational agency or consortium shall not be eligible to receive funds through a State program under this section.

"(8) USES OF FUNDS.—

"(A) IN GENERAL.—An agency or consortium that receives a grant under this subsection shall use the funds made available through the grant to develop a teacher corps or other program in order to establish, expand, or enhance a teacher recruitment and retention program for highly qualified mid-career professionals, graduates of institutions of higher education, and paraprofessionals, who are eligible participants, including activities that provide alternative routes to teacher certification.

"(B) SPECIFIC ACTIVITIES.—The agency or consortium shall use the funds to carry out a teacher corps or other program that includes 2 or more activities that consist of—

"(i)(I) providing loans, scholarships, stipends, bonuses, and other financial incentives, that are linked to participation in activities that have proven effective in retaining teachers in higher need school districts, to all eligible participants (in an amount of not more than the lesser of $5,000 per eligible participant) who—

"(aa) are enrolled in a program under this section located in a State; and

"(bb) agree to seek certification through alternative routes to certification in that State; and

"(II) giving a preference, in awarding the loans, scholarships, stipends, bonuses, and other financial incentives, to individuals who the State determines have financial need for such loans, scholarships, stipends, bonuses, and other financial incentives;

"(ii) making payments (in an amount of not more than $5,000 per eligible participant) to schools to pay for costs associated with accepting teachers recruited under this subsection from among eligible participants or to provide financial incentives to prospective teachers who are eligible participants;

"(iii) providing mentoring;

"(iv) providing internships;

"(v) carrying out co-teaching arrangements;

"(vi) providing high quality, sustained inservice professional development opportunities;

"(vii) offering opportunities for teacher candidates to participate in preservice, high quality course work;

"(viii) collaboration with institutions of higher education in developing and implementing programs to facilitate teacher recruitment (including teacher credentialing) and teacher retention programs;

"(ix) providing accelerated paraprofessional-to-teacher programs that provide a paraprofessional with sufficient training and development to enable the paraprofessional to complete a bachelor's degree and fulfill other State certification or licensing requirements and that provide full pay and leave from paraprofessional duties for the period necessary to complete the degree and become certified or licensed; and

"(x) carrying out other programs, projects, and activities that—

"(I) are designed and have proven to be effective in recruiting and retaining teachers; and

"(II) the Secretary determines to be appropriate.

"(C) DEVELOPMENT OF LONG-TERM RECRUITMENT AND RETENTION STRATEGIES.—In addition to the activities authorized under subparagraph (B), an agency or consortium that receives a grant under this subsection may use the funds made available through the grant for—

"(i) the establishment and operation, or expansion and improvement, of a statewide or regionwide clearinghouse for the recruitment and placement of preschool, elementary school, secondary school, and vocational and technical school teachers (which shall not be subject to the targeting requirements under paragraph (7)(A));

"(ii) the establishment of administrative structures necessary for the development and implementation of programs to provide alternative routes to certification;

"(iii) the development of reciprocity agreements between or among States for the certification or licensure of teachers; and

"(iv) the implementation of other activities designed to ensure the use of long-term teacher recruitment and retention strategies.

"(D) EFFECTIVE ACTIVITIES.—The agency or consortium shall use the funds only for activities that have proven effective in both recruiting and retaining teachers.

"(9) REPAYMENT.—The recipient of a loan under this subsection shall immediately repay amounts received under such loan, and the recipient of a scholarship, stipend, bonus, or other financial incentive under this subsection shall repay amounts received under such scholarship, stipend, bonus, or other financial incentive, to the agency or consortium from which the loan, scholarship, stipend, bonus, or other financial incentive was received if—

"(A) the recipient involved fails to complete the applicable program providing alternative routes to certification;

"(B) the recipient rejects a bona fide offer of employment at a high need school served by that agency or consortium during the 1-year period beginning on the date on which the recipient completes such a program; or

"(C) the recipient fails to teach for at least 2 years in a high need school served by that agency or consortium during the 5-year period beginning on the date on which the individual completes such a program.

"(10) ADMINISTRATIVE FUNDS.—No agency or consortium that receives a grant under this subsection shall use more than 5 percent of the funds made available through the grant for the administration of a program under this section carried out under the grant.

"(11) EVALUATION AND ACCOUNTABILITY FOR RECRUITING AND RETAINING TEACHERS.—

"(A) EVALUATION.—Each agency or consortium that receives a grant under this subsection shall conduct—

"(i) an interim evaluation of the program funded under the grant at the end of the third year of the grant period; and

"(ii) a final evaluation of the program at the end of the fifth year of the grant period.

"(B) CONTENTS.—In conducting the evaluation, the agency or consortium shall describe the extent to which local educational agencies that received funds through the grant have met those goals relating to teacher recruitment and retention described in the application.

"(C) REPORTS.—The agency or consortium shall prepare and submit to the Secretary and to Congress interim and final reports containing the results of the interim and final evaluations, respectively.

"(D) REVOCATION.—If the Secretary determines that the recipient of a grant under this subsection has not made substantial progress in meeting the goals and objectives of the grant by the end of the third year of the grant period, the Secretary—

"(i) shall revoke the payment made for the fourth year of the grant period; and

"(ii) shall not make a payment for the fifth year of the grant period.

"(12) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $200,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

On page 383, after line 21, add the following:

SEC. . MODIFICATION OF TROOPS-TO-TEACHERS PROGRAM.

(a) PURPOSE.—The purpose of this section is to authorize a mechanism for the funding and administration of the Troops-to-Teachers Program established by the Troops-to-Teachers Program Act of 1999 (title XVII of the National Defense Authorization Act for Fiscal Year 2000).

(b) DEFINITIONS.—Section 1701 of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9301) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking "means" and all that follows and inserting "means the Secretary of Education";

(B) by striking paragraph (2);

(C) by redesignating paragraphs (3) and (4), as paragraphs (2) and (3), respectively; and

(D) in paragraph (2) (as so redesignated), by inserting before the period the following: "and active and former members of the Coast Guard"; and

(2) by adding at the end the following:

"(c) ADMINISTRATION.—To the extent that funds are made available under this title, the administering Secretary shall use such funds to enter into a memorandum of agreement with the Defense Activity for Non-Traditional Education Support (referred to in this subsection as 'DANTES'), of the Department of Defense. DANTES shall use amounts made available under the memorandum of agreement to administer the Troops-to-Teachers Program, including the selection of participants in the Program in accordance with section 1704. The administering Secretary may retain a portion of the funds to identify local educational agencies with concentrations of children from low-income families or with teacher shortages and States with alternative certification or licensure requirements, as required by section 1702.".

(c) AUTHORIZATION.—Section 1702 of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9302) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking "after their discharge or release, or retirement," and insert "who retire"; and

(ii) by striking "and" at the end;

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1), the following:

"(2) to assist members of the active reserve forces to obtain certification or licensure as elementary or secondary school teachers or as vocational or technical teachers; and"; and

(2) by adding at the end the following:

"(e) FUNDING.—The administering Secretary shall provide appropriate funds to the Secretary of Defense to enable the Secretary of Defense to manage and operate the Troops-to-Teachers Program.".

(d) ELIGIBLE MEMBERS.—Section 1703 of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9303) is amended—

(1) by striking subsection (a) and inserting the following:

"(a) ELIGIBLE MEMBERS.—Subject to subsection (c), any member of the Armed Forces who, during the period beginning on October 1, 2000, and ending on September 30, 2006, retired from the active duty or who is a member of the active reserve and who satisfies such other criteria for the selection as the administering Secretary may require, shall be eligible for selection to participate in the Troops-to-Teachers Program."; and

(2) in subsection (d)—

(A) by striking "(1) The administering Secretary" and inserting "Secretary of Defense"; and

(B) by striking paragraph (2); and

(3) by adding at the end the following:

"(e) PLACEMENT ASSISTANCE AND REFERRAL SERVICES.—The administering Secretary may, with the agreement of the Secretary of Defense, provide placement assistance and referral services to members of the Armed Forces who separated from active duty under honorable circumstances. Such members shall meet education qualification requirements under subsection (b). Such members shall not be eligible for financial assistance under subsections (a) and (b) of section 1705.".

(e) SELECTION OF PARTICIPANTS.—Section 1704 of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9304) is amended—

(1) in subsection (a), by striking "on a timely basis";

(2) by striking subsection (b);

(3) in subsection (e)—

(A) in the matter preceding paragraph (1), by inserting "and receives financial assistance" after "Program"; and

(B) in paragraph (2), by striking "four school" and all that follows and inserting "three school years with a local educational agency, except that the Secretary of Defense may waive the 3 year commitment if the Secretary determines such waiver to be appropriate.";

(4) in subsection (f), by striking "subsection (e)" and inserting "subsection (d)"; and

(5) by redesignating subsections (c) through (f) as subsection (b) through (e), respectively.

(f) STIPENDS AND BONUSES.—Section 1705 of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9305) is amended—

(1) in subsection (a)—

(A) by striking "(1) Subject" and inserting "Subject"; and

(B) by striking paragraph (2);

(2) in subsection (b)—

(A) by striking paragraph (2);

(B) in paragraph (3)—

(i) by striking subparagraphs (A) through (D) and inserting the following:

"(A) The school is in a low-income school district as defined by the administering Secretary."; and

(ii) by redesignating subparagraphs (E) and (F), as subparagraphs (B) and (C), respectively; and

(C) by redesignating paragraph (3) as paragraph (2); and

(3) in subsection (d)—

(A) by striking "four years" each place that such appears and inserting "three years"; and

(B) in paragraph (2), by striking "1704(e)" and inserting "1704(d)".

(g) PARTICIPATION BY STATES.—Section 1706(b) of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9306(b)) is amended—

(1) by striking "(1) Subject to paragraph (2), the" and inserting "The"; and

(2) by striking paragraph (2).

(h) SUPPORT OF TEACHER CERTIFICATION PROGRAMS.—The Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9301 et seq.) is amended by striking 1707 through 1709 and inserting the following:

"SEC. 1707. SUPPORT OF INNOVATIVE, PRE-RETIREMENT TEACHER CERTIFICATION PROGRAMS.

"(a) IN GENERAL.—The administering Secretary may enter into a memorandum of agreements with institutions of higher education to develop, implement, and demonstrate teacher certification programs for pre-retirement military personnel for the purpose of preparing such personnel to transition to teaching as a second career. Such program shall—

"(1) provide for the recognition of military experience and training as related to licensure or certification requirements;

"(2) provide courses of instruction that may be provided at military installations;

"(3) incorporate alternative approaches to achieve teacher certification such as innovative methods to gaining field based teaching experiences, and assessments of background and experience as related to skills, knowledge and abilities required of elementary or secondary school teachers; and

"(4) provide for the delivery of courses through distance education methods.

"(b) APPLICATIONS PROCEDURES.—

"(1) IN GENERAL.—An institution of higher education, or a consortia of such institutions, that desires to enter into an memorandum under subsection (a) shall prepare and submit to the administering Secretary a proposal, at such time, in such manner, and containing such information as the administering Secretary may require, including an assurance that the institution is operating one or more programs that lead to State approved teacher certification.

"(2) PREFERENCE.—The administering Secretary shall give a preference to institutions (or consortia) submitting proposals that provide for cost sharing with respect to the program involved.

"(c) CONTINUATION OF PROGRAM.—An institution of higher education that desires to continue a program that is funded under this section after such funding is terminated shall use amounts derived from tuition charges to continue such program.

"SEC. 1708. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title, $50,000,000 in fiscal year 2002, and such sums as may be necessary in each subsequent fiscal year.".

SA 535. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . PARENTS' RIGHT-TO-KNOW.

Title VI (20 U.S.C. 7301 et seq.), as amended, is further amended by adding at the end the following:

"PART B—PARENTS' RIGHT-TO-KNOW

"SEC. 6401. SHORT TITLE.

"This part may be cited as the "Parents' Right-to-Know Act of 2001'.

"SEC. 6402. FINDINGS.

"Congress makes the following findings:

"(1) Parents, educators, community leaders, school board members, and business leaders need to be able to come to a common understanding of how well each school is educating students.

"(2) Fair and accurate school information requires the use of longitudinal student data that links student records over time and takes student mobility and prior academic performance into account.

"(3) Fair and accurate school information requires the ability to create school comparisons that match schools with other schools that face equal or greater challenges.

"(4) Fair and accurate school information empowers educators to investigate and learn from the promising practices at high-performing schools.

"(5) Fair and accurate school information is therefore a critical part of the school improvement process.

"SEC. 6403. STATE REPORTING OF STUDENT PERFORMANCES.

"(a) IN GENERAL.—Notwithstanding any other provision of this Act, a State shall be deemed to be in compliance with the requirements of title I relating to the reporting of information on student performance if the State develops a longitudinal data system that links individual student test scores, enrollment, and graduation records over time and provides to the Secretary a report that contains—

"(1) test data with respect to students in public schools in such State; and

"(2) other information related to the performance of continuously enrolled students in schools in the State and to the quality of such schools.

"(b) REPORT CARDS.—

"(1) IN GENERAL.—The information to be included in a report under subsection (a) shall be compiled in a report card format that is easily understandable and shall be made available in multiple languages.

"(2) CONTENTS.—Each report card under this section shall include—

"(A) information from longitudinal data systems linking individual student test scores, length of enrollment, and graduation records over time, the information from which shall be provided to the Secretary and to the public in disaggregated form in order to enable parents and others to compare—

"(i) students and schools in similar income, geographic, racial, English proficiency, and disability categories;

"(ii) students in similar categories of academic achievement prior to enrolling in the school to which the reported test data apply; and

"(iii) students in similar categories of academic achievement prior to enrolling in the school to which the reported test data apply, and who have been continuously enrolled in that school for 2 or 3 years;

"(B) State-specific normalization of data in order to enable parents, students, and others to be able to compare student performance between specific schools and, where available, trends in school, district, and State performance;

"(C) information regarding the State or local education agency's own quantitative and qualitative assessments of each school and whether the school has been identified by the State or local education agency as failing, underperforming or otherwise in need of improvement;

"(D) information on the number of untested students in each grade and subject and descriptions of why those students were not tested;

"(E) information on the performance of students who have been continuously enrolled in the same school for 3 years or more, for grades where the school's grade configuration permits such reports;

"(F) information on the performance of students who have been continuously enrolled in the same school for 2 years or more, for grades where the school's grade configuration permits such reports;

"(G) the percentage of students in each school who are enrolled in special education programs, are from families whose incomes are below the Federal poverty line, and who have limited or no English proficiency;

"(H) information regarding the professional qualifications of the student's classroom teachers, including, at a minimum—

"(i) whether each teacher is fully qualified for the grade levels and subject areas in which the teacher provides instruction;

"(ii) whether each teacher is teaching under emergency or other provisional status through which State certification or licensing criteria are waived;

"(iii) the baccalaureate degree major of each teacher, any other graduate certification or degree held by the teacher, and the field of discipline of each such certification or degree; and

"(iv) whether the student is provided services by paraprofessionals, and the qualifications of any such paraprofessional.

"(c) NATIONAL DISTRIBUTION OF REPORT CARDS.—

"(1) IN GENERAL.—The Secretary shall compile information collected under this section and make such information available in electronic form on the Internet and through other means that ensure broad distribution to the public, other government agencies, and to any other individuals who may request such information.

"(2) ADDITIONAL INFORMATION.—Additional information that may be of use to parents, students, and others in evaluating schools, school districts, teachers, and the educational options available to students shall also be included with student performance data, as the Secretary determines to be appropriate. Such information may include information compiled by other public and private entities, including the National Institute for Education Research, the National Center for Education Statistics, the National Assessment of Educational Progress, and the National Assessment Governing Board.

"(d) PRIVACY.—The Secretary shall ensure that all personally identifiable information about students, their educational performance, and their families, and information with respect to individual schools, submitted under this section remain confidential, in accordance with section 552a of title 5, United States Code.

"(e) GRANTS.—

"(1) IN GENERAL.—The Secretary may award grants, on a competitive basis, to States for the purpose of enabling such State to carry out this section.

"(2) AUTHORIZATION OF APPROPRIATIONS.—For purposes of, carrying out this section, there are authorized to be appropriated $50,000,000 for fiscal year 2002, and such sums as may be necessary for each fiscal year thereafter.".

SA 536. Mr. GREGG (for himself and Mr. HUTCHINSON) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 628, between lines 9 and 10, insert the following:

"Subpart 4—Low-Income School Choice Demonstration

"SEC. 5161. LOW-INCOME SCHOOL CHOICE DEMONSTRATION.

"(a) SHORT TITLE.—This section may be cited as the 'Low-Income School Choice Demonstration Act of 2001'.

"(b) PURPOSE.—The purpose of this section is to determine the effectiveness of school choice in improving the academic achievement of disadvantaged students and the overall quality of public schools and local educational agencies.

"(c) DEFINITIONS.—In this section:

"(1) CHOICE SCHOOL.—The term 'choice school' means any public school, including a public charter school, that is not identified under section 1116, or any private school, including a private sectarian school, that is involved in a demonstration project assisted under this section.

"(2) ELIGIBLE CHILD.—The term 'eligible child' means a child in grades kindergarten through 12—

"(A) who is eligible for free or reduced price meals under the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1964;

"(B) who attended a public elementary or secondary school, or who was not yet of school age, in the year preceding the year in which the child intends to participate in the project under this section; and

"(C) who attends, or is to attend, a public school that has been identified as failing for 3 consecutive years under section 1116 or by the State's accountability system.

"(3) ELIGIBLE ENTITY.—The term 'eligible entity' means a public agency, institution, or organization, such as a State, a State or local educational agency, a county or municipal agency, a consortium of public agencies, or a consortium of public agencies and private nonprofit organizations, that can demonstrate, to the satisfaction of the Secretary, its ability to—

"(A) receive, disburse, and account for Federal funds: and

"(B) carry out the activities described in its application under this section.

"(4) EVALUATING ENTITY.—The term 'evaluating entity' means an independent third party entity, including any academic institution, or private or nonprofit organization, with demonstrated expertise in conducting evaluations, that is not an agency or instrumentality of the Federal Government.

"(5) PARENT.—The term 'parent' includes a legal guardian or other individual acting in loco parentis.

"(6) SCHOOL.—The term 'school' means a school that provides elementary education or secondary education (through grade 12), as determined under State law.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $50,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years, to carry out this section.

"(e) PROGRAM AUTHORIZED.—

"(1) RESERVATION.—From the amount appropriated pursuant to the authority of subsection (d) in any fiscal year, the Secretary shall reserve and make available to the evaluating agency 5 percent for the evaluation of programs assisted under this section in accordance with subsection (k).

"(2) GRANTS.—

"(A) IN GENERAL.—From the amount appropriated pursuant to the authority of subsection (d) and not reserved under paragraph (1) for any fiscal year, the Secretary shall award grants to eligible entities to enable such entities to carry out not more than 13 demonstration projects (which may include projects in 10 cities and an additional 3 States) under which low-income parents receive education certificates for the costs of enrolling their eligible children in a choice school.

"(B) CONTINUING ELIGIBILITY.—The Secretary shall continue a demonstration project under this section by awarding a grant under subparagraph (A) to an eligible entity that received such a grant for a fiscal year preceding the fiscal year for which the determination is made, if the Secretary determines that such eligible entity was in compliance with this section for such preceding fiscal year.

"(3) USE OF GRANTS.—Grants awarded under paragraph (2) shall be used to pay the costs of—

"(A) providing education certificates to low-income parents to enable such parents to pay the tuition, the fees, the allowable costs of transportation, if any, and the costs of complying with subsection (i)(1)(A), if any, for their eligible children to attend a choice school; and

"(B) administration of the demonstration project, which shall not exceed 15 percent of the amount received in the first fiscal year for which the eligible entity provides education certificates under this section or 10 percent in any subsequent year, including—

"(i) seeking the involvement of choice schools in the demonstration project;

"(ii) providing information about the demonstration project, and the schools involved in the demonstration project, to parents of eligible children;

"(iii) making determinations of eligibility for participation in the demonstration project for eligible children;

"(iv) selecting students to participate in the demonstration project;

"(v) determining the amount of, and issuing, education certificates;

"(vi) compiling and maintaining such financial and programmatic records as the Secretary may prescribe; and

"(vii) collecting such information about the effects of the demonstration project as the evaluating agency may need to conduct the evaluation described in subsection (k).

"(4) CIVIL RIGHTS.—

"(A) IN GENERAL.—A choice school participating in the project under this section shall comply with title VI of the Civil Rights Act of 1964 and shall not discriminate on the basis of race, color, national origin, or sex in carrying out the provisions of this section.

"(B) APPLICABILITY AND CONSTRUCTION WITH RESPECT TO DISCRIMINATION ON THE BASIS OF SEX.—

"(i) APPLICABILITY.—With respect to discrimination on the basis of sex, subparagraph (A) shall not apply to a choice school that is controlled by a religious organization if the application of such subparagraph is inconsistent with the religious tenets of the choice school.

"(ii) CONSTRUCTION.—With respect to discrimination on the basis of sex, nothing in subparagraph (A) shall be construed to require any person, or public or private entity to provide or pay, or to prohibit any such person or entity from providing or paying, for any benefit or service, including the use of facilities, related to an abortion. Nothing in the preceding sentence shall be construed to permit a penalty to be imposed on any person or individual because such person or individual is seeking or has received any benefit or service related to a legal abortion.

"(iii) SINGLE-SEX SCHOOLS, CLASSES, OR ACTIVITIES.—With respect to discrimination on the basis of sex, nothing in subparagraph (A) shall be construed to prevent a parent from choosing, or a choice school from offering, a single-sex school, class, or activity.

"(C) REVOCATION.—If the eligible entity determines that a choice school participating in the project under this section is in violation of subparagraph (A), then the eligible entity shall terminate the involvement of such schools in the project.

"(f) AUTHORIZED PROJECTS; PRIORITY.—

"(1) AUTHORIZED PROJECTS.—The Secretary may award a grant under this section only for a demonstration project that—

"(A) involves at least one local educational agency that receives funds under section 1124A; and

"(B) includes the involvement of a sufficient number of choice schools, in the judgment of the Secretary, to allow for a valid demonstration project.

"(2) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to demonstration projects—

"(A) involve at least one local educational agency that is among the 20 percent of local educational agencies receiving funds under section 1124A in the State and having the highest number of children described in section 1124(c);

"(B) that involve diverse types of choice schools; and

"(C) that will contribute to the geographic diversity of demonstration projects assisted under this section.

"(g) APPLICATIONS.—

"(1) IN GENERAL.—Any eligible entity that wishes to receive a grant under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may prescribe.

"(2) CONTENTS.—Each application described in paragraph (1) shall contain—

"(A) information demonstrating the eligibility for participation in the demonstration program of the eligible entity;

"(B) with respect to choice schools—

"(i) a description of the standards used by the eligible entity to determine which schools are within a reasonable commuting distance of eligible children and present a reasonable commuting cost for such eligible children;

"(ii) a description of the types of potential choice schools that will be involved in the demonstration project;

"(iii)(I) a description of the procedures used to encourage public and private schools to be involved in the demonstration project; and

"(II) a description of how the eligible entity will annually determine the number of spaces available for eligible children in each choice school;

"(iv) an assurance that each choice school will not impose higher standards for admission or participation in its programs and activities for eligible children provided education certificates under this section than the choice school does for other children;

"(v) an assurance that each choice school operated, for at least 1 year prior to accepting education certificates under this section, an educational program similar to the educational program for which such choice school will accept such education certificates;

"(vi) an assurance that the eligible entity will terminate the involvement of any choice school that fails to comply with the conditions of its involvement in the demonstration project; and

"(vii) a description of the extent to which choice schools will accept education certificates under this section as full or partial payment for tuition and fees;

"(C) with respect to the participation in the demonstration project of eligible children—

"(i) a description of the procedures to be used to make a determination of eligibility for participation in the demonstration project for an eligible child, which shall include—

"(I) the procedures for obtaining, using and safeguarding information from applications for free or reduced price meals under the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1964; or

"(II) any other procedure, subject to the Secretary's approval, that accurately establishes the eligibility for such participation for an eligible child;

"(ii) a description of the procedures to be used to ensure that, in selecting eligible children to participate in the demonstration project, the eligible entity will give priority to eligible children from the lowest income families;

"(iii) a description of the procedures to be used to ensure maximum choice of schools for participating eligible children, including procedures to be used when—

"(I) the number of parents provided education certificates under this section who desire to enroll their eligible children in a particular choice school exceeds the number of eligible children that the choice school will accept; and

"(II) grant funds and funds from local sources are insufficient to support the total cost of choices made by parents with education certificates under this section; and

"(iv) a description of the procedures to be used to ensure compliance with subsection (i)(1)(A), which may include—

"(I) the direct provision of services by a local educational agency; and

"(II) arrangements made by a local educational agency with other service providers;

"(D) with respect to the operation of the demonstration project—

"(i) a description of the geographic area to be served;

"(ii) a timetable for carrying out the demonstration project;

"(iii) a description of the procedures to be used for the issuance and redemption of education certificates under this section;

"(iv) a description of the procedures by which a choice school will make a pro rata refund of the education certificate under this section for any participating eligible child who withdraws from the school for any reason, before, completing 75 percent of the school attendance period for which the education certificate was issued;

"(v) a description of the procedures to be used to provide the parental notification described in subsection (j);

"(vi) an assurance that the eligible entity will place all funds received under this section into a separate account, and that no other funds will be placed in such account;

"(vii) an assurance that the eligible entity will provide the Secretary periodic reports on the status of such funds;

"(viii) an assurance that the eligible entity will cooperate with the evaluating entity in carrying out the evaluations described in subsection (k);

"(ix) an assurance that the eligible entity will—

"(I) maintain such records as the Secretary may require; and

"(II) comply with reasonable requests from the Secretary for information;

"(x) a description of the method by which the eligible entity will use to assess the progress of participants in math and reading and how such assessment is comparable to assessments used by the local educational agency involved;

"(xi) an assurance that if the number of students applying to participate in the project is greater than the number of students that the project can serve, participating students will be selected by a lottery; and

"(x) an assurance that no private school will be required to participate in the project without the private school's consent; and

"(E) such other assurances and information as the Secretary may require.

"(h) EDUCATION CERTIFICATES.—

"(1) IN GENERAL.—

"(A) AMOUNT.—The amount of an eligible child's education certificate under this section shall be determined by the eligible entity, but shall be an amount that provides to the recipient of the education certificate the maximum degree of choice in selecting the choice school the eligible child will attend.

"(B) CONSIDERATIONS.—

"(i) IN GENERAL.—Subject to such regulations as the Secretary shall prescribe, in determining the amount of an education certificate under this section an eligible entity shall consider—

"(I) the additional reasonable costs of transportation directly attributable to the eligible child's participation in the demonstration project; and

"(II) the cost of complying with subsection (i)(1)(A).

"(ii) SCHOOLS CHARGING TUITION.—If an eligible child participating in a demonstration project under this section was attending a public school that charged tuition for the year preceding the first year of such participation, then in determining the amount of an education certificate for such eligible child under this section the eligible entity shall consider the tuition charged by such school for such eligible child in such preceding year.

"(C) SPECIAL RULE.—An eligible entity may provide an education certificate under this section to the parent of an eligible child who chooses to attend a school that does not charge tuition or fees, to pay the additional reasonable costs of transportation directly attributable to the eligible child's participation in the demonstration project or the cost of complying with subsection (i)(1)(A).

"(2) ADJUSTMENT.—The amount of the education certificate for a fiscal year may be adjusted in the second and third years of an eligible child's participation in a demonstration project under this section to reflect any increase or decrease in the tuition, fees, or transportation costs directly attributable to that eligible child's continued attendance at a choice school, but shall not be increased for this purpose by more than 10 percent of the amount of the education certificate for the fiscal year preceding the fiscal year for which the determination is made. The amount of the education certificate may also be adjusted in any fiscal year to comply with subsection (i)(1)(A).

"(3) MAXIMUM AMOUNT.—Notwithstanding any other provision of this subsection, the amount of an eligible child's education certificate shall not exceed the per pupil expenditure for elementary or secondary education, as appropriate, by the local educational agency in which the public school to which the eligible child would normally be assigned is located for the fiscal year preceding the fiscal year for which the determination is made.

"(4) INCOME.—An education certificate under this section, and funds provided under the education certificate, shall not be treated as income of the parents for purposes of Federal tax laws or for determining eligibility for any other Federal program.

"(i) EFFECT ON OTHER PROGRAMS; USE OF SCHOOL LUNCH DATA.—

"(1) EFFECT ON OTHER PROGRAMS.—

"(A) IN GENERAL.—An eligible child participating in a demonstration project under this section, who, in the absence of such a demonstration project, would have received services under part A of title I shall be provided such services.

"(B) PART B OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.—Nothing in this section shall be construed to affect the requirements of part B of the Individuals with Disabilities Education Act.

"(2) COUNTING OF ELIGIBLE CHILDREN.—Notwithstanding any other provision of law, any local educational agency participating in a demonstration project under this section may count eligible children who, in the absence of such a demonstration project, would attend the schools of such agency, for purposes of receiving funds under any program administered by the Secretary.

"(3) SPECIAL RULE.—

"(A) IN GENERAL.—Notwithstanding the provisions of section 9(b)(2)(C)(iii) and (iv) of the Richard B. Russell National School Lunch Act, information obtained from an application for free or reduced price meals under such Act or the Child Nutrition Act of 1964 shall, upon request, be disclosed to an eligible entity receiving a grant under this section and may be used by the eligible entity to determine the eligibility of a child to participate in a demonstration project under this section and, if needed, to rank families by income in accordance with subsection (g)(2)(C)(ii).

"(B) LIMITATIONS.—

"(i) IN GENERAL.—Information provided under this paragraph shall be limited to the information needed to determine eligibility or to rank families in a demonstration project under this section and may be used only by persons who need the information to determine eligibility or rank families in a demonstration project under this section.

"(ii) LIMITATIONS.—A person having access to information provided under this paragraph shall be subject to the limitations and penalties imposed under section 9(b)(2)(C)(v) of the Richard B. Russell National School Lunch Act.

"(4) CONSTRUCTION.—

"(A) SECTARIAN INSTITUTIONS.—Nothing in this section shall be construed to supersede or modify any provision of a State constitution or State law that prohibits the expenditure of public funds in or by sectarian institutions, except that no provision of a State constitution or State law shall be construed to prohibit the expenditure in or by sectarian institutions of any Federal funds provided under this section.

"(B) DESEGREGATION PLANS.—Nothing in this section shall be construed to interfere with any desegregation plans that involve school attendance areas affected by this section.

"(j) PARENTAL NOTIFICATION.—Each eligible entity receiving a grant under this section shall provide timely notice of the demonstration project to parents of eligible children residing in the area to be served by the demonstration project. At a minimum, such notice shall—

"(1) describe the demonstration project;

"(2) describe the eligibility requirements for participation in the demonstration project;

"(3) describe the information needed to make a determination of eligibility for participation in the demonstration project for an eligible child;

"(4) describe the selection procedures to be used if the number of eligible children seeking to participate in the demonstration project exceeds the number that can be accommodated in the demonstration project;

"(5) provide information about each choice school, including information about any admission requirements or criteria for each choice school participating in the demonstration project; and

"(6) include the schedule for parents to apply for their eligible children to participate in the demonstration project.

"(k) EVALUATION.—

"(1) ANNUAL EVALUATION.—

"(A) CONTRACT.—The Secretary shall enter into a contract with an evaluating agency for the conduct of an ongoing rigorous evaluation of the demonstration program under this section.

"(B) ANNUAL EVALUATION REQUIREMENT.—The contract described in subparagraph (A) shall require the evaluating agency to annually evaluate each demonstration project under this section in accordance with the criteria described in paragraph (2).

"(2) EVALUATION CRITERIA.—The Secretary shall establish such criteria for evaluating the demonstration program under this section. Such criteria shall include—

"(A) a description of the implementation of each demonstration project under this section;

"(B) a comparison of the educational achievement between students receiving education certificates under this section and students otherwise eligible for, but not receiving education certificates under this section;

"(C) a comparison of the level of parental satisfaction and involvement between parents whose children receive education certificates and parents from comparable backgrounds whose children did not receive an education certificate; and

"(D) a description of changes in the overall performance and quality of public elementary and secondary schools in the demonstration project area that can be directly or reasonably attributable to the program under this section.

"(3) REPORTS.—

"(A) REPORT BY GRANT RECIPIENT.—Each eligible entity receiving a grant under this section shall submit, to the Secretary and the evaluating agency, an annual report regarding the demonstration project under this section. Each such report shall be submitted at such time, in such manner, and accompanied by such information, as such evaluating agency may require.

"(B) REPORTS BY EVALUATING AGENCY.—

"(i) IN GENERAL.—The evaluating agency shall transmit to the Secretary and the Congress 2 interim reports on the findings of the annual evaluation under this subsection.

"(ii) FIRST INTERIM REPORT.—The first interim report under clause (i) shall be submitted not later than September 20, 2003, and shall, at a minimum, describe the implementation of the demonstration projects under this section and shall include such demographic information as is reasonably available about—

"(I) the participating schools (both the choice schools and the schools that have been identified as failing;

"(II) the participating and requesting students and background of their families; and

"(III) the number of certificates requested versus the number of certificates received.

"(iii) SECOND INTERIM AND FINAL REPORT.—The second interim and final report under this subparagraph shall be submitted to the Secretary and the appropriate committees in Congress not later than September 30, 2006, and June 1, 2008, respectfully, and shall, at a minimum, include the information described in clause (ii), as well as any additional information deemed necessary by the Secretary.

SA 537. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 731, line 5, strike "(C) and (D)" and insert "(C), (D), and (E)".

On page 738, between lines 8 and 9, insert the following:

"(E) TOTAL STUDENT POPULATION.—In selecting the State educational agencies and local educational agencies described in subparagraph (A) to enter into performance agreements under this part, the Secretary may not select State educational agencies and local educational agencies that serve a combined student population that is greater than 10 percent of the total national student population, based on the most recent appropriate data available.

SA 538. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 22, lines 22–23, strike "participation of private school" and insert "parents and" after "for".

On page 23, line 3, insert "this Act, including but not limited to" after "of" and insert a comma "," after "6".

On page 23, line 8, strike "a reasonable period of time" and insert "90 days of receipt of the complaint" after "within".

On page 23, lines 12–13, strike "fails to resolve the complaint within a reasonable period of time" and insert ", if there is no resolution, any time after the expiration of the State educational agency's 90-day period for resolving such complaints" after "or".

On page 23, lines 16–17, strike "resolve" and insert "make an initial determination of" after "and".

On page 23, line 19, strike "by-pass determination" and insert "complaint appeals" before "process".

On page 23, line 21, after "In General.", insert a new section (A) to read as follows:

"(A) If the Secretary determines that the State educational agency, local educational agency, educational service agency, or consortium of such agencies is not meeting its responsibilities under the Act, the Secretary shall notify the State educational agency of such determination and the reasons for such determination, offer the State educational agency the opportunity to address the complaint, and provide technical assistance to the State educational agency. If the State educational agency fails to take corrective action within a reasonable time, the Secretary may, after notice and consultation, withhold funds for State administration and activities under section 1117.".

On page 23, line 21, strike "(A)" and renumber the paragraph as "(B)".

On page 23, line 22, strike "7" and insert "this" before "section".

On page 24, line 2, strike "thereof" and insert "of the Secretary's initial determination" after "notice".

On page 24, line 4, insert "In the absence of such objection, the initial determination shall be the final action." after the period ".".

On page 24, line 5, strike "(B)" and renumber the paragraph as "(C)", and strike "resolution of" and insert "action on" before "any".

On page 24, lines 10–11, strike "those services" and insert "any services not being provided" after "of".

On page 24, lines 12–13, strike "such" and insert "an" after "If".

On page 25, line 25, strike "private".

On page 26, line 4, strike "section 6 or any other provision of".

On page 26, line 9, strike "public and private".

SA 539. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table, as follows:

On page 684, strike lines 1 through 5, and insert the following:

"(L) programs to provide same gender schools and classrooms, if the local educational agency makes available to students of the same gender schools and classrooms policies and criteria for admission, courses, services, and facilities that are comparable to the policies and criteria, courses, services, and facilities offered in or through the local educational agency's coeducational schools and classrooms;".

SA 540. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 684, strike lines 1 through 5, and insert the following:

"(L) education reform programs that provide same gender schools and classrooms, if comparable educational opportunities are offered for students of both sexes;".

SA 541. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 684, line 2, strike "equal" and insert "comparable".

SA 542. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 684, strike lines 1 through 5.

SA 543. Mr. KYL (for himself and Mr. HUTCHINSON) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING TAX CREDITS FOR CONTRIBUTIONS TO TUITION SCHOLARSHIP ORGANIZATIONS.

(a) FINDINGS.—The Senate finds the following:

(1) Over the last decade, many education reform advocates in the private sector have formed organizations that provide partial tuition scholarships to students whose families lack the means to pay full tuition at the school of their choice.

(2) Studies have shown that parents with children receiving such scholarship assistance outperform comparable students not awarded such scholarships on standardized tests and that the parents of such students express high levels of satisfaction with the quality of their children's education.

(3) In 1999, approximately 1,250,000 applications were made for 40,000 partial tuition scholarships being offered to low-income students nationwide; comparable results from other such lotteries demonstrate that demand for such scholarship assistance far outstrips the available supply.

(4) Recognizing the compelling public interest in meeting that demand, Arizona and other States have enacted, or are considering enacting, legislation to provide tax incentives to taxpayers who donate to tuition scholarship organizations.

(5) Since Arizona enacted a tax credit for donations to tuition scholarship organizations, the number of organizations offering scholarships in the State has increased from 2 to 33, and more than 11,000 students have received scholarship assistance that has made it possible for them to enroll in a school of their choice.

(6) State and Federal courts have consistently found tuition scholarship donation tax credits to be constitutional under State constitutions and the Constitution of the United States.

(7) Congress should encourage promising private initiatives to improve education at the elementary and secondary level.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress should act expeditiously to pass legislation in the 107th Congress providing a tax credit to partially offset the cost of donations to organizations that provide tuition scholarships to students whose families lack the means to pay full tuition at the school of their choice.

SA 544. Mr. STEVENS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . PILOT TRAINING PROGRAM.

(1) IN GENERAL.—The Secretary of Education is authorized to award grants to land-grant colleges and universities in states with aircraft pilot shortage and to Alaska Native-serving institutions to enable the institutions to educate thousand aircraft pilots and to provide the equipment necessary to train pilots, including air traffic control and pilot training simulators.

(2) DEFINITIONS.—In this subsection:

(A) ALASKA NATIVE-SERVING INSTITUTION.—The term "Alaska Native-serving institution" has the meaning given the term in section 317(b) of the Higher Education Act of 1965 (20 U.S.C. 1059d(b)).

(B) LAND-GRANT COLLEGES AND UNIVERSITIES.—The term "land-grant colleges and universities" has the meaning given the term in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103).

SA 545. Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 365, strike lines 7 through 11, and insert the following:

"(a) LIMITATION.—

"(1) IN GENERAL.—From funds appropriated under this part, the Secretary shall reserve such sums as may be necessary for grants awarded under section 3136 prior to the date of enactment of the Better Education for Students and Teacher Act.

"(2) BUREAU OF INDIAN AFFAIRS FUNDED SCHOOLS.—From funds appropriated under this part, the Secretary shall reserve 1 percent of such funds for Bureau of Indian Affairs funded schools. Not later than 6 months after the date of enactment of the Better Education for Students and Teacher Act, the Secretary of the Interior shall establish rules for distributing such funds in accordance with a formula developed by the Secretary of the Interior in consultation with school boards of BIA-funded schools, taking into consideration student enrollment, the number of children with special needs, the number of bilingual children, the number of students in residential programs, and the number of students in gifted and talented programs. The Secretary shall also consider whether a minimum amount is needed to ensure small schools can utilize funding effectively. In accordance with such rules, the Secretary of the Interior shall distribute such funds.

SA 546. Ms SNOWE submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, insert the following:

TITLE —BUILDING AND RENOVATION

SEC. 01. SHORT TITLE.

This title may be cited as the "Building, Renovating, Improving, and Constructing Kids' Schools Act".

SEC. 02. FINDINGS.

Congress makes the following findings:

(1) According to a 1999 issue brief prepared by the National Center for Education Statistics, the average public school in America is

42 years old, and school buildings begin rapid deterioration after 40 years. In addition, 29 percent of all public schools are in the oldest condition, meaning that the schools were built before 1970 and have either never been renovated or were renovated prior to 1980.

(2) According to reports issued by the General Accounting Office (GAO) in 1995 and 1996, it would cost $112,000,000,000 to bring the Nation's schools into good overall condition, and one-third of all public schools need extensive repair or replacement.

(3) Many schools do not have the appropriate infrastructure to support computers and other technologies that are necessary to prepare students for the jobs of the 21st century.

(4) Without impeding on local control, the Federal Government appropriately can assist State, regional, and local entities in addressing school construction, renovation, and repair needs by providing low-interest loans for purposes of paying interest on related bonds and by supporting other State-administered school construction programs.

SEC. 03. DEFINITIONS.

In this title:

(1) BOND.—The term "bond" includes any obligation.

(2) GOVERNOR.—The term "Governor" includes the chief executive officer of a State.

(3) LOCAL EDUCATIONAL AGENCY.—The term "local educational agency" has the meaning given to such term by section 3 of the Elementary and Secondary Education Act of 1965.

(4) PUBLIC SCHOOL FACILITY.—The term "public school facility" shall not include—

(A) any stadium or other facility primarily used for athletic contests or exhibitions, or other events for which admission is charged to the general public; or

(B) any facility that is not owned by a State or local government or any agency or instrumentality of a State or local government.

(5) QUALIFIED SCHOOL CONSTRUCTION BOND.—The term "qualified school construction bond" means any bond (or portion of a bond) issued as part of an issue if—

(A) 95 percent or more of the proceeds attributable to such bond (or portion) are to be used for the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed with part of the proceeds;

(B) the bond is issued by a State, regional, or local entity, with bonding authority; and

(C) the issuer designates such bond (or portion) for purposes of this section.

(6) STABILIZATION FUND.—The term "stabilization fund" means the stabilization fund established under section 5302 of title 31, United States Code.

(7) STATE.—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

SEC. 04. LOANS FOR SCHOOL CONSTRUCTION BOND INTEREST PAYMENTS AND OTHER SUPPORT.

(a) LOAN AUTHORITY AND OTHER SUPPORT.—

(1) LOANS AND STATE-ADMINISTERED PROGRAMS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), from funds made available to a State under section 05(b) the State, in consultation with the State educational agency—

(i) shall use not less than 50 percent of the funds to make loans to State, regional, or local entities within the State to enable the entities to make annual interest payments on qualified school construction bonds that are issued by the entities not later than December 31, 2004; and

(ii) may use not more than 50 percent of the funds to support State revolving fund programs or other State-administered programs that assist State, regional, and local entities within the State in paying for the cost of construction, rehabilitation, repair, or acquisition described in section 03(5)(A).

(B) STATES WITH RESTRICTIONS.—If, on the date of enactment of this Act, a State has in effect a law that prohibits the State from making the loans described in subparagraph (A)(i), the State, in consultation with the State educational agency, may use the funds described in subparagraph (A) to support the programs described in subparagraph (A)(ii).

(2) REQUESTS.—The Governor of each State desiring assistance under this title shall submit a request to the Secretary of the Treasury at such time and in such manner as the Secretary of the Treasury may require.

(3) PRIORITY.—In selecting entities to receive funds under paragraph (1) for projects involving construction, rehabilitation, repair, or acquisition of land for schools, the State shall give priority to entities with projects for schools with greatest need, as determined by the State. In determining the schools with greatest need, the State shall take into consideration whether a school—

(A) is among the schools that have the greatest numbers or percentages of children whose education imposes a higher than average cost per child, such as—

(i) children living in areas with high concentrations of low-income families;

(ii) children from low-income families; and

(iii) children living in sparsely populated areas;

(B) has inadequate school facilities and a low level of resources to meet the need for school facilities; or

(C) meets such criteria as the State may determine to be appropriate.

(b) REPAYMENT.—

(1) IN GENERAL.—Subject to paragraph (2), a State that uses funds made available under section 05(b) to make a loan or support a State-administered program under subsection (a)(1) shall repay to the stabilization fund the amount of the loan or support, plus interest, at an annual rate of 4.5 percent. A State shall not be required to begin making such repayment until the year immediately following the 15th year for which the State is eligible to receive annual distributions from the fund (which shall be the final year for which the State shall be eligible for such a distribution under this Act). The amount of such loan or support shall be fully repaid during the 10-year period beginning on the expiration of the eligibility of the State under this title.

(2) EXCEPTIONS.—

(A) IN GENERAL.—The interest on the amount made available to a State under section 05(b) shall not accrue, prior to January 1, 2007, unless the amount appropriated to carry out part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.) for any fiscal year prior to fiscal year 2007 is sufficient to fully fund such part for the fiscal year at the originally promised level, which promised level would provide to each State 40 percent of the average per-pupil expenditure for providing special education and related services for each child with a disability in the State.

(B) APPLICABLE INTEREST RATE.—Effective January 1, 2007, the applicable interest rate that will apply to an amount made available to a State under section 05(b) shall be—

(i) 0 percent with respect to years in which the amount appropriated to carry out part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.) is not sufficient to provide to each State at least 20 percent of the average per-pupil expenditure for providing special education and related services for each child with a disability in the State;

(ii) 2.5 percent with respect to years in which the amount described in clause (i) is not sufficient to provide to each State at least 30 percent of such average per-pupil expenditure;

(iii) 3.5 percent with respect to years in which the amount described in clause (i) is not sufficient to provide to each State at least 40 percent of such average per-pupil expenditure; and

(iv) 4.5 percent with respect to years in which the amount described in clause (i) is sufficient to provide to each State at least 40 percent of such average per-pupil expenditure.

(c) FEDERAL RESPONSIBILITIES.—The Secretary of the Treasury and the Secretary of Education—

(1) jointly shall be responsible for ensuring that funds provided under this title are properly distributed;

(2) shall ensure that funds provided under this title are used only to pay for—

(A) the interest on qualified school construction bonds; or

(B) a cost described in subsection (a)(1)(A)(ii); and

(3) shall not have authority to approve or disapprove school construction plans assisted pursuant to this title, except to ensure that funds made available under this title are used only to supplement, and not supplant, the amount of school construction, rehabilitation, and repair, and acquisition of land for school facilities, in the State that would have occurred in the absence of such funds.

SEC. 05. AMOUNTS AVAILABLE TO EACH STATE.

(a) RESERVATION FOR INDIANS.—

(1) IN GENERAL.—From $20,000,000,000 of the funds in the stabilization fund, the Secretary of the Treasury shall make available $400,000,000 to provide assistance to Indian tribes.

(2) USE OF FUNDS.—An Indian tribe that receives assistance under paragraph (1)—

(A) shall use not less than 50 percent of the assistance for a loan to enable the Indian tribe to make annual interest payments on qualified school construction bonds, in accordance with the requirements of this Act that the Secretary of the Treasury determines to be appropriate; and

(B) may use not more than 50 percent of the assistance to support tribal revolving fund programs or other tribal-administered programs that assist tribal governments in paying for the cost of construction, rehabilitation, repair, or acquisition described in section 03(5)(A), in accordance with the requirements of this Act that the Secretary of the Treasury determines to be appropriate.

(b) AMOUNTS AVAILABLE.—

(1) IN GENERAL.—Subject to paragraph (3) and from $20,000,000,000 of the funds in the stabilization fund that are not reserved under subsection (a), the Secretary of the Treasury shall make available to each State submitting a request under section

04(a)(2) an amount that bears the same relation to such remainder as the amount the State received under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.) for fiscal year 2001 bears to the amount received by all States under such part for such year.

(2) Disbursal.—The Secretary of the Treasury shall disburse the amount made available to a State under paragraph (1) or (3), on an annual basis, during the period beginning on October 1, 2001, and ending September 30, 2018.

(3) Small state minimum.—

(A) Minimum.—No State shall receive an amount under paragraph (1) that is less than $100,000,000.

(B) States.—In this paragraph, the term "State" means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

(c) Notification.—The Secretary of the Treasury and the Secretary of Education jointly shall notify each State of the amount of funds the State may receive for loans and other support under this Act.

SA 547. Mr. SMITH of New Hampshire submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, add the following:

"Sec. . Nothing in this Act shall prohibit school administrator, or faculty or staff member, from using a firearm to prevent a school massacre.".

SA 548. Mr. SMITH of New Hampshire submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, add the following:

"Sec. . (a) Whereas the Bible is the best selling, most widely read, and most influential book in history;

(b) Whereas familiarity with the nature of religious beliefs is necessary to understanding history and contemporary events;

(c) Whereas the Bible is worthy of study for its literary and historic qualities;

(d) Whereas many public schools throughout America are currently teaching the Bible as literature and/or history;

Sec. . It is the sense of the Senate that nothing in this Act or any provision of law shall discourage the teaching of the Bible in any public school.".

SA 549. Mr. HAGEL (for himself, Mr. Baucus, and Mrs. Hutchison) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . SCHOOL FACILITY MODERNIZATION GRANTS.

Subsection (b) of section 8007 (20 U.S.C. 7707(b)) (as amended by section 1811 of the Impact Aid Reauthorization Act of 2000 (as enacted into law by section 1 of Public Law 106-398)) is amended to read as follows:

"(b) School Facility Modernization Grants Authorized.—

"(1) Funding and allocation.—

"(A) Funding.—From 60 percent of the amount appropriated for each fiscal year under section 8014(e), the Secretary shall award grants in accordance with this subsection to eligible local educational agencies to enable the local educational agencies to carry out modernization of school facilities.

"(B) Allocation.—From amounts made available for a fiscal year under subparagraph (A), the Secretary shall allocate—

"(i) 6 percent of such amount for grants to local educational agencies described in paragraph (2)(A);

"(ii) 47 percent of such amount for grants to local educational agencies described in paragraph (2)(B), of which, 10 percent shall be available for emergency grants that shall not be subject to the requirements of subparagraphs (A) and (B) of paragraph (4); and

"(iii) 47 percent of such amount for grants to local educational agencies described in paragraph (2)(C), of which, 10 percent shall be available for emergency grants that shall not be subject to the requirements of subparagraphs (A) and (B) of paragraph (4).

"(C) Special rule.—A local educational agency described in clauses (ii) and (iii) of subparagraph (B) may use grant funds made available under this subsection for a school facility located on or near Federal property only if the school facility is located at a school where not less than 25 percent of the children in average daily attendance in the school for the preceding school year are children for which a determination is made under section 8003(a)(1).

"(2) Eligibility requirements.—A local educational agency is eligible to receive funds under this subsection only if—

"(A) such agency received assistance under section 8002(a) for the fiscal year and has an assessed value of taxable property per student in the school district that is less than the average of the assessed value of taxable property per student in the State in which the local educational agency is located;

"(B) such agency had an enrollment of children determined under section 8003(a)(1)(C) which constituted at least 25 percent of the number of children who were in average daily attendance in the schools of such agency during the school year preceding the school year for which the determination is made; or

"(C) such agency had an enrollment of children determined under subparagraphs (A), (B), and (D) of section 8003(a)(1) which constituted at least 25 percent of the number of children who were in average daily attendance in the schools of such agency during the school year preceding the school year for which the determination is made.

"(3) Award criteria.—In awarding grants under this subsection, the Secretary shall review applications submitted with respect to each type of agency represented by local educational agencies that qualify under each of subparagraphs (A), (B), and (C) of paragraph (2). In evaluating an application, the Secretary shall consider the following criteria:

"(A) The extent to which the local educational agency lacks the fiscal capacity to undertake the modernization project without Federal assistance.

"(B) The extent to which property in the local educational agency is nontaxable due to the presence of the Federal Government.

"(C) The extent to which the local educational agency serves high numbers or percentages of children described in subparagraphs (A), (B), (C), and (D) of section 8003(a)(1).

"(D) The need for modernization to meet—

"(i) the threat that the condition of the school facility poses to the health, safety, and well-being of students;

"(ii) overcrowding conditions as evidenced by the use of trailers and portable buildings and the potential for future overcrowding because of increased enrollment; and

"(iii) facility needs resulting from actions of the Federal Government.

"(E) The age of the school facility to be modernized.

"(4) Other award provisions.—

"(A) Amount.—In determining the amount of a grant awarded under this subsection, the peer group and Secretary shall consider the cost of the modernization and the ability of the local educational agency to produce sufficient funds to carry out the activities for which assistance is sought.

"(B) Federal share.—The Federal funds provided under this subsection to a local educational agency shall not exceed 50 percent of the total cost of the project to be assisted under this subsection. A local educational agency may use in-kind contributions, excluding land contributions, to meet the matching requirement of the preceding sentence.

"(C) Maximum grant.—A local educational agency described in this subsection may not receive a grant under this subsection in an amount that exceeds $5,000,000 during any 2-year period.

"(5) Applications.—A local educational agency that desires to receive a grant under this subsection shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require. Each application shall contain—

"(A) a listing of the school facilities to be modernized, including the number and percentage of children determined under section 8003(a)(1) in average daily attendance in each school facility;

"(B) a description of the ownership of the property on which the current school facility is located or on which the planned school facility will be located;

"(C) a description of how the local educational agency meets the award criteria under paragraph (3);

"(D) a description of the modernization to be supported with funds provided under this subsection;

"(E) a cost estimate of the proposed modernization; and

"(F) such other information and assurances as the Secretary may reasonably require.

"(6) Emergency grants.—

"(A) Applications.—Each local educational agency applying for a grant under paragraph (1)(B)(ii) or (1)(B)(iii) that desires a grant under this paragraph shall include in the application submitted under paragraph (5) a signed statement from an appropriate local official certifying that a health or safety emergency exists.

"(B) Special rules.—The Secretary shall make every effort to meet fully the school facility needs of local educational agencies applying for a grant under this paragraph.

"(C) Priority.—If the Secretary receives more than one application from local educational agencies described in paragraph (1)(B)(ii) or (1)(B)(iii) for grants under this paragraph for any fiscal year, the peer review group and the Secretary shall give priority to local educational agencies based on the severity of the emergency, as determined by the Secretary, and when the application was received.

"(D) Consideration for following year.—A local educational agency described in paragraph (2) that applies for a grant under this paragraph for any fiscal year and does not receive the grant shall have the application for the grant considered for the following fiscal year, subject to the priority described in subparagraph (C).

"(7) General limitations.—

"(A) Real property.—No grant funds awarded under this subsection shall be used for the acquisition of any interest in real property.

"(B) Maintenance.—Nothing in this subsection shall be construed to authorize the payment of maintenance costs in connection with any school facility modernized in whole or in part with Federal funds provided under this subsection.

"(C) Environmental safeguards.—All projects carried out with Federal funds provided under this subsection shall comply with all relevant Federal, State, and local environmental laws and regulations.

"(D) Athletic and similar school facilities.—No Federal funds received under this subsection shall be used for outdoor stadiums or other school facilities that are primarily used for athletic contests or exhibitions, or other events, for which admission is charged to the general public.

"(8) Supplement not supplant.—An eligible local educational agency shall use funds received under this subsection only to supplement the amount of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the modernization of school facilities used for educational purposes, and not to supplant such funds.".

SA 550. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 794, after line 7, add the following:

TITLE X—LIBERALIZATION OF TAX-EXEMPT FINANCING RULES FOR PUBLIC SCHOOL CONSTRUCTION

SEC. 1001. ADDITIONAL INCREASE IN ARBITRAGE REBATE EXCEPTION FOR GOVERNMENTAL BONDS USED TO FINANCE EDUCATIONAL FACILITIES.

(a) In General.—Section 148(f)(4)(D)(vii) (relating to increase in exception for bonds financing public school capital expenditures) is amended by striking "$5,000,000" the second place it appears and inserting "$10,000,000".

(b) Effective Date.—The amendment made by subsection (a) shall apply to obligations issued in calendar years beginning after December 31, 2001.

SEC. 1002. TREATMENT OF QUALIFIED PUBLIC EDUCATIONAL FACILITY BONDS AS EXEMPT FACILITY BONDS.

(a) Treatment as Exempt Facility Bond.—Subsection (a) of section 142 (relating to exempt facility bond) is amended by striking "or" at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting ", or", and by adding at the end the following new paragraph:

"(13) qualified public educational facilities.".

(b) Qualified Public Educational Facilities.—Section 142 (relating to exempt facility bond) is amended by adding at the end the following new subsection:

"(k) Qualified Public Educational Facilities.—

"(1) In general.—For purposes of subsection (a)(13), the term 'qualified public educational facility' means any school facility which is—

"(A) part of a public elementary school or a public secondary school, and

"(B) owned by a private, for-profit corporation pursuant to a public-private partnership agreement with a State or local educational agency described in paragraph (2).

"(2) Public-private partnership agreement described.—A public-private partnership agreement is described in this paragraph if it is an agreement—

"(A) under which the corporation agrees—

"(i) to do 1 or more of the following: construct, rehabilitate, refurbish, or equip a school facility, and

"(ii) at the end of the term of the agreement, to transfer the school facility to such agency for no additional consideration, and

"(B) the term of which does not exceed the term of the issue to be used to provide the school facility.

"(3) School facility.—For purposes of this subsection, the term 'school facility' means—

"(A) any school building,

"(B) any functionally related and subordinate facility and land with respect to such building, including any stadium or other facility primarily used for school events, and

"(C) any property, to which section 168 applies (or would apply but for section 179), for use in a facility described in subparagraph (A) or (B).

"(4) Public schools.—For purposes of this subsection, the terms 'elementary school' and 'secondary school' have the meanings given such terms by section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), as in effect on the date of the enactment of this subsection.

"(5) Annual aggregate face amount of tax-exempt financing.—

"(A) In general.—An issue shall not be treated as an issue described in subsection (a)(13) if the aggregate face amount of bonds issued by the State pursuant thereto (when added to the aggregate face amount of bonds previously so issued during the calendar year) exceeds an amount equal to the greater of—

"(i) $10 multiplied by the State population, or

"(ii) $5,000,000.

"(B) Allocation rules.—

"(i) In general.—Except as otherwise provided in this subparagraph, the State may allocate the amount described in subparagraph (A) for any calendar year in such manner as the State determines appropriate.

"(ii) Rules for carryforward of unused limitation.—A State may elect to carry forward an unused limitation for any calendar year for 3 calendar years following the calendar year in which the unused limitation arose under rules similar to the rules of section 146(f), except that the only purpose for which the carryforward may be elected is the issuance of exempt facility bonds described in subsection (a)(13).".

(c) Exemption From General State Volume Caps.—Paragraph (3) of section 146(g) (relating to exception for certain bonds) is amended—

(1) by striking "or (12)" and inserting "(12), or (13)", and

(2) by striking "and environmental enhancements of hydroelectric generating facilities" and inserting "environmental enhancements of hydroelectric generating facilities, and qualified public educational facilities".

(d) Exemption From Limitation on Use for Land Acquisition.—Section 147(h) (relating to certain rules not to apply to mortgage revenue bonds, qualified student loan bonds, and qualified 501(c)(3) bonds) is amended by adding at the end the following new paragraph:

"(3) Exempt facility bonds for qualified public-private schools.—Subsection (c) shall not apply to any exempt facility bond issued as part of an issue described in section 142(a)(13) (relating to qualified public educational facilities).".

(e) Conforming Amendment.—The heading for section 147(h) is amended by striking "Mortgage Revenue Bonds, Qualified Student Loan Bonds, and Qualified 501(c)(3) Bonds" and inserting "Certain Bonds".

(f) Effective Date.—The amendments made by this section shall apply to bonds issued after December 31, 2001.

SA 551. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

TITLE X—LIBERALIZATION OF TAX-EXEMPT FINANCING RULES FOR PUBLIC SCHOOL CONSTRUCTION

SEC. 1001. ADDITIONAL INCREASE IN ARBITRAGE REBATE EXCEPTION FOR GOVERNMENTAL BONDS USED TO FINANCE EDUCATIONAL FACILITIES.

(a) In General.—Section 148(f)(4)(D)(vii) (relating to increase in exception for bonds financing public school capital expenditures) is amended by striking "$5,000,000" the second place it appears and inserting "$10,000,000".

(b) Effective Date.—The amendment made by subsection (a) shall apply to obligations issued in calendar years beginning after December 31, 2001.

SEC. 1002. TREATMENT OF QUALIFIED PUBLIC EDUCATIONAL FACILITY BONDS AS EXEMPT FACILITY BONDS.

(a) Treatment as Exempt Facility Bond.—Subsection (a) of section 142 (relating to exempt facility bond) is amended by striking "or" at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting ", or", and by adding at the end the following new paragraph:

"(13) qualified public educational facilities.".

(b) Qualified Public Educational Facilities.—Section 142 (relating to exempt facility bond) is amended by adding at the end the following new subsection:

"(k) Qualified Public Educational Facilities.—

"(1) In general.—For purposes of subsection (a)(13), the term 'qualified public educational facility' means any school facility which is—

"(A) part of a public elementary school or a public secondary school, and

"(B) owned by a private, for-profit corporation pursuant to a public-private partnership agreement with a State or local educational agency described in paragraph (2).

"(2) Public-private partnership agreement described.—A public-private partnership agreement is described in this paragraph if it is an agreement—

"(A) under which the corporation agrees—

"(i) to do 1 or more of the following: construct, rehabilitate, refurbish, or equip a school facility, and "(ii) at the end of the term of the agreement, to transfer the school facility to such agency for no additional consideration, and

"(B) the term of which does not exceed the term of the issue to be used to provide the school facility.

"(3) School facility.—For purposes of this subsection, the term 'school facility' means—

"(A) any school building,

"(B) any functionally related and subordinate facility and land with respect to such building, including any stadium or other facility primarily used for school events, and

"(C) any property, to which section 168 applies (or would apply but for section 179), for use in a facility described in subparagraph (A) or (B).

"(4) Public schools.—For purposes of this subsection, the terms 'elementary school' and 'secondary school' have the meanings given such terms by section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), as in effect on the date of the enactment of this subsection.

"(5) Annual aggregate face amount of tax-exempt financing.—

"(A) In general.—An issue shall not be treated as an issue described in subsection (a)(13) if the aggregate face amount of bonds issued by the State pursuant thereto (when added to the aggregate face amount of bonds previously so issued during the calendar year) exceeds an amount equal to the greater of—

"(i) $10 multiplied by the State population, or

"(ii) $5,000,000.

"(B) Allocation rules.—

"(i) In general.—Except as otherwise provided in this subparagraph, the State may allocate the amount described in subparagraph (A) for any calendar year in such manner as the State determines appropriate.

"(ii) Rules for carryforward of unused limitation.—A State may elect to carry forward an unused limitation for any calendar year for 3 calendar years following the calendar year in which the unused limitation arose under rules similar to the rules of section 146(f), except that the only purpose for which the carryforward may be elected is the issuance of exempt facility bonds described in subsection (a)(13).".

(c) Exemption From General State Volume Caps.—Paragraph (3) of section 146(g) (relating to exception for certain bonds) is amended—

(1) by striking "or (12)" and inserting "(12), or (13)", and

(2) by striking "and environmental enhancements of hydroelectric generating facilities" and inserting "environmental enhancements of hydroelectric generating facilities, and qualified public educational facilities".

(d) Exemption From Limitation on Use for Land Acquisition.—Section 147(h) (relating to certain rules not to apply to mortgage revenue bonds, qualified student loan bonds, and qualified 501(c)(3) bonds) is amended by adding at the end the following new paragraph:

"(3) Exempt facility bonds for qualified public-private schools.—Subsection (c) shall not apply to any exempt facility bond issued as part of an issue described in section 142(a)(13) (relating to qualified public educational facilities).".

(e) Conforming Amendment.—The heading for section 147(h) is amended by striking "Mortgage Revenue Bonds, Qualified Student Loan Bonds, and Qualified 501(c)(3) Bonds" and inserting "Certain Bonds".

(f) Effective Date.—The amendments made by this section shall apply to bonds issued after December 31, 2001.

SA 552. Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of title IX, add the following:

SEC. 902. EDUCATIONAL USE COPYRIGHT EXEMPTION.

(a) Short Title.—This section may be cited as the "Technology, Education and Copyright Harmonization Act of 2001".

(b) Exemption of Certain Performances and Displays for Educational Uses.—Section 110 of title 17, United States Code, is amended—

(1) by striking paragraph (2) and inserting the following:

"(2) except with respect to a work produced or marketed primarily for performance or display as part of mediated instructional activities transmitted via digital networks, or a performance or display that is given by means of a copy or phonorecord that is not lawfully made and acquired under this title, and the transmitting government body or accredited nonprofit educational institution knew or had reason to believe was not lawfully made and acquired, the performance of a nondramatic literary or musical work or reasonable and limited portions of any other work, or display of a work in an amount comparable to that which is typically displayed in the course of a live classroom session, by or in the course of a transmission, if—

"(A) the performance or display is made by, at the direction of, or under the actual supervision of an instructor as an integral part of a class session offered as a regular part .of the systematic mediated instructional activities of a governmental body or an accredited nonprofit educational institution; and

"(B) the performance or display is directly related and of material assistance to the teaching content of the transmission; and

"(C) the transmission is made solely for, and, to the extent technologically feasible, the reception of such transmission is limited to—

"(i) students officially enrolled in the course for which the transmission is made; or

"(ii) officers or employees of governmental bodies as a part of their official duties or employment; and

"(D) the transmitting body or institution—

"(i) institutes policies regarding copyright, provides informational materials to faculty, students, and relevant staff members that accurately describe, and promote compliance with, the laws of the United States relating to copyright, and provides notice to students that materials used in connection with the course may be subject to copyright protection; and

"(ii) in the case of digital transmissions—

"(I) applies technological measures that, in the ordinary course of their operations, prevent—

"(aa) retention of the work in accessible form by recipients of the transmission from the transmitting body or institution for longer than the class session; and

"(bb) unauthorized further dissemination of the work in accessible form by such recipients to others; and

"(II) does not engage in conduct that could reasonably be expected to interfere with technological measures used by copyright owners to prevent such retention or unauthorized further dissemination;"; and

(2) by adding at the end the following:

"In paragraph (2), the term 'mediated instructional activities' with respect to the performance or display of a work by digital transmission under this section refers to activities that use such work as an integral part of the class experience, controlled by or under the actual supervision of the instructor and analogous to the type of performance or display that would take place in a live classroom setting. The term does not refer to activities that use, in 1 or more class sessions of a single course, such works as textbooks, course packs, or other material in any media, copies or phonorecords of which are typically purchased or acquired by the students in higher education for their independent use and retention or are typically purchased or acquired for elementary and secondary students for their possession and independent use.

"For purposes of paragraph (2), accreditation—

."(A) with respect to an institution providing post-secondary education, shall be as determined by a regional or national accrediting agency recognized by the Council on Higher Education Accreditation or the United States Department of Education; and

"(B) with respect to an institution providing elementary or secondary education, shall be as recognized by the applicable state certification or licensing procedures.

"For purposes of paragraph (2), no governmental body or accredited nonprofit educational institution and no recipient identified under paragraph (2)(C) shall be liable for infringement by reason of the transient or temporary storage of material carried out through the automatic technical process of a digital transmission of the performance or display of that material as authorized under paragraph (2). No such material stored on the system or network controlled or operated by the transmitting body or institution under this paragraph shall be maintained on such system or network in a manner ordinarily accessible to anyone other than anticipated recipients. No such copy shall be maintained on the system or network in a manner ordinarily accessible to such anticipated recipients for a longer period than is reasonably necessary to facilitate the transmissions for which it was made.".

(c) Ephemeral Recordings.—

(1) In general.—Section 112 of title 17, United States Code, is amended—

(A) by redesignating subsection (f) as subsection (g); and

(B) by inserting after subsection (e) the following:

"(f)(1). Notwithstanding the provisions of section 106, and without limiting the application of subsection (b), it is not an infringement of copyright for a governmental body or other nonprofit educational institution entitled under section 110(2) to transmit a performance or display to make copies or phonorecords of a work that is in digital form and, solely to the extent permitted in paragraph (2), of a work that is in analog form, embodying the performance or display to be used for making transmissions authorized under section 110(2), if—

"(A) such copies or phonorecords are retained and used solely by the body or institution that made them, and no further copies or phonorecords are reproduced from them, except as authorized under section 110(2); and

"(B) such copies or phonorecords are used solely for transmissions authorized under section 110(2).

"(2) This subsection does not authorize the conversion of print or other analog versions of works into digital formats, except that such conversion is permitted hereunder, only with respect to the amount of such works authorized to be performed or displayed under section 110(2), if—

"(A) no digital version of the work is available to the institution; or

"(B) the digital version of the work that is available to the institution is subject to technological protection measures that prevent its use for section 110(2).".

(2) Technical and conforming amendment.—Section 802(c) of title 17, United States Code, is amended in the third sentence by striking "section 112(f)" and inserting "section 112(g)".

SEC. 4. REPORT.

(A) Copyright Office Report.—Not later than 3 years after the date of enactment of this Act, the Register of Copyrights shall conduct a study and, after consultation with representatives of accredited for-profit educational institutions, accredited non-profit educational institutions, and copyright owners, submit a report to Congress on the status of distance education programs run by accredited for-profit educational institutions, including—

(1) the extent to which accredited for-profit educational institutions are engaging in such programs;

(2) the extent to which an extension of the provisions of this Act to accredited for-profit educational institutions would enhance the number, scope, and quality of such programs;

(3) the policy considerations involved in extending the provisions of this Act to accredited for-profit educational institutions;

(4) the effect such an extension would be likely to have on the market for copyrighted works and the incentive to create such works;

(5) whether such an extension would be consistent with United States treaty obligations; and

(6) such other issues relating to relating to distance education through interactive digital networks by accredited for-profit educational institutions that the Register of Copyrights considers appropriate.

"(b) PTO Report.—Not later than 180 days after the date of enactment of this Act and after a period for public comment, the Undersecretary of Commerce for Intellectual Property, after consultations and in conjunction with the Director of National Institute of Standards and Technology and the Register of Copyrights, shall identify and submit to the Committees on the Judiciary of the Senate and the House of Representatives a list of identified technological protection systems or standards that would be the most effective in protecting digitized copyrighted works and preventing infringement of copyright for use by educational institutions.

SA 553. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 696, between lines 18 and 19, insert the following:

"SEC. 5351. SHORT TITLE.

"This subpart may be cited as the 'State and Local Transferability Act'.

"SEC. 5352. PURPOSE.

"The purpose of this subpart is to allow States and local educational agencies the flexibility—

"(1) to target Federal funds to Federal programs that most effectively address the unique needs of States and localities; and

"(2) to transfer Federal funds allocated to other activities to allocations for activities authorized under title I programs.

"SEC. 5353. TRANSFERABILITY OF FUNDS.

"(a) Transfers by States.—

"(1) In general.—In accordance with this subpart, a State may transfer up 75 percent of the nonadministrative State funds allocated to the State for use for State-level activities under each of the following provisions to 1 or more of the State's allocations under any other of such provisions:

"(A) Part A of title II, relating to teachers.

"(B) Supart 4 of part B of this title, relating to innovative education.

"(C) Part C of title II, relating to technology.

"(D) Part A of title IV, relating to safe and drug-free schools and communities.

"(E) Part F of title I, relating to 21st Century Community Learning Centers.

"(F) Part A of title III, relating to bilingual education.

"(2) Supplemental funds for title I.—In accordance with this subpart, a State may transfer any funds allocated to the State under a provision listed in paragraph (1) to its allocation under title I.

"(b) Transfers by Local Educational Agencies.—

"(1) Authority to transfer funds.—

"(A) In general.—In accordance with this subpart, a local educational agency (except a local educational agency identified for improvement under section 1116(d)(3) or subject to corrective action under section 1116(d)(6)) may transfer not more than 50 percent of the funds allocated to it under each of the provisions listed in paragraph (2) for a fiscal year to 1 or more of its allocations for such fiscal year under any other provision listed in paragraph (2).

"(B) Agencies identified for improvement.—A local educational agency identified for improvement under section 1116(d)(3) may transfer in accordance with this subpart not more than 30 percent of the funds allocated to it under each of the provisions listed in paragraph (2)—

"(i) to its allocation for school improvement under section 1003;

"(ii) to any other allocation if such transferred funds are used only for local educational agency improvement activities consistent with section 1116(d).

"(C) Supplemental funds for title I.—In accordance with this subpart, a local educational agency may transfer funds allocated to such agency under a provision listed in paragraph (2) to its allocation under title I.

"(2) Applicable provisions.—A local educational agency may transfer funds under subparagraph (A) or (B) from allocations made under each of the following provisions:

"(A) Part A of title II.

"(B) Subpart 4 of part B of title V, relating to innovative education.

"(C) Part A of title IV, relating to safe and drug-free schools and communities.

"(D) Part A of title III, relating to bilingual education.

"(c) No Transfer of Title I Funds.—A State or a local educational agency may not transfer under this subpart to any other program any funds allocated to it under title I.

"(d) Modification of Plans and Applications; Notification.—

"(1) State transfers.—Each State that makes a transfer of funds under this section shall—

"(A) modify to account for such transfer each State plan, or application submitted by the State, to which such funds relate;

"(B) not later than 30 days after the date of such transfer, submit a copy of such modified plan or application to the Secretary; and

"(C) not later than 30 days before the effective date of such transfer, notify the Secretary of such transfer.

"(2) Local transfers.—Each local educational agency that makes a transfer under this section shall—

"(A) modify to account for such transfer each local plan, or application submitted by the agency, to which such funds relate;

"(B) not later than 30 days after the date of such transfer, submit a copy of such modified plan or application to the State; and

"(C) not later than 30 days before the effective date of such transfer, notify the State of such transfer.

"(f) Applicable Rules.—

"(1) In general.—Except as otherwise provided in this subpart, funds transferred under this section are subject to each of the rules and requirements applicable to the funds allocated by the Secretary under the provision to which the transferred funds are transferred.

"(2) Consultation.—Each State educational agency or local educational agency that transfers funds under this section shall conduct consultations in accordance with section 6(c), if such transfer transfers funds from a program that provides for the participation of students, teachers, or other educational personnel, from private schools.

SA 554. Mr. HUTCHINSON (for himself and Mr. Torricelli) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING EDUCATIONAL TAX RELIEF FOR FAMILIES.

(A) Findings.—The Senate finds the following:

(1) Education Savings Accounts (ESAs) are one of the first serious federal efforts to encourage parents to save for their children's education.

(2) ESAs would benefit all students directly, whether they attend public or private schools.

(3) The new opportunities offered by ESAs will help children excel in school and encourage parents, other interested adults as well as third party contributors to participate directly in each child's education.

(4) ESAs will help families pay for essential educational expenses, such as home computers, tutoring, transportation, after-school programs and tuition.

(5) According to the U.S. Bureau of Labor Statistics' 1997 Consumer Expenditure Survey (CES), over 11 million families with children could benefit from these accounts.

(6) In addition, according to the CES, the 11 million families who stand to benefit from ESAs live in every region of the country, with over 87% of those families living in urban and suburban areas.

(7) President George W. Bush has made the expansion of ESAs a top priority of his Administration.

(8) ESAs have passed the United States Congress in both the 105th and 106th Congress under the leadership of the late Senator Paul Coverdell of Georgia.

(9) The Senate Finance Committee reported favorably the Affordable Education Act of 2001, S. 763, on April 24, 2001, which included the Coverdell Education Savings Accounts.

(B) SENSE OF THE SENATE.—It is the sense of the Senate that the Congress should—

(1) expeditiously pass the Coverdell Education Savings Accounts, as contained in S. 763.

SA 555. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of title IX, add the following:

"SEC. 902. SENSE OF THE SENATE REGARDING DEPARTMENT OF EDUCATION PROGRAM TO PROMOTE ACCESS OF ARMED FORCES RECRUITERS TO STUDENT DIRECTORY INFORMATION.

"(a) FINDINGS.—The Senate makes the following findings:

"(1) Service in the Armed Forces of the United States is voluntary.

"(2) Recruiting quality persons in the numbers necessary to maintain the strengths of the Armed Forces authorized by Congress is vital to the United States national defense.

"(3) Recruiting quality servicemembers is very challenging, and as a result, Armed Forces recruiters must devote extraordinary time and effort to their work in order to fill monthly requirements for immediate accessions.

"(4) In meeting goals for recruiting high quality men and women, each of the Armed Forces faces intense competition from the other Armed Forces, from the private sector, and from institutions offering postsecondary education.

"(5) Despite a variety of innovative approaches taken by recruiters, and the extensive benefits that are available to those who join the Armed Forces, it is becoming increasingly difficult for the Armed Forces to meet recruiting goals.

"(6) A number of high schools have denied recruiters access to students or to student directory information.

"(7) In 1999, the Army was denied access on 4,515 occasions, the Navy was denied access on 4,364 occasions, the Marine Corps was denied access on 4,884 occasions, and the Air Force was denied access on 5,465 occasions.

"(8) As of the beginning of 2000, nearly 25 percent of all high schools in the United States did not release student directory information requested by Armed Forces recruiters.

"(9) In testimony presented to the Committee on Armed Services of the Senate, recruiters stated that the single biggest obstacle to carrying out the recruiting mission was denial of access to student directory information, as the student directory is the basic tool of the recruiter.

"(10) Denying recruiters direct access to students and to student directory information unfairly hurts the youth of the United States, as it prevents students from receiving important information on the education and training benefits offered by the Armed Forces and impairs students' decisionmaking on careers by limiting the information on the options available to them.

"(11) Denying recruiters direct access to students and to student directory information undermines United States national defense by making it more difficult to recruit high quality young Americans in numbers sufficient to maintain the readiness of the Armed Forces and to provide for the national defense.

"(12) Section 503 of title 10, United States Code, requires local educational agencies, as of July 1, 2002, to provide recruiters access to secondary schools on the same basis that those agencies provide access to representatives of colleges, universities, and private sector employers.

"(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary of Education, in consultation with the Secretary of Defense, should, not later than July 2, 2001, establish a year-long campaign to educate principals, school administrators, and other educators regarding career opportunities in the Armed Forces, and the access standard required under section 503 of title 10, United States Code.

SA 556. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 29, between lines 14 and 15, insert the following:

"SEC. 16. ADDITIONAL LIMITATIONS AND PROTECTIONS REGARDING PRIVATE, RELIGIOUS, AND HOME SCHOOLS.

"(a) APPLICABILITY OF ACT TO PRIVATE AND HOME SCHOOLS.—

"(1) IN GENERAL.—Except as otherwise provided in this section, nothing in this Act shall be construed to effect a private school or home school, whether or not a home school is treated as a home school under State law.

"(2) CONSTRUCTION OF SUPERSEDED PROVISION.—Section 11 shall have no force or effect.

"(b) PARTICIPATION OF PRIVATE AND HOME SCHOOL STUDENTS IN STUDENT ASSESSMENTS.—No student of a private school or home school shall be required to participate in any State assessment if the State or local educational agency concerned receives funds under this Act.

"(c) APPLICABILITY TO PRIVATE, RELIGIONS, AND HOME SCHOOLS OF GENERAL PROVISION REGARDING RECIPIENT NONPUBLIC SCHOOLS.—

"(1) IN GENERAL.—Nothing in this Act or any other Act administered by the Secretary shall be construed to permit, allow, encourage, or authorize any Federal control over any aspect of any private, religious, or home school, whether or not a home school is treated as a private school or home school under State law. Private, religious, and home schools may not be barred from participation in programs and services under this Act or any other Act administered by the Secretary.

"(2) CONSTRUCTION OF SUPERSEDED PROVISION.—Section 12 shall have no force or effect.

"(d) APPLICABILITY OF GUN-FREE SCHOOL PROVISIONS TO HOME SCHOOLS.—Notwithstanding any provision of part B of title IV, for purposes of that part, the term 'school' shall not include a home school, regardless of whether or not a home school is treated as a private school or home school under State law.

"(e) STATE AND LEA MANDATES REGARDING PRIVATE AND HOME SCHOOL CURRICULA.—No State or local educational agency that receives funds under this Act may mandate, direct, or control the curriculum of a private or home school, regardless of whether or not a home school is treated as a private school or home school under State law.".

SA 557. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 29, between lines 14 and 15, insert the following:

"SEC. 16. ADDITIONAL LIMITATIONS.

"(a) NATIONAL TESTING.—Notwithstanding any other provision of this Act or any other provision of law, no funds available to the Department or otherwise available under this Act may be used for any purpose relating to a nationwide test in reading, mathematics, or any other subject, including test development, pilot testing, field testing, test implementation, test administration, test distribution, or any other purpose.

"(b) MANDATORY NATIONAL TESTING OR CERTIFICATION OF TEACHERS.—Notwithstanding any other provision of this Act or any other provision of law, no funds available to the Department or otherwise available under this Act may be used for any purpose relating to a mandatory nationwide test or certification of teachers or education paraprofessionals, including any planning, development, implementation, or administration of such test or certification.

"(c) DEVELOPMENT OF DATABASE OF PERSONALLY IDENTIFIABLE INFORMATION.—Nothing in this Act shall be construed to authorize the development of a nationwide database of personally identifiable information on individuals involved in studies or other collections of data under this Act.".

SA 558. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE —EDUCATION SAVINGS INCENTIVES

SEC. 00. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 01. MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

(a) MAXIMUM ANNUAL CONTRIBUTIONS.—

(1) IN GENERAL.—Section 530(b)(1)(A)(iii) (defining education individual retirement account) is amended by striking "$500" and inserting "$2,000".

(2) CONFORMING AMENDMENT.—Section 4973(e)(1)(A) is amended by striking "$500" and inserting "$2,000".

(b) MODIFICATION OF AGI LIMITS TO REMOVE MARRIAGE PENALTY.—Section 530(c)(1) (relating to reduction in permitted contributions based on adjusted gross income) is amended—

(1) by striking "$150,000" in subparagraph (A)(ii) and inserting "$190,000", and

(2) by striking "$10,000" in subparagraph (B) and inserting "$30,000".

(c) TAX-FREE EXPENDITURES FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.—

(1) IN GENERAL.—Section 530(b)(2) (defining qualified higher education expenses) is amended to read as follows:

"(2) QUALIFIED EDUCATION EXPENSES.—

"(A) IN GENERAL.—The term 'qualified education expenses' means—

"(i) qualified higher education expenses (as defined in section 529(e)(3)), and

"(ii) qualified elementary and secondary education expenses (as defined in paragraph (4)).

"(B) QUALIFIED STATE TUITION PROGRAMS.—Such term shall include any contribution to a qualified State tuition program (as defined in section 529(b)) on behalf of the designated beneficiary (as defined in section 529(e)(1)); but there shall be no increase in the investment in the contract for purposes of applying section 72 by reason of any portion of such contribution which is not includible in gross income by reason of subsection (d)(2).".

(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—Section 530(b) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

"(4) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—

"(A) IN GENERAL.—The term 'qualified elementary and secondary education expenses' means—

"(i) expenses for tuition, fees, academic tutoring, special needs services, books, supplies, computer equipment (including related software and services), and other equipment which are incurred in connection with the enrollment or attendance of the designated beneficiary of the trust as an elementary or secondary school student at a public, private, or religious school, and

"(ii) expenses for room and board, uniforms, transportation, and supplementary items and services (including extended day programs) which are required or provided by a public, private, or religious school in connection with such enrollment or attendance.

"(B) SCHOOL.—The term 'school' means any school which provides elementary education or secondary education (kindergarten through grade 12), as determined under State law.".

(3) CONFORMING AMENDMENTS.—Section 530 is amended—

(A) by striking "higher" each place it appears in subsections (b)(1) and (d)(2), and

(B) by striking "HIGHER" in the heading for subsection (d)(2).

(d) WAIVER OF AGE LIMITATIONS FOR CHILDREN WITH SPECIAL NEEDS.—Section 530(b)(1) (defining education individual retirement account) is amended by adding at the end the following flush sentence:

"The age limitations in subparagraphs (A)(ii) and (E), and paragraphs (5) and (6) of subsection (d), shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary).".

(e) ENTITIES PERMITTED TO CONTRIBUTE TO ACCOUNTS.—Section 530(c)(1) (relating to reduction in permitted contributions based on adjusted gross income) is amended by striking "The maximum amount which a contributor" and inserting "In the case of a contributor who is an individual, the maximum amount the contributor".

(f) TIME WHEN CONTRIBUTIONS DEEMED MADE.—

(1) IN GENERAL.—Section 530(b) (relating to definitions and special rules), as amended by subsection (c)(2), is amended by adding at the end the following new paragraph:

"(5) TIME WHEN CONTRIBUTIONS DEEMED MADE.—An individual shall be deemed to have made a contribution to an education individual retirement account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).".

(2) EXTENSION OF TIME TO RETURN EXCESS CONTRIBUTIONS.—Subparagraph (C) of section 530(d)(4) (relating to additional tax for distributions not used for educational expenses) is amended—

(A) by striking clause (i) and inserting the following new clause:

"(i) such distribution is made before the first day of the sixth month of the taxable year following the taxable year, and", and

(B) by striking "DUE DATE OF RETURN" in the heading and inserting "CERTAIN DATE".

(g) COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS AND QUALIFIED TUITION PROGRAMS.—

(1) IN GENERAL.—Section 530(d)(2)(C) is amended to read as follows:

"(C) COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS AND QUALIFIED TUITION PROGRAMS.—For purposes of subparagraph (A)—

"(i) CREDIT COORDINATION.—The total amount of qualified higher education expenses with respect to an individual for the taxable year shall be reduced—

"(I) as provided in section 25A(g)(2), and

"(II) by the amount of such expenses which were taken into account in determining the credit allowed to the taxpayer or any other person under section 25A.

"(ii) COORDINATION WITH QUALIFIED TUITION PROGRAMS.—If, with respect to an individual for any taxable year—

"(I) the aggregate distributions during such year to which subparagraph (A) and section 529(c)(3)(B) apply, exceed

"(II) the total amount of qualified education expenses (after the application of clause (i)) for such year,

the taxpayer shall allocate such expenses among such distributions for purposes of determining the amount of the exclusion under subparagraph (A) and section 529(c)(3)(B).".

(2) CONFORMING AMENDMENTS.—

(A) Subsection (e) of section 25A is amended to read as follows:

"(e) ELECTION NOT TO HAVE SECTION APPLY.—A taxpayer may elect not to have this section apply with respect to the qualified tuition and related expenses of an individual for any taxable year.".

(B) Section 135(d)(2)(A) is amended by striking "allowable" and inserting "allowed".

(C) Section 530(d)(2)(D) is amended—

(i) by striking "or credit", and

(ii) by striking "CREDIT OR" in the heading.

(D) Section 4973(e)(1) is amended by adding "and" at the end of subparagraph (A), by striking subparagraph (B), and by redesignating subparagraph (C) as subparagraph (B).

(h) RENAMING EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS AS COVERDELL EDUCATION SAVINGS ACCOUNTS.—

(1) IN GENERAL.—

(A) Section 530 (as amended by the preceding provisions of this section) is amended by striking "an education individual retirement account" each place it appears and inserting "a Coverdell education savings account".

(B) Section 530(a) is amended—

(i) by striking "An education individual retirement account" and inserting "A Coverdell education savings account", and

(ii) by striking "the education individual retirement account" and inserting "the Coverdell education savings account".

(C) Section 530(b)(1) is amended—

(i) by striking "education individual retirement account" in the text and inserting "Coverdell education savings account", and

(ii) by striking "EDUCATION INDIVIDUAL RETIREMENT ACCOUNT" in the heading and inserting "COVERDELL EDUCATION SAVINGS ACCOUNT".

(D) Sections 530(d)(5) and 530(e) are amended by striking "any education individual retirement account" each place it appears and inserting "any Coverdell education savings account".

(E) The heading for section 530 is amended to read as follows:

"SEC. 530. COVERDELL EDUCATION SAVINGS ACCOUNTS.".

(F) The item in the table of contents for part VII of subchapter F of chapter 1 relating to section 530 is amended to read as follows:

"Sec. 530. Coverdell education savings accounts.".

(2) CONFORMING AMENDMENTS.—

(A) The following provisions are amended by striking "an education individual retirement account" each place it appears and inserting "a Coverdell education savings":

(i) Section 72(e)(9).

(ii) Section 135(c)(2)(C).

(iii) Section 4973(a).

(iv) Subsections (c) and (e) of section 4975.

(B) The following provisions are amended by striking "education individual retirement" each place it appears in the text and inserting "Coverdell education savings":

(i) Section 26(b)(2)(E).

(ii) Section 4973(e).

(iii) Section 6693(a)(2)(D).

(C) The headings for the following provisions are amended by striking "EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS" each place it appears and inserting "COVERDELL EDUCATION SAVINGS ACCOUNTS".

(i) Section 72(e)(9).

(ii) Section 135(c)(2)(C).

(iii) Section 4973(e).

(iv) Section 4975(c)(5).

(i) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(2) SUBSECTION (h).—The amendments made by subsection (h) shall take effect on the date of the enactment of this Act.

SEC. ___02. EXCLUSION FROM INCOME OF CERTAIN AMOUNTS CONTRIBUTED TO COVERDELL EDUCATION SAVINGS ACCOUNTS.

(a) IN GENERAL.—Section 127 (relating to education assistance programs) is amended by redesignating subsections (d) and (e) as subsections (e) and (f), respectively, and by inserting after subsection (c) the following new subsection:

"(d) QUALIFIED COVERDELL EDUCATION SAVINGS ACCOUNT CONTRIBUTIONS.—

"(1) IN GENERAL.—Gross income of an employee shall not include amounts paid or incurred by the employer for a qualified Coverdell education savings account contribution on behalf of the employee.

"(2) QUALIFIED COVERDELL EDUCATION SAVINGS ACCOUNT CONTRIBUTION.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'qualified Coverdell education savings account contribution' means an amount contributed pursuant to an educational assistance program described in subsection (b) by an employer to a Coverdell education savings account established and maintained for the benefit of an employee or the employee's spouse, or any lineal descendent of either.

"(B) DOLLAR LIMIT.—A contribution by an employer to a Coverdell education savings account shall not be treated as a qualified Coverdell education savings account contribution to the extent that the contribution, when added to prior contributions by the employer during the calendar year to Coverdell education savings accounts established and maintained for the same beneficiary, exceeds $500.

"(3) SPECIAL RULES.—

"(A) CONTRIBUTIONS NOT TREATED AS EDUCATIONAL ASSISTANCE IN DETERMINING MAXIMUM EXCLUSION.—For purposes of subsection (a)(2), qualified Coverdell education savings account contributions shall not be treated as educational assistance.

"(B) SELF-EMPLOYED NOT TREATED AS EMPLOYEE.—For purposes of this subsection, subsection (c)(2) shall not apply.

"(C) ADJUSTED GROSS INCOME PHASEOUT OF ACCOUNT CONTRIBUTION NOT APPLICABLE TO INDIVIDUAL EMPLOYERS.—The limitation under section 530(c) shall not apply to a qualified Coverdell education savings account contribution made by an employer who is an individual.

"(D) CONTRIBUTIONS NOT TREATED AS AN INVESTMENT IN THE CONTRACT.—For purposes of section 530(d), a qualified Coverdell education savings account contribution shall not be treated as an investment in the contract.".

(b) REPORTING REQUIREMENT.—Section 6051(a) (relating to receipts for employees) is amended by striking "and" at the end of paragraph (10), by striking the period at the end of paragraph (11) and inserting ", and", and by adding at the end the following new paragraph:

"(12) the amount of any qualified Coverdell education savings account contribution under section 127(d) with respect to such employee.".

(c) CONFORMING AMENDMENT.—Section 221(e)(2)(A) is amended by inserting "(other than under subsection (d) thereof)" after "section 127".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2001.

SA 559. Mr. MCCAIN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, insert the following:

TITLE —EDUCATIONAL CHOICES FOR DISADVANTAGED CHILDREN.

SEC. 01. PURPOSES.

The purposes of this title are—

(1) to assist the District of Columbia to—

(A) give children from low-income families in the District of Columbia the same choices among all elementary schools and secondary schools and other academic programs as children from wealthier families already have;

(B) improve schools and other academic programs in the District of Columbia by giving parents in low-income families increased consumer power to choose the schools and programs that the parents determine best fit the needs of their children; and

(C) more fully engage parents in the District of Columbia in their children's schooling; and

(2) to demonstrate, through a 3-year grant program, the effects of a voucher program in the District of Columbia that gives parents in low-income families—

(A) choice among public, private, and religious schools for their children; and

(B) access to the same academic options as parents in wealthy families have for their children.

SEC. 02. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated to carry out this title (other than section 09) $25,000,000 for each of fiscal years 2002 through 2005.

(b) EVALUATION.—There is authorized to be appropriated to carry out section 09 $1,000,000 for each of fiscal years 2002 through 2005.

SEC. 03. PROGRAM AUTHORITY.

(a) IN GENERAL.—From amounts made available to carry out this title, the Secretary of Education shall award grants to the District of Columbia to enable the District of Columbia to carry out educational choice programs that provide scholarships, in accordance with this title.

(b) LIMIT ON FEDERAL ADMINISTRATIVE EXPENDITURES.—The Secretary of Education may reserve not more than 2 percent of the amounts appropriated under section 02(a) for a fiscal year to the District of Columbia Board of Education or other entity that exercises administrative jurisdiction over the District of Columbia public schools, the Superintendent of the District of Columbia public schools, and other school scholarship programs in the District of Columbia, to pay for the costs of administering this title.

SEC. 04. ELIGIBLE SCHOOLS.

(a) ELIGIBILITY.—

(1) IN GENERAL.—Schools identified under paragraph (2) shall be considered to be eligible schools under this title. The identification under paragraph (2) shall be carried out by the District of Columbia Board of Education or other entity that exercises administrative jurisdiction over the District of Columbia public schools, the Superintendent of the District of Columbia public schools, and other school scholarship programs in the District of Columbia.

(2) DETERMINATION.—Not later than 180 days after the date of enactment of this title, the District of Columbia shall identify the public elementary schools and secondary schools that are at or below the 25th percentile for academic performance of schools in the District of Columbia.

(b) PERFORMANCE.—The District of Columbia shall determine the academic performance of a school under this section based on such criteria as the District of Columbia may consider to be appropriate.

SEC. 05. SCHOLARSHIPS.

(a) IN GENERAL.—

(1) SCHOLARSHIP AWARDS.—With funds awarded under this title, District of Columbia Board of Education shall provide scholarships to the parents of eligible children, in accordance with subsections (b) and (c). The District of Columbia shall ensure that the scholarships may be redeemed for elementary or secondary education for the eligible children at any of a broad variety of public and private schools, including religious schools, in the District of Columbia.

(2) SCHOLARSHIP AMOUNT.—The amount of each scholarship shall be $2000 per year.

(3) TAX EXEMPTION.—Scholarships awarded under this title shall not be considered income of the parents for Federal income tax purposes or for determining eligibility for any other Federal program.

(b) ELIGIBLE CHILD.—To be eligible to receive a scholarship under this title, a child shall be—

(1) a child who is enrolled in a public elementary school or secondary school that is an eligible school; and

(2) a member of a family with a family income that is not more than 200 percent of the poverty line.

(c) AWARD RULES.—

(1) PRIORITY.—In providing scholarships under this title, the District of Columbia shall provide scholarships for eligible children through a lottery system administered for all eligible schools in the District of Columbia.

(2) CONTINUING ELIGIBILITY.—The District of Columbia shall provide a scholarship in each year of the program to each child who received a scholarship during the previous year of the program, unless—

(A) the child no longer resides in the area served by an eligible school;

(B) the child no longer attends school;

(C) the child's family income exceeds, by 20 percent or more, 200 percent of the poverty line;

(D) the child is expelled; or

(E) the child is convicted of possession of a weapon on school grounds, convicted of a violent act against another student or a member of the school's faculty, or convicted of a felony, including felonious drug possession.

SEC. 06. USES OF FUNDS.

Any scholarship awarded under this title for a year shall be used—

(1) first, for—

(A) the payment of tuition and fees at the school selected by the parents of the child for whom the scholarship was provided; and

(B) the reasonable costs of the child's transportation to the school, if the school is not the school to which the child would be assigned in the absence of a program under this title;

(2) second, if the parents so choose, to obtain supplementary academic services for the child, at a cost of not more than $500, from any provider chosen by the parents, that the District of Columbia determines is capable of providing such services and has an appropriate refund policy; and

(3) finally, for educational programs that help the eligible child achieve high levels of academic excellence in the school attended by the eligible child, if the eligible child chooses to attend a public school.

SEC. 07. REQUIREMENT.

The District of Columbia shall allow lawfully operating public and private elementary schools and secondary schools, including religious schools, if any, serving the area involved to participate in the program.

SEC. 08. EFFECT OF PROGRAMS.

(a) TITLE I.—Notwithstanding any other provision of law, if the District of Columbia would, in the absence of an educational choice program that is funded under this title, provide services to a participating eligible child under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.), the District of Columbia shall ensure the provision of such services to such child.

(b) INDIVIDUALS WITH DISABILITIES.—Nothing in this title shall be construed to affect the requirements of part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

(c) AID.—

(1) IN GENERAL.—Scholarships under this title shall be considered to aid families, not institutions. For purposes of determining Federal assistance under Federal law, a parent's expenditure of scholarship funds under this title at a school or for supplementary academic services shall not constitute Federal financial aid or assistance to that school or to the provider of supplementary academic services.

(2) SUPPLEMENTARY ACADEMIC SERVICES.—

(A) IN GENERAL.—Notwithstanding paragraph (1), a school or provider of supplementary academic services that receives scholarship funds under this title shall, as a condition of participation under this title, comply with the provisions of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

(B) REGULATIONS.—The Secretary of Education shall promulgate regulations to implement the provisions of subparagraph (A), taking into account the purposes of this title and the nature, variety, and missions of schools and providers that may participate in providing services to children under this title.

(d) OTHER FEDERAL FUNDS.—No Federal, State, or local agency may, in any year, take into account Federal funds provided to the District of Columbia or to the parents of any child under this title in determining whether to provide any other funds from Federal, State, or local resources, or in determining the amount of such assistance, to the District of Columbia or to a school attended by such child.

(e) NO DISCRETION.—Nothing in this title shall be construed to authorize the Secretary of Education to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school participating in a program under this title.

SEC. 09. EVALUATION.

The Comptroller General of the United States shall conduct an evaluation of the program authorized by this title. Such evaluation shall, at a minimum—

(1) assess the implementation of educational choice programs assisted under this title and their effect on participants, schools, and communities in the school districts served, including parental involvement in, and satisfaction with, the program and their children's education;

(2) compare the educational achievement of participating eligible children with the educational achievement of similar non-participating children before, during, and after the program; and

(3) compare—

(A) the educational achievement of eligible children who use scholarships to attend schools other than the schools the children would attend in the absence of the program; with

(B) the educational achievement of children who attend the schools the children would attend in the absence of the program.

SEC. 10. ENFORCEMENT.

(a) REGULATIONS.—The Secretary of Education shall promulgate regulations to enforce the provisions of this title.

(b) PRIVATE CAUSE.—No provision or requirement of this title shall be enforced through a private cause of action.

SEC. 11. WASTEFUL SPENDING AND FUNDING.

(a) IN GENERAL.—The Committee on Finance and the Committee on Appropriations of the Senate and the Committee on Ways and Means and the Committee on Appropriations of the House of Representatives shall identify wasteful spending by the Federal Government as a means of providing funding for this title.

(b) REPORT.—Not later than 60 days after the date of enactment of this title, the committees referred to in subsection (a) shall jointly prepare and submit to the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives, a report concerning the spending identified under such subsection.

SA 560. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of part E of title I, add the following:

SEC. . EARLY EDUCATION.

(a) SHORT TITLE.—This section may be cited as the "Early Education Act of 2001".

(b) FINDINGS.—Congress makes the following findings:

(1) In 1989 the Nation's governors established a goal that all children would have access to high quality early education programs by the year 2000. As of January 1, 2001, this goal has still not been achieved.

(2) Research suggests that a child's early years are critical to the development of the brain. Early brain development is an important component of educational and intellectual achievement.

(3) The National Research Council reported that early education opportunities are necessary if children are going to develop the language and literacy skills necessary to learn to read.

(4) Evaluations of early education programs demonstrate that compared to children with similar backgrounds who have not participated in early education programs, children who participate in such programs—

(A) perform better on reading and mathematics achievement tests;

(B) are more likely to stay academically near their grade level and make normal academic progress throughout elementary school;

(C) are less likely to be held back a grade or require special education services in elementary school;

(D) show greater learning retention, initiative, creativity, and social competency; and

(E) are more enthusiastic about school and are more likely to have good attendance records.

(5) Studies have estimated that for every dollar invested in quality early education, about 7 dollars are saved in later costs.

(c) EARLY EDUCATION.—Title I (20 U.S.C. 6301 et seq.), as amended in section 151, is further amended by adding at the end the following:

"PART I—EARLY EDUCATION

"SEC. 1841. EARLY EDUCATION.

"(a) PURPOSE.—The purpose of this section is to establish a program to develop the foundation of early literacy and numerical training among young children by helping State educational agencies expand the existing education system to include early education for all children.

"(b) DEFINITION OF EARLY EDUCATION.—In this part, the term 'early education' means not less than a half-day of schooling each week day during the academic year preceding the academic year a child enters kindergarten.

"(c) PROGRAM AUTHORIZED.—

"(1) IN GENERAL.—The Secretary is authorized to award grants to not fewer than 10 State educational agencies to enable the State educational agencies to expand the existing education system with programs that provide early education.

"(2) MATCHING REQUIREMENT.—The amount provided to a State educational agency under paragraph (1) shall not exceed 50 percent of the cost of the program described in the application submitted pursuant to subsection (d).

"(3) REQUIREMENTS.—Each program assisted under this section—

"(A) shall be carried out by 1 or more local educational agencies, as selected by the State educational agency;

"(B) shall be carried out—

"(i) in a public school building; or

"(ii) in another facility by, or through a contract or agreement with, a local educational agency;

"(C) shall be available to all children served by a local educational agency carrying out the program; and

"(D) shall only involve instructors who are licensed or certified in accordance with applicable State law.

"(d) APPLICATION.—Each State educational agency desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require. Each application shall—

"(1) include a description of—

"(A) the program to be assisted under this section; and

"(B) how the program will meet the purpose of this section; and

"(2) contain a statement of the total cost of the program and the source of the matching funds for the program.

"(e) SECRETARIAL AUTHORITY.—In order to carry out the purpose of this section, the Secretary—

"(1) shall establish a system for the monitoring and evaluation of, and shall annually report to Congress regarding, the programs funded under this section; and

"(2) may establish any other policies, procedures, or requirements, with respect to the programs.

"(f) SUPPLEMENT NOT SUPPLANT.—Funds made available under this section shall be used to supplement, not supplant, other Federal, State, or local funds, including funds provided under Federal programs such as the Head Start programs carried out under the Head Start Act and the Even Start Family Literacy Program carried out under part B.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $300,000,000 for each of the fiscal years 2002 through 2006.".

SA 561. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 256, line 21, strike "; and" and insert a semicolon.

On page 256, line 24, strike the period and insert "; and".

On page 256, after line 24, add the following:

"(I) an assurance that the eligible organization will, to the extent practicable, carry out the proposed program with community-based organizations, such as the Police Athletic and Activities Leagues, that have a history of providing academically-based after school programs.

SA 562. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of title IX, add the following:

SEC. 902. SENSE OF THE SENATE.

(a) FINDINGS.—The Senate makes the following findings:

(1) The aftershool programs provided through 21st Century Community Learning Centers grants are proven strategies that should be encouraged.

(2) The demand for afterschool education is very high, with over 7,000,000 children without afterschool opportunities.

(3) Afterschool programs improve education achievement and have widespread support, with over 80 percent of the American people supporting such programs.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) Congress should continue toward the goal of providing the necessary funding for afterschool program by appropriating the authorized level of $1,500,000,000 for fiscal year 2002 to carry out part F title I of the Elementary and Secondary Education Act of 1965; and

(2) such funding should be the benchmark for future years in order to reach the goal of providing academically enriched activities during after school hours for the 7,000,000 children in need.

SA 563. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of title IX, add the following:

SEC. 902. SENSE OF THE SENATE; AUTHORIZATION OF APPROPRIATIONS.

(a) SENSE OF THE SENATE.—Congress finds that—

(1) Congress should continue toward the goal of providing the necessary funding for afterschool programs by appropriating the authorized level of $1,500,000 for FY 2002 to carry out part F title I of the Elementary and Secondary Education Act of 1965.

(2) This funding should be the benchmark for future years in order to reach the goal of providing academically enriched activities during after school hours for the 7,000,000 children in need.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out part F of Title I of the Elementary and Secondary Education Act of 1965—

(1) $2,000,000,000 for fiscal year 2003;
(2) $2,500,000,000 for fiscal year 2004;
(3) $3,000,000,000 for fiscal year 2005;
(4) $3,500,000,000 for fiscal year 2006;
(5) $4,000,000,000 for fiscal year 2007;
(6) $4,500,000,000 for fiscal year 2008;

SA 564. Mr. BYRD submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 548, between lines 11 and 12, insert the following:

"SEC. 4119. COMMUNITY SERVICE DURING PERIODS OF EXPULSION OR SUSPENSION.

"(a) REQUIREMENT FOR STATE LAW.—Each State receiving Federal funds under this subpart shall have in effect a State law that—

"(1) requires each student expelled or suspended from school for a period to participate in a community service activity for the same number of hours as the student would have been in school during that period if the student had not been expelled or suspended;

"(2) provides for the community service activity in which the student participates to be—

"(A) a community service activity that involves drug and violence prevention, if such an activity is available for the student's participation; or

"(B) any similar community service activity, to the extent that an activity described in subparagraph (A) is not available for the student's participation; and

"(3) to the extent that the State law authorizes a local educational agency to administer the requirement for community service under the law, requires that the local educational agency designate a single official of that agency to coordinate the administration of the requirement for community service with the schools of that agency and with community organizations concerned with the community service.

"(b) FUNDING.—Funds allocated to a State under this subpart shall be available for the administration of a law described in subsection (a) that is in effect in that State.

SA 565. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, strike line 14 and insert the following:
remain available until expended.

"PART B—POVERTY DATA

"SEC. 9201. POVERTY DATA ADJUSTMENTS.

"Whenever the Secretary uses any data that relates to the incidence of poverty and is produced or published by or for the Secretary of Commerce for subnational, State or substate areas, the Secretary shall adjust the data to account for differences in the cost of living in the areas.".

SA 566. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 145, strike lines 3 through 8 and insert the following:

"(B) 40 percent of the average per pupil expenditure in the State, except that—

"(i) if the average per pupil expenditure in the State is less than 95 percent of the average per pupil expenditure in the United States, the amount shall be 95 percent of the average per pupil expenditure in the United States; or

"(ii) if the average per pupil expenditure in the State is more than 105 percent of the average per pupil expenditure in the United States, the amount shall be 105 percent of the average per pupil expenditure in the United States.

SA 567. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 23 and all that follows through page 142, line 13, and insert the following:

"(A) 90 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if the number of children counted for grants under section 1124 is not less than 30 percent of the total number of children aged 5 to 17 years, inclusive, served by the local educational agency;

"(B) 85 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is not less than 15 percent and not more than 30 percent; and

"(C) 80 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is less than 15 percent.

SA 568. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 23 and all that follows through page 142, line 13, and insert the following:

"(A) 85 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if the number of children counted for grants under section 1124 is not less than 30 percent of the total number of children aged 5 to 17 years, inclusive, served by the local educational agency;

"(B) 80 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is not less than 15 percent and not more than 30 percent; and

"(C) 75 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is less than 15 percent.

SA 569. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 23 and all that follows through page 142, line 13, and insert the following:

"(A) 80 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if the number of children counted for grants under section 1124 is not less than 30 percent of the total number of children aged 5 to 17 years, inclusive, served by the local educational agency;

"(B) 75 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is not less than 15 percent and not more than 30 percent; and

"(C) 70 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is less than 15 percent.

SA 570. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 23 and all that follows through page 142, line 13, and insert the following:

"(A) 75 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if the number of children counted for grants under section 1124 is not less than 30 percent of the total number of children aged 5 to 17 years, inclusive, served by the local educational agency;

"(B) 70 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is not less than 15 percent and not more than 30 percent; and

"(C) 65 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is less than 15 percent.

SA 571. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 23 and all that follows through page 142, line 13, and insert the following:

"(A) 70 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if the number of children counted for grants under section 1124 is not less than 30 percent of the total number of children aged 5 to 17 years, inclusive, served by the local educational agency;

"(B) 65 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is not less than 15 percent and not more than 30 percent; and

"(C) 70 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is less than 15 percent.

SA 572. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, add the following:

SEC. . RIGHT-TO-KNOW ON ARSENIC IN SCHOOL DRINKING WATER.

Part F of the Safe Drinking Water Act (42 U.S.C. 300j–21 et seq.) is amended by adding at the end the following:

"SEC. 1466. NOTICE CONCERNING ARSENIC IN SCHOOL DRINKING WATER.

"Any entity that discharges or releases arsenic into the environment that contributes to the presence of arsenic in the drinking water supply of any public school in a concentration greater than 0.0050 milligrams per liter, as determined by the Administrator, shall submit the parents or guardians of each child enrolled at that school a notice that—

"(1) describes the concentration of arsenic in the drinking water of the school; and

"(2) includes a summary of the health effects of arsenic, in accordance with guidance issued by the Administrator.".

SA 573. Mr. HELMS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, add the following:

TITLE SCHOOLCHILDREN'S HEALTH PROTECTION

SEC. 1. SHORT TITLE.

This title may be cited as the "Schoolchildren's Health Protection Act".

SEC. 2. SCHOOLCHILDREN'S HEALTH PROTECTION.

(a) In General.—Notwithstanding any other provision of law (including the specific provisions described in subsection (b)), no funds made available through the Department of Education or the Department of Health and Human Services shall be used for the distribution or provision of postcoital emergency contraception, or the distribution or provision of a prescription for postcoital emergency contraception, to an unemancipated minor, on the premises or in the facilities of any elementary school or secondary school, without the written consent of such minor's parent for, and prior to, each such distribution or provision.

(b) Specific Provisions.—The specific provisions referred to in subsection (a) are section 330 and title X of the Public Health Service Act (42 U.S.C. 254b, 300 et seq.) and title V and XIX of the Social Security Act (42 U.S.C. 701 et seq., 1396 et seq.).

(c) Definitions.—In this section:

(1) Elementary school; secondary school.—The terms "elementary school" and "secondary school" have the meanings given the terms in section 3 of the Elementary and Secondary Education Act of 1965.

(2) Postcoital emergency contraception.—The term "postcoital emergency contraception" means any of the regimens described in the notice entitled "Prescription Drug Products; Certain Combined Oral Contraceptives for Use as Postcoital Emergency Contraception", published in the Federal Register on February 25, 1997, 62 Fed. Reg. 8610 (or any corresponding similar notice).

(3) Unemancipated minor.—The term "unemancipated minor" means an unmarried individual who is 17 years of age or younger and is a dependent, as defined in section 152(a) of the Internal Revenue Code of 1986.

(4) Written consent.—The term "written consent", used with respect to the parental consent described in subsection (a), means written consent by a parent that the postcoital emergency contraception may be distributed or provided to the unemancipated minor of the parent, or a prescription for the contraception may be distributed or provided to such minor.

SA 574. Mr. HELMS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, add the following:

TITLE—EQUAL ACCESS TO PUBLIC SCHOOL FACILITIES

SEC. 1. SHORT TITLE.

This title may be cited as the "Boy Scouts of America Equal Access Act".

SEC. 2. EQUAL ACCESS.

(a) In General.—Notwithstanding any other provision of law, no funds made available through the Department of Education shall be provided to any public elementary school, public secondary school, local educational agency, or State educational agency, if the school or a school served by the agency—

(1) has a designated open forum; and

(2) denies equal access or a fair opportunity to meet to, or discriminates against, any group affiliated with the Boy Scouts of America or any other youth group that wishes to conduct a meeting within that designated open forum, on the basis of the membership or leadership criteria of the Boy Scouts of America or of the youth group that prohibit the acceptance of homosexuals, or individuals who reject the Boy Scouts' or the youth group's oath of allegiance to God and country, as members or leaders.

(b) Termination of Assistance and Other Action.—

(1) Departmental action.—The Secretary is authorized and directed to effectuate subsection (a) by issuing, and securing compliance with, rules or orders with respect to a public school or agency that receives funds made available through the Department of Education and that denies equal access, or a fair opportunity to meet, or discriminates, as described in subsection (a).

(2) Procedure.—The Secretary shall issue and secure compliance with the rules or orders, under paragraph (1), in a manner consistent with the procedure used by a Federal department or agency under section 602 of the Civil Rights Act of 1964 (42 U.S.C. 2000d–1).

(3) Judicial review.—Any action taken by the Secretary under paragraph (1) shall be subject to the judicial review described in section 603 of that Act (42 U.S.C. 2000d–2). Any person aggrieved by the action may obtain that judicial review in the manner, and to the extent, provided in section 603 of that Act.

(c) Definitions and Rule.—

(1) Definitions.—In this section:

(A) Elementary school; local educational agency; secondary school; State educational agency.—The terms "elementary school", "local educational agency", "secondary school", and "State educational agency" have the meanings given the terms in, section 3 of the Elementary and Secondary Education Act of 1965.

(B) Secretary.—The term "Secretary" means the Secretary of Education, acting through the Assistant Secretary for Civil Rights of the Department of Education.

(C) Youth group.—The term "youth group" means any group or organization intended to serve young people under the age of 21.

(2) Rule.—For purposes of this section, an elementary school or secondary school has a

designated open forum whenever the school involved grants an offering to or opportunity for 1 or more youth or community groups to meet on school premises or in school facilities before or after the hours during which attendance at the school is compulsory.

SA 575. Mr. HARKIN (for himself, Mr. KERRY, Mr. LEVIN, Mr. BIDEN, Mr. REID, Mr. JOHNSON, Mr. CORZINE, and Ms. CANTWELL) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. . PUBLIC SCHOOL REPAIR AND RENOVATION; CHARTER SCHOOL FACILITY ACQUISITION.

(a) SHORT TITLE.—This section may be cited as the "Public School Repair and Renovation Act of 2001".

(b) GRANTS FOR SCHOOL RENOVATION.—Title IX, as added by section 901, is amended by adding at the end the following:

"PART B—SCHOOL RENOVATION

"SEC. 9201. GRANTS FOR SCHOOL RENOVATION.

"(a) IN GENERAL.—

"(1) ALLOCATION OF FUNDS.—Of the amount appropriated for each fiscal year under subsection (k), the Secretary of Education shall allocate—

"(A) 6.0 percent of such amount for grants to impacted local educational agencies (as defined in paragraph (3)) for school repair, renovation, and construction;

"(B) 0.25 percent of such amount for grants to outlying areas for school repair and renovation in high-need schools and communities, allocated on such basis, and subject to such terms and conditions, as the Secretary determines appropriate;

"(C) 2 percent of such amount for grants to public entities, private nonprofit entities, and consortia of such entities, for use in accordance with subpart 2 of part C of this title X; and

"(D) the remainder to State educational agencies in proportion to the amount each State received under part A of title I for fiscal year 2001, except that no State shall receive less than 0.5 percent of the amount allocated under this subparagraph.

"(2) DETERMINATION OF GRANT AMOUNT.—

"(A) DETERMINATION OF WEIGHTED STUDENT UNITS.—For purposes of computing the grant amounts under paragraph (1)(A) for fiscal year 2001, the Secretary shall determine the results obtained by the computation made under section 8003 with respect to children described in subsection (a)(1)(C) of such section and computed under subsection (a)(2)(B) of such section for such year—

"(i) for each impacted local educational agency that receives funds under this section; and

"(ii) for all such agencies together.

"(B) COMPUTATION OF PAYMENT.—For fiscal year 2002, the Secretary shall calculate the amount of a grant to an impacted local educational agency by—

"(i) dividing the amount described in paragraph (1)(A) by the results of the computation described in subparagraph (A)(ii); and

"(ii) multiplying the number derived under clause (i) by the results of the computation described in subparagraph (A)(i) for such agency.

"(3) DEFINITION.—For purposes of this section, the term 'impacted local educational agency' means, for fiscal year 2001—

"(A) a local educational agency that receives a basic support payment under section 8003(b) for such fiscal year; and

"(B) with respect to which the number of children determined under section 8003(a)(1)(C) for the preceding school year constitutes at least 50 percent of the total student enrollment in the schools of the agency during such school year.

"(b) WITHIN-STATE ALLOCATIONS.—

"(1) ADMINISTRATIVE COSTS.—

"(A) STATE EDUCATIONAL AGENCY ADMINISTRATION.—Except as provided in subparagraph (B), each State educational agency may reserve not more than 1 percent of its allocation under subsection (a)(1)(D) for the purpose of administering the distribution of grants under this subsection.

"(B) STATE ENTITY ADMINISTRATION.—If the State educational agency transfers funds to a State entity described in paragraph (2)(A), the agency shall transfer to such entity 0.75 of the amount reserved under this paragraph for the purpose of administering the distribution of grants under this subsection.

"(2) RESERVATION FOR COMPETITIVE SCHOOL REPAIR AND RENOVATION GRANTS TO LOCAL EDUCATIONAL AGENCIES.—

"(A) IN GENERAL.—Subject to the reservation under paragraph (1), of the funds allocated to a State educational agency under subsection (a)(1)(D), the State educational agency shall distribute 75 percent of such funds to local educational agencies or, if such State educational agency is not responsible for the financing of education facilities, the agency shall transfer such funds to the State entity responsible for the financing of education facilities (referred to in this section as the 'State entity') for distribution by such entity to local educational agencies in accordance with this paragraph, to be used, consistent with subsection (c), for school repair and renovation.

"(B) COMPETITIVE GRANTS TO LOCAL EDUCATIONAL AGENCIES.—

"(i) IN GENERAL.—The State educational agency or State entity shall carry out a program of competitive grants to local educational agencies for the purpose described in subparagraph (A). Of the total amount available for distribution to such agencies under this paragraph, the State educational agency or State entity, shall, in carrying out the competition—

"(I) award to high poverty local educational agencies described in clause (ii), in the aggregate, at least an amount which bears the same relationship to such total amount as the aggregate amount such local educational agencies received under part A of title I for fiscal year 2002 bears to the aggregate amount received for such fiscal year under such part by all local educational agencies in the State;

"(II) award to rural local educational agencies in the State, in the aggregate, at least an amount which bears the same relationship to such total amount as the aggregate amount such rural local educational agencies received under part A of title I for fiscal year 2001 bears to the aggregate amount received for such fiscal year under such part by all local educational agencies in the State; and

"(III) award the remaining funds to local educational agencies not receiving an award under subclause (I) or (II), including high poverty and rural local educational agencies that did not receive such an award.

"(ii) HIGH POVERTY LOCAL EDUCATIONAL AGENCIES.—A local educational agency is described in this clause if—

"(I) the percentage described in subparagraph (C)(i) with respect to the agency is 30 percent or greater; or

"(II) the number of children described in such subparagraph with respect to the agency is at least 10,000.

"(C) CRITERIA FOR AWARDING GRANTS.—In awarding competitive grants under this paragraph, a State educational agency or State entity shall take into account the following criteria:

"(i) The percentage of poor children 5 to 17 years of age, inclusive, in a local educational agency.

"(ii) The need of a local educational agency for school repair and renovation, as demonstrated by the condition of its public school facilities.

"(iii) The fiscal capacity of a local educational agency to meet its needs for repair and renovation of public school facilities without assistance under this section, including its ability to raise funds through the use of local bonding capacity and otherwise.

"(iv) In the case of a local educational agency that proposes to fund a repair or renovation project for a charter school or schools, the extent to which the school or schools have access to funding for the project through the financing methods available to other public schools or local educational agencies in the State.

"(v) The likelihood that the local educational agency will maintain, in good condition, any facility whose repair or renovation is assisted under this section.

"(D) POSSIBLE MATCHING REQUIREMENT.—

"(i) IN GENERAL.—A State educational agency or State entity may require local educational agencies to match funds awarded under this subsection.

"(ii) MATCH AMOUNT.—The amount of a match described in clause (i) may be established by using a sliding scale that takes into account the relative poverty of the population served by the local educational agency.

"(3) RESERVATION FOR COMPETITIVE IDEA OR TECHNOLOGY GRANTS TO LOCAL EDUCATIONAL AGENCIES.—

"(A) IN GENERAL.—Subject to the reservation under paragraph (1), of the funds allocated to a State educational agency under subsection (a)(1)(D), the State educational agency shall distribute 25 percent of such funds to local educational agencies through competitive grant processes, to be used for the following:

"(i) To carry out activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

"(ii) For technology activities that are carried out in connection with school repair and renovation, including—

"(I) wiring;

"(II) acquiring hardware and software;

"(III) acquiring connectivity linkages and resources; and

"(IV) acquiring microwave, fiber optics, cable, and satellite transmission equipment.

"(B) CRITERIA FOR AWARDING IDEA GRANTS.—In awarding competitive grants under subparagraph (A) to be used to carry out activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.), a State educational agency shall take into account the following criteria:

"(i) The need of a local educational agency for additional funds for a student whose individually allocable cost for expenses related to the Individuals with Disabilities Education Act substantially exceeds the State's average per-pupil expenditure (as defined in section 3).

"(ii) The need of a local educational agency for additional funds for special education and related services under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

"(iii) The need of a local educational agency for additional funds for assistive technology devices (as defined in section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401)) or assistive technology services (as so defined) for children being served under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

"(iv) The need of a local educational agency for additional funds for activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.) in order for children with disabilities to make progress toward meeting the performance goals and indicators established by the State under section 612(a)(16) of such Act (20 U.S.C. 1412).

"(C) CRITERIA FOR AWARDING TECHNOLOGY GRANTS.—In awarding competitive grants under subparagraph (A) to be used for technology activities that are carried out in connection with school repair and renovation, a State educational agency shall take into account the need of a local educational agency for additional funds for such activities, including the need for the activities described in subclauses (I) through (IV) of subparagraph (A)(ii).

"(c) RULES APPLICABLE TO SCHOOL REPAIR AND RENOVATION.—With respect to funds made available under this section that are used for school repair and renovation, the following rules shall apply:

"(1) PERMISSIBLE USES OF FUNDS.—School repair and renovation shall be limited to one or more of the following:

"(A) Emergency repairs or renovations to public school facilities only to ensure the health and safety of students and staff, including—

"(i) repairing, replacing, or installing roofs, electrical wiring, plumbing systems, sewage systems, windows, or doors;

"(ii) repairing, replacing, or installing heating, ventilation, or air conditioning systems (including insulation); and

"(iii) bringing public schools into compliance with fire and safety codes.

"(B) School facilities modifications necessary to render public school facilities accessible in order to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).

"(C) School facilities modifications necessary to render public school facilities accessible in order to comply with section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

"(D) Asbestos abatement or removal from public school facilities.

"(E) Implementing measures designed to reduce or eliminate human exposure to lead-based paint hazards through methods including interim controls or abatement or a combination of each.

"(F) Renovation, repair, and acquisition needs related to the building infrastructure of a charter school.

"(2) IMPERMISSIBLE USES OF FUNDS.—No funds received under this section may be used for—

"(A) payment of maintenance costs in connection with any projects constructed in whole or part with Federal funds provided under this section;

"(B) the construction of new facilities, except for facilities for an impacted local educational agency (as defined in subsection (a)(3)); or

"(C) stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public.

"(3) CHARTER SCHOOLS.—A public charter school that constitutes a local educational agency under State law shall be eligible for assistance under the same terms and conditions as any other local educational agency (as defined in section 3).

"(4) SUPPLEMENT, NOT SUPPLANT.—Excluding the uses described in subparagraphs (B) and (C) of paragraph (1), a local educational agency shall use Federal funds subject to this subsection only to supplement the amount of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for school repair and renovation.

"(d) SPECIAL RULE.—Each local educational agency that receives funds under this section shall ensure that, if it carries out repair or renovation through a contract, any such contract process ensures the maximum number of qualified bidders, including small, minority, and women-owned businesses, through full and open competition.

"(e) PUBLIC COMMENT.—Each local educational agency receiving funds under paragraph (2) or (3) of subsection (b)—

"(1) shall provide parents, educators, and all other interested members of the community the opportunity to consult on the use of funds received under such paragraph;

"(2) shall provide the public with adequate and efficient notice of the opportunity described in paragraph (1) in a widely read and distributed medium; and

"(3) shall provide the opportunity described in paragraph (1) in accordance with any applicable State and local law specifying how the comments may be received and how the comments may be reviewed by any member of the public.

"(f) REPORTING.—

"(1) LOCAL REPORTING.—Each local educational agency receiving funds under subsection (a)(1)(D) shall submit a report to the State educational agency, at such time as the State educational agency may require, describing the use of such funds for—

"(A) school repair and renovation (and construction, in the case of an impacted local educational agency (as defined in subsection (a)(3)));

"(B) activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.); and

"(C) technology activities that are carried out in connection with school repair and renovation, including the activities described in subclauses (I) through (IV) of subsection (b)(3)(A)(ii).

"(2) STATE REPORTING.—Each State educational agency shall submit to the Secretary of Education, not later than December 31, 2003, a report on the use of funds received under subsection (a)(1)(D) by local educational agencies for—

"(A) school repair and renovation (and construction, in the case of an impacted local educational agency (as defined in subsection (a)(3)));

"(B) activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.); and

"(C) technology activities that are carried out in connection with school repair and renovation, including the activities described in subclauses (I) through (IV) of subsection (b)(3)(A)(ii).

"(3) ADDITIONAL REPORTS.—Each entity receiving funds allocated under subsection (a)(1) (A) or (B) shall submit to the Secretary, not later than December 31, 2003, a report on its uses of funds under this section, in such form and containing such information as the Secretary may require.

"(g) APPLICABILITY OF PART B OF IDEA.—If a local educational agency uses funds received under this section to carry out activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.), such part (including provisions respecting the participation of private school children), and any other provision of law that applies to such part, shall apply to such use.

"(h) REALLOCATION.—If a State educational agency does not apply for an allocation of funds under subsection (a)(1)(D) for fiscal year 2002, or does not use its entire allocation for such fiscal year, the Secretary may reallocate the amount of the State educational agency's allocation (or the remainder thereof, as the case may be) to the remaining State educational agencies in accordance with subsection (a)(1)(D).

"(i) PARTICIPATION OF PRIVATE SCHOOLS.—

"(1) IN GENERAL.—Section 5342 shall apply to subsection (b)(2) in the same manner as it applies to activities under title VI, except that—

"(A) such section shall not apply with respect to the title to any real property renovated or repaired with assistance provided under this section;

"(B) the term 'services' as used in section 5342 with respect to funds under this section shall be provided only to private, nonprofit elementary or secondary schools with a rate of child poverty of at least 40 percent and may include for purposes of subsection (b)(2) only—

"(i) modifications of school facilities necessary to meet the standards applicable to public schools under the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.);

"(ii) modifications of school facilities necessary to meet the standards applicable to public schools under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794); and

"(iii) asbestos abatement or removal from school facilities; and

"(C) notwithstanding the requirements of section 5342(b), expenditures for services provided using funds made available under subsection (b)(2) shall be considered equal for purposes of such section if the per-pupil expenditures for services described in subparagraph (B) for students enrolled in private nonprofit elementary and secondary schools that have child poverty rates of at least 40 percent are consistent with the per-pupil expenditures under this section for children enrolled in the public schools in the school district of the local educational agency receiving funds under this section.

"(2) REMAINING FUNDS.—If the expenditure for services described in paragraph (1)(B) is less than the amount calculated under paragraph (1)(C) because of insufficient need for such services, the remainder shall be available to the local educational agency for renovation and repair of public school facilities.

"(3) APPLICATION.—If any provision of this section, or the application thereof, to any person or circumstances is judicially determined to be invalid, the provisions of the remainder of the section and the application to other persons or circumstances shall not be affected thereby.

"(j) DEFINITIONS.—For purposes of this section:

"(1) CHARTER SCHOOL.—The term 'charter school' has the meaning given such term in section 5120(1).

"(2) POOR CHILDREN AND CHILD POVERTY.—The terms 'poor children' and 'child poverty' refer to children 5 to 17 years of age, inclusive, who are from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant (42 U.S.C. 9902(2)) applicable to a family of the size involved for the most recent fiscal year for which data satisfactory to the Secretary are available.

"(3) RURAL LOCAL EDUCATIONAL AGENCY.—The term 'rural local educational agency' means a local educational agency that the State determines is located in a rural area using objective data and a commonly employed definition of the term 'rural'.

"(4) STATE.—The term 'State' means each of the 50 states, the District of Columbia, and the Commonwealth of Puerto Rico.

"(k) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $1,600,000,000 for fiscal year 2002, and such sums as may be necessary for each of fiscal years 2003 through 2006.".

(c) CHARTER SCHOOL FACILITY ACQUISITION.—Part A of title V, as amended by section 501, is further amended by adding at the end the following:

"Subpart 4—Credit Enhancement Initiatives To Assist Charter School Facility Acquisition, Construction, and Renovation

"SEC. 5161. PURPOSE.

"The purpose of this subpart is to provide one-time grants to eligible entities to permit them to demonstrate innovative credit enhancement initiatives that assist charter schools to address the cost of acquiring, constructing, and renovating facilities.

"SEC. 5162. GRANTS TO ELIGIBLE ENTITIES.

"(a) IN GENERAL.—The Secretary shall use 100 percent of the amount available to carry out this subpart to award not less than three grants to eligible entities having applications approved under this subpart to demonstrate innovative methods of assisting charter schools to address the cost of acquiring, constructing, and renovating facilities by enhancing the availability of loans or bond financing.

"(b) GRANTEE SELECTION.—The Secretary shall evaluate each application submitted, and shall make a determination of which are sufficient to merit approval and which are not. The Secretary shall award at least one grant to an eligible entity described in section 5160(2)(A), at least one grant to an eligible entity described in section 5160(2)(B), and at least one grant to an eligible entity described in section 5160(2)(C), if applications are submitted that permit the Secretary to do so without approving an application that is not of sufficient quality to merit approval.

"(c) GRANT CHARACTERISTICS.—Grants under this subpart shall be of a sufficient size, scope, and quality so as to ensure an effective demonstration of an innovative means of enhancing credit for the financing of charter school acquisition, construction, or renovation.

"(d) SPECIAL RULE.—In the event the Secretary determines that the funds available are insufficient to permit the Secretary to award not less than three grants in accordance with subsections (a) through (c), such three-grant minimum and the second sentence of subsection (b) shall not apply, and the Secretary may determine the appropriate number of grants to be awarded in accordance with subsection (c).

"SEC. 5163. APPLICATIONS.

"(a) IN GENERAL.—To receive a grant under this subpart, an eligible entity shall submit to the Secretary an application in such form as the Secretary may reasonably require.

"(b) CONTENTS.—An application under subsection (a) shall contain—

"(1) a statement identifying the activities proposed to be undertaken with funds received under this subpart, including how the applicant will determine which charter schools will receive assistance, and how much and what types of assistance charter schools will receive;

"(2) a description of the involvement of charter schools in the application's development and the design of the proposed activities;

"(3) a description of the applicant's expertise in capital market financing;

"(4) a description of how the proposed activities will leverage the maximum amount of private-sector financing capital relative to the amount of government funding used and otherwise enhance credit available to charter schools;

"(5) a description of how the applicant possesses sufficient expertise in education to evaluate the likelihood of success of a charter school program for which facilities financing is sought;

"(6) in the case of an application submitted by a State governmental entity, a description of the actions that the entity has taken, or will take, to ensure that charter schools within the State receive the funding they need to have adequate facilities; and

"(7) such other information as the Secretary may reasonably require.

"SEC. 5164. CHARTER SCHOOL OBJECTIVES.

"An eligible entity receiving a grant under this subpart shall use the funds deposited in the reserve account established under section 5165(a) to assist one or more charter schools to access private sector capital to accomplish one or both of the following objectives:

"(1) The acquisition (by purchase, lease, donation, or otherwise) of an interest (including an interest held by a third party for the benefit of a charter school) in improved or unimproved real property that is necessary to commence or continue the operation of a charter school.

"(2) The construction of new facilities, or the renovation, repair, or alteration of existing facilities, necessary to commence or continue the operation of a charter school.

"SEC. 5165. RESERVE ACCOUNT.

"(a) USE OF FUNDS.—To assist charter schools to accomplish the objectives described in section 5164, an eligible entity receiving a grant under this subpart shall, in accordance with State and local law, directly or indirectly, alone or in collaboration with others, deposit the funds received under this subpart (other than funds used for administrative costs in accordance with section 5166) in a reserve account established and maintained by the entity for this purpose. Amounts deposited in such account shall be used by the entity for one or more of the following purposes:

"(1) Guaranteeing, insuring, and reinsuring bonds, notes, evidences of debt, loans, and interests therein, the proceeds of which are used for an objective described in section 5164.

"(2) Guaranteeing and insuring leases of personal and real property for an objective described in section 5164.

"(3) Facilitating financing by identifying potential lending sources, encouraging private lending, and other similar activities that directly promote lending to, or for the benefit of, charter schools.

"(4) Facilitating the issuance of bonds by charter schools, or by other public entities for the benefit of charter schools, by providing technical, administrative, and other appropriate assistance (including the recruitment of bond counsel, underwriters, and potential investors and the consolidation of multiple charter school projects within a single bond issue).

"(b) INVESTMENT.—Funds received under this subpart and deposited in the reserve account shall be invested in obligations issued or guaranteed by the United States or a State, or in other similarly low-risk securities.

"(c) REINVESTMENT OF EARNINGS.—Any earnings on funds received under this subpart shall be deposited in the reserve account established under subsection (a) and used in accordance with such subsection.

"SEC. 5166. LIMITATION ON ADMINISTRATIVE COSTS.

An eligible entity may use not more than 0.25 percent of the funds received under this subpart for the administrative costs of carrying out its responsibilities under this subpart.

"SEC. 5167. AUDITS AND REPORTS.

"(a) FINANCIAL RECORD MAINTENANCE AND AUDIT.—The financial records of each eligible entity receiving a grant under this subpart shall be maintained in accordance with generally accepted accounting principles and shall be subject to an annual audit by an independent public accountant.

"(b) REPORTS.—

"(1) GRANTEE ANNUAL REPORTS.—Each eligible entity receiving a grant under this subpart annually shall submit to the Secretary a report of its operations and activities under this subpart.

"(2) CONTENTS.—Each such annual report shall include—

"(A) a copy of the most recent financial statements, and any accompanying opinion on such statements, prepared by the independent public accountant reviewing the financial records of the eligible entity;

"(B) a copy of any report made on an audit of the financial records of the eligible entity that was conducted under subsection (a) during the reporting period;

"(C) an evaluation by the eligible entity of the effectiveness of its use of the Federal funds provided under this subpart in leveraging private funds;

"(D) a listing and description of the charter schools served during the reporting period;

"(E) a description of the activities carried out by the eligible entity to assist charter schools in meeting the objectives set forth in section 5164; and

"(F) a description of the characteristics of lenders and other financial institutions participating in the activities undertaken by the eligible entity under this subpart during the reporting period.

"(3) SECRETARIAL REPORT.—The Secretary shall review the reports submitted under paragraph (1) and shall provide a comprehensive annual report to Congress on the activities conducted under this subpart.

"SEC. 5168. NO FULL FAITH AND CREDIT FOR GRANTEE OBLIGATIONS.

"No financial obligation of an eligible entity entered into pursuant to this subpart (such as an obligation under a guarantee, bond, note, evidence of debt, or loan) shall be an obligation of, or guaranteed in any respect by, the United States. The full faith and credit of the United States is not pledged to the payment of funds which may be required to be paid under any obligation made by an eligible entity pursuant to any provision of this subpart.

"SEC. 5169. RECOVERY OF FUNDS.

"(a) In General.—The Secretary, in accordance with chapter 37 of title 31, United States Code, shall collect—

"(1) all of the funds in a reserve account established by an eligible entity under section 5165(a) if the Secretary determines, not earlier than 2 years after the date on which the entity first received funds under this subpart, that the entity has failed to make substantial progress in carrying out the purposes described in section 5165(a); or

"(2) all or a portion of the funds in a reserve account established by an eligible entity under section 5165(a) if the Secretary determines that the eligible entity has permanently ceased to use all or a portion of the funds in such account to accomplish any purpose described in section 5165(a).

"(b) Exercise of Authority.—The Secretary shall not exercise the authority provided in subsection (a) to collect from any eligible entity any funds that are being properly used to achieve one or more of the purposes described in section 5165(a).

"(c) Procedures.—The provisions of sections 451, 452, and 458 of the General Education Provisions Act (20 U.S.C. 1234 et seq.) shall apply to the recovery of funds under subsection (a).

"(d) Construction.—This section shall not be construed to impair or affect the authority of the Secretary to recover funds under part D of the General Education Provisions Act (20 U.S.C. 1234 et seq.).

"SEC. 5170. DEFINITIONS.

"In this subpart:

"(1) The term 'charter school' has the meaning given such term in section 5120.

"(2) The term "eligible entity" means—

"(A) a public entity, such as a State or local governmental entity;

"(B) a private nonprofit entity; or

"(C) a consortium of entities described in subparagraphs (A) and (B).

"SEC. 5171. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of carrying out this subpart, there are authorized to be appropriated $100,000,000 for fiscal year 2001.".

SA 576. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SECTION 1. ESEA.

The provisions of the Jeffords amendment No. 358 (107th Congress) are incorporated into this Act and enacted into law.

TITLE —NATIONAL COLLEGIATE AND AMATEUR ATHLETIC PROTECTION ACT OF 2001

SEC. 01. SHORT TITLE.

This title may be cited as the "National Collegiate and Amateur Athletic Protection Act of 2001".

SEC. 02. TASK FORCE ON ILLEGAL WAGERING ON AMATEUR AND COLLEGIATE SPORTING EVENTS.

(a) Establishment.—The Attorney General shall establish a prosecutorial task force on illegal wagering on amateur and collegiate sporting events (referred to in this section as the "task force").

(b) Duties.—The task force shall—

(1) coordinate enforcement of Federal laws that prohibit gambling relating to amateur and collegiate athletic events; and

(2) submit annually, to the House of Representatives and the Senate a report describing specific violations of such laws, prosecutions commenced, and convictions obtained.

(c) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section $4,000,000 in fiscal year 2002 and $6,000,000 in each of the fiscal years 2003 through 2006.

SEC. 03. INCREASED PENALTIES FOR ILLEGAL SPORTS GAMBLING.

(a) Interstate Transmission of Bets or Information Assisting in Placing Bets on Sporting Events.—Section 1084(a) of title 18, United States Code, is amended by striking "two" and inserting "5".

(b) Interstate Transportation of Wagering Paraphernalia.—Section 1953(a) of title 18, United States Code, is amended by adding at the end the following: "If the matter carried or sent in interstate or foreign commerce was intended by the defendant to be used to assist in the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.".

(c) Illegal Gambling Business.—Section 1955(a) of title 18, United States Code, is amended by adding at the end the following: "If the gambling business included the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.".

(d) Interstate Travel To Promote and Conduct an Illegal Gambling Business.—Section 1952 of title 18, United States Code, is amended by adding at the end the following:

"(d) If the offense violated paragraph (1) or (3) of subsection (a) and the illegal activity included the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.".

(e) Sports Bribery.—Section 224(a) of title 18, United States Code, is amended by adding at the end the following: "If the purpose of the bribery is to affect the outcome of a bet or wager placed on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.".

SEC. 04. STUDY ON ILLEGAL SPORTS GAMBLING BEHAVIOR AMONG MINORS.

(a) In General.—The Director of the National Institute of Justice shall conduct a study to determine the extent to which minor persons participate in illegal sports gambling activities.

(b) Report.—Not later than 2 years after the date of enactment of this title, the Director of the National Institute of Justice shall submit to the Speaker of the House of Representatives and the President pro tempore of the Senate, a report—

(1) describing the extent to which minor persons participate in illegal sports gambling activities; and

(2) making recommendations on actions that should be taken to curtail participation by minor persons in sports gambling activities.

SEC. 05. STUDY OF GAMBLING ON COLLEGE AND UNIVERSITY CAMPUSES.

(a) Establishment of Panel.—Not later than 90 days after the date of enactment of this title, the Attorney General shall establish a panel, which shall be composed of Federal, State, and local government law enforcement officials, to conduct a study of illegal college sports gambling.

(b) Contents of Study.—The study conducted by the panel established under subsection (a) shall include an analysis of—

(1) the scope and prevalence of illegal college sports gambling, including unlawful sports gambling (as defined in section 3702 of title 28, United States Code);

(2) the role of organized crime in illegal gambling on college sports;

(3) the role of State regulators and the legal sports books in Nevada in assisting law enforcement to uncover illegal sports gambling and related illegal activities;

(4) the enforcement and implementation of the Professional and Amateur Sports Protection Act of 1992, including whether it has been adequately enforced;

(5) the effectiveness of steps taken by institutions of higher education to date, whether individually or through national organizations, to reduce the problem of illegal gambling on college sports;

(6) the factors that influence the attitudes or levels of awareness of administrators, professors, and students, including student athletes, about illegal gambling on college sports;

(7) the effectiveness of new countermeasures to reduce illegal gambling on college sports, including related requirements for institutions of higher education and persons receiving Federal education funds;

(8) potential actions that could be taken by the National Collegiate Athletic Association to address illegal gambling on college and university campuses; and

(9) other matters relevant to the issue of illegal gambling on college sports as determined by the Attorney General.

(c) Report to Congress.—Not later than 12 months after the establishment of the panel under this section, the Attorney General shall submit to Congress a report on the study conducted under this section, which shall include—

(1) recommendations for actions colleges, universities, and the National Collegiate Athletic Association should implement to address the issue of illegal gambling on college sports;

(2) recommendations for intensive educational campaigns which the National Collegiate Athletic Association could implement to assist in the effort to prevent illegal gambling on college sports;

(3) recommendations for any Federal and State legislative actions to address the issue of illegal gambling on college sports; and

(4) recommendations for any administrative or private sector actions to address the issue of illegal gambling on college sports.

SEC. 06. REDUCTION OF GAMBLING ON COLLEGE CAMPUSES.

(a) College Programs to Reduce Illegal Gambling.—

(1) Comprehensive program.—Each institution of higher education (as defined in section 101 of the Higher Education Act (20 U.S.C. 1001)) shall designate 1 or more full-time senior officers of the institution to coordinate the implementation of a comprehensive program, as determined by the Secretary of Education, to reduce illegal gambling and gambling control disorders by students and employees of the institution.

(2) Annual reporting.—An institution described in paragraph (1) shall annually prepare and submit to the Secretary of Education a report, in a form and manner prescribed by the Secretary, concerning the progress made by the institution to reduce illegal gambling by students and employees of the institution.

(3) Continued eligibility.—An institution described in paragraph (1) shall make reasonable further progress (as defined by the Secretary of Education) toward the elimination of illegal gambling at the institution as a condition of the institution remaining eligible for assistance and participation in other

programs authorized under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

(b) GAMBLING ENFORCEMENT INFORMATION AND POLICIES.—

(1) IN GENERAL.—Each institution described in subsection (a)(1) shall include—

(A) statistics and other information on illegal gambling, including gambling over the Internet, in addition to the other criminal offense on which such institution must report pursuant to section 485(f) of the Higher Education Act of 1965 (20 U.S.C. 1092(f)) in the form and manner so prescribed; and

(B) a statement of policy regarding underage and other illegal gambling activity at the institution, in the form and manner prescribed for statements of policy on alcoholic beverages and illegal drugs pursuant to such section 485(f), including a description of any gambling abuse education programs available to students and employees of the institution.

(2) REVIEW OF PROCEDURES.—Notwithstanding paragraph (2) of section 485(f) of the Higher Education Act of 1965 (20 U.S.C. 1092(f)), the Attorney General, in consultation with the Secretary of Education, shall periodically review the policies, procedures, and practices of institutions described in subsection (a)(1) with respect to campus crimes and security related directly or indirectly to illegal gambling, including the integrity of the athletic contests in which students of the institution participate.

(c) ZERO TOLERANCE OF ILLEGAL GAMBLING.—

(1) REVOCATION OF AID.—A recipient of athletically related student aid (as defined in section 485(e)(8) of the Higher Education Act of 1965 (20 U.S.C. 1092(e)(8)) shall cease to be eligible for such aid upon a determination by either the institution of higher education providing such aid, or the applicable amateur sports organization, that the recipient has engaged in illegal gambling activity, including sports bribery, in violation of the policies or by-laws of the institution or organization.

(2) REPORT.—An institution of higher education that provides athletically related student aid, and an amateur sports organization that sanctions a competitive game or performance in which 1 or more competitors receives such aid, shall annually report to the Attorney General and the Secretary of Education on actions taken to implement this subsection.

SEC. 07. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) illegal sports gambling poses a significant threat to youth on college campuses and in society in general;

(2) State and local governments, the National Collegiate Athletic Association, and other youth, school, and collegiate organizations should provide educational and prevention programs to help youth recognize the dangers of illegal sports gambling and the serious consequences it can have;

(3) such programs should include public service announcements, especially during tournament and bowl game coverage;

(4) the National Collegiate Athletic Association and other amateur sports government bodies should adopt mandatory codes of conduct regarding the avoidance and prevention of illegal sports gambling among our youth; and

(5) the National Collegiate Athletic Association should enlist universities in the United States to develop scientific research on youth sports gambling, and related matters.

SA 577. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Strike all after the first word and insert the following:

SECTION 1. ESEA.

The provisions of the Jeffords amendment No. 358 (107th Congress) are incorporated into this Act and enacted into law.

SEC. 2. BROADCAST OF SPORTS GAMBLING EDUCATION INFORMATION.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Federal Communications Commission shall issue a final rule requiring broadcasters within its jurisdiction to include in any broadcast of a game or performance 1 or more public service announcements on the illegal nature of sports gambling in most States, including over the Internet, in such form and manner as the Commission deems appropriate and sufficient to be certain this information is effectively conveyed to the public as part of the public interest obligation of the broadcaster.

(b) TELEPHONE NUMBERS.—Each public service announcement under subsection (a) shall include the display of 1 or more toll-free telephone lines administered by a nonprofit organization to assist persons with a sports wagering problem or other compulsive gambling disorder.

SA 578. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Strike all after the first word and insert the following:

SEC. 1. ESEA.

The provisions of the Jeffords amendment No. 358 (107th Congress) are incorporated into this Act and enacted into law.

SECTION 2. BROADCAST OF SPORTS GAMBLING EDUCATION INFORMATION.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Federal Communications Commission shall issue a final rule requiring broadcasters within its jurisdiction to include in any broadcast of a game or performance 1 or more public service announcements on the illegal nature of sports gambling in most States, including over the Internet, in such form and manner as the Commission deems appropriate and sufficient to be certain this information is effectively conveyed to the public as part of the public interest obligation of the broadcaster.

(b) TELEPHONE NUMBERS.—Each public service announcement under subsection (a) shall include the display of 1 or more toll-free telephone lines administered by a nonprofit organization to assist persons with a sports wagering problem or other compulsive gambling disorder.

SA 579. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. ESEA.

The provisions of the Jeffords amendment No. 358 (107th Congress) are incorporated into this Act and enacted into law.

TITLE —NATIONAL COLLEGIATE AND AMATEUR ATHLETIC PROTECTION ACT OF 2001

SEC. 01. SHORT TITLE.

This title may be cited as the "National Collegiate and Amateur Athletic Protection Act of 2001".

SEC. 02. TASK FORCE ON ILLEGAL WAGERING ON AMATEUR AND COLLEGIATE SPORTING EVENTS.

(a) ESTABLISHMENT.—The Attorney General shall establish a prosecutorial task force on illegal wagering on amateur and collegiate sporting events (referred to in this section as the "task force").

(b) DUTIES.—The task force shall—

(1) coordinate enforcement of Federal laws that prohibit gambling relating to amateur and collegiate athletic events; and

(2) submit annually, to the House of Representatives and the Senate a report describing specific violations of such laws, prosecutions commenced, and convictions obtained.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $4,000,000 in fiscal year 2002 and $6,000,000 in each of the fiscal years 2003 through 2006.

SEC. 03. INCREASED PENALTIES FOR ILLEGAL SPORTS GAMBLING.

(a) INTERSTATE TRANSMISSION OF BETS OR INFORMATION ASSISTING IN PLACING BETS ON SPORTING EVENTS.—Section 1084(a) of title 18, United States Code, is amended by striking "two" and inserting "5".

(b) INTERSTATE TRANSPORTATION OF WAGERING PARAPHERNALIA.—Section 1953(a) of title 18, United States Code, is amended by adding at the end the following: "If the matter carried or sent in interstate or foreign commerce was intended by the defendant to be used to assist in the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.".

(c) ILLEGAL GAMBLING BUSINESS.—Section 1955(a) of title 18, United States Code, is amended by adding at the end the following: "If the gambling business included the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.".

(d) INTERSTATE TRAVEL TO PROMOTE AND CONDUCT AN ILLEGAL GAMBLING BUSINESS.—Section 1952 of title 18, United States Code, is amended by adding at the end the following:

"(d) If the offense violated paragraph (1) or (3) of subsection (a) and the illegal activity included the placing of bets or wagers on any sporting even or contest, the maximum term of imprisonment for the offense shall be 10 years.".

(e) SPORTS BRIBERY.—Section 224(a) of title 18, United States Code, is amended by adding at the end the following: "If the purpose of the bribery is to affect the outcome of a bet or wager placed on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.".

SEC. 04. STUDY ON ILLEGAL SPORTS GAMBLING BEHAVIOR AMONG MINORS.

(a) IN GENERAL.—The Director of the National Institute of Justice shall conduct a study to determine the extent to which minors persons participate in illegal sports gambling activities.

(b) REPORT.—Not later than 2 years after the date of enactment of this title, the Director of the National Institute of Justice shall submit to the Speaker of the House of Representatives and the President pro tempore of the Senate, a report—

(1) describing the extent to which minor persons participate in illegal sports gambling activities; and

(2) making recommendations on actions that should be taken to curtail participation by minor persons in sports gambling activities.

SEC. 05. STUDY OF GAMBLING ON COLLEGE AND UNIVERSITY CAMPUSES.

(a) ESTABLISHMENT OF PANEL.—Not later than 90 days after the date of enactment of this title, the Attorney General shall establish a panel, which shall be composed of Federal, State, and local government law enforcement officials, to conduct a study of illegal college sports gambling.

(b) CONTENTS OF STUDY.—The study conducted by the panel established under subsection (a) shall include an analysis of—

(1) the scope and prevalence of illegal college sports gambling, including unlawful sports gambling (as defined in section 3702 of title 28, United States Code);

(2) the role of organized crime in illegal gambling on college sports;

(3) the role of State regulators and the legal sports books in Nevada in assisting law enforcement to uncover illegal sports gambling and related illegal activities;

(4) the enforcement and implementation of the Professional and Amateur Sports Protection Act of 1992, including whether it has been adequately enforced;

(5) the effectiveness of steps taken by institutions of higher education to date, whether individually or through national organizations, to reduce the problem of illegal gambling on college sports;

(6) the factors that influence the attitudes or levels of awareness of administrators, professors, and students, including student athletes, about illegal gambling on college sports;

(7) the effectiveness of new countermeasures to reduce illegal gambling on college sports, including related requirements for institutions of higher education and persons receiving Federal education funds;

(8) potential actions that could be taken by the National Collegiate Athletic Association to address illegal gambling on college and university campuses; and

(9) other matters relevant to the issue of illegal gambling on college sports as determined by the Attorney General.

(c) REPORT TO CONGRESS.—Not later than 12 months after the establishment of the panel under this section, the Attorney General shall submit to Congress a report on the study conducted under this section, which shall include—

(1) recommendation for actions colleges, universities, and the National Collegiate Athletic Association should implement to address the issue of illegal gambling on college sports;

(2) recommendations for intensive educational campaigns which the National Collegiate Athletic Association could implement to assist in the effort to prevent illegal gambling on college sports;

(3) recommendations for any Federal and State legislative actions to address the issue of illegal gambling on college sports; and

(4) recommendations for any administrative or private sector actions to address the issue of illegal gambling on college sports.

SEC. 06. REDUCTION OF GAMBLING ON COLLEGE CAMPUSES.

(a) COLLEGE PROGRAMS TO REDUCE ILLEGAL GAMBLING.—

(1) COMPREHENSIVE PROGRAM.—Each institution of higher education (as defined in section 101 of the Higher Education Act (20 U.S.C. 1001)) shall designate 1 or more full-time senior officers of the institution to coordinate the implementation of comprehensive program, as determined by the Secretary of Education, to reduce illegal gambling and gambling control disorders by students and employees of the institution.

(2) ANNUAL REPORTING.—An institution described in paragraph (1) shall annually prepare and submit to the Secretary of Education a report, in a form and manner prescribed by the Secretary, concerning the progress made by the institution to reduce illegal gambling by students and employees of the institution.

(3) CONTINUED ELIGIBILITY.—An institution described in paragraph (1) shall make reasonable further progress (as defined by the Secretary of Education) toward the elimination of illegal gambling at the institution as a condition of the institution remaining eligible for assistance and participation in other programs authorized under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

(b) GAMBLING ENFORCEMENT INFORMATION AND POLICIES.—

(1) IN GENERAL.—Each institution described in subsection (a)(1) shall include—

(A) statistics and other information on illegal gambling, including gambling over the Internet, in addition to the other criminal offense on which such institution must report pursuant to section 485(f) of the Higher Education Act of 1965 (20 U.S.C. 1092(f)) in the form and manner so prescribed; and

(B) a statement of policy regarding underage and other illegal gambling activity at the institution, in the form and manner prescribed for statements of policy on alcoholic beverages and illegal drugs pursuant to such section 485(f), including a description of any gambling abuse education programs available to students and employees of the institution.

(2) REVIEW OF PROCEDURES.—Notwithstanding paragraph (2) of section 485(f) of the Higher Education Act of 1965 (20 U.S.C. 1092(f)), the Attorney General, in consultation with the Secretary of Education, shall periodically review the policies, procedures, and practices of institutions described in subsection (a)(1) with respect to campus crimes and security related directly or indirectly to illegal gambling, including the integrity of the athletic contests in which students of the institution participate.

(c) ZERO TOLERANCE OF ILLEGAL GAMBLING.—

(1) REVOCATION OF AID.—A recipient of athletically related student aid (as defined in section 485(e)(8) of the Higher Education Act of 1965 (20 U.S.C. 1092(e)(8)) shall cease to be eligible for such aid upon a determination by either the institution of higher education providing such aid, or the applicable amateur sports organization, that the recipient has engaged in illegal gambling activity, including sports bribery, in violation of the policies or by-laws of the institution or organization.

(2) REPORT.—An institution of higher education that provides athletically related student aid, and an amateur sports organization that sanctions a competitive game or performance in which 1 or more competitors receives such aid, shall annually report to the Attorney General and the Secretary of Education on actions taken to implement this subsection.

SEC. 07. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) illegal sports gambling poses a significant threat to youth on college campuses and in society in general;

(2) State and local governments, the National Collegiate Athletic Association, and other youth, school, and collegiate organizations should provide educational and prevention programs to help youth recognize the dangers of illegal sports gambling and the serious consequences it can have;

(3) such programs should include public service announcements, especially during tournament and bowl game coverage;

(4) the National Collegiate Athletic Association and other amateur sports governing bodies should adopt mandatory codes of conduct regarding the avoidance and prevention of illegal sports gambling among our youth; and

(5) the National Collegiate Athletic Association should enlist universities in the United States to develop scientific research on youth sports gambling, and related matters.

SA 580. Mr. KYL submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . CREDIT FOR CONTRIBUTIONS TO CHARITABLE ORGANIZATIONS WHICH PROVIDE SCHOLARSHIPS FOR STUDENTS ATTENDING ELEMENTARY AND SECONDARY SCHOOLS.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

"SEC. 30B. CREDIT FOR CONTRIBUTIONS TO CHARITABLE ORGANIZATIONS WHICH PROVIDE SCHOLARSHIPS FOR STUDENTS ATTENDING ELEMENTARY AND SECONDARY SCHOOLS.

"(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the qualified charitable contributions of the taxpayer for the taxable year.

"(b) MAXIMUM CREDIT.—The credit allowed by subsection (a) for any taxable year shall not exceed $250 ($500, in the case of a joint return).

"(c) QUALIFIED CHARITABLE CONTRIBUTION.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified charitable contribution' means, with respect to any taxable year, the amount allowable as a deduction under section 170 (determined without regard to subsection (d)(1)) for cash contributions to a school tuition organization.

"(2) SCHOOL TUITION ORGANIZATION.—

"(A) IN GENERAL.—The term 'school tuition organization' means any organization described in section 170(c)(2) if the annual disbursements of the organization for elementary and secondary school scholarships are normally not less than 90 percent of the sum of such organization's annual gross income and contributions and gifts.

"(B) ELEMENTARY AND SECONDARY SCHOOL SCHOLARSHIP.—The term 'elementary and secondary school scholarship' means any scholarship excludable from gross income under section 117 for expenses related to education at or below the 12th grade.

"(d) Special Rules.—

"(1) Denial of double benefit.—No deduction shall be allowed under this chapter for any contribution for which credit is allowed under this section.

"(2) Application with other credits.—The credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(A) the regular tax for the taxable year, reduced by the sum of the credits allowable under subpart A and the preceding sections of this subpart, over

"(B) the tentative minimum tax for the taxable year.

"(3) Controlled groups.—All persons who are treated as one employer under subsection (a) or (b) of section 52 shall be treated as 1 taxpayer for purposes of this section.

"(e) Election To Have Credit Not Apply.—A taxpayer may elect to have this section not apply for any taxable year.".

(b) Clerical Amendment.—The table of sections for subpart B of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end the following new item:

"Sec. 30B. Credit for contributions to charitable organizations which provide scholarships for students attending elementary and secondary schools.".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SA 581. Mr. KYL submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . CREDIT FOR CONTRIBUTIONS TO CHARITABLE ORGANIZATIONS WHICH PROVIDE SCHOLARSHIPS FOR STUDENTS ATTENDING ELEMENTARY AND SECONDARY SCHOOLS.

(a) In General.—Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

"SEC. 30B. CREDIT FOR CONTRIBUTIONS TO CHARITABLE ORGANIZATIONS WHICH PROVIDE SCHOLARSHIPS FOR STUDENTS ATTENDING ELEMENTARY AND SECONDARY SCHOOLS.

"(a) Allowance of Credit.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the qualified charitable contributions of the taxpayer for the taxable year.

"(b) Maximum Credit.—The credit allowed by subsection (a) for any taxable year shall not exceed $250 ($500, in the case of a joint return).

"(c) Qualified Charitable Contribution.—For purposes of this section—

"(1) In general.—The term 'qualified charitable contribution' means, with respect to any taxable year, the amount allowable as a deduction under section 170 (determined without regard to subsection (d)(1)) for cash contributions to a school tuition organization.

"(2) School tuition organization.—

"(A) In general.—The term 'school tuition organization' means any organization described in section 170(c)(2) if the annual disbursements of the organization for elementary and secondary school scholarships are normally not less than 90 percent of the sum of such organization's annual gross income and contributions and gifts.

"(B) Elementary and secondary school scholarship.—The term 'elementary and secondary school scholarship' means any scholarship excludable from gross income under section 117 for expenses related to education at or below the 12th grade.

"(d) Special Rules.—

"(1) Denial of double benefit.—No deduction shall be allowed under this chapter for any contribution for which credit is allowed under this section.

"(2) Application with other credits.—The credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(A) the regular tax for the taxable year, reduced by the sum of the credits allowable under subpart A and the preceding sections of this subpart, over

"(B) the tentative minimum tax for the taxable year.

"(3) Controlled groups.—All persons who are treated as one employer under subsection (a) or (b) of section 52 shall be treated as 1 taxpayer for purposes of this section.

"(e) Election To Have Credit Not Apply.—A taxpayer may elect to have this section not apply for any taxable year.".

(b) Clerical Amendment.—The table of sections for subpart B of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end the following new item:

"Sec. 30B. Credit for contributions to charitable organizations which provide scholarships for students attending elementary and secondary schools.".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SA 582. Mr. HUTCHINSON submitted an amendment intended to be proposed to amendment SA 457 submitted by Mr. Dodd and intended to be proposed to the bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

In lieu of the matter proposed, insert the following:

SEC. . GUIDELINES FOR STUDENT PRIVACY.

(a) Development of Student Privacy Guidelines.—A State or local educational agency that receives funds under this Act shall develop and adopt guidelines regarding arrangements to protect student privacy that are entered into by the agency with public and private entities that are not schools.

(b) Notification of Parents of Privacy Guidelines.—The guidelines developed by an educational agency under subsection (a) shall provide for a reasonable notice of the adoption of such guidelines to be given, by the agency or a school under the agency's supervision, to the parents and guardians of students under the jurisdiction of such agency or school. Such notice shall be provided at least annually and within a reasonable period of time after any change in such guidelines.

(c) Exceptions.—This section shall not apply to the development, evaluation, or provision of educational products or services for or to students or educational institutions, such as the following:

(1) College or other post-secondary education recruitment or for military recruiting purposes.

(2) Book clubs, magazines, and programs providing access to other literary products.

(3) Curriculum and instructional materials used by elementary and secondary schools to teach.

(4) The development and administration of tests and assessments used by elementary and secondary schools to provide cognitive, evaluative, diagnostic, clinical, aptitude, or achievement information about students (or to generate other statistically useful data for the purpose of securing such tests and assessments) and the subsequent analysis and public release of aggregate data.

(5) The sale by students of products or services to raise funds for school- or education-related activities.

(6) Student recognition programs.

(d) Information Activities by the Secretary.—Once each year, the Secretary shall inform each State educational agency and each local educational agency of the educational agency's obligations under section 438 of the General Education Provisions Act (added by the Family Educational Rights and Privacy Act of 1974; 20 U.S.C. 1232g) and the Children's Online Privacy Protection Act of 1998 (15 U.S.C. 6501 et seq.).

(e) Definitions.—In this section, the terms "elementary school", "local educational agency", "secondary school", "Secretary", and "State educational agency" have the meanings given those terms in section 3 of the Elementary and Secondary Education Act of 1965.

SA 583. Mr. INHOFE submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . IMPACT AID TECHNICAL AMENDMENTS.

(a) Federal Property Payments.—Section 8002(h) (20 U.S.C. 7702(h)) (as amended by section 1803(c) of the Impact Aid Reauthorization Act of 2000 (as enacted into law by section 1 of Public Law 106-398)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking "and was eligible to receive a payment under section 2 of the Act of September 30, 1950" and inserting "and that filed, or has been determined pursuant to law to have filed, a timely application and met, or has been determined pursuant to law to meet, the eligibility requirements of section 2(a)(1)(C) of the Act of September 30, 1950"; and

(B) in subparagraph (B), by striking "(or if the local educational agency was not eligible to receive a payment under such section 2 for fiscal year 1994," and inserting "(or if the local educational agency did not meet, or has not been determined pursuant to law to meet, the eligibility requirements under section 2(a)(1)(C) of the Act Of September 20, 1950, for fiscal year 1994,".

(2) in paragraph (2)—

(A) in subparagraph (A), by inserting before the period the following: ", or whose application for fiscal year 1995 was deemed by law to be timely filed for the purpose of payments for later years"; and

(B) in subparagraph (B)(ii), by striking "for each local educational agency that received a payment under this section for fiscal year 1995" and inserting "for each local educational agency described in subparagraph (A)"; and

(3) in paragraph (4)(B)—

(A) by striking "(in the same manner as percentage shares are determined for local educational agencies under paragraph (2)(B)(ii)" and inserting "(by dividing the maximum amount that the agency is eligible to receive under subsection (b) by the total of the maximum amounts for all such agencies"; and

(B) by striking ", except that for the purpose of calculating a local educational agency's assessed value of the Federal property," and inserting ", except that, for the purpose of calculating a local educational agency's maximum amount under subsection (b),".

(b) CALCULATION OF PAYMENT UNDER SECTION 8003 FOR SMALL LOCAL EDUCATIONAL AGENCIES.—Section 8003(b)(3)(B)(iv) (20 U.S.C. 7703(b)(3)(B)(iv)) (as amended by section 1806(b)(2)(C) of the Impact Aid Reauthorization Act of 2000 (as enacted into law by section 1 of Public Law 106-398)) is amended by inserting after "of the State in which the agency is located" the following: "or less than the average per pupil expenditure of all the States".

(c) STATE CONSIDERATION OF PAYMENTS IN PROVIDING STATE AID.—Section 8009(b)(1) (20 U.S.C. 7709 (b)(1)) (as amended by section 1812(b)(1) of the Impact Aid Reauthorization Act of 2000 (as enacted into law by section 1 of Public Law 106-398)) is amended by inserting after "section 8003(a)(2)(B))" the following: "and, with respect to a local educational agency that receives a payment under section 8003(b)(2), the amount in excess of the amount that the agency would receive if the agency were deemed to be an agency eligible to receive a payment under paragraph (1) of section 8003(b)".

(d) EXTENSION OF AUTHORIZATION OF APPROPRIATIONS.—Section 8014 (20 U.S.C. 7714) (as amended by section 1817(b)(1) of the Impact Aid Reauthorization Act of 2000 (as enacted into law by section 1 of Public Law 106-398)) is amended—

(1) in subsection (a), by striking "three succeeding" and inserting "six succeeding"";

(2) in subsection (b), by striking "three succeeding" and inserting ""six succeeding";

(3) in subsection (c), by striking "three succeeding" and inserting "six succeeding";

(4) in subsection (e), by striking "three succeeding" and inserting "six succeeding";

(5) in subsection (f), by striking "three succeeding" and inserting "six succeeding"; and

(6) in subsection (g), by striking "three succeeding" and inserting "six succeeding".

SA 584. Mr. INHOFE submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of title IX, add the following:

Subtitle —Environmental Education

SEC. 9 1. SHORT TITLE.

(a) THIS SUBTITLE.—This subtitle may be cited as the "John H. Chafee Environmental Education Act of 2001".

(b) NATIONAL ENVIRONMENTAL EDUCATION ACT.—Section 1(a) of the National Environmental Education Act (20 U.S.C. 5501 note) is amended by striking "National Environmental Education Act" and inserting "John H. Chafee Environmental Education Act".

SEC. 9 2. OFFICE OF ENVIRONMENTAL EDUCATION.

Section 4 of the John H. Chafee Environmental Education Act (20 U.S.C. 5503) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by inserting "objective and scientifically sound" after "support";

(B) by striking paragraph (6);

(C) by redesignating paragraphs (7) through (13) as paragraphs (6) through (12), respectively; and

(D) in paragraph (12) (as so redesignated), by inserting before the period at the end the following: "through the headquarters and the regional offices of the Agency"; and

(2) by striking subsection (c) and inserting the following:

"(c) STAFF.—The Office of Environmental Education shall—

"(1) include a headquarters staff of not more than 10 full-time equivalent employees; and

"(2) be supported by 1 full-time equivalent employee in each regional office of the Agency.

"(d) ACTIVITIES.—The Administrator may carry out the activities described in subsection (b) directly or through awards of grants, cooperative agreements, or contracts.".

SEC. 9 3. ENVIRONMENTAL EDUCATION GRANTS.

Section 6 of the John H. Chafee Environmental Education Act (20 U.S.C. 5505) is amended—

(1) in the second sentence of subsection (i), by striking "25 percent" and inserting "15 percent"; and

(2) by adding at the end the following:

"(j) LOBBYING ACTIVITIES.—A grant under this section may not be used to support a lobbying activity (as described in the documents issued by the Office of Management and Budget and designated as OMB Circulars No. A–21 and No. A–122).

"(k) GUIDANCE REVIEW.—Before the Administrator issues any guidance to grant applicants, the guidance shall be reviewed and approved by the Science Advisory Board of the Agency established by section 8 of the Environmental Research, Development, and Demonstration Authorization Act of 1978 (42 U.S.C. 4365).".

SEC. 9 4. JOHN H. CHAFEE MEMORIAL FELLOWSHIP PROGRAM.

(a) IN GENERAL.—Section 7 of the John H. Chafee Environmental Education Act (20 U.S.C. 5506) is amended to read as follows:

"SEC. 7. JOHN H. CHAFEE MEMORIAL FELLOWSHIP PROGRAM.

"(a) ESTABLISHMENT.—There is established the John H. Chafee Memorial Fellowship Program for the award and administration of 5 annual 1-year higher education fellowships in environmental sciences and public policy, to be known as 'John H. Chafee Fellowships'.

"(b) PURPOSE.—The purpose of the John H. Chafee Memorial Fellowship Program is to stimulate innovative graduate level study and the development of expertise in complex, relevant, and important environmental issues and effective approaches to addressing those issues through organized programs of guided independent study and environmental research.

"(c) AWARD.—Each John H. Chafee Fellowship shall—

"(1) be made available to individual candidates through a sponsoring institution and in accordance with an annual competitive selection process established under subsection (f)(3); and

"(2) be in the amount of $25,000.

"(d) FOCUS.—Each John H. Chafee Fellowship shall focus on an environmental, natural resource, or public health protection issue that a sponsoring institution determines to be appropriate.

"(e) SPONSORING INSTITUTIONS.—The John H. Chafee Fellowships may be applied for through any sponsoring institution.

"(f) PANEL.—

"(1) IN GENERAL.—The National Environmental Education Advisory Council established by section 9(a) shall administer the John H. Chafee Fellowship Panel.

"(2) MEMBERSHIP.—The Panel shall consist of 5 members, appointed by a majority vote of members of the National Environmental Education Advisory Council, of whom—

"(A) 2 members shall be professional educators in higher education;

"(B) 2 members shall be environmental scientists; and

"(C) 1 member shall be a public environmental policy analyst.

"(3) DUTIES.—The Panel shall—

"(A) establish criteria for a competitive selection process for recipients of John H. Chafee Fellowships;

"(B) receive applications for John H. Chafee Fellowships; and

"(C) annually review applications and select recipients of John H. Chafee Fellowships.

"(g) DISTRIBUTION OF FUNDS.—The amount of each John H. Chafee Fellowship shall be provided directly to each recipient selected by the Panel upon receipt of a certification from the recipient that the recipient will adhere to a specific and detailed plan of study and research.

"(h) FUNDING.—From amounts made available under section 13(b)(1)(C) for each fiscal year, the Office of Environmental Education shall make available—

"(1) $125,000 for John H. Chafee Memorial Fellowships; and

"(2) $12,500 to pay administrative expenses incurred in carrying out the John H. Chafee Memorial Fellowship Program.".

(b) DEFINITIONS.—Section 3 of the John H. Chafee Environmental Education Act (20 U.S.C. 5502) is amended—

(1) in paragraph (12), by striking "and" at the end;

(2) in paragraph (13), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(14) 'Panel' means the John H. Chafee Fellowship Panel established under section 7(f);

"(15) 'sponsoring institution' means an institution of higher education;".

(c) CONFORMING AMENDMENT.—The table of contents in section 1(b) of the John H. Chafee Environmental Education Act (20 U.S.C. prec. 5501) is amended by striking the item relating to section 7 and inserting the following:

"Sec. 7. John H. Chafee Memorial Fellowship Program.".

SEC. 9 5. NATIONAL ENVIRONMENTAL EDUCATION AWARDS.

(a) IN GENERAL.—Section 8 of the John H. Chafee Environmental Education Act (20 U.S.C. 5507) is amended to read as follows:

"SEC. 8. NATIONAL ENVIRONMENTAL EDUCATION AWARDS.

"(a) PRESIDENT'S ENVIRONMENTAL YOUTH AWARDS.—The Administrator may establish a program for the granting and administration of awards, to be known as 'President's Environmental Youth Awards', to young people in grades kindergarten through 12 to recognize outstanding projects to promote local environmental awareness.

"(b) TEACHERS' AWARDS.—

"(1) IN GENERAL.—The Chairman of the Council on Environmental Quality, on behalf of the President, may establish a program for the granting and administration of awards to recognize—

"(A) teachers in elementary schools and secondary schools who demonstrate excellence in advancing objective and scientifically sound environmental education through innovative approaches; and

"(B) the local educational agencies of the recognized teachers.

"(2) ELIGIBILITY.—One teacher, and the local education agency employing the teacher, from each State, the District of Columbia, and the Commonwealth of Puerto Rico, shall be eligible to be selected for an award under this subsection.".

(b) DEFINITIONS.—Section 3 of the John H. Chafee Environmental Education Act (20 U.S.C. 5502) (as amended by section 9 4(b)) is amended by adding at the end the following:

"(16) 'elementary school' has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801);

"(17) 'secondary school' has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801);".

(c) CONFORMING AMENDMENT.—The table of contents in section 1(b) of the John H. Chafee Environmental Education Act (20 U.S.C. prec. 5501) is amended by striking the item relating to section 8 and inserting the following:

"Sec. 8. National environmental education awards.".

SEC. 9 6. ENVIRONMENTAL EDUCATION ADVISORY COUNCIL AND TASK FORCE.

Section 9 of the John H. Chafee Environmental Education Act (20 U.S.C. 5508) is amended—

(1) in subsection (b)(2)—

(A) by striking "(2) The" and all that follows through the end of the second sentence and inserting the following:

"(2) MEMBERSHIP.—

"(A) IN GENERAL.—The Advisory Council shall consist of not more than 11 members appointed by the Administrator after consultation with the Secretary.

"(B) REPRESENTATIVES OF SECTORS.—To the maximum extent practicable, the Administrator shall appoint to the Advisory Council at least 2 members to represent each of—

"(i) elementary schools and secondary schools;

"(ii) colleges and universities;

"(iii) not-for-profit organizations involved in environmental education;

"(iv) State departments of education and natural resources; and

"(v) business and industry.";

(B) in the third sentence, by striking "A representative" and inserting the following:

"(C) REPRESENTATIVE OF THE SECRETARY.—A representative"; and

(C) in the last sentence, by striking "The conflict" and inserting the following:

"(D) CONFLICTS OF INTEREST.—The conflict";

(2) in subsection (c), by striking paragraph (2) and inserting the following:

"(2) MEMBERSHIP.—Membership on the Task Force shall be open to representatives of any Federal agency actively engaged in environmental education."; and

(3) in subsection (d), by striking "(d)(1)" and all that follows through "(2) The" and inserting the following:

"(d) MEETINGS AND REPORTS.—

"(1) IN GENERAL.—The Advisory Council shall—

"(A) hold biennial meetings on timely issues regarding environmental education; and

"(B) issue a report describing the proceedings of each meeting and recommendations resulting from the meeting.

"(2) REVIEW AND COMMENT ON DRAFT REPORTS.—The".

SEC. 9 7. NATIONAL ENVIRONMENTAL LEARNING FOUNDATION.

(a) CHANGE IN NAME.—

(1) IN GENERAL.—Section 10 of the John H. Chafee Environmental Education Act (20 U.S.C. 5509) is amended—

(A) by striking the section heading and inserting the following:

"SEC. 10. NATIONAL ENVIRONMENTAL LEARNING FOUNDATION.";

and

(B) in the first sentence of subsection (a)(1)(A), by striking "National Environmental Education and Training Foundation" and inserting "National Environmental Learning Foundation".

(2) CONFORMING AMENDMENTS.—

(A) The table of contents in section 1(b) of the John H. Chafee Environmental Education Act (20 U.S.C. prec. 5501) is amended by striking the item relating to section 10 and inserting the following:

"Sec. 10. National Environmental Learning Foundation.".

(B) Section 3 of the John H. Chafee Environmental Education Act (20 U.S.C. 5502) (as amended by section 9 4(b)) is amended—

(i) by striking paragraph (12) and inserting the following:

"(12) 'Foundation' means the National Environmental Learning Foundation established by section 10;"; and

(ii) in paragraph (13), by striking "National Environmental Education and Training Foundation" and inserting "Foundation".

(b) NUMBER OF DIRECTORS.—Section 10(b)(1)(A) of the John H. Chafee Environmental Education Act (20 U.S.C. 5509(b)(1)(A)) is amended in the first sentence by striking "13" and inserting "19".

(c) ACKNOWLEDGMENT OF DONORS.—Section 10(d) of the John H. Chafee Environmental Education Act (20 U.S.C. 5509(d)) is amended by striking paragraph (3) and inserting the following:

"(3) ACKNOWLEDGMENT OF DONORS.—The Foundation may acknowledge receipt of donations by means of a listing of the names of donors in materials distributed by the Foundation, except that any such acknowledgment—

"(A) shall not appear in educational material presented to students; and

"(B) shall not identify a donor by means of a logo, letterhead, or other corporate commercial symbol, slogan, or product.".

(d) ADMINISTRATIVE SERVICES AND SUPPORT.—Section 10(e) of the John H. Chafee Environmental Education Act (20 U.S.C. 5509(e)) is amended in the first sentence by striking "for a period of up to 4 years from the date of enactment of this Act,".

SEC. 9 8. THEODORE ROOSEVELT ENVIRONMENTAL STEWARDSHIP GRANT PROGRAM.

(a) IN GENERAL.—The John H. Chafee Environmental Education Act is amended—

(1) by redesignating section 11 (20 U.S.C. 5510) as section 13; and

(2) by inserting after section 10 the following:

"SEC. 11. ENVIRONMENTAL STEWARDSHIP GRANT PROGRAM.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—There is established a grant program to be known as the 'Environmental Stewardship Grant Program' (referred to in this section as the 'Program') for the award and administration of grants to consortia of institutions of higher education to pay the Federal share of the cost of carrying out collaborative student, campus, and community-based environmental stewardship activities.

"(2) FEDERAL SHARE.—The Federal share shall be 75 percent.

"(b) PURPOSE.—The purpose of the Program is to build awareness of, encourage commitment to, and promote participation in environmental stewardship—

"(1) among students at institutions of higher education; and

"(2) in the relationship between—

"(A) such students and campuses; and

"(B) the communities in which the students and campuses are located.

"(c) AWARD.—Grants under the Program shall be made available to consortia of institutions of higher education in accordance with an annual competitive selection process established under subsection (d)(2)(A).

"(d) ADMINISTRATION.—

"(1) IN GENERAL.—The Office of Environmental Education established under section 4 shall administer the Program.

"(2) DUTIES.—The Office of Environmental Education shall—

"(A) establish criteria for a competitive selection process for recipients of grants under the Program;

"(B) receive applications for grants under the Program; and

"(C) annually review applications and select recipients of grants under the Program.

"(3) CRITERIA.—In establishing criteria for a competitive selection process for recipients of grants under the Program, the Office of Environmental Education shall include, at a minimum, as criteria, the extent to which a grant will—

"(A) directly facilitate environmental stewardship activities, including environmental protection, preservation, or improvement activities; and

"(B) stimulate the availability of other funds for those activities.

"(e) CONDITIONS ON USE OF FUNDS.—With respect to the funds made available to carry out this section under section 13(a)(1)—

"(1) not fewer than 6 grants each year shall be awarded using those funds; and

"(2) no grant made using those funds shall be in an amount that exceeds $500,000.".

(b) DEFINITIONS.—Section 3 of the John H. Chafee Environmental Education Act (20 U.S.C. 5502) (as amended by section 9 5(b)) is amended by adding at the end the following:

"(18) 'consortium of institutions of higher education' means a cooperative arrangement among 2 or more institutions of higher education; and

"(19) 'institution of higher education' has the meaning given the term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).".

SEC. 9 9. INFORMATION STANDARDS.

(a) IN GENERAL.—The John H. Chafee Environmental Education Act is amended by inserting after section 11 (as added by section 9 8(a)(2)) the following:

"SEC. 12. INFORMATION STANDARDS.

"In disseminating information under this Act, the Office of Environmental Education shall comply with the guidelines issued by the Administrator under section 515 of the Treasury and General Government Appropriations Act, 2001 (44 U.S.C. 3516 note; 114 Stat. 2763A–153).".

(b) CONFORMING AMENDMENT.—The table of contents in section 1(b) of the John H. Chafee Environmental Education Act (20 U.S.C. prec. 5501) is amended by striking the item relating to section 11 and inserting the following:

"Sec. 11. Environmental Stewardship Grant Program.
"Sec. 12. Information standards.
"Sec. 13. Authorization of appropriations.".

SEC. 9 0. AUTHORIZATION OF APPROPRIATIONS.

Section 13 of the John H. Chafee Environmental Education Act (20 U.S.C. 5510) (as redesignated by section 9 8(a)(1)) is amended—

(1) by redesignating subsection (c) as subsection (d);

(2) by striking the section heading and subsections (a) and (b) and inserting the following:

"SEC. 13. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There is authorized to be appropriated to the Environmental Protection Agency to carry out this Act $13,000,000 for each of fiscal years 2002 through 2007, of which—

"(1) $3,000,000 for each fiscal year shall be used to carry out section 11; and

"(2) $10,000,000 for each fiscal year shall be allocated in accordance with subsection (b).

"(b) LIMITATIONS.—

"(1) IN GENERAL.—Subject to paragraph (2), of the amounts made available under subsection (a)(2) for each fiscal year—

"(A) not more than 25 percent may be used for the activities of the Office of Environmental Education established under section 4;

"(B) not more than 25 percent may be used for the operation of the environmental education and training program under section 5;

"(C) not less than 40 percent shall be used for environmental education grants under section 6 and for the John H. Chafee Memorial Fellowship Program under section 7; and

"(D) 10 percent shall be used for the activities of the Foundation under section 10.

"(2) ADMINISTRATIVE EXPENSES.—Of the amounts made available under paragraph (1)(A) for each fiscal year, not more than 10 percent may be used for administrative expenses of the Office of Environmental Education.

"(c) EXPENSE REPORT.—As soon as practicable after the end of each fiscal year, the Administrator shall submit to Congress a report describing in detail the activities for which funds appropriated for the fiscal year were expended."; and

(3) in subsection (d) (as redesignated by paragraph (1))—

(A) by striking "National Environmental Education and Training Foundation" and inserting "Foundation"; and

(B) in paragraph (2), by striking "section 10(d) of this Act" and inserting "section 10(e)".

SA 585. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 207, strike line 8 and all that follows through page 212, line 15, and insert the following:

"Subpart 3—Early Reading First

"SEC. 1241. PURPOSES.

"The purposes of this subpart are as follows:

"(1) To support local efforts to enhance the early language, literacy, and prereading development of preschool age children, particularly those from low-income families, through strategies and professional development that are based on scientifically based research.

"(2) To provide preschool age children with cognitive learning opportunities in high-quality language and literature-rich environments, so that the children can attain the fundamental knowledge and skills necessary for optimal reading development in kindergarten and beyond.

"(3) To demonstrate language and literacy activities based on scientifically based research that support the age-appropriate development of—

"(A) spoken language and oral comprehension abilities;

"(B) understanding that spoken language can be analyzed into discrete words, and awareness that words can be broken into sequences of syllables and phonemes;

"(C) automatic recognition of letters of the alphabet and understanding that letters or groups of letters systematically represent the component sounds of the language; and

"(D) knowledge of the purposes and conventions of print.

"(4) To integrate these learning opportunities with learning opportunities at preschools, child care agencies, and Head Start agencies, and with family literacy services.

"SEC. 1242. LOCAL EARLY READING FIRST GRANTS.

"(a) PROGRAM AUTHORIZED.—From amounts appropriated under section 1002(b)(3), the Secretary shall award grants, on a competitive basis, for periods of not more than 5 years, to eligible applicants to enable the eligible applicants to carry out the authorized activities described in subsection (e).

"(b) DEFINITION OF ELIGIBLE APPLICANT.—In this subpart the term 'eligible applicant' means—

"(1) one or more local educational agencies that are eligible to receive a subgrant under subpart 2;

"(2) one or more public or private organizations, acting on behalf of 1 or more programs that serve preschool age children (such as a program at a Head Start center, a child care program, or a family literacy program), which organizations shall be located in a community served by a local educational agency described in paragraph (1); or

"(3) one or more local educational agencies described in paragraph (1) in collaboration with one or more organizations described in paragraph (2).

"(c) APPLICATIONS.—An eligible applicant that desires to receive a grant under this section shall submit an application to the Secretary which shall include a description of—

"(1) the programs to be served by the proposed project, including demographic and socioeconomic information on the preschool age children enrolled in the programs;

"(2) how the proposed project will prepare and provide ongoing assistance to staff in the programs, through professional development and other support, to provide high-quality language, literacy and prereading activities using scientifically based research, for preschool age children;

"(3) how the proposed project will provide services and utilize materials that are based on scientifically based research on early language acquisition, prereading activities, and the development of spoken language skills;

"(4) how the proposed project will help staff in the programs to meet the diverse needs of preschool age children in the community better, including such children with limited English proficiency, disabilities, or other special needs;

"(5) how the proposed project will help preschool age children, particularly such children experiencing difficulty with spoken language, prereading, and literacy skills, to make the transition from preschool to formal classroom instruction in school;

"(6) if the eligible applicant has received a subgrant under subpart 2, how the activities conducted under this subpart will be coordinated with the eligible applicant's activities under subpart 2 at the kindergarten through third-grade level;

"(7) how the proposed project will evaluate the success of the activities supported under this subpart in enhancing the early language, literacy, and prereading development of preschool age children served by the project; and

"(8) such other information as the Secretary may require.

"(d) APPROVAL OF APPLICATIONS.—The Secretary shall select applicants for funding under this subpart on the basis of the quality of the applications, in consultation with the National Institute for Child Health and Human Development, the National Institute for Literacy, and the National Academy of Sciences. The Secretary shall select applications for approval under this subpart on the basis of a peer review process.

"(e) AUTHORIZED ACTIVITIES.—An eligible applicant that receives a grant under this subpart shall use the funds provided under the grant to carry out the following activities:

"(A) Providing preschool age children with high-quality oral language and literature-rich environments in which to acquire language and prereading skills.

"(B) Providing professional development that is based on scientifically based research knowledge of early language and reading development for the staff of the eligible applicant and that will assist in developing the preschool age children's—

"(i) spoken language (including vocabulary, the contextual use of speech, and syntax) and oral comprehension abilities;

"(ii) understanding that spoken language can be analyzed into discrete words, and awareness that words can be broken into sequences of syllables and phonemes;

"(iii) automatic recognition of letters of the alphabet and understanding that letters or groups of letters systematically represent the component sounds of the language; and

"(iv) knowledge of the purposes and conventions of print.

"(C) Identifying and providing activities and instructional materials that are based on scientifically based research for use in developing the skills and abilities described in subparagraph (B).

"(D) Acquiring, providing training for, and implementing screening tools or other appropriate measures that are based on scientifically based research to determine whether preschool age children are developing the skills described in this subsection.

"(E) Integrating such instructional materials, activities, tools, and measures into the programs offered by the eligible applicant.

"(f) AWARD AMOUNTS.—The Secretary may establish a maximum award amount, or ranges of award amounts, for grants under this subpart.

"SEC. 1243. FEDERAL ADMINISTRATION.

"The Secretary shall consult with the Secretary of Health and Human Services in order to coordinate the activities undertaken under this subpart with preschool age programs administered by the Department of Health and Human Services.

"SEC. 1244. INFORMATION DISSEMINATION.

"From the funds the National Institute for Literacy receives under section 1227, the National Institute for Literacy, in consultation with the Secretary, shall disseminate information regarding projects assisted under this subpart that have proven effective.

"SEC. 1245. REPORTING REQUIREMENTS.

"Each eligible applicant receiving a grant under this subpart shall report annually to the Secretary regarding the eligible applicant's progress in addressing the purposes of this subpart. Such report shall include, at a minimum, a description of—

"(1) the activities, materials, tools, and measures used by the eligible applicant;

"(2) the professional development activities offered to the staff of the eligible applicant who serve preschool age children and the amount of such professional development; and

"(3) the results of the evaluation described in section 1242(c)(7).

"SEC. 1246. EVALUATIONS.

"From the total amount appropriated under section 1002(b)(3) for the period beginning October 1, 2002 and ending September 30, 2008, the Secretary shall reserve not more than $5,000,000 to conduct an independent evaluation of the effectiveness of this subpart.

"SEC. 1247. ADDITIONAL RESEARCH.

"From the amount appropriated under section 1002(b)(3) for each of the fiscal years 2002 through 2006, the Secretary shall reserve not more than $3,000,000 to conduct, in consultation with National Institute for Child Health and Human Development, the National Institute for Literacy, and the Department of Health and Human Services, additional research on language and literacy development for preschool age children.".

SA 586. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 83, strike lines 3 through 9.

SA 587. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 774 strike line 1 and all that follows through page 778, line 21, and insert the following:

"PART B—IMPROVING ACADEMIC ACHIEVEMENT

"SEC. 6201. EDUCATION AWARDS.

"(a) Achievement in Education Awards.—

"(1) In general.—The Secretary may make awards, to be known as 'Achievement in Education Awards', using a peer review process, to the States that, beginning with the 2002–2003 school year, make the most progress in improving educational achievement.

"(2) Criteria.—

"(A) In general.—The Secretary shall make the awards on the basis of criteria consisting of—

"(i) the progress of each of the categories of students described in section 1111(b)(2)(B)(v)(II)—

"(I) towards the goal of all such students reaching the proficient level of performance; and

"(II) beginning with the 2nd year for which data are available for all States, on State assessments under the National Assessment of Educational Progress of 4th and 8th grade reading and mathematics skills;

"(ii) the progress of all students in the State towards the goal of all students reaching the proficient level of performance, and (beginning with the 2nd year for which data are available for all States) the progress of all students on the assessments described in clause (i)(II);

"(iii) the progress of the State in improving the English proficiency of students who enter school with limited English proficiency;

"(iv) the progress of the State in increasing the percentage of students who graduate from secondary school; and

"(v) the progress of the State in increasing the percentage of students who take advanced coursework, such as advanced placement and international baccalaureate courses, and who pass advanced placement and international baccalaureate tests.

"(B) Weight.—In applying the criteria described in subparagraph (A), the Secretary shall give the greatest weight to the criterion described in subparagraph (A)(i).

"(b) Assessment Completion Bonuses.—The Secretary may make 1-time bonus payments to States that complete the development of assessments required by section 1111 in advance of the schedule specified in such section.

"(c) No Child Left Behind Awards.—The Secretary may make awards, to be known as 'No Child Left Behind Awards' to the schools that—

"(1) are nominated by the States in which the schools are located; and

"(2) have made the greatest progress in improving the educational achievement of economically disadvantaged students.

"(d) Fund To Improve Education Achievement.—The Secretary may make awards for activities other than the activities described in subsections (a) through (c), such as character education, that are designed to promote the improvement of elementary and secondary education nationally.

"SEC. 6202. LOSS OF ADMINISTRATIVE FUNDS.

"(a) 2 Years of Insufficient Progress.—

"(1) Reduction.—If the Secretary makes the determinations described in paragraph (2) for 2 consecutive years, the Secretary shall reduce, by not more than 30 percent, the amount of funds that the State may reserve for the subsequent fiscal year for State administration under the programs authorized by this Act that the Secretary determines are formula grant programs.

"(2) Determinations.—The determinations referred to in paragraph (1) are determinations, made primarily on the basis of data from the State assessment system described in section 1111 and data from State assessments under the National Assessment of Educational Progress of 4th and 8th grade reading and mathematics skills, that—

"(A) the State has failed to make adequate yearly progress as defined under section 1111(b)(2) (B) and (D) for all students and for each of the categories of students described in section 1111(b)(2)(B)(v)(II); and

"(B) beginning with the 2nd year for which data are available on State assessments under the National Assessment of Educational Progress of 4th and 8th grade reading and mathematics, the State has failed to demonstrate an increase in the achievement of each of the categories of students described in section 1111(b)(2)(B)(v)(II).

"(b) 3 or More Years of Insufficient Progress.—If the Secretary makes the determinations described in subsection (a)(2) for a third or subsequent consecutive year, the Secretary shall reduce, by not more than 75 percent, the amount of funds that the State may reserve for the subsequent fiscal year for State administration under the programs authorized by this Act that the Secretary determines are formula grant programs.

"SEC. 6203. GRANTS FOR STATE ASSESSMENTS AND RELATED ACTIVITIES.

"(a) State Grants Authorized.—From amounts appropriated under subsection (c) the Secretary shall award grants to States to enable the States to pay the costs of—

"(1) developing assessments and standards required by amendments made to this Act by the Better Education for Students and Teachers Act;

"(2) working in voluntary partnerships with other States to develop such assessments and standards; and

"(3) other activities described in this part or related to ensuring accountability for results in the State's public elementary schools or secondary schools, and local educational agencies, such as—

"(A) developing content and performance standards, and aligned assessments, in subjects other than those assessments that were required by amendments made to section 1111 by the Better Education for Students and Teachers Act; and

"(B) administering the assessments required by amendments made to section 1111 by the Better Education for Students and Teachers Act.

"(b) Allocations to States.—

"(1) In general.—From the amount appropriated to carry out this section for any fiscal year, the Secretary first shall allocate $3,000,000 to each State.

"(2) Remainder.—The Secretary shall allocate any remaining funds among the States on the basis of their respective numbers of children enrolled in grades 3 through 8 in public elementary schools and secondary schools.

"(3) Definition of state.—For the purpose of this subsection, the term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

"(c) Authorization of Appropriations.—For the purposes of carrying out this section, there are authorized to be appropriated $400,000,000 for fiscal year 2002, and such sums as may be necessary for each of the succeeding 6 fiscal years.

"SEC. 6204. AUTHORIZATION OF APPROPRIATIONS.

"(a) National Assessment of Educational Progress.—For the purpose of administering the State assessments under the National Assessment of Educational Progress, there are authorized to be appropriated $110,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(b) Education Awards.—For the purpose of carrying out section 6201, there are authorized to be appropriated $50,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years.".

SA 588. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 74, strike line 24, and insert the following:

parents and teachers; and

"(14) make available to each school served by the agency and assisted under this part models of high quality, effective curriculum that are aligned with the State's standards and developed or identified by the State."; and

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SA 589. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 83, line 25, strike "section 1111(b)(2)(B)" and insert "sections 1111(b)(2)(B) and (D)".

On page 84, line 4, insert ", principals, teachers, and other staff in an instructionally useful manner" after "schools".

On page 84, line 25, strike "section 1111(b)(2)(B)" and insert "sections 1111(b)(2)(B) and (D)".

On page 88, line 6, strike "meet" and insert "make continuous and significant progress towards meeting the goal of all students reaching".

On page 90, line 5, insert "(including problems, if any, in implementing the parental involvement requirements described in section 1118, the professional development requirements described in section 1119, and the responsibilities of the school and local educational agency under the school plan)" after "problems".

On page 91, line 15, strike "section 1111(b)(2)(B)" and insert "sections 1111(b)(2)(B) and (D)".

On page 92, line 13, insert "and giving priority to the lowest achieving students" after "basis".

On page 95, line 9, strike "section 1111(b)(2)(B)" and insert "sections 1111(b)(2)(B) and (D)".

On page 95, beginning with line 13, strike all through page 96, line 6, and insert the following:

"(i)(I) provide all students enrolled in the school with the option to transfer to another public school within the local educational agency, including a public charter school, that has not been identified for school improvement under paragraph (1); and

"(II) if all public schools in the local educational agency to which children may transfer are identified under paragraph (1) or this paragraph, the agency shall, to the extent practicable, establish a cooperative agreement with other local educational agencies in the area for the transfer of as many of those children as possible, selected by the agency on an equitable basis;

"(ii) make supplemental educational services available, in accordance with subsection (f), to children who remain in the school;

On page 96, line 7, strike "(ii)" and insert "(iii)".

On page 96, line 21, strike "(iii)" and insert "(iv)".

On page 96, strike line 23 and all that follows through page 97, line 23.

On page 97, line 24, strike "(E)" and insert "(D)".

On page 98, line 7, strike "(F)" and insert "(E)".

On page 98, line 16, strike "and fails" and all that follows through "this paragraph" on page 98, line 20.

On page 98, line 25, strike "(D)" and insert "(C)".

On page 99, line 6, insert "(i)" after "(B)".

On page 99, line 12, strike "(i)" and insert "(I)".

On page 99, line 14, strike "(ii)" and insert "(II)".

On page 99, line 16, strike "(iii)" and insert "(III)".

On page 99, line 19, strike "(iv)" and insert "(IV)".

On page 99, line 21, strike "(v)" and insert "(V)".

On page 99, between lines 22 and 23, insert the following:

"(ii) A rural local agency, as described in section 5231(b), may apply to the Secretary for a waiver of the requirements of this subparagraph if the agency submits to the Secretary an alternative plan for making significant changes to improve student performance in the school, such as providing an academically focused after school program for all students, changing school administration, or implementing a research based, proven effective, whole school reform program. The Secretary shall approve or reject an application for a waiver under this subparagraph not later than 30 days after the submission of information required by the Secretary to apply for the waiver. If the Secretary fails to make a determination with respect to the waiver application within such 30 days, the application shall be considered approved by the Secretary.

On page 100, line 6, strike "(D)" and insert "(C)".

On page 100, line 23, strike "(A)".

On page 101, strike lines 5 though 20.

On page 102, lines 15 and 16, strike "(7)(C) and subject to paragraph (7)(D)" and insert "(5)".

On page 102, line 21, strike ", and that" and all that follows through "1111(b)(2)(B)(v)(II)," on page 102, line 25.

On page 103, line 1, strike "(D)" and insert "(C)".

On page 103, line 7, strike ", and that" and all that follows through "disadvantaged students," on page 103, line 10.

On page 103, line 20, strike "(D)" and insert "(C)".

On page 104, line 22, strike "section 1111(b)(2)(B)" and insert "sections 1111(b)(2)(B) and (D)".

On page 105, line 13, strike "section 1111(b)(2)(B)" and. insert "sections 1111(b)(2)(B) and (D)".

On page 105, lines 20 and 21, strike "section 1111(b)(2)(B)" and insert "sections 1111(b)(2)(B) and (D)".

On page 106, between lines 13 and 14, insert the following:

"(C) Not later than 30 days after a State educational agency makes an initial determination under subparagraph (A), the State educational agency shall make public a final determination regarding the improvement status of the local educational agency.

On page 106, lines 22 and 23, strike "meet proficient levels" and insert "make continuous and significant progress towards meeting the goal of all students reaching the proficient level".

On page 109, line 15, strike "(C)" and insert "(E)".

On page 112, line 16, strike "(A)".

On page 112, line 19, strike "(3)" and insert "(6)".

On page 112, strike line 23 and all that follows through page 113, line 2.

On page 113, line 14, strike "(D)" and insert "(C)".

On page 115, line 14, strike "(D)" and insert "(C)".

SA 590. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 683, strike lines 12 and 13, and insert the following:

"(H) programs to improve the literacy skills of adults, especially the parents of children served by the local educational agency, including adult education and family literacy programs;

On page 684, line 6, strike "and".

On page 684, line 7, strike the period and insert a semicolon.

On page 684, between lines 7 and 8, insert the following:

"(O) programs that employ research-based cognitive and perceptual development approaches and rely on a diagnostic-prescriptive model to improve students' learning of academic content at the preschool, elementary, and secondary levels; and

"(P) supplemental educational services as defined in section 1116(f)(6).

SA 591. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 130, strike line 2, and insert the following:

quality of professional development; and

"(J) provide assistance to teachers for the purpose of meeting certification, licensing, or other requirements needed to become highly qualified as defined in section 2102(4).";

On page 130, line 5, strike the period and insert "; and ".

On page 130, between lines 5 and 6, insert the following:

(3) by adding at the end the following:

"(j) REQUIREMENT.—Each local educational agency that receives funds under this part and serves a school in which 50 percent or more of the children are from low income families shall use not less than 5 percent of the funds for each of fiscal years 2002 and fiscal year 2003, and not less than 10 percent of the funds for each subsequent fiscal year, for professional development activities to ensure that teachers who are not highly qualified become highly qualified within 4 years.".

On page 127, line 23, insert "(1)" after "(b)".

On page 127, line 24, strike "in paragraph (1),".

SA 592. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 29, between lines 14 and 15, insert the following:

"SEC. 16. PROHIBITION ON DISCRIMINATION.

"Nothing in this Act shall be construed to require, authorize, or permit, the Secretary, or a State, local educational agency, or school to grant to a student, or deny or impose upon a student, any financial or educational benefit or burden, in violation of the fifth or 14th amendments to the Constitution or other law relating to discrimination in the provision of federally funded programs or activities.".

On page 36, strike lines 21 and 22, strike "served under this part".

On page 36, strike line 24 and all that follows through page 37, line 2, and insert the following:

guage arts, history, and science, except that—

"(i) any State which does not have standards in mathematics or reading or language arts, for public elementary school and secondary school children who are not served under this part, on the date of enactment of the Better Education for Students and Teachers Act shall apply the standards described in subparagraph (A) to such students not later than the beginning of the school year 2002–2003; and

"(ii) no State shall be required to meet the requirements under this part

On page 37, line 18, insert "and" after the semicolon.

On page 37, line 23, strike "; and" and insert a period.

On page 37, strike line 24 and all that follows through page 38, line 4.

On page 38, line 19, strike "subparagraph (B)" and insert "subparagraphs (B) and (D)".

On page 41, strike lines 6 through 8 and insert the following:

"(vii) includes school completion or graduation rates for secondary school students and at least 1 other academic indicator, as determined by the State, for elementary school students, except that

On page 41, line 13, strike "discretionary".

On page 44, lines 13 and 14, strike "curriculum".

On page 45, line 2, strike "curriculum".

On page 46, strike line 20 and all that follows through page 47, line 2.

On page 47, line 3, strike "(E)" and insert "(D)".

On page 47, between lines 6 and 7, insert the following:

"(E)(i) beginning not later than school year 2001–2002, measure the proficiency of students served under this part in mathematics and reading or language arts and be administered not less than one time during—

"(I) grades 3 through 5;

"(II) grades 6 through 9; and

"(III) grades 10 through 12;

"(ii) beginning not later than school year 2002–2003, measure the proficiency of all students in mathematics and reading or language arts and be administered not less than one time during—

"(I) grades 3 through 5;

"(II) grades 6 through 9; and

"(III) grades 10 through 12;

"(iii) beginning not later than school year 2007–2008, measure the proficiency of all students in science and be administered not less than one time during—

"(I) grades 3 through 5;

"(II) grades 6 through 9; and

"(III) grades 10 through 12;

On page 47, line 8, strike "annual".

On page 47, line 10, insert "annually" after "standards".

On page 47, line 11, insert ", and at least once in grades 10 through 12," after "8".

On page 47, line 12, insert "if the tests are aligned with State standards," after "arts,".

On page 48, between lines 14 and 15, insert the following:

"(G) at the discretion of the State, measure the proficiency of students in academic subjects not described in subparagraphs (E) and (F) in which the State has adopted challenging content and student performance standards;

On page 48, line 15, strike "(G)" and insert "(H)".

On page 50, between lines 7 and 8, insert the following:

"(I) beginning not later than school year 2002–2003, provide for the annual assessment of the oral English proficiency of students with limited English proficiency who are served under this part or under title III and who do not participate in the assessment described in clause (iv) of subparagraph (H);

On page 50, line 8, strike "(H)" and insert "(J)".

On page 50, line 17, strike "(I)" and insert "(K)".

On page 50, lines 19 and 20, strike "scores, or" and insert "performance on assessments aligned with State standards, and".

On page 51, line 1, strike "(J)" and insert "(L)".

On page 51, line 20, insert ", but such measures shall not be the primary or sole indicator of student progress toward meeting State standards" after "measures".

On page 51, line 21, insert "Consistent with section 1112(b)(1)(D)," before "States".

On page 52, strike lines 21 and 22 and insert the following:

is applicable to such agency or school;

"(B) the specific steps the State educational agency will take to ensure that both schoolwide programs and targeted assistance schools provide instruction by highly qualified instructional staff as required by sections 1114(b)(1)(C) and 1115(c)(1)(F), including steps that the State educational agency will take to ensure that poor and minority children are not taught at higher rates than other children by inexperienced, unqualified, or out of field teachers, and the measures that the State educational agency will use to evaluate and publicly report the progress of the State educational agency with respect to such steps;

"(C) how the State educational agency will develop or identify high quality effective curriculum models aligned with State standards and how the State educational agency will disseminate such models to each local educational agency and school within the State; and

"(D) such other factors the State deems

On page 53, line 12, strike "(i)" and insert "(j)".

On page 59, lines 16 and 17, strike "performance standards," and insert "performance standards, a set of high quality annual student assessments aligned to the standards,".

On page 59, line 19, insert "and take such other steps as are needed to assist the State in coming into compliance with this section" after "1117".

On page 68, line 24, strike "paraprofessionals" and insert "a paraprofessional".

On page 69, line 18, insert ", the setting of State performance standards, the development of measures of adequate yearly progress that are valid and reliable," before "and other".

SA 593. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

"(a) IN GENERAL.—From funds reserved under section 1225, the Secretary shall contract with an independent outside organization for a 5-year, rigorous, scientifically valid, quantitative evaluation of this subpart.

"(b) PROCESS.—Such evaluation shall be conducted by an organization outside of the Department that is capable of designing and carrying out an independent evaluation that identifies the effects of specific activities carried out by States and local educational agencies under this subpart on improving reading instruction. Such evaluation shall use only data relating to students served under this subpart and shall take into account factors influencing student performance that are not controlled by teachers or education administrators.

"(c) ANALYSIS.—Such evaluation shall include the following:

"(1) An analysis of the relationship between each of the essential components of reading instruction and overall reading proficiency.

"(2) An analysis of whether assessment tools used by States and local educational agencies measure the essential components of reading instruction.

"(3) An analysis of how State reading standards correlate with the essential components of reading instruction.

"(4) An analysis of whether the receipt of a discretionary grant under this subpart results in an increase in the number of children who read proficiently.

"(5) A measurement of the extent to which specific instructional materials improve reading proficiency.

"(6) A measurement of the extent to which specific rigorous diagnostic reading and screening assessment tools assist teachers in identifying specific reading deficiencies.

"(7) A measurement of the extent to which professional development programs implemented by States using funds received under this subpart improve reading instruction.

"(8) A measurement of how well students preparing to enter the teaching profession are prepared to teach the essential components of reading instruction.

"(9) An analysis of changes in students' interest in reading and time spent reading outside of school.

"(10) Any other analysis or measurement pertinent to this subpart that is determined to be appropriate by the Secretary.

"(d) PROGRAM IMPROVEMENT.—The findings of the evaluation conducted under this section shall be provided to States and local educational agencies on a periodic basis for use in program improvement.

SA 594. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of title IX, add the following:

SEC. . HELPING CHILDREN SUCCEED BY FULLY FUNDING THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA).

(a) FINDINGS.—Congress makes the following findings:

(1) All children deserve a quality education.

(2) In Pennsylvania Association for Retarded Children vs. Commonwealth of Pennsylvania (334 F. Supp. 1247)(E. Dist. Pa. 1971), and Mills vs. Board of Education of the District of Columbia (348 F. Supp. 866)(Dist. D.C. 1972), the courts found that children with

disabilities are entitled to an equal opportunity to an education under the 14th amendment of the Constitution.

(3) In 1975, Congress passed what is now known as the Individuals with Disabilities Education Act (referred to in this section as "IDEA") (20 U.S.C. 1400 et seq.) to help States provide all children with disabilities a free, appropriate public education in the least restrictive environment. At full funding, Congress contributes 40 percent of the average per pupil expenditure for each child with a disability served.

(4) Before 1975, only ⅕ of the children with disabilities received a formal education. At that time, many States had laws that specifically excluded many children with disabilities, including children who were blind, deaf, or emotionally disturbed, from receiving such an education.

(5) IDEA currently serves an estimated 200,000 infants and toddlers, 600,000 preschoolers, and 5,400,000 children 6 to 21 years of age.

(6) IDEA enables children with disabilities to be educated in their communities, and thus, has assisted in dramatically reducing the number of children with disabilities who must live in State institutions away from their families.

(7) The number of children with disabilities who complete high school has grown significantly since the enactment of IDEA.

(8) The number of children with disabilities who enroll in college as freshmen has more than tripled since the enactment of IDEA.

(9) The overall effectiveness of IDEA depends upon well trained special education and general education teachers, related services personnel, and other school personnel. Congress recognizes concerns about the nationwide shortage of personnel serving students with disabilities and the need for improvement in the qualifications of such personnel.

(10) IDEA has raised the Nation's awareness about the abilities and capabilities of children with disabilities.

(11) Improvements to IDEA in the 1997 amendments increased the academic achievement of children with disabilities and helped them to lead productive, independent lives.

(12) Changes made in 1997 also addressed the needs of those children whose behavior impedes learning by implementing behavioral assessments and intervention strategies to ensure that they receive appropriate supports in order to receive a quality education.

(13) IDEA requires a full partnership between parents of children with disabilities and education professionals in the design and implementation of the educational services provided to children with disabilities.

(14) While the Federal Government has more than doubled funding for part B of IDEA since 1995, the Federal Government has never provided more than 15 percent of the maximum State grant allocation for educating children with disabilities.

(15) By fully funding IDEA, Congress will strengthen the ability of States and localities to implement the requirements of IDEA.

(b) LOCAL EDUCATIONAL AGENCY ELIGIBILITY.—Clauses (i) and (ii) of section 613(a)(2)(C) of the Individuals with Disabilities Education Act (20 U.S.C. 1413(a)(2)(C)) is amended to read as follows:

"(i) Notwithstanding clauses (ii) and (iii) of subparagraph (A), for any fiscal year for which amounts appropriated to carry out section 611 exceeds $4,100,000,000, a local educational agency may treat as local funds, for the purpose of such clauses, up to 55 percent of the amount of funds it receives under this part that exceeds the amount it received under this part for fiscal year 2001, except where a local educational agency shows that it is meeting the requirements of this part, the local educational agency may petition the State to waive, in whole or in part, the 55 percent cap under this clause.

"(ii) Notwithstanding clause (i), if the Secretary determines that a local educational agency is not meeting the requirements of this part, the Secretary may prohibit the local educational agency from treating funds received under this part as local funds under clause (i) for any fiscal year, and may redirect the use of those funds to other educational programs within the local educational agency.".

(c) FUNDING.—Section 611(j) of the Individuals with Disabilities Education Act (20 U.S.C. 1411(j)) is amended to read as follows:

"(j) FUNDING.—

"(1) IN GENERAL.—For the purpose of carrying out this part, other than section 619, there are authorized to be appropriated, and there are appropriated—

"(A) $8,823,685,000 for fiscal year 2002;

"(B) $11,323,685,000 for fiscal year 2003;

"(C) $13,823,685,000 for fiscal year 2004;

"(D) $16,323,685,000 for fiscal year 2005;

"(E) $18,823,685,000 for fiscal year 2006;

"(F) not more than $21,067,600,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2007;

"(G) not more than $21,742,019,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2008;

"(H) not more than $22,423,068,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2009;

"(I) not more than $23,095,622,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2010; and

"(J) not more than $23,751,456,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2011.

"(2) CONTINUATION OF AUTHORIZATION.—For fiscal year 2012 and each fiscal year thereafter, there are authorized to be appropriated such sums as may be necessary for the purpose of carrying out this part, other than section 619.".

SA 595. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of tile IX, add the following:

SEC. . MAINTAINING FUNDING FOR THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.

Section 611 of the Individuals with Disabilities Education Act is amended to add the following new subsection:

"(k) CONTINUATION OF AUTHORIZATION.—For fiscal year 2012 and each fiscal year thereafter, there are authorized to be appropriated such sums as may be necessary for the purpose of carrying out his part, other than section 619.".

SA 596. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. 902. LOAN FORGIVENESS FOR MATHEMATICS AND SCIENCE TEACHERS.

(a) FFEL PROGRAM.—Section 428J of the Higher Education Act of 1965 (20 U.S.C. 1078–10) is amended by adding at the end the following:

"(i) LOAN FORGIVENESS FOR TEACHERS OF MATHEMATICS AND SCIENCE.—

"(1) STATEMENT OF PURPOSE.—It is the purpose of this subsection to encourage individuals who majored in, or obtained a graduate degree in, mathematics or science to teach those subjects in high need schools.

"(2) PROGRAM AUTHORIZED.—The Secretary shall carry out a program, through the holder of the loan, of assuming the obligation to repay a qualified loan amount for a loan made under section 428 or 428H, in accordance with paragraph (3), for a borrower whose academic major or graduate degree was in mathematics or science, and who—

"(A) has been employed for 5 consecutive complete school years—

"(i) in a school that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such schools; and

"(ii) as a full-time teacher of mathematics or science, as certified by the chief administrative officer of the public or nonprofit private elementary school or secondary school in which the borrower is employed;

"(B) has not been employed as a full-time teacher in a public or nonprofit private elementary school or secondary school prior to the date of enactment of the Better Education for Students and Teachers Act, other than as part of a teacher preparation or certification program; and

"(C) is not in default on a loan for which the borrower seeks forgiveness.

"(3) QUALIFIED LOANS AMOUNT.—

"(A) IN GENERAL.—The Secretary shall repay not more than $17,500 in the aggregate of the loan obligation on a loan made under section 428 or 428H that is outstanding after the completion of the fifth complete school year of teaching described in paragraph (2)(A). No borrower may receive a reduction of loan obligations under both this section and section 460.

"(B) TREATMENT OF CONSOLIDATION LOANS.—A loan amount for a loan made under section 428C may be a qualified loan amount for the purposes of this paragraph only to the extent that such loan amount was used to repay a Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford Loan, or a loan made under section 428 or 428H for a borrower who meets the requirements of paragraph (2), as determined in accordance with regulations prescribed by the Secretary.".

(b) DIRECT LOAN PROGRAM.—Section 460 of the Higher Education Act of 1965 (20 U.S.C. 1087j) is amended by adding at the end the following:

"(i) LOAN FORGIVENESS FOR TEACHERS OF MATHEMATICS AND SCIENCE.—

"(1) STATEMENT OF PURPOSE.—It is the purpose of this subsection to encourage individuals who majored in, or obtained a graduate degree in, mathematics or science to teach those subjects in high need schools.

"(2) PROGRAM AUTHORIZED.—

"(A) IN GENERAL.—The Secretary shall carry out a program of canceling the obligation to repay a qualified loan amount in accordance with paragraph (3) for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans made under this part for a borrower whose academic major or graduate degree was in mathematics or science, and who—

"(i) has been employed as a full-time teacher for 5 consecutive complete school years—

"(I) in a school that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such schools; and

"(II) as a full-time teacher of mathematics or science, as certified by the chief administrative officer of the public or nonprofit private elementary school or secondary school in which the borrower is employed;

"(ii) has not been employed as a full-time teacher in a public or nonprofit private elementary school or secondary school prior to the date of enactment of the Better Education for Students and Teachers Act, other than as part of a teacher preparation or certification program; and

"(iii) is not in default on a loan for which the borrower seeks forgiveness.

"(B) SPECIAL RULE.—No borrower may obtain a reduction of loan obligations under both this section and section 428J.

"(3) QUALIFIED LOAN AMOUNTS.—

"(A) IN GENERAL.—The Secretary shall cancel not more than $17,500 in the aggregate of the loan obligation on a Federal Direct Stafford Loan or a Federal Direct Unsubsidized Stafford Loan that is outstanding after the completion of the fifth complete school year of teaching described in paragraph (2)(A)(i).

"(B) TREATMENT OF CONSOLIDATION LOANS.—A loan amount for a Federal Direct Consolidation Loan may be a qualified loan amount for the purposes of this subsection only to the extent that such loan amount was used to repay a Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford Loan, or a loan made under section 428 or 428H, for a borrower who meets the requirements of paragraph (2), as determined in accordance with regulations prescribed by the Secretary.".

(c) CONFORMING AMENDMENTS.—

(1) FFEL PROGRAM.—Section 428J of the Higher Education Act of 1965 (20 U.S.C. 1078–10) is amended—

(A) in subsection (f), by inserting "or (i)" after "(b)"; and

(B) in subsection (g)(1)—

(i) in subparagraph (A), by inserting "or (i)(2)(A)(i)" after "(b)(1)(A)"; and

(ii) in the matter following subparagraph (B), by inserting "or (i), as appropriate" after "(b)".

(2) DIRECT LOAN PROGRAM.—Section 460 of the Higher Education Act of 1965 (20 U.S.C. 1087j) is amended—

(A) in subsection (f), by inserting "or (i)" after "(b)"; and

(B) in subsection (g)(1)—

(i) in subparagraph (A), by inserting "or (i)(2)(A)(i)(I)" after "(b)(1)(A)"; and

(ii) in subparagraph (B), by inserting "or (i), as appropriate" after "(b)".

SA 597. Mr. WELLSTONE (for himself, Mr. DAYTON, and Mr. FEINGOLD) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 48, between lines 14 and 15, insert the following:

"(iii) no State shall be required to conduct any assessments under this subparagraph in any school year if, by July 1, 2005, the amount appropriated to carry out this part for fiscal year 2005 does not equal or exceed $24,720,000,000;".

SA 598. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

"SEC. . THE STUDY OF THE DECLARATION OF INDEPENDENCE, UNITED STATES CONSTITUTION, AND THE FEDERALIST PAPERS.

"It is the sense of Congress that—

"(1) State and local governments and local educational agencies are encouraged to dedicate at least 1 day of learning to the study and understanding of the significance of the Declaration of Independence, the United States Constitution, and the Federalist Papers; and

"(2) State and local governments and local educational agencies are encouraged to include a requirement that, before receiving a certificate or diploma of graduation from secondary school, students be tested on their competency in understanding the Declaration of Independence, the United States Constitution, and the Federalist Papers."

SA 599. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, add the following:

SEC. . CONFIDENTIAL REPORTING OF INDIVIDUALS SUSPECTED OF IMMINENT SCHOOL VIOLENCE.

Section 501(b) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3751(b)) is amended—

(1) in paragraph (27), as added by section 103 of Public Law 106–177 (114 Stat. 35) by striking "and" at the end;

(2) in paragraph (28), by striking the period at the end and inserting a semicolon;

(3) by redesignating paragraph (27), as added by section 2 of Public Law 106–561 (114 Stat. 2787) as paragraph (29);

(4) in paragraph (29), as redesignated by this section by striking the period at the end and inserting "; and"; and

(5) by adding at the end the following:

"(30) to—

"(A) support the independent State development and operation of confidential, toll-free telephone hotlines that will operate 7 days per week, 24 hours per day, in order to provide students, school officials, and other individuals with the opportunity to report specific threats of imminent school violence or to report other suspicious or criminal conduct by juveniles to appropriate State and local law enforcement entities for investigation;

"(B) ensure proper State training of personnel to answer and respond to telephone calls to hotlines described in subparagraph (A);

"(C) assist in the acquisition of technology necessary to enhance the effectiveness of hotlines described in subparagraph (A), including the utilization of Internet web-pages or resources;

"(D) enhance State efforts to offer appropriate counseling services to individuals who call hotlines described in subparagraph (A) threatening to do harm to themselves or others; and

"(E) further State effort to publicize services offered by the hotlines described in subparagraph (A) and to encourage individuals to utilize those services.".

SA 600. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 512, line 2, strike the end quotation mark and the second period.

On page 512, between lines 2 and 3, insert the following:

"SEC. 4304. CONFIDENTIAL REPORTING OF INDIVIDUALS SUSPECTED OF IMMINENT SCHOOL VIOLENCE.

"Subject to the provisions of this title and subpart 4 of part B of title V, funds made available under such titles may be used to—

"(1) support the independent State development and operation of confidential, toll-free telephone hotlines that will operate 7 days per week, 24 hours per day, in order to provide students, school officials, and other individuals with the opportunity to report specific threats of imminent school violence or to report other suspicious or criminal conduct by juveniles to appropriate State and local law enforcement entities for investigation;

"(2) ensure proper State training of personnel to answer and respond to telephone calls to hotlines described in paragraph (1);

"(3) assist in the acquisition of technology necessary to enhance the effectiveness of hotlines described in paragraph (1), including the utilization of Internet web-pages or resources;

"(4) enhance State efforts to offer appropriate counseling services to individuals who call hotlines described in paragraph (1) threatening to do harm to themselves or others; and

"(5) further State effort to publicize services offered by the hotlines described in paragraph (1) and to encourage individuals to utilize those services.".

SA 601. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 619, strike lines 23 and 24, and insert "and public and private entities".

SA 602. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 510, after line 22, add the following: "Notwithstanding any other provision of this title, and part B of title V, funds made available under such titles may be used by States to provide contracts or grants to, and by the Secretary to provide Federal assistance to, for-profit entities to enable such entities to perform or assist in the performance of the activities described in this section.".

SA 603. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 440, lines 15 and 16, strike "and other public and private nonprofit agencies and organizations" and insert "and public and private entities"

On page 440, line 22, strike "nonprofit organizations" and insert "entities".

On page 452, line 13, insert "with public and private entities" after "contracts".

On page 460, lines 7 and 8, strike "and other public entities and private nonprofit organizations" and insert "public and private entities".

On page 483, lines 20 and 21, strike "nonprofit organizations" and insert "entities".

On page 489, lines 14 and 15, strike "nonprofit private organizations" and insert "private entities".

SA 604. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of the amendment, add the following:

TITLE —INDIVIDUALS WITH DISABILITIES

SEC. 01. DISCIPLINE.

Section 615 of the Individuals with Disabilities Education Act (20 U.S.C. 1415) is amended by adding at the end the following:

"(n) UNIFORM POLICIES.—

"(1) IN GENERAL.—Subject to paragraph (2), and notwithstanding any other provision of this Act, a State educational agency or local educational agency may establish and implement uniform policies regarding discipline and order applicable to all children in the jurisdiction of the agency to ensure the safety of such children and an appropriate educational atmosphere in the schools in the jurisdiction of the agency.

"(2) LIMITATION.—

"(A) IN GENERAL.—A child with a disability who is removed from his or her regular educational placement under paragraph (1) shall receive a free appropriate public education in an alternative educational setting if the behavior that led to his or her removal is a manifestation of his or her disability, as determined under subparagraphs (B) and (C) of subsection (k)(4).

"(B) MANIFESTATION DETERMINATION.—The manifestation determination shall be made immediately, if possible, but in no case later than 10 school days after school personnel decide to remove the child with a disability from his or her regular educational placement.

"(C) DETERMINATION THAT BEHAVIOR WAS NOT MANIFESTATION OF DISABILITY.—If the result of the manifestation review is a determination that the behavior of the child with a disability was not a manifestation of the child's disability, appropriate school personnel may apply to the child the same relevant disciplinary procedures that would apply to children without a disability.

"(D) RECORDS FOR DECISION.—If the agency initiates disciplinary procedures applicable to all children, the agency shall ensure that the special education and disciplinary records of a child with a disability are transmitted for consideration by the person making the final decision regarding the disciplinary action."

SEC. 02. PROCEDURAL SAFEGUARDS.

Section 615 of the Individuals with Disabilities Education Act (20 U.S.C. 1415) (as amended by section 01) is amended by adding at the end the following:

"(o) DISCIPLINE BY LOCAL AUTHORITY WITH RESPECT TO WEAPONS, DRUGS, AND TEACHER ASSAULTS.—

"(1) IN GENERAL.—Notwithstanding any other provision of this title, school personnel may discipline (including expel or suspend) a child with a disability in the same manner in which the personnel may discipline a child without a disability if the child with a disability—

"(A) carries or possesses a weapon to or at a school, on school premises, or to or at a school function under the jurisdiction of a State or a local educational agency;

"(B) threatens to carry, possess, or use a weapon, (including a threat to kill another person) to or at a school, on school premises, or to or at a school function under the jurisdiction of a State or a local education agency;

"(C) possesses or uses illegal drugs or sells or solicits the sale of a controlled substance while at school, on school premises, or at a school function under the jurisdiction of a State or local educational agency; or

"(D) assaults or threatens to assault a teacher, teacher's aide, principal, school counselor, or other school personnel, including independent contractors and volunteers.

"(2) INDIVIDUAL DETERMINATIONS.—In carrying out any disciplinary action described in paragraph (1), school personnel have discretion to consider all germane factors in each individual case and modify any disciplinary action on a case-by-case basis.

"(3) DEFENSE.—Nothing in paragraph (1) precludes a child with a disability who is disciplined under paragraph (1) from asserting a defense that the alleged act was unintentional or innocent.

"(4) LIMITATION.—

"(A) IN GENERAL.—A child with a disability who is removed from his or her regular educational placement under paragraph (1) shall receive a free appropriate public education in an alternative educational setting if the behavior that led to his or her removal is a manifestation of his or her disability, as determined under subparagraphs (B) and (C) of subsection (k)(4).

"(B) MANIFESTATION DETERMINATION.—The manifestation determination shall be made immediately, if possible, but in no case later than 10 school days after school personnel decide to remove the child with a disability from his or her regular educational placement.

"(C) DETERMINATION THAT BEHAVIOR WAS NOT MANIFESTATION OF DISABILITY.—If the result of the manifestation review is a determination that the behavior of the child with a disability was not a manifestation of the child's disability, appropriate school personnel may apply to the child the same relevant disciplinary procedures that would apply to children without a disability.

"(D) RECORDS FOR DECISION.—If the agency initiates disciplinary procedures applicable to all children, the agency shall ensure that the special education and disciplinary records of the child with a disability are transmitted for consideration by the person making the final decision regarding the disciplinary action.

"(E) REVIEW OF MANIFESTATION DETERMINATION.—If the parents or the local educational agency disagree with the manifestation determination, the agency or the parents may request a review of that determination through the procedures in subsections (f) through (i).

"(F) PLACEMENT DURING REVIEW.—During the course of any review proceedings under subparagraph (E), the child shall receive a free appropriate public education in an alternative education placement.

"(5) DEFINITIONS.—In this subsection:

"(A) WEAPON.—The term 'weapon' means a weapon, device, instrument, material, or substance, animate or inanimate, that is used for, or is readily capable of, causing death or serious bodily injury.

"(B) ILLEGAL DRUG, CONTROLLED SUBSTANCE, AND ASSAULT.—The terms 'illegal drug', 'controlled substance', 'assault', 'unintentional', and 'innocent' have the meanings given such terms under State law.".

"(C) REVIEW OF MANIFESTATION DETERMINATION.—If the parents or the local educational agency disagree with the manifestation determination, they may request a review of that determination through the procedures in subsections (f) through (i).

"(D) PLACEMENT DURING REVIEW.—During the course of any review proceedings under subparagraph (E), the child shall receive a free appropriate public education in an alternative education placement.".

SA 605. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of the amendment, add the following:

TITLE —INDIVIDUALS WITH DISABILITIES

SEC. 01. DISCIPLINE.

Section 615 of the Individuals with Disabilities Education Act (20 U.S.C. 1415) is amended by adding at the end the following:

"(n) DISCIPLINE BY LOCAL AUTHORITY WITH RESPECT TO WEAPONS, DRUGS, AND TEACHER ASSAULTS.—

"(1) IN GENERAL.—Notwithstanding any other provision of this title, school personnel may discipline (including expel or suspend) a child with a disability in the same manner in which the personnel may discipline a child without a disability if the child with a disability—

"(A) carries or possesses a weapon to or at a school, on school premises, or to or at a school function under the jurisdiction of a State or a local educational agency;

"(B) threatens to carry, possess, or use a weapon, (including a threat to kill another person) to or at a school, on school premises, or to or at a school function under the jurisdiction of a State or a local education agency;

"(C) possesses or uses illegal drugs or sells or solicits the sale of a controlled substance while at school, on school premises, or at a school function under the jurisdiction of a State or local educational agency; or

"(D) assaults or threatens to assault a teacher, teacher's aide, principal, school counselor, or other school personnel, including independent contractors and volunteers.

"(2) INDIVIDUAL DETERMINATIONS.—In carrying out any disciplinary action described in paragraph (1), school personnel have discretion to consider all germane factors in each individual case and modify any disciplinary action on a case-by-case basis.

"(3) DEFENSE.—Nothing in paragraph (1) precludes a child with a disability who is disciplined under paragraph (1) from asserting a defense that the alleged act was unintentional or innocent.

"(4) LIMITATION.—

"(A) IN GENERAL.—A child with a disability who is removed from his or her regular educational placement under paragraph (1) shall receive a free appropriate public education in an alternative educational setting if the behavior that led to his or her removal is a manifestation of his or her disability, as determined under subparagraphs (B) and (C) of subsection (k)(4).

"(B) MANIFESTATION DETERMINATION.—The manifestation determination shall be made immediately, if possible, but in no case later than 10 school days after school personnel decide to remove the child with a disability from his or her regular educational placement.

"(C) DETERMINATION THAT BEHAVIOR WAS NOT MANIFESTATION OF DISABILITY.—If the result of the manifestation review is a determination that the behavior of the child with a disability was not a manifestation of the child's disability, appropriate school personnel may apply to the child the same relevant disciplinary procedures that would apply to children without a disability.

"(D) RECORDS FOR DECISION.—If the agency initiates disciplinary procedures applicable to all children, the agency shall ensure that the special education and disciplinary records of the child with a disability are transmitted for consideration by the person making the final decision regarding the disciplinary action.

"(E) REVIEW OF MANIFESTATION DETERMINATION.—If the parents or the local educational agency disagree with the manifestation determination, the agency or the parents may request a review of that determination through the procedures in subsections (f) through (i).

"(F) PLACEMENT DURING REVIEW.—During the course of any review proceedings under subparagraph (E), the child shall receive a free appropriate public education in an alternative education placement.

"(5) DEFINITIONS.—In this subsection:

"(A) WEAPON.—The term 'weapon' means a weapon, device, instrument, material, or substance, animate or inanimate, that is used for, or is readily capable of, causing death or serious bodily injury.

"(B) ILLEGAL DRUG, CONTROLLED SUBSTANCE, AND ASSAULT.—The terms 'illegal drug', 'controlled substance', 'assault', 'unintentional', and 'innocent' have the meanings given such terms under State law.".

"(C) REVIEW OF MANIFESTATION DETERMINATION.—If the parents or the local educational agency disagree with the manifestation determination, they may request a review of that determination through the procedures in subsections (f) through (i).

"(D) PLACEMENT DURING REVIEW.—During the course of any review proceedings under subparagraph (E), the child shall receive a free appropriate public education in an alternative education placement.".

SA 606. Mrs. FEINSTEIN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 145, strike lines 3 through 8 and insert the following:

"(B) 40 percent of the average per pupil expenditure in the State, except that—

"(i) if the average per pupil expenditure in the State is less than 90 percent of the average per pupil expenditure in the United States, the amount shall be 90 percent of the average per pupil expenditure in the United States; or

"(ii) if the average per pupil expenditure in the State is more than 110 percent of the average per pupil expenditure in the United States, the amount shall be 110 percent of the average per pupil expenditure in the United States.

SA 607. Mrs. FEINSTEIN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 141, strike lines 5 through 22 and insert the following:

"(1) IN GENERAL.—If the sums made available under this part for any fiscal year are insufficient to pay the full amounts that all local educational agencies in States are eligible to receive under sections 1124, 1124A, and 1125 for such year—

"(A) the Secretary shall ratably reduce the allocations to such local educational agencies; and

"(B) if, after reducing the allocations, the amounts that some local educational agencies would be eligible to receive would exceed 90 percent of the full amount while the amounts that other local educational agencies would be eligible to receive would be less than 90 percent of the full amount, the Secretary shall reallocate the amounts exceeding 90 percent to the other local educational agencies ratably so that all such other local educational agencies would be eligible to receive as close as possible to 90 percent, but not more, of the full amount.

"(2) ADDITIONAL FUNDS.—If additional funds become available for making payments under sections 1124, 1124A, and 1125 for such fiscal year, allocations that were reduced under paragraph (1) shall be increased on the same basis as the allocations were reduced.

"(c) HOLD-HARMLESS AMOUNTS.—

"(1) IN GENERAL.—If possible after application of subsection (b), for each fiscal year the amount made available to each local educational agency under each of sections 1124, 1124A, and 1125 shall be not less than—".

SA 608. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 145, strike lines 3 through 8 and insert the following:

"(B) 40 percent of the average per pupil expenditure in the State, except that—

"(i) if the average per pupil expenditure in the State is less than 85 percent of the average per pupil expenditure in the United States, the amount shall be 85 percent of the average per pupil expenditure in the United States; or

"(ii) if the average per pupil expenditure in the State is more than 115 percent of the average per pupil expenditure in the United States, the amount shall be 115 percent of the average per pupil expenditure in the United States.

SA 609. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place in title I, insert the following:

SEC. . LOCAL EDUCATIONAL AGENCY SPENDING AUDITS.

(a) AUDITS.—The Office of the Inspector General of the Department of Education shall conduct not less than 6 audits of local education agencies that receive funds under part A of title I of the Elementary and Secondary Education Act of 1965 in each fiscal year to more clearly determine specifically how local education agencies are expending such funds. Such audits shall be conducted in 6 local educational agencies that represent the size, ethnic, economic and geographic diversity of local educational agencies and shall examine the extent to which funds have been expended for academic instruction in the core curriculum and activities unrelated to academic instruction in the core curriculum, such as the payment of janitorial, utility and other maintenance services, the purchase and lease of vehicles, and the payment for travel and attendance costs at conferences.

(b) REPORT.—Not later than 3 months after the completion of the audits under subsection (a) in each year, the Office of the Inspector General of the Department of Education shall submit a report on each audit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor and Pensions of the Senate.

SA 610. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 144, line 23, strike "is the amount" and all that follows through page 145, line 8, and insert "shall be based on the number of children counted under subsection (c).".

SA 611. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 18 and all that follows through line 15 on page 143, and insert the following:

"(c) SPECIAL FUNDING RULES.—Notwithstanding any other provision of law, a State shall not receive under this part for fiscal year 2000 or any succeeding fiscal year, an amount that—

"(1) exceeds by more than 10 percent the amount the State received under this part for fiscal year 1999; and

"(2) is less than 0.25 percent of the amount appropriated to carry out this part for the fiscal year for which the determination is made.

Beginning on page 144, line 23, strike "year is" and all that follows through line 8 on page 145, and insert "year shall bear the same relation to the amount appropriated under section 1002(a) for the fiscal year as the number of children counted under section 1124(c) for the local educational agency bears to the number of children counted under section 1124(c) for all local educational agencies in all States.".

Beginning on page 149, strike line 23 and all that follows through line 11 on page 150, and insert the following:

"(3) PUERTO RICO.—The grant which the Commonwealth of Puerto Rico shall be eligible to receive under this section for each fiscal year is equal to the amount received by the Commonwealth of Puerto Rico under this section for fiscal year 1999.

Beginning on page 155, strike line 13 and all that follows through line 3 on page 156.

On page 161, line 11, strike "year shall" and all that follows through line 16, and insert "year shall bear the same relation to the amount made available to carry out this section for the fiscal year as the number of children counted under section 1124(c) for the local educational agency bears to the number of children counted under section 1124(c) for all local educational agencies in all States.".

On page 161, strike lines 17 through 23, and insert the following:

"(2) PUERTO RICO.—The amount of the grant for which the Commonwealth of Puerto Rico is eligible under this section is equal to the amount received by the Commonwealth of Puerto Rico under this section for fiscal year 1999.

SA 612. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1. to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 141, strike lines 5 through 22 and insert the following:

"(1) IN GENERAL.—If the sums made available under this part for any fiscal year are insufficient to pay the full amounts that all local educational agencies in States are eligible to receive under sections 1124, 1124A, and 1125 for such year—

"(A) the Secretary shall ratably reduce the allocations to such local educational agencies; and

"(B) if, after reducing the allocations, the amounts that some local educational agencies would be eligible to receive would exceed 85 percent of the full amount while the amounts that other local educational agencies would be eligible to receive would be less than 85 percent of the full amount, the Secretary shall reallocate the amounts exceeding 85 percent to the other local educational agencies ratably so that all such other local educational agencies would be eligible to receive as close as possible to 85 percent, but not more, of the full amount.

"(2) ADDITIONAL FUNDS.—If additional funds become available for making payments under sections 1124, 1124A, and 1125 for such fiscal year, allocations that were reduced under paragraph (1) shall be increased on the same basis as the allocations were reduced.

"(c) HOLD-HARMLESS AMOUNTS.—

"(1) IN GENERAL.—If possible after application of subsection (b), for each fiscal year the amount made available to each local educational agency under each of sections 1124, 1124A, and 1125 shall be not less than—".

SA 613. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1. to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 23 and all that follows through page 142, line 13, and insert the following:

"(A) 75 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if the number of children counted for grants under section 1124 is not less than 30 percent of the total number of children aged 5 to 17 years, inclusive, served by the local educational agency;

"(B) 70 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is not less than 15 percent and not more than 30 percent; and

"(C) 65 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is less than 15 percent."

SA 614. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 23 and all that follows through page 142, line 13, and insert the following:

"(A) 85 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if the number of children counted for grants under section 1124 is not less than 30 percent of the total number of children aged 5 to 17 years, inclusive, served by the local educational agency;

"(B) 80 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is not less than 15 percent and not more than 30 percent; and

"(C) 75 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is less than 15 percent."

SA 615. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, strike line 14 and insert the following:

remain available until expended.

"PART B—POVERTY DATA

"SEC. 9201. POVERTY DATA ADJUSTMENTS.

"Whenever the Secretary uses any data that relates to the incidence of poverty and is produced or published by or for the Secretary of Commerce for subnational, State or substate areas, the Secretary shall adjust the data to account for differences in the cost of living in the areas.".

SA 616. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 23 and all that follows through page 142, line 13, and insert the following:

"(A) 90 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if the number of children counted for grants under section 1124 is not less than 30 percent of the total number of children aged 5 to 17 years, inclusive, served by the local educational agency;

"(B) 85 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is not less than 15 percent and not more than 30 percent; and

"(C) 80 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is less than 15 percent."

SA 617. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 23 and all that follows through page 142, line 13, and insert the following:

"(A) 80 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if the number of children counted for grants under section 1124 is not less than 30 percent of the total number of children aged 5 to 17 years, inclusive, served by the local educational agency;

"(B) 75 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is not less than 15 percent and not more than 30 percent; and

"(C) 70 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is less than 15 percent.

SA 618. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 23 and all that follows through page 142, line 13, and insert the following:

"(A) 70 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if the number of children counted for grants under section 1124 is not less than 30 percent of the total number of children aged 5 to 17 years, inclusive, served by the local educational agency;

"(B) 65 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is not less than 15 percent and not more than 30 percent; and

"(C) 70 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is less than 15 percent.

SA 619. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 143, between lines 15 and 16, insert the following:

"(4) INAPPLICABILITY.—Notwithstanding any other provision of this part, this subsection shall not apply for any fiscal year for which the amount appropriated to carry out this part exceeds the amount appropriated to carry out this part for fiscal year 2001.

SA 620. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 145, strike lines 3 through 8 and insert the following:

"(B) 40 percent of the average per pupil expenditure in the State, except that—

"(i) if the average per pupil expenditure in the State is less than 95 percent of the average per pupil expenditure in the United States, the amount shall be 95 percent of the average per pupil expenditure in the United States; or

"(ii) if the average per pupil expenditure in the State is more than 105 percent of the average per pupil expenditure in the United States, the amount shall be 105 percent of the average per pupil expenditure in the United States."

SA 621. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 141, strike lines 5 through 22 and insert the following:

"(1) IN GENERAL.—If the sums made available under this part for any fiscal year are insufficient to pay the full amounts that all local educational agencies in States are eligible to receive under sections 1124, 1124A, and 1125 for such year—

"(A) the Secretary shall ratably reduce the allocations to such local educational agencies; and

"(B) if, after reducing the allocations, the amounts that some local educational agencies would be eligible to receive would exceed 95 percent of the full amount while the amounts that other local educational agencies would be eligible to receive would be less than 95 percent of the full amount, the Secretary shall reallocate the amounts exceeding 95 percent to the other local educational agencies ratably so that all such other local educational agencies would be eligible to receive as close as possible to 95 percent, but not more, of the full amount.

"(2) ADDITIONAL FUNDS.—If additional funds become available for making payments under sections 1124, 1124A, and 1125 for such fiscal year, allocations that were reduced under paragraph (1) shall be increased on the same basis as the allocations were reduced.

"(c) HOLD-HARMLESS AMOUNTS.—

"(1) IN GENERAL.—If possible after application of subsection (b), for each fiscal year the amount made available to each local educational agency under each of sections 1124, 1124A, and 1125 shall be not less than—"

SA 622. Mr. DAYTON (for himself and Mr. CORZINE) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, add the following:

SEC. . AMENDMENT TO THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.

Notwithstanding any other amendment made by this Act to section 611(j) of the Individuals with Disabilities Education Act (20 U.S.C. 1411(j)), subsection (j) of such Act is amended to read as follows:

"(j) FUNDING.—For the purpose of carrying out this part, other than section 619, there are authorized to be appropriated, and there are appropriated—

"(1) $12,347,001,000 for fiscal year 2002;

"(2) not more than $18,370,317,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2003;

"(3) not more than $19,048,787,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2004;

"(4) not more than $19,719,918,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2005;

"(5) not more than $20,393,202,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2006;

"(6) not more than $21,067,600,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2007;

"(7) not more than $21,742,019,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2008;

"(8) not more than $22,423,068,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2009;

"(9) not more than $23,095,622,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2010; and

"(10) not more than $23,751,456,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2011.".

SA 623. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the End of title IV add the following:

SEC. 405. SAFE SCHOOLS INITIATIVE.

(a) SHORT TITLE.—This section may be cited as the "Safe Schools Initiative Act of 2001".

(b) FINDINGS AND PURPOSE.—

(1) FINDINGS.—Congress finds that—

(A) acts of school violence disrupt the lives of children, families and communities nationwide;

(B) schools are places students go to learn, not to fear for their safety;

(C) the Federal Government should help local communities keep their schools safe;

(D) each year since fiscal year 1999, Senator Gregg, as chairman of the Commerce, Justice, State and the Judiciary Appropriations Subcommittee of the Senate, has included funding for a collaborative program entitled "Safe Schools Initiative" in the Commerce-Justice-State appropriations bill;

(E) the Safe Schools Initiative is an effort to help schools employ safety strategies and ensure the well-being of all students; and

(F) this worthwhile program should be established in statute.

(2) PURPOSE.—It is the purpose of this section to maximize local flexibility in responding to the threat of juvenile violence through the implementation of effective school violence prevention and safety programs.

(c) PROGRAM AUTHORIZED.—

(1) DEFINITION.—In this subsection, the term "local educational agencies" has the meaning given under section 3 of the Elementary and Secondary Education Act of 1965.

(2) AUTHORIZATION.—The Attorney General shall award grants to local educational agencies and law enforcement agencies to assist in planning, establishing, operating, coordinating and evaluating school violence prevention and school safety programs.

(d) APPLICATION REQUIREMENTS.—To be eligible to receive a grant under subsection (c), an entity shall prepare and submit to the Attorney General an application at such time, in such manner and containing such information as the Attorney General may require, including—

(1) a detailed explanation of the intended uses of funds provided under the grant.

(e) ALLOWABLE USE OF FUNDS.—Amounts received under a grant under this section shall be used for innovative, local responses, consistent with the purposes of this section, which may include—

(1) training, including in-service training, for school personnel, custodians, and bus drivers in—

(A) the identification of potential threats (such as illegal weapons and explosive devices);

(B) crisis preparedness and intervention procedures; and

(C) emergency response;

(2) training of interested parents, teachers, and other school and law enforcement personnel in the identification and responses to early warning signs of troubled and violent youth;

(3) innovative research-based delinquency and violence prevention programs, including mentoring programs;

(4) comprehensive school security assessments;

(5) the purchase of school security equipment and technologies such as metal detectors, electronic locks, and surveillance cameras;

(6) collaborative efforts with law enforcement agencies and community-based organizations that have demonstrated expertise in providing effective, research-based violence prevention and intervention programs to schools age children;

(7) providing assistance to families in need for the purpose of purchasing required school uniforms;

(8) hiring school resource officers, including community police officers; and

(9) for any other purpose that the Attorney General determines to be appropriate and consistent with the purpose of this Act.

(f) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section, $200,000,000 for fiscal year 2002, and sums as may be necessary for each of fiscal years 2003 through 2008.

(g) Report to Congress.—Not later than 2 years after the date of enactment of this section, and every 2 years thereafter, the Attorney General shall prepare and submit to the appropriate committee of congress a report concerning the manner in which grantees have used amounts received under a grant under this section.

SA 624. Mr. HOLLINGS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 776, line 17, strike "education" and all that follows through the end of line 19 and insert the following: "education and the identification and recognition of exemplary schools and programs such as Blue Ribbon Schools, that are designed to promote the improvement of elementary and secondary education nationally.

"'(e) Blue Ribbon Schools Dissemination Demonstration.—

"'(1) In general.—The Secretary shall conduct demonstration projects to evaluate the effectiveness of using the best practices of Blue Ribbon Schools to improve the educational outcomes of elementary and secondary schools that fail to make adequate yearly progress, as defined in the plan of the State under section 1111(b)(2)(B).

"'(2) Report to congress.—Not later than 3 years after the date on which the Secretary implements the initial demonstration projects under subsection (a), the Secretary shall submit to Congress a report regarding the effectiveness of the demonstration projects.

"'(3) Authorization of appropriations.—There is authorized to be appropriated to carry out this subsection $25,000,000 for fiscal year 2002, and such sums as may be necessary in each of the 7 fiscal years thereafter.".

SA 625. Mr. WYDEN (for himself, Mr. Conrad, and Mrs. Lincoln) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 648, strike lines 4 through 8 and insert the following:

"(1) to carry out chapter 1—

"(A) $150,000,000 for fiscal year 2002; and

"(B) such sums as may be necessary for each of the 6 succeeding fiscal years; and

"(2) to carry out chapter 2—

"(A) $150,000,000 for fiscal year 2002; and

"(B) such sums as may be necessary for each of the 6 succeeding fiscal years.".

SA 626. Mr. WYDEN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 573, after line 25, add the following:

SEC. 4203. 24-HOUR HOLDING PERIOD FOR STUDENTS WHO UNLAWFULLY BRING A GUN TO SCHOOL.

"(a) In General.—Each state receiving Federal funds under this Act shall have in effect a policy or practice described in subsection (b) by not later than the first day of the fiscal year involved.

"(b) State Policy or Practice Described.—A policy or practice described in this subsection is a policy or practice of the State that requires State and local law enforcement agencies to detain, in an appropriate juvenile community-based facility or in an appropriate juvenile justice facility, for not less than 24 hours, any juvenile who,

"(1) unlawfully possesses a firearm in a school; and

"(2) is found by a judicial officer to be a possible danger to himself or herself or to the community.".

SA 627. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 794, after line 7, add the following:

SEC. 9 . PEST MANAGEMENT IN SCHOOLS.

(a) In General.—The Federal Insecticide, Fungicide, and Rodenticide Act is amended—

(1) by redesignating sections 33 and 34 (7 U.S.C. 136x, 136y) as sections 34 and 35, respectively; and

(2) by inserting after section 32 (7 U.S.C. 136w–7) the following:

"SEC. 33. PEST MANAGEMENT IN SCHOOLS.

"(a) Definitions.—In this section:

"(1) Pesticide.—The term 'pesticide' means a pesticide that, as identified by the Administrator—

"(A) contains a known or probable carcinogen;

"(B) contains a category I or II acute nerve toxin; or

"(C) is of the organophosphate, organochlorine, or carbamate class of pesticides.

"(2) School.—The term 'school' means a public—

"(A) elementary school (as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801));

"(B) secondary school (as defined in section 14101 of that Act); or

"(C) kindergarten or nursery school.

"(b) Mandatory Notification.—

"(1) In general.—Not later than 72 hours prior to an application of a pesticide to the school grounds (including indoor and outdoor treatments), a school shall, in accordance with this subsection, notify parents and guardians of children attending that school of the application.

"(2) Contents of notification.—A notification required under this subsection shall include, with respect to each pesticide to be applied at the school during the application covered by the notification—

"(A) the common name, trade name, and Environmental Protection Agency registration number of the pesticide;

"(B) a description of the method, duration, and location of the application of the pesticide; and

"(C) a description of any potential acute or chronic effects on human health that may result from exposure to the pesticide.".

(b) Conforming Amendment.—The table of contents in section 1(b) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. prec. 121) is amended by striking the items relating to sections 30 and 31 and inserting the following:

"Sec. 30. Minimum requirements for training of maintenance applicators and service technicians.
"Sec. 31. Environmental Protection Agency minor use program.
"Sec. 32. Department of Agriculture minor use program.
"(a) In general.
"(b)(1) Minor use pesticide data.
"(2) Minor Use Pesticide Data Revolving Fund.
"Sec. 33. Pest management in schools."

SA 628. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. . PEST MANAGEMENT IN SCHOOLS.

(a) In General.—The Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a et seq.) is amended—

(1) by redesignating sections 33 and 34 as sections 34 and 35, respectively; and

(2) by inserting after section 32 the following:

"SEC. 33. PEST MANAGEMENT IN SCHOOLS.

"(a) Definitions.—In this section:

"(1) Bait.—The term 'bait' means a pesticide that contains an ingredient that serves as a feeding stimulant, odor, pheromone, or other attractant for a target pest that is—

"(A) readily detected, recognized, or eaten by the target pest; or

"(B) applied in a manner that minimizes human exposure.

"(2) Local educational agency.—The term 'local educational agency' has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

"(3) Pesticide.—

"(A) In general.—The term 'pesticide' has the meaning given the term in section 2.

"(B) Exclusion.—The term 'pesticide' does not include—

"(i) an antimicrobial pesticide described in section 2(mm)(1)(A);

"(ii) a bait, paste, gel, or pesticide used for crack or crevice treatment; or

"(iii) any pesticide exempt from the requirements of this Act under section 25(b).

"(4) School.—The term 'school' means a public—

"(A) elementary school (as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)); or

"(B) secondary school (as defined in section 14101 of that Act).

"(b) Mandatory Notification.—

"(1) In general.—A school shall, in accordance with this subsection, notify parents and guardians of children attending that school before school employees or persons contracted by the school apply a pesticide to the school grounds, including both indoor and outdoor treatments.

"(2) Annual notification.—A school shall notify parents and guardians at the beginning of each school year, and on the enrollment of a child in the school, that pesticides may be used periodically throughout the school year to manage pests.

"(3) Notification of individual applications.—

"(A) LIST OF PARENTS AND GUARDIANS REQUESTING NOTIFICATION.—A school shall establish and maintain a list of parents and guardians who have requested notification by the school before each individual application of a pesticide on school grounds, including both indoor and outdoor treatments.

"(B) NOTIFICATION REQUIREMENT.—Subject to subparagraph (D), a school shall notify each parent and guardian on the list at least 24 hours before the application of a pesticide on school grounds.

"(C) METHOD OF NOTIFICATION.—A school may notify parents or guardians on the notification list of an upcoming pesticide application by—

"(i) sending a notice home with students;

"(ii) making a phone call to parents and guardians;

"(iii) directly communicating with parents and guardians; or

"(iv) using any other method the school considers appropriate.

"(D) NOTIFICATION NOT REQUIRED.—A school shall not be required to provide notification of the application of a pesticide under this paragraph if the school—

"(i) will not be in session for at least 48 hours following the application; or

"(ii) determines that the urgent or immediate use of a pesticide is necessary to protect students, staff, or other persons.

"(4) CONTENTS OF NOTIFICATION.—A notification required under this subsection shall include—

"(A) the common name, trade name, and Environmental Protection Agency registration number of the pesticide;

"(B) a description of the location of the application of the pesticide;

"(C) a description of the approximate date and time of application, except that, in the case of outdoor pesticide applications, 1 notice shall include 3 dates, in chronological order, that the outdoor pesticide applications may take place if the preceding date is canceled;

"(D) a description of the pests to be controlled by the application of the pesticide and the potential health and safety threats posed by the pests;

"(E) the name and telephone number of the contact person of the school district; and

"(F) any telephone numbers (including toll-free telephone numbers) provided on the label of the pesticide to obtain information concerning the pesticide.

"(c) INTEGRATED PEST MANAGEMENT IN SCHOOLS.—

"(1) IN GENERAL.—Not later than 18 months after the date of enactment of this subsection, the lead agency or board designated by each State for pesticide regulation shall develop a model integrated pest management program for schools in the State that is consistent with section 303 of the Food Quality Protection Act of 1996 (7 U.S.C. 136r–1) and this section.

"(2) IMPLEMENTATION.—Not later than 180 days after the development of the model integrated pest management program, each local educational agency in the State shall adopt and implement the program.

"(3) APPLICATORS.—A local educational agency of a State shall use a certified applicator or other person authorized by the lead agency or board of the State to implement the model integrated pest management program.".

(b) CONFORMING AMENDMENT.—The table of contents in section 1(b) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. prec. 121) is amended by striking the items relating to sections 30 and 31 and inserting the following:

"Sec. 30. Minimum requirements for training of maintenance applicators and service technicians.
"Sec. 31. Environmental Protection Agency minor use program.
"Sec. 32. Department of Agriculture minor use program.
"(a) In general.
"(b)(1) Minor use pesticide data.
"(2) Minor Use Pesticide Data Revolving Fund.
"Sec. 33. Pest management in schools.
"(a) Definitions.
  "(1) Bait.
  "(2) Local educational agency.
  "(3) Pesticide.
  "(4) School.
"(b) Mandatory notification.
  "(1) In general.
  "(2) Annual notification.
  "(3) Notification of individual applications.
  "(4) Contents of notification.
"(c) Integrated pest management in schools.
  "(1) In general.
  "(2) Implementation.
  "(3) Applicators.
"Sec. 34. Severability.
"Sec. 35. Authorization of appropriations.".

(c) EFFECTIVE DATE.—This section and the amendments made by this section take effect on the date that is 18 months after the date of enactment of this Act.

SA 629. Mr. WELLSTONE (for himself, Mr. DEWINE, Mrs. CLINTON, Mr. SCHUMER, Mr. BIDEN, and Mr. KENNEDY) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 309, lines 17 and 18, strike "subsection (f)" and insert "subsections (e) and (f)".

On page 339, line 6, strike "(e)" and insert "(d)".

Beginning on page 340, strike line 9 and all that follows through page 341, line 8.

On page 341, line 9, strike "(e)" and insert "(d)".

On page 341, between lines 21 and 22, insert the following:

"(e) CAREERS TO CLASSROOMS.—

"(1) PURPOSES.—The purposes of this subsection are—

"(A) to establish a program to recruit and retain highly qualified mid-career professionals, recent graduates from an institution of higher education, and certain paraprofessionals, as teachers in high need schools, including recruiting teachers through alternative routes to certification; and

"(B) to encourage the development and expansion of alternative routes to certification under State-approved programs that enable individuals to be eligible for teacher certification within a reduced period of time, relying on the experience, expertise, and academic qualifications of an individual, or other factors, in lieu of traditional course work in the field of education.

"(2) DEFINITIONS.—In this subsection:

"(A) ELIGIBLE PARTICIPANT.—The term 'eligible participant' means—

"(i) an individual with substantial, demonstrable career experience and competence in a field for which there is a significant shortage of qualified teachers, such as mathematics, natural science, technology, engineering, and special education;

"(ii) an individual who is a graduate of an institution of higher education who—

"(I) has graduated not later than 3 years before applying to an agency or consortium to teach under this subsection;

"(II) in the case of an individual wishing to teach in a secondary school, has completed an academic major (or courses totaling an equivalent number of credit hours) in the academic subject that the individual will teach;

"(III) has graduated in the top 50 percent of the individual's undergraduate or graduate class;

"(IV) can demonstrate a high level of competence through a high level of performance in the academic subject that the individual will teach; and

"(V) meets any additional academic or other standards or qualifications established by the State; or

"(iii) a paraprofessional who—

"(I) has been working as a paraprofessional in an instructional role in an elementary school or secondary school for at least 2 years;

"(II) can demonstrate that the paraprofessional is capable of completing a bachelor's degree in not more than 2 years and is in the top 50 percent of the individual's undergraduate class;

"(III) will work toward completion of an academic major (or courses totaling an equivalent number of credit hours) in the academic subject that the paraprofessional will teach; and

"(IV) can demonstrate a high level of competence through a high level of performance in the academic subject that the paraprofessional will teach.

"(B) HIGH NEED LOCAL EDUCATIONAL AGENCY.—The term 'high need local educational agency' means a local educational agency that serves—

"(i) a high need school district; and

"(ii) a high need school.

"(C) HIGH NEED SCHOOL.—The term 'high need school' means a school that—

"(i)(I) is located in an area in which the percentage of students from families with incomes below the poverty line is 30 percent or more; or

"(II) is located in an area, other than a metropolitan statistical area, that the State determines has a high percentage of students from families with incomes below the poverty line or that has experienced greater than normal difficulty in recruiting or retaining teachers; and

"(ii)(I) is located in an area in which there is a high percentage of secondary school teachers not teaching in the content area in which teachers were trained to teach, is within the top quartile of schools statewide, as ranked by the number of unfilled, available teacher positions at the schools, is located in an area in which there is a high teacher turnover rate, or is located in an area in which there is a high percentage of teachers who are not certified or licensed.

"(D) HIGH NEED SCHOOL DISTRICT.—The term 'high need school district' means a school district in which there is—

"(i)(I) a high need school; and

"(II) a high percentage of individuals from families with incomes below the poverty line; and

"(ii)(I) a high percentage of secondary school teachers not teaching in the content area in which the teachers were trained to teach; or

"(II) a high teacher turnover rate.

"(E) POVERTY LINE.—The term 'poverty line' means the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved.

“(3) GRANT PROGRAM.—

“(A) IN GENERAL.—The Secretary shall establish a program to make grants on a competitive basis to State educational agencies, regional consortia of State educational agencies, high need local educational agencies, and consortia of high need local educational agencies, to develop State and local teacher corps or other programs to establish, expand, or enhance teacher recruitment and retention efforts.

“(B) PRIORITY.—In making such a grant, the Secretary shall give priority to an agency or consortium of agencies that applies for the grant in collaboration with an institution of higher education or a nonprofit organization that has a proven record of effectively recruiting and retaining highly qualified teachers in high need school districts.

“(4) APPLICATION.—

“(A) IN GENERAL.—To be eligible to receive a grant under this subsection, an agency or consortium described in paragraph (3) shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

“(B) CONTENTS.—The application shall—

“(i) describe how the agency or consortium will use funds received under this subsection to develop a teacher corps or other program to recruit and retain highly qualified mid-career professionals, recent graduates from an institution of higher education, and paraprofessionals as teachers in high need schools;

“(ii) explain how the agency or consortium will determine that teacher candidates seeking to participate in a program under this section are eligible participants;

“(iii) explain how the program will meet the relevant State laws (including regulations) related to teacher certification and licensing;

“(iv) explain how the agency or consortium will ensure that no paraprofessional will be hired through the program as a teacher until the paraprofessional has obtained a bachelor's degree and meets the requirements of subclauses (II) through (V) of paragraph (2)(A)(ii);

“(v) include a determination of the high need academic subjects in the jurisdiction served by the agency or consortium and how the agency or consortium will recruit teachers for those subjects;

“(vi) describe how the grant will increase the number of highly qualified teachers in high need schools in high need school districts that are urban or rural school districts;

“(vii) describe how the agency or consortium described in paragraph (3) has met the requirements of subparagraph (C);

“(viii) describe how the agency or consortium will coordinate the activities carried out with the funds with activities carried out with other Federal, State, and local funds for teacher recruitment and retention;

“(ix) describe the plan of the agency or consortium described in paragraph (3) to recruit and retain highly qualified teachers in the high need academic subjects and high need schools and facilitate the certification or licensing of such teachers; and

“(x) describe how the agency or consortium described in paragraph (3) will meet the requirements of paragraph (7)(A).

“(C) COLLABORATION.—In developing the application, the agency or consortium shall consult with and seek input from—

“(i) in the case of a partnership established by a State educational agency or consortium of such agencies, representatives of local educational agencies, including teachers, principals, superintendents, and school board members (including representatives of their professional organizations if appropriate);

“(ii) in the case of a partnership established by a local educational agency or a consortium of such agencies, representatives of a State educational agency;

“(iii) elementary school and secondary school teachers, including representatives of their professional organizations;

“(iv) institutions of higher education;

“(v) parents; and

“(vi) other interested individuals and organizations, such as businesses, experts in curriculum development, and nonprofit organizations with a proven record of effectively recruiting and retaining highly qualified teachers in high need school districts.

“(5) DURATION OF GRANTS.—The Secretary may make grants under this subsection for periods of 5 years. At the end of the 5-year period for such a grant, the grant recipient may apply for an additional grant under this subsection.

“(6) EQUITABLE DISTRIBUTION.—The Secretary shall ensure an equitable geographic distribution of grants among the regions of the United States.

“(7) REQUIREMENTS.—

“(A) TARGETING.—An agency or consortium that receives a grant under this subsection to carry out a program shall ensure that participants in the program recruited with funds made available under this subsection are placed in high need schools, within high need school districts. In placing the participants in the schools, the agency or consortium shall give priority to the schools that are located in areas with the highest percentage of students from families with incomes below the poverty line.

“(B) SUPPLEMENT NOT SUPPLANT.—Funds made available under this subsection shall be used to supplement and not supplant State and local public funds expended for teacher recruitment and retention programs, including programs to recruit the teachers through alternative routes to certification.

“(C) PARTNERSHIPS ESTABLISHED BY LOCAL EDUCATIONAL AGENCIES.—In the case of a partnership established by a local educational agency or a consortium of such agencies to carry out a program under this section the local educational agency or consortium shall not be eligible to receive funds through a State program under this section.

“(8) USES OF FUNDS.—

“(A) IN GENERAL.—An agency or consortium that receives a grant under this subsection shall use the funds made available through the grant to develop a teacher corps or other program in order to establish, expand, or enhance a teacher recruitment and retention program for highly qualified mid-career professionals, graduates of institutions of higher education, and paraprofessionals, who are eligible participants, including activities that provide alternative routes to teacher certification.

“(B) SPECIFIC ACTIVITIES.—The agency or consortium shall use the funds to carry out a Teacher Corps program that includes 2 or more activities that consist of—

“(i)(I) providing loans, scholarships, stipends, bonuses, and other financial incentives, that are linked to participation in activities that have proven effective in retaining teachers in higher need school districts, to all eligible participants (in an amount of not more than the lesser of $5,000 per eligible participant) who—

“(aa) are enrolled in a Teacher Corps program located in a State; and

“(bb) agree to seek certification through alternative routes to certification in that State; and

“(II) giving a preference, in awarding the loans, scholarships, stipends, bonuses, and other financial incentives, to individuals who the State determines have financial need for such loans, scholarships, stipends, bonuses, and other financial incentives;

“(ii) making payments (in an amount of not more than $5,000 per eligible participant) to schools to pay for costs associated with accepting teachers recruited under this subsection from among eligible participants or to provide financial incentives to prospective teachers who are eligible participants;

“(iii) providing mentoring;

“(iv) providing internships;

“(v) carrying out co-teaching arrangements;

“(vi) providing high quality, sustained inservice professional development opportunities;

“(vii) offering opportunities for teacher candidates to participate in preservice, high quality course work;

“(viii) collaboration with institutions of higher education in developing and implementing programs to facilitate teacher recruitment (including teacher credentialing) and teacher retention programs;

“(ix) providing accelerated paraprofessional-to-teacher programs that provide a paraprofessional with sufficient training and development to enable the paraprofessional to complete a bachelor's degree and fulfill other State certification or licensing requirements and that provide full pay and leave from paraprofessional duties for the period necessary to complete the degree and become certified or licensed; and

“(x) carrying out other programs, projects, and activities that—

“(I) are designed and have proven to be effective in recruiting and retaining teachers; and

“(II) the Secretary determines to be appropriate.

“(C) DEVELOPMENT OF LONG-TERM RECRUITMENT AND RETENTION STRATEGIES.—In addition to the activities authorized under subparagraph (B), an agency or consortium that receives a grant under this subsection may use the funds made available through the grant for—

“(i) the establishment and operation, or expansion and improvement, of a statewide or regionwide clearinghouse for the recruitment and placement of preschool, elementary school, secondary school, and vocational and technical school teachers (which shall not be subject to the targeting requirements under paragraph (7)(A));

“(ii) the establishment of administrative structures necessary for the development and implementation of programs to provide alternative routes to certification;

“(iii) the development of reciprocity agreements between or among States for the certification or licensure of teachers; and

“(iv) the implementation of other activities designed to ensure the use of long-term teacher recruitment and retention strategies.

“(D) EFFECTIVE ACTIVITIES.—The agency or consortium shall use the funds only for activities that have proven effective in both recruiting and retaining teachers.

“(9) REPAYMENT.—The recipient of a loan under this subsection shall immediately repay amounts received under such loan, and the recipient of a scholarship, stipend, bonus, or other financial incentive under this subsection shall repay amounts received under such scholarship, stipend, bonus, or other financial incentive, to the agency or consortium from which the loan, scholarship, stipend, bonus, or other financial incentive was received if—

"(A) the recipient involved fails to complete the applicable program providing alternative routes to certification;

"(B) the recipient rejects a bona fide offer of employment at a high need school served by that agency or consortium during the 1-year period beginning on the date on which the recipient completes such a program; or

"(C) the recipient fails to teach for at least 2 years in a high need school served by that agency or consortium during the 5-year period beginning on the date on which the individual completes such a program.

"(10) ADMINISTRATIVE FUNDS.—No agency or consortium that receives a grant under this subsection shall use more than 5 percent of the funds made available through the grant for the administration of the Teacher Corps program carried out under the grant.

"(11) EVALUATION AND ACCOUNTABILITY FOR RECRUITING AND RETAINING TEACHERS.—

"(A) EVALUATION.—Each agency or consortium that receives a grant under this subsection shall conduct—

"(i) an interim evaluation of the Teacher Corps program funded under the grant at the end of the third year of the grant period; and

"(ii) a final evaluation of the program at the end of the fifth year of the grant period.

"(B) CONTENTS.—In conducting the evaluation, the agency or consortium shall describe the extent to which local educational agencies that received funds through the grant have met those goals relating to teacher recruitment and retention described in the application.

"(C) REPORTS.—The agency or consortium shall prepare and submit to the Secretary and to Congress interim and final reports containing the results of the interim and final evaluations, respectively.

"(D) REVOCATION.—If the Secretary determines that the recipient of a grant under this subsection has not made substantial progress in meeting the goals and objectives of the grant by the end of the third year of the grant period, the Secretary—

"(i) shall revoke the payment made for the fourth year of the grant period; and

"(ii) shall not make a payment for the fifth year of the grant period.

"(12) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $200,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

On page 383, after line 21, add the following:

SEC. . MODIFICATION OF TROOPS-TO-TEACHERS PROGRAM.

(a) PURPOSE.—The purpose of this section is to authorize a mechanism for the funding and administration of the Troops-to-Teachers Program established by the Troops-to-Teachers Program Act of 1999 (title XVII of the National Defense Authorization Act for Fiscal Year 2000).

(b) DEFINITIONS.—Section 1701 of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9301) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking "means" and all that follows and inserting "means the Secretary of Education";

(B) by striking paragraph (2);

(C) by redesignating paragraphs (3) and (4), as paragraphs (2) and (3), respectively; and

(D) in paragraph (2) (as so redesignated), by inserting before the period the following: "and active and former members of the Coast Guard"; and

(2) by adding at the end the following:

"(c) ADMINISTRATION.—To the extent that funds are made available under this title, the administering Secretary shall use such funds to enter into a memorandum of agreement with the Defense Activity for Non-Traditional Education Support (referred to in this subsection as 'DANTES'), of the Department of Defense. DANTES shall use amounts made available under the memorandum of agreement to administer the Troops-to-Teachers Program, including the selection of participants in the Program in accordance with section 1704. The administering Secretary may retain a portion of the funds to identify local educational agencies with concentrations of children from low-income families or with teacher shortages and States with alternative certification or licensure requirements, as required by section 1702.".

(c) AUTHORIZATION.—Section 1702 of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9302) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking "after their discharge or release, or retirement," and insert "who retire"; and

(ii) by striking "and" at the end;

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1), the following:

"(2) to assist members of the active reserve forces to obtain certification or licensure as elementary or secondary school teachers or as vocational or technical teachers; and"; and

(2) by adding at the end the following:

"(e) FUNDING.—The administering Secretary shall provide appropriate funds to the Secretary of Defense to enable the Secretary of Defense to manage and operate the Troops-to-Teachers Program.".

(d) ELIGIBLE MEMBERS.—Section 1703 of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9303) is amended—

(1) by striking subsection (a) and inserting the following:

"(a) ELIGIBLE MEMBERS.—Subject to subsection (c), any member of the Armed Forces who, during the period beginning on October 1, 2000, and ending on September 30, 2006, retired from the active duty or who is a member of the active reserve and who satisfies such other criteria for the selection as the administering Secretary may require, shall be eligible for selection to participate in the Troops-to-Teachers Program."; and

(2) in subsection (d)—

(A) by striking "(1) The administering Secretary" and inserting "Secretary of Defense"; and

(B) by striking paragraph (2); and

(3) by adding at the end the following:

"(e) PLACEMENT ASSISTANCE AND REFERRAL SERVICES.—The administering Secretary may, with the agreement of the Secretary of Defense, provide placement assistance and referral services to members of the Armed Forces who separated from active duty under honorable circumstances. Such members shall meet education qualification requirements under subsection (b). Such members shall not be eligible for financial assistance under subsections (a) and (b) of section 1705.".

(e) SELECTION OF PARTICIPANTS.—Section 1704 of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9304) is amended—

(1) in subsection (a), by striking "on a timely basis";

(2) by striking subsection (b);

(3) in subsection (e)—

(A) in the matter preceding paragraph (1), by inserting "and receives financial assistance" after "Program"; and

(B) in paragraph (2), by striking "four school" and all that follows and inserting "three school years with a local educational agency, except that the Secretary of Defense may waive the 3 year commitment if the Secretary determines such waiver to be appropriate.";

(4) in subsection (f), by striking "subsection (e)" and inserting "subsection (d)"; and

(5) by redesignating subsections (c) through (f) as subsection (b) through (e), respectively.

(f) STIPENDS AND BONUSES.—Section 1705 of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9305) is amended—

(1) in subsection (a)—

(A) by striking "(1) Subject" and inserting "Subject"; and

(B) by striking paragraph (2);

(2) in subsection (b)—

(A) by striking paragraph (2);

(B) in paragraph (3)—

(i) by striking subparagraphs (A) through (D) and inserting the following:

"(A) The school is in a low-income school district as defined by the administering Secretary."; and

(ii) by redesignating subparagraphs (E) and (F), as subparagraphs (B) and (C), respectively; and

(C) by redesignating paragraph (3) as paragraph (2); and

(3) in subsection (d)—

(A) by striking "four years" each place that such appears and inserting "three years"; and

(B) in paragraph (2), by striking "1704(e)" and inserting "1704(d)".

(g) PARTICIPATION BY STATES.—Section 1706(b) of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9306(b)) is amended—

(1) by striking "(1) Subject to paragraph (2), the" and inserting "The"; and

(2) by striking paragraph (2).

(h) SUPPORT OF TEACHER CERTIFICATION PROGRAMS.—The Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9301 et seq.) is amended by striking 1707 through 1709 and inserting the following:

"SEC. 1707. SUPPORT OF INNOVATIVE, PRE-RETIREMENT TEACHER CERTIFICATION PROGRAMS.

"(a) IN GENERAL.—The administering Secretary may enter into a memorandum of agreements with institutions of higher education to develop, implement, and demonstrate teacher certification programs for pre-retirement military personnel for the purpose of preparing such personnel to transition to teaching as a second career. Such program shall—

"(1) provide for the recognition of military experience and training as related to licensure or certification requirements;

"(2) provide courses of instruction that may be provided at military installations;

"(3) incorporate alternative approaches to achieve teacher certification such as innovative methods to gaining field based teaching experiences, and assessments of background and experience as related to skills, knowledge and abilities required of elementary or secondary school teachers; and

"(4) provide for the delivery of courses through distance education methods.

"(b) APPLICATIONS PROCEDURES.—

"(1) In general.—An institution of higher education, or a consortia of such institutions, that desires to enter into an memorandum under subsection (a) shall prepare and submit to the administering Secretary a proposal, at such time, in such manner, and containing such information as the administering Secretary may require, including an assurance that the institution is operating one or more programs that lead to State approved teacher certification.

"(2) Preference.—The administering Secretary shall give a preference to institutions (or consortia) submitting proposals that provide for cost sharing with respect to the program involved."

SA 630. Ms. CANTWELL (for herself and Mr. HARKIN) submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 379, between lines 19 and 20, insert the following:

"SEC. . NATIONAL DIGITAL SCHOOL DISTRICTS.

"(a) Purposes.—The purposes of this section are—

"(1) to address the important role that technology and the Internet can play in enhancing and improving education in the schools of the United States when resources are allocated strategically and effectively;

"(2) to assist State and local school administrators of the United States in effectively devoting resources on proven methods to incorporate the use of high technology and the Internet in educational curricula;

"(3) to encourage the development of innovative strategic approaches to the appropriate and effective use of technology in teaching, learning, and managing elementary schools and secondary schools;

"(4) to evaluate and assess the various strategies described in paragraph (3) and provide models for the innovative use of technology in schools in the United States; and

"(5) to encourage partnerships between educational institutions and the private sector relating to the use of technology described in paragraph (3) in schools in the United States.

"(b) Definitions.—In this section:

"(1) State.—The term 'State' means 1 of the several States of the United States and the District of Columbia.

"(2) State educational agency.—The term 'State educational agency' means the State educational agency of a State.

"(c) Grants to State Educational Agencies.—

"(1) Fiscal year 2002.—For fiscal year 2002, the Secretary shall award 1 grant to each State educational agency to make subgrants to local educational agencies to create national digital school districts.

"(2) Fiscal year 2003.—

"(A) In general.—For fiscal year 2003, the Secretary shall award 1 grant to each State educational agency to pay for the Federal share of the cost of making subgrants to local educational agencies to create national digital school districts.

"(B) Federal share.—The Federal share of the cost referred to in subparagraph (A) is 50 percent.

"(3) State applications.—To be eligible to receive a grant under this section, a State educational agency shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

"(d) Subgrants to Local Educational Agencies.—

"(1) Subgrants.—A State educational agency that receives a grant under subsection (c) shall use not less than 95 percent of the funds made available through the grant to make subgrants, on a competitive basis, to local educational agencies.

"(2) Notice.—The State educational agency shall provide notice to all local educational agencies in the State of the availability of subgrants under this subsection and of the requirements for applying for the subgrants.

"(3) Local applications.—To be eligible to receive a subgrant under this section, a local educational agency shall submit an application to the State educational agency at such time, in such manner, and containing such information as the State educational agency may reasonably require.

"(4) Use of subgrants.—A local educational agency that receives a subgrant under this subsection may use the funds made available through the subgrant to create a national digital school district by—

"(A) acquiring technology;

"(B) providing teacher mentoring; and

"(C) carrying out other efforts to achieve the purposes of this section.

"(e) Academic Research.—The Secretary shall award grants, on a competitive basis, for fiscal year 2004 to institutions of higher education, to conduct research on the effectiveness of the technology used in national digital school districts.

"(f) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section $100,000,000 for fiscal year 2002, $50,000,000 for fiscal year 2003, and $25,000,000 for fiscal year 2004.

"(g) References.—References in this part to activities carried out under this part or funds provided to carry out this part shall not be considered to be references to activities carried out under this section or funds provided to carry out this section.

SA 631. Mr. LEVIN (for himself, Ms. LANDRIEU, and Mr. COCHRAN) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 189, between lines 17 and 18, insert the following:

"(6) Prime time family reading time.—A State that receives a grant under this section may expend funds provided under the grant for a humanities-based family literacy program which bonds families around the acts of reading and using public libraries.

SA 632. Mr. LEVIN (for himself and Mr. JEFFORDS) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. . INCREASE IN NUMBER OF MONTHS OF VOCATIONAL EDUCATIONAL TRAINING COUNTED AS A WORK ACTIVITY UNDER THE TANF PROGRAM.

Section 407(d)(8) of the Social Security Act (42 U.S.C. 607(d)(8)) is amended by striking "12" and inserting "24".

SA 633. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 328, line 21, insert before the semicolon the following: ", together with knowledge in the use of computer related technology to enhance student learning".

SA 634. Mr. STEVENS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 782, insert the following new subsections after line 17:

"(J) remedial and enrichment programs to assist Alaska Native students in succeeding in standardized tests;

"(K) education and training of Alaska Native Students enrolled in a degree program that will lead to certification as teachers;

"(L) parenting education for parents and caregivers of Alaska Native children to improve parenting skills (including skills relating to discipline and cognitive development), including parenting education provided through in-home visitation of new mothers;

"(M) cultural education programs operated by the Alaska Native Heritage Center and designed to share the Alaska Native culture with schoolchildren;

"(N) a cultural exchange program operated by the Alaska Humanities Forum and designed to share Alaska Native culture with urban students in a rural setting, which shall be known as the Rose Cultural Exchange Program;

"(O) activities carried through Even Start programs carried out under part B of title I and Head Start programs carried out under the Head Start Act, including the training of teachers for programs described in this subparagraph;

"(P) other early learning and preschool programs;

"(Q) dropout prevention programs such as Partners for Success; and

"(R) Alaska Initiative for Community Engagement program."

On page 783, strike lines 8 through 11 and insert in lieu thereof the following:

"(c) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section the same amount as the authorization provided for activities under the Native Hawaiian Education Act in section 7205 of this Act for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(d) Availability of Funds.—Of the funds appropriated and made available under this section for a fiscal year, the Secretary shall make available not less than $1,000,000 to support activities described in subsection (a)(2)(L), not less than $1,000,000 to support activities described in subsection (a)(2)(M), not less than $1,000,000 to support activities described in subsection (a)(2)(N); not less than $2,000,000 to support activities described in subsection (a)(2)(Q); and not less than $2,000,000 to support activities described in subsection (a)(2)(R)."

SA 635. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 1; to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 383, after line 21, add the following:

SEC. 203. CLOSE UP FELLOWSHIP PROGRAM.

Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.), as amended by section 202, is further amended by adding at the end the following:

"PART E—CLOSE UP FELLOWSHIP PROGRAM

"SEC. . FINDINGS.

"Congress makes the following findings:

"(1) The strength of our democracy rests with the willingness of our citizens to be active participants in their governance. For young people to be such active participants, it is essential that they develop a strong sense of responsibility toward ensuring the common good and general welfare of their local communities, States and the Nation.

"(2) For the young people of our country to develop a sense of responsibility for their fellow citizens, communities and country, our educational system must assist them in the development of strong moral character and values.

"(3) Civic education about our Federal Government is an integral component in the process of educating young people to be active and productive citizens who contribute to strengthening and promoting our democratic form of government.

"(4) There are enormous pressures on teachers to develop creative ways to stimulate the development of strong moral character and appropriate value systems among young people, and to educate young people about their responsibilities and rights as citizens.

"(5) Young people who have economically disadvantaged backgrounds, or who are from other under-served constituencies, have a special need for educational programs that develop a strong a sense of community and educate them about their rights and responsibilities as citizens of the United States. Under-served constituencies include those such as economically disadvantaged young people in large metropolitan areas, ethnic minorities, who are members of recently immigrated or migrant families, Native Americans or the physically disabled.

"(6) The Close Up Foundation has thirty years of experience in providing economically disadvantaged young people and teachers with a unique and highly educational experience with how our federal system of government functions through its programs that bring young people and teachers to Washington, D.C. for a first-hand view of our government in action.

"(7) It is a worthwhile goal to ensure that economically disadvantaged young people and teachers have the opportunity to participate in Close Up's highly effective civic education program. Therefore, it is fitting and appropriate to provide fellowships to students of limited economic means and the teachers who work with such students so that the students and teachers may participate in the programs supported by the Close Up Foundation. It is equally fitting and appropriate to support the Close Up Foundation's 'Great American Cities' program that focuses on character and leadership development among economically disadvantaged young people who reside in our Nation's large metropolitan areas.

"Subpart 1—Program for Middle and Secondary School Students

"SEC. . ESTABLISHMENT.

"(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants in accordance with provisions of this subpart to the Close Up Foundation of Washington, District of Columbia, a nonpartisan, nonprofit foundation, for the purpose of assisting the Close Up Foundation in carrying out its programs of increasing understanding of the Federal Government among economically disadvantaged middle and secondary school students.

"(b) USE OF FUNDS.—Grants under this subpart shall be used only to provide financial assistance to economically disadvantaged students who participate in the program described in subsection (a). Financial assistance received pursuant to this subpart by such students shall be known as the Close Up Fellowships.

"SEC. . APPLICATIONS.

"(a) APPLICATION REQUIRED.—No grant under this subpart may be made except upon an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(b) CONTENT OF APPLICATION.—Each such application shall contain provisions to assure—

"(1) that fellowship grants are made to economically disadvantaged middle and secondary school students;

"(2) that every effort shall be made to ensure the participation of students from rural and small town areas, as well as from urban areas, and that in awarding fellowships to economically disadvantaged students, special consideration will be given to the participation of students with special educational needs, including students with disabilities, students with migrant parents and ethnic minority students; and

"(3) the proper disbursement of the funds received under this subpart.

"Subpart 2—Program for Middle and Secondary School Teachers

"SEC. . ESTABLISHMENT.

"(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants in accordance with provisions of this subpart to the Close Up Foundation of Washington, District of Columbia, a nonpartisan, nonprofit foundation, for the purpose of assisting the Close Up Foundation in carrying out its programs of teaching skills enhancement for middle and secondary school teachers.

"(b) USE OF FUNDS.—Grants under this subpart shall be used only to provide financial assistance to teachers who participate in the program described in subsection (a). Financial assistance received pursuant to this subpart by such students shall be know as the Close Up Teacher Fellowships.

"SEC. . APPLICATIONS.

"(a) APPLICATION REQUIRED.—No grant under this subpart may be made except upon an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(b) CONTENT OF APPLICATION.—Each such application shall contain provisions to assure—

"(1) that fellowship grants are made only to teachers who have worked with at least one student from such teacher's school who participates in the program described in section (a);

"(2) that no teacher in each school participating in the programs provided for in section (a) may receive more than one fellowship in any fiscal year; and

"(3) the proper disbursement of the funds received under this subpart.

"Subpart 3—Program for New Americans

"SEC. . ESTABLISHMENT.

"(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants in accordance with provisions of this subpart to the Close Up Foundation of Washington, District of Columbia, a nonpartisan, nonprofit foundation, for the purpose of assisting the Close Up Foundation in carrying out its programs of increasing understanding of the Federal Government among economically disadvantaged secondary school students who are recent immigrants.

"(b) DEFINITION.—For purposes of this subpart, the term 'recent immigrant student' means a student of a family that immigrated to the United states within five years of the students participation in the program.

"(c) USE OF FUNDS.—Grants under this subpart shall be used only to provide financial assistance to economically disadvantaged recent immigrant students who participate in the program described in subsection (a). Financial assistance received pursuant to this subpart by such students shall be know as the Close Up Fellowships for New Americans.

"SEC. . APPLICATIONS.

"(a) APPLICATION REQUIRED.—No grant under this subpart may be made except upon an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(b) CONTENT OF APPLICATION.—Each such application shall contain provisions to assure (1) that fellowship grants are made to economically disadvantaged secondary school students;

"(2) that every effort shall be made to ensure the participation of recent immigrant students from rural and small town areas, as well as from urban areas, and that in awarding fellowships to economically disadvantaged recent immigrant students, special consideration will be given to the participation of those students with special educational needs, including students with disabilities, students with migrant parents and ethnic minority students;

"(3) that activities permitted by subsection (a) are fully described; and

"(4) the proper disbursement of the funds received under this subpart.

"Subpart 4—Great American Cities Program

"SEC. . ESTABLISHMENT.

"(a) GENERAL AUTHORITY.—

"(1) IN GENERAL.—The Secretary is authorized to make grants in accordance with provisions of this subpart to the Close Up Foundation of Washington, District of Columbia, a nonpartisan, nonprofit foundation, for the purpose of assisting the Close Up Foundation in carrying out its Great American Cities program to develop strong moral character, leadership qualities, a belief in community service and an understanding of Federal Government policy-making among economically disadvantaged young people who reside in large metropolitan areas.

"(2) DEFINITION.—For the purpose of this subpart, the term 'Great American Cities' means metropolitan areas as defined by the criteria of the Council of the Great City Schools.

"(b) USE OF FUNDS.—Grants under this subpart shall be used only to provide financial assistance to teachers and economically disadvantaged secondary school students who participate in the program described in subsection (a) and to assist in the development and execution of the program. Financial assistance received pursuant to this subpart by such students shall be known as the Close Up Great American Cities Fellowships.

"SEC. . APPLICATIONS.

"(a) Application Required.—No grant under this subpart may be made except upon an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(b) Content of Application.—Each such application shall contain provisions to assure—

"(1) that fellowship grants are made to teachers and economically disadvantaged secondary school students who reside in large metropolitan areas;

"(2) that every effort shall be made to ensure the participation of teachers and students from large metropolitan areas, and that in awarding fellowships to the teachers and economically disadvantaged students, special consideration will be given to the participation of students with special educational needs, including students with disabilities and ethnic minority students; and

"(3) the proper disbursement of the funds received under this subpart.

"Subpart 5—General Provisions

"SEC. . ADMINISTRATIVE PROVISIONS.

"(a) Accountability.—In consultation with the Secretary, the Close Up Foundation will devise and implement procedures to measure the efficacy of the programs authorized in subparts 1, 2, 3 and 4 in attaining objectives that include: providing young people with an increased understanding of the Federal Government; heightening a sense of civic responsibility among young people; and enhancing the skills of educators in teaching young people about civic virtue, citizenship competencies and the Federal Government.

"(b) General Rule.—Payments under this part may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of underpayments or overpayments.

"(c) Audit Rule.—The Comptroller General of the United States or any of the Comptroller General's duly authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records that are pertinent to any grant under this part.

"SEC. . AUTHORIZATION OF APPROPRIATIONS.

"(a) In General.—There are authorized to be appropriated to carry out the provisions of subparts 1, 2, 3 and 4 of this part $6,000,000 for fiscal year 2002 and such sums as may be necessary for each of the four succeeding fiscal years.

"(b) Special Rule.—Of the funds appropriated pursuant to subsection (a), not more than 30 percent may be used for teachers associated with students participating in the programs described in sections and ".

SA 636. Mr. McCAIN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, insert the following:

TITLE —EDUCATIONAL CHOICES FOR DISADVANTAGED CHILDREN.

SEC. 01. PURPOSES.

The purposes of this title are—

(1) to assist the District of Columbia to—

(A) give children from low-income families in the District of Columbia the same choices among all elementary schools and secondary schools and other academic programs as children from wealthier families already have;

(B) improve schools and other academic programs in the District of Columbia by giving parents in low-income families increased consumer power to choose the schools and programs that the parents determine best fit the needs of their children; and

(C) more fully engage parents in the District of Columbia in their children's schooling; and

(2) to demonstrate, through a 3-year grant program, the effects of a voucher program in the District of Columbia that gives parents in low-income families—

(A) choice among public, private, and religious schools for their children; and

(B) access to the same academic options as parents in wealthy families have for their children.

SEC. 02. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—There is authorized to be appropriated to carry out this title (other than section 09) $24,000,000 for each of fiscal years 2002 through 2005.

(b) Evaluation.—There is authorized to be appropriated to carry out section 09 $1,000,000 for each of fiscal years 2002 through 2005.

SEC. 03. PROGRAM AUTHORITY.

(a) In General.—From amounts made available to carry out this title, the Secretary of Education shall award grants to the District of Columbia to enable the District of Columbia to carry out educational choice programs that provide scholarships, in accordance with this title.

(b) Limit on Federal Administrative Expenditures.—The Secretary of Education may reserve not more than 5 percent of the amounts appropriated under section 02(a) for a fiscal year to the District of Columbia Board of Education or other entity that exercises administrative jurisdiction over the District of Columbia public schools, the Superintendent of the District of Columbia public schools, and other school scholarship programs in the District of Columbia, to pay for the costs of administering this title.

SEC. 04. ELIGIBLE SCHOOLS.

(a) Eligibility.—

(1) In general.—Schools identified under paragraph (2) shall be considered to be eligible schools under this title. The identification under paragraph (2) shall be carried out by the District of Columbia Board of Education or other entity that exercises administrative jurisdiction over the District of Columbia public schools, the Superintendent of the District of Columbia public schools, and other school scholarship programs in the District of Columbia.

(2) Determination.—Not later than 180 days after the date of enactment of this title, the District of Columbia shall identify the public elementary schools and secondary schools that are at or below the 25th percentile for academic performance of schools in the District of Columbia.

(b) Performance.—The District of Columbia shall determine the academic performance of a school under this section based on such criteria as the District of Columbia may consider to be appropriate.

SEC. 05. SCHOLARSHIPS.

(a) In General.—

(1) Scholarship awards.—With funds awarded under this title, District of Columbia shall provide scholarships to the parents of eligible children, in accordance with subsections (b) and (c). The District of Columbia shall ensure that the scholarships may be redeemed for elementary or secondary education for the eligible children at any of a broad variety of public and private schools, including religious schools, in the District of Columbia.

(2) Scholarship amount.—The amount of each scholarship shall be $2000 per year.

(3) Tax exemption.—Scholarships awarded under this title shall not be considered income of the parents for Federal income tax purposes or for determining eligibility for any other Federal program.

(b) Eligible Child.—To be eligible to receive a scholarship under this title, a child shall be—

(1) a child who is enrolled in a public elementary school or secondary school that is an eligible school; and

(2) a member of a family with a family income that is not more than 200 percent of the poverty line.

(c) Award Rules.—

(1) Priority.—In providing scholarships under this title, the District of Columbia shall provide scholarships for eligible children through a lottery system administered for all eligible schools in the District of Columbia.

(2) Continuing eligibility.—The District of Columbia shall provide a scholarship in each year of the program to each child who received a scholarship during the previous year of the program, unless—

(A) the child no longer resides in the area served by an eligible school;

(B) the child no longer attends school;

(C) the child's family income exceeds, by 20 percent or more, 200 percent of the poverty line;

(D) the child is expelled; or

(E) the child is convicted of possession of a weapon on school grounds, convicted of a violent act against another student or a member of the school's faculty, or convicted of a felony, including felonious drug possession.

SEC. 06. USES OF FUNDS.

Any scholarship awarded under this title for a year shall be used—

(1) first, for—

(A) the payment of tuition and fees at the school selected by the parents of the child for whom the scholarship was provided; and

(B) the reasonable costs of the child's transportation to the school, if the school is not the school to which the child would be assigned in the absence of a program under this title;

(2) second, if the parents so choose, to obtain supplementary academic services for the child, at a cost of not more than $500, from any provider chosen by the parents, that the District of Columbia determines is capable of providing such services and has an appropriate refund policy; and

(3) finally, for educational programs that help the eligible child achieve high levels of academic excellence in the school attended by the eligible child, if the eligible child chooses to attend a public school.

SEC. 07. REQUIREMENT.

The District of Columbia shall allow lawfully operating public and private elementary schools and secondary schools, including religious schools, if any, serving the area involved to participate in the program.

SEC. 08. EFFECT OF PROGRAMS.

(a) Title I.—Notwithstanding any other provision of law, if the District of Columbia would, in the absence of an educational choice program that is funded under this title, provide services to a participating eligible child under part A of title I of the Elementary and Secondary Education Act of

1965 (20 U.S.C. 6311 et seq.), the District of Columbia shall ensure the provision of such services to such child.

(b) Individuals With Disabilities.—Nothing in this title shall be construed to affect the requirements of part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

(c) Aid.—

(1) In general.—Scholarships under this title shall be considered to aid families, not institutions. For purposes of determining Federal assistance under Federal law, a parent's expenditure of scholarship funds under this title at a school or for supplementary academic services shall not constitute Federal financial aid or assistance to that school or to the provider of supplementary academic services.

(2) Supplementary academic services.—

(A) In general.—Notwithstanding paragraph (1), a school or provider of supplementary academic services that receives scholarship funds under this title shall, as a condition of participation under this title, comply with the provisions of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

(B) Regulations.—The Secretary of Education shall promulgate regulations to implement the provisions of subparagraph (A), taking into account the purposes of this title and the nature, variety, and missions of schools and providers that may participate in providing services to children under this title.

(d) Other Federal Funds.—No Federal, State, or local agency may, in any year, take into account Federal funds provided to the District of Columbia or to the parents of any child under this title in determining whether to provide any other funds from Federal, State, or local resources, or in determining the amount of such assistance, to the District of Columbia or to a school attended by such child.

(e) No Discretion.—Nothing in this title shall be construed to authorize the Secretary of Education to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school participating in a program under this title.

SEC. 09. EVALUATION.

The Comptroller General of the United States shall conduct an evaluation of the program authorized by this title. Such evaluation shall, at a minimum—

(1) assess the implementation of educational choice programs assisted under this title and their effect on participants, schools, and communities in the school districts served, including parental involvement in, and satisfaction with, the program and their children's education;

(2) compare the educational achievement of participating eligible children with the educational achievement of similar non-participating children before, during, and after the program; and

(3) compare—

(A) the educational achievement of eligible children who use scholarships to attend schools other than the schools the children would attend in the absence of the program; with

(B) the educational achievement of children who attend the schools the children would attend in the absence of the program.

SEC. 10. ENFORCEMENT.

(a) Regulations.—The Secretary of Education shall promulgate regulations to enforce the provisions of this title.

(b) Private Cause.—No provision or requirement of this title shall be enforced through a private cause of action.

SEC. 11. WASTEFUL SPENDING AND FUNDING.

(a) In General.—The Committee on Finance and the Committee on Appropriations of the Senate and the Committee on Ways and Means and the Committee on Appropriations of the House of Representatives shall identify wasteful spending by the Federal Government as a means of providing funding for this title.

(b) Report.—Not later than 60 days after the date of enactment of this title, the committees referred to in subsection (a) shall jointly prepare and submit to the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives, a report concerning the spending identified under such subsection.

SEC. 12. DISTRICT OF COLUMBIA SCHOLARSHIP CORPORATION.

(a) Definitions.—In this section—

(1) the term "Board" means the Board of Directors of the Corporation established under subsection (c); and

(2) the term "Corporation" means the District of Columbia Scholarship Corporation established under subsection (b).

(b) General Requirements.—

(1) In general.—There is authorized to be established a private, nonprofit corporation, to be known as the "District of Columbia Scholarship Corporation", which is neither an agency nor an establishment of the United States Government or the District of Columbia government.

(2) Duties.—The Corporation shall administer, publicize, and evaluate the scholarship program established under this section, and determine student and school eligibility for participation in the program.

(3) Consultation.—The Corporation shall exercise its authority in consultation with the Board of Education, the Superintendent, the Consensus Commission, and other school scholarship programs in the District of Columbia.

(4) Application of provisions.—The Corporation shall be subject to the provisions of this section, and, to the extent that it is consistent with this section, to the District of Columbia Nonprofit Corporation Act (D.C. Code, 29-501 et seq.).

(5) Residence.—The Corporation shall have its place of business in the District of Columbia, and shall be considered, for purposes of venue in civil actions, to be a resident of the District of Columbia.

(6) Fund.—There is established in the District of Columbia general fund, a fund that shall be known as the "District of Columbia Scholarship Fund".

(7) Disbursement.—The Mayor of the District of Columbia shall disburse to the Corporation, before October 15 of each fiscal year or not later than 15 days after the date of enactment of an Act making appropriations for the District of Columbia for such year, whichever occurs later, such funds as have been appropriated to the District of Columbia Scholarship Fund for the fiscal year for which such disbursement is made.

(8) Availability.—Funds authorized to be appropriated under this section shall remain available until expended.

(9) Uses.—Funds authorized to be appropriated under this section shall be used by the Corporation in a prudent and financially responsible manner, solely for awarding scholarships and for administrative costs.

(10) Authorization.—

(A) In general.—There is authorized to be appropriated to the District of Columbia Scholarship Fund for fiscal years 2002 through 2004.

(B) Limitation on administrative costs.—Not more than 3 percent of the amount appropriated to carry out this section for any fiscal year may be used by the Corporation for any purpose other than assistance to students.

(c) Organization and Management; Board of Directors.—

(1) Board of directors; membership.—

(A) In general.—The Corporation shall have a Board of Directors comprised of 7 members, with 6 members of the Board appointed by the President not later than 30 days after receipt of nominations from the Speaker of the House of Representatives, the Majority Leader of the Senate, Minority Leader of the Senate in accordance with this paragraph.

(B) House nominations.—The President shall appoint 2 members of the Board from a list of not fewer than 6 individuals nominated by the Speaker of the House of Representatives, and 1 member of the Board from a list of not fewer than 3 individuals nominated by the Minority Leader of the House of Representatives.

(C) Senate nominations.—The President shall appoint 2 members of the Board from a list of not fewer than 6 individuals nominated by the Majority Leader of the Senate, and 1 member of the Board from a list of not fewer than 3 individuals nominated by the Minority Leader of the Senate.

(D) Deadline.—The Speaker and Minority Leader of the House of Representatives and the Majority Leader and Minority Leader of the Senate shall submit their nominations to the President not later than 30 days after the date of enactment of this Act.

(E) Appointee of mayor.—The Mayor of the District of Columbia shall appoint 1 member of the Board not later than 60 days after the date of enactment of this Act.

(F) Possible interim members.—If the President does not appoint the 6 members of the Board in the 30-day period described in subparagraph (A), then the Speaker of the House of Representatives and the Majority Leader of the Senate shall each appoint 2 members of the Board, and the Minority Leader of the House of Representatives and the Minority Leader of the Senate shall each appoint 1 member of the Board, from among the individuals nominated pursuant to subparagraphs (A) and (B), as the case may be. The appointees under the preceding sentence, together with the appointee of the Mayor of the District of Columbia, shall serve as an interim Board, with all the powers and other duties of the Board described in this section, until the President makes the appointments as described in this subsection.

(2) Powers.—All powers of the Corporation shall vest in and be exercised under the authority of the Board.

(3) Elections.—Members of the Board shall elect 1 of the members of the Board to serve as chairperson of the Board.

(4) Residency.—All members appointed to the Board shall be residents of the District of Columbia at the time of appointment and while serving on the Board.

(5) Nonemployee.—No member of the Board may be an employee of the United States Government or the District of Columbia government when appointed to or during tenure on the Board, unless the individual is on a leave of absence from such a position while serving on the Board.

(6) Incorporation.—The members of the initial Board shall serve as incorporators and

shall take whatever steps are necessary to establish the Corporation under the District of Columbia Nonprofit Corporation Act (D.C. Code 29-501 et seq.).

(7) GENERAL TERM.—The term of office of each member shall be 3 years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which the predecessor was appointed shall be appointed for the remainder of such term.

(8) NO BENEFIT.—No part of the income or assets of the Corporation shall inure to the benefit of any Director, officer, or employee of the Corporation, except as salary or reasonable compensation for services.

(9) POLITICAL ACTIVITY.—The Corporation may not contribute to or otherwise support any political party or candidate for elective public office.

(10) NO OFFICERS OR EMPLOYEES.—The members of the Board shall not, by reason of such membership, be considered to be officers or employees of the United States Government or the District of Columbia government.

(11) STIPENDS.—The members of the Board, while attending meetings of the Board or while engaged in duties related to such meetings or other activities of the Board pursuant to this section, shall be provided a stipend. Such stipend shall be at the rate of $150 per day, for which the member of the Board is officially recorded as having worked, except that no member may be paid a total stipend amount in any calendar year in excess of $5,000.

(d) OFFICERS AND STAFF.—

(1) EXECUTIVE DIRECTOR.—The Corporation shall have an Executive Director, and such other staff, as may be appointed by the Board for terms and at rates of compensation, not to exceed level EG-16 of the Educational Service of the District of Columbia, to be fixed by the Board.

(2) STAFF.—With the approval of the Board, the Executive Director may appoint and fix the salary of such additional personnel as the Executive Director considers appropriate.

(3) ANNUAL RATE.—No staff of the Corporation may be compensated by the Corporation at an annual rate of pay that is greater than the annual rate of pay of the Executive Director.

(4) SERVICE.—All officers and employees of the Corporation shall shall serve at the pleasure of the Board.

(5) QUALIFICATION.—No political test or qualification may be used in selecting, appointing, promoting, or taking other personnel actions with respect to officers, agents, or employees of the Corporation.

(e) POWERS OF THE CORPORATION.—

(1) GENERALLY.—The Corporation is authorized to obtain grants from, and make contracts with, individuals and with private, State, and Federal agencies, organizations, and institutions.

(2) HIRING AUTHORITY.—The Corporation may hire, or accept the voluntary services of, consultants, experts, advisory boards, and panels to aid the Corporation in carrying out this section.

SA 637. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 18 and all that follows through line 15 on page 143, and insert the following:

"(c) SPECIAL FUNDING RULES.—Notwithstanding any other provision of law, a State shall not receive under this part for fiscal year 2000 or any succeeding fiscal year, an amount that—

"(1) exceeds by more than 10 percent the amount the State received under this part for fiscal year 1999; and

"(2) is less than 0.25 percent of the amount appropriated to carry out this part for the fiscal year for which the determination is made.

Beginning on page 144, line 23, strike "year is" and all that follows through line 8 on page 145, and insert "year shall bear the same relation to the amount appropriated under section 1002(a) for the fiscal year as the number of children counted under section 1124(c) for the local educational agency bears to the number of children counted under section 1124(c) for all local educational agencies in all States.".

Beginning on page 149, strike line 23 and all that follows through line 11 on page 150, and insert the following:

"(3) PUERTO RICO.—The grant which the Commonwealth of Puerto Rico shall be eligible to receive under this section for each fiscal year is equal to the amount received by the Commonwealth of Puerto Rico under this section for fiscal year 1999.

Beginning on page 155, strike line 13 and all that follows through line 3 on page 156.

On page 161, line 11, strike "year shall" and all that follows through line 16, and insert "year shall bear the same relation to the amount made available to carry out this section for the fiscal year as the number of children counted under section 1124(c) for the local educational agency bears to the number of children counted under section 1124(c) for all local educational agencies in all States.".

On page 161, strike lines 17 through 23, and insert the following:

"(2) PUERTO RICO.—The amount of the grant for which the Commonwealth of Puerto Rico is eligible under this section is equal to the amount received by the Commonwealth of Puerto Rico under this section for fiscal year 1999.

SA 638. Mr. NELSON of Florida submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 69, between lines 9 and 10, insert the following:

"(6) REPORT TO CONGRESS.—The Secretary shall report annually to Congress—

"(A) beginning with school year 2001-2002, information on the State's progress in developing and implementing the assessments described in subsection (b)(3);

"(B) beginning not later than school year 2004-2005, information on the achievement of students on the assessments described in subsection (b)(3), including the disaggregated results for the categories of students described in subsection (b)(2)(B)(v)(II);

"(C) the number and name of each school identified for school improvement under section 1116(c), the reason why each school was so identified, and the measures taken to address the performance problems of such schools; and

"(D) in any year before the States begin to provide the information described in paragraph (B) to the Secretary, information on the results of student assessments (including disaggregated results) required under this section.

SA 639. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 18 and all that follows through line 15 on page 143, and insert the following:

"(c) SPECIAL FUNDING RULES.—Notwithstanding any other provision of law, a State shall not receive under this part for fiscal year 2000 or any succeeding fiscal year, an amount that—

"(1) exceeds by more than 10 percent the amount the State received under this part for fiscal year 1999; and

"(2) is less than 0.25 percent of the amount appropriated to carry out this part for the fiscal year for which the determination is made.

Beginning on page 144, line 23, strike "year is" and all that follows through line 8 on page 145, and insert "year shall bear the same relation to the amount appropriated under section 1002(a) for the fiscal year as the number of children counted under section 1124(c) for the local educational agency bears to the number of children counted under section 1124(c) for all local educational agencies in all States.".

Beginning on page 149, strike line 23 and all that follows through line 11 on page 150, and insert the following:

"(3) PUERTO RICO.—The grant which the Commonwealth of Puerto Rico shall be eligible to receive under this section for each fiscal year is equal to the amount received by the Commonwealth of Puerto Rico under this section for fiscal year 1999.

Beginning on page 155, strike line 13 and all that follows through line 3 on page 156.

On page 161, line 11, strike "year shall" and all that follows through line 16, and insert "year shall bear the same relation to the amount made available to carry out this section for the fiscal year as the number of children counted under section 1124(c) for the local educational agency bears to the number of children counted under section 1124(c) for all local educational agencies in all States.".

On page 161, strike lines 17 through 23, and insert the following:

"(2) PUERTO RICO.—The amount of the grant for which the Commonwealth of Puerto Rico is eligible under this section is equal to the amount received by the Commonwealth of Puerto Rico under this section for fiscal year 1999.

SA 640. Mr. DORGAN (for himself, Mr. REID, Mr. DURBIN, Ms. BOXER, Mrs. FEINSTEIN, and Mrs. MURRAY) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

at the appropriate place, insert:

The Senate finds:

The price of energy has skyrocketed in recent months;

The California consumers have seen a 10-fold increase in electricity prices in less than 2 years;

Natural gas prices have doubled in some areas, as compared with a year ago;

Gasoline prices are close to $2.00 per gallon now and are expected to increase to as much as $3.00 per gallon this summer;

Energy companies have seen their profits doubled, tripled, and in some cases even quintupled; and

High energy prices are having a detrimental effect on families across the country and threaten economic growth.

SECTION 1. SENSE OF THE SENATE CONCERNING THE NEED TO ESTABLISH A JOINT COMMITTEE OF THE SENATE AND HOUSE OF REPRESENTATIVES TO INVESTIGATE THE RAPIDLY INCREASING ENERGY PRICES ACROSS THE COUNTRY AND TO DETERMINE WHAT IS CAUSING THE INCREASES.

It is the sense of the Senate that there should be established a joint committee of the Senate and House of Representatives to—

(1) study the dramatic increases in energy prices (including increases in the prices of gasoline, natural gas, electricity, and home heating oil);

(2) investigate the cause of the increases;

(3) make findings of fact; and

(4) make such recommendations, including recommendations for legislation and any administrative or other actions, as the joint committee determines to be appropriate.

SA 641. Mr. CONRAD submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of title II, add the following:

SEC. 203. PROFESSIONAL DEVELOPMENT.

Section 3141(b)(2)(A) (20 U.S.C. 6861(b)(2)(A)) is amended—

(1) in clause (i), by striking "and" at the end;

(2) in clause (ii)(V), by adding "and" after the semicolon; and

(3) by adding at the end the following:

"(iii) the provision of incentives, including bonus payments, to recognized educators who achieve the National Education Technology Standards, or an information technology certification that is directly related to the curriculum or content area in which the teacher provides instruction;".

SA 642. Mr. ENZI submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 178, between lines 19 and 20, insert the following:

"(4) Reservation from appropriations.—From the amounts appropriated under section 1002(b)(2) to carry out this subpart for a fiscal year, the Secretary shall—

"(A) reserve ½ of 1 percent for allotments for the Virgin Islands, Guam, American Samoa and the Commonwealth of the Northern Mariana Islands, to be distributed among these outlying areas on the basis of their relative need, as determined by the Secretary in accordance with the purposes of this subpart; and

"(B) reserve ½ of 1 percent for allotments for the Secretary of the Interior for programs under this subpart in schools operated or funded by the Bureau of Indian Affairs.

On page 272, line 10, strike "and the Republic of Palau" and insert "Republic of Palau, and Bureau of Indian Affairs for purposes of serving schools funded by the Bureau".

On page 776, line 10, insert before the semicolon the following: "or, in the case of a Bureau of Indian Affairs funded school, by the Secretary of the Interior"

On page 807, strike lines 1 through 18.

On page 808, strike lines 15 and 16.

SA 643. Mr. ENZI (for himself and Ms. Collins, Mrs. Murray, and Mr. Bingaman) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 99, between line 22 and 23, Title I, Sec. 1116(8)(B), is amended by inserting:

(1) Special rule.—Rural local educational agencies, as described in Sec. 5231(b) may apply to the Secretary for a waiver of the requirements under this sub-paragraph provided that they submit to the Secretary an alternative plan for making significant changes to improve student performance in the school, such as providing extended learning time through an academically-focused after school program for all students, changing school administration or implementing a research-based, proven-effective, whole-school reform program. The Secretary shall approve or reject an application for a waiver submitted under this rule within 30 days of the submission of information required by the Secretary to apply for the waiver. If the Secretary fails to make a determination with respect to the waiver application within 30 days, the application shall be treated as having been accepted by the Secretary.

SA 644. Mr. ENZI submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE —PUBLIC SCHOOL CONSTRUCTION

Subtitle A—General Provisions

SEC. . PUBLIC SCHOOL CONSTRUCTION FINANCING OPTIONS.

(a) In General.—For the purpose of providing funding for qualified public school facility construction projects, a State may choose 1 of the Federal funding mechanisms described in subtitles B, C, or D.

(b) Qualified Public School Facility Construction Project.—For purposes of this title—

(1) In general.—The term "qualified public school facility construction project" means a construction project selected by the State with respect to a public school facility—

(A) 50 percent of the enrollment population of which is from families whose income does not exceed the poverty level, as determined by annual census data published by the Department of Labor,

(B) located in a district in which the district bonded indebtedness or the indebtedness authorized by the district electorate and payable from general property tax levies of the districts within the agency's jurisdiction has reached or exceeded 90 percent of the debt limitation imposed upon school districts pursuant to State law,

(C) with respect to which the local educational agency has made its best effort to maintain the existing facility, and

(D) among all public school facilities in the State meeting the criteria under subparagraphs (A), (B), and (C) is among the 10 percent of such facilities most in need.

(2) Local educational agency.—The term "local educational agency" has the meaning given to such term by section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(3) Public school facility.—The term "public school facility" means any public elementary or secondary school facility, but shall not include—

(A) any stadium or other facility primarily used for athletic contests or exhibitions, or other events for which admission is charged to the general public; or

(B) any facility that is not owned by a State or local government or any agency or instrumentality of a State or local government.

(4) Public schools.—The terms "elementary school" and "secondary school" have the meanings given such terms by section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(5) State.—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

Subtitle B—Liberalization of Tax-Exempt Financing Rules for Qualified Public School Facility Construction Projects

SEC. . ADDITIONAL INCREASE IN ARBITRAGE REBATE EXCEPTION FOR GOVERNMENTAL BONDS USED TO FINANCE QUALIFIED PUBLIC SCHOOL FACILITY CONSTRUCTION PROJECTS.

(a) In General.—Section 148(f)(4)(D)(vii) of the Internal Revenue Code of 1986 (relating to increase in exception for bonds financing public school capital expenditures) is amended by striking "$5,000,000" the second place it appears and inserting "$5,000,000 plus $5,000,000 solely for qualified public school facility construction projects (as defined in section (b)(1) of the Better Education for Students and Teachers Act)".

(b) Effective Date.—The amendment made by subsection (a) shall apply to obligations issued in calendar years beginning after December 31, 2001.

SEC. . TREATMENT OF QUALIFIED PUBLIC EDUCATIONAL FACILITY BONDS AS EXEMPT FACILITY BONDS.

(a) Treatment as Exempt Facility Bond.—Subsection (a) of section 142 of the Internal Revenue Code of 1986 (relating to exempt facility bond) is amended by striking "or" at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting ", or", and by adding at the end the following new paragraph:

"(13) qualified public educational facilities.".

(b) Qualified Public Educational Facilities.—Section 142 of such Code (relating to exempt facility bond) is amended by adding at the end the following new subsection:

"(k) Qualified Public Educational Facilities.—

"(1) In general.—For purposes of subsection (a)(13), the term 'qualified public educational facility' means any public school facility within the meaning of section (b)(1) of the Better Education for Students and Teachers Act), owned by a private, for-profit corporation pursuant to a public-private partnership agreement with a State or local educational agency described in paragraph (2).

"(2) PUBLIC-PRIVATE PARTNERSHIP AGREEMENT DESCRIBED.—A public-private partnership agreement is described in this paragraph if it is an agreement—

"(A) under which the corporation agrees—

"(i) to do 1 or more of the following: construct, rehabilitate, refurbish, or equip a school facility, and

"(ii) at the end of the term of the agreement, to transfer the school facility to such agency for no additional consideration, and

"(B) the term of which does not exceed the term of the issue to be used to provide the school facility.

"(3) ANNUAL AGGREGATE FACE AMOUNT OF TAX-EXEMPT FINANCING.—

"(A) IN GENERAL.—An issue shall not be treated as an issue described in subsection (a)(13) if the aggregate face amount of bonds issued by the State pursuant thereto (when added to the aggregate face amount of bonds previously so issued during the calendar year) exceeds an amount equal to the greater of—

"(i) $10 multiplied by the State population, or

"(ii) $5,000,000.

"(B) ALLOCATION RULES.—

"(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the State may allocate the amount described in subparagraph (A) for any calendar year in such manner as the State determines appropriate.

"(ii) RULES FOR CARRYFORWARD OF UNUSED LIMITATION.—A State may elect to carry forward an unused limitation for any calendar year for 3 calendar years following the calendar year in which the unused limitation arose under rules similar to the rules of section 146(f), except that the only purpose for which the carryforward may be elected is the issuance of exempt facility bonds described in subsection (a)(13).".

(c) EXEMPTION FROM GENERAL STATE VOLUME CAPS.—Paragraph (3) of section 146(g) of such Code (relating to exception for certain bonds) is amended—

(1) by striking "or (12)" and inserting "(12), or (13)", and

(2) by striking "and environmental enhancements of hydroelectric generating facilities" and inserting "environmental enhancements of hydroelectric generating facilities, and qualified public educational facilities".

(d) EXEMPTION FROM LIMITATION ON USE FOR LAND ACQUISITION.—Section 147(h) of such Code (relating to certain rules not to apply to mortgage revenue bonds, qualified student loan bonds, and qualified 501(c)(3) bonds) is amended by adding at the end the following new paragraph:

"(3) EXEMPT FACILITY BONDS FOR QUALIFIED PUBLIC-PRIVATE SCHOOLS.—Subsection (c) shall not apply to any exempt facility bond issued as part of an issue described in section 142(a)(13) (relating to qualified public educational facilities).".

(e) CONFORMING AMENDMENT.—The heading for section 147(h) of such Code is amended by striking "MORTGAGE REVENUE BONDS, QUALIFIED STUDENT LOAN BONDS, AND QUALIFIED 501(c)(3) BONDS" and inserting "CERTAIN BONDS".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after December 31, 2001.

Subtitle C—Revolving Loan Program for Bond Interest Repayment

SEC. . DEFINITIONS.

In this subtitle:

(1) BOND.—The term "bond" includes any obligation.

(2) GOVERNOR.—The term "Governor" includes the chief executive officer of a State.

(3) QUALIFIED SCHOOL CONSTRUCTION BOND.—The term "qualified school construction bond" means any bond (or portion of a bond) issued as part of an issue if—

(A) 95 percent or more of the proceeds attributable to such bond (or portion) are to be used for the construction, rehabilitation, or repair of a public school facility (within the meaning of section (b)(1) of the Better Education for Students and Teachers Act) or for the acquisition of land on which such a facility is to be constructed with part of the proceeds;

(B) the bond is issued by a State, regional, or local entity, with bonding authority; and

(C) the issuer designates such bond (or portion) for purposes of this section.

(4) STABILIZATION FUND.—The term "stabilization fund" means the stabilization fund established under section 5302 of title 31, United States Code.

SEC. . LOANS FOR SCHOOL CONSTRUCTION BOND INTEREST PAYMENTS AND OTHER SUPPORT.

(a) LOAN AUTHORITY AND OTHER SUPPORT.—

(1) LOANS AND STATE-ADMINISTERED PROGRAMS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), from funds made available to a State under section (b) the State, in consultation with the State educational agency—

(i) shall use not less than 50 percent of the funds to make loans to State, regional, or local entities within the State to enable the entities to make annual interest payments on qualified school construction bonds that are issued by the entities not later than December 31, 2004; and

(ii) may use not more than 50 percent of the funds to support State revolving fund programs or other State-administered programs that assist State, regional, and local entities within the State in paying for the cost of construction, rehabilitation, repair, or acquisition described in section (3)(A).

(B) STATES WITH RESTRICTIONS.—If, on the date of enactment of this Act, a State has in effect a law that prohibits the State from making the loans described in subparagraph (A)(i), the State, in consultation with the State educational agency, may use the funds described in subparagraph (A) to support the programs described in subparagraph (A)(ii).

(2) REQUESTS.—The Governor of each State desiring assistance under this Act shall submit a request to the Secretary of the Treasury at such time and in such manner as the Secretary of the Treasury may require.

(b) REPAYMENT.—

(1) IN GENERAL.—Subject to paragraph (2), a State that uses funds made available under section (b) to make a loan or support a State-administered program under subsection (a)(1) shall repay to the stabilization fund the amount of the loan or support, plus interest, at an annual rate of 4.5 percent. A State shall not be required to begin making such repayment until the year immediately following the 15th year for which the State is eligible to receive annual distributions from the fund (which shall be the final year for which the State shall be eligible for such a distribution under this subtitle). The amount of such loan or support shall be fully repaid during the 10-year period beginning on the expiration of the eligibility of the State under this subtitle.

(2) EXCEPTIONS.—

(A) IN GENERAL.—The interest on the amount made available to a State under section (b) shall not accrue, prior to January 1, 2007, unless the amount appropriated to carry out part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.) for any fiscal year prior to fiscal year 2007 is sufficient to fully fund such part for the fiscal year at the originally promised level, which promised level would provide to each State 40 percent of the average per-pupil expenditure for providing special education and related services for each child with a disability in the State.

(B) APPLICABLE INTEREST RATE.—Effective January 1, 2007, the applicable interest rate that will apply to an amount made available to a State under section (b) shall be—

(i) 0 percent with respect to years in which the amount appropriated to carry out part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.) is not sufficient to provide to each State at least 20 percent of the average per-pupil expenditure for providing special education and related services for each child with a disability in the State;

(ii) 2.5 percent with respect to years in which the amount described in clause (i) is not sufficient to provide to each State at least 30 percent of such average per-pupil expenditure;

(iii) 3.5 percent with respect to years in which the amount described in clause (i) is not sufficient to provide to each State at least 40 percent of such average per-pupil expenditure; and

(iv) 4.5 percent with respect to years in which the amount described in clause (i) is sufficient to provide to each State at least 40 percent of such average per-pupil expenditure.

(c) FEDERAL RESPONSIBILITIES.—The Secretary of the Treasury and the Secretary of Education—

(1) jointly shall be responsible for ensuring that funds provided under this subtitle are properly distributed;

(2) shall ensure that funds provided under this subtitle are used only to pay for—

(A) the interest on qualified school construction bonds; or

(B) a cost described in subsection (a)(1)(A)(ii); and

(3) shall not have authority to approve or disapprove school construction plans assisted pursuant to this subtitle, except to ensure that funds made available under this subtitle are used only to supplement, and not supplant, the amount of school construction, rehabilitation, and repair, and acquisition of land for school facilities, in the State that would have occurred in the absence of such funds.

[SEC. . AMOUNTS AVAILABLE TO EACH STATE.

(a) RESERVATION FOR INDIANS.—

(1) IN GENERAL.—From $7,000,000,000 of the funds in the stabilization fund, the Secretary of the Treasury shall make available $100,000,000 to provide assistance to Indian tribes.

(2) USE OF FUNDS.—An Indian tribe that receives assistance under paragraph (1)—

(A) shall use not less than 50 percent of the assistance for a loan to enable the Indian tribe to make annual interest payments on qualified school construction bonds, in accordance with the requirements of this Act that the Secretary of the Treasury determines to be appropriate; and

(B) may use not more than 50 percent of the assistance to support tribal revolving fund programs or other tribal-administered programs that assist tribal governments in paying for the cost of construction, rehabilitation, repair, or acquisition described in section 3(5)(A), in accordance with the requirements of this Act that the Secretary of the Treasury determines to be appropriate.

(b) AMOUNTS AVAILABLE.—

(1) IN GENERAL.—Subject to paragraph (3) and from $7,000,000,000 of the funds in the stabilization fund that are not reserved under subsection (a), the Secretary of the Treasury shall make available to each State submitting a request under section 4(a)(2) an amount that bears the same relation to such remainder as the amount the State received under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.) for fiscal year 2001 bears to the amount received by all States under such part for such year.

(2) DISBURSAL.—The Secretary of the Treasury shall disburse the amount made available to a State under paragraph (1) or (3), on an annual basis, during the period beginning on October 1, 2001, and ending September 30, 2018.

(3) SMALL STATE MINIMUM.—

(A) MINIMUM.—No State shall receive an amount under paragraph (1) that is less than $30,000,000.

(B) STATES.—In this paragraph, the term "State" means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

(c) NOTIFICATION.—The Secretary of the Treasury and the Secretary of Education jointly shall notify each State of the amount of funds the State may receive for loans and other support under this Act.▌

Subtitle D—Grants

SEC.   . GRANT PROGRAM.

(a) AUTHORITY TO AWARD GRANTS TO CONSTRUCT PUBLICLY OWNED EDUCATION FACILITIES.—

(1) IN GENERAL.—The Secretary of Education (in this section referred to as the "Secretary") is authorized to make grants, pursuant to this section, for the construction, including erection, building, acquisition, alteration, remodeling, improvement, or extension, of a public school facility (within the meaning of section   (b)(1) of this Act).

(2) APPLICATION REQUIREMENTS.—The Secretary shall make the following prerequisite determinations when considering approval of an application for a grant under this section:

(A) That the proposed facilities plan is the most economical and cost-effective to meet the requirements of this section, including, but not limited to, construction costs, operation, maintenance, and replacement costs.

(B) As appropriate, that the proposed facilities plan will take into account and allow to the extent practicable, future accommodations for any necessary alteration, remodeling, improvement, or extension to meet the State established education standards, including the nature, extent, timing, and costs of future expansion and the manner in which the local educational agency intends to finance such future construction.

(b) STATE ELIGIBILITY.—

(1) IN GENERAL.—A State shall be deemed an eligible State in which local educational agencies may receive grants under this section if the State is meeting its obligation toward school construction financing. The State shall demonstrate that it has an operational plan to meet such an obligation.

(2) RULE OF CONSTRUCTION.—In the case of a State with a school financing law separate from the State's education facilities capital construction plan, nothing in paragraph (2) shall be construed as affecting the application of such financing law or the eligibility of such a State to receive a grant under this section.

(c) APPLICATION REQUIREMENTS.—Not later than December 1 of the school year for which a grant is being requested under this section, a local educational agency shall submit to the Secretary an application for a facilities grant, which has been approved by the local school board, only upon meeting the following criteria:

(1) The school—

(A) due to the lack of onsite facilities and for the purposes of regular curriculum delivery, houses students in instructional facilities located away from the school site (such as in rented space, trailers, or other public or community property); or

(B) facilities fail to meet functional (including environmental and code) requirements, resulting in a consistent substandard performance and would require extensive corrective maintenance and repair, of a financial threshold that exceeds the school's bonding or levy authority by at least 150 percent.

(2) The school's facilities features are limited to roofs, framing, floors, foundation, exterior walls, windows, doors, interior finishes, plumbing, heating, ventilation and air conditioning, electrical power, electrical lighting, life safety codes or technology infrastructure, limited to, telephone lines, conduits or raceways for computer network cables, fiber optic cable, electrical wiring for communications technology and electrical power for communications technology.

(3) The estimate for all costs in the proposal are based on facilities inspections and assessments made in the most recent 2 years.

(4) The school's facilities fall within a State's statewide needs assessment as inadequate for education or safety reasons, if such a State assessment is in place.

(5) The proposal meets all applicable Federal, State, and local building code requirements.

(6) The proposal includes a certified accounting, to be compliant with all State and local privacy requirements, of the number of children at each grade level and the number of children expected to be served through alternative special needs education facilities, as required by Federal, State, and local law, if the proposal includes such a request.

(d) ALLOWABLE USES OF FUNDS.—

(1) IN GENERAL.—Subject to paragraph (2), a grant made to a local educational agency under this section shall only be used for the following:

(A) School facility construction, including erection, building, acquisition, alteration, remodeling, improvement, or extension, but excluding facilities that are not consistently used for regular curriculum delivery and instructional purposes.

(B) Major renovation or repair of existing school facilities, excluding normal and regular building operation, maintenance and repair expenses.

(2) COMPLIANCE WITH STATE AND LOCAL STANDARDS.—Grants awarded under this section for facility construction proposals that fall within State or local minimum and maximum building standards, as established by State or local law, rule, or regulation, which are more limited than the allowable uses under this subsection, shall be compliant with such State and local standards.

(e) FEDERAL SHARE.—The Federal funds provided to a local educational agency under this section shall not exceed 50 percent of the total cost of the facility construction proposal. A local educational agency may use in-kind contributions to meet the matching requirement of the preceding sentence.

(f) PROGRESS REPORTS.—The Secretary shall require an entity receiving a grant under this section to submit quarterly progress reports to ensure compliance with this section and to evaluate the impact of activities assisted under this section.

Subtitle E—Authorization of Appropriations

(a) IN GENERAL.—For the purposes of this title and subject to subsection (b), there are authorized to be appropriated $21 billion for fiscal year 2001 through FY 2008, to be equally divided between Subtitle B, Subtitle C, and Subtitle D.

(b) LIMITATION.—No funds may be expended under this title until the Federal obligation is met for the construction of federally impacted schools and Indian schools.

SA 645. Mr. CONRAD submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of title II, add the following:

SEC. 203. PROFESSIONAL DEVELOPMENT.

Section 3141(b)(2)(A) (20 U.S.C. 6861(b)(2)(A)) is amended—

(1) in clause (i), by striking "and" at the end;

(2) in clause (ii)(V), by adding "and" after the semicolon; and

(3) by adding at the end the following:

"(iii) the provision of incentives, including bonus payments, to recognized educators who achieve the National Education Technology Standards, or an information technology certification that is directly related to the curriculum or content area in which the teacher provides instruction;".

SA 646. Mr. EDWARDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 679, after line 25, add the following:

"(6) support for arrangements that provide for independent analysis to measure and report on school district achievement.".

SA 647. Mr. HATCH proposed an amendment to the bill H.R. 428, concerning the participation of Taiwan in the World Health Organization; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. CONCERNING THE PARTICIPATION OF TAIWAN IN THE WORLD HEALTH ORGANIZATION (WHO).

(a) FINDINGS.—The Congress makes the following findings:

(1) Good health is important to every citizen of the world and access to the highest standards of health information and services is necessary to improve the public health.

(2) Direct and unobstructed participation in international health cooperation forums and programs is beneficial for all parts of the world, especially with today's greater potential for the cross-border spread of various infectious diseases such as the human immunodeficiency virus (HIV), tuberculosis, and malaria.

(3) Taiwan's population of 23,500,000 people is larger than that of ¾ of the member states already in the World Health Organization (WHO).

(4) Taiwan's achievements in the field of health are substantial, including one of the highest life expectancy levels in Asia, maternal and infant mortality rates comparable to those of western countries, the eradication of such infectious diseases as cholera, smallpox, and the plague, and the first to eradicate polio and provide children with hepatitis B vaccinations.

(5) The United States Centers for Disease Control and Prevention and its Taiwan counterpart agencies have enjoyed close collaboration on a wide range of public health issues.

(6) In recent years Taiwan has expressed a willingness to assist financially and technically in international aid and health activities supported by the WHO.

(7) On January 14, 2001, an earthquake, registering between 7.6 and 7.9 on the Richter scale, struck El Salvador. In response, the Taiwanese government sent 2 rescue teams, consisting of 90 individuals specializing in firefighting, medicine, and civil engineering. The Taiwanese Ministry of Foreign Affairs also donated $200,000 in relief aid to the Salvadoran Government.

(8) The World Health Assembly has allowed observers to participate in the activities of the organization, including the Palestine Liberation Organization in 1974, the Order of Malta, and the Holy See in the early 1950's.

(9) The United States, in the 1994 Taiwan Policy Review, declared its intention to support Taiwan's participation in appropriate international organizations.

(10) Public Law 106–137 required the Secretary of State to submit a report to the Congress on efforts by the executive branch to support Taiwan's participation in international organizations, in particular the WHO.

(11) In light of all benefits that Taiwan's participation in the WHO can bring to the state of health not only in Taiwan, but also regionally and globally, Taiwan and its 23,500,000 people should have appropriate and meaningful participation in the WHO.

(b) PLAN.—The Secretary of State is authorized—

(1) to initiate a United States plan to endorse and obtain observer status for Taiwan at the annual week-long summit of the World Health Assembly in May 2001 in Geneva, Switzerland; and

(2) to instruct the United States delegation to Geneva to implement that plan.

(c) REPORT.—Not later than 14 days after the date of the enactment of this Act, the Secretary of State shall submit a written report to the Congress in unclassified form containing the plan authorized under subsection (b).

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place on Wednesday, May 16, 2001, at 9:30 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to consider the nominations of J. Steven Griles to be the Deputy Secretary of Interior, Lee Sarah Liberman Otis to be the General Counsel for the Department of Energy, Jessie Hill Roberson to be the Assistant Secretary for Environmental Management of the Department of Energy, Nora Mead Brownell to be a Commissioner of the Federal Energy Regulation Commission, and Patrick Henry Wood III to be a Commissioner of the Federal Energy Regulation Commission.

For further information, please contact David Dye of the Committee staff at (202) 224–0624.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Wednesday, May 9, 2001. The purpose of this hearing will be to consider nominations for positions at the Department of Agriculture.

THE PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, May 9 at 9:30 a.m. to conduct a hearing. The committee will consider the nominations of Francis S. Blake to be the Deputy Secretary of the Department of Energy, Robert Gordon Card to be the Under Secretary of the Department of Energy, Bruce Marshall Carnes to be the Chief Financial Officer for the Department of Energy, and David Garman to be the Assistant Secretary for Energy Efficiency and Renewable Energy for the Department of Energy.

THE PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Wednesday, May 9, 2001 at 10:00 a.m. for an oversight hearing on Federal election practices and procedures.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on Wednesday, May 9, 2001, at 10:00 a.m., in Dirksen 226.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, May 9, 2001 at 2:00 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FISHERIES, WILDLIFE, AND DRINKING WATER

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Subcommittee on Fisheries, Wildlife, and Drinking Water be authorized to meet on Wednesday, May 9, 2001, at 9:30 a.m., to evaluate the listing and de-listing processes of the Endangered Species Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SURFACE TRANSPORTATION AND MERCHANT MARINE

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Subcommittee on Surface Transportation and Merchant Marine of the Committee on Commerce, Science, and Transportation be authorized to meet on Wednesday, May 9, 2001, at 9:30 a.m., on state of the rail industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. ENZI. Mr. President, I ask unanimous consent that Amanda Farrish from my staff on the Health, Education, Labor, and Pensions Committee be granted the privilege of the floor for the remainder of this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR THURSDAY, MAY 10, 2001

Mr. ENSIGN. I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9:30 a.m. on Thursday, May 10. I further ask consent that on Thursday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and that the Senate then resume consideration of the conference report to accompany the budget resolution as under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ENSIGN. For the information of all Senators, there will be up to 1 hour 50 minutes of debate remaining on the budget conference report tomorrow morning. It is expected that some time on the resolution will be yielded back, and therefore the vote is expected to occur between 11 and 11:30 tomorrow morning. After the disposition of the budget conference report, the Senate will resume consideration of the education bill. There are numerous amendments pending and further amendments are expected to be offered. Therefore, further votes will occur during tomorrow's session.

ORDER FOR ADJOURNMENT

Mr. ENSIGN. If there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order following the remarks of Senator CONRAD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER (Mr. ENSIGN). The Senator from North Dakota.

BUDGET CONFERENCE REPORT

Mr. CONRAD. One of the great problems of this budget is the defense buildup that we all know the administration is going to call for—in fact, we are told it is going to come out next week—and the Secretary of Defense was asked by the President not to come out with his defense numbers before we passed the tax cut. Why? I suppose reasonable people could conjecture why they didn't want the defense numbers out before the tax cut was agreed to. But I think I know. I think the truth is that they know if you have the defense numbers, and if you have what is likely to happen in education spending, and if you have some commitment to strengthening Social Security, which everybody says they are for as part of a budget document, then the budget document before us simply does not add up. That is their problem.

When you put all of those numbers together, what you find is that you are into the Social Security and the Medicare trust funds.

In conclusion, I take my colleagues back to the budget proposal we made on our side because I think it was a fiscally responsible proposal, one that took the $5.6 trillion forecast but understood that it was a projection, and that it is very unlikely to come true.

The Senator from Michigan has just shown how inaccurate these forecasts have been year after year. They average being off by 100 percent or more. That tells me that we ought to be cautious in what we do.

In the budget proposal we made, we reserved all of the Social Security trust fund money for Social Security, $2.5 trillion, all of the Medicare trust fund money for Medicare, $400 billion, and then with what was left, we had a proposed tax cut of $745 billion in comparison to the $1.3 trillion that is before us.

In other words, we had about 60 percent of the tax cut that is being proposed. We had $300 billion more of investment on high-priority domestic needs. And the area where there were the big differences was education. We had $139 billion of new money for education. Actually, what passed the Senate was much more than that. But this conference committee came back with nothing—no new money for education.

I know there are colleagues who believe this conference report has more money for education. It does not. It does not.

I have gone over these numbers in great detail. There is only allowed in this budget resolution the inflationary increase so that we are not cutting the effective amount for education every year. The truth is, even with that inflationary adjustment, we are cutting what is available because the student population is growing.

With no new money for education in real terms in what can be delivered per student, this budget cuts education, after the President has said education is his top priority.

We had a smaller tax cut. We had more resources than is provided in this conference report dedicated to these high-priority needs, including education, including national defense, and including health care coverage. We set aside $750 billion to deal with this long-term debt that we all know is coming our way about when the baby boom generation retires. We set aside $750 billion for that purpose because we think it is kind of like the squirrel in the fall. You had better be putting some nuts away to prepare for the winter.

In this conference report there is zero set aside to strengthen Social Security for the long term, to address this long-term debt that is coming our way.

The fundamental difference between us is that we had about twice as much money set aside for debt reduction. The other side has about twice as much money set aside for a tax cut. We had more new money set aside for education and more money set aside for national defense than is in this conference report.

But this conference report isn't the full story because we know the Secretary of Defense has said he is going to come out next week and propose a huge increase in defense. But they are not in the budget.

We know the President has a Social Security commission that is going to come back and propose privatization. That has a transition cost of about $1 trillion. There is no money in the budget for it, just as there is no money in the budget for the defense buildup they are going to ask for, just as there is no new money for education, although the President says it is his top priority.

There is something wrong with a budget that does not have what we really intend to do in it. That is the way we get into financial trouble. There is no private sector enterprise in America that would budget this way. It is profoundly irresponsible.

I hope we reject the conference report. I sincerely do. I call on my colleagues to do just that. Let's go back to the drawing board. Let's wait until we have that defense number next week. Let's wait until the President proposes how much he needs to strengthen Social Security for the long term. Let's wait until we finish action on the education bill that is on the floor of the Senate right now and see how much money that is going to require, so that we have a full accounting, a full budget, and make certain that it adds up.

Mr. President, I yield the floor.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 9:30 tomorrow morning.

Thereupon, the Senate, at 8:19 p.m., adjourned until Thursday, May 10, 2001, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 9, 2001:

THE JUDICIARY

BARRINGTON D. PARKER, JR., OF CONNECTICUT, TO BE UNITED STATES CIRCUIT

JUDGE FOR THE SECOND CIRCUIT, VICE RALPH K. WINTER, JR., RETIRED.

TERRENCE W. BOYLE, OF NORTH CAROLINA, TO BE UNITED STATES CIRCUIT JUDGE FOR THE FOURTH CIRCUIT, VICE J. DICKSON PHILLIPS, JR., RETIRED.

DENNIS W. SHEDD, OF SOUTH CAROLINA, TO BE UNITED STATES CIRCUIT JUDGE FOR THE FOURTH CIRCUIT, VICE CLYDE H. HAMILTON, RETIRED.

EDITH BROWN CLEMENT, OF LOUISIANA, TO BE UNITED STATES CIRCUIT JUDGE FOR THE FIFTH CIRCUIT, VICE JOHN M. DUHE, JR., RETIRED.

PRISCILLA RICHMAN OWEN, OF TEXAS, TO BE UNITED STATES CIRCUIT JUDGE FOR THE FIFTH CIRCUIT, VICE WILLIAM L. GARWOOD, RETIRED.

DEBORAH L. COOK, OF OHIO, TO BE UNITED STATES CIRCUIT JUDGE FOR THE SIXTH CIRCUIT, VICE ALAN E. NORRIS, RETIRED.

JEFFREY S. SUTTON, OF OHIO, TO BE UNITED STATES CIRCUIT JUDGE FOR THE SIXTH CIRCUIT, VICE DAVID A. NELSON, RETIRED.

MICHAEL W. MCCONNELL, OF UTAH, TO BE UNITED STATES CIRCUIT JUDGE FOR THE TENTH CIRCUIT, VICE STEPHEN H. ANDERSON, RETIRED.

MIGUEL A. ESTRADA, OF VIRGINIA, TO BE UNITED STATES CIRCUIT JUDGE FOR THE DISTRICT OF COLUMBIA CIRCUIT, VICE PATRICIA M. WALD, RETIRED.

ROGER L. GREGORY, OF VIRGINIA, TO BE UNITED STATES CIRCUIT JUDGE FOR THE FOURTH CIRCUIT, VICE A NEW POSITION CREATED BY PUBLIC LAW 101-650, APPROVED DECEMBER 1, 1990.

JOHN G. ROBERTS, JR., OF MARYLAND, TO BE UNITED STATES CIRCUIT JUDGE FOR THE DISTRICT OF COLUMBIA CIRCUIT, VICE JAMES L. BUCKLEY, RETIRED.

In the marine corps

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES MARINE CORPS RESERVE UNDER TITLE 10, U.S.C., SECTION 12203:

To be colonel

RONALD H ANDERSON, 2890
DOUGLAS L APPLEGATE, 2046
JAMES A ATWOOD JR., 8707
NICHOLAS E AUGUSTINE, 5754
JOHN R BALLARD, 2122
WILLIAM J BLALOCK III, 9337
WILLIAM F BOOTH, 6425
TERRENCE P BRENNAN, 3230
JAMES E BROTHWELL, 7920
JOHN A CAREY, 1372
DARRYL A DONEGAN, 6805
MARIO ENRIQUEZ, 1407
RICHARD A FINDELL, 7755
MICHAEL P FLYNN, 4492
GEORGE W HALISCAK, 4294
ROBERT D HERMES, 0587
RICHARD D HINE, 6717
MICHAEL C HOWARD, 2191

CHRIS A JOHNSON, 8528
RAYMOND S KEITH, 9354
MICHAEL L KELLEY, 6593
KENNETH J LEE, 0401
STEPHEN A MALONEY, 0115
PAUL H MAUBERT, 8222
MARY P MCCAFFREY, 6046
JOHN J MCGUIRE III, 5622
ROBERT H MCKENZIE, 3280
CHRISTOPHER W MURPHY, 4153
TIMOTHY P MURPHY, 4154
MICHAEL R PANNELL, 8840
CHARLES J PEARSON III, 5321
GREGORY J PLUSH, 5262
RENEE L RENNER, 2029
MARC T RICHARDSON, 2775
PATRICIA D SAINT, 5326
GEORGE F SANCHEZ, 2154
MICHAEL J SHAMP, 6549
RANDOLPH P SINNOTT, 3251
WILLIAM F SINNOTT, 2499
JOHN L SKELLEY, 6480
HOBART N SMITH JR., 8302
MICHAEL T SPENCER, 0224
WILLIAM M THAMM, 7965
DANIEL L TRAVERS, 8480
JOHN M VINING, 5635
MICHAEL M WALKER, 9954
DAVID J WASSINK, 1813
COURTNEY WHITNEY III, 4485
JOHN H WILLIAMS, 0722

CONFIRMATIONS

Executive Nominations Confirmed by the Senate May 9, 2001:

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

STEPHEN GOLDSMITH, OF INDIANA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR A TERM EXPIRING OCTOBER 6, 2005.

DEPARTMENT OF LABOR

PAT PIZZELLA, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF LABOR.

DAVID D. LAURISKI, OF UTAH, TO BE ASSISTANT SECRETARY OF LABOR FOR MINE SAFETY AND HEALTH.

ANN LAINE COMBS, OF MICHIGAN, TO BE AN ASSISTANT SECRETARY OF LABOR.

SHINAE CHUN, OF ILLINOIS, TO BE DIRECTOR OF THE WOMEN'S BUREAU, DEPARTMENT OF LABOR.

EXTENSIONS OF REMARKS

A PROCLAMATION RECOGNIZING JOHN P. FAULDS

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. NEY. Mr. Speaker, I commend the following article to my colleagues:

Whereas, Senior Chief John P. Faulds, of the United States Navy has continually demonstrated a superlative degree of professionalism, care and commitment to the Navy, his family, and his community; and,

Whereas, he has consistently demonstrated excellence in a remarkable 19 years of dedicated service; and,

Whereas, he has served thirteen years at sea, with three consecutive overseas tours; and,

Whereas, his exemplarily service has been recognized by the city of Cleveland, by the Commander Amphibious Group "Three Sailors of the Year" award, as well as being named the Enlisted Surface Warfare Specialist, and

Therefore, I ask that my colleagues join me in honoring the dedication and service of a man who serves as an example to us all.

SMALL BUSINESS EXPORT ENHANCEMENT ACT OF 2001

HON. DONALD A. MANZULLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. MANZULLO. Mr. Speaker, as we celebrate National Small Business Week, let's not forget the fastest growing, and most exciting segment of the small business community—those getting involved in international trade. According to the Commerce Department, between 1987 and 1997, the number of small business exporters tripled, going from 66,000 to 202,000. Small businesses now account for 31 percent of total merchandise export sales spread throughout every industrial classification. What is more surprising is that the fastest growth among small business exporters has been with companies employing fewer than 20 employees. These very small businesses represented 65 percent of all exporting companies In 1997.

In fact, out of the 53 state Small Business Persons of the Year, 22 percent export goods and services representing 20 percent of sales. Additionally, 17 percent of the winners who currently do not export anticipate doing so within two years. Countries receiving exports include: nations of Great Britain, Canada, Mexico, Australia, Germany, China, Switzerland, Japan, Cyprus, Israel, Norway, France, Singapore, Russia, Argentina, Kazakhstan, Belgium, Brazil, Chile, Egypt, Greece, Indonesia, Italy, Poland, Romania, South Africa, Saudi Arabia, Spain, Thailand, Turkey and Venezuela.

Despite these encouraging statistics, there is still more work that needs to be done. Even though the number of small business exporters tripled, they form less than one percent of all small businesses in the United States. Even among these cutting-edge firms, nearly two-thirds of small business exporters sold to just one foreign market in 1997. In fact, 76 percent of small business exporters sold less than $250,000 worth of goods abroad. In other words, these are "casual" exporters. The key is to encourage more small businesses to enter the trade arena and then to prod "casual" small business exporters into becoming more active. If we were able to move in this direction, it could boost our exports by several billion dollars.

With the growth of the Internet economy, more small businesses are able to export overseas but sometimes face difficult obstacles in completing a sale. We need to insure that all our government agencies are up to the challenge so they can continue to help increase exports from the small business community.

While most of the trade focus in the federal government for small business is on export promotion, the office of the United States Trade Representative (USTR) can continue to play a vital role in formulating trade policy beneficial to small business. With the President requesting Trade Promotion Authority to negotiate more trade agreements, Including the Free Trade in the Americas Agreement (FTAA), small business exporters need to be at the table.

These trade talks could have positive benefits for small business exporters, primarily in the area of trade facilitation. Topics of discussion under this umbrella are streamlining trade dispute resolution procedures; reforming the documentation and filing procedures for patent and trademark protection; opening the public procurement process by foreign governments to small businesses; enhancing transparency in international tax, finance, customs procedures, and trade rules; and exploring means to internationalize the recognition of technical certification of professionals. How these issues get resolved will be of key interest to small business exporters.

That's why I have introduced legislation to create an Assistant USTR for Small Business so that one person is primarily responsible for these tasks. In addition, the Assistant USTR for Small Business can play an outreach and advocacy role throughout the United States to solicit input from the small business community. Many small business exporters find our government bureaucracy very mystifying and complicated. Many times, small business exporters do not know who to ask a trade policy question. They get bounced or referred to one person after another. Having one person in charge who is empowered to go beyond the Washington Beltway to listen to small business may help alleviate this problem.

Mr. Speaker, I urge my colleagues to support the Small Business Export Enhancement Act of 2001.

COMMENDING CATAWBA MEMORIAL

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. BALLENGER. Mr. Speaker, I rise today to pay tribute to Catawba Memorial Hospital, a health care facility in my district that for years has provided first-rate care to those in need.

Nearly forty years ago, I joined a number of business, civic and community leaders for the groundbreaking of Catawba Memorial Hospital. Since then, my wife and I have maintained close involvement with the hospital for a number of years. During this time, we've both watched as Catawba Memorial has grown in size and prominence in the health care community. Much to my expectation and pleasure, Catawba Memorial Hospital has gone on to become one of the region's leading health care facilities.

Aside from merely wanting to heap praise on a hospital that clearly deserves it, I also rise today, Mr. Speaker, to commend Catawba Memorial Hospital for its recent designation as a Magnate Hospital by the American Nurses Credentialing Center. Catawba Memorial is only the 32nd hospital in the nation to receive this prestigious award. It was chosen for Magnet Hospital designation for its excellence in nursing services. Although I'm certainly not surprised that Catawba Memorial was singled out for such a distinction, I am pleased nonetheless to congratulate Catawba Memorial Hospital's doctors, nurses, and staff for their tremendous achievement. We are indeed fortunate to have such a distinguished facility in the 10th District of North Carolina.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily

Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, May 10, 2001 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 15

9:30 a.m.
Energy and Natural Resources
To hold hearings on the national energy policy with respect to federal, state, and local impediments to the siting of energy infrastructure.
SD–366

10 a.m.
Judiciary
To hold hearings to examine high technology patents, relating to business methods and the internet.
SD–226

Banking, Housing, and Urban Affairs
To hold hearings on the nomination of Alphonso R. Jackson, of Texas, to be Deputy Secretary, the nomination of Richard A. Hauser, of Maryland, to be General Counsel, the nomination of John Charles Weicher, of the District of Columbia, to be an Assistant Secretary and serve as the Federal Housing Commissioner, and the nomination of Romolo A. Bernardi, of New York, to be Assistant Secretary for Community Planning and Development, all of the Department of Housing and Urban Development; and to hold a business meeting to consider the nomination of John E. Robson, of California, to be President of the Export-Import Bank of the United States and the nomination of James J. Jochum, of Virginia, to be Assistant Secretary of Commerce for Export Administration.
SD–538

Governmental Affairs
To hold hearings to examine the financial outlook of the United States postal service.
SD–342

10:30 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for Foreign Operations.
SD–124

2 p.m.
Judiciary
To hold hearings on the implementation of the Paul Coverdell National Forensic Science Improvement Act (P.L. 106-561), focusing on DNA crime labs.
SD–226

United States Senate Caucus on International Narcotics Control
To hold hearings to examine the relationship between the source zone and Plan Colombia, including the current strategy and balance of transit zone operations.
SD–215

2:30 p.m.
Environment and Public Works
To hold hearings on the President's proposed budget request for fiscal year 2002 for the Environmental Protection Agency.
SD–628

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for Department of Energy environmental management and the Office of Civilian Radioactive Waste Management.
SD–138

MAY 16

9 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on the Farm Credit title of the Farm Bill.
SR–328A

9:30 a.m.
Veterans' Affairs
To hold hearings on the nomination of Leo S. Mckay, Jr., of Texas, to be Deputy Secretary of Veterans Affairs; the nomination of Robin L. Higgins, of Florida, to be Under Secretary of Veterans Affairs for Memorial Affairs; the nomination of Maureen Patricia Cragin, of Maine, to be an Assistant Secretary of Veterans Affairs for Public and Intergovernmental Affairs; the nomination of Jacob Lozada, of Puerto Rico, to be an Assistant Secretary of Veterans Affairs; and the nomination of Gordon H. Mansfield, of Virginia, to be an Assistant Secretary of Veterans Affairs for Congressional Affairs.
SR–418

Energy and Natural Resources
To hold hearings on the nomination of J. Steven Griles, of Virginia, to be Deputy Secretary of the Interior; the nomination of Lee Sarah Liberman Otis, of Virginia, to be General Counsel and the nomination of Jessie Hill Roberson, of Alabama, to be Assistant Secretary for Environmental Management, both of the Department of Energy; the nomination of Nora Mead Brownell, of Pennsylvania and the nomination of Patrick Henry Wood III, of Texas, both to be Members of the Federal Energy Regulatory Commission.
SD–366

Commerce, Science, and Transportation
To hold hearings on certain nominations of the Department of Transportation, the Department of Commerce and the Federal Trade Commission.
SR–253

10 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Federal Emergency Management Agency.
SD–138

Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Seargent at Arms, United States Capitol Police Board, and Office of Compliance.
SD–124

Judiciary
To hold hearings on Department of Justice and certain judicial nominations.
SD–226

MAY 17

9:30 a.m.
Health, Education, Labor, and Pensions
To hold hearings to examine certain issues surrounding the nursing staffing shortage.
SD–430

Commerce, Science, and Transportation
To hold hearings on certain nominations for the Federal Communications Commission.
SR–253

MAY 22

9 a.m.
Governmental Affairs
To hold hearings on the nomination of Erik Patrick Christian and the nomination of Maurice A. Ross, each to be an Associate Judge of the Superior Court of the District of Columbia.
SD–342

9:30 a.m.
Health, Education, Labor, and Pensions
To hold hearings to examine certain issues surrounding retiree health insurance.
SD–430

MAY 23

9:30 a.m.
Health, Education, Labor, and Pensions
Public Health Subcommittee
To hold hearings to examine issues surrounding human subject protection.
SD–430

MAY 24

9:30 a.m.
Health, Education, Labor, and Pensions
To hold hearings to examine issues surrounding patient safety.
SD–430

Governmental Affairs
Investigations Subcommittee
To hold hearings to examine alleged problems in the tissue industry, such as claims of excessive charges and profit making within the industry, problems in obtaining appropriate informed consent from donor families, issues related to quality control in processing tissue, and whether current regulatory efforts are adequate to ensure the safety of human tissue transplants.
SD–342

10 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Secretary of the Senate and the Architect of the Capitol.
SD–124

JUNE 6

10 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the National Science Foundation and the Office of Science Technology Policy.
SD–138

JUNE 13

10 a.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2002 for the Environmental Protection Agency and the Council of Environmental Quality.

SD-138

JUNE 14

9:30 a.m.

Governmental Affairs

Investigations Subcommittee

To hold hearings to examine the nature and scope of cross border fraud, focusing on the state of binational U.S.-Canadian law enforcement coordination and cooperation and what steps can be taken to fight such crime in the future.

SD-342

JUNE 15

9:30 a.m.

Governmental Affairs

Investigations Subcommittee

To continue hearings to examine the growing problem of cross border fraud, which poses a threat to all American consumers but disproportionately affects the elderly. The focus will be on the state of binational U.S.-Canadian law enforcement coordination and cooperation and will explore what steps can be taken to fight such crime in the future.

SD-342

Governmental Affairs

Investigations Subcommittee

To continue hearings to examine the nature and scope of cross border fraud, focusing on the state of binational U.S.-Canadian law enforcement coordination and cooperation and what steps can be taken to fight such crime in the future.

SD-342

JUNE 20

10 a.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of Housing and Urban Development.

SD-138

HOUSE OF REPRESENTATIVES—*Thursday, May 10, 2001*

The House met at 10 a.m.

The Reverend Ira Combs, Jr., The Greater Bible Way Temple, Jackson, Michigan, offered the following prayer:

Of course let us remember, blessed are the brief, for they shall be heard again.

With bowed heads at this time, we want to, before giving the prayer, give honor to Congressman NICK SMITH, the Honorable President George W. Bush, the Speaker of the House, and all the distinguished Members of this body.

Again with bowed heads, Almighty and Eternal God, our provider and continual sustenance, we Your public servants disrobe ourselves of our personal pride and bow our heads in humility.

We ask for forgiveness for our individual and collective shortcomings as a people. We petition Your divine assistance, requesting that You script our prayers to reflect a deep and abiding appreciation for the rich historicity our Founding Fathers have left us in the creative inspiration of our Nation's Constitution and Bill of Rights.

Inspire us as Republicans, Democrats, Independents and others to never forget the virtues upon which this Nation's democracy was founded, the precepts that are the cause of our current prosperity, and, finally, bless us with reverence for You as a loving and abiding and caring Creator.

Help us seek peaceful and cooperative communion with You, our fellow man, our colleagues, and in each of our communities of faith, never forgetting and ever remembering that it is faith in You that has brought us, blessed us and kept us.

In Your mighty name we pray; and all the people said, Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from New York (Mr. MCNULTY) come forward and lead the House in the Pledge of Allegiance.

Mr. MCNULTY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed without amendment bills of the House of the following titles:

H. Con. Res. 74. Concurrent resolution authorizing the use of the Capitol Grounds for the 20th annual National Peace Officers' Memorial Service.

H. Con. Res. 108. Concurrent resolution honoring the National Science Foundation for 50 years of service to the Nation.

The message also announced that the Senate has passed with amendment, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 428. An act concerning the participation of Taiwan in the World Health Organization.

The message also announced that pursuant to section 9355(a) of title 10, United States Code, the Chair, on behalf of the Vice President, appoints the Senator from Idaho (Mr. CRAIG), from the Committee on Appropriations, to the Board of Visitors of the United States Air Force Academy.

The message also announced that pursuant to section 9355(a) of title 10, United States Code, the Chair, on behalf of the Vice President, reappoints the following Senators to the Board of Visitors of the United States Air Force Academy—

the Senator from South Carolina (Mr. HOLLINGS) (from the Committee on Appropriations); and

the Senator from Georgia (Mr. CLELAND) (At Large).

The message also announced that pursuant to section 4355(a) of title 10, United States Code, the Chair, on behalf of the Vice President, appoints the Senator from Ohio (Mr. DEWINE), from the Committee on Appropriations, to the Board of Visitors of the United States Military Academy.

The message also announced that pursuant to section 4355(a) of title 10, United States Code, the Chair, on behalf of the Vice President, appoints the following Senators to the Board of Visitors of the United States Military Academy—

the Senator from Rhode Island (Mr. REED) (At Large); and

the Senator from Louisiana (Mrs. LANDRIEU) (from the Committee on Appropriations).

The message also announced that pursuant to section 6968(a) of title 10, United States Code, the Chair, on behalf of the Vice President, appoints the Senator from Mississippi (Mr. COCHRAN), from the Committee on Appropriations, to the Board of Visitors of the United States Naval Academy.

The message also announced that pursuant to section 6968(a) of title 10, United States Code, the Chair, on behalf of the Vice President, reappoints the following Senators to the Board of Visitors of the United States Naval Academy—

the Senator from Maryland (Mr. SARBANES) (At Large); and

the Senator from Maryland (Ms. MIKULSKI) (from the Committee on Appropriations).

The message also announced that pursuant to section 194(a) of title 14, United States Code, as amended by Public Law 101-595, and upon the recommendation of the Chairman of the Committee on Commerce, Science, and Transportation, the Chair, on behalf of the Vice President, reappoints the following Senators to the Board of Visitors of the United States Coast Guard Academy—

the Senator from South Carolina (Mr. HOLLINGS) (from the Committee on Commerce, Science, and Transportation); and

the Senator from Washington (Mrs. MURRAY) (At Large).

The message also announced that pursuant to section 1295(b) of title 46, United States Code, as amended by Public Law 101-595, and upon the recommendation of the Chairman of the Committee on Commerce, Science, and Transportation, the Chair, on behalf of the Vice President, appoints the following Senators to the Board of Visitors of the United States Merchant Marine Academy—

the Senator from North Carolina (Mr. EDWARDS) (from the Committee on Commerce, Science, and Transportation); and

the Senator from Louisiana (Mr. BREAUX) (At Large).

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The gentleman from Michigan will be recognized for 1 minute. All other 1-minutes will be at the end of the day's business.

WELCOME TO THE REVEREND IRA COMBS, JR.

(Mr. SMITH of Michigan asked and was given permission to address the House for 1 minute.)

Mr. SMITH of Michigan. Mr. Speaker, I would like to join you in welcoming today's distinguished guest

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☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

chaplain, Reverend Ira Combs, Jr., and thank him for leading the House in prayer. Reverend Combs is the founder and pastor of the Greater Bible Way Temple in Jackson, Michigan.

He started that church and now the congregation numbers over 1,000. Reverend Combs has built up his church to serve a growing congregation. He has received the Outstanding Young Men's Award from the National Jaycees and was named in the Marquis Who's Who in America and the Who's Who from the International Business Association, among some of his many awards.

Reverend Combs is distinguished by his love for people, desire to strengthen families and ability to motivate and cultivate those around him. His compassion for the less fortunate has led him to assist many needy families in and around Jackson while working tirelessly to serve his community and his State.

Reverend Combs continues to be a community leader in Jackson. I am proud to welcome him here today as our guest chaplain.

PROVIDING FOR CONSIDERATION OF H.R. 1646, FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 2002 AND 2003.

Mr. DIAZ-BALART. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 138 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 138

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1646) to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on International Relations now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived. No amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Except as specified in section 2 of this resolution, each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Sec. 2. The chairman of the Committee of the Whole may recognize for consideration of any amendment printed in the report of the Committee on Rules out of the order printed, but not sooner than one hour after the Majority Leader or his designee announces from the floor a request to that effect.

The SPEAKER pro tempore (Mr. LaHood). The gentleman from Florida (Mr. Diaz-Balart) is recognized for 1 hour.

Mr. DIAZ-BALART. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Ohio (Mr. Hall), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 138 is a structured rule providing for the consideration of H.R. 1646, the Foreign Relations Authorization Act for fiscal years 2002 and 2003. The rule provides for 1 hour of general debate, equally divided and controlled by the chairman and the ranking minority member of the Committee on International Relations. The rule waives all points of order against consideration of the bill and the committee amendment in the nature of a substitute. It provides that no further amendment to the bill shall be in order except those printed in the Committee on Rules report.

The rule provides that each amendment printed in the report shall be offered only in the order printed in the report except as specified in section 2 of the resolution. These amendments shall be offered by a Member designated in the report, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. The rule waives all points of order against such amendments.

Section 2 of the resolution allows the Chairman of the Committee of the Whole to permit amendments printed in the Committee on Rules report to be considered out of the order printed provided that the majority leader or his designee announces such a request from the floor no sooner than 1 hour before its consideration. Finally, the rule provides one motion to recommit, with or without instructions.

The authority provided in section 2 of the resolution will provide flexibility for the House during the lengthy consideration of this bill and the 26 amendments which have been made in order by the Committee on Rules.

In considering amendments, the Committee on Rules was as fair and open as possible, Mr. Speaker. Of the 71 amendments filed, several of which were duplicative or overlapping, this rule makes in order three bipartisan amendments, 13 Democrat amendments, and 10 Republican amendments. I believe this is a generous composition. I commend the gentleman from California (Mr. Dreier) and my colleagues on the Committee on Rules for reaching this balance.

I support this fair rule which brings forth very important bipartisan legislation authorizing appropriations for 2002 and 2003 for the Department of State, U.S. contributions to international organizations and commissions, international broadcasting activities, security assistance and for other purposes.

This bill authorizes appropriations for the State Department, thereby setting an upper limit on the amounts that may be appropriated in the Commerce-Justice-State and the Foreign Operations appropriations bills. It also sets forth authorities and restrictions under which U.S. foreign policy operations may be conducted during the next 2 years.

It is a good bill, Mr. Speaker. Some of the amendments that have been made in order can make the bill even better by addressing important issues, such as the Mexico City policy and United Nations funding. I believe the rule provides ample opportunity to discuss the pros and cons of the Mexico City policy concerning funding for international family planning organizations that offer abortions by allowing an amendment to strike an amendment that was adopted during the committee consideration of the bill. Members will have a clean vote on this issue after a thorough debate. As a believer in the right to life, I intend to support the Hyde-Barcia-Smith-Oberstar amendment because I believe in preserving the President's legal authority to implement the Mexico City policy. The President should have the same authority as those before him. Preserving this policy will not take any funding away from the $425 million the administration has requested for use in population assistance around the world.

But my view is not what is important, Mr. Speaker. What is important is that this issue will be thoroughly available for debate. Last week, as Members know, the United Nations Economic and Social Council voted to remove the U.S. from the U.N. Commission on Human Rights for the first time since the commission's inception in 1947.

Unfortunately, the U.N. Commission on Human Rights has more and more become a club of dictatorships, with the inclusion of such regimes as Sudan, China, Libya, Vietnam. The Cuban dictatorship is automatically reelected as a member each time. The expulsion of the United States simply shows, in my opinion, the true nature of a significant portion of that commission. I am confident that the United States Congress through this legislation will make it clear that it takes note of what is unfortunately really happening to the United Nations.

In response to the U.N. actions, we will be debating the Hyde-Lantos-Sweeney amendment, which would send a clear signal to the governments which did not stand with the U.S. on the U.N. vote that expelled the United States from the U.N. Commission on Human Rights. Hyde-Lantos-Sweeney, which I intend to support, ties United States return to the U.N. Human Rights Commission to the release of $244 million in previously appropriated funds to pay U.S. arrearages to the United Nations. If the amendment is adopted, money will still be available to be released for fiscal year 2001; but it would condition the spending of money for 2002 on the readmission of the United States to the U.N. Human Rights Commission, giving the U.N. ample opportunity to meet this condition.

I am also supportive of an amendment sponsored by the gentleman from Colorado (Mr. TANCREDO) which will keep the U.S. from wasting valuable time and funds joining and participating in the U.N. so-called Educational and Scientific Cultural Organization, which in my view is an organization truly in search of a mission. Currently, the U.S. gives approximately $3 million each year on a voluntary basis to support educational, scientific, and cultural projects which we feel are worthwhile, whereas if we were to become a member, we would be funding good and bad projects alike.

This structured rule is not without precedent, Mr. Speaker.

☐ 1015

In the 103rd Congress, at the request of the chairman of the Committee on International Relations, the State Department authorization bill was considered under a structured rule.

We also considered last year's American Embassy security bill under a structured rule.

The rule is allowing for 26 amendments, which will obviously take up a significant amount of time of the House, and which are as wide-ranging in subject as they are in sponsorship.

I look forward to a vigorous debate on this bill. I commend the gentleman from Illinois (Mr. HYDE), as well as the ranking member, the gentleman from California (Mr. LANTOS), for their commitment to human rights, their hard work in crafting this bipartisan bill and, as always, for making us all in this House proud.

Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I want to thank the gentleman from Florida (Mr. DIAZ-BALART) for yielding me the time.

Mr. Speaker, this is a restrictive rule. It will allow for consideration of H.R. 1646. It is a bill that would authorize the Department of State for fiscal years 2002 and 2003. As my colleague from Florida has described, the rule provides for 1 hour of debate. It will be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations. The rule permits floor consideration of only those amendments selected by the Committee on Rules.

I want to commend the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS) for their leadership on this bill. It is refreshing to see a State Department authorization bill which increases funding for vital foreign policy programs instead of making major cuts as we have done in the past.

Our Nation's diplomats are the ounce of prevention towards avoiding international conflict, and a good diplomatic corps with sufficient resources can prevent much more costly and disruptive military actions.

I am also pleased that the bill funds our Nation's commitment to international organizations, especially the United Nations.

Last year, former U.S. Ambassador to the United Nations, Richard Holbrooke, negotiated an agreement to lower our U.N. dues, saving America millions of dollars. This legislation will honor that agreement by making the technical changes to current U.S. law. We must now uphold our part of this bargain by paying our back dues to the United Nations. Great nations honor their commitments, and we must pay our bills.

This measure increases the authorization for UNICEF and for refugee assistance. Both of these accounts save lives and they deserve our support. Since 1995, funding for the refugee account has been so low it has not even kept up with inflation. This bill increases the account by more than $100 million above the President's request and will help make up for the shortfall. This funding is especially critical, now since a funding shortfall is anticipated from other donor nations.

Though I am pleased with the bill that was reported out of committee, I must express my disappointment with the rule to accompany the bill that we are now considering. In the 104th and the 105th Congresses, we took up the State Department authorization bill under an open rule. In the 107th Congress, the rule was restrictive but the Committee on Rules made in order most requested amendments. Now this restrictive rule makes in order less than half of the amendments requested.

Moreover, the amendments that are made in order do not fully address the breadth of issues of concern to House Members.

I am especially concerned about one amendment made in order to be offered by the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS) to withhold some U.N. dues unless the United States is returned to its seat on the U.N. Human Rights Commission. I must state that I hold these gentlemen in the highest personal regard and I fully support the ultimate goal of their amendment. Like most Americans, I am outraged that the United States was removed from both the United Nations Human Rights Commission and the International Narcotics Control Board. Like the sponsors of this amendment, I want the United States to get back on these commissions in 2002. However, I strongly oppose the approach of the Hyde-Lantos amendment that hold our U.N. back dues hostage to the United States returning to these commissions.

This is the money we owe the U.N. and we have already agreed to pay it. As the gentlemen know, I am opposed to linking back payment of U.N. dues to any cause. With great reluctance, I broke from my pro-life colleagues who wanted to link payment of our dues to funding some international family planning organizations. Then, as now, I fully supported the end result but then, as now, I do not think that threatening to withhold our U.N. dues, our U.N. back dues, was the proper tactic.

Mr. Speaker, this is President Bush's view as well. Yesterday, the President's spokesman stated while the United States is disappointed with the results of the Human Rights Commission election, the President feels strongly that this issue should not be linked to the payment of our arrears to the U.N. and other international organizations.

The United States has been and continues to be a beacon of hope for defending the human rights and freedoms of all people, and this is the promise of the United Nations. I am afraid that the Hyde-Lantos amendment would only further undermine the operations of the U.N. and our ability to provide leadership. Despite my support for the bill, I reluctantly oppose the rule, and ask my colleagues to vote no on this unnecessarily restrictive rule. Should the rule pass, I ask my colleagues to vote no on the Hyde-Lantos amendment.

Mr. Speaker, I reserve the balance of my time.

Mr. DIAZ-BALART. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Speaker, I thank the gentleman from Florida (Mr. DIAZ-BALART) for yielding me this time.

Mr. Speaker, I rise as a member of the Committee on International Relations but I would like to express my disappointment that of my amendments that were offered to the Committee on Rules, none of them were approved. That was a great disappointment to me.

I will vote for the rule, recognizing the fact that it is hard to accommodate everyone, but nevertheless it is very clear that I have been an outspoken opponent of the United Nations, and the amendments that we will be discussing will really not deal with the essence of whether or not we should be involved as we are in foreign interventionism. I think we are tinkering on the edges and will not do much to improve the bill even if some of the amendments are passed, some of which I will support.

I do think there are some serious things that we must consider. One is the issue of national sovereignty. To support H.R. 1646, one has to vote to give up some of our national sovereignty to the United Nations. There is $844 million for peacekeeping missions. We know now that we live in an age when we go to war not by declaration of the U.S. Congress but we go to war under U.N. resolutions. When we vote for this bill, and if this bill is supported, that concept of giving up our sovereignty and going to war under U.N. resolutions is supported.

I would like to have struck from the bill all the money for population control. I will support the Mexican City language, but it really does not do that much. All funds are fungible, and if we provide hundreds of millions of dollars for population control and say please do not use it for abortion, it is just shifting some funds around. So there is no real prohibition on the use of American taxpayers' money for abortion if we do not strike all of these funds.

The United Nations have already laid plans for an international tax. This January it was proposed that the U.N. would like to put a tax on all currency transactions to raise $1.5 billion. This is abhorrent. This should be abhorrent to all of us. It should be abhorrent to all Americans that we would have an international tax imposed by the United Nations.

Already the United Nations is involved in tax collecting. In Bosnia right now, in Serbia, the U.N. has as one of their functions collecting taxes on goods coming into the country. There was a demonstration not too long ago by the Serbs objecting to this. The idea that U.N. soldiers, paid by the American taxpayers, are now tax collectors in Bosnia should arouse our concern.

The only way, since we do not have the amendments to reject outright some of this wasteful and harmful funding, the only way we who believe that our sovereignty is being challenged is to reject 1646. I see no other way to address this subject, because it is not in our best interest to go along with this.

The way the bill is written right now, we will support the Kyoto Treaty, and the International Criminal Court is also something that we should be contending with.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I thank the gentleman from Ohio (Mr. HALL) for yielding me this time.

Mr. Speaker, I rise to oppose this rule. I am disappointed that the Hastings-Allen amendment was not made in order. Our amendment would establish a special coordinator for Korea to negotiate the end of the North Korean missile program. We can negotiate away the North Korean missile threat, but only if we sit down at the table to discuss the subject. President Bush has refused to do so.

In denying the House a vote on our amendment, Republicans show they have no interest in getting rid of North Korean missiles. Why? Apparently because those missiles are needed to justify the President's extravagant, unworkable missile defense scheme.

It is far easier to defend against a missile that is never built than against a missile that has been launched. There is a new, improved climate on the Korean Peninsula. The North Koreans have voluntarily continued their moratorium on testing. It is a shame on this bill we cannot even vote for a special coordinator to negotiate an end to the North Korean missile threat.

Mr. DIAZ-BALART. Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Speaker, I thank the gentleman from Ohio (Mr. HALL) for yielding me this time. I appreciate his great leadership in this body on so many issues.

Mr. Speaker, I rise in opposition to this restrictive rule. The rule should be open and allow for debate of all the issues that could be brought to this floor, because it is extremely important.

Later today I will be speaking about an issue that does not reflect the best of our decisions in the deals that we have made. I am referring to the Hyde-Lantos-Sweeney amendment. This amendment will hold hostage United States payments to the United Nations.

In 1999, under the Helms-Biden agreement, we negotiated a deal with the United Nations. They have held up their end of the bargain. We have not. Because the U.N. has voted the U.S. off the Human Rights Commission, we are deciding that we can break our agreement, that we can break our contract.

This is wrong, and I think we would be ashamed if our children acted in this manner.

Today I am supporting the Bush administration, because they support the funding of the United Nations. If we pass the Hyde-Lantos-Sweeney amendment, it will be the first loss of the Bush administration on Capitol Hill.

I would like to quote from Ari Fleisher, representing the Bush administration. "While the United States is disappointed with the results of the Human Rights Commission election, the President feels strongly that this issue should not be linked to the payment of our arrears to the United Nations and other international interests."

If we pass this amendment, we will be sending a message to the world that our word cannot be trusted and that if we do not get what we want, we can break our deal. As I am sure my colleagues will agree, this is not the message we want to send to the world community.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BENTSEN).

Mr. BENTSEN. Mr. Speaker, I rise in opposition to the rule, with great disappointment that the Committee on Rules did not make in order a very important amendment that I had offered. While I understand the restrictions that face the Committee on Rules in selecting a workable number of amendments under tight time constraints, I regret that the committee did not see fit to report my amendment which addresses a very critical and legitimate issue.

The amendment that I had hoped to offer would better coordinate the Federal Government's response to international terrorism. In crafting this bill, my staff and I worked closely with experts in the field of international terrorism, including officials from the Congressional Research Service, the Rand Corporation, the State Department and Department of Justice. In short, I believe this is a very legitimate and growing problem.

Under the measure which I offered also as a bill, H.R. 1338, the Secretary of State would be required to designate an existing Assistant Secretary of State to monitor efforts to bring justice to U.S. victims of terrorism abroad.

□ 1030

Each year, hundreds of thousands of U.S. citizens work and travel overseas, including a growing number of U.S.

employees who work for the energy industry based in my district. Because of the confusing blend of multijurisdictional concerns, U.S. victims of terrorism and their families are often unable to obtain justice, even when the perpetrators' whereabouts are known by Federal authorities.

Under this measure, the Assistant Secretary of State would be required to work directly with the Justice Department and other applicable Federal agencies to identify and track terrorists living abroad who have killed Americans or who are engaged in acts of terrorism that have directly affected American citizens. In addition, the Assistant Secretary would provide an annual report to Congress on the number of Americans kidnapped, killed, or otherwise directly affected by the actions of international terrorists. Also included in the annual report to Congress would be a thorough detailing of what actions State and Justice are undertaking to obtain justice for U.S. victims of international terrorism and a current list of terrorists living abroad.

Mr. Speaker, I am disappointed that the Committee on Rules did not see fit to allow this amendment to be debated on the floor of the House today. As Members of Congress, we have a profound duty to provide an effective response when our constituents have been victims of international terrorists while traveling or working abroad. I am hopeful that I can count on the support of the chairman and the ranking member of the Committee on International Relations in the weeks ahead to address this very important problem.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we oppose the rule. The bill is a pretty good bill. I am very satisfied with the bill, but the rule is very restrictive.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we have crafted a fair rule, with 26 amendments made in order, over half from our friends from the other side of the aisle. The key issues have all been made in order for debate. We look forward to a vigorous debate on this important legislation.

Mr. Speaker, I reiterate my support for the rule and the underlying legislation.

Mr. MARKEY. Mr. Speaker, I rise in opposition to the rule. The Rules Committee has blocked an amendment offered by Mr. GILMAN and myself. This amendment, "Accountability to Congress for Nuclear Transfers to North Korea Act", would have provided for thoughtful consideration as the United States and its allies march forward ponderously towards providing nuclear power to North Korea.

North Korea is a signatory to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and, as such, is required to submit to inspections by the International Atomic Energy Agency (IAEA). Since the early 1990s, however, North Korea has blocked the IAEA from performing inspections of certain nuclear facilities. This non-compliance was tacitly accepted by the U.S.-North Korean Agreed Framework of 1994, which arranged for the provision of 2,000 megawatts of light water nuclear reactors to the North Koreans in exchange for them to stop operation and construction of their graphite-moderated reactors. IAEA inspections, however, must occur before "key nuclear components" can be delivered.

With a country that is unwilling to fulfill its international obligations, it is important that we scrutinize carefully any transfers of nuclear equipment or technology. At the same time, we must recognize the precarious power predicament in which North Korea finds itself. The nuclear reactors won't be completed for years. And when—and if—they are, North Korea's electric grid is not capable of handling and transmitting the power that will be produced. The people of North Korea will still want for that fundamental building block of an industrialized society—sufficient, reliable electricity.

So we have to balance the various issues; we have to be tough but fair-minded. We have to consider carefully any attempt to transfer nuclear technology or material to North Korea per the Agreed Framework, but we also have to preserve the Agreed Framework, which helped to avoid potential military confrontation on the Korean Peninsula. And as part of ensuring stability there, we have to recognize the legitimate needs of the North Korean people.

The amendment offered by Mr. GILMAN and myself would have accomplished this task. First, it required that before any material or technology was transferred to North Korea under a nuclear cooperation agreement, Congress would have to approve by joint resolution any certification made by the President as specified by the North Korea Threat Reduction Act of 1999. This portion of the amendment passed the House of Representatives in the last Congress by a margin of 374 to 6 on May 15, 2000. Second, the amendment would have prohibited the assumption of liability by the United States government for accidents involving nuclear reactors in North Korea. This portion of the amendment passed the House of Representatives last May by a margin of 334 to 85 as an amendment to the Defense Authorization bill.

Finally, the amendment expressed the sense of Congress that the provision of non-nuclear power generation to North Korea should be considered. This proposal postulated that non-nuclear power was the best way to fulfill the energy needs of North Korea. It encouraged the modernization of the electricity grid. It required that the President report to Congress on the current and projected electricity needs of North Korea and on the cost and time-frame for providing non-nuclear versus nuclear power generation. It was an information-gathering tool. It was a call to think about what we are doing with North Korea. Let us not go blindly along, business-as-usual, and hope that somehow, someday, the nuclear power plants will be built according to the satisfaction of everyone. North Korea will not be satisfied with their lack of electricity, and we in the House of Representatives will not be satisfied with being shut out of the decisionmaking process regarding nuclear transfers to North Korea.

The rule hides from these realities. It should be rejected.

Mr. DIAZ-BALART. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HALL of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 226, nays 192, not voting 13, as follows:

[Roll No. 105]

YEAS—226

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Boyd
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Lantos
Largent
Latham
LaTourette
Leach
Lee
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Otter
Oxley
Paul
Pence
Peterson (MN)
Peterson (PA)

Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schiff
Schrock
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Sununu
Sweeney
Tancredo
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (FL)

NAYS—192

Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Green (TX)
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E.B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Larsen (WA)
Larson (CT)
Levin
Lewis (GA)
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Ose
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Woolsey
Wu
Wynn

NOT VOTING—13

Abercrombie
Clement
Cubin
Delahunt
Engel
Hunter
Menendez
Moakley
Rivers
Ros-Lehtinen
Sensenbrenner
Stump
Young (AK)

□ 1058

Messrs. BARRETT of Wisconsin, CLYBURN, and ROSS, and Mrs. McCARTHY of New York changed their vote from "yea" to "nay."

Mr. PAUL changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Mr. CLEMENT. Mr. Speaker, on rollcall vote No. 105, I was unavoidably detained on official business. Had I been present, I would have voted "nay."

Mr. ABERCROMBIE. Mr. Speaker, earlier today I was unavoidably absent and I was unable to cast my vote on rollcall No. 105, the rule for H.R. 1646, the State Department Authorization bill.

Had I been present, I would have voted "nay."

AMENDMENT PROCESS FOR H.R. 1, NO CHILD LEFT BEHIND ACT OF 2001

(Mr. DIAZ-BALART asked and was given permission to address the House for 1 minute.)

Mr. DIAZ-BALART. Mr. Speaker, today a "Dear Colleague" letter will be sent to all Members informing them that the Committee on Rules is planning to meet the week of May 14 to grant a rule which may limit the amendment process on H.R. 1, the No Child Left Behind Act of 2001. The bill was ordered reported yesterday by the Committee on Education and the Workforce.

Any Member wishing to offer an amendment should submit 55 copies of the amendment and one copy of a brief explanation of the amendment to the Committee on Rules in room H312 in the Capitol no later than noon on Tuesday, May 15.

Amendments should be drafted to the text of H.R. 1 as ordered reported by the Committee on Education and the Workforce. That text will be available at the Committee on Education and the Workforce and will be posted on its Web site tomorrow.

Members should use the Office of Legislative Counsel to ensure that their amendments are properly drafted and should check with the Office of the Parliamentarian to be certain that their amendments comply with the Rules of the House.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1271

Mr. DAVIS of Illinois. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 1271.

The SPEAKER pro tempore (Mr. LaHood). Is there objection to the request of the gentleman from Illinois?

There was no objection.

□ 1100

GENERAL LEAVE

Mr. HYDE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 1646.

The SPEAKER pro tempore (Mr. Quinn). Is there objection to the request of the gentleman from Illinois?

There was no objection.

FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 2002 AND 2003

The SPEAKER pro tempore. Pursuant to House Resolution 138 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1646.

□ 1100

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1646) to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes, with Mr. LaHood in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Illinois (Mr. Hyde) and the gentleman from California (Mr. Lantos) each will control 30 minutes.

The Chair recognizes the gentleman from Illinois (Mr. Hyde).

Mr. HYDE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of H.R. 1646, the Department of State's authorization for fiscal years 2002 and 2003.

The distinguished gentleman from California, (Mr. Lantos), the ranking member of the Committee on International Relations, and I introduced the bill, which was favorably reported to the House by voice vote.

I want to emphasize this is not a foreign aid bill. That subject will be discussed at a later time.

Standing at the edge of a new century, it is appropriate to pause and wonder what lies ahead for us, our descendents, and our country. For the United States, the century just past was one of unprecedented American triumph. So great was our prominence, so expansive our fortune, that it has been called the "American century."

For many others around the world, however, the experience of that same period of time was quite different. Universally hailed at its beginning as an era of peace and progress, the 20th century proved to be the bloodiest and most savage in human history.

Tens of millions perished; scores of cities were obliterated, continents were more thoroughly ravaged by modern warfare than any other long-ago barbarian could have dreamed. In our present-day complacency, it is easy to forget how razor thin were the margins by which our civilization survived, how close the enemies of the West came to winning.

So although it is right for us to be hopeful about the next century, we would do well to be mindful of these different experiences and to remember we are guaranteed nothing.

But neither are we at the mercy of chance. In large part, our fate will be determined by our own actions, both wise and foolish. Although we might wish by some simple stratagem to guarantee our success and safety, easy answers promise only to lull us into a deadly sleep.

The only certain advantage we can possess in meeting the future is to steel ourselves as best we can to meet its inevitable surprises. As the saying goes, fortune favors the well prepared.

If the United States were to advance confidently into the future, we require a sober foreign policy that rests upon a solid foundation, one whose prescriptions are rooted in reality. On that score, there is much to be done.

One area in particular that I intend to emphasize is the need to shift our policies away from an excessive focus on short-term problems and recast them towards the achievement of long-term goals. But that is a different task than that which engages us here today. First, we must start with laying a strong foundation. That process begins with this bill.

The President's budget request for the main State Department operating accounts identifies new priorities which support the U.S. State Department and its foreign policy platform. Notably, the budget increases focus on the Administration of Foreign Affairs accounts, which reflect a 19 percent increase over the current fiscal year.

I note the accounts covered in this bill are funded at or above the President's request. Among the bill's principal features: The bill authorizes funds requested by the Bush administration to enhance embassy security, undertake reform of workplace rules and make long-overdue improvements to the Department's less than state-of-the-art computer systems.

It clears the way for the transfer and sale of four *Kidd*-class destroyers to Taiwan, announced late last month by President Bush, a decision hailed by Members of both parties.

The bill also designates Taiwan as the equivalent of a non-NATO ally, a designation which, among other things, permits it to purchase surplus U.S. military equipment.

It creates a special envoy post for Sudan to work for a peaceful settlement of a conflict that has been marked by enormous human rights abuses, persecution of Christian and other minorities, and the deaths of an estimated 4 million people.

It increases funding for activities of the broadcast services of Radio Free Europe, Radio Liberty, Voice of America, Radio Marti, and Radio Free Asia to nations including Russia, Cuba, China, North Korea and Vietnam, whose government-run and controlled media routinely suppress the democratic aspirations of their people.

It significantly reduces the U.S. share of dues paid annually to the United Nations. Our assessed rate for the U.N. regular budget is cut from 25 percent to 22 percent, while the U.S. share of peacekeeping operations will drop from about 32 percent to 28 percent, effective January 1, 2001.

Further reductions in peacekeeping will take place on a sliding scale, reaching about 27.5 percent in July of this year and falling further to near 25 percent by 2006. As part of the agreement to reduce the percentage of the U.N. budget paid by the United States, the U.S. is obliged to pay an arrearage of $582 million primarily for peacekeeping operations. I should note these latter funds were appropriated last year.

It includes a provision from the Contract With America which amends the U.N. Participation Act of 1945 to ensure that no agreement deploying U.S. troops is effective without the approval of Congress.

In sum, the bill provides ample safeguard that the U.N. and its specialized agencies will stay on their present course of management, budget, and personnel reforms.

Now, these are some of the key aspects of this bill. Let me conclude by emphasizing one in particular; namely, that of security. The most important concerns the security of our people and diplomatic facilities around the world.

The State Department states that last year alone, there were over 50 significant incidents involving violence or intrusion at our diplomatic facilities. As the technologies of destruction available to the world's terrorists continue to grow, we cannot stand idly by, waiting for our self-declared enemies to finalize preparations for their next attack which is certain to happen somewhere.

The men and women of the Department of State and other agencies, serving their country far away from home in difficult and often dangerous conditions, deserve the fullest protection we can provide them and their families. We owe them at least that and much more.

For that reason, as well as many others I have laid before you, I urge my colleagues to support H.R. 1646 so that we may get on with the great task of preparing our foreign policy for the new century.

Mr. Chairman, I reserve the balance of my time.

Mr. LANTOS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of H.R. 1646, the foreign relations authorization bill for fiscal year 2002 and 2003, as it was reported by our committee.

This is a good bill, Mr. Chairman, and I am proud to be a cosponsor with the gentleman from Illinois (Chairman HYDE), my good friend.

I am very pleased, Mr. Chairman, that the bill fully funds the administration's requests for the Department of State, including funding for upgrading embassy security and improving conditions for the men and women who serve our Nation in far-flung corners of the world.

The diplomatic profession has always been a difficult and dangerous one, but in recent decades the level and nature of threats facing our men and women overseas in the Diplomatic Corps has grown exponentially. The bombing of our embassy in Beirut in the 1980s and, more recently, the tragic bombings in Africa are only the latest and most dramatic examples of the threat and challenges facing our diplomats abroad.

The sad and disturbing fact is that Americans serving in our Diplomatic Corps face the same day-in and day-out threats to their safety as those men and women who serve our Nation in the military. In fact, since the end of World War II, more American Ambassadors have been killed in the line of duty than generals and admirals.

We have done an excellent job in equipping our military with the best and latest technology and equipment. As a result, Mr. Chairman, our military is the best-trained, best-equipped, best-led force in the world. But, unfortunately, we have not done the same for the men and women who serve on the front lines of diplomacy.

As Secretary Powell noted at his confirmation hearing, diplomacy is our first line of defense. We must ensure that this line of defense is as strong and as well equipped as our military defense.

We need to upgrade the technology and the security of our embassies. Our bill contains authorities and resources Secretary Powell has requested to help him do just that.

Frankly, Mr. Chairman, I had hoped that Secretary Powell would have been more ambitious in his request. Given his high standing in the Congress and in the country, I believe Congress would have supported a bolder request, but as he said in his hearing before our committee, there is always next year; which is why I am pleased that the bill provides flexibility for fiscal year 2003.

Mr. Chairman, there are a few important provisions contained in this bill that I would like to highlight. First, this legislation goes a long way towards paying our past dues to the United Nations. Despite last week's deplorable vote on the U.N. Human Rights Commission, I still strongly support payment of these arrears.

The United Nations is an indispensable partner in our dealings around the globe, and we must not lose sight of that fact. However, I, along with the rest of my colleagues and with the bulk of the American people, am outraged by the vote last week that put the Sudan on the U.N. Human Rights Commission and took the United States off.

The United States has been the champion of human rights long before there was a U.N. Human Rights Commission or even a United Nations. We shall continue to champion human rights and chastise the abusers of those rights, regardless of our membership on any commission.

However, it is incomprehensible that any commission on human rights could include in its membership the worst abusers of human rights in the world. Last week's vote makes a mockery of the commission.

□ 1115

The gentleman from Illinois (Chairman HYDE) and I will introduce an amendment that will add a new condition on paying U.N. arrears. The United States will not pay off all of its arrears to the U.N. until the United States once again becomes a member of the U.N. Commission on Human Rights.

Turning to some other important provisions, this bill contains a significant provision introduced by the gentlewoman from California (Ms. LEE) that overturns the President's Mexico City policy. We will hear much about this provision from my colleagues as they argue that it funds abortions. While I strongly believe in a woman's right to choose, this provision has nothing to do with abortion. No U.S. Government money has gone towards funding abortion since 1973. It has been illegal since that year, and this bill does not change that.

Simply put, the provision of the gentlewoman from California (Ms. LEE) ensures that no foreign nongovernmental organization is denied our funding solely on the basis of health and medical services that it provides through non-U.S. government funds and that no foreign NGOs are restricted in using non-U.S. government funds for advocacy.

Our provision merely tries to safeguard that nongovernmental organizations in developing countries have the same rights to free speech that our Constitution guarantees to every American citizen and every American organization. I hope that in the spirited debate that is soon to follow, Members will keep this fact in mind.

Some other important elements of this bill include two provisions strengthening our relationship and commitment to Taiwan and the sense of the Congress provision urging U.S. reengagement with the Kyoto process regarding global climate change.

Lastly, Mr. Chairman, I was very pleased to work with the gentleman from Iowa (Mr. LEACH) in our successful effort to include the provision in the bill to have the United States rejoin UNESCO, the United Nations Educational Scientific and Cultural Organization.

When UNESCO was founded half a century ago, its slogan was, "Since wars begin in the minds of men, it is in the minds of men that the defenses of peace must first be constructed." This is as true today as it was the day UNESCO came into being. I earnestly hope that my colleagues will support our rejoining UNESCO which is so much in the American interest.

I also find it ironic that, while we are complaining of having been removed from the U.N. Human Rights Commission, we voluntarily remove ourselves from UNESCO where all we need to do is express our desire to rejoin.

This is a very good bill, Mr. Chairman. It is a bipartisan bill. Virtually every element of this bill has the support of some Republicans and some Democrats. This is in large part due to the leadership of the gentleman from Illinois (Chairman HYDE), and I want publicly to salute him for having conducted our hearings and the activities of the committee in a singularly fair and bipartisan fashion. I want to thank him for the open and collegial way in which he has brought this bill through the committee to this floor.

I hope my colleagues in the House will support the bill in the same bipartisan manner in which it was passed by our committee.

Mr. Chairman, I reserve the balance of my time.

Mr. HYDE. Mr. Chairman, I yield myself such time as I may consume to thank the gentleman from California (Mr. LANTOS) for his overly generous comments. I can only respond by saying praise from Caesar is praise indeed.

Mr. Chairman, I yield 7 minutes to the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Chairman, I rise in strong support of the pending Foreign Relations Authorization Act crafted so ably by the gentleman from Illinois (Chairman HYDE) and the gentleman from California (Mr. LANTOS), the ranking member.

I want to thank the gentleman from Illinois (Mr. HYDE) for his extraordinary leadership as chairman of the committee. I think we are off to a good start, and I commend him and thank him for his great leadership.

H.R. 1646, Mr. Chairman, authorizes a myriad of critical State Department functions, funding for international organizations, freedom broadcasting, democracy initiatives, public diplomacy, cultural and educational exchanges, refugee protection, and funding and conditions on such funding for the United Nations.

This legislation builds on our achievements in the last Congress regarding these issues and is especially important in strengthening security for our missions abroad. In light of the significant increase in threats to our personnel and embassies overseas, Congress has a sacred duty to ensure that every imaginable step be taken to make posting abroad as risk-free as humanly possible. This bill is a faithful attempt to achieve that goal.

Finally, the bill contains several disparate provisions from authorizing the transfer of naval vessels to Taiwan, Poland, Brazil, and Turkey; to the establishment of special envoys within the State Department to Tibet and Sudan; to promoting police reform & peace in Northern Ireland.

After general debate, Mr. Chairman, the House will consider several amendments; and today it is my understanding we will only be getting to the U.N. amendments, so I would like to address some of those briefly.

First, let me urge my colleagues to strongly support a modest compromise amendment to be offered by the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS) to condition the release of the third and final arrearage payment of $244 million, which would be released next year, on the U.S. reclaiming its seat on the U.N. Human Rights Commission.

Tragically, the U.N. Human Rights Commission, created to be a watchdog for human rights, has become seriously flawed and compromised. The membership includes some of the most egregious violators of human rights, including countries like China, Cuba, Syria, Libya, Vietnam, and Sudan.

This rogue's gallery of torturers, persecutors, and bullies exploit the commission process to avoid scrutiny and to deflect criticism of their barbarism. In Geneva, the home of the Commission, and in foreign capitals, they aggressively lobby and intimidate nations to effectively silence and paralyze any actions against them; and it works.

The U.S. resolution, for example, condemning China for its pervasive violations of human rights, lost from a no action vote just a few weeks ago. It is no coincidence, Mr. Chairman, that Jiang Zemin made a blitzkrieg tour of

Latin American nations who just happened to be on the commission immediately prior to the vote to shore up his vote count. In the end, money, contracts, and fear prevailed; and China again got off scot-free from scrutiny and exposure for its abusing its own citizens.

Mr. Chairman, permitting dictatorships on the commission, the U.N. Human Rights Commission, which Mary Robinson, the High Commissioner, has called the conscience of humanity, is an outrage. Dictators like China and Cuba, they are not the conscience of humanity. That is an oxymoron, and they do not belong there.

It is time we demanded sweeping reform of the commission itself. At the absolute minimum, and this is reflected in section 603 of the bill, human rights monitors should have unfettered access to any country, including its prisons, who serve on the commission.

Next, I would like to urge Members to support the amendment of the gentleman from Texas (Mr. DELAY) because of the profoundly serious detrimental consequences the international criminal court would have on U.S. service men and women, especially our peacekeepers, and on elected and public officials.

Known as the Rome Statute of the International Criminal Court, 120 delegations voted to establish the tribunal in July of 1998. The Rome Statute is comprised of 128 articles. Those who oppose it included the Clinton administration and six other nations, and there was some 21 countries that abstained.

Core crimes with expansive definitions include genocide, crimes against humanity, war crimes, and aggression. The problem is, Mr. Chairman, there are serious questions as to how the definitions of these crimes will play out.

For example, the definition of war crimes includes extensive destruction and appropriation of property. What is that? The term aggression, Mr. Chairman, is still in the process of being defined.

Then there is the issue of the independence of the prosecutor. Our delegation in Rome had sought a check and a balance that would have vested final authority in the U.N. Security Council. They lost. A more nuanced and problematic two-tier approach was adopted that confers considerable powers to the prosecutor to self-initiate prosecution.

There are problems of constitutionality. As Members know, both Federal laws and treaties entered into and ratified are subordinate to the U.S. Constitution. While the accused enjoy some U.S.-style rights, there are no protections from unreasonable searches, and there are no requirements for a trial by jury.

As we have seen at the United Nations Commission for Human Rights, there is considerable chance that rogue nations will have influence, and I would submit undue influence, in both prosecutions and convictions and in the meting out of sentences, thus subjecting U.S. military personnel and public officials to criminal prosecution that a reasonable person might not think to be a war crime or aggression.

Last July, I asked Ambassador Scheffer, who was our lead negotiator at Rome, and Undersecretary Slocombe if past U.S. military actions from the bombing in Tokyo to Dresden to Hiroshima to Nagasaki or any action in Korea or Vietnam might be construed as an actionable offense. He pointed out that the United States, looking back, would have a good defense if such cases, if my hypothetical case had been tried. Then he underscored that our concern is with politically motivated prosecutions.

I do not want to put our military men and women, our peacekeepers in harm's way. While this may be a well-intentioned court, it certainly has some very serious flaws. I think the amendment by the gentleman from Texas (Mr. DELAY) helps to rectify that, at least in terms of our participation.

Let me say that I take a back seat to no one for pushing for ad hoc tribunals. When the Rwandan as well as the Yugoslavia tribunal were in their infant stages, I offered the amendments in the committee to boost the funding; but it needs to be done on an ad hoc basis. And I do believe it needs to be done in a way that is more likely to lead to prosecution of serious war criminals and not these kinds of prosecutions that would be frivolous and unjust.

Mr. Chairman, I am also pleased that H.R. 1646 includes the Smith/King amendment regarding human rights and the peace process in Northern Ireland.

As adopted by the Committee, our amendment, now Section 203, updates and modifies a provision Mr. KING and I authored two years ago to ban Federal funds from being used to support training or exchange programs conducted by the Federal Bureau of Investigation for the Royal Ulster Constabulary (RUC, Northern Ireland's police force). Specifically, we are intent on ensuring that RUC members who are believed to have committed or condoned human rights violations, including any role in the murder of human rights attorneys Patrick Finucane or Rosemary Nelson, are "vetted out" or prohibited from any program sponsored or subsidized by the U.S. government. We hope that by example, those working on police reform in Northern Ireland will similarly isolate and "vet out" RUC members who condone human rights abuses. Section 203 of this new bill reinforces the ban on the funding—until the President certifies that human rights standards and vetting procedures are integrated into the program—and requires a report, within 60 days of enactment, on the scope of previous training programs.

Section 203 also requires a second report that outlines the extent to which the British government has implemented the 175 recommendations listed in the Patten Commission report on policing reforms in Northern Ireland including those recommendations that emphasize the integration of respect for human rights and emphasize efforts to recruit Catholics for the new police force. As you know, the RUC has proportionally far fewer Catholics than the population of Northern Ireland and the imbalance has underscored the RUC's inability to achieve confidence in all communities who are signatories to the peace process. The required report will also provide information on the integration of members of the Garda Siochana (the national police force of the Republic of Ireland) or other experienced police force applicants into the senior ranks of the RUC by both the British and Irish governments, as envisioned by the Patten report. As part of the Good Friday Agreement, the implementation of the full Patten report is critical to a just and lasting peace in Northern Ireland.

Finally, Mr. Chairman, Section 203 requires that the report also include information on the status of the murder investigations of defense attorneys Rosemary Nelson and Patrick Finucane and the murder of Robert Hamill. In April 1999, the House of Representatives passed by resolution (H. Res. 128) condemning the murder of Rosemary Nelson, who had testified before the International Relations Subcommittee on Human Rights on the status of police reform in Northern Ireland. The House is also on record calling for independent, RUC-free judicial inquiries into the Finucane and Nelson murders. To date, the British government has rebuffed the call, that has also been supported by numerous human rights organizations around the globe. The mandated report is designed to provide Congress with up-to-date information on these matters so that we can continue to effectively promote accountability and justice for these victims and their families.

Mr. LANTOS. Mr. Chairman, I am pleased to yield 2 minutes to the distinguished gentleman from New Jersey (Mr. MENENDEZ).

Mr. MENENDEZ. Mr. Chairman, I rise in support of this important legislation. I want to thank the gentleman from Illinois (Chairman HYDE) and the gentleman from California (Mr. LANTOS), the ranking member, in particular, and my colleagues on the committee for making it possible to include in the bill various provisions that I have sponsored.

The bill includes a resolution I introduced in committee on the Kyoto Protocol that expresses the sense of the Congress that, first, global warming is a serious problem, and the United States must take responsible action to reduce emissions of carbon dioxide and other greenhouse gases from all sectors; and, second, that the United States continue to participate in ongoing international negotiations with the objective of completing the rules and guidelines for the Kyoto Protocol consistent with U.S. interest and respecting the integrity of the Protocol.

On another matter, last Thursday, the GAO reported that, despite years of effort from the Congress, the State Department has failed to make any significant progress in the recruitment and promotion of qualified minorities to senior management positions. I am glad to have developed language in this bill to ensure that the Department moves forward in its recruitment and promotion to senior most ranks of minorities. I have been working on this, this is my 9th year now, and I am glad to see the bill provides $2 million to increase minority recruitment into the Department and requires that a databank track its results. I urge the President and Secretary Powell to make sure that we obtain results at the State Department in minority recruiting and promotion.

This bill also provides the National Endowment for Democracy with a modest increase for the first time in years. This vital and cost-effective organization promotes internationally our fundamental American values, democracy and human rights. Promoting these values overseas is in our national interest since democracies make peaceful allies and good trading partners and neither support terrorism nor proliferate dangerous weapons. By leading many efforts on the struggle for freedom worldwide, the NED enjoys strong bipartisan support as it advances our national security.

Finally, I urge my colleagues to support my amendment on the IAEA. Iran does not need a nuclear power plant or U.S. money to conduct a nuclear power plant and create a nuclear threat for that part of the world and for our country.

Mr. HYDE. Mr. Chairman, I am pleased to yield 2½ minutes to the gentleman from Virginia (Mr. CANTOR).

Mr. CANTOR. Mr. Chairman, I rise in support of H.R. 1646, and I commend the gentleman from Illinois (Chairman HYDE) and the gentleman from California (Mr. LANTOS) for their leadership in bringing this legislation to the floor.

This legislation would authorize $8.2 billion for the State Department and among other important items provides for the enhancement of embassy security, significantly reduces the U.S. share of dues paid annually to the United Nations, and states that Congress maintain its commitment to relocate the United States Embassy in Israel to Jerusalem.

□ 1130

In addition, the measure increases funding for U.S. broadcast services and requires the United States to oppose nations seeking membership on the United Nations Human Rights Commission that fail to permit monitoring of human rights in their own territory.

In particular, I would like to highlight a provision of this bill that authorizes $15 million for the Middle East Radio Network. I thank the gentleman from Illinois (Mr. HYDE) for his leadership and guidance in securing this funding and commend the gentleman from Florida (Mr. WEXLER) and the gentleman from California (Mr. SHERMAN) for their efforts on behalf of this bipartisan provision.

Currently, Voice of America Arabic only reaches about 2 percent of the population in this region, far behind the British Broadcasting Company and other major international networks. The Middle East Radio Network initiative will serve to broaden the opportunity for open discussion and individual freedom to a region where antidemocratic rhetoric is strong.

This measure will authorize the resources for Middle East Radio Network programming that will be a combination of news, music, talk, and interaction with listeners. Featuring reliable news and discussion of issues relevant to the audience, the Middle East Radio Network will appeal to young adults and to news seekers of all ages. Constant program themes will be individual choice and respect for others.

The MRN is a worthwhile program to promote Jeffersonian ideals and democratic principles. I would again like to thank the gentleman from Illinois (Mr. HYDE) for his support on this issue and Kristen Gilley of the committee staff for her assistance in drafting this provision.

Unfortunately, I remain concerned about several provisions in the bill that were approved during the committee markup for this legislation. Specifically, I opposed the Lee amendment overturning the Mexico City policy that prohibits the use of American tax dollars to fund foreign organizations that perform or actively promote abortion overseas. Under no circumstances should American taxpayers underwrite abortion activities in foreign countries.

In addition, I remain opposed to the Kyoto Protocol and UNESCO provisions, and I urge my colleagues to support elimination of these provisions from the bill.

Mr. LANTOS. Mr. Chairman, I yield myself such time as I may consume to mention to my good friend from Virginia that not one dime of American taxpayer funds are devoted to abortion purposes abroad.

Mr. Chairman, I am delighted to yield 1½ minutes to the gentleman from American Samoa (Mr. FALEOMAVAEGA), my good friend and colleague.

Mr. FALEOMAVAEGA. Mr. Chairman, I am honored to join my colleagues in strong support of H.R. 1646, the Foreign Relations Authorization Act. I certainly commend the gentleman from Illinois (Mr. HYDE), chairman of our Committee on International Relations, and the gentleman from California (Mr. LANTOS) for their leadership and cooperation which resulted in this exceptionally bipartisan legislation.

The bill contains an uncontested provision urging the administration to continue negotiation of the Kyoto Treaty on the global warming, despite President Bush's recent announcement to the contrary. Our colleagues understand that the American people view global climate change as a serious environmental challenge that must be addressed.

With only 4 percent of the world's population, our Nation accounts for almost 25 percent of the carbon dioxide released into the atmosphere, one of the main causes of global warming. Mr. Speaker, as the world's per capita leader in fossil fuel emissions, our Nation has a moral responsibility and duty to lead global efforts to address climate warming.

What is needed are binding commitments from all nations of the world to remedy the problem of global warming, and the Kyoto Protocol is the means by which a fair and equitable solution to this serious and environmental problem can be achieved.

I also want to commend both the chairman and the ranking member for including a provision expressing the sense of the Congress concerning the human rights problems of West Papua New Guinea, and especially also for the continuous funding of the East-West Center in Honolulu, Hawaii.

Mr. HYDE. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. KIRK).

Mr. KIRK. Mr. Chairman, foreign policy issues now matter even more on Chicagoland's Main Street. The Seattle paper said it when the stocktickers will now read "The Chicago-based Boeing Company." On behalf of the people of the northern suburbs, I want to welcome the Boeing headquarters to our community. This move will make Chicago home to the Nation's number two exporter, Motorola, and now America's number one exporter, Boeing. Chicago, Illinois, America's export capital.

This move is a coup for the mayor of Chicago, our Governor and Speaker HASTERT. It is a testament to our infrastructure investments in road, rail, and aviation. To win these battles in the future, we must continue such investments. Exporting jobs are the highest paid in America, and exports soften the blow of a recession and lead our way to economic growth. And Chicago is a toddling town tonight.

I rise to congratulate the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS) for bringing this important foreign policy bill to the Congress. I would like to thank specifically the gentleman from New Jersey (Mr. SMITH) for his support for international broadcasting and specifically for Radio Free Asia.

RFA, like its predecessor, Radio Free Europe, and Radio Liberty, provides a critical service to the people living under oppression. Currently, RFA broadcasts to seven Asian countries in nine languages. This bill includes an extension of an increased authorization, which the broadcasting board of governors received last year as part of the China Permanent Normal Trade relations bill. This increased funding for Radio Free Asia and Voice of America is desperately needed to combat the jamming practices of the Chinese Government.

During this time, when the U.S. is at a critical juncture with China, it is essential that various avenues are available to bring democracy to China and freedom to the Tibetan people and stability to the region. Radio Free Asia provides that very important link, a voice of democracy, freedom, and truth.

Radio Free Asia was the first to broadcast the Tiananmen Papers inside China, and it recently linked a Tibetan inside Tibet with the Dalai Lama's private secretary in Darmsala to discuss Commentary Tibetan Buddhism and provided critical news and information to the Chinese during the recent plane incident.

I look forward to RFA's continued service to create an even greater audience to bring democracy and freedom to Asia. I strongly support this bill. I congratulate the gentleman from California (Mr. LANTOS) and the gentleman from Illinois (Mr. HYDE) and especially congratulate the gentleman from New Jersey (Mr. SMITH) on funding for Radio Free Asia.

Mr. LANTOS. Mr. Chairman, I yield 2½ minutes to the gentlewoman from California (Ms. LEE), a valued member of the committee, and my friend and colleague.

Ms. LEE. Mr. Chairman, I rise today in strong support of H.R. 1646, as it passed out of committee with strong bipartisan support. I want to thank our chairman, the gentleman from Illinois (Mr. HYDE), and especially our ranking member, the gentleman from California (Mr. LANTOS), for their leadership. But I urge my colleagues to oppose the Hyde-Smith amendment, which will be offered next week, to strike our bipartisan pro-family planning language incorporated in the bill during our committee hearing.

This amendment added the text of H.R. 755, the bipartisan Lowey-Greenwood-Pelosi-Shays Global Democracy Promotion Act. Now, the Hyde-Smith amendment will eliminate vital family-planning funds. This is for family-planning services. This amendment will eliminate this totally as it relates to our nongovernmental organizations that use their own privately raised funds for their own health care and counseling services.

And I want to remind my colleagues once again that per the 1973 Helms amendment, no United States funds, that is zero, no United States taxpayer funds go to fund abortions overseas. So we must defeat the Hyde-Smith amendment next week to ensure that women overseas have access to vital health care services that they need, and also which amounts to really the same health care services women in our own country are entitled to. Family-planning services are essential for the prevention of the spread of sexually transmitted diseases, including HIV and AIDS, which kills 7,000 people a day.

I also support this bill because it includes a bipartisan measure urging the United States to complete the Kyoto process and address the problems of global warming. I am proud to stand with my colleagues, the gentleman from New Jersey (Mr. MENENDEZ), the gentleman from Florida (Mr. HASTINGS), and the gentleman from American Samoa (Mr. FALEOMAVAEGA), in recognizing these dangers and in crafting the bipartisan global climate change amendment.

This amendment is so important. It incorporates many of the provisions of the language of my resolution, H.R. 117, the Carbon Dioxide Emissions and Global Climate Change Act. It is very important in terms of our leadership in the world with regard to the reduction of greenhouse gases. As passed by the committee, this bill helps create a more forward-thinking foreign policy that truly advances our values, protects human rights, preserves the environment, and promotes peace.

Mr. LANTOS. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. HOEFFEL), a valued member of the committee.

Mr. HOEFFEL. Mr. Chairman, I rise in strong support of the State Department authorization bill. Under the terms of this bill, we will rejoin the Kyoto Treaty negotiation on global warming, as we should; we will pay our dues to the United Nations, as we should; we will rejoin UNESCO, as we should; and we will lift the gag rule on international family planning, as we should.

I would like to point out two additional things that I sponsored in the committee. With the bipartisan support of the gentleman from Illinois (Mr. HYDE) and the leadership of our ranking member, the gentleman from California (Mr. LANTOS), these measures were included in the bill.

First, requiring the State Department to conduct a 5-year strategic study of our arms control and nonproliferation program; and, secondly, for the Bush administration to undertake a policy review of our relations with China. Both of these are needed with the talk of unilateral deployment of a national missile defense and the unilateral reductions in the number of warheads. It is time for us to have a 5-year strategic plan developed and publicized, and I ask for approval of this bill.

Mr. LANTOS. Mr. Chairman, I yield 1 minute to the gentlewoman from New York (Mrs. MALONEY), my friend and colleague.

Mrs. MALONEY of New York. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise in strong support of this bill. I wish to congratulate the chairman, the gentleman from Illinois (Mr. HYDE), and the ranking member, the gentleman from California (Mr. LANTOS), for their leadership. It has some important measures that will improve the United States' standing in the international community.

The bill incorporates the Lee language, which successfully repeals the antiwoman, antidemocratic global gag rule. And the bill contains a provision which would urge the administration to continue negotiations on the Kyoto Treaty. Finally, the bill authorizes the release of the second and third installments of a 3-year $926 million schedule of back payment of U.S. dues to the United Nations.

I am very concerned about the Hyde-Lantos-Sweeney amendment, which will deny the U.N. its rightful U.S. dues. We made a deal with the U.N., and now we want to go back on our word because the U.N. voted us off the Human Rights Commission. This really is not logical. The U.N. did not remove the U.S. from the Human Rights Commission, the action was made by the 54 member states of the U.N. Economic and Social Council. And to quote the Los Angeles Times, "It is hard to conceive of anything more foolish than making a payment of a legitimate debt conditional on action by a subsidiary of the U.N. body."

Mr. Chairman, I urge a "no" vote on this particular amendment, a "yes" vote on the underlying bill.

Mr. HYDE. May I inquire how much time I have remaining, Mr. Chairman?

The CHAIRMAN. The gentleman from Illinois (Mr. HYDE) has 10 minutes remaining, and the gentleman from California (Mr. LANTOS) has 13½ minutes remaining.

Mr. HYDE. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Chairman, I thank the gentleman for yielding me this time. Let me just respond very briefly. I thought we would be having this debate next week, but the Hyde-Barcia-Smith-Oberstar amendment has been mentioned several times and a response is warranted.

Unfortunately, the underlying language that was adopted in committee would reverse the Bush-Mexico City policy. As a matter of historical record, I have been offering the pro-life language since 1984. We have never won, not once, in the Committee on International Relations; but this House in every instance has overturned what the committee had done in every instance as well. So I think that is important to point out, that at the end of the process, the House votes to uphold the Mexico City Policy.

It is simply inaccurate, to say we do not pay for abortions, when we fund abortion organizations overseas. It is a bookkeeping ploy to fund organizations that fund abortions. We are not fooled. The issue comes down to this: how important are the unborn children? Are they important or are they not?

□ 1145

If we are talking about discrimination or some other issue, we would say that we want to have conditions that would not give money to the organization if it discriminates, even if the nongovernmental organization did something that was laudable, like feeding the hungry. If they practiced discrimination as well, we would simply say thanks, but no thanks; we will find another nongovernmental organization.

The Mexico City policy works this way, and has worked well. During the Reagan and Bush years, when we had this policy in effect for about 9 years, 350 nongovernmental organizations that provide family planning, including 57 international Planned Parenthood affiliates, accepted the pro-life safeguards and provided family planning. We established a wall of separation between family planning and abortion.

Abortion, the killing of an unborn child, is not family planning. We have $425 million currently being used for family planning. That would not be reduced by even one penny, as a result of the Mexico City policy. Every dime will go to NGOs and programs that provide family planning, but not abortion. That is what this is all about.

Mr. Chairman, I would hope that Members next week would vote for the Hyde-Barcia-Smith-Oberstar amendment.

Mr. LANTOS. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon (Mr. BLUMENAUER), a valued member of the committee.

Mr. BLUMENAUER. Mr. Chairman, I salute the work that the gentleman from California (Mr. LANTOS) and the gentleman from Illinois (Mr. HYDE) have done in moving forward this critical framework for how the Department of State is going to operate. I do appreciate the words that we heard from the Secretary of State, Colin Powell. I think there is going to be a lot of potential progress, and it is embodied in this legislation.

Mr. Chairman, there are two things that I would refer to in the context here. Number one, I am very pleased with the language that has been added to encourage the United States to participate in the implementation of the Kyoto Protocol. I think it is absolutely critical that the United States not abrogate its leadership in issues of the global environment and climate change. I am one of those people who does not sit back, and I am saying that global warming is a problem for the planet. I think the Federal Government should take steps to mitigate the impact of global climate change. Our planet has already warmed by over a degree in the last 100 years. Sea level has risen between 4 and 8 inches. The problems are predicted to be much, much worse.

Mr. Chairman, today more than 50 percent of our Nation's population lives within 30 miles of the coast. If we have increased raising of sea level, increased dramatic climate incidents, heavy rainfall, these are things that are going to be more and more serious for all of our citizens.

Mr. Chairman, Congress can help in many ways, keeping this language in the resolution, and then by stepping forward to do simple, commonsense things to reduce the consumption of energy. A simple one-half mile per gallon improvement in vehicle mileage would be the energy equivalent of what we would drill in ANWR, and would not only protect energy but protect the climate.

Mr. Chairman, I hope that we keep this language in, and I strongly urge its adoption.

Mr. Chairman, the programs and budget contained within the State Department impact the lives of thousands of federal employees, millions of American citizens both at home and abroad, and the diplomatic relations between the United States and the rest of the world. Few other federal agencies that Congress works with have such an impact on our nation's economy, security, and livability.

I have a great interest in bringing about common-sense practices in the planning and management of our overseas buildings infrastructure. I am impressed with the business-like approach being taken by General Chuck Williams (US Army Corps of Engineers, Ret.), Chief Operating Officer for the State Department's Office of Foreign Building Operations and I look forward to working with him on some needed reforms. He has instigated a long-range planning process which will allow us to gain greater value for our investment of resources.

There are some statutory changes that need to be made in order to best assure that our 260 diplomatic missions located in some 130 countries have appropriate facilities to achieve our foreign policy objectives. We must provide all 20,000 employees at our missions with safe, secure, and functional facilities. I want to begin a dialogue on this topic to prepare to make needed changes.

General Williams has done yeoman's work in the short time since he was appointed March 12 and we are just getting started in bringing about these practical reforms. I am working with my colleagues to incorporate needed language into the conference report on this bill. The language that is needed in the conference report on this bill should accomplish the following:

(1) Allow the Office of Foreign Buildings Operations to be a stand-alone organization within the State Department as Secretary Powell has proposed, (2) Transfer the office into a results-based organization, and (3) Create a rent or capital surcharge program to require agencies to share in the cost of secure overseas facilities for their personnel.

Congress can play a constructive role in solving some of these problems. We can begin to make planning drive the funding and thereby help the State Department best do its job.

Mr. HYDE. Mr. Chairman, I reserve the balance of my time.

Mr. LANTOS. Mr. Chairman, I yield 1½ minutes to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Chairman, I would like to clarify a couple of points that the gentleman from New Jersey (Mr. SMITH) raised.

Mr. Chairman, let me first mention the purpose of family planning. Family planning's purpose is to allow information to be distributed to women with regard to pregnancy prevention. Family planning information, family planning education, family planning counseling, prevents abortions. Women in developing countries oftentimes are living off of very minimal resources and do not have a lot of money, and they only have maybe one or two health clinics within a radius of 500 or 600 miles. They need to learn how to space their children.

That is what this amendment incorporated in the committee is about. It is about preventing abortions through the use of family planning methods which provide information to women with regard to the spacing of their children and information with regard to how to prevent sexually transmitted diseases, including HIV and AIDS.

Mr. LANTOS. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Chairman, I want to very briefly make some short comments with respect to the Hyde-Lantos amendment that will be coming up later on.

First of all, I think it is very important that the United States speak loudly and clearly that nations such as Sudan and Libya and China that are on the human rights committee, that this is an outrageous and hypocritic designation and vote, when some of the biggest violators of human rights are on this commission. The United States needs to use its diplomacy, and it needs to use as leverage its position in the world to make a very strong statement in opposition to this.

However, we cannot oversimplify why we did not get on the commission. I think there are a variety of reasons for that. One, I think it is some reflection around the world of this so-called new foreign policy that the Bush administration has called aggressive unilateralism. Whether that be disagreement with our reluctance to be involved with AIDS or the Kyoto Protocol or the missile shield policy coming from the United States, other countries are having some reaction to this.

Secondly, we were maybe surprised and flat-footed in negotiating and trying to get the votes on this commission. France, Austria, and Sweden all outworked us. We finished fourth. This is not the United Nations saying the United States can or cannot get off. We had to lobby 54 other countries for this vote. We finished fourth. We did not lobby well.

Mr. Chairman, I think this is a balanced approach that the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS) have arrived at. It does not overdo and potentially exacerbate the problem. It is a somewhat measured step, but I think we have to work harder to build coalitions in the future.

Mr. GILMAN. Mr. Chairman, I reserve the balance of my time.

Mr. LANTOS. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts (Mr. DELAHUNT), a distinguished member of the Committee on International Relations.

Mr. DELAHUNT. Mr. Chairman, I thank the gentleman for yielding me this time.

Shortly we will be considering an amendment labeled the American Servicemembers Protection Act. It purports to protect American soldiers from the dangers they allegedly face from the International Criminal Court. In fact, it would do the opposite. The authors of the amendment make two claims about the International Criminal Court, and both are false.

Mr. Chairman, the first is that the court does not guarantee due process. Clearly they have never read the treaty. It contains perhaps the most extensive list of due process rights ever codified: the presumption of innocence, the right to counsel, the right to remain silent, the right to confront one's accusers, the privilege against self-incrimination; and that is just to start.

The critics also complain that the treaty does not provide for trial by jury. Well, under our Constitution, the right to a jury trial does not apply to military actions on foreign soil. And the last time I looked at the Uniform Code of Military Justice, the law that does apply to crimes by military personnel, it does not provide for trial by jury either.

The second false claim is that the treaty places American soldiers at risk of prosecution abroad. Not only does it not do this, it helps prevent it from happening.

Under the treaty, Americans charged with war crimes would be tried by our military courts, not the International Criminal Court. The court has no jurisdiction unless our government, the American Government, is unable or unwilling to prosecute. And that is the treaty's entire purpose. Not to replace national courts, but to ensure that crimes against humanity do not go unpunished when no legitimate justice system exists.

These provisions were added to the treaty at American insistence, and rightly so. The truth is that our soldiers are at greater risk today without the treaty. Today they can be prosecuted by any nation for actions within its borders. The treaty corrects this by giving primary jurisdiction over American soldiers to American courts.

Mr. Chairman, we have nothing to fear from this treaty and everything to gain, because we benefit from a world order that promotes stability, holds war criminals accountable, and it stems the rule of law. I hope that this amendment is rejected.

Mr. GILMAN. Mr. Chairman, I reserve the balance of my time.

Mr. LANTOS. Mr. Chairman, I yield 2 minutes to the gentlewoman from Ohio (Mrs. JONES).

Mrs. JONES of Ohio. Mr. Chairman, I rise today in protest of the gag rule and in support of the amendment of the gentlewoman from California (Ms. LEE) that would incorporate into the Global Democracy Promotion Act her amendment that came out of committee on a bipartisan vote of 26 to 22, that added to the Department of State authorization bill allowing discussions with regard to family planning.

This is a strong signal that our colleagues on both sides of the aisle realize that the gag rule is wrong-headed. If the gag rule was introduced in our country, it would unconstitutionally restrict free speech and limit the ability of men and women to plan their family. The Hyde-Barcia-Smith-Oberstar amendment would impose on other countries what would be illegal here. I urge my colleagues to vote no next week on this issue.

Mr. Chairman, the global gag rule places unjust restrictions on the way organizations outside the United States use their own money, effectively hampering their ability to provide information on family planning.

Mr. Chairman, I request the rest of my remarks be added into the RECORD.

We know that this policy of the Reagan, Bush, and now the second Bush administration has cost many lives and is a travesty that actually increases unintended pregnancies, illegal abortion, death, and disability.

The Bush administration has claimed that the gag rule prevents taxpayer money from supporting abortions abroad. Don't be fooled. These activities have not been eligible for U.S. funds for decades. What has suffered are programs that provide women, men and young people with the information and services they need to reduce unplanned pregnancies and control their own lives. Programs such as HIV prevention, informational materials and medical referrals, condoms, emergency contraception, telephone hotlines, as well as career advice, skills training, Internet sites on reproductive health, and self esteem training to encourage abstinence.

It is a principal position of policies of family planning groups such as the International Planned Parenthood Federation, that abortion is not a method of family planning. These groups are committed to reducing the numbers of abortions worldwide by ensuring that contraception is widely and safely available. The Bush administration reinstated the gag rule this year to pay back its pro-life campaign supporters. As reflected in its other policies, this is hypocrisy masquerading as compassion.

Real compassion means that we should not impose restrictions on women and men in other countries that disempower and undermine their efforts to extricate themselves from poverty. We know that the economic stability, and thus, the political stability of countries around the world increases when women and men are able to effectively plan their families. Let's show real compassion and real concern. Let's keep the Global Democracy Promotion Act and reject the Hyde amendment.

Mr. WOLF. Mr. Chairman, I appreciate the work of Chairman HYDE and the International Relations Committee to bring this legislation to the floor today. While the bill contains some language that remains to be debated and which is cause for concern, I rise in strong support of the provision calling for the creation of a special envoy post for Sudan.

This position is critical in the work for a just peace to a civil war that has claimed over two million lives, has displaced an estimated four million from their homes, and threatens another two million with death due to famine.

And while I applaud the International Relations Committee for including language calling for a special envoy to Sudan, I also today appeal to President Bush and Secretary Powell to be leaders of action, not just placaters of words. It is time for the administration to take action to appoint a high-profile special envoy who has the President's full backing and commitment to end the continuing atrocities in Sudan.

More people have died in Sudan in the past 15 years—then have died in Somalia, Kosovo, Rwanda and Bosnia combined. The most recent statistics available put the number of dead at 2.2 million. That's an additional 400,000 deaths since I spoke on this floor in June 1999 in support of a House resolution condemning the National Islamic Front (NIF) government and calling for a special envoy to end the suffering of innocent southern Sudanese people.

Well, we got a special envoy then, but unfortunately President Clinton never proved he was serious about ending the suffering. In fairness, that special envoy was not empowered by nor did he have access to the President. So the suffering has gone on and on.

It is time for a high-profile special envoy who has the backing of the President, Secretary of State, Congress and the will of the people to bring an end to the atrocities. It is time for the United States and the nations of the world to join together to end the genocide that is taking place in Sudan in the 21st century. One man concerned for the people of southern Sudan recently said, "No one should be able to sit out a holocaust."

As many in Congress noted nearly two years ago, millions of people are still starving in southern Sudan, kept alive only by the brave efforts of international humanitarian organizations, like World Vision, Save the Children, UNICEF and others. The World Food

Program estimated last month that nearly 600,000 people in southern Sudan are in immediate danger of starving to death this summer alone and that 2.9 million are at risk of starvation and in need of assistance. The Khartoum government—which took power in a coup in 1989 and has intensified the war ever since—is waging genocide against the people of southern Sudan who are fighting for religious freedom and self-determination. The government continues to use relief food as a weapon against the people in the south who are mostly Christians or animists.

The word "genocide" is now the word used most commonly to describe what is taking place in Sudan. Since I spoke on this floor nearly two years ago in calling for a special envoy, the Committee on Conscience of the United States Holocaust Museum has issued a genocide warning for Sudan, Africa's largest country. In addition, the people of southern Sudan continue their familiarity with terms such as high-altitude bombings, abduction, slavery, famine, forced religious conversion and a new term that has appeared during the past 18 months, "scorched earth."

Government planes use high-altitude bombing to demolish civilian targets such as hospitals and terrorize the population. Russian-made Antonov bombers randomly bomb civilians day and night. Sometimes, just the sound and sight of an Antonov approaching a village will send the innocent scurrying into hiding. I personally witnessed this form of terrorism this past January during my trip to southern Sudan.

Videos of the aftermath of a government bombing of a marketplace were distributed to Congress this week. The video documents a savage attack that claimed innocent life. One Catholic Bishop asked me, why did the world stop the killing in Kosovo and not in Sudan: "Is it because of our skin color?"

We know that women and children from southern Sudan are being sold into slavery. They are kidnaped by slave raiders who sweep into destabilized regions following government attacks and capture women and children. It is clear that the government of Sudan tolerates, and even condones, these slave raids. Women and girls are used as concubines and domestic servants. Boys are used as farm hands, domestic servants and sometimes, sent to the front lines.

Former District of Columbia delegate, the Reverend Walter Fauntroy, and Joe Madison, a syndicated radio personality here in Washington, recently returned from Sudan where they witnesses 21st century slavery first hand. They recently spoke of their trip before a Congressional Human Rights Caucus hearing. Joe Madison noted that when he arrived in a slave camp, where 2,931 slaves were redeemed during his visit, he thought the scene before his eyes could have been staged for the movie "Roots," except it was real. He and Delegate Fauntroy witnessed individual accounts of abuses many of the slaves suffered at the hands of their former slave masters.

They spoke to a 13-year old boy, who had been a slave since he was 8 and who had all his fingers cut off because he refused to clean a goat pen.

They met a 20-year old woman who had been enslaved for five years and was forced to have sex with her own brother while 12 men watched and later raped her.

They listened as another young woman explained how she had her throat cut and her breast burned because she refused to give up her baby to a slave master.

And finally, Joe Madison was numbed by the story of a young mother whose baby's throat was slit by a slave raider. The raider then cut the tottler's head off. The mother, after being raped, was forced to carry the head of her child on the march north where she was ordered by her slave master to throw the child's head into a fire. She remained a slave for several years.

Modern-day slavery in Sudan is just an airplane ride from the shores of America. There are real people with real stories and they are asking for our help. It would be easy for them to think that Americans don't care about what is happening to them. But, Americans do care.

My office, as do many others in Congress, continues to hear from citizens from across our nation expressing their outrage at these atrocities and they demand that our government do something about them. I recently received 68 letters from students at Olivet Nazarene University in Bourbonnais, Illinois, about their concern for the plight of the Sudanese people. These students, like many other citizens around the world, are saying, enough is enough. Do something to stop the suffering of these innocent people.

Slavery is only part of the problem in Sudan. Starvation is only part of the problem. Unfortunately, bombing of innocent men, women and children is only part of the problem.

Now, a new term is becoming the norm in southern Sudan. "Scorched earth." Oil has been discovered in vast amounts during the past two years. The Khartoum government has begun aerial and ground attacks in and around the oil fields in an effort to eliminate any living thing that happens to inhabit the area. Oil companies from around the world are lining up to pump this "blood oil" to benefit the stock portfolios of their investors. For those who follow the situation in Sudan, names and terms such as the Nuba mountains, Heglig and Unity oil fields, upper Nile region, helicopter gun-ships, oil road, displacement, scorched earth and death are routinely reported in news accounts of the ongoing atrocities against humanity. It is estimated that the Khartoum government is bringing in an additional $500 million a year from its new-found resource. Most of these additional funds are going to double the military spending in Sudan so that the suffering can increase on those living in the south.

Nearly two years ago, I stated on this floor that, "what is needed is a comprehensive, just and permanent solution to end the fighting—a solution which provides the people of Southern Sudan the ability to practice their faith as they choose and determine their future. All the people of Sudan are suffering at the hands of the NIF regime, but the people of southern Sudan have been the real losers."

Now, sadly to say, since those words were spoken in June 1999, another 400,000 innocent lives have been lost. A special envoy was created, in name only, but without the full support of President Clinton or his administration. My colleagues, I encourage you to speak out and encourage President Bush and his new administration to do whatever it takes to end the suffering in Sudan that has gone on far too long.

Our nation has received many blessing over the past 225 years. Though things are not perfect, our citizens don't worry about their homes, schools or churches being bombed by their government. Our men, women and children are not sold into slavery or starved because of their religious beliefs. Our nation was founded on religious principles. Luke 12:48 reminds us that to whom much is given, much is expected.

The United States can and must do more to facilitate the negotiation of a just peace in Sudan. The innocent in southern Sudan and those in the world who support the principles of freedom; life, liberty and the pursuit of happiness, are counting on this administration to make a serious effort to bring peace to Sudan in 2001.

Again, I thank Chairman HYDE and the committee for the work on this bill.

Ms. BROWN of Florida. Mr. Chairman, I rise in support of the Lee language included in this bill. President Bush's gag rule is a destructive policy that threatens women's health around the world.

This is not about abortion or protecting the tax money of the American people. This is about the fact that each year, more than 600 thousand women die of pregnancy-related deaths that are preventable.

This is about the fact that more than 150 million married women in developing nations want contraceptives, but have no access to them.

This is about giving women an option, and some control over their lives. The Global Gag Rule does not prevent abortions. Instead, it forces women around the world to resort to life-threatening acts of desperation in the attempt to get rid of unwanted pregnancies.

Mr. Chairman, I have met with family planning providers from across the world and they consider this aid to be the most important assistance they receive from the United States—especially the providers from the former Soviet Union and African nations. This is not about promoting abortion—it's about helping women and their families. Remember, foreign countries have been prohibited from using U.S. funds for abortions since 1973.

Mr. Chairman, I urge my colleagues to support the Lee language in this billl.

Mr. LANTOS. Mr. Chairman, we have no additional speakers, and I yield back the balance of my time.

Mr. HYDE. Mr. Chairman, I submit for the RECORD an exchange of letters between Chairman STUMP and myself.

COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES,
Washington, DC, May 4, 2001.

Hon. BOB STUMP,
Chairman, Armed Services Committee, House of Representatives, Washington, DC.

DEAR BOB: I am writing to you concerning the bill H.R. 1646, the Foreign Relations Authorization Act for Fiscal Years 2002 and 2003. The bill, in the form reported by the committee, contains language which falls within the Rule X jurisdiction of your Committee. Specifically, section 831, relating to international counterproliferation education and training activities and section 841, relating to the detail of uniformed military officers as munitions license review officers are provisions within your subject matter jurisdiction.

Due to the exigencies of time, I hereby request that your Committee waive the opportunity to request a referral of the bill. I will support appointment of conferees from your Committee on these or other related matters within your jurisdiction.

I appreciate your assistance in this matter.

Sincerely,

HENRY J. HYDE,
Chairman.

COMMITTEE ON ARMED SERVICES,
HOUSE OF REPRESENTATIVES,
Washington, DC May 3, 2001.

Hon. HENRY J. HYDE,
Chairman, Committee on International Relations, House of Representatives, Washington, DC.

DEAR HENRY: In recognition of the desire to expedite floor consideration of H.R. 1646, the Foreign Relations Authorization Act, Fiscal Years 2002 and 2003, the Committee on Armed Services agrees to waive its right to consider this legislation. H.R. 1646, as ordered reported by the Committee on International Relations on May 2, 2001, contains subject matter that falls within the legislative jurisdiction of the Committee on Armed Services pursuant to rule X of the Rules of the House of Representatives. Both section 831, relating to international counterproliferation education and training activities, and section 841, relating to the detail of uniformed military officers as munitions license review officers, are of jurisdictional and substantive concern to this Committee.

While the Committee on Armed Services will not seek referral of the legislation, this Committee will continue to work with you as the House considers H.R. 1646, and in any subsequent conference with the Senate, to address these concerns in a mutually satisfactory manner.

The Committee on Armed Services takes this action with the understanding that the Committee's jurisdiction over the provisions in question is in no way diminished or altered, and that the Committee's right to the appointment of conferees during any conference on the bill remains intact.

Sincerely,

BOB STUMP,
Chairman.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN (Mr. LAHOOD). All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 1646

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Foreign Relations Authorization Act, Fiscal Years 2002 and 2003".

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Definitions.

TITLE I—AUTHORIZATIONS OF APPROPRIATIONS

Subtitle A—Department of State

Sec. 101. Administration of foreign affairs.
Sec. 102. International commissions.
Sec. 103. United States educational and cultural programs.
Sec. 104. Contributions to international organizations.
Sec. 105. Contributions for international peacekeeping activities.
Sec. 106. Grants to the Asia Foundation.
Sec. 107. Voluntary contributions to international organizations.
Sec. 108. Migration and refugee assistance.

Subtitle B—United States International Broadcasting Activities

Sec. 121. Authorizations of appropriations.

Subtitle C—Global Democracy Promotion Act of 2001

Sec. 131. Short title.
Sec. 132. Findings.
Sec. 133. Assistance for foreign nongovernmental organizations under part I of the Foreign Assistance Act of 1961.

TITLE II—AUTHORITIES AND ACTIVITIES OF THE DEPARTMENT OF STATE

Subtitle A—Basic Authorities and Activities

Sec. 201. Continuation of reporting requirements.
Sec. 202. Continuation of other reports.
Sec. 203. Royal-Ulster Constabulary training.
Sec. 204. Report concerning elimination of Colombian opium.
Sec. 205. Repeal of provision regarding housing for foreign agricultural attache.
Sec. 206. Human rights monitoring.
Sec. 207. Correction of Fishermen's Protective Act of 1967.
Sec. 208. International litigation fund.
Sec. 209. Emergency evacuation services.
Sec. 210. Implementation of the Intercountry Adoption Act of 2000.
Sec. 211. Report concerning the effect of Plan Colombia on Ecuador.
Sec. 212. Report concerning efforts to promote Israel's diplomatic relations with other countries.
Sec. 213. Reports on activities in the Republic of Colombia.

Subtitle B—Consular Authorities

Sec. 231. Machine readable visas.
Sec. 232. Establishment of a consular branch office in Lhasa, Tibet.
Sec. 233. Establishment of a diplomatic or consular post in Equatorial Guinea.
Sec. 234. Processing of visa applications.
Sec. 235. United States policy with respect to Jerusalem as the capital of Israel.
Sec. 236. Denial of visas to supporters of Colombian illegal armed groups.

Subtitle C—Migration and Refugees

Sec. 251. United States policy regarding the involuntary return of refugees.
Sec. 252. Report on overseas refugee processing.

TITLE III—ORGANIZATION AND PERSONNEL OF THE DEPARTMENT OF STATE

Subtitle A—Organizational Matters

Sec. 301. Comprehensive workforce plan.
Sec. 302. "Rightsizing" overseas posts.
Sec. 303. Qualifications of certain officers of the Department of State.
Sec. 304. United States Special Coordinator for Tibetan Issues.
Sec. 305. United States Special Envoy for Sudan Issues.

Subtitle B—Personnel Matters

Sec. 331. Report concerning retired members of the Foreign Service and Civil Service who are registered agents of a government of a foreign country.
Sec. 332. Tibetan language training.
Sec. 333. Dependents on family visitation travel.
Sec. 334. Thomas Jefferson Star.
Sec. 335. Health education and disease prevention programs.
Sec. 336. Training authorities.
Sec. 337. Foreign national retirement plans.
Sec. 338. Presidential rank awards.
Sec. 339. Emergency medical advance payments.
Sec. 340. Unaccompanied air baggage.
Sec. 341. Special agent authorities.
Sec. 342. Report concerning minority employment.
Sec. 343. Use of funds authorized for minority recruitment.

TITLE IV—UNITED STATES EDUCATIONAL AND CULTURAL PROGRAMS OF THE DEPARTMENT OF STATE

Sec. 401. Extension of requirement for scholarships for Tibetans and Burmese.
Sec. 402. Nonprofit entities for cultural programs.
Sec. 403. Fulbright-Hays authorities.
Sec. 404. Ethical issues in international health research.

TITLE V—UNITED STATES INTERNATIONAL BROADCASTING ACTIVITIES

Sec. 501. Eliminating staff positions for the Advisory Board for Cuba Broadcasting.
Sec. 502. Reports on broadcasting personnel.
Sec. 503. Personal services contracting pilot program.
Sec. 504. Pay parity for senior executives of Radio Free Europe and Radio Liberty.
Sec. 505. Repeal of ban on United States transmitter in Kuwait.

TITLE VI—INTERNATIONAL ORGANIZATIONS AND COMMISSIONS

Sec. 601. United Nations arrears payments and reform.
Sec. 602. Travel by advisory committee members to Great Lakes Fishery Commission annual meeting.
Sec. 603. United States policy on composition of the United Nations Human Rights Commission.
Sec. 604. United States membership in the International Organization for Migration.
Sec. 605. Report relating to Commission on Security and Cooperation in Europe.
Sec. 606. Reports to Congress on United Nations activities.

TITLE VII—MISCELLANEOUS PROVISIONS

Subtitle A—General Provisions

Sec. 701. Amendments to the Iran Nonproliferation Act of 2000.
Sec. 702. Amendments to the North Korea Threat Reduction Act of 1999.
Sec. 703. Amendments to the International Religious Freedom Act of 1998.
Sec. 704. Continuation of United States Advisory Commission on Public Diplomacy.
Sec. 705. Participation of South Asia countries in international law enforcment.

Subtitle B—Sense of Congress Provisions

Sec. 731. Sense of Congress relating to HIV/AIDs and United Nations peacekeeping operations.
Sec. 732. Sense of Congress relating to HIV/AIDS task force.

Sec. 733. Sense of Congress condemning the destruction of pre-Islamic statues in Afghanistan by the Taliban regime.
Sec. 734. Sense of Congress relating to resolution of the Taiwan Strait issue.
Sec. 735. Sense of Congress relating to arsenic contamination in drinking water in Bangladesh.
Sec. 736. Sense of Congress relating to display of the American flag at the American Institute in Taiwan.
Sec. 737. Sense of Congress regarding human rights violations in West Papua and Aceh, including the murder of Jafar Siddiq Hamzah, and escalating violence in Maluku and Central Kalimantan.
Sec. 738. Sense of Congress supporting properly conducted elections in Kosova during 2001.
Sec. 739. Sense of Congress relating to policy review of relations with the People's Republic of China.
Sec. 740. Sense of Congress relating to broadcasting in the Macedonian language by Radio Free Europe.
Sec. 741. Sense of Congress relating to Magen David Adom Society.
Sec. 742. Sense of Congress urging the return of portraits painted by Dina Babbitt during her internment at Auschwitz that are now in the possession of the Auschwitz-Birkenau State Museum.
Sec. 743. Sense of Congress regarding Vietnamese refugee families.
Sec. 744. Sense of Congress relating to membership of the United States in UNESCO.
Sec. 745. Sense of Congress relating to global warming.
Sec. 746. Sense of Congress regarding the ban on Sinn Fein ministers from the North-South Ministerial Council in Northern Ireland.

TITLE VIII—SECURITY ASSISTANCE

Sec. 801. Short title.

Subtitle A—Military and Related Assistance

CHAPTER 1—FOREIGN MILITARY SALES AND RELATED AUTHORITIES

Sec. 811. Quarterly report on price and availability estimates.
Sec. 812. Official reception and representation expenses.
Sec. 813. Treatment of Taiwan relating to transfers of defense articles and services.
Sec. 814. United States policy with regard to Taiwan.

CHAPTER 2—EXCESS DEFENSE ARTICLE AND DRAWDOWN AUTHORITIES

Sec. 821. Excess defense articles for certain European and other countries.
Sec. 822. Leases of defense articles for foreign countries and international organizations.
Sec. 823. Priority with respect to transfer of excess defense articles.

CHAPTER 3—NONPROLIFERATION AND EXPORT CONTROL ASSISTANCE

Sec. 831. International counterproliferation education and training.
Sec. 832. Annual report on the proliferation of missiles and essential components of nuclear, biological, and chemical weapons.
Sec. 833. Five-year international arms control and nonproliferation strategy.

Subtitle B—Strengthening the Munitions Licensing Process

Sec. 841. License officer staffing.
Sec. 842. Funding for database automation.
Sec. 843. Information management priorities.
Sec. 844. Improvements to the automated export system.
Sec. 845. Congressional notification of removal of items from the munitions list.
Sec. 846. Congressional notification thresholds for allied countries.

Subtitle C—Authority to Transfer Naval Vessels

Sec. 851. Authority to transfer naval vessels to certain foreign countries.

Subtitle D—Miscellaneous Provisions

Sec. 861. Annual foreign military training reports.
Sec. 862. Report relating to international arms sales code of conduct.

SEC. 3. DEFINITIONS.

In this Act:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

(2) DEPARTMENT.—The term "Department" means the Department of State.

(3) SECRETARY.—The term "Secretary" means the Secretary of State.

TITLE I—AUTHORIZATIONS OF APPROPRIATIONS

Subtitle A—Department of State

SEC. 101. ADMINISTRATION OF FOREIGN AFFAIRS.

The following amounts are authorized to be appropriated for the Department of State under "Administration of Foreign Affairs" to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law, including public diplomacy activities and the diplomatic security program:

(1) DIPLOMATIC AND CONSULAR PROGRAMS.—

(A) AUTHORIZATION OF APPROPRIATIONS.—For "Diplomatic and Consular Programs" of the Department of State, $3,705,140,000 for the fiscal year 2002 and such sums as may be necessary for the fiscal year 2003.

(B) LIMITATIONS.—

(i) WORLDWIDE SECURITY UPGRADES.—Of the amounts authorized to be appropriated by subparagraph (A), $487,735,000 for the fiscal year 2002 and such sums as may be necessary for the fiscal year 2003 are authorized to be appropriated only for worldwide security upgrades.

(ii) BUREAU OF DEMOCRACY, HUMAN RIGHTS, AND LABOR.—Of the amounts authorized to be appropriated by subparagraph (A), $16,000,000 for the fiscal year 2002 and $20,000,000 for the fiscal year 2003 are authorized to be appropriated only for salaries and expenses of the Bureau of Democracy, Human Rights, and Labor.

(iii) RECRUITMENT OF MINORITY GROUPS.—Of the amounts authorized to be appropriated by subparagraph (A), $2,000,000 for the fiscal year 2002 and $2,000,000 for the fiscal year 2003 are authorized to be appropriated only for the recruitment of members of minority groups for careers in the Foreign Service and international affairs.

(iv) MOBILE LIBRARY FOR UNITED STATES INTERESTS SECTION IN CUBA.—Of the amounts authorized to be appropriated by subparagraph (A), $70,000 for the fiscal year 2002 and $70,000 for the fiscal year 2003 are authorized to be appropriated only for the establishment and operation of a mobile library at the United States Interests Section in Cuba primarily for use by dissidents and democracy activists in Cuba.

(2) CAPITAL INVESTMENT FUND.—For "Capital Investment Fund" of the Department of State, $210,000,000 for the fiscal year 2002 and such sums as may be necessary for the fiscal year 2003.

(3) EMBASSY SECURITY, CONSTRUCTION AND MAINTENANCE.—In addition to amounts otherwise authorized to be appropriated for "Embassy Security, Construction and Maintenance" by section 604 of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001 (section 604 of division A of H.R. 3427, as enacted into law by section 1000(a)(7) of Public Law 106–113; appendix G; 113 Stat. 1501A–470), there are authorized to be appropriated for "Embassy Security, Construction and Maintenance", $475,046,000 for the fiscal year 2002 and such sums as may be necessary for the fiscal year 2003.

(4) REPRESENTATION ALLOWANCES.—For "Representation Allowances", $9,000,000 for the fiscal year 2002 and $9,000,000 for the fiscal year 2003.

(5) EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE.—For "Emergencies in the Diplomatic and Consular Service", $15,500,000 for the fiscal year 2002 and $15,500,000 for the fiscal year 2003.

(6) OFFICE OF THE INSPECTOR GENERAL.—For "Office of the Inspector General", $29,264,000 for the fiscal year 2002 and such sums as may be necessary for the fiscal year 2003.

(7) PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN.—For "Payment to the American Institute in Taiwan", $17,044,000 for the fiscal year 2002 and such sums as may be necessary for the fiscal year 2003.

(8) PROTECTION OF FOREIGN MISSIONS AND OFFICIALS.—

(A) AMOUNTS AUTHORIZED TO BE APPROPRIATED.—For "Protection of Foreign Missions and Officials", $10,000,000 for the fiscal year 2002 and $10,000,000 for the fiscal year 2003.

(B) AVAILABILITY OF FUNDS.—Each amount appropriated pursuant to this paragraph is authorized to remain available through September 30 of the fiscal year following the fiscal year for which the amount was appropriated.

(9) REPATRIATION LOANS.—For "Repatriation Loans", $1,219,000 for the fiscal year 2002 and $1,219,000 for the fiscal year 2003, for administrative expenses.

SEC. 102. INTERNATIONAL COMMISSIONS.

The following amounts are authorized to be appropriated under "International Commissions" for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law:

(1) INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO.—For "International Boundary and Water Commission, United States and Mexico"—

(A) for "Salaries and Expenses", $7,452,000 for the fiscal year 2002 and such sums as may be necessary for the fiscal year 2003; and

(B) for "Construction", $25,654,000 for the fiscal year 2002 and such sums as may be necessary for the fiscal year 2003.

(2) INTERNATIONAL BOUNDARY COMMISSION, UNITED STATES AND CANADA.—For "International Boundary Commission, United States and Canada", $989,000 for the fiscal year 2002 and such sums as may be necessary for the fiscal year 2003.

(3) INTERNATIONAL JOINT COMMISSION.—For "International Joint Commission", $7,282,000 for the fiscal year 2002 and such sums as may be necessary for the fiscal year 2003.

(4) INTERNATIONAL FISHERIES COMMISSIONS.—For "International Fisheries Commissions", $19,780,000 for the fiscal year 2002 and such sums as may be necessary for the fiscal year 2003.

SEC. 103. UNITED STATES EDUCATIONAL AND CULTURAL PROGRAMS.

The following amounts are authorized to be appropriated for the Department of State to carry out international activities and educational and cultural exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, Reorganization Plan Number 2 of 1977, the Center for Cultural and Technical Interchange Between East and West Act of 1960, the Dante B. Fascell North-South Center Act of 1991, and the National Endowment for Democracy Act, and to carry out other authorities in law consistent with such purposes:

(1) EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.—

(A) FULBRIGHT ACADEMIC EXCHANGE PROGRAMS.—

(i) IN GENERAL.—For the "Fulbright Academic Exchange Programs" (other than programs described in subparagraph (B)), $125,000,000 for the fiscal year 2002 and such sums as may be necessary for the fiscal year 2003.

(ii) NEW CENTURY SCHOLARS INITIATIVE—HIV/AIDS.—Of the amounts authorized to be appropriated under clause (i), up to $1,000,000 for the fiscal year 2002 and up to $1,000,000 for the fiscal year 2003 are authorized to be available only for HIV/AIDS research and mitigation strategies under the Health Issues in a Border-Less World academic program of the New Century Scholars Initiative.

(iii) TIBETAN EXCHANGES.—Of the amounts authorized to be appropriated under clause (i), $500,000 for the fiscal year 2002 and $500,000 for the fiscal year 2003 are authorized to be available for "Ngawang Choephel Exchange Programs" (formerly known as educational and cultural exchanges with Tibet) under section 103(a) of the Human Rights, Refugee, and Other Foreign Relations Provisions Act of 1996 (Public Law 104–319).

(B) OTHER EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.—

(i) IN GENERAL.—For other educational and cultural exchange programs authorized by law, $117,000,000 for the fiscal year 2002 and such sums as may be necessary for the fiscal year 2003.

(ii) SOUTH PACIFIC EXCHANGES.—Of the amounts authorized to be appropriated under clause (i), $750,000 for the fiscal year 2002 and $750,000 for the fiscal year 2003 are authorized to be available for "South Pacific Exchanges".

(iii) EAST TIMORESE SCHOLARSHIPS.—Of the amounts authorized to be appropriated under clause (i), $500,000 for the fiscal year 2002 and $500,000 for the fiscal year 2003 are authorized to be available for "East Timorese Scholarships".

(iv) AFRICAN EXCHANGES.—Of the amounts authorized to be appropriated under clause (i), $500,000 for the fiscal year 2002 and $500,000 for the fiscal year 2003 are authorized to be available only for "Educational and Cultural Exchanges with Sub-Saharan Africa".

(v) ISRAEL-ARAB PEACE PARTNERS PROGRAM.—Of the amounts authorized to be appropriated under clause (i), $750,000 for the fiscal year 2002 and $750,000 for the fiscal year 2003 are authorized to be available only for people-to-people activities (with a focus on young people) to support the Middle East peace process involving participants from Israel, the Palestinian Authority, Arab countries, and the United States, to be known as the "Israel-Arab Peace Partners Program".

(vi) SUDANESE SCHOLARSHIPS.—Of the amounts authorized to be appropriated under clause (i), $500,000 for the fiscal year 2002 and $500,000 for the fiscal year 2003 are authorized to be available only for scholarships for students from southern Sudan for secondary or postsecondary education in the United States, to be known as "Sudanese Scholarships".

(2) NATIONAL ENDOWMENT FOR DEMOCRACY.—For the "National Endowment for Democracy", $36,000,000 for the fiscal year 2002 and $40,000,000 for the fiscal year 2003.

(3) REAGAN-FASCELL DEMOCRACY FELLOWS.—For a fellowship program, to be known as the "Reagan-Fascell Democracy Fellows", for democracy activists and scholars from around the world at the International Forum for Democratic Studies in Washington, D.C., to study, write, and exchange views with other activists and scholars and with Americans, $1,000,000 for the fiscal year 2002 and $1,000,000 for the fiscal year 2003.

(4) DANTE B. FASCELL NORTH-SOUTH CENTER.—For "Dante B. Fascell North-South Center" $4,000,000 for the fiscal year 2002 and $4,000,000 for the fiscal year 2003.

(5) CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST.—For the "Center for Cultural and Technical Interchange between East and West", $13,500,000 for the fiscal year 2002 and $13,500,000 for the fiscal year 2003.

SEC. 104. CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated under the heading "Contributions to International Organizations" $944,067,000 for the fiscal year 2002 and such sums as may be necessary for the fiscal year 2003 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to international organizations and to carry out other authorities in law consistent with such purposes.

(2) UNESCO.—

(A) Of the amounts authorized to be appropriated under paragraph (1), $59,800,000 for the fiscal year 2002 and $59,800,000 for the fiscal year 2003 is authorized to be appropriated only for payment of assessed contributions of the United States to the United Nations Educational, Scientific and Cultural Organization (UNESCO).

(B) Of the amounts authorized to be appropriated under paragraph (1) for the fiscal year 2002, $5,500,000 is authorized to be appropriated only for payments to the UNESCO Working Capital Fund.

(b) AVAILABILITY OF FUNDS FOR CIVIL BUDGET OF NATO.—Of the amounts authorized to be appropriated under the heading "Contributions to International Organizations" for fiscal year 2002 and for each fiscal year thereafter such sums as may be necessary are authorized for the United States assessment for the civil budget of the North Atlantic Treaty Organization.

(c) PROHIBITION ON FUNDING OTHER FRAMEWORK TREATY-BASED ORGANIZATIONS.—None of the funds made available for the 2002–2003 biennium budget under subsection (a) for United States contributions to the regular budget of the United Nations shall be available for the United States proportionate share of any other framework treaty-based organization, including the Framework Convention on Global Climate Change, the International Seabed Authority, and the International Criminal Court.

(d) FOREIGN CURRENCY EXCHANGE RATES.—

(1) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated by subsection (a), there are authorized to be appropriated such sums as may be necessary for each of fiscal years 2002 and 2003 to offset adverse fluctuations in foreign currency exchange rates.

(2) AVAILABILITY OF FUNDS.—Amounts appropriated under this subsection shall be available for obligation and expenditure only to the extent that the Director of the Office of Management and Budget determines and certifies to Congress that such amounts are necessary due to such fluctuations.

(e) REFUND OF EXCESS CONTRIBUTIONS.—The United States shall continue to insist that the United Nations and its specialized and affiliated agencies shall credit or refund to each member of the agency concerned its proportionate share of the amount by which the total contributions to the agency exceed the expenditures of the regular assessed budgets of these agencies.

SEC. 105. CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES.

There are authorized to be appropriated under the heading "Contributions for International Peacekeeping Activities" $844,139,000 for the fiscal year 2002 and such sums as may be necessary for the fiscal year 2003 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to international peacekeeping activities and to carry out other authorities in law consistent with such purposes.

SEC. 106. GRANTS TO THE ASIA FOUNDATION.

Section 404 of the Asia Foundation Act (title IV of Public Law 98–164; 22 U.S.C. 4403) is amended to read as follows:

"SEC. 404. There are authorized to be appropriated to the Secretary of State $15,000,000 for the fiscal year 2002 and $15,000,000 for the fiscal year 2003 for grants to The Asia Foundation pursuant to this title.".

SEC. 107. VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the Department of State for "Voluntary Contributions to International Organizations", $186,000,000 for the fiscal year 2002 and such sums as may be necessary for the fiscal year 2003.

(b) LIMITATIONS ON AUTHORIZATIONS OF APPROPRIATIONS.—

(1) WORLD FOOD PROGRAM.—Of the amounts authorized to be appropriated under subsection (a), $5,000,000 for the fiscal year 2002 and $5,000,000 for the fiscal year 2003 are authorized to be appropriated only for a United States contribution to the World Food Program.

(2) UNITED NATIONS VOLUNTARY FUND FOR VICTIMS OF TORTURE.—Of the amounts authorized to be appropriated under subsection (a), $5,000,000 for the fiscal year 2002 and $5,000,000 for the fiscal year 2003 are authorized to be appropriated only for a United States contribution to the United Nations Voluntary Fund for Victims of Torture.

(3) ORGANIZATION OF AMERICAN STATES.—Of the amounts authorized to be appropriated under subsection (a), $240,000 for the fiscal year 2002 and $240,000 for the fiscal year 2003 are authorized to be appropriated only for a United States contribution to the Organization of American States for the Office of the Special Rapporteur for Freedom of Expression in the Western Hemisphere, solely for the purpose of conducting investigations, including field visits, to establish a network of nongovernmental organizations, and to hold hemispheric conferences, of which $6,000 for each fiscal year is authorized to be appropriated only for the investigation and dissemination of information on violations of freedom of expression by the Government of Cuba, $6,000 for each fiscal year is authorized to be appropriated only for the investigation and dissemination of information on violations of freedom of expression by the Government of Peru, $6,000 for each fiscal year is authorized to be appropriated only for the investigation and dissemination of information on violations of freedom of expression by the Government of Colombia, and $6,000 for each fiscal year is authorized to be appropriated only for the investigation and dissemination of information on violations of freedom of expression by the Government of Haiti.

(c) RESTRICTIONS ON UNITED STATES VOLUNTARY CONTRIBUTIONS TO UNITED NATIONS DEVELOPMENT PROGRAM.—

(1) LIMITATION.—Of the amounts made available under subsection (a) for each of the fiscal years 2002 and 2003 for United States voluntary contributions to the United Nations Development Program an amount equal to the amount the United Nations Development Program will spend in Burma during each fiscal year shall be withheld unless during such fiscal year the Secretary of State submits to the appropriate congressional committees the certification described in paragraph (2).

(2) CERTIFICATION.—The certification referred to in paragraph (1) is a certification by the Secretary of State that all programs and activities of the United Nations Development Program (including United Nations Development Program—Administered Funds) in Burma—

(A) are focused on eliminating human suffering and addressing the needs of the poor;

(B) are undertaken only through international or private voluntary organizations that have been deemed independent of the State Peace and Development Council (SPDC) (formerly known as the State Law and Order Restoration Council (SLORC)), after consultation with the leadership of the National League for Democracy and the leadership of the National Coalition Government of the Union of Burma;

(C) provide no financial, political, or military benefit to the SPDC; and

(D) are carried out only after consultation with the leadership of the National League for Democracy and the leadership of the National Coalition Government of the Union of Burma.

(d) UNICEF.—There is authorized to be appropriated $120,000,000 for the fiscal year 2002 for a United States voluntary contribution to UNICEF.

(e) ORGANIZATIONS AND PROGRAMS THAT SUPPORT COERCIVE ABORTION OR INVOLUNTARY STERILIZATION.—None of the funds authorized to be appropriated by this Act may be made available to any organization or program which, as determined by the President of the United States, supports, or participates in the management of, a program of coercive abortion or involuntary sterilization.

(f) AVAILABILITY OF FUNDS.—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until expended.

SEC. 108. MIGRATION AND REFUGEE ASSISTANCE.

(a) MIGRATION AND REFUGEE ASSISTANCE.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the Department of State for "Migration and Refugee Assistance" for authorized activities, $817,000,000 for the fiscal year 2002 and $817,000,000 for the fiscal year 2003.

(2) LIMITATIONS.—

(A) TIBETAN REFUGEES IN INDIA AND NEPAL.—Of the amounts authorized to be appropriated in paragraph (1), $2,000,000 for the fiscal year 2002 and $2,000,000 for the fiscal year 2003 are authorized to be available for humanitarian assistance, including food, medicine, clothing, and medical and vocational training, to Tibetan refugees in India and Nepal who have fled Chinese-occupied Tibet.

(B) REFUGEES RESETTLING IN ISRAEL.—Of the amounts authorized to be appropriated in paragraph (1), $60,000,000 for the fiscal year 2002 and $60,000,000 for the fiscal year 2003 are authorized to be available only for assistance for refugees resettling in Israel from other countries.

(C) HUMANITARIAN ASSISTANCE FOR DISPLACED BURMESE.—Of the amounts authorized to be appropriated in paragraph (1), $2,000,000 for the fiscal year 2002 and $2,000,000 for the fiscal year 2003 are authorized to be available for humanitarian assistance (including food, medicine, clothing, and medical and vocational training) to persons displaced as a result of civil conflict in Burma, including persons still within Burma.

(b) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to this section are authorized to remain available until expended.

Subtitle B—United States International Broadcasting Activities

SEC. 121. AUTHORIZATIONS OF APPROPRIATIONS.

(a) IN GENERAL.—The following amounts are authorized to be appropriated to carry out the United States International Broadcasting Act of 1994, the Radio Broadcasting to Cuba Act, and the Television Broadcasting to Cuba Act, and to carry out other authorities in law consistent with such purposes:

(1) INTERNATIONAL BROADCASTING OPERATIONS.—

(A) IN GENERAL.—For "International Broadcasting Operations", $428,234,000 for the fiscal year 2002, and such sums as may be necessary for the fiscal year 2003.

(B) LIMITATIONS.—

(i) TRANSMISSION FACILITIES IN BELIZE.—Of the amounts authorized to be appropriated under subparagraph (A), $750,000 for the fiscal year 2002 is authorized to be appropriated only for enhancements to and costs of transmission from the facilities in Belize.

(ii) RADIO FREE ASIA.—Of the amounts authorized to be appropriated under subparagraph (A), $30,000,000 for the fiscal year 2002 and $30,000,000 for the fiscal year 2003 are authorized to be appropriated only for "Radio Free Asia".

(2) BROADCASTING CAPITAL IMPROVEMENTS.—For "Broadcasting Capital Improvements", $16,900,000 for the fiscal year 2002 and such sums as may be necessary for the fiscal year 2003.

(3) BROADCASTING TO CUBA.—For "Broadcasting to Cuba", $25,000,000 for the fiscal year 2002 and $25,000,000 for the fiscal year 2003.

(b) CONTINUATION OF ADDITIONAL AUTHORIZATION FOR BROADCASTING TO THE PEOPLE'S REPUBLIC OF CHINA AND NEIGHBORING COUNTRIES.—Section 701 of Public Law 106–286 (22 U.S.C. 7001) is amended—

(1) in subsection (a) by striking "2001" and inserting "2002"; and

(2) in subsection (b)(1) by striking "2001 and 2002" and inserting "2001, 2002, and 2003".

(c) ADDITIONAL AUTHORIZATION OF APPROPRIATIONS FOR MIDDLE EAST RADIO NETWORK OF VOICE OF AMERICA.—In addition to such amounts as are made available for the Middle East Radio Network of Voice of America pursuant to the authorization of appropriations under subsection (a), there is authorized to be appropriated $15,000,000 for the fiscal year 2002 for the Middle East Radio Network of Voice of America.

Subtitle C—Global Democracy Promotion Act of 2001

SEC. 131. SHORT TITLE.

This title may be cited as the "Global Democracy Promotion Act of 2001".

SEC. 132. FINDINGS.

The Congress finds the following:

(1) It is a fundamental principle of American medical ethics and practice that health care providers should, at all times, deal honestly and openly with patients. Any attempt to subvert the private and sensitive physician-patient relationship would be intolerable in the United States and is an unjustifiable intrusion into the practices of health care providers when attempted in other countries.

(2) Freedom of speech is a fundamental American value. The ability to exercise the right to free speech, which includes the "right of the people peaceably to assemble, and to petition the government for a redress of grievances" is essential to a thriving democracy and is protected under the United States Constitution.

(3) The promotion of democracy is a principal goal of United States foreign policy and critical to achieving sustainable development. It is enhanced through the encouragement of democratic institutions and the promotion of an independent and politically active civil society in developing countries.

(4) Limiting eligibility for United States development and humanitarian assistance upon the willingness of a foreign nongovernmental organization to forgo its right to use its own funds to address, within the democratic process, a particular issue affecting the citizens of its own country directly undermines a key goal of United States foreign policy and would violate the United States Constitution if applied to United States-based organizations.

(5) Similarly, limiting the eligibility for United States assistance on a foreign nongovernmental organization's willingness to forgo its right to provide, with its own funds, medical services that are legal in its own country and would be legal if provided in the United States constitutes unjustifiable interference with the ability of independent organizations to serve the critical health needs of their fellow citizens and demonstrates a disregard and disrespect for the laws of sovereign nations as well as for the laws of the United States.

SEC. 133. ASSISTANCE FOR FOREIGN NONGOVERNMENTAL ORGANIZATIONS UNDER PART I OF THE FOREIGN ASSISTANCE ACT OF 1961.

Notwithstanding any other provision of law, regulation, or policy, in determining eligibility for assistance authorized under part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), foreign nongovernmental organizations—

(1) shall not be ineligible for such assistance solely on the basis of health or medical services including counseling and referral services, provided by such organizations with non-United States Government funds if such services do not violate the laws of the country in which they are being provided and would not violate United States Federal law if provided in the United States; and

(2) shall not be subject to requirements relating to the use of non-United States Government funds for advocacy and lobbying activities other than those that apply to United States nongovernmental organizations receiving assistance under part I of such Act.

TITLE II—AUTHORITIES AND ACTIVITIES OF THE DEPARTMENT OF STATE

Subtitle A—Basic Authorities and Activities

SEC. 201. CONTINUATION OF REPORTING REQUIREMENTS.

(a) REPORTS ON CLAIMS BY UNITED STATES FIRMS AGAINST THE GOVERNMENT OF SAUDI ARABIA.—Section 2801(b)(1) of the Foreign Affairs Reform and Restructuring Act of 1998 (as enacted by division G of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; Public Law 105–277) is amended by striking "seventh" and inserting "eleventh".

(b) REPORTS ON DETERMINATIONS UNDER TITLE IV OF THE LIBERTAD ACT.—Section 2802(a) of the Foreign Affairs Reform and Restructuring Act of 1998 (as enacted by division G of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; Public Law 105–277) is amended by striking "September 30, 2001," and inserting "September 30, 2003,".

(c) RELATIONS WITH VIETNAM.—Section 2805 of the Foreign Affairs Reform and Restructuring Act of 1998 (as enacted by division G of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; Public Law 105–277) is amended by striking "September 30, 2001," and inserting "September 30, 2003,".

(d) Reports on Ballistic Missile Cooperation With Russia.—Section 2705(d) of the Foreign Affairs Reform and Restructuring Act of 1998 (as enacted by division G of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; Public Law 105–277) is amended by striking "and January 1, 2001," and inserting "January 1, 2001, January 1, 2002, and January 1, 2003".

SEC. 202. CONTINUATION OF OTHER REPORTS.

(a) Semiannual Reports on United States Support for Membership or Participation of Taiwan in International Organizations.—Section 704(a) of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001 (section 704(a) of division A of H.R. 3427, as enacted into law by section 1000(a)(7) of Public Law 106–113, appendix G; 113 Stat. 1501A–460) is amended by striking "and 2001," and inserting ", 2001, 2002, and 2003,".

(b) Report on Terrorist Activity in Which United States Citizens Were Killed and Related Matters.—Section 805(a) of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001 (section 805(a) of division A of H.R. 3427, as enacted into law by section 1000(a)(7) of Public Law 106–113; appendix G; 113 Stat. 1501A–470) is amended by striking "October 1, 2001," and inserting "October 1, 2003,".

SEC. 203. ROYAL ULSTER CONSTABULARY TRAINING.

(a) Report on Past Training Programs.—Section 405(b) of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001 (as enacted into law by section 1000(a)(7) of Public Law 106–113; 113 Stat. 1501A–447) is amended in the matter preceding paragraph (1)—

(1) by striking "The President" and inserting "Not later than 60 days after the date of the enactment of the Foreign Relations Authorization Act, Fiscal Years 2002 and 2003, the President"; and

(2) by striking "during fiscal years 1994 through 1999" and inserting "during each of the fiscal years 1994 through 2000".

(b) Report on Related Matters.—Section 405 of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001, is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following:

"(c) Report on Related Matters.—Not later than 60 days after the date of the enactment of the Foreign Relations Authorization Act, Fiscal Years 2002 and 2003, the President shall report on the following:

"(1) The extent to which the Government of the United Kingdom has implemented the recommendations relating to the 175 policing reforms contained in the Patten Commission report issued on September 9, 1999, including a description of the progress of the integration of human rights, as well as recruitment procedures aimed at increasing Catholic representation, in the new Northern Ireland police force.

"(2) The status of the investigations into the murders of Patrick Finucane, Rosemary Nelson, and Robert Hamill, including the extent to which progress has been made on recommendations for independent judicial inquiries into these murders.".

(c) Conforming Amendments.—Section 405 of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001, as amended by subsections (a) and (b), is further amended—

(1) in subsection (a)—

(A) by striking "the report required by subsection (b)" and inserting "the reports required by subsections (b) and (c)"; and

(B) by striking "subsection (c)(1)" and inserting "subsection (d)(1)"; and

(2) in subsection (d)(2) (as redesignated)—

(A) in the heading, by striking "2001" and inserting "2003"; and

(B) by striking "2001" and inserting "2003".

SEC. 204. REPORT CONCERNING ELIMINATION OF COLOMBIAN OPIUM.

(a) Findings.—The Congress makes the following findings:

(1) There is a growing heroin crisis in the United States resulting from increasingly cheap, pure, and deadly heroin flooding into this country, much of it from Colombia.

(2) Interdicting heroin entering the United States is difficult, in part because it can be trafficked in such small quantities.

(3) Destruction of opium, from which heroin is derived, at its source in Colombia is traditionally one of the best strategies to combat the heroin crisis according to Federal law enforcement officials.

(b) Report to Congress.—Not later than 60 days after the date of the enactment of this Act, the Secretary of State, through the Bureau of International Narcotics and Law Enforcement, shall submit to the Congress a report which outlines a comprehensive strategy to address the crisis of heroin in the United States due to opium originating from Colombia including destruction of opium at its source.

SEC. 205. REPEAL OF PROVISION REGARDING HOUSING FOR FOREIGN AGRICULTURAL ATTACHE.

Section 738 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–387; 114 Stat. 1549A–34) is repealed.

SEC. 206. HUMAN RIGHTS MONITORING.

Funds authorized to be appropriated for the Bureau of Democracy, Human Rights, and Labor pursuant to section 101(1)(B)(ii) are authorized to be available to fund positions at United States posts abroad that are primarily responsible for following human rights developments in foreign countries and that are assigned at the recommendation of such bureau in conjunction with the relevant regional bureau.

SEC. 207. CORRECTION OF FISHERMEN'S PROTECTIVE ACT OF 1967.

Section 7(a)(3) of the Fishermen's Protective Act of 1967 (22 U.S.C. 1977(A)(3)) is amended by striking "Secretary of Commerce" and inserting "Secretary of State".

SEC. 208. INTERNATIONAL LITIGATION FUND.

Section 38 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2710) is amended by adding at the end the following new subsection:

"(e) Retention of Funds.—

"(1) In general.—To reimburse the expenses of the United States Government in preparing or prosecuting a claim against a foreign government or other foreign entity, the Secretary of State shall retain 1.5 percent of any amount between $100,000 and $5,000,000, and one percent of any amount over $5,000,000, received per claim under chapter 34 of the Act of February 27, 1896 (22 U.S.C. 2668a; 29 Stat. 32).

"(2) Treatment.—Amounts retained under the authority of paragraph (1) shall be deposited into the fund under subsection (d).".

SEC. 209. EMERGENCY EVACUATION SERVICES.

Section 4(b)(2)(A) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2671(b)(2)(A)) is amended to read as follows:

"(A) the evacuation when their lives are endangered by war, civil unrest, or natural disaster of (i) United States Government employees and their dependents, and (ii) private United States citizens or third-country nationals, on a reimbursable basis to the extent feasible, with such reimbursements to be credited to the applicable Department of State appropriation and to remain available until expended. No reimbursement shall be required which is greater than the amount the person evacuated would have been charged for a commercial air fare at the lowest rate available immediately prior to the onset of the war, civil unrest, or natural disaster giving rise to the evacuation;".

SEC. 210. IMPLEMENTATION OF THE INTERCOUNTRY ADOPTION ACT OF 2000.

The Secretary of State, acting through the Assistant Secretary of State for Consular Affairs, shall consult with the appropriate congressional committees on a regular basis on the implementation of the Intercountry Adoption Act of 2000 (Public Law 106–279; 42 U.S.C. 14901 et seq.).

SEC. 211. REPORT CONCERNING THE EFFECT OF PLAN COLOMBIA ON ECUADOR.

(a) Findings.—The Congress makes the following findings:

(1) There is a growing alarm concerning the spillover effect of Plan Colombia on Ecuador, a frontline state. The northern region of Ecuador, including the Sucumbios province, is an area of particular concern. It faces the Colombian Putumayo zone, where there is no presence of military or law enforcement personnel.

(2) Activities relating to the implementation of Plan Colombia have resulted in incursions on Ecuadorian territory by drug traffickers and guerrilla and paramilitary groups from Colombia and a concomitant increase in the levels of violence and delinquency. Recent kidnappings of American and other foreign nationals, as well as discoveries of clandestine cocaine laboratories, are especially troublesome.

(3) Ecuador is receiving an influx of Colombian refugees and its own indigenous communities have been displaced from their ancestral villages.

(4) Ecuador has demonstrated its moral and political commitment in the fight against drugs. The agreement signed in November 1999 with the United States to establish a forward operating location in Manta is a clear sign of this active stance.

(5) Ecuador is implementing a comprehensive program aimed at reinforcing its security mechanisms in the northern border, as well as converting the area into a buffer zone of peace and development.

(b) Report to Congress.—Not later than 60 days after the date of enactment of this Act, the Secretary of State, through the Bureau of International Narcotics and Law Enforcement, shall submit to Congress a report which outlines a comprehensive strategy to address the spillover effect of Plan Colombia on Ecuador.

SEC. 212. REPORT CONCERNING EFFORTS TO PROMOTE ISRAEL'S DIPLOMATIC RELATIONS WITH OTHER COUNTRIES.

(a) Findings.—The Congress makes the following findings:

(1) Israel is a friend and ally of the United States whose security is vital to regional stability and United States interests.

(2) Israel currently maintains diplomatic relations with 162 countries. Approximately 25 countries do not have any diplomatic relations with Israel and another 4 countries have only limited relations.

(3) The government of Israel has been actively seeking to establish formal relations with a number of countries.

(4) The United States should assist its ally, Israel, in its efforts to establish diplomatic relations.

(5) After 52 years of existence, Israel deserves to be treated as an equal nation by its neighbors and the world community.

(b) Report Concerning United States Efforts to Promote Israel's Diplomatic Relations With Other Countries.—Not later than

60 days after the date of the enactment of this Act, and annually thereafter, the Secretary of State shall submit a report which includes the following information (in classified or unclassified form, as appropriate) to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives:

(1) Actions taken by representatives of the United States to encourage other countries to establish full diplomatic relations with Israel.

(2) Specific responses solicited and received by the Secretary of State from countries that do not maintain full diplomatic relations with Israel with respect to the status of negotiations to enter into diplomatic relations with Israel.

(3) Other measures being undertaken, and measures that will be undertaken, by the United States to ensure and promote Israel's full participation in the world diplomatic community.

SEC. 213. REPORTS ON ACTIVITIES IN THE REPUBLIC OF COLOMBIA.

(a) Report on Reform Activities.—

(1) In general.—Not later than 180 days after the date of the enactment of this Act, and every 180 days thereafter, the Secretary of State shall submit to the appropriate congressional committees a report on the status of activities funded or authorized, in whole or in part, by the Department of State in the Republic of Colombia to promote alternative development, recovery and resettlement of internally displaced persons, judicial reform, the peace process, and human rights.

(2) Contents.—Each such report shall contain the following:

(A) A summary of activities described in paragraph (1) during the previous 180-day period.

(B) An estimated timetable for the conduct of such activities in the subsequent 180-day period.

(C) An explanation of any delays in meeting timetables contained in previous reports submitted in accordance with this subsection.

(D) An assessment of steps to be taken to correct any delays in meeting such timetables.

(b) Report on Certain Counternarcotics Activities.—

(1) Declaration of policy.—It is the policy of the United States to encourage the transfer of counternarcotics activities carried out in the Republic of Colombia by United States businesses that have entered into agreements with the Department of State to conduct such activities, to Colombian nationals, in particular personnel of the Colombian antinarcotics police, when properly qualified personnel are available.

(2) Report.—Not later than 90 days after the date of the enactment of this Act, and not later than March 1 of each year thereafter, the Secretary of State shall submit to the appropriate congressional committees a report on the activities of United States businesses that have entered into agreements with the Department of State to carry out counternarcotics activities in the Republic of Colombia.

(3) Contents.—Each such report shall contain the following:

(A) The name of each United States business described in paragraph (2) and description of the counternarcotics activities carried out by the business in Colombia.

(B) The total value of all payments by the Department of State to each such business for such activities.

(C) A written statement justifying the decision by the Department of State to enter into an agreement with each such business for such activities.

(D) An assessment of the risks to personal safety and potential involvement in hostilities incurred by employees of each such business as a result of their activities in Colombia.

(E) A plan to provide for the transfer of the counternarcotics activities carried out by such United States businesses to Colombian nationals, in particular personnel of the Colombian antinarcotics police.

(4) Definition.—In this subsection, the term "United States business" means any corporation, partnership, or other organization that employs 3 or more individuals and is organized under the laws of the United States.

Subtitle B—Consular Authorities

SEC. 231. MACHINE READABLE VISAS.

Section 140(a) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (8 U.S.C. 1351 note) is amended in the first sentence of paragraph (3)—

(1) by striking "2001, and 2002," and inserting "2001, 2002, and 2003,"; and

(2) by striking "and $316,715,000 for fiscal year 2002" and inserting "$414,000,000 for fiscal year 2002, and $422,000,000 for fiscal year 2003,".

SEC. 232. ESTABLISHMENT OF A CONSULAR BRANCH OFFICE IN LHASA, TIBET.

The Secretary of State shall make best efforts to establish a branch office in Lhasa, Tibet, of the United States Consulate General in Chengdu, People's Republic of China, to monitor political, economic, and cultural developments in Tibet.

SEC. 233. ESTABLISHMENT OF A DIPLOMATIC OR CONSULAR POST IN EQUATORIAL GUINEA.

The Secretary of State shall establish a diplomatic or consular post in Equatorial Guinea.

SEC. 234. PROCESSING OF VISA APPLICATIONS.

It shall be the policy of the Department of State to process immigrant visa applications of immediate relatives of United States citizens and nonimmigrant K–1 visa applications of fiances of United States citizens within 30 days of the receipt of all necessary documents from the applicant and the Immigration and Naturalization Service. In the case of an immigrant visa application where the sponsor of such applicant is a relative other than an immediate relative, it should be the policy of the Department of State to process such an application within 60 days of the receipt of all necessary documents from the applicant and the Immigration and Naturalization Service.

SEC. 235. UNITED STATES POLICY WITH RESPECT TO JERUSALEM AS THE CAPITAL OF ISRAEL.

(a) Congressional Statement of Policy.—The Congress maintains its commitment to relocating the United States Embassy in Israel to Jerusalem and urges the President, pursuant to the Jerusalem Embassy Act of 1995 (Public Law 104–45; 109 Stat. 398), to immediately begin the process of relocating the United States Embassy in Israel to Jerusalem.

(b) Limitation on Use of Funds for Consulate in Jerusalem.—None of the funds authorized to be appropriated by this Act may be expended for the operation of a United States consulate or diplomatic facility in Jerusalem unless such consulate or diplomatic facility is under the supervision of the United States Ambassador to Israel.

(c) Limitation on Use of Funds for Publications.—None of the funds authorized to be appropriated by this Act may be available for the publication of any official government document which lists countries and their capital cities unless the publication identifies Jerusalem as the capital of Israel.

(d) Record of Place of Birth as Israel for Passport Purposes.—For purposes of the registration of birth, certification of nationality, or issuance of a passport of a United States citizen born in the city of Jerusalem, the Secretary of State shall, upon the request of the citizen or the citizen's legal guardian, record the place of birth as Israel.

SEC. 236. DENIAL OF VISAS TO SUPPORTERS OF COLOMBIAN ILLEGAL ARMED GROUPS.

(a) Denial of Visas to Persons Supporting Colombian Insurgent and Paramilitary Groups.—Subject to subsection (b), the Secretary of State shall not issue a visa to any alien who the Secretary determines, based on credible evidence—

(1) has willfully provided direct or indirect support to the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), or the United Self-Defense Forces of Colombia (AUC); or

(2) has willfully conspired to allow, facilitate, or promote the illegal activities of any group listed in paragraph (1).

(b) Waiver.—Subsection (a) shall not apply if the Secretary of State determines and certifies to the appropriate congressional committees, on a case-by-case basis, that issuance of a visa to the alien is necessary to support the peace process in Colombia, for urgent humanitarian reasons, for significant public benefit, or to further the national security interests of the United States.

Subtitle C—Migration and Refugees

SEC. 251. UNITED STATES POLICY REGARDING THE INVOLUNTARY RETURN OF REFUGEES.

(a) In General.—None of the funds made available by this Act or by section 2(c) of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601(c)) shall be available to effect the involuntary return by the United States of any person to a country in which the person has a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion, except on grounds recognized as precluding protection as a refugee under the United Nations Convention Relating to the Status of Refugees of July 28, 1951, and the Protocol Relating to the Status of Refugees of January 31, 1967, subject to the reservations contained in the United States Senate Resolution of Ratification.

(b) Migration and Refugee Assistance.—None of the funds made available by this Act or by section 2(c) of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601(c)) shall be available to effect the involuntary return of any person to any country unless the Secretary of State first notifies the appropriate congressional committees, except that in the case of an emergency involving a threat to human life the Secretary of State shall notify the appropriate congressional committees as soon as practicable.

(c) Involuntary Return Defined.—As used in this section, the term "to effect the involuntary return" means to require, by means of physical force or circumstances amounting to a threat thereof, a person to return to a country against the person's will, regardless of whether the person is physically present in the United States and regardless of whether the United States acts directly or through an agent.

SEC. 252. REPORT ON OVERSEAS REFUGEE PROCESSING.

(a) Report on Overseas Refuge Processing.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall provide to the appropriate congressional committees a report on overseas processing of refugees for admission to the United States.

(b) Contents.—The report shall include the following detailed information:

(1) United States procedures for the identification of refugees who are particularly vulnerable or whose individual circumstances otherwise suggest an urgent need for resettlement, including the extent to which the Department now insists on referral by the United Nations High Commissioner for Refugees as a prerequisite to consideration of such refugees for resettlement in the United States, together with a plan for

the expanded use of alternatives to such referral, including the use of field-based nongovernmental organizations to identify refugees in urgent need of resettlement.

(2) The extent to which the Department makes use in overseas refugee processing of the designation of groups of refugees who are of special concern to the United States, together with the reasons for any decline in such use over the last 10 years and a plan for making more generous use of such categories in the future.

(3) The extent to which the United States currently provides opportunities for resettlement in the United States of individuals who are close family members of citizens or lawful residents of the United States, together with the reasons for any decline in the extent of such provision over the last 10 years and a plan for expansion of such opportunities in the future.

(4) The extent to which opportunities for resettlement in the United States are currently provided to "urban refugees" and others who do not currently reside in refugee camps, together with a plan for increasing such opportunities, particularly for refugees who are in urgent need of resettlement, who are members of refugee groups of special interest to the United States, or who are close family members of United States citizens or lawful residents.

(5) The Department's assessment of the feasibility and desirability of modifying the Department's current list of refugee priorities to create an additional category for refugees whose need for resettlement is based on a long period of residence in a refugee camp with no immediate prospect of safe and voluntary repatriation to their country of origin or last permanent residence.

(6) The extent to which the Department uses private voluntary agencies to assist in the identification of refugees for admission to the United States, including the Department's assessment of the advantages and disadvantages of private voluntary agencies, the reasons for any decline in the Department's use of voluntary agencies over the last 10 years, and a plan for the expanded use of such agencies.

(7) The extent to which the per capita reception and placement grant to voluntary agencies assisting in resettlement of refugees has kept up over the last 10 years with the cost to such agencies of providing such services.

(8) An estimate of the cost of each change in current practice or procedure discussed in the report, together with an estimate of any increase in the annual refugee admissions ceiling that would be necessary to implement each change.

TITLE III—ORGANIZATION AND PERSONNEL OF THE DEPARTMENT OF STATE

Subtitle A—Organizational Matters

SEC. 301. COMPREHENSIVE WORKFORCE PLAN.

(a) Workforce Plan.—Not later than 180 days after the date of the enactment of this Act, the Secretary of State shall submit to the appropriate congressional committees a comprehensive workforce plan for the Department of State for the fiscal years 2002 through 2006. The plan shall consider personnel needs in both the civil service and the Foreign Service and expected domestic and overseas personnel allocations. The workforce plan should set forth the detailed mission of the Department, the definition of work to be done and cyclical personnel needs based on expected retirements and the time required to hire, train, and deploy new personnel.

(b) Domestic Staffing Model.—Not later than one year after the date of the enactment of this Act, the Secretary of State shall compile and submit to the appropriate congressional committees a domestic staffing model for the Department of State.

SEC. 302. "RIGHTSIZING" OVERSEAS POSTS.

(a) "Rightsizing" at the Department of State.—

(1) The Secretary of State shall establish a task force within the Department of State on the issue of "rightsizing" overseas posts.

(2) Preliminary report.—Not later than 60 days after the date of the enactment of this Act, the Secretary of State shall submit to the appropriate congressional committees a report which outlines the status, plans, and activities of the task force. In addition to such other information as the Secretary considers appropriate, the report shall include the following:

(A) The objectives of the task force.

(B) Measures for achieving the objectives under subparagraph (A).

(C) The official of the Department with primary responsibility for the issue of "rightsizing".

(D) The plans of the Department for the reallocation of staff and resources based on changing needs at overseas posts and in the metropolitan Washington, D.C. area.

(3) Periodic reports.—Not later than 6 months after the date of the enactment of this Act, and every 6 months thereafter during the fiscal years 2002 and 2003, the Secretary of State shall submit to the appropriate congressional committees a report reviewing the activities and progress of the task force established under paragraph (1).

(b) Interagency Working Group.—

(1) Establishment.—The Secretary of State shall establish an interagency working group on the issue of "rightsizing" the overseas presence of the United States Government.

(2) Preliminary report.—Not later than 60 days after the date of the enactment of this Act, the Secretary of State shall submit to the appropriate congressional committees a report which outlines the status, plans, and activities of the interagency working group. In addition to such other information as the Secretary considers appropriate, the report shall include the following:

(A) The objectives of the working group.

(B) Measures for achieving the objectives under subparagraph (A).

(C) The official of each agency with primary responsibility for the issue of "rightsizing".

(3) Periodic reports.—Not later than 6 months after the date of the enactment of this Act, and every 6 months thereafter during the fiscal years 2002 and 2003, the Secretary of State shall submit to the appropriate congressional committees a report reviewing the activities and progress of the working group established under paragraph (1).

SEC. 303. QUALIFICATIONS OF CERTAIN OFFICERS OF THE DEPARTMENT OF STATE.

Section 1 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a) is amended—

(1) by striking subsections (f) and (g); and

(2) by inserting after subsection (e) the following new subsection (f):

"(f) Qualifications of Certain Officers of the Department of State.—

"(1) Officer having primary responsibility for personnel management.—The officer of the Department of State with primary responsibility for assisting the Secretary of State with respect to matters relating to personnel in the Department of State, or that officer's principal deputy, shall have substantial professional qualifications in the field of human resource policy and management.

"(2) Officer having primary responsibility for diplomatic security.—The officer of the Department of State with primary responsibility for assisting the Secretary of State with respect to diplomatic security, or that officer's principal deputy, shall have substantial professional qualifications in the fields of (A) management, and (B) Federal law enforcement, intelligence, or security.

"(3) Officer having primary responsibility for international narcotics and law enforcement.—The officer of the Department of State with primary responsibility for assisting the Secretary of State with respect to international narcotics and law enforcement, or that officer's principal deputy, shall have substantial professional qualifications in the fields of management and Federal law enforcement.".

SEC. 304. UNITED STATES SPECIAL COORDINATOR FOR TIBETAN ISSUES.

(a) United States Special Coordinator for Tibetan Issues.—There shall be within the Department of State a United States Special Coordinator for Tibetan Issues.

(b) Consultation.—The Secretary of State shall consult with the chairman and ranking minority member of the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives prior to the designation of the special coordinator.

(c) Central Objective.—The central objective of the special coordinator is to promote substantive dialogue between the Government of the People's Republic of China and the Dalai Lama or his representatives.

(d) Duties and Responsibilities.—The special coordinator shall—

(1) coordinate United States Government policies, programs, and projects concerning Tibet;

(2) vigorously promote the policy of seeking to protect the distinct religious, cultural, linguistic, and national identity of Tibet, and pressing for improved respect for human rights;

(3) maintain close contact with religious, cultural, and political leaders of the Tibetan people, including regular travel to Tibetan areas of the People's Republic of China, and to Tibetan refugee settlements in India and Nepal;

(4) consult with Congress on policies relevant to Tibet and the future and welfare of the Tibetan people;

(5) make efforts to establish contacts in the foreign ministries of other countries to pursue a negotiated solution for Tibet; and

(6) take all appropriate steps to ensure adequate resources, staff, and bureaucratic support to fulfill the duties and responsibilities of the special coordinator.

SEC. 305. UNITED STATES SPECIAL ENVOY FOR SUDAN ISSUES.

Section 1 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a) is amended by inserting after subsection (f) (as added by section 303 of this Act) the following new subsection (g):

"(g) United States Special Envoy for Sudan Issues.—

"(1) In general.—There shall be within the Department of State a United States Special Envoy for Sudan Issues who shall be appointed by the President, by and with the advice and consent of the Senate.

"(2) Duties.—In addition to such duties as the President and Secretary of State shall prescribe, the envoy shall work for a peaceful resolution of the conflict in Sudan and an end to abuses of human rights, including religious freedom, in Sudan.".

Subtitle B—Personnel Matters

SEC. 331. REPORT CONCERNING RETIRED MEMBERS OF THE FOREIGN SERVICE AND CIVIL SERVICE WHO ARE REGISTERED AGENTS OF A GOVERNMENT OF A FOREIGN COUNTRY.

The Secretary of State shall submit, annually, a report to the Committee on International Relations of the House of Representatives and the Committee on Foreign Affairs of the Senate which lists members of the Foreign Service and *the civil service who have retired, have been issued an identification which authorizes access to facilities of the Department of State, and are registered under the Foreign Agents Registration Act of 1938 as an agent of a government of a foreign country. The report shall specify each individual and the governments represented by that individual.*

SEC. 332. TIBETAN LANGUAGE TRAINING.

The Secretary of State shall ensure that Tibetan language training is available to Foreign Service officers, and that every effort is made to ensure that a Tibetan-speaking Foreign Service officer is assigned to the consulate in China responsible for tracking developments in Tibet.

SEC. 333. DEPENDENTS ON FAMILY VISITATION TRAVEL.

(a) In General.—Section 901(8) of the Foreign Service Act of 1980 (22 U.S.C. 4081(8)) is amended by striking "Service" and inserting "Service, and members of his or her family,".

(b) Promulgation of Guidance.—The Secretary shall promulgate guidance for the implementation of the amendment made by subsection (a) to ensure its implementation in a manner which does not substantially increase the total amount of travel expenses paid or reimbursed by the Department for travel under section 901 of the Foreign Service Act of 1980.

(c) Effective Date.—The amendment made by subsection (a) shall take effect on the date on which guidance for implementation of such amendment is issued by the Secretary.

SEC. 334. THOMAS JEFFERSON STAR.

Section 36A of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2708a) is amended—

(1) in the section heading by striking "FOREIGN SERVICE" and inserting "THOMAS JEFFERSON"; and

(2) by striking "Foreign Service star" each place it appears and inserting "Thomas Jefferson Star".

SEC. 335. HEALTH EDUCATION AND DISEASE PREVENTION PROGRAMS.

Section 904(b) of the Foreign Service Act of 1980 (22 U.S.C. 4084(b)) is amended by striking "families, and (3)" and inserting "families, (3) health education and disease prevention programs for all employees, and (4)".

SEC. 336. TRAINING AUTHORITIES.

Section 2205(a) of the Foreign Affairs Reform and Restructuring Act of 1998 (as enacted in division G of Public Law 105–277) is amended by striking paragraph (3).

SEC. 337. FOREIGN NATIONAL RETIREMENT PLANS.

Section 408(a)(1) of the Foreign Service Act of 1980 (22 U.S.C. 3968(a)(1)) is amended in the third sentence by striking "(C)" and all that follows through "covered employees." and inserting "(C) payments by the Government and employees to (i) a trust or other fund in a financial institution in order to finance future benefits for employees, including provision for retention in the fund of accumulated interest and dividends for the benefit of covered employees; or (ii) a Foreign Service National Savings Fund established in the Treasury of the United States, which (I) shall be administered by the Secretary of State, at whose direction the Secretary of the Treasury shall invest amounts not required for the current needs of the fund; and (II) shall be public monies, which are authorized to be appropriated and remain available without fiscal year limitation to pay benefits, to be invested in public debt obligations bearing interest at rates determined by the Secretary of the Treasury taking into consideration current average market yields on outstanding marketable obligations of the United States of comparable maturity, and to pay administrative expenses.".

SEC. 338. PRESIDENTIAL RANK AWARDS.

(a) Comparable to Payments to Meritorious Executives and Distinguished Executives.—Section 405(b)(3) of the Foreign Service Act of 1980 (22 U.S.C. 3965(b)(3)) is amended by striking the second sentence and inserting "Payments under this paragraph to a member of the Senior Foreign Service may not exceed, in any fiscal year, the percentage of base pay established under section 4507(e)(1) of title 5, United States Code, for a Meritorious Executive, except that payments of the percentage of the base pay established under section 4507(e)(2) of title 5, United States, Code, for Distinguished Executives may be made in any fiscal year to up to 1 percent of the members of the Senior Foreign Service.".

(b) Effective Date.—The amendment made by subsection (a) shall take effect October 1, 2001.

SEC. 339. EMERGENCY MEDICAL ADVANCE PAYMENTS.

Section 5927(a)(3) of title 5, United States Code, is amended to read as follows:

"(3) to an employee compensated pursuant to section 408 of the Foreign Service Act of 1980, who—

"(A) pursuant to government authorization is located outside the country of employment; and

"(B) requires medical treatment outside the country of employment in circumstances specified by the President in regulations.".

SEC. 340. UNACCOMPANIED AIR BAGGAGE.

Section 5924(4)(B) of title 5, United States Code, is amended by inserting after the first sentence the following: "At the option of the employee, in lieu of the transportation of the baggage of a dependent child from the dependent's school, the costs incurred to store the baggage at or in the vicinity of the school during the dependent's annual trip between the school and the employee's duty station may be paid or reimbursed to the employee. The amount of the payment or reimbursement may not exceed the cost that the government would incur to transport the baggage.".

SEC. 341. SPECIAL AGENT AUTHORITIES.

Section 37(a) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2709(a)) is amended in paragraph (3)(F) by inserting "or President-elect" after "President".

SEC. 342. REPORT CONCERNING MINORITY EMPLOYMENT.

During each of the years 2002 and 2003, the Secretary of State shall submit a comprehensive report to the Congress concerning the status of employment of members of minority groups at the Department of State, including the Civil Service, the Foreign Service, and State Department employees serving abroad. The report shall include the following data (reported in terms of real numbers and percentages and not as ratios):

(1) For the last preceding Foreign Service examination and promotion cycles for which such information is available—

(A) the numbers and percentages of members of all minority groups taking the written Foreign Service examination;

(B) the numbers and percentages of members of all minority groups successfully completing and passing the written Foreign Service examination;

(C) the numbers and percentages of members of all minority groups successfully completing and passing the oral Foreign Service examination;

(D) the numbers and percentages of members of all minority groups entering the junior officers class of the Foreign Service;

(E) the numbers and percentages of members of all minority groups who are Foreign Service officers at each grade; and

(F) the numbers of and percentages of members of all minority groups promoted at each grade of the Foreign Service Officer Corps.

(2) For the last preceding year for Civil Service employment at the Department of State for which such information is available—

(A) numbers and percentages of members of all minority groups entering the Civil Service;

(B) the number and percentages of members of all minority groups who are civil service employees at each grade of the Civil Service; and

(C) the number of and percentages of members of all minority groups promoted at each grade of the Civil Service.

SEC. 343. USE OF FUNDS AUTHORIZED FOR MINORITY RECRUITMENT.

(a) Conduct of Recruitment Activities.—

(1) In general.—Amounts authorized to be appropriated for minority recruitment under section 101(1)(B)(iii) shall be used only for activities directly related to minority recruitment, such as recruitment materials designed to target members of minority groups and the travel expenses of recruitment trips to colleges, universities, and other institutions or locations.

(2) Limitation.—Amounts authorized to be appropriated for minority recruitment under section 101(1)(B)(iii) may not be used to pay salaries of employees of the Department of State.

(b) Recruitment Activities at Academic Institutions.—The Secretary of State shall expand the recruitment efforts of the Department of State to include not less than 25 percent of the part B institutions (as defined under section 322 of the Higher Education Act of 1965) in the United States and not less than 25 percent of the Hispanic-serving institutions (as defined in section 502(a)(5) of such Act) in the United States.

(c) Evaluation of Recruitment Efforts.—The Secretary of State shall establish a database relating to efforts to recruit members of minority groups into the Foreign Service and the Civil Service and shall report to the appropriate congressional committees annually on the evaluation of efforts to recruit such individuals, including an analysis of the information collected in the database created under this subsection. For each of the years 2002 and 2003, such a report may be part of the report required under section 342.

TITLE IV—UNITED STATES EDUCATIONAL AND CULTURAL PROGRAMS OF THE DEPARTMENT OF STATE

SEC. 401. EXTENSION OF REQUIREMENT FOR SCHOLARSHIPS FOR TIBETANS AND BURMESE.

Section 103(b)(1) of the Human Rights, Refugee, and Other Foreign Relations Provisions Act of 1996 (Public Law 104–319; 22 U.S.C. 2151 note) is amended by striking "for the fiscal year 2000" and inserting "for each of the fiscal years 2002 and 2003".

SEC. 402. NONPROFIT ENTITIES FOR CULTURAL PROGRAMS.

(a) Findings.—The Congress makes the following findings:

(1) It is in the national interest of the United States to promote mutual understanding between the people of the United States and other nations.

(2) Among the means to be used in achieving this objective are a wide range of international educational and cultural exchange programs, including the J. William Fulbright Educational Exchange Program and the International Visitors Program.

(3) Cultural diplomacy, especially the presentation abroad of the finest of America's creative, visual and performing arts, is an especially effective means of advancing the United States national interest.

(4) The financial support available for international cultural and scholarly exchanges has declined by approximately 10 per cent in recent years.

(5) Funds appropriated for the purpose of ensuring that the excellence, diversity, and vitality of the arts in the United States are presented to foreign audiences by, and in cooperation

with, our diplomatic and consular representatives have declined dramatically.

(6) One of the ways to deepen and expand cultural and educational exchange programs is through the establishment of nonprofit entities to encourage the participation and financial support of corporations and other private sector contributors.

(7) The United States private sector should be encouraged to cooperate closely with the Secretary of State and representatives of the Department to expand and spread appreciation of United States cultural and artistic accomplishments.

(b) Authority To Establish Nonprofit Entities.—Section 105 of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2255) is amended by striking subsection (g) and inserting the following:

"(g) Nonprofit Entities for Cultural Programming.—

"(1) The Secretary of State is authorized to provide for the establishment of private nonprofit entities to assist in carrying out the purposes of this subsection. Any such entity shall not be considered an agency or instrumentality of the United States Government and employees of such an entity shall not be considered employees of the United States Government for any purpose.

"(2) An entity established pursuant to the authority of paragraph (1) may carry out the following:

"(A) Encourage participation and support by United States corporations and other elements of the private sector for cultural, arts, and educational exchange programs which will enhance international appreciation of America's cultural and artistic accomplishments.

"(B) Solicit and receive contributions from the private sector to support cultural, arts, and educational exchange programs.

"(C) Provide grants and other assistance for such programs.

"(3) The Secretary of State is authorized to make such arrangements as are necessary to carry out the purposes of any entity established pursuant to paragraph (1) including the following:

"(A) The solicitation and receipt of funds for an entity.

"(B) Designation of a program in recognition of such contributions.

"(C) Appointment of members of the board of directors or other body established to administer an entity, including the appointment of employees of the United States Government as ex officio nonvoting members of such a board or other administrative body.

"(D) Making recommendations with respect to specific artistic and cultural programs to be carried out by the entity.

"(4) For fiscal years 2002 and 2003, not to exceed $500,000 of funds available to the Department of State are authorized to be made available for each fiscal year for administrative and other costs for the establishment of entities pursuant to paragraph (1). An entity established pursuant to paragraph (1) is authorized to invest amounts made available to the entity by the Department of State, and such amounts, as well as interest or earnings on such amounts, may be used by the entity to carry out its purposes.

"(5) Each entity established pursuant to paragraph (1) shall submit an annual report on the sources and amount of funds and other resources received and the programs funded by the entity to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

"(6) The financial transactions of each entity established under paragraph (1) for each fiscal year shall be the subject of an independent audit. A report of each such audit shall be made available to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.".

SEC. 403. FULBRIGHT-HAYS AUTHORITIES.

Section 112(d) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2460(d) is amended by striking "operating under the authority of this Act and consistent with" and inserting "which operate under the authority of this Act or promote".

SEC. 404. ETHICAL ISSUES IN INTERNATIONAL HEALTH RESEARCH.

(a) In General.—The Secretary shall make available funds for public diplomacy and international exchanges, including, as appropriate, funds for international visitor programs and scholarships available under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961 and other similar statutes, to provide opportunities to researchers in developing countries to obtain scholarships and otherwise participate in activities related to ethical issues in human subject research, as described in subsection (b).

(b) Ethical Issues in Human Subject Research.—For purposes of subsection (a), "activities related to ethical issues in human subject research" include courses of study, conferences, and fora on development of and compliance with international ethical standards for clinical trials involving human subjects, particularly with respect to responsibilities of researchers to individuals and local communities participating in such trials, and on management and monitoring of such trials based on such international ethical standards.

TITLE V—UNITED STATES INTERNATIONAL BROADCASTING ACTIVITIES

SEC. 501. ELIMINATING STAFF POSITIONS FOR THE ADVISORY BOARD FOR CUBA BROADCASTING.

(a) Eliminating Position of Staff Director.—

(1) Section 245 of the Television Broadcasting to Cuba Act (22 U.S.C. 1465c note) is amended by striking subsection (d).

(2) Any funds made available through the elimination of the position under the amendment made by paragraph (1) shall be made available for broadcasting to Cuba.

(b) Prohibiting Paid Staff Positions.—The Advisory Board for Cuba Broadcasting is not authorized to employ administrative or support staff who are compensated by the Advisory Board.

SEC. 502. REPORTS ON BROADCASTING PERSONNEL.

Not later than 3 months after the date of the enactment of this Act and every 6 months thereafter during the fiscal years 2002 and 2003, the Broadcasting Board of Governors shall submit to the appropriate congressional committees a report regarding high-level personnel of the Broadcasting Board of Governors and efforts to diversify the workforce. Each report shall include the following information, reported separately, for the International Broadcasting Bureau, Radio Free Europe/Radio Liberty, and Radio Free Asia:

(1) A list of all personnel positions at and above the GS–13 pay level.

(2) The number and percentage of women and members of minority groups in positions under paragraph (1).

(3) The increase or decrease in the representation of women and members of minority groups in positions under paragraph (1) from previous years.

(4) The recruitment budget for each broadcasting entity and the aggregate budget.

(5) Information concerning the recruitment efforts of the Broadcasting Board of Governors relating to women and members of minority groups, including the percentage of the recruitment budget utilized for such efforts.

SEC. 503. PERSONAL SERVICES CONTRACTING PILOT PROGRAM.

(a) In General.—The Director of the International Broadcasting Bureau is authorized to establish a pilot program for the purpose of hiring United States citizens or aliens as personal services contractors, without regard to civil service and classification laws, for service in the United States as broadcasters, producers, and writers in the International Broadcasting Bureau to respond to new or emerging broadcasting needs or to augment broadcast services.

(b) Limitation on Authority.—The Director is authorized to use such pilot program authority subject to the following limitations:

(1) The Director shall determine that existing personnel resources are insufficient and the need is of limited or unknown duration.

(2) The Director shall approve each contract for a personal services contractor.

(3) The length of any personal services contract may not exceed 2 years, unless the Director finds that exceptional circumstances justify an extension of not more than 1 additional year.

(4) Not more than 50 United States citizens or aliens shall be employed at any time as personal services contractors under the pilot program.

(c) Termination of Authority.—The authority to award personal services contracts under the pilot program authorized by this section shall terminate on December 31, 2005. A contract entered into prior to the termination date under this subsection may remain in effect for a period not to exceed 6 months after such termination date.

SEC. 504. PAY PARITY FOR SENIOR EXECUTIVES OF RADIO FREE EUROPE AND RADIO LIBERTY.

Section 308(h)(1) of the United States International Broadcasting Act of 1994 (22 U.S.C. 6207(h)(1)) is amended—

(1) by inserting after subparagraph (B) the following new subparagraph:

"(C) Notwithstanding the limitations under subparagraph (A), grant funds provided under this section may be used by RFE/RL, Incorporated to pay up to 2 employees employed in Washington, D.C. salary or other compensation not to exceed the rate of pay payable for level III of the Executive Schedule under section 5314 of title 5, United States Code."; and

(2) in subparagraph (A) by striking "(B)," and inserting "(B) or (C),".

SEC. 505. REPEAL OF BAN ON UNITED STATES TRANSMITTER IN KUWAIT.

The Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236) is amended—

(1) by striking section 226; and

(2) by striking the item relating to section 226 in the table of sections.

TITLE VI—INTERNATIONAL ORGANIZATIONS AND COMMISSIONS

SEC 601. UNITED NATIONS ARREARS PAYMENTS AND REFORM.

(a) Additional Restrictions on Release of Arrearage Payments Relating to United States Sovereignty.—In addition to the satisfaction of all other preconditions applicable to the obligation and expenditure of funds authorized to be appropriated by section 911(a)(2) of the United Nations Reform Act of 1999, such funds may not be obligated or expended until the Secretary of State certifies to the appropriate congressional committees that the following conditions are satisfied:

(1) Supremacy of the United States Constitution.—No action has been taken by the United Nations or any of its specialized or affiliated agencies that requires the United States to violate the United States Constitution or any law of the United States.

(2) NO UNITED NATIONS SOVEREIGNTY.—Neither the United Nations nor any of its specialized or affiliated agencies—

(A) has exercised sovereignty over the United States; or

(B) has taken any steps that require the United States to cede sovereignty.

(3) NO UNITED NATIONS TAXATION.—

(A) NO LEGAL AUTHORITY.—Except as provided in subparagraph (D), neither the United Nations nor any of its specialized or affiliated agencies has the authority under United States law to impose taxes or fees on United States nationals.

(B) NO TAXES OR FEES.—Except as provided in subparagraph (D), a tax or fee has not been imposed on any United States national by the United Nations or any of its specialized or affiliated agencies.

(C) NO TAXATION PROPOSALS.—Except as provided in subparagraph (D), neither the United Nations nor any of its specialized or affiliated agencies has, on or after October 1, 1996, officially approved any formal effort to develop, advocate, or promote any proposal concerning the imposition of a tax or fee on any United States national in order to raise revenue for the United Nations or any such agency.

(D) EXCEPTION.—This paragraph does not apply to—

(i) fees for publications or other kinds of fees that are not tantamount to a tax on United States citizens;

(ii) the World Intellectual Property Organization; or

(iii) the staff assessment costs of the United Nations and its specialized or affiliated agencies.

(4) NO STANDING ARMY.—The United Nations has not, on or after October 1, 1996, budgeted any funds for, nor taken any official steps to develop, create, or establish any special agreement under Article 43 of the United Nations Charter to make available to the United Nations, on its call, the armed forces of any member of the United Nations.

(5) NO INTEREST FEES.—The United Nations has not, on or after October 1, 1996, levied interest penalties against the United States or any interest on arrearages on the annual assessment of the United States, and neither the United Nations nor its specialized agencies have, on or after October 1, 1996, amended their financial regulations or taken any other action that would permit interest penalties to be levied against the United States or otherwise charge the United States any interest on arrearages on its annual assessment.

(6) UNITED STATES REAL PROPERTY RIGHTS.—Neither the United Nations nor any of its specialized or affiliated agencies has exercised authority or control over any United States national park, wildlife preserve, monument, or real property, nor has the United Nations nor any of its specialized or affiliated agencies implemented plans, regulations, programs, or agreements that exercise control or authority over the private real property of United States citizens located in the United States without the approval of the property owner.

(7) TERMINATION OF BORROWING AUTHORITY.—

(A) PROHIBITION ON AUTHORIZATION OF EXTERNAL BORROWING.—On or after the date of enactment of this Act, neither the United Nations nor any specialized agency of the United Nations has amended its financial regulations to permit external borrowing.

(B) PROHIBITION OF UNITED STATES PAYMENT OF INTEREST COSTS.—The United States has not, on or after October 1, 1984, paid its share of any interest costs made known to or identified by the United States Government for loans incurred, on or after October 1, 1984, by the United Nations or any specialized agency of the United Nations through external borrowing.

(b) AMENDMENTS TO THE UNITED NATIONS REFORM ACT OF 1999.—The United Nations Reform Act of 1999 (title IX of division A of H.R. 3427, as enacted into law by section 1000(a)(7) of Public Law 106–113; appendix G; 113 Stat. 1501A–475) is amended as follows:

(1) Section 912(c) is amended by striking "section 911" and inserting "section 911(a)(3)".

(2) Section 931(b) is amended by—

(A) striking paragraph (2); and

(B) redesignating paragraph (3) as paragraph (2).

(3) Section 941(a)(2) is amended—

(A) by striking "also";

(B) by striking "in subsection (b)(4)" both places it appears; and

(C) by striking "satisfied, if the other conditions in subsection (b) are satisfied" and inserting "satisfied".

(4) Section 941(b)(3) is amended—

(A) in the paragraph heading by striking "NEW BUDGET PROCEDURES" and inserting "BUDGET PRACTICES";

(B) by striking "has established and";

(C) by striking "procedures" and inserting "practices"; and

(D) in subparagraphs (A) and (B) by striking "require" both places it appears and inserting in both places "result in".

(5) Section 941(b)(9) is amended—

(A) in the paragraph heading by striking "NEW BUDGET PROCEDURES" and inserting "BUDGET PRACTICES";

(B) by striking "Each designated specialized agency has established procedures to—" and inserting "The practices of each designated specialized agency—"; and

(C) in subparagraphs (A), (B), and (C) by striking "require" each of the 3 places it appears such subparagraphs and inserting in the 3 places "result in".

(c) AMENDMENT TO UNITED NATIONS PARTICIPATION ACT.—Section 6 of the United Nations Participation Act of 1945 (22 U.S.C. 287d) is amended to read as follows:

"SEC. 6. AGREEMENTS WITH SECURITY COUNCIL.

"(a) Any agreement described in subsection (b) that is concluded by the President with the Security Council shall not be effective unless approved by the Congress by appropriate Act or joint resolution.

"(b) An agreement referred to in subsection (a) is an agreement providing for the numbers and types of United States Armed Forces, their degree of readiness and general locations, or the nature of facilities and assistance, including rights of passage, to be made available to the Security Council for the purpose of maintaining international peace and security in accordance with Article 43 of the Charter of the United Nations.

"(c) Except as provided in section 7, nothing in this section may be construed as an authorization to the President by the Congress to make available United States Armed Forces, facilities, or assistance to the Security Council.".

(d) AMENDMENT TO PUBLIC LAW 103–236.—Section 404(b)(2) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236; 22 U.S.C. 287e note) is amended—

(1) by striking "for any fiscal year after fiscal year 1995" and inserting "for—

"(A) fiscal years 1996 through 2001, and any fiscal year after fiscal year 2003"; and

(2) by striking "operation.", and inserting "operation; and

"(B) fiscal years 2002 and 2003 shall not be available for the payment of the United States assessed contribution for a United Nations peacekeeping operation in an amount which is greater than 28.15 percent of the total of all assessed contributions for that operation.".

(e) CONFORMING AMENDMENT TO PUBLIC LAW 92–544.—The last sentence of the paragraph headed "Contributions to International Organizations" in Public Law 92–544 (22 U.S.C. 287e note), is amended—

(1) by striking "Appropriations are authorized" and inserting "Subject to section 404(b)(2) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236, 22 U.S.C. 287e note), as amended, appropriations are authorized"; and

(2) by striking "(other than United Nations peacekeeping operations) conducted" and inserting "conducted by or under the auspices of the United Nations or".

(f) CONFORMING AMENDMENT TO PUBLIC LAW 105–277.—The undesignated paragraph under the heading "ARREARAGE PAYMENTS" in title IV of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1999 (as enacted into law by section 101(b) of division A of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1998; 112 Stat. 2681–96) is amended by striking "member, and the share of the budget for each assessed United Nations peacekeeping operation does not exceed 25 percent for any single United Nations member." and inserting "member.".

(g) CONFORMING AMENDMENT TO PUBLIC LAW 106–113.—The undesignated paragraph under the heading "ARREARAGE PAYMENTS" in title IV of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2000 (as enacted into law by section 1000(a)(1) of division B of Public Law 106–113; appendix A; 113 Stat. 1501A–42) is amended—

(1) in the first proviso, by striking "the share of the total of all assessed contributions for any designated specialized agency of the United Nations does not exceed 22 percent for any single member of the agency, and"; and

(2) by inserting immediately after the first proviso "Provided further, That, none of the funds appropriated or otherwise made available under this heading for payment of arrearages may be obligated or expended with respect to a designated specialized agency of the United Nations until such time as the share of the total of all assessed contributions for that designated specialized agency does not exceed 22 percent for any member of the agency:".

(h) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 602. TRAVEL BY ADVISORY COMMITTEE MEMBERS TO GREAT LAKES FISHERY COMMISSION ANNUAL MEETING.

Section 4(c) of the Great Lakes Fishery Act of 1956 (70 Stat. 242; 16 U.S.C. 933(c)) is amended in the second sentence—

(1) by striking "five" and inserting "ten"; and

(2) by striking "each" and inserting "the annual".

SEC. 603. UNITED STATES POLICY ON COMPOSITION OF THE UNITED NATIONS HUMAN RIGHTS COMMISSION.

(a) FINDINGS.—The Congress makes the following findings:

(1) The United Nations Human Rights Commission is an important organ of the United Nations that plays a significant role in monitoring international human rights developments and can make an important contribution to advancing human rights around the world.

(2) The membership of the Commission, however, continues to include countries that are themselves human rights violators.

(3) Countries that are on the Commission have a special duty to ensure that they are prepared to allow human rights monitors into their own country to investigate allegations of human rights violations.

(b) UNITED STATES POLICY ON MEMBERSHIP OF THE COMMISSION.—The President, acting

through the Secretary of State, the United States Permanent Representative to the United Nations, and other appropriate United States Government officials, shall use the voice and vote of the United States at the United Nations to oppose membership on the United Nations Commission on Human Rights for any country that does not provide a standing invitation to allow the following persons to monitor human rights in the territory of such country:

(1) Designated United Nations human rights investigators and rapporteurs.

(2) Representatives from nongovernmental organizations that focus on human rights.

SEC. 604. UNITED STATES MEMBERSHIP IN THE INTERNATIONAL ORGANIZATION FOR MIGRATION.

(a) CONTINUATION OF MEMBERSHIP.—The President is authorized to continue membership for the United States in the International Organization for Migration in accordance with the constitution of such organization approved in Venice, Italy, on October 19, 1953, as amended in Geneva, Switzerland, on November 24, 1998, upon entry into force of such amendments.

(b) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of assisting in the movement of refugees and migrants, there are authorized to be appropriated such amounts as may be necessary from time to time for payment by the United States of its contributions to the International Organization for Migration and all necessary salaries and expenses incidental to United States participation in such organization.

SEC. 605. REPORT RELATING TO COMMISSION ON SECURITY AND COOPERATION IN EUROPE.

Section 5 of the Act entitled "An Act to establish a Commission on Security and Cooperation in Europe" (Public Law 94–304; 22 U.S.C. 3005) is amended to read as follows:

"SEC. 5. In order to assist the Commission in carrying out its duties, the Secretary of State shall submit to the Commission an annual report discussing the overall United States policy objectives that are advanced through meetings of decision-making bodies of the Organization on Security and Cooperation in Europe (OSCE), the OSCE implementation review process, and other activities of the OSCE. The report shall also include a summary of specific United States policy objectives with respect to participating states where there is a particular concern relating to the implementation of Organization on Security and Cooperation in Europe commitments or where an OSCE presence exists. Such summary shall address the role played by Organization on Security and Cooperation in Europe institutions, mechanisms, or field activities in achieving United States policy objectives. Each annual report shall cover the period January 1 through December 31, shall be submitted not more than 90 days after the end of the reporting period, and shall be posted on the website of the Department of State.".

SEC. 606. REPORTS TO CONGRESS ON UNITED NATIONS ACTIVITIES.

(a) AMENDMENTS TO UNITED NATIONS PARTICIPATION ACT.—Section 4 of the United Nations Participation Act (22 U.S.C. 287b) is amended—

(1) by striking subsections (b) and (c);

(2) by inserting after subsection (a) the following new subsection:

"(b) ANNUAL REPORT ON FINANCIAL CONTRIBUTIONS.—Not later than July 1 of each year, the Secretary of State shall submit a report to the designated congressional committees on the extent and disposition of all financial contributions made by the United States during the preceding year to international organizations in which the United States participates as a member.";

(3) in subsection (e)(5) by striking subparagraph (B) and inserting the following:

"(B) ANNUAL REPORT.—The President shall submit an annual report to the designated congressional committees on all assistance provided by the United States during the preceding calendar year to the United Nations to support peacekeeping operations. Each such report shall describe the assistance provided for each such operation, listed by category of assistance."; and

(4) by redesignating subsections (d), (e), (f), and (g) as subsections (c), (d), (e), and (f) respectively.

(b) CONFORMING AMENDMENTS.—

(1) Section 2 of Public Law 81–806 (22 U.S.C. 262a) is amended by striking the last sentence.

(2) Section 409 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 287e note) is amended by striking subsection (d).

TITLE VII—MISCELLANEOUS PROVISIONS

Subtitle A—General Provisions

SEC. 701. AMENDMENTS TO THE IRAN NONPROLIFERATION ACT OF 2000.

(a) REPORTS ON PROLIFERATION TO IRAN.—Section 2 of the Iran Nonproliferation Act of 2000 (Public Law 106–178; 114 Stat. 39; 50 U.S.C. 1701 note) is amended by inserting after subsection (d) the following new subsection:

"(e) CONTENT OF REPORTS.—Each report under subsection (a) shall contain, with respect to each foreign person identified in such report, a brief description of the type and quantity of the goods, services, or technology transferred by that person to Iran, the circumstances surrounding the transfer, the usefulness of the transfer to Iranian weapons programs, and the probable awareness or lack thereof of the transfer on the part of the government with primary jurisdiction over the person.".

(b) DETERMINATION EXEMPTING FOREIGN PERSONS FROM CERTAIN MEASURES UNDER THE ACT.—Section 5(a)(2) of such Act is amended by striking "systems" and inserting "systems, or conventional weapons".

SEC. 702. AMENDMENTS TO THE NORTH KOREA THREAT REDUCTION ACT OF 1999.

Section 822(a) of the North Korea Threat Reduction Act of 1999 (subtitle B of title VIII of division A of H.R. 3427, as enacted into law by section 1000(a)(7) of Public Law 106–113; appendix G; 113 Stat. 1501A–472) is amended by striking "such agreement," both places it appears and inserting in both places "such agreement (or that are controlled under the Export Trigger List of the Nuclear Suppliers Group),".

SEC. 703. AMENDMENTS TO THE INTERNATIONAL RELIGIOUS FREEDOM ACT OF 1998.

(a) REPEAL OF TERMINATION OF COMMISSION.—The International Religious Freedom Act of 1998 (22 U.S.C. 6401 et seq.) is amended by striking section 209.

(b) AUTHORIZATIONS OF APPROPRIATIONS.—Section 207(a) of such Act (22 U.S.C. 6435(a)) is amended by inserting "for each of the fiscal years 2002 and 2003" after "$3,000,000".

(c) ELECTION OF CHAIR OF COMMISSION.—Section 201(d) of such Act (22 U.S.C. 6431(d)) is amended by striking "in each calendar" and inserting "after May 30 of each".

(d) PROCUREMENT OF NONGOVERNMENTAL SERVICES.—Section 208(c)(1) of such Act (22 U.S.C. 6435a(c)(1)) is amended by striking "authority other than that allowed under this title" and inserting "authority, in excess of $75,000 annually, except as otherwise provided in this title".

(e) DONATION OF SERVICES.—Section 208(d)(1) of such Act (22 U.S.C. 6435a(d)(1)) is amended by striking "services or" both places it appears.

(f) ESTABLISHMENT OF STAGGERED TERMS OF MEMBERS OF COMMISSION.—Section 201(c) of such Act (22 U.S.C. 6431(c)) is amended by adding after paragraph (1) the following new paragraph:

"(2) ESTABLISHMENT OF STAGGERED TERMS.—Notwithstanding paragraph (1), members of the Commission appointed to serve on the Commission during the period May 15, 2003, through May 14, 2005, shall be appointed to terms in accordance with the provisions of this paragraph. Of the 3 members of the Commission appointed by the President under subsection (b)(1)(B)(i), 2 shall be appointed to a one-year term and 1 shall be appointed to a two-year term. Of the 3 members of the Commission appointed by the President pro tempore of the Senate under subsection (b)(1)(B)(ii), 1 of the appointments made upon the recommendation of the leader in the Senate of the political party that is not the political party of the President shall be appointed to a one-year term, and the other 2 appointments under such clause shall be two-year terms. Of the 3 members of the Commission appointed by the Speaker of the House of Representatives under subsection (b)(1)(B)(iii), 1 of the appointments made upon the recommendation of the leader in the House of the political party that is not the political party of the President shall be to a one-year term, and the other 2 appointments under such clause shall be two-year terms. The term of each member of the Commission appointed to a one-year term shall be considered to have begun on May 15, 2003, and shall end on May 14, 2004, regardless of the date of the appointment to the Commission. Each vacancy which occurs upon the expiration of the term of a member appointed to a one-year term shall be filled by the appointment of a successor to a two-year term.".

(g) VACANCIES.—Section 201(g) of such Act (22 U.S.C. 6431(g)) is amended by adding at the end the following: "A member may serve after the expiration of that member's term until a successor has taken office. Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term.".

SEC. 704. CONTINUATION OF UNITED STATES ADVISORY COMMISSION ON PUBLIC DIPLOMACY.

(a) AUTHORITY TO CONTINUE COMMISSION.—Section 1334 of the Foreign Affairs Reform and Restructuring Act of 1998 (as enacted in division G of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999: Public Law 105–277) is amended by striking "October 1, 2001" and inserting "October 1, 2005".

(b) REPEAL.—Section 404(c) of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001 (section 404(c) of division A of H.R. 3427, as enacted into law by section 1000(a)(7) of Public Law 106–113; appendix G; 113 Stat. 1501A–446) is amended by striking paragraph (2).

SEC. 705. PARTICIPATION OF SOUTH ASIA COUNTRIES IN INTERNATIONAL LAW ENFORCMENT.

The Secretary of State shall ensure, where practicable, that appropriate government officials from countries in the South Asia region shall be eligible to attend courses at the International Law Enforcement Academy located in Bangkok, Thailand, and Budapest, Hungary, consistent with other provisions of law, with the goal of enhancing regional cooperation in the fight against transnational crime.

Subtitle B—Sense of Congress Provisions

SEC. 731. SENSE OF CONGRESS RELATING TO HIV/AIDS AND UNITED NATIONS PEACEKEEPING OPERATIONS.

It is the sense of the Congress that the President should direct the Secretary of State and the United States Representative to the United Nations to urge the United Nations to adopt an HIV/AIDS mitigation strategy as a component of United Nations peacekeeping operations.

SEC. 732. SENSE OF CONGRESS RELATING TO HIV/AIDS TASK FORCE.

It is the sense of the Congress that the Secretary of State should establish an international HIV/AIDS intervention, mitigation, and coordination task force to coordinate activities on international HIV/AIDS programs administered by agencies of the Federal Government and to work with international public and private entities working to combat the HIV/AIDS pandemic.

SEC. 733. SENSE OF CONGRESS CONDEMNING THE DESTRUCTION OF PRE-ISLAMIC STATUES IN AFGHANISTAN BY THE TALIBAN REGIME.

(a) FINDINGS.—The Congress makes the following findings:

(1) Many of the oldest and most significant Buddhist statues in the world are in Afghanistan, which, at the time that many of the statues were carved, was one of the most cosmopolitan regions in the world and hosted merchants, travelers, and artists from China, India, central Asia, and the Roman Empire.

(2) Such statues are part of the common heritage of mankind, which must be preserved for future generations.

(3) On February 26, 2001, the leader of the Taliban regime, Mullah Mohammad Omar, ordered the destruction of all pre-Islamic statues in Afghanistan, among them a pair of 1,600-year-old, 100-foot-tall statues of Buddha that are carved out of a mountainside.

(4) The religion of Islam and Buddhist statues have coexisted in Afghanistan as part of the unique historical and cultural heritage of that nation for more than 1,100 years.

(5) The destruction of the pre-Islamic statues contradicts the basic tenet of the Islamic religion that other religions should be tolerated.

(6) People of all faiths and nationalities have condemned the destruction of the statues in Afghanistan, including Muslim communities around the world.

(7) The destruction of the statues violates the United Nations Convention Concerning the Protection of the World Cultural and Natural Heritage, which was ratified by Afghanistan on March 20, 1979.

(b) SENSE OF CONGRESS.—The Congress—

(1) joins with people and governments around the world in condemning the destruction of pre-Islamic statues in Afghanistan by the Taliban regime;

(2) urges the Taliban regime to stop destroying such statues; and

(3) calls upon the Taliban regime to grant international organizations immediate access to Afghanistan to survey the damage and facilitate international efforts to preserve and safeguard the remaining statues.

SEC. 734. SENSE OF CONGRESS RELATING TO RESOLUTION OF THE TAIWAN STRAIT ISSUE.

It is the sense of the Congress that Taiwan is a mature democracy that fully respects human rights and it is the policy of the United States that any resolution of the Taiwan Strait issue must be peaceful and include the assent of the people of Taiwan.

SEC. 735. SENSE OF CONGRESS RELATING TO ARSENIC CONTAMINATION IN DRINKING WATER IN BANGLADESH.

(a) FINDINGS.—In the early 1970s, the United Nations Children's Fund (UNICEF) and the Bangladeshi Department of Public Health Engineering, in an attempt to bring clean drinking water to the people of Bangladesh, installed tube wells to access shallow aquifers. This was done to provide an alternative to contaminated surface water sources. However, at the time the wells were installed, arsenic was not recognized as a problem in water supplies and standard water testing procedures did not include arsenic tests. Naturally occurring inorganic arsenic contamination of water in those tube-wells was confirmed in 1993 in the Nawabganj district in Bangladesh. The health effects of ingesting arsenic-contaminated drinking water appear slowly. This makes preventative measures, including drawing arsenic out of the existing tube well and finding alternate sources of water, critical to preventing future contamination in large numbers of the Bangladeshi population. Health effects of exposure to arsenic in both adults and children include skin lesions, skin cancer, and mortality from internal cancers.

(b) SENSE OF CONGRESS.—The Secretary of State should work with appropriate United States Government agencies, national laboratories, universities in the United States, the Government of Bangladesh, international financial institutions and organizations, and international donors to identify a long term solution to the arsenic-contaminated drinking water problem.

(c) REPORT TO CONGRESS.—The Secretary of State should report to the Congress on proposals to bring about arsenic-free drinking water to Bangladeshis and to facilitate treatment for those who have already been affected by arsenic-contaminated drinking water in Bangladesh.

SEC. 736. SENSE OF CONGRESS RELATING TO DISPLAY OF THE AMERICAN FLAG AT THE AMERICAN INSTITUTE IN TAIWAN.

It is the sense of the Congress that the chancery of the American Institute in Taiwan and the residence of the director of the American Institute in Taiwan should publicly display the flag of the United States in the same manner as United States embassies, consulates, and official residences throughout the world.

SEC. 737. SENSE OF CONGRESS REGARDING HUMAN RIGHTS VIOLATIONS IN WEST PAPUA AND ACEH, INCLUDING THE MURDER OF JAFAR SIDDIQ HAMZAH, AND ESCALATING VIOLENCE IN MALUKU AND CENTRAL KALIMANTAN.

(a) FINDINGS.—The Congress makes the following findings:

(1) Human rights violations by elements of the Indonesian Government continue to worsen in West Papua (Irian Jaya) and Aceh, while other areas including the Moluccas (Maluku) and Central Kalimantan have experienced outbreaks of violence by militia forces and other organized groups.

(2) Seven West Papuans were shot dead by Indonesian security forces following a flag-raising ceremony in the town of Merauke on December 2, 2000, and in a separate incident four others were reportedly killed by Indonesian security forces after a West Papuan flag was raised in Tiom on December 18, 2000.

(3) Indonesian police have attacked peaceful West Papuan civilians, including students in their dormitories at Cenderawasih University on December 6, 2000. This attack resulted in the beating and arrests of some 100 students as well as the deaths of three students, including one in police custody in the capital city of Jayapura.

(4) To escape Indonesian security forces, hundreds of peaceful West Papuans have sought safety in refugee camps across the border in the neighboring state of Papua New Guinea (PNG).

(5) The Indonesian armed forces have announced that they are initiating "limited military operations" in Aceh, where the Exxon-Mobil gas company has suspended operations due to security concerns.

(6) On September 7, 2000, the body of Acehnese human rights lawyer Jafar Siddiq Hamzah, who had been missing for a month, was identified along with four other badly decomposed bodies, whose faces were bashed in and whose hands and feet were bound with barbed wire, in a forested area outside of Medan, in North Sumatra.

(7) Hamzah, a permanent resident of the United States who resided in Queens, New York, was last seen alive on August 5, 2000, in Medan, after which he failed to keep an appointment and his family lost all contact with him.

(8) As the founder and director of the International Forum on Aceh, which works for peace and human rights in Aceh, Hamzah was an important voice of moderation and an internationally known representative of his people who made irreplaceable contributions to peace and respect for human rights in his homeland.

(9) The Indonesian government has failed to release the results of Jafar Siddiq Hamzah's autopsy report, and the inaccessibility of the report has delayed the investigation which could lead to bringing the murderers to justice.

(10) There is supporting documentation from the United States Department of State and other reliable sources that Indonesian military and police forces have committed widespread acts of torture, rape, disappearance and extra-judicial executions against West Papuan and Acehnese civilians.

(11) In Maluku, where Muslim and Christian peoples lived in peace and respected with each other for decades, thousands have been killed and tens of thousands displaced during outbreaks of violence over the past three years.

(12) Militia forces known as the Laskar Jihad have arrived from Java and other islands outside Maluku to inflame hatred and perpetrate violence against Christians, and to create religious intolerance among the people of Maluku, and the Laskar Jihad has been openly encouraged by some Indonesian leaders including Amien Rais, Chair of the People's Consultative Assembly.

(13) Muslim and Christian leaders alike have called for the arrest of militia leaders in Maluku and asking for international assistance in ending this devastating conflict.

(14) The most recent instance of widespread violence in Indonesia has broken out on the island of Kalimantan (Borneo), in the province of Central Kalimantan, where indigenous Dayaks brutally attacked migrant Madurese, killing hundreds and causing thousands of others to flee.

(15) The people of the island of Madura who were resettled in Kalimantan under the auspices of the Soeharto government's transmigration program, which served to strengthen the political control of the regime, have become scapegoats for official government policy, while the Dayaks have suffered from this policy and from official exploitation of the natural resources of their homeland.

(b) SENSE OF CONGRESS.—The Congress—

(1) expresses its deep concern over ongoing human rights violations committed by Indonesian military and police forces against civilians in West Papua and Aceh, as well as over violence by militias and others in Maluku, Central Kalimantan, and elsewhere in Indonesia;

(2) calls upon the United States Department of State to publicly protest the reemergence of political imprisonment in Indonesia and to take necessary steps to release, immediately and unconditionally, all political prisoners, including Rev. Obed Komba, Rev. Yudas Meage, Yafet Yelemaken, Murjono Murib and Amelia Yigibalom of West Papua, and Muhammad Nazar of Aceh, all adopted by Amnesty International as Prisoners of Conscience, and student demonstrators Matius Rumbrapuk, Laon Wenda, Jenderal Achmad Yani, Joseph Wenda and Hans Gobay of West Papua;

(3) calls upon the Department of State to support and encourage the Government of Indonesia to engage in peaceful dialogue with respected West Papuan community leaders and other members of West Papuan civil society, as prescribed by the 1999 Terms of Reference for the National Dialogue on Irian Jaya, and to urge the Governor of West Papua to create an

environment conducive to the peaceful repatriation of West Papuan refugees and "illegal border crossers" who now reside in Papua New Guinea;

(4) calls upon the United States Government to press the Government of Indonesia to permit access to West Papua and Aceh, including the project areas of the United States-owned Freeport mine and Exxon-Mobil facilities, by independent human rights and environmental monitors, including the United Nations special rapporteurs on torture and extra-judicial execution, as well as by humanitarian nongovernmental organizations;

(5) calls upon the United States Government to press for the withdrawal of nonorganic troops from West Papua and Aceh, and an overall reduction of force numbers in those areas, particularly along the PNG border;

(6) calls upon the Government of Indonesia to release the autopsy report of Jafar Siddiq Hamzah immediately, to conduct a thorough, open, and transparent investigation of the murder of Hamzah and the four others with whom he was found, to offer full access and support to independent investigators and forensics experts brought in to examine these cases, and to ensure that the perpetrators of these atrocities are brought to justice through open and fair trials;

(7) condemns the recent atrocities in Central Kalimantan the failure of Indonesian police and other security forces to intervene to stop these atrocities, as well as the underlying social and economic conditions caused by systematic transmigration programs, imported labor, and inequitable and destructive exploitation of local natural resources that have worsened the poverty and discrimination which were contributing factors in their commission;

(8) condemns comparable Indonesian Government policies in Maluku and the failure of Indonesian police and other security forces in and around Ambon to halt sectarian violence, including the operations of the Laskar Jihad militia;

(9) calls upon the Government of Indonesia to take decisive action to halt sectarian violence in Maluku and to arrest those guilty of violence, including Laskar Jihad militia leaders and armed forces officers guilty of complicity in their operations against civilians, and to make significant progress towards rehabilitation and reestablishment of local communities displaced by the violence and rebuild the physical infrastructure of the communities;

(10) calls upon the Department of State to support United Nations and other international delegations and monitoring efforts by international and nongovernmental agencies in West Papua, Aceh, Maluku, Central Kalimantan, West Timor, and other areas of Indonesia in order to deter further human rights violations, and to encourage and support international and nongovernmental agencies in efforts to help the people of Indonesia rebuild and rehabilitate communities torn by violence, particularly by assisting in the return of internally displaced peoples and in efforts at reconciliation within and among communities;

(11) calls upon the Department of State to ensure that all appropriate information regarding current conditions in the West Papua, Aceh, Maluku, Kalimantan, and elsewhere in Indonesia is included in the Annual Country Reports on Human Rights Practices and the Annual Report on International Religious Freedom;

(12) calls upon the Government of Indonesia to devote official attention, in an atmosphere of openness and transparency and oversight, to investigations into the numerous cases of disappearances, extrajudicial killings, and other serious human rights violations in West Papua, Aceh, Maluku, Central Kalimantan, elsewhere in Indonesia, and occupied East Timor; and

(13) calls upon the United States Government to continue to insist upon vigorous investigation into all such violations, and upon trials according to international standards for military and police officers, militia leaders, and others accused of such violations.

SEC. 738. SENSE OF CONGRESS SUPPORTING PROPERLY CONDUCTED ELECTIONS IN KOSOVA DURING 2001.

(a) Findings.—The Congress makes the following findings:

(1) Former Yugoslav President Slobodan Milosevic perpetrated a brutal campaign of ethnic cleansing against the ethnic Albanian population of Kosova, resulting in thousands of deaths and rapes and the displacement of nearly 1 million people.

(2) Prior to the disintegration of the former Yugoslavia, Kosova was a separate political and legal entity with a separate and distinct financial sector, police force, government, education system, judiciary, and health care system.

(3) During that time, the people of Kosova successfully administered the province.

(4) During the Milosevic era, Kosovar citizens demonstrated again their ability to govern themselves by creating parallel governmental and social institutions.

(5) Local elections held in Kosova in 2000 were considered free and fair by international observers.

(6) United Nations Security Council Resolution 1244 authorizes the United Nations Mission in Kosova to provide for transitional administration while establishing and overseeing the development of democratic and self-governing institutions, including the holding of elections, to ensure conditions for a peaceful and normal life for all inhabitants of Kosova.

(7) The United Nations Mission in Kosova and the Organization for Security and Cooperation in Europe should ensure that the conditions for properly conducted elections in Kosova are in place prior to the election.

(b) Sense of Congress.—It is the sense of the Congress that—

(1) the United Nations Mission in Kosova should hold properly conducted elections throughout Kosova during the year 2001;

(2) the only way to maintain a true and lasting peace in the region is through the creation of democratic Kosovar institutions with real governing authority and responsibility, and Kosova-wide jurisdiction;

(3) all persons, regardless of ethnicity, are encouraged to participate in elections throughout Kosova; and

(4) the United States should work with the United Nations Mission in Kosova and the Organization for Security and Cooperation in Europe to ensure that the transition to Kosovar self-government under the terms and conditions of United Nations Security Council Resolution 1244 proceeds peacefully, successfully, expeditiously, and in a spirit of ethnic inclusiveness.

SEC. 739. SENSE OF CONGRESS RELATING TO POLICY REVIEW OF RELATIONS WITH THE PEOPLE'S REPUBLIC OF CHINA.

It is the sense of Congress that—

(1) the President of the United States and his advisors should be commended for their success and the diplomatic skill with which they negotiated the safe return of the 24 American crew members of the United States Navy reconnaissance aircraft that made an emergency landing on the Chinese island of Hainan on April 1, 2001; and

(2) the United States Government should conduct a policy review of the nature of its relations with the Government of the People's Republic of China in light of recent events.

SEC. 740. SENSE OF CONGRESS RELATING TO BROADCASTING IN THE MACEDONIAN LANGUAGE BY RADIO FREE EUROPE.

It is the sense of the Congress that the Broadcasting Board of Governors should initiate surrogate broadcasting by Radio Free Europe in the Macedonian language to Macedonian-speaking areas of the Former Yugoslav Republic of Macedonia.

SEC. 741. SENSE OF CONGRESS RELATING TO MAGEN DAVID ADOM SOCIETY.

(a) Findings.—Congress finds the following:

(1) It is the mission of the International Red Cross and Red Crescent Movement to prevent and alleviate human suffering wherever it may be found, without discrimination.

(2) The International Red Cross and Red Crescent Movement is a worldwide institution in which all national Red Cross and Red Crescent societies have equal status.

(3) The Magen David Adom Society is the national humanitarian society in the state of Israel.

(4) The Magen David Adom Society follows all the principles of the International Red Cross and Red Crescent Movement.

(5) Since the founding of the Magen David Adom Society in 1930, the American Red Cross has regarded it as a sister national society and close working ties have been established between the two societies.

(6) The Magen David Adom Society has used the Red Shield of David as its humanitarian emblem since its founding in 1930 for the same purposes that other national Red Cross and Red Crescent societies use their respective emblems.

(7) Since 1949 Magen David Adom has been refused admission into the International Red Cross and Red Crescent Movement and has been relegated to observer status without a vote because it has used the Red Shield of David.

(8) Magen David Adom is the only humanitarian organization equivalent to a national Red Cross or Red Crescent society in a sovereign nation that is denied membership into the International Red Cross and Red Crescent Movement.

(9) The American Red Cross has consistently advocated recognition and membership of the Magen David Adom Society in the International Red Cross and Red Crescent Movement.

(10) The House of Representatives adopted H. Res. 464 on May 3, 2000, and the Senate adopted S. Res. 343 on October 18, 2000, expressing the sense of the House of Representatives and the sense of the Senate, respectively, that the International Red Cross and Red Crescent Movement should recognize and admit to full membership Israel's Magen David Adom Society with its emblem, the Red Shield of David.

(11) The Secretary of State testified before the Committee on the Budget of the Senate on March 14, 2001, and stated that admission of Magen David Adom into the International Red Cross movement is a priority.

(12) The United States provided $119,230,000 for the International Committee of the Red Cross in fiscal year 2000.

(b) Sense of Congress.—It is the sense of Congress that—

(1) the International Committee of the Red Cross should immediately recognize the Magen David Adom Society;

(2) the Federation of Red Cross and Red Crescent Societies should grant full membership to the Magen David Adom Society immediately following recognition by the International Committee of the Red Cross of the Magen David Adom Society as a full member of the International Committee of the Red Cross;

(3) the Red Shield of David should be accorded the same protections under international law as the Red Cross and the Red Crescent; and

(4) the United States should continue to press for full membership for the Magen David Adom in the International Red Cross Movement.

SEC. 742. SENSE OF CONGRESS URGING THE RETURN OF PORTRAITS PAINTED BY DINA BABBITT DURING HER INTERNMENT AT AUSCHWITZ THAT ARE NOW IN THE POSSESSION OF THE AUSCHWITZ-BIRKENAU STATE MUSEUM.

(a) FINDINGS.—The Congress makes the following findings:

(1) Dina Babbitt (formerly known as Dinah Gottliebova), a United States citizen now in her late 70's, has requested the return of watercolor portraits she painted while suffering a year-and-a-half-long internment at the Auschwitz death camp during World War II.

(2) Dina Babbitt was ordered to paint the portraits by the infamous war criminal Dr. Josef Mengele.

(3) Dina Babbitt's life, and her mother's life, were spared only because she painted portraits of doomed inmates of Auschwitz-Birkenau, under orders from Dr. Josef Mengele.

(4) These paintings are currently in the possession of the Auschwitz-Birkenau State Museum.

(5) Dina Babbitt is unquestionably the rightful owner of the artwork, since the paintings were produced by her own talented hands as she endured the unspeakable conditions that existed at the Auschwitz death camp.

(6) The artwork is not available for the public to view at the Auschwitz-Birkenau State Museum and therefore this unique and important body of work is essentially lost to history.

(7) This continued injustice can be righted through cooperation between agencies of the United States and Poland.

(b) SENSE OF CONGRESS.—The Congress—

(1) recognizes the moral right of Dina Babbitt to obtain the artwork she created, and recognizes her courage in the face of the evils perpetrated by the Nazi command of the Auschwitz-Birkenau death camp, including the atrocities committed by Dr. Josef Mengele;

(2) urges the President to make all efforts necessary to retrieve the seven watercolor portraits Dina Babbitt painted, while suffering a year-and-a-half-long internment at the Auschwitz death camp, and return them to her;

(3) urges the Secretary of State to make immediate diplomatic efforts to facilitate the transfer of the seven original watercolors painted by Dina Babbitt from the Auschwitz-Birkenau State Museum to Dina Babbitt, their rightful owner;

(4) urges the Government of Poland to immediately facilitate the return to Dina Babbitt of the artwork painted by her that is now in the possession of the Auschwitz-Birkenau State Museum; and

(5) urges the officials of the Auschwitz-Birkenau State Museum to transfer the seven original paintings to Dina Babbitt as expeditiously as possible.

SEC. 743. SENSE OF CONGRESS REGARDING VIETNAMESE REFUGEE FAMILIES.

It is the sense of the Congress that Vietnamese refugees who served substantial sentences in reeducation camps due to their wartime associations with the United States and who, subsequently, were resettled in the United States should be permitted to include their unmarried sons and daughters as family members for purposes of such resettlement.

SEC. 744. SENSE OF CONGRESS RELATING TO MEMBERSHIP OF THE UNITED STATES IN UNESCO.

(a) FINDINGS.—The Congress makes the following findings:

(1) The United Nations Educational, Scientific, and Cultural Organization (UNESCO) was created in 1946 with the support of the United States as an integral part of the United Nations systems, designed to promote international cooperation and exchanges in the fields of education, science, culture, and communication with the larger purpose of constructing the defense of peace against intolerance and incitement to war.

(2) In 1984, the United States withdrew from membership in UNESCO over serious questions of internal management and political polarization.

(3) Since the United States withdrew from the organization, UNESCO addressed such criticisms by electing new leadership, tightening financial controls, cutting budget and staff, restoring recognition of intellectual property rights, and supporting the principle of a free and independent international press.

(4) In 1993, the General Accounting Office, after conducting an extensive review of UNESCO's progress in implementing changes, concluded that the organization's member states, the Director General of UNESCO, managers and employee associations demonstrated a commitment to management reform through their actions.

(5) On September 28, 2000, former Secretary of State George P. Schultz, who implemented the withdrawal of the United States from UNESCO with a letter to the organization's Director General in 1984, indicated his support for the United States renewal of membership in UNESCO.

(6) The participation of the United States in UNESCO programs offers a means for furthering the foreign policy interests of the United States through the promotion of cultural understanding and the spread of knowledge critical to strengthening civil society.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the President should take all necessary steps to renew the membership and participation of the United States in the United Nations Educational, Scientific and Cultural Organization (UNESCO).

SEC. 745. SENSE OF CONGRESS RELATING TO GLOBAL WARMING.

(a) FINDINGS.—The Congress makes the following findings:

(1) Global climate change poses a significant threat to national security, the American economy, public health and welfare, and the global environment.

(2) The Intergovernmental Panel on Climate Change (IPCC) has found that most of the observed warming over the last fifty years is attributable to human activities, including fossil fuel-generated carbon dioxide emissions.

(3) The IPCC has stated that global average surface temperatures have risen since 1861.

(4) The IPCC has stated that in the last forty years, the global average sea level has risen, ocean heat content has increased, and snow cover and ice extent have decreased which threatens to inundate low-lying Pacific island nations and coastal regions throughout the world.

(5) The Environmental Protection Agency predicts that global warming will harm United States citizens by altering crop yields, causing sea levels to rise, and increasing the spread of tropical infectious diseases.

(6) Industrial nations are the largest producers today of fossil fuel-generated carbon dioxide emissions.

(7) The United States has ratified the United Nations Framework on Climate Change which states, in part, "the Parties to the Convention are to implement policies with the aim of returning . . . to their 1990 levels anthropogenic emissions of carbon dioxide and other greenhouse gases".

(8) The United Nations Framework Convention on Climate Change further states that "developed country Parties should take the lead in combating climate change and the adverse effects thereof".

(9) Action by the United States to reduce emissions, taken in concert with other industrialized nations, will promote action by developing countries to reduce their own emissions.

(10) A growing number of major American businesses are expressing a need to know how governments worldwide will respond to the threat of global warming.

(11) More efficient technologies and renewable energy sources will mitigate global warming and will make the United States economy more productive and create hundreds of thousands of jobs.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the United States should demonstrate international leadership and responsibility in mitigating the health, environmental, and economic threats posed by global warming by—

(1) taking responsible action to ensure significant and meaningful reductions in emissions of carbon dioxide and other greenhouse gases from all sectors; and

(2) continuing to participate in international negotiations with the objective of completing the rules and guidelines for the Kyoto Protocol in a manner that is consistent with the interests of the United States and that ensures the environmental integrity of the protocol.

SEC. 746. SENSE OF CONGRESS REGARDING THE BAN ON SINN FEIN MINISTERS FROM THE NORTH-SOUTH MINISTERIAL COUNCIL IN NORTHERN IRELAND.

(a) FINDINGS.—The Congress makes the following findings:

(1) The Good Friday Agreement established the North-South Ministerial Council to bring together those with executive responsibilities in Northern Ireland and the Republic of Ireland to discuss matters of mutual interest on a cross-border and all-island basis.

(2) The Ulster Unionist Party, Social Democratic and Labour Party, Sinn Fein and the Democratic Unionist Party comprise the Northern Ireland executive.

(3) First Minister David Trimble continues to ban Sinn Fein Ministers Martin McGuiness and Bairbre de Brun from attending North-South Ministerial Council meetings.

(4) On January 30, 2001, the Belfast High Court ruled First Minister Trimble had acted illegally in preventing the Sinn Fein Ministers from attending the North-South Ministerial Council meetings.

(b) SENSE OF CONGRESS.—The Congress calls upon First Minister David Trimble to adhere to the terms of the Good Friday Agreement and lift the ban on the participation of Sinn Fein Ministers on the North-South Ministerial Council.

TITLE VIII—SECURITY ASSISTANCE

SEC. 801. SHORT TITLE.

This title may be cited as the "Security Assistance Act of 2001".

Subtitle A—Military and Related Assistance

CHAPTER 1—FOREIGN MILITARY SALES AND RELATED AUTHORITIES

SEC. 811. QUARTERLY REPORT ON PRICE AND AVAILABILITY ESTIMATES.

Chapter 2 of the Arms Export Control Act (22 U.S.C. 2761 et seq.) is amended by adding at the end the following:

"SEC. 28. QUARTERLY REPORT ON PRICE AND AVAILABILITY ESTIMATES.

"(a) QUARTERLY REPORT.—Not later than 15 days after the end of each calendar quarter, the President shall transmit to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate a report that contains the information described in subsection (b).

"(b) INFORMATION.—The information described in this subsection is the following:

"(1)(A) Each price and availability estimate provided by the United States Government during such calendar quarter to a foreign country *with respect to a possible sale under this Act of major defense articles having a cost of $7,000,000 or more, or of any other defense articles or services having a cost of $25,000,000 or more.*

"(B) The name of each foreign country to which an estimate described in subparagraph (A) was provided, the defense articles or services involved, the quantity of the articles or services involved, and the price estimate.

"(2)(A) Each request received by the United States Government from a foreign country during such calendar quarter for the issuance of a letter of offer to sell defense articles or defense services if the proposed sale does not include a price and availability estimate (as described in paragraph (1)(A)).

"(B) The name of each foreign country that makes a request described in subparagraph (A), the date of the request, the defense articles or services involved, the quantity of the articles or services involved, and the price and availability terms requested.".

SEC. 812. OFFICIAL RECEPTION AND REPRESENTATION EXPENSES.

Section 43(c) of the Arms Export Control Act (22 U.S.C. 2792(c)) is amended by striking "$72,500" and inserting "$86,500".

SEC. 813. TREATMENT OF TAIWAN RELATING TO TRANSFERS OF DEFENSE ARTICLES AND SERVICES.

Notwithstanding any other provision of law, for purposes of the transfer or potential transfer of defense articles or defense services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), or any other provision of law, Taiwan shall be treated as the equivalent of a major non-NATO ally.

SEC. 814. UNITED STATES POLICY WITH REGARD TO TAIWAN.

(a) Consultation With Congress.—Not later than 30 days prior to consultations with Taiwan described in subsection (b), the President shall consult, on a classified basis, with Congress regarding the following matters with respect to the availability of defense articles and services for Taiwan:

(1) The request by Taiwan to the United States for the purchase of defense articles and defense services.

(2) The President's assessment of the legitimate defense needs of Taiwan taking into account Taiwan's request described in paragraph (1).

(3) The decisionmaking process used by the President to consider such request.

(b) Consultation With Taiwan.—At least once every calendar year, the President, or the President's designee, shall consult with representatives of the armed forces of Taiwan, at not less than the level of Vice Chief of the General Staff, concerning the nature and quantity of defense articles and services to be made available to Taiwan in accordance with section 3(b) of the Taiwan Relations Act (22 U.S.C. 3302(b)). Such consultations shall take place in Washington, D.C.

CHAPTER 2—EXCESS DEFENSE ARTICLE AND DRAWDOWN AUTHORITIES

SEC. 821. EXCESS DEFENSE ARTICLES FOR CERTAIN EUROPEAN AND OTHER COUNTRIES.

(a) Central and Southern European Countries.—Section 105 of Public Law 104–164 (110 Stat. 1427) is amended by striking "2000 and 2001" and inserting "2001, 2002, and 2003".

(b) Certain Other Countries.—Notwithstanding section 516(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(e)), during each of the fiscal years 2002 and 2003, funds available to the Department of Defense may be expended for crating, packing, handling, and transportation of excess defense articles transferred under the authority of section 516 of such Act to Albania, Bulgaria, Croatia, Estonia, the Former Yugoslavia Republic of Macedonia, Georgia, Kyrgyzstan, Latvia, Lithuania, Mongolia, the Philippines, Slovakia, and Uzbekistan.

(c) Content of Congressional Notification.—Each notification required to be submitted under section 516(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(f)) with respect to a proposed transfer of a defense article described in subsection (b) shall include an estimate of the amount of funds to be expended under such subsection with respect to that transfer.

SEC. 822. LEASES OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS.

Section 61(b) of the Arms Export Control Act (22 U.S.C. 2796(b)) is amended—

(1) by striking "(b) Each lease agreement" and inserting "(b)(1) Each lease agreement"; and

(2) by striking "of not to exceed five years" and inserting "which may not exceed (A) five years, and (B) a specified period of time required to complete major refurbishment work of the leased articles to be performed prior to the delivery of the leased articles,"; and

(3) by adding at the end the following:

"(2) In this subsection, the term 'major refurbishment work' means work for which the period of performance is six months or more.".

SEC. 823. PRIORITY WITH RESPECT TO TRANSFER OF EXCESS DEFENSE ARTICLES.

Section 516(c)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(c)(2)) is amended by striking "and to major non-NATO allies on such southern and southeastern flank" and inserting ", to major non-NATO allies on such southern and southeastern flank, and to the Philippines".

CHAPTER 3—NONPROLIFERATION AND EXPORT CONTROL ASSISTANCE

SEC. 831. INTERNATIONAL COUNTERPROLIFERATION EDUCATION AND TRAINING.

Chapter 9 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2349bb et seq.) is amended—

(1) by redesignating sections 584 and 585 as sections 585 and 586, respectively; and

(2) by inserting after section 583 the following:

"SEC. 584. INTERNATIONAL COUNTER-PROLIFERATION EDUCATION AND TRAINING.

"(a) General Authority.—The President is authorized to furnish, on such terms and conditions consistent with this chapter (but whenever feasible on a reimbursable basis), education and training to foreign governmental and military personnel for the purpose of enhancing the nonproliferation and export control capabilities of such personnel through their attendance in special courses of instruction in the United States.

"(b) Administration of Courses.—The Secretary of State shall have overall responsibility for the development and conduct of international nonproliferation education and training programs, but may rely upon any of the following agencies to recommend personnel for the education and training, and to administer specific courses of instruction:

"(1) The Department of Defense (including national weapons laboratories under contract with the Department).

"(2) The Department of Energy (including national weapons laboratories under contract with the Department).

"(3) The Department of Commerce.

"(4) The intelligence community (as defined in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4))).

"(5) The United States Customs Service.

"(6) The Federal Bureau of Investigation.

"(c) Purposes.—Education and training activities conducted under this section shall be—

"(1) of a technical nature, emphasizing techniques for detecting, deterring, monitoring, interdicting, and countering proliferation;

"(2) designed to encourage effective and mutually beneficial relations and increased understanding between the United States and friendly countries; and

"(3) designed to improve the ability of friendly countries to utilize their resources, including defense articles and defense services obtained by them from the United States, with maximum effectiveness, thereby contributing to greater self-reliance by such countries.".

SEC. 832. ANNUAL REPORT ON THE PROLIFERATION OF MISSILES AND ESSENTIAL COMPONENTS OF NUCLEAR, BIOLOGICAL, AND CHEMICAL WEAPONS.

(a) Report.—

(1) In General.—The President shall transmit to the designated congressional committees an annual report on the transfer by any country of weapons, technology, components, or materials that can be used to deliver, manufacture (including research and experimentation), or weaponize nuclear, biological, or chemical weapons (hereinafter in this section referred to as "NBC weapons") to any country other than a country referred to in subsection (c) that is seeking to possess or otherwise acquire such weapons, technology, or materials, or other system that the Secretary of State or Secretary of Defense has reason to believe could be used to develop, acquire, or deliver NBC weapons.

(2) Deadline for Initial Report.—The first such report shall be submitted not later than 90 days after the date of the enactment of this Act and on April 1 of each year thereafter.

(b) Matters To Be Included.—Each such report shall include, but not be limited to—

(1) the transfer of all aircraft, cruise missiles, artillery weapons, unguided rockets and multiple rocket systems, and related bombs, shells, warheads and other weaponization technology and materials that the Secretary of State or the Secretary of Defense has reason to believe may be intended for the delivery of NBC weapons;

(2) international transfers of MTCR equipment or technology to any country that is seeking to acquire such equipment or any other system that the Secretary of State or the Secretary of Defense has reason to believe may be used to deliver NBC weapons; and

(3) the transfer of technology, test equipment, radioactive materials, feedstocks and cultures, and all other specialized materials that the Secretary of State or the Secretary of Defense has reason to believe could be used to manufacture NBC weapons.

(c) Content of Report.—Each such report shall include the following with respect to preceding calendar year:

(1) The status of missile, aircraft, and other NBC weapons delivery and weaponization programs in any such country, including efforts by such country or by any subnational group to acquire MTCR-controlled equipment, NBC-capable aircraft, or any other weapon or major weapon component which may be utilized in the delivery of NBC weapons, whose primary use is the delivery of NBC weapons, or that the Secretary of State or the Secretary of Defense has reason to believe could be used to deliver NBC weapons.

(2) The status of NBC weapons development, acquisition, manufacture, stockpiling, and deployment programs in any such country, including efforts by such country or by any subnational group to acquire essential test equipment, manufacturing equipment and technology, weaponization equipment and technology, and radioactive material, feedstocks or components of feedstocks, and biological cultures and toxins.

(3) A description of assistance provided by any person or government, after the date of the

enactment of this Act, to any such country or subnational group in the acquisition or development of—

(A) NBC weapons;

(B) missile systems, as defined in the MTCR or that the Secretary of State or the Secretary of Defense has reason to believe may be used to deliver NBC weapons; and

(C) aircraft and other delivery systems and weapons that the Secretary of State or the Secretary of Defense has reason to believe could be used to deliver NBC weapons.

(4) A listing of those persons and countries which continue to provide such equipment or technology described in paragraph (3) to any country or subnational group as of the date of submission of the report, including the extent to which foreign persons and countries were found to have knowingly and materially assisted such programs.

(5) A description of the use of, or substantial preparations to use, the equipment of technology described in paragraph (3) by any foreign country or subnational group.

(6) A description of the diplomatic measures that the United States, and that other adherents to the MTCR and other arrangements affecting the acquisition and delivery of NBC weapons, have made with respect to activities and private persons and governments suspected of violating the MTCR and such other arrangements.

(7) An analysis of the effectiveness of the regulatory and enforcement regimes of the United States and other countries that adhere to the MTCR and other arrangements affecting the acquisition and delivery of NBC weapons in controlling the export of MTCR and other NBC weapons and delivery system equipment or technology.

(8) A summary of advisory opinions issued under section 11B(b)(4) of the Export Administration Act of 1979 (50 U.S.C. App. 2401b(b)(4)) and under section 73(d) of the Arms Export Control Act (22 U.S.C. 2797b(d)).

(9) An explanation of United States policy regarding the transfer of MTCR equipment or technology to foreign missile programs, including programs involving launches of space vehicles.

(10) A description of each transfer by any person or government during the preceding 12-month period which is subject to sanctions under the Iran-Iraq Arms Non-Proliferation Act of 1992 (title XVI of Public Law 102–484).

(d) EXCLUSIONS.—The countries excluded under subsection (a) are Australia, Belgium, Canada, the Czech Republic, Denmark, France, Germany, Greece, Hungary, Iceland, Italy, Japan, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Turkey, the United Kingdom, and the United States.

(e) CLASSIFICATION OF REPORT.—The Secretary of State shall make every effort to submit all of the information required by this section in unclassified form. Whenever the Secretary submits any such information in classified form, the Secretary shall submit such classified information in an addendum and shall also submit concurrently a detailed summary, in unclassified form, of that classified information.

(f) DEFINITIONS.—In this section:

(1) DESIGNATED CONGRESSIONAL COMMITTEES.—The term "designated congressional committees" means—

(A) the Committee on Appropriations, the Committee on Armed Services, and the Committee on International Relations of the House of Representatives; and

(B) the Committees on Appropriations, the Committee on Armed Services, and the Committee on Foreign Relations of the Senate.

(2) MISSILE; MTCR; MTCR EQUIPMENT OR TECHNOLOGY.—The terms "missile", "MTCR", and "MTCR equipment or technology" have the meanings given those terms in section 74 of the Arms Export Control Act (22 U.S.C. 2797c).

(3) PERSON.—The term "person" means any United States or foreign individual, partnership, corporation, or other form of association, or any of its successor entities, parents, or subsidiaries.

(4) WEAPONIZE; WEAPONIZATION.—The term "weaponize" or "weaponization" means to incorporate into, or the incorporation into, usable ordnance or other militarily useful means of delivery.

(g) REPEALS.—

(1) IN GENERAL.—The following provisions of law are repealed:

(A) Section 1097 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (22 U.S.C. 2751 note).

(B) Section 308 of the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 (22 U.S.C. 5606).

(C) Section 1607(a) of the Iran-Iraq Arms Non-Proliferation Act of 1992 (Public Law 102–484).

(D) Paragraph (d) of section 585 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997 (as contained in section 101(c) of title I of division A of Public Law 104–208).

(2) CONFORMING AMENDMENTS.—Section 585 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, is amended—

(A) in paragraph (b), by adding "and" at the end; and

(B) in paragraph (c), by striking "; and" and inserting a period.

SEC. 833. FIVE-YEAR INTERNATIONAL ARMS CONTROL AND NONPROLIFERATION STRATEGY.

Not later than 180 days after the date of the enactment of this Act, the Secretary of State shall prepare and submit to the appropriate congressional committees a five-year international arms control and nonproliferation strategy. The strategy shall contain the following:

(1) A five-year plan for the reduction of existing nuclear, chemical, and biological weapons and ballistic missiles and for controlling the proliferation of these weapons.

(2) Identification of the goals and objectives of the United States with respect to arms control and nonproliferation of weapons of mass destruction and their delivery systems.

(3) A description of the programs, projects, and activities of the Department of State intended to accomplish goals and objectives described in paragraph (2).

Subtitle B—Strengthening the Munitions Licensing Process

SEC. 841. LICENSE OFFICER STAFFING.

(a) FUNDING.—Of the amounts authorized to be appropriated under the appropriations account entitled "DIPLOMATIC AND CONSULAR PROGRAMS" for fiscal years 2002 and 2003, not less than $10,000,000 shall be made available each such fiscal year for the Office of Defense Trade Controls of the Department of State for salaries and expenses.

(b) ASSIGNMENT OF LICENSE REVIEW OFFICERS.—Effective January 1, 2002, the Secretary of State shall assign to the Office of Defense Trade Controls of the Department of State a sufficient number of license review officers to ensure that the average weekly caseload for each officer does not exceed 40.

(c) DETAILEES.—Given the priority placed on expedited license reviews in recent years by the Department of Defense, the Secretary of Defense should ensure that 10 military officers are continuously detailed to the Office of Defense Trade Controls of the Department of State on a nonreimbursable basis.

SEC. 842. FUNDING FOR DATABASE AUTOMATION.

Of the amounts authorized to be appropriated under the appropriations account entitled "CAPITAL INVESTMENT FUND" for fiscal years 2002 and 2003, not less than $4,000,000 shall be made available each such fiscal year for the Office of Defense Trade Controls of the Department of State for the modernization of information management systems.

SEC. 843. INFORMATION MANAGEMENT PRIORITIES.

(a) OBJECTIVE.—The Secretary of State shall establish a secure, Internet-based system for the filing and review of applications for export of Munitions List items.

(b) ESTABLISHMENT OF A MAINFRAME.—Of the amounts made available pursuant to section 842, not less than $3,000,000 each such fiscal year shall be made available to fully automate the Defense Trade Application System, and to ensure that the system—

(1) is an electronic system for the filing and review of Munitions List license applications;

(2) is secure, with modules available through the Internet; and

(3) is capable of exchanging data with—

(A) the Foreign Disclosure and Technology Information System and the USXPORTS systems of the Department of Defense;

(B) the Export Control System of the Central Intelligence Agency; and

(C) the Proliferation Information Network System of the Department of Energy.

(c) MUNITIONS LIST DEFINED.—In this section, the term "Munitions List" means the United States Munitions List of defense articles and defense services controlled under section 38 of the Arms Export Control Act (22 U.S.C. 2778).

SEC. 844. IMPROVEMENTS TO THE AUTOMATED EXPORT SYSTEM.

(a) MANDATORY FILING.—The Secretary of Commerce, with the concurrence of the Secretary of State and the Secretary of the Treasury, shall publish regulations in the Federal Register to require, upon the effective date of those regulations, the mandatory filing through the Automated Export System for the remainder of exports that were not covered by regulations issued pursuant to section 1252(b) of the Security Assistance Act of 1999 (113 Stat. 1501A-506), as enacted into law by section 1000(a)(7) of Public Law 106–113.

(b) REQUIREMENT FOR INFORMATION SHARING.—The Secretary of State shall conclude an information sharing arrangement with the heads of United States Customs Service and the Census Bureau to adjust the Automated Export System to parallel information currently collected by the Department of State.

(c) SECRETARY OF TREASURY FUNCTIONS.—Section 303 of title 13, United States Code, is amended by striking ", other than by mail,".

(d) FILING EXPORT INFORMATION, DELAYED FILINGS, PENALTIES FOR FAILURE TO FILE.—Section 304 of title 13, United States Code, is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking "the penal sum of $1,000" and inserting "a penal sum of $10,000"; and

(B) in the third sentence, by striking "a penalty not to exceed $100 for each day's delinquency beyond the prescribed period, but not more than $1,000, shall be exacted" and inserting "the Secretary of Commerce (and officers and employees of the Department of Commerce designated by the Secretary) may impose a civil penalty not to exceed $1,000 for each day's delinquency beyond the prescribed period, but not more than $10,000 per violation";

(2) by redesignating subsection (b) as subsection (c); and

(3) by inserting after subsection (a) the following:

"(b) Any person, other that a person described in subsection (a), required to submit export information, shall file such information in accordance with any rule, regulation, or order issued

pursuant to this chapter. In the event any such information or reports are not filed within such prescribed period, the Secretary of Commerce (and officers and employees of the Department of Commerce designated by the Secretary) may impose a civil penalty not to exceed $1,000 for each day's delinquency beyond the prescribed period, but not more than $10,000 per violation.".

(e) ADDITIONAL PENALTIES.—

(1) IN GENERAL.—Section 305 of title 13, United States Code, is amended to read as follows:

"§305. Penalties for unlawful export information activities

"(a) CRIMINAL PENALTIES.—(1) Any person who knowingly fails to file or knowingly submits false or misleading export information through the Shippers Export Declaration (SED) (or any successor document) or the Automated Export System (AES) shall be subject to a fine not to exceed $10,000 per violation or imprisonment for not more than 5 years, or both.

"(2) Any person who knowingly reports any information on or uses the SED or the AES to further any illegal activity shall be subject to a fine not to exceed $10,000 per violation or imprisonment for not more than 5 years, or both.

"(3) Any person who is convicted under this subsection shall, in addition to any other penalty, forfeit to the United States—

"(A) any of that person's interest in, security of, claim against, or property or contractual rights of any kind in the goods or tangible items that were the subject of the violation;

"(B) any of that person's interest in, security of, claim against, or property or contractual rights of any kind in tangible property that was used in the export or attempt to export that was the subject of the violation; and

"(C) any of that person's property constituting, or derived from, any proceeds obtained directly or indirectly as a result of the violation.

"(b) CIVIL PENALTIES.—The Secretary (and officers and employees of the Department of Commerce specifically designated by the Secretary) may impose a civil penalty not to exceed $10,000 per violation on any person violating the provisions of this chapter or any rule, regulation, or order issued thereunder, except as provided in section 304. Such penalty may be in addition to any other penalty imposed by law.

"(c) CIVIL PENALTY PROCEDURE.—(1) When a civil penalty is sought for a violation of this section or of section 304, the charged party is entitled to receive a formal complaint specifying the charges and, at his or her request, to contest the charges in a hearing before an administrative law judge. Any such hearing shall be conducted in accordance with sections 556 and 557 of title 5, United States Code.

"(2) If any person fails to pay a civil penalty imposed under this chapter, the Secretary may ask the Attorney General to commence a civil action in an appropriate district court of the United States to recover the amount imposed (plus interest at currently prevailing rates from the date of the final order). No such action may be commenced more than 5 years after the order imposing the civil penalty becomes final. In such action, the validity, amount, and appropriateness of such penalty shall not be subject to review.

"(3) The Secretary may remit or mitigate any penalties imposed under paragraph (1) if, in his or her opinion—

"(A) the penalties were incurred without willful negligence or fraud; or

"(B) other circumstances exist that justify a remission or mitigation.

"(4) If, pursuant to section 306, the Secretary delegates functions under this section to another agency, the provisions of law of that agency relating to penalty assessment, remission or mitigation of such penalties, collection of such penalties, and limitations of actions and compromise of claims, shall apply.

"(5) Any amount paid in satisfaction of a civil penalty imposed under this section or section 304 shall be deposited into the general fund of the Treasury and credited as miscellaneous receipts.

"(d) ENFORCEMENT.—(1) The Secretary of Commerce may designate officers or employees of the Office of Export Enforcement to conduct investigations pursuant to this chapter. In conducting such investigations, those officers or employees may, to the extent necessary or appropriate to the enforcement of this chapter, exercise such authorities as are conferred upon them by other laws of the United States, subject to policies and procedures approved by the Attorney General.

"(2) The Commissioner of Customs may designate officers or employees of the Customs Service to enforce the provisions of this chapter, or to conduct investigations pursuant to this chapter.

"(e) REGULATIONS.—The Secretary of Commerce shall promulgate regulations for the implementation and enforcement of this section.

"(f) EXEMPTION.—The criminal fines provided for in this section are exempt from the provisions of section 3571 of title 18, United States Code.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 9 of title 13, United States Code, is amended by striking the item relating to section 305 and inserting the following:

"305. Penalties for unlawful export information activities.".

SEC. 845. CONGRESSIONAL NOTIFICATION OF REMOVAL OF ITEMS FROM THE MUNITIONS LIST.

Section 38(f)(1) of the Arms Export Control Act (22 U.S.C. 2778(f)(1)) is amended by striking the third sentence and inserting the following: "The President may not remove any item from the Munitions List until 30 days after the date on which the President has provided notice of the proposed removal to the Committee on International Relations of the House of Representatives and to the Committee on Foreign Relations of the Senate in accordance with the procedures applicable to reprogramming notifications under section 634A(a) of the Foreign Assistance Act of 1961. Such notice shall describe the nature of any controls to be imposed on that item under any other provision of law.".

SEC. 846. CONGRESSIONAL NOTIFICATION THRESHOLDS FOR ALLIED COUNTRIES.

The Arms Export Control Act (22 U.S.C. 2751 et seq.) is amended—

(1) in paragraphs (1) and (3)(A) of section 3(d), by adding after "at $50,000,000 or more" each place it appears the following: "(or, in the case of a transfer to a country which is a member country of the North Atlantic Treaty Organization (NATO) or Australia, Japan, or New Zealand, any major defense equipment valued (in terms of its original acquisition cost) at $25,000,000 or more, or of defense articles or defense services valued (in terms of its original acquisition cost) at $100,000,000 or more)";

(2) in section 36(b)(1), by adding after "for $14,000,000 or more" the following: "(or, in the case of a letter of offer to sell to a country which is a member country of the North Atlantic Treaty Organization (NATO) or Australia, Japan, or New Zealand, any major defense equipment under this Act for $25,000,000 or more, any defense articles or services for $100,000,000 or more, or any design and construction services for $300,000,000 or more)";

(3) in section 36(b)(5)(C), by adding after "or $200,000,000 or more in the case of design or construction services" the following: "(or, in the case of a letter of offer to sell to a country which is a member country of the North Atlantic Treaty Organization (NATO) or Australia, Japan, or New Zealand, any major defense equipment for $25,000,000 or more, any defense articles or services for $100,000,000 or more, or any design and construction services for $300,000,000 or more)";

(4) in section 36(c)(1), by adding after "$50,000,000 or more" the following: "(or, in the case of an application by a person (other than with regard to a sale under section 21 or section 22 of this Act) for a license for the export to a country which is a member country of the North Atlantic Treaty Organization (NATO) or Australia, Japan, or New Zealand, of any major defense equipment sold under a contract in the amount of $25,000,000 or more or of defense articles or defense services sold under a contract in the amount of $100,000,000 or more)"; and

(5) in section 63(a), by adding after "$50,000,000 or more" the following: "(or, in the case of such an agreement with a country which is a member country of the North Atlantic Treaty Organization (NATO) or Australia, Japan, or New Zealand, (i) major defense equipment valued (in terms of its replacement cost less any depreciation in its value) at $25,000,000 or more, or (ii) defense articles valued (in terms of their replacement cost less any depreciation in their value) at $100,000,000 or more)".

Subtitle C—Authority to Transfer Naval Vessels

SEC. 851. AUTHORITY TO TRANSFER NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES.

(a) AUTHORITY TO TRANSFER.—

(1) BRAZIL.—The President is authorized to transfer to the Government of Brazil the "Newport" class tank landing ship Peoria (LST 1183). Such transfer shall be on a sale basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(2) POLAND.—The President is authorized to transfer to the Government of Poland the "Oliver Hazard Perry" class guided missile frigate Wadsworth (FFG 9). Such transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(3) TAIWAN.—The President is authorized to transfer to the Taipai Economic and Cultural Representative Office in the United States (which is the Taiwan instrumentality designated pursuant to section 10(a) of the Taiwan Relations Act) the "Kidd" class guided missile destroyers Kidd (DDG 993), Callaghan (DDG 994), Scott (DDG 995), and Chandler (DDG 996). Such transfers shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(4) TURKEY.—The President is authorized to transfer to the "Oliver Hazard Perry" class guided missile frigates Estocin (FFG 15) and Samuel Eliot Morrison (FFG 13). Each such transfer shall be on a sale basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761). The President is further authorized to transfer to the Government of Turkey the "Knox" class frigates Capadanno (FF 1093), Thomas C. Hart (FF 1092), Donald B. Beary (FF 1085), McCandless (FF 1084), Reasoner (FF 1063), and Bowen (FF 1079). The transfer of these 6 "Knox" class frigates shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(b) GRANTS NOT COUNTED IN ANNUAL TOTAL OF TRANSFERRED EXCESS DEFENSE ARTICLES.—The value of a vessel transferred to another country on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) pursuant to authority provided by subsection (a) shall not be counted for the purposes of subsection (g) of that section in the aggregate value of excess defense articles transferred to countries under that section in any fiscal year.

(c) COSTS OF TRANSFERS.—Notwithstanding section 516(e)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(e)(1)), any expense incurred by the United States in connection with a transfer authorized to be made on a grant basis under subsection (a) shall be charged to the recipient.

(d) REPAIR AND REFURBISHMENT IN UNITED STATES SHIPYARDS.—To the maximum extent practicable, the President shall require, as a condition of the transfer of a vessel under this section, that the country to which the vessel is transferred have such repair or refurbishment of the vessel as is needed, before the vessel joins the naval forces of that country, performed at a United States Navy shipyard or other shipyard located in the United States.

(e) EXPIRATION OF AUTHORITY.—The authority provided under subsection (a) shall expire at the end of the 2-year period beginning on the date of the enactment of this Act.

Subtitle D—Miscellaneous Provisions

SEC. 861. ANNUAL FOREIGN MILITARY TRAINING REPORTS.

Section 656(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2416) is amended—

(1) by striking "Not later than January 31 of each year," and inserting "Upon written request by the chairman or ranking member of the Committee on International Relations of the House of Representatives or the Committee on Foreign Relations of the Senate,"; and

(2) by inserting "of a country specified in the request" after "personnel".

SEC. 862. REPORT RELATING TO INTERNATIONAL ARMS SALES CODE OF CONDUCT.

Section 1262(c) of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001 (as enacted by section 1000(a)(7) of Public Law 106-113; 113 Stat 1501A-508) is amended—

(1) in paragraph (1)—

(A) by striking "commencement of the negotiations under subsection (a)," and inserting "date of the enactment of the Foreign Relations Authorization Act, Fiscal Years 2002 and 2003,"; and

(B) by striking "during these negotiations." and inserting "to begin negotiations and any progress made to conclude an agreement during negotiations."; and

(2) in paragraph (2), by striking "subsection (a)" and inserting "subsection (b)".

The CHAIRMAN. No amendment to that amendment is in order except those printed in House Report 107-62. Except as specified in section 2 of House Resolution 138, each amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

The Chairman of the Committee of the Whole may recognize for consideration any amendment printed in the report out of the order printed, but not sooner than 1 hour after the majority leader or his designee announces from the floor a request to that effect.

□ 1200

AMENDMENT NO. 1 OFFERED BY MR. DELAY

Mr. DELAY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. DELAY:

Page 90, after line 8, add the following:

Subtitle B—American Servicemembers' Protection Act

SEC. 631. SHORT TITLE.

This subtitle may be cited as the "American Servicemembers' Protection Act of 2001".

SEC. 632. FINDINGS.

Congress makes the following findings:

(1) On July 17, 1998, the United Nations Diplomatic Conference of Plenipotentiaries on the Establishment of an International Criminal Court, meeting in Rome, Italy, adopted the "Rome Statute of the International Criminal Court." The vote on whether to proceed with the Statute was 120 in favor to 7 against, with 21 countries abstaining. The United States voted against final adoption of the Rome Statute.

(2) As of April 30, 2001, 139 countries had signed the Rome Statute and 30 had ratified it. Pursuant to Article 126 of the Rome Statute, the Statute will enter into force on the first day of the month after the 60th day following the date on which the 60th country deposits an instrument ratifying the Statute.

(3) Since adoption of the Rome Statute, a Preparatory Commission for the International Criminal Court has met regularly to draft documents to implement the Rome Statute, including Rules of Procedure and Evidence, Elements of Crimes, and a definition of the Crime of Aggression.

(4) During testimony before the Congress following the adoption of the Rome Statute, the lead United States negotiator, Ambassador David Scheffer stated that the United States could not sign the Rome Statute because certain critical negotiating objectives of the United States had not been achieved. As a result, he stated: "We are left with consequences that do not serve the cause of international justice."

(5) Ambassador Scheffer went on to tell the Congress that: "Multinational peacekeeping forces operating in a country that has joined the treaty can be exposed to the Court's jurisdiction even if the country of the individual peacekeeper has not joined the treaty. Thus, the treaty purports to establish an arrangement whereby United States armed forces operating overseas could be conceivably prosecuted by the international court even if the United States has not agreed to be bound by the treaty. Not only is this contrary to the most fundamental principles of treaty law, it could inhibit the ability of the United States to use its military to meet alliance obligations and participate in multinational operations, including humanitarian interventions to save civilian lives. Other contributors to peacekeeping operations will be similarly exposed.".

(6) Notwithstanding these concerns, President Clinton directed that the United States sign the Rome Statute on December 31, 2000. In a statement issued that day, he stated that in view of the unremedied deficiencies of the Rome Statute, "I will not, and do not recommend that my successor submit the Treaty to the Senate for advice and consent until our fundamental concerns are satisfied".

(7) Any American prosecuted by the International Criminal Court will, under the Rome Statute, be denied procedural protections to which all Americans are entitled under the Bill of Rights to the United States Constitution, such as the right to trial by jury.

(8) Members of the Armed Forces of the United States deserve the full protection of the United States Constitution wherever they are stationed or deployed around the world to protect the vital national interests of the United States. The United States Government has an obligation to protect the members of its Armed Forces, to the maximum extent possible, against criminal prosecutions carried out by United Nations officials under procedures that deny them their constitutional rights.

(9) In addition to exposing members of the Armed Forces of the United States to the risk of international criminal prosecution, the Rome Statute creates a risk that the President and other senior elected and appointed officials of the United States Government may be prosecuted by the International Criminal Court. Particularly if the Preparatory Commission agrees on a definition of the Crime of Aggression over United States objections, senior United States officials may be at risk of criminal prosecution for national security decisions involving such matters as responding to acts of terrorism, preventing the proliferation of weapons of mass destruction, and deterring aggression. No less than members of the Armed Forces of the United States, senior officials of the United States Government deserve the full protection of the United States Constitution with respect to official actions taken by them to protect the national interests of the United States.

SEC. 633. WAIVER AND TERMINATION OF PROHIBITIONS OF THIS ACT.

(a) AUTHORITY TO INITIALLY WAIVE SECTIONS 635 AND 637.—The President is authorized to waive the prohibitions and requirements of sections 635 and 637 for a single period of one year. Such a waiver may be issued only if the President at least 15 days in advance of exercising such authority—

(1) notifies the appropriate congressional committees of the intention to exercise such authority; and

(2) determines and reports to the appropriate congressional committees that the International Criminal Court has entered into a binding agreement that—

(A) prohibits the International Criminal Court from seeking to exercise jurisdiction over the following persons with respect to actions undertaken by them in an official capacity:

(i) covered United States persons;

(ii) covered allied persons; and

(iii) individuals who were covered United States persons or covered allied persons; and

(B) ensures that no person described in subparagraph (A) will be arrested, detained, prosecuted, or imprisoned by or on behalf of the International Criminal Court.

(b) AUTHORITY TO EXTEND WAIVER OF SECTIONS 635 AND 637.—The President is authorized to waive the prohibitions and requirements of sections 635 and 637 for successive periods of one year each upon the expiration of a previous waiver pursuant to subsection (a) or this subsection. Such a waiver may be issued only if the President at least fifteen days in advance of exercising such authority—

(1) notifies the appropriate congressional committees of the intention to exercise such authority; and

(2) determines and reports to the appropriate congressional committees that the International Criminal Court—

(A) remains party to, and has continued to abide by, a binding agreement that—

(i) prohibits the International Criminal Court from seeking to exercise jurisdiction over the following persons with respect to actions undertaken by them in an official capacity:

(I) covered United States persons;

(II) covered allied persons; and

(III) individuals who were covered United States persons or covered allied persons; and

(ii) ensures that no person described in clause (i) will be arrested, detained, prosecuted, or imprisoned by or on behalf of the International Criminal Court; and

(B) has taken no steps to arrest, detain, prosecute, or imprison any person described in clause (i) of subparagraph (A).

(c) Authority To Waive Sections 634 and 636 With Respect to an Investigation or Prosecution of a Named Individual.—The President is authorized to waive the prohibitions and requirements of sections 634 and 636 to the degree they would prevent United States cooperation with an investigation or prosecution of a named individual by the International Criminal Court. Such a waiver may be issued only if the President at least 15 days in advance of exercising such authority—

(1) notifies the appropriate congressional committees of the intention to exercise such authority; and

(2) determines and reports to the appropriate congressional committees that—

(A) a waiver pursuant to subsection (a) or (b) of the prohibitions and requirements of sections 635 and 637 is in effect;

(B) there is reason to believe that the named individual committed the crime or crimes that are the subject of the International Criminal Court's investigation or prosecution;

(C) it is in the national interest of the United States for the International Criminal Court's investigation or prosecution of the named individual to proceed; and

(D) in investigating events related to actions by the named individual, none of the following persons will be investigated, arrested, detained, prosecuted, or imprisoned by or on behalf of the International Criminal Court with respect to actions undertaken by them in an official capacity:

(i) Covered United States persons.

(ii) Covered allied persons.

(iii) Individuals who were covered United States persons or covered allied persons.

(d) Termination of Waiver Pursuant to Subsection (c).—Any waiver or waivers exercised pursuant to subsection (c) of the prohibitions and requirements of sections 634 and 636 shall terminate at any time that a waiver pursuant to subsection (a) or (b) of the prohibitions and requirements of sections 635 and 637 expires and is not extended pursuant to subsection (b).

(e) Termination of Prohibitions of This Act.—The prohibitions and requirements of sections 634, 635, 636, and 637 shall cease to apply, and the authority of section 638 shall terminate, if the United States becomes a party to the International Criminal Court pursuant to a treaty made under article II, section 2, clause 2 of the Constitution of the United States.

SEC. 634. PROHIBITION ON COOPERATION WITH THE INTERNATIONAL CRIMINAL COURT.

(a) Construction.—The provisions of this section—

(1) apply only to cooperation with the International Criminal Court and shall not be construed to apply to cooperation with an ad hoc international criminal tribunal established by the United Nations Security Council before or after the date of the enactment of this Act to investigate and prosecute war crimes committed in a specific country or during a specific conflict; and

(2) shall not be construed to prohibit—

(A) any action permitted under section 638;

(B) any other action taken by members of the Armed Forces of the United States outside the territory of the United States while engaged in military operations involving the threat or use of force when necessary to protect such personnel from harm or to ensure the success of such operations; or

(C) communication by the United States to the International Criminal Court of its policy with respect to a particular matter.

(b) Prohibition on Responding to Requests for Cooperation.—No agency or entity of the United States Government or of any State or local government, including any court, may cooperate with the International Criminal Court in response to a request for cooperation submitted by the International Criminal Court pursuant to Part 9 of the Rome Statute.

(c) Prohibition on Specific Forms of Cooperation and Assistance.—No agency or entity of the United States Government or of any State or local government, including any court, may provide financial support or other cooperation, support, or assistance to the International Criminal Court, including by undertaking any action described in the following articles of the Rome Statute with the purpose or intent of cooperating with, or otherwise providing support or assistance to, the International Criminal Court:

(1) Article 89 (relating to arrest, extradition, and transit of suspects).

(2) Article 92 (relating to provisional arrest of suspects).

(3) Article 93 (relating to seizure of property, asset forfeiture, execution of searches and seizures, service of warrants and other judicial process, taking of evidence, and similar matters).

(d) Restriction on Assistance Pursuant to Mutual Legal Assistance Treaties.—The United States shall exercise its rights to limit the use of assistance provided under all treaties and executive agreements for mutual legal assistance in criminal matters, multilateral conventions with legal assistance provisions, and extradition treaties, to which the United States is a party, and in connection with the execution or issuance of any letter rogatory, to prevent the transfer to, or other use by, the International Criminal Court of any assistance provided by the United States under such treaties and letters rogatory.

(e) Prohibition on Investigative Activities of Agents.—No agent of the International Criminal Court may conduct, in the United States or any territory subject to the jurisdiction of the United States, any investigative activity relating to a preliminary inquiry, investigation, prosecution, or other proceeding at the International Criminal Court.

SEC. 635. RESTRICTION ON UNITED STATES PARTICIPATION IN CERTAIN UNITED NATIONS PEACEKEEPING OPERATIONS.

(a) Policy.—Effective beginning on the date on which the Rome Statute enters into force pursuant to Article 126 of the Rome Statute, the President should use the voice and vote of the United States in the United Nations Security Council to ensure that each resolution of the Security Council authorizing any peacekeeping operation under chapter VI of the charter of the United Nations or peace enforcement operation under chapter VII of the charter of the United Nations permanently exempts, at a minimum, members of the Armed Forces of the United States participating in such operation from criminal prosecution by the International Criminal Court for actions undertaken by such personnel in connection with the operation.

(b) Restriction.—Members of the Armed Forces of the United States may not participate in any peacekeeping operation under chapter VI of the charter of the United Nations or peace enforcement operation under chapter VII of the charter of the United Nations, the creation of which is authorized by the United Nations Security Council on or after the date that the Rome Statute enters into effect pursuant to Article 126 of the Rome Statute, unless the President has submitted to the appropriate congressional committees a certification described in subsection (c) with respect to such operation.

(c) Certification.—The certification referred to in subsection (b) is a certification by the President that members of the Armed Forces of the United States are able to participate in the peacekeeping or peace enforcement operation without risk of criminal prosecution by the International Criminal Court because—

(1) in authorizing the operation, the United Nations Security Council permanently exempted, at a minimum, members of the Armed Forces of the United States participating in the operation from criminal prosecution by the International Criminal Court for actions undertaken by them in connection with the operation;

(2) each country in which members of the Armed Forces of the United States participating in the operation will be present is either not a party to the International Criminal Court and has not invoked the jurisdiction of the International Criminal Court pursuant to Article 12 of the Rome Statute, or has entered into an agreement in accordance with Article 98 of the Rome Statute preventing the International Criminal Court from proceeding against members of the Armed Forces of the United States present in that country; or

(3) the United States has taken other appropriate steps to guarantee that members of the Armed Forces of the United States participating in the operation will not be prosecuted by the International Criminal Court for actions undertaken by such personnel in connection with the operation.

SEC. 636. PROHIBITION ON DIRECT OR INDIRECT TRANSFER OF CERTAIN CLASSIFIED NATIONAL SECURITY INFORMATION TO THE INTERNATIONAL CRIMINAL COURT.

(a) Direct Transfer.—Not later than the date on which the Rome Statute enters into force, the President shall ensure that appropriate procedures are in place to prevent the transfer of classified national security information to the International Criminal Court.

(b) Indirect Transfer.—Not later than the date on which the Rome Statute enters into force, the President shall ensure that appropriate procedures are in place to prevent the transfer of classified national security information relevant to matters under consideration by the International Criminal Court to the United Nations and to the government of any country that is a party to the International Criminal Court unless the United Nations or that government, as the case may be, has provided written assurances that such information will not be made available to the International Criminal Court.

(c) Construction.—The provisions of this section shall not be construed to prohibit any action permitted under section 638.

SEC. 637. PROHIBITION OF UNITED STATES MILITARY ASSISTANCE TO PARTIES TO THE INTERNATIONAL CRIMINAL COURT.

(a) PROHIBITION OF MILITARY ASSISTANCE.—Subject to subsections (b) and (c), no United States military assistance may be provided to the government of a country that is a party to the International Criminal Court.

(b) WAIVER.—The President may waive the prohibition of subsection (a) with respect to a particular country—

(1) for one or more periods not exceeding one year each, if the President determines and reports to the appropriate congressional committees that it is vital to the national interest of the United States to waive such prohibition; and

(2) permanently, if the President determines and reports to the appropriate congressional committees that such country has entered into an agreement with the United States pursuant to Article 98 of the Rome Statute preventing the International Criminal Court from proceeding against United States personnel present in such country.

(c) EXEMPTION.—The prohibition of subsection (a) shall not apply to the government of—

(1) a NATO member country;

(2) a major non-NATO ally (including, inter alia, Australia, Egypt, Israel, Japan, the Republic of Korea, and New Zealand); or

(3) Taiwan.

SEC. 638. AUTHORITY TO FREE MEMBERS OF THE ARMED FORCES OF THE UNITED STATES AND CERTAIN OTHER PERSONS HELD CAPTIVE BY OR ON BEHALF OF THE INTERNATIONAL CRIMINAL COURT.

(a) AUTHORITY.—The President is authorized to use all means necessary and appropriate to bring about the release from captivity of any person described in subsection (b) who is being detained or imprisoned against that person's will by or on behalf of the International Criminal Court.

(b) PERSONS AUTHORIZED TO BE FREED.—The authority of subsection (a) shall extend to the following persons:

(1) Covered United States persons.

(2) Covered allied persons.

(3) Individuals detained or imprisoned for official actions taken while the individual was a covered United States person or a covered allied person, and in the case of a covered allied person, upon the request of such government.

(c) AUTHORIZATION OF LEGAL ASSISTANCE.—When any person described in subsection (b) is arrested, detained, prosecuted, or imprisoned by or on behalf of the International Criminal Court, the authority under subsection (a) may be used—

(1) for the provision of legal representation and other legal assistance to that person (including, in the case of a person entitled to assistance under section 1037 of title 10, United States Code, representation and other assistance in the manner provided in that section); and

(2) for the provision of exculpatory evidence on behalf of that person.

(d) BRIBES AND OTHER INDUCEMENTS NOT AUTHORIZED.—Subsection (a) does not authorize the payment of bribes or the provision of other incentives to induce the release from captivity of a person described in subsection (b).

SEC. 639. ALLIANCE COMMAND ARRANGEMENTS.

(a) REPORT ON ALLIANCE COMMAND ARRANGEMENTS.—Not later than 6 months after the date of the enactment of this Act, the President shall transmit to the appropriate congressional committees a report with respect to each military alliance to which the United States is party—

(1) describing the degree to which members of the Armed Forces of the United States may, in the context of military operations undertaken by or pursuant to that alliance, be placed under the command or operational control of foreign military officers subject to the jurisdiction of the International Criminal Court because they are nationals of a party to the International Criminal Court; and

(2) evaluating the degree to which members of the Armed Forces of the United States engaged in military operations undertaken by or pursuant to that alliance may be exposed to greater risks as a result of being placed under the command or operational control of foreign military officers subject to the jurisdiction of the International Criminal Court.

(b) DESCRIPTION OF MEASURES TO ACHIEVE ENHANCED PROTECTION FOR MEMBERS OF THE ARMED FORCES OF THE UNITED STATES.—Not later than one year after the date of the enactment of this Act, the President shall transmit to the appropriate congressional committees a description of modifications to command and operational control arrangements within military alliances to which the United States is a party that could be made in order to reduce any risks to members of the Armed Forces of the United States identified pursuant to subsection (a)(2).

(c) SUBMISSION IN CLASSIFIED FORM.—The report under subsection (a), and the description of measures under subsection (b), or appropriate parts thereof, may be submitted in classified form.

SEC. 640. WITHHOLDINGS.

Funds withheld from the United States share of assessments to the United Nations or any other international organization during any fiscal year pursuant to section 705 of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001 (as enacted by section 1000(a)(7) of Public Law 106–113; 113 Stat. 1501A–460), are authorized to be transferred to the Embassy Security, Construction and Maintenance Account of the Department of State.

SEC. 641. NONDELEGATION.

The authorities vested in the President by sections 633, 635(c), and 637(b) may not be delegated by the President pursuant to section 301 of title 3, United States Code, or any other provision of law.

SEC. 642. DEFINITIONS.

As used in this Act and in sections 705 and 706 of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

(2) CLASSIFIED NATIONAL SECURITY INFORMATION.—The term "classified national security information" means information that is classified or classifiable under Executive Order 12958 or a successor Executive order.

(3) COVERED ALLIED PERSONS.—The term "covered allied persons" means military personnel, elected or appointed officials, and other persons employed by or working on behalf of the government of a NATO member country, a major non-NATO ally (including, inter alia, Australia, Egypt, Israel, Japan, the Republic of Korea, and New Zealand), or Taiwan, for so long as that government is not a party to the International Criminal Court and wishes its officials and other persons working on its behalf to be exempted from the jurisdiction of the International Criminal Court.

(4) COVERED UNITED STATES PERSONS.—The term "covered United States persons" means members of the Armed Forces of the United States, elected or appointed officials of the United States Government, and other persons employed by or working on behalf of the United States Government, for so long as the United States is not a party to the International Criminal Court.

(5) EXTRADITION.—The terms "extradition" and "extradite" include both "extradition" and "surrender" as those terms are defined in article 102 of the Rome Statute.

(6) INTERNATIONAL CRIMINAL COURT.—The term "International Criminal Court" means the court established by the Rome Statute.

(7) MAJOR NON-NATO ALLY.—The term "major non-NATO ally" means a country that has been so designated in accordance with section 517 of the Foreign Assistance Act of 1961.

(8) PARTY TO THE INTERNATIONAL CRIMINAL COURT.—The term "party to the International Criminal Court" means a government that has deposited an instrument of ratification, acceptance, approval, or accession to the Rome Statute, and has not withdrawn from the Rome Statute pursuant to Article 127 thereof.

(9) PEACEKEEPING OPERATION UNDER CHAPTER VI OF THE CHARTER OF THE UNITED NATIONS OR PEACE ENFORCEMENT OPERATION UNDER CHAPTER VII OF THE CHARTER OF THE UNITED NATIONS.—The term "peacekeeping operation under chapter VI of the charter of the United Nations or peace enforcement operation under chapter VII of the charter of the United Nations" means any military operation to maintain or restore international peace and security that—

(A) is authorized by the United Nations Security Council under chapter VI or VII of the charter of the United Nations; and

(B) is paid for from assessed contributions of United Nations members that are made available for peacekeeping or peace enforcement activities.

(10) ROME STATUTE.—The term "Rome Statute" means the Rome Statute of the International Criminal Court, adopted by the United Nations Diplomatic Conference of Plenipotentiaries on the Establishment of an International Criminal Court on July 17, 1998.

(11) SUPPORT.—The term "support" means assistance of any kind, including financial support, material support, services, intelligence sharing, law enforcement cooperation, the training or detail of personnel, and the arrest or detention of individuals.

(12) UNITED STATES MILITARY ASSISTANCE.—The term "United States military assistance" means—

(A) assistance provided under chapters 2 through 6 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2311 et seq.);

(B) defense articles or defense services furnished with the financial assistance of the United States Government, including through loans and guarantees; or

(C) military training or education activities provided by any agency or entity of the United States Government.

Such term does not include activities reportable under title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.).

The CHAIRMAN. Pursuant to House Resolution 138, the gentleman from Texas (Mr. DELAY) and the gentleman from California (Mr. LANTOS) each will control 10 minutes.

The Chair recognizes the gentleman from Texas (Mr. DELAY).

Mr. DeLAY. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, when the United States sends its Armed Forces into harm's way, we do it to defend freedom and to maintain our commitment to the principles enumerated by our founding documents. It would be an irony of the cruelest sort if the men and women of America sent out to defend the spirit of our Constitution were denied its protections.

We ask a lot of our Armed Forces. We should not ask them to sacrifice their constitutional rights merely to serve as pawns for an International Criminal Court that may pursue political vendettas at the expense of the individual American soldiers. If the Congress allowed such a thing to happen, we would not only be abdicating our duty to the Nation, we would be abandoning the sacred covenant between Congress and our men and women in uniform.

The birth of this rogue court forces Members to choose between appeasing international bureaucrats and defending the rights of our servicemembers. The choice is stark, defined and, I think, unavoidable. There is no middle ground here. Members can side with the United Nations or defend our military.

Last week, we were reminded how fickle the U.N. can be when a cabal of human rights abusing nations were voted onto the Human Rights Commission and the United States was booted off. Now these same people may become the highest authority on international law. But make no mistake, unlike the Commission on Human Rights whose power is mainly rhetorical, the ICC poses a real threat to our Nation's military. We simply cannot allow American soldiers to fall under the jurisdiction of the ICC.

Under its terms, Americans could be brought before the court and tried without important rights. They could be denied a jury trial. They could be denied cross-examination of hostile witnesses. Americans could even be forced to give self-incriminating testimony. This amendment will make it clear that the United States cannot support a court that places our citizens in the hands of U.N. bureaucrats. It will erect essential legal barriers to protect Americans, and it will strengthen our ability to demand changes to the court.

Last year, I received a letter supporting this amendment signed by 12 of the most respected foreign policy advisers to every President from Nixon to President Clinton. This amendment is supported by the VFW, the Fleet Reservists, the Noncommissioned Officers and the Reserve Officers, just to name a few.

Mr. Chairman, we must remain cautious and watchful stewards of our American sovereignty. Many nations have many reasons to erode our rights. Members should not fail our first principles by allowing an unaccountable international entity to trample core American freedoms. Support this amendment and stop that from happening.

Mr. Chairman, I reserve the balance of my time.

Mr. LANTOS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong opposition to this amendment, and I ask all of my colleagues to oppose it as well. Clearly there is not a single Member of this House on either side who is not fully, enthusiastically and without any reservation and qualification in favor of protecting our military personnel serving abroad. That is clearly not the issue that this amendment raises. As my friend and colleague from Massachusetts so eloquently and precisely outlined, there is no chance of American military personnel being tried by the International Criminal Court. That court, once it comes into being on a permanent basis, is not designed to deal with servicemen and servicewomen performing peacekeeping or other duties overseas. The International Criminal Court is designed to deal with international criminals.

At the end of World War II, the United States led the way in obtaining international justice by helping to establish the Nuremberg trials and playing the key role in the Nuremberg Tribunal. At the moment, international criminals who perpetrated the most outrageous violations of human rights, including mass rape and mass murder, are before an ad hoc International Criminal Court which deals with events in the former Yugoslavia during the early 1990s.

In dealing with this legislation, Nobel prize winner Elie Wiesel wrote to the committee in part as follows:

> Fifty years ago the United States led the world in the prosecution of Nazi leaders for the atrocities of World War II. The triumph of Nuremberg was not only that individuals were held accountable for their crimes but that they were tried in a court of law supported by the community of nations.

A vote for this amendment would mean our acceptance of the impunity of the world's worst atrocities. The memory of the victims of past genocide and war crimes compels us to take this issue, the issue of an International Criminal Court, seriously.

Now, it is important to note that the proposals discussed in Rome were not perfect. We were proposing modifications and amendments. And I think it is critical we remain engaged in that process. But to flat out oppose the creation of an International Criminal Court is not worthy of this body.

I would also like to mention, Mr. Chairman, as the gentleman from Massachusetts (Mr. DELAHUNT) so accurately and effectively indicated a few minutes ago, that our servicemen and women will be tried by military courts of our own if they engage in transgressions. The notion that international criminal courts are designed to punish U.S. servicemen is one that escapes me and many of my colleagues.

I urge my colleagues to reject this amendment which is unquestionably well intended but is widely off the mark. We are talking about international war criminals such as the ones in Bosnia, such as the ones in Kosovo, such as the ones during the Second World War in Germany and not American servicemen and women doing their duty.

Mr. Chairman, I reserve the balance of my time.

Mr. DELAY. Mr. Chairman, I yield 1 minute to the distinguished gentleman from South Carolina (Mr. SPENCE), the former chairman of the Committee on Armed Services.

Mr. SPENCE. I thank the gentleman for yielding me this time.

Mr. Chairman, as a member of the Committee on Armed Services, I rise in strong support of this amendment. I commend the gentleman from Texas (Mr. DELAY) for bringing this important amendment to the floor. It would protect American military and government personnel from prosecution by an international criminal court operating outside United States sovereignty.

America's men and women in uniform are our best and brightest. They risk their lives every day all around the world in defense of our country's freedom and values. They should not be subjected to the risk of prosecution by an international body that operates on procedures inconsistent with the United States Constitution. This amendment would prevent this from happening.

Last November, 12 former high-ranking United States Government officials, including former Secretaries of State, Defense and Directors of Central Intelligence, supported legislation similar to this amendment that would extend protection from international prosecution to our military personnel.

During his confirmation process, Secretary Rumsfeld warned that without such protection, U.S. personnel could be exposed to politically motivated prosecution.

Even former President Clinton, who signed the treaty last December, conceded that it contained significant flaws and refused to recommend its ratification by the Senate.

Mr. Chairman, this amendment would give our military service personnel the legal protection they deserve, and I urge my colleagues to support it.

Mr. LANTOS. Mr. Chairman, I am pleased to yield 2 minutes to the distinguished gentleman from Rhode Island (Mr. KENNEDY).

Mr. KENNEDY of Rhode Island. Mr. Chairman, it is an honor for me to have this opportunity to talk with the gentleman from California and with my colleagues about the International Criminal Court. As a survivor of the Holocaust, he is a steadfast reminder to all of us that these kinds of war crimes are right in front of us every single day.

It is amazing to me that we would be standing in the well of this House talking about this issue, the amendment of the gentleman from Texas (Mr. DELAY), when we have Rwanda, Burundi, Kosovo, Sierra Leone, Cambodia, East Timor, Saddam Hussein, all of these places that need international criminal courts that do not have them. We are the leaders in the world in terms of human rights. We ought to be the leaders when it comes to the International Criminal Court.

This amendment is a farce. I wish I could say as gently as the gentleman from California that the gentleman was well intentioned. This amendment is a lie, because this amendment makes you think that you are going to keep American servicemembers from being prosecuted when that is a lie. Right now if a servicemember under the American flag commits a war crime, they are tried by our own military court. If the DeLay amendment passes, they are going to be tried by the country in which they commit that crime. Who do we want trying our servicemember? Do we want some Saddam Hussein trying our servicemember if we do not sign this treaty? Do we want them to be the ones to try our servicemember? I do not.

I would be able to go to bat with the gentleman from Texas in front of anybody on this issue because the facts are that if we pass the DeLay amendment, we are actually going to end up doing what the gentleman from Texas purports he does not want us to do. That is, if we do not sign this treaty, our servicemembers are tried by other countries internationally because that is the law of the International Criminal Court.

Today's amendment, based on "the American Servicemembers Protection Act" sounds great—of course we all want to protect American servicemembers. As a former member of the Armed Services Committee, I have spent many days in markups and debates over bills to support our Armed Forces. But if we scratch below the surface, this amendment is not about protecting our military, it is about risking our current position of global leadership on human rights abroad. It will thwart the efforts of one of the most important international bodies that is about to come to fruition, the International Criminal Court.

Since coming to Congress I have been highly supportive of an I.C.C., and I strongly believe in its principal which is that human rights abusers, who commit crimes against humanity or genocide, should be brought to justice. But even if you do not support an I.C.C., or feel that the Rome Statute needs complete revision, as I respectfully understand the gentleman from Texas does, you should oppose this amendment. It is crucial that we recognize, as the leaders of the free world, that the only way to achieve a Court that we can live with, is to stay engaged in the continuing negotiations over the scope, purpose, and construction of it. A permanent international criminal court which can bring future perpetrators of war crimes to full and complete justice is in our interests.

President Clinton recognized the importance of this effort and that is why he signed the Rome Statute in December; bringing us into the company of 139 other nations including 17 NATO allies who have signed the Rome Treaty.

When 139 nations have signed this treaty and many have indicated that they are close to ratification, why would we alienate ourselves from this many of our global partners. This amendment would simply assure that the members of the ICC will feel free to ignore our concerns.

I would also like to address the concerns about our Armed Forces or politically motivated prosecutions by the Court. There is no doubt that under the Rome Statute American soldiers who are accused of war crimes will never be impacted because we have a thorough system of military justice in our own Country that would prevent the need for any further review. The ICC won't take this power away, it cannot.

In closing, I want to insure that everyone in this chamber understands the message that we will send to the international community if we pass this amendment.

To quote, from Elie Wiesel, famous human rights advocate who opposed the bill that this amendment is based on:

> A vote for this legislation would signal U.S. acceptance of impunity for the world's worst atrocities. For the memory of the victims of past genocide and war crimes, I urge you to use your positions . . . to see that this legislation is not passed.

Mr. Wiesel is right—let us think about the implications and the signal we will send—oppose this amendment.

Mr. DELAY. Mr. Chairman, I yield 1 minute to the gentleman from New York (Mr. GILMAN), chairman emeritus of the Committee on International Relations.

Mr. GILMAN. I thank the gentleman for yielding me this time.

Mr. Chairman, I am pleased to rise in support of the American Servicemembers' Protection Act, the amendment offered by the gentleman from Texas (Mr. DELAY), our distinguished majority whip. The proposal of an international criminal court has some appeal to some members of our international community, but the international criminal court that is now being considered by the U.N. is the wrong sort of a court. It will be the equivalent of a world-ranging independent prosecutor without any responsible constraints. The world criminal court could threaten American servicemembers, government officials, and the servicemembers and officials of our allies, including Israel. The Arab League has already indicated it will make Israel the first target of this court.

The DeLay amendment would help slow down the process of the acceptance of this court and would keep American authorities from cooperating with it. We need to send a strong message that we do not accept this court as presently constituted. The passage of the DeLay amendment and its enactment into law would accomplish that task.

Accordingly, I urge our colleagues to support the DeLay amendment.

Mr. LANTOS. Mr. Chairman, I am delighted to yield 1½ minutes to the gentleman from New York (Mr. ISRAEL).

Mr. ISRAEL. I thank the gentleman for yielding me this time.

Mr. Chairman, prior to coming to Congress I founded the Institute on the Holocaust and the Law, which studied how the laws and courts were used to oppress people rather than to protect them. So I fully understand the concerns of the supporters of this amendment that the International Criminal Court not be used to illegitimately prosecute U.S. forces abroad. The law should never be used to perpetuate injustice.

All of us demand that U.S. forces abroad not be subject to illegitimate prosecution. But the strongest safeguards already exist in the International Criminal Court against such possibilities. That is why this amendment should be defeated today. One of our Nation's proudest moments as the world emerged from the darkness of the Holocaust was to help create the International Military Tribunal at Nuremberg to use the law to achieve justice.

Last week, Mr. Chairman, Elie Wiesel said of a similar amendment, which the gentleman from California has already quoted, that it "would erase the legacy of U.S. leadership by ensuring that the U.S. will never again join the community of nations to hold accountable those who commit war crimes and genocide."

Protecting our military personnel is our utmost responsibility. Bringing war criminals to justice is our legacy. Participating fully in the International Criminal Court, Mr. Chairman, allows us to do both.

Mr. DELAY. Mr. Chairman, I yield 1 minute to the gentleman from Virginia (Mr. CANTOR).

(Mr. CANTOR asked and was given permission to revise and extend his remarks.)

□ 1215

Mr. CANTOR. Mr. Chairman, I rise today in support of the American Servicemembers' Protection Act as an amendment to H.R. 1646. The International Criminal Court is the wrong solution to a real and pressing problem and would affect a revolution in international law. The ICC would transform the current international system based on equal independent self-governing states to a system where the ultimate power to judge the legality of state action is vested in a new and unaccountable bureaucracy. The ICC would be fundamentally inconsistent with the most basic principles of sovereignty.

Mr. Chairman, I would also like to emphasize the potential threat the ICC poses to many of our allies, specifically Israel, our only Democratic ally in the Middle East.

When the most recent violence broke out last fall, Israel's enemies sought to use the threat of U.N. prosecution to pressure the Jewish state. Under the broad and unclear jurisdiction of the ICC, any action undertaken by Israel in the West Bank and Gaza could be subject to review and interpreted as a war crime. The ICC serves as a danger to the security of Israel because of some members of the international community's stated opposition to the legitimacy of that state.

Mr. Chairman, I strongly urge the passage of this amendment.

The creation of a permanent, supranational court with the independent power to judge and punish elected leaders represents a decisive break with fundamental American ideals of self-government and sovereignty. It would constitute the transference of authority to judge the actions of U.S. officials, away from Americans to an unelected and unaccountable international bureaucracy.

Certain United Nations' members have a long history of anti-Israeli rhetoric and activity. In October of 2000, for example, the U.N. Commission on Human Rights condemned Israel for supposedly causing the recent violence in the Middle East, going so far as to accuse it of "war crimes" and "crimes against humanity." It is possible, perhaps likely, that these same countries would use the ICC to further their own anti-Israel agenda.

I strongly urge the passage of the American Servicemembers' Protection Act amendment to protect the notion of National sovereignty in America and around the world.

Mr. LANTOS. Mr. Chairman, I reserve the balance of my time.

Mr. DELAY. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Chairman, I thank my friend, the gentleman from Texas (Mr. DELAY), for yielding me this time.

Mr. Chairman, I rise in strong support of the DeLay amendment. Mr. Chairman, let me just read a statement: "As it currently stands, the Rome Treaty could expose service members and the government officials of nonparty states to criminal liability based on politically-motivated charges brought by other states that object to the nonparty state's international policies."

Mr. Chairman, that statement was made last year by Secretary of Defense Cohen on behalf of the Clinton administration. I think Members do not fully realize that this process has gone on for years. We have held hearings in the full International Relations Committee on this. There are serious flaws. Just as we saw with the U.N. Human Rights Commission, rogue states are now in charge of and acting as the "conscience of humanity," to quote the chief of that commission. We are talking about the Sudan and China, and countries like Cuba. They now will sit with the black robes on and will judge our peacekeepers.

I support ad hoc tribunals, but this grant of authority in the Rome Treaty goes far beyond that.

Mr. Chairman, I rise in support of the amendment offered by my good friend, TOM DELAY. I was an original cosponsor of the American Servicemen's Protection Act introduced by Mr. TOM DELAY in the last Congress. This important amendment would prohibit U.S. cooperation with the International Criminal Court (including restrictions on U.S. military participation in UN peacekeeping operations and the transfer of U.S. classified national security information, and the provision of U.S. military assistance, to the Court). The amendment also authorizes the President to use all means necessary to bring about the release of U.S. military personnel and certain other persons held captive by or on behalf of the Court.

I am reminded of the raging debate which occurred at the OSCE Parliamentary Assembly meeting last year regarding the International Criminal Court. Our European allies were lambasting the United States, among others, for not supporting the Rome Statute of the ICC. The final text of the OSCE PA resolution in fact called on "all member States to ratify the Rome Statute of the future International Criminal Court without delay." Members of the U.S. delegation to the OSCE PA (which I led) expounded on the provisions which were most problematic. In the waning days of the Clinton administration, he did sign the Rome Statute. I would warn the Bush administration about the serious pitfalls of the ICC, and I would encourage the President to not seek ratification of the Treaty.

At the end of World War II, many people urged the creation of a permanent and independent international war crimes tribunal as a mechanism to deter future violations and to punish those responsible for committing systematic war crimes, crimes against humanity, and genocide. It was envisioned as a permanent court in The Hague with the authority to prosecute suspected perpetrators of war crimes. The statute that ultimately emerged from the Rome negotiations in 1998, however, includes provisions which I believe would create unacceptable risks for the United States.

The subject matter jurisdiction of the Court includes crimes against humanity, war crimes, genocide, and "aggression." But during the negotiations on the treaty, negotiators were unable to agree on a definition of "aggression." This is particularly significant because the Nuremberg Tribunal used the term "war of aggression" in its charges against Nazi Germany, not the term "aggression." In fact, acts of aggression by states already fall within the mandate of the U.N. Security Council and it is completely unclear what will be considered acts of aggression by individuals. States that have already ratified this treaty have bought a pig in a poke.

The jurisdiction of the ICC can extend to citizens of states which are not party to the Treaty. This is particularly troublesome when you consider the possibility of U.S. military personnel stationed in a country party to the ICC—or serving on a UN peacekeeping mission—being subject to the investigation and prosecution of the ICC even though the U.S. has not, and hopefully will not, become a party to the Treaty. This, in fact, is the provision to which the amendment being offered by Mr. DELAY is directed.

Article 120 of the Statute forbids reservations to the ICC Treaty. Thus, the United States or any other country would have to either accept or reject the treaty in its entirety. In light of the problems I have alluded to, I believe that rejecting the ICC in its entirety is the only reasonable course open to the United States at this time.

During the negotiations on the ICC Treaty, the effort by the United States to limit the application of the Court's jurisdiction over non-States Parties was squelched by the successful passage of a non-action vote requested by Norway. The United States also sought to curb the broad powers of the Court to prosecute the military personnel of UN Members States which are not party to the ICC Treaty but we were rebuffed.

Mr. Chairman, let's consider for a moment the potential effects of the International Criminal Court should 60 States ratify the Treaty and should the ICC have the force of international law. Some supporters of the ICC have belittled concern that the United States—or other countries, for that matter—might find itself the target of politically driven prosecutions. But consider, for a moment, the reaction in some quarters to the use of force by NATO against Serbia in 1999. Serbia is suing eight NATO countries before the International Court of Justice right now for their participation in the NATO campaign; there are also charges by Serbian citizens that have been brought against 15 NATO countries before the European Court of Justice. More troubling are the accusations that were leveled by a group of lawyers from several countries who sought to have some 60 government officials from NATO countries, including NATO's Supreme Commander Gen. Wesley Clark, charged by the International Criminal Tribunal for the Former Yugoslavia. The accusations included "willful killing, willfully causing great suffering or serious injury to body or health, extensive destruction of property, not justified by military necessity, and carried out unlawfully and wantonly, employment of poisonous weapons or other weapons to cause unnecessary suffering."

Human rights organizations raised concerns about NATO's attack on TV and radio transmission facilities, dropping cluster bombs and destroying power plants inside Serbia. Others argued that NATO's rules of engagement, which called for pilots to fly high out of range of Serbian missiles, endangered civilians and were thus "clearly prohibited under international humanitarian law." Ironically, many of the same groups that had urged intervention to stop and prevent further atrocities in Kosovo quickly denounced NATO for its action. While I respect human rights groups that have raised legitimate questions about the conduct of the campaign, some NATO critics have clearly revealed a knee-jerk anti-American sentiment in their accusations. For the record, the Chief Prosecutor of the Yugoslav Tribunal considered the materials submitted to her regarding NATO actions and declined to pursue charges against any NATO officials.

Inevitably, if the U.S. assumes a leadership role in maintaining peace and security and promoting human rights around the globe, the enemies of peace, security and human rights will continue to seek ways to undermine our efforts. Unfortunately, the current ICC statute does not provide sufficient safe-guards against the initiation of politically motivated prosecutions.

The concerns raised by the United States regarding the Rome Statute are well-founded and I urge my colleagues to support fully the amendment offered by Mr. DELAY. This will help provide a modicum of protection for our men and women in uniform who may be serving on the territory of a country which has ratified the Treaty.

THE INTERNATIONAL CRIMINAL COURT

HEARINGS BEFORE THE COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES, ONE HUNDRED SIXTH CONGRESS, SECOND SESSION, JULY 25 AND 26, 2000

Selected Excerpts—Page 37

Mr. SMITH of New Jersey. The concept of a permanent International Criminal Court charged with prosecuting the gravest of crimes against humanity is not a new one. The idea was proposed and dismissed after the conclusion of the Nuremberg and Tokyo War Crime Tribunals that followed World War II.

In recent years the idea has gained new momentum, driven largely by memories of the horrific crimes committed in Rwanda and the former Yugoslavia. I share the ideals of many ICC supporters. If we could construct an entity that would impartially prosecute only genocidal tyrants and war criminals I would support it without hesitation, but we do not inhabit an ideal world. The difficulty is in devising a system that will prosecute Pol Pot, but not President Clinton, that will indict Ratko Mladic but not Norman Schwartzkopf.

I am concerned that the Rome Statute of the International Criminal Court fails to accomplish that goal and that it is susceptible to serious abuse and manipulation.

As it took form, the draft statute ballooned from an instrument focused on well-established war crimes into an encyclopedia of still-emerging human rights law. The resulting statute is a 30,000 word document that covers 77 pages. It contains sweeping language that leaves many elements of vaguely defined crimes up to the imagination of international lawyers.

For example, according to article VI the crime of genocide includes, "causing serious mental harm" to members of a, "national, ethnic, racial or religious group."

It is true that similar language is contained in the Convention against Genocide, but the United States took a reservation to the jurisdiction of the World Court over the definition of genocide. This is not because we intend to commit genocide, but because the United States was unwilling to surrender its sovereignty to a body that might be manipulated by hostile parties using the vague language of the convention as an ideological hobbyhorse.

Similarly, article V asserts ICC jurisdiction over the, "crime of aggression"—an offense that is not defined in international law or even in the Rome Statute itself, a point that I made repeatedly at the OSCE parliamentary assembly in Bucharest earlier this month. In the context of domestic law, such vagueness would be problematic. In the more combative context of international law it is dangerous.

In addition to the problems posed by its vague definitions, the statute also claims a jurisdictional reach that is without precedent. Once 60 countries have ratified it, the statute claims ICC jurisdiction over any defendant who may have committed a crime in a signatory state regardless of whether the defendant's own state had ratified the treaty. By claiming to bind the subjects of non-signatory states, this self-executing, potentially universal jurisdiction directly challenges traditional concepts of national sovereignty.

Finally, the Rome Statute gives the ICC prosecutor a vast amount of personal power with a minimum amount of oversight. The statute drafters rejected a U.S. proposal that the prosecutor only be allowed to proceed on cases referred either by a sovereign state or by the U.N. Security Council. Instead, the ICC prosecutor may initiate investigations and prosecutions on his own authority without control or oversight by any national or international party.

Under article 44, the prosecutor may also accept any offer of, "gratis personnel offered by nongovernmental organizations to assist with the work of any of the organs of the Court."

I have long been a supporter of the important work undertaken by International NGO's, particularly relating to the protection of human rights and the provision of humanitarian relief, but it is also true that there exist hundreds of highly ideological NGO's who look to international bodies to promote agendas that go far beyond the domestic political consensus in their home countries. The combination of the independent prosecutor's extreme discretion with staff provided by well-funded extremist NGO's could lead to serious problems and partisanship by the ICC. These are but a few of the problems that I have with the present form of the Rome Statute.

I readily acknowledge that many, probably most, ICC supporters do not intend for the Court to be used as a club for U.S.-bashing or as an engine or radical social engineering, but once the ICC is established it will take on a life of its own. Its activities will be restricted by the language of the Rome Statute itself rather than by the best intentions of its most responsible supporters, and I just would say finally, Mr. Chairman, as you know, I take a back seat to no one in promoting—in the past and present—both the Rwanda War Crimes Tribunal and the International War Crimes Tribunal for the Balkans.

When we were holding early hearings in our subcommittee as well as on the Helsinki Commission I offered language and amendments to boost the U.S. donation to those important tribunals and so I take a back seat to no one, but this I think has some very real problems that need to be addressed. I yield back.

Page 52

Mr. SMITH [presiding].

Let me ask a few questions and then I will yield to my friend, Mr. Berman, if he has any further questions.

You mentioned checks and balances that exist within the Yugoslavian War Crimes Tribunal. Do those same checks and balances also exist in the Rome Statute?

Ambassador SCHEFFER. Congressman, there are many more checks and balances in the ICC statute, and I can go into some of those. But the power of the prosecutor is much more qualified within the ICC statute. The principle of complementarity, which is nowhere found in the Yugoslav or Rwanda Tribunal statutes is a central feature of this particular Court.

And, furthermore, this Court, the ICC, depends upon the states parties to the Court to actually make very important decisions relating to the Court, whereas, the Yugoslav and Rwanda Tribunals look to no governments whatsoever for their decisionmaking.

Mr. SMITH. Let me ask you what kind of checks and balances there are. In terms of elected officials, our Founding Fathers, I

Page 53

think, were right in vesting only limited power in each of the three branches, being so distrustful, as they were, of any single entity being given so much power. Power corrupts, and absolute power corrupts absolutely.

What happens if a prosecutor and/or judges were to run amok and to engage in an ideological crusade against certain individuals? I think we already have a shot across the bow when lawyers brought action against NATO for alleged war crimes, that our planes were flying too high, putting additional civilians at risk, the choice of targets, which they seem to disagree with. A war crime then potentially could be in the eye of the beholder. Because, again, I do think there is some true elasticity to these terms.

Yes, Mrs. Del Ponte did not accept and did not proceed on those charges, but some other prosecutor may not be so favorably inclined. You might want to comment on that. Looking back, if the Rome Statute were in effect during World War II, for example, and we dropped the bomb on Hiroshima and Nagasaki, and we did the firebombing of Dresden and the other German cities with a huge number of civilian casualties, would that be construed as a war crime under the plain meaning of the Rome Statute?

Ambassador SCHEFFER. Well, Congressman, it is far too speculative to try to get into that. Remember that during World War II, the question is, were those actions violations of codified or customary international law at that time?

Mr. SMITH. That is not the question I am asking.

Ambassador SCHEFFER. No, I know.

Mr. SMITH. Fast-forward those military actions that this country undertook with our Alliance.

Ambassador SCHEFFER. It is entirely speculative to say we would use exactly the same military tactics today as we did during World War II. I would not speculate in that direction, not at all. We are far more precise——

Mr. SMITH. But there is no doubt a reasonable man or woman could use the Rome Statute in cases analogous to matters of historical fact, where military decisions were made which resulted in huge casualties. Thankfully, at least, the consequence of Hiroshima and Nagasaki was the ending of the war. But there is an argument that has been made ever since as to the advisability of those actions.

I think it is fair question. Past is prologue. We may be faced with this in the future. We all know that NATO, in terms of its war doctrine, would rely on superiority, at least during the Soviet days, rather than quantity. Quality was what we would rely on. There is the potential that a United States President, or a French President, or a British Prime Minister may have to make a decision some day to use nuclear weapons. It is not beyond the realm of possibility and it is not highly speculative. Those things have to be thought through.

Since we have the historical record, I think it needs to be plugged in to see whether or not this would have triggered a war crimes prosecution.

Ambassador SCHEFFER. Well, we were careful in the drafting of the statute, as well as the elements of crimes, to establish very high barriers to actually launching investigations and prosecuting the crimes. Not isolated incidents, there has to be systematic widespread events. There have to be plans and policies to directly assault civilian populations. If military necessity dominates the reasoning behind the use of any particular military force, then that is in conformity with international law and it is in conformity with the statute.

But if you are asking me, speculate as to whether or not it can conceivably be drawn that the United States takes a particular type of military action without describing what the intent was behind it, the plan or the policy behind it, I can't answer questions like that because you have to go through every step of the analysis before you can answer whether or not this statute would actually apply to that particular use of military force.

Mr. SMITH. Well, one of the more perverse outcomes would be that our military strategists would be faced with factoring in not just what is in the best interests of the United States and our allies, and how are we more likely to achieve a military end to a conflict. they would also have to factor in whether or not such an action would violate the Rome Statute.

Let me also say, our nuclear doctrine rests on deterrence, and if the Russians were to attack us or to launch, we would destroy Russian cities. How would that fit into a Rome Statute world?

Ambassador SCHEFFER. Congressman, this statute, as I said, specifically provides very high barriers that have to be met.

Mr. SMITH. But crimes of aggression aren't even defined yet.

Ambassador SCHEFFER. And it is contrary to U.S. Federal law as well as the Uniform Code of Military Justice to violate the laws of war. So I would assume the plan or policy of the United States would not be to violate the laws of war. If it were the plan or policy to violate the laws of war, then we have a lot to answer for. But if it is not the policy to violate the laws of war, there should be symmetry between our actions and what has been set forth in the statute, which we agree with.

We agree that the crimes set forth in the statute are crimes under customary international law which we must adhere to. We are not disagreeing with what is in the statute in terms of the list of crimes, we agree with them They must be complied with.

Mr. SMITH. And again, signing a document that still has not defined crimes of aggression——

Ambassador SCHEFFER. And by the way, I noticed that in your opening statement. I did want to get back to you on that. The whole process in the Preparatory Commission now is to try to determine, can there be a definition for aggression? The crime of aggression is not actionable under the statute unless there has been an agreement among the states parties to the statute at the 7-year review conference as to what is the definition of that crime. So you can't—there is no way to prosecute that crime until such a definition has been arrived at. And we have a very significant coalition of governments in total agreement with us as to how to proceed in those talks to define the crime of aggression.

Interestingly enough, under the statute, if one is a state party to the statute, you have every right, if a new crime is added to the statute, to completely exclude yourself from the coverage of that crime.

Page 55

Mr. SMITH. Mr. Slocombe, Secretary Slocombe, if you could respond to the hypothetical posed earlier about not just our deterrence strategy, which is based on the obliteration of cities, unless something has changed there that I don't know about, but also the bombing of Hiroshima, Nagasaki, and the firebombing that took place in Germany. If the Rome Statute were in effect, would that have precluded those actions?

Mr. SLOCOMBE. Mr. Smith, I think the way I would answer that would be to say that, in our view, if the Rome Statute were properly applied, American military personnel or the political officers, the President and, I guess in those cases, the Secretary of War, the Secretary of the Navy who ordered operations could not properly be prosecuted under them because they were legitimate. In the case of Hiroshima and Nagasaki, and, indeed, in general, with respect to the strategic bombing campaign against both Japan and Germany with conventional weapons, I would maintain that, judged by the context in which they occurred, they were not violations of the law of war under any circumstances.

So that, as a lawyer, the way I would answer the question would be that the United States would have a good defense if such cases were, in your case, hypothetically tried.

What I am concerned about, what the United States is concerned about, is that there could be a politically motivated prosecution based on what would, in our view, be a misinterpretation of the law of war, and, therefore, a misinterpretation of the Rome Statute. And once one is in a court, once you concede the principle of jurisdiction, there are no guarantees as to the result.

Mr. SMITH. So it would be possible that a Hiroshima, Nagasaki type action or the firebombing in Japan and in Germany could be prosecuted in the future if such a thing were——

Mr. SLOCOMBE. As we have said repeatedly, our concern in respect of this statute, in respect of the Court, is precisely the concern about politically motivated, in effect, bad faith prosecutions. Exactly.

Mr. SMITH. But what about a good faith prosecution, by someone who honestly believed that Hiroshima was a war crime? I mean it is possible that it could happen?

Mr. SLOCOMBE. Well, there is no question that on its face, the Court has jurisdiction over actual "war crimes". That is what the statute says, that is what is intended. Our concern, the United States military, through the United States military justice system, prosecutes and prosecutes vigorously well-founded allegations that American military personnel have violated the law of war.

We do not need the International Criminal Court to deal with that problem. So that is a non-problem. Our concern is not that there would be valid prosecutions of American military personnel. Our concern, rather, is as I said, and as we had said repeatedly, our concern is with politically motivated prosecutions based not really on serious allegations of war crimes, but on disagreement with U.S. or other alliance policies, of which I think the rejected allegations with respect to Kosovo are a good example.

Mr. SMITH. Could I ask, and ask you to provide it for the record, that the Pentagon undertake an analysis as to whether or not Rome would apply to World War II actions like I mentioned before?

Ambassador Scheffer, I think if these other issues were ironed out, you probably would like to see us sign this. But we have got to know what we are heading toward, and we need to look back before we look forward. Such an analysis, if it hasn't been done, really should be done.

Mr. SLOCOMBE. It has been done, that is the reason we opposed the treaty.

Mr. SMITH. What has been done, a look back at past conflicts?

Mr. SLOCOMBE. Well, I don't know that anyone did it in the mind of saying Dresden could have been prosecuted, I think they did it in the mind of saying you don't have to go back to World War II or to the Vietnam War to say that there is a very real danger that there could be politically motivated prosecutions through the International Criminal Court, and that is precisely the reason that not just the Department of Defense, but the Administration voted against the text and have refused to sign the treaty.

Mr. SMITH. And Ambassador Scheffer, you agree with that, there could be politically motivated prosecutions?

Ambassador SCHEFFER. Precisely.

Mr. SMITH. I'm sorry?

Ambassador SCHEFFER. Yes. Yes.

Mr. SMITH. Do you, Ambassador Scheffer, personally think that President Clinton made a mistake when he decided against signing the treaty in 1998?

Your mike is not on.

Ambassador SCHEFFER. I'm sorry, Congressman. My answer to your other questions was yes.

Mr. SMITH. OK. Thank you.

Ambassador SCHEFFER. No, there was no mistake whatsoever. In fact, the issue of signing was simply not the issue. In Rome it was, do we agree with other governments to release the text of the statute out of the Rome Conference in the form that existed at the end of the conference? That was the only issue there.

It truly is a more responsible course to take not to consider even the issue of signing until one sees the totality of this treaty regime.

Mr. SLOCOMBE. If I could, Mr. Chairman, could I read a sentence from a letter which Secretary Cohen, with the concurrence of his colleagues in the senior levels of the Administration, sent in support of Ambassador Scheffer's effort, which responds exactly to your point? It reads, "As it currently stands, the Rome Treaty could expose service-members and Government officials of nonparty states to criminal liability based on politically motivated charges brought by other states that object to the nonparty states' international policies." That is our position and that, in a sentence, is the reason for our concerns.

Mr. SMITH. Let me ask a final question or two. Ambassador Scheffer, how likely do you really think it is that you will succeed in your efforts to get the ICC to forego criminal jurisdiction over Americans and persons from other countries that are not a party to the Rome Statute? And what happens if you fail? Obviously there are a different set of diplomats and parliamentarians that I was meeting with, but at the Bucharest Conference we were all alone in our opposition. I was amazed in speaking one-on-one during the course of the week in Bucharest at the OSCE Parliamentary Assembly at how Pollyanna-ish some of the views were of members who did not have a clue what was contained in the statute but just said "We want an ICC and that is it." The British were probably more emphatic than anyone, although they seem to have been informed and knew the contents of the statute They were vigorously pushing for rapid ratification, which is what the operative language was that they were offering.

The Germans offered it. We tried to weaken it with an amendment and it was not acceptable, regrettably. It seems as if, as Mr. Bereuter pointed out earlier, in terms of a willingness to just cede sovereignty, the Europeans have no problem with that, it seems. But obviously we do.

What is the next step if they do not include us—or exclude us, I should say—from jurisdiction? What would be the next step?

Ambassador SCHEFFER. Well, I think there will be some—let met just describe it as serious results if we cannot prevail with a provision or a document that is satisfactory to us in the Preparatory Commission talks.

I think as Under Secretary Slocombe said earlier we are going to have to take a very serious reassessment of this. I think there is going to be a clearer assessment as to what we can consider in terms of military contingencies for this Government, but at the same time I would hope that that assessment could, the fact that there would be such an assessment would encourage a good number of governments, particularly our allies, that they have far more to gain from this process from the United States being a cooperative partner in this Treaty, even as a nonparty, than they do to isolate us by not taking into consideration the very specific requirements that we have in the international community, so all I can say is I hope I can succeed.

I don't want to pretend to say that I have got an easy job ahead of me. Right now the deck is stacked against me, but we have to try. This is a step-by-step process. We have had to exercise some patience in getting there, but every time we have pursued our objectives since Rome to actually accomplish what we need to accomplish, we have accomplished it, so I want to go that final mile and see if we can accomplish this objective.

Mr. SMITH. Again, what is the likelihood of doing it? I mean Secretary Bolton and—

Ambassador SCHEFFER. It could be 50–50 at this stage.

Mr. SMITH. Secretary Bolton and Eagleburger, former Secretary of State, have made it clear that they thought we lost the fight 2 years ago.

Ambassador SCHEFFER. Well, as I said, we simply do not share their vision of either having lost or waging this campaign. I think you have to be in the trenches of it to recognize that other governments truly do not want, at least many other governments, truly do not want to see the United States walk out of this process. They know how valuable we can be in the long-run for this Court and therefore I would hope that we could persuade them that a reasonable accommodation within the Treaty regime of U.S. interests is going to be to the betterment of the entire process and to the Court itself.

Mr. SMITH. I would respectfully suggest that we did lose it 2 years ago. We are trying to fix it now, and I obviously wish you success. We all would wish you success on that, but, you know, you mentioned serious repercussions or serious consequences. I think we are more likely to avoid that if we are very specific in saying this or that happens. Predictability I think is your friend now. Can you elaborate on some of the consequences if we lose?

Ambassador SCHEFFER. Well, as we have already stated to our colleagues in other governments in letters that the Secretary of Defense has sent to his counterparts, we would have to re-evaluate our ability to participate in military contingencies if we cannot prevail on that, and I think that is a fairly powerful consequence.

In addition to that, I think governments truly are having to gauge what is the consequence if the United States cannot be a good neighbor to this treaty. It will severely cripple the operation of this Court if we cannot be a player in it.

Mr. SMITH. How would it affect peacekeeping in your view, and Mr. Slocombe, you might want to add your views on peacemaking as well?

Ambassador SCHEFFER. I think it could have a very severe impact on that. Walt?

Mr. SLOCOMBE. What the Secretary of Defense said in his letter was unfortunately a negative result—that is, a negative result with respect to the article 98 effort—could have a major impact on our decision whether to participate in certain types of military contingencies.

That is what he said. I would not see that as an absolute judgment that we will never send American troops overseas in any situation, but it would have to be a factor we would have to take into account.

Mr. SMITH. Just getting back to the legislation, and I know in its current form you have made it clear you don't support it, but can you not at least admit there is some value in again broadcasting to the world that we are very serious and that the Congress is very serious about there being very negative consequences if this thing proceeds and we are included, having not been made a party to it, having not ceded or signed it?

Ambassador SCHEFFER. Well, I think there is some value to it and the mere existence of the legislation I think has sent that signal very loudly and clearly.

What I am saying is that actual adoption of this legislation would then have the reverse effect on our ability to actually negotiate our common objective.

Mr. SMITH. Let me just take that one step further. I mean the President obviously would have the capability of vetoing the bill if he thought it was not the right vehicle.

But let me point out that the Congress also has prerogatives, and we do fund peacekeeping. We obviously provide the necessary and requisite moneys for our military. It seems to me that we need to be very much a part of this because the outcome could be a disaster going forward for the world and for U.S. men and women in uniform who may be deployed overseas.

As I have read this, and I have read just about everything I can get my hands on, I have grave concerns. I said at the outset that no one has been more favorably inclined toward ad hoc tribunals than I am. When we had the first hearings in the Helsinki Commission on what became the Yugoslavian Tribunal we were being told by its leader, the man that was charged by the United Nations to take on the responsibility, that it was designed to fail, that he had been given insufficient resources, that it was nothing but fluff in order to placate certain individuals in countries, but it really was not a serious effort.

Now if we go in the other extreme and all of a sudden pass or enact something that potentially could prosecute the President or our Secretary of State or Defense or Supreme NATO Allied Commander, I think we have erred significantly as well, and I don't think there has been enough vetting of this issue.

I think a very small group of people have decided this. As I mentioned earlier, you know, I really want to take a look at who the actual participants were. We have heard that NGO's were filling the seats and taking on the responsibility of negotiating rather than the respective governments, who were kind of like brushed aside and the designated hitters were making decisions. That is serious if that indeed turns out to be the case. So I think there has been far less scrutiny brought to this, and hopefully these hearings are the beginning of even more focus by the Congress, but I thank you for your testimony.

Mr. Tancredo is here. Do you have any comments?

Mr. TANCREDO. No.

Mr. SMITH. I do thank you for your comments. We look forward to working with you in the future.

Ambassador SCHEFFER. Thank you, Mr. Chairman.

Mr. SLOCOMBE. Thank you, Mr. Chairman.

[Whereupon, at 11:51 a.m., the Committee was adjourned.]

Mr. LANTOS. Mr. Chairman, I yield 1½ minutes to my colleague, the gentleman from Rhode Island (Mr. KENNEDY).

Mr. KENNEDY of Rhode Island. Mr. Chairman, maybe either the gentleman from New Jersey (Mr. SMITH) or my friend and colleague, the gentleman from Texas (Mr. DELAY), could answer this question. And that is, if we do not sign this treaty, then we will not have primary jurisdiction over our soldiers; meaning if we do sign this treaty, our soldiers are under the jurisdiction of our courts; but if we pass the DeLay amendment our soldiers will be under the jurisdiction of another country and/or the ICC that the gentleman purports he does not want our soldiers to be subject to.

Mr. DELAY. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Rhode Island. Mr. Chairman, on the gentleman's time. I do not have the time. The gentleman has more time than we do.

Mr. DELAY. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Rhode Island. Mr. Chairman, on the gentleman's own time I will yield. It is his amendment. If he wants to answer the basic question.

Mr. DELAY. The gentlemen asked me a question. He controls the time. Would he like an answer?

Mr. KENNEDY of Rhode Island. I control the time and I am not going to yield. I would like to ask the gentleman from Texas (Mr. DELAY), who is offering this amendment, to explain his amendment and explain to this House that what he is trying to do he actually does not do, because the very service member who he is purporting to protect actually will end up subject to other foreign nations' courts, and not our own, if we pass this DeLay amendment. I would ask the gentleman from Texas (Mr. DELAY) on his own time to explain why his amendment does exactly the opposite of what he purports it to do.

Mr. DELAY. Mr. Chairman, I yield 1 minute to the gentleman from Indiana (Mr. BUYER).

Mr. BUYER. Mr. Chairman, let me take a shot at this. Since I am also a JAG officer and I have been in a theater of war, what the gentleman from Rhode Island (Mr. KENNEDY) is purporting I would say is false. When a war is fought, it is fought under the laws of war. There are also the Geneva Conventions. Our country has treaties with other countries. We have memorandums of understanding. We have exchanges of letters with regard to the jurisdiction and who can prosecute whom under what circumstance.

I am going to support the DeLay amendment because I do not want our military to be tried by Iraq or some other nation out there. If we have a nation, take Germany, for example, and that military officer or an enlisted person commits a crime in the line of duty, we prosecute those; we take care of that. If they commit an offense in the civilian, outside the line of duty, they are prosecuted by Germany. That occurs out there.

I think we need to pause and really think whether we want to subject our military to an international court.

Mr. LANTOS. Mr. Chairman, I reserve the balance of my time.

Mr. DELAY. Mr. Chairman, I yield 1 minute to the gentleman from Indiana (Mr. PENCE).

Mr. PENCE. Mr. Chairman, I thank the gentleman from Texas (Mr. DELAY) for yielding me this time.

Mr. Chairman, I am grateful that the distinguished majority whip, the gentleman from Texas (Mr. DELAY), has given me this time, and I appreciate his efforts and his diligence in defending our men and women in uniform who, but for this amendment, might be subject to arbitrary and capricious actions of rogue nations bent on perverting the International Criminal Court.

None other than President George Washington warned his posterity about certain relations with foreign governments that might put liberty at risk.

The system of law that is likely to be practiced in the ICC is outside of our Constitution and our rule of law. It does violence to the very common law that is our inheritance. There is little doubt that the framers of the Constitution would reject this peculiar foreign legal system outright as a form of tyranny. The notion that our citizens, men and women in uniform, would be subject to the whims of a foreign court is anathema to the principles of the American founding.

American citizens and their military personnel should never be subject to laws not created by the American people. The fear voiced by George Washington must control our debate today.

Mr. DELAY. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. HYDE), the distinguished chairman of the Committee on International Relations.

Mr. HYDE. Mr. Chairman, I thank the gentleman from Texas (Mr. DELAY) for yielding me this time.

Mr. Chairman, I think it would be a terrible mistake to submit our military to this International Criminal Court. First of all, double jeopardy. If we read the Statute of Rome, it is left to a court to decide if our court martial was a genuine, honorable, honest effort. If they do not like it and one gets discharged, that person can be retried.

The decision is made, "The case is being investigated or prosecuted by a state which has jurisdiction over it unless the State is unwilling or unable genuinely to carry out the investigation." Who decides if it was a genuine investigation? A Chinese court?

The same means by which we were excluded from the Human Rights Commission can exclude us from participation in this court, because one becomes a member by the votes of the member states.

Now, the crime of aggression, maybe that is flying along the China coast in international waters; maybe that is the crime of aggression to some people. Why submit our people to this? It is alien.

Mr. LANTOS. Mr. Chairman, I yield myself 30 seconds to close.

Mr. Chairman, no Member of this body is in favor of having American servicemen or servicewomen tried by an International Criminal Court. As we outlined earlier, our service people abroad are tried by our own military courts.

We are in favor of establishing an International Criminal Court similar to the one at the end of the Second World War, the Nuremberg Tribunal, and similar to the one currently dealing with international criminals of the former Yugoslavia's bloodshed.

I ask my colleagues to vote against the DeLay amendment.

Mr. PAUL. Mr. Chairman, I rise to join Mr. DELAY in expressing serious concern over the subject matter of his amendment, that is, the International Criminal Court (ICC).

Considering the detestable substance of the balance of H.R. 1646, fortunately, the underlying bill is silent on the ICC other than to prohibit funds authorized for International Organizations from being used to advance the International Criminal Court. As such, I have some reservations with the amendment offered by Mr. DELAY because it singles out one class of American citizens for protection from ICC jurisdiction (thus violating the doctrine of equal protection), it supposes that if the Senate ratifies the ICC treaty, U.S. citizens would then be subject to the court it creates, and it illegitimately delegates authority over which U.S. citizens would be subject to the ICC to the U.S. president. Moreover, his amendment would authorize U.S. military actions to "rescue" citizens of allied countries from the grips of the ICC, even if those countries had ratified the treaty. It may be better to remain silent (as the bill does in this case) rather than lend this degree of legitimacy to the ICC.

It is certainly my view (and that of the 21 cosponsors of my bill, HCR 23), that the President should immediately declare to all nations that the United States does not intend to assent to or ratify the International Criminal Court Treaty, also referred to as the Rome Statute of the International Criminal Court, and the signature of former President Clinton to that treaty should not be construed otherwise.

The problems with the ICC treaty and the ICC are numerous. The International Criminal Court Treaty would establish the International Criminal Court as an international authority with power to threaten the ability of the United States to engage in military action to provide for its national defense.

The term "crimes of aggression", as used in the treaty, is not specifically defined and therefore would, by design and effect, violate the vagueness doctrine and require the United States to receive prior United Nations Security Council approval and International Criminal Court confirmation before engaging in military action—thereby putting United States military officers in jeopardy of an International Criminal Court prosecution. The International Criminal Court Treaty creates the possibility that United States civilians, as well as United States military personnel, could be brought before a court that bypasses the due process requirements of the United States Constitution.

The people of the United States are self-governing, and they have a constitutional right to be tried in accordance with the laws that their elected representatives enact and to be judged by their peers and no others. The treaty would subject United States individuals who appear before the International Criminal Court to trial and punishment without the rights and protections that the United States Constitution guarantees, including trial by a jury of one's peers, protection from double jeopardy, the right to know the evidence brought against one, the right to confront one's accusers, and the right to a speedy trial.

Today's amendment, rather than be silent as is currently the case with the bill, supposes that ratification would subject U.S. citizens to the ICC but the Supreme Court stated in *Missouri* v. *Holland,* 252 U.S. 416, 433 (1920), *Reid* v. *Covert,* 354 U.S. 1 (1957), and *DeGeofrey* v. *Riggs,* 133 U.S. 258, 267 (1890) that the United States Government may not enter into a treaty that contravenes prohibitory words in the United States Constitution because the treaty power does not authorize what the Constitution forbids. Approval of the International Criminal Court Treaty is in fundamental conflict with the constitutional oaths of the President and Senators, because the United States Constitution clearly provides that "[a]ll legislative powers shall be vested in a Congress of the United States," and vested powers cannot be transferred.

Additionally, each of the 4 types of offenses over which the International Criminal Court may obtain jurisdiction is within the legislative and judicial authority of the United States and the International Criminal Court Treaty creates a supranational court that would exercise the judicial power constitutionally reserved only to the United States and thus is in direct violation of the United States Constitution. In fact, criminal law is reserved to the states by way of the tenth amendment and, as such, is not even within the federal government's authority to "treaty away."

Mr. Chairman, the International Criminal Court undermines United States sovereignty and security, conflicts with the United States Constitution, contradicts customs of international law, and violates the inalienable rights of self-government, individual liberty, and popular sovereignty. Therefore, the President should declare to all nations that the United States does not intend to assent to or ratify the treaty and the signature of former President Clinton to the treaty should not be construed otherwise.

Mr. WELDON of Florida. Mr. Chairman, today I rise in strong support of the amendment offered by my colleague, Majority Whip TOM DELAY. This amendment to H.R. 1646, the Foreign Relations Authorization Act is important if we are to overturn a last minute act by the previous Administration. By signing the U.S. onto the International Criminal Court just a few hours before leaving office, Mr. Clinton chose to subject U.S. troops and our military actions to second guessing by international judicial bureaucrats appointed by an international body.

Mr. DELAY's amendment provides legal protections to ensure that American citizens, especially U.S. military personnel, are not prosecuted by the International Criminal Court for actions undertaken by them on behalf of the U.S. government. This amendment prohibits (1) U.S. cooperation with the Court except to free American citizens or those of our allies; and (2) providing classified information to the court. In addition, it requires that countries receiving U.S. military assistance (other than NATO, non-NATO allies and Taiwan) must exempt Americans from prosecution or arrest by the court on their soil. Finally, it requires that the U.N. Security Council exempt American military personnel engaged in assessed U.N. peacekeeping operations from prosecution by the Court.

A brief look at recent actions by the United Nations demonstrates how foolish it would be to sign up to this treaty. The United Nations just recently removed the United States from the Human Rights Commission, and placed on the commission Cuba, China and Sudan. Cuba is run by a dictator who has no regard to human rights and imprisons people at his will. China oppresses religious freedom and detains individuals without due process. And, the government of Sudan has killed 2 million Christians over the past few years. Sudan also still engages in slavery. Those who are arguing that the United States should sign up to a treaty that allows these nation's to put American citizens and service members on trial, are putting these brave men and women in jeopardy.

The United Nations conference ignored U.S. objections and endorsed a plan for establishing a permanent international criminal court. The American representatives at the negotiations on this treaty, under pressure from the Republicans in Congress, sought to obtain a guarantee that U.S. military service personnel and agents could never be held liable to this court. This was rejected. This represents a dangerous potential for usurping national autonomy, and I will continue to work to see that this proposal is fully rejected. Our Founding Fathers warned us about foreign entanglements. Certainly, ceding national autonomy falls into this category.

I will continue to oppose any effort to permit the U.S. to join this "court." I am pleased that President Bush has expressed his objections, and the U.S. Senate has made it clear that it would reject this treaty. Mr. DELAY's amendment will be an important step in stopping this problematic agreement.

Ms. MCCOLLUM. Mr. Chairman, I rise today to oppose the Delay amendment to H.R. 1646.

The International Criminal Court (ICC) will be a permanent court to try individuals, not countries, for the most serious crimes of concern to the international community. These would be heinous crimes such as genocide and widespread systematic torture and rape.

The horrendous crimes in Bosnia, Rwanda, Sierra Leone, Kosovo and far too many other countries have awakened the international community to the need to punish the criminals responsible for inhuman acts of violence. The same concerns that led to the trials at Nuremberg and Tokyo, the creation of ad hoc tribunals for the Former Yugoslavia and Rwanda, and the existence of established international criminal law have made the ICC more feasible now.

The Court will hear a case only when no national court is available or willing to hear it. In the case of the United States, our courts would decide whether to try a case or submit it to the ICC. In theory the ICC could try Americans. However, the ICC would only intervene when the U.S. chooses to relinquish its right to try a case. In practical terms, it is highly unlikely that the American judicial system would be unwilling or unavailable to try a case.

Also, it is important to remember that Americans arrested abroad for committing a crime are already subject to prosecution by other countries. In the highly unlikely event of an American being arrested abroad for war crimes, in many cases a trial in the ICC would be fairer and the country might well agree to turn the accused over to the ICC.

The U.S. Government has taken great pains to require that the accused receive a fair trial and be accorded the due process of law. The draft statute defines the rights of the accused in accordance with the rights guaranteed in the International Covenant on Civil and Political Rights and the Declaration of Human Rights. They include the presumption of innocence, the right to counsel, the right to confront one's accusers, and the right to a speedy trial.

I support the U.S. participation in the ICC as well as all efforts that seeks justice for the victims of genocide, torture, rape and systematic violence against civilian men, women and children.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. DELAY).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. DELAY. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Texas (Mr. DELAY) will be postponed.

It is now in order to consider amendment No. 2 printed in House Report 107–62.

AMENDMENT NO. 2 OFFERED BY MR. HYDE

Mr. HYDE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. HYDE:

Page 76, after line 12, insert the following new subsection (and redesignate the subsequent subsections accordingly):

(a) ADDITIONAL RESTRICTION ON RELEASE OF ARREARAGE PAYMENTS RELATING TO UNITED STATES MEMBERSHIP ON THE UNITED NATIONS COMMISSION ON HUMAN RIGHTS AND USE OF SECRET BALLOTS.—In addition to the satisfaction of all other preconditions applicable to the obligation and expenditure of funds authorized to be appropriated by section 911(a)(3) of the United Nations Reform Act of 1999, such funds may not be obligated or expended until the Secretary of State certifies to the appropriate congressional committees that—

(1) the United States has obtained full membership on the United Nations Commission on Human Rights for a term commencing after May 3, 2001; and

(2)(A) neither the United Nations nor any specialized agency of the United Nations takes any action or exercises any authority by any vote of the membership of the body by a secret ballot which prevents the identification of each vote with the member casting the ballot; or

(B) a detailed analysis of voting within the United Nations and specialized agencies of the United Nations has demonstrated to the satisfaction of the Secretary of State that the use of secret ballots can serve the interests of the United States and that analysis has been transmitted to the appropriate congressional committees.

The CHAIRMAN. Pursuant to House Resolution 138, the gentleman from Illinois (Mr. HYDE) and a Member opposed each will control 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Chairman, I ask unanimous consent to yield 10 minutes of my time on this amendment to the gentleman from California (Mr. LANTOS) and that he be permitted to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HYDE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my amendment requires that the final tranche of arrearage payments to the United Nations and other designated agencies be contingent upon a certification by the Secretary of State that the United States has regained its seat on the United Nations Commission on Human Rights.

I urge support for this amendment that expresses our strongest possible concern over the vote on May 4 by the 53 members of the U.N. Economic and Social Council to remove the U.S. from its seat on the Human Rights Commission, a seat I might add that we have held continuously since the Commission's inception in 1947.

Let there be no mistake about the message being sent to the U.S. with this unprecedented action to remove our strong and uncompromising voice from the proceedings of this body. This is a deliberate attempt to punish the United States for its insistence that we tell the truth about human rights abuses, wherever they occur; including in those countries represented on the Commission such as China and Cuba.

The U.N. Secretary General, Kofi Annan, spoke for many other member states when he noted in a statement in the aftermath of this vote that the United States has played a leading role over the years in drafting landmark documents, such as the Universal Declaration of Human Rights, and has been a key member of the Commission. The U.S. made a major contribution to the work of the United Nations in the field of human rights.

In response to this inexplicable and inexcusable decision, it is appropriate that the U.S. send its own message to U.N. member states, and particularly the members of the western European group. If allowed to stand, this decision threatens to turn the Human Rights Commission into just one more irrelevant international organization.

If our voice is stilled, other countries will have even greater difficulty in speaking openly and plainly about rampant human rights abuses around the world.

The adoption of this amendment will assist the administration in its efforts to take whatever steps are necessary over the next year to restore our voice and vote in this body.

To those critics who say we are overreaching and overreacting, I would argue that to do anything less would be a repudiation of our own values and principles of freedom, democracy, and respect for human rights enshrined in the U.N. Charter and in our own Constitution.

I urge the adoption of this amendment, and I am so pleased to share its authorship with the distinguished gentleman from California (Mr. LANTOS).

Mr. Chairman, I reserve the balance of my time.

Ms. McKINNEY. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentlewoman from Georgia (Ms. McKINNEY) is recognized for 20 minutes.

Ms. McKINNEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise to oppose the Hyde-Lantos-Sweeney amendment, and I find myself in agreement with the Bush administration on this issue. I agree that the United Nations has a poor record in some important areas. All we need to do is look at United Nations behavior in Rwanda and Srebrenica where it aided and abetted in the needless slaughter of 1 million Rwandans and thousands of Bosniacs. Even that, however, is no reason to withhold paying back dues that the United States owes to the United Nations.

How can we expect the United Nations to improve its performance or to respect us if we go back on our word and refuse to pay our bills?

I know that Secretary of State Colin Powell would never agree with going back on our word to the world community, but that is exactly what this amendment will do.

President Bush's spokesperson said yesterday, "While the United States is disappointed with the results of the Human Rights Commission election, the President feels strongly that this issue should not be linked to the payment of our arrears to the U.N. and other international organizations."

However, it is important that while we talk today about human rights around the world and human rights abusers, and even human rights abusers who now sit on the United Nations Human Rights Commission, we must also talk about ourselves.

□ 1230

We cannot continually stand before the world community with finger pointed outward while never looking inward. And look inward we must. We must look at the way we treat others in our foreign policy, and we must look at the way we treat our own citizens right here in this country.

Christopher Hitchens has written a powerful piece on Henry Kissinger's policies that resulted in deaths all over Asia, in Vietnam, in Indonesia, in East Timor. Hitchens also discusses U.S. policy in Chile. Problems created decades ago that we still suffer the repercussions of today.

I have written tomes myself in disgust at Madeleine Albright's Africa policy, which had the U.S. join hands with hand choppers and rapists of little 12-year-old girls in Sierra Leone, purposely delayed U.S. response in the Rwanda genocide, and then rewarded those at the U.N. and inside our own government who turned a blind eye to what was happening in Africa's Great Lakes region.

Africa is still suffering from what we did not do to help people who wanted to escape dictatorship and establish democracy and the rule of law. What other suffering will we create or ignore?

But then I cannot talk about the U.S. position on human rights without discussing what is happening right here in America. What about the human rights of America's black men who are dying on the streets? What about the human rights of America's black people?

On the streets of America, I see homelessness and poverty. Here in the Nation's Capital, I see black man after black man after black man sleeping on the streets. They sleep in makeshift cardboard beds, they sleep on sidewalk benches, over heating grates, and under bridges. Black women lie clad in newspapers during the night on the same block as the White House. They are discarded like trash on the streets of America.

On the streets of America, I see racial profiling. The Justice Department admits that blacks are more likely than whites to be pulled over by police, imprisoned, and even put to death. Yet only 2 days ago a Cincinnati grand jury offered the equivalent of a holiday vacation for a white police officer in the fatal shooting of an unarmed black man.

Another black man last week was driving his fiance's 10- and 8-year-old daughters to school. He was approached by a white policeman, who pulled his gun and shot him in the neck, killing him instantly as the two little girls ran screaming in horror down the street.

The FBI said blacks and whites have about the same rate of drug use, yet while the majority of people arrested for drug abuse are white, the vast majority of those incarcerated are black.

Government studies on health disparities confirm that blacks are less likely to receive surgery, transplants, even prescription drugs, than whites. A black baby boy born in Harlem today has less chance to reach the age of 5 than a baby born in Bangladesh.

I serve in the Congress where the Congressional Black Caucus is shrinking, and yet sections of the Voting Rights Act will soon expire, and, quite frankly, after crippling Supreme Court decisions, there is not much left of affirmative action to mend.

I believe this state of affairs is no accident. We are what we are because it was meant to be.

In the FBI's own words, its counterintelligence program, then known as COINTELPRO, had as a goal to expose, disrupt, misdirect, discredit or otherwise neutralize the activities of black organizations and to prevent and, I quote, black "leaders from gaining respectability."

We need only remember that Geronimo Pratt spent 27 years in prison for a crime that he did not commit.

Twenty-six black men were executed in the year 2000. Some of them were probably innocent. And we started this year by executing a mentally retarded black woman.

Now the Bush administration tells us that they are not going to participate in the United Nations Conference on Racism scheduled to take place in the Republic of South Africa in August of this year. I say shame on the Bush Administration for boycotting the United Nations Conference on Racism, and I urge my colleagues to defeat this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. LANTOS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I deeply regret that my good friend the gentleman from Illinois (Mr. HYDE) and I had to offer this amendment to condition our U.N. arrears payment on the resumption of our membership on the U.N. Human Rights Commission.

I think it is important to analyze what happened at the vote in Geneva carefully. There are three seats reserved for the western nations and there were four candidates. I predict that every single time this should happen in the future, we will be rejected, because we are the most articulate and principled and outspoken proponents of human rights.

Austria does not irritate anybody. The Austrians are getting the votes, but the United States is not getting the votes, because we speak out on human rights violations in Cuba and China and Sudan and Libya and Syria and all over the world. And there are many more human rights violators, Mr. Chairman, than countries that honor human rights.

So in a very fundamental and mechanical sense, the failure of our being on the Human Rights Commission as we speak is the result of the failure of our European friends to act together; and I hope that next year when this similar vote will take place, they will designate only two of their members, so the United States will be the third one and we will be voted again to serve on the Human Rights Commission of which we have been, since its inception, the single most important, most powerful, and most principled member.

It is a separate issue, Mr. Chairman, that 14 members apparently who have given our Department of State written assurances that they will vote for us, taking advantage of the secret ballot, chose not to do so.

Now, the gentleman from Illinois (Chairman HYDE) and I are proposing a reasonable and moderate amendment. Our amendment calls for paying our current tranche which is due, almost $600 million, without any delay, and to make our last payment, over $200 million, contingent upon the United States being voted back on to the U.N. Human Rights Commission.

Earlier this morning I had an opportunity to have a lengthy telephone conversation with the Secretary General of the United Nations, Mr. Kofi Annan; and I explained to him the procedure, which he clearly understands. It is our intention to pay every dime we owe the United Nations, but we will simply not turn the other cheek as the Sudans and the Lybias of this world declare the United States unfit to serve on the Human Rights Commission of the United Nations.

One important provision of our legislation calls on our representative at the U.N. to insist that no nation may serve on the U.N. Human Rights Commission that does not allow on its territory international human rights monitors. When this provision prevails, the Cubas and the Chinas and the Sudans and the Lybias of this world will have no opportunity to serve on the Human Rights Commission.

The Hyde-Lantos amendment is a reasonable response to an outrage that was perpetrated in Geneva. I urge all of my colleagues to support it.

Mr. Chairman, I reserve the balance of my time.

Mr. HYDE. Mr. Chairman, with great pleasure, I yield 1 minute to the distinguished gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I rise in support of the Hyde-Lantos-Sweeney amendment. The failure of the U.N. to reelect our Nation to the Human Rights Commission is outrageous. Our Nation has been a member of the commission since 1946. Our Nation is being penalized obviously for speaking out for human rights abuses.

This commission has become a refuge for despots and scoundrels, indicative of our Nation's inattention to this problem for the past 8 years, regrettably allowing powerful nations such as China to dominate the commission.

The Human Rights Commission has become a closely knit group of human rights abusers. The Chinese, Cuban, Libyan, and Syrian commission members have incarcerated thousands of political prisoners. It is hypocritical that Sudan, which practices slavery, is also a commission member.

Denying our Nation membership while allowing those despotic governments to become members underscores that we have not effectively challenged those dictatorships.

This is truly a sad day for democracy, for the rule of law, and for the United States. Accordingly, I strongly urge support for the Hyde-Lantos-Sweeney amendment.

Ms. MCKINNEY. Mr. Chairman, I am very pleased to yield such time as she may consume to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Chairman, I thank the gentlewoman for yielding me this time and for her leadership.

Mr. Chairman, I rise today in strong opposition to the Hyde-Lantos-Sweeney amendment, which withholds U.S. payments to the United Nations in retaliation for the removal of the U.S. from the Human Rights Commission.

Although I share the displeasure of the chair and ranking member of the Committee on International Relations on the loss of the United States' seat, payment of arrears to the U.N. should not be jeopardized in retribution.

This action would be unfairly punitive. The United Nations does not nominate nor elect members to the commission. The 54 members of the U.N. Economic and Social Council elect members of the commission in a secret ballot. Payment of our longstanding debt to the U.N. should not be jeopardized, particularly at a time when the United Nations has met nearly every condition of the Helms-Biden agreement.

A deal is a deal. The U.S. agreed to pay nearly $1 billion in debt to the U.N. if the U.N. met certain conditions. The United Nations has kept their end of the deal.

We demanded that the U.N. reduce the amount the U.S. pays to the U.N. regular budget, and the U.N. did. We demanded that they reduce the amount the U.S. pays to the U.N. peacekeeping budget, and the U.N. did. We demanded they form an Office of Inspector General, and they did. We demanded they maintain a zero growth budget, and they did. We demanded that they did not charge us interest on the delinquent bills, and they have not charged interest.

Now, after the United Nations has met all of our demands and it is our time to honor our commitment, we have new demands.

It is not even logical. The United Nations did not remove the United States from the Human Rights Commission. That action was by the 54 member states of the U.N. Economic and Social Council. It is not fair. To penalize the U.N. for the actions of individual member states violates every sense of fair play. It is like failing the whole class for the actions of one child.

□ 1245

My opponents here today will say that the U.S. deserves a seat on the commission, and it does. But the U.N. cannot put us back on the commission any more than they could prevent us from being taken off. So why penalize the U.N.?

Also, it is not productive. Requiring new conditions for payment of a longstanding debt when a deal has already been made will not only not win us back a seat, but could very well jeopardize our relations with the very nations who we need to vote in favor of us to put us back on the commission.

Secretary of State Colin Powell does not want additional conditions. President Bush does not want additional conditions. These are the people charged with implementing our Nation's foreign policy. Just yesterday, the President spokesperson said, and I quote, "The whole question of arrears and payment to the United Nations, that is separate and apart from this current matter."

The Atlanta Constitution wrote a long statement, but I will just quote a short part: "Unfortunately, Members of the House are threatening to 'get back' by withholding U.N. dues. Seeking retribution against the world body is the wrong reaction from Congress or the administration. After all, it wasn't just U.S. detractors who participated in the coup, but also some of our allies: France, Sweden and Austria, who didn't cast enough votes to help the U.S. retain a seat."

The Los Angeles Times wrote on May 10, and I quote: "Members of the House, angry that the United States last night lost its seat on the U.N. Human Rights Commission, want to withhold a further planned U.N. payment of $244 million unless the seat is restored next year. It's hard to conceive of anything more foolish than making payment of a legitimate debt conditional on an action by a subsidiary U.N. body that the U.N. doesn't even control."

The New York Times wrote on May 5: "Such a response would ignore the underlying issues that caused the revolt and only worsen American relations with the United Nations. Payment of Washington's back dues is vital to maintaining American influence in the U.N."

And the San Francisco Chronicle's headline today says, "U.S. Should Pay Its Dues."

It sort of reminds me of the old book, everything I learned in kindergarten is all I need to conduct my life in a reasonable way. We made a deal. They have held up to their end of the deal. It is wrong for us to turn around and change the rules.

Mr. Chairman, I stand here in support of the Bush administration urging that we live up to our end of the commitment and pay our dues at the United Nations. I oppose the Hyde-Lantos amendment and other conditions put on this requirement that we have agreed to.

Mr. LANTOS. Mr. Chairman, I yield myself such time as I may consume to respond to the gentlewoman from New York (Mrs. MALONEY), and I would like to respond to some of these editorials.

Some of us do not accept the sanctity of our Western European friends. They would stand on firmer moral ground if they would stand with the United States in our dealings with Iran or Iraq or Syria or other totalitarian states. Actions have consequences. The United States was fully prepared to make these payments, but the situation has changed with encouragement on the part of some of our "friends." There is great glee that the United States was booted off the U.N. Human Rights Commission where unquestionably we were the most important, most valuable, most articulate, and most principal member for over half a century.

And while I am very pleased to see my friend defending the Bush administration in this instance, I do not. I believe the Bush administration is dead wrong in saying that we should turn the other cheek. Actions have consequences. We had an arrogant and irresponsible action: booting the leading champion of human rights off the U.N. Human Rights Commission. The gentleman from Illinois (Mr. HYDE) and I am proposing a modest response, a temporary withholding of a portion of our dues. Our U.N. fellow members have an option. If they would like to get this payment, they will vote the United States back on to the Commission. If they do not, it will cost them $244 million. And I urge France or Austria or anybody else to come up with that money, because certainly the United Nations needs those funds.

I think it is important that we do not engage in blaming the United States first. We are the least responsible party for this action. The people who are responsible for this action are the Chinese, who went around trying to get votes against us by economic incentives and by threats; the Cubans, who did the same; and a number of our quote-unquote "friends," who shall remain nameless.

Mr. Chairman, I proudly join my friend, the gentleman from Illinois (Mr. HYDE) in this measure. This will teach countries a lesson: actions have consequences. They have taken an irresponsible action, and we are giving them an opportunity to rectify it.

Mr. Chairman, I reserve the balance of my time.

Mr. HYDE. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. SWEENEY).

Mr. SWEENEY. Mr. Chairman, I would like to respond as well to the gentlewoman from New York (Mrs. MALONEY), my friend and colleague, from the perspective that I am pleased to join the gentleman from California (Mr. LANTOS) and the gentleman from Illinois (Mr. HYDE) as a sponsor on this amendment.

The notion that what we are doing here is somehow a violation of fair play is really quite foreign to me at this point. What we are doing in bringing this amendment forward is disallowing the Libyans, the Chinese, those in Sudan and those who throughout the world want to sit in judgment of human rights violations and sit in judgment by excluding and pushing the United States out from that conversation.

This amendment is about fighting and protecting human rights throughout the world, Mr. Chairman. Secret ballots at the United Nations enable human rights violators and those who impede our ability to combat international narcotics and other important causes, they push us from that debate and that argument.

So I am proud to come forward and offer this amendment, because after all, the greatest sense of leverage we have as a Nation is the fact that we contribute 25 percent for the activities at the United Nations. To not have the United States sitting on the Human Rights Commission is a travesty.

Ms. MCKINNEY. Mr. Chairman, I yield 2½ minutes to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Chairman, I thank the gentlewoman for yielding me this time.

Mr. Chairman, I am outraged by what happened at the United Nations. I am as outraged as anyone. I am cochair of the U.N. Working Group, along with the gentlewoman from New York (Mrs. LOWEY) and the gentleman from Connecticut (Mr. SHAYS) and the gentleman form Iowa (Mr. LEACH). The U.N. certainly is not always right, and in this instance they are absolutely wrong and it is absolutely outrageous.

But in trying to weigh what our reaction should be, I come down on the opposite side of the gentleman from California (Mr. LANTOS), the gentleman from Illinois (Mr. HYDE), and the gentleman from New York (Mr. SWEENEY), my good friends, because I do not believe that trying to blackmail nations into supporting us ever really works. I think that that is really not the way to go.

I agree with everything the gentleman from California (Mr. LANTOS) said, and I have more respect for him than almost anyone else in this body when it comes to these matters, and he was right on the money in everything he says; but I just think that our reaction ought to be different.

There has been a buildup of anger at the United States because frankly, we have not been paying our dues. I know we are on track to do it now, but it was a long struggle; and it was many, many years before we went on track. There has been anti-U.N. rhetoric from this body and in other places, and there is some anger at the fact that we have not ratified at a convention on the rights of a child, banning land mines, the Kyoto Protocol and other treaties as well. That is not an excuse for the U.N., but the question is, how do we react? How do we react to this at all?

I do not believe that these votes at the U.N. should be linked to the payment of arrears. We owe them money, and we ought to pay it. We ought to express our outrage. There are other ways to do it. I do not think that withholding the money is the right way to go.

Jeanne Kirkpatrick, for whom I have enormous respect, said, frankly, somebody was not watching the store. We could point fingers at everybody and do a lot of fingerpointing all the way around, but that really does not have any beneficial effect. We have made our point known. The administration, the Bush administration, opposes this amendment. We have to now decide what the best way to go is. I just think that this may do us a lot of good in expressing our personal pique, but I think in the long run it is counterproductive.

So I reluctantly urge a "no" vote on the amendment.

Mr. LANTOS. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. HOYER), my friend and colleague.

Mr. HOYER. Mr. Chairman, I thank the distinguished gentleman from California for yielding me this time.

Mr. Chairman, I have long supported the premise that the United States should participate in the United Nations and that if we want to maintain our leadership role that we ought to pay our dues. I must say, therefore, that I am ambivalent on the means used in this resolution, but I am not ambivalent at all on the sentiments and the point that it makes.

I rise, therefore, in support of the intent of this resolution. I have not decided, frankly, how I am going to vote, but there ought to be 435 of us who, in the strongest possible terms, say that this was an act of a commission that knows that it is the United States day after day, week after week, month after month, in every forum in the world, the OSCE, the Organization on Security and Cooperation in Europe, which the gentleman from New Jersey (Mr. SMITH) and I participate in on a year-round basis; the chairman of the committee has participated in that heavily, as has the gentleman from New York (Mr. GILMAN), the former chairman; and the gentleman from California (Mr. LANTOS).

This was an act perpetrated, frankly, by the abusers of human rights, by those who would like to hide the abuses that exist in so many parts of this world; that would like to hide the shortcomings to international standards that so many nations demonstrate. That ought not to be left to stand. The exclusion of the United States from the Human Rights Commission, the one Nation that consistently raises the issue of human rights around the world, and yes, even in the United States.

So I applaud the sponsors of this resolution for raising for the rest of the world and for our country how critically we view this issue.

Mr. HYDE. Mr. Chairman, I yield 1½ minutes to the gentleman from Texas (Mr. ARMEY), the distinguished majority leader.

□ 1300

Mr. ARMEY. Mr. Chairman, I thank the gentleman from California (Mr. HYDE) for yielding the time to me.

Let me say, Mr. Chairman, this is a serious matter. I want to thank the gentleman from Illinois (Chairman HYDE) and the gentleman from California (Mr. LANTOS), the ranking member, for bringing this to the floor.

Mr. Chairman, I look around this Chamber and I see the Members of this body that have traveled the globe out of concern to speak up for human rights, to reach out a hand of comfort and support and encouragement for the beleaguered people across this globe repeatedly.

Year in and year out, our Members from this Chamber make that trek to show that America knows and America cares. I look across this country and I see the heart of the American people that reaches out to all the world for freedom, dignity, justice, respect.

I look across this Nation's history and I find a legacy of courage, commitment, sacrifice. This Nation has lent its heroes to the cause of liberty on behalf of the nations of all the world time and time again.

Without this Nation's leadership, there would be no United Nations. Without this Nation's participation, the United Nations could not endure to this day. The United Nations expels this Nation, the greatest Nation in the history of the world, for the defense and protection of human rights from the very commission whose only sacred purpose is to be the guardian and the protector of human rights and in its stead places what can only be judged the world's worst perpetrator.

The horrors of Sudan will break your heart, the slavery. Slavery, we thought perhaps that was gone from this globe; it should be gone. The religious persecution, the murders, the torture that happens in Sudan should be the object of investigation of this commission and should be the object of this commission's scorn, yet they put this nation, this unholy nation, on that commission.

Yes. We should be outraged even more for that inclusion than for the exclusion of this great Nation. And Libya, scarcely any better.

My colleagues say what should be our response? Our response should be that the taxpayers, the heroes of this great Nation who care so much, will not provide as a matter of patronage support to an institution that makes a mockery out of the concern for human rights and makes of itself a farce in that theater.

Mr. Chairman, yes, we are here right today doing the right thing. And I implore my colleagues, if my colleagues believe in the cause of liberty, freedom, safety, security, respect and decency, vote yes for this amendment. Send the world a message, America cares and America dares to stand up for any lost soul, beleaguered and tortured in any part of the world at any time and even in the case of the most callous affront that I have seen from this United Nations in my lifetime.

Ms. MCKINNEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, George Bush said it well when he said that we do not need to do this. A superpower pays its bills. A superpower leads by example. A superpower does not cry when it does not get its way and then go and take all the marbles. Already this tit-for-tat mentality has resulted in the Bush administration canceling administration appointments with visiting members of the European parliament.

I met with them yesterday and I am sure that they enjoyed meeting with me but I am not the same as meeting with the administration on very, very important and critical issues that pertain to the relationship between the United States and Europe, that very relationship that we are talking about today.

Those members of parliament are going to go back to Europe, and they are going to write a report that is critical of the United States. So, yet again, we are going to involve ourselves in this tit-for-tat mentality that has the potential of spiralling out of control into the absurd.

The last thing we need is for Congress to add fuel to the fire. We need to pay our bills. We need to participate in the United Nations. We need to help change those things that need to be corrected, and we need to do it through diplomacy not by going back on our word.

Mr. Chairman, I urge my colleagues to vote against this amendment and agree with the Bush administration that the last thing we need it do is withhold funds that the United Nations severely needs that will result in us going back on our word.

Mr. Chairman, I yield back the balance of my time.

Mr. HYDE. Mr. Chairman, I yield 1½ minutes to the gentleman from Florida (Mr. SCARBOROUGH).

Mr. SCARBOROUGH. Mr. Chairman, I thank the gentleman from Illinois (Chairman HYDE) and the gentleman from California (Mr. LANTOS) for bringing up this important bill.

I agree with my colleagues in the condemnation of what happened at the United Nations at the hands and behest of China, Cuba, and other abusers of human rights. It is remarkable that the values of Sudan are now replacing the values of the United States at the United Nations in the human rights matters; a country that has already killed 2 million of their own occupants; a country that sells children to slavery for as little as $23; a country that, of course, crucifies children as young as

12 years old, 13 years old, 14 years old that refused to convert to Islam; a country this year that is holding back food aid unless people convert to the religion of their choice.

The only thing I find humorous are the excuses for expulsion of the United States, Kyoto, family planning, SDI. Come on, give me a break. This is all about the fact that the United States has dared to stand down China, dared to stand down Sudan, Libya, other human rights abusers.

That is all it is about. That is why we are out and that why is why France, who has constantly played to Third World dictators and tyrants got the most votes. Maybe that is not politically correct to say. It is the truth though.

Chris Matthews last week said in response to this that the U.S. practically invented human rights. I know that sounds arrogant maybe to some of our friends in Europe who were offended, and they are going to go back and write reports about how they are offended at the United States.

Mr. HYDE. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Chairman, the United Nations Economic and Social Council, ECOSOC, took an action again that raises grave doubts about what kind of organization it is.

During the last 6 days, editorial writers all across this country been working overtime to try and explain away the outrageous vote to deprive the U.S. of its seat on the UN Human Rights Commission. As always, they are saying that it was the Kyoto treatment or the criminal court or somehow if we just paid our arrearages a little faster the problem would be solved. These are bogus, false pretenses, Mr. Chairman.

The real reason why we have been thrown off the U.N. Human Rights Commission is because they want to silence what is clearly the strongest voice on the Commission in favor of human rights. The U.S. has insisted that the Commission tell the honest and unvarnished truth about human rights violations the world over. Some of the other nations on the commission, such as China, Cuba, Vietnam, Malaysia, Libya, Algeria, Saudi Arabia, and now Sudan, have problems with the truth—especially at it pertains to human rights.

Mr. Chairman, instead of excluding countries from the U.N. Human Rights Commission because they are too strong on human rights, the U.N. should be concerned about excluding governments that routinely engage in torture, extrajudicial killings, rape as an instrument of terror, forced abortions, sterilization, and other kinds of discriminations.

I urge a yes vote on the amendment.

Mr. Chairman, last year the Congress voted to resolve the dispute over so-called "United Nations arrearages". The agreement was simple: we would pay almost all of the disputed amount, provided the United Nations would agree to treat the United States more fairly when it came to dues, peacekeeping assessments, and other issues—and provided the UN would also take concrete steps to put its own house in order.

Then the UN's Economic and Social Council (ECOSOC) took an action that again raises grave doubts about what kind of an organization it is. During the last six days, Mr. Chairman, editorial writers have been working overtime trying to explain away the outrageous vote to deprive the United States of the seat it has held since 1947 on the U.N. Human Rights Commission. As always, the central theme of these editorials is to blame America first. If only we had ratified the Kyoto Convention, or the CEDAW agreement, or the International Criminal Court. Or if only we had paid those disputed arrearages a little quicker. If only we had not been so "unilateral" which is the most bogus of all. Then perhaps we would have stayed in the good graces of ECOSOC and kept our seat on the Human Rights Commission.

Mr. Chairman, the editorial writers are even more wrong this time than they usually are. The vote to exclude the United States from the Commission was primarily a vote to silence the strongest voice on the Commission in favor of human rights. The United States has insisted that the commission tell the honest and unvarnished truth about human rights violations the world over. And some of the other nations on the Commission, such as China, Cuba, Viet Nam, Malaysia, Libya, Algeria, Saudi Arabia, and now Sudan, have problems with the truth.

Mr. Chairman, not only did this year's Human Rights Commission members vote for a "no-action motion" that prevented the Commission from even debating the human rights record of the People's Republic of China. It also voted for a resolution on Sudan that did not even mention the word "slavery," and for a resolution on the Israeli-Palestinian conflict that did not mention human rights violations committed by the Palestinian Authority. I was there in Geneva with ILEANA ROS-LEHTINEN and LINCOLN DIAZ-BALART—we are resented for sadly raising true issues.

Mr. Chairman, instead of excluding countries from the Human Rights Commission because they are too strong on human rights, the U.N. should be concerned about excluding governments that routinely engage in torture, extrajudicial killing, rape as an instrument of terror, forced abortion, forced sterilization, and other forms of persecution on account of race, religion, or political opinion. If being in arrears can result in the loss of a vote in the General Assembly—which is the rule—surely barbaric behavior should disqualify a nation from the U.N. Human Rights Commission. Without these important reforms, the Commission will be in grave danger of becoming, as our colleague Mr. DIAZ-BALART has observed, no more than a "club of tyrannies."

For these reasons, Mr. Chairman, I urge a "yes" vote on the amendment and a "yes" vote on the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. HYDE).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. HYDE. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Illinois (Mr. HYDE) will be postponed.

AMENDMENT NO. 3 OFFERED BY MR. TANCREDO

Mr. TANCREDO. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. TANCREDO:

Page 16, strike line 21 and all that follows through line 10 on page 17.

Page 117, strike line 5 and all that follows through line 2 on page 119.

The CHAIRMAN. Pursuant to House Resolution 138, the gentleman from Colorado (Mr. TANCREDO) and the gentleman from California (Mr. LANTOS) each will control 10 minutes.

The Chair recognizes the gentleman from Colorado (Mr. TANCREDO).

Mr. TANCREDO. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, during committee consideration of this bill, an en bloc amendment was adopted authorizing the $67 million per year that it would cost the United States to rejoin UNESCO and added a sense of Congress provision that the President should renew the membership and participation of the U.S. in this organization.

My amendment would strike these provisions from the bill. I am well aware that several of my colleagues have argued that this agency has reformed itself over the past 15 years, but serious arguments against rejoining UNESCO remains. I believe that UNESCO can best be described as an organization in search of a mission. Unfortunately when it does stumble upon the mission, it is almost always one that is quite perverse.

As I mentioned just a minute ago, it would cost us some $67 million per year to get back in; and I question whether this is a wise use of resources.

David Malone, the president of the International Peace Academy in New York and a former Canadian Foreign Ministry official, is not optimistic about the prospects for reform by the new Director General of UNESCO, Mr. Koichiro Matsura of Japan, "the problem of UNESCO is that successive heads have turned it into a personal patronage machine, neglecting programs and bloating the staffing." Mr. Malone went on to say, "we used to all know what the UNESCO objectives were. Now nobody knows what UNESCO does beyond the World Heritage sites, and whoever consults UNESCO now on science?"

By the way, UNESCO is the organization that has charge of the man and the biosphere sites, another one of those peculiar entities that this House, by the way, has struck down several times.

An article from The New York Times from March of last year reported that the new director general plans to use millions of dollars of his organization's funds to help restore colonial Havana. It is not at all clear to me why we should be rejoining an organization which is promoting tourism in Cuba.

According to an independent audit by the Canadian government, UNESCO rarely evaluates the cost effectiveness of its programs or sets specific objectives. It is an annual budget of close to $400 million. It continues to promote such things as the New World Information Order. This is the name of this organization, quote, "Presenting and Revitalizing Our Intangible Heritage" and "Planet Society, a Worldwide Exchange Network for a New Art of Living on Earth."

One of the arguments of the proponents of rejoining UNESCO appears to be based on the principle that the U.S. should be a member of every major organization in the United Nations. Mr. Chairman, in light of our summary exclusion from U.N. Economic and Social Council, the International Narcotics and Drug Control Board and the Commission on Human Rights, now is the time to critically review our existing memberships in the United Nations organizations and not the time to rejoin another U.N. body at enormous expense.

Finally, the U.S. government now gives $2 million to $3 million annually to UNESCO in voluntary contributions to cover projects we believe to be worthwhile. If we were to rejoin, we would be obliged to fund the good and the bad alike.

In conclusion, Mr. Chairman, I urge my colleagues to vote for the amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. LANTOS. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Iowa (Mr. LEACH), whose action was strongly approved by members of the Committee on International Relations.

Mr. LEACH. Mr. Chairman, I thank the distinguished gentleman from California (Mr. LANTOS) for yielding time on this issue.

Mr. Chairman, I cannot say that UNESCO is the most important international body that has ever been created. I can say it is a credible international body. The United States chose to withdraw from UNESCO in the 1980s for a variety of reasons. Some stem from management styles; some stem from politicalization on several kinds of issues. But in each of these circumstances, there has been reform.

We object to not being reelected to another U.N. body and we may be, in the eyes of some, poor losers.

□ 1315

But the fact of the matter is, in UNESCO, we are a poor winner. We have achieved the objectives we wanted. Not to return implies that, when the United States gets its way, we continue to put our head in the sand.

It is interesting that Secretary of State George Shultz, who signed the withdrawal notice in the 1980s, now supports returning. There are 188 member nations of UNESCO. While UNESCO does have a cost, for the United States to say we cannot afford our share is a bit awkward for the world's wealthiest country.

I do acknowledge that there is a costliness of Paris. Having said that, France was our first ally. For the United States simply to be opposed to institutions in Paris is not a very credible circumstance.

Finally, let me say education, science, culture are esoteric. On the other hand, they matter in the world. For the United States of America to argue we are better off with empty chair diplomacy is an error if not an oxymoron. Therefore, for very decent, credible reasons that apply to UNESCO itself but also have ramifications for our whole role in international organizations in the world today, it is very appropriate for the United States to resume a world leadership position. That is exactly what we should do.

Therefore, with great respect, I hope this amendment would be turned back.

Mr. TANCREDO. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I am pleased to rise in strong support of the Tancredo amendment which would strike an ill-advised provision of the foreign relations authorization bill.

It is regrettable that the authorization bill provides for the United States to rejoin UNESCO and set aside funds for that purpose from a strained international organization's budget. Whatever funding we give to UNESCO would have to come from other U.N. agencies such as the World Health Organization or the Food and Agriculture Organization. Furthermore, UNESCO continues to be plagued with poor management practices.

The world has struggled on without American membership in UNESCO since 1984 without any noticeable effect. We do, however, participate on a voluntary basis in several UNESCO projects that directly benefit American institutions. If we were now to rejoin UNESCO, we would be putting ourselves in a position of being forced to bear a large portion of a budget in an institution where we would be constantly outvoted.

This is just the sort of a situation that the recent fiasco surrounding our U.N. Human Rights Commission membership should warn us against being forced to bear costs all out of proportion to any influence we may have to bear.

Hopefully, if the administration will consider and report on the best way to change our relationship to UNESCO, it would be helpful. But I am simply not prepared at this time to accept the provision reported by our committee.

Accordingly, I urge support for the Tancredo amendment striking the UNESCO provision from the authorization bill.

Mr. LANTOS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, arguably the most respected Republican Secretary of State of recent decades is George Shultz. In 1984, Secretary Shultz recommended that we withdraw from the United Nations; and many of us, myself included, supported him because the UNESCO at that time was a corrupt anti-American organization. It has cleaned up its act. Our former Secretary of State, Republican George Shultz, and our former Secretary of State Madeleine Albright, Democrat, are recommending now that we rejoin UNESCO.

I find it almost ludicrous that we spent the previous hour debating the United States being voted off a U.N. body. Here we have an opportunity of joining a U.N. body, the Educational, Scientific and Cultural Organization. It is waiting for us with open arms.

We are debating as to whether we should enter an organization which has over 180 members. The United States is conspicuous by its absence, and the lack of a United States voice on UNESCO is hurting our foreign policy and international interests.

I urge all of my colleagues to reject the amendment of the gentleman from Colorado (Mr. TANCREDO), to preserve the action taken in the Committee on International Relations, and usher in a new era of U.S. participation in UNESCO.

Mr. Chairman, I reserve the balance of my time.

Mr. TANCREDO. Mr. Chairman, I yield 1½ minutes to the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Chairman, section 104 would provide an enormous amount of money, $130 million over 2 years. That is more than half a billion dollars over 10 years, $60 million a year thereafter for the U.S. to become a part of UNESCO.

The amendment of the gentleman from Colorado (Mr. TANCREDO) to strike this new commitment of funds is prudent, and I believe it deserves support of this body. It seems to me that, before we make this enormous financial commitment, should not we know the cost benefit of this open-ended commitment? How vital is UNESCO vis-a-vis other commitments that we might make otherwise?

We left, Mr. Chairman, in 1984, because of mismanagement, because of highly questionable policies especially in the realm of state control of the press.

I would point out to my colleagues no recent hearings have been held on rejoining. What is it that we are buying into? We need, it seems to me, a generous amount of due diligence before any decision is made on this.

I would just note parenthetically that, if we have a half a billion dollars over the next 10 years and it is in excess of that lying around, as chairman of the Committee on Veterans' Affairs, I have some very, very worthy projects in the area of health care that I would like to dedicate that money to before we start throwing money at UNESCO.

So I would hope that the amendment of the gentleman from Colorado (Mr. TANCREDO) would get the support of this body.

Mr. LANTOS. Mr. Chairman, I am pleased to yield 1 minute to the gentleman from New Jersey (Mr. HOLT).

Mr. HOLT. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, whatever any American may have thought about UNESCO when the U.S. withdrew in 1984, today UNESCO is a different body. It has adopted a culture of reform that is improving management and streamlining personnel and putting the organization's finances in order. Today UNESCO is an efficient and effective advocate for free speech, for education and scientific collaboration worldwide. Membership in UNESCO would benefit every American.

As the gentleman friend from California (Mr. LANTOS) pointed out, even former Secretary Shultz, who presided over U.S. withdrawal, now has reversed his position, has indicated that the improvements call for reentry of U.S. into UNESCO."

Now, as a scientist and a policy maker, I believe that UNESCO would lead, of course, to cultural enrichment but even more. CIA director George Tenet recently testified that some of the greatest threats to the U.S. from abroad come from official corruption, endemic poverty, mass illiteracy, environmental disruption, and the spread of infectious diseases. UNESCO addresses these emerging threats by promoting good government, universal education, sustainable development, and disease control.

I urge my colleagues to oppose the Tancredo amendment.

Mr. TANCREDO. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Chairman, I rise in strong support for this amendment. If one takes a look across this country, and people talk about reducing the debt, they talk about money for education, health care, but yet they want to put $1 billion into the United Nations. They want to spend $67 million a year for UNESCO.

I mean, think about it. That money is going to take away from the World Health Fund. It is going to take away from the Children's Fund and things that are effective to a risky scheme like UNESCO that they say, quote, has changed. It has not.

The authors of this amendment have thought it through very, very carefully. It is no wonder that there was never a balanced budget on this House floor for 40 years or people wanted to dump money into welfare without reform when the average was 16 years on welfare. We owe it to the American people to be the guardians of their tax dollars and the effectiveness of those dollars.

Support the Tancredo amendment.

Mr. LANTOS. Mr. Chairman, I am pleased to yield 1¼ minutes to the gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. Mr. Chairman, I thank the gentleman from California for yielding me this time.

Mr. Chairman, I rise in firm opposition to the amendment offered by the gentleman from Colorado (Mr. TANCREDO).

When the United States withdrew from UNESCO in 1984, I believe we did so for the right reasons. Mismanagement and corruption characterized an organization best known for being a forum for American bashing.

Today UNESCO is not the same as it was in 1984. This organization is making important contributions in the area of education and science around the world. The U.S. participation in such an organization can only strengthen its ability to carry out the fine work it performs every day. In fact, the United Kingdom, which also withdrew its support from UNESCO in step with the United States in 1984, had returned as a full member of this worthy organization.

The recent decision by the Taliban government in Afghanistan to destroy the historical Buddhist statues demonstrates that the preservation and restoration of cultural treasures sometimes cannot be left solely in the hands of national governments. From preserving these statues to preserving Timbuktu, the role of UNESCO is still important today.

During a week in which we lost two important seats on the United Nations commissions, it is important we send a message to the international community that the United States is ready and willing to participate whenever it is called to duty.

Therefore, I strongly urge my colleagues to oppose this amendment.

Mr. TANCREDO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would just note in response to my colleagues discussion here that I do not believe the Taliban asked permission from UNESCO when they blew up those statues, and of course they never would.

That is the whole point here. UNESCO is irrelevant in this whole issue.

Mr. Chairman, I yield the balance of my time to the gentleman from Illinois (Mr. HYDE), the distinguished chairman of the committee.

Mr. HYDE. Mr. Chairman, I want to lend my unqualified support for the Tancredo amendment. There are one or two organizations in the world we do not have to join and do not have to subsidize to survive, and one is certainly UNESCO.

$65 million a year at least for 2 years takes money away from the World Health Organization, the Food and Agriculture Organization, things that are useful, that do have an agenda, that works for the people.

This money the State Department does not want, has not asked for it. If we go ahead with this, we are going to have to take it from something else. We withdrew in 1984, and we have gotten along famously since then without this heavy subsidization to an organization whose aims are amorphous at best.

One of the things they do, I find this hard to believe, is they are engaged in a project of renovating downtown Havana. Now, that may be a wonderful thing if one lives in Havana, but I do not see why the taxpayers from my district should pay for something like that.

The sense of taking money away because of the Human Rights Commission and thrusting it forward because someone thinks it is a good idea to belong to UNESCO does not make a lot of sense. I think we can save the $65 million. What a wonderful thing that would be.

We do not need to join UNESCO. Let those other countries that like that sort of thing do it. So I would support the Tancredo amendment with great enthusiasm.

Mr. LANTOS. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the distinguished gentleman for yielding me this time. Let me applaud both the chairman and the ranking member for bringing this important legislation to the floor of the House.

I think if one asks the American people, one will find out that the American people are concerned about world affairs; and to dismiss the myth, they are concerned and they want to be engaged.

So I come to the floor of the House to, first of all, support the United Nations and offer the fact that we are engaged, we are in conversation, we are speaking to individuals in countries that we heretofore have opportunity.

World peace is truly more viable than world war. I think it is important to support UNESCO. We need to understand what it does. It promotes free press. It promotes education. It only costs 25 cents per American. It allows us to promote the cultural values of these Nations and have the cultural exchange of these Nations.

□ 1330

And I believe that we should stand here today and acknowledge the importance of world affairs, the importance of America being engaged in world affairs, the importance of freedom, and the importance of the United Nations. And I hope as we do that, we will find that this Nation will get its seat on the Human Rights Commission and will lead out in world affairs in the 21st century.

Mr. Chairman, I rise to oppose the Tancredo amendment to H.R. 1646, the State Authorization Bill. This amendment would strike language in the bill directing the President to rejoin the United Nations Educational, Scientific and Cultural Organization (UNESCO) and strike language authorizing payment of the U.S. assessed contribution to the organization.

I strongly urge you to vote "no" on the Trancredo amendment. It fails to recognize the great progress UNESCO has achieved in reforming its management and mission. It fails to appreciate the significant benefits Americans would enjoy with U.S. membership in UNESCO. And it fails to seize the opportunity to exercise American leadership and further our national interests.

When the United States withdrew from UNESCO in 1984 under Secretary of State George Shultz, I fully supported the decision, as did many of our Democratic and Republican colleagues. At the time, UNESCO was chronically mismanaged and corrupt, and had become a forum for spreading anti-American propaganda and suppressing free speech.

But since then, UNESCO has reinvented itself. Under the leadership of its new Director General, Koichiro Matsuura, UNESCO has adopted a culture of reform that has yielded concrete progress toward improving management, stamping out corruption, streamlining personnel, and putting the organization's financial house in order. Today, UNESCO is an efficient and effective champion of free speech, education and scientific collaboration worldwide.

This dramatic progress has not gone unnoticed. In 1993, the General Accounting Office (GAO) audited UNESCO and concluded that it had made "good progress' toward implementing improvements and "demonstrated a commitment to management reform." And as a recent article appearing in the International Herald Tribune on the reverse side observes, UNESCO has overcome ideological divisions to forge a "new spirit of activism" that "aims to spread knowledge and preserve diversity." In light of these changes at UNESCO, former Secretary of State Shultz, in a letter dated September 26 of last year, reversed his position and indicated his support for America's reentry into UNESCO. Secretary Shultz was right to advocate U.S. withdrawal from UNESCO in 1984—and he is right to advocate U.S. reentry into UNESCO today.

Membership in UNESCO is clearly in U.S. National interests. As the Director of Central Intelligence George Tenet recently testified, the greatest future threats to U.S. national security from abroad include instability caused by official corruption, endemic poverty, mass illiteracy, environmental disruptions, and the spread of infectious diseases. UNESCO addresses each of these emerging threats by promoting good government, universal education, sustainable development, and preventative disease control. U.S. membership in UNESCO will enable us to better combat the threats Americans face in the 21st century.

I urge my colleagues to vote "no" to the Tancredo amendment tomorrow and support strengthening America's leadership role by rejoining UNESCO.

Mr. LANTOS. Mr. Chairman, I yield 1 minute to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Chairman, I thank my friend for yielding me this time, and I rise in opposition to the Tancredo amendment.

Like the gentleman from California (Mr. LANTOS), I fully supported the decision of the Reagan administration to withdraw the U.S. from UNESCO because of its anti-American, anti-Western, and anti-Israeli stance. Today, however, UNESCO has reformed itself, improved its management, stamped out corruption, and put UNESCO's financial house in order.

UNESCO is no longer the proponent of anti-Western propaganda it once was. It no longer espouses anti-U.S., anti-Israeli, and anti-Western rhetoric. And we can see today that UNESCO is the U.N. agency for press freedom, setting up an uncensored newspaper and broadcasters in the former Yugoslavia, East Timor, Burundi. It is advancing human rights, core U.S. interests, such as economic development and trade, and American values in every country.

It is a tiny fraction, the $59.8 million, of what the U.S. spends on military expenditures when instability abroad escalates into conflict and refugee migrations. This is the purpose for which the U.S. founded UNESCO with its allies in 1945, conflict prevention, and that is why I think we should not support this amendment.

The CHAIRMAN pro tempore (Mr. GUTKNECHT). The gentleman from California (Mr. LANTOS) has 1¼ minutes remaining.

Mr. LANTOS. Mr. Chairman, I yield myself the balance of my time.

First, let me say a word about the costs. The cost of rejoining this important international organization, that every other nation on the face of this planet is a member of, is 25 cents per person per year. So I cannot see the crocodile tears that the United States cannot afford 25 cents to join a global organization dealing with education, science, and cultural affairs.

I also think, Mr. Chairman, that it is irrational unilateralism to suddenly declare, despite the statements of the distinguished Republican former Secretary of State, George Shultz, that this is a worthless organization. George Shultz was our Secretary of State for the entire period almost of the Reagan administration. Everybody had great respect for him. Why do we suddenly think that he is not worthy of listening to? He is telling us rejoin UNESCO. That is the voice of the Secretary of State of the Reagan administration. Madeleine Albright is telling us the same thing.

And all of us who have studied this organization are rejoicing in the fact it has corrected its ways. It is functioning in a professional fashion, and it is in America's national interest to have our voice heard within UNESCO. Please reject the Tancredo amendment.

Mr. FALEOMAVAEGA. Mr. Chairman, I rise in strong opposition to the Tancredo amendment, which would strike language in the bill urging the administration to rejoin the United Nations Educational, Scientific and Cultural Organization, and providing funding for that purpose. I commend the gentleman from Iowa, Mr. LEACH, for introducing the UNESCO provision into H.R. 1646 at the markup of the House International Relations Committee. I strongly agree with Mr. LEACH that UNESCO has undergone substantial reforms and made important changes to address the management problems and anti-American bias that existed when the U.S. withdrew in 1984. The reforms have been independently confirmed by a GAO study in 1993.

The 188-Member States of UNESCO pursue a common objective of contributing to peace and security internationally by promoting collaboration among nations through education, science, culture and communication. UNESCO's global agenda addresses threats on the U.S., such as environmental crises and infectious disease, and promotes democratic values such as freedom of speech and press, universal education and human rights.

Mr. Chairman, now that UNESCO has been reformed, it is appropriate and in our national interest that the United States participate with this organization in pursuit of these worthy goals. I urge our colleagues to oppose the Tancredo amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Colorado (Mr. TANCREDO).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

Mr. LANTOS. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Colorado (Mr. TANCREDO) will be postponed.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: amendment No. 1 offered by the gentleman from Texas (Mr. DeLay), amendment No. 2 offered by the gentleman from Illinois (Mr. Hyde), and amendment No. 3 offered by the gentleman from Colorado (Mr. Tancredo).

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 1 OFFERED BY MR. DELAY

The CHAIRMAN pro tempore. The pending business is the demand for a recorded voted on the amendment offered by the gentleman from Texas (Mr. DeLay) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 282, noes 137, answered "present" 1, not voting 11, as follows:

[Roll No. 106]

AYES—282

Aderholt
Akin
Andrews
Armey
Baca
Bachus
Baker
Ballenger
Barcia
Barr
Bartlett
Barton
Bass
Bentsen
Bereuter
Berry
Biggert
Bilirakis
Bishop
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Boucher
Brady (PA)
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Carson (OK)
Castle
Chabot
Chambliss
Clay
Coble
Collins
Combest
Condit
Cooksey
Costello
Cox
Cramer
Crane
Crenshaw
Culberson
Cunningham
Davis (CA)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeLay
DeMint
Dicks
Dingell
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
English
Etheridge
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Frost
Gallegly
Canske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Harman
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Holden
Horn
Hostettler
Hulshof
Hutchinson
Hyde
Inslee
Isakson
Issa
Istook
Jackson-Lee (TX)
Jenkins
John
Johnson (IL)
Johnson, Sam.
Jones (NC)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kerns
Kildee
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Langevin
Largent
Larsen (WA)
LaTourette
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Maloney (CT)
Manzullo
Mascara
Matheson
McCrery
McHugh
McInnis
McIntyre
McKeon
McNulty
Menendez
Mica
Miller (FL)
Miller, Gary
Mollohan
Moore
Moran (KS)
Murtha
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Osborne
Ose
Otter
Oxley
Pallone
Pascrell
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Regula
Rehberg
Reyes
Reynolds
Riley
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ross
Rothman
Roukema
Royce
Ryan (WI)
Ryun (KS)
Sanchez
Sandlin
Saxton
Scarborough
Schaffer
Schiff
Schrock
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Souder.
Spence
Spratt
Stearns
Stenholm
Strickland
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Toomey
Traficant
Turner
Upton
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—137

Abercrombie
Ackerman
Allen
Baird
Baldacci
Baldwin
Barrett
Becerra
Berkley
Berman
Blagojevich
Blumenauer
Bonior
Borski
Boyd
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Clayton
Clement
Clyburn
Conyers
Coyne
Crowley
Cummings
Davis (FL)
Davis (IL)
DeGette
Delahunt
DeLauro
Deutsch
Doggett
Engel
Eshoo
Evans
Farr
Fattah
Filner
Ford
Frank
Gephardt
Gonzalez
Gutierrez
Hall (OH)
Hastings (FL)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holt
Honda
Hooley
Houghton
Hoyer
Israel
Jackson (IL)
Jefferson
Johnson (CT)
Johnson, E. B.
Jones (OH)
Kennedy (RI)
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Lantos
Larson (CT)
Leach
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (NY)
Markey
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McKinney
Meehan
Meek (FL)
Meeks (NY)
Millender-McDonald
Miller, George
Mink
Moran (VA)
Morella
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Owens
Pastor
Payne
Pelosi
Pomeroy
Rangel
Rodriguez
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schakowsky
Scott
Serrano
Sherman
Slaughter
Snyder
Solis
Stark
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Velázquez
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

ANSWERED "PRESENT"—1

Paul

NOT VOTING—11

Cubin
Diaz-Balart
Emerson
Hunter
Latham
Moakley
Rivers
Ros-Lehtinen
Sensenbrenner
Stump
Weldon (PA)

□ 1357

Messrs. MANZULLO, PHELPS, SPRATT, SCHIFF, SMITH of Washington, Mrs. THURMAN, Mrs. TAUSCHER, and Ms. SANCHEZ changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. Gutknecht). Pursuant to clause 6 of rule XVIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device will be taken on each amendment on which the Chair has postponed further proceedings.

AMENDMENT NO. 2 OFFERED BY MR. HYDE

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Illinois (Mr. Hyde) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 252, noes 165, answered "present" 1, not voting 13, as follows:

[Roll No. 107]

AYES—252

Abercrombie
Aderholt
Akin
Andrews
Armey
Baca
Baker
Ballenger
Barcia
Barr
Bartlett
Barton
Bass
Bentsen
Berry
Bilirakis
Bishop
Blunt
Boehner
Bonilla
Bono
Boyd
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capuano
Carson (OK)
Chabot
Chambliss
Coble
Collins
Combest
Condit
Cooksey
Costello
Cox
Cramer
Crane
Crenshaw
Culberson
Cunningham
Davis (CA)
Davis, Jo Ann
Deal
DeFazio
DeLay
DeMint
Dingell
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehrlich
English
Etheridge
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Gordon
Graham
Granger
Graves

Green (TX)
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Hulshof
Hyde
Isakson
Israel
Issa
Istook
Jenkins
Johnson (IL)
Johnson, Sam
Jones (NC)
Kanjorski
Kaptur
Keller
Kennedy (MN)
Kerns
Kildee
Kind (WI)
King (NY)
Kingston
Kirk
Knollenberg
LaHood
Lampson
Langevin
Lantos
Largent
LaTourette
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Maloney (CT)
Manzullo
Markey
Mascara
Matheson
McCarthy (NY)
McCrery
McInnis
McIntyre
McKeon
Menendez
Mica
Miller (FL)
Miller, Gary
Moore
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (MN)
Peterson (PA)
Phelps
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reyes
Reynolds
Riley
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ross
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schiff
Schrock
Sessions
Shadegg
Shaw
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Skelton
Smith (NJ)
Smith (TX)
Souder
Spence
Spratt
Stearns
Stenholm
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Toomey
Traficant
Turner
Upton
Visclosky
Vitter
Walden
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—165

Ackerman
Bachus
Baird
Baldacci
Baldwin
Barrett
Becerra
Bereuter
Berkley
Berman
Biggert
Blagojevich
Blumenauer
Boehlert
Bonior
Borski
Boswell
Boucher
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson (IN)
Castle
Clay
Clayton
Clement
Clyburn
Conyers
Coyne
Crowley
Cummings
Davis (FL)
Davis (IL)
Davis, Tom
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Doggett
Dooley
Ehlers
Engel
Eshoo
Evans
Farr
Fattah
Filner
Ford
Frank
Gonzalez
Goodlatte
Goss
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holt
Honda
Houghton
Hutchinson
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson, E. B.
Jones (OH)
Kelly
Kennedy (RI)
Kilpatrick
Kleczka
Kolbe
Kucinich
LaFalce
Larsen (WA)
Larson (CT)
Leach
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (NY)
Matsui
McCarthy (MO)
McCollum
McDermott
McGovern
McHugh
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Millender-McDonald
Miller, George
Mink
Mollohan
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Petri
Pomeroy
Price (NC)
Rahall
Rangel
Rodriguez
Rothman
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Shays
Sherman
Slaughter
Smith (MI)
Smith (WA)
Snyder
Solis
Stark
Strickland
Tauscher
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Udall (CO)
Udall (NM)
Velázquez
Walsh
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

ANSWERED "PRESENT"—1

Hoyer

NOT VOTING—13

Allen
Cubin
Diaz-Balart
Emerson
Hunter
Latham
Moakley
Rivers
Ros-Lehtinen
Roybal-Allard
Sensenbrenner
Stump
Thune

□ 1406

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated for:

Mr. THUNE. Mr. Chairman, on rollcall No. 107 I was inadvertently detained. Had I been present, I would have voted "yes."

AMENDMENT NO. 3 OFFERED BY MR. TANCREDO

The CHAIRMAN pro tempore (Mr. GUTKNECHT). The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Colorado (Mr. TANCREDO) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 193, noes 225, not voting 13, as follows:

[Roll No. 108]

AYES—193

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Deal
DeLay
DeMint
Doolittle
Dreier
Duncan
Dunn
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Gekas
Gibbons
Gillmor
Gilman
Goode
Goodlatte
Goss
Granger
Graves
Green (WI)
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Hostettler
Hulshof
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kennedy (MN)
Kerns
King (NY)
Kingston
Knollenberg
LaHood
Largent
LaTourette
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McIntyre
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Myrick
Nethercutt
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sessions
Shadegg
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Skelton
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stenholm
Sununu
Tancredo
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—225

Abercrombie
Ackerman
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Ehlers
Ehrlich
Engel
English
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Ganske
Gephardt
Gilchrest
Gonzalez
Gordon
Graham
Green (TX)
Greenwood
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Horn
Houghton
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kelly
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kirk
Kleczka
Kolbe
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Leach
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal

Ney
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pomeroy
Price (NC)
Pryce (OH)
Quinn
Rahall
Rangel
Reyes
Rodriguez
Roemer
Ross
Rothman
Roukema
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Shaw
Shays
Sherman
Slaughter
Smith (MI)
Smith (WA)
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Sweeney
Tanner
Tauscher
Thomas
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Walsh
Waters
Watt (NC)
Waxman
Weiner
Wexler
Whitfield
Woolsey
Wu
Wynn

NOT VOTING—13

Allen
Cubin
Diaz-Balart
Emerson
Eshoo
Hunter
Latham
Moakley
Portman
Rivers
Ros-Lehtinen
Sensenbrenner
Stump

□ 1414

Mr. LUCAS of Kentucky changed his vote from "aye" to "no."

Mr. HUTCHINSON changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. PORTMAN. Mr. Chairman, because I was unavoidably detained, I was absent for rollcall vote No. 108.

Had I been present, I would have voted "yea."

PERSONAL EXPLANATION

Mr. DIAZ-BALART. Mr. Chairman, on rollcall votes 106, the DeLay amendment, 107, the Hyde/Lantos/Sweeney amendment and 108, the Tancredo amendment to H.R. 1646, I was not present. Had I been present, I would have voted "yes" on each of the amendments.

□ 1415

Mr. HYDE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. SIMPSON) having assumed the chair, Mr. GUTKNECHT, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1646) to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes, had come to no resolution thereon.

LEGISLATIVE PROGRAM

(Mr. BONIOR asked and was given permission to address the House for 1 minute.

Mr. BONIOR. Mr. Speaker, I yield to the gentleman from Texas (Mr. ARMEY) to inquire about the schedule for next week.

Mr. ARMEY. Mr. Speaker, I thank the gentleman from Michigan (Mr. BONIOR) for yielding.

Mr. Speaker, I am pleased to announce that the House has completed its legislative business for the week. The House will next meet for legislative business on Tuesday, May 15 at 12:30 p.m. for morning hour and 2 p.m. for legislative business. The House will consider a number of measures under suspension of the rules, including the following bills: H.R. 1727, the Fallen Hero Survivor Benefit Act; and H.R. 586, the Foster Care Promotion Act.

A complete list of suspensions will be distributed to Members' offices tomorrow.

On Tuesday, no recorded votes are expected before 6 p.m.

On Wednesday and the balance of the week, the House will consider the following measures: Continued consideration of H.R. 1646, the State Department Authorization Act; H.R. 622, the Hope for Children Act; and H.R. 1, the No Child Left Behind Act.

Members should note that given the busy schedule expected for next week on many important pieces of legislation, votes on Friday, May 18, are expected in the House, as was outlined in the House schedule distributed to all Members at the beginning of the year.

Mr. BONIOR. Mr. Speaker, may I ask the gentleman from Texas (Mr. ARMEY) on what day he expects the education bill to come before us?

Mr. ARMEY. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Speaker, I believe the gentleman asked about the education bill. The education bill, we would expect to begin consideration of that on the floor on Thursday at the earliest. I believe the Committee on Rules will be making an announcement that the Members should file amendments with the committee no later than noon on Tuesday, May 15.

Mr. GEORGE MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from California.

Mr. GEORGE MILLER of California. Mr. Speaker, if I might ask the majority leader a question about the committee during the deliberations on H.R. 1, the education bill. During the consideration of H.R. 1, the education bill, in the committee a number of Members on both sides of the aisle withheld amendments during that consideration on the assumption that they would then be able to have an opportunity to offer those amendments on the floor.

I have been having Members ask me all day about potential amendments. Has the gentleman given any consideration with the Committee on Rules on the kind of rule, the time that might be allotted to this legislation?

Mr. ARMEY. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Speaker, first of all, I would like to thank the gentleman from California (Mr. GEORGE MILLER) for the inquiry. Let me just say that the only condition, I believe, that the Committee on Rules has indicated now is the preprinting requirement, filing requirement, for Tuesday, May 15. Obviously, this legislation is a matter of enormous consequence on both sides of the aisle, and I can only say that I know of no predisposition on the part of the Committee on Rules to lack generosity, nor certainly any disposition on the part of the leadership to encourage that. So I would just encourage the gentleman that we ought to just go forward and make our case before the committee with the expectations of fair consideration.

Mr. BOEHNER. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Ohio.

Mr. BOEHNER. Mr. Speaker, I thank the gentleman from Michigan (Mr. BONIOR) for yielding.

Mr. Speaker, as the gentleman from California (Mr. GEORGE MILLER) mentioned, during the committee process certain numbers of Members did withhold amendments. We told them we would try, in fact, to work with them as we came to the floor. I would suggest to my colleague from California that we have worked together closely through the committee process, and as the Committee on Rules is doing the deliberations on the rule I would continue to work closely with the gentleman.

Mr. ARMEY. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Speaker, if I may, I would encourage then perhaps the chairman and the ranking member might get together and see what recommendations they together might make before the Committee on Rules.

Mr. BONIOR. Does the gentleman from Texas (Mr. ARMEY) anticipate any late nights next week?

Mr. ARMEY. Mr. Speaker, I thank the gentleman again for his inquiry. I suppose one would realistically expect that a late night would be possible on Wednesday evening. Since there is a most high probability of working on Friday and a sense of desire to complete the work on the education bill, one could anticipate some late night work on Thursday night as well.

Mr. BONIOR. When can we expect the reconciliation bill on taxes to come to the floor?

Mr. ARMEY. Mr. Speaker, again, I thank the gentleman for his inquiry. I must say right now I have no insight to give him on that. It is our hope to complete that before the Memorial Day recess, but as of this moment we wait upon the Senate. We can only give the gentleman further advice as we know more.

Mr. BONIOR. I thank the gentleman from Texas (Mr. ARMEY).

ADJOURNMENT TO MONDAY, MAY 14, 2001

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 2 p.m. on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

HOUR OF MEETING ON TUESDAY, MAY 15, 2001

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, May 14, 2001, it adjourn to meet at 12:30 p.m. on Tuesday, May 15, for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

HAPPY MOTHER'S DAY

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that it be the will of this House that every mother in America have a wonderful weekend.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

ANNOUNCEMENT BY SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 1-minute requests.

GOOD-BYE TO FRIEND JENNIFER BYLER AND HER DAUGHTER SARAH

(Mrs. JO ANN DAVIS of Virginia asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, today we say good-bye to a great lady of Virginia, my friend Jennifer Byler, a community leader and a dedicated wife and mother. Jennifer and her 9-year-old daughter Sarah perished in a tragic boating accident on the Chesapeake Bay this past weekend. The sailboat they were traveling in capsized in high winds and Jennifer, her daughter Sarah, and brother and sister-in-law John and Nan Curtis were left to the seas for nearly 15 hours.

John and Nan are recovering and I thank them, especially John, for his valiant efforts to swim to shore with boat in tow.

Jennifer Byler was a dedicated member of the Virginia Board of Education, fighting for the best interests of our children and working to improve public education in our area. She will be sorely missed.

In this time of tragedy and loss, my prayers are with Jennifer's husband Gary, to her children, Georgia Cate, 7, Emma Grace, 6, and Jonathan Levi, 4, and the great Commonwealth of Virginia for our collective loss.

IF WE KNEW HOW GREAT GRANDPARENTING WAS WE MIGHT HAVE SKIPPED THE KIDS

(Mrs. DAVIS of California asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. DAVIS of California. Mr. Speaker, it is my very special pleasure to rise today and celebrate the birth of Henry Sloane Davis. Many of us have heard the expression that if we knew how great grandparenting was, we might have skipped the kids.

I certainly enjoy my children and it is wonderful being a mother-in-law, but I can assure everyone, and many in the audience know this, that holding one's grandchild for the first time is just a phenomenal experience.

I know that I came here to Congress to make the world a better place, and there is nothing that will rededicate, I think, one's efforts to that than the birth of a grandchild.

I want to thank my many colleagues who have perhaps suffered through all the pictures that I have been showing them. We are really very human here, and I am thankful when we have these special events in our lives and people respond as warmly as they have to me. I then know that we all are focused on the right things. Whenever we vote, we want to be thinking about how that vote will affect the lives of our children, our grandchildren, and their children.

I am thankful, Mr. Speaker, for this opportunity to celebrate Henry's birth.

FREE AND FAIR ELECTIONS ARE STILL A HALLMARK OF DEMOCRACY

(Mr. HYDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HYDE. Mr. Speaker, free and fair elections are still a hallmark of democracy. Those countries which still harbor Communist regimes can look with envy upon Italy, where within 7 days the electorate will choose its national leadership in a free and fair election.

I would like to congratulate in advance all those who worked so hard to make democracy in Italy a reality.

FRED WILLICH, OUTSTANDING SMALL BUSINESSMAN FROM KANSAS

(Mr. RYUN of Kansas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RYUN of Kansas. Mr. Speaker, as we observe the National Small Business Week, I would like to take this opportunity to recognize an outstanding small businessman from Kansas.

Fred Willich is the founder and president of an interior design company in Manhattan, Kansas, called Hi-Tech Interiors. Fred has exemplified the true character of an entrepreneur. When he started his business, Fred utilized Kansas State University's Small Business Development Center as a resource in his community. Then Fred gave back to his community in times that were difficult.

Because of this, Fred has been named the Kansas Small Businessman for the year 2001.

Our country was founded by entrepreneurs who believed in hard work, creativity, and the free enterprise system.

Fred has built on this American spirit of success through his ownership of an American small business. He should be a role model for all of us.

CONGRATULATIONS TO WILLIAM K. HURT, SMALL BUSINESS WEEK'S WINNER IN COLORADO

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, as the previous speaker just said, this week small business owners are recognized for their personal achievements and outstanding contributions to our communities.

Small businesses across America employ more than half of the country's private workforce. The contributions of small businesses impact our Nation's economy greatly, and small business owners deserve to be commended for their personal achievements as well as their contribution to society.

William K. Hurt, the owner of Shields Real Estate, is Colorado's Small Business Week State Winner. Mr. Hurt is a deserving winner as he continues to make a significant contribution to our community and our economy.

Shields Real Estate is an excellent example of a successful small business in my hometown of Colorado Springs. The business was founded in 1985 in an atmosphere not already lacking in real estate companies; but through hard work, initiative and energy, Shields has expanded its service to provide a full-service real estate firm with 22 full-time employees.

Mr. Hurt is an outstanding example of an entrepreneur who is contributing to his local community. I applaud his accomplishment and am glad to recognize him for his contributions.

Small businesses are the backbone of our Nation's economy. I hope that Congress will encourage the development and prosperity of small businesses.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. SIMPSON). Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

AMERICA NOT GETTING FAIR SHAKE FROM UNITED NATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes.

Mr. PAUL. Mr. Speaker, today, as we are getting ready to adjourn, we have left the foreign relations authorization bill unfinished. I serve on the Committee on International Relations, and I was anxious to present several amendments in dealing with especially the United Nations. Unfortunately, those amendments were not permitted.

The amendments that we are dealing with I see as being very small token efforts to improve the bill, but not really dealing with the essence of whether or not we should be in the United Nations or further funding the peacekeeping missions and doing many of the things that I believe sincerely should not be engaged in if we followed the Constitution, and many Americans agree with this.

I think we are at a point now where a growing number of Americans feel like we are not getting a fair shake from the United Nations. I have been preaching this message for quite a few years, but I believe the United Nations itself is starting to make my point.

Just recently, in the last week, the United States was kicked off the Human Rights Commission, as well as the International Narcotics Control Board. This is an affront to our dignity and ought to point out to us that, although we pay the largest amount of money for peacekeeping missions and the largest amount of dues, here it is that, because there is disagreement, we are humiliated by being kicked off these commissions.

I do not see the benefits of belonging to the United Nations. I see too many disadvantages. If it were just a discussion group and trying to bring people together, that would be one thing; but we have gone to an extreme. This is an extreme position, as far as I am concerned, to belong to the United Nations and deliver so much of our sovereignty to the United Nations today.

Essentially since World War II, we have gone to war under U.N. resolutions. No longer does the President come to the Congress and ask for a declaration of war. U.N. resolutions are passed, and we send our troops throughout the world fighting and being engaged in war. That is not the way it is supposed to be. The Constitution is very clear on when we should be involved in war.

The conditions are not improving at all. They are asking for more and more funding. At the same time we sacrifice more and more of our sovereignty. On occasion we will stand up and say no, we do not want to participate in the Kyoto treaty or the International Criminal Court, and that is good. But the whole idea of this world government under the United Nations I think is something we should really challenge.

Just January of this past year, it was noted that the United Nations proposed for the first time, although not ready to be passed, that we have an international tax placed on currency transactions to raise billions of dollars to be spent for international activities. Now, you say well, that is probably just a proposal and it will never happen. But even today, in Bosnia, the United Nations peacekeepers over there are tax collectors. There are not enough revenues being collected for certain governments, and the UN peacekeepers are there collecting taxes. So it is already happening that we are involved in tax collecting.

I think that is the wrong way to go, and certainly we should be considering slashing these funds. I would have liked to have seen the removal of all the funds for peacekeeping missions. There is no national sovereignty reasons why we should put American troops under U.N. command in areas like Bosnia. I think that is the wrong way to go, I do not think the American people support this, and that we should reconsider our position and our relationship in the United Nations.

There are hundreds of millions of dollars here for population control around the world. Some would say, well, as long as we write some little sentence in here and say "please do not use any of the money for abortion," that will alleviate their conscience about sending tax dollars over to do abortions in places like China and other places in the world. Well, that does not work, because all funds are fungible. Funds can be shifted around. If we send the money, it can be used. If we specifically say "do not use them," they can just shift the funds around, so I see that as not being a very good idea.

I would like to strike all the funds for population control. If we feel compelled to help other countries and teach them about birth control, it should be done voluntarily and through missionary work or some other way, but not to tax the American people and force them to subsidize events like abortion.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. EMERSON (at the request of Mr. ARMEY) for today from 12:00 p.m. and for the balance of the week on account of attending her daughter's graduation from college.

Mr. SENSENBRENNER (at the request of Mr. ARMEY) for today on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. DAVIS of California) to revise and extend their remarks and include extraneous material:)

Ms. NORTON, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Mr. SHOWS, for 5 minutes, today.

Mr. BENTSEN, for 5 minutes, today.

(The following Members (at the request of Mr. PAUL) to revise and extend their remarks and include extraneous material:)

Mr. PAUL, for 5 minutes, today.

Mr. HORN, for 5 minutes, today.

Mr. JONES of North Carolina, for 5 minutes, today.

Mr. BURTON of Indiana, for 5 minutes, May 15, 16, and 17.

ADJOURNMENT

Mr. PAUL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 36 minutes p.m.), under its previous order, the House adjourned until Monday, May 14, 2001, at 2 p.m.

OATH FOR ACCESS TO CLASSIFIED INFORMATION

Under clause 13 of rule XXIII, the following Members executed the oath for access to classified information:

Neil Abercrombie, Aníbal Acevedo-Vilá, Gary L. Ackerman, Robert B. Aderholt, W. Todd Akin, Thomas H. Allen, Robert E. Andrews, Richard K. Armey, Joe Baca, Spencer Bachus, Brian Baird, Richard H. Baker, John

Elias E. Baldacci, Tammy Baldwin, Cass Ballenger, James A. Barcia, Bob Barr, Roscoe G. Bartlett, Joe Barton, Charles F. Bass, Ken Bentsen, Doug Bereuter, Shelley Berkley, Howard L. Berman, Marion Berry, Judy Biggert, Michael Bilirakis, Sanford D. Bishop, Jr., Rod R. Blagojevich, Earl Blumenauer, Roy Blunt, Sherwood L. Boehlert, John A. Boehner, Henry Bonilla, David E. Bonior, Mary Bono, Robert A. Borski, Leonard L. Boswell, Rick Boucher, Allen Boyd, Kevin Brady, Robert A. Brady, Corrine Brown, Sherrod Brown, Henry E. Brown, Jr., Ed Bryant, Richard Burr, Dan Burton, Steve Buyer, Sonny Callahan, Ken Calvert, Dave Camp, Chris Cannon, Eric Cantor, Shelley Moore Capito, Lois Capps, Michael E. Capuano, Benjamin L. Cardin, Brad Carson, Julia Carson, Michael N. Castle, Steve Chabot, Saxby Chambliss, Donna M. Christensen, Wm. Lacy Clay, Eva M. Clayton, Bob Clement, James E. Clyburn, Howard Coble, Mac Collins, Larry Combest, Gary A. Condit, John Cooksey, Jerry F. Costello, Christopher Cox, William J. Coyne, Robert E. (Bud) Cramer, Jr., Philip M. Crane, Ander Crenshaw, Joseph Crowley, Barbara Cubin, John Abney Culberson, Elijah E. Cummings, Randy "Duke" Cunningham, Danny K. Davis, Jim Davis, Jo Ann Davis, Susan A. Davis, Thomas M. Davis, Nathan Deal, Peter A. DeFazio, Diana DeGette, William D. Delahunt, Rosa L. DeLauro, Tom DeLay, Jim DeMint, Peter Deutsch, Lincoln Diaz-Balart, Norman D. Dicks, John D. Dingell, Lloyd Doggett, Calvin M. Dooley, John T. Doolittle, Michael F. Doyle, David Dreier, John J. Duncan, Jr., Jennifer Dunn, Chet Edwards, Vernon J. Ehlers, Robert L. Ehrlich, Jr., Jo Ann Emerson, Eliot L. Engel, Phil English, Anna G. Eshoo, Bob Etheridge, Lane Evans, Terry Everett, Eni F.H. Faleomavaega, Sam Farr, Chaka Fattah, Mike Ferguson, Bob Filner, Jeff Flake, Ernie Fletcher, Mark Foley, Harold E. Ford, Jr., Vito Fossella, Barney Frank, Rodney P. Frelinghuysen, Martin Frost, Elton Gallegly, Greg Ganske, George W. Gekas, Richard A. Gephardt, Jim Gibbons, Wayne T. Gilchrest, Paul E. Gillmor, Benjamin A. Gilman, Charles A. Gonzalez, Virgil H. Goode, Jr., Bob Goodlatte, Bart Gordon, Porter J. Goss, Lindsey O. Graham, Kay Granger, Sam Graves, Gene Green, Mark Green, James C. Greenwood, Felix J. Grucci, Jr., Gil Gutknecht, Ralph M. Hall, Tony P. Hall, James V. Hansen, Jane Harman, Melissa A. Hart, J. Dennis Hastert, Alcee L. Hastings, Doc Hastings, Robin Hayes, J. D. Hayworth, Joel Hefley, Wally Herger, Baron P. Hill, Van Hilleary, Earl F. Hilliard, Maurice D. Hinchey, David L. Hobson, Joseph M. Hoeffel, Peter Hoekstra, Tim Holden, Rush D. Holt, Michael M. Honda, Darlene Hooley, Stephen Horn, John N. Hostettler, Amo Houghton, Steny H. Hoyer, Kenny C. Hulshof, Duncan Hunter, Asa Hutchinson, Henry J. Hyde, Jay Inslee, Johnny Isakson, Steve Israel, Darrell E. Issa, Ernest J. Istook, Jr., Jesse L. Jackson, Jr., Sheila Jackson-Lee, William J. Jefferson, William L. Jenkins, Christopher John, Eddie Bernice Johnson, Nancy L. Johnson, Sam Johnson, Timothy V. Johnson, Stephanie Tubbs Jones, Walter B. Jones, Paul E. Kanjorski, Marcy Kaptur, Ric Keller, Sue W. Kelly, Mark R. Kennedy, Patrick J. Kennedy, Brian D. Kerns, Dale E. Kildee, Carolyn C. Kilpatrick, Ron Kind, Peter T. King, Jack Kingston, Mark Steven Kirk, Gerald D. Kleczka, Joe Knollenberg, Jim Kolbe, Dennis J. Kucinich, John J. LaFalce, Ray LaHood, Nick Lampson, James R. Langevin, Tom Lantos, Steve Largent, Rick Larsen, John B. Larson, Tom Latham, Steven C. LaTourette, James A. Leach, Barbara Lee, Sander M. Levin, Jerry Lewis, John Lewis, Ron Lewis, John Linder, William O. Lipinski, Frank A. LoBiondo, Zoe Lofgren, Nita M. Lowey, Frank D. Lucas, Ken Lucas, Bill Luther, Carolyn B. Maloney, James H. Maloney, Donald A. Manzullo, Edward J. Markey, Frank Mascara, Jim Matheson, Robert T. Matsui, Carolyn McCarthy, Karen McCarthy, Betty McCollum, Jim McCrery, John McHugh, Scott McInnis, Mike McIntyre, Howard P. McKeon, Cynthia A. McKinney, Michael R. McNulty, Martin T. Meehan, Carrie P. Meek, Gregory W. Meeks, Robert Menendez, John L. Mica, Juanita Millender-McDonald, Dan Miller, Gary G. Miller, Patsy T. Mink, John Joseph Moakley, Alan B. Mollohan, Dennis Moore, James P. Moran, Jerry Moran, Constance A. Morella, John P. Murtha, Sue Wilkins Myrick, Jerrold Nadler, Grace F. Napolitano, Richard E. Neal, George R. Nethercutt, Jr., Robert W. Ney, Anne M. Northup, Eleanor Holmes Norton, Charlie Norwood, Jim Nussle, James L. Oberstar, David R. Obey, John W. Olver, Solomon P. Ortiz, Tom Osborne, Doug Ose, C.L. Otter, Major R. Owens, Michael G. Oxley, Frank Pallone, Jr., Bill Pascrell, Jr., Ed Pastor, Ron Paul, Nancy Pelosi, Mike Pence, Collin C. Peterson, John E. Peterson, Thomas E. Petri, David D. Phelps, Charles W. Pickering, Joseph R. Pitts, Todd Russell Platts, Richard W. Pombo, Earl Pomeroy, Rob Portman, David E. Price, Deborah Pryce, Adam H. Putnam, Jack Quinn, George Radanovich, Nick J. Rahall, II, Jim Ramstad, Charles B. Rangel, Ralph Regula, Dennis R. Rehberg, Silvestre Reyes, Thomas M. Reynolds, Bob Riley, Lynn N. Rivers, Ciro D. Rodriguez, Tim Roemer, Harold Rogers, Mike Rogers, Dana Rohrabacher, Ileana Ros-Lehtinen, Mike Ross, Steven R. Rothman, Marge Roukema, Edward R. Royce, Bobby L. Rush, Paul Ryan, Jim Ryun, Martin Olav Sabo, Loretta Sanchez, Bernard Sanders, Max Sandlin, Tom Sawyer, Jim Saxton, Joe Scarborough, Bob Schaffer, Janice D. Schakowsky, Adam B. Schiff, Edward L. Schrock, Robert C. Scott, F. James Sensenbrenner, Jr., José E. Serrano, Pete Sessions, John B. Shadegg, E. Clay Shaw, Jr., Christopher Shays, Brad Sherman, Don Sherwood, John Shimkus, Ronnie Shows, Rob Simmons, Michael K. Simpson, Norman Sisisky, Joe Skeen, Ike Skelton, Louise McIntosh Slaughter, Adam Smith, Christopher H. Smith, Lamar S. Smith, Nick Smith, Vic Snyder, Mark E. Souder, Floyd Spence, John N. Spratt, Jr., Cliff Stearns, Charles W. Stenholm, Ted Strickland, Bob Stump, Bart Stupak, John E. Sununu, John E. Sweeney, Thomas G. Tancredo, John S. Tanner, Ellen O. Tauscher, W.J. (Billy) Tauzin, Charles H. Taylor, Gene Taylor, Lee Terry, William M. Thomas, Bennie G. Thompson, Mike Thompson, Mac Thornberry, John R. Thune, Karen L. Thurman, Todd Tiahrt, Patrick J. Tiberi, John F. Tierney, Patrick J. Toomey, James A. Traficant, Jr., Jim Turner, Mark Udall, Robert A. Underwood, Fred Upton, Nydia M. Velázquez, Peter J. Visclosky, David Vitter, Greg Walden, James T. Walsh, Zach Wamp, Maxine Waters, Wes Watkins, Melvin L. Watt, J.C. Watts, Jr., Henry A. Waxman, Anthony D. Weiner, Curt Weldon, Dave Weldon, Jerry Weller, Robert Wexler, Ed Whitfield, Roger F. Wicker, Heather Wilson, Frank R. Wolf, Lynn C. Woolsey, Albert Russell Wynn, C.W. Bill Young, Don Young.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

1845. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department's final rule—Change in Disease Status of Germany, Italy, and Spain Because of BSE [Docket No. 01-008-1] received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1846. A letter from the Acting Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting the Department's final rule—Honey Research, Promotion, and Consumer Information Order; Amendments [FV-00-701 FR] (RIN: 0581-AB84) received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1847. A letter from the Acting Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting the Department's final rule—Tart Cherries Grown in the States of Michigan, et al.; Final Free and Restricted Percentages for the 2000-2001 Crop Year for Tart Cherries [Docket No. FV01-930-2 FR] received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1848. A letter from the Acting Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting the Department's final rule—Tart Cherries Grown in the States of Michigan, et al.; Suspension of Provisions Under the Federal Marketing Order for Tart Cherries [Docket No. FV00-930-6 FIR] received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1849. A letter from the Secretary, Department of Defense, transmitting a letter on the approved retirement of Lieutenant General Robert F. Raggio, United States Air Force, and his advancement to the grade of lieutenant general on the retired list; to the Committee on Armed Services.

1850. A letter from the Secretary, Department of Defense, transmitting a letter on the approved retirement of Vice Admiral John W. Craine, Jr., United States Navy, and his advancement to the grade of Vice Admiral on the retired list; to the Committee on Armed Services.

1851. A letter from the Secretary, Department of Defense, transmitting a letter on the approved retirement of Lieutenant General Walter S. Hogle, Jr., United States Air Force, and his advancement to the grade of lieutenant general on the retired list; to the Committee on Armed Services.

1852. A letter from the Deputy Secretary, Department of Defense, transmitting a report entitled, "Installation First Responder Preparedness," as required by Section 1031 of the Floyd D. Spence National Defense Authorization Act for FY 2001; to the Committee on Armed Services.

1853. A letter from the Director, Corporate Policy and Research Department, Pension Benefit Guaranty Corporation, transmitting the Department's final rule—Benefits Payable in Terminated Single-Employer Plans; Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits—received April 27, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

1854. A letter from the Chairman, Nuclear Regulatory Commission, transmitting the Commission's report entitled, "Report to Congress on Abnormal Occurrences, Fiscal Year 2000," for events at licensed nuclear facilities, pursuant to 42 U.S.C. 5848; to the Committee on Energy and Commerce.

1855. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Russia [Transmittal No. DTC 038–01], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

1856. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Russia, Ukraine, Norway, United Kingdom, and Cayman Islands [Transmittal No. DTC 048–01], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

1857. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

1858. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting a report on the designation of certain organizations as "foreign terrorist organizations"; to the Committee on International Relations.

1859. A communication from the President of the United States, transmitting the First Annual Report on the Inter-American Convention Against Corruption; to the Committee on International Relations.

1860. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting the Committee's final rule—Additions to and Deletions from the Procurement List—received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

1861. A letter from the Deputy Secretary, Department of Defense, transmitting the Department's second annual performance report for FY 2000; to the Committee on Government Reform.

1862. A letter from the Regulatory Contact, National Archives and Records Administration, transmitting the Administration's final rule—John F. Kennedy Assassination Records Collection Rules, Correction (RIN: 3095–AB00) received April 20, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

1863. A letter from the Acting Director, Fish and Wildlife Service, Department of the Interior, transmitting the Department's final rule—Endangered and Threatened Wildlife and Plants; Final Determination of Critical Habitat for the Great Lakes Breeding Population of the Piping Plover (RIN: 1018–AG14) received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1864. A letter from the Acting Assistant Attorney General, Department of Justice, transmitting a report regarding the results of a study on the impact of the Twenty-First Amendment Enforcement Act, which Congress enacted on October 28, 2000 as section 2004 of the Victims of Trafficking and Violence Protection Act of 2000; to the Committee on the Judiciary.

1865. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Fokker Model F.28 Mark 0070 and Mark 0100 Series Airplanes [Docket No. 2000–NM–290–AD; Amendment 39–12172; AD 2001–07–07] (RIN: 2120–AA64) received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1866. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC–10 and MD–11 Series Airplanes, and KC–10A (Military) Airplanes [Docket No. 99–NM–108–AD; Amendment 39–12147; AD 2001–05–10] (RIN: 2120–AA64) received April 20, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1867. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Eurocopter France Model AS–350B, BA, B1, B2, and D; and AS–355E, F, F1, F2, and N Helicopters [Docket No. 2000–SW–30–AD; Amendment 39–12043; AD 2000–25–08] (RIN: 2120–AA64) received April 20, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1868. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A330–301, –321, –322, –341, and –342 Series Airplanes; and Model A340–211, –212, –213, –311, –312, and –313 Series Airplanes [Docket No. 2000–NM–117–AD; Amendment 39–12167; AD 2001–07–02] (RIN: 2120–AA64) received April 20, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1869. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A330–301, –321, –322 Series Airplanes; and Model A340 Series Airplanes [Docket No. 2000–NM–119–AD; Amendment 39–12150; AD 2001–06–03] (RIN: 2120–AA64) received April 20, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1870. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 737–600, –700, and –800 Series Airplanes [Docket No. 2001–NM–19–AD; Amendment 39–12155; AD 2001–06–08] (RIN: 2120–AA64) received April 20, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1871. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC–8–33, –42, –55, and –61 Series Airplanes [Docket No. 2000–NM–254–AD; Amendment 39–12151; AD 2001–06–04] (RIN: 2120–AA64) received April 20, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1872. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC–8 Series Airplanes [Docket No. 99–NM–60–AD; Amendment 39–12149; AD 2001–06–02] (RIN: 2120–AA64) received April 26, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1873. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Establishment of Class D Airspace; Shreveport Downtown Airport, Shreveport, LA [Airspace Docket No. 2000–ASW–20] received April 20, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1874. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Bay City, TX [Airspace Docket No. 2001–ASW–05] received April 26, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1875. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Amendment of Class E Airspace; Bowling Green, MO [Airspace Docket No. 00–ACE–36] received April 26, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1876. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Establish Class E Airspace; Seneca Falls, NY [Airspace Docket No. 00–AEA–15FR] received April 20, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1877. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Establish Class E Airspace; Salisbury, MD [Airspace Docket No. 00–AEA–03FR] received April 20, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1878. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 30238; Amdt. No. 2042] received April 20, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1879. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 30239; Amdt. No. 2043] received April 20, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1880. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 30237; Amdt. No. 2041] received April 20, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1881. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Modification of the Dimensions of the Grand Canyon National Park Special Flight Rules Area and Flight Free Zones [Docket No. FAA–2001–9218] (RIN: 2120–AG74) received April 18, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1882. A letter from the Director, Office of Regulations Management, Department of Veterans' Affairs, transmitting the Department's final rule—Review of Benefit Claims Decisions (RIN: 2900–AJ99) received May 2, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

1883. A letter from the Secretary, Department of Health and Human Services, transmitting a report entitled, "Evaluation of

Medicare's Competitive Bidding Demonstration for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies"; jointly to the Committees on Ways and Means and Energy and Commerce.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 2 of rule XII the following action was taken by the Speaker:

H.R. 1088. Referral to the Committee on Government Reform extended for a period ending not later than May 18, 2001.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mrs. MORELLA (for herself, Mr. WYNN, and Mr. PUTNAM):

H.R. 1793. A bill to amend title XIX of the Social Security Act to permit a State waiver authority to provide medical assistance in cases of congenital heart defects; to the Committee on Energy and Commerce.

By Mr. DELAY (for himself, Mr. MURTHA, Mr. HYDE, Mr. GILMAN, and Mr. SMITH of New Jersey):

H.R. 1794. A bill to protect United States military personnel and other elected and appointed officials of the United States Government against criminal prosecution by an international criminal court to which the United States is not party; to the Committee on International Relations.

By Mr. ACKERMAN (for himself, Mr. GILMAN, and Mr. LANTOS):

H.R. 1795. A bill to require the imposition of sanctions with respect to the Palestine Liberation Organization (PLO) or the Palestinian Authority if the President determines that these entities have not complied with certain commitments made by the entities, and for other purposes; to the Committee on International Relations.

By Mr. BLUMENAUER:

H.R. 1796. A bill to amend the Internal Revenue Code of 1986 to treat charitable remainder pet trusts in a similar manner as charitable remainder annuity trusts and charitable remainder unitrusts; to the Committee on Ways and Means.

By Ms. DUNN:

H.R. 1797. A bill to amend the Internal Revenue Code of 1986 to provide a credit against tax for qualified energy management devices, and for other purposes; to the Committee on Ways and Means.

By Ms. DUNN (for herself, Mr. EHRLICH, Mr. MCDERMOTT, and Mr. RAMSTAD):

H.R. 1798. A bill to amend title XVIII of the Social Security Act to establish procedures for determining payment amounts for new clinical diagnostic laboratory tests for which payment is made under the Medicare Program; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GOODE (for himself, Mr. GOODLATTE, Mr. CANTOR, Mr. TOM DAVIS of Virginia, Mr. SCHROCK, Mr. MORAN of Virginia, Mrs. JO ANN DAVIS of Virginia, Mr. WOLF, Mr. SCOTT, and Mr. BOUCHER):

H.R. 1799. A bill to designate a United States Post Office located in Nathalie, Virginia, as the "Lewis F. Payne United States Post Office"; to the Committee on Government Reform.

By Mr. KIND (for himself, Mr. LEACH, Mr. GILCHREST, Mr. EVANS, Mr. NUSSLE, Mr. PETERSON of Minnesota, Mr. DINGELL, Mr. BLUMENAUER, Mr. KILDEE, Ms. BALDWIN, Mr. SMITH of Washington, Mr. PALLONE, Mr. LUTHER, Mr. UDALL of New Mexico, Mr. UDALL of Colorado, Ms. MCCOLLUM, Mr. DEFAZIO, Mr. MANZULLO, Mr. TANNER, Mr. PETRI, and Mr. FORD):

H.R. 1800. A bill to establish the Upper Mississippi River Stewardship Initiative to monitor and reduce sediment and nutrient loss in the Upper Mississippi River; to the Committee on Agriculture, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. GRANGER:

H.R. 1801. A bill to designate the United States courthouse located at 501 West 10th Street in Fort Worth, Texas, as the "Eldon B. Mahon United States Courthouse"; to the Committee on Transportation and Infrastructure.

By Mr. HERGER (for himself, Mr. JEFFERSON, and Mr. ENGLISH):

H.R. 1802. A bill to amend the Internal Revenue Code of 1986 to modify the depreciation of property used in the generation of electricity; to the Committee on Ways and Means.

By Mr. HINCHEY:

H.R. 1803. A bill to provide for public library construction and technology enhancement; to the Committee on Education and the Workforce.

By Mr. HINCHEY:

H.R. 1804. A bill to require Medicare providers to disclose publicly staffing and performance in order to promote improved consumer information and choice; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HUTCHINSON (for himself, Mr. HOLDEN, Mr. BURR of North Carolina, Mr. MORAN of Virginia, Mr. CHABOT, and Mr. DOOLEY of California):

H.R. 1805. A bill to provide small businesses certain protections from litigation excesses and to limit the product liability of nonmanufacturer product sellers; to the Committee on the Judiciary, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KENNEDY of Rhode Island (for himself, Mr. FRANK, Mr. CUMMINGS, Ms. MCCOLLUM, Mr. HASTINGS of Florida, Ms. BROWN of Florida, Ms. JACKSON-LEE of Texas, Mr. CLAY, Mr. BRADY of Pennsylvania, Mr. MCNULTY, Mr. RANGEL, Mr. DELAHUNT, Mr. BERMAN, Mr. MCGOVERN, Mr. HILLIARD, Mr. PAYNE, Mr. WYNN, Mr. LANTOS, Mr. CAPUANO, Mr. MEEKS of New York, Mr. LANGEVIN, and Mr. OWENS):

H.R. 1806. A bill to provide for the adjustment of status of certain nationals of Liberia to that of lawful permanent residence; to the Committee on the Judiciary.

By Mr. KOLBE:

H.R. 1807. A bill to establish the High Level Commission on Immigrant Labor Policy; to the Committee on the Judiciary, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. MALONEY of New York (for herself and Mr. QUINN):

H.R. 1808. A bill to amend title 38, United States Code, to provide housing loan benefits for the purchase of residential cooperative apartment units; to the Committee on Veterans' Affairs.

By Mrs. MALONEY of New York (for herself, Mrs. KELLY, Mr. RANGEL, Mr. GILMAN, Mr. BONIOR, Mr. QUINN, Mr. FROST, Mr. SMITH of New Jersey, Ms. PELOSI, Mrs. MORELLA, Mr. TOWNS, Mr. WYNN, Mr. OBERSTAR, Mrs. MINK of Hawaii, Ms. WOOLSEY, Mr. BALDACCI, Mr. GONZALEZ, Mr. LANGEVIN, Mrs. THURMAN, Ms. MILLENDER-MCDONALD, Mr. HASTINGS of Florida, Ms. LEE, Mr. HILLIARD, Mr. LEWIS of Georgia, Mr. LANTOS, Mr. CUMMINGS, Mr. WEXLER, Ms. JACKSON-LEE of Texas, Mrs. TAUSCHER, Mr. CAPUANO, Ms. HARMAN, Mr. MEEKS of New York, and Mr. KILDEE):

H.R. 1809. A bill to amend the Employee Retirement Income Security Act of 1974, Public Health Service Act, and the Internal Revenue Code of 1986 to require that group and individual health insurance coverage and group health plans provide coverage of cancer screening; to the Committee on Energy and Commerce, and in addition to the Committees on Education and the Workforce, Ways and Means, and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MCGOVERN (for himself, Mr. SCARBOROUGH, Mr. MOAKLEY, Mrs. MORELLA, Mr. SHAYS, and Mr. EVANS):

H.R. 1810. A bill to repeal the statutory authority for the Western Hemisphere Institute for Security Cooperation (the successor institution to the United States Army School of the Americas) in the Department of Defense, to provide for the establishment of a joint congressional task force to conduct an assessment of the kind of education and training that is appropriate for the Department of Defense to provide to military personnel of Latin American nations, and for other purposes; to the Committee on Armed Services.

By Mr. MCINNIS:

H.R. 1811. A bill to provide permanent funding for the payment in lieu of taxes program, and for other purposes; to the Committee on Resources.

By Mr. MENENDEZ (for himself, Mr. BONIOR, Mr. FROST, Mr. ETHERIDGE, Mr. BALDACCI, Mr. BENTSEN, Mr. GORDON, Mr. HINOJOSA, Mr. HOLT, Ms. WOOLSEY, Mr. DEFAZIO, Mr. EVANS, Mr. HOEFFEL, Ms. JACKSON-LEE of Texas, Mr. MCGOVERN, Ms. MCCARTHY of Missouri, Mr. ORTIZ, Ms. HOOLEY of Oregon, Mr. STRICKLAND, and Ms. SCHAKOWSKY):

H.R. 1812. A bill to develop programs that enhance school safety for our children; to the Committee on Education and the Workforce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MORAN of Kansas:

H.R. 1813. A bill to amend title 10, United States Code, to revise the rules under the military Survivor Benefit Plan for termination of an annuity paid to a surviving spouse upon remarriage before age 55; to the Committee on Armed Services.

By Mr. OLVER (for himself, Ms. DeLauro, Mr. Larson of Connecticut, Mrs. Johnson of Connecticut, Mr. Bass, Mr. Neal of Massachusetts, and Mr. Maloney of Connecticut):

H.R. 1814. A bill to amend the National Trails System Act to designate the Metacomet-Monadnock-Sunapee-Mattabesett Trail extending through western New Hampshire, western Massachusetts, and central Connecticut for study for potential addition to the National Trails System; to the Committee on Resources.

By Mr. OLVER (for himself, Mr. Gilchrest, Mr. Inslee, Mrs. Johnson of Connecticut, Ms. Lofgren, Mr. Boehlert, Mr. Udall of Colorado, Ms. Solis, and Mr. Greenwood):

H.R. 1815. A bill to amend title 49, United States Code, to require phased increases in the fuel efficiency standards applicable to light trucks; to required fuel economy standards for automobiles up to 10,000 pounds gross vehicle weight; to raise the fuel economy of the Federal fleet of vehicles, and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committee on Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. PALLONE:

H.R. 1816. A bill to amend the Federal Food, Drug, and Cosmetic Act to safeguard public health and provide to consumers food that is safe, unadulterated, and honestly presented; to the Committee on Energy and Commerce.

By Mr. PALLONE:

H.R. 1817. A bill to establish a comprehensive program to ensure the safety of food products intended for human consumption which are regulated by the Food and Drug Administration; to the Committee on Energy and Commerce.

By Mr. PETERSON of Minnesota (for himself and Mr. Delahunt):

H.R. 1818. A bill to amend title 22, United States Code, to eliminate authority for employees and agents of the United States to assist foreign countries in interdiction of aircraft suspected of drug-related operations; to the Committee on International Relations.

By Mr. SHOWS (for himself, Ms. Baldwin, Mr. Barcia, Mr. Bonior, Mr. Boswell, Mr. Boucher, Mr. Boyd, Ms. Brown of Florida, Mr. Brown of Ohio, Mr. Burr of North Carolina, Ms. Carson of Indiana, Mrs. Christensen, Mrs. Clayton, Mr. Condit, Mr. Conyers, Mr. Costello, Mr. Cramer, Mr. Davis of Illinois, Mr. DeFazio, Mr. Evans, Mr. Filner, Mr. Frank, Mr. Gillmor, Mr. Gonzalez, Mr. Goode, Ms. Hart, Mr. Hinchey, Mr. Hinojosa, Mr. Holden, Mr. Jackson of Illinois, Ms. Kaptur, Mr. Kildee, Ms. Kilpatrick, Mr. Kucinich, Mr. LaTourette, Ms. Lee, Mr. Lewis of Georgia, Ms. McCarthy of Missouri, Mr. McGovern, Mr. McHugh, Mr. McIntyre, Ms. McKinney, Ms. Millender-McDonald, Mr. George Miller of California, Mr. Murtha, Mr. Nadler, Mrs. Napolitano, Mr. Ney, Mr. Norwood, Mr. Pallone, Mr. Pickering, Mr. Quinn, Mr. Reyes, Ms. Ros-Lehtinen, Ms. Roybal-Allard, Mr. Sanders, Mr. Strickland, Mr. Stupak, Mr. Taylor of Mississippi, Mr. Thompson of Mississippi, Mrs. Thurman, Mr. Turner, Ms. Velázquez, Mr. Whitfield, and Ms. Woolsey):

H.R. 1819. A bill to amend the Internal Revenue Code of 1986 to provide tax incentives and job training grants for communities affected by the migration of businesses and jobs to Canada or Mexico as a result of the North American Free Trade Agreement; to the Committee on Ways and Means, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SNYDER:

H.R. 1820. A bill to amend the Defense Base Closure and Realignment Act of 1990 to authorize an additional round of military base closures and realignments using a two-step process that first identifies those military bases that may not be considered for closure or realignment; to the Committee on Armed Services, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. THUNE (for himself and Mrs. Emerson):

H.R. 1821. A bill to amend the Internal Revenue Code of 1986 to reestablish the marketing aspects of farmers' cooperatives in relation to adding value to a farmer's product by feeding it to animals and selling the animals and to grant a declaratory judgment remedy relating to the status and classification of farmers' cooperatives; to the Committee on Ways and Means.

By Mr. UDALL of Colorado (for himself, Mr. Portman, Mr. Isakson, Mr. Wamp, Mr. Serrano, Mr. Etheridge, and Mr. Green of Wisconsin):

H.R. 1822. A bill to improve academic and social outcomes for teenage youth; to the Committee on Education and the Workforce.

By Mr. UDALL of New Mexico (for himself, Mr. Reyes, Ms. Solis, Mr. Baca, Ms. Sanchez, Mr. Gonzalez, Mr. Menendez, Mr. Acevedo-Vila, Mr. Hinojosa, Mr. Pastor, Mrs. Napolitano, Mr. Rodriguez, Ms. Roybal-Allard, Ms. Velázquez, and Mr. Underwood):

H.R. 1823. A bill to establish a Presidential commission to determine and evaluate the validity of certain land claims arising out of the Treaty of Guadalupe-Hidalgo of 1848 involving the descendants of persons who were Mexican citizens at the time of the Treaty; to the Committee on Resources.

By Mr. SMITH of New Jersey (for himself, Mr. Hoyer, Mr. Pitts, Mr. Cardin, Mr. Wamp, and Mr. Hastings of Florida):

H. Con. Res. 131. Concurrent resolution congratulating the Baltic nations of Estonia, Latvia, and Lithuania on the tenth anniversary of the reestablishment of their full independence; to the Committee on International Relations.

By Mrs. TAUSCHER (for herself and Mr. Dreier):

H. Con. Res. 132. Concurrent resolution expressing the sense of Congress on the importance of promoting electronic commerce, and for other purposes; to the Committee on Ways and Means.

By Mr. GRAVES:

H. Res. 140. A resolution expressing the sense of the House of Representatives that the United States Postal Service should take all appropriate measures to ensure the continuation of its 6-day mail delivery service; to the Committee on Government Reform.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 12: Ms. Sanchez and Ms. McCollum.

H.R. 17: Mr. McNulty and Ms. McCollum.

H.R. 39: Mr. Hyde.

H.R. 65: Mr. LoBiondo.

H.R. 157: Mr. English, Mr. Crowley, Ms. Carson of Indiana, Mr. Filner, and Mr. Lipinski.

H.R. 168: Mr. Cantor.

H.R. 179: Mr. Matheson and Mr. Toomey.

H.R. 214: Mr. Schiff and Ms. Lee.

H.R. 280: Mrs. Emerson.

H.R. 286: Mr. Bonior.

H.R. 303: Mr. Hunter, Mr. Akin, and Mr. Crowley.

H.R. 354: Mr. Smith of New Jersey.

H.R. 432: Mr. Green of Texas.

H.R. 433: Mr. Green of Texas.

H.R. 461: Mr. Engel.

H.R. 516: Ms. Sanchez and Ms. Berkley.

H.R. 526: Ms. Lee, Mr. Sherman, Mr. Owens, and Mr. Skelton.

H.R. 570: Mr. Nadler, Mr. English, and Ms. Hooley of Oregon.

H.R. 583: Mr. Green of Wisconsin.

H.R. 599: Ms. Sanchez.

H.R. 600: Mr. Mascara, Mr. Kirk, Mr. Schiff, and Mr. Capuano.

H.R. 635: Mr. Kanjorski, Mr. Pitts, and Mr. Sherwood.

H.R. 662: Mr. Weller, Mr. Rehberg, Mr. McInnis, Mr. Sweeney, and Mr. Chambliss.

H.R. 665: Mr. Moore.

H.R. 674: Mr. Bonior.

H.R. 678: Mr. Blunt.

H.R. 687: Mr. Carson of Oklahoma and Mr. Watt of North Carolina.

H.R. 721: Mr. McHugh, Mr. Towns, Mr. Hoeffel, Mr. McIntyre, Mr. Gonzalez, and Mr. Owens.

H.R. 786: Mr. Delahunt.

H.R. 817: Mr. Gillmor.

H.R. 823: Ms. Jackson-Lee of Texas.

H.R. 831: Ms. Velázquez, Mr. Upton, Mr. Hoeffel, Mr. Manzullo, Mr. Langevin, Mr. Tanner, Mr. Terry, Mr. Udall of Colorado, Ms. Woolsey, Mrs. Kelly, Ms. McCarthy of Missouri, Mr. Rogers of Michigan, Mr. Kennedy of Minnesota, Mr. Putnam, Mr. Tom Davis of Virginia, Mr. Hastings of Washington, Mr. Kennedy of Rhode Island, Mr. Cantor, Mr. Sensenbrenner, Mr. Mascara, Mr. LoBiondo, Ms. Pryce of Ohio, Mr. Graves, Mr. Kildee, Mr. Quinn, Mr. Gallegly, and Mr. Sweeney.

H.R. 848: Mr. Schiff, Mr. Cramer, Mr. Ney, Ms. Jackson-Lee of Texas, Mr. Kucinich, Mrs. Morella, Mr. Mascara, and Mr. Clay.

H.R. 912: Mr. Nethercutt and Mr. Meehan.

H.R. 933: Mr. Tierney.

H.R. 938: Mr. McKinney, Ms. Lee, Ms. Eshoo, Ms. Eddie Bernice Johnson of Texas, Mr. Delahunt, Mr. Tierney, and Mr. Filner.

H.R. 951: Mr. Souder, Mr. Rogers of Michigan, Mr. Kennedy of Rhode Island, Mr.

Weller, Mr. Tancredo, Mr. Simpson, and Mr. Blunt.

H.R. 963: Mr. Faleomavaega.

H.R. 967: Ms. DeLauro, Mr. Platts, Ms. Woolsey, Ms. Norton, Mr. Greenwood, Mr. Souder, Mr. Borski, and Ms. Kilpatrick.

H.R. 994: Mr. Lantos.

H.R. 1020: Mr. LaHood, Mr. Oberstar, Mr. Meeks of New York, and Mr. Gillmor.

H.R. 1024: Mr. Herger, Mr. DeFazio, Mr. Simmons, Mr. McInnis, Mr. Otter, Mr. Ramstad, Mr. Clay, Mr. Weller, Mr. Cooksey, Mr. Duncan, Mr. Graves, and Mr. Nethercutt.

H.R. 1026: Ms. McCarthy of Missouri.

H.R. 1035: Mr. Boucher, Mr. Wolf, and Mr. Schiff.

H.R. 1036: Ms. Baldwin, Mr. DeFazio, Mr. Maloney of Connecticut, Mr. McGovern, Mr. Udall of Colorado, Mr. Capuano, Mr. Crowley, Mr. Pomeroy, MR. Pascrell, Mr. Holden, Mr. Brady of Pennsylvania, Mr. Hoeffel, Mr. Inslee, Mr. Weiner, Mr. Larson of Connecticut, Mr. Smith of Washington, Mr. Moore, Ms. Schakowsky, Mr. Waxman, Mr. Berman, Mr. Rodriguez, Ms. Pelosi, Mr. Price of North Carolina, Ms. Jackson-Lee of Texas, Mr. Frank, Mr. Hill, Mr. Davis of Illinois, Mrs. Clayton, Ms. Millender-McDonald, Ms. Slaughter, Mr. Sanders, Mr. Nadler, Mr. Israel, Mr. Carson of Oklahoma, Mr. Murtha, Mr. Blumenauer, Mr. Delahunt, Mr. Etheridge, Mr. Clay, Mr. Stark, Mr. Reyes, Mr. Underwood, Ms. Eshoo, Ms. Roybal-Allard, Mr. Farr of California, Mr. Schiff, Ms. Berkley, Mr. Udall of New Mexico, Mr. Gonzalez, Mr. Lewis of Georgia, Mr. Blagojevich, Mr. Larsen of Washington, Ms. DeGette, and Mrs. Capps.

H.R. 1071: Mr. Baldacci, Ms. Baldwin, Mrs. Christensen, Mr. Frank, Ms. Kilpatrick, and Mr. Thompson of Mississippi.

H.R. 1093: Mrs. Thurman and Mr. Hayes.

H.R. 1094: Mrs. Thurman, Mr. Hayes, and Mr. Latham.

H.R. 1121: Mr. Rehberg.

H.R. 1143: Mr. Wynn, Ms. Pelosi, and Ms. Kilpatrick.

H.R. 1155: Mr. Gibbons, Mr. Hefley, Mr. Larson of Connecticut, and Ms. Eshoo.

H.R. 1170: Mr. Strickland and Mr. Baldacci.

H.R. 1171: Mr. Terry and Mr. Latham.

H.R. 1181: Mrs. Roukema.

H.R. 1220: Mr. Souder and Mr. Combest.

H.R. 1238: Ms. McCarthy of Missouri.

H.R. 1265: Mr. Bereuter, Mr. Olver, Mr. McGovern, Ms. Lee, Mr. Allen, Mr. Sanders, Mr. McDermott, and Mr. Rehberg.

H.R. 1280: Ms. Kilpatrick.

H.R. 1285: Mr. Crowley.

H.R. 1291: Mr. Tiahrt and Mr. Edwards.

H.R. 1296: Mr. Ney, Mr. Sessions, Mr. Turner, Mr. Putnam, Mr. Thornberry, and Mr. Green of Texas.

H.R. 1305: Mr. Pence and Mr. Upton.

H.R. 1335: Ms. Solis and Mr. McGovern.

H.R. 1354: Mr. Hall of Ohio and Mr. Meeks of New York.

H.R. 1360: Ms. Woolsey and Mr. Baird.

H.R. 1400: Mr. Boswell.

H.R. 1401: Mr. Gonzalez, Mr. Dooley of California, Mr. Tancredo, and Mrs. Emerson.

H.R. 1406: Mr. English, Ms. Carson of Indiana, Mr. Gonzalez, and Mr. Hastings of Florida.

H.R. 1441: Mr. Ose, Mr. Baker, and Mr. Norwood.

H.R. 1494: Mr. Frank.

H.R. 1509: Mr. Gonzalez, Mr. Underwood, Ms. Pryce of Ohio, and Mr. Frank.

H.R. 1511: Mr. Pickering, Mr. Doolittle, Mr. Taylor of Mississippi, and Mr. Smith of New Jersey.

H.R. 1541: Mr. Snyder, Mr. Edwards, and Mr. Holden.

H.R. 1543: Mr. Hinchey and Mr. Cooksey.

H.R. 1587: Ms. Woolsey, Mr. Pascrell, and Ms. Carson of Indiana.

H.R. 1596: Mr. Snyder.

H.R. 1598: Mr. Kildee, Mr. Frank, Ms. Waters, Mr. Sweeney, and Mr. Moore.

H.R. 1600: Mrs. Kelly and Mr. Shays.

H.R. 1601: Mr. Watkins, Mr. Barr of Georgia, and Mr. Jenkins.

H.R. 1602: Mr. Boehner, Mr. Norwood, Mr. Barr of Georgia, and Mr. DeMint.

H.R. 1611: Mr. Otter, Mr. Sessions, and Mr. Foley.

H.R. 1623: Mr. Isakson, Mr. Coble, Mr. Callahan, Mr. Spratt, and Mr. Norwood.

H.R. 1624: Mr. Bonior, Mr. Lucas of Oklahoma, Mr. Owens, Ms. Eshoo, and Mr. Barrett.

H.R. 1636: Mr. Gutknecht.

H.R. 1642: Mr. LaFalce, Mr. Jackson of Illinois, Mr. Meeks of New York, Mrs. Meek of Florida, Ms. Millender-McDonald, and Mr. Leach.

H.R. 1650: Mr. Frank, Mrs. Mink of Hawaii, Mr. Bonior, and Ms. Norton.

H.R. 1666: Mr. English.

H.R. 1690: Mr. Rangel, Ms. Kilpatrick, Ms. Lee, Mr. Clay, Mr. Conyers, and Mr. Paul.

H.R. 1696: Mrs. Roukema, Mr. Isakson, and Mr. Boehlert.

H.R. 1716: Mr. Horn, Mr. Frank, and Mr. Hastings of Florida.

H.R. 1750: Ms. Carson of Indiana, Mr. McGovern, and Mr. Stupak.

H.R. 1751: Ms. Carson of Indiana, Mr. McGovern, and Mr. Stupak.

H.R. 1776: Mr. Bentsen, Ms. Jackson-Lee of Texas, and Mr. Lampson.

H.R. 1786: Mr. Boyd, Mr. Hinchey, and Mr. Hilliard.

H. Con. Res. 42: Ms. Kilpatrick, Ms. Carson of Indiana, and Ms. Rivers.

H. Con. Res. 56: Mr. Dingell, Mr. Young of Florida, Ms. Waters, Mr. McHugh, and Mr. Ney.

H. Con. Res. 104: Mr. Mascara, Mr. Wolf, and Ms. Solis.

DELETION OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1271: Mr. Davis of Illinois.

PETITIONS, ETC.

Under clause 3 of rule XII, petitions and papers were laid on the clerk's desk and referred as follows:

The SPEAKER presented a petition of the Legislature of Rockland County, New York, relative to Resolution No. 162 petitioning the United States Congress to condemn the invitation extended by President George W. Bush to Ian Paisley and the anti-Catholic rhetoric that Ian Paisley espouses; and that the Legislature reaffirms its support for peace and freedom in Northern Ireland; to the Committee on International Relations.

SENATE—*Thursday, May 10, 2001*

The Senate met at 9:30 a.m. and was called to order by the Honorable MIKE CRAPO, a Senator from the State of Idaho.

The PRESIDING OFFICER. Today's prayer will be offered by our guest Chaplain, the Reverend John Johnson, First Presbyterian Church, Merrillville, IN.

PRAYER

The guest Chaplain, Rev. John Johnson, offered the following prayer:

God Almighty, Creator of all that is, our Maker, Redeemer and Sustainer, and Lord of this great Nation, we give You thanks for and ask Your blessings upon these men and women whom You have called as Senators to serve You and us, Your people.

We ask that You be with them in that role, inspire them to seek to do not what is popular and easy but what is just and right in Your eyes. May Your Spirit inspire them to do as You would have them do in jobs that ask so much of mere mortals. In all they do, may we be privileged to see their love for truth, justice, compassion, liberty, and peace.

Lord God, we are mindful of the human cost that each bears by being a Senator. Each is first and foremost a child of God, and to be true to You, we offer sincere and honest prayers for the personal well-being of each Senator. Bless each in home and family; help each to know that when pummeled by critics or pressure, by turning to You, all may know the peace, tranquility, and comfort of a loving God.

We pray all this to You whose love is not limited but is for all Your children. Amen.

PLEDGE OF ALLEGIANCE

The Honorable MIKE CRAPO led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 10, 2001.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable MIKE CRAPO, a Senator from the State of Idaho, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. CRAPO thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

The Senator from Indiana is recognized.

WELCOMING REV. JOHN JOHNSON

Mr. LUGAR. Mr. President, I have the privilege of welcoming our guest Chaplain, the Reverend John Johnson. We are indeed fortunate to have Reverend Johnson with us today. He is a true Renaissance man and public servant. He brings to us his vast experience, not only in the ministry, but also in academia, business, law, and volunteerism.

Reverend Johnson has a master's degree in physics. He studied as a Churchill Scholar at Cambridge University in England. He has a Juris Doctor degree from the University of Chicago. And he has had a successful business career, creating a leading technology company.

Not content to stop there, Reverend Johnson earned his Master's of Divinity degree in 1997 and now is ordained as a minister in the Presbyterian Church. Reverend Johnson currently serves as interim minister at the First Presbyterian Church in Merrillville, Indiana.

Amidst these multiple careers he even found time to run for the U.S. House of Representatives in 1990 from Indiana's Fifth District and for the Indiana Republican gubernatorial nomination in 1992.

Reverend Johnson has remained active in the academic community, and he has generously volunteered his time to many organizations including the United Way Campaign, the YMCA, the Indiana Corporation for Science and Technology, and the Public Broadcasting System.

He is a dear personal friend. It is a privilege to thank him for joining us and for his inspiring words of prayer for us this morning.

Mr. BYRD. Mr. President, I join the Senator from Indiana in welcoming to the Senate the Reverend Mr. Johnson. We are grateful for his presence and for his prayer.

Tennyson said that more things are wrought by prayer than this world dreams of. And the Bible tells us that blessed is the Nation whose God is the Lord. Thank God for our forefathers who built this Nation on religious principles, who had faith in a higher power. If Providence had designs for this country and its people, may we never get away from the offering of prayer in the opening of the two bodies of the legislative branch of government.

There are those in this country who would have us do away with that. May there always be men and women in this body and the other body who will stand for prayer, stand up for the Creator.

I haven't seen Him, nor have I seen electricity. But I dare not put my finger in an open socket because I know it is there.

I thank the Senator for having his minister in our midst this morning. May God add his blessings to the word that has been spoken for us.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Nevada.

Mr. REID. Mr. President, has the Senator indicated what the leader wants to do today?

The ACTING PRESIDENT pro tempore. The distinguished acting majority leader.

SCHEDULE

Mr. LUGAR. Mr. President, I respond to the distinguished whip by saying that this morning there will be 1 hour and 50 minutes remaining for closing remarks on the budget resolution conference report. Senators can expect a vote on the conference report between 11 a.m. and 11:30 a.m. Following that vote, the Senate will resume consideration of S. 1, the education bill. Votes on amendments are expected throughout the day in an effort to make significant progress on the bill.

I encourage those Senators with filed amendments to work with the chairman and the ranking member in order to schedule consideration of those amendments.

I thank my colleagues for their attention and for their cooperation.

Mr. REID. Mr. President, we had a cutoff time last night of 5 o'clock for filing amendments on the education bill. We have almost 300 amendments that have been filed on S. 1. It is going to take a lot of work, and people are going to have to work this afternoon on that. It is going to take a couple more weeks to finish that legislation. I think everyone who has an amendment should offer it at the earliest possible date.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002—CONFERENCE REPORT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the conference report to accompany H. Con. Res. 83, which the clerk will report.

The legislative clerk read as follows:

> Conference report to accompany the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from West Virginia is now recognized for 30 minutes.

Mr. BYRD. Mr. President, would the Chair kindly inform me when I have used 25 minutes of my time?

The ACTING PRESIDENT pro tempore. The Chair will notify the Senator.

Mr. BYRD. Mr. President, the Senate will soon vote on the conference report for the fiscal year 2002 budget resolution. I will vote against this conference report. This budget is a bad deal for America. It fails to address critical deficiencies in our Nation's schools, our Nation's highways, our Nation's drinking water and sewage systems, our Nation's law enforcement, and energy independence. The list goes on and on like Tennyson's brook—almost forever. Instead of addressing these deficiencies, instead of planning for the future, this is a budget resolution that places short-term, partisan political gratification ahead of the long-term needs of the Nation.

This Nation faces daunting challenges—if you drove in just this morning to work, or yesterday morning, you can see what I am talking about, the daunting challenges that confront this country on the highways—in the next two decades. We will continue increasingly to face those daunting challenges.

The baby boom generation will begin to retire around the year 2008. That is not far away. Because of the demands of that generation, both the Social Security and Medicare trust funds are expected to be running in the red by 2016—15 years from now. Not a single dime—not one thin dime—is devoted to shoring up Social Security, and the resources allotted to Medicare and prescription drugs are totally inadequate.

We know that 75 percent of our Nation's school buildings are inadequate to meet the needs of the Nation's children. But how many dollars are devoted to building and renovating school buildings? How many dollars are devoted to making classrooms smaller? Zero. Zilch. Zip.

The American Society of Civil Engineers, earlier this spring, graded the Nation's infrastructure. How did we do? Abysmally. Roads, D+; aviation, D−; schools, D−; transit, D−; drinking water, D. Overall, in 10 different categories, the Nation's infrastructure received an average grade of D+.

Now my old coal miner dad would have given me a good thrashing if I had brought home a report card with a D on it. I could have depended on that. Well, the dog must have eaten that report card on the way to the White House because this conference report ignores low grades on the Nation's infrastructure.

Now the President—and I have great respect for the President—is fond of saying we ought to give the people their money back. I think we ought to give the people their money's worth. Instead of a massive tax cut today, we ought to look toward tomorrow and repair our outdated infrastructure. Instead of a massive tax cut today, we ought to help provide for safe highways and bridges, airports and transit systems that work, clean air, safe drinking water, safe schools. We ought to plan ahead to ensure that Social Security and Medicare will be available in the long term. The American people expect us to make smart choices. This conference report is not a smart choice.

What is in this conference report?

It contains a $1.35 trillion tax cut spread out over the next 11 years, based solely on an illusory surplus estimate that even the Congressional Budget Office considers highly unlikely.

This budget also establishes discretionary spending levels that are totally inadequate and unrealistic. For the next fiscal year, the budget limits spending to a 4.2-percent increase. For nondefense programs, the level provided in the conference report is $5.5 billion below the level necessary to keep pace with inflation.

Now I am wearing my Appropriations Committee hat today. I am the ranking member on the Senate Appropriations Committee. Let me say to my colleagues, you will be coming to the waterhole—I think of the animals in the forest. Occasionally, they have to go to the waterhole. They can't avoid it. And so the people of this country have to go to the waterhole. The waterhole is the Appropriations Committees of the two Houses. And Senators and House Members who represent the people who elect them and send them here also have to go to that waterhole, the Appropriations Committee. Well, I am wearing my appropriations hat today.

Let me say to my colleagues, if you vote for this budget conference report, don't come to the watering hole. It is not that I would not love to help you, but you are going to make it impossible. Those who vote for this conference report are going to make it impossible for me and for the Appropriations subcommittee ranking members to help you. Hear me: I would love to help you, but you are going to make it impossible when you vote for this conference report, because you are going to cut discretionary spending levels to the point that we cannot help you.

Again, for nondefense programs, the level provided in the conference report is $5.5 billion below the level necessary to keep pace just with inflation. This level will leave no resources for increases that we all recognize are necessary for education, for infrastructure, for research and development, and for the promotion of our energy independence. We have an energy shortage in this country right now—rolling brownouts. You are going to hear more about them. But what are we doing about it? We are not doing anything positively in this budget conference report. I will tell you what we are doing. We are cutting the moneys for basic research—fossil fuel research—in the budget.

The increases being debated on the floor for elementary and secondary education cannot be fully funded. The resolution provides for an increase of less than $13 billion above fiscal year 2001 for all nondefense programs. The elementary and secondary education bill now pending in the Senate assumes over $10 billion in increases for fiscal year 2002 just for elementary and secondary education programs alone. And all we have is less than $13 billion.

Members should be under no illusions. The budget conference report is not the budget resolution that passed the Senate 65–35 last month. Several of our Democratic colleagues voted for that, and a great majority on the other side did so, too. But you are not voting today for that concurrent resolution on the budget that you voted for a couple of weeks ago on this Senate floor. For fiscal year 2002 alone, the conference report you will be voting for today is $27 billion below the resolution that passed the Senate a few days ago—$10 billion lower for defense and $17 billion lower for nondefense.

Now the President has called this a "people's budget." Imagine that. The President called this a "people's budget." I would almost laugh out loud if it weren't so serious. Imagine that—the President calling this a "people's budget." Well, that may be true if your definition of "the people" is limited to those lucky individuals who earn six-figure salaries. If you limit "the people" in your State to those who are spending their mornings sipping Starbucks coffee and perusing the Wall Street Journal to check on the status of their stocks and bonds, then you are talking about the people.

It may be a people's budget if the people are limited to those lucky souls who spend their winters in the Bahamas and their summers on a Caribbean cruise. But this is not a people's budget for the coal miners, not for the locomotive engineers, not for the brakemen on the railroads, not for the cleaning ladies, not for the schoolteachers. It is not a people's budget for the folks flipping hamburgers for minimum wage. Ask them. They are the people, too, and they have been left out, o-u-t, and left behind in this whale of a deal for the well-to-do.

President Bush, the President of all the people of the Nation, says:

> It's a good budget for the working people of America.

He said it. I didn't say that. That may be true if your definition of "working" means calling your broker on your cell phone to tell him to put another million on titanium futures. That may be true if your definition of "working people" is the folks who hop in their Learjets to check out their business interests on three continents.

In my State of West Virginia, we know who the working people are. The working people are the people who earn their living by the sweat of their brow. They are the people who get up early and stay up late trying to make ends meet. They are the working people. They are the people who get their hands dirty while trying to feed their families. Those are the working people.

Working people are the teachers struggling on low pay in a hot classroom while trying to impart some wisdom to our Nation's children.

The working people are the cops on the beat who risk their lives daily and nightly, who try to keep some order in these mean and dangerous streets and alleys.

Working people are the coal miners who end up crippled, who end up sick after long, long years of digging coal from the rugged Earth to produce the electricity for this Senate Chamber, and to produce the electricity for this Nation. They are the people who get their hands dirty. They are the people who wash the grime, the coal dust out of their eyelashes, out of the wrinkles in their faces, grown old too early. They are the working people.

Mr. President, they are the working people, the coal miners, the welders in the shipyard, the produce salesmen in the country, the farmers who toil in the hot Sun of the June and July and August days. They are the working people, Mr. President. They are not the people Mr. Bush is talking about.

The President lauds this budget. He says it contains "reasonable levels of spending." That may be true if you think that costing the American driving public nearly $6 billion a year because one-third of this Nation's roads are in poor condition, is "reasonable."

Why don't we fix America's roads? If you think highway congestion is bad now, what will it be 5 years from now? Those of you who spent an hour and 10 minutes yesterday morning to drive ten miles to work in this Capitol, if you think congestion is bad now, think of what congestion will be 5 years from now. What will it be 10 years from now?

The President calls the spending levels in this budget "reasonable." In this Nation, we have so many unsafe or obsolete bridges that it will cost $10.6 billion every year for the next 20 years to fix them.

We have 54,000 drinking water systems which will cost $11 billion to make them comply with Federal water regulations.

We have more than 2,100 unsafe dams in this country. Do we recall Buffalo Creek Dam in southern West Virginia? It broke several years ago. Scores of lives were lost. And there are 2,100 unsafe dams in this country today which could cause loss of life.

We have energy delivery systems which rely on old technology.

We have outdated and crumbling schools which will require $3,800 per student to modernize.

This budget provides little or no money to address any of these needs. It allows for current services adjusted for inflation for all discretionary programs, including defense. Do you know what that means? But for nondefense programs, the conference report is $5.5 billion below the amount necessary to keep pace with inflation. It means this Nation is essentially frozen in its ability to address backlogs or to anticipate needs.

The backlogs are worsening, and the needs are going unaddressed because the funding levels endorsed by this White House are far too low.

Anyone who calls these levels "reasonable" needs a reality check. Take off the rose-colored glasses, Mr. President; take them off, and once the warm cheery glow of tax cut fever has subsided, we will still have a nation that is very steadily sliding backwards.

This huge tax cut will savage our nation's real and growing needs; it will siphon energy away from the engine that makes this economy run; it will benefit the jet set, but leave the rest of America riding on rusty rails. There is nothing "reasonable" about such a policy.

I am also very concerned that this conference report does nothing to address the growth of mandatory spending. The President claims that he wants to restrain the size of Government, but his budget focuses only on limiting the part of the budget that is subject to the annual appropriations process. That is only one-third of the budget, and growing smaller by the day. The rest of the budget is on auto pilot.

I assure Senators that discretionary spending will not be the cause of any future deficits. If we return to deficits—and we very well could—it will be because of the massive tax cuts contained in this conference report and the growth of mandatory programs. Discretionary spending is currently only 6.3 percent of the gross domestic product, less than half of what it was in 1967. Under the Budget resolution, it would fall to 5 percent by 2011. Mandatory spending is currently 9.7 percent of GDP, more than double the level in 1966 and under the Budget conference report, mandatory spending will grow to 11 percent of GDP in 2011.

Not only does this resolution not constrain mandatory spending, it includes seven new reserves that empower the House and Senate Budget Committee chairmen to increase spending for mandatory programs.

I have a great deal of faith in our budget chairman, Mr. DOMENICI, and I have seen all the budget chairmen we have had in the Senate since the Budget Act became law, but I do not care if it is a Republican or Democrat chairman, I do not support giving that kind of power to any budget chairman, Democrat or Republican. I would not want it myself if I were a chairman.

I am very concerned that these powers which are being given to the Budget Committee chairmen will be used in a partisan way.

This budget resolution was produced in negotiations between White House officials and the Republican leadership.

There was no involvement—none—of the Democratic Leadership or the ranking members of the House and Senate Budget Committees. To add insult to injury, this Budget Resolution would empower the Budget Committee chairmen to allocate funding to mandatory programs with no assurances that the minority will be consulted. This is just one more example of the one-sided nature of this Budget Resolution. But as Milton said in Paradise Lost "who overcomes by force has overcome but half his foe." There is no balance in this budget. It is tipped too far to the tax cut side. As a see-saw, it lifts some people up with generous tax givebacks, but it leaves this nation's needs sitting firmly on the ground.

It is a "for show" budget designed to please a select group, and it was gussied up and trotted out by one party from behind locked doors.

Since January's inauguration, we have heard plenty of lip service being paid to bipartisanship. Lip service. We have all heard the mantra that the tone of Washington is being changed. You better believe—it is not being changed. We have seen the photo-ops of Democrats being courted at the White House. All 535 Members of the House and Senate were invited to the White House a few days ago. All 535 Members. What a sham. That was to be a photo op. Nothing more, nothing less. What a sham. What hypocrisy. This budget deal was crafted without input from the Democratic Leaders, or the Ranking Members of the House and Senate

Budget Committees. When it was time for the rubber to meet the road, bipartisanship had a flat tire. Bipartisanship never was able to wiggle under the cracks in that door. Some Democrats may be willing to vote for this budget—they may be willing to sit at the President's table for this tax-cut feast. But, make no mistake, they were not in the kitchen when the meal was being cooked. They did not get to decide what went in the stew and what stayed out.

The President, in his remarks congratulated the Republican Budget Committee chairmen of the House and the Senate. He congratulated the Republican Leaders of the Senate and the House. He lauds a few Democrats, but there is no mention in his remarks of the Democratic Leaders or the Ranking Members of the House and Senate Budget Committees. They were not privy to the budget pseudo-conference. There was no room for them at the inn. That is no accident. The plain unvarnished truth is that there has been barely a pinch of bipartisanship in the cooking of this final budget omelet, and the result certainly shows in the one-sided way the budget eggs were scrambled.

There simply is not enough money to adequately fund the 13 appropriations bills, get that—there is not enough money to adequately fund the 13 appropriation bills, and so, once again, appropriators will have to scrimp and parse and cannibalize in order to do our work.

For those Senators who vote for this budget deal, I say go ahead and write your press releases. Pat yourselves on the back. Tell your constituents how you voted to cut taxes. That is an easy vote. But don't forget to tell your constituents about the other side of that coin. Be sure and include that in your press release. Don't forget to tell your constituents that you voted to shortchange our schools, roads, and water systems; don't forget to include in your press release, that you voted for lower funding for health care and energy research; and be sure to include in your press releases that you turned a blind eye to the looming crises facing Social Security and Medicare. In 1981, we took what Majority Leader Howard Baker called a riverboat gamble with President Reagan's tax cut and we ended up with triple digit deficits for fifteen years. Now the Republican Leadership has forced upon us another bad deal. A deal that will reduce revenues, according to the Joint Tax Committee, by nearly $300 billion per year in 2011 and beyond at just the moment that the baby boom generation begins to retire.

This conference report makes a mockery of the Budget Act because it undermines the purpose of the act. The Budget Act was intended to impose predictability and discipline. But the continual manipulation of the Budget Act to achieve political goals has made it a sham and a shame. Gimmicks and bad policy are the result—gimmicks and bad policy. The demands of a great nation have to be satisfied in spite of fantasy world budgets. The result will probably be that at the end of the process, yet another Budget Resolution will have been ignored because it had to be. It was never grounded in reality. In spite of the President's claims that he would change things in Washington, he has already succumbed to the same old partisan polo game, and the same old swap shop budget bingo we have seen for years. This conference report ought to be defeated.

Mr. President, Senators who vote for this budget conference report, call your mother in advance of Mother's Day. If she is one of the baby boom generations, tell her you voted for this tax cut for the bigwigs. Tell her: "Yes, mother, I voted for the Bush tax cut."

But as to Social Security? There wasn't a dime in the bill for Social Security. Forget it.

I close by this compliment from Milton from "Paradise Lost," and I offer it to our budget ranking member, KENT CONRAD.

> Well hast thou fought the better fight, whose single hast maintained against revolted multitudes the cause of truth.

The PRESIDING OFFICER (Mr. ENSIGN). Who yields time?

Mr. CONRAD. Mr. President, I yield 10 minutes to the Senator from South Carolina, the very distinguished senior member of the Senate Budget Committee.

Mr. HOLLINGS. Mr. President, the distinguished Senator from West Virginia said: Tell your mother on Mother's Day that you increased taxes. If you turn to page 4 of the conference report, you will find that the debt goes up from $5.6 trillion to $6.7 trillion—$1.1 trillion.

As we left the last fiscal year, we ended with a $23 billion deficit, which we had reduced, over the 8 years, from $403 billion, and now this very minute we are running a slight surplus. But when you vote for this particular measure, and this is our main reason for appearing here this morning, it is to remind everybody that this is Reaganomics II. It is happening here today.

Let me speak advisedly. As the distinguished Senator from West Virginia reminded us, I have been on the Budget Committee since its institution 25 years ago. I have been the chairman. I hasten to comment that our distinguished ranking member, the Senator from North Dakota, has done an outstanding job under the most difficult of circumstances.

Let me tell you about the difficult circumstances, because the very reason for our budget process 25 years ago was to give all the Members a look-see at every facet of Government spending here in Washington. Prior to that time, we had 13 appropriations bills, we had 13 authorizing bills, and the authorizers authorized without regard to appropriating and the appropriators appropriated without regard to the authorization and the one—namely, defense—didn't know what education was doing, or housing didn't know what the highways were doing.

So we got together in a comprehensive look-see, where the President would submit his budget, we would go before the Budget Committee, and in detail, each one of the particular appropriations measures would be debated, marked up, reported out, and then come to the floor of the Senate.

Here we passed this budget without having the President's budget. He didn't give it until it had passed the House, until it had passed the Senate—absolutely ridiculous. Why? Because he couldn't sell his tax cut. He knew the great reason for the prosperity and comeback of our Democratic Party is that we showed we were fiscally responsible. For 8 years we gave us the greatest prosperity. But it is a sophomoric approach, this "tax cuts, tax cuts, the Government is too big, the money belongs to you" and all that nonsense—and not paying the bills. So the President went to 28-some States. You can't sell a tax cut? He couldn't sell beer on a troop train, I can tell you that right now.

He went everywhere, and he didn't sell his tax cut, so he rammed it, and the leadership on the other side of the aisle went along with it, and the media didn't report it. That is another reason I appear here, because this instrument is an atrocity, a clear, absolute abuse of the process.

We had a deliberate debate back when President Clinton came to office to find in what direction the country was going to head. Lyndon Johnson used to say: It is not whether I am conservative or whether I am liberal, it is whether I am headed in the right direction.

We debated. The President submitted his budget. We had 30 amendments before that Budget Committee. We reported it out, and the last instrument—namely, reconciliation—was not passed until August. We had a real old hoedown, and we said we were going to cut the size of Government. Yes, we were going to cut spending. And, yes, we were going to increase taxes.

When we increased Social Security taxes, the distinguished Senator from Texas said: They are going to hunt you Democrats down like dogs in the street and shoot you.

Where is the Republican tax cut for Social Security? Instead, they are going to spend the Social Security trust fund. If you don't think so, come on up and I will give you a bet.

Congressman Kasich, chairman of the House Budget Committee, said: If this thing works, I'll change parties.

Senator Packwood, Chairman of the Senate Finance Committee, said: If this thing works, I'll give you my house in downtown Washington.

But it worked. We made a great comeback paying down the debt. Now some strayers want to go along with this "Cut taxes, cut taxes," and buying the people's vote, when in essence the debt increases. It goes up.

We had no debate. We had no markup. We had no report. We passed it without all that. Then we got to the conference to be told we were not going to be conferees. Oh, they invite you to the White House when you cannot vote, you just stand up and grin and smile and bow. But when you got a vote in the conference committee, they said no, you are not invited back because you're not going to vote with us.

Thank God we weren't parliamentarians. He wouldn't agree. They fired him. They would like to fire us. That is why they said we will give you all the rhetoric about education, because you look at the report after it comes out: Zero increase for education. What does that mean to us in the game? It means you are going to have to get a majority of 60 votes in order to get your increase, whether it is for class size or whether it is for construction or whether it is for teacher counseling or any of these other things that we need in public education—namely, teachers' pay. No, you are not going to get it.

All of this exercise has been the best off-Broadway show, as they see it, because they are just smiling to themselves: We are going to destroy this Government and we are just as much against education as we were for that 20-year crusade to abolish the Education Department.

What happens on the so-called immediate rebate to get the economy going? By 94 votes to 6, every Republican voted for my $85 billion rebate plan. But instead of the instant rebate of $85 billion, they came in here with $100 billion over 2 years, and they are going to go to the Finance Committee—you can read the reconciliation instructions, and they translate: We are going to use the stimulus dollars for tax cuts.

The main thing to be said this morning in the few minutes given me is that we have tried our best under Senator CONRAD's leadership. We have called their hand at every turn. We have been very courteous, very tactful in trying to get the report. We know the distinguished chairman of the Budget Committee has to practically do what the Senator from Texas tells him. And the Senator from Texas is tied into the Office of Management and Budget. And the Office of Management and Budget tells the President what he wants. So you want to get on the record how it is being worked this year: It is a total abuse, an absolute atrocity. There is no question about it. Everybody seems to go along. And the headline will say: We passed the budget. No. We don't even have a defense figure.

We don't have a budget. We have a tax cut. That is what the President wanted. That is what they had back with Reaganomics I: $750 billion. Now this is going to go up to about $1.6 trillion. If you analyze it carefully, it will probably be nearer to $2.6 trillion.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HOLLINGS. I thank the distinguished Chair.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. Mr. President, I thank the very outstanding Senator, who is a member of the Senate Budget Committee, Mr. HOLLINGS from South Carolina, for his remarks this morning.

As I understand it, Senator BREAUX wants time off of Senator DOMENICI's allocated time. The staff director for Senator DOMENICI tells me that is acceptable to their side.

We had lined up Senator CLINTON to go next on our side. I don't know if Senator BREAUX would like to go at this point.

I would like to recognize Senator CLINTON.

Mr. BREAUX. Absolutely.

Mr. CONRAD. How much time would the Senator like?

Mrs. CLINTON. Oh, 6 minutes.

Mr. CONRAD. I yield 6 minutes to the Senator from New York, an outstanding member of the Senate Budget Committee, who has made a real contribution to the work on our side of the aisle on the Senate Budget Committee.

The PRESIDING OFFICER. The Senator from New York is recognized for 6 minutes.

Mrs. CLINTON. Mr. President, I thank my ranking member, the Senator from North Dakota, who, as my good friend from South Carolina has put so well, has led with honesty and directness, and believes so passionately in the issues that we are addressing today.

I rise because I cannot remain silent in the face of both a budget process and a budget product that I think will be so harmful to our country. I really wish I did not have to rise today. I wish, given the opportunities that life before us as a nation, what we were debating was the kind of balanced approach to the budget that I could wholeheartedly support—a balanced approach that included an affordable, reasonable tax cut, that fairly went to all Americans, giving every one of our families a Mother's Day present, as Senator BYRD so wonderfully reminded us is around the corner.

I wish this budget were filled with the kind of careful analysis about the investments that we need to make our country rich and smarter and stronger in the years ahead. And I wish this budget continued to pay down the debt in the way that we had been doing.

In the last 3 years, we paid off more than $600 billion of our debt. We took it off the backs of all these schoolchildren who are watching us. We said: We are not going to pass on the debts of your parents. Your grandparents, the greatest generation, did not leave us in debt the way that this country did in the 1980s with the quadrupling of our national debt. I cannot stand here and say that.

I look at all these faces. I meet with schoolchildren from throughout New York nearly every day. I wish I could say: I am going to go to the Senate Chamber and support a budget that will invest in education the way we need it, that will continue to pay down the debt so that you are not faced with that debt when you are my age, or even younger, and that it will invest in Social Security and Medicare so that you do not have to worry about your parents, your grandparents, or yourselves. Unfortunately, I cannot say that.

I have thought hard about what it is that has happened in the Senate in the last several months because I sat through 16 hearings in the Budget Committee. They were informative, very helpful hearings, laying out the priorities of our Nation, talking about the amount of money we had that we could count on, not pie in the sky, not projections that were unlikely ever to come true but realistically what it was we, as a nation, could count on. And then how could we have a tax cut, pay down the debt, and invest in education, health care, the environment, as well as taking care of Social Security and Medicare?

I do not exactly know what happened, how we arrived at this point. We had those hearings, and then we were shut out of the process. We did not have a markup, which is a device in a committee to get everybody together to try to hammer out a bill.

Then the Democrats, with decades of experience—with distinguished Senators such as Senator HOLLINGS and Senator CONRAD—were shut out of the process between the House and the Senate.

So here we are today on the brink of passing a tax cut that will, I believe, do to our country what was done in the 1980s. I can only think that this is a tax cut proposal that was born in the passion of a primary political campaign, in the snows of New Hampshire, when the President was running for his life to be President and had to come up with something, so he plucked out of the air $1.6 trillion and said that was what it was going to be and felt compelled to come and present it to us.

I was proud of the Senate when, in the process of the budget debate, we made some good changes. We made those changes not only on the tax cut side but on the investment side. I thought: If the House can go along with that, maybe at the end of the process we can have a better balance. I did not think it went far enough, but I was proud of the fact that we had a negotiation.

What we have today has zero increases in education. We have spent a heck of a long time talking about education. The President says it is his first priority. I can only look at the documents I am handed. I have only been handed them recently. I was not part of the process, even though I serve on the Budget Committee. And it looks to me as if we are turning our back on education.

As I thought back, I could not think of any analogy, I could not think of any guidance that would help illuminate what it is we are going through. So I went back and looked at 1981. I read about what happened when another President said: Pass this big tax cut, and we are going to have surpluses. And we went further and further and further in debt.

It is always easier to pass a tax cut. Who doesn't want a tax cut? I want a tax cut. But I don't want to have a tax cut at the expense of hurting my country. I don't want a tax cut at the expense of preventing the kind of investment in education that we need. I don't want a tax cut where I have to go and tell my mother that Medicare may not be viable for the rest of her natural life. I don't want that kind of tax cut.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CONRAD. Mr. President, I give an additional minute to the Senator from New York.

Mrs. CLINTON. So I, with great regret, stand in this Chamber and express the disappointment I feel in that we had an opportunity to do what our country needs—to invest in education, health care, the environment, pay down our debt, and provide affordable tax cuts—but, instead, we are taking a U-turn back to the 1980s. Mark my words, we will be back here—maybe under the same President, or maybe under a different President—having to fix the fiscal situation we are throwing our country into today. I lived through that once. I do not look forward to it. But I will be a responsible Member of this body in trying to fix the problem that we are causing for our Nation because of this tax cut and budget.

Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. The Senator from Louisiana is recognized for 10 minutes off Senator DOMENICI's time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Louisiana is recognized.

Mr. BREAUX. Mr. President, I thank the ranking Democrat on the Budget Committee for his consideration in allowing me to have the time that I need to make comments on this budget. I also thank Senator DOMENICI for being willing to yield me some time.

Let me start, first, by commending Senator CONRAD for the work that he has done, under some very difficult circumstances, with regard to putting together this product. It has not been easy. It has been very difficult. It has been very emotional—with a great deal of pressure on both sides to try to come up with something that makes sense and that is a rational guideline for how we handle the affairs of this country over the next 2 years.

I also commend the Democratic leader, Senator TOM DASCHLE, as well as the Republican leader, Senator LOTT, because I know that within their own caucuses there are vast differences as to how we should approach the passage of the budget for this coming year. It has not been an easy job for either of the budget leaders—Senator CONRAD and Senator DOMENICI—or for our two respective leaders. I think they have both done about as good a job as anyone could ever ask for them to do considering the circumstances.

Mr. President, and my colleagues, I will make the point that governing in a democracy is about the art of the possible; it is not about the art of the perfect. Is this budget a perfect document? Of course not. But does it advance the cause of governing in a democracy that is almost evenly divided among the two parties?

The answer is, yes, it does. Republicans, as we need to remind ourselves, control the House with the narrowest of margins in years. The President was elected after losing the popular vote and narrowly winning the electoral college vote. Our Senate, indeed, is the perfect tie, 50/50.

Now is not the time, with these circumstances, to figure out how we can disagree. There are plenty of opportunities to find where we disagree with this document, but now is not the time to concentrate on how we disagree but, rather, now is the time to figure out how we can reach an agreement for the good of all the people whom we represent.

It is very clear that we could have 535 budgets and each author would think theirs is the best one. But we can only have one.

The two principal parts of this budget consist of how we handle revenues or taxes and how we go about spending what is left, a challenge every American family must make for themselves when they work out their family budgets. We are fortunate today to have what CBO tells us is a projected surplus of $5.6 trillion over the next 10 years. That $5.6 trillion is more than is necessary to run all of our Government functions at the current level.

Most Members, but not all Members, would say it is appropriate to give a portion of that surplus back to the citizens who created that surplus when they paid their taxes. The question then before this body is, How much do we give back?

President Bush said: Give back $1.6 trillion over the next 10 years. Vice President Al Gore, as a candidate, suggested a tax cut of $500 billion. This budget consists of a $1.25 trillion tax cut over the next 10 years, plus a $100 billion stimulus package in the first 2 years. Some would think that is too high; others argue that it is far too low and not enough.

It is, in fact, sufficient to give money back to all Americans with a balanced and a fair tax cut.

We can, within this budget, reduce all marginal rates. We can, within this budget, create a new 10-percent bracket for lower income Americans, which would also benefit all income Americans. We can, within this budget, reduce the estate tax to a level that almost eliminates everyone from paying it. We can, within this budget, fix the alternative minimum tax problem. And we can, within this budget, increase the child credit that families take. We can make it refundable, and we can make it retroactive within this budget. And we can help education within the tax structure of this budget by making tuition taxes deductible for all American families. We can, within this budget's tax structure, fix the marriage penalty.

With regard to spending contained in this budget, it is important for us to put the figures in proper perspective. Last year our Democratic President, President Clinton, proposed a budget for discretionary spending calling for $614 billion. The House and Senate Republicans and the budget, indeed, ended up saying we were going to spend $596 billion for discretionary spending. We ended up spending $635 billion.

We did that because of emergencies that occurred during the year. We did that because of new spending priorities that were brought to our attention during the year that were unforeseen at the time of the budget enactment. This Congress responded to those needs as they occurred. This Congress will respond to those needs as they occur in the upcoming months of this fiscal year.

This budget provides $661 billion in discretionary spending. That is without any emergency money being designated. It is not designated because it is clear that this Congress will add that emergency money as the emergencies occur. If there is a hurricane, if there is an agricultural emergency, if there is an earthquake, if there are any other kinds of emergencies, it is clear, from the history of this body, that this Congress will address those needs because they are true emergencies.

That $661 billion is a $26 billion increase over last year. That is a $47 billion increase more than President Clinton asked for last year when he submitted his budget to the Congress.

I know some of my colleagues will argue that it is not enough, that we don't have enough money, for instance, for education in this budget. My reading on education is that there will be a lot more money than last year for education, a lot more. President Bush has offered a $4.6 billion increase for the Department of Education over last year's $18.3 billion in spending. That is larger than the $3.6 billion President Clinton won for this fiscal year.

As Senator KENNEDY, who is the master of putting together good policy deals, has said:

> We have exceeded the budget every year in education appropriations, and we are going to do it again.

That is a correct assessment of what we are going to do and have done in the past, when it comes to meeting the educational needs of the people of this country. We will provide sufficient funds to educate our children.

It is important to bear in mind that most of the money for education comes from the local and State levels. In fact, 94 percent, on average, of the money on education doesn't come from Washington; it comes from the States; it comes from the local communities that fund the educational programs they determine are their priorities. On average, only 6 percent of the total education budget comes from Washington, DC. The money will be adequate to address the demands.

My recommendation is that we pass this imperfect document to allow the Finance Committee and the Appropriations Committee to begin their work. This document is important as an outline of our priorities, but it is written on paper. It is not written in concrete. It can and will be modified as we have done so every single year as we move through the legislative process.

This is a time of great emotion. It is a time of great pressure. Our leaders, TOM DASCHLE and KENT CONRAD on the Budget Committee and also Senator DOMENICI and Senator LOTT, have had a very difficult job trying to reach an agreement in truly a divided Government. I respect all of them for their sincerity and their honesty and their dedication to try to reach an agreement that everyone can support.

It is, however, time for us to move ahead. There is other work to be done. Now is the time to begin that work by adopting this budget and moving on to the next step.

I yield the floor.

Mr. DOMENICI. Mr. President, I thank Senator BREAUX for his assessment of where things are. I think he included in his remarks that there is still a contingency fund of $500 billion. For those who think we ought to do other things and that we have to, that is still in this budget. I think what Senator BREAUX said about the appropriated account is right on the money. We don't know where the appropriators are going to put the money, no matter what we say in this Chamber.

But there is a $31 billion increase year over year, and $6.2 billion more than the President asked for, if you really are talking apples and apples and the money to be spent by the appropriators. I think Senator BREAUX summarized that just about right. I thank him for his support.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thought the distinguished Senator, my ranking member, was going to yield to somebody on his side before he and I used our final time.

Mr. CONRAD. I thank the Senator. The Senator from Minnesota requested time. I yield 5 minutes to Senator DAYTON.

Let me alert Senators on our side that I now have, other than the wrap-up reserved for Senator DOMENICI and myself, only have 2 minutes. I alert colleagues to the circumstance that exists.

I yield to the Senator from Minnesota, Mr. DAYTON, for 5 minutes.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DAYTON. Mr. President, I thank the distinguished Senator from North Dakota for granting me this time, and also for his outstanding leadership on this issue on behalf of our Democratic caucus.

I rise to say that I intend to vote against this budget today because I believe it allocates too much to the richest Americans and too little to our schoolchildren, senior citizens, veterans, and most of our other citizens. It also wrongly provides a blank check for additional military spending without congressional review or approval.

This budget purports to be a bipartisan creation. In fact, I am told that the Democratic Senators on the Senate-House conference committee were completely excluded from the deliberations and decisions about this budget agreement. As a result, a bipartisan Senate amendment to increase funding for elementary and secondary education was eliminated. The amendment of my colleague, Senator WELLSTONE, which increased funding for veterans' programs, was eliminated. Funds for farm aid, prescription drug coverage, Head Start, health care, child care, transportation, and other important government services were reduced. Except for military spending, all other federal government discretionary services were cut by 2 percent below their inflation-adjusted baselines.

Why? Why, despite huge projected budget surpluses, must the funds for these essential public services be denied? For a tax cut which favors the rich, rather than working, middle-income Americans.

There is enough surplus projected to provide immediate tax cuts and rate reductions for all American taxpayers, so long as they are targeted to the first tax brackets. Unfortunately, this budget places greed ahead of need. People who already have the most get even more, while people who have the least receive even less.

There is no compassion in this budget. There is no bipartisanship in this budget. There is no new education funding to "leave no child behind" in this budget. Its pretenses are a sham. Its promises are a scam.

Furthermore, this budget expressly does not protect either the Social Security or the Medicare Trust Funds from being raided for other spending programs. Instead, it sets up an all-purpose contingency fund, which pretends to cover every imagined funding need. First, however, it must fund a literal blank check for whatever additional military spending the Secretary of Defense shall recommend to the chairmen of the Senate and House Budget Committees. In an unprecedented procedure, with no further congressional review or approval, these two men alone can add whatever amounts of additional spending are proposed by the Secretary of Defense. Thus, this budget provides blank checks for the military, big checks for the rich, and bounced checks due to "insufficient funds" for all other Americans.

I support, and will vote for, a large tax cut benefiting all Minnesota taxpayers. I also support, and will fight for, additional federal funds for special education, for student aid, for prescription drug coverage, for farm price supports, for veterans' health care, for flood victims, and for other important government services. I believe in a balanced budget. I believe we have enough resources available to us to improve the quality of life for our citizens and to reduce taxes. I believe this budget squanders that opportunity. That is why I am voting against it.

I yield the floor.

Mr. CONRAD. Mr. President, how much time remains?

The PRESIDING OFFICER. Eighteen minutes.

Mr. CONRAD. Mr. President, I yield 3 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, I thank my colleague from North Dakota.

I think this budget proposal on the part of my Republican colleagues should be called "leave no dollars behind" when it comes to Robin-Hood-in-reverse tax cuts with over 40 percent of the benefits going to the top 1 percent of the population. That is what we have.

I had an amendment to provide $17 billion for veterans' health care over the next 10 years, filling in the gaps to make sure we would do well and say thanks to our veterans—eliminated.

I joined with Senator HARKIN to provide $250 billion for education, afterschool programs, and title I kids with special needs—you name it. It was eliminated from the budget proposal.

This is about the most hard-hitting thing I can say, because I really believe in the chair of this committee, a Senator for whom I have tremendous respect. He is a great Senator. But I am in profound disagreement with his proposal.

I have been following the discussion about education. I hope my colleagues on the Democratic side will have the courage to challenge this education bill on the floor, which will not have the resources.

Senators, if you love children, then you don't rob them. If you love this little boy or girl, then you don't take their childhood away. If you love these children, you help them for 10 years from now, or 7 or 8 years from now. You must be willing to step up to the plate and make sure you invest some money so these kids will all have the best opportunity to learn. That means that they are kindergarten ready. That means you help the kids who come from low-income backgrounds. That means, just as Senators' children when they go to school, and our grandchildren, they have the best teachers and the schools and the technology and all of the facilities. This is no way to love children. That is to say, do not rob them by not making the investment in children in Minnesota and around the country and instead giving 40 percent-plus of the benefits to the top 1 percent of the population.

These are distorted priorities. There is going to be a pittance for children and education, a pittance for health care, and not anywhere near enough for affordable prescription drug costs for the elderly.

Whatever happened to that campaign promise?

I resist this budget. I will vote against this budget.

I am going to have a lot of amendments on this education bill that are going to make people step up to the plate, and we will see who is willing to talk about the resources for children and education.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, how much time do I have?

The PRESIDING OFFICER. Twenty-nine minutes.

Mr. DOMENICI. I understand Senator FRIST is going to come down and wants to use a little time. Would you please instruct me when I am down to 15 minutes remaining. I hope not to use that.

I first want to say to the distinguished new Senator, Mr. DAYTON, that I listened carefully to his remarks. Everyone is entitled to their opinion. But we have not given a carte blanche to the Defense Department of the United States.

We were confronted with a very interesting situation. One, the President asked for a low number for defense, with the assumption in this budget that his task force, headed by the Secretary, his top-to-bottom review, could not come up with the answers of what we needed by way of change by the time we were doing this work. What would one do? Would one shut all of that out and say whatever it is when that task force is finished, they can wait until next year?

We allocated to the appropriators the amount of money the President asked for in defense—a low number. Then we said if and when the task force is finished—and we are still in this year—whatever the task force recommends in changes we will put in the defense pot allocated in this budget. But it would have to be appropriated by the Congress of the United States item by item, line by line, and system by system. You might say that is an open door for defense with no controls.

You said subject to no congressional controls. I don't believe that is the case. What I just described is true. And is that without congressional concurrence? I think not.

I don't know any other way we could have done it. We could have said we will produce a new budget with a new defense number and debated that thoroughly and then came back, and we would have had the year behind us before we could have done anything. Guess what. They would come along and appropriate for defense and say: Too late. It has taken too long. We are putting it in, in excess of the budget.

We are trying to have a little common sense on defense.

In my closing remarks, I will allude to some other aspects, but a lot has been said about spending. Is there enough in this budget for the appropriators to spend?

Let me suggest it is pretty clear that there are many who would accept a much higher number. But I want to tell you the numbers as they are.

It is $31.3 billion above the 2001 budget available to be appropriated. Take out all of the things that are not spending and just do apples and apples. It is $31.3 billion.

Of that number, $6.2 billion is new money over and above the President's budget. That means you have what the President recommended, plus $6.2 billion more, which gives you $31.3 billion over last year to spend. This $661.3 billion, which is the number, is real money. It will be sent to the appropriators to be spent. With that figure, we assume—and that is all we can do—that $44.5 billion of it will go to the Department of Education for the year 2002. We assume—and that is all we can do—that there will be an 11.5-percent increase. This is new money. Nobody can say that 11.5 percent isn't well above inflation. What kind of money are we talking about in the 4.6? The highest ever level of funding for education of disabled children, a $460 billion increase in title I, including a 78-percent increase in assistance to low-performing schools; a $1 billion increase in Pell grants; $1 billion for new reading programs; $320 billion to ensure accountability with State assessments. We can go on. There is $472 million to encourage schoolchildren, some kind of innovative choice that we might pass; $6.3 billion to serve 916,000 Head Start children.

I guess it is easy to stand up and say there is nothing in this budget for education. I just read it to you. Actually, the appropriators will probably do more because we gave them more to spend, and they have always favored more money for education. So, frankly, whatever we have heard rhetorically on the floor about education, we have done better by education than we have in modern times. This is the highest, most dedicated budget for education that we have ever produced.

I note the presence of the Senator from Tennessee. Would the Senator like to speak to the matter before us?

Mr. FRIST. For 4 or 5 minutes.

Mr. DOMENICI. How much time do I have?

The PRESIDING OFFICER. The Senator has 23 minutes.

Mr. DOMENICI. The Senator wants 5 minutes. And then Senator NICKLES wants 5 minutes. I yield to them in that order.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 5 minutes.

Mr. FRIST. Mr. President, I rise because I think in 30 minutes or so we will be voting on the conference report. I want to give my colleagues my strongly felt support for what we have arrived at today. I believe it does, in a very consistent way, represent what at least I hear as I travel around the country, and through the State of Tennessee, from every day people who are looking at their lives, the qualities of life, looking at Washington, DC, and Government and what it can be both for them and against them, and they tell you simple things. Those things are: We do have a debt today, which one generation has given another. Please address that debt.

They say we have some important things to pay for, and that is the role of Government. That includes things such as Medicare, research in health care, education, defense of the country. And they say: After you pay down that debt—and in this conference report we pay down that debt from $2.4 trillion from where it is, and they say: Thank you, that is what we want.

They say: What about teacher quality? We have $2.6 billion in the budget for teachers and we know, when we look at that teacher-pupil interaction in the classroom, that this is important. In higher education for Pell grants, they say: After graduating from high school, let's give people that opportunity to have, in essence, a pool of resources to take wherever they choose to go, and that is Pell grants—and indeed it is in this bill—for disadvantaged students; we assume $9.8 billion for Pell grants. They say: In health care, make sure you address this issue of prescription drugs. Very specifically in this budget $300 million is provided for expansion of Medicare prescription drug benefits. The exact mix, the exact bill, the exact nature—yes, couple it with modernization but do it in a way that we can see it soon. They say think about the future.

In this bill we think about the future in the field of health research. The resolution includes the President's $2.8 billion increase in the National Institutes of Health. It goes through the defense spending, agriculture, attention to the veterans. Then they say: After addressing the debt, after protecting the Social Security trust fund, after protecting that Medicare trust fund, both of which give security to our seniors today, let us keep, instead of sending to Washington, DC, a little bit more of our hard-earned money.

Indeed, we do that. All of this is our money, say the people throughout Tennessee, not yours because you represent the Federal Government. So if after we invest in those priorities of health care, education, quality of life, agriculture, defense, and the veterans—after we make that commitment to substantially pay down that debt, allow us to keep the dollars with us. Trust us, the American people, to spend, to save, to invest.

"Trust us," the people across Tennessee tell me. We do that by allowing the taxpayer to keep $1.35 trillion over the next 11 years in their pockets, instead of on April 15 sending it to Washington, DC, when it is not needed.

In addition to that $1.35 trillion that we allow taxpayers to keep is the $100 billion stimulus, which answers the question of: What are you doing today to restore that hope in our economy, that hope in job creation? And the answer is that we are taking $100 billion and targeting it for a short-term stimulus to help turn this economy around—something that everybody feels each and every day—a change, something different than 2 years ago, than 3 years ago.

Finally, in this bill we authorize the additional tax relief, or debt relief, if surpluses exceed those expectations.

Mr. President, this conference report reflects what the American people want. There is compromise and negotiation in there. I, for one, would like to see taxpayers keep a little bit more money in their pockets as we look to the future. But recognizing the realities of this body pulling together people on both sides of the aisle, I believe the conference report is strong, and it reflects the will and spirit of people throughout Tennessee. Therefore, I look forward to heartily supporting this conference report as we go forward.

I yield the remainder of my time.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I compliment my friend and colleague, the chairman of the committee, Senator DOMENICI, for his work. We have been on the Budget Committee for many years. I have been on it for 20 years and have had the pleasure of working with him. Most of the time, unfortunately, the budgets are pretty partisan. I wish they weren't. I know Senator DOMENICI wishes they weren't. Many times they are difficult to put together. This has been one of the toughest. It is not an easy task in any way, shape, or form. Certainly, with a 50/50, evenly divided Senate, it is a very difficult task.

I compliment my friend and colleague who has had battles with Democrats, Republicans, with liberals on both sides of the aisle and conservatives on both sides. He has wrestled with a very difficult task. He has come up with a product that I think is a giant step in the right direction. It is not perfect. The Senator from Tennessee, whom I compliment, is a member of this committee. He said he would like to have a larger tax cut. This is a small tax cut in relation to the surplus. We have an estimated surplus of over $5 trillion. The total tax cut, at maximum, is $1.35 trillion, with one-fourth going to taxpayers. The majority is used to pay down the national debt. We have colleagues on both sides who said let's do it.

The Senator from New Mexico said we are paying down the national debt from publicly held debt, as of this year, $3.2 trillion, and in 10 years it will be less than $1 trillion. We are paying it down to the maximum extent that we possibly can. Nowhere in the history of our country have we ever paid down the national debt the way we are projecting to do it this year, next year, and throughout the next 10 years.

So I compliment my friend from New Mexico. We still have a significant surplus. He says let's give a portion of that to taxpayers. I have heard people objecting and saying we are not taking care of our Nation's domestic needs. Either we need more money for education, or veterans, or defense, and so on; we need more money to spend.

The spenders have been winning for the last 3 years. The people who have wanted for the last 3 years to give some of the surplus to the taxpayers or let the taxpayers keep some of the surplus have lost.

We passed tax cuts in 1999 and 2000. President Clinton vetoed them. We did not have the votes to override, so the taxpayers did not get a break. They just kept sending in more money. As a matter of fact, taxpayers today, on a per capita basis, send in $1,000 more than the Federal Government is spending. The Federal Government today is spending $7,000 for every man, woman, and child in the United States. That is a surplus of about $1,000.

Let's give a portion of that back to the taxpayers. Let's let them keep some of their own money. They are sending in too much. Granted, there is no limit to the ideas we have in Congress on spending people's money, and people obviously think Congress can spend it better than the American people.

Let the taxpayers keep a portion of it and take the bulk of the surplus and pay down the national debt. That is exactly what we are doing in this proposal. Spending continues to grow. Maybe it has not grown as much as it has in the past. Thank goodness. Spending got out of hand in the last couple of years. I will put in a chart showing domestic spending last year grew 14.1 percent. Defense spending grew at 3.5 percent.

Some people say spending grew at 8 percent last year. Nondefense spending grew at 14 percent last year. That is not sustainable. The education function last year grew in budget authority 29.9 percent. That is not sustainable.

Yet on top of those enormous increases we had last year and large increases in the previous year, this budget says let's grow spending more, actually 5 percent more.

I heard people say: We are not doing enough in education despite the enormous increases we had in education. Education funding is projected under this budget to grow at 11 percent, and all of us suspect, with the large support we have in education led by our President and others, that education within these functions will probably grow by even more than that amount.

My point is, we are spending a lot of money, over $7,000 for every man, woman, and child, and it should be enough. Surely, we can give some tax relief to taxpayers.

I heard some of my colleagues say the tax bill benefits the rich. I am in the process of working with others on the Finance Committee to put together a bill. It does not just benefit the rich; it benefits taxpayers. It is weighted towards taxpayers who are in the lower income categories. We are talking about large percentage cuts for individuals who pay the lowest rates, not the highest rates. The largest beneficiaries, certainly in the first few years, are the people at the lower end of the brackets who are now paying 15 percent. They will pay 10 percent, or 12 percent under the House bill, or people who are paying 28 percent will pay 15 percent. We are going to expand the 15-percent bracket.

My point is, please do not prejudge the tax bill as benefitting the rich. A lot of that is class warfare demagoguery that is not going to be sustained by the facts. Let's allow taxpayers to keep a portion of the surplus and take the bulk of the surplus to pay down the debt and limit the growth of spending to 4 or 5 percent as proposed under this budget. It is affordable and sustainable.

I thank my colleagues for supporting this budget resolution. We had 65 votes in favor of the budget a week or two ago. There is no reason those individuals who supported this budget a week or so ago would not support it today. The differences in the tax cut are minimal from what we passed a couple weeks ago. I urge my colleagues to support the budget resolution.

Mr. President, I ask unanimous consent that the chart to which I referred earlier be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

APPROPRIATIONS BY SUBCOMMITTEE

[In billions of dollars]

	Fiscal year 2000	Fiscal year 2001	Growth from fiscal year 2000 (percent)	Fiscal year 2002 request	Growth from fiscal year 2001 (percent)
Agriculture:					
BA	15.0	16.1	7.3	15.4	−4.3
OT	14.7	16.3	10.9	16.4	0.6
Commerce/Justice/State:					
BA	38.8	37.6	−3.1	37.9	0.8
OT	36.9	37.5	1.6	39.6	5.6
District of Columbia:					
BA	0.5	0.5	0.0	0.3	−40.0
OT	0.4	0.5	25.0	0.3	−40.0
Defense:					
BA	278.8	287.5	3.1	301.0	4.7
OT	273.5	276.2	1.0	296.1	7.2
Energy/Water:					
BA	21.6	23.6	9.3	22.5	−4.7
OT	21.7	23.3	7.4	23.2	−0.4
Foreign Operations:					
BA	16.2	14.9	−8.0	15.2	2.0
OT	14.8	15.7	6.1	15.7	0.0
Interior:					
BA	15.4	19.0	23.4	18.1	−4.7
OT	15.6	17.9	14.7	18.3	2.2
Legislative Branch:					
BA	2.5	2.7	8.0	3.0	11.1
OT	2.5	2.6	4.0	3.0	15.4
Labor/HHS:					
BA	87.1	109.4	25.6	116.4	6.4
OT	87.4	100.3	14.8	110.3	10.0
Military Construction:					
BA	8.7	9.0	3.4	9.6	6.7
OT	8.5	8.9	4.7	8.6	−3.4
Transportation:					
BA	14.4	18.3	27.1	16.2	−11.5
OT	44.0	48.2	9.5	52.7	9.3
Treasury/Postal:					
BA	13.7	15.8	15.3	16.6	5.1
OT	13.7	16.1	17.5	16.3	1.2
VA/HUD/IND:					
BA	71.8	80.7	12.4	83.1	3.0
OT	81.1	85.9	5.9	89.0	3.6
Emergency Reserve:					
BA	([1])	([1])	([1])	5.3	([1])
OT	([1])	([1])	([1])	2.4	([1])
Total:					
BA	584.4	634.9	8.6	660.6	4.0
OT	614.8	649.4	5.6	691.7	6.5
Defense:					
BA	300.8	311.3	3.5	325.1	4.4
OT	295.0	299.6	1.6	319.2	6.5
Domestic:					
BA	283.6	323.6	14.1	335.5	3.7
OT	319.8	349.8	9.4	372.5	6.5

Source: OMB.

[1] Not applicable.

Mrs. FEINSTEIN. Mr. President, a month ago I voted in support of the budget resolution which passed the Senate and which contained $688 billion in discretionary spending for fiscal year 2002 and $1.18 trillion in tax cuts.

I continue to support the elements of the tax package that made for half of the budget agreement. I support providing broad-based tax relief, eliminating the marriage penalty, and providing significant estate tax reform. And I believe that a stimulus package will be important in assuring that the economy does not slip into a recession.

But it was the allocation of resources in the Senate budget resolution—particularly funding for education programs—that made it possible for me and many of my colleagues to support the tax cuts.

Without the allocation of adequate spending to allow us to meet pressing domestic needs, especially in education, it seems to me that the other half of the understanding that made my support of the budget resolution is now missing.

As I understand it, the conference report currently before the Senate, provides discretionary budget authority of $661.3 billion ion 2002, $27 billion below the amount agreed on by the Senate, and even below the amount that the CBO estimates is needed to keep pace with inflation.

In fact, overall funding for all nondefense discretionary spending is $5.5 billion less than last year's level, adjusted for inflation.

And on education, the bottom line appears to be that although the President's budget included an increase in education spending, the conference report which is currently before the Senate does not.

There is no new funding for education in the conference report, and, in fact, the discretionary education totals in the budget resolution are nearly $1 billion less than the increases provided in the President's budget.

There is no new funding provided for Head Start, and only minimal increases for Title I and the Individuals with Disabilities Education Act, IDEA. This is not an approach which is calibrated to "leave no child behind."

And while it is true that this conference report provides up to $6.2 billion in additional unallocated discretionary budget authority for funding domestic priorities beyond the President's budget request, which some have argued can all be used on education, discretionary education funding is only one of the priorities that this money will be needed for. This $6.2 billion is all that is available for all domestic priorities, not just education.

I supported the Senate budget resolution because I thought that it represented a good balance at a time of unprecedented surpluses, providing both significant tax relief and making significant investments in our children and in our nation's future.

This conference report, unfortunately, no longer contains that balance, and I find that I cannot, in good conscience, support it.

Mr. JEFFORDS. Mr. President, first I must congratulate the chairman of the Budget Committee, Senator DOMENICI, for his hard work on the budget. It is a thankless task that earns the Senator few if any points with his New Mexico constituents. Unfortunately, I am greatly troubled by certain elements in this budget, and will vote against the fiscal year 2002 budget resolution conference report now before the Senate.

In approving this budget, Congress is missing a significant opportunity to address some of our nation's most critical needs. Key among these needs is education. A nation that does not invest in its people, that does not provide its citizens with an excellent education, that does not ensure that its children can read, and that does not train them for eventual entry into the workforce, is acting irresponsibly.

We must grant the American people a tax cut. We must pay down the debt. We must protect social security. But we must not ignore a most critical responsibility, to provide a free and adequate education to every child in America.

I was proud to play a key role in making the tax cut contained in this budget more responsible. I have the greatest respect for my centrist colleagues who joined me in striking this agreement. But I cannot support a budget that puts large tax cuts and unlimited defense spending ahead of educating our nation's children. By voting against this budget agreement today, I am committing to the nation that I will continue my efforts to bring more resources to our schools and children to improve education.

I can not hide my disappointment that the Congress once again will not fulfill its pledge to fully fund special education. This year, I tried and failed to have language included in the budget that would have made the Individuals with Disabilities Education Act, IDEA, mandatory spending.

When I first arrived in Congress, one of the very first bills that I had the privilege of working on was the Education of All Handicapped Children Act of 1975. As a freshman Member of Congress, I was proud to sponsor that legislation and to be named as a member of the House and Senate conference committee along with then Vermont Senator Bob Stafford.

At that time, despite a clear constitutional obligation to education all children, regardless of disability, thousands of students with disabilities were denied access to a public education. Passage of the Education of All Handicapped Children Act offered financial incentives to states to fulfill this existing obligation. Recognizing that the costs associated with educating these children was more than many school districts could bear alone, the Federal government pledged to pay 40 percent of the additional costs of educating these students.

The budget resolution that is before the Senate continues to make a mockery of this pledge. However, I will work with members of the Senate Appropriations and Finance Committees both to increase annual spending for IDEA and convert the program into mandatory spending. Additionally, the budget sets overall discretionary education spending at a level below what was passed in the Senate and below what is needed for our children and the future of our country.

The budget resolution allows up to $1.35 trillion in tax cuts over eleven years. While I agree some level of tax cuts are warranted, I continue to be troubled with making surplus assumptions ten years into the future. The level of tax cuts called for in this resolution gives the Congress little leeway should projected surpluses not materialize.

While the budget resolution sets the overall level of tax cuts that will be considered by the Congress this year under reconciliation rules, I intend to be an aggressive advocate for children when the tax bill is debated in the Finance Committee. I also will strongly advocate that the Congress not attempt this year to exceed $1.35 trillion in tax cuts by writing additional tax bills. We can and should enact all of this year's tax cuts within a ceiling of $1.35 trillion.

We dare not risk a return to the era of deficits, especially with the coming retirement of millions of baby boomers and the burden that this will place on the Social Security and Medicare systems.

On the positive side, I am pleased that this resolution protects Social Security. Not one penny of the Social Security surplus is touched. Second, it balances the budget every year without using the Social Security surplus. Thirdly, this resolution retires the national debt held by the public—about $2 trillion over the next ten years.

I should add that it has been a pleasure these past weeks to work with a bipartisan group of centrist Senators who believe that tax relief is warranted, but not at the expense of education, veterans health, job training, child care, environmental and other important discretionary programs.

This budget, like all budgets passed by Congress, is an expression of political intent, priorities, and a starting point for bargaining. Much work remains to be done to pass the 13 appropriations bills that actually fund the Federal Government. In areas where I disagree with the budget resolution, I plan to work hard with appropriators to adjust spending levels and turn this budget into reality.

Mr. KOHL. Mr. President, I rise today with great disappointment to oppose this budget. I am disappointed that I am forced to vote against a tax cut number, $1.25 trillion over the next ten years, that I support and think is reasonable. I am disappointed that Congress, by the slimmest of margins, is passing a spending plan that includes zero funding for education reforms, school modernization, teacher training, or any education initiative that will empower our local communities to improve their schools.

But mostly I am disappointed that a budget that left this chamber a reasonable compromise, with significant investment in education, veterans, and Medicare and an over $1 trillion tax cut, has returned a political document in bipartisan clothing.

I want to make it clear that I do not oppose the tax cut set up by this budget. I believe that we can afford, and should give, a tax cut of over $ 1 trillion. In fact, I have every intention of voting for the tax cut bill that will be on the floor in the next couple of weeks. Our strong economy, and our fiscal discipline over the last few years makes it possible to let taxpayers keep more of their money while still making essential investments in our children, our communities, our veterans and our seniors.

The Senate vote last month proved that. We had 65 votes, mine included, for a budget that envisioned a $1.2 trillion tax cut, an unprecedented increase in education investment, a substantial commitment to veterans health, significant debt reduction, and the deserved title of bipartisan.

The budget before us today chooses to keep the tax cut, and I support that, but to sacrifice investment on education, health care, NIH, and other domestic priorities. Why? In order to allow a blank check for defense spending.

Let me repeat that. This budget allows an unspecified and unlimited amount of resources to go to defense while holding flat spending on education and other domestic programs, completely flat. The budget before us right now has less education spending than any other budget considered this year—the Senate Budget Resolution passed last month had more, the House Budget Resolution passed last month had more, the President's budget submission had more. I pride myself on being a tightwad when it comes to spending taxpayer money, but I have always said the one area I will not shortchange is our children's education. I cannot support the lowest offer for education on the table, yet that is exactly what we have before us today.

I very much wanted to support this budget today. I look forward to supporting portions of it in the future. And I sincerely hope that, as we work through the tax and spending bills this year, we return to the compromise and broad support that marked the Senate Budget Resolution—and reject the extremism and political polarization that scars the final budget before us now.

Mr. BIDEN. Mr. President, when I came to the Senate almost 30 years ago, we were just entering what became a generation of Federal deficit spending. We lost the key to balanced budgets, the discipline to match our spending with our income.

The economic impact of those decades of deficits was profound. The accumulating debt grew faster than our economy, and we slipped from our position as the world's leading creditor nation to the world's biggest borrower.

While the Federal Government borrowed money as if nobody else needed it, private borrowers from first-time home buyers to major corporations all paid more for their loans. Our inability to balance our budgets was a dead weight burden on the economy here, and our high interest rates affected international finance as well.

But perhaps the most important cost of those deficits was the loss of faith suffered by Americans in their Government. A lot of factors contributed to that cynicism and skepticism, but I am convinced that the cumulative effect of decades of unbalanced budgets was a major reason Americans for so long held their Government in such low esteem.

Those deficits had another major effect. As we struggled every year to match our spending with our income, the priorities I came to the Senate to fight for, support for those among us who need it most, protection of the environment, quality education for everyone, safe streets and homes, those priorities were the first hit by spending cuts.

And as we cut back on those programs, we cut back on the basic responsibilities of a democratic government. The era of budget deficits was marked by a deficit of democracy itself.

Today, we can congratulate ourselves on not only balancing our budgets, but on producing substantial budget surpluses. On the foundation of an historical economic boom, the longest period of high-productivity growth in our history, we have restored the health of our Federal budgets.

History will judge how we manage this success, what we do with the opportunity before us. Will we build a foundation for future growth, will we pay down the burden of debt that we built up in the generation of deficits, will we continue to meet the demands of our citizens for world class education, health care, and technology, for safe streets, clean air and water? Or will we put all of this at risk, along with the hard-won victory over deficits?

I will vote against the Budget Resolution before us today, because it gives the wrong answer to those questions.

As the distinguished ranking member of the Appropriations Committee reminded us so eloquently last week, Americans rightly expect us to make sure that the basic functions of government are taken care of. When we fail to provide the safe streets, the clean water, the good schools, that the citizens of the world's richest nation have every reason to expect, we have failed to live up to our responsibilities. I am sorry to say that this budget marks such a failure.

Because of the size of the tax cuts, $1.35 billion, and their shape, they increase in cost in future years, this budget puts at risk all we have gained through years of hard work on the budget. And it puts at risk our ability to meet the basic demands our citizens make of us to manage our common affairs effectively and efficiently.

We have real needs in this country, as the distinguished Senator from West Virginia reminded us last week. Almost a third of our bridges are in need of repair, many of our school rooms are crumbling, our water and sewer systems are in disrepair. In the midst of all of the private wealth our economy has created in the last decade, our public investments have failed to keep pace.

This budget fails to provide any new funds for education, for health care, for clean air and water, for police protection, for safer roads and bridges—none. This budget spends less per citizen, after inflation, for all of those priorities.

The President claims, and I believe him, that he wants to spend more on education. I support him in that effort. However, because there is not enough money in this budget to keep present levels of support for any domestic priorities, any increase in education spending will have to come out of police protection, out of drug interdiction, out of health care research.

There is no increase in spending for education, unless you count a vague promise that we would like to spend more. But a budget is not about vague promises. It should tell us the facts about how much we have to spend on our priorities. And the sad fact is that this budget has no new money for education, period.

This budget fails to meet the basic test of facing up to reality, there are more demands on our budget than there are funds to meet them, and this budget gives us no idea of where the cuts will fall to pay for any of the new priorities we face.

When the Senate voted on its version of the budget last month, we called for $225 billion in additional investments in education. That money is gone from the Budget Resolution before us today, gone.

In fact in this resolution, there is actually $5.5 billion less than last year's spending for education, allowing for inflation.

The Federal budget is already smallest it has been since 1960 as a share of our economy. It is simply not realistic to assume that it will continue to shrink, in real terms, not just next year but for the next ten years. But that is just what this budget assumes.

These cuts in domestic priorities will happen even if the economic projections on which this budget is based, ten-year projections that have proved wrong every time in the past, even if those projections turn out to be true. If the economy grows more slowly, if we face natural disasters, national security threats or other inevitable but unpredictable emergencies, there will be even more cuts.

But there are other assumptions built into this budget, assumptions that I believe will be wrong no matter what happens to those economic projections. This budget assumes we will do nothing to protect millions of Americans from increases in the alternative minimum tax, that we will fail to renew popular and important programs such as the research and development tax credit, it assumes that we can undertake a major overhaul of our defense policy with a relatively small increase in spending. But recent statements by Defense Secretary Rumsfeld suggest hundreds of billions of dollars in new spending, that is not in this budget.

If any of those assumptions, or a lot of other similar costly issues that are assumed away in this budget, prove to be wrong, there will be even less money for education, for health care research, for clear air and water, for cops on the beat.

But this budget does not face up to those problems, it assumes them away.

With the underlying health of our economy, with the hard work we put into restoring balance to our budgets, I am convinced we can afford tax cuts, tax cuts that would in any other context sound huge.

Prudent budgeting, that makes full allowance for domestic and defense priorities and that is cautious about ten-year economic forecasts that have huge margins of error, would still leave room for hundreds of billions of dollars in tax cuts.

There is no economic reason behind the tax cut numbers in this resolution. Those numbers date back to the Republican primaries, in 1999, when the economy was booming, the stock market was soaring and unemployment was falling. The Bush campaign picked a tax cut number they thought would help them beat Steve Forbes in the New Hampshire primary.

They certainly were not concerned with formulating a ten-year budget plan during a slack economy. But those are the numbers we are told are still basically right for today.

If we go into this thinking that we can afford a tax cut of this size, and a defense build-up many times greater than this budget allows for, with promises to increase spending on education, expectations that health care spending will go up, some kind of plan to shore up Social Security and Medicare with funds from outside those systems, I think we can all see where we are headed.

One of the first things to go will the surpluses that we ought to use to pay down the debt, the burden that raises interest payments today and that our children and grandchildren will have to pay off. For all the talk about the surpluses belonging to the American people, we have to remember that the national debt belongs to them, too.

Playing fast and loose with the assumptions in the budget could leave us with a bigger debt, and higher continuing interest payments on the debt burden, than we would have if we stayed on the course that restored balance to our budgets.

We have come too far to go that way again.

This budget does not build on the successes of the last decade; it threatens to return us to the time when we failed to make the hard choices that Americans expect us to make. I will vote against this budget resolution, and I hope my colleagues will join me.

Mrs. CARNAHAN. Mr. President. Last month, I joined a bipartisan group of centrist Senators to support a $1.25 trillion tax cut along with an economic stimulus for this year. The tax cut agreed upon after negotiations with the White House and House of Representatives totals $1.35 trillion. I support a tax cut of this size and think that the people of Missouri also believe it to be a commonsense compromise.

This tax cut should provide immediate tax relief to help stimulate the economy, cut personal income taxes for all taxpayers, eliminate the marriage penalty, and eliminate the estate tax for all family farms and family-owned small businesses. I also want to ensure that the tax cut is distributed fairly and responsibly by focusing on the people who need tax relief the most—the working men and women of America.

The other key component of the budget voted on by the Senate last month was an approximately $300 billion investment in education over the next decade. That budget plan included sufficient funds to meet the Federal Government's commitment to fund 40 percent of the cost of special education. Meeting this commitment would enable states and localities to spend billions of dollars of their own funds on improving educational quality at the local level. The Senate budget also included funds for student loans, programs for disadvantaged students, and the testing and accountability reforms currently being debated on the Senate floor.

Unfortunately, the conference report before us completely eliminated the educational investments contained in the Senate passed budget. Indeed, this conference report does not even fund the education increases contained in President Bush's budget proposal.

Not only is this approach to education inconsistent with the bipartisan actions taken on the budget by the Senate a few weeks ago, but it is dramatically at odds with the votes being cast by the Senate on the education reform bill. Last week, the Senate unanimously voted to fully fund the Individual with Disabilities Education Act at a cost of $120 billion over ten years. Earlier this week, the Senate agreed to fully fund the largest federal education program for disadvantaged students at a cost of $130 billion. The vote on that amendment was 79–21.

I am a newcomer to the Federal budget process, but it defies common sense to be voting to support major increased investments in education on the one hand, while on the other hand voting for a budget that does not meet these commitments.

Some of my colleagues have stated that the lack of education funding in the budget should not be of concern because, eventually, Congress will provide additional support for education during the appropriations process. But I ask, what purpose does a budget serve if we vote based on an intention not to abide by it?

So, while I strongly support the $1.35 trillion in tax cuts for the American people contained in the conference report, I cannot support this budget agreement. I look forward to working on the tax cut legislation scheduled for later this month and on the appropriations bills that follow. Hopefully, in the end, we will provide both a tax cut of $1.35 trillion that provides needed tax relief to the public and an investment plan that meets our vital national priorities.

Mr. DODD. Mr. President, today the Senate will complete action on the conference report to the 2002 budget resolution. While we all know that a budget resolution is a non-binding document that does not require the President's signature, it is, nonetheless, still an important document because it should serve as the blueprint that reflects the priorities for America. Sadly, the document before us does not fulfill that purpose.

At the outset, let me first express my disappointment with the process that was undertaken to produce this misguided conference report. In the Senate, Budget Committee members were denied the opportunity to mark up a budget resolution and the decision was made to bring one directly to the floor for consideration without any committee input. The conference report itself was negotiated by the White House and Republican congressional leaders without allowing Democratic members a meaningful seat at the table. As a result, the Senate will be voting on a partisan conference report that is flawed, unbalanced, and out of touch with the needs of the American people. We need to take a lesson from this year's experience to improve upon how we deal with one of the most important pieces of legislation that we consider as a body each year. This conference report isn't worthy of the Senate and it's certainly not worthy of the Americans it is intended to serve.

The budget outlined in this conference report fails on a number of important counts and I take this opportunity to briefly discuss why I believe this budget is wrong for this country and why I will be voting against it.

First, this conference report is unrealistic as it fails to take into account numerous costs that will most likely be incurred in the months and years ahead. Specifically, it ignores the cost of Alternative Minimum Tax reform, something that we all know will be absolutely necessary as more and more taxpayers find themselves subject to this tax. It does not address the additional interest costs associated with the tax cut required in the conference report or the funds that will be needed for the extension of popular expiring tax provisions. It also does not consider the costs that are likely to arise as a result of the President's National Defense Review. Preliminary estimates indicate that this new defense spending could carry a price tag of at least $250 billion over the next 10 years. Yet, none of these costs are reflected in the document up for consideration today.

Second, the conference report provides no safeguards for Social Security and Medicare. Once one adds up all the real costs which, again, are noticeably absent from this budget, raiding both the Social Security and Medicare trust funds will become an unfortunate reality. What is more troubling is the fact that this budget does not provide any real protections for these trust funds that would guarantee that their surpluses would be used only for the purposes of Social Security and Medicare. We seem to be moving in the wrong direction on Social Security and Medicare at a time when the demands being placed on them will be at their greatest. These trust funds should not become a piggy bank, but I fear that this conference report does nothing to ensure that they won't.

Third, one of this conference report's most obvious failures,, is the fact that it limits our ability to invest in the priorities that are so important to the American public like preserving the environment, law enforcement, new highways, and quality health care. One of the areas in which I, personally, take the greatest exception is the conference report's utter disregard for education.

Many of us in the Senate agree that education is one of the most critical priorities facing our nation. Proof of this was evident during the Senate's consideration of the budget resolution when, on a bipartisan basis, the Senate voted for a smaller tax cut and increased investments for children and education.

In a bipartisan vote, the Senate approved an amendment offered by Senator HARKIN which added $250 billion to support student achievement and to help failing schools. Again, on a bipartisan basis, the Senate supported an amendment from Senators BREAUX and JEFFORDS which increased funding for the education of children with disabilities by $70 billion. In addition, last week, by an overwhelming vote of 79–21, the Senate supported an amendment to the ESEA reauthorization bill that I offered with Senator COLLINS to add $135 billion over the next 10 years to the title I of the Elementary and Secondary Education Act, which helps to meet the educational needs of the poorest, most vulnerable children in our country.

And does this conference report reflect any of these bipartisan votes? No. It rejects them and provides no new dollars for us to commit to education in this country. It prevents us from making any of those investments on behalf of the neediest school children in America that the Senate has gone on record as supporting.

I have heard my Republican colleagues claim that this conference report increases funding for education. While we may be reading the same document, we do not share the same interpretation of its meaning. As a result, there are no increases to be found. None.

In fact, when I read this conference report, all I see are cuts. There are no increases for education because total non-defense discretionary funding in this conference report is actually $5.5 billion below what is needed to maintain even current programs and services. This decrease becomes $62 billion less over the next 10 years. Consequently, to pay for any proposed increases in education will require severe cuts in other programs which are already operating on less than adequate funding. So, in effect, this conference report will squeeze resources from critical priorities such as education, health care, and the environment in order to help finance a massive tax cut that heavily favors the most affluent.

I am aware that the conference report provides a $6.2 billion earmark for education. Unfortunately, this money is a mirage. It is in the form of nonbinding, unenforceable "sense of the Congress" language expressing that Congress should spend this money on education. This is in no way a guarantee and it is a far cry from the resources that the Senate believed were necessary to truly improve education in this country.

The one thing that is abundantly clear in this conference report is the amount of money that will be spent on a tax cut. I find it interesting that the language in the report with respect to the tax cut is straightforward and directs Congress to cut taxes by $1.25 trillion over the next 10 years. Yet, we can't seem to make the same kind of unequivocal commitment to education.

I support tax relief and I believe that Americans need tax relief. But tax relief must be affordable fair. The tax cut in this conference report is neither. I believe it is unwise to commit $1.25 trillion to tax cuts that will benefit the wealthiest Americans, that we may not be able to pay for in years to come, and that may risk a return to runaway deficits.

The conference report also can't seem to commit to the idea of an immediate economic stimulus which many economists feel would boost our slowing economy. With the way the language is structured in the conference report, the $100 billion that should be used as a stimulus in 2002 could potentially be spread over the next decade, thereby losing its stimulatory impact.

One way to make this tax cut more fair would be to double the child tax credit and make $500 of it refundable. Senator SNOWE and I have introduced legislation to do precisely that. This bill would, with just a few words, lift one million children out of poverty.

It seems fair to me that at the same time that we consider cutting taxes by $1.25 trillion over the next 11 years, we could work to find the resources to provide these working families with some kind of modest relief. Senator SNOWE and I introduced what I believe is a bill that acts as a first step in truly helping these families. This legislation won't eliminate child poverty entirely, but it's a start. I hope that the Finance Committee will keep the millions of children who live in poverty in this country in mind as it begins work on a tax bill.

I represent a State with the highest per capita income in the nation. Yet, surprisingly, I do not many people asking for a $1.25 trillion tax cut. What I do hear is that people want Social Security and Medicare to be strengthened, they want cleaner drinking water, they want better roads, and they want quality teachers and safer schools for their kids.

Unfortunately, this conference report virtually ignores all of their concerns and offers only vague, empty promises. This conference report has got it all wrong. It's wrong on the environment, it's wrong on defense, it's wrong on Social Security and Medicare, it's wrong on education, and it's most especially wrong on tax cuts.

As such, I hope my colleagues will join me in opposing this conference report so that we can begin work again, in a bipartisan fashion, to prove to the American people that we are truly listening. And should it pass—as it probably will on a largely partisan basis—I hope that we will, before the year is out, honor and support the important priorities of the American people.

Mr. LEAHY. Mr. President, I must oppose this budget resolution conference report because it is an irresponsible gamble with our economic future. Despite the best efforts of the Senate to reduce the President's risky tax cut plan, this conference report does not adequately protect the interests of low- and medium-income American men, women, and children.

This resolution sets aside trillions of projected budget surpluses for tax cuts proposed by President Bush that are steeply tilted to the wealthy. It pays for the Bush tax plan at the expense of needed investments in Social Security, Medicare, education, and the environment. In addition, the cost of the Bush tax plan imperils our ability to pay off the national debt so that this nation can finally be debt free by the end of the decade.

We should remember that the nation still carries the burden of a national debt of $3.4 trillion. Like someone who had finally paid off his or her credit card balance but still has a home mortgage, the federal government has finally balanced its annual budget, but we still have a national debt to pay off. In the meantime, the Federal government has to pay almost $900 million in interest every working day on this national debt.

Paying off our national debt will help to sustain our sound economy by keeping interest rates low. Vermonters gain ground with lower mortgage costs, car payments and credit card charges with low interest rates. In addition, small business owners in Vermont can invest, expand and create jobs with low interest rates.

I want to leave a legacy for our children and grandchildren of a debt-free nation by 2010. We can achieve that legacy if the Congress maintains its fiscal discipline. But this budget resolution tosses out fiscal responsibility for skewed tax breaks. It is based on a house of cards made up of rosy budget scenarios for the next ten years. Any downturn in the economy, are of which we are now beginning to experience, threatens to topple this house of cards.

Mr. President, the $5.6 trillion surplus that President Bush and others are counting on to pay for huge tax cuts is based on mere projections over the next decade. It is not real. Many in Congress have been talking about the $5.6 trillion surplus as if it is already money in the United States Treasury. It is not.

While none of us hope that the budget surpluses are lower than we expect, to be responsible we need to understand that this is a real possibility. In its budget and economic outlook released in January 1st, CBO devotes an entire chapter to the uncertainty of budget projections. CBO warns Congress that there is only a 10 percent chance that the surpluses will materialize as projected by saying: "Considerable uncertainty surrounds those projections." This is because CBO cannot predict what legislation Congress might pass that would alter federal spending and revenues. In addition, CBO says—and anyone whose watched the volatility of our markets over the past few months knows—that the U.S. economy and federal budget are highly complex and are affected by many factors that are difficult to predict.

With all of this uncertainty in projecting future surpluses, it is amazing to me that the budget resolution insists on a fixed $1.35 trillion tax cut. I was one of five Senators still in the Senate who voted against the Reagan tax plan in 1981. We saw what happened there: We had a huge tax cut, defense spending boomed, and the national debt quadrupled.

The conference report includes the full $1.5 billion increase in budget authority ($32.4 billion total) for essential Department of Justice programs to help state and local law enforcement programs contained in the Leahy/Harkin amendment that unanimously passed the Senate. However it reduces the outlays increase to $1.1 billion ($31.8 billion total) in FY 2002. The conference report also waters down the Sense of the Senate language to drop all references to specific grant programs that are targeted for cuts by the President.

I cosponsored and supported a successful, bipartisan amendment in the Senate to increase funding for agriculture conservation programs on private lands by $1.3 billion. This funding was to support nationally-successful programs like the Environmental Quality Incentive Program, the Farmland Protection Program, and the Wildlife Habitat Incentive Program—programs that truly help farmers and ranchers keep their working lands and that help private landowners enhance their communities' water quality, open space, and wildlife habitat.

Unfortunately, though communities all over the nation have asked Congress for help to protect and restore water quality and open space, Republican negotiators chose to strike funds for our amendment in the final conference report.

The conference report also ignores communities' cries for cleaner energy and energy conservation—especially communities in the Northeast who breathe the downwind fumes of 1960's-era, dirty energy production further west. By following the Bush plan to significantly cut funding for the Department of Energy's conservation, energy efficiency, and clean energy programs, the Republican negotiators continue to ignore the 21st century energy needs of our people.

During consideration of the budget resolution in the Senate, I joined many of my colleagues in supporting amendments to increase funding for education programs. Despite the passage of these important amendments, this budget resolution conference report ignores the Senate's actions and does not provide sufficient funds for our students, teachers and schools.

This conference report contains no increase for K-12 or higher education discretionary spending. Mandatory spending for education and training is essentially the same as the House-passed resolution and therefore reflects none of the Senate's bipartisan actions. The conference report rejects the Harkin education amendment that provided increased funds for so many important education programs. It rejects the Jeffords/Breaux amendment, which increased funding for the Individuals with Disabilities Education (IDEA) Act—fulfilling the Federal government's responsibility. This conference report also fails to accommodate the Hagel-Harkin amendment—adopted unanimously by the Senate to the Elementary and Secondary Education Act (ESEA)—without additional cuts to student loan programs.

At a time when the Senate is debating reauthorization of ESEA and considering a significant change to our education system, it makes no sense to me that we reduce education funds as is the case in this conference report. If we really want to leave no child behind, then we must acknowledge that we have a financial responsibility to support our children's education. This conference report fails to do that.

The conference report includes a $1 billion increase in discretionary veterans health spending. That increase barely covers inflation in the Department of Veterans Affairs' current programs, let alone provides the department flexibility to increase the availability and quality of care. I am also concerned that this budget squeezes this money out of critical veterans health research programs, leaving investigations into spinal injuries and war wounds at inadequate levels.

This conference report also drops a provision passed by the Senate that would have allowed military retirees to receive their full VA disability and retiree pay earned during their lifelong service. Once again, the other side has made it a priority to top-off the bulging piggy-banks of the wealthy with change pilfered from the fixed income checks of those who have sacrificed for our country.

Mr. President, after years of hard choices, we have balanced the budget and started building surpluses. Now we must make responsible choices for the future. Our top four priorities should be paying off the national debt, passing a fair and responsible tax cut, saving Social Security, and creating a real Medicare prescription drug benefit. This budget falls far short of these priorities. For the sake of our economy and the working families of America, I will vote against this budget resolution.

Mr. KENNEDY. Mr. President, yesterday I cited chapter and verse how this Republican budget flunks the test of education reform. It puts tax cuts for the wealthy first, and the needs of America's children last. But that is not the only fundamental flaw in this budget. America's seniors, too, will be left out and left behind.

Too many elderly Americans today must choose between food on the table and the medicine they need to stay healthy or to treat their illnesses. Too many senior citizens take half the pills their doctor prescribes, or don't even fill needed prescriptions—because they can't afford the high cost of prescription drugs.

Too many seniors are paying twice as much as they should for the drugs they need, because they are forced to pay full price, while almost everyone with a private insurance policy benefits from negotiated discounts.

Too many seniors are ending up hospitalized—at immense cost to Medicare—because they aren't receiving the drugs they need at all, or can't afford to take them correctly.

Pharmaceutical products are increasingly the source of miracle cures for a host of dread diseases, but senior citizens are left out and left behind in this republican budget.

The crisis senior citizens face today will only worsen if we refuse to act, because insurance coverage continues to go down, and drug costs continue to go up.

Twelve million senior citizens—one third of the total—have no prescription drug coverage at all. Only half of all senior citizens have prescription drug coverage throughout the year. Coverage through employer retirement plans is plummeting. Medicare HMOs are drastically cutting back. Medigap plans are priced out of reach of most seniors. The sad fact is that the only senior citizens who have stable, reliable, affordable drug coverage today are the very poor on Medicaid.

Prescription drug costs are out of control. Since 1996, costs have grown at double-digit rates every year. In the stunning report released earlier this week, cost increases continue to accelerate, with prescription drug costs growing an enormous 18.8 percent last year. No wonder access to affordable prescription drugs has become a crisis for so many elderly Americans.

Every Member of Congress understands that this is a crisis—but this budget offers no solution. It refuses to give senior citizens the help they deserve. Yet it gives lavish tax breaks to millionaires.

Compare the language in this budget for prescription drugs to language on tax cuts and you have a sense of the relative priorities in this budget.

If the Republicans gave a real priority to coverage of prescription drugs under Medicare, there would be a reconciliation instruction—not a reserve fund. The budget resolution could require the Finance Committee to report a prescription drug bill and set a date certain for action, just as the GOP resolution does for tax cuts.

If Republicans gave a real priority to this proposal, they would not condition life-saving prescription drugs for seniors on "reforming" Medicare. The supporters of the resolution are saying that prescription drugs for seniors will be held hostage to controversial reforms in other parts of Medicare. But the resolution contains no requirement that the tax code must be reformed before millionaires get their tax breaks.

If the Republicans were serious about a prescription drug proposal, the resolution would specify that the reserve fund is for coverage of prescription drugs under Medicare. That is what senior citizens want and deserve. But this resolution doesn't require that. These funds are available for any program that "improves access to prescription drugs for Medicare beneficiaries." That could be a welfare program. It could be an expansion of Medicaid. It could even be President Bush's proposed block grant that would reach only one-third of senior citizens.

At bottom, the amount the resolution allocates for Medicare prescription drugs is grossly inadequate. The maximum it provides is $300 billion over ten years. But, according to the Congressional Budget Office, senior citizens will have to spend $1.1 trillion on prescription drugs over the next ten years. The maximum amount that can be provided under this budget resolution is only about a quarter of that amount. That is not the kind of help senior citizens need, and it is not what Congress should provide. To add insult to injury, the Republican budget resolution allows the Medicare drug benefit to be funded by taking money from the Medicare Hospital Insurance fund, which seniors have paid into over their working lives to protect them against the high cost of health care.

There is a reason for the inadequate promises of this budget resolution. The budget does not contain enough funds to provide a real prescription drug benefit under Medicare, because it squanders too much of the budget surplus on new tax breaks for millionaires.

Medicare is a solemn promise to senior citizens. It says, "Work hard, pay into the trust fund during your working years, and you will have health security in your retirement years." But this promise is being broken every day, because Medicare does not cover prescription drugs, and this budget does not mend that broken promise.

It has been said that the measure of a society is how it treats its young and its old. By this measure, the Republican budget is a sad commentary on our values. It shortchanges young and old alike. It is a budget that is anti-child, anti-education, and anti-senior citizen. Its priorities are not the priorities of the American people, and it should be rejected.

This budget spends $1.6 trillion over the next ten years on tax cuts, but only $153 billion on Medicare prescription drugs. Almost half the tax cut goes to the richest one percent of Americans—people with incomes averaging more than a million dollars a year. The GOP budget gives this small number of wealthy families more than five times as much as it provides for essential prescription drugs for forty million elderly and disabled Americans.

The President and the sponsors of this budget say that they want to provide prescription drug coverage for every elderly American under Medicare. But adoption of this budget will make this goal much more difficult to achieve. This budget squanders the surplus and saves only token amounts for Medicare prescription drugs.

In fact the budget does not even fund the low income program fully. If the block grant program is adjusted for inflation, it will cost $210 billion over 10 years, not the $153 billion that this budget provides. Clearly, there is not enough money in this budget to fund a Medicare benefit for all senior citizens.

The choice could not be clearer. Do we stand with America's senior citizens—or with the privileged few? Do we believe the budget surplus should be used to benefit all Americans—or just the wealthiest Americans? Do we believe it is more important for people who already have incomes of more than a million dollars a year to get an additional $50,000 a year, than it is for senior citizens scraping by on limited incomes to get the life-saving drugs their doctors prescribe?

For all of these reasons, I urge my colleagues to vote against this anti-senior citizen budget.

Mr. LIEBERMAN. Mr. President, I rise today to express my serious disappointment with the budget resolution and to explain why I cannot vote for it. This resolution is irresponsible. It is irresponsible to the citizens and businesses of this nation, to the fundamental economic principles for which we stand, and to the values that define us as Americans. As I have stated often, the government does not create jobs or economic success. However, through fiscal discipline the government can create an environment in which the private sector thrives. Fiscal responsibility produced an environment that enabled the historic economic growth of the past several years and the unprecedented surplus we have today. I am sorry to say this resolution abandons that discipline.

Government should tend to the people's money with the same care and consideration that individuals, families, and businesses demonstrate when handling their own dollars and cents. As I look at the budget resolution that we are voting on, I conclude that it lacks not only fiscal responsibility, but also a sense of reality. It is based entirely on large projected surpluses that we are not confident will materialize. And, if these surpluses are not realized, this budget resolution puts us at risk of returning to deficit spending financed by borrowing from the Social Security and Medicare Trust Funds.

The tax cut provided for in this budget resolution is simply too large. At the very least, it will cost $1.35 trillion over 11 years. In addition, if you add in other required or likely to pass tax provisions, including AMT reform, increased interest payments, extension of expiring tax provisions, pension reforms and business tax cuts, this package easily rises to above $2 trillion. While I support significant tax cuts, that amount is more than we can afford. This budget resolution spends too much of the projected surplus on a tax cut that is too large and it uses too little of the surplus for other priorities.

Additionally, this resolution does not seriously address debt reduction. Aside from funds already committed to the Medicare and Social Security Trust Funds, this budget does not devote a single dollar over the entire decade towards paying down our national debt. Because this resolution is so irresponsible, it is not at all clear that even the Medicare and Social Security Trust funds will be available for debt reduction if they are used instead to pay for the tax cut. Sadly, this budget resolution sacrifices the unique opportunity that we have at this point in time to successfully pay down our publicly held debt—the key to low interest rates and economic growth.

This budget resolution sets us on course for an appropriations train wreck later this year and in the future. The spending levels do not even keep up with inflation. The resolution provides total discretionary spending levels for FY02 that are $2 billion below CBO's baseline with inflation. For the 10-year period, they are $24 billion below inflation. Despite the rhetoric, it removes nearly $300 billion in additional education funding that the Senate had added to its budget resolution. It provides an increase of only $3.3 billion above inflation for defense in FY02 and only $40 billion over ten years—$22 billion less than the President's request prior to the Rumsfeld review. According to the resolution, any increased spending as a result of the Rumsfeld review which is likely to be at least $250 billion over 10 years—would come out of the contingency reserve fund. This fund may not even exist if surplus projections do not materialize or if Congress taps it for other purposes, including additional tax cuts.

This budget resolution does not represent reality, but fantasy. It abandons fiscal discipline and blithely overspends a surplus whose size six months down the road or six years down the road is at best theoretical. This agreement sets our country on a dangerous path toward resurrecting the deficits we worked so hard to eliminate over the past several years. Finally, this resolution does not add up because the Administration and the Majority here in Congress prefer to sound the call for compassionate conservatism rather than engage in honest accounting. It is "dejavoodoo economics." It commits us to the same fiscal mistakes of the early 1980s that had a horrendous and long-lasting impact on our economy.

So I call on centrists of both parties here in the Senate to not waste a decade's worth of hard work invested in re-building our economy. I urge my colleagues to look closely at this resolution. It is not what the American people deserve, nor is it what they expect it to be. In support of progress and prosperity, I must vote no and I encourage my centrist colleagues to do the same.

Mr. NELSON of Nebraska. Mr. President, I want to express my support for the conference report on the budget resolution. My affirmative vote on this report will be cast for several reasons, but the most important one among them is that this resolution provides the American people with a substantial tax cut—without neglecting our national budgetary obligations. The concerted effort from Senators and Members of Congress on both sides of the aisle in the negotiating process has culminated in a victory for American taxpayers.

The vote on the budget resolution will succeed in doing a great deal for our country and for our future. Today we are authorizing the third largest tax cut in the history of our Union. The men and women of Nebraska, as well as the men and women across the Nation, will directly benefit from the $1.25 trillion tax cut over 11 years that will enable us to still pay down the national debt and meet our domestic budgetary priorities. The American people deserve a tax cut, and it is the role of Congress and the administration to deliver it. This conference report is our delivery vehicle.

Of even greater consequence than the tax cut spread over 11 years is the inclusion of a $100 billion up-front stimulus package, which will help strengthen our economy sooner rather than later. I firmly believe that our economy, which has been showing all the symptoms of a slow-down, needs a jump-start from a stimulus package to blunt the effect of what could become a serious economic recession. As any doctor will tell you, you should not wait until the patient is on life support before you begin treatment. It is critical that we heed the warning signs of a slowing economy, and use the tools within our legislative power to prevent the situation from metastasizing. The 2-year, $100-billion economic stimulus package prescribed by this conference report will put the American economy back on the road to recovery.

Another important aspect of the resolution, in addition to the substantial tax cut and the upfront stimulus package, is the increased support of agriculture. When our budget negotiations started, agriculture was a mere footnote in the margin. While it remains a footnote, it is now a little bolder and a little bigger. I am anxious to see agriculture removed altogether from "footnote" status, or more accurately, out of emergency spending mode; but I am pleased in the interim that at least we are increasing agriculture funding to a more substantial—and realistic—level. While a new farm bill would be more welcome than prolonging the endless cycle of emergency spending, the $79 billion over 11 years that has been included in this Report does recognize and consider the unfavorable odds and inequities that our farmers and ranchers are forced to contend with due to a problematic farm bill and unpredictable hardships dispensed by Mother Nature.

As with any compromise, the conference report on the budget resolution is not representative of my ideal budgetary blueprint. I accept, however, that "giving and taking" is an integral part of the bicameral, bipartisan negotiating process. While this report could be stronger in some areas—namely, education—I am comfortable casting an affirmative vote, because it meets an important criterion I have consistently promoted throughout the process. This report authorizes a substantial tax cut—including an up-front economic stimulus package—that allows us to still provide for our critical domestic priorities, such as preserving Social Security and Medicare, paying down the national debt, and funding agriculture. As a result, I will vote in favor of this conference report.

While the final outcome of the budget resolution cannot be described accurately as a triumph for bipartisanship, it can be characterized as a triumph for American taxpayers. It is my hope that we will forge ahead on other issues in a stronger and more cohesive spirit, more united in our efforts and less divided in our cause. It is time to make "politics as usual" synonymous with progress, not partisanship.

The PRESIDING OFFICER (Mr. ALLARD). Who yields time?

The Senator from North Dakota.

Mr. CONRAD. Mr. President, I yield myself the remaining time and I ask the Chair if he would inform me when I have 5 minutes remaining.

The PRESIDING OFFICER. The Senator will be so notified.

Mr. CONRAD. I thank the Chair.

Mr. President, first, I thank the chairman of the Budget Committee for his courtesy as we have considered the budget conference report. I respect him. I admire him. I have affection for him. I disagree with him with respect to this budget, and I disagree with him strongly with respect to this budget.

I do not believe this is the right budget plan for our country, and it is not an opinion limited to me. We have heard on our side of the aisle how deficient we believe this budget is.

I noticed in this morning's New York Times the lead editorial was entitled "An Irresponsible Budget Plan." I will read the first sentence:

> After several days of back room negotiations, the House approved a federal budget plan yesterday that is a model of fiscal evasion and irresponsibility.

I echo those words.

Earlier the Washington Post called this budget we are considering today an unreal budget. They concluded their editorial by saying:

> The theme of this budget is tax cuts first, sweep up afterward. It's the wrong way around. Budget resolutions are supposed to foster fiscal responsibility. This one will have the opposite effect.

Unfortunately, that is the case. The reason for it is quite clear. First, this entire budget is based on a 10-year forecast—10 years. This is not money in the bank; these are projections over 10 years. The people who made the projections have warned us of the uncertainty. In fact, they told us that in the fifth year alone, based on the previous variances in their forecasts, we could have anywhere from a $50 billion deficit to more than a $1 trillion surplus.

In fact, they have told us there is only a 10-percent chance the forecast number that is being used, that is being relied on, will come true. There is a 45-percent chance there will be more money; a 45-percent chance there will be less money. And that forecast was made 8 weeks ago before we saw additional weakness in the economy.

Just yesterday, we saw the productivity growth forecast come out on the first quarter of this year. They were expecting a 1-percent increase. Instead, they got a reduction. If there is just a 1-percent reduction in productivity over the forecast period, instead of having a $5.6 trillion surplus, we will have a $3.2 trillion surplus. It seems to me that advises caution in what we do on this budget resolution.

Those are not the only defects of this budget. There are huge chunks of spending that are not even in this budget, that have not been included. For example, here is a story from USA Today, Friday, April 27. "Billions Sought for Arms." The story says that the Secretary of Defense and this administration are expected to seek a large boost in defense spending, $200 billion to $300 billion over the next 6 years.

That money is not in the budget. None of that money is in the budget. Why not?

Perhaps we heard the reason in an interview this last weekend on "Meet the Press." The Secretary of Defense was there. He was asked:

> Will you get the $10 billion more in defense money this year that you need?

His response:

> I don't know. I have not gone to the President as yet. He wanted to wait until after some of the studies had been completed and until the tax bill was behind us. . . .

That is the real reason this budget is unreal. It is the real reason this budget is irresponsible, because they are not telling us the full story. They do not really have the budget before us. What they have is a part of the budget because they know what we know. If they put the full budget in place on one piece of paper, on one document, it would not add up. That is the problem with this budget.

It goes to education. The President says education is his highest priority, and yet there is no new money in this budget for education. In the Senate, when we considered the budget, we passed the Harkin amendment that added $225 billion for education. It took $450 billion away from the tax cut and put $225 billion into education and put $225 billion into paying down more of the debt. What came back from the conference committee? Not one penny of that amendment survived.

We passed a bipartisan amendment on the floor of the Senate when the budget resolution was considered, with $70 billion of additional funding for education to address the disabilities act. Not one penny of that increase came back from the conference committee. That is true throughout the education budget.

We have heard a lot of talk that somehow there is money in this budget, new money for education. Here is the document. Here it is by fiscal year. What it shows is the increase in budget authority and outlays over what is in the so-called baseline is zero. It is zero for 2002; it is zero for 2003; it is zero for every single year.

There were a lot of brave speeches about education being the priority, but it is clearly not a priority in the budget because there is no new money in the budget for education.

It doesn't stop there. Not only is it the case that the defense buildup that we all know is going to be announced, perhaps as early as next week, is not in the budget, the President says education is a priority, but that is not in the budget. And then we see the President has a meeting at the White House and says he is going to strengthen Social Security but there is no money in the budget for that.

We have an editorial from the Columbus Dispatch that says:

> The tax-cut proposal works against [the President's] plan to begin privatizing Social Security. . .experts differ on how much this "transition cost" will be, but it won't be cheap. . .thus, the Bush's 10-year, $1.3 trillion tax cut would deprive the Government of the cash it would need to pay for the $1 trillion transition cost for the first 10 years of Bush's Social Security privatization plan. The goals are contradictory.

Do you see a pattern? The administration is calling for a major defense buildup but the money is not in the budget. The President says education is a top priority but the money is not in the budget. The President says he is going to fix Social Security but the money is not in the budget.

Why? I think we all know the reason why. Because if the money were in the budget for the defense buildup, if the money were in the budget for the education initiatives, if the money were in the budget to strengthen Social Security, then the budget does not add up. In fact, it would show they are raiding the Medicare trust fund by over $200 billion. They are raiding the Social Security trust fund by over $200 billion. That is the dirty little secret of this budget. It is the reason whole chunks of what is really intended have been left out.

Over in the House they had two missing pages. It stalled the budget work for a week! Two missing pages? There are more than two missing pages. There are whole chunks of the real budget that have been left out because they know it doesn't add up.

As we look ahead, it is critical to understand we are in a period of surplus now. These projections of surpluses may hold. They may not. But at least we have a projection of surpluses. We know when the baby boomers start to retire that these surpluses turn to massive deficits. Then the question will be: What did we do when we had the opportunity to prepare for what was to come?

This is what we are doing.

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. CONRAD. I thank the Chair for advising me of the time.

If we go back to the budget that is before us and put back the defense buildup the administration is going to call for and which is authorized in this budget, although the numbers are not included, if we would go back and correct the alternative minimum tax that is going to affect over 35 million taxpayers in this country, one in every four taxpayers who think they are going to get a tax cut but are going to be surprised when they find out they are caught up in the alternative minimum tax and it costs $290 billion to fix it; if we put in the education amendment that passed on the Senate floor last week on a unanimous consent basis; if we put in the emergencies that we all know are going to occur that run on average $5 billion a year; and if we put in the associated interest costs with those items, what we find is that we would be deep into the Medicare trust fund; that we would be deep into the Social Security trust fund.

That is the reason all of those items have been left out—because this budget does not add up.

There has been a lot of talk about reducing the public debt, but the part of the debt they have been talking about is the publicly held debt. It is true, the publicly held debt is going down under this budget. It is going down from $3.2 trillion at the end of this year to $800 billion at the end of this 10-year period.

Do you know what? While the publicly held debt is going down, the debt to the trust funds of the United States is going up. As a result, the gross debt of the United States, which is currently $5.6 trillion, will be $6.7 trillion at the end of this time. It is very interesting—just about the amount of the tax cut is the amount of additional debt our country will have at the end of this 10-year period.

I believe these are the top six reasons to oppose the budget resolution conference report.

No. 1, no new money for education;

No. 2, unaffordable tax cuts crowd out priorities, especially paying down this national debt;

No. 3, it hides defense spending increases by providing a blank check to the Bush administration;

No. 4, it sets up a raid on the Social Security and Medicare trust funds;

No. 5, it cuts spending for high-priority domestic needs by $56 billion over the next 10 years. They are $56 billion short of just keeping pace with inflation, not to mention population growth.

Finally, No. 6, it fails to set aside funds for the long-term Social Security and Medicare reform needs we all understand are before us.

Perhaps it is time to review history. Those who are advocating this budget are the very ones who, back in the 1980s, advocated a similar policy, a policy of a massive tax cut combined with a substantial buildup in defense. What was the result? The result was an explosion of the deficits in the Reagan administration and a further growth of the deficits in the Bush administration. It was only when we had a new administration and a new fiscal plan that deficits started coming down and we began to pay down debt.

Here is the record. It is as clear as it can be. President Reagan came in; he had about an $80 billion deficit. That exploded to over $200 billion, with exactly the same kind of economic analysis that has been done and with the same advocates that put in place that plan.

Then the deficit further exploded under President Bush to over $290 billion. It was only when a new administration came in and we put in place a 5-year plan to bring our fiscal house back into order that we began to reduce deficits, reduce debt, and put this Nation in a position to have the longest economic expansion in our history.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CONRAD. I ask our colleagues to oppose this budget resolution so we do not repeat this history.

The PRESIDING OFFICER. The Senator from New Mexico controls time.

Mr. DOMENICI. Am I correct now, there is no time remaining on the other side and I have how many minutes?

The PRESIDING OFFICER. The Senator has 12 minutes.

Mr. DOMENICI. So our fellow Senators ought to know, we are going to finish in a timely manner and the vote will be sometime after 11:30.

First, I thank all the wonderful staff on both sides of this budget battle. Much more work goes into this than anybody thinks.

In particular, I say to Bill Hoagland, the staff director on our side, and to his staff, thank you so much for all you have done. It has been a great effort.

Mr. President, fellow Senators, those who are listening, this is a budget for prosperity now and prosperity in the future, plain and simple. It is the largest commitment of money for education in our Nation's history. I will go into some details on that momentarily. It keeps our word. Social Security and Medicare are not touched. Their funds are not used.

I know that Senator BYRD said today on the floor that when your mother calls you—implying on Mother's Day—tell her that the Social Security trust fund is being raided, and whatever else he said we should be responding to our mothers on Mother's Day.

I have another response. My mother is not alive. But if she were to call me, I would say: Your Social Security is intact and fully protected. Medicare is fully protected. But also, mother, there is $300 billion in this budget for prescription drugs and reform of the Medicare program—$300 billion. The House wanted only $146 billion. There is $300 billion to get started on the program. There is $300 billion that can be used.

I say, in addition, to my mother, that this budget is good for me, one of your children, and for the other three children, and for the grandchildren, six of whom are working. I am just describing a family. Do you know why it is good for them, mother? Because we are going to give them back some of their hard-earned tax money. You know they are hurting because of gas prices. They are hurting because of electric bills. Everybody is working on some way to fix that.

But wouldn't it be nice if, in fact, your sons and daughters and grandchildren this year and next year got a very significant tax reduction?

Frankly, I could go on and on as to what this budget does.

But let me suggest that to bring into this debate the subject of Social Security and Medicare is just another part of the same old argument. Whenever tax cuts for the American people are close at hand and we are going to do something for them, every argument in the world that can be invented from a budget standpoint is offered in opposition. It is a wonder that the American people ever get a tax cut; we have our minds on so many things that we can do with that money.

But we decided today to take about 25 percent of the surplus—it sounds like we are using all of it—about 25 or 26 percent, and give it back to the Americans in an orderly way for such things as child credits, marriage tax penalty, which everybody knows should be done, and marginal rate reductions with bigger cuts at the bottom end than at the top end.

I don't know what else we can do. I believe we have done everything in this budget that you can do in a rational way to make sure that the surplus is handled in a proper manner and that it is there to have the right things feed on it, use it, and get money out of that surplus for things we must have.

I have already disagreed with my friend on the other side. But I don't disagree from the standpoint of his hard work, his own views, and his own opinions. I would not be asking people to vote for a budget resolution that touched the Social Security trust fund. I wouldn't be asking them to vote for one that touched Medicare because it does not. But neither would I ask them to vote for a budget resolution that some would want that would spend all the money instead of having any of it for the taxpayers of America.

We have heard all kinds of ideas of what should be in this budget. If anybody is adding it up and listening to us, I guess you would conclude that the Government of the United States is going to take care of every problem in the United States, and if we just didn't gave the taxpayers back any money, we would be out there solving all of them.

We know that isn't true. This budget is an increase over last year. In fact, I know that the House and the Senate would do it in their own way.

I see the chairman of the House Budget Committee. I want to tell the Senate that I believe on the nondiscretionary side of this budget there is a little bit more than 5 percent over last year they can spend. The House started at 4; the President started at 4. That is $6.2 billion more we have for education and other things of significance.

I want to close my remarks where I started. This budget is for prosperity. Now, because it has $100 billion that will go back to the American taxpayers in these next 2 years, this one and the next, and it is a budget for the future because for America to prosper we have to have low taxes and low tax rates. It has been our history that we compete not through government but through innovation, and through people investing their money, time, talents, and working hard. If you have high taxes, you get less of those things in an economy. That is just it.

Senator NICKLES also told us about how much we are paying in taxes as a group of people, as Americans. It is very high. We are going to reduce it a little bit—not very much; $1.25 billion over ten years is not very much. In fact, when you look at that as part of the total tax take, what we are going to give back to the American people is rather insignificant.

I close by saying to everyone here: This is your chance today but not the last chance because there is a $500 billion surplus remaining. But this is your chance to say to the American people before we spend all of your tax money that isn't needed, we are going to give you a little bit of it to be used as you see fit because we trust you. Not only do we trust you, but we think the less you are taxed, the harder you work, and the more you will invest in your life, in productivity, in growth and doing things, and the more you will sit around the family table saying what you can do with your money instead of saying the Government is taking so much of your money.

In conclusion, this has been as tough as it comes. I have been at budgeting for many years. It is tough because there are people on both sides of the aisle, in the White House, and in the House of Representatives, who have their own opinions and nothing was going to change anybody's opinion. A lot of opinions have been changed. There have been many compromises, which is what we have to do to get our work done. This compromise package is the best we can do this year. I believe it is good for our future. I believe the American people, in about 6 months, will say it is a very good budget. And, yes, I believe those wondering where the education money is coming from will be very happy. There will be over an 11-percent or perhaps as much as a 12-percent increase in education with some highlighted at higher increases than that.

I think that is what we ought to be doing. The highest priority on the domestic side is education.

I want to say to President Bush, you didn't get everything you wanted, Mr. President, but I want to compliment you because you have made us change direction. You have moved us in the direction of giving back taxes to the American people rather than giving them the last cut after the debt. They are going to get some of those taxes back now, next year, and the year after. That is a new direction. Mr. President, you ought to be proud of it.

We will implement it in due course, and, frankly, I think that we will all say this was a job well done, as hard as it was.

I close by saying if we don't want to do this now, when will we do it? How much more surplus will we have to have? I believe we have enough surplus that we should leave part of it in the hands of the taxpayers.

I yield such time as I might have.

The PRESIDING OFFICER. All time is yielded.

Mr. DOMENICI. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second. The question is on agreeing to the conference report. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 53, nays 47, as follows:

[Rollcall Vote No. 98 Leg.]

YEAS—53

Allard
Allen
Baucus
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Cleland
Cochran
Collins
Craig
Crapo
DeWine
Domenici
Ensign
Enzi
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Kyl
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Voinovich
Warner

NAYS—47

Akaka
Bayh
Biden
Bingaman
Boxer
Byrd
Cantwell
Carnahan
Carper
Chafee
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Harkin
Hollings
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Stabenow
Torricelli
Wellstone
Wyden

The conference report was agreed to.

Mr. DOMENICI. I move to reconsider the vote.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thank everyone who participated in this debate. I believe we have a good product and now we will implement it over the next year.

Once again, I thank everybody who participated on both sides of the aisle. We have a good product. Now everybody can begin to implement it. It means different things to different people, but in the end, it is pretty clear we are going to have a significant tax reduction plan in place. Let's hope, as we work through it, we will get some of the other things that most of us believe are in this budget resolution and see if we can carry them out in the ensuing months.

I thank the ranking member on the Budget Committee for the way he conducted himself, the information he put together, and the knowledge he has obtained. It has been a pleasure working with him. I thank him very much.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I congratulate the chairman of the Budget Committee for his victory today and for the way he has conducted himself. I appreciate the relationship we have. We disagree on this budget, but I have great respect for him as a Senator and as a person.

I also thank the staff on both sides. They worked incredibly hard in these last 2 days, in some cases almost around the clock. I thank my staff director, Mary Naylor, for her extraordinary efforts, Sue Nelson, Jim Horney, and the entire group of budget staffers on our side.

I also want to recognize the professionalism of the staff director on the Republican side. Bill Hoagland is a consummate professional, as are the other members of the staff on the Republican side. We have a very professional working relationship. They have worked very hard to produce this document.

One of the great things about the Senate and the Congress is we will be back. These battles are not over. We have a different sense of what the priorities should be for the country, and we will be speaking out on those issues in the days ahead.

Again, I congratulate those on the other side who prevailed on this vote. I look forward to a continuing debate on what should be the fiscal course for the country.

I thank the Presiding Officer and yield the floor.

BETTER EDUCATION FOR STUDENTS AND TEACHERS ACT—Resumed

The PRESIDING OFFICER. The clerk will report the pending business.

The senior assistant bill clerk read as follows:

A bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965.

Pending:

Jeffords amendment No. 358, in the nature of a substitute.

Kennedy (for Murray) amendment No. 378 (to amendment No. 358), to provide for class size reduction programs.

Kennedy (for Dodd) amendment No. 382 (to amendment No. 358), to remove the 21st century community learning center program from the list of programs covered by performance agreements.

Cleland amendment No. 376 (to amendment No. 358), to provide for school safety enhancement, including the establishment of the National Center for School and Youth Safety.

Biden amendment No. 386 (to amendment No. 358), to establish school-based partnerships between local law enforcement agencies and local school systems, by providing school resource officers who operate in and around elementary and secondary schools.

Specter Modified amendment No. 388 (to amendment No. 378), to provide for class size reduction.

Voinovich amendment No. 389 (to amendment No. 358), to modify provisions relating to State applications and plans and school improvement to provide for the input of the Governor of the State involved.

Carnahan amendment No. 374 (to amendment No. 358), to improve the quality of education in our Nation's classrooms.

Wellstone amendment No. 403 (to amendment No. 358), to modify provisions relating to State assessments.

Reed amendment No. 425 (to amendment No. 358), to revise provisions regarding the Reading First Program.

AMENDMENT NO. 403

Mr. WELLSTONE. Mr. President, I call up amendment No. 403.

The PRESIDING OFFICER. The Senator's amendment is now pending.

Mr. WELLSTONE. I thank the Chair.

Mr. KENNEDY. Will the Senator yield for a question?

Mr. WELLSTONE. I will be pleased to yield for a question.

Mr. KENNEDY. I am wondering if the Senator would like to have a rollcall vote.

Mr. WELLSTONE. I would like to have a rollcall vote. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Will the Senator be willing to enter into a reasonable time period? It is the noon hour now, just for notice to our Members. We had a good debate on this amendment. It is a very important one. I want to do whatever permits the Senator to make his case again.

Mr. WELLSTONE. I see a unanimous consent request which I think will be fine. I say to my colleague from Massachusetts, like other Senators, I have other amendments to this bill and there will be plenty of time for extended debate later.

This is a good amendment for the Senate to go on record. I am pleased to agree to a time limit.

Mr. President, I still have the floor.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. JEFFORDS. Mr. President, will the Senator yield so I can propound a unanimous consent request regarding the Senator's amendment?

Mr. WELLSTONE. I will be pleased to do so.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that with respect to the Wellstone amendment No. 403, the time between now and 1:45 p.m. today be evenly divided in the usual form, with no second-degree amendments in order. I further ask unanimous consent that the vote occur in relation to the Wellstone amendment at 1:45 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Minnesota.

Mr. WELLSTONE. I thank my colleagues.

Mr. President, first, I will be clear about this amendment. With this amendment, we want to make sure, as we talk about accountability and testing, that this is done the right way. In many ways this amendment—really, in all ways, this amendment tracks the consensus in the testing community, the work of the Committee on Economic Development, which is the arm of the business community which is very pro-testing.

We are saying a number of things:

First, it is extremely important that this testing that is done—after all, we are talking about testing every year from age 8 through age 13—that this testing that is done meet the criterion that is comprehensive; that is to say, there are multiple measures for any kind of testing that is done in our country. It is terribly important that is done.

Second, it is important that it be coherent, that there is a connection, there is a relationship that the testing actually tests the curriculum and the subject matter being taught. It seems to me that is the very least we can do for our local school districts.

Third, as we continue, it is important we be able to measure progress over time, how these children are doing.

Moreover, this amendment says that States will provide evidence to the Secretary that the tests they use are of adequate technical quality for each purpose for which they are used. It is very important that this be done the right way.

Finally, it says itemized score analyses should be provided to districts and schools so tests can meet their intended purpose, which is to help the people on the ground, the teachers and the parents, know specifically what their children are struggling with so they can help them do better.

I am absolutely amazed that this amendment has not been accepted. I thought there would be a real consensus behind this amendment. The reason I say this is all across the country, in case colleagues have not taken note of this, they are having a very negative reaction to testing being done the wrong way. We have a lot of very distinguished educators at the higher end level saying we ought not rely on the SAT as a single test. We have parents, children, young people—really starting in the suburbs, interestingly enough—who are rebelling. We are having more and more reports coming out that the really gifted teachers, the very teachers we need in the school districts where children are most underserved, are leaving the profession because they do not want to teach to the standardized test; they do not want to be drill instructors.

In addition, there has been, I think, some very important, moving writing that has come out. Marc Fisher, a columnist with the Washington Post, wrote a piece on May 8. The headline is, "Mountain of Tests Slowly Crushing School Quality." I recommend this piece to my colleagues.

What Marc Fisher is saying, on the basis of what a lot of teachers and a lot of parents are saying, is that if you just have the standardized tests, if you do not do this the right way, if you do not have multiple measures, if you do not have tests that are actually testing the curriculum that is being taught, then what you are going to have all across the country is drill education.

It is a sad sight to see when you have 8-year-olds and 9-year-olds sitting in straight rows—I have seen it on television—and you have a teacher saying: 2 plus 2 is 4; 3 plus 3 is 6; 5 plus 5 is 10. This goes for education, drill education, for standardized tests, for worksheets that have to be filled out. It is educationally deadening, and not one Senator would want his or her children to be taught that way or would want to see a teacher have to teach that way. But if we are not careful, that is what is going to happen.

My understanding is the administration is opposed to this amendment. I am amazed that any education Senator would be opposed to this amendment.

There is another piece that Marc Fisher wrote today which is a real heartbreaker. "Schools Find Wrong Answers To Test Pressure" is the headline. I am just going to quote the latter part of this piece.

> Michael West, a professor at Virginia Commonwealth University, tells me that at his daughter's middle school, students who pass this week's tests have been told they can skip the final week of school. There's a great lesson: First prize—you don't learn.
>
> The testing mania has brought with it a tidal wave of mediocre teaching materials. Julie Philips, a teacher who recently moved from the New York suburbs to Montgomery County, says, "Great books are tossed on the heap so that students can practice writing about short, fable-like tales that test prep writers concoct to imitate what is on the tests. It is so disheartening."
>
> Listen to a third-grade teacher who has taught in a Fairfax County school for 30 years. Here are a few of the things she says she has had to eliminate from her classroom since the SOL tests took over the curriculum:
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> "We would have a whole biography unit. We would read a biography of a famous American. We would talk about the elements of a biography. Then the children would choose a famous American for a report. They would write their own autobiography. Finally, they would write a biography of one of their parents. It really got the children talking to their parents about their lives. I typed this up and bound it as a book which the children illustrated. (I don't have time anymore. I have to teach to the SOLs.)
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> "I would teach a poetry unit. We would explore the various forms of poetry and the children would write at least one poem in each of six forms. They would illustrate them and we would bind them as a book. Something for them to keep forever. (I don't have time anymore. We read some poems and picked out the rhyming words so they can pass their SOLs.)
>
> "I would teach reading twice a day so the children who were behind could catch up. I was able to raise some children by two years in one school year. (I don't have time anymore. I have to teach to the SOLs. I have to teach how to fill in bubbles.)"
>
> Frustrated by the new test-driven curriculum, this teacher has decided to leave her profession. Is that school reform?

I say to my colleagues: Believe me, next week I will have trigger amendments and I will talk about the mockery of not having the resources so these children will have a chance to succeed. But today you cannot even vote for an amendment that would assure quality of testing so we do not drive the best teachers out of the profession?

Mr. REID. Will the Senator yield?

Mr. WELLSTONE. I am pleased to yield.

Mr. REID. Senators are wondering what is going to be happening in the next couple of hours. With the courtesy extended to me by the Senator from Minnesota, the Senator has told me he wishes to speak for another 20 minutes or thereabouts on the amendment that is pending, approximately; is that right?

Mr. WELLSTONE. Approximately. I am not sure exactly.

Mr. REID. The only thing we have, Senator LINCOLN is here. She is going to speak for 15 minutes on an amendment she is going to offer. The opposition would ask for 15 minutes. We wanted to have a couple of votes at about quarter until 2.

Mr. WELLSTONE. I certainly want to accommodate other Senators, but I want to hear the arguments against this amendment. I want people to come out here and debate this amendment. I want to have a chance to respond to those arguments.

Mr. REID. Whatever time the Senator has, they will have that time, and if they choose to speak against it, they certainly can. I am wondering if we could have the Senator's agreement that we could have a couple of votes at quarter to 2. The Senator from Arkansas wishes 30 minutes equally divided on her amendment, which would leave the rest of the time for the Senator from Minnesota.

Mr. WELLSTONE. I am pleased to. I want to reserve 5 minutes before the vote to have a chance to summarize and, I say to my colleague from Arkansas, I will certainly try to finish my initial responses. I certainly would like to know what is the basis of the opposition to this amendment.

Mr. REID. If I may say to my friend from Vermont, I ask unanimous consent that at 1:45 there be two votes, a vote on the Lincoln amendment, which will be offered shortly—there will be a half hour equally divided on that—and there will also be a vote on the Wellstone amendment which is the pending amendment. So the time not used for the Lincoln amendment would be evenly divided for Wellstone and those who want to speak in opposition thereto.

Mr. JEFFORDS. I think I have a unanimous consent request that has a sequence.

Mr. REID. The problem with that is, it asks the Wellstone amendment be laid aside and he wants to finish. Perhaps that may be appropriate. Would the Senator from Minnesota allow the Senator from Arkansas to offer an amendment and speak for 10 or 15 minutes and you have the remaining time until quarter to 2?

Mr. WELLSTONE. Yes. That would be fine. I would be pleased to hear from my colleague.

The PRESIDING OFFICER. The Senator from Minnesota still controls the time.

Mr. REID. We understand that.

Mr. JEFFORDS. Mr. President, will the Senator from Minnesota yield for a unanimous consent request?

Mr. WELLSTONE. I am pleased to yield.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Wellstone amendment be laid aside and the Senate then turn to amendment 451, and with respect to the Lincoln amendment, the time between now and 1:45 today be equally divided in the usual form with no second-degree amendment in order.

Mr. REID. Reserving the right to object, I ask that be amended to allow the Lincoln amendment one-half hour evenly divided.

Mr. JEFFORDS. Mr. President, I ask that the Lincoln amendment be allowed one-half hour.

Mr. WELLSTONE. I haven't even finished. I am not going to agree to have my amendment set aside right now. I haven't made the case for the amendment. I object. I probably will take another 15 minutes to explain why I think the amendment is so important. Then I would be pleased to yield the floor and we can move to the Lincoln amendment for a while and come back. I certainly don't want to lay the amendment aside right now.

Mr. REID. We are planning on having two votes at 1:45. We will do our best to get to that.

Mr. JEFFORDS. That is something we can work out.

Mr. WELLSTONE. If we would not keep jumping on the floor with the unanimous consent requests, I could be finished in about 8 minutes, and then you can have the floor and we can come back.

Mr. President, I ask unanimous consent that these two pieces by Marc Fisher be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Washington Post, May 10, 2001]

Schools Find Wrong Answers To Test Pressure

(By Marc Fisher)

The fifth-grade girl stands in the foyer of Bethesda Elementary School, capsized in tears. "What's the matter sweetie?" a concerned mother asks. "Can I help?"

The girl sobs and sobs. She cannot speak. Finally, she gulps: "I'm a few minutes late, I missed the bus and now I can't go on the playground."

The mother: "They won't let you go on the playground if you miss the bus?"

Girl: "No, not the regular playground. There's a special MSPAP playground, but you can't go on it unless you come on time and bring your special red pen."

It has come to this. The MSPAP—Maryland School Performance Assessment Program—is Maryland's state-mandated standardized test for children in grades 3, 5, and 8. It is used to compare how well schools perform. It is, therefore, something principals and teachers desperately want students to take seriously.

How desperately? Bethesda Elementary set up a special playground with triple the usual time for students to play and an array of extra games.. "If you're on time every day, are here every day, and do your best on the test, you qualify for the MSPAP Playground," says Principal Michael Castagnola. "It's a motivator. The kids get penalized if they miss a day of the test. They know that if you work hard, you're going to have fun."

And if you miss the bus, what happens? "You go to regular recess," the principal says.

Just imagine the ribbing those kids get. No wonder the little girl was weeping.

We don't need to dwell on the cheating scandals that have hit Montgomery schools two years running, as panicky principals and terrified teachers mortgage their consciences to get the scores up at any cost. This week, at Silver Spring International Middle School, the principal and six other staffers were removed after students were given advance peeks at a state math test.

Those cases are clear enough. Let's look instead at the supposedly ethical ways in which schools twist and tweak kids to get them to take the tests seriously.

In Virginia, where the Standards of Learning tests are much more deadening than the relatively creative MSPAPs, Michelle Crotteau, who teaches 10th- and 11th-grade English in Rockingham County in the Shenandoah Valley, administered the test this week with a heavy heart.

Our students are given a five-point bonus on their final grade if they pass the SOL test in each subject area," she says. "So a student with an 89 or B average for course work who passes an SOL earns an A. Last year, I had two students who failed my course because they did not bother to do most of the coursework, yet these students passed the class because of the five added points. Talk about grade inflation!"

Michael West, a professor at Virginia Commonwealth University, tells me that at his daughter's middle school, students who pass this week's test have been told they can skip the final week of school. There's a great lesson: First prize—you don't learn.

In Maryland, there are MSPAP snacks and MSPAP parties. In Virginia, there are entire classes devoted to preparing for the SOL tests. At Carl Sandburg Middle School in Fairfax County, "Friday SOL prep classes have been going on" since the depth of winter, says eighth-grader Ijeoma Nwatu. "We've recently been given worksheets with test-taking skills, vocabulary terms, graphs and stories." On Friday, the children will work on SOL posters, which, they've been told, will boost their self-esteem.

The testing mania has brought with it a tidal wave of mediocre teaching materials. Julie Philips, a teacher who recently moved from the New York suburbs to Montgomery County, says, "Great books are tossed on the heap so that students can practice writing about short, fable-like tales that test prep writers concoct to imitate what is on the tests. It is so disheartening."

Schools are so fearful of performing poorly that some Virginia districts axed the 15-minute recess to cram in more test prep time. "With the pressure of the SOLs, there is no time for recess built into the schedule," Ron Weaver, principal of a Roanoke County elementary school, told the Roanoke Times. Virginia's Board of Education last year finally ordered elementary schools to reinstate a daily recess.

Some schools responded to the board's cry for a bit of common sense by leading kids on a three- or four-minute walk after lunch and calling it recess. Three minutes! Other grudgingly restoring a 15-minute recess—by cutting the minutes out of physical education class. Gee, thanks.

Supporters of the testing binge argue that teaching to the test is a good thing, because it ensures that schools will eliminate unnecessary frills and focus on essentials—the reading and math skills that the tests measure.

That one-size-fits-all approach is driving parents nuts in schools where kids are achieving; their kids are losing out on creative lessons and enriching activities because bureaucrats insist that all schools act identically.

But the notion that we must do this for low-achieving students is equally flawed; they need inspiration and individualized attention even more than kids from privileged backgrounds.

Listen to a third-grade teacher who has taught in a Fairfax County school for 30 years. Here are a few of the things she says she has had to eliminate from her classroom since the SOL tests took over the curriculum:

"We would have a whole biography unit. We would read a biography of a famous American. We would talk about the elements of a biography. Then the children would choose a famous American for a report. They would write their own autobiography. Finally, they would write a biography of one of their parents. It really got the children talking to their parents about their lives. I typed this up and bound it as a book which the children illustrated. (I don't have time anymore. I have to teach to the SOLs.)

"I would teach a poetry unit. We would explore the various forms of poetry and the children would write at least one poem in each of six forms. They would illustrate them and we would bind them as a book. Something for them to keep forever. (I don't have time anymore. We read some poems and picked out the rhyming words so they can pass their SOLs.)

"I would teach reading twice a day so the children who were behind could catch up. I was able to raise some children by two years in one school year. (I don't have time anymore. I have to teach to the SOLs. I have to teach how to fill in bubbles.)"

Frustrated by the new test-driven curriculum, this teacher has decided to leave her profession. Is that school reform?

[From the Washington Post, May 8, 2001]

MOUNTAIN OF TESTS SLOWLY CRUSHING SCHOOL QUALITY

(By Marc Fisher)

Those who say the culture wars are over must not have children of school age. The struggles that have divided the nation for 20 years—the phonics fracas, the New Math mess, the tiff over teaching morality—pale next to the brewing battle over testing.

Just as President Bush and Congress reach consensus on mandating even more testing for the nation's children, colleges by the dozens step away from the SATs as a primary arbiter of who gets in. Just as parents in poor schools rally to use standardized tests to rid themselves of incompetent teachers, parents in more affluent schools stage boycotts of the very same tests,

And just as D-Day looms for high-stakes testing programs like those in Virginia and Maryland that will deny diplomas to kids who flunk the tests, parents and teachers alike raise the alarm about classrooms where creativity, variety and inspiration are becoming dirty words.

In Montgomery County, students reel under the burden of 50 hours of testing each year, including the state-mandated MSPAPs, three other state test programs and the county-imposed CRTs. The 50 hours doesn't include PSATs, SATs or Advanced Placement tests. Now, if Bush has his way, there'll be nationally required tests as well.

In Virginia, the load is lighter, but the grumbling just as heavy, especially as we near 2004, when thousands of seniors will be denied diplomas if they fail the Standards of Learning tests.

In wealthy Scarsdale, N.Y., more than half of the eighth-graders stayed home during last week's state testing, capping a boycott organized by parents fed up with testing and its pernicious deadening impact on their kids' education.

In the District, a relative handful of parents—based in affluent Northwest Washington—attempted a similar boycott of last month's exams.

Caleb Rossiter, who teachers statistics at American University, led the boycott, keeping his first-grader home from Key Elementary in the Palisades. "My son has had a whole series of Stanford-9 prep days at school, when they work over and over on multiple choice questions and how to fill in the bubbles correctly," he says. "If you could see how they waste students' time with all this test prep—it's so disheartening."

Rossiter approached everyone from his son's teacher on up to Superintendent Paul L. Vance, asking why first-graders, many of whom can barely read, should be subjected to testing. "Everyone I talked to said there's no educational justification for this," Rossiter says. "They use the tests to grade the teachers and the principal, which everyone agrees the tests were not designed to do."

As a statistician, Rossiter likes tests. He understands how useful they can be in diagnosing learning problems. But he and those who write the tests are offended by their misuse—even as those companies rake in millions in the nation's testing binge.

Tests that were never meant to do anything of the sort are now used to determine teacher pay and to judge the quality of schools. Even though research has repeatedly shown that affluence is the strongest indicator of test success, scores are now used to declare some schools losers and others—such as the Prince George's County schools yesterday—winners.

The most corrosive effects of this measurement mania are the emerging class and racial divisions over testing. "It just breaks my heart when I see parents stand up and cheer when they hear that some number of kids in their school have had their scores drawn up above Below Basic on the tests," Rossiter says. "They don't see what the effort to bring up the scores is doing to the curriculum."

They don't see the dispiriting effect of scrapping art, music and physical education because they are not on the tests. They don't see the minds that go uninspired because teachers must forsake their craft to focus like drones on getting the scores up.

"Testing is even more damaging in low-income schools because that's where you need the most creative teaching," Rossiter says.

But testing is a lot cheaper than paying teachers a decent wage, and testing makes politicians look tough, so we will test and test. And one day, we will look up and see how we have crushed our schools, and tests—which when used properly have lifted the educational fortunes of many poor and middle-income children—will end up the culprit, and the pendulum will swing to the other extreme, zipping right past the happy medium.

Mr. WELLSTONE. Mr. President, let me explain what this amendment does. By the way, so we can be clear we already know—I am going to summarize—we actually already know which children are doing well and which children are not doing so well. Children who come from families who are low income, where they do not have the same opportunities other children have for the very best developmental childcare, children who attend schools that don't have anywhere near the same resources that more affluent schools have, children who live in inadequate housing and all too often their parents move two or three times during the school year, children who are in schools where sometimes during the school year there are two or three or four teachers who come in and try to teach and can't, and who do not have the best teachers, students who are in schools where the teachers don't make nearly the salaries and don't have nearly the access to technology, we already know these children are not going to do well on these tests. We already know.

Actually, what we are going to do—and I will speak more about this next week—is something that is incredibly cruel. We are going to fail these children again because all of this authorization is fiction. We have no agreement on any resources. We just had a budget that gives instructions to appropriators, which means we are going to have but a pittance.

I will have a particular amendment next week that says we do the testing when we live up to the Dodd amendment and fund title I at that level.

By the way, when we are talking about these children and about full funding over 10 years, why are we waiting 10 years, I ask my colleagues. If a child is 8 years old now, 10 years from now when we fully fund these programs, although we don't have any commitment to do so yet, that child will be 18. Childhood is once. You don't recover your childhood. Why aren't we helping these children now? Where in the budget are the resources to help these children now? Where is the commitment to help these children now? Instead, you are going to have people pounding their chests saying they are all for accountability.

These tests don't do a thing when it comes to getting a good teacher, when it comes to a smaller class size, or when it comes to making sure children come to kindergarten ready. None of that is accomplished.

I say to my colleagues, at the very minimum let's at least not drive out good teachers. Let's not make the mistake of discouraging the very best women and men from going into teaching. Let's not drive out good teachers by forcing them to be involved in drill education where they basically are having to teach the tests and that is all that it is about and no more. So they drop social studies, they drop music, they drop theater, and they drop art. None of it is tested.

This amendment says we make the commitment that these tests around the country, if we are going to talk about accountability, are comprehensive. Don't use just one measurement. In addition, they are coherent. They are a measurement that the curriculum is being taught, that they are continuous, and we can see how a child is doing over a period of time.

We are saying the States need to provide evidence to the Secretary that the tests they use are adequate and of technical quality for each purpose for which they are used. Why wouldn't you want to go on record making sure we have the high-quality tests used for the purposes for which they are supposed to be used?

Finally, the itemized test scores are provided to the schools so the parents and others know where the children are struggling and how they can do better.

I am telling you, if we don't do this, there are two things that are going to happen. First of all, you are going to have either a lot of children who are going to be held back or put into lower reading groups or math groups or whatever or you are going to have a lot of schools that are going to be identified as failing schools on the basis of single standardized tests.

We all draw from our personal experience. I can certainly tell you that based upon my own personal experience. I am glad that many more schools are looking at more than SATs. I wasn't supposed to graduate from the University of North Carolina based on SAT scores. I worked hard and did great. I wasn't supposed to be a graduate of graduate school on the basis of SAT records. I was lucky enough to get a doctorate degree at age 24.

These tests are not always accurate. Why in the world would you want to defy what every single person in the testing field says—that you should never rely on a single standardized test. You must have multiple measures.

I know there are some students and perhaps some teachers in the gallery today.

The second thing that is going to happen is you are going to drive out the best teachers. You are going to make it impossible for the very communities, the very schools, and the very kids who need the best teachers to get the best teachers because you are going to channel everybody down the road of having to teach the standardized test, to teach the test. What could be more educationally dead?

By the way—I will finish on this—I will have a lot to say about this bill next week. I will spend a lot of time saying it.

First of all, we ought to get the testing right.

Second, without the resources, it is a mockery. It is an absolute mockery. We already know what works and what doesn't work. All we have to do is look at the schools that our children and our grandchildren attend. That is all we have to do.

The schools that Senators' children and grandchildren attend are good schools. They are beautiful. They are inviting. The landscape is lovely. The teachers are highly paid. The classes are small. They don't do drill education. It is exciting and rewarding. And our children and grandchildren, before kindergarten, have been read to widely, know the alphabet, and know computers. They are sophisticated and are ready to learn.

We already know we don't need tests to tell us what works. All we need to do is live up to our own rhetoric and be accountable. We will not be accountable if we jam down the throats of every school district in every State in the United States of America a test without at least some standards to make sure they are high-quality tests that do not lead to what will only be a disaster for education, for these children, and for their teachers. We will not be doing our job if we do not provide the resources to go with the accountability.

Today in this amendment I am focusing on the quality of testing. I would love to find out why—I had the understanding there was strong support for it. Now I understand there isn't. I would like to know in what ways the administration disagrees with this amendment.

I yield the floor.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Wellstone amendment be laid aside, and the Senate then turn to the Lincoln amendment No. 451, with 15 minutes under the control of Senator LINCOLN and 5 minutes under the control of Senator JEFFORDS, with no second-degree amendments in order, and, further, following that debate, the remaining time until 1:45 be divided equally on the Wellstone amendment.

I further ask consent that the vote occur in relation to the Lincoln amendment following the Wellstone amendment at 1:45 p.m. today, with 2 minutes prior to the vote for explanation.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object, the Senator from Minnesota is in the Chamber. That would give the Senator from Minnesota approximately 50 minutes in additional time to debate the amendment.

I ask the Senator, would that be sufficient?

Mr. WELLSTONE. Mr. President, I actually, first of all, am pleased to speak after the Senator from Arkansas. Second of all, as far as time that I need, I said what I needed to say. I am just interested in what in the world is the opposition to a high-quality testing amendment? I would like to hear what it is people have to say in opposition. So I only need time to respond.

If the Senator from Vermont, and others, support the amendment—which I hope they will—I do not need to respond. If other Senators don't want to come to the Chamber and debate, then there is no one to respond to, so I will not need a lot of additional time. I already said what I needed to say on this amendment.

Mr. REID. Further reserving the right to object, Mr. President, it is the understanding of the two managers of the bill—one of whom is not here—on these two amendments there would be no second-degree amendments?

Mr. JEFFORDS. That is correct.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. REID. I say to my friend from Vermont, the Senator from Arkansas is on her way to the Chamber. She will be here momentarily. In the meantime, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. LINCOLN. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 451 TO AMENDMENT NO. 358

Mrs. LINCOLN. Mr. President, I have an amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mrs. LINCOLN] proposes an amendment numbered 451 to amendment No. 358.

Mrs. LINCOLN. I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To express the sense of the Senate regarding, and authorize appropriations for, part A and part D of title III of the Elementary and Secondary Education Act of 1965)

At the appropriate place, add the following:

SEC. 902. SENSE OF THE SENATE; AUTHORIZATION OF APPROPRIATIONS.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that Congress should appropriate $750,000,000 for fiscal year 2002 to carry out part A and part D of title III of the Elementary and Secondary Education Act of 1965 and thereby—

(1) provide that schools, local educational agencies, and States have the resources they need to assist all limited English proficient students in attaining proficiency in the English language, and meeting the same challenging State content and student performance standards that all students are expected to meet in core academic subjects;

(2) provide for the development and implementation of bilingual education programs and language instruction educational programs that are tied to scientifically based research, and that effectively serve limited English proficient students; and

(3) provide for the development of programs that strengthen and improve the professional training of educational personnel who work with limited English proficient students.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out part A and part D of title III of the Elementary and Secondary Education Act of 1965—

(1) $1,100,000,000 for fiscal year 2003;
(2) $1,400,000,000 for fiscal year 2004;
(3) $1,700,000,000 for fiscal year 2005;
(4) $2,100,000,000 for fiscal year 2006;
(5) $2,400,000,000 for fiscal year 2007; and
(6) $2,800,000,000 for fiscal year 2008.

Mrs. LINCOLN. Mr. President, before I begin, I ask unanimous consent to add as cosponsors to the amendment Senator BINGAMAN and Senator KENNEDY.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. LINCOLN. Thank you, Mr. President.

Before I describe the specifics of my amendment, I want to take just a few moments to commend Senators JEFFORDS and KENNEDY for their tireless efforts in crafting the bipartisan proposal that is before the Senate today. As someone who works hard to bridge the partisan divide in Washington, I think each Member of this body owes the managers of this particular bill a debt of gratitude for bringing Senators with very different points of view together to find common ground on the most important bill we will likely consider this year.

They have done an excellent job. They have worked tirelessly together. I certainly commend both of them for their good manners and for the diligence with which they have gone about this very important issue. They have demonstrated real leadership in this debate by placing the education of our children above partisan advantage. I am proud to join this bipartisan effort to reform our system of public education by helping States and local school districts raise academic achievement and deliver on the promise of equal opportunity for all students.

I think the way this bill has been brought up also accentuates the opportunity we have to move in a timely way. As the mother of small children who will start kindergarten this fall, I certainly understand that the more time we waste in addressing this critical issue, the more at risk we put more and more young people across this Nation of not being able to achieve their goals.

So I am pleased to note that the bill before us reflects many of the priorities that are important to me and the 500,000 elementary and secondary students in my State of Arkansas. As many of my colleagues know, I have worked with Senator LIEBERMAN and other new Democrats over the last 18 months on a bold ESEA reform proposal known as the three R's bill. Our bill took a new approach to Federal education policy by combining the concepts of increased funding, targeting, flexibility and accountability to help our school districts meet higher standards.

If there is one thing we have come to know about education, it is that you do not get something for nothing. We have to make a priority in this Nation of investing in education. This bill and this session gives us that opportunity to meet the mark and to actually do what it is we say we want to do.

One fundamental component of our plan, which is also a part of the BEST bill, is a commitment to give States the resources they need to help all limited English proficient students attain proficiency in the English language and achieve high levels of learning in all subjects.

The amendment I offer today recognizes that we aren't doing enough at the Federal level to provide the vast majority of LEP students in this Nation with the educational services they need to be successful under this new framework. This year, we will spend $460 million to serve LEP and immigrant students but only 17 percent of eligible children will benefit from these programs.

My amendment calls on Congress to appropriate $750 million for language instruction programs and services in fiscal year 2002. Also, my amendment would authorize additional funding over the next 6 years so all LEP and immigrant students could receive services under title III within 7 years. Under this approach, funding will be distributed to States and local districts through a reliable formula based on the number of students who need help with their English proficiency. It is so essential, if we are going to ask these students to meet the performance standards in our schools, that we indicate we have left the status quo of education in this country and have moved beyond to the 21st century. We must give them the tools in order to do so.

If you have visited many schools in your States lately, you have probably heard about the challenges schools and educators face in serving the growing number of students in need of LEP programs. From 1989 to the year 2000, the enrollment of limited-English-proficient students in our Nation's schools grew by 104 percent, from 2 million to an estimated 4.1 million today. During this same time period, total school enrollment grew only by 14 percent.

My State of Arkansas is a prime example of the trend that is occurring across this great Nation, especially in Southern States. According to the most recent census estimates, the Hispanic population in our State of Arkansas grew 337 percent since 1990, which is believed to be the largest percentage of growth in the Nation. Not surprisingly, the number of LEP students in Arkansas has increased dramatically in recent years as well. Since 1994, the number of LEP students enrolled in Arkansas public schools has increased by 80 percent, from 2,172 students to 10,599 students today.

Other States have experienced a similar increase in the number of students in need of services under title III. Between fiscal year 1999 and the year 2000, the percentage of immigrant students grew dramatically in the following States: Connecticut by 72 percent; Georgia by 39 percent; Louisiana by 34 percent; Michigan by 35 percent; Missouri, our neighboring State to the north, grew by 50 percent; Oregon by 28; Tennessee by 33 percent; and Utah by 38 percent.

The need to do more to serve these students and the educators who are responsible for teaching them is clear. Providing more resources alone won't bring about reform or help close the achievement gap which persists between LEP and non-LEP students. Under the BEST bill, States will have to establish and meet annual performance goals for LEP students or face sanctions. In addition, all LEP students must attain the State's proficient level of performance within 10 years. This is a new approach that represents an important change from the past where too often low expectations for LEP students and immigrant students has resulted in low performance in the classroom. Our Nation and its economy cannot tolerate that approach to educating our children any longer.

In closing, I hope my colleagues will support my amendment which expresses a strong commitment to enhance educational opportunities for LEP students by increasing and distributing Federal resources for LEP programs in a reliable way and requiring LEP and immigrant students to meet higher standards. If we are going to ask these students to master English and meet the same challenging State content and student performance standards that all students are expected to meet, which we must do under this bill, then we need to provide States and local school districts with the resources they need to meet this new challenge.

I thank all of my colleagues for their support and encourage their vote in favor of the amendment. Attention to this issue is growing in so many of our States.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. Will the Senator withhold, please.

The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, the clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 403, AS MODIFIED

Mr. WELLSTONE. Mr. President, I really will not need to take much more time. In a few moments, I am going to ask unanimous consent to modify my amendment. There isn't anything I have said that I would change. I just think part of the disagreement, at least with the Senator from Vermont, was more semantics. I am intending the quality of testing language here to apply to this act, this piece of legislation, this reauthorization of the ESEA.

I haven't resolved this one way or the other yet. In my own mind, I have a question as to whether or not the Federal Government ought to be telling the school districts—I really mean this—in States across the country that you will do this testing, and you will do it every year in grades 3, 4, 5, 6, 7, and 8 with every kid. That is a philosophical question.

The second concern I have is that in terms of our involvement and the ways in which schools are going to be measured and accountability is going to be defined, I want to make sure we have the necessary language that deals with quality, and again I, in particular, would emphasize the importance of comprehensiveness, multiple measures, and coherence, tests measuring the curriculum and what is being taught, and that it is continuous so that we see how children are doing over time.

I don't know how other Senators will vote, but I am certainly pleased to have had the discussion with my colleague from Vermont.

I send my amendment to the desk and ask that the amendment be modified.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 403), as modified, reads as follows:

On page 46, strike line 19 and replace with the following:

"assessments developed and used by national experts on educational testing.

"(D) be used only if the State provides to the Secretary evidence from the test publisher or other relevant sources that the assessment used is of adequate technical quality for each purpose required under this Act, and such evidence is made public by the Secretary upon request;".

On page 46, line 20, strike "(D)" and insert "(E)".

On page 51, between lines 15 and 16, insert the following:

"(K) enable itemized score analyses to be reported to schools and local educational agencies in a way that parents, teachers, schools, and local educational agencies can interpret and address the specific academic needs of individual students as indicated by the students' performance on assessment items.".

On page 125, between lines 4 and 5, insert the following:

SEC. 118A. GRANTS FOR ENHANCED ASSESSMENT INSTRUMENTS.

Part A of title I (20 U.S.C. 6311 et seq.) is amended by inserting after section 1117 (20 U.S.C. 6318) the following:

"SEC. 1117A. GRANTS FOR ENHANCED ASSESSMENT INSTRUMENTS.

"(a) PURPOSE.—The purpose of this section is to—

"(1) enable States (or consortia or States) and local educational agencies (or consortia of local educational agencies) to collaborate with institutions of higher education, other research institutions, and other organizations to improve the quality and fairness of State assessment systems beyond the basic requirements for assessment systems described in section 1111(b)(3);

"(2) characterize student achievement in terms of multiple aspects of proficiency;

"(3) chart student progress over time;

"(4) closely track curriculum and instruction; and

"(5) monitor and improve judgments based on informed evaluations of student performance.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $200,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(c) GRANTS AUTHORIZED.—The Secretary is authorized to award grants to States and local educational agencies to enable the States and local educational agencies to carry out the purpose described in subsection (a).

"(d) APPLICATION.—In order to receive a grant under this section for any fiscal year, a State or local educational agency shall submit an application to the Secretary at such time and containing such information as the Secretary may require.

"(e) AUTHORIZED USE OF FUNDS.—A State or local educational agency having an application approved under subsection (d) shall use the grant funds received under this section to collaborate with institutions of higher education or other research institutions, experts on curriculum, teachers, administrators, parents, and assessment developers for the purpose of developing enhanced assessments that are aligned with standards and curriculum, are valid and reliable for the purposes for which the assessments are to be used, are grade-appropriate, include multiple measures of student achievement from multiple sources, and otherwise meet the requirements of section 1111(b)(3). Such assessments shall strive to better measure higher order thinking skills, understanding, analytical ability, and learning over time through the development of assessment tools that include techniques such as performance, curriculum-, and technology-based assessments.

"(f) ANNUAL REPORTS.—Each State or local educational agency receiving a grant under this section shall report to the Secretary at the end of the fiscal year for which the State or local educational agency received the grant on the progress of the State or local educational agency in improving the quality and fairness of assessments with respect to the purpose described in subsection (a).".

Mr. WELLSTONE. Mr. President, I want to hear from my colleague from Vermont. Sometimes when I feel particularly indignant—and I do right now about where we are heading with this bill, and I have a Senator on the floor whom I respect and like to work with, I don't want the Senator from Vermont to think this is aimed at him.

My third concern, which I will talk about next week, is that we are just going to kind of keep these children thin when it comes to prekindergarten and what is being done for them, and keep them thin when it comes to the additional title I help, which could be pre-K, or extra reading help, or after school, and we are going to keep them thin when it comes to whether or not their schools have the resources and they are able to get the best teachers; and then we are going to put them on the scale, test them, and fail them again.

This doesn't work. The "accountability" without resources doesn't work. But at least this amendment deals in part with the accountability piece, which is to make sure we don't confuse accountability and testing and a single standardized test as one and the same thing. It is not.

So in the spirit of improving this bill, I hope there will be support for this amendment. I thank my colleague from Vermont for his very useful suggestions. As I say, next week I am going to have some amendments that are going to say, basically, put up or shut up. We voted for the title I authorization—not money. So at least let's not do this testing until we in fact fund it. I am going to have amendments that say that, and I am going to talk about the funding of prekindergarten. If you are going to start testing 8-years-olds, I guarantee you what has much more to do with what 8-year-olds do in school is what happens to them before kindergarten. That is absolutely true. That is what is so wrong about the direction in which we are heading. I will speak about that at great length next week.

I yield the floor.

Mr. JEFFORDS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I want to comment briefly on Senator WELLSTONE's willingness to modify his amendment. We all agree we want high-quality tests, and it is entirely proper the tests required under this act be demonstrably valid and reliable. I appreciate the Senator offering his amendment, and I believe it is vastly improved. Hopefully, it will be acceptable.

The Senate now has returned to consideration of the Better Education for Students and Teachers, called the BEST, Act. We have now spent a little over a week on this bill, and we have made good progress. We have disposed of about a dozen amendments, and we have eight that are pending, most of which I hope we can complete action on quickly.

As my colleagues know, consent was reached that first-degree amendments were to be filed by 5 p.m. yesterday, and I want to bring my colleagues up to date as to those results.

I compliment my colleagues for their interest and industry in preparing the amendments. Somewhere around 280 amendments were filed to the bill. Of course, this number does not include possible second-degree amendments that could be allowed under the rules.

At our current base of 20 amendments a week, we would complete this legislation, say, in another 14 weeks. Obviously, that is about the time we intend to adjourn for the year, if we assume we did not do anything else. Assuming the Senate takes up no other business and all amendments are offered and everybody is happy, that would be fine. Obviously, that is not the case. I urge all my colleagues to make sure when we get back into the amendment process after today that they cooperate so we can narrow these amendments and hopefully consolidate many of them, or whatever, so we can finalize this bill within the next week or 2.

I hope my colleagues will reflect on what is really important to them and this legislation and communicate to Senator KENNEDY's staff or my staff which amendments they want considered.

At a minimum, I urge my colleagues to restrict themselves to education amendments. I advise my colleagues that I plan to oppose all amendments that are not relevant to the bill regardless of the merits of the particular proposal.

We will obviously have our hands full completing action on this legislation without undertaking debate on largely unrelated issues.

Senators rightly have taken a great interest in this legislation and have proposed hundreds of amendments to the bill. We will do our very best to work with Senators to clear as many amendments as possible and, in turn, will ask our colleagues to identify over the next few days which amendments are their highest priority.

As we move on today, hopefully Members will let us know which amendments they want to pursue so we can narrow the number as soon as possible without having to bother Members with calling up amendments.

I urge my colleagues to please let us know which amendments they really want to have offered, and we will try our best to expedite them.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, first I want to say I am very hopeful that the Senate will overwhelmingly support the amendment of the Senator from Minnesota, Mr. WELLSTONE. He spoke very clearly and effectively about his presentation today. I made comments yesterday about the importance of developing a test which is going to be comprehensive and not just reflective of perhaps the simple rote answers to rote kinds of questions, but real examinations of the thinking process of children and where they need help and assistance.

The purpose of this legislation is to provide valid and reliable tests along with meaningful reforms that enable children to move ahead academically.

That is what we want to try to do with the whole range of tests. We have enough experience now of knowing which ones really can be used for instruments for learning as compared to those which are solely punitive. In too many instances, teachers teach to the test. In this way, we both fail the student, fail the test, fail the school, and fail the parents.

Senator WELLSTONE's amendment is enormously important. As I tried to point out yesterday, I think the kind of thoughtful examination by those who have been in the field for years in terms of the evaluation, as well as testing, have come to the conclusion that the more comprehensive examination of children done in a timely way and with the supplementary services available can be a very powerful instrument in helping needy children move ahead academically. I am hopeful that will be accepted by the Senate.

I want to say a strong word in support of Senator LINCOLN's amendment in terms of the bilingual education.

One of the themes of this legislation is to try to find out what the challenges are in our local communities but also what works in our local communities in terms of educational achievement and build on that; also, to take that experience, and make sure that the children who ought to be covered in title I will be covered. This amendment is a no-brainer.

If we look at the legislation that we currently have without the acceptance of the Lincoln amendment, we will be denying millions of limited English proficient children the key element in terms of increasing their academic ability with high quality, effective programs in Title III. We are not prescriptive. We give the local communities the choices in terms of the bilingual and language instructional programs that will be available to the schools and to the local communities in terms of helping children who are limited English proficient. Local communities can make judgments and decisions as to which program is suitable for their particular community.

There is a wide range of different evaluations of these programs to demonstrate the ones that have been the most successful. All of that will be available to the local community. What is important is that those services be available to those children. Without those services being available to those children, then we are basically failing those children. It is a very clear group of children that we are failing.

The number of children who fall into the limited English proficiency has virtually doubled over the period of the last 10 years, and is increasing daily. These students are making up a growing number of district's total enrollment. In 9 states the limited English proficient population has grown by 25 percent or more since 1995.

The amendment of the Senator from Arkansas recognizes this growth, and responds to it. It says: Look, we know what works for the local communities. We know that schools throughout the nation have been struggling to serve this population.

For a certain period of time, we thought the only language was going to be Spanish, and that it was just going to be in Florida, Texas, and California. But we know of the expansion of and the need for these programs in many other areas of our country, including Arkansas, as the Senator has pointed out.

On this chart, the red line shows that the limited-English-proficiency enrollment has increased by 100 percent in the last 10 years, while total enrollment has basically been rather flat over that period of time.

What we also know is, if we do not provide these programs, effectively, these children, almost out of definition, are going to fail in terms of new accountability and testing standards. That, we know. That is a given.

The question is—here, this afternoon, in a few minutes—whether we are going to go on record and say, look, this is a particular group of children who are part of our public school systems—as a result of a variety of factors; the changes in immigration patterns, the changes in our immigration laws—who need assistance.

There are many children who are falling into this category. We know, as sure as we are standing in this Chamber today, that if we do not adopt the Lincoln amendment, we are denying millions of children the kinds of benefits that we know are successful because they have demonstrated success.

I have a number of examples where we have seen local communities that were able to participate in programs, such as what would be included in the amendment of the Senator from Arkansas. They have seen dramatic changes in their whole academic attitude. The result is that these children have really blossomed with those kinds of programs. Without them, we are going to be reaching only a very small number of these children who would otherwise be eligible—only 17 percent under the Bush budget. Over the 4 million limited English proficient students nationwide, we are only serving 900,000 at the present time. We aim to serve more. But we need the resources.

We are hopeful, with this legislation, to try to build on tried and tested efforts that have been initiated in different parts of the country and that have been demonstrated to be constructive and productive in enhancing academic achievement—to offer these out to local communities, to let local communities make these decisions. We have given them additional kinds of flexibility. Then we would have accountability in terms of the teachers, in terms of the schools, in terms of the parents, and also new accountability for disadvantaged children who are facing enormous kinds of challenges every single day. Many students struggle with learning English, and meeting challenging academic standards.

If we are really interested in getting a fair start for these children, if we are really interested in no children being left behind, we have, we believe, a program that can do that. But if we do not provide the kinds of targeting assistance with these programs for children who have the limited English proficiency, then effectively we are writing them off, make no mistake about it.

That is what is at stake. That is what is so important.

If we are really interested, we ought to recognize that this is a defined group of children who we have in our schools, and we ought to make sure the children are going to benefit from these programs.

The red line on the chart—which brings us up to the year 2000—shows that the limited English proficient population now numbers more than 4 million students. That number is going to continued to grow. So the question is, Are we going to recognize what is happening in our schools today—what has happened over the last 10 years and what is going to happen in the next 5 years? If we are really interested in trying to make sure these children are not going to be left behind, this is the amendment that can make a major difference.

I congratulate the Senator from Arkansas. I think this is one of the most important amendments we will consider. It is a lifeline in many respects. It is the crutch upon which the other provisions in Title III of this legislation really depend. If we do not provide resources for this program, then the other aspects of this legislation are going to, fail millions of children. That is wrong.

We ought to take what we know. The good Senator from Arkansas has done that and has offered us an opportunity to make this legislation even stronger. We saw a modest increase in our authorization coming out of the committee. But that increase is clearly not enough to do the job. The Lincoln amendment will do the job. I am very hopeful that it will be accepted in the Senate.

Mr. President, whatever time I have remaining, I am glad to yield to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey has 9½ minutes.

Mr. TORRICELLI. Mr. President, I thank the Senator from Massachusetts for yielding.

In the last few weeks this Senate has begun to focus on what is, by any measure, the most pressing issue before the country; and that is simply the quality of education for America's schoolchildren.

It is a quality-of-life issue. It is an economic issue. It is even a national security issue. A great nation cannot long endure in its position if the quality of education for its children is not paramount. You cannot lead economically, socially, culturally, or even militarily for long if you do not lead in the quality of education for your children.

This reality, I believe, has focused the Senate's attention on funding standards and quality of education. I believe the debate has been promising. The Senate adopted the Dodd amendment to authorize a $132 billion increase over 10 years in title I aid to poor schools. Currently, the Federal Government provides school districts with only one-third of the assistance for which they are eligible. Under the Dodd measure, by 2011, they will receive 100 percent of the assistance they both need and require.

The Senate adopted the Harkin amendment to meet our Federal commitment to special education by guaranteeing $181 billion over 10 years for IDEA. This program was enacted by Congress in 1975. The Federal Government promised to pay 40 percent of the per-pupil cost. The reality is, for the year 2000, we have paid simply 13 percent.

The Harkin amendment will make an enormous difference to local school district budgets where the share of the special education funding has increased from 3 percent to 20 percent in total cost since 1975.

But also, I believe that the bill itself—before amendment —does have the underpinnings of genuine reform. The Bush administration's plan does include an emphasis on accountability, standards, and testing. If these provisions of accountability are married with meeting a genuine Federal commitment on special education, training, hiring teachers, and special education, then the Senate can be proud of this legislation. Indeed, to date, we have done exactly that.

Now we turn to the question of construction, the quality of these schools themselves. Most Americans in their communities would not believe what many of us have seen in our States, that in this extraordinary time of American prosperity, economic power, and budget surplus, American students are attending class in gymnasiums, trailers, and hallways. I have seen it in New Jersey, in prosperous communities. It is not a proud statement about our country.

Mr. President, 2,400 schools will have to be built in the next 2 years just to accommodate rising enrollments.

Education reform will be incomplete without dedicating this funding. No standard of accountability or testing will mean anything—indeed, even hiring teachers will mean little—if we do not do something about the quality of the schools themselves.

As strongly as I believe in the building of schools, even that must be complemented by doing something about the human capital, our teachers, for it to be a balanced piece of legislation.

This week we passed the Kennedy amendment which authorized $3 billion for professional development. By combining professional development with class size reduction, this bill, however, will be jeopardized without keeping the commitment of the Clinton administration to hire 100,000 new teachers. I believe there was nothing more significant accomplished in the Clinton administration than the hiring of these new teachers to reduce class size.

In the Nation, we have hired 30,000 towards that national goal. In my State of New Jersey, 1,500 new teachers are at work today who would not be in place, reducing class size, but for this initiative.

A balanced program in the Senate will have accountability; it will construct new classrooms. But it must also reduce class size. Every study that has ever been chartered has made it clear that the single greatest variable in the quality of education is having more teachers teaching fewer students. Overcrowded classrooms are a direct threat to the ability of our children to learn. We must take disadvantaged students and have them engaged in the classroom to increase performance.

An important element is going to be not only recruiting but also retaining teachers who otherwise are leaving the classroom, who can only be retained by improvements in discipline, but also easing the burden by smaller class size and, of course, by compensation.

In the next decade in New Jersey, more than one-third of our 93,000 teachers are going to retire. It is going to happen. It is a clock that is ticking. Nationwide in the next 11 years, 2.4 million teachers will retire.

As I believe this debate has demonstrated, we have moved beyond a partisan debate. The most significant element in this education discussion is that Democratic and Republican ideas are now being melded together. It is a great moment for the Senate. If we can preserve the Clinton administration's efforts at hiring new teachers to reduce class size, combine the efforts of Democrats in the Senate for school construction to improve the quality of the infrastructure, and take the Bush administration's proposals for accountability and testing and discipline, this Senate can be proud of what we have done. The Harkin and Dodd amendments on special education, on title I, on full funding of IDEA are important beginnings. But it is in the balance whether good legislation can now be made great, reducing class size, constructing the schools that America's children need and deserve.

I believe every Member of the Senate can be proud of this debate to date. Now let's finish and make a good bill great.

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, how much time remains?

The PRESIDING OFFICER. Fifty seconds.

Mr. KENNEDY. Mr. President, both the Wellstone and Lincoln amendments are very important.

One is to make sure we have quality testing that reflects an accurate evaluation of the progress children are making and where the needs are so teachers can work on them and so the children can excel. The other is to make sure the programs are made available to the children who need the kind of assistance that limited-English programs provide and that has been demonstrated to be effective. We are talking about the neediest children in the country. We are talking about the poorest of the poor, living in enormously trying circumstances, who are trying to understand and make academic progress. Let's make sure that all the support will be there for them.

I believe the yeas and nays have been asked for, Mr. President.

The PRESIDING OFFICER. They have.

The Senator from Tennessee has 11 seconds.

Mr. FRIST. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, my understanding is we will have a vote at any moment.

The PRESIDING OFFICER. The Senator is correct.

Mr. WELLSTONE. I thank the Chair. I will take a moment or two to summarize this amendment.

Again, the amendment focuses on quality testing. The amendment says that everything we are doing within this Elementary and Secondary Education Act which has to do with these tests that are going to take place every year must meet the professional standards. In particular, what I am focused on is that there be multiple measures, not a single measurement; that, again, there be coherence; that the actual curriculum that is being taught is what is being measured; and that we also focus on continuity and are able to look at a child's progress over time.

I am not at all excited about any of the direction here, but any way I can make this bill a better bill, I want to. I certainly hope my colleagues will vote for this amendment.

Again, this budget resolution that was passed tells the story loudly and clearly. We are not going to have the resources going to the schools and the children. Next week I will have amendments that say we go with the testing and accountability when, in fact, we have provided the funding for title I; when, in fact, we have provided funding for early childhood development; when we have done the job by way of getting the tools to the schools and the children and the teachers so they can succeed. That is going to be a long story next week.

For now, I am hoping there is good, strong support for this quality of testing amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. FRIST. Mr. President, how much time remains?

The PRESIDING OFFICER. There is no time remaining on either side.

UNANIMOUS CONSENT AGREEMENT

Mr. FRIST. Mr. President, I ask unanimous consent that at 2 p.m. on Monday, the Senate resume consideration of S. 1 and the Reid amendment No. 460 and there be up to 1 hour for debate to be equally divided in the usual form with no second-degree amendments in order.

I further ask unanimous consent that following that debate, the amendment be laid aside and at 4 p.m. the Senate resume consideration of amendment No. 376 offered by Senator CLELAND and there be up to 1 hour for debate on that amendment with no second-degree amendments in order.

I further ask unanimous consent that a vote occur in relation to that amendment following the Reid amendment with 2 minutes prior to the vote for explanation.

I further ask unanimous consent that a vote occur in relation to the Reid amendment at 5:30 p.m. on Monday.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Mr. President, reserving the right to object, it is my understanding that there would be no second-degree amendments to the amendments of Senators REID and CLELAND.

Mr. FRIST. That is correct.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The PRESIDING OFFICER. The question now is on agreeing to the Wellstone amendment No. 403, as modified.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Idaho (Mr. CRAPO) and the Senator from Nevada (Mr. ENSIGN) are necessarily absent.

Mr. REID. I announce that the Senator from California (Mrs. BOXER) is necessarily absent.

The PRESIDING OFFICER (Mr. FITZGERALD). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 50, nays 47, as follows:

[Rollcall Vote No. 99 Leg.]

YEAS—50

Akaka
Baucus
Bayh
Biden
Bingaman
Breaux
Byrd
Campbell
Cantwell
Carnahan
Carper
Cleland
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Harkin
Hollings
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Nelson (NE)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Stabenow
Torricelli
Wellstone
Wyden

NAYS—47

Allard
Allen
Bennett
Bond
Brownback
Bunning
Burns
Chafee
Cochran
Collins
Craig
DeWine
Domenici
Enzi
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Kyl
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Voinovich
Warner

NOT VOTING—3

Boxer
Crapo
Ensign

The amendment (No. 403), as modified, was agreed to.

Mr. FEINGOLD. I move to reconsider the vote.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 451

The PRESIDING OFFICER. There are now 2 minutes evenly divided on the Lincoln amendment No. 451.

Who yields time?

The Senator from Massachusetts.

Mr. KENNEDY. I yield to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 1 minute.

Mrs. LINCOLN. Mr. President, the amendment on which we are about to vote reconfirms our commitment to give States the resources they need to help all students with limited English proficiency to attain proficiency in the English language and achieve high levels of learning in all subjects.

This year we spent $460 million to serve LEP and immigrant students, but only 17 percent of eligible children will benefit from these programs. This amendment calls on Congress to appropriate $750 million for language instruction programs and services in 2002. It would also authorize additional funding over the next 6 years.

The critical part of this is that these children are also going to be judged by standards and tests. We want to be able to give these school districts the capabilities to give these children the tools they need in order to be successful within these standards and these tests. It is absolutely essential if what we want to do in this Nation is to leave the status quo of education and move on to something that is progressive.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Vermont.

Mr. JEFFORDS. I have no requests for time. I yield back my time.

The PRESIDING OFFICER. The question now is on agreeing to Lincoln amendment No. 451.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Idaho (Mr. CRAPO) and the Senator from Nevada (Mr. ENSIGN) are necessarily absent.

Mr. REID. I announce that the Senator from California (Mrs. BOXER) and the Senator from Louisiana (Mr. BREAUX) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 62, nays 34, as follows:

[Rollcall Vote No. 100 Leg.]

YEAS—62

Akaka
Allen
Baucus
Bayh
Biden
Bingaman
Campbell
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Collins
Conrad
Corzine
Daschle
Dayton
Dodd
Domenici
Dorgan
Durbin
Edwards
Feingold
Feinstein
Fitzgerald
Graham
Harkin
Hollings
Hutchinson
Hutchison
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
McCain
Mikulski
Miller
Murray
Nelson (FL)
Nelson (NE)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Smith (OR)
Snowe
Specter
Stabenow
Torricelli
Voinovich
Warner
Wellstone
Wyden

NAYS—34

Allard
Bennett
Bond
Brownback
Bunning
Burns
Byrd
Cochran
Craig
DeWine
Enzi
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Helms
Inhofe
Kyl
Lott
Lugar
McConnell
Murkowski
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Stevens
Thomas
Thompson
Thurmond

NOT VOTING—4

Boxer
Breaux
Crapo
Ensign

The amendment (No. 451) was agreed to.

Mr. JEFFORDS. Mr. President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 534 TO AMENDMENT NO. 358

(Purpose: To provide for a Careers to Classrooms program and improve the Troops to Teachers program)

Mrs. HUTCHISON. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for herself, Mr. WELLSTONE, Mr. DEWINE, Mrs. CLINTON, Mr. SCHUMER, Mr. CRAPO, Mr. KENNEDY, and Mr. BIDEN, proposes an amendment numbered 534.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in the RECORD of May 9, 2001, under "Amendments Submitted.")

The PRESIDING OFFICER. Without objection, the pending amendments are set aside.

The Senator from Texas is recognized.

Mrs. HUTCHISON. Mr. President, amendment No. 534 is the Careers to Classrooms Act of 2001. I have several cosponsors who have worked very hard with me to put this amendment together because many of us had ideas along the same line. I thank very much my cosponsors: Mr. WELLSTONE, Mr. DEWINE, Mrs. CLINTON, Mr. CRAPO, Mr. KENNEDY, Mr. SCHUMER, and Mr. BIDEN.

We have all worked on this issue because probably every one of us has had some experience that caused us to realize we must do more to recruit teachers into our classrooms. I had the experience of having a very good friend in Greenville, TX, who was a Latin major in college. She taught Latin in a private school, but when she moved to Greenville, she did not have the teacher certification for public school, so she was not able to teach Latin. Well, they didn't offer Latin in Greenville High School, even though they very much wanted to do so. But she was not qualified to teach because she didn't have the teacher certification, even though she had taught Latin in private school and that was her major in college.

So I started thinking, what are we doing, when we have a shortage of teachers, especially in rural classrooms, in urban classrooms, in high-growth areas, where we have subjects that are not being taught—subjects such as math, science, languages—yet we have artificial barriers to bringing people who have expertise into the classroom?

So I modeled the Careers to Classrooms Program—along with my cosponsors—along the lines of the Troops to Teachers Program, which Senator DEWINE will speak about later, which has been so successful in taking retired military personnel who would like to have another career, who are 40, 45, 50 years old, and bringing them into the classroom with all of their myriad of great experience and giving the children in our country the chance to experience this kind of expertise.

This is Careers to Classroom because now we have a number of people who have done very well early in their careers, and they would like to change careers, or they would like to retire from the computer industry. We want to lure those qualified people into the classroom, We want to target the classes that don't have teachers, where we have teacher shortages. So this amendment simply puts forward another opportunity for our school districts to give alternative certification, expedited certification, to encourage teachers to go into the classrooms in areas where we have teacher shortages.

In this legislation, individuals with demonstrable skills in high-need areas would be given the chance to help a school that has a need for teachers in their field. It would provide limited stipend assistance for individuals involved in State alternative certification programs and will agree to teach in rural schools, schools with the most pressing teacher shortages, and schools with the highest percentage of students from low-income families. So we give incentives through stipends to help them get that teacher certification.

Second, to help offset the additional costs these high-needs schools incur when they accept individuals in the Careers to Classrooms Program, the provision allows States to award grants to such schools to meet these costs.

In other words, we are rewarding the school districts for creativity, for going the extra mile to bring qualified teachers into the classroom, and we are rewarding the person who is willing to go into the classroom by giving assistance for that alternative certification.

I ask that we pass this bill. It is one more way our public schools can give every child an opportunity to reach his or her full potential. That is the goal of public education. It is why public education is so important. We want every child to reach his or her dreams with a public education.

We like private schools. We like parochial schools. We think home schools are fine for many students. But we also want our public schools to be the foundation of our country, and that is exactly what adding more options and more incentives for creativity will do.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I will take 3 or 4 minutes. I notice Senator CLINTON is on the floor, and Senator DEWINE is on the floor as well. I say to Senator DEWINE, I will let him cover the Troops to Teachers part of this legislation. It is a real addition, and I like this effort. This whole notion of Careers to Classrooms makes all the sense in the world.

I want to highlight two facts. No. 1, we are focusing again on underserved children and underserved communities, be they inner city, rural, or, for that matter, in a suburb.

No. 2, we want to make it possible for some people to make big career changes, to go into teaching, working with the States, and States having collaborative relationships with higher institutions to provide alternative means for certification and have more lateral entry into teaching.

Some of the best teachers are women and men who midcareer decide to make this change and go into teaching. For my own part —I hope I do not have to do it too soon; some of my colleagues might disagree with me on that—I often think to myself that I would love to do some teaching in the schools I visit all the time. Even though I do have a doctorate in political science and have some experience in the area of social studies, the thought of going back to school and going through the usual certification is a disincentive. We are trying to provide more incentives for people to come into teaching.

Every discussion I have been involved in at every school, once every 2 weeks for the last 101/2 years, if I ask a student what makes for a good education, the first thing they talk about before anything else is good teachers. By the way, they are not talking about teachers who teach the worksheets. They are talking about teachers who fire their imagination.

Finally—and Senator CLINTON may speak about this—it is not just recruitment but retention, having mentors, and providing support for teachers to stay in the profession. We run into the problem of good people leaving the profession. This is terribly important.

This amendment is on target. Each of us wrote our own amendments, our own bills. The Senator from Texas is right; we put this all together in a collaborative relationship. It is a very important amendment. There is widespread support for it, and I am proud to work with my colleagues on this important legislation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. DEWINE. I thank the Chair.

Mr. President, I congratulate my colleagues from Texas, Minnesota, and New York for the great work they have done on this bill. This bill goes to the heart of the challenge we face in the next few years in education. We know a lot of things are important in education. We know we have to have a good building, laboratory equipment, and good books. We have to have different items, but we know the most important thing in education is the teacher.

As my high school principal, Mr. MALONE, told me years ago, there are only two things that really count in education: One is a student who wants to learn and the other is a teacher who can teach. This amendment goes directly to the heart of this issue.

We face a challenge in this country. In the next decade, we will have to produce 1.6 million to 2.6 million new teachers just to replace the teachers today who are getting ready to retire—1.6 to 2.6 million. We know from our experience that the greatest challenge with regard to recruiting these teachers is in the poorer parts of the country—in the inner cities many times, in areas of Appalachia. This is where it is so vitally important for us to attract, retain, and keep the best teachers we can find. We absolutely have to do that. This amendment is targeted directly at that.

I wish to talk for a moment about the part of the bill that we refer to as Troops to Teachers. This is not a new program. It is a program, frankly, we had to fight last year to keep afloat. It is a program that has been proven to work.

The concept is very simple. Every year in this country we have tens of thousands of men and women who retire from the military, and they retire many times at, at least from my point of view now, a relatively young age, the age of 57. They have a lot of time ahead of them, and they have a great deal of experience. We want to encourage as many of these people as we can who have already proven they can lead other people to go into education, to teach, to take that leadership ability and lead our young people and mold them and work with them to, in turn, become leaders.

It has been a very successful program. This bill expands that program. Let me briefly tell the Members of the Senate what the results of this program have been.

A 1999 study found that 30 percent of Troops to Teachers, 30 percent of the people who go from the military into teaching under this program, are minorities. That is compared to only 10 percent of all teachers. Thirty percent of these former troops are now teachers and teaching math. Many of them are involved in teaching science. These are two subjects for which we know it is always difficult to find quality people to teach and people who have that background.

Twenty-five percent of the Troops to Teachers teach in urban schools; 90 percent are male, compared to the current teaching force, which is 74 percent female. Many educators tell us we need more males to go into teaching, particularly in K–6, 7, 8, the primary education. Troops to Teachers has proven this will, in fact, work and helps to do that.

I congratulate my colleagues for their work on this issue. The Troops to Teachers provision is something I have worked on for some time. I have had the chance in my State of Ohio to meet with people who have been troops who are now teachers. It is phenomenal to see their enthusiasm but, more importantly, to see the enthusiasm of their students. It really makes a difference in these children's lives.

This is an amendment that goes right at the heart of our problems and our concerns and that is to improve the quality of teaching in this country and to continue to do what we can to recruit the best people we can and put them into education and let them teach our young people.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mrs. CLINTON. Mr. President, I am so pleased to join my colleagues supporting this amendment, Careers to Classrooms. I commend my good friend from Texas who brought all of us together, took all of our various ideas, and came up with a amendment that I believe will make a tremendous difference in one of the most serious problems facing us in education. This is an issue all of us who joined together as original cosponsors have worked on because it is one that came to us in our respective States.

I brought along just three sample headlines from 3 different years. The first, from August of 1998, from the Buffalo News, reports that more than half of the teachers in New York State, 201,000, were headed for retirement in the next 10 years.

Then a year later, in August 1999, the New York Times ran a story on the front page alerting the public that as children were heading back to school, cities and towns across our country were struggling to fill the teacher slots, especially in our poorest neighborhoods, and especially in difficult subjects such as math and science and special ed.

Then, again, in August 2000, the New York Times focused on Westchester

County where I live, highlighting the fact that faced with retirements and other departures from the profession, superintendents were spending their time desperately searching for teachers to be there when school opened.

I think all of us who joined together on this amendment do not want to see these headlines anymore. We think it is time that, from August 2001 on, the headlines should read that our country is coming together to answer the call to recruit and retain more teachers. I am so pleased that this amendment hits what I see as all of the necessary major points.

As Senator HUTCHISON said, it supports alternative routes to certification. I have heard so many stories similar to the one she told about her friend, the Latin teacher, who could not get a job in the public schools. As Senator DEWINE points out, it continues to support and fund the very successful Troops to Teachers Program. As Senator WELLSTONE points out, it begins to provide the resources that our high-need school districts will require in order to place them at the head of the queue to try to attract teachers. I am pleased it will permit each local school district to develop a local teacher corps, which would be able to provide bonuses for midcareer professionals interested in becoming teachers.

I have often said if we give signing bonuses to athletes, we ought to give signing bonuses to teachers. There is not any more important job in our country. All too often our teachers are relegated to the margins of our concerns. The teacher corps would also be able to make scholarships available for recent college students and create new career ladders for teacher's aides to become fully certified teachers. A lot of our teacher's aides want to become teachers. If they are performing well, if they have the requisite academic skills, we ought to encourage their development.

It will also provide additional mentoring, support, and professional development that is needed to become an effective teacher.

All in all, I am so pleased that we have an opportunity to address this important issue in this bill because if we do not address the quality and the quantity of our teaching force, we are not going to be able to deliver on all the other promises we are trying to make and keep with the children, teachers, and parents of our country.

I know in New York City we are looking desperately to fill the slots that are needed for our teachers. This kind of program of alternative certification and additional mentoring, similar to what we call the New York City Teaching Fellows Program, will help us recruit and retain our teachers.

In addition to promoting alternative routes to full certification, I am pleased that in the underlying bill as part of S. 1 we have the National Teacher Recruitment Campaign to alert prospective teachers from across the country about these new resources and routes to teaching and include a National Teacher Recruitment Clearinghouse so someone, anywhere in the country, can sign on to the Web and find out information about where they are living now or where they hope to move so we can really attract people who are the best and the brightest into teaching.

I am excited about this opportunity. I commend all my colleagues who have worked in a collegial and bipartisan manner, representing States from Texas to Ohio to Minnesota to New York, to send a clear message that teacher recruitment and retention is not a partisan issue. It is at the root of how successful we can be in improving education. I am so pleased we are going to have a chance to vote on this amendment and send that clear message to the people of our country.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I thank all of my colleagues who have spoken so eloquently. I think Senator WELLSTONE, Senator CLINTON, Senator DEWINE, and I have each addressed a separate part of this bill. We have each addressed something from our own States that we have seen that caused us to come together to try to alleviate the critical teacher shortage that we have in public schools throughout our Nation.

I think this is one more way that we will be able to add more creativity and more options to our arsenal of weapons that we have to combat the teacher shortage that we are seeing in our country.

I thank all my colleagues.

If there is no one else wishing to speak on this amendment, I urge adoption of amendment No. 534.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 534) was agreed to.

Mrs. HUTCHISON. Thank you, Mr. President. I think we have taken a great step forward. I hope in the final bill this is a very big part of the reform we are all seeking in public education.

Mrs. CLINTON. Mr. President, thanks to my colleague, especially for her leadership on this issue.

Mrs. HUTCHISON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SCHUMER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHUMER. Mr. President, I rise today as we debate one of the most important issues to come before us in the Senate—the education of our children—and to urge my colleagues to support the Careers to Classrooms amendment.

If you have listened to the debate, there is not a single Senator who is satisfied with the quality of education in our public schools. We are unanimous in our belief that U.S. schools must do better in this global, competitive, ideas-based world.

In my own State, New Yorkers were shocked to learn that more than one-third of the State's students performed below the basic level of achievement in reading. Over the last 8 years, the number of New York State schools cited for poor performance has more than doubled, and this is simply unacceptable.

When you look at the studies, you see that they show that the greatest influence on how a young person performs in school is their parents and the values and oversight their parents are giving. There is something we can do about that, but not very much—at least in this bill.

Second is the quality of our teachers. On this bill, if we could only accomplish one thing—I hope it will accomplish many more than that—if we could make only one change to our schools to raise the quality of education for all kids, it would be to improve the quality of our teachers and make the teaching profession more attractive to young people and midcareer professionals alike.

In the past, America was able to attract high-quality individuals into teaching. We had three cohorts of people who went into teaching:

In the 1930s and 1940s, we had New Dealers—people who were raised in the Depression and got that civil service job because they did not want to be fired, even if it paid a little less.

In the 1950s and 1960s, there were not many opportunities for women, and millions of young, bright American women were told, "Go be a teacher," and, "Go be a nurse." To our great luck as a nation and to my great luck as a student who was taught by many of them, many of them did go into teaching.

The final cohort were the young men in the late 1960s and early 1970s who, because you received a draft deferment when you taught, went into teaching.

My children attend public schools in New York City. At Open School Night, I asked the six teachers of my daughter who is in high school how they got into teaching. They are women who had gotten into teaching in the 1960s, 1970s, and 1980s, and they are men all about my age—I am 50—who had become teachers during the Vietnam war.

Those three groups of people are gone. New Deal, not too many people who lived in the shadow of the Depression are going into professions now;

Women, thank God there are many more opportunities; and, again, thank God we don't have a Vietnam war that drove men into teaching.

As a result, because of that, our teachers are old.

This chart shows the age of teachers in America. This big bump shows teachers 47 to 49 in my State. I think the No. 1 age—the "immediate mode" I think it is called—of the teacher, the most frequent age of any, is 53.

In the next 10 years, we are going to have huge numbers of our teachers retire, and they are going to have to be replaced. The $64,000 question for education is, Who is going to replace them?

One thing we know. Today, to choose to teach is to choose financial sacrifice. Teacher salaries do not compare with other possible options facing graduates. In fact, over the past 4 years salary offers for college graduates in all fields have grown at twice the rate of those for new teachers. Isn't that incredible that in America, where we value education, salaries for teachers grew at half the rate of others?

This chart tells the story about why we are having such difficulty attracting good teachers. The starting salary for computer programming is $44,000, for accounting is $37,000, for market research is $34,000, and for a paralegal is $45,000. But the starting salary for a teacher with a bachelor's degree in America is $26,700.

So a qualified young person, idealistic though they may be, can often make $10,000, $15,000, or even $20,000 more starting out by going into another profession.

What job could be more important than teaching? It is the most important job in America in the 21st century. Teaching should be an exalted profession the way medicine and law were in the 20th century. That is not just something that sounds nice; that is if we want to keep America the leading country in the world.

Yet this most important job has become less and less and less attractive compared to other jobs financially. That means that quality has become less important than simply filling vacant teacher slots. We have seen it all. We have seen in my city they now are going not just around America but around the world to find young men and women to teach, particularly in math and science. The board of education in New York City found itself lucky that it had a gold mine of Yugoslavian students who wanted to come teach, and Austrian students who wanted to come teach. And they are good to have—better than nothing. But how many of them are going to stay here and become career teachers and gain the invaluable experience in the first 3 or 4 years that a teacher gains?

We cannot continue in this manner. We cannot have so many math and science teachers not experienced in math and science. We cannot have this global search for people who might teach for a year. We cannot have it for a lot of reasons.

Today's economy depends on the quality of the minds of our young people, the quality of the education we provide in our schools, and, consequently, our children's success depends on the education they receive.

As you can see from the chart, in my own State, in New York City alone, 11,000 teachers could retire by this year's end. And remember that previous chart: One-third of our teachers are eligible to retire in 5 years. That means our country will have to hire or replace close to 2 million teachers over the next decade. And New York State will need to hire 80,000 teachers over the next 5 years.

Studies tell us that teacher qualifications account for more than 90 percent of the differences in students' math and reading scores.

I believe in having more teachers. I support having 100,000 new teachers. But let me tell you this. I would rather have a really good teacher for 21 students than a mediocre teacher for 18. So as much as I support having 100,000 new teachers, I would much rather see us get the best quality teachers, even if it means slightly bigger class size.

We, of course, in an ideal world, should not have to settle between one and the other. But quality and training counts. That is what the studies show. The bad news is that more than 12 percent of all newly hired teachers enter the teaching workforce with no training at all. More than 1 out of 10 teachers have not a single bit of training. They hire you and throw you in a classroom. Isn't that amazing? Would we do that to somebody who is working in a foundry on an assembly line? Would we do it in almost any other job? No. But here it is. And a third of all teachers lack a major or even a minor in the subject they teach. And 33 percent of new teachers nationwide lack full certification.

We all talk about education. We all think that it is the key to our future. And the people who are going into teaching are often financially underpaid, which means, frankly, we do not get the highest quality, and they are untrained when they enter the classroom.

I do not think anyone in this Chamber, from the most conservative to the most liberal, would dispute this statement: Every American child deserves to be taught by a highly qualified, motivated teacher.

So what does that mean? It means that scarce Federal dollars—and they are scarce; particularly, I might add, with this huge tax cut they are even more scarce—it means that scarce Federal dollars should be used to support and help replicate successful programs to recruit and retain highly qualified teachers, especially in those districts with the highest need.

I have been working on this piece of legislation since I came to the Senate 2 years ago. We put together something called the "Marshall Plan for Teachers." I am proud to say that a lot of the things in this amendment—and the ideas were not mine alone; lots of my colleagues had very similar ideas—are very much like the "Marshall Plan" that we introduced and talked about.

I am very proud to have worked with so many of my colleagues —of course, Senator KENNEDY in the lead, and Senators HUTCHISON, WELLSTONE, CRAPO, CLINTON, DEWINE, and BIDEN—on this amendment to provide Federal support for States and local districts to recruit and retain midcareer professionals and to attract young people into the teaching profession. To me, it is the most important part of this bill.

There are many important parts. Federal dollars will help establish, expand, or enhance programs that provide alternative routes to certification, such as the National Teaching Fellows Program in my city of New York. Dollars will be targeted to the areas where they are needed most—districts and schools with high numbers of low-income families, high numbers of uncertified teachers, and high teacher turnover.

Similar to legislation I introduced this Congress, our amendment would provide funds that could be used to recruit new teachers through incentives, scholarships, tax credits, or stipends, as long as these efforts are linked to effective retention activities such as mentoring programs and high-quality, in-service professional development opportunities.

We know that 20 percent of new teachers leave the profession within their first 3 years of service. And nearly 10 percent leave within the first year. We must be committed to providing incentives to attract highly qualified people and provide the resources and opportunities to keep people teaching.

The amendment would support collaboration—partnerships, if you will—between local districts, parents, colleges, and universities, and community leaders to develop effective recruitment and retention strategies.

In addition, we would support accelerated paraprofessional-to-teacher programs and State and regionwide clearinghouses for recruitment and placement. And we would expand upon the successful Troops to Teachers Program.

Because accountability is so crucial to the success of our efforts, the amendment would require an evaluation report from each grantee to determine whether we have increased the number of certified, highly qualified teachers teaching the subject areas in which they have experience, decreased teacher shortages in high-need subject areas, and increased teacher retention.

It is time to make a change. This amendment will get us on the way to what I know is a goal shared by all of us: a qualified teacher in every classroom in America.

Thank you, Mr. President.

Mr. KENNEDY. Will the Senator yield?

Mr. SCHUMER. I am happy to yield to our friend and leader from Massachusetts.

Mr. KENNEDY. I thank my friend and colleague from New York for offering this amendment. I would appreciate his opinion on this. I have seen, in a number of different situations, where there are many individuals in different professions who are skilled in math and science and other areas in the new economy. And there are individuals who are retiring.

If they had some way, some pathway to go into teaching, we would find that there is a great deal of interest. What the Senator is attempting to do is create a pathway for individuals who may have gone into a career for a period of time and have been able to have achievement in terms of their professional careers but then, with this kind of an opportunity that is included in the Schumer amendment, they would be able to have a career change and, with the kind of training and what they would bring to teaching as achievement in a number of different potential areas, they would be able to be of a real advantage to these students.

Many of us have seen, for example, the Troops to Teachers Program where we have had a number of members of the U.S. Navy, particularly in the areas of—well, the submarine fleet comes the closest in the State of Washington, I believe, where a number of the people who retired from the Navy stayed in the area. These are people with enormous kinds of understanding and a great deal of training in terms of math and in terms of science. When they were offered this opportunity to engage in the schools—it is also true in a number of districts in Florida and in other communities where there were significant numbers of retirees in the military—when they opened up the opportunity for these servicemen to go into teaching, they just went in droves. The positive impact it has had in the schools in the areas of math and science has been absolutely extraordinary.

As I was listening to the Senator, it seems to me that this is sort of a particular situation, but there are going to be other professions as well where individuals, through the Senator's amendment, could get into the areas of teaching and have a rewarding and satisfying and inspiring career and also make a real difference in terms of children's appreciation for learning as well as enhancing their skills academically.

Mr. SCHUMER. I thank the Senator for his question. He is right on the money, as usual. There are so many people in modern America in the military—the Troops to Teachers—so many other professions who retire early; they receive their pensions after 25 years; they say they are not going to work at this job any longer because they are getting a good pension, whatever, who would love to teach, who would just love to teach.

I myself, as everyone here, have been invited into classrooms to teach. Come to Cunningham Junior High School and teach 8th grade social studies for a day or come to Madison High School and teach 11th grade history for a morning. I guess I am not atypical. I love it. When these people who have retired, who have such skills, get a taste of teaching, they love it.

One of the things we do in this amendment—and the Senator is correct to point this out—is make it a lot easier for them to go into teaching. There are no inadvertent barriers in the way.

In this bill, we allow them to go teach. These days they could have 15 or 20 productive years as a teacher after their original career. The Senator is exactly correct. As we try to think of how to attract new teachers, this group of people is one of the great untapped resources. I hope, through this amendment, we can tap it.

Mr. KENNEDY. I commend the Senator. We have seen awakened in this country, particularly in recent times, a sense of voluntarism. I think voluntarism is alive and well in the United States. Many of us hope that our young people, whatever their disposition, will be more involved in the public policy aspects of our country. You can't get away from the fact of their involvement in terms of volunteerism. I have seen it in our high-tech area in my own State of Massachusetts with our "netdays" where Massachusetts was 48 out of 50 States in terms of Internet access. And basically, through asking the high-tech industry to tie up with local schools, we have moved now into No. 11. We have what we call "netdays." The private sector in the high-tech area, the software industry, has been enormously responsive in adopting schools, and labor laid down 350 miles of cable in Boston voluntarily on Saturdays because their children were going to these schools.

Schools have an enormous ring in terms of our value system. To challenge our society in ways which they haven't been challenged before, in terms of giving people an opportunity to be a part of an educational system, would get a very positive response. We shouldn't miss the opportunity to at least challenge professionals in that area. The good Senator's amendment will help enormously in being able to do it.

I thank the Senator.

Mr. SCHUMER. I thank the senior Senator from Massachusetts.

Mr. JEFFORDS. If the Senator will yield, I would like to share some experiences I have had in this area also.

As you may remember, a few years ago, Congress took back—sort of—the school system of the District of Columbia. I had the opportunity of sort of being the de facto superintendent of schools for awhile. I have been following up on some of the problems they have had, as all schools are having, with finding teachers who are qualified. I find that the only teachers they can get in the science and math area are retired people who have come back in and had some sort of a certification process to make sure they knew the basics about teaching.

Also, in Vermont, we have one of the largest IBM plants, and we have the same shortage of teachers. They are finding there that the source of getting good teachers back into the schools is from the retired IBM employees.

This is an idea we have been talking quite a bit about today. I wanted to share those experiences with the Senate because we have to do everything we can. At some point, the States would be better to do that, to make sure the standards just of the common capabilities of teaching are there and all that sort of thing.

I commend the Senator on his amendment and the Hutchison amendment.

Mr. SCHUMER. I thank the Senator from Vermont not only for his insight but for his great leadership on this bill. One of the reasons we have such a broad and bipartisan bill is because of the Senator's leadership, as well as my friend from Massachusetts.

Teaching is so fulfilling. It is a great job, if people get a taste of it, as both Senators from Massachusetts and Vermont have said. Whether you are a retired military person or a retired person from technology or a retired small businessperson, I say: Look at teaching. If we can pass this legislation with the amendment that so many of us on both sides of the aisle have put together, we will make it easier for you to get into teaching.

Given the importance of teaching to America and given what a fulfilling job it is, maybe this amendment will really help the children of this generation, and certainly generations in the future, to get the kind of great fulfilling experience they had from great teachers as we each did as we went through elementary and secondary school.

I thank the Senator for those nice words as well as for his leadership.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEFFORDS. Mr. President, I plead with my fellow Members of the Senate who may still be here that we are waiting for another Senator to hopefully offer an amendment. We have some 270 remaining to be brought to our attention. Hopefully, we will be here for a little length of time anyway. I am not sure how long. Now is the time.

I yield the floor to Senator BYRD.

The PRESIDING OFFICER. The Senator from West Virginia.

AMENDMENT NO. 402 TO AMENDMENT NO. 358

Mr. BYRD. Mr. President, I shall offer an amendment. The amendment is at the desk. It is amendment No. 402. I call up the amendment at this time.

The PRESIDING OFFICER. The clerk will report.

The senior assistant bill clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 402.

Mr. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide grants for the teaching of traditional American history as a separate subject)

On page 893, after line 14, add the following:

SEC. . GRANTS FOR THE TEACHING OF TRADITIONAL AMERICAN HISTORY AS A SEPARATE SUBJECT.

Title IX (as added by section 901) is amended by adding at the end the following:

"PART B—TEACHING OF TRADITIONAL AMERICAN HISTORY

"SEC. 9201. GRANTS FOR THE TEACHING OF TRADITIONAL AMERICAN HISTORY AS A SEPARATE SUBJECT.

"(a) IN GENERAL.—There are authorized to be appropriated $100,000,000 to enable the Secretary to establish and implement a program to be known as the 'Teaching American History Grant Program' under which the Secretary shall award grants on a competitive basis to local educational agencies—

"(1) to carry out activities to promote the teaching of traditional American history in schools as a separate subject; and

"(2) for the development, implementation, and strengthening of programs to teach American history as a separate subject (not as a component of social studies) within the school curricula, including the implementation of activities to improve the quality of instruction and to provide professional development and teacher education activities with respect to American history.

"(b) REQUIRED PARTNERSHIP.—A local educational agency that receives a grant under subsection (a) shall carry out activities under the grant in partnership with 1 or more of the following:

"(1) An institution of higher education.

"(2) A non-profit history or humanities organization.

"(3) A library or museum.".

Mr. BYRD. Mr. President, this amendment authorizes to be appropriated $100 million to enable the Secretary to establish and implement a program to be known as "Teaching American History Grant Program" under which the Secretary shall award grants on a competitive basis to local educational agencies—to carry out activities that will promote the teaching of traditional American history in schools as a separate subject; and for the development, implementation, and strengthening of programs to teach American history as a separate subject, not as a component of social studies, within the school curricula, including the implementation of activities to improve the quality of instruction and to provide professional development and teacher education activities with respect to American history.

A local educational agency that receives a grant under subsection (a) shall carry out activities under the grant in partnership with one or more of the following:

(1) An institution of higher education.

(2) A nonprofit history or humanities organization.

(3) A library or museum.

Mr. President, I started school in a two-room schoolhouse 79 years ago, in 1923. It was 1924 that John W. Davis of Clarksburg was nominated on the 103rd ballot for the office of President of the United States. He was defeated by Calvin Coolidge.

My first teacher was a woman by the name of Carrico. Her husband had lost his arm as a brakeman on, I believe, the N&W railroad. Mrs. Carrico was my first teacher and she taught the lower grades.

We started out in the Primer and the main character in that primer was Baby Ray. And there were two rooms, as I say. In the other room, a man by the name of Lawrence Jennings taught the upper grades. I went through the Primer in about 3 weeks. I promoted myself when it came to geography. Being in the same classroom with other students in the first, second, third, fourth grades—I believe the fourth grade was in the same room—I learned a lot by listening to the other students in the higher grades.

There was a geography book. I can remember it as though it were yesterday; it was Fryes Geography. Well, I liked geography; I liked the maps and the pictures. So I went home one night and said to the man who raised me, a coal miner—he was my uncle by marriage—"I want a copy of Fryes Geography. I like that book." He said, "Well, we will go to Matoaka," which was about 5 miles away. This was all in Mercer County, in southern West Virginia. "We will go to Matoaka on Saturday, which is pay day, and we will get Fryes Geography."

He took for granted that the teacher had asked me to ask him for this book. The teacher didn't ask me to do that. I just decided I wanted it. So we caught the train and went to Matoaka. There was no highway up to Algonquin. Algonquin was the coal camp. There was no highway up to Algonquin from Matoaka.

The railroad ran across Clark's Gap Mountain, and we went by railroad, a passenger train, from Matoaka up to Algonquin. We went by Giatto and Weyanoke in Mercer County. That is the way we went from Matoaka to Algonquin.

Mr. Byrd, the man who raised me, was a man who didn't have much education. He probably never went to the second grade. He could barely read. We had a Holy Bible in our house. That was about the only book at our house. I always called him my dad because I loved him and he loved me. I didn't know anybody else as a father. His wife was my aunt. She was my natural father's sister, and I had three brothers and a sister. But losing my mother when I was 1 year old, my biological father could not care for five children. That was back in the days when he probably earned only $3 or $4 a week working in a furniture shop.

Upon the death of my mother during the influenza epidemic, he gave the children to his sisters. He kept the one daughter. I only saw her when I was in high school—about 15 or 16 years old. I saw my sister then for the first and only time.

But there we were. These people who took me in to be raised loved me. They had one child prior to their taking me as their adopted child. That child had died of scarlet fever. So they had me as their adopted son. They loved me. I never knew about a mother's kiss. My aunt was tough, very religious, and strict. I never knew a mother's kiss, but she loved me.

Anyhow, I went home one evening, and I said to my dad—as I say, I called him my dad because, as far as I knew, at that time, he was my father. Now, I went home and I said I had to have a Fryes Geography. So on Saturday, we caught the passenger train, went down to Matoaka and bought Fryes Geography.

I took it to school on Monday. The teacher Mrs. Carrico, said, "I didn't tell you to get this." I said, "Well, I have to have it and I want to study it." That teacher let me keep that book and let me study along with the class in which the book was being taught.

Well, I came to love my teachers, and we had a category on that report card that was denominated "Deportment." My old coal miner dad told me, "If you get a whipping in school, I will give you another whipping when you get home." I wanted to please that coal miner dad, and I wanted to please those teachers. Back in those days, I say to Senator KENNEDY, the history book was by Muzzie.

It did not have a lot of pictures in it. It was full of narrative. I often ask the young pages who serve us—we have different pages from year to year to let me see their history book. I ask the students, the pages: Who is Nathan Hale? If an American history book does not tell us about Nathan Hale, I do not think it is much of a history book.

Who was Nathan Hale? Nathan Hale was a young schoolteacher, 21 years of age. When George Washington asked for a volunteer to go behind the British lines and spy on the British fortifications and bring back drawings of the British gun placements, and so on, this young man by the name of Nathan Hale, age 21, schoolteacher, volunteered to go.

He went behind the British lines. He accomplished his mission. On the night before he was to return to the American lines, he was arrested as a spy, and, of course, the drawings and the papers were in his clothing. The next morning, September 22, 1776, he was brought before a gallows, and as he stood there with his hands tied behind him, he asked for a Bible. The request was refused. Nathan Hale stood there before the gallows, and only a few yards away was a wooden coffin—a wooden coffin. He knew that his body would soon be placed in that coffin.

He was asked by the British captain, whose name was Cunningham: Have you anything to say?

Nathan Hale said:

> I only regret that I have but one life to lose for my country.

Nathan Hale died for his country. I often wonder why people cannot give one vote for their country—whether they are Republicans or Democrats, why they will not vote, why they will not give one vote for their country Nathan Hale gave the only life he had for his country.

That history book taught me about Nathan Hale. As a lad, I memorized my history lessons. I memorized them by the light of an oil lamp. I memorized history. I liked history. I liked to read about Francis Marion the "Swamp Fox," Nathanael Greene, Daniel Morgan, George Washington, Benjamin Franklin, James Madison. They were my heroes.

So I say today we need good history books and good teachers so that the boys and girls today will find their heroes among the early Americans who built this country.

I came to appreciate the fact that the peoples of western Europe, eastern Europe, central Europe, southern Europe, northern Europe and elsewhere came to this country and helped to build it. My heroes were those men and women who were mentioned in the history books. The teaching of history is important.

When I moved out of that area of West Virginia—moved out with a wagon team—we moved up a hollow called Wolf Creek Hollow. We were 3 miles up that hollow.

I then attended another two-room school up on the mountain. I walked to that school with a man by the name of Archie Akers. He was one of the two teachers in the school. He would walk from 3 or 4 miles down the hollow up by my house, and I would get with him and walk on up to the top of that mountain to that school.

I had two teachers there. One was named Mary Grace Lilly. I remember the first day I went there. She said: If you have a fence and you can't get over it, you can't get under it, what do you do?

I held up my hand. She called on me. I was eager to be called on. I said: If you can't get over it, you can't get under it; you go around it.

She patted me on the head and said: That's right.

I memorized my lessons. Yes, memorized my lessons. I loved to do it. I loved to be called on by the teachers. I liked my teachers. I had good teachers. They did not get paid much. Very little did they get paid, but they were dedicated teachers.

We did not have any electricity in the house. We did not have any running water. If we wanted to go to the toilet, we had to go outside to a privy behind the house. No radio. Never heard of television. You see, that was in the twenties.

I will never forget those books. Those history books, to a degree, shaped me to what I am today. They shaped me, they shaped my attitude, they shaped my outlook, and I came to want to be like James Madison or Webster or Clay or some other historical figure.

Oh, yes, I had my sports hero. That was Babe Ruth or Jack Dempsey—these are some years later. But history, history had an impact on me, may I say to my friend, Senator KENNEDY. It had a decided impact on me when I was just a boy, 8 years old, 9 years old, 10 years old, and was a root of my ambition to try to make something out of myself.

Mr. Byrd, who raised me, wanted me to go to school and to learn and to get a better education than he had been given. As I say, if he went to the second grade, I do not know that.

He did not want me to be a coal miner. He wanted me to get an education. And in those days, when I graduated from high school in 1934, it was something to have a high school education. I heard it said by my elders: If you don't get a high school education, you are not going to amount to much, you are going to have a hard time. You have to have a high school education.

We had great teachers, good high school teachers. W.J.B. Cormany, William Jennings Bryan Cormany, was the principal of the high school.

When we moved out of that hollow, Wolf Creek Hollow in Mercer County and moved to a coal camp, I enrolled at the Mark Twain School. The principal of that school, when he learned that I could recite whole chapters from the history book, took me up before the senior class and had me perform for the senior class. Well, that kind of enhanced my reputation around the school—to be able to go up before the senior class and recite history.

So, I loved my teachers. We were talking about teachers a minute ago. I often worked to be the best student in the class in order to please my teacher. David Reemsnyder, a huge man, when I was in junior high school, taught mathematics, Algebra, and geometry. I wanted to please him.

Mrs. W.J.B. Cormany taught music. I wanted to study the violin because she wanted me to study the violin.

That is the kind of influence teachers had on me. I always wanted to be the best student in the class, to please my teachers and to please that old coal miner dad who reared me. There is no way to establish the worth of a good teacher.

A Builder builded a temple,
He wrought it with grace and skill;
Pillars and groins and arches
All fashioned to work his will.
Men said, as they saw its beauty,
"It shall never know decay;
Great is they skill, O Builder!
Thy fame shall endure for aye."

A Teacher builded a temple
With loving and infinite care,
Planning each arch with patience,
Laying each stone with prayer.
None praised her unceasing efforts,
None knew of her wondrous plan,
For the temple the Teacher builded
Was unseen by the eyes of man.

Gone is the Builder's temple,
Crumpled into the dust;
Low lies each stately pillar,
Food for consuming rust.
But the temple the Teacher builded
Will last while the ages roll,
For that beautiful unseen temple
Was a child's immortal soul.

I have done a little reminiscing here today. The Senator I am most fond of saying is my favorite Senator on this side of the aisle, Senator KENNEDY—one gets into trouble saying things like that—saying "This man, this Senator, is my favorite," or, "that Senator is my favorite." They are all my favorites. But Senator KENNEDY is my favorite favorite Democratic Senator.

A few days ago, he wanted me to do a little reminiscing about my schooldays. You see, I have been going along life's pathway quite awhile. I came from those deep roots, and I like to speak of my remembrances of those teachers who sacrificed, back in the Depression. They couldn't get their checks cashed. They had to surrender 20 percent, sometimes, of the monthly check, the total check, in order to get it cashed. That was in the Great Depression.

Mr. President, my amendment to the budget resolution, as I have already indicated, will add $100 million in fiscal year 2002 to function 550, education. This increased funding will allow for the continuation of an American history grant program I initiated last year. That program is going, it is ongoing, it is moving. This program is designed to promote the teaching of history, American history.

It is shocking—it is shocking—to read of students who do not know that the Civil War occurred during the second half of the 19th century. They cannot place the Civil War in a specific 50-year period with accuracy, let alone say it was from 1861 to 1865. They don't even know what half century it occurred in. So we are falling down badly in teaching American history. And history is so important.

Byron, Lord Byron, said, "History, with all her volumes vast, hath but one page," meaning that history repeats itself. And it does. It repeats itself.

When Adam and Eve were placed in the Garden of Eden, H_2O was water. Water was made up of two atoms of hydrogen and one atom of oxygen. And it is still that way. It has never changed. It is still H_2O.

It is the same with human nature. Human nature has never changed. Cain slew Abel, and men are still slaying their brothers. It has not changed. That is why we can truthfully say, and mean it, that history repeats itself—not in every precise and particular detail, but one needs to know history.

An unfortunate trend of blending history with a variety of other subjects to form a hybrid called "social studies" has taken hold in our schools. I am not against social studies, but I want history. If we are going to have social studies, that is OK, but let's have history. Further, the history books provided to our young people, all too frequently, gloss over the finer points of America's past. My amendment provides incentives to help spur a return to the teaching of traditional American history.

Every February our nation celebrates the birth of two of our most revered presidents—George Washington, the father of our country who victoriously led his ill-fitted assembly of militiamen against the armies of King George, and Abraham Lincoln, the eternal martyr of freedom, whose powerful voice and iron will shepherded a divided nation toward a more perfect Union. Sadly, I fear that many of our Nation's schoolchildren may never fully appreciate the lives and accomplishments of these two American giants of history. They have been robbed, the students have been robbed of that appreciation robbed by our schools that no longer stress a knowledge of American history, robbed by books that purport to be history books but are not history.

Study after study has shown that the historical significance of our Nation's grand celebrations of patriotism—such as Memorial Day or the Fourth of July—is lost on the majority of young Americans. What a waste. What a shame.

American students, regardless of race, religion, or gender, must know the history of the land to which they pledge allegiance. They should be taught about the Founding Fathers of this Nation, the battles that they fought, the ideals that they championed, and the enduring effects of their accomplishments. Without this knowledge, they cannot appreciate the hard won freedoms that are our birthright.

Our failure to insist that the words and actions of our forefathers be handed down from generation to generation will ultimately mean a failure to perpetuate this wonderful, glorious experiment in representative democracy. Without the lessons learned from the past, how can we insure that our Nation's core ideals—life, liberty, justice—will survive? As Marcus Tullius Cicero stated: ". . . to be ignorant of what occurred before you were born is to remain always a child."

Many groups are interested and have expressed support for this grant program. Representatives from the National Council for History Education, the National Coordinating Committee for the Promotion of History, the American Historical Association, and National History Day have all expressed enthusiasm for this grant program. They are very supportive of this effort.

So, for those reasons, I offer this amendment to the budget resolution to increase function 500 (education) by $100 million in fiscal year 2002, and I urge the adoption of it.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, some few days ago when we were on the floor of the Senate—I think it was at that time, or perhaps even a little later in the week as we find ourselves today—we listened to our good friend from West Virginia. At that time he quoted one of his famous poems that, as his poem today suggests, had a deep-seated meaning to it. I took the occasion to ask him prior to the time that we were going to end this debate and discussion if he might recall his early years as a student and share them with us once again on the floor of the Senate.

I have had the good opportunity to listen to the good Senator speak on many, many different subject matters, and always with great enthusiasm, strength, and belief for the causes for which he speaks, so many of which I agree. I always find, having listened to him for many, many years, that the stories he talks about of his early years and the power of education is really a lesson that all of us should hear because it reminds all of us about what, in this case, this legislation is all about and what we are attempting to try to provide for the young people in this country.

If we were ever possibly able to sort of capture that extraordinary magic that was evidenced in that small school, the primer schools and then after that, and somehow develop in that classroom the atmosphere which brought BOB BYRD to sense the great desire and thirst for knowledge and personal achievement, accomplishment, and desire to really respond to the teachers by demonstrating keen intellect and an awareness in the classroom, and to take those early lessons and use them as guideposts for the rest of his life resulting in this extraordinary career of public service for the people of West Virginia, and the people of this Nation, I think our problems really as a country and as a society would be immensely advanced.

Whenever I listen to Senator BYRD, I think about what we were trying to do in terms of different paragraphs, different authorizations and approaches in what we were trying to do in different provisions of the legislation. It always makes us think about what we ought to be doing better to try to make the dream of education and the kind of opportunity this extraordinary Senator felt, which was so much a part of his pathway to his own life and such a source of strength to him, as well as his deep-seated faith—we would be very fortunate if we were ever able to sort of capture that in a legislative undertaking. We have not done so with this legislation, needless to say.

But we are going to continue to try to create a climate and atmosphere in the schools so other Bob Byrds in West Virginia, Massachusetts, Vermont, and across this country might perhaps have a similar life's experience, and, as a result of that, we would have a better and a stronger nation.

I thank the Senator for his amendment. I know very well the Senator's strong interest in history.

I will just take a moment or two to remind the Senate that one of our great historians, David McCullough, will be releasing his wonderful book on Adams and Jefferson. The book is going to be published in about 2 weeks. They have already printed some 350,000 copies. I don't think they have underestimated both the success of the book or the thirst of Americans for knowledge about this country in its early years.

I remember the occasion when I was at the Longfellow House in Cambridge, MA, a few years back. I was looking at some of the papers in the Longfellow House. The Longfellow House was designated by Mrs. CLINTON under Saving America's Treasures as one of our two treasures. The Longfellow House in Cambridge and the Frelinghuysen Morris House in Lenox are other treasures. But this was a special treasure for a number of reasons.

One of those related to David McCullough's book is the fact that this was the place where George Washington assumed command of the American forces in the American Revolution. As David McCullough reminds us, this was the first symbol of national unity of a southern general commanding northern troops. Others had signed up for the American Revolution for periods of time, but the Glovers, which was a small band of troops who had been organized by Colonel Glover, committed themselves for the duration of the war.

They were subsequently enormously important because they were the ones who brought Washington from Brooklyn Heights over to New York when the British fleet came into New York Harbor at a very key time in 1776. And when the wind was blowing from the northeast, it kept the British troops out. The Glovers brought Washington back into the main of New York, which would be Manhattan now. And then he escaped out into southern New York State and eventually over to New Jersey. Then the Glovers were the ones who brought him across the river at Trenton.

But Dave McCullough wrote to me about papers that were there that were not as well cataloged or kept and were in danger of deterioration. These were magnificent handwritten notes of John Adams and John Quincy Adams that were directly relevant to the early years of the founding of this country. Senator BYRD was good enough to review—find out for himself, actually, as one would expect—the substance of that material and made his own independent judgment about the importance of preserving those in terms of our national history. As a result of his efforts, some extraordinarily important early documents involving the founding of this country are now carefully preserved for future generations.

So when Senator BYRD talks about his love of history, we all know it and have seen it, but I think many of us have also witnessed it in our relationships with Senator BYRD on different issues.

I thank him for offering this amendment.

Some years ago, I was on the Bicentennial of the American Constitution committee. I was on that committee that Chief Justice Berger chaired with a number of our colleagues, Senator HATCH, Senator THURMOND—a number of our colleagues.

From that, which was the bicentennial of the Constitution, one enduring, continuing, and ongoing force from that period was the establishment of the Madison Fellows. And there are two schoolteachers from each State, each year, who are selected through a very rigorous selection process. They receive a stipend for a period of study and then basically commit to teach the Constitution for the rest of the time they are teaching. We have now two in each State of the Union.

We found during that period of time there was so little understanding about the Constitution. We found the challenge that we had so many people who could not read the Constitution. One of the small efforts that came out of that was a literacy corps to try to help in terms of reading.

We have seen a number of different efforts since that time. There are some important initiatives in this legislation to improve reading for the young people in this country. This was a serious deficiency. But I can just say, as we reviewed at that time the importance of developing knowledge about the Constitution, we saw, as well, the failure in too many of our schools of the understanding, the appreciation of being taught good history.

The good Senator's amendment can help immeasurably in developing a better understanding and awareness in history for our students.

I appreciate the way the amendment is structured as well because it gives some special effort to our neediest communities that perhaps do not have the range of different resources in terms of our history and gives them the recognition that they can participate in this program and be able to do so on a very even basis with any of the other communities in the country. So I think it is structured in a very compelling way as well.

I thank the Senator for both his statement and, most of all, for his earlier comments. I know every Member in this body is extremely busy, but if Americans want to know the value of an education and what it means in terms of an individual, read BOB BYRD, West Virginia, Thursday.

Thank you. I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I commend my colleague from Massachusetts for this dialog. I was in this Chamber, I think it was probably a week ago, when there were similar circumstances, when the Senator from Massachusetts asked the Senator from West Virginia to bring together his memories of his childhood and the importance of history and the importance of a good education.

So I am pleased to have had the opportunity to hear the Senator speak. I wish more Members had the opportunity to be able to do that because it is a step back into history and a move forward in our ability to understand this great Nation of ours.

I thank the Senator from West Virginia so much for his efforts and for the amendment he has offered today.

Mr. KENNEDY. Mr. President, if I could say one final word, I particularly appreciate the reference the Senator from West Virginia made about his teachers and the names of his teachers. And Fryes, is that the geography book?

Mr. BYRD. Fryes.

Mr. KENNEDY. And the history book was——

Mr. BYRD. Muzzie.

Mr. KENNEDY. Muzzie. So I was glad to hear that.

I might just mention one of my great teachers was Arthur Holcombe, who wrote "Our More Perfect Union," who was probably the leading teacher—and certainly was at Harvard—about the Constitutional Convention. When he taught, you had a feeling you were right at the Constitutional Convention.

I was fortunate to have him the last year he taught at Harvard. He taught my father when he went to Harvard, and he taught my three brothers. He taught about the Constitutional Convention. So he had a pretty good grasp of the subject matter by that time. But it was also a course that made a profound impact and impression on me, and one I will never forget.

I thank again the Senator for his good words and his good work today.

Mr. JEFFORDS. Let me share another moment, too. When the Senator mentioned who his teachers were, I thought, let's see if I can remember my teachers. They were Miss Anderson, Miss Maughn, Miss Burns, Miss Brown, Miss Shipp, and then back to Miss Burns for the first six grades. I remember them just as if it were yesterday.

Mr. BYRD. Yes.

Mr. JEFFORDS. But it is amazing what influence teachers have on students, and others. The principal at the high school I went to was a good friend who was a real mentor to me, also.

So we have to do all we can to make sure every child in this country has the ability to get as good an education and have as wonderful teachers as we all had.

Mr. BYRD. Mr. President, I thank both of my colleagues for their generous comments.

I sat and marveled, with great admiration, at the recollections that were expressed by Senator KENNEDY and at what he had to say today about some of the things that have happened in his great State as we try to contemplate the American Revolution, and then his comments concerning David McCullough; and his reference to John Adams.

Some few years ago I read John Adams' "Thoughts on Government." John Adams, I think, has been underestimated—or really has never been fully appreciated, as he should be.

During the Constitutional Convention, he had had his "Thoughts on Government" printed and had passed this work around among the members of the convention. It had a great impact on the members and influenced them very much in their deliberations.

I am glad that David McCullough, who is the right man for the job, is going to have this publication soon concerning John Adams, which leads me to say that knowing of David

McCullough's interest in John Adams and knowing of John Adams' influence upon the Framers of the country, I have been interested in trying to get an appropriation for an appropriate monument to John Adams. I understand that David McCullough is also supporting and promoting that idea. I am very much for it.

I thank Senator KENNEDY for what he has said about John Quincy Adams. John Qunicy Adams suffered a stroke on February 23, 1848, as he spoke in Statuary Hall. He was a vigorous opponent of America's entry and participation in the Mexican war. He was making this very emotional speech, and he had a stroke. He was taken to the office of the Speaker of the House of Representatives and died 2 days later—John Quincy Adams. He was elected to nine terms in the House, after having served as President.

Senator KENNEDY, we are not supposed to address each other in the first person in this body, but I want to tell you, I really enjoyed what you had to say. I am glad that you have such an appreciation of American history and the great patriots who gave us the Constitution. Senator KENNEDY is a student of history sui generis.

Mr. JEFFORDS. And an important part of history.

Mr. BYRD. I thank my friend, Mr. JEFFORDS, for his recollections of teachers. I remember a Miss McCone who taught history. And she asked me a question one day. I said: Huh? And I kept on studying. I was paying attention to my reading, and Miss McCone had not said another word. Next thing I knew, she had walked around the room and she came up behind me and gave me a resounding slap on the cheek and said: ROBERT, don't you ever say "huh" to me again.

I never said "huh" to Miss McCone again.

Mr. KENNEDY. Mr. President, if there is no further discussion of this particular amendment, we are prepared to accept it.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to amendment No. 402.

The amendment (No. 402) was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. I again thank both of the Senators.

Mr. JEFFORDS. Mr. President, we have had a wonderful moment here, and I now would like to give the opportunity for others to come and give their moments if they so desire.

VOTE EXPLANATION

Mr. DODD. Mr. President, yesterday, during rollcall vote No. 96, the Mikulski amendment, and No. 97, the McConnell amendment, as modified, I was necessarily absent to attend the funeral of a dear friend, Larry Cacciola, of Middletown, Connecticut.

Had I been present, I would have voted "aye" for each amendment.

MORNING BUSINESS

Mr. JEFFORDS. Mr. President, I ask unanimous consent that there now be a period of morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nebraska.

Mr. HAGEL. Mr. President, I ask unanimous consent to speak for up to 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENERGY AND CLIMATE CHANGE POLICY

Mr. HAGEL. Mr. President, in the midst of the energy challenges facing our Nation lies a very unique opportunity. We have a chance to develop energy and environmental policies that work together. A clean environment and a strong energy policy need not be mutually exclusive. The forces of reality have brought us to this point. We have an energy problem that we cannot ignore. We also have a new administration which is re-evaluating our environmental policies, as any new administration would do, to ensure that what we are pursuing, and how we are pursuing it, is relevant, realistic, and achievable.

In the past, there has been a division of these issues. Energy and environmental policies have been considered separately—and mostly at odds with one another. This has led to an unnecessary gap of confidence in both efforts. We have an opportunity to reverse this division and create integrated policies to pursue both critically important objectives of a steady energy supply and a clean environment.

In the next few days, President Bush will release the administration's new energy policy. This policy will provide a balanced approach to meet the supply and demand imbalance we are now facing in this country. It will reflect our absolute need for a wide and deep energy supply portfolio, including the use of renewable energy and alternative energy sources. It would have been easy to defer this challenge, to delay the tough choices. But that's what got us into this mess. For the last 8 years, this country drifted without an energy policy, and today we are literally paying the price.

Gas prices have hit record levels and are predicted to continue rising. The energy shortages in California will spread to other areas of this country during the hot summer months when the demand for energy will continue to outstrip supply.

Finding solutions to problems requires bold ideas, common sense, imagination and sometimes unpopular choices. President Bush has shown courage and leadership for his willingness to address the problem and develop solutions. As we create a comprehensive and balanced policy to address our energy needs, we need to take into account our environmental priorities, particularly in the area of climate change.

Just one example of where we can do this is nuclear energy production. Like solar and wind power, nuclear power produces no greenhouse gases—zero emissions. It is one of the most cost effective, reliable, available, and efficient forms of energy we have. Vast improvements in technology have made it one of the safest forms of energy production. Having nuclear energy play a vital role in our energy policy will enhance not only our energy supply but our environmental health as well.

President Bush has assembled a cabinet level environmental task force to review climate change. They have been listening to and learning from some of the world's foremost meteorologists, climatologists, physicists, scientists, and environmental experts. The President has said that his administration will offer a science based, realistic, and achievable alternative to the Kyoto protocol.

That is the responsible thing to do. President Bush merely stated the obvious when he declared the Kyoto protocol dead. Although his actions have been criticized, the forthrightness and clarity are refreshing on this issue. The Kyoto protocol would never have been in a position to be ratified by the U.S. Senate. The Clinton-Gore administration knew this as well. That is why they never submitted the treaty to the Senate even for debate and consideration.

Despite the heated rhetoric on this issue from the other side of the Atlantic, no major industrialized nation has ratified the Kyoto protocol. In fact, Australia has said it will follow in rejecting the treaty. There is a reason for that. The Kyoto protocol would not work. It left out 134 nations, some of whom are among the world's largest emitters of greenhouse gases. A treaty claiming to attempt to reduce global emissions of greenhouse gases has no chance of being effective when it exempts some of the largest greenhouse gas emitters in the world—nations like China, India, South Korea, Brazil, and 130 other nations.

My colleague from West Virginia, Senator BYRD, whom I worked with in 1997 on S. Res. 98, addressed this point last week. S. Res. 98, or the Byrd-Hagel resolution, which the Senate agreed to by a vote of 95 to 0, stated that the United States should not agree to any treaty in Kyoto, or thereafter, which would place binding limits on the United States and other industrialized nations unless "the protocol or other agreement also mandates new specificly scheduled commitments to reduce greenhouse gas emissions for Developing County Parties within the same compliance period." As Senator BYRD reiterated last week, developing countries must be included in any international agreement to limit greenhouse gas emissions.

From the moment it was signed, the Kyoto protocol was never a realistic or achievable way to move forward on climate change. In the meantime, we've lost precious time when we could have been exploring achievable and realistic ways to reduce greenhouse gas emissions. We have an opportunity now to discard an unworkable protocol and build a new consensus that will address climate change, and initiate efforts that are realistic and achievable.

The United States is still a party to the Framework Convention on Climate Change (Rio Treaty), which was signed by the United States and ratified by the U.S. Senate in 1992. We should go back to the framework of that treaty, before the Berlin Mandate that excluded developing countries from participation, and lay the groundwork for future international efforts. This gives us a strong base to work from. Many of the discussions during the negotiations for the Kyoto protocol have worked to build consensus on areas that will need to be part of any international initiative—flexible measures to reduce greenhouse gas emissions, the role of carbon sinks, and other areas. We can build on this progress in developing an alternative to Kyoto.

If we are creative and if our partners will work with us in good faith, we can negotiate arrangements that are responsible and proactive. By addressing this issue domestically, the United States can demonstrate our commitment to climate change and show that meeting this challenge can be done in an integrated way that ensures a sound energy supply and economic stability. The world will not be better off if the United States slips into an energy crisis or if our economy falters. Both would set off shock waves that would reverberate around the world. By creating our own integrated policy, we can provide direction for how the world can address the dual challenges of energy and climate change.

Senators MURKOWSKI and BREAUX have introduced a comprehensive energy bill, of which I am an original cosponsor, that will increase our domestic resources, and increase the use of renewable and alternative fuels. In the last Congress, Senators MURKOWSKI, BYRD, CRAIG, and I had legislation that would dramatically increase funding for the research and development of technologies to provide cleaner energy sources, and to incentivize efforts to reduce or sequester greenhouse gases. We are building upon that legislation and will be reintroducing it soon. It will improve our scientific knowledge and lay out positive steps that we can take now to address climate change.

A forward-looking domestic policy will demonstrate our commitment to this important issue, enhance what we genuinely know abut climate change, create more efficient energy sources, include the efforts of our agricultural sector, and have the additional effect of reducing air pollutants.

Mr. President, as I stated earlier, we have an historic opportunity to create policies that will address both our energy and environmental priorities in a way that is not mutually exclusive. Policies that compliment each other and work together. As we enter the 21st century, we face a world that is integrated like never before in history. Just as foreign policy cannot be considered separate from national security or trade policy—energy policy cannot and should not be considered separate from environmental and economic policy. What we do in one policy area has dramatic implications for another—both in our nation, and across the globe. Building sound policies for our future requires that we create integrated policies to address the challenges facing America and the world.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ALLEN). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from West Virginia.

Mr. BYRD. I thank the Chair.

MOTHER'S DAY

Mr. BYRD. Mr. President, this Sunday is Mother's Day. In an annual tribute as old as the holiday itself, all across America, families will demonstrate just how essential mothers are to the smooth functioning of our families. How will they do this? They will serve mother breakfast in bed. Youngsters will rise early and attempt to sneak past their sleeping mother to reach the kitchen undetected. And despite the keenness of a mother's hearing—just ask any teenager who has been caught coming in too late how keen it is—a mother's soft heart will keep her breathing even and her eyes gently shut as this stealth attack on her kitchen is made. Toast will be burnt, eggs—well, they will be runny, coffee may be the consistency of tar, and the flowers freshly plucked from the prized beds outside the window may be presented in a juice glass because no one knows in what dark cupboard mother hides her nice vases.

Why are these mealtime disasters met by smiles and nods of recognition? Simply because mothers do their many jobs so well. Day after day, week after week, month after month, the meals get cooked, the dishes done, the laundry folded, the house cleaned up, in a never-ending routine performed by loving, busy, efficient hands—mother's hands. Despite all the changes in American families, it is still the mother, whether or not she also works outside the home, who does most of the household chores. So, when other family members, particularly the younger ones, attempt to take over mom's role for even one meal, their inexperience shows, highlighting in its comedy mom's effortless mastery of her crowded schedule.

Children who do not attempt to serve mother breakfast in bed may instead make reservations for brunch. That's another Mother's Day tradition. And on this day, long distance telephone circuits will be busier than usual. Florists, too, will be working overtime to deliver flowers, just as the postman will have carried more flowery cards and calorie-laden packages of sweets than bills in the leather bag slung over his shoulder.

Mothers deserve far more recognition and far more applause than can be delivered on just one day. Even women who are not mothers in the traditional sense exercise their inborn mothering skills all around us—the co-worker whose desk serves as the office pharmacy for headaches, colds, and just plain sympathy—these coworkers are mothers. The neighbor who picks up the mail and newspapers when we are out of town, and who we know is watching over our house while we are away, these are mothers, really. The woman who feeds stray animals and birds—those women are mothers. Without them, we could not function and society would fray and tear just a bit more.

Even in a world of automated teller machines and on-line banking, one still needs to know how to multiply and divide in one's head to be sure that the bank has not made a mistake in one's account. One still needs to be able to think, to analyze, to cogitate, to compute. It does not all need to be done in some glitzy new way in order to be effective. There is still a place for the tried and true, even for rote memorization. After all, what child does not learn the alphabet by memorizing the alphabet song? Of course, that simple tune was likely not taught by a teacher in a school but by a mother, perhaps in a nursery, using the same melody line as "Twinkle, Twinkle, Little Star."

All parents are teachers, by deed as well as by example. When a mother and child bake cookies together, that mother effortlessly includes lessons in mathematics, chemistry, and reading, in addition to teaching order and discipline. And what sweeter way to take those lessons than by reading and following a spotted and time-worn family recipe, measuring out a half of a teaspoon of salt or a tablespoon and a half of vanilla, adding ingredients in the proper order and mixing long enough but not too long, then dropping even rows of dough on a baking sheet and waiting for the edges to crisp and turn brown. Taken separately, flour and egg, spices and chocolate, do not look especially mouth-watering, perhaps. But is there anything more sublime than warm chocolate chip cookies still tender from the oven, washed down with a glass of icy cold milk? "Ah, how sweet it is," and Jackie Gleason used to say. Not when you are 10 years old, I suspect. Perhaps not ever. Those are the lessons, and the memories, that mothers give us every day.

We learn life's essential lessons at our mother's side. They may not be life's greatest lessons, yet they may be. They may not be earth shattering new inventions may result, no cosmos-clarifying theorem be inspired—but they are essential nonetheless. When mothers read stories at night, and when they wash grimy hands and smeared faces, when they nag children to pick up their toys and put away the clean laundry, when they scold children for not sharing with a playmate or for perhaps hitting a playmate, they teach more than reading, more than cleanliness, more than tidiness, more than manners: they teach love. They teach respect for themselves, for oneself, and for others. These are lessons that last a lifetime. They are ingrained. They are what we teach our children. They are how we live our lives. Mothers—they are what make society work. Even as adults, in times of trouble, we may seek solace in a prayer learned in the dim bedrooms of an earlier time, when our mother's voice led us in "Now I lay me down to sleep, I pray the Lord my soul to keep."

For all that mothers have to do each day, for all the lessons they teach, setting aside one day each year to honor them is but a small down payment on the debt of love and gratitude that we owe. My own angel mother, having died when I was just a year old, left no memories for me.

But to her, that angel mother whose prayers have followed me in all the days of my years, and to the kind woman, my aunt, who took me to raise as her own, I say on this day: Thank you. Thank you. I know—I know that they hear. They are in heaven today. And to my wife Erma, to whom I shall be married 64 years, 3 weeks from this past Tuesday, she has mothered me, too, my wife Erma, and she has continued my raising since I met her in the schoolyard long ago. To my wife Erma, who raised my two precious daughters to be the strong and resourceful women and mothers that they are, I say a heartfelt, "Thank you!" I have been in good hands, and I am grateful on this Mother's Day and every day. And to all the mothers in America who work so hard each day to keep our lives orderly and well fed, and who remind and nag and scold and coach and encourage and hug and mold their children into happy, loving, responsible people, I say on behalf of all mothers, "Thank you!" "Thank you", mothers.

Mr. President, I would like to close with a poem that I learned a long time ago, and which illustrates nicely that combination of education that mothers provide, both practical and spiritual.

I want to dedicate it to our pages today, these fine young people. They are all juniors in high school. They will be calling their mothers, I will bet.

It is called "A Pinch of This, A Pinch of That."

Have you ever heard that said, "a pinch of this, a pinch of that"?

When Mother used to mix the dough,
Or make a batter long ago;
When I was only table high,
I used to like just standing by
And watching her, for all the while,
She'd sing a little, maybe smile,
And talk to me and tell me—What?

Well, things I never have forgot.
I'd ask her how to make a cake.
"Well, first," she'd say, "Some sugar take
Some butter and an egg or two,
Some flour and milk, you always do,
And then put in, to make it good—"
This part I never understood
And often use to wonder at—
"A pinch of this, a pinch of that."

And then, she'd say, "my little son,
When you grow up, when childhood's done,
And mother may be far away,
Then just remember what I say,
For life's a whole lot like a cake;
Yes, life's a thing you have to make—
Much like a cake, or pie, or bread;
You'll find it so," my Mother said.

I did not understand her then,
But how her words come back again;
Before my eyes my life appears
A life of laughter and of tears,
For both the bitter and the sweet
Have made this life of mine complete—
The things I have, the things I miss,
A pinch of that, a pinch of this.

And, now I think I know the way
To make a life as she would say:
"Put in the wealth to serve your needs,
But don't leave out the lovely deeds;
Put in great things you mean to do,
And don't leave out the good and true.
Put in, whatever you are at,
A pinch of this, a pinch of that."

Mr. President, I yield the floor.

The PRESIDING OFFICER. I thank the Senator from West Virginia for speaking on behalf of all the Senators and all the people in America.

Mr. BYRD. Mr. President, I thank the Chair. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENNETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMERICAN SERVICEMEMBERS' PROTECTION ACT

Mr. HELMS. Mr. President, in rejecting U.S. membership in the U.N. Human Rights Commission, the strongest voice for freedom in the world has been silenced at and by the United Nations.

Clearly, Members of the United Nations are far more comfortable with a definition of human rights which is agreeable to rogue nations like Libya and Sudan. This is precisely the sentiment which created the International Criminal Court. If the signatories to the Rome Treaty proceed to establish a permanent International Criminal Court, we need an insurance policy against politicized prosecution of American soldiers and officials.

This bill is just that protection, and let me be absolutely clear, the Rome Treaty, if sent to the United States Senate for ratification, will be dead on arrival.

Notwithstanding the fact that the Senate will not ratify this treaty, it is, to my knowledge, the first treaty which would be applicable to the U.S. even without the United States consent. This is, to say the least, an appalling breach of American sovereignty and it will not stand.

But, there will be real consequences if the United States remains silent in the face of this outrage. It is easy to imagine the U.S. or Israel becoming a target of a U.N. witch hunt, with officials or soldiers being sent before judges handpicked by undemocratic countries.

I am pleased that the able Senator from Georgia, ZELL MILLER, is joining in the introduction of this bill. It will help President Bush signal that the United Nations will have to go back to the drawing board when dealing with war crimes. If any such treaty creating a war crimes court does not include the opportunity for a U.S. veto, I will make certain that the Senate vetoes the treaty.

GUNS AND SUICIDE

Mr. LEVIN. Mr. President, this week, May 6–12, is National Suicide Prevention Week. Suicide is the eighth leading cause of death in the United States. This devastating tragedy takes the lives of more than 30,000 Americans each year, and brings suffering and loss to the lives of the friends and family who are left behind. Citing suicide as a "national public health problem," the U.S. Surgeon General recently announced a national strategy for suicide prevention. Central to the strategy is promoting awareness of the fact that suicide is, indeed, preventable and that we must all do our part to help end this tragedy.

One of the Surgeon General's main goals for preventing suicide is to reduce access to lethal means of suicide of which guns are the most deadly. I commend the Surgeon General for recognizing the need to address the role that guns play in our Nation's staggering suicide rate. Firearms account for 60 percent of all suicides, making them the most commonly used method of suicide and;

Each year more Americans die in suicides by firearms than in murders by firearms. The national suicide prevention strategy recommends a public campaign to reduce the accessibility of lethal means of suicide, including firearms, and urges the gun industry to improve firearm safety design. These aims are backed by evidence that limiting access to lethal means of suicide and self-harm can be an effective strategy to prevent suicide attempts and other self-destructive behaviors. In fact, studies have shown that there is a separate, additional risk of suicide when there is a handgun in the home. Moreover, limiting access to lethal means of suicide, especially handguns, can reduce the number of suicide attempts that are fatal. While more than 650,000 Americans attempt suicide each year, the chance that the attempt will be fatal increases dramatically in those cases where a handgun is used.

The relationship between handguns and suicide is even stronger among young people. Every 46 minutes a young person in this country kills himself or herself, over 60 percent of the time with a firearm. And these numbers are continuing to increase: the youth suicide rate has nearly tripled since 1952, making suicide the third leading cause of death among young people 15 to 24 years of age. There is no question that the increased access young people have to guns has been a major factor in this rise. In fact, one of the most rapidly rising suicide rates in this country is among young African-American makes, increasing 105 percent between 1980 and 1996, and this rise can be attributed almost entirely to suicides by firearms.

The Surgeon General has stated that "we should make it clear that suicide prevention is everybody's business. I believe the Surgeon General is right. Suicide is a national problem that demands our attention and our commitment. Congress should do its part to help prevent suicide by encouraging the manufacture of safer handguns and by closing the loopholes that allow young people easy access to handguns.

THE MOSCOW HELSINKI GROUP

Mr. CAMPBELL. Mr. President, May 12th marks the twenty-fifth anniversary of the founding of one of the most significant human rights groups of the 20th century, the Moscow Group to Monitor Implementation of the Helsinki Final Act.

On August 1, 1975, the United States, Canada, and thirty-three nations of Europe, including the Soviet Union, signed the Final Act of the Conference on Security and Cooperation in Europe, the Helsinki Final Act. Among the agreement's provisions was a section devoted to respect for human rights and fundamental freedoms.

The Soviet government viewing the document as a great foreign policy victory published the text, in its entirety, in "Pravda," the Communist Party's widely circulated newspaper. That move proved to be decisive for the cause of human rights in the Soviet Union. A small group of human rights activists in Moscow, led by Professor Yuri Orlov, read the Helsinki Accords carefully and decided to take their government at its word.

On May 12, 1976, at a press conference initiated by Dr. Andrei Sakharov, the group announced the creation of the "Moscow Group for Assistance in Implementation of Helsinki Agreements," soon to be known simply as the Moscow Helsinki Group.

Needless to say, the Soviet authorities were not pleased that a group of private citizens would publicize their government's deplorable human rights record. The KGB swept down on the Moscow Helsinki Group and made its work almost impossible. Members were imprisoned, sent to "internal exile," expelled from the country, slandered as foreign agents, and harassed.

Despite considerable hardship and risks, members of the group persisted and their work served to inspire others to speak out in defense of human rights. Soon similar groups sprang up elsewhere in the Soviet Union dedicated to seeking implementation of the Helsinki Final Act. By 1982, the three remaining members at liberty in Moscow were forced to suspect their public activities.

Eventually, domestic and international pressure began to bear fruit and helped usher in dramatic changes under Soviet leader Mikhail Gorbachev. Political prisoners and prisoners of conscience began to be freed and longstanding human rights cases were resolved.

In 1989, the Moscow Helsinki Group was reestablished by former political prisoners and human rights activists. In 1996, President Boris Yeltsin signed a decree formally recognizing the contribution of the Moscow Helsinki Group in the campaign to promote respect for human rights in Russia.

Mr. President, ten years after the fall of the Soviet Union, the Moscow Helsinki Group continues to promote human rights and fundamental freedoms in the Russian Federation. Working with a network of human rights centers throughout the country, the Moscow Group provides a wide range of assistance to Russian citizens and residents seeking information about human rights.

As Chairman of the Commission on Security and Cooperation, I congratulate the Moscow Helsinki Group on its 25th anniversary and wish its members the best in their continued endeavors.

Thank you, Mr. President. I yield the floor.

FREEDOM RIDERS

Mr. DURBIN. Mr. President, today, after the Senate finishes its business for the week, many of us will be returning to our home states. I will be flying to my home state of Illinois. And I can anticipate that the trip, for the most part, will be without incident.

However, this wasn't the case for African Americans 40 years ago. Forty years ago, desegregation laws in bus and train stations, as well as their waiting rooms and restaurants, prohibited African Americans from enjoying the same facilities as their white counterparts. The Supreme Court issued a ruling calling for the desegregation of interstate travel. However, this had to be tested.

The Congress of Racial Equality selected a group of students to make a two week trip through the South in nonviolent protest of racial desegregation laws. Congressman JOHN LEWIS was one of those students who was later joined by Rev. Martin Luther King, Jr. These civil rights activists became known as the Freedom Riders. But unlike the travel we are all used to, their ride was filled with fear and brutality. Prior to embarking on this historic journey, the students were told to make out their last will and testament, just in case. But like most youths, they thought themselves invincible. They had no idea how truly dangerous and bloody their mission would become.

One white rider, Jim Zwerg, who joined the riders because he could no longer stand the injustice, had three of his vertebrae cracked, all of his teeth fractured, his nose broken, and suffered from a concussion. The Klan thought that he and other white Riders were betraying them.

On Mother's Day in Alabama, the young Freedom Riders were greeted by a mob of 200 with stones, baseball bats, lead pipes and chains. One Freedom Rider bus had its tires slashed and was stopped by an angry mob. An incendiary device was thrown inside the bus causing it to fill with smoke. And the angry mob held the door closed so that the Riders would burn inside.

The Riders were saved when the fuel tank exploded causing the mob to back away from the bus and allowing the Riders to escape before the bus was completely engulfed.

The Freedom Riders never made it to their destination of New Orleans. But they achieved their objective. Attorney General Robert Kennedy ordered that the Supreme Court ruling finding segregation in interstate bus and rail travel unconstitutional be enforced.

The Freedom Riders became an inspiration to thousands of Americans to join the cause of tearing down racial inequality. It was a critical moment in the civil rights movement. About 300 protesters had joined the crusade, including our colleague Senator LIEBERMAN. This weekend marks that historic day 40 years ago.

I want to recognize and pay tribute to my colleagues and original Freedom Rider Representative JOHN LEWIS, as well as Senator JOE LIEBERMAN, who also took an active role in the South in the early 1960s volunteering to register African Americans to vote.

But even after 40 years, our nation still confronts racial problems everyday. In cities all across America, we can plainly see evidence of inequality, and injustice.

I am concerned that African Americans represent 12 percent of the U.S. population (some sources reflect 13 percent) and 13 percent of its drug users. Yet African Americans comprise 35 percent of all those arrested for drug possession and 55 percent of those convicted of drug possession. Five times as many whites use drugs as African Americans, but African Americans comprise the greatest majority of drug offenders sent to prison. Race appears to be a clear factor.

Yet, I also believe, there is still hope. I believe that justice can, and will prevail, if we are all diligent in pursuing the goals of peace and respect for each other that the brave men and women of the Freedom Riders set forth for the nation to follow back in 1961.

I am hopeful because we know that our system of criminal justice works. It may not be perfect, but it always strives to do right.

On September 15, 1963, a violent bomb went off in the Sixteenth Street Baptist Church in Birmingham, Alabama, blasting the silent tranquility of that Sunday morning. That devastation also claimed the lives of four young African American girls, Addie Mae Collins, Denise McNair, Carole Robertson, and Cynthia Wesley, who were preparing for a church youth service that day.

Almost 40 years after this brutal hate crime was committed, justice finally prevailed last week when a Birmingham jury convicted Thomas Blanton of plotting the church bombing. During the closing argument, United States Attorney Doug Jones said, “It's never too late for the truth to be told. It's never too late for wounds to heal. It's never too late for a man to be held accountable for his crimes.”

That's right. It is never too late to pursue justice in the face of injustice. And it is never too late to thank the Freedom Riders and all the other civil rights activists of the 1960s for their courage in standing up for justice.

DEMOCRACY UNDER SIEGE IN BELARUS

Mr. CAMPBELL. Mr. President, I wish to update my Senate colleagues on developments in Belarus in my capacity as Chairman of the Commission on Security and Cooperation in Europe, the Helsinki Commission. The Commission continues to pay close attention to events in Belarus especially as they impact democracy, human rights and the rule of law.

May 7 marked the second anniversary of the disappearance of Yuri Zakharenka, the former Belarusian Minister of Internal Affairs. In 1999, General Zakharenka, who had been critical of Belarusian leader Alexander Lukashenka and had attempted to form a union of officers to support democracy, was put in a car by unidentified men and taken away. He has not been heard from since. His fate is probably similar to other prominent Belarusian opposition figures who have disappeared over the last few years, notably Victor Hanchar, Antaloy Krasovsky and Dmitry Zavadsky. The Belarusian authorities have had no success in investigating these disappearances; indeed, there are indications that the regime of Alexander Lukashenka may have been involved. Opinion polls in Belarus have shown that a clear majority of those who are aware of the disappearances believe that they are the work of the Lukashenka regime.

These disappearances embody the climate of disregard for human rights and democracy that has persisted since the election of Mr. Lukashenka in 1994. That disregard has intensified following his unconstitutional power grab in November 1996.

Presidential elections are planned for later this year. Unfortunately, recent developments in Belarus do not inspire confidence that these elections will meet OSCE standards for free and democratic elections. Despite commitments made to the OSCE, Belarusian authorities continue to unlawfully restrict freedom of assembly and to beat and detain participants in peaceful demonstrations, as illustrated by the April 21 protest by youth activists. On April 27, Valery Shchukin, deputy of the disbanded Belarusian parliament, received a three month sentence for the dubious charge of “malicious hooliganism.” And on May 7, police arrested opposition activists who marked the anniversary of Yuri Zakharenka's disappearance. The activists held placards reading: “Where is Zakharanka?”; “Who's Next?”; and “Where are the Disappeared People—Zakharanka, Hanchar, Krasousky, Zavadsky?”

Lukashenka continues his harsh assault on OSCE's efforts to develop democracy, characterizing domestic elections observers supported by the OSCE Advisory and Monitoring Group (AMG) as “an army of bandits and collaborationists.” This is only the last in a series of incredible accusations against the international community, including far-fetched allegations that $500 million had been earmarked in support of the opposition candidates. On April 25, the OSCE Representative on Freedom of the Media Friemut Duve canceled his visit to Belarus to protest the denial of a visa to his senior advisor, a U.S. diplomat Diana Moxhay who had earlier served at the U.S. Embassy in Miensk. The visit was to have examined the difficult media environment in Belarus, especially in light of the forthcoming presidential elections.

I continue to have grave concerns that Presidential Directive No. 8, which imposes restrictions on assistance from abroad offered to NGOs for democracy building and human rights including election monitoring, could be used to block NGO activities and important OSCE AMGroup projects in Belarus.

These and numerous other recent occurrences call into question the Belarusian government's willingness to comply with freely undertaken OSCE commitments and raise doubts as to whether the Lukashenka regime intends to conduct the upcoming elections in a manner consistent with international standards.

As Chairman of the Helsinki Commission, I call upon the Belarusian authorities to conduct a real and public investigation of the disappearances. Furthermore, I urge the Belarusian Government to take the steps necessary in order for the presidential elections to be recognized as free and democratic as outlined by the March 7 Final Statement of the Parliamentary Troika. These are: transparency and democracy in the preparation and implementation of the elections, in particular the process of registration of the candidates, the composition of electoral commissions and counting of votes; equal access for all candidates to the mass media; refraining from harassment of candidates, their families and supporters; and freedom in carrying out their work for all those engaged in domestic election observation.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY last month. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society

I would like to detail a heinous crime that occurred September 22, 2000 in Roanoke, VA. Ronald Edward Gay, 53, allegedly walked into the Backstreet Café and opened fire on patrons, killing one person and wounding six others. Gay told police that he shot seven people in a gay bar because he was angry about jokes people made about his last name. Gay has been charged with first-degree murder in the death of Danny Lee Overstreet. Police have said that Gay admits shooting people "to get rid of, in his term, 'faggots,' saying that Gay was upset over the fact that people made fun of his last name."

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe by passing this legislation we can change hearts and minds as well.

SUPPORT FOR PUBLIC POWER

Mr. JOHNSON. Mr. President, on April 24, 2001, I voted to report S. 206, legislation which would repeal the Public Utility Holding Company Act, out of the Senate Banking Committee. I did so with strong reservations. I have been one of the strongest supporters of public power during my service in Congress. Public power has been extremely beneficial for my State. Without the initiative and determination of the municipal utilities and the rural cooperatives in the early part of this century. South Dakota and the neighboring states would not have received electricity as soon as they did. Since then, these entities have provided South Dakota with reliable electricity and energy services.

In addition, I have had a long record of support for public power. This includes authoring an amendment during committee consideration in the House of Representatives that helped stop the sale of the public power administrations that House Republicans attempted to sell in 1995. Moreover, I have worked closely with the rural electric coops, municipal owned utilities and rural telephone coops on a number of issues. Recently, I was graciously given an award from the South Dakota Rural Electric Cooperatives and the Congressional Leadership Award from the National Telephone Cooperative Association in recognition of the work we have done together.

I have concerns about S. 206 and am not committed to voting for it on the floor. I believe that more needs to be done to ensure that sustainable, competitive markets are in place that will keep prices affordable and that will discourage undue concentration. I pledge to work with all parties on this effort so that any legislation that is considered will be fair to public power and its concerns.

CONGRATULATIONS TO THE RUSSIAN JEWISH CONGRESS

Mr. SMITH of Oregon. Mr. President, I rise today to congratulate the Russian Jewish Congress for laying the cornerstone of the Archipova street Community Center near the Moscow Choral synagogue. I think it is also important to thank the Chief Rabbi of Moscow, Rabbi Pinchas Goldschmidt, the spiritual guide of the Russian Jewish Congress, for the restoration of the Choral Synagogue dome which was destroyed under an anti-Semitic decree of the pre-revolutionary Moscow government.

The Russian Jewish Congress was established in January 1996. In the years since then it has been a stalwart combatant of racism and anti-Semitism in Russia establishing 50 branch offices throughout the Federation. In 1998 the Congress completed the Holocaust Memorial Complex on Poklonnaya Gora in Moscow, the first Holocaust museum in Russia. In addition the Russian Jewish Congress arranged for the restitution of funds disbursed to Holocaust survivors in Russia to be tax exempt.

Finally, I would like to note the work of Mr. Yuri Luzhkov, Mayor of Moscow, for his initiative to restore the Choral Synagogue and the surrounding area, including erecting a replica of Jerusalem's Wailing Wall, symbolizing the suffering of the past as well as the hope for the future of Russian Jewry. I congratulate all of you for your dedication and hard work on behalf of the Jewish Community in Russia.

WAGRO ANNUAL TRIBUTE TO THE MARTYRS OF THE WARSAW GHETTO

Mrs. CLINTON. Mr. President, on April 22, 2001 I delivered a statement before the Warsaw Ghetto Resistance Organization's, WAGRO, Annual Tribute to the Martyrs of the Warsaw Ghetto, at Temple Emanuel in New York City. I ask unanimous consent that my remarks be printed in the RECORD along with the statement delivered on the same day by Mr. Benjamin Mead, President of the Warsaw Ghetto Resistance Organization, WAGRO.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Mrs. CLINTON. Good afternoon.

It's an honor for me to be here as your Senator, but more than that, as a fellow human being who is called upon to remember. I am also pleased to be here with the Governor, the Mayor, and my friend and partner, Senator Schumer.

I would only add to the strong words that Senator Schumer has just expressed, for most of us, if not all of us. That in addition to the Jewish people and the people of Israel, protecting themselves, the government and the people of the United States must stand with the government and people of Israel in that endeavor. And we will reassert as strongly as possible the need for our government to do that in every way necessary.

What brings us here today as we commemorate the six million Jewish martyrs and the 58th Anniversary of the Warsaw Ghetto Uprising, is not to relive the pain for those of us who can't possibly imagine. But to honor and respect the survivors and to join together in pledging that the sacrifice and the spirit was never extinguished, never given in vain.

I remember being in Warsaw with Ben and Vladka and looking at some of the same places that he referred to, that he saw with horror as a young man, as the Warsaw Ghetto was burned. And as we remember Warsaw and as we do again today in New York. Those young people, primarily young people, who struggled, who understood the central mission of their fight: to live with honor.

And what a struggle and what fighters and what an army they were. The Warsaw Ghetto fighters constituted an army of hope. These young soldiers, who smuggled arms, created bunkers, established a system of intelligence and organized their community, they transformed a ghetto, which the Nazis had established as a mere way station to the death camps, into a battlefield.

The Warsaw Ghetto fighters turned their vulnerability and disadvantage, into an espirit de corps that shocked their enemy. Let us not forget, it took the Nazi troops longer to put down the ghetto revolt than it took to conquer all of Poland.

When I read about or think back or when Ben or Vladka or others tell me of the first hand experience of what those days were like, I imagine the months of organizing and smuggling and hiding, that made that uprising possible. I imagine as though it were a ray of light penetrating the walls of the ghetto. The constant renaissance of spirit and courage that took place under the worst of all possible conditions.

And I especially felt that, Vladka, after reading your poignant account of the resistance. I commend that to you, as I do the real life experiences and remembrances that we should be passing on and teaching to our children.

Vladka describes the feeling of standing on the brink of an abyss. She conveys the sense of despair that pervades the emptied, ravaged ghetto. She recalls that, "All roads in the ghetto seemed to lead to Treblinka; there was no escape."

And yet at the moment when all seemed lost, something changes. And she tells the story of the resistance and describes the hidden hope and the gathering storm of courage brewing beneath the ruins. She eloquently writes, "A spark had been smoldering . . . in the ghetto. Now it began to glow, slowly, tentatively at first, then ever more fiercely."

As I watched the women climb the steps to light the candles, I thought about that flame. I thought about the flame of determination and yes, even triumph. That flame that today stands as the greatest rebuke, not only to the Nazis, but anti-Semites and evildoers everywhere. That flame did keep hope and courage alive and with it, the will to live.

One of my favorite biblical passages comes from the book of Deuteronomy. God has gathered his people together to explain their obligations to him and to each other. And He tells them, "Before you I have placed life and death, the blessing and the curse. You must choose life, so that you and your descendants will survive." Even in the darkest hours of the Holocaust, in the death camps and certainly, in the Warsaw Ghetto that is the choice the martyrs, heroes and survivors made. They chose life.

And we today, in some small and totally inadequate way, not only remember them, but come to thank them for reminding us that we must always choose life as well.

Thank you and God bless you.

FROM REMEMBRANCE MUST COME TRUTH AND UNDERSTANDING

Mr. MEAD: This week, as Jews come together to remember, from Jerusalem to Buenos Aires from New York to London, Paris, Toronto, we find ourselves asking the same painful and unanswered questions which have tormented us for the past years: How could the nearly total destruction of European Jewry have happened? How could the world have stood by silently?

Why were we left so alone and abandoned?

Language does not exist to describe what our people endured in those years. We tremble to think what could happen if we allow a new generation to arise, ignorant of the tragedy which is still shaping the future.

The dread we have carried in ourselves from the Holocaust has just been aroused again with the publication of shocking details about the atrocious murder of the 1600 Jews in Jedwabne, Poland.

On a single day in July, 1941, a German mobile killing unit had arrived to "cleanse" the town of the Jews who made up half of its population. But their "Neighbors" decided to take the genocide into their own hands. They went on a murderous rampage, killing Jews in the streets. Then they rounded up a thousand more Jews and burned them alive in a barn. Of the town's Jewish population, only seven people survived who were in hiding.

The people who murdered those Jews were not strangers. They were not members of an elite political party committed to racial genocide. Nor were they soldiers taking orders. They were their neighbors.

We have good reason to fear that there are many more Jedwabne's which have yet to come to light. We are here to remember each community of Jews, which was destroyed.

We must also remember that there were righteous gentiles among the Polish population, and throughout Europe, who risked and even sacrificed their lives to protect Jews. I would not be here myself if it had not been for some of those courageous and heroic people. But how few they were.

The realization that so many participated and collaborated with our enemy in the nearly total destruction of European Jewry reminds us that the impossible is possible—that the unthinkable can happen. So many stood silently by and watched as the horrors took place before their eyes, so many blinded themselves from recognizing the barbarity of what they saw, and were deaf to our cries for help.

Fifty-eight years ago, during the Warsaw Ghetto uprising, I stood in Krasinski Square outside a Catholic church which faced the ghetto wall, a young Jewish boy posing as a gentile. The air throbbed with the blasts of German artillery bombardment. A carousel turned, music blared, and children and their parents rode as I watched the horrifying sight of the ghetto burning. Its houses were in flames, and its remaining inhabitants jumping out of windows. I could not believe that the people around me actually rejoiced and reveled, declaring, "the Jews are frying!"

It is not for us to grant forgiveness for the crimes of the Holocaust. That can come only from the victims. We cannot forget the Nazis Germans who ordered the "Final Solution." Nor can we forget either the "willing executioners" who participated in the systematic genocide, or the by-standers.

We are learning and documenting how hatred and greed motivated and aided in the destruction of our people. Germany and individuals throughout Europe profited by using Jewish slave labor for military purposes, and for the production of consumer goods for their home front as well.

Last Thursday, the State of Israel observed Yom Ha Shoah—everything came to a standstill. Today we stand in resolute solidarity with our brothers and sisters in Israel, where a large community of Holocaust survivors resides, where Arab violence must come to an end, and where both Jews and Arabs must forge a common peaceful destiny. After the Holocaust, we survivors chose life, not hatred; we chose to struggle for understanding rather than to take revenge. We continue to build new families, new generations. We must do all that is possible to ensure that those who follow us will not face evil, ruthless destruction, as was visited upon us. Thus, we remember the past for the sake of our future.

Now, more than at any other time in history, the world's wellbeing depends upon the awareness of humankind's interlocking fate. We Holocaust survivors, for whom there were so many enemies and so few rescuers, are determined to extend our commitment to remembrance, education and documentation by bearing witness to what we experienced as fully as we can.

We now stand at a half-century's distance from the events which shaped our lives and reshaped history. We look back and remember. Our memory is a warning, for all people and all time.

Let us remember!

NOMINATION OF JOHN P. WALTERS

Mr. McCAIN. Mr. President, I am pleased to announce my strong support for President Bush's selection of John P. Walters as the next Director of the Office of National Drug Control Policy.

John will bring two decades of drug policy experience in the non-profit sector and in government to his mission as the nation's drug czar. His passionate commitment to improving the quality of our society by decreasing drug use through effective drug education, treatment, and interdiction programs has already touched the lives of many Americans. I trust that the Bush Administration will give him the resources and authority his position requires as a sign of its determination to cut drug use in America and provide the moral leadership essential to this task.

Many of John's advocates will note his impressive record of public service in the fields of drug interdiction, treatment, and education. John distinguished himself during the first Bush Administration as Deputy Director for Supply Reduction, Chief of Staff and National Security Director, and Acting Director of the Office of National Drug Control Policy. During the Administration of President Reagan, John served as Chief of Staff and Counselor to the Secretary of Education, as well as Assistant to the Secretary, the Secretary's Representative to the National Drug Policy Board, and the Secretary's Representative to the Domestic Policy Council's Health Policy Working Group.

But John's work outside of government is equally admirable. John is currently serving as President of the Philanthropy Roundtable, a national association of charitable donors who are doing great work in our communities. He was previously President of the New Citizenship Project, an organization created to promote greater civic participation in our national life. John also served on the Council on Crime in America, a bipartisan commission on violent crime co-chaired by former Drug Czar Bill Bennett and former Attorney General Griffin Bell.

In 1988, John created the Madison Center, a non-profit organization dedicated to early childhood education and drug abuse prevention. From 1982 to 1985, he served as Acting Assistant Director and Program Officer in the Division of Education Programs at the National Endowment of the Humanities.

I am confident John will bring strong leadership to our efforts to cut drug use. Not so long ago, Nancy Reagan taught our young people to "Just Say No" to drugs. That was just one demonstration of committed leadership at the national level. What Nancy Reagan started was followed up by engaged national leadership, including Drug Czar Bill Bennett, who used the bully pulpit to change attitudes, and in the process helped rescue much of a generation. Drug use declined by more than a third in the wake of the Reagan-Bush effort, and teen drug use, the pipeline to future addiction, dropped even faster.

In fact, drug use in America has declined by 45 percent since 1985. Drug prevention, education, and interdiction can make a tangible difference in the supply and use of drugs in this country. Moral leadership is critical. Unfortunately, the overall decline in drug use obscures a rise in drug consumption of 15 percent during the last seven years and a near doubling of teen drug use over the past 8 years.

John Walters' emphasis on targeting both drug supply and demand through effective drug treatment programs, and his laudable call for cultural leadership in fending off illegal narcotics' assault on our blessed youth, will help reverse years of drift in our counter-drug policies. I hope he can also play a useful role in refining our drug interdiction strategy in the Andean region and reforming a drug certification law that does more to hinder than help our drug reduction efforts overseas. I look forward to John's leadership on these issues, backed by the personal support of the President, and commend his speedy confirmation to my colleagues.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, May 9, 2001, the Federal debt stood at $5,643,268,010,418.43, five trillion, six hundred forty-three billion, two hundred sixty-eight million, ten thousand, four hundred eighteen dollars and forty-three cents.

One year ago, May 9, 2000, the Federal debt stood at $5,662,963,000,000, five trillion, six hundred sixty-two billion, nine hundred sixty-three million.

Five years ago, May 9, 1996, the Federal debt stood at $5,088,829,000,000, five trillion, eighty-eight billion, eight hundred twenty-nine million.

Ten years ago, May 9, 1991, the Federal debt stood at $3,435,605,000,000, three trillion, four hundred thirty-five billion, six hundred five million.

Fifteen years ago, May 9, 1986, the Federal debt stood at $2,012,034,000,000, two trillion, twelve billion, thirty-four million, which reflects a debt increase of more than $3.5 trillion, $3,631,234,010,418.43, three trillion, six hundred thirty-one billion, two hundred thirty-four million, ten thousand, four hundred eighteen dollars and forty-three cents during the past 15 years.

ADDITIONAL STATEMENTS

MAUPIN RECEIVES PATRICK HENRY AWARD

• Mr. HOLLINGS. Mr. President, The Wilson Center for Leadership in the Public Interest at Hampden-Sydney College in Virginia annually presents the Patrick Henry Award to alumni whose lives have been distinguished by dedication to public service. I'm proud to congratulate Colonel Joe Maupin, U.S. Army retired and my Lowcountry Representative in Charleston, SC, who is among the three who will be receiving the 2001 Patrick Henry Award this evening.

Some of my colleagues may remember Colonel Maupin from his time as Chief of Army Liaison here in the Senate, his last assignment before retiring from the Army after 22 years of service. During those 22 years, Joe attended Officer Candidate School, commanded several Field Artillery Batteries, was selected as a Major for Battalion Command and was inducted into the Field Artillery Hall of Fame. I am fortunate to have benefitted from Joe Maupin's dedication to public service, his willingness to get the job done, his ability to relate to people from all walks of life, his sense of humor, and, most of all, his friendship. I can think of no one more deserving of the Patrick Henry Award than Joe Maupin. My heartfelt congratulations go out to him and to his wonderful wife, Shirley, who made it possible for him to pursue not one, but two careers in public service.•

IN REMEMBRANCE OF STEPHEN GREEN

• Mrs. BOXER. Mr. President, earlier this week, this country suffered a tremendous loss with the passing of Steve Green.

Steve was a veteran reporter and editorial columnist and a very dear person. He worked as a journalist for forty years, covering issues ranging from Congress to national security to social policy.

I got to know Steve as he kept a watchful eye on Congress for the Copley News Service and the San Diego Union-Tribune. He had a quick wit, a keen intellect and a great nose for a story. Above all, he was scrupulously fair in his reporting. And he believed that as a journalist it was his role in life to help this country realize its tremendous potential. How very blessed we are that Stephen used his talent with words and his insight to make us a better, more informed people.

With a wink Steve could puncture the biggest ego. He had the uncanny ability to be skeptical without being cynical. He cared for the people he covered without coddling them. He followed serious issues without losing his sense of humor.

Let me read from an article filed by Steve's colleague and Copley News veteran reporter Findlay Lewis:

> Mr. Green's 40-year newspaper career embraced a range of interests and assignments, including a political column that was syndicated around the country. In recent years, his reporting focused on Congress, national security issues and social welfare policy. His work in these and other areas earned him a reputation as a quick study and an incisive writer, who could quickly penetrate to the heart of complex issues.
>
> "Steve Green was a colleague I admired greatly," said Herbert G. Klein, editor in chief of Copley Newspapers. "He thrived on professionalism, which leaves a great legacy for all to follow. He was a man of enormous courage."
>
> A native of Malden, Mass., he graduated from Boston's Northeastern University, where he began his newspaper career. While pursuing his undergraduate degree, Mr. Green filed stories for the wire services and several Boston dailies, and also served as editor of the college newspaper.
>
> Former colleagues at the [Washington] Star describe Mr. Green in those years as a tireless reporter, who never allowed himself to be beaten on a story by rivals from the larger and better-staffed Washington Post.
>
> "He had a knack for getting scoops," recalled Barbara Cochran, one of his editors at the time and president of the Radio-Television News Directors Association. "When he had a good story going he would get this grin on his face—when he felt he had the goods."
>
> His tenure at the [Washington] Post was followed by an editing stint at the Miami News before arriving at The San Diego Union in 1979 as state and politics editor. In the latter capacity, Mr. Green directed the Union's coverage of the 1980 presidential election and of the state political campaigns two years later.
>
> In 1983, Mr. Green joined the Union's editorial board before returning to Washington in January 1984 to fill the newly created position of managing editor in the Washington Bureau of the Copley News Service.
>
> Considered a shrewd student of American politics and foreign affairs by his peers, Mr. Green pursued those interests in a column syndicated by the news service and given frequent prominent display by The Washington Times on its op-ed page.
>
> By the early 1990s, Mr. Green had returned to reporting, providing coverage of Congress, a beat that he knew well from his duty with Washington newspapers. He wrote in depth about the financing problems likely to confront the nation's social welfare programs, such as Social Security and Medicare, and also played a role in the bureau's coverage of President Clinton's impeachment crisis in the Congress. He later took over the Pentagon beat before falling ill.
>
> Survivors include his wife, Ginny Durrin of Washington, a film maker; two daughters from his first marriage—Jennifer Green of San Jose, and Alison Green of Arlington, Va.; brother, Edward Green of Rockville, Md.; sister, Judy Schoen of Lawrenceville, N.J.; and a granddaughter also survive him.

Steve Green was a wonderful man, a wonderful journalist and anyone who knew him will miss him deeply.•

CONGRATULATIONS TO MIKE MILLER

• Mr. JOHNSON. Mr. President I rise today to congratulate Mike Miller from Mitchell, SD. Mike, a starting small forward for the Orlando Magic, has been selected as the National Basketball Association, NBA, Rookie of the Year. As the fifth overall draft pick from the University of Florida, he averaged 11.9 points, 4.0 rebounds and 1.7 assists this year. Mike scored in double figures 51 times this year and scored a season-high 28 points against the Milwaukee Bucks on March 23. Although those statistics are very impressive, perhaps the most impressive part of Mike's rookie season was the leadership role Mike had to assume with the injury to his teammate Grant Hill. He responded to the challenge of filling the shoes of a perennial NBA all-star and he came to be a trusted go-to, clutch player. Of course he showed this type of poise when he made the game winning shot against Butler in last year's NCAA tournament.

By winning this award, Mike has joined the ranks of the very best to ever play basketball. Wilt Chamberlain, Oscar Robertson, Michael Jordan and Shaquille O'Neal are just a few of the basketball luminaries who Mike joins as winners of this award. Those in South Dakota knew that Mike was destined for great things. As a three-time all-state selection and a two time state champion in South Dakota, Miller has showcased his abilities for many years. As a father of three children I know how proud Tom and Sheryl Miller must feel today. I join the rest of the State of South Dakota in congratulating Mike on his remarkable accomplishment and look forward to cheering him on as his career moves forward.●

TRIBUTE TO THE REVEREND LEON H. SULLIVAN

● Mr. FEINGOLD. Mr. President, I rise today to remember the The Reverend Leon Sullivan, a civil rights leader who spent his life breaking down the barriers of racial prejudice, and building in their place a more just world for all of us. Among his many accomplishments, Reverend Sullivan crafted the famous Sullivan Principles, which helped to topple Apartheid in South Africa, and he founded Opportunities Investment Centers, OICs, which have brought new hope and new job skills to the lives of people in my state of Wisconsin, and around the world.

With everything he did, Reverend Sullivan was both an idealist and a pragmatist. He righted the wrong of prejudice not just by calling for change, but by charting the course by which that change could occur. Leon Sullivan was born in West Virginia in 1922, where his quest for racial justice began in early childhood. He desegregated a restaurant in his hometown at the age of ten, and worked his way through graduate school as the first African-American coin-box collector for the Bell Telephone Company. Later, as pastor of the Zion Baptist Church in Philadelphia, he and other African-American pastors started the highly successful Selective Patronage Program, which boycotted businesses that refused to hire minorities.

Then, in 1964, Reverend Sullivan, as always, saw hope and possibility in an unlikely. place: an old jailhouse in Philadelphia. In his eyes, the structure could be remade into a center for helping the unemployed reach their full potential. And so it was, through his characteristic hard work and determination. By 1969 about 20,000 minority workers were enrolled in OICs around the country. The OIC in Milwaukee, where I first had the honor of meeting Reverend Sullivan, is the world's largest OIC affiliate, and has helped thousands of people in that community achieve economic independence. The Opportunities Investment Center of Greater Milwaukee is a leader, not only in Milwaukee, but also nationally, in the provision of local employment, training and community development services. The University of Wisconsin-Milwaukee established the Sullivan Professorship in 1979 to strengthen the ties between the university and the inner city.

OICs are now located in South America, England, Poland and throughout Africa. In the creation of the OIC, and in his myriad other endeavors, Leon Sullivan was often in the forefront of social change. His name is also well known for the creation, in 1976, of the "Sullivan Principles," which outlined a code of conduct by which U.S. corporations operating in apartheid-era South Africa could voluntarily choose to abide.

As disinvestment pressures on U.S. companies increased, the Sullivan Principles helped push companies to support education and community development projects outside the workplace that could help improve the quality of life for black South Africans.

Reverend Sullivan's legacy lives on in so many ways. In South Africa, thanks to the Sullivan Principles, U.S. companies operating in South Africa still make it a priority to devote significant resources to philanthropic programs, including job training and efforts to create partnerships with black-owned businesses. In Milwaukee, the OIC has succeeded because Reverend Sullivan believed that by empowering people with new skills, he could change lives, and change the world.

And he did change the world, from an old jailhouse in Philadelphia, to a Saturday school in Johannesburg, to the Opportunities Investment Center in Milwaukee. Leon Sullivan made enormous contributions—to local communities throughout the United States, and to our global community as well. We remember him today as a great leader who believed in a more just world, and set out to build it. We are grateful that he did.●

TRIBUTE TO BOTTOMLINE TECHNOLOGIES

● Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Bottomline Technologies of Portsmouth, New Hampshire, for the honor of being named the 2001 Business of the Year by Business NH Magazine.

Bottomline Technologies is a Portsmouth-based firm that has become a global leader in business-to-business Internet-based transactional processing. The company was founded by Dan McGurl, recipient of the 1998 Entrepreneur of the Year Award from the New Hampshire High Technology Council, and Jim Loomis 12 years ago.

Bottomline is the creator of the LaserCheck system which allows businesses to streamline the payment of paper checks. More than 5,500 client companies throughout the world utilize Bottomline's software solutions.

The company has earned recognition from Inc. Magazine being named as one of the fastest growing private companies. It was also named as one of the fastest high technology companies by Deloitte & Touche and Hale and Dorr.

Bottomline was recognized with the 2000 United Way Special Achievement Award for achieving 119 percent of its contribution goal that year.

Bottomline Technologies has been a leader in the high technology sector of the New Hampshire business community and a good neighbor to civic organizations. I commend them for their dedicated service to the citizens of New Hampshire. It is an honor and a privilege to represent them in the U.S. Senate.●

TRIBUTE TO NORTHEAST DELTA DENTAL

● Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Northeast Delta Dental of Concord, New Hampshire, for the honor of being named 2001 Business of the Year by Business NH Magazine.

Northeast Delta Dental, a New Hampshire-based company, is a leader in their industry for customer and community service. Teamwork is the key to the success of Northeast Delta Dental where employees strive to work together with shared responsibility and accountability. The values of the company are substantiated by the company's Guarantee of Service Excellence program which promises customers exceptional service.

Northeast Delta Dental is also committed to leadership and contribution within the local community. As a generous corporate neighbor they have made donations to programs such as: the New Hampshire Symphony Orchestra, a soccer field on-site for area youth, and grants to New Hampshire dental clinics which serve underprivileged citizens.

Northeast Delta Dental and CEO Thomas Raffio are an asset to the communities of New Hampshire. I commend them for their outstanding contribution to the citizens of our state. It is an honor and a privilege to represent them in the U.S. Senate.●

TRIBUTE TO REVEREND MARK HURLEY

● Mr. SMITH of New Hampshire. Mr President, I rise today to pay tribute to the Reverend Mark J. Hurley, the former bishop of the Catholic Diocese of Santa Rosa, California. Bishop Hurley passed away on Monday February 5, 2001, after undergoing surgery for an aneurysm. Mark Hurley was one of two priests born to a proud Irish Catholic family. His brother, Francis Hurley, is the Archbishop of Anchorage, Alaska.

I had the great fortune to make the acquaintance of Mark Hurley several years ago while traveling in California. He was a deeply religious man, as you would expect, and a very learned individual and the author of several books. He lectured about the tragedy of abortion and wrote extensively about medical and genetic research and individual privacy. But he will be remembered most of all for his extraordinary work as the bishop of the six-county North Coast diocese from 1969–1986.

Pope Paul VI appointed Mark Hurley second bishop of the Santa Rosa diocese in 1969. Prior to his appointment, he was a teacher and administrator for Catholic high schools in San Francisco, Marin and Oakland and served as vicar general of the Archdiocese of San Francisco. He would become Santa Rosa's longest-serving bishop since the diocese was created. Most importantly, Bishop Hurley was credited with saving the diocese from financial ruin. When he took office the diocese was over $12 million in debt, including $7 million owed to parishes and other organizations within the diocese. By imposing strict spending limits, a building moratorium and other cutbacks he was able to orchestrate the financial recovery that was so desperately needed.

After his tenure, Pope John Paul II rewarded Revernd Hurley's efforts by transferring him to the Vatican where he was consular to the Sacred Congregation for Catholic Education and a member of the Secretariat for Non-Believers. He returned to the United States and retired in San Francisco—the same city in which he was born on December 13, 1919.

He was acknowledged by many as an intellectual and a world leader on religious matters, but it was his successful tenure as bishop of Santa Rosa for which he will be remembered most. Santa Rosa's current bishop, Daniel Walsh, said of Mark Hurley, "I believe his most esteemed role and responsibility was that of Bishop of Santa Rosa. He labored here from November 1969 to April 1986. He made a great impact on the diocese and we are all beneficiaries of his ministry here."

Mr. President, with the death of Bishop Hurley the Lord has lost a dutiful servant, the Catholic faith has lost a pillar of virtue and our nation has lost a loving soul that quietly touched and improved the lives of many. Mr. President, I know I speak for all my colleagues in extending our condolences to his brother, Bishop Francis Hurley, his sister Phyllis Porter of San Francisco and to the rest of his family and friends. May he rest in peace.•

TRIBUTE TO CONCORD HOSPITAL

• Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Concord Hospital of Concord, New Hampshire, for the honor of being named the 2001 Business of the Year by Business NH Magazine.

Concord Hospital serves the citizens of the local community with a state of the art technology facility and staff. The hospital is the only one in the Granite State to provide computers at patients' bedsides to permit charting of medical information and data and to track patient charges for supplies and medical procedures.

The Concord Hospital continues to keep abreast of the changing technologies within the industry by becoming the first cardiac catheterization laboratory in our state to use digital equipment for patient procedures. It also uses the only FDA approved computer-aided detection systems for breast cancer.

The Hospital has paid 132 of its employees to participate in community committees and projects. It has also provided cash donations to other organizations and has created a database of health and human service providers and services for New Hampshire Helpline information service.

The Concord Hospital is a good neighbor to the citizens of Concord and our state. I commend them for their dedication and service to the health care community in New Hampshire. It is an honor and a privilege to represent them in the U.S. Senate.•

TRIBUTE TO THE COMMON MAN FAMILY OF RESTAURANTS

• Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to the Common Man Family of Restaurants of Ashland, Concord, Lincoln, Windham, Meredith and Tilton, New Hampshire, on being named the 2001 Business of the Year by Business NH Magazine.

The Common Man Family Restaurants and owner, Alex Ray, operate nine restaurants throughout the Granite State and employ more than 400 people. Alex was the recipient of the New Hampshire Lodging and Restaurant Associations' "Restauranteur of the Year" in 1996.

The company is a strong supporter of community and national charitable organizations. For the past 10 years, The Common Man Family of Restaurants has donated more than $300,000 to Easter Seals and was recognized nationally for organizing and hosting the most successful fund-raiser for the March of Dimes in New Hampshire, raising more than $40,000. They also offer scholarships to Plymouth Regional High School students who are interested in pursuing a career in the culinary arts.

The Common Man Family of Restaurants also participated in the Smithsonian Folklife Festival by preparing traditional New Hampshire cuisine for over 50,000 people during the 10-day event. I personally had the opportunity to sample their delicious wares.

Alex Ray and The Common Man Family of Restaurants have been an asset to the citizens of New Hampshire. I commend them for their service and dedication to the people and communities of our state. It is an honor and a privilege to represent them in the U.S. Senate.•

TRIBUTE TO CONCORD COMMUNITY MUSIC SCHOOL

• Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to the Concord Community Music School of Concord, New Hampshire, for the honor of being named the 2001 Business of the Year by Business NH Magazine.

New Hampshire's largest and oldest community music school, Concord Community Music School is celebrating its 17th anniversary this year. The primary mission of the school is to provide access to music for all people of New Hampshire while having the best resources available.

Concord Community Music School has touched the lives of many Granite State citizens. In 2000, over 43,000 people received 80,100 musical services thanks to the school. The school also provides weekly lessons and classes at the facility and provides performances at public events.

Concord Community Music School generously reaches out to area citizens with its Music in the Community Initiative. The program is a partnership with area schools, human service agencies and hospitals in New Hampshire which provides music and lessons to at-risk students, disabled people, senior citizens and pre-schoolers from low income families.

Concord Community Music School has been a dedicated and caring neighbor to the citizens of New Hampshire. I commend them for their contributions to the cultural, educational and economic communities of our state. It is an honor and a privilege to represent them in the U.S. Senate.•

TRIBUTE TO NIXON PEABODY LLP

• Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Nixon Peabody LLP of Manchester, New Hampshire, for the honor of being named the 2001 Business of the Year by Business NH Magazine.

The New Hampshire office of Nixon Peabody LLP was established in 1992, and is one of the top 50 law firms in the United States with 11 East Coast offices, including 20 in the Granite State.

The firm has been instrumental in New Hampshire's premier business deals and has established itself in our state by assuming the role of a strong corporate citizen.

Active within the Manchester community, staff members from Nixon Peabody serve on several nonprofit boards including: Kevin Fitzgerald as president and chairman of the Manchester Community Music School's board, W. Scott O'Connell as vice president of the Farnum Center, and James Hood as chairman of New Hampshire's International Trade Advisory Committee.

Staff members and clients have also served the City of Manchester with charity and concern. Victims of a recent apartment house fire were provided with clothing and furniture by a client of the firm after a fire that left more than 50 people homeless.

I commend Nixon Peabody LLP for their contributions to both the business and civic communities in our state. It is an honor and a privilege to represent them in the U.S. Senate.●

TRIBUTE TO BELKNAP LANDSCAPE COMPANY, INC.

● Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Belknap Landscape Company, Inc. of Gilford, New Hampshire, on being named the 2001 Business of the Year by Business NH Magazine.

Belknap Landscape Company, Inc., has been owned for the past 13 years by Hayden McLaughlin, who is a member of several industry organizations and works to inform people about landscaping benefits. The company was the recipient of the Blue Chip Award, Leon Patterson Award for Landscape Excellence, and numerous national safety awards.

Belknap Landscape Company, Inc. has participated in many community events and outreach programs. The company was active in the development of the Kirkwood Gardens in 1995 and continues to sponsor the gardens and annual "Wildflower Day" which benefits the gardens and Science Center. They are involved in other community projects including: the Fireds of the New Hampshire Music Festival, New Beginnings, the United Way, and the New Hampshire State Police Association.

They have donated materials and staff manpower to the Squam Lakes Association waterfront area. Hayden also makes annual contributions to the New Hampshire Horticulture Endowment Fund and he is a mentor in the Associated Landscape Contractors of America "One-on-One" Mentor program.

Belknap Landscape Company, Inc. and Hayden McLaughlin have been strong stewards of the environmental and business communities in New Hampshire. I commend them for the positive contributions they have made to the citizens of the Granite State. It is an honor and a privilege to represent them in the U.S. Senate.●

TRIBUTE TO THE TALARICO DEALERSHIPS

● Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to the Talarico Dealerships of Manchester, Merrimack and Milford, New Hampshire, on being named the 2001 Business of the Year by Business NH Magazine.

The Talarico Dealerships and Stephen Talarico, president and CEO, conduct business by a company mission statement of providing quality service to customers with trained professional employees and "to remain supportive to our community and committed to the education of our youth."

The Talarico Dealerships recognize the importance of giving back to the community and have generously contributed to civic programs including the Manchester Riverwalk Development Project and Souhegan Valley Chamber of Commerce First Annual Golf Tournament.

The company was among the first automobile dealerships in the country to install custom designed, thermo-reactor stainless steel Devilbis spray booths at its Body Magic Auto Collision Center. Talarico Dealership was also the first dealership in the Granite State to have a service department managed completely by women.

Stephen Talarico was named Souhegan Valley Chamber of Commerce Business Leader of the Year in 1999. His Merrimack Used Car Superstore became one of the top five used car volume dealerships in New Hampshire in 2000.

The Talarico Dealerships and Stephen Talarico have been good neighbors to the citizens of Manchester, Merrimack and Milford, New Hampshire. I commend them on their dedication and service to the communities of the Granite State. It is an honor and a privilege to represent them in the U.S. Senate.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 12:55 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 700. An act to establish a Federal interagency task force for the purpose of coordinating actions to prevent the outbreak of bovine spongiform encephalopathy (commonly knows as "mad cow disease") and foot-and-mouth disease in the United States.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 146. An act to authorize the Secretary of the Interior to study the suitability and feasibility of designating the Great Falls Historic District in Paterson, New Jersey, as a unit of the National Park System, and for other purposes.

H.R. 581. An act to authorize the Secretary of the Interior and the Secretary of Agriculture to use funds appropriated for wildland fire management in the Department of the Interior and Related Agencies Appropriations Act, 2001, to reimburse the United States Fish and Wildlife Service and the National Marine Fisheries Service to facilitate the interagency cooperation required under the Endangered Species Act of 1973 in connection with wildland fire management.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 146. An act to authorize the Secretary of the Interior to study the suitability and feasibility of designating the Great Falls Historic District in Paterson, New Jersey, as a unit of the National Park System, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 581. An act to authorize the Secretary of the Interior and the Secretary of Agriculture to use funds appropriated for wildland fire management in the Department of the Interior and Related Agencies Appropriations Act, 2001, to reimburse the United States Fish and Wildlife Service and the National Marine Fisheries Service to facilitate the interagency cooperation required under the Endangered Species Act of 1973 in connection with wildland fire management; to the Committee on Environment and Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

H.R. 802: A bill to authorize the Public Safety Officer Medal of Valor, and for other purposes.

By Mr. HATCH, from the Committee on the Judiciary, without amendment and with a preamble:

S. Res. 63: A resolution commemorating and acknowledging the dedication and sacrifice made by the men and women who have lost their lives while serving as law enforcement officers.

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 39: A bill to provide a national medal for public safety officers who act with extraordinary valor above and beyond the call of duty, and for other purposes.

S. 166: A bill to limit access to body armor by violent felons and to facilitate the donation of Federal surplus body armor to State and local law enforcement agencies.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. GRAMM for the Committee on Banking, Housing, and Urban Affairs.

Kenneth I. Juster, of the District of Columbia, to be Under Secretary of Commerce for Export Administration.

Grant D. Aldonas, of Virginia, to be Under Secretary of Commerce for International Trade.

Maria Cino, of Virginia, to be Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service.

Robert Glenn Hubbard, of New York, to be a Member of the Council of Economic Advisers.

(The above nominations were reported with the recommendation that they be confirmed subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. HATCH for the Committee on the Judiciary.

Larry D. Thompson, of Georgia, to be Deputy Attorney General.

Daniel J. Bryant, of Virginia, to be an Assistant Attorney General.

Charles A. James, Jr., of Virginia, to be an Assistant Attorney General.

(The above nominations were reported with the recommendations that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. THOMAS (for himself, Mr. CONRAD, Mr. DOMENICI, Mr. JOHNSON, Mr. ROBERTS, and Mr. NELSON of Nebraska):

S. 859. A bill to amend the Public Health Service Act to establish a mental health community education program, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. GRASSLEY (for himself, Mr. BINGAMAN, Mr. MURKOWSKI, Mr. JEFFORDS, Mr. CONRAD, Mr. BREAUX, Mr. ROCKEFELLER, Mr. DASCHLE, Mr. BAUCUS, and Mrs. LINCOLN):

S. 860. A bill to amend the Internal Revenue Code of 1986 to provide for the treatment of certain expenses of rural letter carriers; to the Committee on Finance.

By Mr. BOND:

S. 861. A bill to enhance small business access to Federal contracting opportunities and provide technical advice and support that small businesses need to perform contracts awarded to them, and for other purposes; to the Committee on Small Business.

By Mrs. FEINSTEIN (for herself, Mr. KYL, Mr. GRAHAM, Mr. REID, Mr. BINGAMAN, Mr. KERRY, and Mr. MCCAIN):

S. 862. A bill to amend the Immigration and Nationality Act to authorize appropriations for fiscal years 2002 through 2006 to carry out the State Criminal Alien Assistance Program; to the Committee on the Judiciary.

By Mr. REID:

S. 863. A bill to require medicare providers to disclose publicly staffing and performance in order to promote improved consumer information and choice; to the Committee on Finance.

By Mr. LEAHY (for himself, Mr. LIEBERMAN, and Mr. LEVIN):

S. 864. A bill to amend the Immigration and Nationality Act to provide that aliens who commit acts of torture, extrajudicial killings , or other specified atrocities abroad are inadmissible and removable and to establish within the Criminal Division of the Department of Justice an Office of Special Investigations having responsibilities under that Act with respect to all alien participants in war crimes, genocide, and the commission of acts of torture and extrajudicial killings abroad; to the Committee on the Judiciary.

By Mr. MCCONNELL (for himself and Mr. LIEBERMAN):

S. 865. A bill to provide small businesses certain protections from litigation excesses and to limit the product liability of nonmanufacturer product sellers; to the Committee on the Judiciary.

By Mr. REID (for himself and Mr. WARNER):

S. 866. A bill to amend the Public Health Service Act to provide for a national media campaign to reduce and prevent underage drinking in the United States; to the Committee on Health, Education, Labor, and Pensions.

By Mr. CONRAD (for himself and Mr. COCHRAN):

S. 867. A bill to amend the Internal Revenue Code of 1986 to increase the unified credit exemption and the qualified family-owned business interest deduction, and for other purposes; to the Committee on Finance.

By Mrs. FEINSTEIN:

S. 868. A bill to amend the Employee Retirement Income Security Act of 1974, Public Health Service Act, and the Internal Revenue Code of 1986 to require that group and individual health insurance coverage and group health plans provide coverage and group health plans provide coverage of cancer screening; to the Committee on Health, Education, Labor, and Pensions.

By Mr. HARKIN (for himself, Mr. KENNEDY, Mr. KERRY, Mr. ROCKEFELLER, and Mrs. BOXER):

S. 869. A bill to amend the Fair Labor Standards Act of 1938 to reform the provisions relating to child labor; to the Committee on Health, Education, Labor, and Pensions.

By Mr. SMITH of New Hampshire (for himself and Mr. INHOFE):

S. 870. A bill to amend the Internal Revenue Code of 1986 to provide additional tax incentives for public-private partnerships in financing of highway, mass transit, high speed rail, and intermodal transfer facilities projects, and for other purposes; to the Committee on Finance.

By Mr. CLELAND (for himself, Mr. KERRY, Mr. REID, and Mr. DAYTON):

S. 871. A bill to amend chapter 83 of title 5, United States Code, to provide for the computation of annuities for air traffic controllers in a similar manner as the computation of annuities for law enforcement officers and firefighters; to the Committee on Governmental Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DORGAN (for himself, Mr. DASCHLE, Mr. REID, Mr. DURBIN, Mrs. FEINSTEIN, Mrs. BOXER, Mrs. MURRAY, Mr. SCHUMER, Mr. HARKIN, and Mrs. CLINTON):

S. Res. 87. A resolution expressing the sense of the Senate that there should be established a joint committee of the Senate and House of Representatives to investigate the rapidly increasing energy prices across the country and to determine what is causing the increases; to the Committee on Rules and Administration.

By Mr. LIEBERMAN (for himself and Mr. MCCAIN):

S. Con. Res. 37. A concurrent resolution expressing the sense of Congress on the importance of promoting electronic commerce, and for other purposes; to the Committee on Finance.

ADDITIONAL COSPONSORS

S. 11

At the request of Mrs. HUTCHISON, the name of the Senator from Oregon (Mr. SMITH) was added as a cosponsor of S. 11, a bill to amend the Internal Revenue Code of 1986 to eliminate the marriage penalty by providing that the income tax rate bracket amounts, and the amount of the standard deduction, for joint returns shall be twice the amounts applicable to unmarried individuals, and for other purposes.

S. 37

At the request of Mr. LUGAR, the names of the Senator from Minnesota (Mr. DAYTON) and the Senator from New York (Mr. SCHUMER) were added as cosponsors of S. 37, a bill to amend the Internal Revenue Code of 1986 to provide for a charitable deduction for contributions of food inventory.

S. 123

At the request of Mrs. FEINSTEIN, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 123, a bill to amend the Higher Education Act of 1965 to extend loan forgiveness for certain loans to Head Start teachers.

S. 131

At the request of Mr. JOHNSON, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 131, a bill to amend title 38, United States Code, to modify the annual determination of the rate of the basic benefit of active duty educational assistance under the Montgomery GI Bill, and for other purposes.

S. 177

At the request of Mr. AKAKA, the name of the Senator from Idaho (Mr. CRAPO) was added as a cosponsor of S. 177, a bill to amend the provisions of title 39, United States Code, relating to the manner in which pay policies and schedules and fringe benefit programs for postmasters are established.

S. 181

At the request of Mr. SHELBY, the name of the Senator from Oregon (Mr. SMITH) was added as a cosponsor of S. 181, a bill to amend the Internal Revenue Code of 1986 to phase out the taxation of social security benefits.

S. 587

At the request of Mr. CONRAD, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 587, a bill to amend the Public

Health Service Act and title XVIII of the Social Security Act to sustain access to vital emergency medical services in rural areas.

S. 592

At the request of Mr. SANTORUM, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 592, a bill to amend the Internal Revenue Code of 1986 to create Individual Development Accounts, and for other purposes.

S. 627

At the request of Mr. GRASSLEY, the names of the Senator from Indiana (Mr. BAYH) and the Senator from New Hampshire (Mr. SMITH) were added as cosponsors of S. 627, a bill to amend the Internal Revenue Code of 1986 to allow individuals a deduction for qualified long-term care insurance premiums, use of such insurance under cafeteria plans and flexible spending arrangements, and a credit for individuals with long-term care needs.

S. 671

At the request of Mr. SCHUMER, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 671, a bill to provide for public library construction and technology enhancement.

S. 706

At the request of Mr. KERRY, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. 706, a bill to amend the Social Security Act to establish programs to alleviate the nursing profession shortage, and for other purposes.

S. 718

At the request of Mr. MCCAIN, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 718, a bill to direct the National Institute of Standards and Technology to establish a program to support research and training in methods of detecting the use of performance-enhancing drugs by athletes, and for other purposes.

S. 742

At the request of Mr. GRASSLEY, the names of the Senator from New Mexico (Mr. BINGAMAN), the Senator from Alaska (Mr. STEVENS), the Senator from Georgia (Mr. MILLER), the Senator from Connecticut (Mr. DODD), the Senator from Vermont (Mr. LEAHY), the Senator from Oregon (Mr. SMITH), and the Senator from Alabama (Mr. SESSIONS) were added as cosponsors of S. 742, a bill to provide for pension reform, and for other purposes.

S. 760

At the request of Mr. HATCH, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 760, a bill to amend the Internal Revenue Code of 1986 to encourage and accelerate the nationwide production, retail sale, and consumer use of new motor vehicles that are powered by fuel cell technology, hybrid technology, battery electric technology, alternative fuels, or other advanced motor vehicle technologies, and for other purposes.

S. 790

At the request of Mr. BROWNBACK, the names of the Senator from Arkansas (Mr. HUTCHINSON) and the Senator from Arizona (Mr. KYL) were added as cosponsors of S. 790, a bill to amend title 18, United States Code, to prohibit human cloning.

S. 795

At the request of Mr. THOMPSON, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 795, a bill to amend the Internal Revenue Code of 1986 to permit the consolidation of life insurance companies with other companies.

S. 804

At the request of Mrs. FEINSTEIN, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 804, a bill to amend title 49, United States Code, to require phased increases in the fuel efficiency standards applicable to light trucks; to required fuel economy standards for automobiles up to 10,000 pounds gross vehicle weight; to raise the fuel economy of the Federal fleet of vehicles, and for other purposes.

S. 805

At the request of Mr. WELLSTONE, the name of the Senator from New Hampshire (Mr. SMITH) was added as a cosponsor of S. 805, a bill to amend the Public Health Service Act to provide for research with respect to various forms of muscular dystrophy, including Duchenne, Becker, limb girdle, congenital, facioscapulohumeral, myotonic, oculopharyngeal, distal, and emery-dreifuss muscular dystrophies.

S. 829

At the request of Mr. BROWNBACK, the names of the Senator from South Dakota (Mr. DASCHLE), the Senator from Utah (Mr. HATCH), the Senator from Ohio (Mr. DEWINE), the Senator from Illinois (Mr. DURBIN), and the Senator from New Jersey (Mr. TORRICELLI) were added as cosponsors of S. 829, a bill to establish the National Museum of African American History and Culture within the Smithsonian Institution.

S. 839

At the request of Mrs. HUTCHISON, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 839, a bill to amend title XVIII of the Social Security Act to increase the amount of payment for inpatient hospital services under the medicare program and to freeze the reduction in payments to hospitals for indirect costs of medical education.

S. 841

At the request of Ms. SNOWE, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 841, a bill to amend title XVIII of the Social Security Act to eliminate discriminatory copayment rates for outpatient psychiatric services under the Medicare Program.

S. 850

At the request of Mr. CHAFEE, the name of the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 850, a bill to expand the Federal tax refund intercept program to cover children who are not minors.

S. 857

At the request of Mr. HELMS, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 857, a bill to protect United States military personnel and other elected and appointed officials of the United States Government against criminal prosecution by an international criminal court to which the United States is not a party.

S. 858

At the request of Mr. HUTCHINSON, the name of the Senator from Missouri (Mr. BOND) was added as a cosponsor of S. 858, a bill to amend title I of the Employee Retirement Income Security Act of 1974 to improve access and choice for entrepreneurs with small business with respect to medical care for their employees.

S.J. RES. 13

At the request of Mr. WARNER, the names of the Senator from Vermont (Mr. JEFFORDS) and the Senator from Oklahoma (Mr. INHOFE) were added as cosponsors of S.J. Res. 13, a joint resolution conferring honorary citizenship of the United States on Paul Yves Roch Gilbert du Motier, also known as the Marquis de Lafayette.

S. RES. 16

At the request of Mr. THURMOND, the names of the Senator from New Hampshire (Mr. GREGG), the Senator from North Dakota (Mr. DORGAN), the Senator from New Jersey (Mr. TORRICELLI), the Senator from Pennsylvania (Mr. SPECTER), and the Senator from Utah (Mr. HATCH) were added as cosponsors of S. Res. 16, a resolution designating August 16, 2001, as "National Airborne Day."

S. RES. 75

At the request of Mr. HUTCHINSON, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. Res. 75, a resolution designating the week beginning May 13, 2001, as "National Biotechnology Week."

S. CON. RES. 15

At the request of Mr. BROWNBACK, the names of the Senator from Virginia (Mr. ALLEN), the Senator from Oklahoma (Mr. INHOFE), the Senator from Colorado (Mr. ALLARD), and the Senator from New York (Mrs. CLINTON) were added as cosponsors of S. Con. Res. 15, a concurrent resolution to designate a National Day of Reconciliation.

S. CON. RES. 17

At the request of Mr. SARBANES, the name of the Senator from Nebraska

(Mr. NELSON, of Nebraska) was added as a cosponsor of S. Con. Res. 17, a concurrent resolution expressing the sense of Congress that there should continue to be parity between the adjustments in the compensation of members of the uniformed services and the adjustments in the compensation of civilian employees of the United States.

AMENDMENT NO. 389

At the request of Mr. VOINOVICH, the name of the Senator from New Jersey (Mr. CORZINE) was withdrawn as a cosponsor of amendment No. 389.

AMENDMENT NO. 426

At the request of Mr. CONRAD, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of amendment No. 426 intendent to be proposed to S. 1, an original bill to extend programs and activities under the Elementary and Secondary Education Act of 1965.

AMENDMENT NO. 443

At the request of Mr. VOINOVICH, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of amendment No. 443 intendent to be proposed to S. 1, an original bill to extend programs and activities under the Elementary and Secondary Education Act of 1965.

AMENDMENT NO. 451

At the request of Mrs. LINCOLN, the names of the Senator from New Mexico (Mr. BINGAMAN) and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of amendment No. 451.

At the request of Mrs. LINCOLN, the names of the Senator from New Mexico (Mr. BINGAMAN) and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of amendment No. 451, supra.

At the request of Mr. REID, his name was added as a cosponsor of amendment No. 451, supra.

At the request of Ms. LANDRIEU, her name was added as a cosponsor of amendment No. 451, supra.

AMENDMENT NO. 461

At the request of Mr. DORGAN, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of amendment No. 461 intendent to be proposed to S. 1, an original bill to extend programs and activities under the Elementary and Secondary Education Act of 1965.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THOMAS (for himself, Mr. CONRAD, Mr. DOMENICI, Mr. JOHNSON, Mr. ROBERTS, and Mr. NELSON of Nebraska):

S. 859. A bill to amend the Public Health Service Act to establish a mental health community education program, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. THOMAS. Mr. President, I rise today to introduce the Rural Mental Health Accessibility Act of 2001 with Senators CONRAD, DOMENICI, JOHNSON, ROBERTS, and NELSON from Nebraska. Like all of the rural health bills I've worked on with my colleagues in the Senate Rural Health Caucus, I am proud of the bipartisan effort behind this important legislation.

I believe, the Rural Mental Health Accessibility Act of 2001 is crucial because it reflects the unique needs of rural communities to improve access to mental health services.

Many people do not seek mental health services because of the stigma associated with mental illnesses. This is especially true in rural areas where anonymity is more difficult to obtain. This legislation creates the Mental Health Community Education Grant program, which permits states and communities to conduct targeted public education campaigns with particular emphasis on mental illnesses, mental retardation, suicide, and substance abuse disorders. This new program will go a long way in reducing the stigmatization and misinformation surrounding mental health issues.

More than 75 percent of the 518 nationally designated Mental Health Professional Shortage Areas are located in rural areas and one-fifth of all rural counties in the nation have no mental health services of any kind. Frontier counties have even more drastic numbers as 95 percent of these remote areas do not have psychiatrists, 68 percent do not have psychologists and 78 percent do not have social workers. While I'm proud that every county in my home state of Wyoming now has a psychologist, there are still several counties that are severely underserved and are designated as a Mental Health Shortage Area.

Due to the scarcity of mental health specialists in rural communities, primary care providers are often the only source of treatment. However, primary care providers do not receive the specialized training necessary to recognize the signs of depression and other mental illnesses in their patients. The Rural Mental Health Accessibility Act of 2001 authorizes an Interdisciplinary Grant program that will permit universities and other entities to establish interdisciplinary training programs where mental health providers and primary care providers are taught side-by-side in the classroom, with clinical training conducted in rural underserved communities. This will encourage greater collaboration amongst providers and increase the quality of care for rural patients.

I am particularly concerned that suicide rates among rural children and adolescents are higher than in urban areas, especially in western and frontier states. Additionally, 20 percent of the nation's elderly population live in rural areas, but only 9 percent of our nation's physicians practice in rural areas. This bill authorizes $30 million for 20 demonstration projects, equally divided, to provide mental health services to children and elderly residents of long term care facilities located in mental health shortage areas. These projects will also provide mental illness education and targeted instruction on coping and dealing with the stressful experiences of childhood and adolescence or aging.

To prepare for further expansion of mental telehealth, this bill requires the Director of the National Institute of Mental Health in consultation with the Director of the Office of Rural Health Policy to report to Congress on the efficacy and effectiveness of mental health services delivered through the utilization of telehealth technologies.

In crafting this legislation I and my colleagues worked with numerous outside organizations with an interest in mental health issues. As a result of this collaboration, the Rural Mental Health Accessibility Act of 2001 is strongly supported by the National Rural Health Association, the National Alliance for the Mentally Ill, the American Psychiatric Association and the American Psychological Association.

I believe this legislation is critically important to the health and well-being of our rural communities. I strongly urge all my colleagues to support the rural areas in their states by becoming cosponsors of the Rural Mental Health Accessibility Act of 2001.

I ask unanimous consent that the text of the bill and letters of endorsement from supporting organizations be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 859

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rural Mental Health Accessibility Act of 2001".

SEC. 2. AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT.

Subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) is amended by adding at the end the following:

"SEC. 330I. MENTAL HEALTH COMMUNITY EDUCATION PROGRAM.

"(a) PROGRAM AUTHORIZED.—The Director of the Office of Rural Health Policy (of the Health Resources and Services Administration) shall award grants to eligible entities to conduct mental health community education programs.

"(b) DEFINITIONS.—In this section:

"(1) ELIGIBLE ENTITY.—The term 'eligible entity' includes a State entity, public or private school, mental health clinic, rural health clinic, local public health department, nonprofit private entity, federally qualified health center, rural Area Health Education Center, Indian tribe and tribal organization, and any other entity deemed eligible by the Secretary.

“(2) MENTAL HEALTH COMMUNITY EDUCATION PROGRAM.—The term ‘mental health community education program’ means a program regarding mental illness, mental retardation, suicide prevention and co-occurring mental illness and substance abuse disorder.

“(c) PREFERENCE.—In awarding grants under subsection (a), the Director shall give a preference to eligible entities that are or propose to be in a network, or work in collaboration, with other eligible entities to carry out the programs under this section, such as a rural public or nonprofit private entity that represents a network of local health care providers or other entities that provide or support delivery of health care services, and a State office of rural health or other appropriate State entity.

“(d) DURATION.—The Director shall award grants under subsection (a) for a period of 3 years.

“(e) AMOUNT.—Each grant awarded under this section shall not be greater than $200,000 each fiscal year.

“(f) USE OF FUNDS.—An eligible entity that receives a grant under subsection (a) shall use funds received through such grant to administer a mental health community education program to rural populations that provides information to dispel myths regarding mental illness and to reduce any stigma associated with mental illness.

“(g) APPLICATION.—An eligible entity desiring a grant under subsection (a) shall submit an application to the Director at such time, in such manner, and containing such information as the Director may reasonably require, including—

“(1) a description of the activities which the eligible entity intends to carry out using amounts provided under the grant;

“(2) a plan for continuing the project after Federal support is ended;

“(3) a description of the manner in which the educational activities funded under the grant will meet the mental health care needs of underserved rural populations within the State; and

“(4) a description of how the local community or region to be served by the network or proposed network, if the eligible entity is in such a network, will be involved in the development and ongoing operations of the network.

“(h) EVALUATIONS; REPORT.—Each eligible entity that receives a grant under this section shall submit to the Director of the Office of Rural Health Policy (of the Health Resources and Services Administration) an evaluation describing the programs authorized under this section and any other information that the Director deems appropriate. After receiving such evaluations, the Director shall submit to the appropriate committees of Congress a report describing such evaluations.

“(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $50,000,000 for fiscal year 2002, and such sums as may be necessary for fiscal years 2003 through 2006.

“SEC. 330J. INTERDISCIPLINARY GRANT PROGRAM.

“(a) PROGRAM AUTHORIZED.—The Director of the Office of Rural Health Policy (of the Health Resources and Services Administration) shall award grants to eligible entities to establish interdisciplinary training programs that include significant mental health training in rural areas for certain health care providers.

“(b) DEFINITIONS.—In this section:

“(1) ELIGIBLE ENTITY.—The term ‘eligible entity’ means a public university or other educational institution that provides training for mental health care providers or primary health care providers.

“(2) MENTAL HEALTH CARE PROVIDER.—The term ‘mental health care provider’ means—

“(A) a physician with postgraduate training in a residency program of psychiatry;

“(B) a licensed psychologist (as defined by the Secretary for purposes of section 1861(ii) of such Act (42 U.S.C. 1395x(ii)));

“(C) a clinical social worker (as defined in section 1861(hh)(1) of such Act (42 U.S.C. 1395x(hh)(1)); or

“(D) a clinical nurse specialist (as defined in section 1861(aa)(5)(B) of such Act (42 U.S.C. 1395x(aa)(5)(B))).

“(3) PRIMARY HEALTH CARE PROVIDER.—The term ‘primary health care provider’ includes family practice, internal medicine, pediatrics, obstetrics and gynecology, geriatrics, and emergency medicine physicians as well as physician assistants and nurse practitioners.

“(4) RURAL AREA.—The term ‘rural area’ means a rural area as defined in section 1886(d)(2)(D) of the Social Security Act, or such an area in a rural census tract of a metropolitan statistical area (as determined under the most recent modification of the Goldsmith Modification, originally published in the Federal Register on February 27, 1992 (57 Fed. Reg. 6725)), or any other geographical area that the Director designates as a rural area.

“(c) DURATION.—Grants awarded under subsection (a) shall be awarded for a period of 5 years.

“(d) USE OF FUNDS.—An eligible entity that receives a grant under subsection (a) shall use funds received through such grant to administer an interdisciplinary, side-by-side training program for mental health care providers and primary health care providers, that includes providing, under appropriate supervision, health care services to patients in underserved, rural areas without regard to patients’ ability to pay for such services.

“(e) APPLICATION.—An eligible entity desiring a grant under subsection (a) shall submit an application to the Director at such time, in such manner, and containing such information as the Director may reasonably require, including—

“(1) a description of the activities which the eligible entity intends to carry out using amounts provided under the grant;

“(2) a description of the manner in which the activities funded under the grant will meet the mental health care needs of underserved rural populations within the State; and

“(3) a description of the network agreement with partnering facilities.

“(f) EVALUATIONS; REPORT.—Each eligible entity that receives a grant under this section shall submit to the Director of the Office of Rural Health Policy (of the Health Resources and Services Administration) an evaluation describing the programs authorized under this section and any other information that the Director deems appropriate. After receiving such evaluations, the Director shall submit to the appropriate committees of Congress a report describing such evaluations.

“(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $100,000,000 for fiscal year 2002 and such sums as may be necessary for each of the fiscal years 2003 through 2006.

“SEC. 330K. STUDY OF MENTAL HEALTH SERVICES DELIVERED WITH TELEHEALTH TECHNOLOGIES.

“(a) IN GENERAL.—The Director of the National Institute of Mental Health, in consultation with the Director of the Office of Rural Health Policy, shall carry out activities to research the efficacy and effectiveness of mental health services delivered remotely by a qualified mental health professional (psychiatrist or doctoral level psychologist) using telehealth technologies.

“(b) MANDATORY ACTIVITIES.—Research described in subsection (a) shall include—

“(1) objective measurement of treatment outcomes for individuals with mental illness treated remotely using telehealth technologies as compared to individuals with mental illness treated face-to-face;

“(2) objective measurement of treatment compliance by individuals with mental illness treated remotely using telehealth technologies as compared to individuals with mental illness treated face-to-face; and

“(3) any other variables as determined by the Director.

“(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary.

“SEC. 330L. MENTAL HEALTH SERVICES DELIVERED VIA TELEHEALTH.

“(a) PROGRAM AUTHORIZED.—

“(1) IN GENERAL.—The Secretary, acting through the Director of the Office for the Advancement of Telehealth of the Health Resources and Services Administration, shall award grants to eligible entities to establish demonstration projects for the provision of mental health services to special populations as delivered remotely by qualified mental health professionals using telehealth and for the provision of education regarding mental illness as delivered remotely by qualified mental health professionals and qualified mental health education professionals using telehealth.

“(2) NUMBER OF DEMONSTRATION PROJECTS.—Ten grants shall be awarded under paragraph (1) to provide services for the children and adolescents described in subsection (d)(1)(A) and not less than 6 of such grants shall be for services rendered to individuals in rural areas. Ten grants shall also be awarded under paragraph (1) to provide services for the elderly described in subsection (d)(1)(B) in rural areas. If the maximum number of grants to be awarded under paragraph (1) is not awarded, the Secretary shall award the remaining grants in a manner that is equitably distributed between the populations described in subparagraphs (A) and (B) of subsection (d)(1).

“(b) DEFINITIONS.—In this section:

“(1) ELIGIBLE ENTITY.—The term ‘eligible entity’ means a public or nonprofit private telehealth provider network which has as part of its services mental health services provided by qualified mental health providers.

“(2) QUALIFIED MENTAL HEALTH EDUCATION PROFESSIONALS.—The term ‘qualified mental health education professionals’ refers to teachers, community mental health professionals, nurses, and other entities as determined by the Secretary who have additional training in the delivery of information on mental illness to children and adolescents or who have additional training in the delivery of information on mental illness to the elderly.

“(3) QUALIFIED MENTAL HEALTH PROFESSIONALS.—The term ‘qualified mental health professionals’ refers to providers of mental health services currently reimbursed under medicare who have additional training in the treatment of mental illness in children and adolescents or who have additional training in the treatment of mental illness in the elderly.

"(4) SPECIAL POPULATIONS.—The term 'special populations' refers to the following 2 distinct groups:

"(A) Children and adolescents located in primary and secondary public schools in mental health underserved rural areas or in mental health underserved urban areas.

"(B) Elderly individuals located in long-term care facilities in mental health underserved rural areas.

"(5) TELEHEALTH.—The term 'telehealth' means the use of electronic information and telecommunications technologies to support long-distance clinical health care, patient and professional health-related education, public health, and health administration.

"(c) AMOUNT.—Each entity that receives a grant under subsection (a) shall receive not less than $1,500,000 with no more than 40 percent of the total budget outlined for equipment.

"(d) USE OF FUNDS.—

"(1) IN GENERAL.—An eligible entity that receives a grant under this section shall use such funds—

"(A) for the populations described in subsection (b)(3)(A)—

"(i) to provide mental health services, including diagnosis and treatment of mental illness, in primary and secondary public schools as delivered remotely by qualified mental health professionals using telehealth;

"(ii) to provide education regarding mental illness (including suicide and violence) in primary and secondary public schools as delivered remotely by qualified mental health professionals and qualified mental health education professionals using telehealth, including early recognition of the signs and symptoms of mental illness, and instruction on coping and dealing with stressful experiences of childhood and adolescence (such as violence, social isolation, and depression); and

"(iii) to collaborate with local public health entities and the eligible entity to provide the mental health services; and

"(B) for the populations described in subsection (b)(3)(B)—

"(i) to provide mental health services, including diagnosis and treatment of mental illness, in long-term care facilities as delivered remotely by qualified mental health professionals using telehealth;

"(ii) to provide education regarding mental illness to primary staff (including physicians, nurses, and nursing aides) as delivered remotely by qualified mental health professionals and qualified mental health education professionals using telehealth, including early recognition of the signs and symptoms of mental illness, and instruction on coping and dealing with stressful experiences of old age (such as loss of physical and cognitive capabilities, death of loved ones and friends, social isolation, and depression); and

"(iii) to collaborate with local public health entities and the eligible entity to provide mental health services.

"(2) OTHER USES.—An eligible entity receiving a grant under this section may also use funds to—

"(A) acquire telehealth equipment to use in primary and secondary public schools and long-term care facilities for the purposes of this section;

"(B) develop curriculum to support activities described in subsections (d)(1)(A)(ii) and (d)(1)(B)(ii);

"(C) pay telecommunications costs; and

"(D) pay qualified mental health professionals and qualified mental health education professionals on a reasonable cost basis as determined by the Secretary for services rendered.

"(3) PROHIBITED USES.—An eligible entity that receives a grant under this section shall not use funds received through such grant to—

"(A) purchase or install transmission equipment (other than such equipment used by qualified mental health professionals to deliver mental health services using telehealth under the project); or

"(B) build upon or acquire real property (except for minor renovations related to the installation of reimbursable equipment).

"(e) EQUITABLE DISTRIBUTION.—In awarding grants under this section, the Secretary shall ensure, to the greatest extent possible, that such grants are equitably distributed among geographical regions of the United States.

"(f) APPLICATION.—An entity that desires a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary determines to be reasonable.

"(g) REPORT.—Not later than 5 years after the date of enactment of this section, the Secretary shall prepare and submit a report to the appropriate committees of Congress that shall evaluate activities funded with grants under this section.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $30,000,000 for fiscal year 2002 and such sums that are required to carry out this program for fiscal years 2003 through 2009.

"(i) SUNSET PROVISION.—This section shall be effective for 7 years from the date of enactment of this section.".

NAMI, NATIONAL ALLIANCE FOR
THE MENTALLY ILL,
Arlington, VA, May 7, 2001.

Hon. CRAIG THOMAS,
U.S. Senate, Hart Office Building,
Washington, DC.

DEAR SENATOR THOMAS: on behalf of the 220,000 members and 1,200 affiliates of the National Alliance for the Mentally Ill (NAMI), I am pleased to offer our support for the Rural Mental Health Accessibility Act of 2001. As the nation's largest organization representing children and adults with severe mental illnesses and their families, NAMI is pleased to support this important legislation. Thank you for your leadership in bringing this bipartisan measure forward.

Accessing mental illness treatment and services is a particular challenge for individuals living in isolated rural communities. The challenges related to geographic isolation are too often further compounded by the stigma associated with severe mental illnesses such as schizophrenia, bipolar disorder, major depression and severe anxiety disorders. Advances in scientific research and medical treatment for these serious brain disorders have been tremendous in recent years. Your legislation will bring these advances in research and treatment to underserved rural areas. The initiatives contained in the rural Mental Health Accessibility Act—community education to address stigma, training for providers, funding for a telehealth services program—are an important step forward for expanding access to treatment in sparsely populated regions of our country. NAMI looks forward to working with you to ensure passage of this legislation in 2001.

Thank you for your leadership on this important issue for individuals with severe mental illnesses and their families.

Sincerely,

JACQUELINE SHANNON
President.

NATIONAL RURAL HEALTH ASSOCIATION,
Washington, DC, May 4, 2001.

Hon. CRAIG THOMAS,
U.S. Senate,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR THOMAS: on behalf of the National Rural Health Association, I would like to convey our strong support for the Rural Mental Health Accessibility Act of 2001.

While a lack of primary care services in rural and frontier areas has long been acknowledged, the scarcity of rural mental health services has only recently received increased attention. At the end of 1997, 76% of designated mental health professional shortage areas were located in nonmetropolitan areas with a total population of over 30 million Americans.

The Rural Mental Health Accessibility Act of 2001 would provide important first steps toward increased access to mental health care services in rural and frontier areas. The stigma associated with having a mental disorder and the lack of anonymity in small rural communities leads to under-diagnosis and under-treatment of mental disorders among rural residents. Your legislation would address this problem by creating a Mental Health Community Education Program aimed at reducing the stigma and misinformation surrounding mental health care.

In many rural and frontier communities, primary care providers by necessity are responsible for the delivery of mental health services. Because primary care providers often lack specific mental health training, interdisciplinary collaboration and training would increase access for rural residents to appropriate mental health care treatment. The interdisciplinary training grant program created by your legislation would increase collaboration and sharing of information between mental health providers and primary care providers and improve care for rural residents.

The NRHA appreciates your ongoing leadership on rural health issues, and stands ready to work with you on enactment of the Rural Mental Health Accessibility Act of 2001, which would increase the availability of mental health care in rural and frontier areas.

Sincerely,

CHARLOTTE HARDT,
President.

Mr. CONRAD. Mr. President, today I am pleased to join my colleagues as a cosponsor of the Rural Mental Health Accessibility Act of 2001. This bipartisan effort would take important steps toward improving access to mental health care in rural America.

This issue is particularly important to me and my constituents in North Dakota. Sadly, as compared to the rest of the United States, North Dakota has the second-highest suicide rate among children ages 10 through 14, and the sixth-highest suicide rate among teenagers 15 through 19 years of age. As a result, over the 10 year period from 1987 to 1996, the percentage of deaths due to suicide among North Dakota's children and teens was double the national average. Clearly, suicide makes a much greater impact on child mortality in North Dakota than it does in the rest of the United States, and it is a leading cause of death in this age group.

In the vast majority of cases, suicide is directly related to mental illness, particularly mood disorders such as depression. Depressive symptoms are remarkably common in North Dakota's school-age children, with one screening finding that 21 percent of students had mild depression and 5 percent had moderate-to-severe depression. This level of depression is likely a contributing factor to the 2,600 suicide attempts by North Dakota's teens reported in 1999.

North Dakota is not alone in this crisis. Rather, it is one of a group of western and Plains states that have elevated youth suicide rates. As agricultural difficulties continue to plague rural areas, the stress on families and individuals grows greater with each passing season. Farm financial stress has been related to individual psychological problems and an increased risk of mental disorders, including depression, substance abuse, and suicide.

It is important to keep in mind that rural areas have a prevalence of mental illness similar to urban areas. The difference is that people in rural areas have less access to health care, especially mental health care. Availability of mental health treatment is scarce in remote rural areas. Additionally, there remains a strong stigma surrounding mental illness and its treatment. The bill we introduce today would address both of these problems: reducing the stigma and increasing access to mental health services in rural areas.

Our bill addresses the problem of stigma through $50 million in grants designed to support community mental health education programs. Existing state and community efforts could be sustained and expanded through these grants, and new efforts could obtain early support. In addition, our bill establishes $30 million in demonstration projects for the provision of mental health education in rural public schools and nursing homes using televideoconferencing technology. Rural schools and nursing homes would have access to information regarding mental illness, information that would reduce stigma, enhance understanding, and increase recognition of mental disorders. Importantly, suicide education and prevention are to be key parts of these programs.

Other provisions of our bill address the access problem to mental health services found in the majority of rural communities. Since mental health care in rural communities is often provided solely by primary care clinics, our bill establishes a $150 million grant program to foster close interaction between mental health professionals and primary care physicians. The grants would be available to public universities or educational institutions to develop side-by-side training programs for mental health care professionals and primary care providers. These provider teams would give care to patients in underserved, rural areas without regard to the patient's ability to pay for such services. It is expected that primary care providers participating in such a training program would develop greater comfort and improved coordination with colleagues in treating mental illness in rural settings.

Finally, our bill would increase access to mental health care professionals by taking advantage of the latest telehealth technologies. Our bill would fund telehealth demonstration projects that would be focused on providing mental health services to hard-to-reach populations, such as children, adolescents, and the elderly. These individuals would be able to receive mental health services in convenient sites, such as rural public schools and nursing homes.

It is my hope that the Rural Mental Health Accessibility Act will strengthen existing community efforts to fight mental illness while encouraging the formation of new and innovative programs. I am pleased to join Senator THOMAS and others in this effort. I urge my colleagues to support this important legislation.

By Mr. GRASSLEY (for himself, Mr. BINGAMAN, Mr. MURKOWSKI, Mr. JEFFORDS, Mr. CONRAD, Mr. BREAUX, Mr. ROCKEFELLER, Mr. DASCHLE, Mr. BAUCUS, and Mrs. LINCOLN):

S. 860. A bill to amend the Internal Revenue Code of 1986 to provide for the treatment of certain expenses of rural letter carriers; to the Committee on Finance.

Mr. GRASSLEY. Mr. President, the U.S. Postal Service provides a vital and important communication link for the Nation and the citizens of my home state of Iowa. Rural Letter Carriers play a special role and have a proud history as an important link in assuring the delivery of our mail. Rural Carriers first delivered the mail with their own horses and buggies, later with their own motorcycles, and now in their own cars and trucks. They are repsonsible for maintenance and operation of their vehicles in all types of weather and road conditions. In the winter, snow and ice is their enemy, while in the spring, the melting snow and ice causes potholes and washboard roads. In spite of these quite adverse conditions, rural letter carriers daily drive over 3 million miles and serve 24 million American families on over 66,000 routes.

Although the mission of rural carriers has not changed since the horse and buggy days, the amount of mail they deliver has changed dramatically. As the Nation's mail volume has increased throughout the years, the Postal Service is now delivering more than 200 billion pieces of mail a year. The average carrier delivers about 2,300 pieces of mail a day to about 500 addresses.

Most recently, e-commerce has changed the type of mail rural carriers deliver. This fact was confirmed in a recent GAO study entitled "U.S. Postal Service: Challenges to Sustaining Performance Improvements Remain Formidable on the Brink of the 21st Century," dated October 21, 1999. As this report explains, the Postal Service expects declines in its core business, which is essentially letter mail, in the coming years. The growth of e-mail on the Internet, electronic communications, and electronic commerce has the potential to substantially affect the Post Service's mail volume.

First-Class mail has always been the bread and butter of the Postal Service's revenue, but the amount of revenue from First-Class letters is declining. E-commerce is providing the Postal Service with another opportunity to increase another part of its business. That's because what individuals and companies order over the Internet must be delivered, sometimes by the Postal Service and often by rural carriers. Currently, the Postal Service has about 33 percent of the parcel business. Carriers are not delivering larger volumes of business mail, parcels, and priority mail packages. But, more parcel business will mean more cargo capacity will be necessary in postal delivery vehicles, especially in those owned and operated by rural letter carriers.

When delivering greeting cards or bills, or packages ordered over the Internet, Rural Letter Carriers use vehicles they currently purchase, operate and maintain. In exchange, they receive a reimbursement from the Postal Service. This reimbursement is called an Equipment Maintenance Allowance (EMA). Congress recognizes that providing a personal vehicle to deliver the U.S. Mail is not typical vehicle use. So, when a rural carrier is ready to sell such a vehicle, it's going to have little trade-in value because of the typically high mileage, extraorindary wear and tear, and the fact that it is probably right-hand drive. Therefore, Congress intended to exempt the EMA allowance from taxation in 1988 through a specific provision for rural mail carriers in the Technical and Miscellaneous Revenue Act of 1988.

That provision allowed an employee of the U.S. Postal Service who was involved in the collection and delivery of mail on a rural route, to compute their business use mileage deduction as 150 percent of the standard mileage rate for all business use mileage. As an alternative, rural carrier taxpayers could elect to utilize the actual expense method, business portion of actual operation and maintenance of the vehicle, plus depreciation. If EMA exceeded the allowable vehicle expense deductions, the excess was subject to tax. If EMA fell short of the allowable vehicle expenses, a deduction was allowed only to the extent that the sum of the shortfall and all other miscellaneous itemized deductions exceeded two percent of the taxpayer's adjusted gross income.

The Taxpayer Relief Act of 1997 further simplified the tax returns of rural letter carriers. That Act permitted the EMA income and expenses "to wash," so that neither income nor expenses would have to be reported on a rural letter carrier's return. That simplified taxes for approximately 120,000 taxpayers, but the provision eliminated the option of filing the actual expense method for employee business vehicle expenses. The lack of this option, combined with the dramatic changes the Internet is having on the mail, specifically on rural carriers and their vehicles, is a problem I believe Congress can and must address.

The mail mix is changing and already Postal Service management has, understandably, encouraged rural carriers to purchase larger right-hand drive vehicles, such as Sports Utility Vehicles, SUVs, to handle the increase in parcel loads. Large SUVs are much more expensive than traditional vehicles, so without the ability to use the actual expense method and depreciation, rural carriers must use their salaries to cover vehicle expenses. Additionally, the Postal Service has placed 11,000 postal vehicles on rural routes, which means those carriers receive no EMA.

These developments have created a situation that is contrary to the historical congressional intent of using reimbursement to fund the government service of delivering mail, and also has created an inequitable tax situation for rural carriers. If actual business expenses exceed the EMA, a deduction for those expenses should be allowed. To correct this inequity, I am introducing a bill today that reinstates the ability of a rural letter carrier to choose between using the actual expense method for computing the deduction allowable for business use of a vehicle, or using the current practice of deducting the reimbursed EMA expenses.

Rural carriers perform a necessary and valuable service and face many changes and challenges in this new Internet era. We must make sure that these public servants receive fair and equitable tax treatment as they perform their essential role in fulfilling the Postal Service's mandate of binding the Nation together.

I urge my colleagues to join Senators Bingaman, Murkowski, Jeffords, Conrad, Breaux, Rockefeller, Daschle, Baucus, Lincoln and myself in sponsoring this legislation.

I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 860

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CERTAIN EXPENSES OF RURAL LETTER CARRIERS.

(a) In General.—Section 162(o) of the Internal Revenue Code of 1986 (relating to treatment of certain reimbursed expenses of rural mail carriers) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following:

"(2) Special rule where expenses exceed reimbursements.—Notwithstanding paragraph (1)(A), if the expenses incurred by an employee for the use of a vehicle in performing services described in paragraph (1) exceed the qualified reimbursements for such expenses, such excess shall be taken into account in computing the miscellaneous itemized deductions of the employee under section 67."

(b) Conforming Amendment.—The heading for section 162(o) is amended by striking "Reimbursed".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

Mr. BINGAMAN. Mr. President, I rise today to introduce this important legislation with the Chairman of the Finance Committee and several of our colleagues that would reduce the costs incurred by rural letter carriers by allowing them to deduct the actual expenses they incur when using their own vehicle to deliver the mail. For many years, rural letter carriers were allowed to calculate their deductible expenses by using either a special formula or keeping track of their costs. In 1997, Congress simplified the tax treatment for letter carriers, but disallowed them the ability to use the actual expense method (business portion of actual operation and maintenance of the vehicle, plus depreciation) for calculating their costs. The result is that many letter carriers are unable to account for the real expenses they incur when using their own vehicle to deliver the mail. This problem has been exasperated by the increased need for larger vehicles by rural letter carriers, in part, due to the volume and size of parcels. Road conditions and severe weather have also increased vehicle costs because of the necessity to have an SUV or four wheel drive vehicle. These letter carriers must often purchase special vehicles with right hand drive capabilities which are more expensive than the regular counterpart and may have little to no value when it is time to trade them in for a new one. It is important that these mail carriers are not forced to pay these costs out of their own pockets.

Although the internet has made the world seem smaller, purchased goods must still be delivered. The benefits of internet purchases in remote locations is limited if the purchased item cannot be delivered. For this reason, in rural states, such as New Mexico, these letter carriers play an important role in delivering the majority of the state's mail and parcels. On a daily basis, across the nation rural letter carriers drive over 3 million miles delivering mail and parcels to over 30 million families. We need to be sure that we have not created a tax impediment for these dedicated individuals. I look forward to working with the Chairman and my colleagues to get this legislation passed this year.

By Mr. BOND:

S. 861. A bill to enhance small business access to Federal contracting opportunities and provide technical advice and support that small businesses need to perform contracts awarded to them, and for other purposes; to the Committee on Small Business.

Mr. BOND. Mr. President, today I offer a bill to take a successful pilot program at the Department of Defense, make it permanent, and extend it governmentwide. For the past decade, DOD has had a program in place to try to develop and maintain small business vendors as a vital part of our Nation's defense industrial base. This program, the Mentor-Protégé program, has also been a principal source of opportunity for small business, to offset some of the other Federal procurement practices that have squeezed small business out of contracting.

Those two goals, the enhanced vendor base and improved opportunity, are worth emphasizing before I discuss the specific provisions of this bill. Why is small business participation in contracting important?

Far too often, small business is seen as just another social or economic development program. In Federal contracting, however, it is much more than that. Small business is a critical, vital, indispensable part of our nation's preparedness for its defense.

We have been working here in the Senate toward trying to shore up our defense preparedness. For the better part of a decade, DOD has had more and more missions with fewer and fewer resources. Now that we are trying to overcome this neglect with additional funding, we must also ensure that our economic base is strong, as well. It will do little good to have the money to buy defense-related goods and services if there are no vendors available to sell them.

The DOD Office of Small and Disadvantaged Business Utilization has an excellent slogan that drives this point home. "Small Business: A Readiness Multiplier."

So, keeping small business involved in contracting is a matter of self-interest for our Nation. It is a matter of having the goods, the services, the resources for the warfighter to take into battle.

Second, small business must have access to contracting as a matter of economic opportunity. The Government is an enormous customer. It averages about $180 to $190 billion worth of contracting every year. No one else has that kind of presence in the marketplace.

If the Government spends the lion's share of its money on a handful of large insider corporations, it distorts the marketplace. It tends to give unfair advantage to the winning firms, purely because of the Government's enormous purchasing power.

To avoid harming our economy with that kind of market distortion, the small business program seeks to disperse Government contracts among a variety of vendors. The small business program is not so much an intervention in the economy as it is a dilution of the distortion that would otherwise occur.

Unfortunately, over the last decade the Government has increasingly squeezed small business out of contracting. As part of the "Reinventing Government" effort, acquisition has been streamlined.

Now, I don't mean to suggest that all acquisition reform has been harmful. In fact, burdensome processes and bureaucracy also tend to discourage small business. Large businesses are more likely to have lawyers and contracting staff to wade through the bureaucracy, so excessive emphasis on process tends to crowd out small business.

But in some areas we have gone too far. Contract bundling is a good example of this. By rolling several small contracts into large packages, the Government has made things simpler and faster for the contracting officers. It is administratively simpler to handle one bundled contract than ten smaller ones.

However, that often crowds out small business. A small business owner looks at one of these huge contracts and says, "Even if I won that contract, I couldn't carry it out. It's too big, and the requirements are too complex." So she, and it is often women business owners that suffer, she doesn't even bother to bid.

Those two issues, the need to improve opportunity and to strengthen our defense vendor base, show why we need to take specific steps to restore small business access to procurement opportunities.

Fortunately, we have a successful model to build upon!

In the Fiscal 1991 defense authorization bill, the Congress adopted a provision to help small firms develop the technical infrastructure necessary to perform Federal contracts effectively. This pilot program, the Mentor-Protégé program, provided for prime contractors either to be reimbursed for their added costs in providing technical assistance to small firms, or to receive credit for accomplishing their subcontracting plans in lieu of reimbursement.

Experience under the Mentor-Protégé pilot program has been very positive. We have learned a lot about what it takes to get small businesses ready to be serious players in Federal procurement. For firms that are simply delivering a specific order for a product, performing on that delivery order is often simple enough.

But longer term, larger contracts are more complex. They require sustained effort over many months or years. They require a firm to commit to and achieve intermediate milestones on time. They require the firm to maintain quality assurance standards month in and month out, year in and year out. This can be extraordinarily challenging.

Mentor firms have demonstrated that they can help train small protégé firms to develop that infrastructure, so necessary to be successful in larger Federal contracts.

I have a case history right here that I call to the attention of my colleagues. Scott Ulvi, of Anteon Corporation, has written me about his experience in mentoring, and Ray Lopez, of Engineering Services Network, has written about the value of the training and assistance he received from Anteon. I call particular attention to Mr. Lopez' experience in successfully receiving Federal contracts, only to have the reality sink in that he was originally unprepared to carry them out. His experience is truly instructive of what small business owners encounter daily, and I call his letter to the attention of my colleagues. I will ask unanimous consent that both letters be inserted into the RECORD at the conclusion of my remarks.

The bill I am offering today would build upon the experience with the DOD program and make it governmentwide. Specifically, the Administrator of the Small Business Administration would be charged with developing a governmentwide program that would provide assistance to all types of firms targeted for special procurement procedures under the Small Business Act.

Now, it would not be possible for the SBA to manage every Mentor-Protégé relationship in the Federal Government. It would be administratively impossible. Thus, my bill calls for the Administrator to develop a core Mentor-Protégé program, applicable across the Government, and to reimburse part of the expenses of agencies that agree to adopt the SBA program. Agencies would administer the program in-house, but would apply to be reimbursed for up to 50 percent of certain expenses incurred in a program that conforms to the Administrator's guidelines.

The expenses to be partially reimbursed are those for which an agency reimburses the mentoring firms. Mentor firms can get reimbursed from the contracting office for added costs they incur in providing technical, managerial, and developmental assistance to the protégé firm. Under this bill, up to 50 percent of these costs would then in turn be reimbursed to the agency from the SBA. The technical assistance provided through this reimbursable program is far and away the most valuable, as the letter from Scott Ulvi of Anteon Corporation describes. This program seeks to help agencies put together the resources they need to make such reimbursements.

This program will help all agencies of the Government strengthen their vendor base, just as it has for the Department of Defense. It will help small businesses develop their abilities to compete for larger contracts, and the taxpayer will be the ultimate winner as a result of that competition. It also meets one of the Bush administration's goals, as described in the recent budget submission, of reducing fragmentation among Federal programs by ensuring a uniform, core Mentor-Protégé program across the Government.

Nothing succeeds like success. The DOD Mentor-Protégé program, adopted as a pilot in 1991, has been such a success. Now we need to learn from that success and make it available across the Government. My bill proposes to do exactly that and I ask unanimous consent that the text of the bill and supporting letters be printed in the RECORD.

There being no objection, the additional material was ordered to be printed in the RECORD, as follows:

S. 861

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Governmentwide Mentor-Protege Program Act of 2001".

SEC. 2. MENTOR-PROTEGE PROGRAM.

The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 36 as section 37; and

(2) by inserting after section 35 the following:

"SEC. 36. MENTOR-PROTEGE PROGRAM.

"(a) ESTABLISHMENT OF PROGRAM.—The Administrator shall establish a Program to be known as the 'Governmentwide Mentor-Protege Program'.

"(b) PURPOSES.—The purposes of the Program are to provide—

"(1) incentives for major Federal contractors to assist eligible small business concerns to enhance the capabilities of eligible small business concerns to perform as subcontractors and suppliers under Federal contracts in order to increase the participation of eligible small business concerns as subcontractors and suppliers under those contracts; and

"(2) Governmentwide criteria for partial reimbursement of certain agency costs incurred in the administration of the Program.

"(c) PROGRAM PARTICIPANTS.—

"(1) MENTOR FIRMS.—A mentor firm may enter into agreements under subsection (e) and furnish assistance to eligible small business concerns upon making application to the head of the agency for which it is contracting and being approved for participation in the Program by the head of the agency.

“(2) Eligible small business concerns.—

“(A) In general.—An eligible small business concern may obtain assistance from a mentor firm upon entering into an agreement with the mentor firm to become a protege firm, as provided in subsection (e).

“(B) Restriction.—A protege firm may not be a party to more than one agreement to receive assistance described in subparagraph (A) at any time.

“(3) Certification.—

“(A) In general.—Before receiving assistance from a mentor firm under this section, a small business concern shall furnish to the mentor firm—

“(i) if the Administration regularly issues certifications of qualification for the category of that small business concern listed in subsection (k)(1), that certification; and

“(ii) if the Administration does not regularly issue certifications of qualification for the category of that small business concern listed in subsection (k)(1), a statement indicating that it is an eligible small business concern.

“(B) Development of certification.—Nothing in this section shall be construed to require the Administration to develop a certification program for any category of small business concern listed in subsection (k)(1).

“(C) Assistance to non-eligible small business concern.—If at any time, a small business concern is determined by the Administration not to be an eligible small business concern in accordance with this section—

“(i) the small business concern shall immediately notify the mentor firm of the determination; and

“(ii) assistance furnished to that small business concern by the mentor firm after the date of the determination may not be considered to be assistance furnished under the Program.

“(d) Mentor Firm Eligibility.—

“(1) In general.—Subject to subsection (c)(1), a mentor firm that is eligible for award of Federal contracts may enter into an agreement with one or more protege firms under subsection (e) and provide assistance under the Program pursuant to that agreement, if the mentor firm demonstrates to the subject agency the capability to assist in the development of protege firms.

“(2) Presumption of capability.—A mentor firm shall be presumed to be capable under paragraph (1) if the total amount of contracts and subcontracts that the mentor firm has entered into with the subject agency exceeds an amount determined by the Administrator, in consultation with the head of the subject agency, to be significant relative to the contracting volume of the subject agency.

“(e) Mentor-Protege Agreement.—

“(1) In general.—Before providing assistance to a protege firm under the Program, a mentor firm shall enter into a mentor-protege agreement with the protege firm regarding the assistance to be provided by the mentor firm.

“(2) Contents of agreement.—The agreement required by paragraph (1) shall include—

“(A) a developmental program for the protege firm, in such detail as may be reasonable, including—

“(i) factors to assess the developmental progress of the protege firm under the Program; and

“(ii) the anticipated number and type of subcontracts to be awarded to the protege firm;

“(B) a Program participation term of not longer than 3 years, except that the term may be for a period of not longer than 5 years if the Administrator determines, in writing, that unusual circumstances justify a Program participation term of longer than 3 years; and

“(C) procedures for the protege firm to terminate the agreement voluntarily and for the mentor firm to terminate the agreement for cause.

“(f) Forms of Assistance.—A mentor firm may provide to a protege firm—

“(1) assistance using mentor firm personnel, in—

“(A) general business management, including organizational management, financial management, and personnel management, marketing, business development, and overall business planning;

“(B) engineering and technical matters, including production, inventory control, and quality assurance; and

“(C) any other assistance designed to develop the capabilities of the protege firm under the developmental program referred to in subsection (e)(2)(A);

“(2) the award of subcontracts on a noncompetitive basis under Federal contracts;

“(3) progress payments for performance of the protege firm under a subcontract referred to in paragraph (2), in amounts as provided for in the subcontract, except that no such progress payment may exceed 100 percent of the costs incurred by the protege firm for the performance;

“(4) advance payments under subcontracts referred to in paragraph (2);

“(5) loans;

“(6) cash in exchange for an ownership interest in the protege firm, not to exceed 10 percent of the total ownership interest;

“(7) assistance obtained by the mentor firm for the protege firm from—

“(A) small business development centers established pursuant to section 21;

“(B) entities providing procurement technical assistance pursuant to chapter 142 of title 10, United States Code; or

“(C) a historically Black college or university or a minority institution of higher education.

“(g) Incentives for Mentor Firms.—

“(1) Reimbursement for progress or advance payment.—The head of the agency for which a mentor firm is contracting may provide to a mentor firm reimbursement for the total amount of any progress payment or advance payment made under the Program by the mentor firm to a protege firm in connection with a Federal contract awarded to the mentor firm.

“(2) Reimbursement for mentoring assistance.—

“(A) Mentor firm.—The head of the agency for which a mentor firm is contracting may provide to a mentor firm reimbursement for the costs of the assistance furnished to a protege firm pursuant to paragraphs (1) and (7) of subsection (f), as provided for in a line item in a Federal contract under which the mentor firm is furnishing products or services to the agency, subject to a maximum amount of reimbursement specified in the contract, except that this subparagraph does not apply in a case in which the head of the agency determines in writing that unusual circumstances justify reimbursement using a separate contract.

“(B) Total amount of reimbursement.—The total amount reimbursed under subparagraph (A) to a mentor firm for costs of assistance furnished in a fiscal year to a protege firm may not exceed $1,000,000, except in a case in which the head of the subject agency determines in writing that unusual circumstances justify reimbursement of a higher amount.

“(C) Reimbursement to agency.—The head of an agency may submit documentation to the Administrator indicating the total amount of reimbursement that the agency paid to each mentor firm under this paragraph, and the agency shall be reimbursed by the Administration for not more than 50 percent of that total amount, as indicated in the documentation.

“(3) Costs not reimbursed.—

“(A) In general.—

“(i) Credit.—Costs incurred by a mentor firm in providing assistance to a protege firm that are not reimbursed pursuant to paragraph (2) shall be recognized as credit in lieu of subcontract awards for purposes of determining whether the mentor firm attains a subcontracting participation goal applicable to the mentor firm under a Federal contract or under a divisional or companywide subcontracting plan negotiated with an agency.

“(ii) Subject agency authority.—Clause (i) shall not be construed to authorize the negotiation of divisional or companywide subcontracting plans by an agency that did not have such authority before the date of enactment of the Governmentwide Mentor-Protege Program Act of 2001.

“(B) Amount of credit.—The amount of the credit given to a mentor firm for unreimbursed costs described in subparagraph (A) shall be equal to—

“(i) 4 times the total amount of the unreimbursed costs attributable to assistance provided by entities described in subsection (f)(7);

“(ii) 3 times the total amount of the unreimbursed costs attributable to assistance furnished by the employees of the mentor firm; and

“(iii) 2 times the total amount of any other unreimbursed costs.

“(C) Adjustment of credit.—Under regulations issued by the Administrator pursuant to subsection (j), the head of the subject agency shall adjust the amount of credit given to a mentor firm pursuant to subparagraphs (A) and (B) of this paragraph, if the head of the subject agency determines that the performance of the mentor firm regarding the award of subcontracts to eligible small business concerns has declined without justifiable cause.

“(h) Administrative Provisions.—

“(1) Developmental assistance.—For purposes of this Act, no determination of affiliation or control (either direct or indirect) may be found between a protege firm and its mentor firm on the basis that the mentor firm has agreed to furnish (or has furnished) to the protege firm pursuant to a mentor-protege agreement under this section any form of developmental assistance described in subsection (f).

“(2) Participation in program.—Notwithstanding section 8, the Administration may not determine an eligible small business concern to be ineligible to receive any assistance authorized under this Act on the basis that the small business concern has participated in the Program, or has received assistance pursuant to any developmental assistance agreement authorized under the Program.

“(3) Administration review.—

“(A) In general.—Upon determining that the mentor-protege program administered by the subject agency conforms to the standards set forth in the rules issued under subsection (j)(1), the Administrator may not require a small business concern that is entering into, or has entered into, an agreement under subsection (e) as a protege firm, or a firm that makes an application under subsection (c)(1), to submit the application, agreement, or any other document required by the agency in the administration of the Program to the Administration for review, approval, or any other purpose.

“(B) EXCEPTION.—The Administrator may require submission for review of an agreement entered into under subsection (e), or application submitted under subsection (c)(1), if the agreement or application relates to—

“(i) a mentor-protege program administered by the agency that does not conform to the standards set forth in the rules issued under subsection (j)(1); or

“(ii) a claim for reimbursement of costs submitted by an agency to the Administration under subsection (g)(2)(C) that the Administrator has reason to believe is not authorized under this section.

“(i) PARTICIPATION IN PROGRAM NOT TO BE A CONDITION FOR AWARD OF A CONTRACT OR SUBCONTRACT.—A mentor firm may not require a small business concern to enter into an agreement with the mentor firm pursuant to subsection (e) as a condition for being awarded a contract by the mentor firm, including a subcontract under a contract awarded to the mentor firm.

“(j) REGULATIONS.—

“(1) PROPOSED RULES.—Not later than 270 days after the date of enactment of the Governmentwide Mentor-Protege Program Act of 2001, the Administrator shall issue final rules to carry out this section .

“(2) PROPOSED RULES FROM THE FEDERAL ACQUISITION REGULATORY COUNCIL.—Not later than 180 days after the date of issuance of the final rules of the Administration under paragraph (1), the Federal Acquisition Regulatory Council shall publish final rules that conform to the final rules issued by the Administration .

“(k) DEFINITIONS.—In this section—

“(1) the term ‘eligible small business concern’ means—

“(A) any qualified HUBZone small business concern, as defined in section 3(p)(5);

“(B) any small business concern that is owned and controlled by women, as defined in section 3(n);

“(C) any small business concern that is owned and controlled by socially and economically disadvantaged individuals, as defined in section 8(a)(4); and

“(D) any small business concern that is owned and controlled by service-disabled veterans, as defined in section 3(q)(2);

“(2) the term ‘historically Black college and university’ means any of the historically Black colleges and universities referred to in section 2323 of title 10, United States Code;

“(3) the term ‘mentor firm’ means a business concern that—

“(A) meets the requirements of subsection (d); and

“(B) is approved for participation in the Program under subsection (c)(1);

“(4) the term ‘minority institution of higher education’ means an institution of higher education with a student body that reflects the composition specified in paragraphs (3), (4), and (5) of section 312(b) of the Higher Education Act of 1965 (20 U.S.C. 1058(b)(3), (4), (5));

“(5) the term ‘Program’ means the Mentor-Protege Program established under this section;

“(6) the term ‘protege firm’ means an eligible small business concern that receives assistance from a mentor firm under this section; and

“(7) the term ‘subcontracting participation goal’, with respect to a Federal Government contract, means a goal for the extent of the participation by eligible small business concerns in the subcontracts awarded under such contract, as established by the Administrator and the subject agency head, in accordance with the goals established pursuant to section 15(g).

“(l) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $30,000,000 for each of fiscal years 2002 through 2004.”.

ANTEON CORPORATION,
Fairfax, VA, April 30, 2001.

Senator CHRISTOPHER S. BOND,
Chairman, Small Business Committee, Russell Senator Office Building, Washington, DC.

DEAR SENATE BOND: Anteon Corporation is a mid-sized Government contractor that has been a Department of Defense Mentor since 1997. This program has enabled Anteon to provide valuable assistance to seven small disadvantaged businesses at critical points in their development. We are committed to the success of our protégé firms and the Mentor-Protégé Program overall. The responsibility of a mentor is a serious one. We recognize this and have established a separate Mentor-Protégé organization dedicated to delivering the highest quality mentoring services. This has been made possible primarily by the reimbursement provided under our Mentor-Protégé Agreements within the DOD. The financial incentives from DOD's program have produced significant results in several of Anteon's Mentor-Protégé Agreements:

Anteon and Engineering Services Network, Inc.—March 2001, DoD Nunn-Perry Award winning team—240% Growth in Revenues in 18 months; 178% Growth in employees; 1,281% return on investment (ROI) since March 1999.

Anteon and CETECH, Inc.—422% Growth in Revenues in 36 months; 400% Growth in employees; 452% ROI over 36 months.

Anteon and DaySys, Inc.—217% improvement in Revenues; 128% improvement in profit from 1999 to 2001 (projected).

While each firm is certainly unique, the common denominator for the success realized under this program, is the owner's recognition of the value of a mentor and a willingness to accept assistance. Anteon's success as a mentor comes from our commitment and dedication to our protégé and the program. Our experience has taught us that a truly successful program must focus on technical development while effectively balancing the infrastructure support so important to small businesses. Technical development is unquestionably the most important component of this program because it increases the value and competitive posture of the protégé to the customer. As a result of the DOD Mentor-Protégé Program our protégés have been able to receive technical development in such critical areas as: ISO 9000 Quality Management System Certification; Software Engineering Institute Capability Maturity Model preparation; and other high technology development in the disciplines of engineering and information technology. These important skills produce significant return to the Federal Government in terms of increased efficiency, lower costs and higher project success rates.

The success of our program is the direct result of knowledge, experience and a great deal of hard work, work that would not have been possible without the support afforded this program by the DOD, both financially and otherwise. This program is what it is today because of the tremendous support and vision of its leaders past and present. Mr. Robert Neal, Mr. George Schultz, and Ms. Janet Koch have shown relentless commitment to the success of the Mentor-Protégé program in DOD and deserve the lion's share of recognition for the program's success. The support of the Congress in reauthorizing this program every year for the last decade speaks volumes of the support received by our Nation's leaders. The support for this program must continue and the program must grow to reach the multitude of deserving small businesses that desperately need the assistance.

Mentor firms like Anteon receive considerable business, social and political value from this program. That value translates directly to the bottom line by taking part in the growth and success of our protégés as business partners and through our active participation in the small business community. My mentor once told me that the highest calling of a leader is to develop others—I truly believe that. My reward for being a mentor is the gratification of knowing that my efforts have helped to develop the business leaders of tomorrow.

Anteon stands ready to assist the Department of Defense, the Congress and the Federal Government in any way possible to ensure the continued success and growth of this most important program.

Sincerely,

M.N. SCOTT ULVI,
Director, Mentor-Protégé Programs.

ENGINEERING SERVICES
NETWORK, INC.,
Arlington, VA, April 27, 2001.

Senator CHRISTOPHER S. BOND,
Chairman, Small Business Committee, Russell Senate Office Building, Washington, DC.

DEAR SENATOR BOND: I would like to make you aware of what I consider to be the most important small business program currently available to small businesses whether they be minority owned, veteran owned, woman owned, or otherwise. The Mentor-Protégé Program is so important that it transcends personalities, race, creed, color or religion. This program has enabled my firm, Engineering Services Network, Inc., to realize remarkable success in a very short period of time. The Mentor-Protégé Program deserves continued and increasing support from the Federal government and our Executive Branch.

After my retirement from the U.S. Navy in 1994, I considered a career coaching in the secondary education system, I also had an interest in providing high technology services to my former fellow shipmates and the patriots of this great nation. My wife and I made the decision that the transition to a business life would be easier if I could provide services to the organization that meant so much to me for thirty years. Little did I realize the amount of headwork, legwork, anxiety and mental toughness required to enter the field of business. Our first few years became the toughest challenge of our lives. Although I was technically astute in Command, Control, Communication, Combat Systems and the various operational aspects of the United States Navy, I soon realized that I was ill prepared foı the challenges presented by owning your own business. I enjoyed a gift that enabled me to bring in business, but quickly found that we lacked the necessary skills and experience within the firm to manage and grow the work that I'd captured. We needed to learn the basic skills of pricing, contract management, and project management in order to perform successfully. On the business side, the basic and key concepts of developing a solid business plan were foreign to me. The significance and meaning of operating assets and liabilities were as unfamiliar to me as the standard operational procedures of an M1 Tank. I was a warrior, not a businessman.

After two years of slowly building the organization to 18 employees, surviving delivery order to delivery order, and continually asking ourselves whether the effort was worth the reward, two pivotal events occurred:

1. The company received its 8(a) status from the Small Business Administration.

2. We entered into an informal Mentor-Protégé relationship with Anteon Corporation.

The 8(a) program was instrumental in opening doors to market areas in which our corporation would not normally compete. Our informal mentor protégé relationship with Anteon provided us access to training resources that allowed us to understand some of the basic concepts of doing business in the DOD arena. This was an important asset for ESN at such a critical point in our business life.

In 1999 ESN and Anteon took the next natural step in advancing our relationship by entering into a formal Mentor-Protégé relationship through the Defense Information Systems Agency (DISA). In the short four years since its birth, the company had grown to 28 employees and had limped along with limited and inexperienced infrastructure.

The formal Mentor-Protégé relationship established a far more structured and focused approach to assisting ESN with its developmental needs. Our mentor introduced to us cutting edge and critical ideas, not only in technology but in our financial and other responsibilities as a company. They have helped ESN to implement effective management controls including budgeting and financial management and are largely responsible for catalyzing ESN's commitment to achieve ISO 9000 certification in 2001. Our mentor has helped us build a foundation that will take ESN far into the 21st century. After only two short years in our formal Mentor-Protégé relationship with Anteon we employ 87 people, which would not have been possible without our Mentor's help. Our progress was recognized by the Department of Defense in March 2001 with the award of the prestigious Nunn-Perry Award. As a result of the progress we have made, ESN is able to contribute to the Gross National Product and provide outstanding technical and engineering skills to our nation's warfighters. I am now a businessman and former warrior.

Without the Mentor-Protégé Program there would be no "ESNs" to contribute to the important cause of keeping our nation safe and free by protecting our country and our national security. As you can tell from this letter, I fully believe in and support the Mentor-Protégé Program, established many years ago by our forward thinking leaders, and willingly respond to any call that will help to continue and improve this program.

Sincerely,

RAYMOND F. LOPEZ, Jr.,
President & CEO.

By Mrs. FEINSTEIN (for herself, Mr. KYL, Mr. GRAHAM, Mr. REID, Mr. BINGAMAN, Mr. KERRY, and Mr. MCCAIN):

S. 862. A bill to amend the Immigration and Nationality Act to authorize appropriations for fiscal years 2002 through 2006 to carry out the State Criminal Alien Assistance Program; to the Committee on the Judiciary.

Mrs. FEINSTEIN. Mr. President, I rise today to introduce the "State Criminal Alien Assistance Program Reauthorization Act of 2001," bipartisan legislation that would authorize funds to relieve State and county governments of the some of the high costs of incarcerating persons who enter this country illegally and are later convicted of felonies or multiple misdemeanors. I am pleased to be joined in introducing this bill by Senators JON KYL, BOB GRAHAM, JOHN MCCAIN, HARRY REID, JEFF BINGAMAN, and JOHN KERRY.

The broad principle on which this bill is based is simple: the control of illegal immigration is a Federal responsibility. The Federal government's failure to control illegal immigration, and the financial and human consequences of this failure are, thus, Federal responsibilities as well.

More and more, the fiscal consequences of illegal immigration are being dealt to the states and local counties. The "State Criminal Alien Assistance Program Reauthorization Act of 2001" would properly vest the fiscal burden of incarcerating illegal immigrants who commit crimes with the Federal government. It would do this by authorizing up to $750 million for federal reimbursement to the States and county governments for the direct costs associated with incarcerating undocumented felons.

At the initiative of my colleague from Florida, Senator BOB GRAHAM, the Federal government took the first steps in 1994 in addressing these costs by authorizing reimbursements to State and local governments through the State Criminal Alien Assistance Program, SCAAP, established by the Violent Crime and Law Enforcement Act of 1994. Since 1997, the authorization level for SCAAP has been $650 million. Last year, the provision authorizing SCAAP funding through the Violent Crime Reduction Trust Fund expired. Enactment of the reauthorization legislation would constitute an acknowledgment that these costs, though borne by other levels of government, remain the Federal government's obligation.

Winning enactment of this authorization bill is half of what Congress needs to do to provide adequate funding to states and counties for this important program. Congress also must appropriate an adequate level of funding for SCAAP, and my colleagues and I will be working in the Appropriations Committee to assure that this is done.

This bill would help all states that are experiencing increasing costs from incarcerating undocumented felons, both low-impact and high-impact states. Even in historically low impact states and counties SCAAP funding has been on the rise. SCAAP funding to Fairfax County, Virginia, for example, has risen from $14,906 in FY 1999 to $2 million in FY 2000. In the County of Outgamie, Wisconsin, SCAAP funding has jumped from $0 in FY 1999 to $548,458 in FY 2000. In the State of Mississippi, SCAAP funding rose from $47,171 in FY 1999 to $$780,795 in FY 2000.

Clearly, these numbers suggest that the increasing costs to states and local governments for incarcerating criminal aliens is not just a problem for States on the southwest border but, rather, it is a nationwide problem.

High impact States, like California, continue to face extraordinary criminal alien incarceration costs. In February 1997, there were 17,904 undocumented felons in the California correctional system with Immigration and Naturalization Service holds. By the end of February 2001, there were 20,937 illegal alien inmates in the system with INS holds. This year, California taxpayers can expect to spend $576.1 million to pay for what is, indeed, a Federal obligation. In fact, 1995, the first year in which SCAAP funding was awarded, California has spent a total of $3.8 billion in costs directly associated with incarcerating undocumented criminal aliens.

Local counties often shoulder a disproportional share of the burden of criminal aliens as well. In California, for example, counties are responsible for providing local law enforcement, detention, prosecution, probation and indigent defense services. While SCAAP only reimburses a portion of the costs directly related to the incarceration of undocumented criminal aliens, most other indirect criminal justice expenditures, are fully borne by County taxpayers.

Furthermore, while funding levels for SCAAP has remained about the same, the number of local governments applying for the awards has greatly increased over the past few years. In fiscal year 1996, local governments were reimbursed at a rate of approximately 60 percent for the costs of incarcerating criminal aliens convicted of a felony or two or more misdemeanors when only 90 jurisdictions applied for such reimbursement. For fiscal year 2000, 361 local jurisdictions applied for SCAAP funding, and reimbursement amounted to less than 40 percent of the costs incurred by these jurisdictions.

SCAAP funding is especially important to Los Angeles County, which has a larger undocumented immigrant population than any single state except California, and operates the nation's largest local criminal justice system. Los Angeles County also has a violent crime rate which is far higher than the national average, and accounts for about one out of every 16 violent crimes committed in the United States.

A recent study conducted by the Los Angeles County Sheriff's Department concluded that 23 percent of the County's inmate population consisted of criminal aliens in 2000. The study further found that the impact of criminal aliens on the criminal justice system in Los Angeles County had doubled from approximately $75 million in 1990 to more than $150 million in 1999.

There are numerous other jurisdictions in California that are significantly affected by criminal aliens, including the border counties of San Diego and Imperial. Like Los Angeles County, these counties are not being adequately reimbursed for the costs associated with the incarceration of criminal aliens.

In FY 1999 San Diego and Imperial counties spent a combined $56 million on law enforcement and indirect costs involving illegal aliens, whether criminal or not. These costs include criminal alien incarceration, justice and court costs, emergency medical care, autopsies, and burials of indigents. SCAAP compensated these counties for only $8 million or 15 percent of these costs which went solely to the cost of incarcerating criminal aliens.

Border counties, however, are taking a hit in other areas: San Diego, has to spend 7 percent of its total public safety budget to cover other costs, including indigent defense, court and emergency medical costs; Imperial County expends 16 percent of its public safety budget to cover these costs.

The structure of public financing in California makes it extremely difficult for local governments, especially county governments, to increase their sources of revenue. This problem is greatly exacerbated when they are also forced to pay for costs related to the Federal responsibility of controlling illegal immigration.

Without the ability to raise taxes in any significant way to deal with the costs associated with criminal illegal aliens, counties are forced to cut back on other expenditures that would otherwise benefit the legal resident population.

It is unfortunate, that at a time when Congress is concerned about unfunded mandates, the Administration has seen fit to propose cutting SCAAP funding by almost $300 million for fiscal year 2002. Given the increasing numbers of illegal aliens that California and other states incarcerate each year, the Administration's decision in this regard is perplexing.

If the Administration has its way, States and local counties would face an unfair set of choices with real consequences: either cut other essential local law enforcement programs and community services, or raise local taxes. Neither of these are acceptable options.

I am pleased that this legislation has the support of such organizations as the National Association of Counties and the California Correctional Peace Officers Association.

I also ask unanimous consent that the letter to President Bush, signed by a bipartisan group of Senators, expressing concern about the proposed cuts in SCAAP funding and the text of the bill be printed into the RECORD.

I join my colleagues in introducing the SCAAP reauthorization bill today in hopes that it will go further to alleviate some of the fiscal hardships States and local counties incur when they must take on a Federal responsibility. I look forward to working with my colleagues to move it through the Senate.

I ask for unanimous consent that their letters in support of this measure be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows;

S. 862

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "State Criminal Alien Assistance Program Reauthorization Act of 2001".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEARS 2002 THROUGH 2006.

Section 241(i)(5) of the Immigration and Nationality Act (8 U.S.C. 1251(i)(5)) is amended—

(1) by striking "and" at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(G) $750,000,000 for each of fiscal years 2002 through 2006.".

U.S. SENATE,
Washington, DC, May 8, 2001.

Hon. GEORGE W. BUSH,
President of the United States, The White House, Washington, DC.

DEAR MR. PRESIDENT: We write out of deep concern over your Fiscal Year 2002 Budget proposal to cut funding for the State Criminal Alien Assistance Program (SCAAP) by nearly 50 percent. We ask that you reconsider this recommendation and, instead, at a minimum, support funding this program at $750 million. SCAAP is a vitally important program that assists states in recovering the costs associated with the incarceration of criminal aliens. We would strongly oppose cuts in this important program.

As you are well aware, control of our nation's borders is under the exclusive jurisdiction of the Federal government. Unfortunately, Federal efforts are often not adequate to combat illegal immigration. As a consequence, such high impact states as California, Arizona, New Mexico, Texas, Florida, New York, Washington, Nevada and Massachusetts continue to face extraordinary costs associated with incarcerating criminal aliens. Much of these costs are borne by counties, some of which are among the poorest in the nation and traditionally operate with slim budgets and staffing.

By some estimates, the total annual cost to states and county governments exceeds $1.6 billion. In light of this growing burden, your FY 02 budget proposal inexplicably recommends cutting funding for this urgently needed program by $300 million.

Unless the Administration supports and Congress appropriates sufficient funds for SCAAP, our state and local governments will continue to unfairly shoulder the burden of bearing the costs of a Federal responsibility. Given the upward trend in incarceration costs, any shortfall in SCAAP funding would force states to draw funds away from other, cash-strapped crime control and prevention programs. In short, the impact on the states would be devastating.

Therefore, we urge you to support funding for this important program at a level of $750 million.

Sincerely,

DIANNE FEINSTEIN.
BOB GRAHAM.
JON KYL.
HARRY REID.

NATIONAL ASSOCIATION OF COUNTIES,
Washington, DC, May 1, 2001.

Hon. GEORGE W. BUSH,
The President, The White House, Washington, DC.

DEAR MR. PRESIDENT: The National Association of counties strongly supports the State Criminal Alien Assistance program (SCAAP) at least at its full authorization level. However, we believe the program needs to be funded at a much higher level than proposed, in order to address the serious shortfall in meeting costs to counties.

As of today, SCAAP only reimburses counties at a rate of 40 percent of actual expenses. To truly meet our annual costs for the incarceration of alien undocumented criminals, this considerable increase in funding would be needed. Moreover, due to recent changes in the administration of the program, significant costs such as inmate recreation and drug treatment expenses are no longer recognized.

While immigration policy is solemnly within federal responsibility, many of the expenses associated with it burden counties and state governments. Costs of providing services for undocumented aliens extend to county hospitals and county health departments and county human service agencies. With the upward trend in incarceration costs, counties depend even more on federal programs such as SCAAP since most of our local correctional agencies are at or near capacity.

We strongly urge you to fund SCAAP at least at its full authorization level.

Sincerely,

LARRY E. NAAKE,
Executive Director.

PINELLAS COUNTY SHERIFF'S OFFICE,
Largo, FL, April 27, 2001.

Senator BOB GRAHAM,
Senate Hart Building,
Washington, DC.

DEAR MR. PRESIDENT: We write to you in response to your Fiscal Year 2002 budget proposal to cut funding for the state Criminal Alien Assistance Program (SCAAP) by more than 50 percent. We urge you not to reduce the program but rather secure funding at a minimum of the current appropriation level. As of today, SCAAP only partly reimburses the actual expenses borne by state and local governments. To truly meet our annual costs for the incarceration of alien undocumented criminals, a considerable increase in the funding would be needed. Due to recent changes in the administration of the program, significant costs such as inmate recreation and drug treatment expenses are no longer recognized.

While immigration policy is solemnly within federal responsibility, many of the expenses associated with it burden local jurisdictions. Costs of providing services for undocumented aliens extend to the municipal police, local hospitals and health care department. With the upward trend in incarceration costs, counties depend even more on federal programs such as SCAAP since any undocumented alien caught committing a state felony or several misdemeanors enters the state or county criminal justice system.

We strongly ask you to reconsider your proposed cuts for SCAAP and instead secure financial assistance for the states and counties.

Sincerely,

EVERETT S. RICE,
Sheriff.

COLLIER COUNTY SHERIFF'S OFFICE,
Naples, FL, April 27, 2001.

Re State Criminal Alien Assistance Program (SCAAP).

President GEORGE W. BUSH,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: We write to you in response to your Fiscal Year 2002 budget proposal to cut funding for the State Criminal Alien Assistance Program (SCAAP) by more than 50 percent. We urge you not to reduce the program but rather secure funding at a minimum of the current appropriation level. As of today, SCAAP only partially reimburses the actual expenses borne by state and local governments. To truly meet our annual costs for the incarceration of alien undocumented criminals, a considerable increase in the funding would be needed. Due to recent changes in the administration of the program, significant costs such as inmate recreation and drug treatment expenses are no longer recognized.

While immigration policy is solemnly within federal responsibility, many of the expenses associated with it burden local jurisdictions. Costs of providing services for undocumented aliens extend to local law enforcement agencies, local hospitals, and health care departments. With the upward trend in incarcerations costs, counties depend even more on federal programs such as SCAAP since any undocumented alien caught committing a state felony or several misdemeanors enters the state or county criminal justice system.

We strongly urge you to reconsider your proposed cuts for SCAAP and instead secure financial assistance for the states and counties.

Sincerely,

DON HUNTER,
Sheriff.

HILLSBOROUGH COUNTY SHERIFF'S OFFICE,
Tampa, FL, May 2, 2001.

Hon. BOB GRAHAM,
U.S. Senate,
Washington, DC.

DEAR SENATOR GRAHAM: Enclosed is the original and a copy of my letter to President Bush regarding the State Criminal Alien Assistance Program. I appreciate the pro active stance that you have taken to counter the proposed funding cut.

We have examined Senate Bill 169 and do not feel that it is a reasonable alternative. Each county and state, regardless of its geographic location, should have equal opportunity to apply for reimbursement using the same formula and criteria.

The other questions that you posed regarding the efficiency and effectiveness of the current SCAAP program are on point, but we do not have supporting statistics or documentation readily available. I would simply suggest that adequate funding for the program in its current form is of greatest importance.

Thank you again for taking the lead to protect the SCAAP program.

Sincerely,

CAL HENDERSON,
Sheriff.

CALIFORNIA CORRECTIONAL PEACE OFFICERS ASSOCIATION,
Sacramento, CA, May 9, 2001.

Hon. DIANNE FEINSTEIN,
Senate Hart Building,
Washington, DC.

DEAR SENATOR FEINSTEIN: I am writing on behalf of the California Correctional Peace Officers Association (CCPOA), representing approximately 28,000 correctional officers and parole agents in the State of California, to express our strong support for legislation you plan to introduce to reauthorize the State Criminal Alien Assistance Program (SCAAP).

It is our understanding that your bill would reauthorize the SCAAP program at an increased level of $750,000,000 for fiscal years 2002 through 2006. As you know, this program reimburses state and local governments for the costs of incarcerating criminal aliens. This program pays for the incarceration costs of criminals who have illegally entered or stayed in our country, have committed at least one felony or two misdemeanor crimes while in this country, and are serving time in local jails or state prisons. SCAAP recognizes that the federal government has sole jurisdiction over preventing illegal immigration and should be accountable for the consequences of illegal immigration. States and counties should not have to bear the financial consequences of the federal government's failure to prevent illegal immigration.

CCPOA was disappointed that the President's $265 million in funding for this program, a decrease of $299 million from last year, because "SCAAP reimburses a relatively small portion of states incarceration costs and contributes little to reducing violent crime." SCAAP does only reimburse a small portion of states' incarceration costs, which is exactly why appropriations for this program need to be increased, not decreased. The program was never intended to reduce violent crime. It was intended, and has succeeded, in allowing state and local resources to be used on state and local crime issues, rather than federal responsibilities.

Again, CCPOA commends you for your leadership in this area. Please contact our Washington representative, Shannon Lahey if we can be of any assistance to you in securing the passage of this important legislation.

Sincerely,

MIKE JIMENEZ,
Executive Vice President.

NATIONAL ASSOCIATION OF COUNTIES,
Washington, DC, May 9, 2001.

Hon. DIANE FEINSTEIN,
U.S. Senate, Washington, DC.

DEAR SENATOR FEINSTEIN: I understand you will be introducing legislation tomorrow that will raise the SCAAP authorization level to $750 million annually. The National Association of Counties (NACo) wishes to go on record in support of your legislation.

NACo recognizes that securing the nation's border from illegal immigration is clearly the responsibility of the federal government and that Congress should fully reimburse counties for the costs of incarcerating undocumented aliens.

We look forward to working with you on this issue.

Sincerely,

LARRY E. NAAKE,
Executive Director.

Mr. GRAHAM. Mr. President, I rise today, with my colleagues Senators FEINSTEIN, KYL, and others, to reauthorize the State Criminal Alien Assistance Program, or SCAAP.

SCAAP was created as part of the 1994 Violent Crime Control and Law Enforcement Act because the federal government recognized the responsibility we have to alleviate the impact of immigration policy on state and local governments.

The federal government has sole jurisdiction over national immigration policy, and we should do all possible so that our federal decisions and actions do not cause a financial burden on states and localities.

SCAAP is a reimbursement program that sends dollars to our counties and states to help offset the costs associated with jailing illegal or criminal aliens.

SCAAP also established and now facilitates a process to better identify undocumented criminal aliens and to expedite the transfer of illegal aliens from state facilities and county jails to federal institutions in preparation for deportation, or other federal proceedings.

Thus, I was greatly concerned looking through the President's budget that this program was cut by more than 50 percent this year.

At the moment, SCAAP only provides reimbursement for about 37 cents of every dollar a state spends on criminal aliens.

We barely cover half the costs as is, and this is before the program was cut in half in this most recent budget.

For FY99, state and local governments incurred $1.5 billion in costs associated with criminal aliens which were eligible for reimbursement under the SCAAP program. In FY98, costs to state and local governments were even higher: $1.7 billion. This past year, $1.6 billion was spent by state and local governments on these concerns. Yet, we funded the program at $585 million in each of those years.

It's not as much reimbursement as is needed, but the reimbursement gives an appropriate and respectful amount of relief to state and local law enforcement budgets for the benefits they are providing to the federal government.

The National Governors Association has the reauthorization of this program as one of their top priorities for this year. I am certain that they also join me in asking that the program at least maintain funding levels of last year, if not a funding increase that will get them a more fair reimbursement for the dollars they spend.

The National Association of Counties supports reauthorization and full funding of SCAAP.

They make the point that state and local taxpayers should not have to bear the costs of criminal aliens. They are a federal responsibility, and should be transferred to federal custody in an expeditious manner.

Last year, every state, and more than 220 local governments received reimbursement under SCAAP.

This affects us all. I do not want to see the federal government backtrack on our obligation to state and local governments in the area of immigration.

Lastly, statements in the President's budget about this program concern me.

Two reasons were given for the cut of $299 million which this program endured.

The first was that it "reimburses a relatively small portion of states' incarceration costs."

This statement is true. As I've said, it only reimburses state or local governments about 37 cents of each dollar they spend on illegal immigrants and criminal aliens.

However, this is no reason to further cut the program! If anything, if we agree on the premise that immigration policy is a federal responsibility, then it is reason to fully fund the program.

I have never seen a rationale given where there is clear federal jurisdiction, like in this case, that specifically says: we can only reimburse states a small portion of what we owe them, so let's cut the program in half. I fail to see how this accomplishes the most effective public policy.

The second reason that is given for the program cut is that it has contributed "little to reducing violent crime."

Again—on it's face—this statement may be true, although I have not been able to obtain any supporting documentation that verifies it. But, regardless, that was never the Congressional intent of the program.

The intent of the program, clearly spelled out in the 1994 Crime bill, was to reimburse state, and later on through amendments in 1996, local governments for the costs they incur because of federal immigration policy. And, secondly, to expedite the transfer of criminal aliens from the state and local facilities where they may be originally held, into the federal system. I would argue that this, in and of itself, does reduce crime.

But I find it unfair that a program should be penalized with a 50 percent budget cut because it failed to achieve a goal that was never intended for the program.

Whichever side of the immigration debate you may be on—a more expansive immigration policy, or a more restrictive immigration policy—if you agree with the premise that immigration is the responsibility of and obligation of the federal government—then you should join us in our efforts to reauthorize and fully fund the SCAAP program.

I commend my colleagues, especially Senator FEINSTEIN and Senator KYL, for their tireless work on this issue. I look forward to seeing the program reauthorized and funded at an appropriate level this Congress.

Mr. McCAIN. Mr. President, I am pleased to join my distinguished colleagues in introducing this important legislation to reauthorize the State Criminal Alien Assistance Program, SCAAP. Our bill will provide a higher level of federal reimbursement to states and localities across America whose budgets are disproportionately affected by the costs associated with illegal immigration.

The premise of our bill, and of current law governing this type of federal reimbursement to the states, is that controlling illegal immigration is principally the responsibility of the federal government, not the states. Local jurisdictions in many areas of our country, and especially along the southwest border, are burdened by the excessive costs of incarcerating criminal illegal aliens and providing emergency medical care to illegal immigrants. In a typical year, the federal government reimburses states and localities for less than 40 percent of these costs.

Regrettably, the Bush Administration's proposed FY 2002 budget would slash SCAAP funding by 50 percent from its current, already-insufficient level of $575 million. The National Governors' Association and the National Association of Counties, whose members deal with the problem of illegal immigration on a daily basis, believe we should increase, not cut, funding for this program, and I agree. SCAAP money flows to all 50 states and 350 local governments, with more applying for this assistance every year. Rather than forcing local residents to subsidize local jails and hospitals because of our government's failure to adequately reimburse them for illegal alien incarceration and medical costs, I hope we will take responsibility as a nation for protecting our borders and covering the contingencies that arise at the local level when we fail to do so.

The State Criminal Alien Assistance Program is an important expression of our government's commitment to border control, and to the quality of life of Americans who suffer the costs of illegal immigration. I thank my colleagues for considering the merits of our bill.

By Mr. REID:

S. 863. A bill to require Medicare providers to disclose publicly staffing and performance in order to promote improved consumer information and choice; to the Committee on Finance.

Mr. REID. Mr. President, I rise today to introduce the Patient Safety Act. This legislation would require Medicare providers, such as hospitals and clinics, to publicly disclose staffing ratios and performance data in order to promote improved consumer information and choice.

As we celebrate National Nurses Week, it is hard to ignore our nation's burgeoning nurse staffing crisis. As the baby-boom population ages and begins to require more nursing care, this shortage will only get worse. Inadequate staffing levels not only diminish nurses' working conditions, but they affect the quality of care patients receive. A recent report by the Department of Health and Human Services, Nurse Staffing and Patient Outcomes in Hospitals, confirmed that the number of nurses in a hospital makes a difference in the quality of care patients receive. One recommendation that came out of the study was the need to develop a system for routinely monitoring outcomes of hospital patient care sensitive to nursing and nurse staffing.

The Patient Safety Act would help to accomplish this goal by requiring health care institutions to make public specified information on staffing levels, mix and patient outcomes. At a minimum, they would have to make public: the number of registered nurses providing direct care; the number of unlicensed personnel utilized to provide direct patient care; the average number of patients per registered nurse providing direct patient care; patient mortality rate; incidence of adverse patient care incidents; and methods used for determining and adjusting staffing levels and patient care needs.

In addition, health care institutions would have to make public data regarding complaints filed with the state agency, the Health Care Financing Administration (HCFA) or an accrediting agency related to Medicare conditions of participation. The agency would then have to make public the results of any investigations or findings related to the complaint.

I urge my colleagues to join me in supporting this bill that would improve the safety of patients by encouraging higher nurse to patient ratios, and ultimately help retain nurses in the face of a nationwide nursing shortage by encouraging safe work environments.

By Mr. LEAHY (for himself, Mr. LIBERMAN, and Mr. LEVIN):

S. 864. A bill to amend the Immigration and Nationality Act to provide that aliens who commit acts of torture, extrajudicial killings, or other specified atrocities abroad are inadmissible and removable and to establish within the Criminal Division of the Department of Justice an Office of Special Investigations having responsibilities under that Act with respect to all alien participants in war crimes, genocide, and the commission of acts of torture and extrajudicial killings abroad; to the Committee on the Judiciary.

Mr. LEAHY. Mr. President, I am pleased to introduce with Senators LIEBERMAN and LEVIN the Anti-Atrocity Alien Deportation Act of 2001. I introduced similar legislation in the last Congress, and was pleased when the proposal garnered bipartisan support in both the House and the Senate. The measure was introduced in the last Congress by Representatives FOLEY, FRANKS and ACKERMAN as H.R. 2642 and H.R. 3058, and has again been introduced on April 4, 2001, by Representatives FOLEY and ACKERMAN as H.R. 1449. Moreover, the legislation passed the Senate, on November 5, 1999, as part of the Hatch-Leahy "Denying Safe Havens to Internationals and War Criminals Act," S. 1754, but unfortunately was not acted on by the House. The problem of human rights abusers seeking and obtaining refuge in this country is real, and requires an effective response with the legal and enforcement changes proposed in this legislation. The loss last week by the United States of its seat on the U.N. Human Rights Commission is highly embarrassing and unfortunate, but by ensuring that our country is no safe haven for human rights abusers, we can lead the world by our actions.

War criminals and human rights abusers have used loopholes in current law to enter and remain in this country. I have been appalled that this country has become a safe haven for those who exercised power in foreign countries to terrorize, rape, murder and torture innocent civilians. For example, three Ethiopian refugees proved in an American court that Kelbessa Negewo, a former senior government official in Ethiopia engaged in numerous acts of torture and human rights abuses against them in the late 1970's when they lived in that country. The court's descriptions of the abuse are chilling, and included whipping a naked woman with a wire for hours and threatening her with death in the presence of several men. The court's award of compensatory and punitive damages in the amount of $1,500,000 to the plaintiffs was subsequently affirmed by an appellate court. See Abebe-Jira v. Negewo, 72 F.3d 844 (11th Cir. 1996). Yet, while Negewo's case was on appeal, the Immigration and Naturalization Service granted him citizenship.

As Professor William Aceves of California Western School of Law has noted, this case reveals "a glaring and troubling limitation in current immigration law and practice. This case is not unique. Other aliens who have committed gross human rights violations have also gained entry into the United States and been granted immigration relief." 20 Mich. J. Int'l.L. at 657. In fact, the Center for Justice and Accountability, a San Francisco human rights group, has identified approximately sixty suspected human rights violators now living in the United States.

Unfortunately, criminals who wielded machetes and guns against innocent civilians in countries like Haiti, Chile, Yugoslavia and Rwanda have been able to gain entry to the United States through the same doors that we have opened to deserving refugees. We need to lock that door to those human rights abusers who seek a safe haven in the United States. To those human rights abusers who are already here, we should promptly show them the door out.

We have unwittingly sheltered the oppressors along with the oppressed for too long. We should not let this situation continue. We waited too long after the last world war to focus prosecutorial resources and attention on Nazi war criminals who entered this country on false pretenses, or worse, with the collusion of American intelligence agencies. Last month, thousands of declassified CIA documents were made public, as a result of the Nazi War Crimes Disclosure Act that I was proud to help enact in 1998, and made clear the extent that United States relied on and helped Nazi war criminals. As Eli M. Rosenbaum, the head of the Justice Department's Office of Special Investigations, noted, "These files demonstrate that the real winners of the Cold War were Nazi criminals." We should not repeat that mistake for other aliens who engaged in human rights abuses before coming to the United States. We need to focus the attention of our law enforcement investigators to prosecute and deport those who have committed atrocities abroad and who now enjoy safe harbor in the United States.

When I first introduced this bill in 1999, the Pulitzer prize-winning paper, the Rutland Herald, opined on October 31, 1999, that:

> For the U.S. commitment to human rights to mean anything, U.S. policies must be strong and consistent. It is not enough to denounce war crimes in Bosnia and Kosovo or elsewhere and then wink as the perpetrators of torture and mass murder slip across the border to find a home in America.

The Clinton Administration recognized the deficiencies in our laws. One Clinton Administration witness testified in February, 2000:

> Right now, only three types of human rights abuses could prevent someone from entering or remaining in the United States. The types of prohibited conduct include: (1) genocide; (2) particularly severe violations of religious freedom; and (3) Nazi persecutions. Even these types of conduct are narrowly defined.

Hearing on H.R. 3058, "Anti-Atrocity Alien Deportation Act," before the Subcomm. on Immigration and Claims of the House Comm. On the Judiciary, 106th Cong., 2d Sess., Feb. 17, 2000 (Statement of James E. Costello, Associate Deputy Attorney General).

The Anti-Atrocity Alien Deportation Act closes these loopholes. The Immigration and Nationality Act, INA, currently provides that (i) participants in Nazi persecutions during the time period from March 23, 1933 to May 8, 1945, (ii) aliens who engaged in genocide, and (iii) aliens who committed particularly severe violations of religious freedom, are inadmissable to the United States and deportable. See 8 U.S.C. §1182(a)(2)(G) & (3)(E) and §1227(a)(4)(D). The Justice Department's specialized OSI unit is authorized under a 1979 Attorney General order to investigate only Nazi war criminals, not any other human rights abuser. The bill would expand the grounds for inadmissibility and deportation to (1) add new bars for aliens who have engaged in acts, outside the United States, of "torture" and "extrajudicial killing" and (2) remove limitations on the current bases for "genocide" and "particularly severe violations of religious freedom."

The definitions for the new bases of "torture" and "extrajudicial killing" are derived from the Torture Victim Protection Act, which implemented the United Nations' "Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment." These definitions are therefore already sanctioned by the Congress. The bill incorporates the definition of "torture" codified in the federal criminal code, 18 U.S.C. § 2340, which prohibits:

> an act committed by a person acting under the color of law specifically intended to inflict severe physical or mental pain or suffering (other than pain or suffering incidental to lawful sanctions) upon another person within his custody or physical control. 18 U.S.C. § 2340(1).

"Severe mental pain or suffering" is further defined to mean:

> prolonged mental harm caused by or resulting from: (A) the intentional infliction or threatened infliction of severe physical pain or suffering; (B) the administration or application, or threatened administration or application, of mind-altering substances or other procedures calculated to disrupt profoundly the senses or personality; and (C) the threat of imminent death; or (D) the threat that another person will imminently be subjected to death, severe physical pain or suffering, or the administration or application of mind-altering substances or other procedures calculated to disrupt profoundly the senses or personality. 18 U.S.C. § 2340(2).

The Torture Victim Protection Act also included a definition for "extrajudicial killing." Specifically, this law establishes civil liability for wrongful death against any person "who, under actual or apparent authority, or color of law, of any foreign nation . . . subjects an individual to extrajudicial killing," which is defined to mean "a deliberated killing not authorized by a previous judgment pronounced by a regularly constituted court affording all the judicial guarantees which are recognized as indispensable by civilized peoples. Such term, however, does not include any such killing that, under international law, is lawfully carried out under the authority of a foreign nation."

The bill would not only add the new grounds for inadmissibility and deportation, it would expand two of the current grounds. First, the current bar to aliens who have "engaged in genocide" defines that term by reference to the "genocide" definition in the Convention on the Prevention and Punishment of the Crime of Genocide. 8 U.S.C. 1182(a)(3)(E)(ii). For clarity and consistency, the bill would substitute instead the definition in the federal criminal code, 18 U.S.C. § 1091(a), which was adopted pursuant to the U.S. obligations under the Genocide Convention. The bill would also broaden the reach of the provision to apply not only to those who "engaged in genocide," as in current law, but also to cover any alien who has ordered, incited, assisted or otherwise participated in genocide. This broader scope will ensure that the genocide provision addresses a more appropriate range of levels of complicity.

Second, the current bar to aliens who have committed "particularly severe violations of religious freedom," as defined in the International Religious Freedom Act of 1998, IFRA, limits its application to foreign government officials who engaged in such conduct within the last 24 months, and also bars from admission the individual's spouse and children, if any. The bill would delete reference to prohibited conduct occurring within a 24-month period since this limitation is not consistent with the strong stance of the United States to promote religious freedom throughout the world. As Professor Aceves opines:

> This provision is unduly restrictive . . . The 24-month time limitation for this prohibition is also unnecessary. A perpetrator of human rights atrocities should not be able to seek absolution by merely waiting two years after the commission of these acts. William J. Aceves, supra, 20 Mich. J. Int'l L., at 683.

In addition, the bill would remove the current bar to admission for the spouse or children. This is a serious sanction that should not apply to individuals because of familial relationships that are not within an individual's control. None of the other grounds relating to serious human rights abuse prevent the spouse or child of an abuser from entering or remaining lawfully in the United States. Moreover, the purpose of these amendments is to make those who have participated in atrocities accountable for their actions. That purpose is not served by holding the family members of such individuals accountable for the offensive conduct over which they had no control.

Changing the law to address the problem of human rights abusers seeking entry and remaining in the United States is only part of the solution. We also need effective enforcement. As one expert noted:

> [s]trong institutional mechanisms must be established to implement this proposed legislation. At present, there does not appear to be any agency within the Department of Justice with the specific mandate of identifying, investigating and prosecuting modern day perpetrators of human rights atrocities. The importance of establishing a separate agency for this function can be seen in the experiences of the Office of Special Investigations. 20 Mich. J. Int'l L., at 689.

We need to update OSI's mission to ensure effective enforcement. Our country has long provided the template and moral leadership for dealing with Nazi war criminals. The Justice Department's specialized unit, OSI, which was created to hunt down, prosecute, and remove Nazi war criminals who had slipped into the United States among their victims under the Displaced Persons Act, is an example of effective enforcement. Since the OSI's inception in 1979, 61 Nazi persecutors have been stripped of U.S. citizenship, 49 such individuals have been removed from the United States, and more than 150 have been denied entry.

OSI was created almost 35 years after the end of World War II and it remains authorized only to track Nazi war criminals. Specifically, when Attorney General Civiletti established OSI within the Criminal Division of the Department of Justice, that office was directed to conduct all "investigative and litigation activities involving individuals, who prior to and during World War II, under the supervision of or in association with the Nazi government of Germany, its allies, and other affiliated [sic] governments, are alleged to have ordered, incited, assisted, or otherwise participated in the persecution of any person because of race, religion, national origin, or political opinion." (Attorney Gen. Order No. 851–79). The OSI's mission continues to be limited by that Attorney General Order.

Little is being done about the new generation of international human rights abusers and war criminals living among us, and these delays are costly. As any prosecutor, or, in my case, former prosecutor, knows instinctively, such delays make documentary and testimonial evidence more difficult to obtain. Stale cases are the hardest to make. Since I introduced this bill in the last Congress, there have been no further developments in the Kelbessa Negewo case, he still remains living in Atlanta. In addition, there has been no action taken on Carlos Eugenio Vides Casanova, the former head of the Salvadoran National Guard, a unit whose members kidnaped, raped, and murdered four American churchwomen during the El Salvadoran civil war. Vides Casanova remains in the United States.

We should not repeat the mistake of waiting decades before tracking down war criminals and human rights abusers who have settled in this country. War criminals should find no sanctuary in loopholes in our current immigration policies and enforcement. No war criminal should ever come to believe that he is going to find safe harbor in the United States.

The Anti-Atrocity Alien Deportation Act would amend the Immigration and Nationality Act, 8 U.S.C. § 1103, by directing the Attorney General to establish an Office of Special Investigations (OSI) within the Department of Justice with authorization to investigate, remove, denaturalize, prosecute or extradite any alien who has participated in Nazi persecution, torture, extrajudicial killing or genocide abroad. Not only would the bill provide statutory authorization for Office of Special Investigation, it would also expand its jurisdiction to deal with any alien who participated in torture, extrajudicial killing and genocide abroad, not just Nazis.

The success of OSI in hunting Nazi war criminals demonstrates the effectiveness of centralized resources and expertise in these cases. OSI has worked, and it is time to update its mission. The knowledge of the people, politics and pathologies of particular regimes engaged in genocide and human rights abuses is often necessary for effective prosecutions of these cases and may best be accomplished by the concentrated efforts of a single office, rather than in piecemeal litigation around the country or in offices that have more diverse missions.

The bill directs the Attorney General, in determining what action to take against a human rights abuser seeking entry into or found within the United States, to consider whether a prosecution should be brought under U.S. law or whether the alien should be deported to a country willing to undertake such a prosecution. As one human rights expert has noted:

> The justifiable outrage felt by many when it is discovered that serious human rights abusers have found their way into the United States may lead well-meaning people to call for their immediate expulsion. Such individuals certainly should not be enjoying the good life America has to offer. But when we ask the question "where should they be?" the answer is clear: they should be in the dock. That is the essence of accountability, and it should be the central goal of any scheme to penalize human rights abusers.

Hearing on H.R. 5238, "Serious Human Rights Abusers Accountability Act," before the Subcomm. on Immigration and Claims of the House Comm. On the Judiciary, 106th Cong., 2d Sess., Sept. 28, 2000 (Statement of Elisa Massimino, Director, Washington Office, Lawyers Committee For Human Rights).

I appreciate that this part of the legislation has proven controversial within the Department of Justice, but others have concurred in my judgment that the OSI is an appropriate component of the Department to address the new responsibilities proposed in the bill. Professor Aceves, who has studied these matters extensively, has concluded that OSI's "methodology for pursuing Nazi war criminals can be applied with equal rigor to other perpetrators of human rights violations. As the number of Nazi war criminals inevitably declines, the OSI can begin to enforce U.S. immigration laws against perpetrators of genocide and other gross violations of human rights." 20 Mich. J. Int'l. 657.

Similarly, the Rutland Herald noted that the INS has never deported an immigrant on the basis of human rights abuses, by contrast to OSI's active deportations of ex-Nazis, while maintaining a list of 60,000 suspected war criminals with the aim of barring them from entry. Based on this record, the Rutland Herald concluded that the legislation correctly looks to OSI to carry out the additional responsibilities called for in the bill, noting that:

> It resolves a turf war between the INS and the OSI in favor of the OSI, which is as it should be. The victims of human rights abuses are often victimized again when, seeking refuge in the United States, they are confronted by the draconian policies of the INS. It's a better idea to give the job of finding war criminals to the office that has shown it knows how to do the job.

Unquestionably, the need to bring Nazi war criminals to justice remains a matter of great importance. Funds would not be diverted from the OSI's current mission. Additional resources are authorized in the bill for OSI's expanded duties.

Finally, the bill directs the Attorney General to report to the Judiciary Committees of the Senate and the House on implementation of the new requirements in the bill, including procedures for referral of matters to OSI, any revisions made to INS forms to reflect amendments made by the bill, and the procedures developed, with adequate due process protection, to obtain sufficient evidence and determine whether an alien is deemed inadmissible under the bill.

We must honor and respect the unique experiences of those who were victims in the darkest moment in world history. We may help honor the memories of the victims of the Holocaust by pursuing all human rights abusers and war criminals who enter our country. By so doing, the United States can provide moral leadership and show that we will not tolerate perpetrators of genocide, extrajudicial killing and torture, least of all here.

I ask unanimous consent that the text of the bill and a sectional analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 864

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Anti-Atrocity Alien Deportation Act of 2001".

SEC. 2. INADMISSIBILITY AND REMOVABILITY OF ALIENS WHO HAVE COMMITTED ACTS OF TORTURE OR EXTRAJUDICIAL KILLINGS ABROAD.

(a) INADMISSIBILITY.—Section 212(a)(3)(E) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)(E)) is amended—

(1) in clause (ii), by striking "has engaged in conduct that is defined as genocide for purposes of the International Convention on the Prevention and Punishment of Genocide is inadmissible" and inserting "ordered, incited, assisted, or otherwise participated in conduct outside the United States that would, if committed in the United States or by a United States national, be genocide, as defined in section 1091(a) of title 18, United States Code, is inadmissible";

(2) by adding at the end the following:

"(iii) COMMISSION OF ACTS OF TORTURE OR EXTRAJUDICIAL KILLINGS.—Any alien who, outside the United States, has committed, ordered, incited, assisted, or otherwise participated in the commission of—

"(I) any act of torture, as defined in section 2340 of title 18, United States Code; or

"(II) under color of law of any foreign nation, any extrajudicial killing, as defined in section 3(a) of Torture Victim Protection Act of 1991;

is inadmissible."; and

(3) in the subparagraph heading, by striking "PARTICIPANTS IN NAZI PERSECUTION OR GENOCIDE" and inserting "PARTICIPANTS IN NAZI PERSECUTION, GENOCIDE, OR THE COMMISSION OF ANY ACT OF TORTURE OR EXTRAJUDICIAL KILLING".

(b) REMOVABILITY.—Section 237(a)(4)(D) of such Act (8 U.S.C. 1227(a)(4)(D)) is amended—

(1) by striking "clause (i) or (ii)" and inserting "clause (i), (ii), or (iii)"; and

(2) in the subparagraph heading, by striking "ASSISTED IN NAZI PERSECUTION OR ENGAGED IN GENOCIDE" and inserting "ASSISTED IN NAZI PERSECUTION, PARTICIPATED IN GENOCIDE, OR COMMITTED ANY ACT OF TORTURE OR EXTRAJUDICIAL KILLING".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to offenses committed before, on, or after the date of the enactment of this Act.

SEC. 3. INADMISSIBILITY AND REMOVABILITY OF FOREIGN GOVERNMENT OFFICIALS WHO HAVE COMMITTED PARTICULARLY SEVERE VIOLATIONS OF RELIGIOUS FREEDOM.

(a) Section 212(a)(2)(G) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(2)(G)) is amended to read as follows:

"(G) FOREIGN GOVERNMENT OFFICIALS WHO HAVE COMMITTED PARTICULARLY SEVERE VIOLATIONS OF RELIGIOUS FREEDOM.—Any alien who, while serving as a foreign government official, was responsible for or directly carried out, at any time, particularly severe violations of religious freedom, as defined in section 3 of the International Religious Freedom Act of 1998, are inadmissible.".

(b) Section 237(a)(4) of such Act (8 U.S.C. 1227(a)(4)) is amended by adding at the end the following:

"(E) PARTICIPATED IN THE COMMISSION OF SEVERE VIOLATIONS OF RELIGIOUS FREEDOM.—Any alien described in section 212(a)(2)(G) is deportable.".

SEC. 4. BAR TO GOOD MORAL CHARACTER FOR ALIENS WHO HAVE COMMITTED ACTS OF TORTURE, EXTRAJUDICIAL KILLINGS, OR SEVERE VIOLATIONS OF RELIGIOUS FREEDOM.

Section 101(f) of the Immigration and Nationality Act (8 U.S.C. 1101(f)) is amended—

(1) by striking the period at the end of paragraph (8) and inserting "; and"; and

(2) by adding at the end the following:

"(9) one who at any time has engaged in conduct described in section 212(a)(3)(E) (relating to assistance in Nazi persecution, participation in genocide, or commission of acts of torture or extrajudicial killings) or 212(a)(2)(G) (relating to severe violations of religious freedom).".

SEC. 5. ESTABLISHMENT OF THE OFFICE OF SPECIAL INVESTIGATIONS.

(a) AMENDMENT OF THE IMMIGRATION AND NATIONALITY ACT.—Section 103 of the Immigration and Nationality Act (8 U.S.C. 1103) is amended by adding at the end the following:

"(g) The Attorney General shall establish within the Criminal Division of the Department of Justice an Office of Special Investigations with the authority of investigating, and, where appropriate, taking legal action to remove, denaturalize, prosecute, or extradite any alien found to be in violation of clause (i), (ii), or (iii) of section 212(a)(3)(E). In determining such appropriate legal action, consideration shall be given to—

"(1) the availability of prosecution under the laws of the United States for any conduct that may form the basis for removal and denaturalization; or

"(2) removal of the alien to a foreign jurisdiction that is prepared to undertake a prosecution for such conduct.".

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to the Department of Justice such sums as may be necessary to carry out the additional duties established under section 103(g) of the Immigration and Nationality Act (as added by this Act) in order to ensure that the Office of Special Investigations fulfills its continuing obligations regarding Nazi war criminals.

(2) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.

SEC. 6. REPORT ON IMPLEMENTATION OF THE ACT.

Not later than 180 days after the date of enactment of this Act, the Attorney General, in consultation with the Commissioner of Immigration and Naturalization, shall submit to the Committees on the Judiciary of the Senate and the House of Representatives a report on implementation of this Act that includes a description of—

(1) the procedures used to refer matters to the Office of Special Investigations in a manner consistent with the amendments made by this Act;

(2) the revisions, if any, made to immigration forms to reflect changes in the Immigration and Nationality Act made by the amendments contained in this Act; and

(3) the procedures developed, with adequate due process protection, to obtain sufficient evidence to determine whether an alien may be inadmissible under the terms of the amendments made by this Act.

SECTIONAL ANALYSIS OF LEAHY ANTI-ATROCITY ALIEN DEPORTATION ACT

SUMMARY

This bill would make the following four changes in our country's enforcement capability against aliens who have committed atrocities abroad and then try to enter or remain in the United States:

Amend the Immigration and Nationality Act (INA) to expand the grounds for inadmissibility and deportation to cover aliens who have engaged in acts of torture, as defined in 18 U.S.C. §2340, and extrajudicial killing, as defined in the Torture Victim Protection Act, abroad, as well as expand the scope of the current prohibitions on aliens who have engaged in genocide and particularly severe violations of religious freedom;

Amend the INA to make clear that aliens who have committed torture, extrajudicial killing or particularly severe violations of religious freedom abroad do not have "good moral character" and cannot qualify to become U.S. citizens or for other immigration benefits;

Direct the Attorney General to establish the Office of Special Investigation (OSI) within the Criminal Division and expand the OSI's authority to investigate, remove, denaturalize, prosecute, or extradite any alien who participated in torture, genocide and extrajudicial killing abroad—not just Nazi war criminals; and

Direct the Attorney General, in consultation with the INS Commissioner, to report to the Judiciary Committees of the Senate and House of Representatives on implementation of procedures to refer matters to OSI, revise INS forms, and procedures to obtain adequate evidence to develop "watch lists" of aliens deemed inadmissible under the bill.

SEC. 1. SHORT TITLE

The bill may be cited as the "Anti-Atrocity Alien Deportation Act of 2001."

SEC. 2. INADMISSIBILITY AND REMOVABILITY OF ALIENS WHO HAVE COMMITTED ACTS OF TORTURE OR EXTRAJUDICIAL KILLING ABROAD

Currently, the Immigration and Nationality Act (INA) provides that (i) participants in Nazi persecutions during the time period from March 23, 1933 to May 8, 1945, and (ii) aliens who engaged in genocide, are inadmissible to the United States. *See* 8 U.S.C. §1182(a)(3)(E)(i)&(ii). Current law also provides that aliens who have participated in Nazi persecutions or engaged in genocide are deportable. *See* §1227(a)(4)(D). The bill would amend these sections of the Immigration and Nationality Act by expanding the grounds for inadmissibility and deportation to cover aliens who have committed, ordered, incited, assisted, or otherwise participated in the commission of acts of torture or extrajudicial killing abroad and clarify and expand the scope of the genocide bar.

Subsection (a) would first amend the definition of "genocide" in clause (ii) of section 212(a)(3) of the INA, 8 U.S.C. 1182(a)(3)(E)(ii). Currently, the ground of inadmissibility relating to genocide refers to the definition in the Convention on the Prevention and Punishment of the Crime of Genocide. Article III of that Convention punishes genocide, the conspiracy to commit genocide, direct and public incitement to commit genocide, attempts to commit genocide, and complicity in genocide. The bill would modify the definition to refer instead to the "genocide" definition in section 1091(a) of title 18, United States Code, which was adopted to implement United States obligations under the Convention and also prohibits attempts and conspiracies to commit genocide.

Specifically, section 1091(a) defines genocide as "whoever, whether in time of peace or in time of war, . . . with the specific intent to destroy, in whole or in substantial part, a national, ethnic, racial or religious group as such: (1) kills members of that group; (2) causes serious bodily injury to members of that group; (3) causes the permanent impairment of the mental faculties of members of the group through drugs, torture, or similar techniques; (4) subjects the group to conditions of life that are intended to cause the physical destruction of the group in whole or in part; (5) imposes measures intended to prevent births within the group; or (6) transfers by force children of the group to another group." This definition includes genocide by public or private individuals in times of peace or war. While the federal criminal statute is limited to those offenses committed within the United States or offenders who are U.S. nationals, *see* 18 U.S.C. 1091(d), the grounds for inadmissibility in the bill would apply to such offenses committed outside the United States that would otherwise be a crime if committed within the United States or by a U.S. national.

In addition, the bill would broaden the reach of the inadmissibility bar to apply not only to those who "engaged in genocide," as in current law, but also to cover any alien who has ordered, incited, assisted or otherwise participated in genocide abroad. This broader scope will ensure that the genocide provision addresses a more appropriate range of levels of complicity.

Second, subsection (a) would add a new clause to 8 U.S.C. §1182(a)(3)(E) that would trigger operation of the inadmissibility ground if an alien has "committed, ordered, incited, assisted, or otherwise participated in" acts of torture, as defined in section 2430 of title 18, United States Code, or extrajudicial killings, as defined in section 3(a) the Torture Victim Protection Act. The statutory language—"committed, ordered, incited, assisted, or otherwise participated in"—is intended to reach the behavior of persons directly or personally associated with the covered acts. Attempts and conspiracies to commit these crimes are encompassed in the "otherwise participated in" language. This language addresses an appropriate range of levels of complicity for which aliens should be held accountable, and has been the subject of extensive judicial interpretation and construction. See *Fedorenko* v. *United States*, 449 U.S. 490, 514 (1981); *Kalejs* v. *INS*, 10 F. 3d 441, 444 (7th Cir. 1993); *U.S.* v. *Schmidt*, 923 F. 2d 1253, 1257–59 (7th Cir. 1991); *Kulle* v. *INS*, 825 F. 2d 1188, 1192 (7th Cir. 1987).

The definitions of "torture" and "extrajudicial killing" are contained in the Torture Victim Protection Act, which served as the implementing legislation when the United States joined the United Nations' "Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment." This Convention entered into force with respect to the United States on November 20, 1992 and imposes an affirmative duty on the United States to prosecute torturers within its jurisdiction. The Torture Victim Protection Act provides both criminal liability and civil liability for persons who, acting outside the United States and under actual or apparent authority, or color of law, of any foreign nation, commit torture or extrajudicial killing.

The criminal provision passed as part of the Torture Victim Protection Act defines "torture" to mean "an act committed by a person acting under the color of law specifically intended to inflict severe physical or mental pain or suffering (other than pain or suffering incidental to lawful sanctions) upon another person within his custody or physical control." 18 U.S.C. §2340(1). "Severe mental pain or suffering" is further defined to mean the "prolonged mental harm caused by or resulting from (A) the international infliction or threatened infliction of severe physical pain or suffering; (B) the administration or application, or threatened administration or application, of mind-altering substances or other procedures calculated to disrupt profoundly the senses or personality; and (C) the threat of imminent death; or (D) the threat that another person will imminently be subjected to death, severe physical pain or suffering, or the administration or application of mind-altering substances or other procedures calculated to disrupt profoundly the senses or personality." 18 U.S.C. §2340(2).

The bill also incorporates the definition of "extrajudicial killing" from section 3(a) of the Torture Victim Protection Act. This law establishes civil liability for wrongful death against any person "who, under actual or apparent authority, or color of law, of any foreign nation . . . subjects an individual to extrajudicial killing," which is defined to mean "a deliberated killing not authorized by a previous judgment pronounced by a regularly constituted court affording all the judicial guarantees which are recognized as indispensable by civilized peoples. Such term, however, does not include any such killing that, under international law, is lawfully carried out under the authority of a foreign nation."

Both definitions of "torture" and "extrajudicial killing" require that the alien be acting under color of law. A criminal conviction, criminal charge or a confession are not required for an alien to be inadmissible or removable under the new grounds added in this subsection of the bill.

The final paragraph in subsection (a) would modify the subparagraph heading to clarify the expansion of the grounds for in admissibility from "participation in Nazi persecution or genocide" to cover "torture or extrajudicial killing."

Subsection (b) would amend section 237(a)(4)(D) of the INA, 8 U.S.C. §1227(a)(4)(D), which enumerates grounds for deporting aliens who have been admitted into or are present in the United States. The same conduct that would constitute a basis of inadmissibility under subsection (a) is a ground for deportability under this subsection of the bill. Under current law, assisting in Nazi persecution and engaging in genocide are already grounds for deportation. The bill would provide that aliens who have committed any act of torture or extrajudicial killing would also be subject to deportation. In any deportation proceeding, the burden would remain on the government to prove by clear and convincing evidence that the alien's conduct brings the alien within a particular ground of deportation.

Subsection (c) regarding the "effective date" clearly states that these provisions apply to acts committed before, on, or after the date this legislation is enacted. These provisions apply to all cases after enactment, even where the acts in question occurred or where adjudication procedures within the Immigration and Naturalization Service (INS) or the Executive Office of Immigration Review were initiated prior to the time of enactment.

SEC. 3. INADMISSIBILITY AND REMOVABILITY OF FOREIGN GOVERNMENT OFFICIALS WHO HAVE COMMITTED PARTICULARLY SEVERE VIOLATIONS OF RELIGIOUS FREEDOM

This section of the bill would amend section 212(a)(2)(G) of the INA, 8 U.S.C. §1182(a)(2)(G), which was added as part of the International Religious Freedom Act of 1998 (IFRA), to expand the grounds for inadmissibility and removability of aliens who commit particularly severe violations of religious freedom. Current law bars the admission of an individual who, while serving as a foreign government official, was responsible for or directly carried out particularly severe violations of religious freedom within the last 24 months. 8 U.S.C. §1182(c)(2)(G). The existing provision also bars from admission the individual's spouse and children, if any. "Particularly severe violations of religious freedom" is defined in section 3 of IFRA to mean "systematic, ongoing, egregious violation of religious freedom, including violations such as (a) torture or cruel, inhuman, or degrading treatment or punishment; (B) prolonged detention without charges; (C) causing the disappearance of persons or clandestine detention of those persons; or (D) other flagrant denial of the right to life, liberty, or the security of persons. While IRFA contains numerous provisions to promote religious freedom and to prevent violations of religious freedom throughout the world, including a wide range of diplomatic sanctions and other formal expressions of disapproval, section 212(a)(2)(G) is the only provision which specifically targets individual abusers.

Subsection (a) would delete the 24-month restriction in section 212(a)(2)(G) since it limits the accountability, for purposes of admission, to a two-year period. This limitation is not consistent with the strong stance of the United States to promote religious freedom throughout the world. Individuals who have committed particularly severe violations of religious freedom should be held accountable for their actions and should be admissible to the United States regardless of when the conduct occurred.

In addition, this subsection would amend the law to remove the current bar to admission for the spouse or children of a foreign government official who has been involved in particularly severe violations of religious freedom. The bar of inadmissibility is a serious sanction that should not apply to individuals because of familiar relationships that are not within an individual's control. None of the other grounds relating to serious human rights abuse prevent the spouse or child of an abuser from entering or remaining lawfully in the United States. Moreover, the purpose of these amendments is to make those who have participated in atrocities accountable for their actions. That purpose is not served by holding the family members of such individuals accountable for the offensive conduct over which they had no control.

Subsection (b) would amend section 237(a)(4) of the INA, 8 U.S.C. §1227(A)(4), which enumerates grounds for deporting aliens who have been admitted into or are present in the United States, to add a new clause (E), which provides for the deportation of aliens described in subsection (a) of the bill.

The bill does not change the effective date for this provision set forth in the original IFRA, which applies the operation of the amendment to aliens "seeking to enter the United States on or after the date of the enactment of this Act."

SEC. 4. BAR TO GOOD MORAL CHARACTER FOR ALIENS WHO HAVE COMMITTED ACTS OF TORTURE, EXTRAJUDICIAL KILLINGS, OR SEVERE VIOLATIONS OF RELIGIOUS FREEDOM.

This section of the bill would amend section 101(f) of the INA, 8 U.S.C. §1101(f), which provides the current definition of "good moral character," to make clear that aliens who have committed torture, extrajudicial killing—severe violation of religious freedom abroad do not qualify. Good moral character is a prerequisite for certain forms of immigration relief, including naturalization, cancellation of removal for nonpermanent residents, and voluntary departure at the conclusion of removal proceedings. Aliens who have committed torture or extrajudicial killing, or severe violations of religious freedom abroad cannot establish good moral character. Accordingly, this amendment prevents aliens covered by the amendments made in sections 2 and 3 of the bill from becoming United States citizens or benefitting from cancellation of removal or voluntary departure. Absent such an amendment there is no statutory bar to naturalization for aliens covered by the proposed new grounds for inadmissibility and deportation.

SEC. 5. ESTABLISHMENT OF THE OFFICE OF SPECIAL INVESTIGATIONS

Attorney General Civiletti established OSI in 1979 within the Criminal Division of the Department of Justice, consolidating within it all 'investigative and litigation activities involving individuals, who prior to and during World War II, under the supervision of or in association with the Nazi government of Germany, its allies, and other affiliated [sic] governments, are alleged to have ordered, incited, assisted, or otherwise participated in the persecution of any person because of race, religion, national origin, or political opinion." (Att'y Gen. Order No. 851-79). The OSI's mission continues to be limited by that Attorney General Order.

This section would amend the Immigration and Nationality Act, 8 U.S.C. §1103, by directing the Attorney General to establish an Office of Special Investigations within the Department of Justice with authorization to investigate, remove, denaturalize, prosecute or extradite any alien who has participated in Nazi persecution, genocide, torture or extrajudical killing abroad. This would expand OSI's current authorized mission. In order to fulfill the United States' obligation under the "Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment" to hold accountable torturers found in this country, the bill expressly directs the Department of Justice to consider the availability of prosecution under United States laws for any conduct that forms the basis for removal and denaturalization. In addition, the Department is directed to consider deportation to foreign jurisdictions that are prepared to undertake such a prosecution. Statutory and regulatory provisions to implement Article 3 of that Convention Against Torture, which prohibits the removal of any person to a country where he or she would be tortured, may also be part of this consideration. Additional funds are authorized for these expanded duties to ensure that OSI fulfills its continuing obligations regarding Nazi war criminals.

SEC. 6. REPORT OF IMPLEMENTATION OF THE ACT

This section of the bill would direct the Attorney General, in consultations with the INS Commissioner to report within six months on implementation of the Act, including procedures for referral of matters to OSI, any revisions made to INS forms to reflect amendments made by the bill, and the procedures developed, with adequate due process protection, to obtain sufficient evidence and determine whether an alien is deemed inadmissible under the bill.

By Mr. McCONNELL (for himself and Mr. LIEBERMAN):

S. 865. A bill to provide small businesses certain protections from litigation excesses and to limit the product liability of nonmanufacturer product sellers; to the Committee on the Judiciary.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 865

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Small Business Liability Reform Act of 2001".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—SMALL BUSINESS LAWSUIT ABUSE PROTECTION

Sec. 101. Findings.
Sec. 102. Definitions.
Sec. 103. Limitation on punitive damages for small businesses.
Sec. 104. Limitation on joint and several liability for noneconomic loss for small businesses.
Sec. 105. Exceptions to limitations on liability.
Sec. 106. Preemption and election of State nonapplicability.

TITLE II—PRODUCT SELLER FAIR TREATMENT

Sec. 201. Findings; purposes.
Sec. 202. Definitions.
Sec. 203. Applicability; preemption.
Sec. 204. Liability rules applicable to product sellers, renters, and lessors.
Sec. 205. Federal cause of action precluded.

TITLE III—EFFECTIVE DATE

Sec. 301. Effective date.

TITLE I—SMALL BUSINESS LAWSUIT ABUSE PROTECTION

SEC. 101. FINDINGS.

Congress finds that—

(1) the United States civil justice system is inefficient, unpredictable, unfair, costly, and impedes competitiveness in the marketplace for goods, services, business, and employees;

(2) the defects in the United States civil justice system have a direct and undesirable effect on interstate commerce by decreasing the availability of goods and services in commerce;

(3) there is a need to restore rationality, certainty, and fairness to the legal system;

(4) the spiralling costs of litigation and the magnitude and unpredictability of punitive damage awards and noneconomic damage awards have continued unabated for at least the past 30 years;

(5) the Supreme Court of the United States has recognized that a punitive damage award can be unconstitutional if the award is grossly excessive in relation to the legitimate interest of the government in the punishment and deterrence of unlawful conduct;

(6) just as punitive damage awards can be grossly excessive, so can it be grossly excessive in some circumstances for a party to be held responsible under the doctrine of joint and several liability for damages that party did not cause;

(7) as a result of joint and several liability, entities including small businesses are often brought into litigation despite the fact that their conduct may have little or nothing to do with the accident or transaction giving rise to the lawsuit, and may therefore face increased and unjust costs due to the possibility or result of unfair and disproportionate damage awards;

(8) the costs imposed by the civil justice system on small businesses are particularly acute, since small businesses often lack the

resources to bear those costs and to challenge unwarranted lawsuits;

(9) due to high liability costs and unwarranted litigation costs, small businesses face higher costs in purchasing insurance through interstate insurance markets to cover their activities;

(10) liability reform for small businesses will promote the free flow of goods and services, lessen burdens on interstate commerce, and decrease litigiousness; and

(11) legislation to address these concerns is an appropriate exercise of the powers of Congress under clauses 3, 9, and 18 of section 8 of article I of the Constitution of the United States, and the 14th amendment to the Constitution of the United States.

SEC. 102. DEFINITIONS.

In this title:

(1) CRIME OF VIOLENCE.—The term "crime of violence" has the same meaning as in section 16 of title 18, United States Code.

(2) DRUG.—The term "drug" means any controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)) that was not legally prescribed for use by the defendant or that was taken by the defendant other than in accordance with the terms of a lawfully issued prescription.

(3) ECONOMIC LOSS.—The term "economic loss" means any pecuniary loss resulting from harm (including the loss of earnings or other benefits related to employment, medical expense loss, replacement services loss, loss due to death, burial costs, and loss of business or employment opportunities) to the extent recovery for such loss is allowed under applicable State law.

(4) HARM.—The term "harm" means any physical injury, illness, disease, or death or damage to property.

(5) HATE CRIME.—The term "hate crime" means a crime described under section 1(b) of the Hate Crime Statistics Act (28 U.S.C. 534 note).

(6) INTERNATIONAL TERRORISM.—The term "international terrorism" has the same meaning as in section 2331 of title 18, United States Code.

(7) NONECONOMIC LOSS.—The term "noneconomic loss" means loss for physical or emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium (other than loss of domestic service), injury to reputation, or any other nonpecuniary loss of any kind or nature.

(8) PERSON.—The term "person" means any individual, corporation, company, association, firm, partnership, society, joint stock company, or any other entity (including any governmental entity).

(9) PUNITIVE DAMAGES.—The term "punitive damages" means damages awarded against any person or entity to punish or deter such person, entity, or others from engaging in similar behavior in the future. Such term does not include any civil penalties, fines, or treble damages that are assessed or enforced by an agency of State or Federal government pursuant to a State or Federal statute.

(10) SMALL BUSINESS.—

(A) IN GENERAL.—The term "small business" means any unincorporated business, or any partnership, corporation, association, unit of local government, or organization that has fewer than 25 full-time employees as determined on the date the civil action involving the small business is filed.

(B) CALCULATION OF NUMBER OF EMPLOYEES.—For purposes of subparagraph (A), the number of employees of a subsidiary of a wholly owned corporation includes the employees of—

(i) a parent corporation; and

(ii) any other subsidiary corporation of that parent corporation.

(11) STATE.—The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, any other territory or possession of the United States, or any political subdivision of any such State, commonwealth, territory, or possession.

SEC. 103. LIMITATION ON PUNITIVE DAMAGES FOR SMALL BUSINESSES.

(a) GENERAL RULE.—Except as provided in section 105, in any civil action against a small business, punitive damages may, to the extent permitted by applicable Federal or State law, be awarded against the small business only if the claimant establishes by clear and convincing evidence that conduct carried out by that defendant with a conscious, flagrant indifference to the rights or safety of others was the proximate cause of the harm that is the subject of the action.

(b) LIMITATION ON AMOUNT.—In any civil action against a small business, punitive damages awarded against a small business shall not exceed the lesser of—

(1) three times the total amount awarded to the claimant for economic and noneconomic losses; or

(2) $250,000,

except that the court may make this subsection inapplicable if the court finds that the plaintiff established by clear and convincing evidence that the defendant acted with specific intent to cause the type of harm for which the action was brought.

(c) APPLICATION BY THE COURT.—The limitation prescribed by this section shall be applied by the court and shall not be disclosed to the jury.

SEC. 104. LIMITATION ON JOINT AND SEVERAL LIABILITY FOR NONECONOMIC LOSS FOR SMALL BUSINESSES.

(a) GENERAL RULE.—Except as provided in section 105, in any civil action against a small business, the liability of each defendant that is a small business, or the agent of a small business, for noneconomic loss shall be determined in accordance with subsection (b).

(b) AMOUNT OF LIABILITY.—

(1) IN GENERAL.—In any civil action described in subsection (a)—

(A) each defendant described in that subsection shall be liable only for the amount of noneconomic loss allocated to that defendant in direct proportion to the percentage of responsibility of that defendant (determined in accordance with paragraph (2)) for the harm to the claimant with respect to which that defendant is liable; and

(B) the court shall render a separate judgment against each defendant described in that subsection in an amount determined under subparagraph (A).

(2) PERCENTAGE OF RESPONSIBILITY.—For purposes of determining the amount of noneconomic loss allocated to a defendant under this section, the trier of fact shall determine the percentage of responsibility of each person responsible for the harm to the claimant, regardless of whether or not the person is a party to the action.

SEC. 105. EXCEPTIONS TO LIMITATIONS ON LIABILITY.

The limitations on liability under sections 103 and 104 do not apply—

(1) to any defendant whose misconduct—

(A) constitutes—

(i) a crime of violence;

(ii) an act of international terrorism; or

(iii) a hate crime;

(B) results in liability for damages relating to the injury to, destruction of, loss of, or loss of use of, natural resources described in—

(i) section 1002(b)(2)(A) of the Oil Pollution Act of 1990 (33 U.S.C. 2702(b)(2)(A)); or

(ii) section 107(a)(4)(C) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9607(a)(4)(C));

(C) involves—

(i) a sexual offense, as defined by applicable State law; or

(ii) a violation of a Federal or State civil rights law; or

(D) occurred at the time the defendant was under the influence (as determined under applicable State law) of intoxicating alcohol or a drug, and the fact that the defendant was under the influence was the cause of any harm alleged by the plaintiff in the subject action; or

(2) to any cause of action which is brought under the provisions of title 31, United States Code, relating to false claims (31 U.S.C. 3729 through 3733) or to any other cause of action brought by the United States relating to fraud or false statements.

SEC. 106. PREEMPTION AND ELECTION OF STATE NONAPPLICABILITY.

(a) PREEMPTION.—Subject to subsection (b), this title preempts the laws of any State to the extent that State laws are inconsistent with this title.

(b) ELECTION OF STATE REGARDING NONAPPLICABILITY.—This title does not apply to any action in a State court against a small business in which all parties are citizens of the State, if the State enacts a statute—

(1) citing the authority of this subsection;

(2) declaring the election of such State that this title does not apply as of a date certain to such actions in the State; and

(3) containing no other provision.

TITLE II—PRODUCT SELLER FAIR TREATMENT

SEC. 201. FINDINGS; PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) although damage awards in product liability actions may encourage the production of safer products, they may also have a direct effect on interstate commerce and consumers of the United States by increasing the cost of, and decreasing the availability of, products;

(2) some of the rules of law governing product liability actions are inconsistent within and among the States, resulting in differences in State laws that may be inequitable with respect to plaintiffs and defendants and may impose burdens on interstate commerce;

(3) product liability awards may jeopardize the financial well-being of individuals and industries, particularly the small businesses of the United States;

(4) because the product liability laws of a State may have adverse effects on consumers and businesses in many other States, it is appropriate for the Federal Government to enact national, uniform product liability laws that preempt State laws; and

(5) under clause 3 of section 8 of article I of the United States Constitution, it is the constitutional role of the Federal Government to remove barriers to interstate commerce.

(b) PURPOSES.—The purposes of this title, based on the powers of the United States under clause 3 of section 8 of article I of the United States Constitution, are to promote the free flow of goods and services and lessen the burdens on interstate commerce, by—

(1) establishing certain uniform legal principles of product liability that provide a fair balance among the interests of all parties in the chain of production, distribution, and use of products; and

(2) reducing the unacceptable costs and delays in product liability actions caused by excessive litigation that harms both plaintiffs and defendants.

SEC. 202. DEFINITIONS.

In this title:

(1) ALCOHOL PRODUCT.—The term "alcohol product" includes any product that contains not less than 1/2 of 1 percent of alcohol by volume and is intended for human consumption.

(2) CLAIMANT.—The term "claimant" means any person who brings an action covered by this title and any person on whose behalf such an action is brought. If such an action is brought through or on behalf of an estate, the term includes the claimant's decedent. If such an action is brought through or on behalf of a minor or incompetent, the term includes the claimant's legal guardian.

(3) COMMERCIAL LOSS.—The term "commercial loss" means—

(A) any loss or damage solely to a product itself;

(B) loss relating to a dispute over the value of a product; or

(C) consequential economic loss, the recovery of which is governed by applicable State commercial or contract laws that are similar to the Uniform Commercial Code.

(4) COMPENSATORY DAMAGES.—The term "compensatory damages" means damages awarded for economic and noneconomic losses.

(5) DRAM-SHOP.—The term "dram-shop" means a drinking establishment where alcoholic beverages are sold to be consumed on the premises.

(6) ECONOMIC LOSS.—The term "economic loss" means any pecuniary loss resulting from harm (including the loss of earnings or other benefits related to employment, medical expense loss, replacement services loss, loss due to death, burial costs, and loss of business or employment opportunities) to the extent recovery for that loss is allowed under applicable State law.

(7) HARM.—The term "harm" means any physical injury, illness, disease, or death or damage to property caused by a product. The term does not include commercial loss.

(8) MANUFACTURER.—The term "manufacturer" means—

(A) any person who—

(i) is engaged in a business to produce, create, make, or construct any product (or component part of a product); and

(ii)(I) designs or formulates the product (or component part of the product); or

(II) has engaged another person to design or formulate the product (or component part of the product);

(B) a product seller, but only with respect to those aspects of a product (or component part of a product) that are created or affected when, before placing the product in the stream of commerce, the product seller—

(i) produces, creates, makes, constructs and designs, or formulates an aspect of the product (or component part of the product) made by another person; or

(ii) has engaged another person to design or formulate an aspect of the product (or component part of the product) made by another person; or

(C) any product seller not described in subparagraph (B) that holds itself out as a manufacturer to the user of the product.

(9) NONECONOMIC LOSS.—The term "noneconomic loss" means loss for physical or emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium (other than loss of domestic service), injury to reputation, or any other nonpecuniary loss of any kind or nature.

(10) PERSON.—The term "person" means any individual, corporation, company, association, firm, partnership, society, joint stock company, or any other entity (including any governmental entity).

(11) PRODUCT.—

(A) IN GENERAL.—The term "product" means any object, substance, mixture, or raw material in a gaseous, liquid, or solid state that—

(i) is capable of delivery itself or as an assembled whole, in a mixed or combined state, or as a component part or ingredient;

(ii) is produced for introduction into trade or commerce;

(iii) has intrinsic economic value; and

(iv) is intended for sale or lease to persons for commercial or personal use.

(B) EXCLUSION.—The term "product" does not include—

(i) tissue, organs, blood, and blood products used for therapeutic or medical purposes, except to the extent that such tissue, organs, blood, and blood products (or the provision thereof) are subject, under applicable State law, to a standard of liability other than negligence; or

(ii) electricity, water delivered by a utility, natural gas, or steam.

(12) PRODUCT LIABILITY ACTION.—

(A) GENERAL RULE.—Except as provided in subparagraph (B), the term "product liability action" means a civil action brought on any theory for a claim for any physical injury, illness, disease, death, or damage to property that is caused by a product.

(B) The following claims are not included in the term "product liability action":

(i) NEGLIGENT ENTRUSTMENT.—A claim for negligent entrustment.

(ii) NEGLIGENCE PER SE.—A claim brought under a theory of negligence per se.

(iii) DRAM-SHOP.—A claim brought under a theory of dram-shop or third-party liability arising out of the sale or providing of an alcoholic product to an intoxicated person or minor.

(13) PRODUCT SELLER.—

(A) IN GENERAL.—The term "product seller" means a person who in the course of a business conducted for that purpose—

(i) sells, distributes, rents, leases, prepares, blends, packages, labels, or otherwise is involved in placing a product in the stream of commerce; or

(ii) installs, repairs, refurbishes, reconditions, or maintains the harm-causing aspect of the product.

(B) EXCLUSION.—The term "product seller" does not include—

(i) a seller or lessor of real property;

(ii) a provider of professional services in any case in which the sale or use of a product is incidental to the transaction and the essence of the transaction is the furnishing of judgment, skill, or services; or

(iii) any person who—

(I) acts in only a financial capacity with respect to the sale of a product; or

(II) leases a product under a lease arrangement in which the lessor does not initially select the leased product and does not during the lease term ordinarily control the daily operations and maintenance of the product.

(14) STATE.—The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, any other territory or possession of the United States, or any political subdivision of any such State, commonwealth, territory, or possession.

SEC. 203. APPLICABILITY; PREEMPTION.

(a) APPLICABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), this title governs any product liability action brought in any Federal or State court.

(2) ACTIONS FOR COMMERCIAL LOSS.—A civil action brought for commercial loss shall be governed only by applicable State commercial or contract laws that are similar to the Uniform Commercial Code.

(b) RELATIONSHIP TO STATE LAW.—This title supersedes a State law only to the extent that the State law applies to an issue covered by this title. Any issue that is not governed by this title, including any standard of liability applicable to a manufacturer, shall be governed by any applicable Federal or State law.

(c) EFFECT ON OTHER LAW.—Nothing in this title shall be construed to—

(1) waive or affect any defense of sovereign immunity asserted by any State under any State law;

(2) supersede or alter any Federal law;

(3) waive or affect any defense of sovereign immunity asserted by the United States;

(4) affect the applicability of any provision of chapter 97 of title 28, United States Code;

(5) preempt State choice-of-law rules with respect to claims brought by a foreign nation or a citizen of a foreign nation;

(6) affect the right of any court to transfer venue or to apply the law of a foreign nation or to dismiss a claim of a foreign nation or of a citizen of a foreign nation on the ground of inconvenient forum; or

(7) supersede or modify any statutory or common law, including any law providing for an action to abate a nuisance, that authorizes a person to institute an action for civil damages or civil penalties, cleanup costs, injunctions, restitution, cost recovery, punitive damages, or any other form of relief, for remediation of the environment (as defined in section 101(8) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(8))).

SEC. 204. LIABILITY RULES APPLICABLE TO PRODUCT SELLERS, RENTERS, AND LESSORS.

(a) GENERAL RULE.—

(1) IN GENERAL.—In any product liability action covered under this title, a product seller other than a manufacturer shall be liable to a claimant only if the claimant establishes that—

(A)(i) the product that allegedly caused the harm that is the subject of the complaint was sold, rented, or leased by the product seller;

(ii) the product seller failed to exercise reasonable care with respect to the product; and

(iii) the failure to exercise reasonable care was a proximate cause of the harm to the claimant;

(B)(i) the product seller made an express warranty applicable to the product that allegedly caused the harm that is the subject of the complaint, independent of any express warranty made by a manufacturer as to the same product;

(ii) the product failed to conform to the warranty; and

(iii) the failure of the product to conform to the warranty caused the harm to the claimant; or

(C)(i) the product seller engaged in intentional wrongdoing, as determined under applicable State law; and

(ii) the intentional wrongdoing caused the harm that is the subject of the complaint.

(2) REASONABLE OPPORTUNITY FOR INSPECTION.—For purposes of paragraph (1)(A)(ii), a product seller shall not be considered to have failed to exercise reasonable care with respect to a product based upon an alleged failure to inspect the product, if—

(A) the failure occurred because there was no reasonable opportunity to inspect the product; or

(B) the inspection, in the exercise of reasonable care, would not have revealed the aspect of the product that allegedly caused the claimant's harm.

(b) SPECIAL RULE.—

(1) IN GENERAL.—A product seller shall be deemed to be liable as a manufacturer of a product for harm caused by the product, if—

(A) the manufacturer is not subject to service of process under the laws of any State in which the action may be brought; or

(B) the court determines that the claimant is or would be unable to enforce a judgment against the manufacturer.

(2) STATUTE OF LIMITATIONS.—For purposes of this subsection only, the statute of limitations applicable to claims asserting liability of a product seller as a manufacturer shall be tolled from the date of the filing of a complaint against the manufacturer to the date that judgment is entered against the manufacturer.

(c) RENTED OR LEASED PRODUCTS.—

(1) DEFINITION.—For purposes of paragraph (2), and for determining the applicability of this title to any person subject to that paragraph, the term "product liability action" means a civil action brought on any theory for harm caused by a product or product use.

(2) LIABILITY.—Notwithstanding any other provision of law, any person engaged in the business of renting or leasing a product (other than a person excluded from the definition of product seller under section 202(13)(B)) shall be subject to liability in a product liability action under subsection (a), but any person engaged in the business of renting or leasing a product shall not be liable to a claimant for the tortious act of another solely by reason of ownership of that product.

SEC. 205. FEDERAL CAUSE OF ACTION PRECLUDED.

The district courts of the United States shall not have jurisdiction under this title based on section 1331 or 1337 of title 28, United States Code.

TITLE III—EFFECTIVE DATE

SEC. 301. EFFECTIVE DATE.

This Act shall take effect with respect to any civil action commenced after the date of the enactment of this Act without regard to whether the harm that is the subject of the action occurred before such date.

By Mr. REID (for himself and Mr. WARNER)

S. 866. A bill to amend the Public Health Service Act to provide for a national media campaign to reduce and prevent underage drinking in the United States; to the Committee on Health, Education, Labor, and Pensions.

Mr. REID. Mr. President, I rise today along with my good friend and colleague Senator WARNER because I am deeply concerned with the underage drinking occurring in America. Alcohol is currently the number 1 drug problem for America's youth. Alcohol kills 6.5 times more young people in America than all other illicit drugs combined, Pacific Institute for Research and Evaluation.

Drinking under the age of 21 is illegal in all 50 states, yet 10.4 million kids in America consume alcohol illegally, starting on average at just 13 years of age, Health People 2010 Study, Health and Human Services. In my own state of Nevada, there has been a 3-percent increase since 1997 in the number of teens who report drinking. Nevada's youth, ages 12–17 are ranked third nationally in reported illicit drug or alcohol dependence and 5th in binge alcohol use, National Household Survey, 1999.

Alcohol is a major contributing factor in approximately half of all youth homicides, suicides, motor vehicle crashes, death and disability in Nevada, Nevada Youth Risk Behavior Survey, 1999. Alcohol is clearly the drug of choice for teenagers throughout America.

Specifically in Nevada, 73 percent of 10th graders have tried alcohol, while 33 percent drink monthly. The numbers are even greater for high school seniors, 75 percent and 41 percent respectively, Nevada Safe and Drug Free Schools Survey.

The purpose of our bill the "National Media Campaign to Prevent Underage Drinking Act of 2001" is to establish a national campaign to reduce and prevent underage drinking in America and will be conducted by the Department of Health and Human Services.

This bipartisan legislation will educate America's youth and their parents about the dangers and consequences of underage drinking. It will use television, print, radio and Internet advertisements to highlight the facts and the negative consequence of underage drinking.

Our bill addresses a need for a comprehensive public education campaign aimed at underage drinking. MADD reports that underage drinking contributes to increased motor vehicle crashes, crime, violence, unprotected sex, teenage pregnancy, sexually transmitted diseases, depression, suicide, alcohol dependence, and other drug use.

Young people who begin drinking before age 15 are four times more likely to develop alcohol dependence than those who begin drinking after age 21, National Institutes of Health. The more America's youth drink, the more likely they are to drink and drive, American Academy of Pediatrics. Over 16,000 Americans were killed in alcohol-related motor vehicle crashes in 1999 and nearly one million were injured. In 1999, over 2,000 young people between the ages of 15–20 lost their lives to alcohol-related crashes.

Senator WARNER and I have chosen to introduce this legislation today because Prom season, graduation parties, and summer vacations are all rapidly approaching. And that means a lot of parents are focused on the threat of teen drinking, and drunk driving. It is however, important that we do not focus on underage drinking only during these types of events. This is something we should address every day of the year, year after year. That is what this legislation does.

Additionally, as you all know Mother's Day is this Sunday. I want to ask that all of you young Americans consider giving your mother a very special gift this year. Promise her that you won't drink and drive—at your prom, or at your graduation.

This independent campaign should be established and should be conducted by the Secretary of the Department of Health and Human Services. Modeled after the Anti-Drug Campaign, the National Media Campaign to Prevent Underage Drinking will be separately funded and conducted by the Office of Public Health and Science, in conjunction with the Surgeon General, and will be based on scientific research.

I ask unanimous consent that the text of the National Media Campaign to Prevent Underage Drinking Act of 2001 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 866

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Media Campaign to Prevent Underage Drinking Act of 2001".

SEC. 2. DEPARTMENT OF HEALTH AND HUMAN SERVICES, OFFICE OF PUBLIC HEALTH AND SCIENCE; PROGRAM FOR NATIONAL MEDIA CAMPAIGN TO PREVENT UNDERAGE DRINKING.

Title XVII of the Public Health Service Act (42 U.S.C. 300u et seq.) is amended by adding at the end the following:

"SEC. 1711. NATIONAL MEDIA CAMPAIGN TO PREVENT UNDERAGE DRINKING.

"(a) REQUIREMENT TO CONDUCT A NATIONAL MEDIA CAMPAIGN.—

"(1) IN GENERAL.—The Secretary shall develop, implement, and conduct a national media campaign in accordance with this section for the purpose of reducing and preventing underage drinking in the United States.

"(2) ADMINISTRATION.—The Secretary shall carry out this section through the Office of Public Health and Science and in consultation with the Surgeon General of the Public Health Service.

"(3) BASED ON SCIENCE.—The Secretary shall develop, implement, and conduct the national media campaign based upon reputable academic and scientific research on youth attitudes and the prevalence of underage drinking in the United States, as well as on the science and research on mass media prevention campaigns.

"(4) SUPPLEMENT; NOT SUPPLANT.—In developing, implementing, and conducting the national media campaign, the Secretary shall supplement (and not supplant) existing efforts by State, local, private, and nonprofit entities to reduce and prevent underage drinking in the United States and shall coordinate with other Federal agencies and departments, including the Centers for Disease Control and Prevention, the National Institute on Alcohol Abuse and Alcoholism, the Substance Abuse and Mental Health Services Administration, the National Institute on Drug Abuse, the Department of Justice, the Department of Transportation, and the Office of National Drug Control Policy.

"(5) Targeting.—The Secretary shall, to the maximum extent feasible, use amounts available under subsection (e) for media that focuses on, or includes specific information on, prevention or treatment resources for consumers within specific geographic local areas. The Secretary shall ensure that the national media campaign includes messages that are language-appropriate and culturally competent to reach minority groups.

"(b) Use of Funds.—

"(1) Advertising.—Of the amounts available under subsection (e), the Secretary shall devote sufficient funds to the advertising portion of the national media campaign to meet the stated reach and frequency goals of the campaign.

"(2) Authorized uses.—

"(A) In general.—Amounts available under subsection (e) for the national media campaign may only be used for the development of the campaign and—

"(i) the development of a comprehensive strategy planning document;

"(ii) the purchase of media time and space;

"(iii) talent reuse payments;

"(iv) out-of-pocket advertising production costs;

"(v) testing and evaluation of advertising;

"(vi) evaluation of the effectiveness of the media campaign; and

"(vii) the negotiated fees for the winning bidder on request for proposals issued by the Assistant Secretary for Health.

"(B) Certain uses.—In support of the primary goal of developing, implementing and conducting an effective advertising campaign, funds available under subsection (e) may be used for—

"(i) partnerships with community, civic, and professional groups, and government organizations related to the media campaign; and

"(ii) entertainment industry collaborations to fashion underage-drinking prevention messages in motion pictures, television programming, popular music, interactive (Internet and new) media projects and activities, public information, news media outreach, and corporate sponsorship and participation.

"(3) Prohibitions.—None of the amounts available under subsection (e) may be obligated or expended—

"(A) to supplant efforts of community-based coalitions to reduce and prevent underage drinking;

"(B) to supplant current pro bono public service time donated by national and local broadcasting networks;

"(C) for partisan political purposes;

"(D) to fund media campaigns that feature any elected officials, persons seeking elected office, cabinet level officials, or other Federal officials employed pursuant to section 213 of schedule C of title 5, Code of Federal Regulations, unless the Assistant Secretary for Health provides advance notice to the appropriations committees, the oversight committees, and the appropriate authorizing committees of the House of Representatives and the Senate; or

"(E) to fund or support advertising messages bearing any company or brand logos or other identifying corporate or trade information.

"(4) Matching requirement.—As a condition of each purchase of media time or space for the national media campaign, the Secretary shall require that the seller of the time or space provide non-Federal contributions to the national media campaign in an amount equal to 50 percent of the purchase price of the time or space, which may be contributions of funds, or in-kind contributions in the form of public service announcements specifically directed to reducing and preventing underage drinking.

"(c) Reports to Congress.—

"(1) Comprehensive strategy.—Not later than 6 months after the date of enactment of this section, the Secretary shall develop and submit to Congress a comprehensive strategy that identifies the nature and extent of the problem of underage drinking, the scientific basis for the strategy, including a review of the existing scientific research, target audiences, goals and objectives of the campaign, message points that will be effective in changing attitudes and behavior, a campaign outline and implementation plan, an evaluation plan, and the estimated costs of implementation.

"(2) Annual reports.—The Secretary shall annually submit to Congress a report on the activities for which amounts available under subsection (e) were obligated during the preceding year, including information for each quarter of such year, and on the specific parameters of the national media campaign including whether the campaign is achieving identified performance goals based on an independent evaluation.

"(3) Progress report.—Not later than 1 year after the date of enactment of this section, the Secretary shall submit to Congress a report on the progress of the national media campaign based on measurable outcomes previously provided to Congress.

"(d) Definition.—For purposes of this section, the term 'underage drinking' means any consumption of alcoholic beverages by individuals who have not attained the age at which (in the State involved) it is legal to purchase such beverages.

"(e) Funding.—

"(1) Authorization of appropriations.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of fiscal years 2002 through 2007.

"(2) Limitation regarding comprehensive strategy activities.—Of the amounts appropriated under paragraph (1), the Secretary may not expend more than $1,000,000 to carry out subsection (c)(1).".

By Mrs. FEINSTEIN:

S. 868. A bill to amend the Employee Retirement Income Security Act of 1974, Public Health Service Act, and the Internal Revenue Code of 1986 to require that group and individual health insurance coverage and group health plans provide coverage and group health plans provide coverage of cancer screening; to the Committee on Health, Education, Labor, and Pensions.

Mrs. FEINSTEIN. Mr. President, today I am introducing a bill to require health insurance plans to cover screening tests for cancer. Congresswomen Carolyn Maloney and Sue Kelly are introducing a companion bill in the House today.

The bill requires plans to cover screening tests including mammography and clinical breast examinations for breast cancer, "pap" tests and pelvic examinations for gynecological cancers, colorectal screening for colon and rectum cancers, and prostate screening for prostate cancer.

To address future changes in scientific knowledge and medical practice, the bill allows the Secretary to change the requirements upon the Secretary's initiative or upon petition by a private individual or group. This provision is included because we do not yet have screening tests for many cancers, including brain tumors, leukemia Hodgkin's disease, and ovarian, liver and pancreatic cancers. These are often not detected until they produce symptoms, at which point the cancer may have advanced significantly.

The American Cancer Society has described "screening" as "the search for disease in persons who do not have disease or who do not recognize that they have symptoms of disease," Screening, as defined by the American medical Association, is "health care services or products provided to an individual without apparent signs or symptoms of an illness, injury, or disease for the purpose of identifying or excluding an undiagnosed illness, disease or condition." One of the most common screening procedures is the mammogram, which millions of women get annually to determine if there are suspicious lesions or lumps in their breasts.

A major way to reduce the number of cancer-related deaths and to increase survival is to increase cancer screening rates. The American Cancer Society, (ACS), predicts that 563,100 Americans will die of cancer this year. With appropriate screening, one-third of cancer deaths could be prevented, says ACS.

Screening is the greatest single tool for finding cancers early. Cancers found early are cancers that do not grow or metastasize and are cancers that can be treated more successfully than those that are found late. Early detection can extend life, reduce treatment, and improve the quality of life. For example, people can have colon cancer long before they know it. They may not have any symptoms, Patients diagnosed by a colon cancer screening have a 90 percent chance of survival while patients not diagnosed until symptoms are apparent only have a 8 percent change of survival.

Screening-accessible cancers, such as cancers of the breast, tongue, mouth, colon, rectum, cervix, prostate, testis, and skin, account for approximately half of all new cancer cases. If all Americans had regular cancer screenings, the five-year survival rate for cancers of the breast, tongue, mouth, colon, rectum, cervix, prostate, testis and skin could grow from 81 percent to 95 percent.

Screening costs less than treatment. For example, Medicare pays from $100 to $400 for a colorectal cancer screening test. The cost of treating colorectal cancer from diagnosis to death costs over $51,000, according to the Institute of Medicine.

To put cancer deaths in perspective, the number of Americans that die each year from cancer exceeds the total number of Americans lost to all wars that we have fought in this century. The American Cancer Society says that over 1.3 million new cancer cases will be diagnosed in the U.S. this year.

Despite our increasing understanding of cancer, unless we act with urgency, the cost to the United States is likely to become unmanageable in the next 10–20 years. The incidence rate of cancer in 2010 is estimated to increase by 29 percent for new cases, and cancer deaths are estimated to increase by 25 percent. Cancer will surpass heart disease as the leading fatal disease in the U.S. by 2010. With our aging U.S. population, unless we act now to change current cancer incidence and death rates, according to the September 1998 report from the Cancer March Research. Task Force, we can expect over 2.0 million new cancer cases and 1.0 million deaths per year by 2025. Listen to these startling statistics: One out of every four deaths in the U.S. is caused by cancer. That more than 1,500 Americans will die each day from cancer. The National Cancer Institute estimates that approximately 8.2 million Americans alive today have a history of cancer. One out of every two men, one out of every three women will be diagnosed with cancer at some point in their lifetime.

One of the tragedies of cancer is that we have tools available which can prevent much unnecessary suffering and death. But cancer must be prevented and it must be found early.

Deaths from colorectal cancer could be cut in half if most people over 50 had refuting screenings, for a disease that claims 56,700 a year.

Experts cite several barriers that prevent many Americans from getting cancer screenings. These include a lack of insurance coverage, inadequate insurance coverage, inability to pay for screenings, a fear of discomfort, and the fact that most of American health care is complaint drive, not preventive.

Insurance coverage is a major factor in whether people have preventive screenings. In other words, when screenings are covered by plans, people are more likely to get them. In California, screening rates for cervical and breast cancer are lower for uninsured women, who are less likely to have had a recent screening and more likely to have gone longer without being screened than women with coverage. In Medicare, for example, a study reported in Public Health Reports in October 1997, found that Medicare coverage increased the use of mammograms.

According to an University of California-Los Angeles Center for Health Policy Research study from February 1998, in California women ages 18–64, 63 percent of uninsured women had not had a Pap test during 1997 versus 40 percent of insured women. Additionally, approximately 67 percent of uninsured Californian women ages 30–64 had not had a clinical breast examination during 1997, compared to 40 percent for insured women in the same age group.

The bill we are introducing, by requiring plans to cover screenings, can reduce death, reduce suffering and reduce costs.

I urge my colleagues to support this bill.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objections, it was so ordered.

A summary of the bill follows:

SUMMARY OF THE COMPREHENSIVE CANCER SCREENING ACT OF 2001

Requires private health insurance plans to cover cancer screenings consistent with professionally-developed and recognized medical guidelines, specifically: mammograms and clinical breast examinations (for breast cancer); "pap" tests and pelvic examinations (for gynecological cancers); colorectal screening (for colon and rectum cancers); prostate cancer screening (for prostate cancers).

Authorizes the U.S. Secretary of Health an Human Services by regulation to modify or update the coverage requirements to reflect advances in medical practice or new scientific knowledge, for all cancers as screenings are developed, based on the Secretary's own initiative or upon the petition of an individual or organization.

Prohibits health insurance plans from: denying eligibility for the purpose of avoiding the requirements of the bill; providing monetary payments to encourage individuals to accept less than the minimum protections available; penalizing or reducing reimbursement because a provider provides care consistent with these requirements; providing incentives to a provider to encourage the provider to provide care inconsistent with the requirements.

Requires plans to provide subscribers full information on the extent of coverage, including covered benefits, cost-sharing requirements, and the extent of choice of providers.

By Mr. SMITH of New Hampshire (for himself and Mr. INHOFE):

S. 870. A bill to amend the Internal Revenue Code of 1986 to provide additional tax incentives for public-private partnerships in financing of highway, mass transit, high speed rail, and intermodal transfer facilities projects, and for other purposes; to the Committee on Finance.

Mr. SMITH of New Hampshire. Mr. President, today I rise to introduce the Multi Modal Transportation Financing Act. The United States faces a significant shortfall in funding for our highway and bridge infrastructure needs. It is incumbent upon us to look at new and innovative ways to make the most of limited resources to address these significant needs. This bill will lift the existing restrictions on tax-exempt bond financing for public agencies seeking greater private sector participation in a variety of transportation projects. This financing tool will serve to manage congestion, build more transportation options, and encourage technological innovation.

This bill will adjust the tax code in order to remove a barrier to needed transportation infrastructure investment. Under current Federal tax law, highways built by government can be financed through the use of tax exempt bonds—but those built by the private sector are not eligible to use this valuable financing tool, even though this tool is currently available to the private sector for the construction of seaports, airports and other public infrastructure facilities. Tax-exempt bonds can reduce interest rates as much as two percentage points below rates on comparable taxable bond issues and can reduce financing costs by 20–25 percent. While this has been a huge benefit for other infrastructure needs, once the private sector seeks to participate in the development or operation of a government-owned highway or intercity rail project, tax-exempt financing is no longer available. Yet these transportation projects costing from $100 million to over $1 billion are rendered financially infeasible when subjected to taxable bond financing, forcing the private sector out of transportation project development.

As a result, public/private partnerships in the provision of highway facilities are unlikely to materialize, despite the potential efficiencies in design, construction, and operation offered by such arrangements. By depending solely on public sector tax-exempt financing, some projects will not be built at all, while projects that still get built are done so much later, at higher cost, greater inefficiency and public sector risk.

Private sector participation in these transportation projects will provide access to new expertise, greater operating efficiencies, new sources of investment capital, and private sector risk sharing. This practice of private sector involvement has already been successfully implemented in a number of other countries. U.S. companies are currently investing billions of dollars in foreign infrastructure projects that are not subject to the United States tax code discrimination against similar private investment. Increasing the private sector's role in these countries has offered opportunities for construction cost savings and more efficient operation.

The effort to enhance private sector participation began a few years ago by my predecessor as chairman of the Environment and Public Works Committee, Senator John Chafee. While his legislation did pass the Senate, it never made it to the President's desk. It is time for this long over due private sector encouragement to become law.

I hope that this bill can be one in a series of new approaches to meeting our substantial transportation infrastructure needs and will be one of the approaches that will help us find more efficient methods to design, build, and operate the nation's transportation infrastructure. We should begin by knocking down barriers that discourage the private sector from unleashing its full resources to help build this nation's transportation network. I urge my colleague to join me in supporting this vital legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 870

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Multimodal Transportation Financing Act".

SEC. 2. TAX-EXEMPT FINANCING OF QUALIFIED HIGHWAY INFRASTRUCTURE.

(a) TREATMENT AS EXEMPT FACILITY BOND.—Subsection (a) of section 142 of the Internal Revenue Code of 1986 (relating to exempt facility bond) is amended by striking "or" at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting ", or", and by adding at the end the following:

"(13) qualified highway infrastructure projects.".

(b) QUALIFIED HIGHWAY INFRASTRUCTURE PROJECTS.—Section 142 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

"(k) QUALIFIED HIGHWAY INFRASTRUCTURE PROJECTS.—

"(1) IN GENERAL.—For purposes of subsection (a)(13), the term 'qualified highway infrastructure project' means a project—

"(A) for the construction, reconstruction, or maintenance of a highway, including related startup costs, and

"(B) meeting the requirements of paragraph (2).

"(2) PROJECT REQUIREMENTS.—A project meets the requirements of this paragraph if the project—

"(A) serves the general public,

"(B) is located on publicly-owned rights-of-way, and

"(C) is publicly owned or the ownership of the highway constructed, reconstructed, or maintained under the project reverts to the public."

(c) EXEMPTION FROM GENERAL STATE VOLUME CAPS.—Paragraph (3) of section 146(g) of the Internal Revenue Code of 1986 (relating to exception for certain bonds) is amended—

(1) by striking "or (12)" and inserting "(12), or (13)", and

(2) by striking "and environmental enhancements of hydroelectric generating facilities" and inserting "environmental enhancements of hydroelectric generating facilities, and qualified highway infrastructure projects".

(d) EXEMPTION FROM LIMITATION ON USE FOR LAND ACQUISITION.—Section 147(c)(3) of the Internal Revenue Code of 1986 (relating to exception for certain land acquired for environmental purposes, etc.) is amended by striking "or wharf" both places it appears and inserting "wharf, or qualified highway infrastructure project".

(e) TREATMENT OF CERTAIN REFUNDING BONDS.—

(1) IN GENERAL.—Paragraph (2) of section 149(d) of the Internal Revenue Code of 1986 (relating to certain private activity bonds) is amended by inserting "or any exempt facility bond issued as part of an issue described in paragraph (13) of section 142(a) (relating to qualified highway infrastructure projects)" after "other than a qualified 501(c)(3) bond".

(2) SPECIAL RULES.—Paragraph (6) of section 149(d) of such Code is amended to read as follows:

"(6) SPECIAL RULES FOR PURPOSES OF PARAGRAPH (3).—For purposes of paragraph (3)—

"(A) bonds issued before October 22, 1986, shall be taken into account under subparagraph (A)(i) thereof except—

"(i) a refunding which occurred before 1986 shall be treated as an advance refunding only if the refunding bond was issued more than 180 days before the redemption of the refunded bond, and

"(ii) a bond issued before 1986, shall be treated as advance refunded no more than once before March 15, 1986, and

"(B) a bond issued as part of an issue that is either the 1st or 2nd advance refunding of the original bond shall be treated as only the 1st advance refunding of the original bond if—

"(i) at least 95 percent or more of the net proceeds of the original bond issue are to be used to finance a highway infrastructure project (regardless of whether the original bond was issued as a private activity bond),

"(ii) the original bonds and applicable refunding bonds are or are reasonably expected to be primarily secured by project-based revenues, and

"(iii) in any case in which—

"(I) the original bonds or applicable refunding bonds are private activity bonds issued as part of an issue at least 95 percent or more of the net proceeds of which are to be used to finance a qualified highway infrastructure project described in section 142(a)(13), the refunding bonds of the issue and original bonds of the issue satisfy the requirements of section 147(b), or

"(II) the original bonds and applicable refunding bonds are not private activity bonds, the second generation advance refunding bonds of the issue (and any future bonds of the issue refunding such bonds) satisfy the requirements of section 147(b).".

(3) SPECIAL RULE RELATING TO MATURITY LIMITATION.—Section 147(b) of such Code (relating to maturity limitations) is amended by adding at the end the following:

"(6) SPECIAL RULE FOR CERTAIN HIGHWAY INFRASTRUCTURE PROJECTS.—

"(A) IN GENERAL.—In the case of bonds of an issue described in section 149(d)(6)(B), the limit described in paragraph (1)(B) shall be reduced—

"(i) in any case in which the original bonds or applicable refunding bonds are private activity bonds, by the remaining weighted average maturity of the escrowed bonds with respect to both the first and second generation advance refunding, and

"(ii) in any case in which the original bonds and applicable refunding bonds are not private activity bonds, by the remaining weighted average maturity of the escrowed bonds with respect to the second generation advance refunding.

"(B) REMAINING WEIGHTED AVERAGE MATURITY OF ESCROWED BONDS.—For purposes of subparagraph (A), the remaining weighted average maturity of the escrowed bonds is equal to the weighted average maturity, calculated as of the applicable refunding bond issue date—

"(i) with respect to subparagraph (A)(i), of the applicable bonds advance refunded, and

"(ii) with respect to subparagraph (A)(ii), of the applicable bonds directly refunded by the second generation advance refunding bonds, and

treating any date of actual early redemption as a maturity date for this purpose.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of enactment of this Act.

SEC. 3. MASS COMMUTING FACILITIES.

(a) EXEMPTION FROM STATE VOLUME CAP.—Section 146(g)(3) of the Internal Revenue Code of 1986 (relating to exception for certain bonds), as amended by section 2, is amended—

(1) by inserting "(3)," after "(2),", and

(2) by inserting "mass commuting facilities," after "wharves,".

(b) INCLUSION OF ROLLING STOCK.—Section 142(c) of the Internal Revenue Code of 1986 (relating to airports, docks and wharves, mass commuting facilities and high-speed intercity rail facilities) is amended by adding at the end the following new paragraph:

"(3) MASS COMMUTING FACILITIES.—The term 'mass commuting facilities' includes rolling stock related to such facilities.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of enactment of this Act.

SEC. 4. MODIFICATION OF DEFINITION OF HIGH-SPEED INTERCITY RAIL FACILITIES.

(a) IN GENERAL.—Section 142(i)(1) of the Internal Revenue Code of 1986 (defining high-speed intercity rail facilities) is amended by striking " and their baggage" and all that follows and inserting "on high speed rail corridors designated under section 104(d)(2) of title 23, United States Code, or on corridors using magnetic levitation technology.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of enactment of this Act.

SEC. 5. TAX-EXEMPT FINANCING OF INTERMODAL TRANSFER FACILITIES.

(a) TREATMENT AS EXEMPT FACILITY BOND.—Subsection (a) of section 142 of the Internal Revenue Code of 1986 (relating to exempt facility bond), as amended by section 2(a), is amended by striking "or" at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting ", or", and by adding at the end the following:

"(14) intermodal transfer facilities.".

(b) INTERMODAL TRANSFER FACILITIES.—Section 142 of the Internal Revenue Code of 1986, as amended by section 2(b), is amended by adding at the end the following:

"(l) INTERMODAL TRANSFER FACILITIES.—For purposes of subsection (a)(14), the term 'intermodal transfer facilities' means any facility for the transfer of people or goods between the same or different transportation modes.".

(c) EXEMPTION FROM GENERAL STATE VOLUME CAPS.—Paragraph (3) of section 146(g) of the Internal Revenue Code of 1986 (relating to exception for certain bonds), as amended by section 2(c), is amended—

(1) by striking "or (13)" and inserting "(13), or (14)", and

(2) by striking "and qualified highway infrastructure projects" and inserting "qualified highway infrastructure projects, and intermodal transfer facilities".

(d) EXEMPTION FROM LIMITATION ON USE FOR LAND ACQUISITION.—Section 147(d)(3) of the Internal Revenue Code of 1986 (relating to exception for certain land acquired for environmental purposes, etc.), as amended by section 2(d), is amended by striking "or qualified highway infrastructure project" both places it appears and inserting "qualified highway infrastructure project, or intermodal transfer facility".

(e) CONFORMING AMENDMENTS.—Subsection (c) of section 142 of the Internal Revenue Code of 1986 is amended—

(1) by striking "or (11)" both places it appears in paragraphs (1) and (2) and inserting ", (11), or (14)", and

(2) by striking "AND HIGH-SPEED INTERCITY RAIL FACILITIES" in the heading thereof and inserting ", HIGH-SPEED INTERCITY RAIL FACILITIES, AND INTERMODAL TRANSFER FACILITIES".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of enactment of this Act.

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE RESOLUTION 87—EXPRESSING THE SENSE OF THE SENATE THAT THERE SHOULD BE ESTABLISHED A JOINT COMMITTEE OF THE SENATE AND HOUSE OF REPRESENTATIVES TO INVESTIGATE THE RAPIDLY INCREASING ENERGY PRICES ACROSS THE COUNTRY AND TO DETERMINE WHAT IS CAUSING THE INCREASES

Mr. DORGAN (for himself, Mr. DASCHLE, Mr. REID, Mr. DURBIN, Mrs. FEINSTEIN, Mrs. BOXER, Mrs. MURRAY, Mr. SCHUMER, Mr. HARKIN, and Mrs. CLINTON) submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 87

Whereas the price of energy has skyrocketed in recent months;

Whereas the California consumers have seen a 10-fold increase in electricity prices in less than 2 years;

Whereas natural gas prices have doubled in some areas, as compared with a year ago;

Whereas gasoline prices are close to $2.00 per gallon now and are expected to increase to as much as $3.00 per gallon this summer;

Whereas energy companies have seen their profits doubled, tripled, and in some cases even quintupled; and

Whereas high energy prices are having a detrimental effect on families across the country and threaten economic growth: Now, therefore, be it

Resolved,

SECTION 1. SENSE OF THE SENATE CONCERNING THE NEED TO ESTABLISH A JOINT COMMITTEE OF THE SENATE AND HOUSE OF REPRESENTATIVES TO INVESTIGATE THE RAPIDLY INCREASING ENERGY PRICES ACROSS THE COUNTRY AND TO DETERMINE WHAT IS CAUSING THE INCREASES.

It is the sense of the Senate that there should be established a joint committee of the Senate and House of Representatives to—

(1) study the dramatic increases in energy prices (including increases in the prices of gasoline, natural gas, electricity, and home heating oil);

(2) investigate the cause of the increases;

(3) make findings of fact; and

(4) make such recommendations, including recommendations for legislation and any administrative or other actions, as the joint committee determines to be appropriate.

Mr. LIEBERMAN. Mr. President, I rise today to introduce a concurrent resolution calling attention to global e-commerce, a trade issue of great economic interest to this country. My esteemed colleague Senator MCCAIN and I have drafted this legislation to express the sense of Congress on the importance of promoting global electronic commerce. In the House of Representatives, Congresswoman TAUSCHER and Congressman DREIER will introduce the very same legislation. I am honored to be joined on this resolution by these three knowledgeable and distinguished leaders on technology issues.

Our economic landscape is undergoing a fundamental transformation. We are transitioning into a "new economy", a rapidly evolving, global marketplace that is governed by new rules and driven largely by new forces. Those new forces include information technology and the Internet. We all recognize that we are witnessing an electronic revolution. There is no shortage of statistics to prove what we are seeing all around us. According to a recent U.S. Department of Commerce report, approximately one third of the U.S. economic growth in the past few years has come from information technologies. Worldwide, there are more than 200 countries connected to the Internet today. That is up from 165 in 1996 and just eight in 1988. Today, more than 300 million people worldwide, more than half in North America, use the Internet. With Internet traffic continuing to double every 100 days, by 2005 more than one billion people will be connected. Importantly, more than three-quarters of them will be outside North America.

This digital age brought about by the Internet and information technology is opening new markets and growth opportunities for all types of U.S. companies in every corner of this vast country. "Digital Trade", including cross-border e-commerce transactions for goods and services, global business relationships enabled by electronic networks, and the goods and services that enable those transactions and relationships, can help new companies to emerge and existing companies to flourish. For example, according to a study done for Cisco by the Gartner Group, Europe's Internet economy is set to grow twenty-fold, from $53 billion in 1999 to $1.2 trillion in 2004. That growth presents real opportunities for millions of American companies and consumers.

We are seeing industry adjust to these new realities and seize these new opportunities. Last year, 60 percent of B-to-B companies were building globalized websites designed to reach audiences in many countries and across different cultures. By 2004, the level of globalization is expected to reach 80 percent. Those companies that choose not to globalize their websites project foreign revenue earnings this year of 12 percent. Those companies that do globalize expect foreign revenue earnings of 35 percent.

To make this picture of the digital age more real, let me move closer to home and talk about one of my favorite New Economy companies, Coastal Tool. Coastal Tool is a small family-owned business with 12 employees. They are in a very traditional industry, hardware retail, in a very traditional location, the heart of New England, West Hartford, CT. However, Coastal Tool is anything but traditional in its approach to business. Early on in the Internet revolution, Coastal Tool adopted information technology to improve its sales and marketing efforts. They understood back in the early 1990s what Alan Greenspan speaks of today when he testifies here on the Hill that there is a strong and undeniable link between the adoption of information technology, rising productivity, and increasing economic prosperity. Today, this small company does 20–30 percent of its business online, selling hand and power tools like biscuit joiners and disc grinders. It generates 15–20 percent of its revenue from online sales to overseas customers and is now exporting to more than 50 countries. By competing online and overseas, Coastal Tool, on the web at www.Coastaltool.com, is a true new economy success story and but one example of how an exponential growth in information technology adoption and e-commerce are reshaping the global economy.

But the global economy and digital trade also present us with challenges. While there are few if any technology barriers to global e-commerce, there are actual and potential policy and political barriers. For example, according to a recent survey of chief information officers across the country by CIO Magazine, approximately one third of the respondents feel that current barriers limit their company's ability to conduct e-commerce across international borders. Clearly this is a reality and a challenge with which we here in Washington must be concerned. That is why we have worked closely with industry, including the Information Technology Association of American, the Business Software Alliance, The Information Technology Industry Council, and the Semiconductor Industry Association, to draft this very important resolution.

This resolution describes the incredible opportunity that global e-commerce presents for the U.S. It calls on the Administration to make digital trade, the promotion of cross-border e-commerce, a high priority on its trade agenda and to work in good faith with our trading partners to encourage its continued growth. More specifically, it states that the U.S. should encourage members of the World Trade Organization to promote the development of infrastructures necessary for e-commerce and refrain from adopting measures that would constitute actual or potential trade barriers to electronic commerce. The resolution does not take policy positions on specific issues of international trade. It does take a first step in making sure that global e-commerce is an issue and an opportunity with which members of this body are familiar.

I respectfully urge all of my colleagues here in the Senate to show their support for U.S. consumer and commercial interests by joining Senator McCain and me in sponsoring and working to pass this very important concurrent resolution.

SENATE CONCURRENT RESOLUTION 37—EXPRESSING THE SENSE OF CONGRESS ON THE IMPORTANCE OF PROMOTING ELECTRONIC COMMERCE, AND FOR OTHER PURPOSES

Mr. LIEBERMAN (for himself, and Mr. McCain) submitted the following concurrent resolution; which was referred to the Committee on Finance.

S. Con. Res. 37

Whereas information technologies have spurred additional growth and efficiency for the United States economy, given consumers greater power and choice, and created new opportunities for entrepreneurs;

Whereas an estimated 60 percent of American businesses are involved in electronic commerce;

Whereas in 2000, business-to-consumer electronic transactions were estimated at $61,000,000,000 and business-to-business electronic transactions at nearly $200,000,000,000;

Whereas economists have shown that the higher a nation's Internet usage, the faster cross-border trade increases, especially among developing nations;

Whereas cross-border electronic commerce represents a revolutionary form of international trade, one that will provide new opportunities for growth, efficiency, and rising living standards in the United States and overseas;

Whereas in this era of policy development for global electronic commerce, certain policy measures could push Internet users into localized regions of the World Wide Web, significantly reducing long-term opportunities for growth and development;

Whereas the current World Trade Organization (WTO) trade rules, including (the General Agreement on Tariffs and Trade, the General Agreement on Trade in Services, and the Agreement on Trade-Related Aspects of Intellectual Property) apply to e-commerce;

Whereas the growth of international trade via global electronic commerce could be stunted by domestic policies or measures that have the effect of reducing or eliminating competition; and

Whereas carefully coordinated agreements that ensure open markets, broad access, competition, and limited burdens on e-commerce can facilitate growth and development in the United States and overseas: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) the Secretary of Commerce and the United States Trade Representative should make the promotion of cross-border trade via electronic commerce a high priority;

(2) the United States should work in good faith with our trading partners to develop a cross-border trade regime that promotes the continued growth of electronic commerce and advances the interests of Internet buyers and sellers in different countries; and

(3) the United States should encourage members of the World Trade Organization to—

(A) promote the development of infrastructures that are necessary to conduct e-commerce;

(B) promote the development of trade in goods and services via e-commerce;

(C) ensure that products delivered electronically receive the most beneficial treatment available under trade agreements relating to similar products that are delivered physically, including market access and nondiscriminatory treatment; and

(D) refrain from adopting measures that would constitute actual or potential trade barriers to electronic commerce, and ensure that all other measures are predictable and transparent.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, May 10, 2001, at 10 a.m., in open session to consider the nominations of Dr. David S.C. Chu to be Under Secretary of Defense for Personnel and Readiness; Mr. Thomas E. White to be Secretary of the Army; Mr. Gordon England to be Secretary of the Navy; Mr. James G. Roche to be Secretary of the Air Force; and Mr. Alfred Rascon to be Director of Selective Service.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, May 10, 2001, to conduct a hearing on the nomination of Mr. John E. Robson, of California, to be president of the Export-Import Bank; Mr. Peter R. Fisher, of New Jersey, to be Under Secretary of the Treasury for Domestic Finance; and Mr. James J. Jochum, of Virginia, to be Assistant Secretary of Commerce for Export Administration. The Committee will also vote on the nomination of Mr. Grant D. Aldonas, of Virginia, to be Under Secretary of Commerce for International Trade; Mr. Kenneth I. Juster, of the District of Columbia, to be Under Secretary of Commerce for Export Administration; Ms. Maria Cino, of Virginia, to be Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service: and Mr. Robert Glenn Hubbard, of New York, to be a member of the Council of Economic Advisors.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, May 10 at 9:30 a.m. to conduct an oversight hearing. The committee will receive testimony on the President's proposed budget for FY2002 for the Department of Energy.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet for a hearing on The Nation's Investment in Biomedical Research: Opportunities and Outcomes during the session of the Senate on Thursday, May 10, 2001, at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Thursday, May 10, 2001 at 2:45 p.m. in room 495 of the Russell Senate Office Building to conduct an Oversight Hearing to receive the goals and priorities of the Alaska Native community for the 107th Congress.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a markup on Thursday, May 10, 2001 at 10:00 a.m., in SD226.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, May 10, 2001 at 11:30 a.m. to hold a closed briefing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AVIATION

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Subcommittee on Aviation of the Committee on Commerce, Science, and

Transportation be authorized to meet on Thursday, May 10, 2001, at 10:00 a.m. on Air Traffic Control.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FORESTS AND PUBLIC LANDS

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Subcommittee on Forests and Public Lands of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, May 10, immediately following the Subcommittee on National Parks Historic Preservation and Recreation hearing, to conduct an oversight hearing. The subcommittee will receive testimony on H.R. 880, a bill to provide for all right, title, and interest in certain property in Washington County, UT, to be vested in the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION AND RECREATION

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Subcommittee on National Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, May 10, at 2:30 p.m. to conduct an oversight hearing. The subcommittee will receive testimony on the President's proposed budget for FY2002 for the National Park Service.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Subcommittee on Transportation and Infrastructure be authorized to meet on Thursday, May 10, 2001 at 10:15 a.m. to receive testimony regarding FY02 Budget requests for the Department of Transportation and the General Services Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. Mr. President, I ask unanimous consent that Christie Onoda and John Carwell of Senator DODD's staff be granted the privilege of the floor during the remainder of the debate on S. 1.

The PRESIDING OFFICER. Without objection, it is so ordered.

MODIFICATION OF AMENDMENT NO. 402

Mr. BENNETT. Mr. President, I ask unanimous consent that the instruction line of amendment No. 402 be modified to conform to the pending Jeffords substitute amendment. Amendment No. 402 was previously agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL BIOTECHNOLOGY WEEK

Mr. BENNETT. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of S. Res. 75 and the Senate then proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 75) designating the week beginning May 13, 2001, as "National Biotechnology Week."

There being no objection, the Senate proceeded to consider the resolution.

Mr. BENNETT. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to the resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 75) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 75

Whereas biotechnology is increasingly important to the research and development of medical, agricultural, industrial, and environmental products;

Whereas public awareness, education, and understanding of biotechnology is essential for the responsible application and regulation of this new technology;

Whereas biotechnology has been responsible for breakthroughs and achievements that have benefited people for centuries and contributed to increasing the quality of human health care through the development of vaccines, antibiotics, and other drugs;

Whereas biotechnology is central to research for cures to diseases such as cancer, diabetes, epilepsy, multiple sclerosis, heart and lung disease, Alzheimer's disease, Acquired Immune Deficiency Syndrome (AIDS), and innumerable other medical ailments;

Whereas biotechnology contributes to crop yields and farm productivity, and enhances the quality, value, and suitability of crops for food and other uses that are critical to the agriculture of the United States;

Whereas biotechnology promises environmental benefits including protection of water quality, conservation of topsoil, improvement of waste management techniques, reduction of chemical pesticide usage, production of renewable energy and biobase products, and cleaner manufacturing processes;

Whereas biotechnology contributes to the success of the United States as the global leader in research and development, and international commerce;

Whereas biotechnology will be an important catalyst for creating more high-skilled jobs throughout the 21st century and will lead the way in reinvigorating rural economies; and

Whereas it is important for all Americans to understand the beneficial role biotechnology plays in improving quality of life and protecting the environment: Now, therefore, be it

Resolved, That the Senate—

(1) designates the week beginning May 13, 2001, as "National Biotechnology Week"; and

(2) requests that the President issue a proclamation calling upon the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

DISCHARGE AND REFERRAL—S. 821

Mr. BENNETT. Mr. President, I ask unanimous consent that the Energy Committee be discharged from further consideration of S. 821 and that the bill be referred to the Committee on Environment and Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore and upon the recommendation of the majority leader, pursuant to Public Law 106-554, appoints the Senator from Nebraska (Mr. HAGEL) to the Board of Directors of the Vietnam Education Foundation.

The Chair, on behalf of the democratic leader, pursuant to Public Law 100-696, announces the appointment of the Senator from Illinois (Mr. DURBIN) as a member of the United States Capitol Preservation Commission, vice the Senator from California (Mrs. FEINSTEIN).

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. BENNETT. Mr. President, in executive session, I ask unanimous consent that the Senate proceed to consideration of the following nominations, reported by the Judiciary Committee: Daniel Bryant, PN 214; Larry Thompson, PN 200; reported by the Banking Committee: Grant Aldonas, PN 216, Robert Hubbard, PN 264, Kenneth Juster, PN 192.

I further ask unanimous consent that the nominations be confirmed, the motions to reconsider be laid upon the table, any statements relating to the nominations be printed in the RECORD, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations were considered and confirmed as follows:

DEPARTMENT OF JUSTICE

Larry D. Thompson, of Georgia, to be Deputy Attorney General.

Daniel J. Bryant, of Virginia, to be an Assistant Attorney General.

DEPARTMENT OF COMMERCE

Kenneth I. Juster, of the District of Columbia, to be Under Secretary of Commerce for Export Administration.

Grant D. Aldonas, of Virginia, to be Under Secretary of Commerce for International Trade.

EXECUTIVE OFFICE OF THE PRESIDENT

Robert Glenn Hubbard, of New York, to be a Member of the Council of Economic Advisers.

NOMINATION OF DANIEL BRYANT

Mr. LEAHY. Mr. President, Dan Bryant is well-known to many of us, especially those of us serving on the Judiciary Committee. We knew him first as an able member of the House Judiciary Committee staff and through his work as the Chief Counsel of the House Judiciary Committee's Subcommittee on Crime, working under Chairman HYDE and Congressman McCOLLUM. At his confirmation hearing, Mr. HYDE, Mr. CONYERS, Senator BIDEN and both Senators from Virginia all came to testify on his behalf.

Mr. Bryant is respectful of the Senate and, I feel, all Senators. We are already working with Mr. Bryant as he is serving as a consultant to the Department while his nomination is pending. His history and current work give me every reason to support his nomination. I look forward to working with him in the days and months ahead. His is a most demanding job. I congratulate Dan and his family on his confirmation by the U.S. Senate.

NOMINATION OF LARRY THOMPSON

Mr. LEAHY. Mr. President, I am delighted that the Senate Judiciary Committee unanimously reported the nomination of Larry Thompson to be Deputy Attorney General to the Senate. The Deputy Attorney General is number two in command at the Department of Justice and plays a key role as a top advisor to the Attorney General. Former Deputies include William Rogers and Byron White, Nicholas Katzenbach and Warren Christopher, Harold Tyler, Jamie Gorelick and Eric Holder.

The Deputy has traditionally assumed responsibility for the day-to-day operations of the Department. The Deputy often has direct oversight of a number of divisions and units within the Department, including the FBI and those with criminal jurisdiction. The Deputy position may assume even greater significance in this Administration, since we have not seen any indication that there will be an Associate Attorney General with whom the Deputy might share those leadership responsibilities.

I know that Mr. Thompson is a strong conservative. I have confidence that we can work together. I believe him when he indicates that he is prepared to have a candid and responsive relationship with the Judiciary Committee, including the Democratic Senators.

I know that Mr. Thompson served previously as a United States Attorney and that he appreciates, as those of us who served as local prosecutors understand, where the front lines of law enforcement are, how they must be supported and that partisan politics have no business in law enforcement.

It was not only his testimony but the testimony of Mr. Thompson's home State Senators that I found compelling. Both Senator CLELAND and Senator MILLER came to the Committee and gave strong support. Those statements matter. His home state Senators would be expected to know him best and it was clear to me that they know him well.

Senator CLELAND's endorsement was without reservation. Senator MILLER described him as a consummate professional, quiet yet strong, someone who exercises enormous common sense, a person of great substance and little ego, and one who will put principle ahead of politics every time. We were assured that Larry Thompson comes with no agenda, and will base every decision on what is right, not what is popular or politically expedient.

With those kinds of endorsements and assurances, and with the frank exchanges that we had during the course of the hearing process, I feel confident in supporting the nomination of Larry Thompson. I look forward to working with Mr. Thompson in the days ahead and I congratulate Mr. Thompson and his entire family on his confirmation by the U.S. Senate.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

ORDERS FOR MONDAY, MAY 14, 2001

Mr. BENNETT. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 12 noon on Monday, May 14. I further ask unanimous consent that on Monday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then begin a period of morning business with Senators speaking for up to 10 minutes each with the following exceptions: Senator DURBIN or his designee, 12 noon to 1, and Senator THOMAS or his designee, 1 to 2.

Further, I ask unanimous consent that at 2 p.m. the Senate resume consideration of S. 1, the education bill, and Senator REID be recognized in order to call up amendment No. 460.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BENNETT. For the information of all Senators, when the Senate convenes at 12 noon on Monday, there will be 2 hours of morning business. Following morning business, the Senate will resume consideration of the education bill and the Reid amendment No. 460. Under the order, if it is agreed to, there will be up to 1 hour of debate on the amendment which will then be laid aside.

Also on Monday, Senator CLELAND will be recognized at 4 p.m. to resume debate of his modified amendment No. 376. A vote in relation to the Reid amendment will begin at 5:30 p.m. and following that vote and some closing remarks, a vote is expected in relation to the Cleland amendment. Senators should therefore be on notice that at least the two votes will occur on Monday evening at 5:30 p.m.

ADJOURNMENT UNTIL MONDAY, MAY 14, 2001

Mr. BENNETT. If there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 5:47 p.m., adjourned until Monday, May 14, 2001, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate May 10, 2001:

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

CARI M. DOMINGUEZ, OF MARYLAND, TO BE A MEMBER OF THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION FOR A TERM EXPIRING JULY 1, 2001, VICE JOYCE ELAINE TUCKER, TERM EXPIRED.

CARI M. DOMINGUEZ, OF MARYLAND, TO BE A MEMBER OF THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION FOR A TERM EXPIRING JULY 1, 2006. (REAPPOINTMENT)

FEDERAL COMMUNICATIONS COMMISSION

MICHAEL K. POWELL, OF VIRGINIA, TO BE A MEMBER OF THE FEDERAL COMMUNICATIONS COMMISSION FOR A TERM OF FIVE YEARS FROM JULY 1, 2002. (REAPPOINTMENT)

CONFIRMATIONS

EXECUTIVE NOMINATIONS CONFIRMED BY THE SENATE MAY 10, 2001:

DEPARTMENT OF COMMERCE

KENNETH I. JUSTER, OF THE DISTRICT OF COLUMBIA, TO BE UNDER SECRETARY OF COMMERCE FOR EXPORT ADMINISTRATION.

GRANT D. ALDONAS, OF VIRGINIA, TO BE UNDER SECRETARY OF COMMERCE FOR INTERNATIONAL TRADE.

EXECUTIVE OFFICE OF THE PRESIDENT

ROBERT GLENN HUBBARD, OF NEW YORK, TO BE A MEMBER OF THE COUNCIL OF ECONOMIC ADVISERS.

DEPARTMENT OF JUSTICE

LARRY D. THOMPSON, OF GEORGIA, TO BE DEPUTY ATTORNEY GENERAL.

DANIEL J. BRYANT, OF VIRGINIA, TO BE AN ASSISTANT ATTORNEY GENERAL.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

EXTENSIONS OF REMARKS

SIKH ACTIVIST MANN SHOULD APOLOGIZE FOR THREAT ISSUED BY A LEADER OF HIS PARTY

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. TOWNS. Mr. Speaker, on Saturday, April 29, a number of Sikh leaders got together for Khalistan Day celebrations in Stockton, California. Overall, the event was very successful and it featured a number of outstanding speakers, including Dr. Gurmit Singh Aulakh, President of the Council of Khalistan, and Dr. Awatar Singh Sekhon, the Managing Editor of the International Journal of Sikh Affairs. Unfortunately, something that happened to Dr. Sekhon seriously marred this otherwise successful, celebratory event.

According to Burning Punjab, an online news service, a leading supporter of Member of Parliament Simranjit Singh Mann made a "death threat" against Dr. Sekhon after Dr. Sekhon strongly criticized Mr. Mann. Most of us in this House have been subjected to strong criticism but we have never threatened our critics nor would we permit our supporters to do so. That is not the democratic way.

Mr. Mann, a former member of the Punjab police who has become an Indian politician, has been silent on this event. If Mr. Mann wants to be taken seriously as a leader in a democratic state, he must condemn the threat that his supporter made and issue an apology on behalf of his party to Dr. Sekhon. Otherwise, people will see that there is no difference between Mr. Mann and other Indian politicians.

The Indian government's oppression of Sikhs, Christians, Muslims, and other religious minorities in India has been very well documented. Has that oppression now extended to an effort to suppress their critics in free countries like ours?

TRIBUTE TO BILL WALSH

HON. ZOE LOFGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Ms. LOFGREN. Mr. Speaker, I rise to congratulate Bill Walsh, the vice president and general manager of the San Francisco 49ers, who has been named San Jose State University's 2001 Tower Award winner. The Tower Award is presented annually to an individual "who has made a significant contribution to the university community through his or her outstanding work."

Bill Walsh has twice graduated from San Jose State University: once with a bachelor's degree in education in 1955, and then with a master's degree in the same field in 1959. Mr. Walsh began his coaching career as an assistant at Monterey Peninsula Junior College in 1955, before heading back to San Jose State as a graduate assistant in 1956.

After stints at the University of California and Stanford, Bill Walsh joined the Oakland Raiders as the offensive backfield coach. His illustrious career includes coaching slots with the Bengals and Chargers organizations.

Hired in 1979 as the head coach, Bill Walsh coached the San Francisco 49ers to three Super Bowl championships in the 1980s and was a 1993 inductee into the Pro Football Hall of Fame. Mr. Walsh retired from active coaching in the NFL in 1988 with a career record of 102 wins, 63 losses. Bill Walsh now serves as an assistant to the coaching staff of the 49ers.

Bill Walsh was one of only 14 coaches in the history of pro football to be elected to the NFL Hall of Fame, and the first coach in team history to reach the 100-win plateau. He was twice named NFL Coach of the Year and was later named NFL Coach of the Decade for the 1980s. He is the author of two books, "Finding the Winning Edge" and "Building A Champion."

San Jose State University president Robert Caret said of Bill Walsh, "[his] role as a coach, an author and as an executive in the industry has brought a new level of professionalism to the sports industry. It is a great source of pride that he is an alumnus of the university." I congratulate Bill Walsh on this truly prestigious award, and thank him for his support of San Jose State University. My family and I wish him the best.

ONE SWAP FUND TRANSACTION CONTINUES TO AVOID LAW

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. NEAL of Massachusetts. Mr. Speaker, I introduced legislation in the previous Congress to eliminate a tax avoidance technique available only to the very wealthy. This technique involves the use of swap funds. Today I am introducing this legislation again.

Legislation to shut down this particular practice was enacted in 1967, 1976, and again in 1997. In 1967 Congress enacted a law to prevent swap funds from being transacted in the form of a corporation, as was popular at the time. This led to the swap fund transaction being resurrected in the form of a partnership, which was closed down in 1976. Subsequently, the industry developed methods to get around both laws by manipulating the 80 percent test for investment companies. The Taxpayer Relief Act of 1997 closed these transactions down by broadening the definition of financial assets that are taken into account for purposes of the 80 percent test. Obviously, the point here is that three times Congress has acknowledged the tax avoidance potential of this transaction, and three times Congress has made a public policy decision to close this shelter down. And three times Congress has failed.

Swap funds are designed to permit individuals with large blocks of appreciated stock to diversify their portfolio without recognizing gain and paying tax. In this transaction, a fund is established into which wealthy individuals with large blocks of undiversified stock transfer their stock. In exchange for the transferred stock, these individuals receive an equivalent interest in the funds' diversified portfolio. In effect, these individuals have now diversified their holdings by mixing their shares of stock with different shares of stock from other individuals, without having to sell that stock and pay tax on the gain like ordinary Americans.

The swap fund transaction is complicated, and is limited to individuals with large blocks of stock. For example, one offering was limited to subscriptions of $1 million, although the general partner retained the right to accept subscriptions of lesser amounts. This, however, does not mean an individual with ony a million dollars in stock could invest in the swap fund. In order to avoid Securities and Exchange Commission registration requirements, these transactions are often limited to sophisticated investors who under SEC regulations, according to a 1998 prospectus, must have total investment holdings in excess of $5 million.

As outlined above, current law tries to stop swap funds involving a corporation or a partnership that is in investment company. An investment company is a corporation or partnership where the contribution of assets results in a diversification of the investor's portfolio, and more than 80 percent of the assets of which are defined by law as includable for purposes of this test.

In the most current form of the swap fund transaction, that limitation is avoided by holding at least 21 percent of assets in preferred and limited interests in limited partnerships holding real estate. In fact, the purpose of the fund is clearly identified by the prospectus, which states that "the value of the Private Investments will constitute at least 21% of the total value of the Fund's portfolio, so that the Fund will satisfy the applicable requirements of the Code and the Treasury Regulations governing the nonrecognition of gain for federal income tax purposes in connection with the contribution of appreciated property to a partnership." As in past years, the bill I am introducing addresses the specific transaction being used; that is, the bill would eliminate the latest avoidance technique by providing that such investments would be treated as financial assets for purposes of the 80 percent test.

The second part of this bill at long last recognizes the inadequacy of the above approach, given its 32 year record of failure. This

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

section states that any transfer of marketable stock or securities to any entity would be a taxable event, if that entity is required to be registered as an investment company under the securities laws, or would be required to but for the fact that interests in the entity are only offered to sophisticated investors, or if that entity is formed or availed of for purposes of allowing investors to engage in tax-free exchanges of stock for diversified portfolios.

The effective date of this legislation is for transfers after date of Committee action.

Mr. Speaker, the Committee on Ways and Means regardless of the party in charge has traditionally been concerned with tax transactions constructed for the very few the sole purpose of which is to avoid paying tax. I believe the Committee continues to hold this concern and look forward to working with the Members to enact this law later this year.

A PROCLAMATION RECOGNIZING MR. DICK JOHNSON

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. NEY. Mr. Speaker, I commend the following article to my colleagues:

Whereas, Mr. Dick Johnson has been selected for recognition by the Muskingum Chapter of the Boy Scouts of America to receive the distinguished honor of the "Commitment to Excellence Award"; and,

Whereas, Mr. Johnson has devoted his efforts to providing his community with exemplory service in his positions on the Board of Directors of the Boy Scouts of America, the Muskingum College Board of Directors, and in the Wilds Board of Directors; and,

Whereas, he has served his community as a supporter of medical research; and,

Therefore, Members of Congress, with a real sense of gratitude and pride, join me in commending Mr. Dick Johnson as he has served his community above and beyond all expectations and has truly made a difference in the lives of the people of Ohio. I am proud to call him a constituent.

ON THE INTRODUCTION OF HIGHER EDUCATION AFFORDABILITY AND FAIRNESS ACT

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. HOLT. Mr. Speaker, I rise today to introduce a bill that is very important to me and many New Jersey families—the Higher Education Affordability and Fairness Act.

As a scientist and former teacher, I have spent many years working in post-secondary education, and I have seen how fortunate we are. We have some of the best colleges and universities in the world here in the U.S. and in New Jersey. However, with the increasing costs of higher education, our high quality colleges are becoming inaccessible to many.

According to the College Board, since 1980, the price of a college education has been rising between two and three times as fast as the Consumer Price Index.

In fact, tuition and fees for a four-year college education have risen 115 percent over inflation since the 1980–81 school year, while median household income has risen only 20 percent.

What is most frustrating is that despite the economic prosperity many families have enjoyed over the past decade, the cost of a college education continues to rise at a rate faster than these families can afford.

As a result, more and more families are forced to borrow money to meet tuition costs.

In fact, according to the National Association of Independent Colleges and Universities, nearly 80 percent of their full time, dependent undergraduates receive some sort of financial assistance.

This shift from grant-based assistance programs to loan-based assistance programs increases the financial burden of attending college because students and families must then assume interest costs, which can add thousands to the total cost of tuition. In fact, one of my staffers tells me that he must pay over $9,000 in student loan interest a year.

We must change this by making college more affordable for our students and their families.

In years past, Congress has sought to address college affordability by providing a HOPE Scholarship tax credit of up to $1,500 for the first two years of expenses and a Lifetime Learning tax credit of up to $1,000 for the third and fourth years as well as for graduate school.

In addition, for low-income families, Congress has increased funding to $8.75 billion for Pell Grants, a need-based grant program that will help send four million Americans to college this year.

While this is a good start, much more should be done.

Under current law, taxpayers cannot deduct higher education expenses from their taxes, unless the expenses meet a very narrow definition as "work-related".

In addition, families living in high cost states like New Jersey or California do not receive the same benefits as those living in lower cost states because of unfair income limitations. Finally, a family who invests in an Education IRA cannot use the savings for a child's college education and also receive the benefits of the HOPE or Lifetime Learning tax credits.

I am proud to introduce the Higher Education Affordability and Fairness Act (HEAFA), which will make higher education more affordable by allowing higher education expenses to be tax deductible.

HEAFA would allow families who take the HOPE tax credit to deduct up to the next $8,000 in tuition expenses not covered by the credit, capping the deduction at $15,000 in tuition expenses in one year if a family has more than one child in college. Families ineligible for the Hope Scholarship, due to its income limitations, would be able to deduct $5,000 of tuition costs.

The bill would also increase the Lifetime Learning credit to 20 percent of $10,000 of tuition, from the current 20 percent of $5,000, and provide families with the choice of taking either the credit or a deduction on up to $10,000 of tuition, $5,000 if a family earns more than $120,000 a year.

HEAFA would raise the phase-out limit for the HOPE credit to $60,000 for singles and $120,000 for couples, allowing more families to benefit.

In order to ensure that savings go to the intended beneficiaries, families and students, the bill directs an annual study to examine whether the federal income tax incentives to provide education assistance affect higher education tuition rates.

Finally, to address the needs of low-income families, the bill expresses the sense of the Senate that the maximum annual Pell Grant should be increased to $4,700 per student.

College is the best investment of a lifetime. We must take steps to ensure that higher education is within the reach of all Americans so that they are prepared to meet the challenges they will face in our increasingly competitive world.

We must make it easier for families to afford college, and we can do so this year by allowing college tuition and other expenses to be tax deductible.

I urge my colleagues to support me in this important bill. We can all agree that these are tax cuts we truly need.

TRIBUTE TO COACH PARKER DYKES

HON. RONNIE SHOWS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. SHOWS. Mr. Speaker, I rise today to honor a distinguished constituent of mine, Coach Parker Dykes. I am proud to share with my colleagues in Congress that Coach Dykes was recently elected President of the National Junior College Football Coaches Association. He has been head football coach at Jones County Jr. College for eight seasons. Coach Dykes has been actively involved in football for 36 years of his life, coaching at various colleges and high schools throughout Mississippi and the country. His successes in football have brought him many accolades including being repeatedly named "National Coach of the Year."

He is happily married to the former Jane White of Mendenhall, Mississippi, and they have 3 sons together: Ker, Rick, and Mike. They also are the proud grandparents of two young boys who would be fortunate to be coached by as fine a man as their grandfather.

One of Coach Dykes' passions is the Fellowship of Christian Athletes, of which he has been a member since 1964. He fondly notes that his greatest personal achievement was when he was selected for the Fellowship of Christian Athletes of Mississippi Influence Award.

Mr. Speaker, Coach Dykes has been a wonderful influence in many young athletes' lives and it is truly a pleasure and a privilege to have him as a constituent. We need more people like Coach Dykes to inspire the children in our communities.

NATIONAL TEACHERS DAY

HON. BILL LUTHER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. LUTHER. Mr. Speaker, I would like to take this opportunity to celebrate National Teacher's Day and to recognize the remarkable educators who have dedicated themselves to educating the students of our country.

Since my election to the U.S. House of Representatives in 1994, I have had an opportunity to visit many schools in Minnesota and in every school I have found an amazing group of men and women dedicated to preparing our children for the future. As they create new and innovative ways of teaching, these educators are true professionals committed to their task while facing the difficult challenges of today's world.

I commend the teachers of my district for their dedication and perservance in inspiring our nation's youth to achieve their goals and dreams. I ask everyone to join me.

RECOGNITION OF COL. RUSSELL B. HALL'S 26 YEARS OF SERVICE IN THE UNITED STATES ARMY

HON. CIRO D. RODRIGUEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. RODRIGUEZ. Mr. Speaker, I rise today to recognize Colonel Russell B. Hall's twenty-six years of service in the United States Army. Col. Hall will be retiring this year and his extensive experience will be hard to replace. He currently serves as the Chief of the Resources Integration Office in the Office of the Assistant Chief of Staff for Installations Management. Col. Hall also serves as the Executive of the Installation Program and Evaluation Group for the Assistant Chief of Staff for Installation Management.

Colonel Russell B. Hall was born in Roswell, New Mexico on January 19, 1953. He holds a Bachelor's Degree in Biology from Trinity University in San Antonio, Texas and a Master's Degree in Operations Research from George Mason University. Colonel Hall was a Distinguished Military Graduate and received a Regular Army commission from the Reserve Officer Training Corps. His military education includes the Artillery Basic and Advance Courses, and the Command and General Staff College.

He has held a wide variety of key command and staff positions before his current assignment as the Chief of the Resource Integration Office and Executive of the Installation Program Evaluation Group for the Assistant Chief of Staff for Installation Management. Other key assignments include duty as the Secretary of the General Staff of the 1st Cavalry Division; Executive Officer of the 3rd Battalion 82nd Field Artillery; Brigade Fire Support Officer, 2nd Brigade (Blackjack), Fort Hood, Texas, and Charlie Battery Commander 1st Battalion 77th Field Artillery, Executive Officer of the Training and Doctrine (TRADOC) Operations and Analysis Center, Fort Leavenworth, Kansas. He has served as the Commander of the 409th Base Support Battalion, Grafenwoehr and Vilseck, Germany. After command, Col. Hall completed his tour as the Deputy Director of Training in the Directorate of Training, USAREUR DCSOPS and Seventh Army Training Command.

Col. Hall's awards and decorations include: The Bronze Star Medal, the Meritorious Service Medal with four Oak Leaf Clusters, the Army Commendation Medal with three Oak Leaf Clusters, the Saudi-Kuwait Liberation Medal, the Southwest Asia Medal with three Bronze Stars, the Army Service Ribbon and the Overseas Ribbon. He also wears Master Parachutist wings and the Ranger Tab.

Colonel Hall is married to the former Alexia Rowe of Tulsa, Oklahoma. They have one child, a daughter, Rachel.

Our nation owes a large debt to Col. Hall for his service and wishes him good luck with his future endeavors.

PAYING TRIBUTE TO FIVE OUTSTANDING WORCESTER COMMUNITY LEADERS

HON. JAMES P. McGOVERN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. McGOVERN. Mr. Speaker, I rise today to pay tribute to five outstanding individuals in Worcester, Massachusetts. These community leaders have been selected to receive awards from the Worcester Democratic City Committee at their annual JFK Dinner on Saturday, May 12.

Julie Komenos is receiving the John F. Kennedy Female Democrat of the Year Award. Julie was born and has lived in Worcester her entire life. She makes her home with her husband of 28 years, Michael and her two sons Michael 3rd and Kristopher. Julie is best known for her work at Abby's House, where she started the Day-Center Program, served on the Board of Directors as a member for 2 years, and served as President of the Board for 5 years. She is presently on staff at Abby's House. Women's issues are her passion. Working at Abby's House gives Julie the opportunity to work on the front lines with women and their struggles.

Gary Vecchio will receive the John F. Kennedy Male Democrat of the Year Award. Gary has earned this honor as a result of his extensive and varied service to the Worcester Democratic Party and the city as a whole. Gary's political activism began in 1977 with his first election as a delegate to the Massachusetts Democratic State Convention. Gary has also served on the Worcester Area Leadership Association, the Eastside Community Development Corporation, the Worcester Citizens Advisory Council, and as chairman of the Shrewsbury Street Advisory Committee. In 1996, Gary received citations from the Massachusetts House of Representatives, the State Senate, and the Governor's Council for his work as President of Worcester State Hospital's Board of Trustees.

Paul Pezzella is being honored with the Robert F. Kennedy Lifetime Achievement Award. Paul is a partner of A.D.S. Ventures, Inc. Paul has over 20 years experience in government affairs and national, state and local electoral politics. He has worked with former State Senator Gerard D'Amico, Governor Michael Dukakis and many many others. In 1985, Paul was elected to the first-ever Worcester Charter Commission. He was the architect of the Elections Commission and led the fight to eliminate the at-large nine member Council and replace it with more district Representation. Paul has recently been nominated as an Incorporator for the Greater Worcester Community Foundation.

Leonard Ciuffredo will receive the Edward M. Kennedy Labor Award. Lenny is a lifelong resident of Worcester's East Side and learned very early on about the values and ideals of working men and women. Lenny has been active in a large number of community affairs, and has especially enjoyed working with young people and encouraging them to get involved in the political process. In addition to his labor activities, Lenny has served on the Board of Directors for the United Way of Central Massachusetts, the Brown Square Crime Watch Group and as a member of Our Lady of Mt. Carmel Parish. Lenny and his wife Juliann have two children, Bianca and Geena-Maria.

Stacey DeBoise Luster will receive the Barbara Jordan Award, named for the late Congresswoman from Texas. Stacey was recently appointed Director of Human Resources for the Worcester Public Schools Manager. Previously, she was the first woman of color to be elected to the Worcester City Council. Stacey also served as the Assistant to the President for Affirmative Action and Minority Affairs at Quinsigamond Community College. Stacey is a member of the Board of Directors of the Greater Worcester Community Foundation and a member of the Board of Trustees of the Worcester Art Museum. Recently, she was named one of "40 under 40" by the Worcester Business Journal.

Mr. Speaker, I commend all of these outstanding citizens for their dedication to making the Worcester area a better place for all its families, and I congratulate them for these well-deserved accolades. I know all of my colleagues join me in paying tribute to 5 fine examples of community involvement.

A TRIBUTE TO BILL GEORGE UPON HIS RETIREMENT AS CHIEF EXECUTIVE OFFICER OF MEDTRONIC

HON. JIM RAMSTAD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. RAMSTAD. Mr. Speaker, I rise today to pay tribute to Bill George, who recently retired as the Chief Executive Officer of Medtronic, Inc.

Medtronic is one of the leading medical technology companies in the world. This is due in large part to the leadership of Bill George, its COO since 1989 and CEO since

1991. During his tenure, Bill George built Medtronic into a company that employs 25,000 people in 120 countries, with revenues of more than $5 billion.

But Bill is more than a successful businessman. He is a policy visionary who believes in patient centered care, which is enabled by medical technology. I want to single out the Patient Summit he hosted in Washington, D.C. last year, which encouraged a dialogue between patients, policymakers and advocacy groups about the role patients can play in directing their own health care.

Under his leadership, the Medtronic Foundation has reached out to patient groups in unprecedented ways, giving $12 million last year alone to non-profit organizations in communities worldwide.

As a fellow Minnesotan, I've watched Bill's personal efforts in the community with much admiration. His efforts as chair of the board of the United Way of Minneapolis and vice chair of the board of the Minneapolis Institute of Arts, as well as his work on the boards of the American Red Cross and the Carnegie Endowment for International Peace, are just a few of the highlights.

Mr. Speaker, I highly commend Bill George for his visionary and innovative leadership. He has taken a great company and made it better with his strong commitment to bettering the lives of patients. Bill's integrity and leadership qualities have made him a great role model for many aspiring leaders, and he is a true inspiration to many.

Bill George will be sorely missed by Medtronic, but the Twin Cities community will continue to benefit from all that he does for so many. I applaud Bill for a stellar career at Medtronic, and I wish him and his wonderful wife, Penny, and their family continued success and happiness in future years.

PERSONAL EXPLANATION

HON. JOHN E. PETERSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. PETERSON of Pennsylvania. Mr. Speaker, on rollcall No. 100, I put my voting card in and it did not register. Had it registered, I would have voted "Yea".

CONGRATULATING EISLEBEN EVANGELICAL LUTHERAN CHURCH ON CELEBRATING THE ONE HUNDRED FIFTIETH ANNIVERSARY

HON. JO ANN EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mrs. EMERSON. Mr. Speaker, it is with great honor and pride that I stand before the House today to extend my congratulations to Eiselben Evangelical Lutheran Church as the congregation celebrates its 150th Anniversary.

Named after the town in Germany where Dr. Martin Luther, the founder of the Lutheran Church was born, Eiselben Lutheran Church was formed in 1848 in what is now known as Scott City. Formally organized in 1951, the first congregation was comprised of just 19 members gathered together in a home. But although small in numbers, they were large in faith. 1848 was a meaningful year. It was that year the first baptism was performed in the church and it was that same year the first communion was celebrated on the Sunday following Easter.

Slowly the congregation grew, and steadily the numbers rose to a point where in 1855, the church was fortunate enough to welcome the arrival of its first permanent pastor. A short time later, a log building was erected as the first house of worship in 1867 and a second facility was added in 1897—a school building.

Other timely and memorable events followed, including the organization of what is now the Lutheran Youth Fellowship in 1893. The church construction was completed in 1913 and the Ladies Aid Society was organized that year as well. Finally, Sunday School, the education program for the youth in the church community, began in 1922.

The church has seen many changes during its colorful 150-year history. Twenty-five pastors have dedicated their time and energy to growing this spiritual community including the current Rev. Robert Azinger.

Mr. Speaker, on this very special occasion, I ask that all of my colleagues join me in congratulating Eisleben Lutheran Church on its 150th anniversary. May the blessings they have enjoyed thus far continue so that they might remain strong and solid for years to come.

ANTI-SEMITISM IN DAMASCUS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. LANTOS. Mr. Speaker, during the historic visit of His Holiness Pope John Paul II to Syria earlier this week, Syria's new president Bashar al-Assad, in a speech welcoming the Pope in Damascus, spewed forth the most vile and vicious anti-Semitism. He said that the Jews "tried to kill the principles of all religions with the same mentality in which they betrayed Jesus Christ and the same way they tried to betray and kill the Prophet Muhammad."

This venomous remark was in stark contrast to the theme that the Pope voiced during his visit to Syria—peace and understanding. This was reflected in his visit to the Great Omayyad Mosque in Damascus, the first visit by any Pope to a Moslem house of worship. His Holiness on that occasion called for a "new attitude of understanding and respect" between Muslims, Christians and Jews.

The Wall Street Journal yesterday editorially expressed the concern for the response from President Bashar Assad and others in Syria. "But instead of being met by reciprocal gestures, Sheik Kuftaro, with Syrian President Bashar Assad, used the Pope's visit to showcase their own intolerance. The Sheik delivered a speech urging Christians and Muslims to line up against 'Jews and Zionists.' Assad helpfully reminded the Pope of the role played by Jews in the death of Christ. And from Syria's state-controlled media came the line that Israelis were 'enemies of God and faith.'"

The Journal also noted that vicious anti-Semitism which the Pope's visit brought out in his hosts is certainly not limited to Syria alone. The editorial quoted an Arab school text: "'Perhaps Allah brought the Jews to our land so that their demise would be here,' reads a characteristic passage of a Palestinian textbook for children. In Egypt, popular columnist Ahmad Ragab recently wrote, 'Thanks to Hitler, blessed memory, who on behalf of the Palestinians, revenged in advance, against the most vile criminals on the face of this earth.' The Protocols of the Elders of Zion, a notorious anti-Semitic tract penned in czarist Russia, remains in wide circulation throughout the Middle East."

Mr. Speaker, how much at odds with the purpose and message of the Papal visit were the vile words of President Assad. He used the occasion of the Papal visit to throw gasoline on the flames of anti-Semitism at a time when this region of the world is most in need of soothing remarks and racial healing. I welcome the condemnation of the statements of President Bashar Assad that have appeared in the a large number of American newspapers.

Mr. Speaker, The Washington Post published an excellent editorial yesterday criticizing Bashar Assad's vicious anti-Semitic, outrageous and inflammatory statements. I ask that this editorial be placed in the RECORD, and I urge my colleagues to read it.

VILE WORDS

Editorial, The Washington Post, Tuesday, May 8, 2001

SYRIAN PRESIDENT Bashar Assad on Saturday offered a vivid, if vile, demonstration of why he and his government are unworthy of respect or good relations with the United States or any other democratic country. Greeting Pope John Paul II in Damascus, Mr. Assad launched an attack on Jews that may rank as the most ignorant and crude speech delivered before the pope in his two decades of travel around the world. Comparing the suffering of the Palestinians to that of Jesus Christ, Mr. Assad said that the Jews "tried to kill the principles of all religions with the same mentality in which they betrayed Jesus Christ and the same way they tried to betray and kill the Prophet Muhammad." With that libel, the Syrian president stained both his country and the pope, who so far has failed to adequately respond. He also confirmed something about himself that has become increasingly clear during the months since he inherited the presidency from his father: This 35-year-old naif is headed in a dangerous direction.

John Paul's decision to visit Syria and to become the first pontiff to visit a mosque offered Mr. Assad a remarkable opportunity. The former ophthalmologist has been struggling to establish himself as a credible leader both in and outside of Syria, and could have drawn on the pope's enormous prestige by welcoming his latest attempt to reach out to another faith. But Mr. Assad seems to have little understanding of the world outside Damascus, or how he can productively relate to it. Since taking office, he has abandoned his father's uneven efforts to reach out to Israel and the West and instead taken a series of militant and provocative steps, ranging from increased support for the Hezbollah militia in southern Lebanon to the illegal export of hundreds of millions of dollars of Iraqi oil through a Syrian pipeline. At an Arab conference in March he proposed the reinstitution of a boycott against Israel, saying the Israelis were "worse than the Nazis." The Arab leaders wisely ignored his proposal, while his rhetoric drew widespread condemnation.

Having evidently learned nothing from that episode, Mr. Assad sought Saturday to recruit the pope and the Catholic Church for his war against Jews. Vatican officials maintained that the pope did not have prior notice of Mr. Assad's medieval appeal, and the pontiff's own words implicitly rejected it. But the Vatican's response to Mr. Assad was shockingly blase, considering the effort John Paul has made to repudiate the church's own history of anti-Semitism. "We are guests of the president and he expressed his opinion," said longtime papal spokesman Joaquin Navarro-Valls. "I wouldn't call it strong; I would call it clear."

What is clear is that Mr. Assad converted a visit meant to symbolize tolerance and reconciliation into a display of obtuseness by the Vatican in the face of religious ignorance and hatred. During the past decade the United States engaged diplomatically with Mr. Assad's father, gaining his support in the Persian Gulf War and drawing him into the Middle East peace process. Despite the totalitarian nature of his regime and its sponsorship of terrorism, Hafez Assad seemed to understand that peace with Israel and engagement with the West offered the only way forward for his country. His son clearly does not—and should be treated accordingly.

TRIBUTE TO CAITLIN STEIGER FOR HER EXEMPLARY VOLUNTEER SERVICE

HON. HAROLD E. FORD, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. FORD. Mr. Speaker, I rise to pay tribute to and commend Caitlin Steiger for her exemplary service and commitment to her community. On May 7, 2001, Caitlin was named one of America's top ten teen volunteers in Prudential's Spirit of Community Awards Ceremony. She was recognized for her efforts to organize an annual 5K run, which benefits Hope House day care center in Memphis. Through her own initiative, Caitlin created this local service project to strengthen her community and provide much needed services to children suffering with AIDS.

Caitlin has successfully organized this event for the past two years and, during that time, raised over $50,000 for this day care center that services children with AIDS or who have relatives with AIDS. She was selected to the top ten from over one hundred teenagers who were honored for their community achievements.

It is inspiring to see a young Tennesseean give something of quality back to the Memphis community and to the entire state. While there is no doubt that Caitlin found this work rewarding, I am sure that those who have benefitted from her efforts are very grateful for her special contribution. I am very proud of Caitlin's efforts to create a better, stronger community.

Caitlin is an outstanding young leader and is certain to continue to make a difference in the world around her. Her commitment to public service is an example for all ages of what it means to be a leader. I appreciate what she has done for all Tennesseans and am certain that this is just the beginning of many successes for this most impressive young woman. I ask my colleagues to join me in honoring her today.

INTRODUCTION OF THE AIRLINE CUSTOMER SERVICE IMPROVEMENT ACT OF 2001

HON. J.C. WATTS, JR.

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. WATTS of Oklahoma. Mr. Speaker, today I am introducing the Airline Customer Service Improvement Act. This legislation is designed to address many of the underlying problems that have led to the recent public frustration with the air travel industry.

On June 17, 1999, the Air Transport Association, the association representing most of the major air carriers, announced that each of these carriers would develop voluntary customer service plans to address the problems the industry is facing. This came in response to several pieces of legislation that had been introduced in the 106th Congress to address this situation.

However, on February 13, 2001, the Department of Transportation Office of the Inspector General released its final report analyzing the progress made by the airlines under their voluntary "Customer Service Commitment." The Inspector General's report concluded that, although progress had been made, there were still significant shortfalls. The report further pointed out that the Service Commitments did nothing to address the underlying problem of delays and cancellations.

When a customer purchases an airline ticket, there are obligations such as arriving on time, staying seated on the plane during takeoff and obeying rules and regulations set by airlines. But the contract should be mutual. The passenger needs assurances that the airline lives up to the other end of the bargain.

This legislation directs the Secretary of Transportation to establish a uniform check-in deadline and requires airlines to disclose that deadline on their ticket jackets. It states there must be notification that involuntarily bumped passengers must be offered compensation before any offers are made to volunteers. The bill also requires prompt notification and truthful explanation of any flight delays, cancellations or diversions.

The Airline Customer Service Improvement Act requires more detailed and accurate information on mishandled baggage, including the establishment of a luggage tracking system and a toll free telephone number passengers can call to check on the status of their delayed luggage. It also requires that passengers who do not check luggage not be counted when calculating the rate of mishandled luggage.

This bill codifies common sense and common courtesy. If someone's flight is canceled, then that person should be called. Why should someone who owns an airline ticket be forced to pack up the car and drive to the airport on a wild goose chase?

Mr. Speaker, this legislation is urgently needed to address some of the underlying problems in the air travel industry as we move into the summer traveling season. I encourage my colleagues to take a look at this legislation and join me in co-sponsoring the Airline Customer Service Improvement Act.

IN HONOR OF OUR VETERANS

HON. CHRIS CANNON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. CANNON. Mr. Speaker, on Memorial Day, we remember those brave men and women who have given the ultimate sacrifice for the freedom and world stability that we now enjoy. Let us use this day to remember our ancestors, our family members, our loved ones, and our friends who have given their last full measure of devotion to our country.

As part of the ongoing celebration, I rise today to honor the Lehi American Legion of Utah as well as the Veterans of Foreign Wars. The veteran memorial they have constructed in the Third District of Utah, which I represent, is a fitting and proper way to honor those who have served.

The Lehi American Post 19 and their 88 members have designed a memorial wall which includes over 400 names of veterans that are buried in the Lehi cemetery. This memorial stands not only as a tribute to the deceased, but as a tribute to the ideals that American soldiers still embrace and defend today.

Many of us celebrate Memorial Day with parades, social gatherings, and barbeques, but let us not forget the silent pain of the widows, widowers, and orphans of our fallen dead. Let us not forget what Memorial Day is really all about: honoring America's fallen heroes. The Lehi American Legion's memorial honors over 400 such heroic veterans who have served since World War I. Its unique presentation is deserving of special attention.

Mr. Speaker, Memorial Day is a very special day to honor our veterans and current service men and women who contribute to our national defense. The people of Utah are eternally grateful to them and to their families for making such great sacrifices on our behalf.

TRIBUTE TO THE MONTGOMERY-AUTAUGA-ELMORE MEDICAL ALLIANCE

HON. TERRY EVERETT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. EVERETT. Mr. Speaker, I wish to pay tribute to an outstanding community service organization in my congressional district that is committed to enhancing the medical care of our residents through vital health education and awareness campaigns.

The Montgomery-Autauga-Elmore Medical Alliance serves central Alabama and is comprised of spouses of the area's physicians and surgeons. The Alliance annually conducts a number of worthy projects benefiting the citizens of the community.

For example, members of the leadership of the Alliance assist local and State civic leaders as they participate in the Montgomery County Medical Society's Mini-Internship program for familiarization with the intricacies of the art, science, business and practice of Medicine.

Through the local Blood and Tissue Donors Day program, the Alliance performs a valuable role in helping to collect life-giving blood and cancer curing bone marrow.

Furthermore, through the charitable donation of the funds raised in the annual Physicians' Pheast to many local organizations and causes, the Alliance truly improves the health and the health awareness of the public at large.

I salute the Montgomery-Autauga-Elmore Medical Alliance for their dedication and service to the good health of the residents of Alabama.

TRIBUTE TO DR. FOSTER B. GIBBS

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. BARCIA. Mr. Speaker, I rise today to pay tribute to Dr. Foster B. Gibbs upon his retirement after 23 years as Superintendent of the Saginaw Public Schools. Dr. Gibbs is a legend in education circles in Michigan and beyond. His storied career has spanned 42 years, all of them serving the needs of students in the Saginaw Public Schools system.

A native of Royal Oak, Michigan, Foster comes from a family of educators. His father, H. Britton Gibbs, was a former teacher, principal and superintendent. His mother, E. Marie Gibbs, was a teacher and principal. In addition, Foster's wonderful wife, RaeAnn, and his two sons, Douglas and Stephen, have enthusiastically encouraged and sustained his commitment and dedication to the Saginaw Public Schools.

Foster, who holds three degrees from the University of Michigan—a bachelor's degree in education, a master's degree in educational administration and a doctorate in administration, supervision and instruction, has had an incredible tenure. His pioneering efforts and many innovative ideas earned the Saginaw Public Schools system a national reputation for progressive approaches to improving educational opportunities for all students. In fact, his own reputation for excellence propelled him to myriad leadership positions in professional and community organizations throughout his career, including Past President of the Michigan Middle Cities Education Association, a founding member and President of the Urban Education Alliance, founding member of the Boys and Girls Clubs of Saginaw County and board member of Saginaw's America's Promise.

Foster's deep sense of obligation to the future of young people has prompted his faithful adherence to strong educational standards of excellence and a relentless pursuit of better methods to achieve that goal. His service has been marked by exemplary staff development and curriculum improvement that has put the district on the right path for the 21st Century.

Finally, Mr. Speaker, I am honored to call Foster my friend. During my time in politics, I have had many opportunities to interact with Foster and each and every occasion has provided more reasons to respect the man and the educator. I ask my colleagues to join me in expressing gratitude to Dr. Gibbs for his outstanding service and wish him continued success in his endeavors.

THANK YOU TO GARY DAVID DEDMAN FOR SERVICE ON MY STAFF

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. GORDON. Mr. Speaker, I want to give thanks and offer special recognition to an intern in my office, Gary David Dedman.

David attends my alma mater Middle Tennessee State University. He interned the entire fall semester in my office, working 35 hours a week.

Interns play an invaluable role in helping congressional offices function efficiently and effectively, often performing the most thankless but essential tasks required. David pitches in wherever and whenever he is needed, never complaining and always accomplishing his work on time and of the highest quality.

David loves interacting with our constituents. He truly goes above and beyond what is expected of him to ensure the satisfaction of our constituents. This high regard for the people of Middle Tennessee is reflected each and every day in his attitude and dependability.

David is a fine young man and has been an invaluable member of my staff. He deserves the highest praise for his dedication to a job well done.

It has been a pleasure to have Gary David Dedman serve in my office, and I join my staff in thanking him for all his hard work and invaluable contribution in serving the people of Middle Tennessee.

HONORING NATIONAL SCIENCE FOUNDATION FOR 50 YEARS OF SERVICE

SPEECH OF

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 2001

Mr. HOLT. Mr. Speaker, I rise today to recognize the National Science Foundation on the 50th anniversary of this excellent and important agency. The NSF has been the central advocate for basic and applied scientific research in five decades of service to this country.

Before NSF came into existence in 1950, government-sponsored research system for the sciences was disjointed. Different government agencies had made advances in areas as far-reaching as medical research and atomic energy. Under President Truman, the NSF was directed, among other things, to forge a national policy for the promotion of basic research and science and math education. The success of the Soviet Union's space program, exhibited through the successful launch of Sputnik, focused new attention on the need to promote science research and education at all levels. This was done through a strengthened relationship among the government, universities and researchers, with the Foundation in the lead.

NSF built a project grant system that President Eisenhower found so effective he promoted it as a government-wide model. Proposals were widely solicited from all geographic areas and from all branches of science, including the social sciences. Scientific merit was the main criterion for award. The prestige of American scientists was encouraged through NSF's support of international travel by its project teams and by sponsoring scientific symposia and conferences.

In its early support for science education, NSF increased the number and quality of scientists nationwide that could be used as its research base. Many of today's leading scientists owe their training to the NSF. This was accomplished through a fellowship program for graduate students and post-doctoral scientists.

NSF took the lead in performing "big science," which eventually became a sizable percentage of their budget. The Foundation was able to conduct programs that required facilities and instrumentation so costly that only the government could afford them. These facilities were open to all researchers and led to major developments in atmospheric research and radio and optical astronomy. Big-science projects at NSF also led to major breakthroughs in the theories of the shape of the universe, continental drift, and sea floor spreading.

NSF's role has been essential in producing science that could enhance America's competitiveness. In an effort to improve science and math education, NSF received a big boost in its budget in the mid-1950s for teacher institutes, other educational projects and new curricula in physics, biology, chemistry, and mathematics. Although Congressional support for education at the NSF has wavered over the years, based on each Administration's commitment to science, the need continues to increase as we find ourselves in an increasingly technological society.

The environmental movement provided a context for the growing interest in applied science, and new legislation authorized the Foundation to support applied, as well as basic, research. As President Kennedy stated on the occasion of the 100th anniversary of the National Academy of Sciences, "scientists alone can establish the objectives of their research, but society, in extending support to science, must take account of their own needs." The science-government relationship is an essential one, both for the betterment of our society and for the advancement of mankind. NSF has been a leader in this area, and

I am sure that we will be celebrating a full century of their contributions fifty years from now.

HONORING DAN GERNATT, SR. UPON HIS RECEIPT OF THE DEWITT CLINTON MASONIC AWARD

HON. THOMAS M. REYNOLDS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. REYNOLDS. Mr. Speaker, I rise today to honor both an extraordinary man and a dear friend. On Saturday, May 12, 2001, Dan Gernatt, Sr., will be honored with the prestigious DeWitt Clinton Masonic Award from the Grand Lodge of the State of New York.

Named in honor of former New York Governor DeWitt Clinton, this award recognizes those who have given "distinguished or outstanding community service," and "whose actions exemplify a shared concern for the well-being of mankind."

A dairy farmer who built the largest sand and gravel business in New York State, which today employs more than 200 people in seven plants, Dan Gernatt, Sr., has always worked to improve the quality of life in his community. He was not content simply to build a successful business, and believed strongly in giving back to those less fortunate. As the Dunkirk Observer noted, "Gernatt is a philanthropist by definition: one who practices good will to fellow men; one who is active in the effort to promote human welfare; a humanitarian."

Mr. Speaker, in "Song of Myself," Walt Whitman wrote "I do not give lectures on a little charity. When I give, I give myself." Throughout his life, Dan Gernatt, Sr. has given of himself time and time again, and I ask that this Congress join me in saluting those philanthropic works upon his receipt of the DeWitt Clinton Masonic Award.

INTRODUCTION OF THE INDEPENDENT CONTRACTOR DETERMINATION ACT OF 2001

HON. DONALD A. MANZULLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. MANZULLO. Mr. Speaker, as Chairman of the Small Business Committee, I rise today to introduce a bill, the Independent Contractor Determination Act of 2001, to clarify and simplify the determination of whether an individual worker is an employee or an independent contractor. The current definition of independent contractors is so complex that many small businesses face inconsistent Internal Revenue Service (IRS) worker reclassifications and potentially crippling back taxes, penalties and fines. Today's tax law hinders our dynamic economy, which includes millions of independent contractors now used by roughly 60 percent of all businesses and many diverse industries.

The Independent Contractor Determination Act of 2001 would provide a new safe harbor to help small business owners use independent contractors with more confidence, and to minimize IRS reclassifications of their legitimate business relationships. New objective criteria would protect both employees and independent contractors. These criteria include economic and workplace independence, a written contract, and the ability to realize a profit or loss. In addition, to protect employees further, the bill includes an effective anti-abuse provision that would limit the ability of corporations to treat former employees as independent contractors.

As important as this bill is to protecting all workers by providing an objective test for the determination of worker classification, the bill also limits the ability of the IRS to reclassify workers retroactively. Most small businesses operating as or hiring independent contractors do so in good faith and, therefore, face unfairly imposed back taxes, penalties and fines. Consequently, the bill allows only prospective IRS reclassifications of good faith independent contractor determinations, and shifts the burden of proof to the IRS.

Mr. Speaker, I am pleased to offer this bill as an identical, companion bill to one introduced earlier this week by Senator KIT BOND, Chairman of the Senate Committee on Small Business, and recommend its passage in this Congress.

RECOGNIZING VETERANS OF OHIO'S 8TH DISTRICT

HON. JOHN A. BOEHNER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. BOEHNER. Mr. Speaker, I rise today to recognize 20 veterans of the United States Armed Forces who will be honored at a special ceremony on, May 11, at Lakota East High School in my congressional district. These men and women have made sacrifices that most of us cannot fathom. They left their homes, their schools, their families, and their friends to travel to far-away lands for a single purpose: the defense of freedom.

On May 11, these exceptional men and women will be receiving honorary diplomas at this very special ceremony. They are:

John L. Burden, Sr., who served in the Army from 1943 through 1945 and was stationed in Europe.

Henderson Caudill, who served in the Navy from 1942 to 1965 and was stationed in both Europe and the Pacific.

Everett Cole, who served in the Army and the Air Force from 1944 through 1946 and was stationed in the United States and the Philippines.

Lorenzo Denson, Sr., who served in the Army from 1943 to 1945 and was stationed in the United States and Europe.

LaMar G. Doutaz, who served in the Navy from 1943 to 1945 and was stationed aboard the U.S.S. Doherty.

Harry Thomas Falck, who served in the Army from 1945 to 1946, when he was stationed in Europe, and from 1950 to 1953, when he fought in the Korean War and was held as a Prisoner of War.

Sam Fishman, who served in the Army from 1943 through 1946 and was stationed in the Philippines.

Uell Flagg, who served in the Army from 1943 to 1945, when he was stationed in Europe, and from 1951 to 1955, when he fought in the Korean War with the Air Force.

Louis E. Fox, who served in the Navy from 1943 to 1946 and was stationed aboard the U.S.S. Sage.

Wesley P. Gaunce, who served in the Marine Corps from 1942 to 1945 and was stationed in the Pacific.

Ralph Grothjan, who served in the Army from 1950 to 1952 and fought in the Korean War.

Robert H. Hale, who served in the Army from 1951 to 1953 and was stationed in Germany and Korea.

Charles E. Hall, who served in the Army from 1952 through 1957 and was stationed in Korea.

Andrea F. Hangbers, who served in the Army from 1979 through 1982 and was stationed at Fort Bragg, North Carolina.

Carl C. Hess, who served in the Air Force from 1958 to 1959 and was stationed in Korea.

James McGonigle, who served in the Marine Corps from 1967 through 1970 and was involved in the Vietnam War.

Wilson W. Smith, who served in the Army from 1944 through 1946 and was stationed in Europe.

David Thomas, who served in the Navy from 1943 to 1946 and was stationed in the Pacific.

Also receiving honorary diplomas will be James Johnson and John Wilson, but they will be unable to attend the special ceremony.

What these veterans have achieved in their lives is truly among the greatest feats in American history. Whether fighting against Nazi Germany, Imperialist Japan, or the communist forces in Korea and Vietnam, these brave men and women are to be commended for their strength, their commitment, and their patriotism. We owe them a debt of gratitude that can never be repaid. It is our responsibility to remember their courage, not just in ceremonies like the one being held on May 11, but everyday. They are Americans who have made it possible for us to enjoy the freedoms that we so often take for granted. For that, and for the special recognition by Lakota East High School, I congratulate and thank them.

HIGH-LEVEL NUCLEAR WASTE STORAGE AT YUCCA MOUNTAIN, NV

HON. SHELLEY BERKLEY

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Ms. BERKLEY. Mr. Speaker, I include my testimony concerning nuclear waste storage at your Mountain for the RECORD.

I would like to thank the Chairman for allowing me the opportunity to comment on the proposed FY02 Appropriations for Energy Department, Nuclear Waste Management and Disposal relating to the Department of Energy's (DOE) proposal to store high-level nuclear waste at Yucca Mountain in Nevada. This issue is critical to me because my district is located 90 miles southeast of Yucca Mountain, and it is my constituents who would be the most affected by the Yucca Mountain Plan.

More then a decade has gone by since the 1987 amendments to the Nuclear Waste Policy Act designated Yucca Mountain as the only site to be studied, and the scientific evidence against the Mountain continues to grow. Yucca Mountain is located in an earthquake and volcanic eruption zone. As recently as last month there was so much moisture at the proposed site that electrical test equipment was shorted out. It is widely known that ground water will corrode the waste storage containers, and release the deadly toxins into the environment.

Scientific evidence against the proposed Yucca Mountain site is plentiful, but just like the 1987 "Screw Nevada" bill, each time legitimate arguments are raised, standards for Yucca Mountain are changed. Regarding the current situation with groundwater and personal radiation dose standards, the goalposts have again been moved. The Environmental Protection Agency (EPA) set a groundwater standard of no greater than 4 millirems, and a personal radiation dose standard of 15 millirems per year at 18 kilometers, for the first 10,000 years of waste disposal. Despite the fact that the personal dose radiation standards are significantly weaker than similar sites around the country, the Nuclear Regulatory Commission (NRC) has still asked the EPA to rewrite these standards to allow an even higher dose of radiation. The NRC knows full well that without reduced standards, Yucca Mountain can never be found suitable. So again, the rules must change.

On three separate occasions the State of Nevada has demonstrated, using DOE's own data, that the site should be disqualified under both the EPA standard and DOE's own internal site screening regulation. And each time, the DOE or Congress has changed regulations to ensure that Yucca Mountain would not be disqualified, regardless of the health and safety consequences to Nevadans.

In fact, the DOE has found the geology at Yucca Mountain so poorly serves the need of a repository, that over 95% of the waste isolation capability would have to be provided by metal waste containers, and other so-called engineered barriers around the waste. When this project started, the idea was to find a site capable of containing the radiation entirely through its natural geologic features. That standard has since been lowered from 100% to 5%.

Aside from the earthquakes and the potential for volcanic eruption, an aquifer flows beneath the mountain, with water moving so rapidly that even with all engineered barriers, radiation will unavoidably escape the repository and contaminate our water table. This fact is underscored by a U.S. Geological Survey report entitled "Flooding in the Amargosa River Drainage Basin, February 23–24, 1998, Southern Nevada and Eastern California, including the Nevada Test Site." This document, which I would like to include with my statement, details two floods, one in 1995, and one in 1998, that, would have had severe repercussions on the proposed repository. Most notable is the conclusion that, "Both the 1995 and 1998 floods indicate . . . that the Amargosa River, with contributing streamflow from one or more among Beatty, Fortymile, and Topopah Washes, has the potential to transport dissolved and particulate material well beyond the boundary on NTS and the Yucca Mountain area during periods of moderate to severe streamflow." Yet once again, in clear English, scientific evidence condemns the Yucca plan.

In addition to the mounting scientific evidence against Yucca Mountain, there are also ongoing General Accounting Office investigations into mismanagement by senior staff, and a review of the Inspector General's report on bias at the DOE.

The first issue was brought to my attention by an anonymous letter I received at my office from an individual who appears to be highly knowledgeable about the Yucca Mountain Nuclear Waste Site Characterization Project. The letter reflects a high level of expertise and first hand knowledge. It is alarming to say the least. Among the allegations are the lack of oversight in relation to the continually escalating lifetime costs for storing nuclear waste at the mountain, unnecessary travel abroad by senior level managers, lack of experience and technical background of those in charge of the project, and an adversarial relationship between managers of the project—and this very body—the Nuclear Waste Technical Review Board. The General Accounting Office is still in the process of investigating these very serious charges.

As for the second issue, as you are likely aware by now, the Inspector General has found that there were several statements in the draft Overview and a note which was attached to one version of the Overview, that "could be viewed as suggesting a premature conclusion regarding the suitability of Yucca Mountain." Of particular concern to me is the section of the I.G.'s report that states, "Based on Correspondence received by the Office of the Inspector General, it is fair to observe that, at least in some quarters, public confidence in the Department's (DOE) evaluation of Yucca Mountain has eroded." The IG also noted disincentives at DOE for Yucca Mountain employees to question assumptions, or to, in any way, "rock the boat."

The Inspector General's report serves to underscore what Nevadans have been saying since the origins of the "Screw Nevada" bill. Politics plays the leading role in determining the fate of the Yucca Mountain project.

It is pointless to discuss how we can restore the public confidence into this doomed project. The American public has seen behind the curtain, and we cannot erase from our memory that we have seen a tainted process, driven by politics, with questionable scientific merit. The further we investigate Yucca Mountain, the more money we spend, the more obvious it becomes that Yucca Mountain is not the answer.

Scientific evidence and ongoing investigations continue to shed doubt on the feasibility of a Yucca Mountain Repository. Now is not the time to increase this budget, while the GAO continues to investigate, and science continues to condemn this plan. I again request that federal agencies change their course, and stop trying to fit a square peg in a round hole. Instead of trying to change the rules to keep the proposed plan alive, they should immediately begin the decommissioning of the Yucca Mountain Project.

PERSONAL EXPLANATION

HON. LUIS V. GUTIERREZ

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. GUTIERREZ. Mr. Speaker, I was unavoidably absent from this chamber when roll call votes number 87, 90, 91, 100 and 101 were cast. I want the record to show that had I been present in this chamber at the time these votes were cast, I would have voted "no" on roll call vote number 87, "yes" on roll call vote 90, "yes" on roll call vote 91, "no" on roll call vote 100 and "yes" on roll call vote 101.

HONORING THE CITY OF MONTROSE, COLORADO

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to congratulate the City of Montrose, Colorado on receiving the 'Small Community of the Year' award from the Economic Developers' Council of Colorado. Montrose was given this honor for its economic activity through out the year.

Every year the EDC honors a small community that has distinguished itself in economic or community development. "The Montrose Economic Development Council has shown itself to be one of the most effective, viable and responsible economic development programs in Colorado," said Don Dunshee, president of the state council, in a Daily Sentinel article. Clearly, the Montrose EDC has been the driving force behind Montrose's prosperity.

In 2000, MEDC facilitated four deals that by 2005 will have contributed more than $12 million in annual payroll to Montrose. It retained three local companies and recruited a New Jersey manufacturer, generating 117 additional jobs. Also in 2000 the MEDC launched its new five-year prosperity plan, which predicts a $188.4 billion return to the area's economy on an investment of $2 million. "It's that can do attitude that we possess, I think, that this award reflects," said Steve Jenkins, executive director of the MEDC.

In 2001, the MEDC is implementing its "Cornerstone Initiative" to shepherd economic growth into the future. "What we want to do is create the right type of jobs without the impact to the community. That ensures the community is prosperous in the long term," said Jenkins.

Mr. Speaker, for years the Montrose Economic Development Council has helped small, local businesses achieve their American Dream, and with that, the City of Montrose is experiencing a period of economic growth that benefits everyone. For that, they deserve our thanks and praise.

HONORING DAN PENRY ON HIS RETIREMENT

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. McINNIS. Mr. Speaker, I would like to take this moment to recognize an individual who throughout the course of his career—and indeed his life—has served the citizens of the United States with great distinction, Mr. Dan Penry. After over 25 years of service as a Federal Probation and Parole officer, Dan is set to begin a much-deserved retirement at the end of this May. As family, friends and colleagues gather to celebrate his accomplished tenure with the federal courts, I too would like to pay tribute to Dan and thank him for his service. Clearly, his hard work is deserving of thanks and praise of Congress.

Born in Detroit, Michigan to Marian and Fred Penry, Dan moved to Fairhope, Alabama at a young age, a place he would call home throughout his formative years. Growing up in Alabama with five brothers—Leonard, Fred, Pete, Jim and Tom—Dan was a wonderfully gifted young athlete, a talent shared by all of his brothers. He would go on to a noteworthy athletic career at Fairhope High School, lettering in four sports as a schoolboy—football, basketball, baseball and track. To this day, Dan and his brothers are remembered for their athletic prowess during their high school days.

After graduating from high school, Dan experienced first hand the defining experience of his generation—the Vietnam War. Drafted into the United States Army, he served America in Vietnam as a Military Police Officer stationed in, among other places, the City of Saigon. Dan broke away from the war effort in September of 1966 on a brief furlough to marry Linda Smart, his beautiful wife of the last 34 plus years. After marrying in Hawaii, Dan returned immediately to Vietnam, finishing out his tour just as he had started it—with honor and distinction.

After returning Stateside, Dan immediately enrolled in college, earning his undergraduate degree from Metro State College in Denver and Master's from the University of Northern Colorado in a matter of only a few years. Thereafter, he went to work for the Texas Commission of the Blind, eventually moving to the United States Courts as a federal parole officer where he's worked ever since.

Mr. Speaker, for the last 25 years Dan Penry has served his community, state and nation well as a United States Probation Officer. While asserting a genuine toughness with his parolees, Dan has also shown a compassionate side, earning the respect and, in many cases, the friendship of those who have committed themselves to true rehabilitation. Dan has been a tireless worker throughout his tenure, covering a field area that looks an awful lot my Congressional District—a District larger than the State of Florida. Through it all, Dan has been a model of integrity, hard work and professionalism. That service and leadership will be very difficult to replace.

As Dan's accomplished career with the federal government winds down, Mr. Speaker, I wanted to take this opportunity to thank him for his service to our country. I know that his wife Linda, his daughter Kristi, and his son Josh couldn't possibly be prouder of him. That, Mr. Speaker, is a sentiment shared by Dan's friends, colleagues and associates, as well as the United States Congress.

Dan, congratulations on a job well done and best wishes for continued success and happiness during your well deserved retirement!

IN RECOGNITION OF ALICE WATERS BERKELEY PUBLIC EDUCATION FOUNDATION'S 15TH ANNUAL SPRING LUNCHEON

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Ms. LEE. Mr. Speaker, I rise today in Celebration of a Community Treasure, Miss Alice Waters, chef and owner of Chez Panisse restaurant in Berkeley, California. I would like to express my sincere appreciation for her leadership in educating the public about the necessity to incorporate healthy, sustainable foods into their daily lives, and her active contributions to the schools, children and community of Berkeley.

Alice Waters is an internationally recognized and respected chef, author, activist, and humanitarian. She has brought about a wealth of positive changes to her community since she opened Chez Panisse in Berkeley thirty years ago. The philosophy behind the restaurant's menu—only preparing foods that are "fresh, local, seasonal"—has had a major influence on chefs and restaurants throughout the world and has helped to "redefine the American diet." Alice Waters has worked closely with local farmers and food suppliers who share her belief that food tastes the best and is the best nutritionally when it is grown organically and harvested using environmentally responsible methods. In this respect, Miss Waters is a pioneer in the sustainable agriculture movement that has recently gained visibility now that we are in the age of genetically-engineered foods.

Ongoing advocacy for farmer's markets and sustainable agriculture has led Miss Waters and Chez Panisse to support and create programs that will educate others through hands-on growing and cooking experience. One such program was the Garden Project, which taught organic gardening skills to former San Francisco County Jail inmates. This program transformed and enriched their lives.

Most of all we want to recognize and thank Alice Waters for the time and effort she has given to Berkeley children. The idea of the Edible Schoolyard came to Miss Waters after she noticed the worsening conditions at neighboring Martin Luther King Junior High School. She presented her ideas for an edible garden at the school in 1995. The program has been integrated into the academic curriculum and the school lunch program. For years she worked with the school staff, community members, and outside supporters to make the garden happen. Today the garden is famous, as is the refurbished kitchen where students cook and eat its bounty together. Principal Smith credits the Edible Schoolyard with helping "change the culture of the school."

Less well known is the time Miss Waters put in as one of the most active members of the Measure A Site Planning committee at Martin Luther King Junior High School. For two years she worked with parents, neighbors, faculty, and architects on plans to rebuild the school with bond funds allocated by voters in 1992. Miss Waters' insistence that MLK, Jr. High School should strive to be rebuilt as a welcoming, appealing center of learning and community pride inspired us all.

In 1996 she created The Chez Panisse Foundation to help underwrite these exemplary cultural and educational programs.

I thank Alice for dedicating her time and insight for many years and for providing the means for financial support for many important programs. Alice has planted a seed in a garden that has grown into a lush landscape of sustenance from which we all learn and benefit.

TRIBUTE TO MR. JAMES QUINLAN

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. GILMAN. Mr. Speaker, I am pleased to rise today in recognition of Mr. James Quinlan, a resident of my 20th Congressional District, from Johnson, New York who is being inducted into the National Teachers Hall of Fame for the year 2001.

For the past 24 years, Mr. Quinlan has taught industrial arts at the Vernon Township High School in Vernon, New Jersey.

As a teacher of vocational education, Mr. Quinlan brings a new level to his students beyond the typical stereotype associated with this field of education.

James Quinlan has stated, "yes, of course they're using their hands, but they're working with their minds."

Mr. Quinlan has received numerous awards and honors in recognition of his outstanding contribution to education, including: The 1999–2000 Vernon Township and the Sussex County Teacher of the Year, the 1999 Fulbright Memorial Fund Scholar from the Japan-U.S. Educational Commission, and the 1997 National Foundation for the Humanities Fellow.

In addition to his excellence in the classroom, Mr. Quinlan devotes time to his students outside of school. He is a facilitator for project Quest, an adventure-based counseling program for students in need of a personal growth experience. Furthermore, to help meet the challenges of teaching neurologically impaired students, Mr. Quinlan created the Roaring Lion Chair Company. This enterprise places emphasis on developing marketable work skills and attitudes for students with special needs.

Students and colleagues collectively recognize James Quinlan's ability to help students build their individual strengths and skills and understand the world of opportunities surrounding them. Mr. Quinlan respects his students and is willing to put forth the extra effort to help them discover more about themselves and their potential.

Accordingly, Mr. Speaker, I invite our colleagues to join in honoring the achievements of teacher James Quinlan and the other four notable inductees into the National Teachers Hall of Fame.

TRIBUTE TO THE VIETNAM VETERANS MEMORIAL

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. BORSKI. Mr. Speaker, I rise today in honor of the Vietnam Veterans Memorial "The Moving Wall" that will be placed on exhibit for public viewing at Father Judge High School, in the Northeast section of the Third Congressional District in Philadelphia.

The Vietnam War, which began in early 1957 and ended with the surrender of the South Vietnamese government on April 30, 1975, took the lives of many United States servicemen. Six hundred and thirty of these men came from Philadelphia. Of this total, twenty-seven graduated from Father Judge High School, more than any other private or parochial school in the nation.

"The Moving Wall" was created in October 1984, and first placed on display in Tyler, Texas. Since that time, "The Moving Wall" has traveled to over eight hundred cities honoring America's military men and women who lost their lives during this heartrending period in our country's history.

As of June of last year, there are 58,219 names inscribed on the memorial, and I rise today to recognize the twenty-seven men who courageously gave their lives serving their country and whose names are inscribed on "The Moving Wall".

Mr. Speaker, these men and the many other men and women involved in the Vietnam War should be commended for answering the call of duty and serving in the United States Armed Services. I am delighted that Father Judge High School was selected as the area host for "The Moving Wall", and the Father Judge Alumni Association should be commended for their dedication in honoring these men and their efforts in bringing such a distinct honor to the city of Philadelphia.

FREEDOM FOR POLITICAL PRISONERS IN INDIA

HON. CYNTHIA A. McKINNEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Ms. MCKINNEY. Mr. Speaker, I was proud to be one of 19 signers of a letter sent last month to President Bush urging him to work to get political prisoners in India freed. We are Republicans and Democrats from across the political spectrum, but we understand that democracies don't hold political prisoners and countries that do are not friendly to democracy.

It is interesting that on the day after we sent our letter, a well-known Sikh human-rights organization called the Movement Against State Repression (MASR) issued a report exposing the continuing holding of political prisoners in India and the repressive laws under which they have been held, such as the very repressive "Terrorist and Disruptive Activities Act" (TADA), which expired in 1995. Despite this, many prisoners are still being held under TADA. According to the report, in many cases, the police would file TADA cases against the same individual in different states "to make it impossible for them to muster evidence in their favor," It was also common practice for police to re-arrest TADA prisoners who had been released, often without filing new charges.

MASR reports that the Indian government itself admitted in 1993 to 52,258 persons, detained under TADA. Of those, according to the report, "14,457 were in Punjab and 14,094 in Gujarat, a relatively peaceful state. Obviously there were a number of Sikh TADA prisoners held in Gujarat jails." Gujarat was only one state that the police would use to register secondary TADA cases against Sikhs. They would also register cases in Rajasthan, Madhya Pradesh, Uttar Pradesh, Haryana, and Delhi, among others.

"In November 1994," the report states, "42 employees of the Pilibhit district jail and PAC were found guilty of clubbing to death 6 Sikh prisoners and seriously wounding 22 others. They were TADA prisoners. Uttah Pradesh later admitted the presence of around 5000 Sikh TADA prisoners," the Movement Against State Repression wrote, "Another press report in 1993 mentioned beating of striking prisoners held in jail at Bharatpur, Rajasthan. Nearly 500 of these prisoners belonged to Punjab and were held under TADA," It was also in November 1994 that the Indian newspaper Hitavada reported that the Indian government paid the late Governor of Punjab, Surendra Nath, $1.5 billion to foment covert state-sponsored terrorist activity in Punjab and Kashmir.

According to the report, the Punjab Civil Magistracy wrote a memorandum to the Governor of Punjab in 1993 in which it said that "if we add up the figures of the last few years the number of innocent persons killed would add up to lakhs [tens of thousands.]" To this date, neither the central government nor the state government has revealed the list of people killed or those detained under TADA. In September 1995, the police kidnapped Jaswant Singh Khalra, a human-rights activist who exposed the government's policy of picking up innocent Sikhs, torturing them, murdering them, then cremating their bodies, declaring them "unidentified." The Jaijee report says that "thousands of Sikh young men have disappeared since 1984." According to General Narinder Singh, another human-rights leader, "Punjab is a police state."

The Movement Against State Repression is headed by Inderjit Singh Jaijee, a longtime human-rights activist who wrote the book The Politics of Genocide, which exposed the fact that the Indian government has killed over a quarter of a million Sikhs in the last 17 years. The government has also killed more than 200,000 Christians in Nagaland, over 70,000 Kashmiri Muslims, and many thousands of other minorities, including the Dalit "untouchables," the dark-skinned aboriginal natives of the subcontinent. Is this the behavior of a democracy?

If India is a democracy, as it claims, why does it need a Movement Against State Repression anyway?

According to Amnesty International, tens of thousands of Sikhs are being held in illegal detention in India without charge or trial. Some of them have been held since 1984. Many Christians, Muslims, and other minorities are also being held.

This is not an acceptable situation, Mr. Speaker. I am a minister's daughter. I understand the importance of religion and the need for religious tolerance. It is time to take action to protect the religious liberty of all the people of South Asia.

There are so many more details of this repression in the report that I do not have time to tell my colleagues about all of them. I would like to submit materials relating to this situation into the RECORD.

LIKE AN UNDECLARED EMERGENCY

(By G.S. Grewal)

Militancy in Punjab was not controlled by the extra-judicial killings or by the enforcement of harsh laws like TADA. It was contained, firstly, because the people in Punjab did not support it and secondly, by establishing democratic rule under the determined mass-based leader Sardar Beant Singh who had built a successful bridge between the people and the rulers.

Under the Terrorist and Disruptive Activities (Prevention) Act (TADA), not a single known militant had been convicted in Punjab. During Operation Black Thunder, more than 250 militants hiding in the Golden Temple complex were arrested and the whole scene was viewed by millions of people all over the world on television. They were booked under TADA. Within a few months, they had to be released from jail because of insufficient evidence. The prosecution made the request and the court discharged them. Mr. K.P.S. Gill was confronted with this episode at a Rotary Club (Mid town) meeting and he replied that the investigating agency had become corrupt. When he was asked how and why none of the persons discharged was alive, he preferred to duck the question.

The validity of TADA was challenged in the Supreme Court with the plea of the government in defence of TADA being that under abnormal circumstances, abnormal laws were necessary. This plea was accepted by the Court. The State counsel further argued that an undeclared war was going on with the active provocation of our neighbour. The situation could not be classified as a mere law and order or disturbance of public order. Activities of terrorists were such which could not be controlled by ordinary laws. So TADA had been framed to meet that special situation.

In actual practice, the TADA became notorious more for its abuse than for its legal use. The head of the police department assumed more powers than the Chief Secretary of the state. It became impossible to tame the DGP of that time. Even the Chief Minister time found himself helpless before the DGP who was more feared than respected. This was the era when many innocent people were illegally killed. Some because of suspicion, others because of greed and revenge. The CBI had discovered the dead bodies of thousands of people who were supposed to have been killed in fake encounters by the police.

At the insistence of the Supreme Court, the matter is being debated before the National Human Rights Commission, for the last many years but no decision has yet been taken. The era of terrorism in Punjab had been an era of affluence both for the police and terrorists alike while the people lived in fear of both. Many cases of kidnapping and extortion took place where the police and militants were to be blambd equally.

Though the police was and is, by and large, a disciplined force, during militancy many of them lost their sense of commitment towards duty and were involved in making a quick buck.

Militancy not only affected the routine life of an average citizen, it also made the administration spineless. While some lawyers were killed, allegedly by the police because they defended militants, some district and session judges were attacked. Threats were issued to some High Court Judges and it was not too difficult to believe that the cause of justice had received a setback.

Since religious places remained the centre of militancy, the sanctity of those places was also damaged. It further facilitated the cause of those who wanted to exploit religion for political powers.

During the Emergency, the government gagged the press with some success. During militancy, the terrorists tried the same with partial success. Now, when there is neither militancy nor emergency the government wants to control the press by making a law which would compel the Press to disclose their sources, which they gather through their own resourcefulness. Nowhere in the free world are such conditions imposed on the Press.

When the Press is not free, even other institutions become weak. During the Emergency, fundamental rights were suspended and it created fear and havoc among those who wanted to be bold and fearless. Even the Judiciary ceased to protect people and started justifying the excesses of the Executive. In the case of ADM, Jabalpur, the Supreme Court held that even if a person was to be killed illegally by the state executive with malafide intentions, he had no right of life and could not seek protection from the courts. When the Emergency ended, many judges, who had constituted the bench, admitted that the judgement was wrong and the Janata Party Government had to pass the 44th Amendment to the Constitution to nullify the affect of the judgment.

If the proposed amendment in the new TADA was incorporated into the law of the land, it would operate as an undeclared emergency with its side-effects. In one sense, undeclared war is more dangerous than the declared one because it lasts much longer. Similarly, an undeclared emergency with lame freedom of the press would convert our enlightened, democratic free society to an ignorant and controlled system that the country could and should never accept.

JUNE 3, 1997.

To: The Prime Minister of India, Mr. I.K. GUJRAL

DEAR PRIME MINISTER: The Movement Against State Repression is heartened to read Mr. K.P.S. Gill's open letter to you, published in The Tribune of June 1, 1997, and supports his demand for equality before the law for all persons, for prosecution of all persons, including police, as per the due process of law, and for a review of judicial, and administrative functioning in Punjab over the past 15 years.

Mr. Gill admits that security forces committed excesses during these years and pleads—not for immunity—but that they may be judged leniently in view of the circumstances. MASR has always advocated that justice be tempered by mercy. In the case of officers of the state accused of serious crimes it must be remembered that not only is the crime per se at issue, but there is an issue of public responsibility. All officers of the state, whether administrative, police or military, take an oath at the time of joining service to uphold the Constitution. This is a most sacred duty, making it all the more important for them to not only observe the law in letter and spirit in all their actions . . . but to be seen to observe the law. When one sworn to uphold the law himself disregards it, the common citizen is all the more encouraged to hold the law in contempt.

The citizen does not exist for the state, rather the state exists for the citizen . . . to provide protection to life and property, to provide opportunities for potential of every citizen may be realised and brought to productive use. This is the raison d'etre of the state. When officials of the state act in a way that betrays disrespect for human life they act against the very purpose of the state.

Mr. Gill asks for a special fund to be raised to pay for best legal defense of policemen brought to trial for excesses. There is reason to believe that the Punjab Police already gives policemen money to hire the best lawyers from its own secret fund. Is Mr. Gill in fact asking that this practice be brought into the open? In any case, the Constitution already empowers the courts to appoint lawyers at state expense for those who cannot afford them. However, "best lawyers" raises the issue of equality. If the state provides lawyers of great ability to the defendent while the complainant, having no such assistance, can only afford a weak lawyer, then where is equality before the law?

It may be remembered that the next of kin of the alleged militants suffered not only loss of their relatives but confiscation and destruction of property, with a result that they can ill afford litigation costs and in many cases have to depend on lawyers on "shared compensation" basis. This category of persons need state aid.

Aside from a commission to be set up to examine records of judicial processes, Mr. Gill demands a commission to identify all officers in all branches of the judiciary and administration who were guilty of gross dereliction of duty during this period. Mr. Gill goes on to urge that "these steps demand the active participation of the judiciary and the legislature". MASR appreciates this suggestion but cautions that while such commissions must be respected by the government, at the same time they must be independent and insulated from official pressures; their findings must be placed before the public. A situation in which the judiciary and legislature sits in judgement on themselves must be avoided. The interests of truth and justice demand independent commissions.

MASR points out that the past 15 years saw not only the malfeasance of individuals, it was also a period when institutions were subverted, with some services subjected to the dictation of others. The civil services ceased to control the police, rather the police controlled the civil services, including the state magistracy. Officers of the state medical service were made to give reports dictated by police. Even the office of governor came under Police domination to the extent that two governors were made to leave the state abruptly for demanding accountability from the police.

MASR sympathises with conscientious and upright officers of the Punjab Police who may feel that they have been unjustly maligned on account of the misdeeds of some of their colleagues. We also sympathise with the families of those policemen who have been accused of wrongdoing and treat their suffering at par with that of the families of those killed or disappeared over the past 15 years.

It is certainly a terrible thing to be slandered. The entire Sikh community will vouch for this, as they have borne some of the most abhorrent epithets—"anti-national", "traitor", "terrorist", "religious fanatic"; the Sikh soldier has smarted under the label "questionable reliability". They have not only had to bear verbal insult, the Sikh community has been subjected to genocide on a terrible scale for the "crime" of demanding more powers for the state.

The Sikhs were made victims of politicians' power games. In "Policing the Police", (Indian Express, August, 1996) Shekhar Gupta asked ". . . who provided K.P.S. Gill and a select band of the most trusted Intelligence Bureau aces suitcases full of unaudited cash to buy militant loyalties, to build a whole army of cats? . . . The Punjab crisis saw five prime ministers as many internal security ministers. Each one knew precisely what was going on. Some routinely boasted of how ruthlessly they were putting rebellion down. Why are they hiding now?"

In his letter, Gill says "the real question is whether a strategy of state terrorism was adopted by the police; and the answer is unequivocally in the negative." Was the strategy adopted at a higher level and simply passed on to the police for implementation? In "Dateline: Tarn Taran" (Pioneer, June 1, 1997) Ajaz Ashraf and Bindu quote Satya Pal Dang as saying: "The clearance for fake encounters could have only been given by political leaders."

Regarding Mr. Gill's apprehensions of "media trial" of accused policemen and hounding of the police in the press, MASR sees little evidence to support these misgivings. The press, both local and national, has given ample space to police versions both during the worst days of turmoil and now. Nearly two full columns of precious space have been spared for Mr. Gill's letter—surely that does not bespeak a biased press. No human rights group has ever had it's letter published in full, even if it were a short one.

Mr. Gill accuses the human rights movement of twisting facts. If we have erred in respect of any case we are sorry. Part of the problem is that we must rely on Mr. Gill for much of our information. For instance in his letter he writes: "Even in a case as fully documented as Operation Black Thunder, where the entire action was carried out in full view of the media, not a single conviction was pronounced." But earlier, addressing a Rotary Club (Midtown) meeting, Mr. Gill said: "that some people sympathetic to the militants had infiltrated into the prosecution agency of the police and, therefore, enough evidence could not be collected" and subsequently cases against all the persons accused in Operation Black Thunder had to be withdrawn. Mr. G.S. Grewal, Advocate General has accused Mr. Gill of twisting facts. Grewal says: "Those persons who were arrested during Operation Black Thunder were in fact put on trial. After a few months all were released at the insistence of the prosecution because of lack of evidence. It is another matter that, perhaps, none of them may be alive today. It will be too much to presume that they have died a natural death."

Mr. Gill also has no reason to disparage the human rights movement. Human rights are for all, including Mr. Gill and his policemen. Human rights stands for political and religious freedom, for the legal rights of common citizen of criminal offenses.

Mr. Prime Minister, a previous letter sent to you jointly by MASR, PHRO and PUCL Punjab Chapter, will be in your hands. This letter asked your support for our request to the Punjab Chief Minister Parkash Singh Badal for an independent census of human rights violations, including killings and disappearances during the 1984-1996 period. We had also enclosed the various assessments regarding disappearances and killings. We again ask for your help in implementing this census.

With regards,

Yours sincerely,
INDERJIT SINGH JAIJEE,
CONVENOR,
Movement Against State Repression.

[From the Burning Punjab News, May 9, 2001]

BIHAR—BLAST IN CHURCH, CHRIST STATUE DAMAGED

MUZAFFAPUR.—Cracker explosions by miscreants in a church here has caused partial damage to a statue of Christ sending shock waves among the Christian community in the Bihar town, official sources said. The unidentified miscreants burst three crackers one after another on Saturday evening in St. Francis Church which led to the ripping off of the head of a statue of child Christ seated on the lap of St. Joseph, the sources said. The miscreants also left behind pamphlets which said "Seva Ki Aar Mein Dharmantaran Band Karo (stop religious conversions in the garb of service)," "Isaiyon Bharat Choro (Christians leave India)" and "Poore Bharat Ko Hindu Rang Mein Rangna Hai (Hindus should prevail in entire India)." An FIR was lodged at the local police station by Father Julius Lazarus of the church. The top district and police officials remained tight-lipped over the incident, but said the investigation was on. A police contingent had also been posted at the church, they said. When contacted, State Director General of Police RR Prasad in Patna ruled out the possibility of the explosion being triggered by bombs and said the police were looking into the matter. Lazarus said the Christian community was terribly hurt by the incident and described it as "extremely serious." He felt that some religious institution was behind the incident, but refused to name anybody.

WTO MEETING

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. BEREUTER. Mr. Speaker, this Member strongly urges his colleagues to read and carefully consider the excellent column of Paul Krugman, a New York Times columnist, which appears in numerous American newspapers.

He has it right in describing the motivation, misguided views, and counterproductive actions of key groups involved in organizing the demonstrations against their perception of globalism at numerous international meetings since the WTO meeting in Seattle.

[From the New York Times, Apr. 24, 2001]

FOES OF GLOBALISM DON'T USE THEIR HEADS

(By Paul Krugman)

There is an old European saying: Anyone who is not a socialist before he is 30 has no heart; anyone who is still a socialist after he is 30 has no head. Suitably updated, this applies perfectly to the movement against globalization—the movement that made its big splash in Seattle back in 1999 and did its best to disrupt the Summit of the Americas in Quebec City this past weekend.

The facts of globalization are not always pretty. If you buy a product made in a Third World country, it was produced by workers who are paid incredibly little by Western standards and probably work under awful conditions. Anyone who is not bothered by those facts, at least some of the time, has no heart.

But that doesn't mean the demonstrators are right. On the contrary: Anyone who thinks that the answer to world poverty is simple outrage against global trade has no head—or chooses not to use it. The anti-globalization movement already has a remarkable track record of hurting the very people and causes it claims to champion.

Even when political action doesn't backfire, when the movement gets what it wants, the effects are often startlingly malign. For example, could anything be worse than having children work in sweatshops? Alas, yes. In 1993, child workers in Bangladesh were found to be producing clothing for Wal-Mart, and Sen. Tom Harkin proposed legislation banning imports from countries employing underage workers. The direct result was that Bangladeshi textile factories stopped employing children. But did the children go back to school? Did they return to happy homes? No according to Oxfam, which found that the displaced child workers ended up in even worse jobs or on the streets—and that a significant number were forced into prostitution.

The point is that Third World countries aren't poor because their export workers earn low wages; it's the other way around. Because the countries are poor, even what look to us like bad jobs at bad wages are almost always much better than the alternatives: Millions of Mexicans are migrating to the north of the country to take the low-wage export jobs that outrage opponents of NAFTA. And those jobs wouldn't exist if the wages were much higher: The same factors that make poor countries poor—low productivity, bad infrastructure, general social disorganization—mean that such countries can compete on world markets only if they pay wages much lower than those paid in the West.

Of course, opponents of globalization have heard this argument, and they have answers. At a conference this month, I heard paeans to the superiority of traditional rural lifestyles over modern urban life—a claim that not only flies in the face of the clear fact that many peasants flee to urban jobs as soon as they can, but that (it seems to me) has a disagreeable element of cultural condescension, especially given the overwhelming preponderance of white faces in the crowds of demonstrators. (Would you want to live in a pre-industrial village?) I also heard claims that rural poverty in the Third World is mainly the fault of multinational corporations—which is just plain wrong but is a convenient belief if you want to think of globalization as an unmitigated evil.

The most sophisticated answer was that the movement doesn't want to stop exports—it just wants better working conditions and higher wages.

But it's not a serious position. Third World countries desperately need their export industries—they cannot retreat to an imaginary rural Arcadia. They can't have those export industries unless they are allowed to sell goods produced under conditions that Westerners find appalling and by workers who receive very low wages. And that's a fact the anti-globalization activists refuse to accept.

So who are the bad guys? The activists are getting the images they wanted from Quebec City: leaders sitting inside their fortified enclosure, with thousands of police protecting them from the outraged masses outside. But images can deceive. Many of the people inside that chain-link fence are sincerely trying to help the world's poor. And the people outside the fence, whatever their intentions, are doing their best to make the poor even poorer.

SELECTION OF JOHN P. WALTERS AS DRUG CZAR

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. GILMAN. Mr. Speaker, I am pleased to rise today to applaud President Bush for his selection of John P. Walters as Director of the Office of National Drug Control Policy, and for his support for our war on illicit drugs in our country and around the world. I was pleased to join President Bush in the Rose Garden today, to announce the selection of John Walters and a reinvigoration of our war on drugs. John Walters' extensive experience under former Drug Czar Bill Bennett, provides the Bush Administration with the knowledge and character necessary to get the war on drugs back on track, with appropriate balance and support on both the supply side and the demand side.

John Walters started his public service at the Department of Education, working hard on drug abuse prevention, including service as the principal author and project manager for the "Schools Without Drugs" prevention and education program. He served as ONDCP Chief of Staff in the first Bush Administration, and later was confirmed by the Senate as Deputy Director. During his tenure at ONDCP, Walters was a major designer of the largest Federal funding increases for drug treatment and treatment research in U.S. history.

The selection of John Walters and the recognition of the importance of keeping the Office of Drug Czar at the Cabinet level, truly reflects the President's national commitment to effectively fighting the drug epidemic. The President's new drug policy sends a clear signal to America's youth that drug use is dangerous and wrong. The President wants to reach our youth as early as possible to help steer them away from the dangers of illegal drug use and addiction.

Mr. Speaker, drug abuse prevention begins with the family. To help families lead the way in combating drug addiction, the President is directing ONDCP to develop a parent drug corps, to reinforce the efforts of families. The

President's drug policy will also provide needed support to schools and communities in their efforts to prevent drug abuse.

President Bush has directed ONDCP to focus Federal anti-drug efforts on results. To assess the effectiveness of existing anti-drug efforts, Health and Human Services Secretary Thompson will lead a state-by-state review of treatment needs and capacity to make certain that we provide effective resources to meet the demand where it exists.

The President has also directed Attorney General Ashcroft to develop a plan to use our criminal justice system—from prisons to probation and parole—to protect citizens by helping addicts recover and stay away from drugs and violence when they return to the community. The President's budget reflects his commitment to preventing drug abuse and treating those already addicted. His budget provides $25 million over 5 years to create the parent drug corps to mobilize parents and families. The President's budget doubles funding for local anti-drug coalitions over 5 years, providing up to $350 million over 5 years, including an $11 million increase in fiscal year 2002, to support community-based drug prevention and education efforts.

The President is committed to closing the treatment gap with a 5-year commitment to increasing treatment resources by $1.6 billion, including targeted treatment programs for teens and adolescents, and increased funding for the National Institute of Drug Abuse by $126 million for fiscal year 2002, expanding research into prevention and treatment. The President substantially increases funding for the National Institute on Alcohol Abuse and Alcoholism, fully funds the National Youth Anti-Drug Media Campaign, and makes a strong commitment to drug courts and other criminal justice diversion programs to help more Americans break the vicious cycle of addiction and incarceration.

The threat from illegal drugs is our most insidious national security threat. Throughout my tenure in the Congress, I have been dedicated to fighting the plague of illicit drugs in our Nation and throughout our world. Accordingly, I am proud to stand together with President Bush and John Walters to reassert our national commitment to our war on drugs, for our young people, our communities, our law enforcement officers, and our international allies.

Mr. Speaker, I submit a copy of the President's remarks on the announcement of the Director of the Office of Drug Control Policy to be included at this print in the RECORD:

THE WHITE HOUSE

REMARKS BY THE PRESIDENT IN ANNOUNCEMENT OF THE DIRECTOR OF THE OFFICE OF DRUG CONTROL POLICY, MAY 10, 2001

THE PRESIDENT. Thank you all so very much for being here. It's an honor to see so many members of the United States Congress who are here. Thank you so very much for coming—and members from both political parties, members who are dedicated to joining with an administration which is dedicated to reducing drug abuse around America. Thank you for being here. (Applause.)

I'm pleased that members of my Cabinet have joined us—the Attorney General of the United States, John Ashcroft; the Secretary of Health and Human Services, Tommy Thompson. Thank you all for being here. (Applause.) Mr. Surgeon General, thank you for being here, as well, sir. We're honored to have you here. (Applause.)

Also with us is John J. DiIulio, who is the Director of the Office of Faith-based and Community Initiatives. John is on the leading edge of encouraging faith-based programs to become energized to help people who need help. And, John, thank you so much for being here, as well. (Applause.)

I'm honored to be joined on stage by five Americans—well, six Americans—five Americans who won't speak. (Laughter.) Which is saying something for the first American I'm going to introduce. William J. Bennett. (Laughter and applause.) He was our nation's first Drug Czar, former Secretary of Education, a fearless—fearless—fighter against drug abuse. As well, as Joe A. Califano, who has a Center on Addiction and Substance Abuse at Columbia University, former Secretary of Health and Education and Welfare under President Jimmy Carter, as well; like Mr. Bennett, a fearless advocate for those of us who are dedicated to reducing drug abuse. Thank you both for being here. (Applause.)

And we have three members from the community—antidrug community—who have joined us. Arthur R. Dean is the Chairman and CEO of the Community Antidrug Coalitions of America. Thank you so much for coming. I appreciate you being here. (Applause.) Jessica Hulsey is a member of the Drug-Free Community's Advisory Commission. Thank you, Jessica. (Applause.) And Henry Lozano, Californians for Drug-free Youth, a member of the DFCAC, a graduate from Teen Challenge. (Applause.)

I'm pleased to announce that as of today, the federal government is waging an all-out effort to reduce illegal drug use in America. (Applause.) And I'm proud to nominate John P. Walters as my Director of National Drug Control Policy, where he will serve as a valuable member of my Cabinet. (Applause.)

Mr. Walters has had a distinguished career in government. He served as the chief of staff to Bill Bennett, and later served as Deputy Director and Acting Director of the Office of National Control Policy. John will bring tremendous skill, knowledge and good judgment to this job. He's an articulate advocate, an able administrator, and a man of deep and reasoned convictions. He has repeatedly been called on to provide guidance to the United States Congress. John cares passionately about this issue and he is the right person to lead America's antidrug efforts.

Our effort rests on the firm belief that by focusing more of our nation's attention, energy and resources, real progress will be made. From the early 1980s until the early 1990s, drug use amongst high school seniors was reduced every year. We had made tremendous strides in cutting drug use. This cannot be said today. We must do, and we will do, a better job. (Applause.)

Fortunately, today we know more about what works in prevention and education, treatment and law enforcement. We will put this knowledge to use. But above all, our efforts rest on an unwavering commitment to stop drug use. Acceptance of drug use is simply not an option for this administration.

Illegal drugs impose a staggering cost of more than $100 billion every year, principally from lost productivity. Yet this dollar figure does not capture the human tragedy of drug use—lost lives, educational and job opportunities unmet, families torn apart, health care costs, school dropout rates, and more. Drug use harms people of every economic class. But drug use is doing the most damage to the poor.

John Jacob, former President of the National Urban League, has said that drugs are destroying more children and more families than poverty ever did. John Walters and I believe the only humane and compassionate response to drug use is a moral refusal to accept it.

We emphatically disagree with those who favor drug legalization. (Applause.) Drug legalization would be a social catastrophe. Drug use and addiction would soar. Hospitals would be filled with many more drug emergency cases. Child abuse would increase. The cost of treatment and social welfare would rise. There would be more drug-related accidents at work and on the road. And legalizing drugs would completely undermine the message that drug use is wrong.

A successful antidrug effort depends on a thoughtful and integrated approach. Mr. Walters understands this as well as anybody in America. During his career, he's worked to improve the effectiveness of drug education and prevention programs. He played a key role in ensuring a record commitment of resouces to drug treatment and research in a previous administration. He helped ensure that the federal government did its part in source countries, on our borders and on our streets.

My administration will continue to work with nations to eradicate drugs at their source, and enforce our borders to stop the flow of drugs into America. This will make working in close cooperation with Mexico a priority. It will make having strong relations in our hemisphere a priority, a priority which I will keep. (Applause.)

However, the most effective way to reduce the supply of drugs in America is to reduce the demand for drugs in America. (Applause.) Therefore, this administration will focus unprecedented attention on the demand side of this problem. We recognize that the most important work to reduce drug use is done in America's living rooms and classrooms, in churches and synagogues and mosques, in the workplace, and in our neighborhoods. (Applause.)

Families, schools, communities, and faith-based organizations shape the character of young people. They teach children right from wrong, respect for law, respect for others, and respect for themselves. They're indispensable. And my administration stands ready to assist them in every possible way. Joe Califano is the President of the National Center on Addiction and Substance Abuse, and a man whose research has helped shape my thinking. Joe has said that teens of parents who eat, talk, pray and play together are not likely to be lured into the world of drugs. A child who reaches age 21 without using illegal drugs is virtually certain never to do so. And children cite parents as the number one reason they don't use drugs.

And so we'll energize the parents movement by creating a parent drug corps, which will provide needed support to educate and train parents in effective drug prevention. (Applause.) We must increase funding for drug-free communities programs, and for the drug-free workplace program. (Applause.) And within 30 days, Professor John DiIulio will compile a complete inventory of existing federal antidrug partnerships with local faith-based and community groups, and work with John Walters to strengthen those efforts.

Despite every effort, however, some individuals will become addicted to drugs. There are around 5 million hardcore users of illegal drugs in America today. And while they represent one-third of the drug users, they consume two-thirds of all drugs. It is estimated that more than half of them are not receiving any treatment.

I am, therefore, asking Secretary Tommy Thompson to conduct a state-by-state inventory of treatment needs and capacity, and report back within 120 days on how to most effectively close the treatment gap in this country. (Applause.) In order to close that treatment gap, we will provide $1.6 billion over the next five years.

We want to advance our understanding of drug abuse and addiction, so we're planning to significantly increase funding for the National Institute on Drug Abuse and the National Institute on Alcohol Abuse and Alcoholism. (Applause.) We also recognize the benefits of coerced abstinence, and so we will support drug courts and drug testing for prisoners, probationers and parolees. (Applause.)

We know that inmates receiving drug treatment are 73 percent less likely to be re-arrested, and 44 percent less likely to use drugs than those who receive no treatment at all. I'm, therefore, asking the Attorney General, John Ashcroft, to come up with a comprehensive plan within 120 days to ensure our federal prisons are drug-free, to expand drug testing for probationers and parolees, and to strengthen our system of drug courts around the nation. (Applause.)

We must reduce drug use for one great moral reason—over time drugs rob men, women and children of their dignity and of their character. Illegal drugs are the enemies of innocence and ambition and hope. They undermine people's commitment to their family and to their fellow citizens. My administration will send a clear and consistent message that drug use is dangerous and drug use is wrong. (Applause.)

John Walters will lead that effort with firm resolve and a caring heart. He will do an exceptional job. I am proud to submit his name to the United States Senate, and I look forward to working with members of the House and the Senate from both political parties to reduce drug use in America. (Applause.)

I'm honored to welcome so many people who devote their lives to the well-being of others to the Rose Garden here in the White House. I want to God bless—thank you for your work, and ask God's blessings on your work and this great nation of ours.

It's my honor to welcome John Walters. (Applause.)

Mr. WALTERS. Thank you, Mr. President, for honoring me with this nomination. I look forward to the confirmation process in the Senate, and the opportunity to work with Congress again in reducing the problem of illegal drug use.

As the President has mentioned, our country has made great progress in the past in reducing drug use, and we will do it again. We will especially protect our children from drug use. We will help the addicted find effective treatment and remain in recovery. We will shield our communities from the terrible human toll taken by illegal drugs. We will stop illegal drug use and the drug trade from funding threats to democratic institutions throughout our hemisphere.

Most of all, Mr. President, as you have stated so clearly, and as symbolized by those of us here today who represent—with us here today who represent millions of Americans working effectively every day to reduce drug use, addiction and crime, our efforts rest on the knowledge that when we push back, the drug problem gets smaller. This fact is beyond question today, even if it is not always beyond denial.

Mr. President, thank you for nominating me to be Director of the Office of National Drug Control Policy, at this important time. If the Senate permits, it will be my privilege to support the outstanding individuals represented here, who work every day to combat the drug problem throughout our nation.

Thank you.

THE PRESIDENT. Thank you all for coming.

CENTRAL NEW JERSEY RECOGNIZES DR. ROBYN AGRI FOR HER SERVICE TO OUR COMMUNITY

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. HOLT. Mr. Speaker, I rise today in recognition of Dr. Robyn Agri's installation as the 121st President of the Mercer County Medical Society. Although Dr. Agri is the 121st President, she is the first woman to hold this office since the establishment of the Society in 1848.

Dr. Agri's active interest in politics and community service began during her studies at the University of Pennsylvania. In the summer of 1979 Dr. Agri served as an intern in the U.S. House of Representatives.

After receiving her BA in Biochemistry from the University of Pennsylvania, Dr. Agri went on to attend the Upstate Medical Center in Syracuse, New York where she would receive her medical degree in 1985. Throughout her time at Upstate Medical Center, she continued to be active in politics by becoming an officer in the American Medical Student Association. Due to her steadfast efforts to establish a school wide counseling program for students and residents Robyn would receive the Ciba-Geigy award for community service.

Robyn would later return to Pennsylvania to complete her residency in Physical Medicine and Rehabilitation at the Hospital of the University of Pennsylvania. She would use this time to continue her study of movement through her research work in multiple sclerosis. In 1989, Dr. Agri would continue her work on MS when she joined the staffs of St. Lawrence Rehabilitation Center and Capital Health System.

Dr. Agri continues to maintain a private practice in Lawrenceville and remains active within the community through her work with various associations' and societies. I applaud the installation of Dr. Robyn Agri as President of the Mercer County Medical Society and ask my colleagues to join me in recognizing her steadfast commitment to our community.

MAY SCHOOL OF THE MONTH

HON. CAROLYN McCARTHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mrs. MCCARTHY of New York. Mr. Speaker, I have named Floral Park Memorial High School as School of the Month in the Fourth Congressional District for May 2001.

Gloria M. O'Connor is Principal of Floral Park, and Dr. George Goldstein is the Superintendent of Schools for the Sewanhaka Central High School District.

Floral Park has incredible student outreach programs. A student at Floral Park is destined to be a well-rounded, community-minded, educated young person by the time they graduate.

Floral Park has long been known by the parents, students and community as a jewel in the Sewanhaka Central High School District—as a school of exceptional excellence among public high schools.

Floral Park has an excellent reputation in Nassau County. They can be especially proud of their past, recent and future recognition which shines as an example of the quality education provided at the school.

Floral Park waves its school flag high as a Nationally Recognized School of Excellence, and is designated by Redbook magazine as one of America's Outstanding Schools. Also, Floral Park has received the New York State Blue Ribbon School of Excellence and the Department of Education National School of Excellence Award. Furthermore, Floral Park is one of the outstanding schools in a prestigious high school district which received the New York State Governor's Excelsior Award.

Floral Park is a junior/senior high school comprised of 1,472 students and is one of five high schools in the Sewanhaka Central High School District. In order to ensure all of our students meet new regents standards, Floral Park offers a broad range of extra help sessions in all academic areas before and after school, such as Operation Success, Homework Helper, Regents Prep and Review classes, Peer Tutoring and one on one tutoring with members of the faculty in each department.

Students excel at Floral Park. The Class of 2000 was comprised of 207 students where 75% attended four year colleges, 20% attended two year colleges and 5% enrolled in technical programs, employment or the military. In addition to the outstanding academics, the wealth and diversity of extracurricular activities and athletics are fostered.

The School of the Month program highlights schools with outstanding students, teachers and administrators. Each month, I will recognize a different school that demonstrates a unique contribution to Long Island education.

I will honor Schools of the Month with a speech on the floor of the U.S. House of Representatives, as well as bestowing a Congressional Proclamation of Distinction award.

TRIBUTE TO DR. THOMAS T. HAIDER, "PRIDE IN THE PROFESSION" AMA HONOREE

HON. KEN CALVERT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. CALVERT. Mr. Speaker, I am proud to pay tribute today to Dr. Thomas T. Haider, a constituent of mine from the 43rd congressional district, who was recently recognized with the American Medical Association's (AMA) top national honor, the inaugural 2001 Pride in the Profession Award. The award highlighted the work of six physicians nationwide who have not only healed patients, but enriched the communities and inspired the colleagues with whom they come into contact.

I once heard a quote that goes, "It seems to me that a doctor's is the most perfect of all lives; it satisfies the craving to know, and also the craving to serve." I can think of no better words to describe the incredible devotion and duty that Dr. Haider has shown in his lifetime career as a physician.

Spurred to become a physician at the age of 12, Dr. Thomas Haider intended to use his medical skills to help people in his home country of Afghanistan. Ultimately, political turmoil has prevented that, but he has still managed to touch and improve the lives of thousands all over the world.

In 1994, Dr. Haider established the Children's Spine Foundation in the United States to provide free comprehensive spinal care for children without health insurance. And across the globe he sponsors a children's hospital in Afghanistan by supporting the salaries of 40 physicians and providing funds for all medication and food supplies.

Additionally, Dr. Haider's philanthropy includes: development of a new polyaxial pedicile screw for use in spine fusion surgeries, increasing their success rate; establishment of the first Spine Fellowship Program at the University of Colorado Medical Center; volunteer work to train doctors; creation of the American Board of Spine Surgery; and, endowment to the Biomedical Sciences Program at the University of California at Riverside, which bears his name.

Mr. Speaker, in my district of Riverside, California we are fortunate to have dynamic and dedicated individuals who give unselfishly of their time and talents to ensure the well-being of our city, state, nation and—in Dr. Haider's case—world. These individuals work tirelessly to enrich and brighten the lives of so many. Therefore, it is my distinct pleasure to take to the House of Representatives' chamber today to personally honor and commend Dr. Thomas T. Haider for all of his dedicated service to our community.

NATIONAL GUARD PARTICIPATION IN ATHLETIC AND SMALL ARMS COMPETITIONS

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. BEREUTER. Mr. Speaker, the Member rises to give a brief explanation of H.R. 1705, which will authorize members of National Guard units to use appropriated funds to conduct and participate in athletic competitions and small arms competitions. This Member introduced H.R. 1705 on May 3, 2001.

The National Guard Competitive Events Program provides National Guard members with an opportunity to hone their training-related skills, such as running, swimming, and marksmanship, in a competitive atmosphere. As the National Guard actively recruits new members, this can be another feature in recruitment and retention programs for certain members of the National Guard. Through these competitions, National Guard members can qualify for higher level national and international competitions, including the Pan Am Games and the Olympics.

Also, National Guard members who compete in athletic and small arms competitions can now do so with members of the Active Duty military. Bringing Active and Reserve components together in this fashion builds better appreciation among the various components and overall force cohesiveness.

Additionally, some of the National Guard-sponsored competitions, including the Lincoln Marathon held in this Member's district, are open to participation by the entire civilian community for participation. The high visibility and the community interaction that such events provide is key for continued support for local National Guard units.

For the National Guard Competitive Events Program to continue to thrive, greater funding flexibility must be granted to the National Guard units sponsoring competitions and sending members to those competitions. Currently, only non-appropriated funds from post exchanges and other activities and from competition entry fees can be used to cover operating expenses for the events and all health, pay, and personal expenses for participating National Guard members. This funding system places National Guard members at a disadvantage.

Unlike Active Duty military personnel who have all health, pay, and personal expenses covered while competing, National Guard members are not on duty while competing and thus are not covered. For example, if National Guard members suffer injuries while competing at the marksmanship competition in North Little Rock, Arkansas, they must pay for the incurred health costs although they were competing with their Guard unit. And, unfortunately, placing National Guard members on orders is not a solution to the coverage issue for National Guard members placed on active duty cannot compete with their National Guard unit's team.

Mr. Speaker, the distinguished gentleman from Rhode Island, Mr. LANGEVIN, and this Member introduced H.R. 1705 to provide the necessary funding flexibility. By authorizing the use of appropriated funds in addition to the non-appropriated funds, National Guard units face fewer budget constraints when hosting competitions and when sending teams and individuals into competition. Health, pay, and personal expenses could be covered for participants who otherwise might not be able to afford costs stemming from physical injuries.

This bill levels the funding playing field so that National Guard units are not at a financial disadvantage when sponsoring competitions and participating in these valuable competitions. It should be emphasized that the legislation does not create participation incentives for National Guard members which are greater than those incentives for Active Duty military.

In closing, Mr. Speaker, this Member encourages his colleagues to review H.R. 1705 and to favorably consider co-sponsorship and legislative action on the measure.

A TRIBUTE TO THE 100TH ANNIVERSARY OF THE CENTRAL LABOR COUNCIL OF ALAMEDA COUNTY, AFL–CIO

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. STARK. Mr. Speaker, I rise to recognize the Central Labor Council of Alameda County, AFL–CIO on the occasion of its 100th anniversary. The Central Labor Council of Alameda County has a long history of organizing, advocacy, activism and progressive leadership over the past century. I would like to highlight some of their many accomplishments and contributions.

The Central Labor Council was one of the first labor organizations in the country to take a high profile position in support of the Civil Rights Movement. Executive Secretary-Treasurer, Richard Groulx joined Martin Luther King, Jr. in the march in Selma, Alabama in 1964.

The Central Labor Council was in the forefront in the demand for divestiture in apartheid South Africa. Long before the issue captured national attention, the Central Labor Council of Alameda County joined with religious, community and student groups to demand divestiture by the University of California. Secretary-Treasurer Groulx spoke to a rally of over 20,000, vowing labor's support for the divestiture.

The Central Labor Council of Alameda County was one of the first labor bodies to recognize the United Farm Workers Organizing Committee and Cesar Chavez by lending money and physical support to the fledgling organization.

When the Port of Oakland was locked in a year-long bureaucratic quagmire in its attempts to dredge the shipping lanes to accommodate the new larger container ships, it was the Central Labor Council of Alameda County and its Secretary-Treasurer Owen Marron who brought the stalemate to an end. He brought business, labor, elected officials and the Port together in a coalition. As a result, the impasse was broken and dredging within an acceptable environmental plan is underway.

Thanks to the political clout of the Central Labor Council in partnership with a coalition of local unions, community and religious organizations, Living Wage ordinances have been passed by the cities of Oakland, Berkeley and Hayward as well as a major employer, the Port of Oakland.

A collaboration of the Central Labor Council, under the leadership of the present Secretary Judy Goff, and the Labor Immigrant Organizing Network, has lead to the passage of a resolution of immigrant's rights. The immigrant rights resolution was sent to the California Labor Federation and the AFL–CIO leading to a change in the AFL–CIO's position on immigrant worker's rights.

Congratulations Central Labor Council of Alameda County, AFL–CIO on your centennial birthday and best wishes in your continued successful efforts to organize for justice in our community.

HONORING DR. KENNETH L. MATTOX

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. BENTSEN. Mr. Speaker, I rise to honor my constituent, Dr. Kenneth L. Mattox, on the occasion of his receiving the 2001 Distinguished Houston Surgeon Award by the Houston Surgical Society on May 15, 2001, in Houston, Texas. I believe this is an honor that is well deserved, and I want to congratulate Dr. Mattox for this accomplishment.

Dr. Mattox is an internationally recognized cardiovascular, thoracic, and trauma surgeon who has saved many lives in the Houston area. I believe he has contributed much to our community through his career of direct patient care, teaching and research.

Dr. Mattox was born in Ozark, Arkansas and attended high school in Clovis, New Mexico. He graduated with a B.S. degree from Wayland College in Plainview, Texas and a M.D. degree from Baylor College of Medicine in Houston, Texas. Dr. Mattox currently serves as Vice Chairman of the Department of Surgery and Professor of Surgery at Baylor College of Medicine. In addition, he has served as the Chief of Surgery and Chief of Staff of Ben Taub General Hospital since 1990. During his tenure at Ben Taub, he has made significant contributions in trauma resuscitation, trauma systems, thoracic trauma, complex abdominal trauma, and multi-system trauma. The "Mattox Maneuver" for abdominal aortic injury is used internationally. His recent research in preoperative fluid restriction for penetrating trauma is shaking the foundation of surgical doctrine in this area.

Dr. Mattox is a dedicated teacher and has contributed to the education of thousands of physicians. In total, Dr. Mattox has published more than 500 articles on research that he has conducted and has expanded the medical knowledge of our nation. In addition, Dr. Mattox is well known for serving his community in leadership positions both locally and internationally. In the past, he has served as president of nine organizations and received numerous awards for his dedicated service to the surrounding community.

Dr. Mattox has also served our country in numerous ways. He was a Flight Surgeon Captain in the United States Medical Corps from 1965 through 1967. In 1967, he received the Legion of Merit, United States Army Presidential Citation for his dedicated service to the nation. He also served as Aeromedical Consultant to the Department of the Army from 1967 through 1970. He currently supervises trauma training of Armed Forces personnel at Ben Taub Hospital in Houston as Clinical Professor of Surgery and Adjunct Professor of Military/Emergency Medicine of the Uniformed Services University for the Health Sciences.

Again, I want to congratulate Dr. Mattox for receiving this Award. I wish to extend my congratulations to him and his family upon this important acknowledgment of his service to the Houston area.

THE MELISSA FROELICH MEDICAID CONGENITAL HEART DEFECT WAIVER ACT

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mrs. MORELLA. Mr. Speaker, I come before you to introduce the Melissa Froelich Medicaid Congenital Heart Defect Waiver Act. This legislation would permit a State waiver authority to provide medical assistance in cases of congenital heart defects.

My interest in sponsoring this legislation stems from contact with a special constituent, Melissa Froelich. Melissa is a five-year old who has undergone numerous painful procedures and operations because she was born with multiple congenital heart defects. The medical expenses for Melissa's family during the first 18 months of her life totaled more than one million dollars. More than $270 thousand of those dollars were not covered by the family's two health insurance policies. The family discovered that carrying two health insurance policies was of little help due to a Coordination of Benefits provision, which prevents a family from taking advantage of the benefits of both combined health plans, Even though the family has been paying for two separate health plans they can only receive the best benefit from each policy. This bill would help middle-class families with children like Melissa whose only current options are unacceptable.

More than 32,000 American babies are born each year with cardiovascular defects, which translates to 1 out of every 115 to 150 births. To put these numbers into perspective, 1 in every 800 to 1,000 babies is born with Downs Syndrome. Congenital heart defects make up 42 percent of all birth defects, making Congenital Heart Disease the most common of all birth defects. The American Heart Association estimates that there are approximately 1 million people living with heart defects in the United States today.

Prior to 1960, most children with heart defects died within the first year of life. In the subsequent decades of the 1960's, 70's and 80's, research produced by skilled surgeons and cardiologists led to a variety of different treatments and interventions which allow the vast majority of infants with heart defects to survive. However, these medical procedures place an enormous burden on the families of children born with congenital heart defects. In addition, many of these children who survive infancy still face a life of dependency on medications, medical procedures, and open-heart surgeries.

For this reason, I urge my colleagues to support this bill and help reduce these families' burden and allow them to focus their resources on providing the best possible care for their child.

COMMEMORATING ISRAEL'S MEMORIAL DAY AND 53RD INDEPENDENCE DAY

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. HOLT. Mr. Speaker, these are troubling and arduous times for Israel. Over the past seven months, the continuous clashes in the West Bank and Gaza Strip have claimed the lives of more than 70 Israeli citizens. Car bombings, mob attacks and widespread terrorism in residential areas have caused an outbreak of panic and worry among the residents of Israel. Men and women fear that an ordinarily simple trip to their local shopping center will result in tragedy. Children no longer feel safe to ride their school buses, for they fear that they will be the next targets of this senseless bloodshed. Sadly, terrorism and fear are everywhere, and the violence continues to escalate.

Two weeks ago, Israelis commemorated the 53rd anniversary of their independence and mourned the lives lost as they marked their Memorial Day. Grieving countrymen gathered together to remember the thousands of men and women who sacrificed their lives in the fight for Israel's existence. Those commemorating these events were reminded that despite their independence, Israel must continue in their struggle for recognition and liberty.

Before and since being elected to Congress, I have supported a strong Israel. America has had for a long time, and should continue to have for a long time, a unique relationship with Israel—the only democratic nation in the region, our most important strategic ally in this volatile area, and a nation whose founding and existence clearly makes the world a better place. I believe that the United States must continue to voice its support for Israel and for the peace process that the Israelis have courageously undertaken. As I have stated many times before, the United States must be prepared to provide the diplomatic, military, and economic support that Israel needs.

The United States plays an essential role as a broker of peace in the region. However, we must not let that role keep us from speaking the truth. I am saddened to see that optimism for quick and lasting peace in the Middle East has been thwarted by the Palestinians' continued violence. I believe it is time for our government to acknowledge that the Palestinians are contradicting the promise Chairman Arafat made in January—a promise to continue working for peace. It is time for our government to exert pressure on the Palestinians to persuade them to put an end to the uprising and to prevent terrorist attacks on Israel. If the Palestinian leaders act as the Palestine Liberation Organization of old, seeking conflict rather than peace with Israel, then we must be clear in our disapproval and resolute in our efforts to once again promote peace negotiations.

Most importantly, the Palestinians must end the violence against the Israelis, and Israel must respond, as I am confident it would, with corresponding steps to reduce the level of violence on its side. That is the only way to get back to the peace table. Only peace discussions can achieve the lasting, just peace that will best serve the interests of all Israelis, all Palestinians and indeed, all of us throughout the world.

Mr. Speaker, my personal sense of commitment to Israel has only been strengthened by recent developments. We must put an end to this terror and return to a period of goodwill. I believe the same is true for many of my colleagues. Let us reaffirm our solidarity with Israel as they commemorate their independence and struggle for freedom.

CELEBRATING NATIONAL NURSING HOME WEEK

HON. CAROLYN McCARTHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mrs. McCARTHY of New York. Mr. Speaker, I express my support for the 34th Annual National Nursing Home Week. When the very first National Nursing Home Week began, the theme was to let millions of Americans know the "fuller life" elderly lead in America's nursing homes.

Mr. Speaker in Woodmere, New York, there is an outstanding nursing home that I commend for giving Long Island's elderly a fuller life. Woodmere Rehabilitation and Health Care Center offers incredible rehabilitation services and skilled nursing services to Long Islanders. This year, Woodmere Rehabilitation and Health Care Center celebrates it's 30th year and I am proud of their work they do.

I especially thank Director Anthony Matese, whom made changes and improved the Woodmere Rehabilitation and Health Care Center. The 2001 theme is the effect Nassau County nursing boxes have on the community and that nursing homes in the Nassau County area have had on the community, and how the administrators are striving to create a warm, homelike environment without an institutional atmosphere.

Mr. Speaker, I congratulate the Woodmere Rehabilitation and Health Care Center on their success and wish them and all our nursing homes the best during National Nursing Home Week.

TRIBUTE TO VIRGINIA A. PHILLIPS, 2001 ATHENA AWARD HONOREE

HON. KEN CALVERT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. CALVERT. Mr. Speaker, I take the floor today to honor Judge Virginia A. Phillips, the recipient of the 2001 ATHENA of the Inland Valleys Award, which recognizes Judge Phillips for her professional excellence, community service and mentoring of fellow women.

The ATHENA Foundation Award Program originated in 1980 by Martha Mayhood Mertz, who realized that in the 75 years of presenting community awards, her Lansing Regional Chamber of Commerce, of Michigan, had only once honored a woman. This realization led her to establish ATHENA so that focus would be given to the incredible number of professional women found throughout our communities nationwide.

In the 43rd congressional district Judge Virginia Phillips not only epitomizes all that the ATHENAs stand for but also all that we could possibly hope for in a role-model for the young women of today.

Judge Phillips received her B.A., Magna Cum Laude, from the University of California, Riverside in 1979, and later obtained her J.D. from the University of California, Berkeley Boalt Hall School of Law. Additionally, her professional and community activities include: Board of Directors member of the Federal Bar Association—Inland Empire Chapter; Chairperson of the City of Riverside Law Enforcement Policy Advisory Board; Board of Directors member with the Riverside Youth Center; member of the Riverside Human Relations Committee; and much, much more. Judge Phillips' lifelong commitment to the Inland Empire community is obvious and compelling.

Presently, Judge Phillips serves as the first female district court judge from the Inland Empire appointed to the Central District of California, which encompasses over 18 million people, with more than three million people in the Eastern Division—the counties of Riverside and San Bernardino, California. And Riverside County, while being one of the fastest growing areas in the nation, has over 1.5 million people alone. In this position, Judge Phillips fills a critical need given the sheer number of cases that come before the Central District each month.

Mr. Speaker, my district is fortunate to have a dynamic and dedicated community leader in Judge Phillips. She has given her time and talents providing motivation and inspiration to the young women with whom she comes into contact.

Judge Virginia Phillips' outstanding work makes me proud to call her a community member and fellow American. I know that all of Riverside, including myself, is grateful for her contribution to the betterment of our community and salute her on May 10th with the 2001 ATHENA Award.

I look forward to continuing to work with her and the many professional women of Riverside County for the good of our community. I would like to close with the ATHENA Foundation motto by Plato: "What is honored in a country will be cultivated there."

A TRIBUTE TO DR. MARIA OCHOA

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. STARK. Mr. Speaker, I rise to pay tribute to Maria Ochoa, Ph.D. Dr. Ochoa has been director of the Sun Gallery in Hayward, California, for five successful years and is leaving to conduct art history research. Her exemplary leadership at Sun Gallery will be missed.

Sun Gallery is a community based gallery that obtains its funding through foundation grants and community support. Through Dr. Ochoa's numerous programs and outreach activities Sun Gallery has become a true community based art gallery in which individuals feel invested and point to Sun Gallery with pride of ownership.

Dr. Ochoa was hired in April 1996 to serve as the Director of Sun Gallery. During her tenure, the growth at Sun Gallery has been remarkable. She developed a comprehensive educational program for children, increased the Gallery's funding base, brought a wide range of internationally and nationally regarded artists to exhibit at the gallery, and most importantly, brought the community to Sun Gallery. She tripled the number of school children served annually by the gallery.

Sun Gallery's classroom field trip program is now regarded as one of the premiere art education programs in the region. Dr. Ochoa also developed, in tandem with local artists and teachers, a bronze-casting curriculum that is now offered in high schools in Hayward, California.

Dr. Ochoa has stated that she is quite honored to have been selected to bring Sun Gallery into the 21st Century and is deeply humbled to have been able to serve the community, while working in a visual arts setting.

We are honored that Dr. Ochoa chose to lead Sun Gallery with her energy, commitment and talent. She leaves a legacy and her indelible mark on Sun Gallery. I join her friends and admirers in thanking her for a job well done.

HONORING ST. LUKE'S EPISCOPAL HOSPITAL'S NATIONAL MAGNET AWARD

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. BENTSEN. Mr. Speaker, I rise to honor St. Luke's Episcopal Hospital for earning a Magnet Award, the highest honor a hospital can receive for patient care. St. Luke's Episcopal Hospital is the first hospital in Houston and one of only 31 hospitals nationwide to win this coveted distinction. This Magnet Award is presented by the American Nurses Credentialing Center (ANCC) for the patient care provided by the St. Luke's Episcopal Hospital's nursing staff. As the representative for St. Luke's Episcopal Hospital, I want to congratulate the entire nursing staff for the quality health care services that they provide not just to local residents, but also to patients from throughout the world.

On Monday, May 7, 2001, I participated in the Magnet Award Ceremony at St. Luke's Episcopal Hospital to honor these dedicated nurses who provide top quality care. I can personally attest to the care provided at St. Luke's Episcopal Hospital through my family's experience. Several years ago, my uncle former Senator Lloyd Bentsen was treated at St. Luke's Episcopal Hospital where he received the best available care to treat his illness. Also participating at this Awards Ceremony to honor the nursing staff of St. Luke's Episcopal Hospital were two prestigious patients, former Houston Mayor Bob Lanier and

Nolan Ryan. In addition, the Ceremony included former Houston City Councilman Judson Robinson's wife, Mrs. Margarette Robinson. Mrs. Robinson was the first African American nurse to work in the surgical facilities at St. Luke's Episcopal Hospital.

In a time when many hospitals are facing difficulties in recruiting and retaining their nursing staff, this Magnet Award demonstrates that St. Luke's Episcopal Hospital is providing a nurturing work environment where all employees work collaboratively toward the common goal of providing quality health care services to their patients. A recent Wall Street Journal article recommended to its readers that they should seek care at a magnet hospital in their area.

The Magnet Award program began in 1993 as a means to recognize centers of excellence in nursing care. This program reviews the management philosophy and practices of nursing staff; adherence to standards for improving the quality of patient care; leadership in supporting continued competence of nursing personnel; and attention to the cultural and ethnic diversity of patients and their significant others.

Clearly, St. Luke's Episcopal Hospital has worked hard to provide the resources and personnel needed to accomplish this goal. The nursing staff is the backbone of any hospital and the nurses at St. Luke's Episcopal Hospital have earned a distinction worthy of special praise.

CONGRATULATING ESTONIA, LATVIA, AND LITHUANIA ON THE TENTH ANNIVERSARY OF THEIR INDEPENDENCE

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. SMITH of New Jersey. Mr. Speaker, ten years ago with the collapse of the Soviet Union, Estonia, Latvia, and Lithuania threw off the yoke of Soviet domination and regained their independence. Between World War I and World War II, they had been sovereign nations and respected members of the international community. In 1939, however, they were illegally partitioned between Hitler and Stalin as part of the infamous Molotov-Ribbentrop agreement. Based on this agreement, Hitler gave Stalin the green light to seize the Baltic states. I am proud to state that the illegal incorporation of Estonia, Latvia, and Lithuania into the Soviet Union was never recognized by the United States Government.

Stalin's NKVD killed or exiled thousands of Estonians, Latvians, and Lithuanians who resisted the takeover and subjugation. If not murdered outright, tens of thousands of Baltic citizens were rounded up and loaded into railroad cars to be shipped to distant regions of the Soviet Union. The current president of Estonia, for instance, grew up in Siberia. The President of Latvia, whom I recently had the pleasure of meeting, grew up in a refugee camp in Germany where her family had fled from the Soviet incursion. Almost 300,000 Lithuanians were deported to Siberia in the 1940s and 1950s. Those Estonians, Latvians, and Lithuanians who remained in their homelands saw their native languages and cultures denigrated in favor of Soviet "culture" and linguistic "Russification."

Among the political prisoners in the post-Stalin GULAG, the Balts were well represented. We still remember the names of Baltic political prisoners such as Mart Niklus, Gunars Astra, and Nijole Sadunaite, and many others willing to sacrifice their freedom and, in some cases, give their lives to resist Soviet oppression of their homelands.

But the Soviet system was doomed and the people of the Baltic nations knew it. "Glasnost" and "perestroika" gave them the opportunity to resolutely, but peacefully, work to regain their independence. In August 1989, on the 50th anniversary of the Molotov-Ribbentrop agreement, about one million Balts created a human chain the "Baltic Way," stretching about 400 miles from Estonia, through Latvia, to Lithuania to protest Soviet rule over their nations. Two years later, after a bloody but ultimately fruitless attempt by Moscow to regain armed control over its unruly subjects, the people of Estonia, Latvia, and Lithuania had regained the independence they had dreamed of for so long.

And now, ten years after that momentous event, the Baltic nations are again sovereign nations, respected members of the international community. Their David-and-Goliath struggle is an inspiration to enslaved peoples everywhere.

Today, Mr. Speaker, I am joined by Mr. HOYER, Mr. PITTS, Mr. CARDIN, Mr. WAMP, and Mr. HASTINGS of Florida, in submitting a resolution which congratulates the people of Estonia, Latvia, and Lithuania on the tenth anniversary of the restoration of their full independence. This resolution also calls upon the United States Government to continue the close and mutually beneficial relations with these countries that have existed since the restoration of full independence.

I hope my colleagues will join us in supporting this resolution.

TRIBUTE TO STETSON UNIVERSITY

HON. JOHN L. MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. MICA. Mr. Speaker, as the State of Florida recently celebrated its 156th anniversary, Stetson University and President H. Douglas Lee, along with the Dean Gary Vauss of the School of Law, recognized the occasion by hosting an event attended by Floridians in Washington, D.C.

Stetson University was founded in 1883 with a population of only 13 students. It established Florida's first professional schools in Business, Law and Music.

The University, with 2,491 students and a student-faculty ratio of 11 to 1, embraces six core values of education: (1) Ethical Decisions, (2) Religious and Spiritual Life, (3) Environmental Responsibility, (4) Diversity and Global Awareness, (5) Community Service and (6) Gender Equality. The School of Law, with 708 students and a student-faculty ratio of 18 to 1, has established centers of excellence in Advocacy, Elder Law, Dispute Resolution Health Law and Litigation Ethics. It also ranks in the top three of accredited Law Schools in the United States for Trial Advocacy.

I am pleased and honored to represent Stetson University, which lies within the Seventh Congressional District, in DeLand Florida. I am also delighted that the School of Law, which is located in the Tenth Congressional District, in St. Petersburg, Florida, is represented by my friend and colleague Representative C.W. Bill Young.

Finally Mr. Speaker, the attendees of the State of Florida anniversary event received a copy of the March 15, 1845, edition of the St. Augustine Newspaper which detailed the Congressional action that confirmed Florida as America's 27th State. Some of the advice given by the editor in the article, to give us your "good, tried and honest men" who will lay "party feelings . . . aside" to represent the new state, should be equally important today.

I submit for the RECORD the article from the March 15, 1845, edition of The News of St. Augustine, Florida.

THE STATE OF FLORIDA

The Bill for the admission of the State of Florida into the Union has passed Congress. The day of trial has come, and the people will soon feel the full benefits arising from the change and from the visits of the tax collector. The die is cast, and all, who have opposed State Government, must submit. They can support the burdens of a State as well as those, who have heretofore been most clamorous for it. In many instances, the personal interests of those, who have opposed our admission at this time, will probably be promoted by the change. They resisted it not from personal considerations, but because they entertained the sincere conviction, that the interests of Florida and its prosperity would be injuriously affected by it. Such is their belief still. But the measure has been brought about despite of their opposition. With others rests the responsibility, whatever the result.

Now it is the duty of all to adapt themselves to the new order of things, and to make the most of it. All should unite in organizing the new government in the best and most economical manner. The intelligence and the integrity of the whole Territory should be sought out and employed in putting the government in motion. Much, very much of the future prosperity and greatness of the country will depend on our action now. More than the mere party politicians is needed at this time. The occasion requires those, who have made our free institutions and the science of government their study. A direction and an impulse are now to be given to the machinery of our institutions. Much nearly everything depends on a right commencement. To do this, the mind of the country must be put in requisition. Good, tried and intelligent men must be sent to the Legislature. Party feeling should be laid aside. Partialities and prejudices should be sacrificed to the good of the country. The inquiry should be, who can lend the most efficient aid in imparting the right impulse to our State Government. By no other consideration should any be influenced. At the first session of the Legislature, Officers are to be selected, and their salaries determined:

Taxes levied, and their amount fixed and adjusted: the representation of the Counties is to be apportioned: and all the expenses of the new government is to be settled, and whether our burdens are to be light or heavy, whether we are to be free or oppressed, must be determined. The consequences of the action of the first Legislature will be long felt for good or ill. Under these circumstances, we call upon our friends in the country to reflect, and to act with that deliberation, in preparing for the State Government and in the selection of members of the next Legislature, which the importance of the occasion and the momentous interests at stake, demand of all. The power lies with the country, and we trust it may be exercised with discretion and fidelity. They are called upon to act not only for themselves, but for their children. As the stream is now caused to flow, so it will continue. Great effort will be required to divert from its wanted channel. Reflect seriously, deliberate cautiously, determine justly, and act patriotically.

RECOGNIZING CORPORAL RICHARD ZAHIGIAN

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. RADANOVICH. Mr. Speaker, I rise today to recognize Corporal Richard Zahigian for his service and dedication to the United States Marine Corps. In addition, I would like to recognize his book, The Other Side of Conflict, which chronicles his stateside service to his country in the Vietnam Era, between the years of 1966–1968.

While his exemplary career spanned a number of years, his service in the Marine Corps was highlighted on December 22, 1967. On that date, Corporal Zahigian was the honored recipient of the "Meritorious Mast" for his performance and devotion to duty, in keeping with the highest tradition of the Naval Service, as the "Lone Marine" of McGuire Air Force Base, New Jersey.

The Other Side of Conflict is dedicated to the generations of young people who served in the Armed Forces, to Corporal Zahigian's fellow Vietnam Era veterans who trained alongside him, and especially to all those who did not return.

Mr. Speaker, I urge my colleagues to join me in recognizing Corporal Richard Zahigian for his selfless dedication to this country and the freedoms that we enjoy. Please join me in celebrating Richard's career and literary success.

A TRIBUTE TO AMERICAN NURSES DURING NATIONAL NURSES WEEK

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. LIPINSKI. Mr. Speaker, I rise this evening to pay tribute to a remarkable group of dedicated health professionals—the nearly 3 million registered nurses in the United States.

These outstanding men and women of every race, creed and ethnic background will celebrate National Nurses Week May 6–12, 2001. This week is set aside as a special week to recognize those who have worked hard to save lives and maintain the health of millions of individuals. I believe that all Americans who have ever been cared for or comforted by a nurse should celebrate National Nurses Week.

According to the American Nurses Association, National Nurse Week was first observed October 11–16, 1954, on the 100th anniversary of the founding of modern nursing by Florence Nightingale during the Crimean War. National Nurses Day and Week was eventually moved to May to incorporate Florence Nightingale's birthday, which is May 12th.

This year, the American Nurses Association (ANA) and its 53 constituent associations will highlight the diverse ways in which registered nurses, the largest health care profession, are working to improve health care. Studies show that the higher the ratio of nurse-to-patients in a hospital, the lower the patient death rate. In short, registered nurses provide top-quality, cost effective health care services for their patients.

Mr. Speaker, I commend all of America's nurses during this week of May 6–12, 2001 and encourage my colleagues to do the same.

TRIBUTE TO MARK BROXMEYER

HON. STEVE ISRAEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. ISRAEL. Mr. Speaker, I rise today to honor Mr. Mark Broxmeyer; entrepreneur, community activist, and friend. On the occasion of today's dinner, benefiting the Greene Emergency Center of the North Shore University Hospital, it is appropriate to pay tribute to a man who has dedicated himself to improving our communities.

Twenty-eight years ago, Mr. Broxmeyer founded Fairfield Properties, which, through years of hard work and determination, has grown into a complex network of properties including over 8,000 units in Long Island and beyond. His professional success has earned him the respect of many in the fields of building and real estate, resulting in a cover story on his success in Builder and Remodeler News and a profile in the real estate section of the New York Times.

Mr. Broxmeyer has also been a devoted community activist. His enthusiasm for our communities on Long Island has resulted in his being named "Man of the Year" by the United Cerebral Palsy Association and an Advocacy Award from Big Brothers/Big Sisters. He was appointed by former President Bush to the Board of Directors of the Federal Home Loan Bank for the New York Region. He also serves on the Board of Directors of the United Nations Economic Development Corporation.

Mr. Broxmeyer has also served as the Vice President for the Board of Trustees of the Jewish Institute for National Security Affairs and he was the recipient of a Leadership Award from the Jewish Institute for National Security Affairs, given to him personally by our former colleague, Secretary Jack Kemp.

He has also been active in his Alma Mater, Hofstra University, from which he has received an Alumni achievement award and made a member of the Board of Trustees.

Most important of all, I have come to respect his commitment to his family. As an entrepreneur, demands on Mark's time must be tremendous, yet he still finds time for his children Michael, Evan, Marissa, Daniel, and Becky.

I have been fortunate to know Mark Broxmeyer, and I respect his success and his enthusiasm for his community and his loved ones.

NATIONAL NURSES WEEK

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. COSTELLO. Mr. Speaker, I rise today to ask my colleagues to join me in celebrating National Nurses Week. This week is an important reminder of nurses and their continued dedication and concern for their patients every day.

Well trained nurses are the cornerstone of our nation's health system. Currently, hospitals and other health care employers are faced with an emerging nurse shortage. After meeting with several nursing and health care organizations in my district, I believe increased funding of existing nurse education programs and new programs to recruit and retain nurses are desperately needed to provide advanced training and to build the faculty workforce. I am actively working with my colleagues to pursue these goals.

It is important to support the goals and ideas of National Nurses Week, because their impressive level of achievement and accomplishment are a milestone for the nursing profession as a whole. Mr. Speaker, I know my colleagues join me in support and appreciation of these extraordinary individuals.

TRIBUTE TO CHIEF OF POLICE DENNIS MINNICH

HON. JAMES P. McGOVERN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. McGOVERN. Mr. Speaker, I rise today to recognize Dennis Minnich, who was recently appointed the new Chief of Police of West Boylston, Massachusetts.

Chief Minnich brings a wealth of knowledge and experience to this important post. He began as a full time Patrolman with the West Boylston Police Department in 1992 and was promoted to Sergeant in 1977 and has also served as Interim Police Chief. Previously, for several years, he was a member of the Police Department of the neighboring town of Boylston. Chief Minnich has expressed a commitment to lead a visible, active police department and to remain fully accessible to the public. He recently stated "I really care about the community—I plan on raising a family here and want it to be a safe town for my kids and all the children of the town to grow up in."

Mr. Speaker, it is my great pleasure to congratulate Chief Minnich on his appointment and for his distinguished law enforcement career. I offer my best wishes and support to him and the members of his department in their service to the citizens of West Boylston.

INTRODUCTION OF THE SMALL BUSINESS LIABILITY REFORM ACT OF 2001

HON. ASA HUTCHINSON

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. HUTCHINSON. Mr. Speaker, I am pleased to be joined by my colleagues, the gentleman from Pennsylvania, Mr. HOLDEN; the gentleman from North Carolina, Mr. BURR; and the gentleman from Virginia, Mr. MORAN in introducing the Small Business Liability Reform Act of 2001.

Members will recall the House's consideration and passage of similar legislation during the last session of Congress. Following legislative hearings in the Fall of 1999, that bill (H.R. 2366, 106th Congress) was the subject of three days of markup in the Judiciary Committee, during which the Committee considered 21 amendments and adopted five. On February 16, 2000, the full House took up H.R. 2366 and adopted three of the four amendments considered before passing the bill on a bipartisan vote of 221–193.

Like its predecessor, Title I of the bill we are introducing today proposes three basic reforms to our civil justice system for defendants with fewer than 25 full time employees—the smallest of America's small businesses. Section 103 of the bill establishes fair standards of evidence and liability for the award of punitive damages, and establishes proportionality in the awarding of punitive damages against America's small businesses. Section 104 establishes a fair share rule for the payment of non-economic awards. This reform in effect abolishes so-called "joint and several liability" for damages for pain and suffering, ensuring that only those defendants who are truly guilty of inflicting such harm will be held financially responsible.

Title II of the bill contains two important reforms to the product liability system and is applicable to all who sell, rent or lease products. First, Sections 204(a) and (b) establish a fault-based standard of liability for non-manufacturer product sellers in product liability cases, while preserving a strict liability standard for breach of the seller's own express warranty and where an otherwise culpable manufacturer is beyond the court's reach. Section 204(c) appropriately protects those who merely rent and lease products from being held vicariously liable for the wrongful conduct of someone else (a customer for example) simply due to product ownership.

Mr. Speaker, the reforms proposed in the Small Business Liability Reform Act are both modest and fair and will improve the administration of civil justice in the United States by reducing needless litigation and the wasteful legal costs associated with it. Most important, the bill will advance the core purposes of our civil justice system: to prevent harm through the deterrence of careless or wrongful conduct; to assign responsibility for harm to the party in the best position to avoid it; and to require those whose careless or wrongful conduct cause harm to pay.

I urge my colleagues on both sides of the aisle to join in supporting this important legislation, the enactment of which is long overdue.

Mr. Speaker, I submit a section-by-section summary of the Small Business Liability Reform Act of 2001 for the RECORD.

The Small Business Liability Reform Act of 2001—Section-by-Section Summary

A bill to offer small businesses and product sellers protection from litigation excesses.

TITLE I: SMALL BUSINESS LAWSUIT ABUSE PROTECTION

SECTION 101: FINDINGS

This section sets out congressional findings concerning the litigation excesses facing small businesses, and the need for reforms to protect small businesses from abusive litigation.

SECTION 102: DEFINITIONS

This section defines various terms used in the bill. A small business is defined as any business or organization with fewer than 25 full-time employees. Punitive damages are defined to exclude civil penalties, civil fines, or treble damages assessed or enforced by a government agency under federal or state statute.

SECTION 103: LIMITATION ON PUNITIVE DAMAGES FOR SMALL BUSINESSES

This section provides that punitive damages may, to the extent permitted by applicable state law, be awarded against a small business only if the claimant establishes by clear and convincing evidence that the defendant acted with a conscious, flagrant indifference to the rights or safety of others, and that the conduct was the proximate cause of the harm that is the subject of the action.

This section also limits the amount of punitive damages that may be awarded against a small business. In any civil action against a small business, punitive damages may not exceed the lesser of three times the amount awarded to the claimant for economic and noneconomic losses, or $250,000. However, a court is permitted to exceed the punitive damages cap in the event it finds by clear and convincing evidence that the defendant acted with specific intent to cause the type of harm for which the action was brought.

SECTION 104: LIMITATION ON JOINT AND SEVERAL LIABILITY FOR NONECONOMIC LOSS FOR SMALL BUSINESSES

This section provides that in any civil action against a small business, each small business defendant will be liable for non-economic loss only in proportion to its responsibility for causing the harm.

SECTION 105: EXCEPTIONS TO LIMITATIONS ON LIABILITY

This section ensures that the benefits of this legislation are not available to any defendant whose misconduct (1) constitutes a crime of violence or an act of international terrorism; (2) results in certain natural resource damages; (3) involves a sexual offense or a violation of civil rights law; (4) occurs while the defendant is under the influence of an intoxicating alcohol or a drug; (5) is prosecuted under the Federal False Claims Act; or (6) is prosecuted under fraud or false statement laws.

SECTION 106: PREEMPTION AND ELECTION OF STATE NONAPPLICABILITY

This section provides for uniform rules with regard to small business liability. The bill preempts state laws to the extent that any such laws are inconsistent with the provisions of Title I. However, the bill includes an opt-out provision for the states. A state may opt out of the provisions of this title for actions in state court against a small business in which all parties are citizens of the state. In order to opt out, the state must enact a statute citing the authority in this section and declaring its intention to opt out.

TITLE II: PRODUCT SELLER FAIR TREATMENT

SECTION 201: FINDINGS

This section sets out congressional findings concerning the effect on interstate commerce of damage awards in product liability cases; the present inequities resulting from inconsistent product liability laws within and among the states; and the need for national, uniform federal product liability laws.

SECTION 202: DEFINITIONS

This section defines various terms and phrases used in this title.

SECTION 203: APPLICABILITY; PREEMPTION

This section applies to any product liability action brought in federal or state court. Civil actions for commercial loss are excluded from the applicability of this title.

In addition, this section clarifies that the preemption of state law by this title is limited to only those issues specifically addressed by the legislation and not other unrelated liability laws.

SECTION 204: LIABILITY RULES APPLICABLE TO PRODUCT SELLERS, RENTERS AND LESSORS

This section provides that product sellers other than the manufacturer (such as wholesaler distributors and retailers) may be held liable only if they are directly at fault for the harm; if the harm was caused by the failure of the product to conform to the product seller's own, independent express warranty; or if the harm was the result of the product seller's intentional wrongdoing.

However, the provision ensures that product sellers will "stand in the shoes" of a culpable manufacturer when the manufacturer is judgment-proof In addition, the statute of limitations in such cases is tolled.

Finally, this section specifies that product renters and lessors will not be liable for the tortious acts of another solely by reason of product ownership.

SECTION 205: FEDERAL CAUSE OF ACTION PRECLUDED

This section clarifies that the bill does not create federal district court jurisdiction pursuant to Section 1331 or Section 1337 of Title 28, United States Code.

TITLE III: EFFECTIVE DATE

SECTION 301: EFFECTIVE DATE

This section provides that the bill's provisions will apply to any civil action commenced after the date of enactment of the legislation.

RECOGNIZING THE YMCA COMMUNITY SERVICES NEW MILLENNIUM PROGRAM GRADUATION

HON. TOM DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. TOM DAVIS of Virginia. Mr. Speaker, I rise today to recognize a group of citizens in Northern Virginia who will be celebrating their graduation from the YMCA Community Service New Millennium Program on Friday, May 11, 2001. Forty-eight people will be receiving their certificates for completing this challenging program.

The New Millennium Program is a joint, after-school effort run by Arlington Public Schools, Arlington Community Television and YMCA Community Services Department. It is also the only television program exclusively for youth in this area. It has been in existence for two years and has been extremely successful. The goal of the Program is to teach volunteer secondary school students the field of video production. After receiving instruction from the staff of Channel 33, the students pick a subject, and then write, film and edit their work.

The Metropolitan YMCA Community Services Office and its predecessor, The Refugee Services Office, based in Arlington, have been providing multi-cultural programs for our ever-more-diverse and dynamic population for over twenty years.

The YMCA Community Services Office has been instrumental in opening doors for people who have come here from all over the world. Among the many services provided are:

English as a Second Language classes for adults during the evening hours.

After-school tutorials for students so that they keep pace with their peers.

Multi-cultural and adaptation workshops for adults and teens and their families to ease "culture shock."

Millennium Youth Program designed to focus on technology, its impact on youth, and approaches for positive influence on the target audience.

Interpreting and translating services.

Job placement and housing referral service.

The above programs, staffed and executed almost entirely by volunteers, are an admirable example of how a few people can make a positive difference in the lives of many.

Mr. Speaker, in closing, I would like to extend my congratulations to the individuals who have completed this program. It is truly an honor to have individuals like this in our community.

I ask that all of my colleagues join me in commending this hardworking group.

TRIBUTE TO DR. JOHN LANDIS RUTH

HON. JOSEPH M. HOEFFEL

OF PENNSLYVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. HOEFFEL. Mr. Speaker, I rise today to honor Dr. John Landis Ruth. Dr. Ruth compiled an exhibit, part of the Smithsonian Traveling Exhibit, which illustrates the "Route 113 Corridor" in Montgomery County, Pennsylvania. Route 113 winds its way through central Montgomery County and is arguably one of the most historic roads in the county.

Dr. Ruth was born on his family's eight-generation homestead in Lower Salford, Montgomery County. He is a graduate of Eastern College and Harvard University where he earned his Ph.D. in English and American Literature. He later returned to Eastern College as a teacher, and also taught at the University of Hamburg in Germany.

Dr. Ruth has authored numerous books and articles on the Mennonite people and their way of life and produced films about the Mennonites and the Amish. He served as the Associate Minister of the Salford Mennonite congregation for twenty years. Following his retirement from the ministry in 1993, Dr. Ruth has continued to serve on the Board of the Mennonite Historians of Eastern Pennsylvania. He currently is working on a multi-volume narrative interpretation of Mennonite life in the Lower Salford/Franconia area.

Dr. John Landis Ruth's photographic expertise and work have been invaluable in helping to preserve the history of our community. It is an honor and a privilege to recognize him as his works are showcased at the Smithsonian Traveling Exhibit and the outstanding contributions he has made.

HONORING JUDGE ELDON B. MAHON

HON. KAY GRANGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Ms. GRANGER. Mr. Speaker, I rise today to recognize a great citizen, Federal Judge Eldon B. Mahon from the Northern District of Texas. Judge Mahon has dedicated his life to public service and justice. For these reasons, I have introduced legislation that will designate the United States courthouse located at 501 West 10th Street in Fort Worth, Texas, as the "Eldon B. Mahon United States Courthouse."

Judge Mahon was born and raised in the west Texas town of Loraine. He went on to earn his Bachelor of Arts Degree in history and government from McMurry University in Abilene, Texas. Judge Mahon then attended the University of Texas Law School where he graduated in 1942. He has three children with his wife, Nova Lee: Jana Cobb of Lubbock, Texas; Martha Haag of The Woodlands, Texas; and Brad Mahon of Fort Worth, Texas.

Like so many from America's "greatest generation", he enlisted in the United States Army Air Corps to fight overseas during World War II. He left the military after 40 months of dedicated service, including one year in the South Pacific with the 5th Bomber Wing, as a captain.

Judge Mahon carried this same dedication and strength of character into his career as an attorney and judge. From 1945–46, he served as the briefing attorney for the Supreme Court of Texas. From 1948–60, Judge Mahon served as district attorney for the 32nd Judicial District of Texas, covering Nolan, Mitchell, Scurry, and Borden counties. After his years as district attorney, Judge Mahon became a district judge for the 32nd Judicial District, presiding over that court from 1961–63. He then moved to Fort Worth to take a position as vice president of Texas Electric Service Company. After one year in the corporate world, the law called him back; and he became a partner in the Abilene, Texas, law firm of Mahon, Pope & Gladdon.

Judge Mahon entered public service at the federal level when President Lyndon B. Johnson appointed him U.S. Attorney for the Northern District of Texas. Judge Mahon is a life long Democrat, but President Richard M. Nixon appointed him to the Federal Court for the Northern District of Texas in 1972. He reached senior status in 1989 and continues to be an active member of the federal bench today at the young age of 83.

During his years on the federal bench, Judge Mahon presided over the racial integration of the Fort Worth School District. Judge Mahon considers this as the greatest accomplishment of his court.

Judge Mahon has tirelessly served every community of which he has been a part. He is a lifelong member of the United Methodist Church, serving in most lay positions in Westcliff United Methodist Church in Fort Worth. He is a past president of the West Texas Girl Scout Council in Abilene and of the Colorado City, Texas, Lions Club. Judge Mahon is a past member of the Board of Trustees at McMurry University in Abilene and served on the Board of Trustees for Harris Methodist Health System in Fort Worth. Currently, he serves on the Board of Trustees at Texas Wesleyan University in Fort Worth. Judge Mahon has been a member of the Rotary Club of Fort Worth since 1988.

Judge Mahon has been recognized many times for his immeasurable contributions to the community. In 1989, the Eldon B. Mahon Scholarship Fund was established at his alma mater, McMurry University. Judge Mahon received an Honorary Doctor of Laws Degree in 1974, and the Distinguished Alumnus Award in 1987 from McMurry University as well. In 1990, Texas Wesleyan University awarded him an Honorary Doctor of Humanities Degree. July 10, 1997 was declared "Judge Eldon B. Mahon Day" throughout Tarrant County, Texas, to commemorate his 25th anniversary as a federal judge. The Tarrant County Bar Association recently established the "Eldon B. Mahon Lecture Series on Ethics and Professionalism" at Texas Wesleyan University School of Law. In 1998, Judge Mahon received the "Samuel Passara Outstanding Jurist Award" from the Texas Bar Foundation. Last year, he was selected as one of 100 lawyers from the state of Texas as a 20th Century "Living Legend" by Texas Lawyer Magazine.

Mr. Speaker, we should honor Judge Mahon by naming the United States Court in Fort Worth, Texas after him. Serving on the federal bench for over 28 years, he has made a profound impact on the legal community and on America.

COMMENDING M. B. "SONNY" DONALDSON ON HIS RETIREMENT

HON. GENE GREEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. GREEN of Texas. Mr. Speaker, I rise to pay tribute to a dedicated educator, a role model for countless students and a good friend. In June, after 14 years as superintendent of schools and 34 years as an educator in the Aldine Independent School District, M.B. "Sonny" Donaldson will retire.

Sonny Donaldson has spent his career working tirelessly on behalf of all children. He has always promoted what was best for school children, never forgetting that their best interest was his driving force.

Superintendent Donaldson has held the position of Superintendent of Schools since 1986. Prior to his service as superintendent, he held the positions of teacher, coach, assistant principal, principal, athletic director, and assistant superintendent, all with Aldine ISD. He is an active member in numerous professional associations and organizations and a committed civic leader dedicated to public service.

Among his numerous honors and awards, Sonny was selected Superintendent of the Year in 1994 and 1996 for Region IV, which includes 57 school districts in the Houston area. He was also one of five finalists for Texas Superintendent of the Year in 1994 and 1996.

The Success of the Aldine ISD does not happen by accident. Sonny Donaldson has created and fostered an environment that demands quality and dedication from both teachers and students.

When Texas A&M University evaluated the test scores of minorities in districts with more than 15,000 students, Aldine ranked first in the state. In addition, researchers at the University of Texas said that Aldine is one of a handful of districts showing impressive successes with students from disadvantaged backgrounds.

Because of the emphasis placed on education by the administrators, the teachers, the students and the parents, Aldine ISD has received a "recognized" rating from the Texas Education Agency for the last four years. Of the district's 48 schools rated by the state, four are exemplary, 28 recognized and 16 acceptable.

American historian and writer Henry Adams once stated that "a teacher affects eternity; he can never tell when his influence stops." For Sonny Donaldson, the lives he has touched over his many years in the education field will ensure that his influence carries on far into the future.

I ask my colleagues to join me in honoring the career of one of Texas' education heroes. Sonny, we wish you and your wife Suzanne well.

HONORING THE VILLAGE OF SAINT PARIZE LE CHÂTEL, FRANCE

HON. WILLIAM D. DELAHUNT

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. DELAHUNT. Mr. Speaker, in cities and towns all across America, Memorial Day will be marked with parades down Main Street, patriotic speeches on the town square and little league games in the park. But for others—families and surviving comrades in arms—it is a day of pilgrimage to cemeteries and memorials, for a moment of remembrance.

For some, this pilgrimage takes them to places far away from that town square; to places made infamous through the fury of war, and where now, peace holds its gentle sway.

One such pilgrimage will take place in the French Village of Saint Parize le Châtel and its neighboring hamlet, Moiry. During World War I, this area was home to one of the largest US Army hospitals, the Camp Mars-sur Allier. Its 44,000 beds were filled with wounded Americans who went off to fight for peace and liberty in the homeland of Lafayette.

After the Armistice, the villagers of Saint Parize le Chaâtel and Moiry built a monument to this hospital on the site of a cemetery where over 2,000 victims of the war are buried. Inscribed on the memorial—AUX AMERICANS MORTS POUR LA FRANCE LE DROIT ET LA LIBERTE 1916–1918—to the Americans who died for France, Right and Liberty.

On this Memorial Day, a permanent exhibit commemorating the hospital, its staff and the soldiers and civilians who died and recovered there will open. At this ceremony, in an expression of the strong friendship between the United States and France, a new walkway to the memorial will be dedicated.

I know that all my colleagues join with me in an expression of gratitude to the people of Saint Parize le Châtel and Moiry for their desire to ensure an appropriate and lasting memorial to those Americans who gave so unselfishly of themselves in the name of peace and freedom.

A TRIBUTE TO RITA BEE HILL

HON. CALVIN M. DOOLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. DOOLEY of California. Mr. Speaker, I rise today to pay tribute to Rita Bee Hill of Visalia, California, a loving mother and wife, a community leader, and a dear friend of mine who passed away in an automobile accident on May 4, 2001.

Rita was born in Hayward on Aug. 1, 1949. After graduating from California State Polytechnic University, San Luis Obispo in 1971, Rita moved to Visalia to work for the Tulare County Planning Department. She married Jim Hill in Visalia on Dec. 16, 1972. Throughout her 17-year career with the Planning Department, she served in many local and state leadership roles and was instrumental in the establishing and managing the Tulare County Economic Development Corporation.

In 1989, Rita joined my sister-in-law, Diana Dooley, as partners in a local public relations agency. The company, which later became Rita B. & Company, worked on behalf of local community projects and groups, exemplifying Rita's commitment to community.

As a friend recently observed, Rita Bee Hill was her father's daughter. Her father, Carlos Bee, was speaker pro tem of the California Assembly and was a champion for higher education. Like her father, Rita believed people could solve problems by working together. She inspired, cajoled and shamed people into doing the right things and she rolled up her sleeves and worked alongside everyone from whom she requested help.

Rita was active in a number of community organizations, serving as a member or leader of groups including the Visalia Chamber of Commerce, Visalia and County Center Rotary Clubs, Networking for Women, Visalia Planning Commission, City Manager's Advisory Group, California Women for Agriculture, Family Planning Program and the United Way of Tulare County. In 1998, Rita was recognized for her record of service by being bestowed with Visalia's Woman of the Year award in 1998.

In addition to all she did for our community, Rita was extremely dedicated to her family. She is survived by her husband, Jim, a math instructor at Redwood High School; her son, Tony; her granddaughter, Libby; and a large extended family throughout the country. Rita also leaves behind many friends who feel as she treated them as family.

On a personal note, my wife Linda and I had the opportunity to become close friends with Rita and Jim over the years. When I first ran for office at a time when few believed that I would succeed, Rita was one of my strongest and most dedicated supporters. She went on to be one of my most loyal supporters in all my subsequent re-election efforts, and even hosted my campaign office in her company's conference room for many years. This year, I designated her as my delegate to the California Democratic Party convention.

Rita's strong civic spirit, generous heart, and concern for others were obvious to all those she touched. Always living life to the fullest and always advocating the most noble of causes, Rita was a shining example of what it means to be a citizen and friend. Her passing will leave a tremendous void in the life of the Visalia community.

Mr. Speaker, I ask my colleagues to join me today in paying tribute to Rita Bee Hill and celebrating her legacy of service to her family, her community, and her country.

YMCA TEEN ACTION AGENDA ENHANCEMENT ACT

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. UDALL of Colorado. Mr. Speaker, today, my colleagues, Reps. WAMP, PORTMAN, SERRANO, ETHERIDGE, ISAKSON and GREEN

(WI) join me, in introducing the YMCA Teen Action Agenda Enhancement Act of 2001.

For 150 years, the YMCA has provided our nation's youth with safe, healthy activities. The YMCA is volunteer founded and volunteer-led. The YMCA depends on more than 600,000 volunteers to meet the unique needs of their communities. YMCAs serve people of all faiths, races, abilities, ages and incomes. 1 in 10 teens—2.4 million teens across the nation—are involved in a program offered by a local YMCA. Recognizing the unique obstacles faced by the teenagers of today, the YMCA has launched the Teen Action Agenda, a nationwide campaign to double this number and serve 1 in 5 teens by 2005.

This legislation authorizes federal appropriations of $20 million for fiscal years 2002 through 2006 to carry out the Youth Teen Action Agenda. Similar legislation was enacted into law in the 105th Congress to aid the Boys and Girls Club of America and in the 106th Congress to aid Police Athletic Leagues, in their efforts to improve academic and social outcomes for youth. Under this legislation, subgrants will be made to YMCA teen programs that have a primary purpose of serving youth that are at-risk of delinquency or are in failing schools.

In my district, a number of YMCA clubs are serving our teenagers. In the town of Lafayette, CO alone, twenty-five programs at two YMCA Centers serve close to 1300 kids. The YMCA Arapahoe Center is a full youth and family center for teens and preteens ages 11–17, and the YMCA Lafayette Youth Center serves low income, at risk kids. These two clubs lead programs for Youth Employment services, after school drop-in, drop-in sports, field trips, Leaders club, Arts and Humanities classes and camps, high school and middle school sports, baby-sitting training, Youth and Government, Leadership development (Leaders-in-Training and Junior Leaders summer program), and Teen Adventures camps.

A recent nationwide study shows that participation in afterschool activities leads to better grades and better behavior in teens. Nearly eight in 10 teens (79%) that engage in afterschool activities are A or B students, but only half (52%) of teens who do not participate in afterschool activities earn these high marks. Teens that do not engage in afterschool activities are five times more likely (15%) to be D students compared to students who do participate in activities after school (3%).

This study has also documented the need for more afterschool programs. Over half (52%) of teens say they wish there were more afterschool activities in their neighborhood or community. Two in three (67%) teens say they would likely participate in afterschool programs that would help them get better grades, develop leadership skills and be more involved in their community while having fun with other teens if they knew that churches, recreation centers and the YMCA offered such programs. Six in 10 (62%) teens left unsupervised during the week say they would likely participate in afterschool programs.

The need for more after-school opportunities has been made clear to me in my visits to every high school in my district. Students have told me that if there were more after school activities, they would participate in them. This bill will help give kids safe, productive places to go when the school bell rings at the end of the day. We all know that the teenagers of today face challenges and pitfalls unimaginable a generation ago. I believe this bill helps a proven community based organization with a rich history of providing quality programs for America's youth to offer our teenagers with the opportunity to develop and thrive.

MODIFY THE DEPRECIATION OF PROPERTY USED IN THE GENERATION OF ELECTRICITY

HON. WALLY HERGER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. HERGER. Mr. Speaker, today I am introducing legislation that will foster adequate electric generation and reliability. Excessive electricity price volatility, concerns about power shortages, and harmful consequences for the regional economy in the West are all related to inadequate generation and transmission capacity in and around my home state of California.

Moreover, the energy crisis in California and neighboring states has demonstrated the importance of developing generation facilities to ensure that electricity supplies are widely available at reasonable prices. But capacity shortages are not just an issue in California, and addressing this tax code problem is critical to helping avoid similar problems from developing in other regions of the country.

To encourage new investments in generation, my bill would reduce depreciable lives of generation systems from their current cost recovery period of 15 or 20 years to 7 years. The current electric industry depreciable lives are longer than those of any manufacturing segment.

America's booming technology-reliant economy of the 1990s spurred a demand for more electricity. However, that increase in demand was not met by building new generation. In the 1970s and 1980s, America had power surpluses. As a result, state regulators, trying to keep consumer rates down, often disallowed the costs of some excess capacity and did not allow utilities to recover in rates all of their costs for building power plants. In many cases, utilities were required by their regulatory commissions to buy power from other supplies rather than build their own plants. That, and the advent of competition, engendered a cautious attitude toward investment costs that might not be recoverable. The result was a construction lag, while demand for power increased by about 2 percent per year.

Nevertheless, between 1978 and 1992, America's utilities had reserve margins that averaged between 25 percent and 30 percent to meet emergency demand situations. Since 1992, the reserve margin has dropped significantly—to less than 15 percent nationwide.

Meanwhile, the Energy Information Administration (EIA), in its Annual Energy Outlook 2001, raised its own projections of electricity demand for the next 20 years because of projected increases in economic growth and the growth in electricity use for a variety of residential and commercial applications. To meet demand growth, EIA projects that 1,310 new plants—with a total of 393 gigawatts of capacity—will need to be built by 2020. The 393 gigawatts represents nearly a 47% increase over current installed capacity, or the ability to serve approximately 60 million additional customers.

The current tax law profoundly impacts a generator's bottom line, making it difficult to compete, and discourages the formation of much needed capital investment. The price spikes and major power outages in recent years, most notably in California, have brought this issue home to millions of people. By way of example, no significant new generation has been built in my state of California in more than a decade, despite higher than-expected growth in the demand for power.

Nationwide, the structure of the electric industry is rapidly changing from vertically-integrated, regulated monopolies to unbundled and fully competitive generation services—independent transmission companies and local distribution companies. Currently, 24 states and the District of Columbia, encompassing some 62% of the Nation's population, have either passed electric industry restructuring legislation or enacted regulatory orders to implement unbundling and competitive customer choice. In addition, the Federal Energy Regulatory Commission (FERC) is promoting wholesale competition and the formation of regional transmission organizations. Because of the introduction of competition, previously applicable rules regarding the cost recovery of capital simply do not apply any longer.

Mr. Speaker, I urge my colleagues to cosponsor this urgently needed legislation.

TRIBUTE TO THE MEMBERS OF CARPENTERS LOCAL 1005 OF MERRILLVILLE, INDIANA

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. VISCLOSKY. Mr. Speaker, it is with great pride and admiration that I congratulate the members of Carpenters Local 1005 of Merrillville, Indiana who will be honored at their 29th Annual Pin Recognition Banquet. The union members of Northwest Indiana have consistently demonstrated the work ethic and quality craftsmanship on which the community prides itself. The banquet, to be held on Saturday, May 12, 2001 at the St. Elijah Serbian American Hall in Merrillville, will be held in honor of those members who have completed between 20 and 65 years of service with the union. Also to be awarded are the Joe Manley Humanitarian Award, the Ken Castaldi Apprentice of the Year Award, and the Contractor of the Year Award.

Carpenters Local 1005, which received its charter on March 7, 1972, and is one of the largest Carpenters locals in the state of Indiana, will honor its members for their years of dedicated service. Charles James, initiated in 1936, will be honored for his 65 years of service. Those members who will be honored for 60 years of service include: Rexford McDaniel and Nicholas Mudry. Those who will be honored for 55 years of service include: Lester Cornett, Billy Frost, William Gabbard, Sam Loiacano, Harold Massa, Fred Roberts, Robert Rosenbaum, John Taylor, Leonard Taylor, Robert Tucker, James Williams, and Ivan Wynkoop. The members who will be honored for 50 years of service include: Melvin Anderson, Jack Bartruff, Walter Catlow, Carl Cauley, James Cooley, John Curtis, Otis Davis, John Gottby, Robert Green, Bartul Letica, Walter Mahns, John Mihalko, Sam Pysh, Jr., Glen Snow, Albert Touchette, and Tage Borg. Those members who have served for 45 years include: Kenneth Anderson, Felix Bannon, Eugene Claus, Clyde Fauser, George Hendershot, Kenneth Horan, William Kristoff, Clive Leach, George Nannenga, Raymond Niksch, George Patterson, Jr., Fred Reynolds, Harry Spurgeon, Charlie Stokes, Raymond Wardell, and Jessie Castle. Those members who will be honored for 40 years of service include: Howard Johnson, Jr. and Peter Znika. The members who will be honored for 35 years of service include: Eddie Andersen, Steve Hostinsky, Otto Massow, Oscar Mischan, Loren Pollard, James Thoreson, Grant Wedding, Warren Wilkerson, Dennis Williamson, and Kenneth Mahler. Those members who will be honored for 30 years of service include: Leroy Dewar, Gene Harlow, Winford Harris, Charles Prewitt, John Rassbach, Ronald Robinson, Charles Spiller, and Joe Sulhoff. The members who will be honored for 25 years of service include: Gordon Anderson, Theodore Blahunka, Joseph Crnkovich, Michael Darden, Ronald Dwight, Joseph Erb, William Herbst, Paul Hernandez, Sr., Kenneth Huhn, George Klippel, Nick Kotur, Wray Loney, Roy Scarborough, Rich Steinhilber, Robert Stivers, Bruce Thomas, Thomas Trulley, Michael Twilla, and Donald Welch. Those members who will be honored for 20 years of service include: Jeff Basco, Paul Cieszkiewicz, Harold Evers, Eugene Glowacki, Jefrrey Hall, Roy Jonkman, John Kucik, William Lueder, Daniel Lustgarten, William McCarty, Ricky Nance, Robert Paske, Warren Perry, Jessie Simmons, Drew Smith, and Michael Stanton.

Mr. Speaker, I ask that you and my distinguished colleagues join me in congratulating these dedicated, honorable, and outstanding members of Carpenters Local 1005, in addition to the hardworking union men and women throughout the country. The countless hours of exceptional service the men and women of Carpenters Local 1005 have provided to their community deserve our admiration and respect. Their dedication and commitment are the epitome of the values we hold in Northwest Indiana, and I am proud to represent such fine men and women in Congress.

SMALL BUSINESS WEEK

HON. MARK STEVEN KIRK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. KIRK. Mr. Speaker, I am pleased to join with the President and the gentleman from Illinois (Mr. MANZULLO) in celebrating small business week. Small businesses are the engine of our nation's economy providing 53 percent of the private work force and $63 billion worth of goods and services to the federal government. Additionally, small businesses are at the heart of our nation's communities providing charity to community service organizations and donations to direct service providers. I would like to acknowledge the hundreds of small businesses that reside in my district which are essential to our nation's social and economic vitality.

Mr. Speaker, I would also like to extend my congratulations to Allstate Corporation, which is located in my district, on receiving a 2001 Phoenix Award for their quick response in New Jersey, Pennsylvania, New York and Virginia in the aftermath of Hurricane Floyd. The Allstate Corporation along with the countless other business and individuals who have dedicated their time and resource to our nation's communities should be commended.

MAY 11, 2001: PROVIDER APPRECIATION DAY

HON. MICHAEL FERGUSON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. FERGUSON. Mr. Speaker, I rise to honor childcare providers throughout the world on the eve of Provider Appreciation Day.

Provider Appreciation Day, celebrated annually on the Friday before Mother's Day, was spearheaded by a group of volunteers from New Jersey in 1996. They saw the need for a day to show our appreciation to childcare providers. And as a result of their dedication and perseverance, Provider Appreciation Day has not only spread nationwide, it is also celebrated in Canada, Europe, and Asia.

Early childhood is undoubtedly the most critical time of development for our children. Today, approximately 13 million children in the United States under the age of six, are in childcare at least part-time. An additional 24 million school age children are in some form of childcare after school. Provider Appreciation Day recognizes the hard work childcare workers perform and the sacrifices they make in their dedication to the development of our children.

I encourage all parents with children in childcare to join me in showing their providers how much they are appreciated. While the profession is one of the most under-recognized and underpaid professions in the country, providers bring compassion, patience, encouragement and love to our children each and every day.

I would like to take this opportunity to thank Suzanne Williamson, Chairwoman of Provider Appreciation Day, for her commitment to establishing a national day of recognition for childcare providers. Ms. Williamson is also the Director for Monday Morning Child Care, Inc., a network of childcare providers located in Union County, New Jersey. Her endless efforts have made Provider Appreciation Day possible.

NATIONAL FIBROMYALGIA AWARENESS DAY

HON. JOHN E. PETERSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. PETERSON of Pennsylvania. Mr. Speaker, I rise today in support of National Fibromyalgia Awareness Day on May 12, 2001.

Fibromyalgia remains a great mystery of the medical world. It affects 3 to 6 million Americans and causes debilitating symptoms that often times make it impossible for an afflicted individual to lead a normal life. Fibromyalgia patients describe their pain as being so severe that it can be impossible to lift a glass of water or even get out of bed some mornings.

While the disease tends to affect women between the age of 35 and 50, cases have been reported in children, men and the elderly.

Fibromyalgia is a chronic disorder characterized by widespread musculoskeletal pain, fatigue and multiple tender points. These tender points are located in the knee, shoulder, hip and back and can make walking a short distance a challenge. It is also common for Fibromyalgia patients to have a sleep disorder, causing the fatigue to worsen.

The most frustrating aspect of this disease is that is causes a chronic pain for which there is neither a cure nor a known cause. I hope that through awareness efforts like National Fibromyalgia Awareness Day, more attention will be focused on finding a cure and 3 to 6 million Americans can return to living normal, pain free lives.

I applaud the efforts of the National Fibromyalgia Awareness Campaign and ask my colleagues to join me in recognizing May 12, 2001 as National Fibromyalgia Awareness Day.

THE TRAGIC HELICOPTER CRASH KILLING A JOINT US/VIETNAMESE MIA SEARCH TEAM

HON. LANE EVANS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. EVANS. Mr. Speaker, while much of the world was focused just a few weeks ago on the crisis in the South China Sea, at the same time a tragedy occurred in that part of the world that should be remembered. On Saturday, April 7th, we lost seven American and nine Vietnamese personnel in a helicopter crash. The accident happened while this joint U.S.—Vietnamese team was on its way to an operation to help find the remains of missing US service members from the war.

In many of my visits to Vietnam, I had the privilege to meet the members of the Joint Task Force—Full Accounting, the US military unit tasked with helping to find our missing. I marveled at the stories of their dangerous missions to find the remains of our missing servicemen. They told me of operations done on treacherous mountaintops surrounded by landmines and unexploded ordnance. Intense jungle heat, hazardous weather conditions and insects and animals often made their jobs incredibly tough. In more turbulent times, they even encountered fire from across the Cambodia border. From my exposure to them, it was clear to me that these were truly remarkable men and women. It is a tragedy that we lost these brave soldiers.

I think it would be even more tragic if the important work they did was not remembered. They were proud of their mission, which they saw as a sacred duty. It was also a mission that brought our two nations closer together. Many of the Vietnamese who perished in the crash had been deeply involved for much of their lives in helping us find more answers about our missing. The cooperation and friendships forged by this work has only helped to heal the scars of a war that ended some 25 years ago.

These men were American heroes and we should remember their sacrifices as well as the Vietnamese who gave their lives in trying to answer the questions about our missing. My thoughts are with all of their families.

REGARDING LUIS RENDON

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. ORTIZ. Mr. Speaker, I rise to pay tribute to a unique patriot and beloved sports figure in Texas, and the nation, Luis M. Rendon.

He will be honored this Saturday, May 12, in Laredo by the International Latin Hall of Fame, a sports hall of fame focusing primarily on athletes of Hispanic origin, into which he was inducted several years ago. He underwent an operation for colon cancer recently, and the Hall of Fame is putting on a party for him to welcome him home.

Luis Rendon is an amazing man who has had a lifelong love affair with sports, particularly baseball. He was a professional baseball umpire for 40 years. The International Latin Hall of Fame began in Laredo over 30 years ago. Each year, only a very few athletes are inducted. Luis Rendon is the first and only umpire inducted into this sports hall of fame.

As a professional umpire, Luis traveled all over the country, and all over the world. He has officiated at games in England, France, Germany, Mexico, as well as the United States. His services are still in demand, and he volunteers to teach umpires of Little League baseball.

As a veteran myself, I am an enormous fan of Luis Rendon, who has served this nation in uniform in three of the major wars fought by the United States in the 20th Century. He was drafted to serve in World War II and dropped out of school to go fight in the war. He would later serve in Korea and Vietnam before retiring in 1967 after 20 years of service in the United States Army.

Knowing the importance of an education and of setting an example for his children and others, Luis eventually got his GED, later obtaining an associate degree at what is now Laredo Community College at age 50.

He has always been intellectually curious. He is extremely proud of being a Mason, and was recently given an award for teaching other Masons.

He is wholly dedicated to the game of baseball and is a walking encyclopedia of baseball rules and trivia. He is a stickler for those rules and has always been committed to those rules. His philosophy is: if a rule is in the book, it is part of the game; if not, then it is not part of the game. Balls that hit birds or get stuck in the roof of a dome get no special consideration since those situations are not noted in the rules he so reveres.

I ask my colleagues to join me today in commending Luis Rendon for the gift of his lifetime to the game of baseball and to the young people in Texas, and elsewhere, he has taught about life through baseball.

TRIBUTE TO RUBEN SIVERLING

HON. SAM GRAVES

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

Mr. GRAVES. Mr. Speaker, I rise today to recognize Mr. Ruben Siverling, the recipient of the Clay/Platte Development Corporation's Small Business Advocate of the Year.

Mr. Siverling is a full-time business consultant serving on the staff at the Rockhurst University Small Business Development Center. During his years as a consultant to the Small Business Community in the Kansas City region, he has helped start or expand over 1,700 small businesses.

Mr. Siverling was instrumental in opening a satellite Small Business Development Center in the Missouri 6th District. Being a resident of the district, he saw firsthand the growth in the Northland region of Kansas City and understood the importance of a guiding presence to help the area's burgeoning entrepreneurs. His dedication to this cause is proven in the early mornings, long days and late evenings that he endures to help each and one of his clients achieve success. Success to him does not only involve just having a client receive a loan, but all facets of learning the start-up process. Whether it is revising a loan package that was not approved on the first submittal, or following through with revision and follow-up meetings, he ensures that the small business client is getting a first-class education that will help their business flourish.

I commend the Clay/Platte Development Corporation on choosing Mr. Reuben Siverling as their Small Business Advocate of the Year, and once again congratulate and thank Mr. Siverling for his years of hard work and dedication to the Small Business Community.

HOUSE OF REPRESENTATIVES—*Monday, May 14, 2001*

The House met at 2 p.m. and was called to order by the Speaker pro tempore (Mr. WOLF).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 14, 2001.

I hereby appoint the Honorable FRANK R. WOLF to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Lord of life and love, this weekend in celebrating Mother's Day, we have honored a relationship very basic, truly tender and symbolic of national values.

Mindful of our common origin, we ask Your blessing upon all mothers, both living and dead, of those here present and all the Members of this House.

Without our knowing it, each of us caused pain to a young woman just to be born into this world.

Make us eternally grateful for the gift of life and the noble commitment of women as mothers.

Be with the mothers of this Nation now and in the years to come.

Share with them Your spirit of wisdom, patience, generous forgiveness, and convincing justice.

Help them to mold young lives so fragile to their touch into model citizens who know right from wrong, who are unafraid to stand up to justice yet are channels of peace.

Help all know that in every act of being a mother, a woman shapes the strength of this Nation.

We are mindful of Your image in mother's love yesterday, now and forever. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Minnesota (Mr. OBERSTAR) come forward and lead the House in the Pledge of Allegiance.

Mr. OBERSTAR led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

HOUSE OF REPRESENTATIVES,
OFFICE OF THE CLERK,
Washington, DC, May 10, 2001.

Hon. J. DENNIS HASTERT,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted to Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on May 10, 2001 at 2:48 p.m.

That the Senate agreed to conference report H. Con. Res. 83.

With best wishes, I am
Sincerely,

JEFF TRANDAHL,
Clerk of the House.

REAPPOINTMENT OF MEMBER TO THE COMMISSION ON INTERNATIONAL RELIGIOUS FREEDOM

The SPEAKER pro tempore. Without objection, and pursuant to section 201(b) of the International Religious Freedom Act of 1998 (22 U.S.C. 6431) amended by Public Law 106–55, the Chair announces the Speaker's reappointment of the following member on the part of the House to the Commission on International Religious Freedom for a term of 2 years:

Ms. Nina Shea, Washington, D.C.

There was no objection.

COMMUNICATION FROM HON. RICHARD A. GEPHARDT, DEMOCRATIC LEADER

The SPEAKER pro tempore laid before the House the following communication from RICHARD A. GEPHARDT, Democratic Leader:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 11, 2001.

Hon. J. DENNIS HASTERT,
Speaker of the House, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to section 4 of the Congressional Award Act (2 U.S.C. 803), I hereby appoint the following Member to serve on the Congressional Award Board:

Ms. Sheila Jackson-Lee, TX.

Yours Very Truly,

RICHARD A. GEPHARDT.

A TRIBUTE TO JEAN M. LYNN, CLINICAL COORDINATOR, BREAST CARE CENTER, GEORGE WASHINGTON UNIVERSITY MEDICAL CENTER

(Mr. OBERSTAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBERSTAR. Mr. Speaker, the oncology nurse may well be as close as mere mortals come to angels on earth. These extraordinary health professionals must win the trust of their cancer patients while injecting toxics into the inflicted body. They must inspire hope of a better life in a patient who often wonders whether the treatment might be worse than the disease, and they must be gentle, comforting and reassuring to an often bewildered, even frightened cancer victim, desperate for someone truly to be their advocate.

Jean Lynn, Clinical Coordinator of the Breast Care Center at George Washington University Medical Center, personifies all of those prized qualities of the ideal oncology nurse, an angel to her patients, a role model to her colleagues.

One of Jean Lynn's coworkers said it best, "her patients love her and she was never too busy to love them in return. She truly cares about each and every one and becomes their advocate in the fight against breast cancer."

I witnessed Jean's love of patients and her enthusiasm for service to society during the years my beloved wife, Jo, was in her care at the GW oncology unit, more than a decade ago.

Jean Lynn, a creative health professional, blessed with a restless, pioneering spirit, charted a new frontier in the field of breast health, when she launched the first mobile mammogram program in Washington, D.C., designed to reach women in the under served community. She is founder of the Harvest Moon Classic 10 K Run/5 K Walk, to increase awareness about breast cancer and to raise funds for the breast care center. Jean also puts her boundless energy to work on behalf of innovative programs to improve women's health and advocating for legislation to help women diagnosed with breast cancer, but are unable to afford treatment.

From the very beginning of her career as an oncology nurse in the 1970s, Jean Lynn has understood the importance of education, prevention, and early detection of breast cancer.

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

I recall very distinctly during the years when my wife, Jo, was in her care, Jean's "brainstorming" the need for a special place where women's concerns for and fears of breast health and breast cancer could be addressed. It would be a monumental task to establish such a facility, but Jean charged forward, developing a business plan, defining the mission of such a center, proposing appropriate staff positions for multi-disciplinary approach to the issue, and secured the funding to establish the Breast Cancer Center. In the process, Jean trained and became certified in 1991 for Mammacare, a comprehensive method of breast self-exam. Later, she became the Associate Director of Training for the Mammatech Corporation, training other Mammacare specialists.

The GW Breast Care Center offers diagnoses and treatment for benign and malignant diseases, as well as education and psycho-social support for patients and their families. In addition, Jean Lynn saw the need to establish a resource library specifically dedicated to breast health issues in response to the lack of available information and credible sources—and the need to have such material gathered in one location so that patients and their families can readily access this valuable information.

Jean Lynn's vision of the mobile mammography program reached fruition in September 1996 when the Mammovan was launched under the sponsorship of the Cancer Research Foundation of America and the GW University Medical Center. The Mammovan travels to corporate sites, as well as neighborhoods where many women are uninsured. Over 4,000 women have received screening tests since the mobile program was launched; more than half of the women screened are uninsured and had never previously had a mammogram.

Tributes of gratitude for Jean's lectures, conferences, mammogram services have poured in from the White House nurse, the World Bank, Walter Reed Army Medical Center, the American Bar Association, Marymount University, and countless individual women for whom Jean Lynn has opened a new window on life with access to breast health care and realistic hope for a healthful future.

Jean truly believes that families come first and is unfailingly involved in the activities of her children, William and daughter, Kelly, with the loving support of her husband, David Gearin.

Mr. Speaker, I know that Jean Lynn's tireless pursuit of the very best in breast health care will continue to post milestones of ever-greater achievements in the years to come. I can only say in the words of my late, dear, Jo: "God bless you and love you, Jean Lynn."

DISPENSING WITH CALL OF PRIVATE CALENDER ON TUESDAY, MAY 15, 2001

Mr. OBERSTAR. Mr. Speaker, I ask unanimous consent that the call of the Private Calendar be dispensed with on Tuesday, May 15, 2001.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

ADJOURNMENT

Mr. OBERSTAR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 7 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, May 15, 2001, at 12:30 p.m., for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

1884. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Forchlorfenuron; Time-Limited Pesticide Tolerance [OPP–301122; FRL–6781–4] (RIN: 2070–AB78) received May 2, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1885. A letter from the Deputy Secretary, Department of Defense, transmitting the National Defense Stockpile Requirements Report for 2001, pursuant to 50 U.S.C. 98h–5; to the Committee on Armed Services.

1886. A letter from the Principal Deputy Under Secretary, Acquisition and Technology, Department of Defense, transmitting a letter submitting revisions to both the FY 2001 and FY 2002 Annual Materials Plans (AMPs); to the Committee on Armed Services.

1887. A letter from the Deputy Secretary, Department of Defense, transmitting a letter regarding the Secretary's report pursuant to Section 374 of Public Law 106–398, the Floyd D. Spence National Defense Authorization Act for FY 2001 which was due on March 15, 2001, will now be submitted shortly along with additional data; to the Committee on Armed Services.

1888. A letter from the Deputy Secretary, Department of Defense, transmitting a letter regarding a report on the warranty claims recovery pilot program; to the Committee on Armed Services.

1889. A letter from the Acting Assistant Secretary, Department of Defense, transmitting a report on TRICARE Case Management and Custodial Care Policies required by Section 703, of the National Defense Authorization Act for FY 2000; to the Committee on Armed Services.

1890. A letter from the Chief Financial Officer, Export-Import Bank of the United States, transmitting a draft of proposed legislation, "To amend the Export-Import Bank Act of 1945, as amended"; to the Committee on Financial Services.

1891. A letter from the Acting Assistant Secretary, OSHA, Department of Labor, transmitting the Department's final rule—Ergonomics Program [Docket No. S–777] (RIN: 1218–AB36) received May 14, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

1892. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; State of Maryland; Approval of Revisions to Volatile Organic Compounds Regulations and Miscellaneous Revisions [MD 064/109/111/113–3065a; FRL–6973–3] received May 1, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

1893. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Allocation of Fiscal Year 2001 Youth and the Environment Training and Employment Program Funds—received May 1, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1894. A letter from the Chairman, Nuclear Waste Technical Review Board, transmitting the Board's report entitled, "Report to the U.S. Congress and the Secretary of Energy" for January to December 2000, pursuant to 42 U.S.C. 10268; to the Committee on Energy and Commerce.

1895. A letter from the Chairman, Commission on International Religious Freedom, transmitting the Commission's Annual Report, pursuant to 22 U.S.C. 6412 Public Law 105–292 section 102; to the Committee on International Relations.

1896. A letter from the Executive Director, District of Columbia Retirement Board, transmitting the Board's annual report for fiscal year 2000, pursuant to D.C. Code section 1–732 and 1–734(a)(1)(A); to the Committee on Government Reform.

1897. A letter from the Interim Director, Court Services and Offender Supervision Agency for the District of Columbia, transmitting the Agency's FY 2002 Budget Request and Annual Performance Plan; to the Committee on Government Reform.

1898. A letter from the Secretary, Department of Agriculture, transmitting the Department's Annual Program Performance Report for FY 2000; to the Committee on Government Reform.

1899. A letter from the Assistant Director for Executive and Political Personnel, Department of Defense, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1900. A letter from the Assistant Director for Executive and Political Personnel, Department of Defense, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1901. A letter from the Assistant Director for Executive and Political Personnel, Department of Defense, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1902. A letter from the Assistant Director for Budget and Administration, Executive Office of the President, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1903. A letter from the Chair, United States Sentencing Commission, transmitting amendments to sentencing guidelines, policy statements, and official commentary; to the Committee on the Judiciary.

1904. A letter from the Director, Federal Emergency Management Agency, transmitting notification that funding under title V of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, will exceed $5 million for the response to the emergency declared on December 4, 2000 as a result of snow which severely impacted the State of New York on November 19–21, 2000, pursuant to 42 U.S.C. 5193; to the Committee on Transportation and Infrastructure.

1905. A letter from the Deputy Assistant Secretary of the Army, Department of Defense, transmitting the Department's final rule—United States Marine Corps Restricted Area, New River, North Carolina, and Vicinity—received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1906. A letter from the Acting Secretary of the Army, Department of Defense, transmitting the feasibility report and environmental assessment for Salt Creek, Graham, TX, pursuant to Section 101(a)(30) of the Water Resources Development Act (WRDA) of 1999; to the Committee on Transportation and Infrastructure.

1907. A letter from the Acting Administrator, General Services Administration, transmitting an informational copy of an alteration prospectus for the Federal Trade Commission building in Washington, DC, pursuant to 40 U.S.C. 606(a); to the Committee on Transportation and Infrastructure.

1908. A letter from the Acting Administrator, General Services Administration, transmitting an informational copy of the fiscal year 2002 GSA's Public Buildings Service Capital Investment and Leasing Program, pursuant to 40 U.S.C. 606(a); to the Committee on Transportation and Infrastructure.

1909. A letter from the Director, Office of Regulations Management, Department of Veterans' Affairs, transmitting the Department's final rule—Disease Associated With Exposure to Certain Herbicide Agents: Type 2 Diabetes (RIN: 2900-AK63) received May 4, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

1910. A letter from the Director, Office of Regulations Management, Department of Veterans' Affairs, transmitting the Department's final rule—Reasonable Charges for Medical Care or Services (RIN: 2900-AK73) received May 2, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

1911. A communication from the President of the United States, transmitting a legislative agenda for international trade; (H. Doc. No. 107-69); to the Committee on Ways and Means and ordered to be printed.

1912. A letter from the Acting Deputy Administrator for Defense Programs, National Nuclear Security Administration, Department of Energy, transmitting a letter to correct information contained in the National Ignition Facility follow-up letter submitted to Congress on April 13, 2001; jointly to the Committees on Armed Services and Appropriations.

1913. A letter from the Managing Director, Financial Management and Assurance, General Accounting Office, transmitting a report entitled, "FINANCIAL AUDIT: Capitol Preservation Fund's Fiscal Years 2000 and 1999 Financial Statements," pursuant to 31 U.S.C. section 9105(a)(4); jointly to the Committees on House Administration and Government Reform.

1914. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting certification that shrimp harvested with technology that may adversely affect certain species of sea turtles may not be imported into the United States unless the President makes specific certifications to the Congress annually by May 1, pursuant to Public Law 101-162, section 609(b)(2) (103 Sat. 1038); jointly to the Committees on Resources and Appropriations.

REPORTED BILL SEQUENTIALLY REFERRED

Under clause 2 of rule XII, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. BOEHNER: Committee on Education and the Workforce. H.R. 1. A bill to close the achievement gap with accountability, flexibility, and choice, so that no child is left behind, with an amendment (Rept. 107-63, Pt. 1); referred to the Committee on the Judiciary for a period ending not later than May 15, 2001, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(k), rule X.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. TOM DAVIS of Virginia:

H.R. 1824. A bill to increase the rate of pay for certain offices and positions within the executive and judicial branches of the Government, respectively, and for other purposes; to the Committee on Government Reform, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BARRETT:

H.R. 1825. A bill to amend the Electronic Fund Transfer Act to safeguard consumers in connection with the utilization of certain debit cards; to the Committee on Financial Services.

By Mr. DUNCAN:

H.R. 1826. A bill to amend the Higher Education Act of 1965 to reauthorize the Alternate Routes to Teacher Certification and Licensure program; to the Committee on Education and the Workforce.

By Mr. HUTCHINSON (for himself, Mr. Sherwood, Mr. Etheridge, Mr. McGovern, Mr. Aderholt, Mr. Callahan, Mr. Hilliard, Mr. Riley, Mr. Bachus, Mr. Everett, Mr. Cramer, Mr. Berry, Mr. Ross, Mr. Snyder, Mr. Maloney of Connecticut, Ms. DeLauro, Mr. Larson of Connecticut, Mrs. Johnson of Connecticut, Mr. Simmons, Mr. Castle, Mrs. Thurman, Ms. Brown of Florida, Mr. Foley, Mr. Boyd, Mr. Lewis of Georgia, Mr. Isakson, Mr. Deal of Georgia, Mr. Bishop, Mr. Kingston, Mr. Chambliss, Mr. Collins, Ms. McKinney, Mr. Norwood, Mr. Rogers of Kentucky, Mr. Whitfield, Mr. Fletcher, Mr. Lewis of Kentucky, Mr. Lucas of Kentucky, Mr. Baker, Mr. Vitter, Mr. McCrery, Mr. Cooksey, Mr. Jefferson, Mr. John, Mr. Tauzin, Mr. Olver, Mr. Neal of Massachusetts, Mr. Capuano, Mr. Wynn, Mr. Bartlett of Maryland, Mr. Hoyer, Mr. Gilchrest, Mr. Cummings, Mr. Ehrlich, Mrs. Morella, Mr. Cardin, Mr. Baldacci, Mr. Allen, Mr. Akin, Mrs. Emerson, Mr. Hulshof, Mr. Graves, Mr. Blunt, Ms. McCarthy of Missouri, Mr. Skelton, Mr. Taylor of Mississippi, Mr. Pickering, Mr. Wicker, Mr. Shows, Mr. Thompson of Mississippi, Mr. McIntyre, Mr. Price of North Carolina, Mr. Ballenger, Mrs. Myrick, Mr. Hayes, Mr. Burr of North Carolina, Mr. Watt of North Carolina, Mr. Coble, Mrs. Clayton, Mr. Taylor of North Carolina, Mr. Jones of North Carolina, Mr. Bass, Mr. Andrews, Mr. Ferguson, Mr. Frelinghuysen, Mrs. Roukema, Mr. Saxton, Mr. Holt, Mr. LoBiondo, Mr. Ackerman, Mr. Fossella, Mr. Engel, Mr. Grucci, Mrs. Kelly, Mr. King, Mr. LaFalce, Mrs. Lowey, Mrs. McCarthy of New York, Mr. McNulty, Mr. Meeks of New York, Mr. Nadler, Mr. Rangel, Mr. Reynolds, Ms. Slaughter, Mr. Towns, Mr. Gilman, Mr. Quinn, Mr. Walsh, Mr. Boehlert, Mr. Houghton, Mr. McHugh, Mr. Sweeney, Mr. Crowley, Mr. Hinchey, Mr. Weiner, Mr. Israel, Mr. LaTourette, Mr. Watkins, Mr. Carson of Oklahoma, Mr. Greenwood, Mr. Weldon of Pennsylvania, Mr. Pitts, Mr. English, Mr. Peterson of Pennsylvania, Ms. Hart, Mr. Mascara, Mr. Kanjorski, Mr. Doyle, Mr. Hoeffel, Mr. Holden, Mr. Platts, Mr. Gekas, Mr. Brady of Pennsylvania, Mr. Borski, Mr. Fattah, Mr. Kennedy of Rhode Island, Mr. Langevin, Mr. Clyburn, Mr. Spence, Mr. Spratt, Mr. Graham, Mr. Jenkins, Mr. Ford, Mr. Hilleary, Mr. Wamp, Mr. Tanner, Mr. Turner, Ms. Jackson-Lee of Texas, Mr. Lampson, Mr. Sandlin, Mr. Bentsen, Mr. Boucher, Mr. Goode, Mr. Wolf, Mr. Scott, Mr. Sanders, Mr. Rahall, Mr. Mollohan, Mrs. Capito, and Mr. Frost):

H.R. 1827. A bill to reauthorize the consent of Congress to the Northeast Interstate Dairy Compact and to grant the consent of Congress to the Southern Dairy Compact, a Pacific Northwest Dairy Compact, and an Intermountain Dairy Compact; to the Committee on the Judiciary.

By Mr. SAWYER:

H.R. 1828. A bill to require the President to report annually to the Congress on the effects of the imposition of unilateral economic sanctions by the United States; to the Committee on International Relations, and in addition to the Committees on Ways and Means, and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

53. The SPEAKER presented a memorial of the Legislature of the State of Washington, relative to Senate Joint Resolution 8019 memorializing the Secretary of Agriculture to review the department's policies regarding the conservation reserve enhancement program and alter those policies to allow the inclusion in the program of lands that are currently used to produce perennial horticultural crops; to the Committee on Agriculture.

54. Also, a memorial of the General Assembly of the State of Ohio, relative to Senate Resolution 126 memorializing the United States Congress to reintroduce and pass the New Markets for State-Inspected Meat Act as a means of assisting small meat-packing operations and to restore fairness to the meat industry in this country; to the Committee on Agriculture.

55. Also, a memorial of the Legislature of the State of Montana, relative to House Joint Resolution 44 memorializing the United States Congress for federal intervention to stabilize wholesale electricity prices in the west; to the Committee on Energy and Commerce.

56. Also, a memorial of the Legislature of the State of Idaho, relative to House Joint Memorial No. 7 memorializing the United States Congress to support the amendment to 42 U.S.C. Section 1396p (Liens, Adjustments and Recoveries), to exempt veterans in State Veterans Homes from having liens placed on their property if they participate in the Medicaid Program; to the Committee on Energy and Commerce.

57. Also, a memorial of the Legislature of the State of Idaho, relative to House Joint Memorial No. 9 memorializing the United State Congress to urge the Secretary of State or other appropriate officials, to facilitate discussions between the interested parties in order to provide redress for the American soldiers who were taken as prisoners of war by the Japanese government during World War II and forced to perform slave labor under inhumane conditions for the benefit of private Japanese companies; to the Committee on International Relations.

58. Also, a memorial of the Legislature of the State of Alaska, relative to Legislative Resolution No. 5 memorializing the United States Congress to pass legislation to open the coastal plain of the Arctic National Wildlife Refuge, Alaska, to oil and gas exploration, development, and production; to the Committee on Resources.

59. Also, a memorial of the Legislature of the State of Idaho, relative to House Joint Memorial No. 4 memorializing the United States Congress to direct the National Park Service to stop closing land to hunting within the expanded Craters of the Moon National Monument; to the Committee on Resources.

60. Also, a memorial of the Legislature of the State of Idaho, relative to House Joint Memorial No. 5 memorializing the United States Congress that wolf recovery efforts in Idaho be discontinued immediately, and wolves be removed by whatever means necessary; to the Committee on Resources.

61. Also, a memorial of the Legislature of the State of Idaho, relative to House Joint Memorial No. 8 memorializing the United States Congress to take actions deemed necessary for the success of the Clearwater Basin Elk Habitat Initiative; to the Committee on Resources.

62. Also, a memorial of the Senate of the Commonwealth of The Mariana Islands, relative to Senate Resolution No. 12–33 memorializing the United States Congress to adopt an amendment to the Constitution of the United States, to add a new article on the Subject of Judicial Taxation; to the Committee on the Judiciary.

63. Also, a memorial of the Legislature of the State of Idaho, relative to House Joint Memorial No. 6 memorializing the United States Congress to support congressional enactment of federal property rights legislation which would at a minimum include codification of the requirements of Executive Order 12630; to the Committee on the Judiciary.

64. Also, a memorial of the House of Representatives of the State of Michigan, relative to House Resolution No. 63 memorializing the United States Congress to investigate airfare pricing, especially in markets where mergers have eroded competition; to the Committee on Transportation and Infrastructure.

65. Also, a memorial of the Legislature of the State of Idaho, relative to House Joint Memorial No. 2 memorializing the United States Congress to restore the daily passenger rail service of the Pioneer; to the Committee on Transportation and Infrastructure.

66. Also, a memorial of the Legislature of the State of Washington, relative to Senate Joint Memorial 8016 memorializing the United States Congress to emphasize the importance of the free and fair trade of upland aquacultural products in its relations with the government of Canada; to the Committee on Ways and Means.

67. Also, a memorial of the Legislature of the State of Idaho, relative to House Joint Memorial No. 10 memorializing the United States Congress that we endorse President George W. Bush's plan for cutting taxes and we respectfully request that Congress enact necessary measures to implement the President's tax relief plan; to the Committee on Ways and Means.

68. Also, a memorial of the Legislature of the State of Idaho, relative to House Joint Memorial No. 1 memorializing the United States Congress to make it so no amendments or other modifications be made to the Electoral College system and that the Electoral College be continued in its present form for all future presidential elections; jointly to the Committees on House Administration and the Judiciary.

69. Also, a memorial of the Legislature of the State of Nevada, relative to Assembly Joint Resolution 6 memorializing the United States Congress to refrain from enacting any measure to repeal the ability of Nevada to license and regulate sports wagering in its current form and to enact the National Collegiate and Amateur Athletic Protection Act of 2001; jointly to the Committees on the Judiciary and Education and the Workforce.

70. Also, a memorial of the Legislature of the State of New Mexico, relative to House Joint Memorial 60 memorializing the United States Congress to strengthen requirements for inspection and maintenance of all pipelines that carry potentially dangerous, explosive or environmentally hazardous substances; jointly to the Committees on Transportation and Infrastructure and Energy and Commerce.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 31: Mr. SKEEN.

H.R. 394: Mr. MCHUGH, Mr. REHBERG, and Mr. SMITH of New Jersey.

H.R. 612: Mr. SCOTT, Mr. GONZALEZ, Ms. DEGETTE, Ms. BROWN of Florida, Mr. HONDA, and Mr. PAYNE.

H.R. 622: Mr. HOYER, Ms. JACKSON-LEE of Texas, Mr. KENNEDY of Minnesota, Ms. MCKINNEY, Mr. OWENS, Mr. ROGERS of Kentucky, Mr. ISSA, and Ms. NORTON.

H.R. 638: Mr. PALLONE.

H.R. 746: Mr. MORAN of Kansas.

H.R. 868: Mr. BONILLA, Mr. FORD, Mr. UNDERWOOD, Mr. BRADY of Pennsylvania, Mr. GILCHREST, Mr. SCHROCK, Mr. BOSWELL, Mr. FRANK, Mrs. CHRISTENSEN, Mr. HINOJOSA, Mr. REHBERG, Mr. HOEFFEL, Mr. QUINN, Ms. WATERS, Mr. SPRATT, Mr. WELDON of Florida, Mr. HAYES, Mr. LATHAM, and Mr. KOLBE.

H.R. 1090: Mr. ENGLISH, Mr. GORDON, Mr. BONILLA, Ms. HOOLEY of Oregon, and Mr. RYUN of Kansas.

H.R. 1161: Mr. HYDE.

H.R. 1330: Mr. WHITFIELD.

H.R. 1331: Mr. OSE, Mr. CALVERT, Mr. HYDE, and Mr. PENCE.

H.R. 1406: Ms. BROWN of Florida.

H.R. 1545: Mr. ISAKSON.

H.R. 1553: Mr. SMITH of Texas, Mrs. TAUSCHER, and Mr. MCDERMOTT.

H.R. 1644: Mr. TAYLOR of Mississippi, Mr. LUCAS of Kentucky, Mr. STENHOLM, Mr. PETERSON of Minnesota, Mr. LINDER, Mr. HOEKSTRA, Mr. ISTOOK, Mr. HAYES, MR. SCARBOROUGH, Mr. HYDE, Mr. WAMP, Mr. HULSHOF, Mr. STEARNS, Mr. COOKSEY, Mr. GARY G. MILLER of California, Mr. KELLER, and Mr. PENCE.

H.R. 1781: Mr. SPRATT, Mrs. BONO, and Mr. LARSON of Connecticut.

H.R. 1802: Mr. CARDIN.

H. Con. Res. 4: Mr. ROTHMAN and Ms. ROS-LEHTINEN.

H. Con. Res. 81: Mr. BERMAN and Mr. KILDEE.

H. Res. 116: Mr. BRADY of Texas, Mr. ENGLISH, Mr. FOSSELLA, Mr. ISAKSON, Ms. KAPTUR, Mr. KINGSTON, Mrs. MCCARTHY of New York, Ms. MCCOLLUM, Mrs. MINK of Hawaii, Mr. NEAL of Massachusetts, Mr. PLATTS, Mr. RAMSTAD, Mr. REYES, Mr. ROGERS of Michigan, and Mr. SHIMKUS.

SENATE—*Monday, May 14, 2001*

The Senate met at 12 noon and was called to order by the Honorable PAT ROBERTS, a Senator from the State of Kansas.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, a week of responsibilities stretches out before us. As we face them, we thank You for Winston Churchill's reminder that "the price of greatness is responsibility." Father, You have entrusted the Senators with heavy responsibilities. Thank You that You will not ask more from them than You will give the strength to carry. Help them to draw on Your artesian wells of wisdom, insight, discernment, and vision. Be with them in the lonely hours of decisionmaking, of conflict over issues, and the ruthless demands of overloaded schedules. Tenderly whisper in their souls the reassurance, "I have placed you here and will not leave you, nor forsake you." In Your grace, be with their families; watch over them; and reassure the Senators that You care for the loved ones of those who assume heavy responsibilities for You. May responsibility come to mean "respondability," a response of trust in You to carry out what You have entrusted to them. In the name of Him who lifts burdens and carries the load. Amen.

PLEDGE OF ALLEGIANCE

The Honorable HARRY REID, a Senator from the State of Nevada, led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 14, 2001.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAT ROBERTS, a Senator from the State of Kansas, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. ROBERTS thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 2 p.m. with Senators permitted to speak therein for up to 10 minutes each. Under the previous order, the time until 1 p.m. shall be under the control of the Senator from Illinois, Mr. DURBIN, or his designee.

The distinguished Senator from Nevada is recognized.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WYDEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The distinguished Senator from Oregon is recognized.

ENERGY POLICY

Mr. WYDEN. Mr. President, the people of this country always come through when there are tough problems, as long as they know everyone is pitching in and doing their fair share.

That is the problem with much of what is coming out of Washington, DC, today, when it comes to this country's energy policy. Oregonians are telling me, for example, at townhall meetings that what alarms them about the energy debate in Washington, DC, is that it seems everybody is supposed to tighten their belt except for the powerful. I don't believe that passes the fairness test for most Americans. Even business leaders at home tell me the country just is not going to rally behind an energy plan that is not balanced, an energy plan that does not say: Everybody has to do their fair share.

There is not a whole lot of balance in a plan that would open up the Arctic National Wildlife Refuge to drilling now, although it will not produce any gas for at least 8 to 10 years, when our consumers are getting clobbered at the gas pump today.

Where is the balance in a plan that cuts funding for renewable energy—solar, wind, and geothermal—while building as many as 1,900 new powerplants? Where is the balance in a plan that would provide large new tax breaks for the energy industry and tells consumers the answer is to spend their tax relief on misguided energy policies? With all due respect, the idea that Americans should have to use their much needed tax relief to prop up ill-conceived energy policies is the ultimate in throwing good money after bad.

I want to take a few minutes to talk about where I think Congress ought to go with respect to the energy issue and what could constitute some of the core principles of an effective bipartisan energy policy.

First, it is time to provide significant and real financial rewards for conservation. Everybody talks about conservation. We all know it makes sense to conserve energy. But there are very few actual financial rewards for conserving. I think it is time to put real dollars behind those who are willing to make the tough decisions with respect to conservation. For example, if it is a hardship to move your energy use from peak hours to times when demand is lower, let's reward that financially. Let's reward real-time pricing so as to take steps that are meaningful to decrease electric power shortages that are now causing price spikes and blackouts.

Second, I think it is time to lift the veil of secrecy around energy markets in this country. It is clear that energy is being commoditized, but it is not possible to get real information about supply and demand and transmission, which is what is needed when energy is being bought and sold in markets all across this country.

In electricity markets today, power is, in fact, being traded as a commodity, but basic information about how electric power systems and markets work is just unavailable in much of the United States. If electricity is going to be traded as a commodity, let the Congress take steps to ensure access to information so those markets can function efficiently.

I intend to introduce legislation shortly to ensure that Americans in every part of this country can get access to information about transmission capability, outages, and the information that is needed to be in a position to make energy markets work in a fair way.

Third, to encourage responsible power production, reward developers who demonstrate a commitment to good environmental policy. I do not think energy production and meeting

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

this country's environmental needs ought to be mutually exclusive. There are ways to do both. I think there ought to be an effort by Congress to reward energy developers who meet tough environmental standards by moving them to the head of the line, the head of the queue for permits. This country needs new powerplants. I think there is bipartisan support for that effort. But we ought to say to power producers and power generators, when you are going to be an environmental leader, we are going to move you to the head of the regulatory queue.

Fourth, we need to bring free enterprise back into the energy markets. In my home State of Oregon, four companies essentially control 70 percent of the gas that is sold at the pump. I believe if there were real competition at the gas pump, prices would come down. Competition works in Oregon and across this country. But a variety of anti-competitive practices are squeezing competition out of the oil industry. I do not think it is an accident that people of my State have lost more than 600 gasoline stations in just a few years. It is true in much of the country that three or four companies control delivery of gas at the pump. Unfortunately, the Federal Government seems to have taken the position with respect to competition that, unless you have a handful of big energy producers huddled up, say, at a steak house in a downtown hotel dividing up energy markets, there is really nothing wrong.

In fact, we learned last week that even though west coast gasoline markets are being redlined—there is significant evidence that those west coast gasoline markets are being redlined—the Federal Government is not prepared, under the laws as written today, to take significant action to deal with it.

Just because something is not illegal doesn't mean it is not anti-consumer and that it does not have anti-competitive ramifications. So I think it is extremely important we look now to steps that actually produce competition in the gasoline markets rather than to conclude that just because you do not have energy producers huddled up at a steak house dividing markets everything is all right.

Finally, it seems to me that good science ought to be the basis of a bipartisan effort to address our energy predicament in this country. The Vice President recently stated the United States has to build 1,300 powerplants to meet projected increases in demand for energy over the next 20 years. However, scientists at the Energy Department's National Laboratories recently said that new technologies could reduce projected growth in energy demand by 20 percent to 47 percent, which could translate into as many as 600 fewer powerplants.

Certainly on a bipartisan basis this Senate can agree that we cannot ignore the science. More efficient transmission lines, moving away from the old model of a central powerplant and towards cleaner energy with combustion-free fuel cell technology, is just one of the options available. When it comes to the oil and gas sector, that fuel cell technology could be making cars run cleaner and more efficiently within a few years. Instead of subsidizing just the old fossil fuel industries with an energy proposal that says, go do your thing, our energy policy could be jump-starting a variety of renewable energy technologies with real promise for the future.

What I have discussed today—first, financial rewards for conservation; second, lifting the veil of secrecy around energy markets; third, creating incentives for energy developers to comply with tough environmental laws; fourth, bringing some free enterprise back into energy markets; and, fifth, looking at the science that comes out of the Energy Department itself—are five initiatives that the Senate could use on a bipartisan basis to build a sensible energy policy.

I was struck at the end of last week when the President of the United States said that Americans should use their tax relief as the primary way to deal with the energy crisis in this country. I don't think Americans ought to have to use their much needed tax relief to prop up misguided energy policies. I think that is just throwing good money after bad. I think it is important—and the distinguished Presiding Officer, the Senator from Kansas, and I have home roots in a place that knows something about energy production—to create incentives for energy production in this country. I think it is possible to do it while rewarding those who are going to meet tough environmental standards.

So I am hopeful that this week, as Congress focuses on energy policies and the President unveils his proposal, that we recognize this country is ready for bold and bipartisan leadership on the energy issue. This Congress can provide it. We can insist on policies that make sense for the environment and for consumers and for the energy industry, but it has to be a policy that says everybody does their fair share. It has to be a policy that says everybody has to be part of the solution and we are not just going to say to the country: You tighten your belts while the power folk get a free ride.

I believe it is possible to bring together responsible leaders in industry, the environmental sector, and the consumer movement to create an energy policy that will get us beyond the very difficult months ahead and build a sound foundation for the future.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. THOMAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. THOMAS. Mr. President, I ask unanimous consent to be able to speak for 10 minutes as if in morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RURAL MENTAL HEALTH ACCESSIBILITY ACT OF 2001

Mr. THOMAS. Mr. President, last week we had the opportunity to introduce a bill called the "Rural Mental Health Accessibility Act of 2001."

I am pleased to be joined by Senators CONRAD, DOMENICI, JOHNSON, ROBERTS, and NELSON from Nebraska to bring forward the opportunity for us to strengthen medical provisions for mental health in rural States in particular.

As you might imagine, rural States have many unique problems. We have small towns and small cities where not all medical specialties are present. We have to build sort of a network of health care for small towns. One of the things that has been most difficult to provide in those rural areas is mental health in small towns where kids need some counseling, and where there are real problems with no one there who is a specialist in mental health.

This Rural Mental Health Accessibility Act reflects on those unique needs and provides States and local communities flexibility.

The Federal programs that assist in health care needs in Wyoming are different than they are in Pennsylvania, or in Rhode Island. We need to have flexibility in all cases, particularly in the case of mental health which is more of a speciality.

This act provides for creative and collaborative provider education to help provide education for the mental health provider so they can come to those rural areas and give some assistance in education.

It increases access to mental services to vulnerable children and seniors in unserved rural areas throughout these States.

Certainly the circumstances are unique. With the stigma associated with mental illness, people do not seek the services. They are not handled there, and it cannot be done easily.

Seventy-five percent of the 518 nationally designated mental health professional shortage areas are located in rural areas, which, I guess, is not hard to understand.

One-fifth of all rural communities have no mental health services of any kind.

Frontier communities have even more drastic numbers. Ninety-five percent have no psychiatrists. Sixty-eight percent have no psychologists. Seventy-eight percent have no social workers.

You can see that it is really necessary to have a network where people can move around to provide the services that the communities do not have.

Suicide rates among rural children and adolescents are higher in urban areas. That is a very surprising statistic. We don't think of it that way. In fact, it is true.

Twenty percent of the Nation's elderly population lives in rural areas. Only 9 percent of our Nation's physicians practice in rural areas.

Often the primary care physicians are the only ones who are the source of treatment in these particular areas.

Primary care physicians do not necessarily have the specialized training in terms of mental health.

To address these issues, this bill does the following: Create the Mental Health Community Education Grant Program; States and communities to conduct targeted public education campaigns focused on mental illness, focused on suicide, and focused on substance abuse. These are things that all communities to some extent are trying to keep out of the public eye, kind of acting as if it really isn't true. But, indeed, we know that it is, and especially in rural communities.

I must tell you, frankly, that I am surprised at the suicide rate in a rural State such as Wyoming, which is higher than most places. It really points out the need for the kind of health services that we are hoping to provide.

It creates an Interdisciplinary Grant Program; permits universities and other entities to establish interdisciplinary training programs so they can provide, hopefully, training for these kinds of health providers.

Mental health and primary care providers are taught side by side in the classroom, so that with clinical training in rural areas we can help provide for all of these kinds of needs that exist. We encourage more collaboration, certainly, amongst providers, so we can have this network we talk about.

It actually authorizes $30 million for 20 mental telehealth demonstration projects. And it is equally divided. I think as we get more and more into high-tech telemedicine, it will be even more important. Of course, to do that you have to have equipment, you have to have people on both ends who have some training to provide these kinds of services.

It provides mental health services to children and elderly residents at long-term care facilities located in mental health shortage areas.

Projects also provide mental illness education and targeted instruction on coping and dealing with the stressful experiences of childhood, adolescence and aging. One might even think it is appropriate where we have some of the kinds of problems we have in public schools. There is often the necessity to have help in these stressful experiences.

It requires a study. The Director of the National Institute of Mental Health of the Office of Rural Health Policy will report to Congress on the efficacy and effectiveness of mental telemedicine.

So I think it is something that is very much needed, something we can help provide in communities where it does not now exist. Frankly, without some special assistance, it probably will not exist in the foreseeable future.

There are a number of supporting organizations. The Rural Mental Health Accessibility Act is strongly supported by the National Rural Health Association, the National Alliance for the Mentally Ill, the American Psychiatric Association, and the American Psychological Association.

So I believe it is critically important that we consider this legislation as we talk about health care. Again, I cannot overemphasize the need for flexibility and taking a look at all the areas to be served. It is one thing to serve in a downtown metropolitan center—and they have their difficulties, of course—but it is also difficult to serve in Medicine Bow, WY, where you have to reach out from somewhere else to bring in people to provide these kinds of services.

So, first of all, I thank the Presiding Officer for being a sponsor, but also I thank him for the time and the support he has given to helping those in need of health care and mental health care.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. THOMAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NELSON of Nebraska). Without objection, it is so ordered.

Mr. THOMAS. Mr. President, I believe we are in an hour of time allocated to the Senator from Wyoming.

The PRESIDING OFFICER. Under the previous order, the time until 2 p.m. is under the control of the Senator from Wyoming, Mr. THOMAS, or his designee.

TAXES

Mr. THOMAS. Mr. President, I rise to talk, again, about taxes.

The legislation now before the Senate includes education, which we will be debating this afternoon and which we will be working on until the tax bill comes from the committee, and taxes—probably two of the most important issues the Senate will address this year. Certainly everyone is most interested in education, and there are a number of broad topics within education that are legitimate to discuss. One of them is the role of the Federal Government in financing education.

Most would agree that the basic responsibility for elementary and secondary education lies with local government and State government. Traditionally, the Federal Government has provided about 7 percent of the total financing for education. It is an important contribution but certainly a relatively small one in terms of the total cost.

One of the other issues will be that of deciding how much flexibility there will be in terms of expending Federal moneys made available, whether or not, as was the case in the last administration, where the dollars which were allocated to education were generally assigned to the purpose for which they were allocated, either for smaller classrooms or for building improvements, new buildings, in reality, the real decision as to how moneys are used by local districts ought to be what the way local leaders believe they should be.

The needs are quite different in one place or another. I come from a State of small communities. The needs there are quite different often than they would in be in downtown Pittsburgh, PA. We need flexibility.

There will also be and there have been, in fact, great discussions about the amount of money that ought to be spent and, more importantly, how we are able to have accountability in terms of the dollars that are spent to see, in fact, if those dollars that are being spent are creating a better education opportunity for children. We will be back on that later. We should be.

Of course, with any program we discuss comes the question of taxes. We find ourselves in an interesting position, a somewhat enviable position of having a projected surplus over time, a substantial surplus over the next 10 years, a surplus each year during that time. There is some question if that can be counted on. Whenever you project into the future, there is always an element of uncertainty. Nevertheless, we have to make decisions in the future. Whether one is in business, whether it is a family, whatever, we have to make decisions for the future. Sometimes they are not exactly the same, but I feel confident, as do the people who make the projections, that this is a fairly modest projection in terms of the surplus over time.

There are broad issues involved, and great detail in taxes, obviously, but there are also some concepts that ought to be debated: What kind of taxing limits should be placed on people;

should we have taxes that offset what we believe are the fundamental costs, the necessary activities of the Federal Government? To be sure, not everyone would agree on what those necessary activities are. Nevertheless, if you have a surplus in Washington, beyond the needs the Congress has adjudicated to these items, you can bet your life it will be spent. Then you ask: What should be the concept? Where do we want to be down the road? Do we want more and more Federal Government? Do we want to spend on all the programs? Do we want to be somewhat conservative and try to make a decision as to which programs are best done at the Federal level and which decisions are best left to local governments and people and taxpayers themselves?

These are some of the philosophical issues that lie behind the debate. We argue all the time as to whether or not it will be $20 million or $50 million or $1 billion for this. Before that, we ought to establish in our own minds what the role of taxation is at the Federal level. Are we there to support the needed programs? If not, there is no end to the amount of money that can be spent.

Then there is the question of simplification, particularly around April 15. How can we make tax laws more simplified; how can we make it easier; how can we get away from all of the pages of activities taxpayers have to go through? But at the same time we talk about that, we will have 20 or 30 different ideas on this floor during the next couple of weeks as to how we ought to have a tax break for this or a tax incentive for that, to the point where we almost become more involved in using taxes as a method of impacting behavior and directing behavior than we do to using it as an income source to pay for basic services.

Again, there is a difference of view about that. We will see a great deal of that.

The other area, of course, is, as we look into tax reductions and surpluses, we have to ask: What are the things we really need to be careful about? One, obviously, is to have the money to fund those programs that are decided to be essential programs: defense, education, and all of those.

Recall that almost two-thirds of the budget is nondiscretionary. Almost two-thirds of the budget is already predetermined. It is Social Security, health care; it is Medicare. It is those things for which there are not alternatives to be decided each year. Out of a $1.9 trillion budget, we make determinations for about $661 billion. So there are some basic things we talk about.

The President has put forth a plan. He has, obviously, indicated the two areas of his highest priority: education and tax reductions, with the general concept that taxpayers ought not to send more of their money to Washington than is necessary to carry out the functions of the Government.

His plan is to give a tax cut to every family that pays income taxes. He replaces the current tax brackets by reducing them to lower rates: 39 to 33, 15 to 10, and so on, so everyone who pays taxes would have a tax reduction. He doubles the child credit to a $1,000 and reduces the marriage penalty. That is really a fairness issue.

The idea that a man and a woman who are single have two jobs, earn X amount of dollars, pay X amount of taxes, they are married, they continue to make the same amount of money, but they pay more taxes, is a fairness issue and one that needs to be dealt with.

Under his plan, one in five taxpaying families with children would no longer pay any income tax at all, completely removing 6 million Americans from the tax rolls. Remember that there is a large percentage of Americans who don't pay Federal income tax. Families of four making $35,000 would have a 100-percent tax reduction in what they pay, and on up. So, of course, the more taxes that are paid, logically the reduction would accommodate more reduction in dollars. That is the case.

We need tax reductions, obviously, because our taxes are the highest we have paid as a percentage of gross national product since even in World War II—higher than that now. Obviously, we have asked taxpayers to send more of their money into Washington than is necessary to provide the essential functions. And therefore, a tax reduction is legitimate—not only legitimate now, of course, but also even more needed because of the economy turndown, the economy stabilization, whichever it is, the lack of growth that we have had, and certainly having less taxes paid and more money available to be used by the taxpayers themselves—their money. It will help that economic turndown.

It also deals with debt reduction. We have a very large debt, of course—about $2.5 trillion in publicly held debt as opposed to Social Security. It is debt that has been placed because of you, me, and all of us who are now adults. If we don't do something, it will have to be paid for by young people who are beginning to have their first pay checks; 12½ percent of their earnings will be withheld to pay for a debt we helped to create.

Over this 10-year period, about $1.5 trillion of that would be reduced, leaving about $800 million. That is a tremendously large number. But, as a matter of fact, that is about all that is eligible to be removed over that time because it is held and secured. So we would have debt reduction in this plan. The debt reduction now held in private hands is $2.4 trillion, reduced to $800 billion. That is a pretty good reduction. We would have relief for every taxpayer—$1.35 trillion over 11 years would be reduced in terms of taxpayers having to send their money to the Federal Government.

In addition to that, there would be an immediate surplus this year of about $100 billion—for the next 2 years—that could be used to get it back to taxpayers more quickly so it could be put back into the private sector and help strengthen the economy. At the same time, we have commitments to protect seniors for today and tomorrow—the $2.5 trillion of Social Security. That portion of Social Security that comes in during this time would be set aside for Social Security so that we would be able to meet our obligations there. And, of course, there are some discussions going on about some changes in Social Security, to increase the amount of moneys that would be there. The budget includes $300 billion for a reserve fund for reforming Medicare, which needs to be done, of course, and to have an opportunity to make Medicare more useful, make Medicare more easily useful and accessible. One of the issues would be to create a prescription drug benefit. Hopefully, that would be done, as well, at the same time some changes are made in Medicare so that it would fit together.

At the same time, there would be sufficient spending increases. Discretionary spending in this year's budget would be 5 percent. Somebody on the news said today that was below inflation, which isn't the case. Five percent is inflationary growth—in fact, beyond that. It would boost the veterans fund over 10 years, veterans hospitals, for veterans retirement, for doing those kinds of things. It raises defense spending, which I think is needed. Certainly, if we are going to have a voluntary military, the payments to those folks, the payrolls need to be competitive somewhat to what you could do in the private sector. This is needed so that people don't get trained in the military for a specialized job and then leave for more pay in the private sector. So defense spending would be increased.

It provides for $80 billion over 10 years for assistance to farmers and ranchers. We are in the process, during the next year, of coming up with a new farm bill before the one now in place runs out. There will be something to replace that. Hopefully, an effort will continue to move toward a marketplace in agriculture but also to provide some kind of a safety net so we don't go through the sort of trauma that we have over the last several years.

It also expands child tax credits and earned income tax credits—an $18 billion increase over that time. So there are a lot of great details that could be talked about, obviously, and will be talked about, and indeed should be talked about.

The real question is, If you have a surplus, what should you do with it? You should certainly accommodate those things that are high necessities and priorities in the budget, and then you ought to return that money to the taxpayers, the people who paid it in. That is the way it ought to be. We ought to be able to understand that it is really the responsibility of the Federal Government to provide these programs but not to excessively spend the money that could very well be either spent by the taxpayer or, indeed, if there are special programs that need to be done, we would make an opportunity for the States and local governments to make the taxation they need so the things could be done there.

Mr. President, we are going to enter into a very lively debate. I suppose taxes and budgets probably personify as well as any other thing the differences in view about how people would approach governance. That is perfectly legitimate. That is what this place is for, to talk about differences in view. There are those who think that we ought to be spending much more on the Federal Government; the Federal Government ought to be funding every need that exists; and the Federal Government ought to grow and have more expansion into people's lives.

I am one of the others who believe there ought to be a limitation on the role of the Federal Government, that governance closer to the people is the kind of governance that is best, and we ought to tax to the extent necessary to pay for those functions. But when it is beyond that, we ought to do something about leaving taxpayers' money in the taxpayers' pockets.

Those are the decisions that are before us. Those are the decisions that we will be dealing with, hopefully this week, certainly next week, and they are tough. I just hope that we have an opportunity. We have a 50/50 Senate now, which is an unusual division of parties, and somewhat of an unusual division philosophically. Yet our challenge is to come together with something that is good for the country. Nobody would argue with that. But everybody has a different view of what is good.

I hear people say you need to do it "the right way." I don't know of anybody who wants to do it the wrong way.

There are differing views and there should be. The President has laid out a program that is quite good. There are those who would like to discredit the President's program, of course, in order to create their political ideas. But that is not why we are here. We are here to resolve problems that exist. We are here to govern. That is our job. We need to move forward. We have been a little slow. I think we have to really come to grips with the fact that we are here to make decisions, to move forward, to do something with education, to do something with taxes, and we are here to take on many of the other issues. That is our task.

Mr. President, I think there will be others joining me in a few moments. In the meantime, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRAIG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRAIG. Mr. President, it is my understanding we are in a period for morning business.

The PRESIDING OFFICER. The Senator is correct.

TAX RELIEF

Mr. CRAIG. Mr. President, today I join with several of my colleagues to talk about an issue that has dominated the Senate and the Congress of the United States for many months. That dominance, I think, has been shared in most of the minds of our American citizens as we have worked to complete a budget for fiscal year 2002. Tax relief is an important component of that budget and an important issue to the American people.

As a matter of fundamental fairness, the most heavily taxed generation in America's history, in my opinion, deserves tax relief. There is plenty of room in this budget for tax relief. Listening to some of the speeches in this Chamber last week, one would assume we were dramatically cutting the budget of the American people in order to give some of that money back. That is simply not true.

The budget resolution increases overall spending by about 5 percent. Important national needs will be met. We are taking less than a third of the total surplus—surplus tax dollars—to provide tax relief. Without question, there is room in this budget to provide tax relief to that overtaxed American consumer taxpayer and to adequately fund a budget for America's citizens.

According to the Tax Foundation, May 3 was tax freedom day this year. In other words, the average working American had worked from January 1 through May 3 just to pay his or her taxes. Said another way, on May 3, the American worker finally was beginning to put money in his or her pocket and provide money for the breakfast table of his or her family.

The average American works the first 123 days—the first one-third of the year—to support the appetite of Government, and still we heard in this Chamber this past week the siren song saying that appetite was not big enough, that somehow it needed to grow ever increasingly larger.

May 3 is the latest tax freedom day in the history of this country. Tax Freedom Day occurred as early as April 18 in 1992, before the record tax hike enacted in 1993. But from 1992 to now, another half-month has been added to the amount of time the average worker is required to work just to meet his or her tax obligation.

May 3 is actually a national average because, because it brings in the State and local tax burdens. In Idaho, for example, at least that burden is less than in other States, and Idaho's Tax Freedom Day fell on April 25, making its citizens the tenth least taxed group of citizens of any State in the Nation. There is no wonder Idaho is a fast-growing State. Somehow the word is out that if you live and work in Idaho, because of our attitudes about government and the way we manage our government in Idaho, and thanks to my colleague, our Governor, Dirk Kempthorne, who once served with us in the Senate, we tax citizens less, even though we provide adequate government for their needs.

Americans have never been more heavily taxed than they are now. The average American family pays 37 percent of its income in all taxes at all levels, half again as much as our parents paid in the 1950s.

Stop and think about that. Compare the wages, compare the cost of living, compare everything else then relative to now, and yet today taxes have dramatically increased, by about half, compared to our parents' generation.

No wonder the personal average savings rate in America is now a negative 1 percent. Government is taking away what the people otherwise would save - what they would save for their retirement, for their children's education, for their parents' care, or to build a better standard of living. Oftentimes we hear economists analyze the negative savings rate in our country compared with other nations of the world, and they say: It is a matter of culture. Certain nations have a culture of savings.

My suggestion to our citizens is this: If you were granted the opportunity or the incentive, my guess is you would be saving a great deal more than you are saving now. When you are paying 37 percent of your income for taxes at all levels, you simply have less to live on, less to save, and, therefore, you are using more of what you have for necessities.

The total Federal tax take this year will be 20.7 percent of the total economy. In other words, 20.7 percent of the gross domestic product of this country is required to pay for Government, the highest level ever, except for one year, 1944. Of course, we can all remember where the nation was in 1944. We were at the peak of World War II. We had committed this country to saving the world and saving the free world from tyranny and knocking down the powers of fascism. We had committed all of our resources to doing that. Only at that time, compared with now, did we have comparable tax burdens.

In fact, in the six years of highest taxes in American history, two fell during World War II and the other four have been the most recent four.

Where is the war today? Are we committed to saving all of the world from the direct threat of a powerful enemy of the kind we saw in World War II? That is not at all the case. Simply, our Government's domestic appetite has dramatically grown from 1944 to today, and as a result of that, our hard-working Americans have fallen victim to that appetite.

Can anyone seriously claim that the Federal Government is now engaged in a life-and-death struggle, compared to World War II? I don't think so. Oh, we have a lot of problems to solve and challenges to meet. There is no doubt about it. We are attempting to address them. On the floor this week we are debating education and are committed to putting a substantial increase in Federal funding into what is a traditional State and local funding priority, to help enhance the ability of State and local educators and education-providers to improve the conditions under which our children learn.

Still, on top of all that, we have the opportunity to provide the tax relief that will go a long way toward helping our economy and freeing the American people.

The new budget provides for paying down more than $2.4 trillion worth of debt in the next 10 years. Some Senators said we are going to give all the money back to the taxpayers, that we are not going to deal with the debt. Somehow in the midst of all this debate, somebody did not look at the plain numbers in the budget resolution to recognize that, if we stay this course, over the next 10 years we are paying down $2.4 trillion of that debt. That is nearly twice the amount of tax relief that is in the budget and 50 percent more in debt relief than in the amount of tax relief requested by the President.

So we clearly will have more debt paid down than tax relief. But in the balance of both, my guess is Alan Greenspan is going to say: "Good job. That means Government will not grow larger. That means the appetite of Government has been curtailed. That means a freeing up of the domestic productive economy of this country, which means that monetary policy and fiscal policy are a good deal more in synch."

This Senator is glad we are paying down the debt. I hope in my time of service here I can turn to my children and grandchildren and say: Of all the things my generation and I have not done for you, there is one good thing we did do for you in my lifetime, and that was to rid our country of debt and therefore to rid you of your obligation as current and future taxpayers of having to respond to that debt by a very large chunk of your tax dollars being consumed by it. That ought to be the responsibility and obligation of my generation. Clearly, we have set a course with this budget and this budget resolution for doing so.

I think we have to go even further than that. The budget already calls for paying down debt at a fast pace - the fastest pace at which the debt can be paid down.

The budget includes overall spending increases of about 5 percent. Frankly, in my State of Idaho, folks are not so sure why Government should grow at all, that 5 percent is maybe even too large. There is no question there are some very real needs out there. We are going to meet some of those needs. At the same time, it is important to recognize we can in fact give tax relief and pay down debt.

This year's tax relief will only be about 5 percent of total revenues over the next 10 years. It will be about one-half of President John Kennedy's tax cut, adjusted for the times and the size of the economy. Yet we hear people now suggesting this is a devastating tax cut, that this simply destroys the revenue flow of Government. Yet in another era, another time, comparing economies in a fair way, the Kennedy tax cut was nearly double the one we are dealing with today.

This year's tax relief will be about a third of the package that was enacted under President Ronald Reagan. Yet of course it was the Ronald Reagan tax cut that fueled the booming economy of the late 1980s.

The PRESIDING OFFICER. The Senator has reached 10 minutes.

Mr. CRAIG. Mr. President, let me wrap up. With the passage of the budget resolution, and now with the beginning of the work of the Finance Committee to produce a tax bill, we are clearly receiving the message from the American people. We are acting on their goal for us, to deliver back to them in both the immediate and long term, some tax relief—to offer up to them the right—government may act like it is a privilege, but it is a right to keep a little more of their own, hard-earned money.

Now is the time to stop the government tax man from being the uninvited guest at every wedding, the unwelcome intruder at family funerals, and the rude bill collector at every graduation. Maybe, just maybe, next year's Tax Freedom Day will come not in May but in April once again. If that is true, we will have accomplished a great deal more than anyone thought we could, not too long ago.

I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLARD. Mr. President, I join my colleagues to talk a little about taxes this week since we are expected to bring up some tax relief legislation here the latter part of this week. I think it is time for us to remember that tax freedom day was May 3 of this year. This is the latest it has ever been.

What does that mean? It means the average American family will work the first 123 days of the year to pay the combined tax bill from all levels of government. That is Federal, State, and local. Obviously, the Federal bite out of the family's budget is the largest of all three of those. I hope I have time to get into a little more detail on that. But certainly it is time for a tax cut.

We frequently discussed the budget surplus, but I think it is more accurate to refer to it as a tax surplus. The tax surplus represents an overpayment by taxpayers and should be refunded to those who overpaid. Tax cuts will benefit all Americans by making the economy stronger. Low taxes help reward work, savings, and investment. Low taxes provide the fuel for our economy to create new jobs and raise our standard of living. I think it is reasonable to conclude if we raise taxes, just the opposite is going to happen.

In today's economy, it would be ill advised if we did not make a sincere effort to cut taxes. This allows people to keep their own money and helps our economy. It makes sense. People are in a better position than the Government to know what they believe. I believe in the people's priorities instead of Washington's priorities.

This tax cut we are going to be talking about is real money that can be used for things such as helping to buy a home, helping to pay for a college education, or help in purchasing a computer to help the kids through school so they can learn math and become more proficient in English. Some have attempted to shift the focus on tax cuts by claiming we cannot afford tax cuts. In fact, tax cuts do not jeopardize debt repayment or the Government's other obligations.

I would like to take a moment to look at that. The budget that has been proposed now allows the Government to return a major portion of the surplus to its rightful owners, the taxpayers. It continues to pay down our national debt, and it continues to protect Social Security and Medicare surpluses. The Congressional Budget Office forecasts the 10-year surplus is large enough to allow the Federal Government to retire all available debt held by the public.

I would like to refer my colleagues to my efforts over the past 4 years. Four years ago, I introduced legislation to pay down the debt in 30 years. Then I looked at the amount of revenue that was coming into the Federal Government, part of this tax surplus, and I determined 2 years ago we ought to be able to pay down this debt within a 20-year period. So I introduced legislation to pay down the debt within 20 years. This year, we are looking at paying down the debt in 10 years and still being able to provide for a $1.6 trillion tax cut.

The Congress has backed off on what was originally proposed by the President and finally agreed on somewhere between $1.35 and $1.4 trillion in tax cuts. Certainly we have allowed ourselves plenty of margin.

The tax bill that is supposed to be coming to the Chamber contain many important provisions. Many of them have been referred to by the President. First, the tax rates are lowered across the board. This will benefit Americans in all categories who pay taxes. This year, taxpayers will get immediate relief when the 15-percent rate is lowered to 10 percent on a significant portion of that income.

The tax bill also lowers the top rate significantly, increases the child tax credit, provides tax relief for education expenses, and eliminates the death tax.

I am particularly pleased to support repeal of the death tax.

The United States retains among the highest estate taxes in the world, and top estate tax rates can reach over 55 percent. This is money that was already taxed when it was earned.

The estate tax can destroy a family business. This is the most disturbing aspect of the tax. No American family should lose its business because of the estate tax.

Similarly, more and more large ranches and farms are facing the prospect of breakup and sale to developers in order to pay the estate tax.

We feel it acutely in Colorado, especially because of the rapid growth and demand for real estate in Colorado.

One change which is not included is a reduction in the capital gains tax. I hope that this can be added to this tax bill or one later in the year. This change would actually increase revenue to the Treasury.

I support a reduction in the top rate from 20 to 14 or 15 percent. I also believe that we should include indexing so that taxes are paid only on real capital gains, not those which result only from inflation.

In 1997 we reduced the capital gains tax from 28 to 20 percent.

Many of you will recall the debate over whether this would raise or lower revenues. We now have the answer—revenues from capital gains increased dramatically after the rate cut.

In fact, in just the 4 years since the rate cut, 1997 through 2000, the Government has received $200 billion more capital gains revenue than forecast before the rate cut.

That is $200 billion of added revenue in just 4 years.

I think the Tax Foundation does some very good work. I have been looking at a chart that was put out by the Tax Foundation.

From 1992 until the year 2001, we actually see a large spike in rates of increases for taxes and the total tax revenues that are being paid to the Federal Government.

We see the tax burden days go from April 18 to May 3—within a period of a little less than a decade. I think this is a phenomenal amount of revenue increase that has come from working Americans.

Of the 123 days that America spends laboring for Federal, State, and local taxes, it is interesting how this breaks out. Fifty days of that goes toward individual income taxes, 42 days goes to Federal and State, and for local it is 8 days.

For social insurance taxes, 29 days goes to that category. And all of that is Federal. There is no State or local part in that aspect of the tax.

Of the 123 days, 16 days go toward sales and excise taxes. Three days of that is allocated toward Federal and 13 days is allocated toward State and local. Property taxes—the Federal Government has no property taxes, but State and local governments do. Ten days out of that 123 days goes for property taxes for State and local governments.

Let's look at the corporate box that has been analyzed by the Tax Foundation. Corporate income taxes make up 12 days of the total of 123 days. The Federal part of it is 10 days and the State and local part of it is 2 days.

If we look at other business taxes, there is a total of 3 days put in that category. The Federal Government doesn't have any, but State and local has a total amount of 3 days. For all other taxes is that general category. There are 2 days allocated to that box. One of them is Federal and one is State and local.

I think those are some interesting factors coming out.

Then there are those who say the tax cut is way too much. We know what happens.

If we go with the President's tax cut that he proposed—I remind the Senate that it hasn't gone as much as the President proposed—then basically what you are doing over the next 9 or 10 years is holding the tax burden day on May 3, 2001.

What happens if we don't have any tax cuts? Suppose we didn't go with any tax cut at all? We would see the tax freedom day move out to May 9. This is not a particularly remarkable tax cut, but it is something that certainly is badly needed.

I am looking forward to the debate because I think it is very important that we move forward with the tax cut right now. If my memory serves me correctly, we have raised taxes retroactively. I don't see what the problem is with trying to cut taxes retroactively, particularly in light of the fact that we have the surpluses we are facing today.

In summary, Americans are spending more than ever on taxes. In fact, we now pay more taxes than we do for food, shelter, and clothing combined. Since when did the Federal Government become more important than life's essentials? It is time to reverse this trend by cutting taxes across the board. Lower taxes would help our economy and would also help America's families.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

U.S. TRADE POLICY

Mr. HAGEL. Mr. President, last week President Bush laid out an aggressive trade agenda for America. Few policy areas will be more critical to the future prosperity of not only the United States, but the world.

Trade is essential to the continued growth of our economy. U.S. exports totaled more than $1 trillion last year, an increase of 12 percent from 1999. Those exports accounted for 11 percent of our GDP in 2000.

The impact and importance of trade extends far beyond our borders. The nations of the world live in a global community—underpinned by a global economy. We are all directly affected by the development and growth of markets around the world. Stability, security, economics, markets, communications, trade, and investments are all interconnected.

Taking advantage of the opportunities of this hopeful new world will require vision and leadership—bold Presidential leadership with the vision to see through the haze of the present and into the possibilities of the future. This will require leadership that is wise enough to seize the moment and help move the world forward. Nations of today are not the nations of yesterday. We must rise above past differences and old conflicts. This is not without risk. But the risk must be taken.

Trade connects people. Increased commerce and the bridges it builds has broad implications for human rights, democracy and increased stability and freedom around the world.

Trade binds nations together in strategic and political alliances. Throughout history trade and commerce have been key instruments that have helped break down totalitarian governments and dictatorships, and opened the doors to democracy and higher standards of living for all people—improved health, better diets, and hope for the future. Trade and international investment have helped pave the way for peace in many areas of the world. Trade and democracy are interconnected. Trade and investment lead to political and economic stability.

The key to this is a strong trade agenda that pursues our interests while balancing them with other priorities.

First and most important is the granting of Trade Promotion Authority to the President. Every day that goes by without this authority is another day of wasted opportunity. We cannot afford for America to stand idle while other nations negotiate trade agreements that give an advantage to the competitors of American goods and services. Congress needs to get this done, and get it done quickly.

We have many other challenges that lie ahead. We need to move the Jordan and Vietnam Trade Agreements through Congress.

We also should look to our own hemisphere. Canada and Mexico are our largest trading partners. American exports to Western Hemisphere nations comprised more than one-third of all U.S. exports in 2000. We must strengthen our ties to our Western Hemisphere neighbors.

This is good for all peoples in this hemisphere. We need to move on renewing the Andean Trade Preference Act this year. And we should pursue a trade agreement with Chile, and a free trade agreement for all the Americas.

We will face another hurdle in again granting normal trade relations to China. Establishing a stable trade relationship with China is in our best interest.

Turning our backs on China will not improve human rights in China, promote greater freedom, or improve the stability in Asia—rather, it would have a dangerous and negative impact on all these important efforts.

This year we must help lead efforts to launch another round of World Trade Organization negotiations.

The challenges are many, and they are great, but so are the opportunities. President Bush has laid out a strong, forward-looking agenda on trade. He has an excellent team in Ambassador Zoellick, Secretary Evans, and those charged with moving this agenda forward.

I look forward to working with the President and his team on America's trade agenda. It is fundamental to our future.

Trade and investment are building blocks for the world's mutual interests. We have the opportunity to make the world more stable, more secure, more prosperous, and more democratic. Let's not squander this very historic and unique opportunity.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. NELSON of Florida). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, the hour of 2 having arrived, are we now back on the education bill?

The PRESIDING OFFICER. We will be momentarily.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, morning business is now closed.

BETTER EDUCATION FOR STUDENTS AND TEACHERS ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 1, which the clerk will report.

The bill clerk read as follows:

A bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965.

Pending:

Jeffords amendment No. 358, in the nature of a substitute.

Kennedy (for Murray) amendment No. 378 (to amendment No. 358), to provide for class size reduction programs.

Kennedy (for Dodd) amendment No. 382 (to amendment No. 358), to remove the 21st century community learning center program from the list of programs covered by performance agreements.

Cleland amendment No. 376 (to amendment No. 358), to provide for school safety enhancement, including the establishment of the National Center for School and Youth Safety.

Biden amendment No. 386 (to amendment No. 358), to establish school-based partnerships between local law enforcement agencies and local school systems, by providing school resource officers who operate in and around elementary and secondary schools.

Specter modified amendment No. 388 (to amendment No. 378), to provide for class size reduction.

Voinovich amendment No. 389 (to amendment No. 358), to modify provisions relating to State applications and plans and school improvement to provide for the input of the Governor of the State involved.

Carnahan amendment No. 374 (to amendment No. 358), to improve the quality of education in our Nation's classrooms.

Reed amendment No. 425 (to amendment No. 358), to revise provisions regarding the Reading First Program.

The PRESIDING OFFICER. Under the previous order, the Senator from Nevada is recognized to call up his amendment No. 460.

Mr. REID. Mr. President, I ask unanimous consent that the time not run on this amendment. I will wait until the manager of the bill arrives. I ask unanimous consent that that be part of the order, and pending that, I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 460 TO AMENDMENT NO. 358

Mr. REID. Mr. President, pursuant to order, I send an amendment to the desk. It is at the desk. I ask the amendment be read at this time.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada (Mr. REID) proposes an amendment numbered 460.

Mr. REID. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide assistance to entities that emphasize language and life skills programs for limited English proficient students)

On page 254, line 21, insert before the period the following: "(including organizations and entities that carry out projects described in section 1609(d))".

On page 257, between lines 18 and 19, insert the following:

"(d) AFTER SCHOOL SERVICES.—Grant funds awarded under this part may be used by organizations or entities to implement programs to provide after school services for limited English proficient students that emphasize language and life skills.

Mr. REID. Mr. President, in the State of Nevada in Las Vegas, there is a very innovative teacher. Her name is Priscilla Rocha. She is a wonderful woman who has been a friend of mine for many years. She is also a member of the State board of education. She teaches the fourth grade, and she has had almost 20 years of experience. She has taught in Texas. As I indicated, she now teaches in Las Vegas.

About 3 years ago, she started an afterschool program in her classroom in response to the many struggles she saw with children who had limited English proficiency. She observed that the parents were not equipped with English skills or the academic background to help these children with their homework. Children were going home in some instances with no supervision because both parents worked. She found that these children kept falling further and further behind in their academic work, and she recognized that it was only a matter of time until the children dropped out of school.

What she calls her homework center operates as follows: Children in grades 1–5 are referred to the program by teachers and school counselors. Parents are first notified, and they have to sign a consent that the children can enter into this afterschool homework program. She has found it easy to get college students to help by tutoring the children on a one-to-one basis. She has also found that some children need to stay in the program only for a matter of weeks. Others need to spend a matter of years in the program.

Currently, the Las Vegas program is funded through a HUD community block grant from Clark County and the city of Las Vegas. This is held in a school classroom, but direct funding does not come from the school district. The funding goes to a community-based organization that Ms. Rocha helped found in 1992 called Hispanic Association for Bilingual Literacy in Education, or HABLE. Ms. Rocha is the Executive Director of HABLE. This program has been a remarkable success. Starting with six students in 1993, she has worked with about 250 students since then. Most of these children do not speak and did not speak a single word of English when they came to Ms. Rocha. Now almost 100 of these kids have graduated from high school, and a like number, almost another hundred, are on the way to successfully completing high school in the next few years.

It was hard to find examples that I should bring to the Chamber today because there are really so many, but I have chosen a few with the help of Ms. Rocha. For instance, Evilia Gomez was one of the original fourth graders to start with Ms. Rocha in 1993. While she has always been a bright girl and had been a good student in Mexico, when she came to America, she didn't speak a word of English. We find that far too often students like Evilia simply are put in a special education program. "They can't read; they must be dumb if they can't read."

Well, this little girl wasn't dumb. The fact that she couldn't speak did not mean that she was slow or learning disabled. With the extra attention she was given, she rapidly learned English and quickly transitioned to regular classes. She did so much extra course work that she graduated from Las Vegas High School 2 years early as valedictorian of the class. Of all the students who graduated from Las Vegas High School in the class of 1999, a girl who didn't speak a single word of English 6 years earlier ended up with the highest grade point average of any student in that very large high school. Not only is this a special child, this is a special program, and we need to replicate it.

Another girl in Las Vegas, Johanna Rangel, has a similar success story. She didn't graduate as valedictorian, but she did extremely well. She is one of the original six who worked with Priscilla when this program started. When she came to this program, she didn't speak a single word of English. Now she is President of a Latino students' organization at Desert Pines High School and is involved in many extra curricular activities. She will graduate in a month. She did extremely well in school, and she plans to attend college this fall.

She is quick to point out that her success is due to her being able to come to the program Priscilla Rocha developed, and she believes the program is the reason she was able to graduate from high school. In fact, she said, when she invited Ms. Rocha to her graduation:

> This would not have been possible without you. I wouldn't be graduating without your help.

There are many others. You have to understand that Johanna's parents didn't speak a word of English when they brought her from Mexico to the United States. They couldn't help with her homework; no matter how badly they wanted to help, they couldn't. They didn't speak English. Her risk of failure and thus dropping out, was dramatic, but this program turned things around for her.

Children want to learn. They want to be productive. There is a lot going on in America today about English as an only language. States are passing, have passed, and are trying to pass laws saying that there should only be one language.

Mr. President, there is only one language anyway. If you want to succeed in America, you don't need to pass a law saying English is the only language. It is the only language. If you want to succeed, you have to speak English. It used to be if you wanted to be a diplomat, you had to speak French. Not anymore. The language of diplomacy is English. If you want to fly an airplane anyplace in the world, the air traffic controllers' language is English.

So not only did Johanna want to succeed, she wanted to learn to speak English. She needed help. Her parents could not help in that regard. So I am excited about this program. We have all kinds of success stories.

Alvaro Rodriguez is a 10-year-old fourth grader who began Ms. Rocha's program at the start of this school year. He and his family came straight from Mexico. None of them were able to speak a single word of English. By the end of this school year, Alvaro will start transitioning into regular reading and writing programs in English. Next year, he won't be in a special program. He will be a fifth grader and he will be mainstreamed.

Carla Rojas, another 10-year-old, is benefitting from this program. She came to Las Vegas from Mexico in the middle of this school year. It is hard enough for a 10-year-old to change schools in the middle of the year, but Carla was put into a school where she didn't understand a single word of what the teacher or the kids were saying. This program has helped her so much that by the end of this year it is believed that she will be adapted so well that she will be able to take classes with everybody else this coming year.

Priscilla Rocha says of Carla: "She is a very smart and energetic girl. All we have to do is give her the little push she needs."

So these programs work well, as they should work well. The increasing diversity of our Nation enriches our communities. It also challenges our public schools to meet both the English language and literacy needs of our expanding limited English proficient student populations. The families of these students speak their native languages at home and often have limited English skills, making it difficult for parents and family members to help children with their unique academic language struggles.

Think about it. You go to school and they are speaking one language there, and you go home and they are speaking a different language. How do you improve upon what you don't know? It is hard to do.

That is why programs such as the one I have outlined are so important. To address the need for literacy for these students, my amendment expands the current 21st century learning centers in this bill to include programs for limited English proficient students.

I have talked about the Homework Center in Las Vegas. It is vital to the education of these limited English proficient students who don't have the resources at home to support them. These programs need to have the support of the entire education system. Why? Because it means economic security and quality of life. We can't ignore the fact that, across this country the dropout rate for limited English proficient youth remains chronically and unacceptably high at almost 45 percent. Almost half the kids who have trouble with their language skills drop out of school.

Over half a million students drop out of school every year; 3,000 students drop out of school every day in America. Every child who drops out is less than they can be. It puts a burden on the criminal justice system and our welfare system. It is something with which we certainly need to do better. We have about 5 million Americans who lack a high school degree and are not in the process of getting one. In our prisons in America today, line them all up; 82 percent of them have no high school education. Is there a correlation between education and getting in trouble? Of course. I didn't speak improperly. I said 82 percent of the people in our prisons have not graduated from high school. Does that mean that the 82 percent who haven't graduated are a bunch of dopes? The answer is no. The vast majority of those students, for one reason or another, didn't keep up, or could not keep up; they didn't have the incentives, and many of them have language problems. This amendment will help with those language problems.

The primary reason children drop out of school is a lack of success in school. They believe they can be a bigger hit out on the street beating up on somebody or selling dope. They don't understand the importance of an education. If they do understand the importance of an education, they have dropped back so far that they know they can never catch up. They can catch up, but they think that they can never catch up.

This is not just a problem of a few kids not getting an education. A high school dropout rate impacts the economy and quality of life, not only for the children that drop out, as I have mentioned, but their families and for each and every one of us.

Every time a child drops out of school, we have failed a little bit. It hurts us. It hurts us because it doesn't sound right morally, but it hurts us economically, and it hurts the social fabric of our country.

We need an educated workforce. If this continues, we will have increased unemployment rates and increased prison incarceration, people on welfare and other Federal programs, and unemployment rates of high school dropouts are more than twice that of high school graduates. Remember, we are pushing kids to go beyond high school—maybe not to college, but the unemployment rates of high school dropouts are more than twice those of high school graduates.

The probability of falling into poverty is three times higher for high school dropouts than for those who finish high school. That is 300 percent higher.

The median personal income of high school graduates, during the prime earning years, ages 25 to 54, is 200 percent that of high school dropouts.

The median personal income of college graduates is more than three times that of high school dropouts.

The children, sadly, of high school dropouts have a much greater chance of dropping out of school. It becomes a pattern.

The problem is worse for America's Hispanics—a growing segment of our population. Hispanics students have a dropout rate of more than 30 percent—three times compared to the overall rate of 11 percent.

Afterschool programs tailored for limited English proficient students will go a long way toward helping to keep these fine young people in school.

There is an increasing need all over America for language services. Nearly 20 percent of the students in U.S. schools speak a foreign language at home. According to the National Clearinghouse for Bilingual Education, that figure will grow.

In some parts of the country, non-English speakers are referred to special education, as I have indicated, based solely on their inability to speak English the way teachers and others believe they should. Some may think if they don't speak English correctly, they must be dumb. Not so. Some school systems—and I believe this may be in violation of the civil rights laws of our country—continue to assign students to special education programs on the basis of criteria that essentially measures and evaluates English skills of students.

Currently, students fail to receive the right programs because the guidance and funding districts receive is inadequate to develop comprehensive programs for limited English proficiency students.

I say to my friend, the Senator from Vermont, who is managing this bill, I have always appreciated his forceful advocacy of fully funding IDEA—programs for those with special needs. The reason I do that is, it is the right thing to do for the children, and it is the right thing to do for the school districts because it leaves them money to do things like this—special programs, such as helping a kid who doesn't speak English. The way it is now, they are so strapped for money, all they are able to do is the basics. If we fully fund the IDEA program, as we should do, it will allow some money for these programs that will make a difference in kids' lives.

More funding is needed to develop effective special education programs for diverse students to meet the many challenges that they face.

Funding would provide schools with the support they need to devise language programs that fit the needs of the districts.

School districts all over America are scrambling to meet the basics. Some have more problems than others. Some have problems with crumbling schools. In Nevada, especially in southern Nevada where 70 percent of the people live, we have problems with the inability to build enough new schools.

We need to build one new school in the Clark County school district every month to keep up with the growth. We hold the record. One year we dedicated 18 new schools in the Clark County School Districts.

Schools have problems for various reasons. We in southern Nevada have the problem of not being able to keep up with the growth. We need help with construction. We need help with class size reduction. I am speaking today about the need to fully fund IDEA and to also allow this amendment to be adopted so that we have the ability, within this new education bill we are going to pass, to fund programs for kids who do not speak English as well as they would be able to with a little bit of direction.

I appreciate President Bush focusing on education, but we cannot educate kids on the cheap. It costs money to educate kids. Most of the controversy in the school choice debate attached to the President's proposal is to let low-income parents use Federal aid to apply to private school alternatives when their children are in public schools and they believe the schools do not provide services for their children's needs.

I believe a better approach is to look at something that Priscilla Rocha has done in Las Vegas. We do not need to take these kids out of public schools. What we need to do is take care of funding, let people like Priscilla Rocha be inventive, give her the resources so she, and other educators like her, can have afterschool programs that are important and help the limited English proficient student. I believe a broader approach to the President's parental choice option is necessary, one that calls for a revamping of a 30-year-old underfunded policy for limited English proficiency education.

The principles behind properly funding these programs are simple. For one, the millions of American children with limited proficiency in English should not be consigned to years of classes that avoid helping them gain rapid English proficiency. For that, increased funding is necessary.

If one of these children is put in a special education class, think what that does to that child. They know they are as smart as the kid next to them, they just cannot talk, or maybe they do not know they are as smart as the kid next to them. That is even more sad.

I think of literacy as an empowerment issue. I think that education empowers us, and that education does not mean you have to be a doctor, lawyer, or college professor. It means being able to read and write. It means having an opportunity to go to a technical school to be an automobile mechanic.

Mr. President, when you and I graduated from high school, if we wanted to be an automobile mechanic, we got out of high school and started working on cars. Students cannot do that anymore. They have to be able to read manuals. They have to attend classes and get a certificate before anyone will hire them.

Automobile agencies in Las Vegas for a number of years—I did not realize this—imported people to work on these cars from Utah because Utah issued certificates. Our community colleges in southern Nevada offer training and a degree in the automotive field. A student can then go to Pete Findley Oldsmobile or Fletcher Jones Chevrolet or any of the automobile dealerships, and they will hire them. It takes an education.

Literacy is an empowerment issue. While these children are in America, we want them to have the very best, and having the very best is not an act of generosity on our part. It is an act of doing the right thing, not only for them but for us. Every child who drops out of school not only hurts himself or herself and his family, but hurts us. We have to recognize that making programs available to help these kids through school is good for all of us.

Look at the practicality of literacy as an empowerment issue. It is not a question of picking one method or another. It has more to do with the idea that we have millions of children with limited proficiency in English. These children should be equipped with the necessary tools to prosper in America.

The sooner you speak English, the sooner you are a fully functioning citizen who can participate in society.

I have given the example of Priscilla Rocha's program, but I am sure there are many others around the country that work. I am familiar with Ms. Rocha's program because she has been a friend of mine for many years. I know what a caring individual she is.

I am not advocating a set program. I am advocating that we make sure this education bill allows us to do what, in my opinion, the country needs.

The 21st Century Community Learning Centers program in this legislation expands eligibility to include programs that emphasize language support for limited English proficient students.

There are all kinds of afterschool programs around the country that work. For example, there is a program in Madison, WI. The city operates a safe haven afterschool program for more than 200 children at three elementary schools in communities with high crime and poverty rates.

The program activities include homework help, academic enrichment, arts and crafts, supervised games and physical education, and field trips. As the program enters its third year, the schools report improved attendance and reduced conflicts during afterschool hours. Children in the program also show greater interest in completing their homework.

Another example can be found in New York City where the YMCA of Greater New York, in partnership with the New York City Board of Education, is working to bring extended school services to 10,000 public school children by turning 200 of the city's underserved public schools into virtual Y's from 3 p.m. to 6 p.m. after school each day.

There are all kinds of programs. Second, third, and fourth graders take part in these programs.

A program in Charleston, WV, helps 60 students who live in a community plagued by crime and drugs attend a summer camp operated by Chandler Elementary School.

I have given examples of programs that help 10,000 schoolchildren, and one that helps 60 schoolchildren. Is one any better than the other? Probably not, but they both work.

Finally, a program in Waco, TX, the Lighted School Program, has kept middle schools open after school until 7 p.m. at night Monday through Thursday for activities and services to approximately 200 students who attend regularly. Nineteen local organizations provide activities and services. Baylor University contributes 115 college students as mentors. Each works with one child for a full school year.

The recreation department of that city leads supervised field trips and games. Two art centers send instructors to the schools to lead hands-on activities, and library staff help children read and act out stories.

Children who participated in the Lighted School Program say they appreciate having a safe place to go after school, that it keeps them off the streets and it is more fun, they say, than sitting at home in front of the television. Several say if the program did not exist, they would be in big trouble.

There are programs that do help. My afterschool literacy amendment will not substitute for school-based academic instruction but will complement it.

My amendment expands the existing 21st Century Community Learning Centers Program. This program helps fund a variety of valuable programs. This grant program is directed at inner-city and rural schools that are working in partnership with community organizations to provide learning and enrichment programs outside of regular school hours for children and adults.

A community learning center is an entity within a public elementary, middle, or secondary school building that provides educational, recreational, health, and social service programs for residents of all ages within a local community. It is generally operated by a school district which is legally responsible within a State for providing the public education for these students.

There are many examples of afterschool programs including: literacy programs; senior citizen programs; children's daycare services; summer and weekend school programs; nutrition and health programs; expanded library services; telecommunications and technology education programs; parenting skills; employment counseling, training, and placement; and services for individuals with disabilities. These are already included in the bill. I want to make sure there is no confusion, that everyone understands we need to make sure the 21st Century Community Learning Center also includes school-based instruction for children who have limited English skills.

It is important we do that. These programs, I believe, are essential to decreasing the number of students who dropout of school. Just think, instead of having 3,000 children dropping out of school, let's say we have 2,500, if there are 500 kids we can keep in school, I think it will be well worth it.

I hope we send a message by voting unanimously as a Senate for this legislation. I hope it has a strong vote. It is something that is important to the country. I think it is important to this legislation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I commend the Senator for his excellent presentation. He has put his finger on one of the most serious problems we have in this Nation, and that is the dropout problem.

We have to be very careful when we find somebody is proud of their record because their averages have improved, because then we find out the reason they have improved is so many kids dropped out of school that the ones who are left average a higher percentage of successful students. So we have to be very careful when we examine these matters.

Also, the Senator did a very excellent job pointing out the group of students who have the most difficult problems staying in school are those with language difficulties, Hispanics in particular.

His amendment is an excellent one. I would love to accept it, but I understand it can further serve another purpose, which, as we are aware, happens on Mondays. So I ask at some point, when the Senator is ready, we call for a vote.

Mr. REID. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. VOINOVICH). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. REID. Mr. President, I yield my time if there is any.

Mr. JEFFORDS. I yield back my time.

Mr. REID. I ask the amendment be set aside for further business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOND. Mr. President, as we begin this critical week with debate on the education bill, I wanted to make some points that I think apply throughout the debate on education, and I wanted to share with my colleagues some of my hopes, aspirations, and concerns. I thank the manager on the minority side for allowing us to do so.

Mr. JEFFORDS. Mr. President, I appreciate the Senator coming. I know he has an important message. I look forward to listening to him.

Mr. BOND. I thank the manager.

Mr. President, there have been numerous times that I have come to the Senate floor to say—and I come, once again, to repeat—that education is a national priority, but it is an obligation and responsibility of those at the State and local level. The education of our children has traditionally been—and ought to be in the future—carried out and implemented at the local level.

I remember a couple of years ago when we were talking about Federal control that one of my colleagues, who is now no longer with us, was in a debate with a representative in the Department of Education. The Department of Education person said: I care just as much about your children and their needs and their operations in school and their success as you do, to which he replied: Well, that's great. Do you know their names? No. Do you know what their scores are? No. Do you know what their challenges are? No. Do you know where their schools are? No.

The simple fact is that none of us here in Washington, no matter how much we are concerned about education in general and children in general, can know what the problems are and what the challenges are and how best to meet those challenges for students in each local school district throughout this Nation.

I think we would all say that each child is different. Each school district is different. Each school is different. I think for that and other good reasons the Federal role in education has been a limited one, and I believe it should be.

The underlying bill before us—S. 1—recognizes the nature and the scope of this role. The legislation creates a leadership role for the Federal Government in encouraging States to adopt commonsense systems based upon standards, measurements, and accountability. The underlying bill as reported out of our committee did not attempt to micromanage the local schools and classrooms.

S. 1 also would give us the opportunity to redefine how we measure success. For too long, many of my colleagues here have supported throwing more and more money at education. And the Washington-based education establishment generally has determined our success in education programs based on the dollars spent—not on the academic achievements, not on the progress, and not on what our children are learning in school to be better prepared for their role in this increasingly complex and competitive society.

If more money were the answer, we wouldn't be debating this bill because we wouldn't have the problem. We have poured more and more Federal money into education, and the academic achievement of our students has been level or in some cases it has fallen behind.

In pouring more money into public education, we have gone to great lengths to detail precisely how those teachers—the men and women who know the names of the child in their classroom, and know what his or her problems are, more and more they are being told what to do by Washington.

According to the Education Commission of the States:

> In the 1999-2000 budget, the federal government spent almost $44 billion on elementary and secondary education programs. This funding was spread across 35 different education programs in 15 different federal departments.

We did a little research a couple years ago and found out there are over 760 education programs. It was that proliferation of good ideas from Washington that led me at the time to propose what we call the Direct Check For Education, to combine some of those biggest programs, cut the redtape, send it back to the school districts, and tell the school districts these are all things we think you ought to consider but do not require them to dot every i and cross every t, jump through the hoops, and fill out forms and fill out reports and play "Mother May I" with the Federal Government.

All of these programs that exist today were started with good intentions, and they have gotten more money. Look at the money. Shown on this chart are the appropriations for ESEA programs in billions of dollars. Starting in 1990, it looks as if, oh, around $7 billion was spent, and now it has gone up to, oh, I would say close to $380 billion.

This shows what has happened in the average national scale math scores for 9-year-olds. That is measured on the chart with the green line. It is a flat line. If that were a line on a key chart in a hospital measuring the heartbeat of the patient, it would say the patient is dead. All the money has produced no appreciable benefits. That is the math scores.

Maybe we can look at another chart to see if we got any better results. How have we done in reading? This chart has the appropriations for ESEA programs in billions of dollars. It is the same type of chart as the last one. It shows the national 4th grade reading scores: a flat line, no life in the patient. We are not getting any better. We are spending more money to do no better.

I am afraid we are about to hijack S. 1 and turn it into a replay of the same kind of Federal micromanagement and Federal direction of education that has managed to use a whole lot of money without getting any results.

These Federal programs—the Education Commission of the States says 35; I say over 760—have gotten us burdensome regulations, unfunded mandates, and unwanted meddling. The folks at the local level—whether they be parents or teachers or school board members or administrators—say they have less and less control. Jobs of our teachers and administrators are harder than they should be. We have eroded the opportunity for creativity and motivation.

I don't know how many of you have taken the opportunity to do what I have done in Missouri. Over the last 3 years, I have traveled throughout the State—in the metropolitan areas, the suburban areas, the rural areas—and I have met with representatives of teachers, of school board members, of administrators. I have asked: What is the problem here? And too many of them have come back to say: We are spending our time as glorified grantsmen, trying to get more money from the Federal Government, trying to jump through the hoops, trying to do what the Federal Government wants us to do. We don't have the time to prepare our lessons and to prepare our students for the education they need for a lifetime.

This is a serious problem. This is what the teachers, the administrators, the school board members are telling us throughout my State. It comes through loud and clear, and it is on a bipartisan basis. From the most conservative Republicans to the most liberal Democrats, the people in Missouri, who are involved at the local school level, tell us there is far too much time, effort, and energy wasted on complying with Federal dictates, Federal mandates.

Some of our schools say that, although the Federal Government only provides an average of about 5 percent—I guess in Missouri it is a little less than the national average of the dollars going to education—it, in effect, controls about 50 percent of what is done because these Federal mandates and these Federal dictates—all these good ideas that went into these programs—tell the local schools how they ought to handle the programs they would otherwise be doing to educate their kids. And most of them say, well over 50 percent of the redtape and the headache and the requirements and the hassle they go through comes from the Federal Government.

How can we afford to keep spending Federal education dollars in the same way we have been doing it for years if it is not achieving any success? I do not think we can. I do not think we should stand for it. I have talked to too many parents and teachers, school board members, community and business leaders who say: Our children deserve better. This country deserves better.

Over the past several years, I have opposed the creation of specific new programs and their dictates on the style of their education, even these amendments that have been offered in good faith. These amendments were good ideas, if we had taken our good ideas and ran for membership on a school board. I am sure many of my colleagues could make great contributions if they were on the school board in Mexico, MO, or the R–6 school district or the St. Louis city school board or the Jefferson City school board, but we are not.

The problem is, there are different needs and different challenges in Missouri, in Washington, in Arizona, in Maine, or in Florida. When we pass a law, when we pass a dictate or a requirement, we do not know how that is going to impact the kids who are the ones who have to be taught. We may understand education in general, but there are educational needs that are specific and direct in each school district as the individual student involved.

I cannot believe, if my colleagues went back home, spent some time, saddled up the horses, went out and just rode the circuit, that you wouldn't hear the same things. I know, first hand. Our State has some of the best teachers, the best principals, superintendents, and school board members in the country. They are outstanding people. They are really concerned.

You think we are concerned about education. Well, we were concerned about education last week and will be this week, but we have to be concerned about the budget, we have to be concerned about tax policy, and we are going to be concerned about energy policy.

These dedicated men and women are spending their lifetime dedicated to one thing: that is, teaching our children. What do the people who are actually involved in education have to say?

The superintendent of Springfield, MO, public schools said:

> . . . the amount of paperwork that the federal government causes local school districts to engage in is often overwhelming. The extra effort and time often reduces productive classroom time and energy that could better be spent working directly with children.

Mr. Berrey of the Wentzville R–IV school said:

> Limiting federal intrusion into decisions best left to local communities is what I believe our founding fathers had in mind.

From the Neosho, MO, R–5 school district:

> The individuals who are working most closely with the students are indeed the ones who can best decide how this money can be spent for the benefit of students' education.

The superintendent of the Special School District of St. Louis County said:

> As head of a school district specializing in special education, I fully understand how my district's financial needs differ from other school district's needs. In order to best utilize the limited funds that are at my disposal, I need maximum flexibility in determining how to put those funds to the best use.

The president of the board of education of the Blue Springs, MO, school district said:

> Without local control, the focus is taken away from the needs specific to the children in each school system.

But I think maybe the superintendent of the Taneyville, MO, R–II school district sums it up well:

> I feel that State and Federal government has tied our school's hands with mandated programs and mandated uses for the monies we are receiving. The schools are likened to puppets on a string. Pull this string this way and the school does this; pull it another way and the school does that. School systems and communities are as different from one another as individual people are different. What works for one will not work for another.

I offer those because that is the kind of information all of us need as we move forward on any kind of education bill, certainly one as important as the reauthorization of the Elementary and Secondary Education Act. My colleagues haven't been in a position to listen to those people and ask them questions directly, but I suggest to them, if they go home and ask questions, they will hear the same, with similar eloquence and similar heartfelt concern, in their States.

To me the issue is simple: We must give our States and localities the flexibility to utilize the limited amount of Federal resources as they see fit and hold them accountable in the form of academic achievement. We must recognize and reward States and localities that succeed in improving academic achievement. There also should be consequences for States and localities that fail.

We have a choice between having Washington, DC, control our schools and the local level. Who is most likely to waste money? There is no contest there. Unfortunately, we have demonstrated in Washington collectively that no matter how good our ideas, how well intentioned our efforts are to provide direction and counseling and hope for schools, we may not be doing the right job; we may be causing them more problem.

A little girl hustling to school—she was late for school—said a little prayer that she would get to school on time. She went about another half block and got going too fast and fell down on her face. She offered up another little prayer: I would like you to help me to get to school, but don't push so hard. I fell down.

Sometimes we are pushing a little too hard. Sometimes what we try to do to help the people who are trying to deliver education try to uplift and empower our children pushes them down on their face. I think it is time that we consolidate those programs, that we take all these great revenues and give parents a say. Let school boards determine the policy, let administrators know how to run their school, and let teachers who know the names and the problems and the opportunities and the potential of each child make those educational decisions.

S. 1, the underlying bill, consolidates a myriad of Federal programs into a set of programs designed to allow States and local school districts to make decisions on their own, to determine their priorities, recognizing that education reform will take place in the classroom, not because of all of the wonderful, great ideas we have in Washington, DC. The underlying concept of S. 1 is the right way to go.

Amendments on class size are absolutely unnecessary. Class size reduction is an option in S. 1's larger, more flexible program for improving the quality of classroom teaching. It should be an option, not a mandate.

Let me ask this question: Has it been shown that a fifth grade class must have only so many children in it to be successful? I have talked to a lot of administrators who say the most important thing for teaching that fifth grade class and each child in it is to make sure the quality of the teacher is good. If we can't come up with two quality teachers, all we do, in splitting up the class, is say to those children who go with a less qualified teacher that they don't get as good an education.

What if the school district has already devoted its money to reducing class size, used its local funds? What they need is better pay to keep those teachers there.

On classroom funding, are we going to say: You can only use this money to hire more teachers? What if the principal said: I have some great teachers, but they are going to go into the private sector if I don't give them a pay increase? How does that make sense for us to say to every school district in the Nation: Thou shalt hire more teachers? It doesn't make sense to me.

Local school districts are best equipped to determine what they need. Many have already reduced class size where they thought necessary. They might have done that at the expense of some other things: Teacher pay, technology, class books. Maybe they need professional development for the teachers they have. How do we know? I will guarantee you, we don't know. We can't know for every school district in the Nation. That is why we ought not be mandating that Federal dollars be spent for a purpose that may or may not be the top priority need of that district.

Mandating specific resources for class size reduction really takes money off the table for other schools that have already addressed that specific issue. As I said earlier, they may have decided that professional development for their teachers to improve the quality of teaching is more important to obtain academic success for the students and schools.

We always deal with limited budgets. There is not going to be an unlimited source of money going into anything we need. The question is how best we spend the money we have. All of us agree that a good, quality education is our top national priority. We can't say we are going to have all the specific programs and we are going to meet every need of every school district because State and local funds still cover at least 90 percent—in most States more—of education funding. We are not going to replace that. We shouldn't because we didn't run for this office to be a national school board.

The President and the Secretary of Education are men deeply committed to education, but they are not good superintendents of schools or principals or even teachers, in this instance, because they have to deal with all the schools and they can't know all the kids' names.

The American public is and should be interested in the debate in Washington because they overwhelmingly believe that good education for our children is a top priority. But they also know what really matters is what goes on in the schools and the classrooms around the country. As much as we like to argue among ourselves, what is said in this Chamber or even in the other body is not going to drive the education of a student or make sure that student is better educated. That depends upon a teacher and the school in which that child studies.

Individuals on one side of this debate believe that the Olympians on the hill, those of us in Washington with fine titles, those of us with national responsibilities in the Congress or those in the Education Department, a group of very concerned individuals, know what is best for the folks down in the valley.

I happen to be on the side who believe that the great ideas, the accomplishments, the successes that are going to make our children better educated for the future, that are going to help them meet the challenges of this wonderful but challenging century are going to be made by the folks in the valley, the men and women who staff our schools, who are the teachers, administrators, superintendents; principals who run the school boards, and who are the parents who, above all, are the ones with the greatest stake in the education of their children.

I hope this body does not hijack S. 1 and make it into another system of categorical grants: Jump through this hoop and you will get some dollars. But then you will have to fill out reports and check in with Washington to see how you used them, and then you will have to file more reports, or you can jump through this hoop if you make a successful application. And if you jump through the right hoops and somebody in Washington agrees that it is OK, then you have to follow up with more reports and redtape and forms and tell them what you did. I don't think that is the way we ought to be going on education.

I urge my colleagues, as we look at these amendments before us, to ask these basic questions: Is this amendment or provision going to enable somebody who is teaching children in a school in my State to do a better job? Is it going to be across the board? Is it going to enable every teacher in every school district? Or is it only going to affect a few school districts, where our priority happens to be that school's priority?

Mr. President, I urge my colleagues to rethink how we are going in terms of setting up too many hoops for schools to jump through. We want to see better education, but Federal hoops are not the way to get there.

I thank the Chair and yield the floor.

Mr. JEFFORDS. Mr. President, I commend the Senator for his dedication to education. He is a very valuable member of my committee. I have listened carefully to his message, and I thank him.

I yield to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, the Senator from Vermont thanks the Senator from Vermont for yielding to the Senator from Vermont, and the Senator from Vermont thanks the Chair for recognizing both Senators from Vermont.

Someday somebody looking through trivia in the RECORD will try to figure out what the heck that was all about.

Mr. President, what is the parliamentary situation? Are there amendments pending?

The PRESIDING OFFICER. There are amendments pending. It would take unanimous consent to set them aside.

AMENDMENT NO. 424

Mr. LEAHY. Mr. President, I ask unanimous consent that amendment No. 424 be added to the list of those amendments that are now pending. I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. HATCH, for himself, Mr. LEAHY, Mr. THURMOND, and Mr. KOHL, proposes an amendment numbered 424.

Mr. LEAHY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

(Purpose: To provide for the establishment of additional Boys and Girls Clubs of America)

On page 893, after line 14, add the following:

SEC. . BOYS AND GIRLS CLUBS OF AMERICA.

Section 401 of the Economic Espionage Act of 1966 (42 U.S.C. 13751 note) is amended—

(1) in subsection (a)(2)—

(A) by striking "1,000" and inserting "1,200";

(B) by striking "2,500" and inserting "4,000"; and

(C) by striking "December 31, 1999" and inserting "December 31, 2006, serving not less than 6,000,000 young people";

(2) in subsection (c)—

(A) in paragraph (1), by striking "1997, 1998, 1999, 2000, and 2001" and inserting "2002, 2003, 2004, 2005, and 2006"; and

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking "90 days" and inserting "30 days";

(ii) in subparagraph (A), by striking "1,000" and inserting "1,200"; and

(iii) in subparagraph (B), by striking "2,500 Boys and Girls Clubs of America facilities in operation before January 1, 2000" and inserting "4,000 Boys and Girls Clubs of America facilities in operation before January 1, 2007"; and

(3) in subsection (e), by striking paragraph (1) and inserting the following:

"(1) IN GENERAL.—There are authorized to be appropriated to carry out this section—

"(A) $60,000,000 for fiscal year 2002;

"(B) $60,000,000 for fiscal year 2003;

"(C) $60,000,000 for fiscal year 2004;

"(D) $60,000,000 for fiscal year 2005; and

"(E) $60,000,000 for fiscal year 2006.".

Mr. LEAHY. Mr. President, does this become the 12th amendment, or one on the list on those now pending?

The PRESIDING OFFICER. It is on the list of those that are now pending.

Mr. LEAHY. I thank the Presiding Officer.

Mr. President, I join with the chairman of the Senate Judiciary Committee in offering this amendment. As the Senators know, this reauthorizes Department of Justice grants for new Boys and Girls Clubs in each of our 50 States.

This bipartisan amendment authorizes $60 million in Department of Justice grants for each of the next 5 years to establish 1,200 additional Boys and Girls Clubs across the Nation. In fact, this will bring the number of Boys and Girls Clubs to 4,000. That means they will serve approximately 6 million young people by January 1, 2007.

I am very impressed with what I see about the Boys and Girls Clubs as I travel around the country. In 1997, I was very proud to join with Senator HATCH and others to pass bipartisan legislation to authorize grants by the Department of Justice to fund 2,500 Boys and Girls Clubs across the Nation. We got very strong bipartisan support. We increased the Department of Justice grant funding for the Boys and Girls Clubs from $20 million in fiscal year 1998 to $60 million in fiscal year 2001. That is why we have now 2,591 Boys and Girls Clubs in all 50 States and 3.3 million children are served. It is a success story.

I hear from parents certainly across my State how valuable it is to have the Boys and Girls Clubs. I hear it also from police chiefs. In fact, one police chief told me, rather than giving him a couple more police officers, fund a

Boys and Girls Club in his district; it would be more beneficial. This long-term Federal commitment has enabled Vermonters to establish six Boys and Girls Clubs—in Brattleboro, Burlington, Montpelier, Randolph, Rutland, and Vergennes. In fact, I believe the Vermont Boys and Girls Clubs have received more than a million dollars from the Department of Justice grants since 1998.

Last week at a Vermont town meeting on heroin prevention and treatment, I was honored to present a check for more than $150,000 in Department of Justice funds to the members of the Burlington club to continue helping young Vermonters find some constructive alternatives for both their talents and energies, because we know that in Vermont and across the Nation Boys and Girls Clubs are proving they are a growing success at preventing crime and supporting young children.

Parents, educators, law enforcement officers, and others know we need safe havens where young people can learn and grow up free from the influence of the drugs and gangs and crime. That is why the Boys and Girls Clubs are so important to our Nation's children. Indeed, the success already in Vermont has led to efforts to create nine more clubs throughout my home State. Continued Federal support would be critical to these expansion efforts in Vermont and in the other 49 States as well.

I was disappointed when the President's budget request called for eliminating funding for Boys and Girls Clubs from the Department of Justice's programs for State and local law enforcement assistance. I realize there was an effort to bring down the budget to compensate for what has been a very large tax cut, but I think this money should have been left in. I think the administration makes a mistake in cutting out the money for the Boys and Girls Clubs.

In fact, based on last year's appropriations, the failure of the Bush administration to request funding for the Department of Justice grants for Boys and Girls Clubs amounts to a $60 million cut in our Federal drug and crime prevention efforts. I have written to the administration. I hope the President will reconsider this decision. I hope he will realize that the Boys and Girls Clubs is not a Democratic initiative or a Republican initiative; this is a commonsense initiative that both parties have endorsed.

Those of us who have children or grandchildren know instinctively how important it is. If we have any doubt, we can just talk to any of the parents in the towns or communities where there are Boys and Girls Clubs; they will tell you how valuable they are. In fact, the Boys and Girls Clubs of America are the most successful youth organization in the country today, according to the Chronicle of Philanthropy.

I worked together on the Senate Judiciary Committee with Attorney General Ashcroft, and I applaud him because he is a big booster of the Boys and Girls Clubs. He spent a lot of his youth at a club in Missouri, he told me.

I am hopeful that the Attorney General will also support additional Department of Justice funding for more Boys and Girls Clubs. He was very helpful to the debate when Senator HARKIN and I offered an amendment to add one-half billion dollars to the Department of Justice Department in fiscal year 2002 that would fund programs that assist State and local law enforcement. Our amendment, the Leahy-Harkin law enforcement budget amendment, passed the Senate unanimously. It does continue funding for the Boys and Girls Clubs and their Department of Justice grants.

In fact, the budget resolution conference report retained most of the funding increases in the Leahy-Harkin law enforcement amendment.

I hope the amendment today to reauthorize the Department of Justice grants to the Boys and Girls Clubs of America will clear the way for the administration to endorse Federal funding for this effort. It is something on which Senator HATCH and I have joined forces. We want to demonstrate this is not a Liberal, Conservative, Republican, or Democratic effort. It is a commonsense effort because these clubs make such a real difference in the lives of millions of America's young people.

Mr. President, I see others in the Chamber, and I yield the floor.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that the Senator from North Carolina be recognized and that I follow him after his remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from North Carolina.

Mr. HELMS. Mr. President, the Senator is most gracious, and I certainly appreciate it. I ask unanimous consent that it be in order for me to present my remarks seated at my desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I thank the Chair. What is the pending amendment? Are there pending amendments, Mr. President?

The PRESIDING OFFICER. Yes, there are pending amendments.

Mr. HELMS. I ask unanimous consent that they be laid aside temporarily so I may offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 574 TO AMENDMENT NO. 358

Mr. HELMS. Mr. President, I call up amendment No. 574 and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 574.

Mr. HELMS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To prohibit the use of Federal funds by any State or local educational agency or school that discriminates against the Boy Scouts of America in providing equal access to school premises or facilities)

At the appropriate place, add the following:

TITLE —EQUAL ACCESS TO PUBLIC SCHOOL FACILITIES

SEC. 1. SHORT TITLE.

This title may be cited as the "Boy Scouts of America Equal Access Act".

SEC. 2. EQUAL ACCESS.

(a) IN GENERAL.—Notwithstanding any other provision of law, no funds made available through the Department of Education shall be provided to any public elementary school, public secondary school, local educational agency, or State educational agency, if the school or a school served by the agency—

(1) has a designated open forum; and

(2) denies equal access or a fair opportunity to meet to, or discriminates against, any group affiliated with the Boy Scouts of America or any other youth group that wishes to conduct a meeting within that designated open forum, on the basis of the membership or leadership criteria of the Boy Scouts of America or of the youth group that prohibit the acceptance of homosexuals, or individuals who reject the Boy Scouts' or the youth group's oath of allegiance to God and country, as members or leaders.

(b) TERMINATION OF ASSISTANCE AND OTHER ACTION.—

(1) DEPARTMENTAL ACTION.—The Secretary is authorized and directed to effectuate subsection (a) by issuing, and securing compliance with, rules or orders with respect to a public school or agency that receives funds made available through the Department of Education and that denies equal access, or a fair opportunity to meet, or discriminates, as described in subsection (a).

(2) PROCEDURE.—The Secretary shall issue and secure compliance with the rules or orders, under paragraph (1), in a manner consistent with the procedure used by a Federal department or agency under section 602 of the Civil Rights Act of 1964 (42 U.S.C. 2000d–1).

(3) JUDICIAL REVIEW.—Any action taken by the Secretary under paragraph (1) shall be subject to the judicial review described in section 603 of that Act (42 U.S.C. 2000d–2). Any person aggrieved by the action may obtain that judicial review in the manner, and to the extent, provided in section 603 of that Act.

(c) DEFINITIONS AND RULE.—

(1) DEFINITIONS.—In this section:

(A) ELEMENTARY SCHOOL; LOCAL EDUCATIONAL AGENCY; SECONDARY SCHOOL; STATE EDUCATIONAL AGENCY.—The terms "elementary school", "local educational agency", "secondary school", and "State educational agency" have the meanings given the terms in section 3 of the Elementary and Secondary Education Act of 1965.

(B). SECRETARY.—The term "Secretary" means the Secretary of Education, acting through the Assistant Secretary for Civil Rights of the Department of Education.

(C) YOUTH GROUP.—The term "youth group" means any group or organization intended to serve young people under the age of 21.

(2) RULE.—For purposes of this section, an elementary school or secondary school has a designated open forum whenever the school involved grants an offering to or opportunity for 1 or more youth or community groups to meet on school premises or in school facilities before or after the hours during which attendance at the school is compulsory.

Mr. HELMS. Mr. President, I ask unanimous consent that the amendment be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 648 TO AMENDMENT NO. 574

Mr. HELMS. Mr. President, I send a second-degree amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 648 to amendment No. 574.

Mr. HELMS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted, insert the following:

TITLE —EQUAL ACCESS TO PUBLIC SCHOOL FACILITIES

SEC. 1. SHORT TITLE.

This title may be cited as the "Boy Scouts of America Equal Access Act".

SEC. 2. EQUAL ACCESS.

(a) IN GENERAL.—Notwithstanding any other provision of law, no funds made available through the Department of Education shall be provided to any public elementary school, public secondary school, local educational agency, or State educational agency, if the school or a school served by the agency—

(1) has a designated open forum; and

(2) denies equal access or a fair opportunity to meet to, or discriminates against, any group affiliated with the Boy Scouts of America or any other youth group that wishes to conduct a meeting within that designated open forum, on the basis of the membership or leadership criteria of the Boy Scouts of America or of the youth group that prohibit the acceptance of homosexuals, or individuals who reject the Boy Scouts' or the youth group's oath of allegiance to God and country, as members or leaders.

(b) TERMINATION OF ASSISTANCE AND OTHER ACTION.—

(1) DEPARTMENTAL ACTION.—The Secretary is authorized and directed to effectuate subsection (a) by issuing, and securing compliance with, rules or orders with respect to a public school or agency that receives funds made available through the Department of Education and that denies equal access, or a fair opportunity to meet, or discriminates, as described in subsection (a).

(2) PROCEDURE.—The Secretary shall issue and secure compliance with the rules or orders, under paragraph (1), in a manner consistent with the procedure used by a Federal department or agency under section 602 of the Civil Rights Act of 1964 (42 U.S.C. 2000d-1).

(3) JUDICIAL REVIEW.—Any action taken by the Secretary under paragraph (1) shall be subject to the judicial review described in section 603 of that Act (42 U.S.C. 2000d-2). Any person aggrieved by the action may obtain that judicial review in the manner, and to the extent, provided in section 603 of that Act.

(c) DEFINITIONS AND RULE.—

(1) DEFINITIONS.—In this section:

(A) ELEMENTARY SCHOOL; LOCAL EDUCATIONAL AGENCY; SECONDARY SCHOOL; STATE EDUCATIONAL AGENCY.—The terms "elementary school", "local educational agency", "secondary school", and "State educational agency" have the meanings given the terms in section 3 of the Elementary and Secondary Education Act of 1965.

(B) SECRETARY.—The term "Secretary" means the Secretary of Education, acting through the Assistant Secretary for Civil Rights of the Department of Education.

(C) YOUTH GROUP.—The term "youth group" means any group or organization intended to serve young people under the age of 21.

(2) RULE.—For purposes of this section, an elementary school or secondary school has a designated open forum whenever the school involved grants an offering to or opportunity for 1 or more youth or community groups to meet on school premises or in school facilities before or after the hours during which attendance at the school is compulsory.

SEC. . 3. EFFECTIVE DATE.

This title takes effect 1 day after the date of enactment of this Act.

Mr. HELMS. Mr. President, for years, the Boy Scouts of America organization has been subjected to malicious assaults by some homosexuals and some liberal politicians simply because the Boy Scouts of America organization, and many individual scout groups, have steadfastly continued to uphold their moral and decent standards for scouting and the leaders of that great organization.

I have long admired and supported scouting—its leaders, and the Boy Scouts themselves. (I was one a long time ago, although we will not discuss how long ago that was.) In any case, it comes as no surprise to me that the Supreme Court properly upheld in June of last year the constitutional rights of the Boy Scouts of America—their rights to establish their own membership guidelines, which included no obligation whatsoever to accept homosexuals as Boy Scout members or leaders.

Nor was there any surprise that there came the customary discordant company of radical militants demanding that this landmark decision of the U.S. Supreme Court be undermined.

Mr. President, they never miss a beat, not one—those who demand that everybody else's principles must be laid aside in order to protect the rights of homosexual conduct, or they go on and on like Tennyson's Brook. These radical militants are up to the same old tactics when targeting an honorable and respectable organization, the Boy Scouts of America.

Where else do you suppose these people are aiming their attacks now? The answer: the public schools of America. School districts across America are now being pressured to kick the Boy Scouts of America out of federally funded public school facilities. Why and how come, you may ask. I will tell you. It is because the Boy Scouts will not agree to surrender their first amendment rights, and they will not accept the agenda of the radical left in this country.

I asked the Congressional Research Service for a report about how many school districts have already taken hostile actions against the Boy Scouts of America. The Congressional Research Service reported to me that at least nine school districts are known to have publicly attacked the Boy Scouts of America, and in the majority of these cases they have done so in an outright rejection of the Supreme Court's ruling protecting Boy Scouts' rights.

One of the more publicized instances occurred in Broward County, FL—a place which earned some notoriety last fall due to its ballot confusion during the Presidential election. Obviously, Broward County, FL, is in another state of confusion: Its school board voted unanimously to forbid—get this—forbid the Boy Scouts of America to use the public school facilities for their meetings, as had historically been the case, unless the Boy Scouts compromised with, guess who? That is right: the homosexual leaders of Broward County. Thankfully, the U.S. district court in Florida intervened at that point, and the court has issued a preliminary injunction prohibiting Broward County from moving forward in evicting the Boy Scouts from the school premises.

I am obliged to acknowledge that Broward County is not the only school district taking such action. In my own State of North Carolina, members of the Chapel Hill School District have demanded that the Boy Scouts of America change their policy (which was upheld, Mr. President, you will remember, by the Supreme Court in June of last year), or the Chapel Hill School District will send the Boy Scouts packing to find another meeting place. Either do it their way or get out of the school. That is what they are saying in Chapel Hill, NC.

Only if they will accept homosexuals as their leaders and fellow scouts will these Boy Scouts be allowed to continue their meetings on school property. But those very same meeting places at school remain open for more than 800 Gay-Straight Alliance clubs. These are homosexual school clubs that have been formed with the assistance of the Gay, Lesbian, and Straight Education Network, which is a radical group committed to promoting immoral lifestyles in the school systems of America.

With groups such as these welcomed in our public schools, while the Boy

Scouts are kicked out, schoolchildren need, it seems to me, to have the Boy Scouts stick around, and that is what I want to do with this legislation, if I can, and if the Senate will go along with it.

This arrogant discriminatory treatment of Boy Scouts of America must not be allowed to continue, and that is why I am sitting here this afternoon offering amendments to reinforce the U.S. Supreme Court's decision upholding the first amendment rights of the Boy Scouts of America and not oblige those Boy Scouts to compromise their membership or leadership guidelines, nor any of their moral principles.

Specifically, the pending first-degree and second-degree amendments propose that any public school receiving Federal funds from the Department of Education must provide the Boy Scouts or youth groups such as the Boy Scouts equal access to school facilities and must not discriminate against the Boy Scouts of America by requiring scouts or any other youth groups to accept homosexuals as members or as leaders or any other individuals who reject the Boy Scouts' oath of allegiance to God and country. The penalty for such violation could constitute the risk of their Federal funding being eliminated.

This amendment provides the Office of Civil Rights within the Department of Education the statutory authority to investigate any discriminatory action taken against The Boy Scouts of America based on their membership or leadership criteria.

In other words, DOE will handle cases of discrimination against the Boy Scouts, in the same manner that DOE currently handles other cases of discrimination, which are barred by Federal law and may result in termination of Federal funds.

For those unfamiliar with the existing process: DOE has given their Office of Civil Rights oversight responsibility over discrimination complaints. The Office of Civil Rights typically notifies and warns a fund recipient—such as a school—to correct its actions or else.

However, it should be noted that according to CRS:

> Historically, the fund termination sanction has been infrequently exercised, and most cases are settled at . . . the investigative process. . . .

Therefore, it's highly unlikely that any school will in fact ever have its funding cut off; unless it adamantly refuses to provide the Boy Scouts of America equal access to school facilities.

Mr. President, 70 years ago, I remember raising my hand to take the Scout Oath. I have it written here but I really do not need it. How many times on Friday night would we stand with our hands up and say:

> On my honor as a Scout, I will do my best to do my duty to God and my country, and to obey the Scout Law. To help other people at all times, to keep myself physically strong, mentally awake, and morally straight.

Mr. President, I hope the Senate will, as the U.S. Supreme Court has already done, uphold the constitutional rights of the Boy Scouts of America to continue to take this oath, meaningfully and sincerely.

I ask unanimous consent that the two memoranda, prepared by the Congressional Research Service and a legal analysis, which was prepared by the American Center for Law and Justice in support of my amendment on the grounds that it is constitutional—I ask that all of these documents be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Memorandum to Hon. Jesse Helms from American Law Division, CRS, Mar. 5, 2001]

Federal Civil Rights Enforcement by the Office of Civil Rights of the U.S. Department of Education and Related Matters

At your request, this memorandum summarizes our recent discussions relative to enforcement by federal administrative agencies—in particular, the Office of Civil Rights (OCR) in the Department of Education—of Title VI of the 1964 Civil Rights Act and other federal statutes prohibiting discrimination in state and local programs receiving federal financial assistance.

OCR is responsible for enforcing federal laws barring discrimination based on race, sex, national origin, disability or age in all federal education programs or activities funded by the federal government at the elementary, secondary, or higher educational level. It derives its authority mainly from the following statutory sources: Title VI of the 1964 Civil Rights Act, which enacted a generic ban on race, color, or national origin discrimination in all federally assisted programs, educational or otherwise; Title IX of the Education Amendments of 1972, which prohibits discrimination on the basis of sex in education programs or activities that receive federal financial assistance; Section 504 of the Rehabilitation Act of 1973, banning discrimination because of handicap in all federally funded activities; and the Age Discrimination Act of 1975.

Federal agencies were authorized by Title VI to enforce nondiscrimination "by issuing rules, regulations, and orders of general applicability" and to secure compliance through imposition of sanctions, which may include the "termination or refusal to grant or to continue assistance" to recipients, or by "any other means authorized by law." An early target of Title VI enforcement efforts were segregated "dual school" systems in the South, which had resisted the mandate of Brown v. Board of Education to desegregate with "all deliberate speed." The Civil Rights Act enlisted the executive branch—in this case, the former Department of Health Education and Welfare—as an ally of the courts in effectuating compliance with desegregation requirements by means of threatened fund cutoffs. With statutory creation of the Department of Education in 1979, OCR was made the principal entity responsible for administratively enforcing the panoply of federal laws barring discrimination in programs and activities carried on by federally financed schools, school districts, and higher education institutions.

OCR enforces the noted statutes by conducting investigations of complaints filed in its ten regional offices or at national headquarters in Washington, or by conducting compliance reviews. Compliance reviews are internally generated and are intended as broad investigations of overall compliance by recipients of Federal financial assistance from the Department of Education. Institutions are targeted for such review by examining information gathered in surveys by OCR and from other sources. The surveys are intended to assist the agency in identifying potential areas of "system discrimination." Upon finding an apparent violation of Title VI or other applicable law, OCR notifies the fund recipient, i.e. the state or local education agency, and must then seek voluntary compliance. If voluntary compliance cannot be secured, OCR may pursue enforcement through fund termination proceedings within the agency or seek compliance by other authorized means. The administrative fund termination process entails notifying the alleged discriminatory entity of the opportunity for hearing before a DOE administrative law judge. Alternatively, and more often the case, the matter may be referred to the Department of Justice (DOJ) with recommendation for appropriate legal action.

Historically, the fund termination sanction has been infrequently exercised, and most cases are settled at one of four stages of the investigative process: early complaint resolution; during negotiations prior to a "letter of finding" by the agency of a violation, or following such a finding; and at the administrative enforcement stage, when the institution is given a final opportunity to correct any violation found by the ALJ. In addition, litigation instituted by DOJ, on referral from DOE, or by private parties pursuant to an implied right of action has been an important avenue for Title VI enforcement. Although much litigation has concerned public school desegregation, Title VI judicial remedies have also been invoked for claims of discrimination in school disciplinary proceedings, failure to provide bilingual or supplemental instruction for non-English speaking students, student grades and ability grouping, financial aid or scholarship programs.

* * * * *

[Memorandum to Hon. Jesse Helms from American Law Division, CRS, Mar. 6, 2001]

Actions by Various School Districts Across the Nation to Restrict Access by Local Scouting Organizations to Public School Facilities

This memorandum responds to your inquiry, and our recent conversation, relative to the above.

In Boy Scouts of America v. Dale, the U.S. Supreme Court ruled, by a 5 to 4 vote, that the Boy Scouts have a constitutional right to exclude homosexual members and leaders. Since then, controversies have arisen in Broward County, Florida, New York City, and several other jurisdictions concerning continued local school board support of scouting programs. In Broward County, school authorities reportedly "evicted 57 Boy Scout troops and Cub Scout packs from school property in December [2000]" for violating a nondiscrimination clause in their agreement for use of the facilities. The Boy Scouts responded with a federal lawsuit in Miami district court, apparently still pending, which challenges the officials' action as unlawful "viewpoint discrimination." The action claims that the school district violated the Scouts' right to free expression and equal access to public facilities. As we discussed, presumably neither Title VI of the 1964 Civil Rights Act nor Executive Order 13160, issued by former President Clinton, would prohibit denial by local educational agencies of school facilities or services to scouting organizations.

A search of the Westlaw all news database revealed that the following state or local educational agencies have taken, or are considering, actions to restrict Boy Scout access to public school facilities since the Supreme Court decision in Boy Scouts of America:

Broward County, Fla.: "Broward County's school board voted unanimously to keep the Boy Scouts of America from using public schools to hold meetings and recruitment drives because of the groups ban on gays." 11/16/00 Fla. Today 06, 2000 WL 20222668.

Chapel Hill N.C.: "The Chapel Hill-Carrboro school board voted [on January 11, 2001] to give Scouts until June to either go against the rules of their organization or lose their sponsorship and meeting places in schools." 1/13/01 News & Observer (Raleigh NC) B1, 2001 WL 3447689.

New York City: "School Chancellor Harold Levy . . . said the city school system would not enter into any new contracts with the Boy Scouts of America;" and that all sponsorships and special privileges by city schools would be terminated, but that they "will be allowed to have access to school buildings after school hours on the same basis as other organizations, which means they would have to seek customary approval first." 12/3/00 Star Ledger (Newark N.J.) 028, 2000 WL 29894638.

Los Angeles, CA: Los Angeles City Council has "directed all of the city's departments to review contracts with the Boy Scouts and order an audit of those contracts to ensure they comply with a nondiscrimination clause." Id., 2000 WL 29894638.

Madison, Wis.: "A resolution unanimously passed by the Madison School Board . . . harshly criticizes the Boy Scouts of America for its exclusionary policies, but the resolution does not change district policies towards the group." 12/6/00 Wis. St. J. B3, 2000 WL 24297730.

Seattle Wa.: "Seattle Public Schools officials could decide as early as [January 2001] whether to restrict Boy Scouts of America's access to students and school buildings." 12/19/00 Seattle Post-Intelligencer B2, 2000 WL 5309920. No additional reportage on the current status of Seattle schools was located.

Minneapolis Mn: Under unanimously-passed Minneapolis School Board policy, "[s]couts no longer can pass out recruitment material in the city's public schools and individual schools cannot sponsor troops; however, scouting units may still use school buildings for meetings and other events." 10/11/00 Stat. trib. (Minneapolis-St. Paul) 01B, 2000 WL 6992730.

Worchester Ma.: "Superintendent of Schools Alfred Tutela . . . banned the Boy Scouts from holding meetings in the properties of the Wachusett Regional Schools District." 9/15/00 Telegram and Gazette (Worchester) B1, 2000 WL 10219354.

Framingham Ma.: Scouts "were banned from recruiting in the district's schools." 12/29/00 Nat'l Post A 16, 2000 WL 30654763.

We hope that this is of assistance to you.

[Memorandum to Office of Senator Jesse Helms from American Center for Law & Justice, May 17, 2001]

The Boy Scouts of America Equal Access Act (S. 1) Is Fully Constitutional

INTRODUCTION

The American Center for Law and Justice ("ACLJ") is a nonprofit, public interest law firm and educational organization dedicated to protecting religious liberty, human life, and the family. ACLJ attorneys have successfully argued constitutional law cases in federal and state courts across the United States. See, e.g., Schenck v. Pro-Choice Network of Western New York, 519 U.S. 357 (1997); Lamb's Chapel v. Center Moriches Union Free School District, 113 S.Ct. 2141 (1993); Bray v. Alexandria Women's Health Clinic, 113 S.Ct. 753 (1993); United States v. Kokinda, 497 U.S. 720 (1990); Westside Community Schools v. Mergens, 496 U.S. 226 (1990); Frisby v. Shultz, 487 U.S. 474 (1988); Board of Airport Commissioners v. Jews for Jesus, 482 U.S. 569 (1987). As reflected by these cases, the ACLJ has a substantial interest in preserving First Amendment freedoms for groups in various speech fora.

The Boy Scouts of America Equal Access Act (S. 1) is consonant with the Free Speech and Free Association provisions of the First Amendment. The denial of equal access for speech or association by the Boy Scouts in a forum generally open to all other types of speech is unconstitutional viewpoint-based discrimination. See generally, Lamb's Chapel v. Center Moriches Union Free School Dist., 113 S.Ct. 2141 (1993). And, as to this issue in particular, a Federal District Court in Florida has very recently ruled that such discriminatory exclusion of the Boy Scouts from public school facilities was unconstitutional, and enjoined the school district from such further discrimination. See generally, Boy Scouts of America v. Till, Case No. 00-7776-Civ-Middlebrooks-Bandstra (S.D. Fla. Mar. 21, 2001). The Boy Scouts of America Equal Access Act follows in that determination to prevent discrimination and seeks to insure equal and constitutional treatment of youth groups, such as the Boy Scouts, without regard to such organizations' oath of allegiance to God and country, or the acceptance of homosexuality.

* * * * *

The Boy Scouts of America Equal Access Act is not only constitutional, the equal access that it seeks to protect is mandated by the Constitution.

EXCLUSION OF THE BOY SCOUTS FROM AN OTHERWISE OPEN FORUM WOULD BE REGARDED WITH STRICT SCRUTINY BY THE COURTS

When a school district by policy or practice rents its facilities to community groups it has clearly created an open forum and cannot then exclude speech because of its content. As the Supreme Court has said, "[w]here the State has opened a forum for direct citizen involvement, exclusions bear a heavy burden of justification." Widmar v. Vincent, 454 U.S. at 268.

When the government excludes speech from an open forum, the government "must therefore satisfy the standard of review appropriate to content-based exclusions. It must show that its regulation is necessary to serve a compelling state interest, and that it is narrowly drawn to achieve that end." Widmar v. Vincent, 454 U.S. at 270. See also, Perry, 460 U.S. at 45; Cornelius v. NAACP Legal Defense and Education Fund, 473 U.S. at 800. When an otherwise available public facility has erected a content-based prohibition against religious speech in an open forum, for example, it must justify that burden by showing that it has a compelling governmental interest implemented by the least restrictive means. Widmar v. Vincent, 454 U.S. at 270; accord Adams Outdoor Advertising v. City of Newport News, 373 S.E.2d 917, 923 (Va. 1988). Like the City of Hialeah in Church of Lukumi v. City of Hialeah, 113 S. Ct. 2217 (1993), those that would target the Boy Scouts for special disabilities misunderstand that "the interest given in justification of [such a] restriction is not compelling." Lukumi, 113 S.Ct. at 2234. If Establishment Clause concerns were not a compelling reason for the targeted restrictions in Lukumi, then generalized concerns about the Boy Scouts taking a politically incorrect stand on the issue of homosexuality is also not compelling.

EVEN IN A NONPUBLIC FORUM SUCH CONTENT-BASED EXCLUSIONS ARE UNCONSTITUTIONAL

The Supreme Court has made it clear that even in the context of a non-public forum, this type of viewpoint-based exclusion is unconstitutional and discriminatory. As the Supreme Court explained in Cornelius v. NAACP Legal Defense and Educ. Fund. Inc., 473 U.S. 788, 806 (1985), in a non-public forum "the government violates the First Amendment when it denies access to a speaker solely to suppress the point of view the espouses on an otherwise includible topic."

In Lamb's Chapel v. Center Moriches Union Free School Dist., 113 S.Ct. 2141 (1993), the U.S. Supreme Court declared that a religious speech exclusion (which is parallel to the moral viewpoint exclusion here) was unconstitutional viewpoint-based discrimination. The per se exclusion of a certain moral perspective is viewpoint-discriminatory. To make this point clear, the Court in Lamb's Chapel used non-public forum standards to emphasize that even in that context the Center Moriches School District has engaged in unconstitutional viewpoint-based discrimination because of its religious speech exclusion. See e.g., Lamb's Chapel, 113 S.Ct. at 2141.

In Lamb's Chapel, the Center Moriches school district allowed dozens of groups to engage in a host of First Amendment expressive activities, but denied a church the right to rent the facilities after school hours to show a film series to adults on child-rearing because of its religious content. Lamb's Chapel, 113 S.Ct. at 2144. In declaring the religious speech ban to be unconstitutional the Court stated:

> The film involved here no doubt dealt with a subject otherwise permissible under Rule 10, and its exhibition was denied solely because the film dealt with the subject from a religious standpoint. *The principle that has emerged from our cases is that the First Amendment forbids the government to regulate speech in ways that favor some viewpoints or ideas at the expense of others.*—113 S.Ct. at 2147–48 (emphasis added, citations and quotation marks omitted).

* * * * *

Like the school district in Lamb's Chapel, public school districts afford hundreds of thousands of people the opportunity to express themselves through a myriad assortment of words and phrases. And, as in Lamb's Chapel, the sole rationale for the exclusion of the Boy Scouts is a reliance upon the censorship itself as a justification for such a flat ban. This circular reasoning cannot withstand the strict scrutiny which must applied to such censorship. Such "overt, viewpoint based discrimination contradicts the Speech Clause of the First Amendment." 113 S.Ct. at 2149, (Kennedy, J. concurring).

> Even if the public school facilities were deemed to be non-public fora, a policy targeting the Boy Scouts for exclusion would fail the governing constitutional test. The Supreme Court has explained that "[c]ontrol over access to a nonpublic forum can be based on subject matter and speaker identity so long as the distinctions drawn are reasonable in light of the purpose served by the forum and are viewpoint-neutral." Cornelius, 473 U.S. at 806 (emphasis added). The Boy Scouts exclusion fails even this deferential standard.
>
> There is simply no reasonable basis for the per se exclusion of speech by private actors based upon speech content. Ultimately, some public school districts claim the sheer power to exclude the private speech of the Boy Scouts for no better reason than just because the school district says so. Such an assertion of a stark power to discriminate against a particular group because of its message is incompatible with the Constitution under any standard.
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> * * * * *
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> CONCLUSION
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> The Boy Scouts of America Equal Access Act is fully constitutional, and properly exercises Congress power of the purse to insure the constitutionally recognized rights and privileges of all youth groups, like the Boy Scouts, are protected and honored. While it may be that exclusion of the Boy Scouts has become a cause celebre for some since the U.S. Supreme Court's decision in Boy Scouts of America v. Dale, 120 S.Ct. 2446 (200), censorship and discrimination are not answers to disagreements over stands on moral issues. The First Amendment specifically permits a variety of viewpoints to be expressed in the marketplace of ideas, without fear of censorship or exclusion.
>
> The Boy Scouts of America Equal Access Act bill merely mandates what is constitutionally required. As Boy Scouts of America v. Till clearly illustrates, however, there is a clear and present need for such legislation.

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized.

Mr. DORGAN. Mr. President, will the Senator from Wisconsin yield for a question?

Mr. President, I ask consent to be recognized following the remarks of the Senator from Wisconsin.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FEINGOLD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The Helms amendment in two degrees.

Mr. FEINGOLD. Mr. President, I ask the Helms amendment be temporarily laid aside so I can speak on the bill itself.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FEINGOLD. I rise to add my thoughts to this important debate about the proposed annual testing requirements for students in grades 3–8. This bill that we are debating would require states to implement annual testing in reading and math by the 2005–2006 school year; to develop standards for science and history by the 2005–2006 school year; and to implement annual assessments in science for students in grades 3–8 by the 2007–2008 school year.

I commend the Senator from Minnesota [Mr. WELLSTONE] for his commitment to ensuring that these tests are high in quality and do not have an adverse impact on students, teachers, schools, school districts, and States. I am pleased to be listed as a cosponsor of a number of his amendments to this bill to improve its testing provisions.

I actually heard a lot about this proposal for testing from the people of Wisconsin, and their response has been almost universally negative. My constituents oppose this proposal for many reasons, including the cost of developing and implementing additional tests, the loss of teaching time every year to prepare for and take the tests, the linking of success on these tests to ESEA administrative funds, and the pressure that these additional tests will place on students, teachers, schools, and school districts.

I share my constituents' concerns about this proposed Federal mandate. I find it interesting that proponents of the BEST Act say that this bill will return more control to the states and local school districts. I strongly support local control over our children's day-to-day classroom experiences. In my view, however, this massive new federal testing mandate runs counter to the idea of local control.

Many States and local school districts around the country already have testing programs in place. We should leave the means and frequency of assessment up to the States and local school districts who bear the responsibility for educating our children. Every State and every school district is different. A uniform testing policy may, therefore, not be the best approach.

I am extremely concerned that this new Federal requirement will teach our children that education is not about preparing for their futures, but rather about preparing for tests. That education is really about sharp number two pencils and test sheets; about making sure that little round bubbles are filled in completely; and—if their school districts and states have enough money—maybe about exam booklets for short answer and essay questions.

American students are already tested at many levels—in their classrooms, in their schools, in their districts, and in their States.

My home state of Wisconsin currently tests students in reading in grade 3 through the Wisconsin Reading Comprehension Test, and in reading, language, math, science, and social studies in grades 4, 8, and 10 with the Wisconsin Knowledge and Concepts Examinations. Wisconsin also will require a high school graduation test beginning in the 2003–2004 school year. And this is in addition to regular classroom tests and quizzes and tests given at the district level by many of the 426 school districts in my State. Then, for those students hoping to go to college, there is the pre-SAT, the SAT, the ACT and on and on.

I know; I have four kids who are just completing all that process, or have in the last couple of years. It is an awful lot of testing already.

One of my constituents who is a high school counselor said the high school students in her district spend so much time taking standardized tests that the district could award them one-half of a credit for testing. How much testing is worth one-half of a credit? During their 4 years in high school, the students in this district will spend 84 hours taking standardized tests—84 hours. This does not even include regular classroom tests, final exams, or instruction time spent on test preparation.

According to one teacher who recently contacted me regarding this legislation:

> Already I see that teachers are spending too much time on test preparation rather than good instruction. The test administration itself takes valuable time away from instruction and does not provide new data on individual children for the well informed teacher. . . . [M]ultiple choice tests with some short answer [questions] only measure rudimentary knowledge. They rely on memorizing and regurgitating isolated facts and most items only allow one correct answer. Students are being evaluated on one single test. What if the student has a bad day? Lastly, the truly scary part is that standardized tests ensure that half of our students will always be 'below average.' How can we meet the benchmark that everyone will score proficient and advanced when the tests are designed to never let that happen? . . . Taking more tests is not going to improve learning.

I have heard from many education professionals such as these in my state that this new testing requirement is a waste of money and a waste of time. These people are committed to educating the children of my state, and they don't oppose testing. I think we can all agree that testing has its place. What they oppose is the magnitude of testing that is proposed in this bill.

One of the biggest concerns I have heard about this program is its cost. In my home state of Wisconsin, where the state imposes limits on the amount of money school districts can raise and spend annually, education budgets are already stretched to the breaking point, and federal funding is absolutely critical. And to add a federally-mandated testing program with little in the way of resources to implement it will only compound this problem. I am pleased that the Senate passed an amendment offered by the Chairman of the HELP Committee, Mr. JEFFORDS, to increase funding for this testing program but I remain concerned this bill still falls far short of authorizing enough funding for this program.

Under the provisions of the BEST Act, Wisconsin would have to develop new reading tests for grades 5, 6, and 7 and new math tests for grades 3, 5, 6, and 7. According to the Wisconsin Department of Public Instruction, the estimated cost to add these additional tests would be between $2 million and $5.3 million annually, depending on the type of tests chosen by the state. And this is over and above the $1.5 million the state already spends on testing in grades 3, 4, and 8. And this figure does not include the cost of the state-mandated Wisconsin Knowledge and Concepts Examination for grade 10, which also fulfills the federal requirement to tests students in math and reading at least once between grade 10 and grade 12. And it does not include the cost of the Wisconsin High School Graduation Test. And it does not include the additional cost that the state will have to incur to develop and implement the additional science tests in grades 3, 5, 6, and 7 that this bill requires to begin in the 2007–2008 school year.

Teachers in my state are concerned about the amount of time that they will have to spend preparing their students to take the tests and administering the tests. They are concerned that these additional tests will disrupt the flow of education in their classrooms. One teacher said the preparation for the tests Wisconsin already requires can take up to a month, and the administration of the test takes another week. That is five weeks out of the school year. And this bill would require teachers to take a huge chunk out of each year in grades 3–8. In my view, and in the view of the people of my state, this time can be better spent on regular classroom instruction.

In addition to the financial cost and the instruction time lost, my constituents are concerned about the value of these tests to students, parents, and teachers. According to one teacher, the existing tests don't have any meaning to students and have little meaning to classroom teachers.

The impact of these tests on students varies. Some students have high test anxiety and, as a result, grow to fear tests. Others simply do not care about the tests, and fill in random answers on their test sheets. And for students who are struggling, a low test score on a standardized test can be demoralizing.

Most students, of course, try their best. But they are confused about why they are taking these tests, and many students and parents are confused by the results of these tests.

Many teachers are unsure about how to interpret the test results. They see statistics that tell them about the numbers of right and wrong answers and about percentiles, but the test results provide little in the way of information for teachers and parents to know where students are having problems. Because so many standardized tests are copyrighted and are used more than once, students, parents, and teachers do not have the opportunity to compare the students' answers to the correct answers. They are unable to determine which concepts the students need help with, or for which concepts the students have demonstrated understanding.

Our children are real people, not numbers. Yet the testing program contained in this bill would judge our students, teachers, schools, school districts, and states by test scores.

In my view, linking funding sanctions to test performance sends the wrong signal. As I noted earlier, students respond differently to tests. To link education funding to a series of high-stakes tests not only does a disservice to our children, but to our teachers, parents, schools, school districts, and states.

I also fear that this new annual testing requirement will disproportionately impact disadvantaged students. As the Senator from Minnesota, Mr. WELLSTONE, has said so many times on this floor, we must ensure that all students have an equality of opportunity to be successful in school. To that end, I am pleased that the Senate adopted an amendment to this bill offered by the Senator from Connecticut, Mr. DODD, and the Senator from Maine, Ms. COLLINS, that would authorize full funding of Title I over the next ten years.

I am also pleased to be an original cosponsor of the amendment that will be offered by the Senator from Minnesota which would modify the annual testing provisions of the bill to clarify that states will not be required to implement the annual tests unless Title I is funded at $24.7 billion by July 1, 2005, which is consistent with the funding levels in the Dodd-Collins amendment.

Study after study shows that disadvantaged students lag behind their peers on standardized tests. We must ensure that schools have the resources to help these students catch up with their peers before students are required to take these new annual tests. If we fail to provide adequate resources to these schools and these students, we run the risk of setting disadvantaged children up for failure on these tests—failure which could damage the self-esteem of our most vulnerable students.

The issue of standards and testing is addressed in the cover story in the May 2001 issue of Phi Delta Kappan magazine, which is published by the International Association of Professional Educators of the same name. In his article, "Undermining Standards," John Merrow discusses the dangers of high-stakes testing, arguing that "in many places testing has gotten ahead of developing and then implementing standards." He also expresses a concern about the impact of testing on the classroom environment and on classroom teachers: that "test preparation is dominating classroom time, stifling creativity and imagination, and taking the joy out of teaching."

Merrow also addresses the annual testing program proposed by the President and included in this bill. He says, "As I read President Bush's proposals, it seems to me that . . . about six things can happen, and five of them are bad. Such high-stakes testing may (1) lead to an even more arid curriculum, (2) drive away talented teachers, (3) tempt states to lower the bar in order not to lose federal money, (4) increase pressure to cheat, and (5) alienate educated parents. That's not 'reform with results,' at least not the results those who support public education would wish for."

Merrow continues, "Of course, the President's plan might actually work the way he hopes it will. That is if he backs away from making test scores the be-all and end-all of schooling, his plan might just scare school systems into putting more energy into learning."

As my constituents have told me, this proposal does scare them—but not in the way the President has intended.

I urge all of my colleagues to take a few minutes to read this article.

I am concerned that the emphasis that is placed on testing as a means of accountability in this bill could result in a generation of students who know how to take tests, but who don't have the skills necessary to become successful adults.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, Senator SESSIONS has asked to be recognized for 2 minutes, I believe to call up an amendment. It would be fine with me if I could be recognized by consent following Senator SESSIONS' statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SESSIONS. I thank Senator DORGAN. I appreciate his courtesy.

I call up amendment No. 600. This is an amendment I call the "Crisis Hot Line Grant." It is an amendment for confidential reporting of individuals suspected of imminent school violence.

The PRESIDING OFFICER. Without objection, the pending amendment will be set aside.

Mr. REID. There is no unanimous consent request made to set it aside.

The PRESIDING OFFICER. The Senator from Alabama has requested to bring up an amendment that requires unanimous consent.

Mr. REID. Objection.

The PRESIDING OFFICER. Objection is heard.

The Senator from Alabama.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Alabama has the floor. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SESSIONS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

AMENDMENT NO. 600 TO AMENDMENT NO. 358

Mr. SESSIONS. Mr. President, I ask unanimous consent for a minute and a half to offer my amendment in relation to crisis hotline grants.

Mr. REID. I have no objection to the pending amendment being set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from Alabama [Mr. SESSIONS] proposes an amendment numbered 600 to amendment No. 358.

Mr. SESSIONS. I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide for confidential reporting of individuals suspected of imminent school violence)

On page 577, line 2, strike the end quotation mark and the second period.

On page 577, between lines 2 and 3, insert the following:

"SEC. 4304. CONFIDENTIAL REPORTING OF INDIVIDUALS SUSPECTED OF IMMINENT SCHOOL VIOLENCE.

"Subject to the provisions of this title and subpart 4 of part B of title V, funds made available under such titles may be used to—

"(1) support the independent State development and operation of confidential, toll-free telephone hotlines that will operate 7 days per week, 24 hours per day, in order to provide students, school officials, and other individuals with the opportunity to report specific threats of imminent school violence or to report other suspicious or criminal conduct by juveniles to appropriate State and local law enforcement entities for investigation;

"(2) ensure proper State training of personnel to answer and respond to telephone calls to hotlines described in paragraph (1);

"(3) assist in the acquisition of technology necessary to enhance the effectiveness of hotlines described in paragraph (1), including the utilization of Internet web-pages or resources;

"(4) enhance State efforts to offer appropriate counseling services to individuals who call hotlines described in paragraph (1) threatening to do harm to themselves or others; and

"(5) further State effort to publicize services offered by the hotlines described in paragraph (1) and to encourage individuals to utilize those services.".

Mr. SESSIONS. Mr. President, I simply ask that this amendment be considered. Its purpose is to deal with the situation that we have seen in recent years in which teenagers at school have caused serious violence or committed criminal acts and in which other people knew about it and did little to respond. I believe we can improve upon that.

In my State of Alabama, a crisis hotline was set up several years ago. In just a few weeks, they had 800 calls. For example, parents were calling in to say they heard that a certain child had a gun or a weapon or that they were threatening the lives of other people. Having such a hotline would allow the police and school administrators to know about those situations and to perhaps intervene and keep this from happening.

I think Senator CLELAND has some similar language in his legislation. Our language goes into more detail and was made part of the juvenile justice bill that we passed in this Senate but which never became law.

I think it is appropriate that this amendment be made a part of this legislation involving education. It does not appropriate money. It provides an authorized use. The moneys can be used for this, but it does not mandate it on the States. I do believe it is a policy that if more States followed, it could save lives by simply providing a 1-800 number that would be readily available to everyone in and about the school, including parents, to have a place to call to express concerns that something serious may be going on.

Maybe they just want to say: Billy has a gun. Maybe the police could stop by and knock on Billy's door and see if he has a gun and perhaps stop a crime.

I thank the Presiding Officer and the Senator from Nevada.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

AMENDMENT NO. 640 TO AMENDMENT NO. 358

Mr. DORGAN. Mr. President, I ask unanimous consent that the pending amendment be set aside so I can call up amendment No. 640.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DORGAN. I call up the amendment.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from North Dakota [Mr. DORGAN], for himself and Mr. REID, proposes an amendment numbered 640 to amendment No. 358.

Mr. DORGAN. I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

The Senate Finds:

The price of energy has skyrocketed in recent months;

The California consumers have seen a 10-fold increase in electricity prices in less than 2 years;

Natural gas prices have doubled in some areas, as compared with a year ago;

Gasoline prices are close to $2.00 per gallon now and are expected to increase to as much as $3.00 per gallon this summer;

Energy companies have seen their profits doubled, tripled, and in some cases even quintupled; and

High energy prices are having a detrimental effect on families across the country and threaten economic growth:

SEC. . SENSE OF THE SENATE CONCERNING THE NEED TO ESTABLISH A JOINT COMMITTEE OF THE SENATE AND HOUSE OF REPRESENTATIVES TO INVESTIGATE THE RAPIDLY INCREASING ENERGY PRICES ACROSS THE COUNTRY AND TO DETERMINE WHAT IS CAUSING THE INCREASES.

It is the sense of the Senate that there should be established a joint committee of the Senate and House of Representatives to—

(1) study the dramatic increases in energy prices (including increases in the prices of gasoline, natural gas, electricity, and home heating oil);

(2) investigate the cause of the increases;

(3) make findings of fact; and

(4) make such recommendations, including recommendations for legislation and any administrative or other actions, as the joint committee determines to be appropriate.

Mr. DORGAN. Mr. President, this amendment is a sense-of-the-Senate amendment calling for the creation of the House-Senate select committee to investigate energy prices.

I would like to speak just for a few minutes about the issue. Energy prices, as all Americans understand, have been skyrocketing through price spikes and other devices in recent months. The price of gasoline in many parts of the country is now over $2 a gallon. Some say it is going to go much higher.

The price of natural gas has doubled in much of the country over what it was a year ago. Those who, in the first 2 months of this past winter, suffered the coldest 2 months on record discovered that the cost of heating with natural gas put quite a hole in their budget because natural gas prices were doubled at a time when we had a very significant cold spell. Natural gas prices are still much higher than they have been previously.

Electricity prices are up. In some parts of the country they are way up.

As all of us know, energy is not some option that people have the ability to decide to take or not take. Every morning virtually ever American has a requirement to use energy. So this is not some optional commodity that people can use or not use as they see fit.

Some say, the reason for these price spikes is because that is just the market system working. It is not the market system working. The fact is, the market system is broken. In many of these areas, we have had merger after merger of big oil companies, with oil companies getting much larger and, therefore, exhibiting much greater control over markets. We see spot markets developing with a new class of energy traders. It is a very large enterprise where they are able to trade back and forth, often at prices that are not disclosed or not transparent.

Let me, for a minute, discuss what is happening on the West Coast as part of this price problem. Two years ago, the cost of power in California was $7 billion. This year it is estimated it will be $70 billion—a tenfold increase. How does all that happen? Well, the price of natural gas moving into plants that produce electricity goes from an unregulated market into a regulated market; it goes from one seller to a trader; then traded on the spot market; and an MCF that cost a certain amount in the morning could be double or triple or quadruple that value in the afternoon because it is in someone else's hands, and now it is being traded again for a second time on the spot market.

So those folks in California who are paying dramatically higher prices for electricity are being hurt very badly. Some say that is just the market working. It is not. As I said before, the market is broken. We are supposed to have, in a circumstance where you have markets with great concentration of power, a referee of sorts. In this area of California, power would have been FERC, the Federal Energy Regulatory Commission. But FERC, for 2 or 3 years, has done its best imitation of a potted plant. It essentially has been unwilling to take any action in any set of circumstances.

So we have the opportunity and the possibility—in fact, in my judgment, the very real circumstance—of market manipulation and price manipulation in California and on the West Coast.

Gasoline prices, as I indicated, are up, way up. Contrary to the views of the administration, and some others, these price spikes are not due to environmental regulations for reformulated gasoline and more. In fact, reformulated gasoline contributed only 1 to 3 cents of the cost of making gasoline that we witnessed last summer. Even in California, environmental regulations are contributing about 5 to 8 cents of gasoline production costs.

A March 2001 Federal Trade Commission investigation shows that individual refiners made deliberate decisions not to modify or expand refining capacity so they could tighten market supply and therefore drive up gasoline prices.

For example, the Federal Trade Commission found that three refiners only modified facilities to produce reformulated gasoline for their own branded stations so the independent stations—the mom-and-pop stations—could not get reformulated gasoline. It created a spot market which drove up prices. One company even admitted to withholding supplies of reformulated gasoline at the most critical time to maximize profits.

All of this is going on, and the American people suffer because of it. I had once followed a car at an intersection in rural North Dakota one time. It was a 20-year-old car with a broken back bumper that had a bumper sticker that said: We fought the gas war, and gas won. That bumper sticker would fit a lot of cars these days.

Senior citizens, with declining income years, have to pay substantially higher energy bills. Farmers, trying to buy anhydrous ammonia these days—80 percent of the cost of which is natural gas—are discovering a horrible price for anhydrous ammonia. In addition to that, the price of the fuel they must put in their tractors in order to do spring's work has been driven up dramatically. Truckers moving across this country back and forth have discovered they hardly make it these days with the price of gasoline and diesel fuel. And manufacturers are struggling with the cost of these increased energy spikes in price.

So if the market isn't working, what should happen? I think we should have a select House-Senate committee to investigate energy prices.

Let me hasten to say quickly that there are some legitimate reasons we have had some price changes. We have had a tightening of supply in a number of areas. I will explain why.

When the price of oil went to $10 a barrel, people stopped looking for oil and natural gas because it was not very productive or was not very rewarding to do so. The price of oil spiked then to $35 a barrel—from $10 a barrel—and more people were looking for it. So there will be more supply coming on line. There is that element of price spikes. And there is that element of supply and prices. And that is very real. I do not discount that.

But you cannot attribute what is happening with energy prices just to that circumstance. We now have larger enterprises. We have bigger economic concentrations in this country that have the ability to control prices and manipulate supply. And this Congress, in my judgment, ought to convene an investigative body to evaluate when and where that is happening.

Congress has been very anxious to investigate almost anything in the last 10 years or so. It seems to me it ought to be anxious to investigate, on behalf of the American consumer, what has happened, and why, with respect to the cost of energy in this country.

A century ago Teddy Roosevelt carried a big stick and said that Mr. Rockefeller could not control the price of gasoline and took effective steps to make that happen. It is time for us to do a thorough investigation with a select House-Senate committee to investigate energy pricing.

I know at 4 o'clock the Presiding Officer is to recognize the Senator from Georgia. Is this an appropriate time to seek the yeas and nays on my amendment?

The PRESIDING OFFICER (Mr. BENNETT). The Senator may do that if he wishes.

Mr. DORGAN. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be.

The yeas and nays were ordered.

Mr. DORGAN. I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Georgia is recognized.

AMENDMENT NO. 376, AS MODIFIED

Mr. CLELAND. Mr. President, I call up amendment No. 376 and ask unanimous consent to modify the amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 577, between lines 15 and 16, insert the following:

SEC. 404. SCHOOL SAFETY ENHANCEMENT.

Title IV (20 U.S.C. 7101 et seq.) is further amended by adding at the end the following:

"PART D—SCHOOL SAFETY ENHANCEMENT

"SEC. 4351. SHORT TITLE.

"This part may be cited as the 'School Safety Enhancement Act of 2001'.

"SEC. 4352. FINDINGS.

"Congress makes the following findings:

"(1) While our Nation's schools are still relatively safe, it is imperative that schools be provided with adequate resources to prevent incidents of violence.

"(2) Approximately 10 percent of all public schools reported at least 1 serious violent crime to a law enforcement agency over the course of the 1996–1997 school year.

"(3) In 1996, approximately 225,000 students between the ages of 12 and 18 were victims of nonfatal violent crime in schools in the United States.

"(4) From 1992 through 1994, 76 students and 29 non-students were victims of murders or suicides that were committed in schools in the United States.

"(5) The school violence incidents in several States across the Nation in 1998 and 1999 caused enormous damage to schools, families, and whole communities.

"(6) Because of escalating school violence, the children of the United States are increasingly afraid that they will be attacked or harmed at school.

"(7) A report issued by the Department of Education in August, 1998, entitled 'Early Warning, Early Response' concluded that the reduction and prevention of school violence is best achieved through safety plans which involve the entire community, policies which emphasize both prevention and intervention, training school personnel, parents, students, and community members to recognize the early warning signs of potential violent behavior and to share their concerns or observations with trained personnel, establishing procedures which allow rapid response and intervention when early warning signs of violent behavior are identified, and providing adequate support and access to services for troubled students.

"SEC. 4353. NATIONAL CENTER FOR SCHOOL AND YOUTH SAFETY.

"(a) ESTABLISHMENT.—The Secretary of Education and the Attorney General shall jointly establish a National Center for School and Youth Safety (in this section referred to as the 'Center'). The Secretary of Education and the Attorney General may establish the Center at an existing facility, if the facility has a history of performing two or more of the duties described in subsection (b). The Secretary of Education and the Attorney General shall jointly appoint a Director of the Center to oversee the operation of the Center.

"(b) DUTIES.—The Center shall carry out emergency response, anonymous student hotline, consultation, and information and outreach activities with respect to elementary and secondary school safety, including the following:

"(1) EMERGENCY RESPONSE.—The staff of the Center, and such temporary contract employees as the Director of the Center shall determine necessary, shall offer emergency assistance to local communities to respond to school safety crises. Such assistance shall include counseling for victims and the community, assistance to law enforcement to address short-term security concerns, and advice on how to enhance school safety, prevent future incidents, and respond to future incidents.

"(2) ANONYMOUS STUDENT HOTLINE.—The Center shall establish a toll-free telephone number for students to report criminal activity, threats of criminal activity, and other high-risk behaviors such as substance abuse, gang or cult affiliation, depression, or other warning signs of potentially violent behavior. The Center shall relay the reports, without attribution, to local law enforcement or appropriate school hotlines. The Director of the Center shall work with the Attorney General to establish guidelines for Center staff to work with law enforcement around the Nation to relay information reported through the hotline.

"(3) CONSULTATION.—The Center shall establish a toll-free number for the public to contact staff of the Center for consultation regarding school safety. The Director of the Center shall hire administrative staff and individuals with expertise in enhancing school safety, including individuals with backgrounds in counseling and psychology, education, law enforcement and criminal justice, and community development to assist in the consultation.

"(4) INFORMATION AND OUTREACH.—The Center shall compile information about the best practices in school violence prevention, intervention, and crisis management, and shall serve as a clearinghouse for model school safety program information. The staff of the Center shall work to ensure local governments, school officials, parents, students, and law enforcement officials and agencies are aware of the resources, grants, and expertise available to enhance school safety and prevent school crime. The staff of the Center shall give special attention to providing outreach to rural and impoverished communities.

"(c) FUNDING.—There is authorized to be appropriated to carry out this section, $25,000,000 for fiscal year 2002 and such sums as may be necessary for each of fiscal years 2003 through 2005.".

"SEC. 4354. SAFE COMMUNITIES, SAFE SCHOOLS.

"(a) GRANTS AUTHORIZED.—Using funds made available under subsection (c), the Secretary of Education, the Secretary of Health and Human Services, and the Attorney General shall award grants, on a competitive basis, to help communities develop community-wide safety programs involving students, parents, educators, guidance counselors, psychologists, law enforcement officials or agencies, civic leaders, and other organizations serving the community.

"(b) AUTHORIZED ACTIVITIES.—Funds provided under this section may be used for activities that may include efforts to—

"(1) increase early intervention strategies;

"(2) expand parental involvement;

"(3) increase students' awareness of warning signs of violent behavior;

"(4) promote students' responsibility to report the warning signs to appropriate persons;

"(5) promote conflict resolution and peer mediation programs;

"(6) increase the number of after-school programs;

"(7) expand the use of safety-related equipment and technology; and

"(8) expand students' access to mental health services.

"(c) FUNDING.—There is authorized to be appropriated to carry out this section, $24,000,000 for fiscal year 2002 and such sums as may be necessary for each of fiscal years 2003 through 2005.".

SEC. 405. AMENDMENTS TO THE NATIONAL CHILD PROTECTION ACT OF 1993.

Section 5(10) of the National Child Protection Act of 1993 (42 U.S.C. 5119c(10)) is amended to read as follows:

"(10) the term 'qualified entity' means—

"(A) a business or organization, whether public, private, for-profit, not-for-profit, or voluntary, that provides care or care placement services, including a business or organization that licenses or certifies others to provide care or care placement services; or

"(B) an elementary or secondary school.".

Mr. CLELAND. Mr. President, I yield myself such time as I may consume.

The modified amendment I offer today reduces funding for the National Center for School and Youth Safety from $50 million to $25 million, and it creates separate authorizations for the National Center and the Safe Communities, Safe Schools grant program.

It has been almost 2 years ago to the day that a 16-year-old boy brought a .22-caliber rifle and .375 magnum revolver to Heritage High School in Conyers, GA and opened fire on six students. The shooting occurred in my hometown of Lithonia, GA, where I grew up. The day was May 20, 1999, exactly one month after the deadly Columbine High School massacre, which took the lives of 15 people.

Growing up in my hometown, I was fortunate to have had a great childhood—with two wonderful parents, supportive teachers in school and in church, and a community that cared. When I was in school, the strongest drug around was aspirin, and the most lethal weapon was a slingshot. The shootings at Heritage High, at Columbine, the school shootings in Springfield, OR, in Jonesboro, AR, in West Paducah, KY and other school tragedies around the country underscore in red the crisis of juvenile violence in America. Our schools were once safe havens in this country. Today, according to data from the Department of Education, they are the setting for one-third of the violence involving teenagers in this Nation. In fact, data from the Departments of Justice and Education found that in 1998, "students aged 12 through 18 were victims of more than 2.7 million total crimes at school . . . and they were victims of about 253,000 serious violent crimes. . . ."

These statistics are incredible and they cannot—they must not—be accepted or tolerated.

The amendment I am offering today is based on legislation developed in the last Congress by Senator Robb of Virginia, and it is a response to a seminal 1998 report by the Department of Education, entitled "Early Warning, Timely Response," which concluded that the reduction and prevention of school violence are best achieved through safety plans which involve the entire community. Accordingly to that landmark report, the most effective plans are those which: emphasize both prevention and intervention; train school personnel, parents, students, and community members to recognize the early warning signs of potential violent behavior and to share their concerns or observations with trained personnel; establish procedures which allow rapid response and intervention when such signs are identified; and provide adequate support and access to services for troubled students.

My amendment, The School Safety Enhancement amendment, would establish a National Center for School and Youth Safety tasked with the mission of providing schools with adequate resources to prevent incidents of violence. Under my amendment, the center would offer emergency assistance to local communities to respond to school safety crises, including counseling for victims, assistance to law enforcement to address short-term security concerns, and advice on how to enhance school safety, prevent future incidents, and respond to incidents once they occur. My amendment would also establish—and this is important—a toll-free, nationwide hotline for students to report criminal activity, threats of criminal activity, and other high-risk behaviors such as substance abuse, gang or cult affiliation, depression, or other warning signs of potentially violent behavior. Finally, the National Center for School and Youth Safety would compile information about the best practices in school violence prevention, intervention, and crisis management. Specifically, the center would work to ensure that local governments, school officials, parents, students and law enforcement officials and agencies are aware of the resources, grants, and expertise available to enhance school safety and prevent school crime, giving special attention to providing outreach to rural and impoverished communities.

In addition, my amendment would boost coordination among the three Federal agencies most involved with the crucial issue of school safety by authorizing a total of $24 million in grants by the secretaries of Education and Health and Human Services and the Attorney General to help communities develop community-wide safety programs involving all its members: students, parents, educators, counselors, psychologists, law enforcement officials and agencies, and civic leaders. Grant funds may be used for activities that may include efforts to increase early intervention strategies; expand parental involvement; increase students' awareness of warning signs of violent behavior; promote conflict resolution; increase the number of afterschool programs; and expand the use of safety-related equipment and technology.

The School Safety Enhancement amendment is endorsed by the National Education Association, the Children's Defense Fund, the International Brotherhood of Police Officers and the Georgia Association of Chiefs of Police. On behalf of America's schoolchildren and safety in our schools, I urge my colleagues to vote for this amendment.

Mr. President, I reserve the remainder of my time and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CLELAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLELAND. Mr. President, I ask unanimous consent that time under the quorum call be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLELAND. I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield myself such time as I may use. Is the time evenly divided?

The PRESIDING OFFICER. The time is equally divided between the Senator from Georgia and an opponent of the amendment.

Mr. KENNEDY. Mr. President, if the Senator from Georgia would be good enough to yield on his time, I don't know of opposition. We haven't been notified of the opposition. I want to take a moment to share with our colleagues a bit of the background on this amendment. This has been something that the Senator from Georgia has been interested in and committed to for some period of time.

During the past weeks and months, he has taken the time to speak to me on a number of different occasions. He has talked to the members of the Education Committee about this issue. I am familiar with the fact, going back over a period of time when the Senate considered the reauthorization of this legislation previously, over a year ago, that the Senator from Georgia was very much involved in the developing of the legislation. He has read closely, obviously, the Department of Justice and Education study, which came out in 1998. In that study, this was one of the very important recommendations that they had. But he has taken a broad recommendation and sharpened it a good deal.

I know he has spent a good deal of time talking to those who had initially been involved in recommending the study and has prepared this in a way which I think is enormously important and can be incredibly helpful. As I was listening to the good Senator and thinking about the times he has talked to me about it, I hope we are going to have the sufficient resources to be able to deal with this issue. I am convinced that if we can get this started and get to do even part of the things that the good Senator from Georgia has hoped that it would achieve and accomplish, we can develop the kind of enhanced support for this program that is necessary.

What the Senator is basically pointing out is the great challenges of so many of the young people who are in school, going to school, after school, in a school community, and the kind of violence that is affecting these young people. It is a form of intimidation, a form of bullying, and it obviously has a very important adverse impact on the willingness of children to either go to school or their attitude toward school when violence takes place in the time period after school but in the proximity of the school. He has framed it in a broad way to challenge the center itself to draw on all of the community and community resources, which I think is obviously enormously useful. He is talking about the entire community, and he is talking about steps that can be taken in terms of prevention and intervention. He is talking to the various school personnel so they will have the training which too many of them don't have now to be able to anticipate these problems. He is talking about involvement of the students themselves and community members in these activities.

I can think of a number of different schools in my own city of Boston where the students themselves have become very much involved in assuring safe passage, so to speak, for children to be able to go to the school, while they are at school, and after school. It is a very important success. This is one of those situations where some guidance, some training, some information in the community can have an enormous payoff. I think the result will be a safer climate and an atmosphere in which the children can learn.

I think this is a very well thought through program. He has done a great deal of work in the fashioning and shaping of it. The security of the children in school we try to address to some extent in the safe and drug-free schools. I can see this as a complement to those efforts as well. I think as a result of this amendment the children in that community, as well as teachers and parents, and the whole climate and atmosphere around schools, which in too many instances, tragically, are threatened, would be made safer and more secure.

I commend the Senator for his initiative and thank him for his work in this area, and I indicate that I hope, when the Senate does address this issue, we have very strong and overwhelming support.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEFFORDS. Mr. President, I want to give people notice that there will be a change in the time of the vote this evening. I ask unanimous consent that the previously scheduled vote begin at 5:45 today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent to be able to proceed without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 460

Mr. KENNEDY. Mr. President, I was not here at the time my good friend, the Senator from Nevada, Mr. REID, offered his amendment about afterschool literacy programs. This would expand the 21st Century Community Learning Centers' eligibility to certain organizations to include projects with an emphasis on language and life skill programs for limited-English-proficient students.

I wish to add my support for that program. We had an excellent debate last week when the Senate addressed the issue about increasing support for the limited-English-speaking programs. We pointed out at the start of the debate that, under the existing legislation, we were only reaching about 25 percent of the children who would need these programs.

Then time was taken by the good Senator from Arkansas, myself, and others to point out what has been happening in our school systems with limited-English-speaking students. The number of children has doubled in the last 10 years.

If one looks at what happened over the next several years, the numbers went up dramatically. This is true with regard to Hispanics, but it is also applicable to other children.

I mentioned earlier in the debate my not so recent, several months ago, visit to Revere High School in Revere, MA, where they have children speaking 43 languages. The school is involved in 12 to 14 language classes and expects to expand in the next few years. It is an enormous challenge to schools, but schools are attempting to respond in an extraordinary way.

Encouraging afterschool programs, encouraging programs in these afterschool settings makes a good deal of sense to me. There are a variety of activities in the afterschool programs. In many instances, there are excellent tutorial services, excellent supplementary services. In some areas, there are just athletic programs.

There are different programs in each afterschool program. For example, in one I visited recently, they have an excellent program in photography and also a second program in graphic arts. A number of the children were coming to this afterschool program.

The fascination of the children in graphic arts and also in photography was overwhelming. Because children were interested in those activities, they were becoming more interested in their school work as well. It has a symbiotic effect.

Senator REID's amendment makes sure children will also have an opportunity for continued training in language in the afterschool programs. If the local jurisdiction chooses to do so, it can utilize the assets they have for that type of activity. It makes a great deal of sense to me. The Senator is to be commended for it.

We have found that where we have these effective programs, the favorable impact in student achievement has been extraordinary, and where we do not have these programs, the children have difficulties.

This is a continuum of opportunity for children with limited English capability, and it is a wise policy decision. I congratulate the Senator for his initiative and hope the Senate will support the amendment when we have the opportunity to do so.

I suggest the absence of a quorum, with the time to be charged to the opposition to the amendment of the Senator from Georgia.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, how much time is in opposition?

The PRESIDING OFFICER. There are 5 minutes 8 seconds left in opposition.

Mr. KENNEDY. I yield myself that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I see my friend on the floor, the Senator from Georgia, who is the primary sponsor of this amendment. I now have the excellent study which was the basis of his amendment, "Early Warning, Timely Response: A Guide to Safe Schools." I know he is familiar with this study. One of the conclusions in this excellent study is that there is valuable information available on recognizing the warning signs of violent behavior; that in dealing effectively with a school crisis, one of the tragedies is schools have become the experts after they face violence that is destructive and harmful to the children themselves who are attending these schools.

As I understand, one of the principal reasons the Senator is offering the amendment is so that we will have a central clearinghouse available to public schools all across the country where the school administrators, teachers, and others with responsibility for security within the schools can tap into and draw from the experience of other schools that have had successful programs.

Is this one of the purposes for the amendment?

Mr. CLELAND. The Senator is absolutely correct.

I thank the Senator from Massachusetts for his leadership role not only in the area of education and in working with this piece of legislation, but in the area of school safety.

The Senator is correct; this report from 1998 that the Senator refers to is, quite frankly, shocking to me in the sense that it has indicated how broad based the real question of violence in our schools really is. It indicates to me that we need a broad-based approach.

The facts from this report indicate that a third of the violence involving teenagers in this Nation occurs in our schools. That is shocking. It seems to me, then, that the distinguished Senator from Massachusetts is correct that we need this broad-based approach and a national center, a national clearinghouse to make sure that communities are in touch with one another.

I can testify that the little community of Conyers, GA, not far from my hometown of Lithonia, GA, has within it Heritage High School. That community was in shock, in trauma really, for months after the school shootings there. The community was wondering what in the world to do, whether to enhance counseling, whether to improve police protection, whether to enforce tighter laws or what.

With this center that we are setting up, the National Center for School and Youth Safety, one call can inform any community that goes through such a tragedy and such trauma what other communities have done and what resources are available to assist them. These are not resources just available to schools; these are resources available to counselors and law enforcement agencies.

I note that not only are the teachers of America—the National Education Association—behind this legislation, and those who defend our children in America—the Children's Defense Fund—but also law enforcement is behind this piece of legislation—the International Brotherhood of Police Officers and the Chiefs of Police in my own home State.

I am thrilled with this kind of support, but, again, the Senator is correct. It was not my idea. This amendment was really the outgrowth of a report in 1998, issued by the Department of Education, that found, in coordination with the Department of Justice, this incredibly high number of incidents of violence. I thought it was incredible that students from age 12 to 18 were victims of more than 2.7 million crimes at school and the victims of 253,000 serious violent crimes.

When I was growing up in my home community, this level of violence, this level of crime, was unheard of, unthinkable. I can remember our high school principal articulated a principle that is embodied actually in this legislation, that a school cannot live apart from the community. So our schools are not just separate oases out there, monasteries that are separate from the community; they reflect what is going on in the community. That is why our approach isn't just some assistance to schools or teachers and counselors; it is assistance to law enforcement, to community leaders, nonprofit organizations, because violence is that broad bound, and it is not just located in one particular place.

The distinguished Senator from Massachusetts is correct. It is one reason why we have incorporated immediate access to this center in the form of a toll free, nationwide hotline for students to report criminal activity, threats of criminal activity, high-risk behavior such as substance abuse, gang or cult affiliation, or other warning signs of potentially violent behavior.

There is a special emphasis, too, on rural and impoverished communities. Violence knows no boundaries. Our rural and impoverished communities are just as susceptible to violence as any others.

I thank the Senator for his willingness to assist me in this amendment. I thank him and his staff for the courtesies they have exhibited toward us.

Mr. KENNEDY. Mr. President, I remind the Senate that the study, which is the basis for this amendment, is entitled "Early Warning, Timely Response: A Guide To Safe Schools." The study itself was sent out to principals of schools across the country, but if teachers or parents are interested, they can write the Department of Justice or the Department of Education and get this study. It is also available on line as well.

I want to mention one quote from Wilmer Cody, Kentucky Commissioner of Education:

> Coordinated school efforts can help. But the solution does not just rest in the schools. Together we must develop solutions that are community-wide and coordinated, that include schools, families, courts, law enforcement, community agencies, representatives of the faith community, business, and the broader community.

I think that is what is unique in the Cleland proposal. It isn't just relying on one aspect of the community; it includes all of those elements. It is described in this report. I think it will be a center which will have information of essential importance to every school in this country. I think every school in the country would be wise to continue to upgrade their own information because it will be a resource that will explain what is working, what has been effective, what has been successful.

Finally, we have to start by recognizing that schools are safe places. They are safe places for children. We are all mindful of the tragedies, the tragic killings that have taken place, the shootings that have brought such enormous tragedy to the families of people who have been affected by acts of violence.

Parents are constantly concerned about how safe their children are when they go to school every day. But the essential fact is, children are safe in their schools. I think people understand that. We understand that. But we want to make sure they are going to continue to be safe. There are too many instances of violence. The instances that have occurred are a real concern to us. We want to reduce them and make the schools even safer.

That is what the amendment of the Senator from Georgia is all about. As I mentioned, I hope those who follow this debate—and it is a difficult debate to follow since we are on this legislation for a few days and then have intervening matters, but nonetheless, I hope they will have the chance to review that study and this amendment. We think this amendment will be an important addition to the bill.

I thank the Senator again.

Mr. CLELAND. Will the Senator yield?

Mr. KENNEDY. Yes, I am glad to yield.

Mr. CLELAND. Mr. President, I ask unanimous consent that Senator LEVIN be added as a cosponsor to this amendment.

The PRESIDING OFFICER (Mr. FITZGERALD). Without objection, it is so ordered.

Mr. CLELAND. I thank the Senator from Massachusetts for his leadership. I urge the Senate to adopt the amendment.

Mr. KENNEDY. We will have that chance.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

AMENDMENT NO. 465 TO AMENDMENT NO. 358

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the two pending amendments be temporarily laid aside and I call up amendment No. 465.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

> The Senator from Minnesota [Mr. WELLSTONE], for himself and Mr. FEINGOLD, proposes an amendment numbered 465 to Amendment No. 358.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

(Purpose: To improve the provisions relating to assessment completion bonuses)

On page 776, strike lines 1 through 5, and insert the following:

"(b) ASSESSMENT COMPLETION BONUSES.—

"(1) IN GENERAL.—At the end of school year 2006–2007, the Secretary shall make 1-time bonus payments to States that develop State assessments as required under section 1111(b)(3)(F) that are of particularly high quality in terms of assessing the performance of students in grades 3 through 8. The Secretary shall make the awards to States that develop assessments that involve up-to-date measures of student performance from multiple sources that assess the range and depth of student knowledge and proficiency in meeting State performance standards, in each academic subject in which the State is required to conduct the assessments.

"(2) PEER REVIEW.—In making awards under paragraph (1), the Secretary shall use a peer review process.

Mr. WELLSTONE. Mr. President, this amendment that I have called up—I do it now because I am hoping—and I certainly thank the Senator from Vermont for his focus on policy last week and his support of an amendment I had on testing. But this amendment is really simple and straightforward. I thought tonight would be a good time to introduce it.

Right now, in S. 1, the Secretary can give bonuses to States if they complete their assessments ahead of the deadline outlined in the law, which is the 2005–2006 school year.

What we are saying in the amendment is that actually what we ought to do is to, instead, give bonuses to States for developing and using high-quality assessments. That is really where any bonus ought to go.

So what this amendment would do is change the bonus grant so the rewards would go to States if they develop high-quality assessments as determined by a peer review process that would be set up by the Secretary—that is done all the time—instead of awarding grants to States just because their assessments get done quickly.

The point is not whether they are done quickly, the point is to make sure this is high-quality assessment. To emphasize the thoughtful development of high-quality assessments, these bonuses would not be rewarded until the date at which the new annual testing goes into effect.

So I want to start out by saying to colleagues that this is very consistent, interestingly enough, with the piece that Secretary Paige wrote in the Washington Post this weekend. He writes:

> A good test, the kind the President and I support, is aligned with the curriculum so the schools know whether children are actually learning the material that their States have decided the child should know.

So I am saying now and what I was saying last week—that I absolutely agree and, of course, the majority of my colleagues agreed—is let's make sure we meet the basic criteria that the tests are comprehensive—you don't just have to take off-the-shelf, single standardized test—and that the tests are coherent, that they are measuring the curriculum being taught, and they are continuous so we can measure the progress of a child over time.

Well, I think what Secretary Paige said in his op-ed piece in the Washington Post is, yes; we want to make sure that this is high-quality testing. So I was looking at the language in the bill, I say to my colleagues, and I thought, wait a minute, we don't want to have an incentive saying that the sooner you do the assessment, the more likely you are to get a bonus because then the incentive is all in the wrong direction.

What we really want to say is we do not want people rushing and we do not want people as a result of that rush—and I have heard Senator KENNEDY talk about this more than once—to use off-the-shelf, relatively low level tests. We want to reward States and provide bonuses for doing high-quality testing. That is what this amendment is about.

I was not here earlier, but I thank my colleague and friend from Wisconsin, Senator FEINGOLD, who is a cosponsor of this amendment. He came to the Chamber earlier, and I understand he made some very thoughtful comments on the general issue of high quality and fair assessments, and he also raised some very legitimate questions and concerns about the direction in which we are moving.

I could spend a lot of time on this. I do not think I need to draw from the different reports and studies that have taken place about the importance of getting it right and making sure this is high-quality testing.

If we want to get the tests right, then we ought to provide bonuses for States that do the best job. That is really where the bonuses should go.

My point is, let us enhance the accountability systems by enhancing the quality of assessments so that we do not make a mistake, and the way to do that is to provide incentives for States, bonuses for States that do a high-quality job with high-quality tests.

That is what I tried to do last week and this week—and I so appreciate the support of the Senators from Massachusetts and Vermont. There will come a point in the debate where I am going to raise the philosophical question—which I do not know I have answered in my own mind—as to whether the Federal Government ought to be dictating this to States and local school districts. That is the question. We have done it before with title I, but this goes way beyond what we have done.

The part of the op-ed piece Secretary Paige wrote with which I do not agree is the opening sentence:

> Anyone who opposes annual testing of children is an apologist for a broken system of education that dismisses certain children and classes of children as unteachable.

My fear is, I say to Senator JEFFORDS, I thought when we were marking up this bill we were saying two things. We were saying yes to accountability and we want to do it the right way, and we were also saying yes to making sure there were resources for the tools, for the students and for the teachers to do well.

My concern is, given where we are heading with the budget resolution and where we are heading with this tax cut, as a matter of fact, we are not going to have the resources to help students do better. In which case it seems to me a little disingenuous at best and, I frankly argue, cruel at worst, to take a fourth grader or a third grader, since we start at age 8, who has been in a school where there have been two or three teachers during the school year—that is not uncommon in some of the inner-city schools, and expect those children to do as well as students who have had the best teachers and the best opportunities.

Low income children do not have the support necessary to do well, most particularly in the area of early childhood education. A child who comes to kindergarten and is way behind other children who had good nurturing, stimulation, had the best of early childhood development either from their own family or in a really good childcare center the parents could afford, has an immeasurable disadvantage. Yet, we will basically say, without any additional help, that we are going to fail her.

We already know these children are not going to do well. The thing Secretary Paige is missing in his piece today is what he testified to before our committee. He said, yes, we need the resources. I do not see those resources, and I think this will end up not being a good piece of legislation if we do not have both.

The two colleagues who are in the Chamber, the Senator from Massachusetts and the Senator from Vermont, have made the same point: We need the resources to go with accountability.

I have an amendment—I am ready to do it at a good time—that is a trigger amendment—linking the new testing to the funding 79 of us voted for in the Dodd-Collins amendment on fully authorizing title I. My amendment would ensure that there is additional money for reading help, quality teachers, preschool and afterschool care.

All that is going to be a key debate. Right now I am in a pragmatic mood, and I am just trying to make sure the testing is done the best possible way. Even if I do not end up voting for the bill, I still want it to be the best possible bill.

I think we ought to provide the bonuses for the high-quality testing. It seems to me a mistake that the bonuses go only to the States that develop their assessments as quickly as possible. I hope I get support from my colleagues.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I thank the Senator for what I hope will be an accepted amendment. The administration is offering the bonuses to encourage States to move ahead. The Senator has rightfully put his finger on the fact that we want to make sure the tests are not going to be off-the-shelf tests and responding to rote information but are a reflection of what the children actually learned and how they think.

That is done in a number of States at the present time. The administration wanted to provide encouragement to States to do it. We had, the Senator may remember, in the previous elementary and secondary education title I program, put in a provision encouraging States to do it, and only 10 or 12 States actually did it. We provided flexibility for them to do it in the elementary, middle, and then the senior year. A number of the States did but most did not.

The administration was trying to encourage States to move ahead. I support that concept, but I absolutely agree with the Senator from Minnesota: First, we want to have good tests. We had that debate last week.

The bill is strengthened with the amendment of the Senator from Minnesota. This is a follow-on that says we want to encourage good tests and we want to get it done as early as possible.

As I understand, there are 15 States now which have tests between the third and the eighth grade. The basic reviews, the studies that have been done on those tests, say of the 15, 7 States have very well designed tests that are generally recognized to meet this criterion to test the children's ability to think and comprehend the information and then be able to respond to challenges using that information in an effective way in response to questions. We want to encourage that.

It takes time to do tests well. There are a number of steps. We want good tests. We want a good curriculum. We want well-trained teachers. That is what we are trying to do, get well-trained teachers, and we have the provisions in the legislation to do that. We want to get the curriculum formed, and we have provisions in the legislation to do that.

We want accountability with tests which we are encouraging, and with the Wellstone amendment we can do that. With the Wellstone amendment and the bonuses, this is a very useful and helpful amendment. I am very hopeful at the appropriate time we will be able to successfully urge Senators to accept this amendment.

Senator WELLSTONE has targeted one area of concern to me and I think to many here, and that is to make sure we are going to get good tests and not just the off-the-shelf tests which are taught to and really do not reflect the progress all of us want to see in terms of children learning.

I thank him very much. We had talked about this concept before, and he has taken the concept and put it into legislative form. I had not seen it before. There may be some parts to it—but I cannot spot them—that may be of trouble to some of our colleagues, but I hope at the appropriate time we can move ahead and accept the amendment.

I thank the Senator for the development of this amendment. This amendment and the other amendment he had immeasurably strengthen the legislation.

I don't want to end this part of the discussion without saying I agree with him about the importance of the resources. I am somewhat more hopeful than he is that by the end of the day we are going to be able to get them. Maybe it is a false hope. I do not believe it is. But I know he will be helping us and doing everything he can to help us get them whenever we can.

I know the depth of his own feeling. I respect it, although I might have some difference in the final conclusions he comes to with regard to the overall legislation.

This is an important amendment. I am hopeful it will be accepted at an appropriate time.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Senator for his gracious remarks and thank him for his support of this amendment.

AMENDMENT NO. 600

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, earlier today I had a followup amendment 600 that I offered to create a crisis hotline so parents and schoolchildren who see a child carrying a weapon or making a serious threat can call on that hotline and something would be done about it because in the most serious high school violent cases we have had in America those children were sending signals in advance and perhaps lives have been saved in that regard.

I offered the amendment earlier, and I ask unanimous consent to ask for the yeas and nays.

The PRESIDING OFFICER. Is there objection to the request? Without objection, it is so ordered.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 389

Mr. JEFFORDS. Mr. President, I call up Senator VOINOVICH's amendment No. 389.

The PRESIDING OFFICER. Is there objection? Without objection, the amendment is now pending.

Mr. JEFFORDS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. JEFFORDS. I ask unanimous consent that the amendment be set aside and the regular order be resumed.

VOTE ON AMENDMENT NO. 460

The PRESIDING OFFICER. The amendment is set aside.

The pending amendment by previous order is now the Reid amendment No. 460. The question is on agreeing to the amendment. The yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. AKAKA), the Senator from Iowa (Mr. HARKIN), the Senator from Connecticut (Mr. LIEBERMAN), and the Senator from Maryland (Ms. MIKULSKI) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 96, nays 0, as follows:

[Rollcall Vote No. 101 Leg.]

YEAS—96

Allard
Allen
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bunning
Burns
Byrd
Campbell
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Cochran
Collins
Conrad
Corzine
Craig
Crapo
Daschle
Dayton
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Ensign
Enzi
Feingold
Feinstein
Fitzgerald
Frist
Graham
Gramm
Grassley
Gregg
Hagel
Hatch
Helms
Hollings
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Kyl
Landrieu
Leahy
Levin
Lincoln
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Nickles
Reed
Reid
Roberts
Rockefeller
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stabenow
Stevens
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner
Wellstone
Wyden

NOT VOTING—4

Akaka
Harkin
Lieberman
Mikulski

The amendment (No. 460) was agreed to.

AAMENDMENT NO. 376

The PRESIDING OFFICER. There is 2 minutes equally divided on the Cleland amendment No. 376. Who yields time?

Mr. JEFFORDS. Mr. President, I yield back my time.

Mr. CLELAND. Mr. President, I yield my time back.

The PRESIDING OFFICER. All time is yielded back.

Mr. CLELAND. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the amendment of the Senator from Georgia. The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. AKAKA), the Senator from Connecticut (Mr. LIEBERMAN), and the Senator from Maryland (Ms. MIKULSKI) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 74, nays 23, as follows:

[Rollcall Vote No. 102 Leg.]

YEAS—74

Allen
Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Burns
Byrd
Campbell
Cantwell
Carnahan
Carper
Cleland
Clinton
Cochran
Collins
Conrad
Corzine
Craig
Crapo
Daschle
Dayton
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Feingold
Feinstein
Fitzgerald
Graham
Gramm
Grassley
Harkin
Hollings
Hutchison
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lincoln
Lugar
McCain
McConnell
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Reed
Reid
Roberts
Rockefeller
Sarbanes
Schumer
Sessions
Shelby
Smith (OR)
Snowe
Specter
Stabenow
Stevens
Torricelli
Voinovich
Warner
Wellstone
Wyden

NAYS—23

Allard
Bennett
Bond
Brownback
Bunning
Chafee
Ensign
Enzi
Frist
Gregg
Hagel
Hatch
Helms
Hutchinson
Inhofe
Kyl
Lott
Nickles
Santorum
Smith (NH)
Thomas
Thompson
Thurmond

NOT VOTING—3

Akaka
Lieberman
Mikulski

The amendment (No. 376) was agreed to.

AMENDMENT NO. 600

Mr. JEFFORDS. Mr. President, I ask unanimous consent to call up amendment No. 600 of Senator SESSIONS.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEFFORDS. I ask unanimous consent to vitiate the yeas and nays.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JEFFORDS. I believe this amendment is acceptable to both sides. I ask the Senator from Massachusetts.

Mr. KENNEDY. Yes. Mr. President, I hope the Senate will accept this amendment. The Senator explained it earlier, and I think it is a useful addition to the legislation. I hope it will be accepted.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 600) was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote.

Mr. JEFFORDS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Pennsylvania.

AMENDMENT NO. 388, WITHDRAWN

Mr. SPECTER. Mr. President, I sought recognition to withdraw amendment No. 388, which is a second-degree amendment to the amendment offered by the Senator from Washington, Mrs. MURRAY. I have done so because pursuant to some substantial complications of the bill and a number of corrections, I believe the underlying bill accomplishes what I have sought, and that is to allow the States to have discretion to use funds under this bill for classroom size or additional teachers if they choose to do so.

There is a long and involved history to this issue which came up on the appropriations bill which I managed last year in my capacity as chairman of the Appropriations Committee, Subcommittee on Labor, Health and Human Services, and Education. But in any event, the objective which I have sought will be accomplished by the underlying bill, and it would simplify the process if I withdraw the amendment, which I hereby do.

I thank the Chair.

Mr. JEFFORDS. I thank the Senator from Pennsylvania.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDMENT NO. 600

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I would like to make a few remarks on amendment No. 600, as agreed to.

Mr. JEFFORDS. Go ahead.

Mr. KENNEDY. We appreciate the courtesy of the Senator from Alabama. But I think we are not quite prepared to offer a consent agreement on the procedures for tomorrow. We are awaiting that agreement. We welcome the Senator's comments on that legislation.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, one of the things we have learned from the shootings in a number of the schools that have traumatized all of America is that quite often certain individuals, family, schoolmates, or others had reasonable cause to believe that a child might be about to commit some serious act of violence. But in each of those cases, no real intervention occurred, and the act of violence was carried out.

Back in my hometown of Mobile, AL, we had a problem of children using guns and bringing them to school. I was a U.S. Attorney, and we had a big meeting with the district attorney and the sheriff, the juvenile judge, the juvenile referee, the Colleagues for Drug Free Mobile, and the Drug Council. We talked about how to deal with it, and we came up with the idea of a bumper sticker that we called "Kid With A Gun Call 911."

The police chief said if they received a call from a parent or a child who made a serious allegation that another child was carrying a weapon or maybe about to plan something dangerous, the police would followup on that call. Bumper stickers were put on the police cars, and the message got about town.

Later, the State of Alabama adopted a hotline in which they set up the same kind of thing with a centralized 24-hour-a-day center to receive those calls from all over the State. Within 2 weeks of the setting up of that hotline, quite a number of calls were received. I think there were about 400 calls in that short period of time. Many of those came from 5 to 9 o'clock at night and came from parents or grandparents of children who had seen or heard things that troubled them where the kids went to school.

I believe a hotline of this kind should be given serious consideration by other States.

This legislation will make clear that the funds already appropriated can be used for safe schools and violence prevention, and that creating a hotline of this type would be a permissible use of that money.

A mechanism needs to be set up so that anyone who has a serious cause for concern would know precisely where they could call. They would not have to give their name under most circumstances. Then perhaps something could be done to intervene in the situation.

If, for example, a child comes home and says that down the street in the vacant lot Billy is playing with a gun, and he says he is going to shoot somebody, the mother, the grandmother, or somebody at home could make that call. Somebody would come out and check it out. They are not going to arrest the person if he doesn't have a gun. They are just going to ask questions about it.

Perhaps those kinds of immediate responses and immediate interventions would be effective in reducing the likelihood that a child would actually go and shoot someone. In fact, we could get a lot of illegal weapons off the street.

I think this is a good approach. It is legislation that we discussed in depth when the juvenile justice bill was moving through this Senate and passed this Senate, but it never became law. I think that this provision is appropriate for schools. I believe it would be a good preventive tool for violence.

I thank the Senate and the leaders on both sides for agreeing to allow this amendment to be approved and made a part of this bill. I hope and pray that this type of intervention may prevent violence and possibly save lives.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. VOINOVICH. Mr. President, I ask unanimous consent to set aside the pending amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 443

Mr. VOINOVICH. Mr. President, I call up amendment No. 443.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Ohio [Mr. VOINOVICH], for himself, Mrs. FEINSTEIN, Mr. COCHRAN, Mr. BAUCUS, Ms. LANDRIEU, and Mrs. MURRAY, proposes an amendment numbered 443.

Mr. VOINOVICH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To amend the Higher Education Act of 1965 to extend loan forgiveness for certain loans to Head Start teachers)

On page 893, after line 14, add the following:

SEC. . LOAN FORGIVENESS FOR HEAD START TEACHERS.

(a) SHORT TITLE.—This section may be cited as the "Loan Forgiveness for Head Start Teachers Act of 2001".

(b) HEAD START TEACHERS.—Section 428J of the Higher Education Act of 1965 (20 U.S.C. 1078-10) is amended—

(1) in subsection (b), by amending paragraph (1) to read as follows:

"(1)(A) has been employed—

"(i) as a full-time teacher for 5 consecutive complete school years in a school that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such a school; or

"(ii) as a Head Start teacher for 5 consecutive complete program years under the Head Start Act; and

"(B)(i) if employed as a secondary school teacher, is teaching a subject area that is relevant to the borrower's academic major as certified by the chief administrative officer of the public or nonprofit private secondary school in which the borrower is employed;

"(ii) if employed as an elementary school teacher, has demonstrated, as certified by the chief administrative officer of the public or nonprofit private elementary school in which the borrower is employed, knowledge and teaching skills in reading, writing, mathematics, and other areas of the elementary school curriculum; and

"(iii) if employed as a Head Start teacher, has demonstrated knowledge and teaching skills in reading, writing, early childhood development, and other areas of a preschool curriculum, with a focus on cognitive learning; and";

(2) in subsection (g), by adding at the end the following:

"(3) HEAD START.—An individual shall be eligible for loan forgiveness under this section for service described in clause (ii) of subsection (b)(1)(A) only if such individual received a baccalaureate or graduate degree on or after the date of enactment of the Loan Forgiveness for Head Start Teachers Act of 2001."; and

(3) by adding at the end the following:

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for fiscal year 2007 and succeeding fiscal years to carry out loan repayment under this section for service described in clause (ii) of subsection (b)(1)(A).".

(c) CONFORMING AMENDMENTS.—Section 428J of such Act (20 U.S.C. 1078–10) is amended—

(1) in subsection (c)(1), by inserting "or fifth complete program year" after "fifth complete school year of teaching";

(2) in subsection (f), by striking "subsection (b)" and inserting "subsection (b)(1)(A)(i)";

(3) in subsection (g)(1)(A), by striking "subsection (b)(1)(A)" and inserting "subsection (b)(1)(A)(i)"; and

(4) in subsection (h), by inserting "except as part of the term 'program year'," before "where".

(d) DIRECT STUDENT LOAN FORGIVENESS.—

(1) IN GENERAL.—Section 460 of the Higher Education Act of 1965 (20 U.S.C. 1087j) is amended—

(A) in subsection (b)(1), by amending subparagraph (A) to read as follows:

"(A)(i) has been employed—

"(I) as a full-time teacher for 5 consecutive complete school years in a school that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such a school; or

"(II) as a Head Start teacher for 5 consecutive complete program years under the Head Start Act; and

"(ii)(I) if employed as a secondary school teacher, is teaching a subject area that is relevant to the borrower's academic major as certified by the chief administrative officer of the public or nonprofit private secondary school in which the borrower is employed;

"(II) if employed as an elementary school teacher, has demonstrated, as certified by the chief administrative officer of the public or nonprofit private elementary school in which the borrower is employed, knowledge and teaching skills in reading, writing, mathematics, and other areas of the elementary school curriculum; and

"(III) if employed as a Head Start teacher, has demonstrated knowledge and teaching skills in reading, writing, early childhood development, and other areas of a preschool curriculum, with a focus on cognitive learning; and";

(B) in subsection (g), by adding at the end the following:

"(3) HEAD START.—An individual shall be eligible for loan forgiveness under this section for service described in subclause (II) of subsection (b)(1)(A)(i) only if such individual received a baccalaureate or graduate degree on or after the date of enactment of the Loan Forgiveness for Head Start Teachers Act of 2001."; and

(C) by adding at the end the following:

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for fiscal year 2007 and succeeding fiscal years to carry out loan repayment under this section for service described in subclause (II) of subsection (b)(1)(A)(i).".

(2) CONFORMING AMENDMENTS.—Section 460 of such Act (20 U.S.C. 1087j) is amended—

(A) in subsection (c)(1), by inserting "or fifth complete program year" after "fifth complete school year of teaching";

(B) in subsection (f), by striking "subsection (b)" and inserting "subsection (b)(1)(A)(i)(I)";

(C) in subsection (g)(1)(A), by striking "subsection (b)(1)(A)" and inserting "subsection (b)(1)(A)(i)(I)"; and

(D) in subsection (h), by inserting "except as part of the term 'program year'," before "where".

Mr. VOINOVICH. Mr. President, this amendment will encourage young teachers to go into early childhood education, encourage further learning and credentialing of early learning educators, and lead to better education for our nation's youngest children.

I am pleased to be joined by Senators FEINSTEIN, COCHRAN, BAUCUS, LANDRIEU, MURRAY and CORZINE in offering this amendment.

If one asks virtually any scientific expert in human development or any mother for that matter—and they will tell you that there is no more important time in a child's life than their earliest years.

In terms of priorities, the experiences and learning that fill a child's first years have a critical and decisive impact on the development of the brain and on the nature and extent of their adult capacities—in other words, who they will become as they grow older. That window of opportunity can be impacted by things that are within our control.

To maximize their potential, we must begin to teach our children the necessary learning skills as early as possible; well before they reach kindergarten.

There is countless amounts of research and data that shows that by focusing on these earliest years, we can make the greatest difference in a child's development and capacity to learn, and I know of few other programs that provide that kind of focus as does Head Start.

The amendment that I am offering is designed to encourage currently enrolled and incoming college students working on a bachelor's or a master's degree to pursue a career as a Head Start teacher.

In exchange for a 5-year teaching commitment in a qualified Head Start program, a college graduate with a minium of a bachelor's degree could receive up to $5,000 in forgiveness for their federal Stafford student loan.

When I was Governor of Ohio, we invested heavily in Head Start, increasing funding from $18 million in 1990, to $180 million in 1998.

By the time I left office, there was a space available for every eligible child in Ohio whose parents wanted them in a Head Start or preschool program, and because of our efforts, Ohio led the Nation in terms of children served by Head Start. Today, there are 60,000 children in our Head Start programs.

Now that I am in the Senate, I continue to believe that it is absolutely critical that we do more to help our young people prepare to begin school ready to learn.

In this regard, I was pleased to work with Senators JEFFORDS and STEVENS last year to help pass the Early Learning Opportunities Act. Still, we must now do more to help those teachers who educate our youngest children.

The results of a survey undertaken by the U.S. Department of Health and Human Services in 1999 and 2000 has shown a significant correlation between the quality of education a child receives and the amount of education that child's teacher possesses; that is, the more education a teacher has, the more effectively they teach their students cognitive skills, the more likely the students are to act upon those skills.

Current Federal law requires that 50 percent of all Head Start teachers must have an associate, bachelor's, or advanced degree in early childhood education or a related field with teaching experience by 2003.

Under Ohio law, by 2007, all Head Start teachers must have at least an associate's degree. It is hoped that this requirement will encourage Head Start educators to pursue a bachelor's or even an advanced degree. After all, the more education our teachers have, the better off our children will be. Unfortunately, as we all know, education can be expensive.

In Ohio today, only 11.3 percent—242—of the 2,126 Head Start teachers employed in the State have a bachelor's degree. Additionally, less than 1 percent—20—of Ohio's Head Start teachers have a graduate degree. We must do more to help our teachers afford the education that will be used to help educate our children.

If we do not intervene at this critical time in a child's life with programs such as Head Start and the Early Learning Opportunity Act, we will not likely reach our goal of "no child left behind." One of the best uses of our Federal education resources is to target them toward our youngest citizens where they can have the most impact.

Recruiting and retaining Head Start and early childhood teachers continues to be a challenge for Ohio and other States.

This amendment—which is based on the bill that Senator FEINSTEIN and I introduced, the Loan Forgiveness for Head Start Teachers Act, S. 123 will help communities, schools and other Head Start providers to meet the challenge of recruiting and retaining high-quality teachers.

It is one of the best ways that I know of where we can make a real difference in the lives of our most precious resource—our children.

I am pleased to have been able to work with the National Head Start Association, the Ohio Head Start Association, and my Senate colleagues on this legislation. I urge the Members of this Chamber to support this amendment.

Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. VOINOVICH. Mr. President, I yield the floor.

AMENDMENT NO. 443

Mrs. FEINSTEIN. Mr. President, I am pleased to co-sponsor this amendment with Senators VOINOVICH, BAUCUS, COCHRAN, LANDRIEU, MURRAY, and CORZINE.

Under current law, elementary and secondary teachers can receive up to $5,000 of their student loans forgiven in exchange for 5 years of teaching. Head Start teachers are not currently included in the federal loan forgiveness program. By offering Head Start teachers the same loan forgiveness benefit as that afforded to elementary and secondary school teachers, I believe, we will encourage more college graduates to enter the field.

Many Head Start programs in California are losing qualified teachers to local school districts in part because the pay is better—nationally, the average Head Start teacher made $20,700 in 2000 compared to $40,575 for an elementary and secondary school teacher. Head Start teachers are making half of what elementary and secondary teachers are paid on average.

Low pay, combined with mounting student loan debt, is a real deterrent to getting college graduates to become Head Start teachers.

Today, there are no educational requirements for a Head Start teacher other than a child development associate (CDA) credential, requiring 24 early child education credits and 16 general education credits. By 2003, 50 percent of Head Start teachers will be required to have at minimum an associate or 2-year degree.

Under this amendment, a Head Start teacher who has completed at minimum a bachelor's degree could receive up to $5,000 of their federal student loan forgiven provided they agree to teach for at least 5 years in a Head Start program.

Clearly, we should recruit qualified teachers to the Head Start field who have demonstrated knowledge and teaching skills in reading, writing, early childhood development, and other areas of the preschool curriculum with a particular focus on cognitive learning. Obtaining and maintaining teachers with such educational backgrounds will, I believe, improve the cognitive learning portion of the Head Start program so that our youngsters can start elementary school ready to learn.

Several recent studies confirm the importance of investing in the education and training of those who work with preschoolers.

The National Research Council has recommended that:

> . . . children in an early childhood education and care program should be assigned a teacher who has a bachelor's degree with specialized education related to early childhood. . . . Progress toward a high-quality teaching force will require substantial public and private support and incentive programs, including innovative education programs, scholarship and loan programs, and compensation commensurate with the expectations of college graduates.

Last year, the Head Start 2010 National Advisory Panel held fifteen national hearings and open forums. The panel found:

> . . . that despite increases resulting from Federal quality set-aside funding, relatively low salaries and poor or non-existent benefits make it difficult to attract and retain qualified staff over the long term. . . . the quality of the program is tied directly to the quality of the staff.

Head Start is one of the most important federal programs because it has the potential to reach children early in their formative years when their cognitive skills are just developing. Many of our Nation's youngsters, however, enter elementary school without the basic skills necessary to succeed. Often these children lag behind their peers throughout their academic career.

I believe we must continue to improve the cognitive learning aspects of the Head Start program so that children leave the program able to count to ten, to recognize sizes and colors, and to recite the alphabet. To ensure cognitive learning, we must continue to raise the standards for Head Start teachers. Offering Head Start teachers similar compensation for their educational achievements and expenses afforded to other teachers is one step to encouraging college graduates to become Head Start teachers.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that at 10:30 a.m. on Tuesday the Senate resume consideration of the Murray amendment No. 378 and there be 120 minutes equally divided in the usual form.

I further ask unanimous consent that at 2:20 on Tuesday the Senate proceed to a vote in relation to the amendment and no amendments be in order to the amendment and there be 5 minutes equally divided for closing remarks prior to the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEFFORDS. Mr. President, with regard to the Sessions amendment, I ask unanimous consent that the previously agreed to Sessions amendment No. 600 be modified to be drafted to the pending substitute. This is a technical change. It does not change any of the amendment's legislative language.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. JEFFORDS. Mr. President, I ask unanimous consent that there now be a period of morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE MINIMUM WAGE

Mr. KENNEDY. Mr. President, I saw in the newspaper this morning the headline in the Washington Post "Business Seeks Tax Breaks in Wage Bill." This is a reference to the inevitability that I and others are going to offer an increase in the minimum wage. This story is a reference to what the business lobbying groups are doing in preparation for that particular legislation and how they intend to add additional kinds of tax reductions for companies and corporations on that piece of legislation.

We have just seen in the Senate last week a tax reduction of $1.35 that is excessive and unfair in terms of its allocation among Americans. A number of us voted in opposition to it. We recognized that even in that proposal there wasn't a nickel—not 5 cents—increase for education over the next 10 years—not even a 5-cent increase.

We found $1,350,000,000,000 in tax reductions, but we couldn't divert any of those resources to education, particularly educating the needy children on whom this legislation is focused, recognizing that these children are our future, recognizing that what we are trying to do is to give greater support to the children and to get greater accountability for the children, the schools, parents, and communities, as well, in this legislation.

It is good legislation, I support it, but it does need to have the resources to be able to have life to it. We didn't get any increase on that.

We are going to have a chance to revisit that issue when the Finance Committee reports back in the next few days with their product on the allocation of taxes, on who is going to get the tax reductions. Many of us will have the opportunity again to present to the Senate: Do we want to see the reduction in the highest rates for the wealthiest individuals, or do we want to use that money, which otherwise would go back in terms of reduced taxes—do we want to use that money to fund education for children in this country?

We will have an opportunity to vote on that several times when the bill comes back. The idea that the ink isn't even dry on that legislation and already our Republican friends on the other side are licking their lips, waiting for an increase in the minimum wage, which is a target to try to help working families working 40 hours a week, 52 weeks of the year, to help them out of poverty.

We have the Republican leader ARMEY saying:

> There is a general resolve, especially among Republicans, that you can't put this kind of disincentive in the employment of people on the lowest rungs into play without trying to compensate for its adverse employment effects.

In other words, schools are out, and we are going to have a lot more besides the $1.35 trillion in tax reduction, that evidently the Republican leadership is waiting for the Senate and the House to take action to increase the minimum wage, hopefully $1.50 over 3 years, with a 60-, 50-, 40-cent increase in 3 steps, in order to help some of the hardest working Americans.

This is a question about human dignity. It is a question of whether we are going to say to Americans working at the lowest end of the economic ladder that the work they do is important. What is the work they do? Many of them are teachers' aides. Many of them work in childcare centers. Many of them work as nursing aides. Many of them work in the buildings across this country, cleaning them late at night, away from their families. That is what many of these low-income jobs are all about. People work hard at them. They sacrifice in order to get them in many instances. We want to say to those workers that when we have had the strongest economy in the history of the Nation, people who work hard should not have to live in poverty.

It is interesting to note that over the history of the minimum wage we have increased the minimum wage 17 times. It was only the last time, when we increased it, which was 4 years ago, and evidently this time, that we have seen the minimum wage loaded up with tax goodies, tax benefits. We didn't do it the previous 17 times. We didn't do that. But now our Republican friends are looking for a vehicle to carry this load about further tax reductions for the wealthy corporations.

We have had consideration of the tax reduction bill. We have all seen that. We have heard it. We have debated it. That has been done. Hopefully, that will be it. Hopefully, we are not going to have another backdoor tax reduction here and effectively do it on the backs of our needy workers. I certainly hope not. I understand we might have to make some adjustments on this.

The last time we had an increase, it was in the $18 to $20 billion range. I found that offensive but nonetheless supportable. But last year our Republican leadership was talking about over $100 billion. I would certainly do everything I could to resist that kind of action here.

Let me review briefly what is happening with the minimum wage at the present time. This says: Working hard but losing ground, the declining real value of the minimum wage. If we look at what has happened, in 1992, we have an increase in the minimum wage. Again, we voted it in 1996; it went into effect in 1997. What we have seen since that time is, now at the year 2000, 2001, we have effectively wiped out the increase, the purchasing value of the increase we had in 1996.

What we are talking about is what the red line shows, which would be an increase of $1.50, which would bring it up to a purchasing power of $6.14, and we are still not even close to what it was from 1968, 1978, up to, really, 1980. We are not even close to that.

We are talking about the neediest of the needy. Look at this. If we look at what has happened to the minimum wage, we have historically tried to have a minimum wage which is going to be half the average hourly earnings. That has been the basic kind of reference point. Look at what has happened in recent years, how the average hourly earnings have been going up but the purchasing power, the real minimum wage for workers, is falling further and further behind.

This is another chart. This reflects: The minimum wage no longer supports a family above the poverty line. This is the real value of poverty guidelines and the minimum wage. If you look at what the poverty line is, for a family of three at $15,000, if you look at where the minimum wage is, you will see that it is falling further and further behind the poverty line. The fact is, the poor today continue to be poor and are poorer than at any time in the last 40 years.

This is our proposal we will be looking at, a minimum wage increase. We will be asking for the 60 cents in 2001, 50 cents in 2002, and 40 cents in 2003. This represents the percent of our proposed increase in the minimum wage in relationship to past increases. This is relatively small. We are talking about a 12-percent increase. We increased it about 12 percent in 1996, in 1991. In 1990, we were higher than in 1978. We were just about there in 1976, a great deal higher in 1969, higher in 1968. So this is right in the mainstream of increases. A 60-cent increase is right in the mainstream; 50 cents is a little below the mainstream, and the final 40 cent increase is down even further.

This is what we are going to have before us. I reiterate: This is basically an issue that affects women because the great majority of minimum-wage workers are women—the great majority of workers are women. This is a children's issue because a majority of the women have children.

And so it is their relationship, how the minimum wage worker is going to be able to provide for the children in that home. What happens, of course, is that by and large the mothers have more than one minimum wage job; they have two, or even three jobs, in order to provide for their families. I read with interest the report last week about how children are spending more time with their parents. While that may be true, I don't know where they find the time and can only imagine at what price. Low-wage workers are working 416 more hours a year than they did twenty years ago. And studies have shown that in 1996, families, on average, had 22 hours a week less to spend with their children then they did in 1969, because their parents are working longer hours and, in some cases, working two, sometimes even three jobs.

So it is a women's issue, a children's issue. It is a civil rights issue because many of the men and women who earn the minimum wage are men and women of color. And, most of all, it is a fairness issue, that here with the strength of our economy, we ought to be able to say that in the United States of America, if you work hard, play by the rules, try to bring up children, you should not have to live in poverty.

Finally, I point out that the Senate of the United States was quite willing to increase its own salary last year by $3,800. We were glad to do that, but we are unwilling to have an increase in the minimum wage. Now we are told that they are going to hold the minimum wage hostage unless they get billions and billions and billions and billions more in tax breaks for the wealthiest corporations and individuals in America—that is wrong; that is absolutely categorically wrong—and add that on top of the tax breaks they have just had. I mean, how much greed can there be, Mr. President? How much greed can there be, and at the expense of the lowest income working Americans? How much greed can there be?

This idea, well, we have to look and see the pressure that this provides in terms of—that it puts on businesses in terms of employment, and the inflation rate, well, I hope we are not going to hear much about that. You will hear much about it, but it has been so discredited, so discredited. We could go back to the times of the last increase in the most recent times—1992, 1997—and I will show you the expansion in the job rate here in this country among every group, including teenage minorities. We are going to hear a lot that you really don't care about teenage minorities.

It is the same people who say I don't care about teenagers who say you are not really interested in health insurance; but if you pass a Patients' Bill of Rights, a lot of companies will drop the health insurance and you will get a lot more uninsured, and that is the reason I am not voting for it. That is the first time words ever came out of their mouths about how they are interested in expanding health insurance—when they are opposing the Patients' Bill of Rights.

We are going to hear similar arguments, and those arguments have been dismissed, shattered, and I understand that we are going to have to pay a toll because the Republican leadership is going to insist on it. They insisted last year. The price was going to be $100 billion last year—$100 billion. The newspaper report today says it is going to be just about that much this year. That is the toll to get through the gate for an increase in the minimum wage put on there by the Republican leadership.

Make no mistake about it. If the Speaker and the majority leader said no, it would not be there. It is the second time in the history of the minimum wage we are going to have it packaged with tax goodies for the wealthiest individuals. The ink is not even dry on the most dramatic tax reduction that we have had in recent times, Mr. President, at the expense of other vital priorities. It just doesn't work.

Maybe the Republican leadership is able to try to muscle that through, but they are going to take some time on this and they are going to have some votes on it. We are going to find out—the American people are—who is on the side of those working families and who is on the side of trying to make sure that we are not going to have a giveaway in terms of these taxes. That would be absolutely wrong.

Sooner or later, it is going to come down to which party represents you and stands by you. Well, you are going to find out; you can tell where those special interests are going to be. They will know who stands by them. It is going to be the Republican leadership because they are going to try to add $100 billion more in tax goodies for them. But the workers of America are going to know who stands by them as well by the end of this debate.

I yield the floor.

Mr. WELLSTONE. Mr. President, first of all, let me thank Senator KENNEDY for his very strong words about the minimum wage. I want him to count me in as a very strong supporter as we bring this legislation to the floor of the Senate. I think the Senator from Massachusetts, in his own characteristic strong, proud way, has made it very clear what is at stake with this minimum wage legislation. I thank him for his remarks.

I will use this opportunity to reinforce some of the comments made by my friend, the Senator from Massachusetts.

It is pretty amazing to see a front page story in the Washington Post, "Business Seeks Tax Breaks in Wage Bill"—I believe I heard the Senator from Massachusetts say perhaps to the tune of $100 billion or thereabouts.

I want to say to Senators, I think this minimum wage bill goes to the heart and soul of the question of whether we have a heart and soul as a Senate. We are now at $5.15 an hour, and we are talking about trying to get this up to $6.15 an hour, then to $6.65 an hour, in increments.

I am going to make two or three points. The first is personal, but it really is true. If we are going to vote ourselves a raise of over $4,000 a year—Senators make about $140,000-some a year—it seems to me we ought to be able to vote for a raise in the wage of the lowest paid workers. We are talking about people who work 40 hours a week, almost 52 weeks a year, and they are still poor.

I think there is no standard of justice here if we are going to vote a hefty increase for ourselves—we are handsomely rewarded for our work—and yet are unable to raise the minimum wage for the lowest paid workers.

Second, in Minnesota there is a stereotype that it is teenagers working part-time who receive the minimum wage. The fact is, many more people are paid the minimum wage. At the moment—and we will see what happens with the economy, some employers are paying higher wages—many people are working minimum wage, a disproportionate number of them women. I think it is a matter of elementary justice for women and other working poor people to raise the minimum wage.

Finally, it takes some real chutzpah on the part of my colleagues, the Republican leadership, to say the only way you are going to get a minimum wage bill through, which speaks to people who are working 52 weeks a year and are still poor in America, is to add in all kinds of corporate welfare and breaks for large businesses.

Democratic Senators, that is the deal you have to accept. We are going to bleed the revenue base with these Robin-Hood-in-reverse tax cuts that the majority party is trying to push through the Senate this week or next week, with over 40 percent of the benefits going to the top 1 percent, and a pittance, if that, for children, for education. Whatever happened to our commitment for affordable prescription drug costs for elderly people? Now, according to this piece, the strategy is to load onto a minimum wage bill more corporate welfare and more breaks for large financial interests and economic interests in the country.

I think it is transparent. I look forward to the debate. Not that long ago—it seems like just yesterday—we had several weeks' worth of debate about campaign finance reform. There were a variety of different arguments made. I suggest that our failure to raise the minimum wage is all about the need for campaign finance reform. These working poor people, men and women in our States—nobody can say they are not hard working —who cannot support their families, they are the last people in the world to be able to hire the lobbyists. They do not have lobbying coalitions here. They are the last people in the world to give the big contributions. They are the last people in the world to be the investors in either political party.

But you know what? If you believe it is important for people to earn a decent standard of living so they can support their families and give their children the care they know their children need and deserve, then we ought to be willing to support a raise in the minimum wage. It is just unbelievable to see in today's Washington Post this story.

I don't know, maybe I should not be surprised. Frankly, I do not want to be dishonest. You never want to be dishonest. I don't want to feign total shock because I have looked at the greed that is reflected by this tax cut bill that my colleagues want to bring to the floor, and I have looked at who gets the benefits. So I guess I should not be surprised that now what we have is this all-out vigorous opposition to raising the minimum wage from $5.15 to $6.15 and to $6.65 unless there is corporate welfare, unless we do well by all these large economic interests, unless we get yet more tax breaks for them.

It is really pretty simple to figure out. When I was a political science professor, was it Harold Lasswell's definition that politics is all about who gets what, when, why? That is what this question is about: Who gets what, when, and why?

As I would put it as a Senator from Minnesota: Who decides and who benefits and who is asked to sacrifice? Who decides to keep the minimum wage so low that there are so many people who are poor still today in America?

If you are working hard, and, as some of my colleagues have said, playing by the rules of the game, then you shouldn't be poor in America. You should be able to support your family.

Who decides to keep the minimum wage down? Who decides that instead now we have to load on all kinds of corporate welfare and all kinds of additional tax breaks for large economic interests in the country?

I think people in the country are going to focus on this debate. I look forward to joining Senator KENNEDY and other Senators.

I remember a number of years ago when we first started this debate. I am a proud original cosponsor of this legislation. I don't think any of the arguments that have been made about how, if we raise the minimum wage, we would see a decline in jobs that turned out to be true. The last time we had a raise in the minimum wage—it was very modest—we had colleagues in the Chamber talking about how people were going to lose their jobs. It didn't happen. I would be willing to say that if there is a point at which you raise the minimum wage at too high of a level you could lose jobs, but it is not going from $5.15 an hour to $6.65 an hour.

It seems to me Senators are in a fairly awkward situation when we voted ourselves over a $4,000 increase in our already high salary and we are not willing to vote to raise the minimum wage for working poor women and men in this country from $5.15 an hour to $6.65 an hour so people have a better chance of being able to support their children and support their families. This is a perfect example of the song that was written by Florence Reese from Harland County, KY—the song about which side you are on. In this particular case, it is, whose side are you on? Are you on the side of hard-working people? We all say we are for hard-working people. Or are you on the side of large economic interests? Are you on the side of elementary justice to raise the minimum wage for workers and their families? Or are you going to insist on somewhere in the neighborhood of $100 billion of yet more tax breaks for economic interests so there is even less for children, even less for education, and even less for affordable prescription drug costs?

I am telling you, my colleagues like to say in the Republican majority that some of these comments are class warfare. And I just have to smile because if there ever were an example of "class warfare", if that is what you want to call it, it would be a U.S. Senate that is so generous to itself in giving ourselves big increases in a big salary and are unwilling to raise the minimum wage for poor working people in our States and in our country.

I yield the floor.

TRIBUTE TO CRAIG M. SOMERS

Mr. LOTT. Mr. President, I rise today to pay tribute to the outstanding accomplishments of Craig Somers throughout his 32-year career with the U.S. Senate. I, along with my colleagues, congratulate Craig on his retirement from the Sergeant At Arms Office.

His Senate career began in August of 1962, as a part-time employee and Senate page. In 1969, he became employed full-time with the Printing, Graphics & Direct Mail Department, then known as the Service Department, where he acquired many varied skills, including his initial position as an Addressograph Operator. Craig worked his way up to his current position as the Night Supervisor of the Lithographics Department.

All of us in the Senate thank Craig for his tireless efforts with our printing needs and processing of our constituent mail. His work has helped us keep in touch with those we represent.

Craig, we congratulate you and wish you well in your retirement.

NOMINATION OF OTTO REICH

Mr. KENNEDY. Mr. President, on April 29, the Los Angeles Times printed a thoughtful op-ed article by former Costa Rican President Oscar Arias that raises troubling questions about President Bush's nominee to serve as Assistant Secretary of State for Western Hemisphere Affairs, Otto Reich.

President Arias discusses the important role played by the Assistant Secretary, and questions Otto Reich's suitability for this position, in light of his record as head of the State Department's Office of Public Diplomacy, his support of President Reagan's policies toward Central America, his involvement in lifting the ban on the sale of advanced weapons to Latin America, and his views on U.S. policy toward Cuba.

I urge my colleagues to read the article. The significant concerns raised by this distinguished Nobel Peace Prize recipient must be carefully considered. I ask unanimous consent that the article by President Arias be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[FROM THE LOS ANGELES TIMES, APRIL 29, 2001]

A NOMINEE WHO STANDS FOR WAR

(By Oscar Arias)

Given the importance of the role of the U.S. assistant secretary of State for Western Hemisphere affairs, many of us in Latin America are surprised and disappointed by George W. Bush's nomination of Otto J. Reich for this post. Reich headed the Office of Public Diplomacy, which was closed down by Congress in the wake of the Iran-Contra scandal because it had, to quote official investigations, "engaged in prohibited covert propaganda activities designed to influence the media and the public."

More than almost any other U.S. diplomat, the person in this post will have the power to shape the relationship between the United States and Latin America for better or worse. Virtually everything that the U.S. needs to do with Latin America, from establishing a free-trade area to dealing with drug policy and immigration, will require a bipartisan approach. Appointing someone of Reich's ideological stripe and experience would be a real setback in hemispheric cooperation.

I offer my experience as president of Costa Rica as testament to the importance of compromise on hard-line policies. With my region torn by civil wars in Nicaragua, El Salvador and Guatemala, I proposed a peace plan whose essence was democracy as a precondition for lasting peace. The plan was signed by five Central American presidents in August 1987, but President Ronald Reagan refused to support it. He would settle for nothing less than military victory over the Sandinistas in Nicaragua. It was not until George Bush became president in 1988 that the United States backed off its dogged support for war and let the Central American leaders give diplomacy a chance. It was Bush the elder and his foreign-policy staff, including Secretary of State James A. Baker and Bernie Aronson, then-assistant secretary of State for inter-American affairs, who changed U.S. policy from one of undermining our efforts to strongly supporting them, and thus contributed greatly to a peaceful solution to the Central American conflicts.

I am afraid that Reich will cling more closely to the Reagan model than that of the former Bush administration. There is plenty of evidence to suggest that this will be so. His involvement in the Office of Public Diplomacy until 1986 demonstrated his allegiance to the Reagan administration's hawkish policies toward Central America. The purpose of his office was none other than to get the American people to side with war over peace, using propaganda methods determined to be "improper."

Reich's support of militarism did not end with the wars in Central America. According to news reports, he has made his living in recent years as a lobbyist and consultant representing corporate interests in Washington, among which is the arms manufacturer Lockheed Martin. Reich apparently helped Lockheed overcome the executive ban on the sale of advanced weaponry to Latin America. As a result, the company is poised to sell a dozen of its F-16 fighter jets with advanced missile technology to Chile.

Ever since the ban was lifted in 1997, I have been active, along with former President Jimmy Carter, in trying to convince Latin American leaders to submit to a voluntary moratorium on buying such weapons. If a Latin American country goes shopping for sophisticated weaponry, it will touch off the last thing this hemisphere needs—an arms race. In the face of continued poverty, illiteracy, hunger and disease in so much of our region, investing in unnecessary military technology is an act of grave irresponsibility. That Reich has been an accomplice to this deal makes me feel very uneasy about what ends will be served by his potential leadership in our hemisphere.

One last example will illustrate the poor fit that Reich would be for the interests of hemispheric cooperation: his unwavering support for the long-running and unproductive embargo against Cuba. I believe many American farmers and businessmen are aware that U.S. economic warfare against Cuba harms broader U.S. interests, while at the same time injuring the people, but not the government, of Cuba.

To those who think it unbecoming for a foreigner to comment on the appointment of a U.S. official, I would say that although the assistant secretary of State for Western Hemisphere affairs will make little difference in the lives of ordinary people in the United States, he could have a profound effect on the lives of Latin Americans.

There is so much work to be done in our part of the world over the next four years, and enough inherent problems and strains in the relationship between the United States and Latin America, that we will be assuring ourselves of getting nowhere if we give in to hard-line ideology over flexibility and bipartisanship. On behalf of Latin Americans, I hope that the administration of George W. Bush can find another candidate for this job—one capable of building trust and earning respect from all the leaders of this hemisphere.

(Oscar Arias was President of Costa Rica From 1986–1990 and Winner of the Nobel Peace Prize in 1987.)

TRANSIT ZONE STRATEGY

Mr. GRASSLEY. Mr. President, as Chairman of the Senate Caucus on International Narcotics Control, I want to draw attention to our interdiction efforts throughout the Caribbean and Eastern Pacific, commonly referred to as the "transit zone."

Although Plan Colombia is our primary counterdrug operation in Colombia and the emphasis in the Andean region, commonly called the "source zone", continued interdiction efforts in the transit zone are an important part of our overall "defense-in-depth" plan. I have noted for some time, however, that our defense in depth seems more like a defense in doubt. I want to be confident that the United States has a well-thought out, overarching national drug control strategy, involving all components of both supply and demand reduction, including eradication and fumigation, alternate development, trade incentives, interdiction, prevention, treatment, and education. I am very pleased the President is ready to appoint the new Director of the Office of National Drug Control Policy, ONDCP, to assist with reviewing our plans, programs, and strategy. But I am concerned that we lack coherent thinking on our interdiction efforts. I am concerned about rumblings from the Department of Defense, DOD, that it is going to duck and weave on supporting such a plan.

I desire our interdiction efforts to be integrated and balanced, both interagency and internationally, as well as between the source zone, transit zone, and arrival zones. We need balance, within the transit zone, between the Caribbean and the Eastern Pacific, as well as balance with in the eastern, central, and western portions of the Caribbean itself. We need to have adequate intelligence community and DOD support for both the source zone and the transit zone. We need to be balanced between our air and maritime interdiction efforts. We need to be equally dynamic and risk adverse as the smuggling organizations are, when route and conveyance shifts are detected. Our counterdrug forces on patrol should also be aware of the terrorism threats that are increasing focused against our country. It is not clear to me that we currently have these things I have outlined.

The Senate Drug Caucus is planning an upcoming hearing on the Transit zone on May 15, 2001 to discuss the broader questions of "What is our transit zone strategy?" and "Do we have a balanced approach in the transit zone?" I hope for a discussion on the current threat, agency capabilities, current shortcomings, the relationship with the source zone and Plan Colombia, the projected future threat, any needed improvements, interagency and international relationships, and DOD and intelligence community support to our transit zone operations. I am especially concerned about reports of aging aircraft and vessels in the both the Customs Service and Coast Guard fleet inventories. I am also particular interested in the countries of Haiti, Jamaica, Cuba, Venezuela, Mexico, and the Bahamas, as well as the Commonwealth of Puerto Rico. Success in the transit zone is so critical for both the United States as well as the many countries throughout the Caribbean, who are so dependent on trade and tourism, and who struggle to avoid the dark influences of the narcotics threat.

I want to be sure we are doing our transit zone missions effectively and competently. I appreciate the difficult task of foreign investigations and interdiction, and appreciate the daily efforts of the Customs Service, Coast Guard, Drug Enforcement Administration, Department of Defense, Department of State, and our international allies. The mission is an important one and deserves our serious attention and sustained effort.

WTO APPELLATE BODY DECISION

Mr. BAUCUS. Mr. President, two weeks ago, the World Trade Organization's Appellate Body issued a decision affirming a Dispute Settlement Panel opinion from last December that ruled that the United States' imposition in July 1999 of restrictions on imports of lamb meat under Section 201 of the Trade Act of 1974 was inconsistent with our obligations under the WTO's Agreement on Safeguards. The December Panel decision was so obviously wrong in virtually every respect that one would have expected the Appellate Body to reverse the panel and recognize the U.S. International Trade Commission's decision for the well-reasoned and balanced determination that it was. Instead, the Appellate Body has once again taken it upon itself to substitute its judgment for the ITC's. This is a continuation of a troubling trend, in which WTO dispute settlement panels and the Appellate Body fail to give adequate deference to expert administrative bodies that have carefully reviewed the facts. This kind of decision risks eroding U.S. support for the WTO's dispute settlement procedures.

While there is a lot not to like in the Appellate Body's decision, I am particularly outraged by the Appellate Body's conclusion that the ITC erred in concluding that lamb farmers, ranchers, and commercial feeders are properly part of the domestic industry for purposes of determining injury and threat of injury. The Appellate Body concluded that growers and feeders produce a product—live lambs—that cannot strictly be considered "like" lamb meat within the meaning of the WTO Safeguards Agreement, and by implication, under Section 201 of the Trade Act of 1974; according to the Appellate Body, only packers and processors produce a "like" product. Had this been an antidumping or countervailing duty decision, such a conclusion would have precluded lamb growers and feeders from petitioning for relief along with packers and processors—a notion that I find intolerable. Fortunately, Section 201 and the Safeguards Agreement give standing to producers of both "like" and "directly competitive" products, and the Appellate Body's opinion appears to leave open the possibility that lamb growers and feeders could properly be counted as part of the domestic industry on the grounds that live lambs are "directly competitive with," as opposed to "like," lamb meat.

The WTO will lose all credibility if growers of agricultural products are disqualified from petitioning for relief when massive imports of food products create oversupplies and cause domestic price levels to plummet. Thousands of families in my home state have a long history of sheep ranching. Sheep ranchers and farmers are the very heart of the U.S. industry producing lamb meat, and the WTO needs to recognize such basic economic realities.

Predictably, the government of Australia and New Zealand, which brought the WTO appeal, have already called for the United States to immediately terminate the U.S. import relief program in response to the Appellate Body's decision. As bad as the Appellate Body's decision is, I believe that it is clear that it does not require termination of the United States' import relief program for the lamb industry. I am today calling on U.S. Trade Representative Robert Zoellick to reject Australia and New Zealand's demands and instead invoke the procedure prescribed by Section 129 of the Uruguay Round Agreements Act. Ambassador Zoellick should promptly request the ITC to provide him with an advisory report on whether it believes that its original decision can be brought into compliance with the Appellate Body's decision. If that advice is affirmative, I hope and expect that Ambassador Zoellick will take the further prescribed step of asking the ITC to issue a revised determination in conformity with the Appellate Body's decision.

The period of relief originally proclaimed by President Clinton is scheduled to run through July of next year, and I am confident that the ITC will be able to revise its original determination so that this badly needed relief can run its course. In the meantime, I call upon President Bush—whose own home state is the United States' largest producer of lamb—to direct USDA and other agencies to redouble their efforts to see that the industry gets the full measure of assistance that it was promised as part of the import relief package.

THE SMALL BUSINESS LIABILITY REFORM ACT

Mr. McCONNELL. Mr. President, last Thursday, Senator LIEBERMAN and I introduced S. 865, the "Small Business Liability Reform Act," which aims to restore common sense to the way our civil litigation system treats small businesses. In our legal system, small businesses, which form the backbone of America's economy, are often forced to defend themselves in court for actions that they did not commit and to pay damages to remedy harms they did not cause. These businesses also frequently find themselves faced with extraordinarily high punitive damages awards. These unfortunate realities threaten the very existence of many small businesses, and when American small businesses go under, our economy is harmed as new products are not developed, produced, or sold, and employers cannot retain employees or hire new ones.

Small businesses, those with 25 or fewer full-time employees, employ almost 60 percent of the American workforce. Because the majority of small business owners earn less than $50,000 a year, they often lack the resources to fight unfair lawsuits which could put them out of business. When faced with such a lawsuit, many of these entrepreneurs must either risk a lengthy battle in court, in which they may be subjected to large damage awards, or settle the dispute out of court for a significant amount even though they did not cause the harm in the first place. Either way, our current system jeopardizes the livelihood and futures of small business owners and their employees.

The Small Business Liability Reform Act remedies these ills with three common-sense solutions, all of which protect our nation's entrepreneurs from unfair lawsuits and excessive damage awards. First, it would award punitive damages against small business only upon clear and convincing evidence, rather than upon a simple preponderance of evidence, and would set reasonable limits, three times the total of all damages or $250,000, whichever is less, on the amount of punitive damages that can be awarded.

Second, our bill would restore basic fairness to the law by eliminating joint and several liability for small businesses for non-economic damages, such as pain and suffering, so a small defendant is not forced to pay for harm he did not cause. Under the current joint and several liability, small businesses, when found liable with other defendants, may be forced to pay a disproportionate amount of the damages if they are found to have "deep pockets" relative to the other responsible parties. For example, a small business who was found responsible for only 10 percent of the harm may have to pay half, two-thirds, or even all of the damages if his co-defendants cannot pay. Again, without altering a small business's joint and several liability for economic damages, such as medical expenses, the Small Business Liability Reform Act provides that small businesses are responsible for only the portion of the non-economics damages they caused. Thus, the bill partially relieves a situation where a small business is left holding the bag with respect to injuries it did not inflict.

Third and finally, our bill addresses some of the iniquities facing non-manufacturing product sellers. Currently, a person who had nothing to do with a defective and harmful product other than selling it can be sued along with the manufacturer. Under the reforms in the Small Business Liability Reform Act, a product seller can only be held liable for harms caused by his own negligence, intentional wrongdoing, or breach of his own warranty.

This bill provides much needed protection and relief to both small business owners and consumers. By making our legal system reasonable and fair to small businesses, we will remove one of the greatest barriers to the market, the threat of crippling, excessive lawsuits, that prevent entrepreneurs from starting a small business. That means increased competition, better goods, and more jobs at a time when the health of America's economy and job market appear uncertain. And by injecting common sense into these laws, we will remove the excessive litigation costs that drive up the cost of goods and services for all Americans. The Small Business Liability Reform Act is a win for America's entrepreneurs, consumers, and workers, and it is my hope that the Senate will enact this bi-partisan bill. Finally, I would ask unanimous consent that letters in support of this bill from the National Federation of Independent Business and the Small Business Legal Reform Coalition be placed in the RECORD.

SMALL BUSINESS
LEGAL REFORM COALITION,
May 10, 2001.

Hon. MITCH MCCONNELL,
U.S. Senate,
Washington, DC.

DEAR SENATOR MCCONNELL: On behalf of the Small Business Legal Reform Coalition, we are writing to applaud your sponsorship of the Small Business Liability Reform Act of 2001 and express our strong support for its passage. We commend you for your efforts to restore common sense to our civil justice system—one that takes a particularly heavy toll on the smallest of America's businesses.

The frequency and high cost of litigation is a matter of growing concern to small businesses across the country. Today's civil justice system presents a significant disincentive to business start-ups and continued operations. If sued, business owners know they have to choose between a long and costly trial or an expensive settlement. Business owners across the nation risk losing their livelihood, their employees and their future every time they are confronted with an unnecessary lawsuit.

This legislation would make two reforms that have topped the small business community's agenda for years: cap punitive damages and abolish joint liability for non-economic damages for those with fewer than 25 employees. These reforms have been among the recommendations of the White House Conference on Small Business since the early 1980s—and the time has come to protect the smallest of small businesses from excessive damage awards and frivolous suits.

This bill would also hold non-manufacturing product sellers liable in product liability cases when their own wrongful conduct is responsible for the harm and thus reduce the exposure of innocent product sellers, lessors and renters to lawsuits when they are simply present in a product's chain of distribution or solely due to product ownership. Should the manufacturer be judgment-proof, the product seller would be responsible for any damage award, ensuring that deserving claimants recover fully for their injuries.

In the end, we believe that enactment of the Small Business Liability Reform Act will inject more fairness into the legal system and reduce unnecessary litigation and legal costs. We also believe that it protects the rights of those with legitimate claims. We thank you again for your support of these common sense reforms and look forward to working with you to ensure the success of this important legislation.

American Automotive Leasing Association, American Care Rental Association, American Consulting Engineers, Council, American Insurance Association, American Machine Tool Distributors Association, Associated Builders and Contractors, Associated Equipment Distributors, Automotive Parts and Service Alliance, American Rental Association, Coalition for Uniform Product Liability Law, Citizens for Civil Justice Reform, Equipment Leasing Association, Independent Insurance Agents of America, International Mass Retail Association, International Housewares Association, Motorcycle Industry Council, National Association of Convenience Stores, National Association of Manufacturers, National Association of Plumbing-Heating-Cooling Contractors, National Association of Wholesaler-Distributors, National Federation of Independent Business, National Grocers Association, National Restaurant Association, National Retail Federation, National Small Business United, NPES—Association for Suppliers of Printing, Publishing & Converting Technologies, Painting and Decorating Contractors of America, Plumbing-heating-Cooling Contractors—National Association, Small Business Legislative Council, Society of Independent Gasoline Marketers of America, Specialty Equipment Market Association, Steel Service Center Institute, Trunk Renting and Leasing Association, and U.S. Chamber of Commerce.

NATIONAL FEDERATION OF
INDEPENDENT BUSINESS,
Washington DC, May 11, 2001.

Hon. MITCH MCCONNELL,
U.S. Senate,
Washington, DC.

DEAR SENATOR MCCONNELL: On behalf of the 600,000 members of the National Federation of Independent Business (NFIB), I would like to thank you for your sponsorship of the Small Business Liability Reform Act of 2001 and express our strong support for its passage. I commend you for your efforts to restore common sense to our civil justice system—one that takes a particularly heavy toll on the smallest of America's businesses.

The frequency and high cost of litigation is a matter of growing concern to small businesses across the country. Today's civil justice system presents a significant disincentive to business start-ups and continued operations. If sued, business owners know they have to choose between a long and costly trial or an expensive settlement. Business owners across the nation risk losing their livelihood, their employees and their future every time they are confronted with an unnecessary lawsuit.

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This bill would also hold non-manufacturing product sellers liable in product liability cases when their own wrongful conduct is responsible for the harm and thus reduce the exposure of innocent product sellers, lessors and renters to lawsuits when they are simply present in a product's chain of distribution or solely due to product ownership. Should the manufacturer be judgment-proof the product seller would be responsible for any damage award, ensuring that deserving claimants recover fully for their injuries.

In the end, we believe that enactment of the Small Business Liability Reform Act will inject more fairness into the legal system and reduce unnecessary litigation and legal costs. We also believe that it protects the rights of those with legitimate claims. We thank you again for your support of these common sense reforms and look forward to working with you to ensure the success of this important legislation.

Sincerely,

DAN DANNER,
Senior Vice President,
Federal Public Policy.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY last month. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to detail a heinous crime that occurred November 6, 1998 in Seattle, Washington. A gay man was severely beaten with rocks and broken bottles in his neighborhood by a gang of youths shouting "faggot." The victim sustained a broken nose and swollen jaw. When he reported the incident to police two days later, the officer refused to take the report.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.

CONFIRMATION OF LARRY D. THOMPSON

Mr. MILLER. Mr. President, I am so pleased that the Senate Judiciary Committee has voted unanimously to confirm Larry D. Thompson as Deputy Attorney General and that the full Senate also has given its unanimous approval to this excellent nominee.

I was honored to be able to present Mr. Thompson to the Senate Judiciary Committee, and I congratulate my longtime friend and fellow Georgian on his confirmation.

I cannot say it more clearly than this: President Bush could not have made a better choice in nominating Larry Thompson as Deputy Attorney General of the United States.

I have had the pleasure to know Larry Thompson for several years. He is the consummate professional: quiet yet strong, a legal scholar who exercises enormous common sense, a man who will put principle ahead of politics every time. He is a man of great substance and little ego. He is not one to grandstand or grab headlines.

Mr. Thompson brings to the Department of Justice a solid record of experience. He has built a reputation as a tough prosecutor, an adept litigator, a respected scholar and a skilled manager.

More importantly than that, Mr. Thompson comes with no agenda. He will base every decision on what is right, not what is popular or politically expedient. He will bring to the Justice Department the same wisdom, the same thoughtfulness, and the same steady demeanor upon which he has built his stellar career.

In short, Larry Thompson is a man of impeccable credentials who will serve the Department of Justice and this Nation very well.

NATIONAL POLICE WEEK

Mrs. CARNAHAN. Mr. President, I am proud to take this opportunity to recognize National Police Week 2001 and the immeasurable contributions of our Nation's law enforcement officers. In both urban and rural communities, these men and women touch the lives of all those around them. Today, I urge all Americans to join together in commemorating the tremendous service and sacrifice of our Nation's law enforcement officers.

We have made great strides since the 1970s, when we lost approximately 220 officers every year through the decade. That figure decreased dramatically in the 1990s to 155 fallen officers each year. Yet, each one of these lives is one too many. And it is with great sorrow that I note that Missouri leads the Nation in losing nine law enforcement officers in the past eleven months. We may take comfort only in recognizing and honoring the ultimate sacrifice that each of these individuals has made to their community, to their State, and to their Nation. We owe these officers and their family an unending debt of gratitude. They will always be remembered.

The efforts of police officers and chiefs, sheriffs, and highway patrol are largely responsible for the seven percent decrease in crime rates over most of the last decade. In return for their valiant courage in protecting our streets, our homes, and our families, we must strive to find measures that will better protect our law enforcement officers. I will join my fellow Senators in looking for ways to ensure that sufficient safeguards are in place. In the meantime, I take this opportunity to express my gratitude to these men and women and their families. God bless these heroes among us.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, May 11, 2001, the Federal debt stood at $5,637,839,303,470.87. Five trillion, six hundred thirty-seven billion, eight hundred thirty-nine million, three hundred three thousand, four hundred seventy dollars and eighty-seven cents.

One year ago, May 11, 2000, the Federal debt stood at $5,666,075,000,000. Five trillion, six hundred sixty-six billion, seventy-five million.

Twenty-five years ago, May 11, 1976, the Federal debt stood at $599,704,000,000. Five hundred ninety-nine billion, seven hundred four million, which reflects a debt increase of more than $5 trillion, $5,038,135,303,470.87. Five trillion, thirty-eight billion, one hundred thirty-five million, three hundred three thousand, four hundred seventy dollars and eighty-seven cents during the past 25 years.

TRIBUTE TO JOHN WINTERHOLLER

• Mr. BURNS. Mr. President, although little noticed, a native son of Montana passed away at his home in Lafayette, CA.

John Winterholler, a three-sport Hall of Famer at the University of Wyoming was a survivor of the Bataan death march.

Winterholler was among the inaugural class inducted into the University of Wyoming Athletics Hall of Fame in 1993. He lettered in baseball, basketball, and football from 1936–1939.

Upon graduation in 1940, he accepted a commission as a lieutenant in the United States Marine Corps rather than play professional baseball.

Winterholler served with the 4th Marine Regiment on Bataan and Corregidor in the Philippines and suffered brutal treatment as a Japanese prisoner during World War II.

During captivity, he experienced severe weight loss and was paralyzed from the waist down and near death from malnutrition. He was confined to a wheelchair the rest of his life.

He earned two battlefield decorations, the Silver Star and the Bronze Star with "V" for valor before Corregidor fell, and he subsequently received the Purple Heart and 26 other medals and awards for his service in the United States Marine Corps. He retired with the rank of colonel.

Although he was born in Billings, MT, he grew up just over the 45th parallel which is known as the Montana/Wyoming State line. It was there in Lovell, WY, where he met his future wife, Dessa. They both attended the University of Wyoming and were married in 1945 in his hospital room at Mare Island Naval Base in Vallejo, CA, shortly after his release from the Japanese prison camp.

He is just another American who has given so much for this country and all it stands for. An American that believed in the future of this country so deeply that he gave all that was asked in her defense. I, like many, give thanks every day for what they sacrificed and their dedication.

He is survived by a daughter, Deborah Harms; a son, David; a sister, Lydia Showalter; and three brothers, Henry, Phillip, and Alfred.•

IN MEMORY OF EDMUND DELANEY

• Mr. DODD. Mr. President, I rise today to pay tribute to the late Edmund T. Delaney, an accomplished lawyer, lecturer, historian and author, and a man that I felt privileged to consider a friend.

Ed Delaney graduated from Princeton University in 1933 and Harvard Law School in 1936. He was a gifted attorney who practiced law for over 40 years in New York and Connecticut. He was a partner in the New London and Essex firm of Copp, Koletsky and Berall. Ed was a member of the Association of the Bar of the City of New York where he served as Chairman of the Committees on Corporate Law, Law and Medicine, and Art. During his career, he specialized in investment company law, serving for 39 years as a director of the Oppenheimer Funds.

Ed Delaney was also extremely active in civic and community affairs throughout his professional life, making numerous contributions to his community and to the State of Connecticut. He dedicated himself to protecting the region's rich cultural history and natural beauty. The preservation of the Connecticut River and the Connecticut River Valley was just one of the causes that he championed through his extensive writings. Ed was a former president of both the Chester Historical Society and the Chester Rotary Club, a trustee of the Connecticut Watershed Council, and a member of the Connecticut Historical Commission in Hartford. He was also a trustee of the Connecticut River Museum in Essex and he was active in the Rockfall Foundation in Middletown.

Long interested in historic preservation and conservation, he was a member of the historical societies of Deep River, Essex, and Lyme, of the Antiques and Landmarks Society, and of the National and Connecticut Preservation Trusts and Nature Conservancies. He was also involved in Chester town affairs as a chairman of the Conservation Commission as a member of the town retirement board, and as a Justice of the Peace. In addition, he also served on the Middlesex County Revitalization Commission. His contributions to future generations and to the state of Connecticut were truly remarkable.

Long before he demonstrated his prodigious appetite for community and civic engagement, Ed Delaney amassed a distinguished record of military service. After serving in the Squadron A Cavalry of the New York National Guard, he went on active duty in the field artillery in 1940, graduating from the Field Artillery School at Fort Sill, OK, and serving as battery commander in the 105th Field Artillery. In 1941, he was transferred to the Military Intelligence Service as part of the general staff in Washington, where he became a lieutenant colonel and chief on the Western European Branch and French Specialist in the War Department. He accompanied the Assistant Secretary of War, John J. MacEloy, on a special mission to North Africa in 1943. In 1945, he became Acting Counsel to the Army-Navy Liquidation Commission in Paris. He received three War department citations, the Army Commendation Ribbon, and the French Medaille de la Reconnaissance Francaise.

Edmund Delaney was a remarkable man in a great many respects. He was a distinguished member of the armed services, a successful attorney, and an energetic leader in a variety of organizations devoted to advancing the public good. He brought to all of his endeavors an unusual depth of insight, compassion and understanding. He was dedicated to his family, his friends, his community, and not least, his country. He was a fine and patriotic man. And he was someone whom I respected and whose ideas I admired.

My heartfelt sympathies go out to his wife Barbara, to his children and grandchildren, and to his other surviving family members. He will be missed greatly by them, and many others. But there is some comfort in knowing that his good deeds have made a lasting impact on the lives of those he left behind.•

TRIBUTE TO CRAIG BENSON

• Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Craig Benson of Rye, NH, for being honored as a significant contributor to New Hampshire's growth and development.

Craig co-founded Cabletron Systems, Inc. in 1983, expanding the computer networking company into a $1.5 billion corporation employing more than 6,000 people in 110 offices throughout the world. He was the recipient of the "National Entrepreneur of the Year" award by Inc. Magazine in 1991, and was included among the 10 most powerful people in New Hampshire in the 1990's by Business NH Magazine.

Craig Benson has been a good neighbor to the citizens of New Hampshire, gifting a $100 million grant of networking equipment to inner city and disadvantaged colleges and universities. He also serves on numerous boards of directors and on the Board of Trustees at Babson College.

Craig Benson has served the people of the Granite State with dedication and generosity. His contributions to the economic and charitable communities of our state have been exemplary and I commend him for his efforts. It is an honor and a privilege to serve him in the U.S. Senate.•

100TH ANNIVERSARY OF ALLENHURST FIRE DEPARTMENT

• Mr. CORZINE. Mr. President, the ninth of June marks an historic and important occasion for the Allenhurst Fire Department, its 100th anniversary. For the past century, a commendable number of dedicated volunteer firefighters have risked their lives and sacrificed their spare time to protect the lives and property of the people of Allenhurst. Therefore, it is with great pleasure that I bring these individuals from the great State of New Jersey to your attention.

Volunteer firefighters are the great unsung heros of everyday life and we often take their diligent efforts for granted. When the fire alarm sounds, these devoted individuals put their lives on hold and respond, whether it be a call for assistance or a full-fledged fire, they are on the scene and prepared. Let us not forget that firefighters routinely put themselves in harm's way to protect us. This dedication to their community is worthy of only the highest praise.

At a time in our Nation when things are in a constant state of change, it is truly refreshing to honor a selfless and noble enterprise that has endured for an entire century. It is appropriate to applaud both the longevity of the Allenhurst Fire Department and the charitable acts of courage that have fueled it. I am proud to wish them a very happy 100th anniversary and continued success for many more years to come.•

LIEUTENANT GENERAL DANIEL WILLIAM CHRISTMAN

• Mr. SANTORUM. Mr. President, I rise today to recognize the outstanding national service of Lieutenant General Daniel William Christman. On June 30, 2001, General Christman will retire upon completion of a highly successful five-year assignment as the 55th Superintendent of the United States Military Academy in West Point, New York. The Military Academy that General Christman leaves this June is noticeably improved due to his commitment to high standards in military, academic, physical and morale development for the cadets.

It is only fitting that his final post would be at West Point as, in 1965, Daniel Christman graduated first in his class thereby beginning 36 years of illustrious service both in peace and in war to the United States. Over the course of his career, General Christman has served as the nineteenth U.S. Representative to the NATO Military Committee in Brussels, Belgium, 1993–94; Commanding General, U.S. Army Engineer Center and Fort Leonard Wood and Commandant, U.S. Army Engineer School, Fort Leonard Wood, Mo., 1991–93; Commander of the Savannah District, U.S. Army Corps of Engineers in Savannah, Ga., 1984–86; Commander of the 54th Engineer Battalion in Wildflecken, Germany 1980–82; Company Commander in the 326th Engineer Battalion, Hue, Vietnam, 1969–70; and Company Commander, 2nd engineer Battalion, Changpo-Ri, Korea, 1966.

Prior to becoming the Commanding General and the Superintendent of the United States Military Academy, General Christman served as Assistant to the Chairman of the Joint Chiefs of Staff (JCS) where he supported Secretary of State Warren Christopher as a member of the Middle East Peace Negotiating Team and in arms control negotiations with the Russian Federation. In addition, he has served as Director of Strategy, Plans and Policy in Department of Army Headquarters, Washington, D.C. His duties in this assignment focused on negotiations relating to the Conventional Forces in Europe, CFE, arms control talks between NATO and the Warsaw Pact. In the course of supporting these negotiations on behalf of the Chief of Staff of the Army and the Chairman, JCS, General Christman briefed President George H.W. Bush and traveled to Europe to brief allied heads of state and the NATO Secretary General.

During the course of his career, General Christman's illustrious service to this country can be exemplified by the honor and decorations he has received, from the Defense Distinguished Service Medal (two awards), Distinguished Service Medal, two awards, Defense Superior Service Medal, Legion of Merit, two awards, Bronze Star Medal, two awards, Meritorious Service Medal, two awards and the Air Medal, three awards.

General Daniel William Christman has exemplified the impeccable integrity, honor, and character that the American people have come to expect from the professional Army. As a member of the U.S. Military Academy Board of Visitors, I have valued and appreciated General Christman's insight, leadership and commitment to our United States Army. General Christman's service to this nation demonstrates the highest standards and proud traditions of the United States military. As he moves forward in his life, I wish General Christman and his family continued success and happiness in all his future endeavors.•

IN MEMORY OF ANTOINETTE F. DOWNING

• Mr. REED. Mr. President, I rise today to pay tribute to Mrs. Antoinette F. Downing.

Mrs. Downing, acclaimed architectural historian and founding member of the Providence Preservation Society, passed away on Wednesday morning, May 9, 2001 at the age of 96.

During her extraordinary lifetime, Antoinette believed in the intrinsic value of historic buildings, a revolutionary idea that changed Providence and Rhode Island. Mrs. Downing began her distinguished career as a scholar, researching and recording the State's historic structures. In 1937, her book Early Homes of Rhode Island was published, and remains the standard reference on 17th, 18th, and early 19th century building in the State. During the 1930s and 1940s, Mrs. Downing raised a family and taught school. In the late 1940s, she returned to the study of architecture by assisting the newly founded Preservation Society of Newport County with a program to document and bring attention to the magnificent historic buildings in Newport. The effort produced the publication of The Architectural Heritage of Newport, Rhode Island, co-authored by Vincent J. Scully, Jr., in 1952.

In the 1950s', Mrs. Downing's scholarship turned into activism in the College Hill neighborhood of her adopted hometown of Providence, an area with many dilapidated and unappreciated historic buildings threatened by plans for demolition. Mrs. Downing and other residents, determined to maintain the character of this neighborhood, organized the Providence Preservation Society. A report, which she helped to research and write, College Hill, A Demonstration Study of Historic Area Renewal (1959), became the blueprint for the neighborhood's restoration and a national model for using historic preservation as a means of community renewal.

Through her hard work and conviction, Mrs. Downing made historic preservation part of every life in Rhode Island. Under her leadership, the Historical Preservation and Heritage Commission's statewide survey has identified about 50,000 historic buildings and sites in Rhode Island's 39 cities and towns. In all, more than 15,000 Rhode Island properties have been listed on the National Register of Historic Places. Furthermore, the reuse and rehabilitation of historic buildings has become an important part of the state's economy in the last decade.

Throughout Antoinette Downing's lifelong work has run the belief that our historic districts, structures, and sites are resources worth keeping. Her work has created for our time and coming generations a way of connecting to history while building links to the future. We remember and thank Antoinette for her tireless efforts to save our heritage. We are all the beneficiaries of her visionary leadership.•

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1787. A communication from the Acting Deputy General Counsel for the Investment Division of the Small Business Administration, transmitting, pursuant to law, the report of a rule entitled "New Markets Venture Capital Program" (RIN3245-AE40) received on May 9, 2001; to the Committee on Small Business.

EC-1788. A communication from the Director of the Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting, pursuant to law, the report of a rule entitled "Disease Associated With Exposure to Certain Herbicide Agents: Type 2 Diabetes" (RIN2900-AK63) received on May 9, 2001; to the Committee on Veterans' Affairs.

EC-1789. A communication from the Acting Executive Secretary, Agency for International Development, transmitting, pursuant to law, the report of a nomination confirmed for the position of Administrator, Agency for International Development; to the Committee on Foreign Relations.

EC-1790. A communication from the Acting Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to law, a report concerning Cuba; to the Committee on Foreign Relations.

EC-1791. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Bacillus Thuringiensis Cry3Bb1 and Cry2Ab2 Protein and the Genetic Material Necessary for its Production in Corn and Cotton; Exemption from the Requirement of a Tolerance" (FRL6781-6) received on May 9, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1792. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Modification of Rev. Proc. 2001-30" (Rev. Proc. 2001-34) received on May 9, 2001; to the Committee on Finance.

EC-1793. A communication from the Secretary of Health and Human Services, transmitting, pursuant to Section 1886(e)(3) of the Social Security Act, a report of the initial estimate of the applicable percentage increase in hospital inpatient payment rates for Fiscal Year 2002; to the Committee on Finance.

EC-1794. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report relative to the evaluation of Medicare's competitive bidding demonstration for durable medical equipment, prosthetics, orthotics, and supplies; to the Committee on Finance.

EC-1795. A communication from the Executive Director of the Interstate Commission on the Potomac River Basin, transmitting the report of the Office of Inspector General for the period October 1, 1999 to September 30, 2000; to the Committee on Governmental Affairs.

EC-1796. A communication from the Chairman of the District of Columbia Financial Responsibility and Management Assistance Authority, transmitting, pursuant to law, a report entitled "Health Care Privatization Emergency Amendment Act of 2001" (on an emergency basis); to the Committee on Governmental Affairs.

EC-1797. A communication from the Chairman of the District of Columbia Financial Responsibility and Management Assistance Authority, transmitting, pursuant to law, a report entitled "Health Care Privatization Emergency Amendment Act of 2001" (on a temporary basis); to the Committee on Governmental Affairs.

EC–1798. A communication from the Chairman of the District of Columbia Financial Responsibility and Management Assistance Authority, transmitting, pursuant to law, a report entitled "Health Care Privatization Emergency Amendment Act of 2001" (on a permanent basis); to the Committee on Governmental Affairs.

EC–1799. A communication from the Chairman of the District of Columbia Financial Responsibility and Management Assistance Authority, transmitting, pursuant to law, a report relative to Fiscal Impact Statement: "Health Care Privatization Emergency Act of 2001" (Revised); to the Committee on Governmental Affairs.

EC–1800. A communication from the Chairman of the District of Columbia Financial Responsibility and Management Assistance Authority, transmitting, pursuant to law, the report of a resolution and order concerning the Public Benefit Corporation; to the Committee on Governmental Affairs.

EC–1801. A communication from the Committee on the District of Columbia Financial Responsibility and Management Assistance Authority, transmitting, pursuant to law, a report relative to a resolution and order concerning the transition to a new health care system; to the Committee on Governmental Affairs.

EC–1802. A communication from the Acting Assistant General Counsel of Regulations, Office of Postsecondary Education, Department of Education, transmitting, pursuant to law, the report of a rule entitled "Final Regulations—Teacher Quality Enhancement Grants Program" (RIN 1840–AC65) received on May 9, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–1803. A communication from the Acting Assistant General Counsel for Regulations, Office of Postsecondary Education, Department of Education, transmitting, pursuant to law, the report of a rule entitled "Final Regulations—Minority Science and Engineering Improvement Program" received on May 9, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–1804. A communication from the Acting Assistant General Counsel for Regulations, Office of Postsecondary Education, Department of Education, transmitting, pursuant to law, the report of a rule entitled "Final Regulations; Interpretation—Gaining Early Awareness for Undergraduate Programs" received on May 9, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–1805. A communication from the White House Liaison for the Department of Justice, transmitting, pursuant to law, the report of a nomination for the position of Director of the Office for Victims of Crime, Department of Justice; to the Committee on the Judiciary.

EC–1806. A communication from the White House Liaison for the Department of Justice, transmitting, pursuant to law, the report of a nomination for the position of Assistant Attorney General, Civil Division, Department of Justice; to the Committee on the Judiciary.

EC–1807. A communication from the White House Liaison for the Department of Justice, transmitting, pursuant to law, the report of a nomination for the position of Assistant Attorney General, Criminal Division, Department of Justice; to the Committee on the Judiciary.

EC–1808. A communication from the White House Liaison for the Department of Justice, transmitting, pursuant to law, the report of a nomination for the position of Assistant Attorney General, Civil Rights Division, Department of Justice; to the Committee on the Judiciary.

EC–1809. A communication from the White House Liaison for the Department of Justice, transmitting, pursuant to law, the report of a nomination for the position of Assistant Attorney General, Office of Policy Development, Department of Justice; to the Committee on the Judiciary.

EC–1810. A communication from the Legislative and Regulatory Activities Division, Comptroller of the Currency, Administrator of National Banks, transmitting, pursuant to law, the report of a rule entitled "Assessment of Fees" received on May 8, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–1811. A communication from the General Counsel of the Federal Emergency Management Agency, transmitting, pursuant to law, the report of a rule entitled "Change in Flood Elevation Determinations" (Doc. No. FEMA–B–7412) received on May 9, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–1812. A communication from the General Counsel of the Federal Emergency Management Agency, transmitting, pursuant to law, the report of a rule entitled "Suspension of Community Eligibility" (Doc. No. FEMA–7759) received on May 9, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–1813. A communication from the General Counsel of the Federal Emergency Management Agency, transmitting, pursuant to law, the report of a rule entitled "Change in Flood Elevation Determinations" received on May 9, 2001; to the committee on Banking, Housing, and Urban Affairs.

EC–1814. A communication from the Secretary of Defense, transmitting, the report of a retirement; to the Committee on Armed Services.

EC–1815. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, a report to the backlog of maintenance and repair needs of the Departments facilities and installations; to the Committee on Armed Services.

EC–1816. A communication from the Chief of the Programs and Legislation Division, Office of Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a report relative to Elmendorf Air Force Base in Alaska; to the Committee on Armed Services.

EC–1817. A communication from the Assistant Director for Executive and Political Personnel, Department of Defense, transmitting, pursuant to law, the report of a nomination confirmed for the position of Under Secretary of Defense (Comptroller); to the Committee on Armed Services.

EC–1818. A communication from the Assistant Director for Executive and Political Personnel, Department of Defense, transmitting, pursuant to law, the report of a nomination confirmed for the position of Assistant Secretary of Defense (Legislative Affairs); to the Committee on Armed Services.

EC–1819. A communication from the Assistant Director for Executive and Political Personnel, Department of Defense, transmitting, pursuant to law, the report of a nomination for the position of Secretary of the Army; to the Committee on Armed Services.

EC–1820. A communication from the Assistant Director for Executive and Political Personnel, Department of Defense, transmitting, pursuant to law, the report of a nomination for the position of Under Secretary of Defense (Personnel and Readiness); to the Committee on Armed Services.

EC–1821. A communication from the Assistant Director for Executive and Political Personnel, Department of Defense, transmitting, pursuant to law, the report of a nomination for the position of Secretary of the Navy; to the Committee on Armed Services.

EC–1822. A communication from the Assistant Director for Executive and Political Personnel, Department of Defense, transmitting, pursuant to law, the report of a nomination for the position of Under Secretary of Defense (Policy); to the Committee on Armed Services.

EC–1823. A communication from the Acting Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to law, a report regarding the Incidental Capture of Sea Turtles in Commercial Shrimping Operations; to the Committee on Commerce, Science, and Transportation.

EC–1824. A communication from the Acting Assistant Administrator for Fisheries, National Marine Fisheries Service, Staff Office for Intergovernmental and Recreational Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "American Lobster; Interstate Fishery Management Plans; Cancellation of Moratorium" (RIN0648–A088) received on May 9, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1825. A communication from the Acting Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Fisheries of the Exclusive Economic Zone Off Alaska—Closes Shallow Water Species Fishing Using Trawl Gear, Gulf of Alaska" received on May 9, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1826. A communication from the Acting Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Fisheries of the Exclusive Economic Zone Off Alaska; Species in the Rock Sole/Flathead Sole/"Other Flatfish" Fishery Category by Vessels Using Trawl Gear in Bering Sea and Aleutian Island Management Area" received on May 9, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1827. A communication from the Acting Assistant Administrator for Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Fisheries Off West Coast States and in the Western Pacific; Pacific Coast Groundfish Fishery; Groundfish Observer Program" (RIN0648–AO30) received on May 9, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1828. A communication from the Acting Assistant Administrator for Fisheries, National Marine Fisheries Service, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Fisheries of the Northeastern United States; Spiny Dogfish Fishery; 2001 Specifications" (RIN0648–AN71) received on May 9, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1829. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of State Plans for Designated Facilities; New York" (FRL6977–2) received on May 9, 2001; to the Committee on Environment and Public Works.

EC–1830. A communication from the Principal Deputy Associate Administrator of the

Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval of Section 112(1) Authority for Hazardous Air Pollutants; Equivalency by Permit Provisions; National Emission Standards for Hazardous Air Pollutants from the Pulp and Paper Industry; State of New Hampshire" (FRL6978–8) received on May 9, 2001; to the Committee on Environment and Public Works.

EC–1831. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Hazardous Waste Management System; Identification and Listing of Hazardous Waste; Final Exclusion" (FRL6950–2) received on May 9, 2001; to the Committee on Environment and Public Works.

EC–1832. A communication from the Principal Deputy Association Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "National Emission Standards for Hazardous Air Pollutants: Manufacturing of Nutritional Yeast" (FRL6978–5) received on May 9, 2001; to the Committee on Environment and Public Works.

EC–1833. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "NESHAPS: Standards for Hazardous Air Pollutants for Hazardous Waste Combustors" (FRL6978–6) received on May 9, 2001; to the Committee on Environment and Public Works.

EC–1834. A communication from the Deputy Assistant Secretary of the Army, Management and Budget, Civil Works, Department of the Army, transmitting, pursuant to law, the report of a rule entitled "United States Marine Corps Restricted Area, New River, North Carolina, and Vicinity" (33 CFR Part 334) received on May 9, 2001; to the Committee on Environment and Public Works.

EC–1835. A communication from the Director of the Federal Emergency Management Agency, transmitting, pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act, a report relative to funds exceeding $5 million for the response to the emergency declared in the State of New York; to the Committee on Environment and Public Works.

EC–1836. A communication from the Secretary of the Senate, transmitting, pursuant to law, the report of the receipts and expenditures of the Senate for the period October 1, 2000 through March 31, 2001; ordered to lie on the table.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–50. A joint memorial adopted by the Senate of the Legislature of the State of Washington relative to the conservation reserve enhancement program; to the Committee on Agriculture, Nutrition, and Forestry.

SENATE JOINT MEMORIAL 8019

Whereas, The National Marine Fisheries Service and the United States Department of Fish and Wildlife have listed several species of salmonids as either threatened or endangered under the federal Endangered Species Act; and

Whereas, A number of water bodies throughout the state do not currently comply with federally approved water quality standards including temperature, turbidity, and other parameters; and

Whereas, The State of Washington and the United States Department of Agriculture have entered into a memorandum of agreement that establishes the conservation reserve enhancement program to provide incentives to owners of agricultural land in Washington State to restore and enhance conditions in riparian areas by planting trees and shrubs for the benefit of fishery habitat and water quality; and

Whereas, The conservation reserve enhancement program is available for a number of categories of agricultural lands but is not available to lands that produce perennial horticultural crops;

Now, therefore, Your Memorialists respectfully pray that the Secretary of the Department of Agriculture review the department's policies regarding the conservation reserves enhancement program and alter those policies to allow the inclusion in the program of lands that are currently used to produce perennial horticultural crops. Be it

Resolved, That copies of this Memorial be immediately transmitted to the Honorable George W. Bush, President of the United States, Ann Veneman, the Secretary of the United States Department of Agriculture, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington.

POM–51. A resolution adopted by the House of the Legislature of the State of Missouri relative to the Individuals with Disabilities Act; to the Committee on Appropriations.

RESOLUTION

Whereas, the original passage of the federal Individuals with Disabilities Education Act (IDEA) in 1975 established a program of free appropriate public education to better enable students with disabilities to achieve their greatest potential; and

Whereas, IDEA also represented an advance in civil rights for disabled children through equal protection; and

Whereas, Missouri has demonstrated a strong commitment to serving our children with disabilities through provision of special education and related services to over 127,000 students (14.18 percent of public school enrollment); and

Whereas, the original intent of the 94th Congress was to fund IDEA at 40% of the average per pupil expenditures for Part B of IDEA, but funding has never exceeded 13%; and

Whereas, federal law requires school districts to meet federal standards, but Congress has not provided the promised funding necessary to achieve those standards; and

Whereas, Missouri and several other states have legal prohibitions on passing unfunded mandates to the local level and therefore must either make up the shortfall or ask local districts to do so and thereby risk litigation; and

Whereas, local districts must then cover the mandated expenses of special education and reduce funding for teachers, textbooks and supplies, building maintenance and repair, as well as meet the counterproductive reporting burden which severely reduces teacher availability; Now therefore, be it

Resolved, That the members of the House of Representatives of the Ninety-first General Assembly, First Regular Session, the Senate concurring therein, hereby urge that before the 107th Congress considers any other education initiatives, that IDEA receive prompt and full funding, and the reporting requirements of IDEA be significantly reduced; and be it further

Resolved, That the Chief Clerk of the Missouri House of Representatives be instructed to prepare properly inscribed copies of this resolution for the President of the United States Senate, the Speaker of the United States House of Representatives and every member of the Missouri Congressional delegation.

POM—52. A joint resolution adopted by the House of the Legislature of the State of Maine relative to National Parks in Maine's North Woods; to the Committee on Energy and Natural Resources.

JOINT RESOLUTION

Whereas, Maine residents and visitors enjoy the privilege of using large tracts of private land in the north woods for recreational uses such as snowmobiling, hunting, hiking, fishing, white water rafting and other related functions; and

Whereas, the future of that private land is of great importance to the people of Maine and their outdoor heritage; and

Whereas, the Maine Department of Inland Fisheries and Wildlife and many of the large landowners have or are entering into cooperative wildlife management agreements that ensure the future of critical wildlife population in the north woods; and

Whereas, state agencies and nonprofit organizations are cooperating in an unprecedented effort to secure permanent rights of access to the north woods and keep valuable recreational property and natural habitat undeveloped through conservation easements; and

Whereas, federal ownership or control of the north woods would create many problems including limitations on access and use and loss of local and state control of these areas; now, therefore, be it

Resolved, That We, your Memorialists, oppose the creation of a national park in Maine's north woods and request that the President of the United States and Secretary of the Interior Gale A. Norton abandon plans to conduct a feasibility study concerning establishing a national park in Maine's north woods; and be it further

Resolved, That suitable copies of this resolution, duly authenticated by the Secretary of State, be transmitted to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, to the Secretary of the Interior Gale A. Norton and to each member of the Maine Congressional Delegation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MCCAIN, from the Committee on Commerce, Science, and Transportation, with amendments.

S. 718: A bill to direct the National Institute of Standards and Technology to establish a program to support research and training in methods of detecting the use of performance-enhancing drugs by athletes, and for other purposes (Rept. No. 107–16).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. McCAIN (for himself, Mr. EDWARDS, and Mr. KENNEDY):

S. 872. A bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to protect consumers in managed care plans and other health coverage; read the first time.

By Mr. HELMS (for himself, Mr. THURMOND, Mr. HUTCHINSON, and Mr. SMITH of New Hampshire):

S. 873. A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities; to the Committee on Health, Education, Labor, and Pensions.

By Mr. TORRICELLI:

S. 874. A bill to require health plans to include infertility benefits, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. BREAUX (for himself and Mr. ENSIGN):

S. 875. A bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for taxpayers owning certain commercial power takeoff vehicles; to the Committee on Finance.

By Mr. INHOFE (for himself, Mrs. CLINTON, Mr. SMITH of New Hampshire, Mr. REID, Mr. WARNER, Mr. LIEBERMAN, and Mr. CHAFEE):

S. 876. A bill to amend the National Environmental Education Act to redesignate that Act as the "John H. Chafee Environmental Education Act:, to establish the John H. Chafee Memorial Fellowship Program and the Theodore Roosevelt Environmental Stewardship Grant Program, to extend the programs under that Act, and for other purposes; to the Committee on Environment and Public Works.

By Mr. NELSON of Florida (for himself, Mr. DODD, and Mr. KENNEDY):

S. 877. A bill to amend the Agricultural Marketing Act of 1946 to require that a warning label be affixed to arsenic-treated wood sold in the United States; to the Committee on Agriculture, Nutrition, and Forestry.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. KENNEDY (for himself, Mr. LUGAR, Mr. LEAHY, Mr. BROWNBACK, Mr. BIDEN, Ms. SNOWE, Mr. KERRY, Mr. SMITH of Oregon, Mr. TORRICELLI, Mr. CHAFEE, Mr. CORZINE, Mr. ALLEN, Mr. AKAKA, Mr. LIEBERMAN, Mr. BAYH, Mr. BINGAMAN, Mr. FEINGOLD, Mr. LEVIN, Mr. REED, Mr. KOHL, Mr. DURBIN, Mr. JOHNSON, Mr. SARBANES, Mr. WELLSTONE, Mrs. BOXER, Mr. McCAIN, and Mrs. CLINTON):

S. Res. 88. A resolution expressing the sense of the Senate on the importance of membership of the United States on the United Nations Human Rights Commission; to the Committee on Foreign Relations.

ADDITIONAL COSPONSORS

S. 41

At the request of Mr. HATCH, the name of the Senator from Oregon (Mr. SMITH, of Oregon) was added as a cosponsor of S. 41, a bill to amend the Internal Revenue Code of 1986 to permanently extend the research credit and to increase the rates of the alternative incremental credit.

S. 88

At the request of Mr. ROCKEFELLER, the name of the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 88, a bill to amend the Internal Revenue Code of 1986 to provide an incentive to ensure that all Americans gain timely and equitable access to the Internet over current and future generations of broadband capability.

S. 104

At the request of Ms. SNOWE, the names of the Senator from Montana (Mr. BAUCUS), the Senator from Delaware (Mr. CARPER), and the Senator from California (Mrs. FEINSTEIN) were added as a cosponsors of S. 104, a bill to require equitable coverage of prescription contraceptive drugs and devices, and contraceptive services under health plans.

S. 145

At the request of Mr. THURMOND, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 145, a bill to amend title 10, United States Code, to increase to parity with other surviving spouses the basic annuity that is provided under the uniformed services Survivor Benefit Plan for surviving spouses who are at least 62 years of age, and for other purposes.

S. 155

At the request of Mr. BINGAMAN, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 155, a bill to amend title 5, United States Code, to eliminate an inequity in the applicability of early retirement eligibility requirements to military reserve technicians.

S. 166

At the request of Mrs. FEINSTEIN, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 166, a bill to limit access to body armor by violent felons and to facilitate the donation of Federal surplus body armor to State and local law enforcement agencies.

S. 258

At the request of Ms. SNOWE, the name of the Senator from Iowa (Mr. HARKIN) was added as a cosponsor of S. 258, a bill to amend title XVIII of the Social Security Act to provide for coverage under the medicare program of annual screening pap smear and screening pelvic exams.

S. 263

At the request of Ms. SNOWE, the name of the Senator from Iowa (Mr. HARKIN) was added as a cosponsor of S. 263, a bill to amend title 5, United States Code, to ensure that coverage of bone mass measurements is provided under the health benefits program for Federal employees.

S. 318

At the request of Mr. DASCHLE, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 318, a bill to prohibit discrimination on the basis of genetic information with respect to health insurance.

S. 321

At the request of Mr. GRASSLEY, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 321, a bill to amend title XIX of the Social Security Act to provide families of disabled children with the opportunity to purchase coverage under the medicaid program for such children, and for other purposes.

S. 327

At the request of Mr. REED, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 327, a bill to amend the Elementary and Secondary Education Act of 1965 to provide up-to-date school library media resources and well-trained, professionally certified school library media specialists for elementary schools and secondary schools, and for other purposes.

S. 452

At the request of Mr. MURKOWSKI, the names of the Senator from Wyoming (Mr. ENZI) and the Senator from Nebraska (Mr. NELSON, of Nebraska) were added as a cosponsors of S. 452, a bill to amend title XVIII of the Social Security Act to ensure that the Secretary of Health and Human Services provides appropriate guidance to physicians, providers of services, and ambulance providers that are attempting to properly submit claims under the medicare program to ensure that the Secretary does not target inadvertent billing errors.

S. 484

At the request of Ms. SNOWE, the name of the Senator from Florida (Mr. GRAHAM) was added as a cosponsor of S. 484, a bill to amend part B of title IV of the Social Security Act to create a grant program to promote joint activities among Federal, State, and local public child welfare and alcohol and drug abuse prevention and treatment agencies.

S. 497

At the request of Mr. LEAHY, the names of the Senator from Connecticut (Mr. DODD) and the Senator from Massachusetts (Mr. KENNEDY) were added as a cosponsors of S. 497, a bill to express the sense of Congress that the Department of Defense should field currently available weapons, other technologies, tactics and operational concepts that provide suitable alternatives to anti-personnel mines and mixed anti-tank mine systems and that the United States should end its use of such mines and join the Convention on the Prohibition of Anti-Personnel Mines as soon as possible, to expand support for mine action programs including mine victim assistance, and for other purposes.

S. 548

At the request of Mr. HARKIN, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S. 548, a bill to amend title XVIII of the Social Security Act to provide enhanced reimbursement for, and expanded capacity to, mammography services under the medicare program, and for other purposes.

S. 606

At the request of Mr. CRAPO, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 606, a bill to provide additional authority to the Office of Ombudsman of the Environmental Protection Agency.

S. 656

At the request of Mr. REED, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 656, a bill to provide for the adjustment of status of certain nationals of Liberia to that of lawful permanent residence.

S. 677

At the request of Mr. HATCH, the names of the Senator from South Dakota (Mr. DASCHLE) and the Senator from Rhode Island (Mr. CHAFEE) were added as a cosponsors of S. 677, a bill to amend the Internal Revenue Code of 1986 to repeal the required use of certain principal repayments on mortgage subsidy bond financing to redeem bonds, to modify the purchase price limitation under mortgage subsidy bond rules based on median family income, and for other purposes.

S. 681

At the request of Mr. CRAPO, the name of the Senator from Colorado (Mr. CAMPBELL) was added as a cosponsor of S. 681, a bill to help ensure general aviation aircraft access to Federal land and to the airspace over that land.

S. 694

At the request of Mr. LEAHY, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 694, a bill to amend the Internal Revenue Code of 1986 to provide that a deduction equal to fair market value shall be allowed for charitable contributions of literary, musical, artistic, or scholarly compositions created by the donor.

S. 697

At the request of Mr. GRASSLEY, the names of the Senator from Washington (Ms. CANTWELL) and the Senator from New York (Mrs. CLINTON) were added as a cosponsors of S. 697, a bill to modernize the financing of the railroad retirement system and to provide enhanced benefits to employees and beneficiaries.

S. 721

At the request of Mr. HUTCHINSON, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 721, a bill to amend the Public Health Service Act to establish a Nurse Corps and recruitment and retention strategies to address the nursing shortage , and for other purposes.

S. 749

At the request of Mr. FITZGERALD, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 749, a bill to provide that no Federal income tax shall be imposed on amounts received by victims of the Nazi regime or their heirs or estates, and for other purposes.

S. 758

At the request of Mr. HUTCHINSON, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 758, a bill to amend the Food Security Act of 1985 to authorize the annual enrollment of land in the wetlands reserve program, to extend the wetlands reserve program through 2005, and for other purposes.

S. 804

At the request of Mrs. FEINSTEIN, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. 804, a bill to amend title 49, United States Code, to require phased increases in the fuel efficiency standards applicable to light trucks; to required fuel economy standards for automobiles up to 10,000 pounds gross vehicle weight; to raise the fuel economy of the Federal fleet of vehicles, and for other purposes.

S. 828

At the request of Mr. LIEBERMAN, the name of the Senator from Rhode Island (Mr. CHAFEE) was added as a cosponsor of S. 828, a bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for certain energy-efficient property.

S. 833

At the request of Ms. SNOWE, the names of the Senator from Massachusetts (Mr. KERRY) and the Senator from New Jersey (Mr. CORZINE) were added as a cosponsors of S. 833, a bill to amend the Internal Revenue Code of 1986 to expand the child tax credit.

S. 839

At the request of Mrs. HUTCHISON, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 839, a bill to amend title XVIII of the Social Security Act to increase the amount of payment for inpatient hospital services under the medicare program and to freeze the reduction in payments to hospitals for indirect costs of medical education.

S.J. RES. 7

At the request of Mr. HATCH, the name of the Senator from Louisiana (Mr. BREAUX) was added as a cosponsor of S.J. Res. 7, a joint resolution proposing an amendment to the Constitution of the United States authorizing Congress to prohibit the physical desecration of the flag of the United States.

S. RES. 16

At the request of Mr. THURMOND, the names of the Senator from Arizona (Mr. MCCAIN), the Senator from Texas (Mr. GRAMM), and the Senator from Maine (Ms. COLLINS) were added as cosponsors of S. Res. 16, a resolution designating August 16, 2001, as "National Airborne Day."

S. RES. 63

At the request of Mr. CAMPBELL, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. Res. 63, a resolution commemorating and acknowledging the dedication and sacrifice made by the men and women who have lost their lives while serving as law enforcement officers.

AMENDMENT NO. 376

At the request of Mr. DEWINE, his name was added as a cosponsor of amendment No. 376.

At the request of Mr. CLELAND, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of amendment No. 376, supra.

AMENDMENT NO. 600

At the request of Mr. SESSIONS, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of amendment No. 600.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HELMS (for himself, Mr. THURMOND, Mr. HUTCHINSON, and Mr. SMITH of New Hampshire):

S. 873. A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities; to the Committee on Health, Education, Labor, and Pensions.

Mr. HELMS. Mr. President, I am honored to join my distinguished colleagues, the Senator from South Carolina, Mr. THURMOND, the Senator from New Hampshire, Mr. SMITH, and the Senator from Arkansas, Mr. HUTCHINSON, in introducing legislation to protect workers from having to pay dues to a labor union simply to keep their jobs. This bill, briefly titled the National Right to Work Act, repeals Federal labor laws allowing union bosses to coerce dues from workers who want to go to work, earn honest paychecks and support their families without being forced to support a labor organization.

The legislation we are introducing today proposes to put an end to more than half a century of Federal labor policy that directly contradicts Thomas Jefferson's famous statement that "to compel a man to furnish contributions of money for the propagation of opinions which he disbelieves, is sinful and tyrannical."

Specifically, the National Right to Work Act proposes the repeal of those sections of the National Labor Relations Act, NLRA, and the Railway Labor Act, RLA, that allow unions to enter into collective bargaining agreements forcing workers to pay dues as a condition of employment.

These so-called "union security" clauses have been a central tenet of Federal labor law despite interfering with the rights of freedom of speech and association that most Americans take for granted. Under this unfair Federal scheme, labor organizations succeeded in creating workplaces where individual workers have two choices: 1. they either must march in lockstep with local union bosses; or 2. they must forfeit their job.

That's clearly not fair, and in response to the excesses of this abuse of the free association rights of employees, Congress enacted the Taft-Hartley Act in 1947. While this reform bill did not fully right the wrongs of earlier labor legislation, it did grant States the ability to pass legislation overriding the NLRA regarding union security clauses.

Since Taft-Hartley freed State legislature to protect workers, 21 States have passed Right to Work laws, and, not surprisingly, these States have reaped the economic benefits associated with a fair and free labor market. In fact, the 21 States that have passed Right to Work laws have outperformed non-Right to Work States in job creation, real income, and entrepreneurial growth.

But much work remains unfinished. More than 8 million workers in 29 non-Right to Work States must pay dues to a union as a condition of employment, and another 1 million workers in Right to Work States are forced to pay dues under the Federal Railway Labor Act, which cannot be preempted by State Right to Work laws.

Make no mistake, that warms the hearts of union bosses who take advantage of union security clauses to use workers as cash machines. This gives them an endless source of funding for union activities, including activities not related to collective bargaining activity. The growing influence unions have on the political process—financed by coerced worker dues—is openly acknowledged. During the past election cycle, the AFL–CIO bragged of its plans to spend more than $40 million on worker-subsidized political activity, nearly all on behalf of liberal candidates.

These politicians who continue to benefit from the Big Labor cash cow have been successful in protecting the union's ability to coerce money from their membership. But the American people aren't fooled. For more than 20 years, Americans have consistently told pollsters that they believe that a requirement to pay union dues as a condition of employment is unfair. In 1997, a Mason-Dixon poll found that 77 percent of Americans agreed with the statement that workers should be able to keep their job regardless of whether they belong to unions.

They're right, and I hope that this legislation will soon put an end to congressional tolerance of forced worker dues. I'm proud to stand with my distinguished colleagues in supporting the National Right to Work Act.

By Mr. TORRICELLI:

S. 874. A bill to require health plans to include infertility benefits, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. TORRICELLI. Mr. President, I rise today to reintroduce legislation that would greatly improve the lives of millions of Americans, thousands of whom live in my State of New Jersey, who are infertile. The Fair Access to Infertility Treatment and Hope, FAITH, Act first introduced during the 106th Congress, will again give hope to those families who have struggled silently for years with the knowledge that they cannot have children.

For many American families, the blessing of raising a family is one of the most basic human desires. Unfortunately almost fifteen percent of all married couples, over six million American families, are unable to have children due to infertility.

The physical and emotional toll that infertility has on families is impossible to ignore. I have heard from a number of men and women from New Jersey who have experienced the pain and trauma of discovering that their bodies, which appear normal and function perfectly, are somehow deficient in the one area that matters most to them. This is only compounded when patients discover that their insurer, which they rely on for all of their critical health needs, refuse to cover treatment for this disease. The deep sense of loss expressed by those who desire a family as a result of this gap in coverage is real and significant. Their pain should no longer be ignored.

Infertility is a treatable disease. New technologies and procedures that have been developed in the past two decades make starting a family a real possibility for many couples previously unable to conceive. In fact, up to two thirds of all married couples who seek infertility treatment are subsequently able to have children.

Unfortunately, due to the high cost of treating this illness, only 20 percent of infertile couples seek medical treatment each year. Even worse, only four out of every ten couples that seek infertility treatment receive coverage from health insurers, and only one quarter of all health plans provide coverage for infertility services.

My bill will end this inequity by requiring all health insurance plans to ensure testing and coverage of infertility treatment. Specifically, FAITH requires health plans to cover all infertility procedures considered non-experimental that are deemed appropriate by patient and physician, up to four attempts, with two additional attempts provided for those successful couples that desire a second child.

One reason often cited by health insurers for their continued refusal to provide infertility treatment is the negative impact that this coverage would have on monthly premiums. However, recent studies demonstrate that FAITH would raise the costs of health coverage by as little as $.21 cents per month per person, an insignificant amount compared to the enormous premium increases we have recently seen from HMOs.

Similar legislation that recognizes the vital right of families to infertility treatments has already been passed in thirteen states, including Texas, California, New York, Illinois, Ohio, Massachusetts, Maryland, Connecticut, Rhode Island, Arkansas, Hawaii, Montana, and West Virginia. In my home state, both branches of the New Jersey Legislature recently passed legislation that mandates this coverage.

Reproduction is one of the most important values for both men and women, and those individuals who desire the gift of family should have access to the necessary treatments that make life possible.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 874

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fair Access to Infertility Treatment and Hope Act of 2001".

SEC. 2. FINDINGS.

Congress finds that—

(1) infertility affects 6,100,000 men and women;

(2) infertility is a disease which affects men and women with equal frequency;

(3) approximately 1 in 10 couples cannot conceive without medical assistance;

(4) recent medical breakthroughs make infertility a treatable disease; and

(5) only 25 percent of all health plan sponsors provide coverage for infertility services.

SEC. 3. AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

(a) IN GENERAL.—Subpart B of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185 et seq.) is amended by adding at the end the following:

"SEC. 714. REQUIRED COVERAGE FOR INFERTILITY BENEFITS.

"(a) IN GENERAL.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, shall ensure that coverage is provided for infertility benefits.

"(b) Infertility Benefits.—In subsection (a), the term 'infertility benefits' at a minimum includes—

"(1) diagnostic testing and treatment of infertility;

"(2) drug therapy, artificial insemination, and low tubal ovum transfers;

"(3) in vitro fertilization, intracytoplasmic sperm injection, gamete donation, embryo donation, assisted hatching, embryo transfer, gamete intra-fallopian tube transfer, zygote intra-fallopian tube transfer; and

"(4) any other medically indicated nonexperimental services or procedures that are used to treat infertility or induce pregnancy.

"(c) In Vitro Fertilization.—

"(1) Limitation.—

"(A) In general.—Subject to subparagraph (B), coverage of procedures under subsection (b)(3) may be limited to 4 completed embryo transfers.

"(B) Additional transfers.—If a live birth follows a completed embryo transfer under a procedure described in subparagraph (A), not less than 2 additional completed embryo transfers shall be provided.

"(2) Requirement.—Coverage of procedures under subsection (b)(3) shall be provided if—

"(A) the individual has been unable to attain or sustain a successful pregnancy through reasonable, less costly medically appropriate covered infertility treatments; and

"(B) the procedures are performed at medical facilities that conform with the minimal guidelines and standards for assisted reproductive technology of the American College of Obstetric and Gynecology or the American Society for Reproductive Medicine.

"(d) Prohibitions.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, may not—

"(1) deny to an individual eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan because of the individual's or enrollee's use or potential use of items or services that are covered in accordance with the requirements of this section;

"(2) provide monetary payments or rebates to a covered individual to encourage such individual to accept less than the minimum protections available under this section; or

"(3) provide incentives (monetary or otherwise) to a health care professional to induce such professional to withhold from a covered individual services described in subsection (a).

"(e) Rules of Construction.—

"(1) In general.—Nothing in this section shall be construed—

"(A) as preventing a group health plan and a health insurance issuer providing health insurance coverage in connection with a group health plan from imposing deductibles, coinsurance, or other cost-sharing or limitations in relation to benefits for services described in this section under the plan, except that such a deductible, coinsurance, or other cost-sharing or limitation for any such service may not be greater than such a deductible, coinsurance, or cost-sharing or limitation for any similar service otherwise covered under the plan;

"(B) as requiring a group health plan and a health insurance issuer providing health insurance coverage in connection with a group health plan to cover experimental or investigational treatments of services described in this section, except to the extent that the plan or issuer provides coverage for other experimental or investigational treatments or services.

"(2) Limitations.—As used in paragraph (1), the term 'limitation' includes restricting the type of health care professionals that may provide such treatments or services.

"(f) Notice Under Group Health Plan.—The imposition of the requirements of this section shall be treated as a material modification in the terms of the plan described in section 102(a)(1), for purposes of assuring notice of such requirements under the plan, except that the summary description required to be provided under the last sentence of section 104(b)(1) with respect to such modification shall be provided by not later than 60 days after the first day of the first plan year in which such requirements apply.".

(b) Clerical Amendment.—The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 note) is amended by inserting after the item relating to section 713 the following new item:

"Sec. 714. Required coverage for infertility benefits for federal employees health benefits plans.".

(c) Effective Date.—The amendments made by this section shall apply with respect to plan years beginning on or after January 1, 2002.

SEC. 4. PUBLIC HEALTH SERVICE ACT.

(a) In General.—Subpart 2 of part A of title XXVII of the Public Health Service Act (42 U.S.C. 300gg–4 et seq.) is amended by adding at the end the following:

"SEC. 2707. REQUIRED COVERAGE FOR INFERTILITY BENEFITS.

"(a) In General.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, shall ensure that coverage is provided for infertility benefits.

"(b) Infertility Benefits.—In subsection (a), the term 'infertility benefits' at a minimum includes—

"(1) diagnostic testing and treatment of infertility;

"(2) drug therapy, artificial insemination, and low tubal ovum transfers;

"(3) in vitro fertilization, intracytoplasmic sperm injection, gamete donation, embryo donation, assisted hatching, embryo transfer, gamete intra-fallopian tube transfer, zygote intra-fallopian tube transfer; and

"(4) any other medically indicated nonexperimental services or procedures that are used to treat infertility or induce pregnancy.

"(c) In Vitro Fertilization.—

"(1) Limitation.—

"(A) In general.—Subject to subparagraph (B), coverage of procedures under subsection (b)(3) may be limited to 4 completed embryo transfers.

"(B) Additional transfers.—If a live birth follows a completed embryo transfer under a procedure described in subparagraph (A), not less than 2 additional completed embryo transfers shall be provided.

"(2) Requirement.—Coverage of procedures under subsection (b)(3) shall be provided if—

"(A) the individual has been unable to attain or sustain a successful pregnancy through reasonable, less costly medically appropriate covered infertility treatments; and

"(B) the procedures are performed at medical facilities that conform with the minimal guidelines and standards for assisted reproductive technology of the American College of Obstetric and Gynecology or the American Society for Reproductive Medicine.

"(d) Prohibitions.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, may not—

"(1) deny to an individual eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan because of the individual's or enrollee's use or potential use of items or services that are covered in accordance with the requirements of this section;

"(2) provide monetary payments or rebates to a covered individual to encourage such individual to accept less than the minimum protections available under this section; or

"(3) provide incentives (monetary or otherwise) to a health care professional to induce such professional to withhold from a covered individual services described in subsection (a).

"(e) Rules of Construction.—

"(1) In general.—Nothing in this section shall be construed—

"(A) as preventing a group health plan and a health insurance issuer providing health insurance coverage in connection with a group health plan from imposing deductibles, coinsurance, or other cost-sharing or limitations in relation to benefits for services described in this section under the plan, except that such a deductible, coinsurance, or other cost-sharing or limitation for any such service may not be greater than such a deductible, coinsurance, or cost-sharing or limitation for any similar service otherwise covered under the plan;

"(B) as requiring a group health plan and a health insurance issuer providing health insurance coverage in connection with a group health plan to cover experimental or investigational treatments of services described in this section, except to the extent that the plan or issuer provides coverage for other experimental or investigational treatments or services.

"(2) Limitations.—As used in paragraph (1), the term 'limitation' includes restricting the type of health care professionals that may provide such treatments or services.

"(f) Notice Under Group Health Plan.—The imposition of the requirements of this section shall be treated as a material modification in the terms of the plan described in section 102(a)(1), for purposes of assuring notice of such requirements under the plan, except that the summary description required to be provided under the last sentence of section 104(b)(1) with respect to such modification shall be provided by not later than 60 days after the first day of the first plan year in which such requirements apply.".

(b) Individual Market.—Part B of title XXVII of the Public Health Service Act (42 U.S.C. 300gg-41 et seq.) is amended—

(1) by redesignating the first subpart 3 (relating to other requirements) as subpart 2; and

(2) by adding at the end of subpart 2 the following new section:

"SEC. 2753. REQUIRED COVERAGE FOR INFERTILITY BENEFITS.

"The provisions of section 2707 shall apply to health insurance coverage offered by a health insurance issuer in the individual market in the same manner as they apply to health insurance coverage offered by a health insurance issuer in connection with a group health plan in the small or large group market.".

(c) Effective Date.—The amendments made by this section shall apply with respect to health insurance coverage offered, sold, issued, renewed, in effect, or operated on or after January 1, 2002.

SEC. 5. REQUIRED COVERAGE FOR INFERTILITY BENEFITS FOR FEDERAL EMPLOYEES HEALTH BENEFITS PLANS.

(a) TYPES OF BENEFITS.—Section 8904(a)(1) of title 5, United States Code, is amended by adding at the end the following:

"(G) Infertility benefits.".

(b) HEALTH BENEFITS PLAN CONTRACT REQUIREMENT.—Section 8902 of title 5, United States Code, is amended by adding at the end the following:

"(p)(1) Each contract under this chapter shall include a provision that ensures infertility benefits as provided under this subsection.

"(2) Infertility benefits under this subsection shall include—

"(A) diagnostic testing and treatment of infertility;

"(B) drug therapy, artificial insemination, and low tubal ovum transfers;

"(C) in vitro fertilization, intracytoplasmic sperm injection, gamete donation, embryo donation, assisted hatching, embryo transfer, gamete intra-fallopian tube transfer, zygote intra-fallopian tube transfer; and

"(D) any other medically indicated nonexperimental services or procedures that are used to treat infertility or induce pregnancy.

"(3)(A)(i) Subject to clause (ii), procedures under paragraph (2)(C) shall be limited to 4 completed embryo transfers.

"(ii) If a live birth follows a completed embryo transfer, 2 additional completed embryo transfers shall be provided.

"(B) Procedures under paragraph (2)(C) shall be provided if—

"(i) the individual has been unable to attain or sustain a successful pregnancy through reasonable, less costly medically appropriate covered infertility treatments; and

"(ii) the procedures are performed at medical facilities that conform with the minimal guidelines and standards for assisted reproductive technology of the American College of Obstetric and Gynecology or the American Society for Reproductive Medicine.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contract years beginning on or after January 1, 2002.

By Mr. BREAUX (for himself and Mr. ENSIGN):

S. 875. A bill to amend the internal Revenue Code of 1986 to allow a credit against income tax for taxpayers owning certain commercial power takeoff vehicles; to the Committee on Finance.

Mr. BREAUX. Mr. President, today I rise with my colleague Senator ENSIGN to introduce the Fuel Tax Equalization Credit for Substantial Power Takeoff Vehicles Act. This bill upholds a long-held principle in the application of the Federal fuels excise tax, and restores this principle for certain single engine "dual-use" vehicles.

This long-held principle is simple: fuel consumed for the purpose of moving vehicles over the road is taxed, while fuel consumed for "off-road" purposes is not taxed. The tax is designed to compensate for the wear and tear impacts on roads. Fuel used for a non-propulsion "off-road" purpose has no impact on the roads. It should not be taxed as if it does. This bill is based on this principle; and it remedies a problem created by IRS regulations that control the application of the federal fuels excise tax to "dual-use" vehicles.

Dual-use vehicles are vehicles that use fuel both to propel the vehicle on the road, and also to operate separate, on-board equipment. The two prominent examples of dual-use vehicles are concrete mixers, which use fuel to rotate the mixing drum, and sanitation trucks, which use fuel to operate the compactor. Both of these trucks move over the road, but at the same time, a substantial portion of their fuel use is attributable to the non-propulsion function.

The current problem developed because progress in technology has outstripped the regulatory process. In the past, dual-use vehicles commonly had two engines. IRS regulations, written in the 1950s, specifically exempt the portion of fuel used by the separate engine that operates special equipment such as a mixing drum or a trash compactor. These IRS regulations reflect the principle that fuel consumed for non-propulsion purposes is not taxed.

Today, however, typical dual-use vehicles use only one engine. The single engine both propels the vehicle over the road and powers the non-propulsion function through "power takeoff." A major reason for the growth of these single-engine, power takeoff vehicles is that they use less fuel. And a major benefit for everyone is that they are better for the environment.

Power takeoff was not in widespread use when the IRS regulations were drafted, and the regulations deny an exemption for fuel used in single-engine, dual-use vehicles. The IRS defends its distinction between one-engine and two-engine vehicles based on possible administrative problems if vehicle owners were permitted to allocate fuel between the propulsion and non-propulsion functions.

Our bill is designed to address the administrative concerns expressed by the IRS, but at the same time, restore tax fairness for dual-use vehicles with one engine. The bill does this by establishing an annual tax credit available for taxpayers that own a licensed and insured concrete mixer or sanitation truck with a compactor. The amount of the credit is $250 and is a conservative estimate of the excise taxes actually paid, based on information compiled on typical sanitation trucks and concrete mixers.

In sum, as a fixed income tax credit, no audit or administrative issue will arise about the amount of fuel used for the off-road purpose. At the same time, the credit provides a rough justice method to make sure these taxpayers are not required to pay tax on fuels that they shouldn't be paying. Also, as an income tax credit, the proposal would have no effect on the highway trust fund.

I would like to stress that I believe the IRS' interpretation of the law is not consistent with long-held principles under the tax law, despite their administrative concerns. Quite simply, the law should not condone a situation where taxpayers are required to pay the excise tax on fuel attributable to non-propulsion functions. This bill corrects an unfair tax that should have never been imposed in the first place. I urge my colleagues to cosponsor this important piece of legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 875

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fuel Tax Equalization Credit for Substantial Power Takeoff Vehicles Act".

SEC. 2. CREDIT FOR TAXPAYERS OWNING COMMERCIAL POWER TAKEOFF VEHICLES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business-related credits) is amended by adding at the end the following new section:

"SEC. 45E. COMMERCIAL POWER TAKEOFF VEHICLES CREDIT.

"(a) GENERAL RULE.—For purposes of section 38, the amount of the commercial power takeoff vehicles credit determined under this section for the taxable year is $250 for each qualified commercial power takeoff vehicle owned by the taxpayer as of the close of the calendar year in which or with which the taxable year of the taxpayer ends.

"(b) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED COMMERCIAL POWER TAKEOFF VEHICLE.—The term 'qualified commercial power takeoff vehicle' means any highway vehicle described in paragraph (2) which is propelled by any fuel subject to tax under section 4041 or 4081 if such vehicle is used in a trade or business or for the production of income (and is licensed and insured for such use).

"(2) HIGHWAY VEHICLE DESCRIBED.—A highway vehicle is described in this paragraph if such vehicle is—

"(A) designed to engage in the daily collection of refuse or recyclables from homes or businesses and is equipped with a mechanism under which the vehicle's propulsion engine provides the power to operate a load compactor, or

"(B) designed to deliver ready mixed concrete on a daily basis and is equipped with a mechanism under which the vehicle's propulsion engine provides the power to operate a mixer drum to agitate and mix the product en route to the delivery site.

"(c) EXCEPTION FOR VEHICLES USED BY GOVERNMENTS, ETC.—No credit shall be allowed under this section for any vehicle owned by any person at the close of a calendar year if such vehicle is used at any time during such year by—

"(1) the United States or an agency or instrumentality thereof, a State, a political subdivision of a State, or an agency or instrumentality of one or more States or political subdivisions, or

"(2) an organization exempt from tax under section 501(a).

"(d) DENIAL OF DOUBLE BENEFIT.—The amount of any deduction under this subtitle for any tax imposed by subchapter B of chapter 31 or part III of subchapter A of chapter 32 for any taxable year shall be reduced (but not below zero) by the amount of the credit determined under this subsection for such taxable year.".

(b) CREDIT MADE PART OF GENERAL BUSINESS CREDIT.—Subsection (b) of section 38 of the Internal Revenue Code of 1986 (relating to general business credit) is amended by striking "plus" at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting ", plus", and by adding at the end the following new paragraph:

"(14) the commercial power takeoff vehicles credit under section 45E(a).".

(c) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

"Sec. 45E. Commercial power takeoff vehicles credit.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 2000.

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE RESOLUTION 88—EXPRESSING THE SENSE OF THE SENATE ON THE IMPORTANCE OF MEMBERSHIP OF THE UNITED STATES ON THE UNITED NATIONS HUMAN RIGHTS COMMISSION

Mr. KENNEDY (for himself, Mr. LUGAR, Mr. LEAHY, Mr. BROWNBACK, Mr. BIDEN, Ms. SNOWE, Mr. KERRY, Mr. SMITH of Oregon, Mr. TORRICELLI, Mr. CHAFEE, Mr. CORZINE, Mr. ALLEN, Mr. AKAKA, Mr. LIEBERMAN, Mr. BAYH, Mr. BINGAMAN, Mr. FEINGOLD, Mr. LEVIN, Mr. REED, Mr. KOHL, Mr. DURBIN, Mr. JOHNSON, Mr. SARBANES, Mr. WELLSTONE, Mrs. BOXER, Mr. MCCAIN, and Mrs. CLINTON) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 88

Whereas the United States played a critical role in drafting the Universal Declaration of Human Rights, which outlines the universal rights promoted and protected by the United Nations Human Rights Commission;

Whereas the United Nations Human Rights Commission is the most important and visible international entity dealing with the promotion and protection of universal human rights and is the main policy-making entity dealing with human rights issues within the United Nations;

Whereas the 53 member governments of the United Nations Human Rights Commission prepare studies, make recommendations, draft international human rights conventions and declarations, investigate allegations of human rights violations, and handle communications relating to human rights;

Whereas the United States has held a seat on the United Nations Human Rights Commission since its creation in 1947;

Whereas the United States has worked in the United Nations Human Rights Commission for 54 years to improve respect for human rights throughout the world;

Whereas the United Nations Human Rights Commission adopted significant resolutions condemning ongoing human rights abuses in Cuba, Iran, Iraq, Chechnya, Congo, Afghanistan, Equatorial Guinea, Burundi, Rwanda, Burma, and Sierra Leone in April, 2001 with the support of the United States;

Whereas, on May 3, 2001, the United States was not re-elected to membership in the United Nations Human Rights Commission;

Whereas some of the countries elected to the United Nations Human Rights Commission have been the subject of resolutions by the Commission citing them for human rights abuses; and

Whereas it is important for the United States to be a member of the United Nations Human Rights Commission in order to promote human rights worldwide most effectively: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the United States has made important contributions to the United Nations Human Rights Commission for the past 54 years;

(2) the recent loss of membership of the United States on the United Nations Human Rights Commission is a setback for human rights throughout the world; and

(3) the Administration should work with the European allies of the United States and other nations to restore the membership of the United States on the United Nations Human Rights Commission.

S. RES. 88

Mr. KENNEDY. Mr. President, today, Senator LUGAR and I are submitting a resolution expressing our concern over the recent loss of the U.S. seat on the United Nations Human Rights Commission. We are pleased that Senators LEAHY, BROWNBACK, BIDEN, SNOWE, KERRY, GORDON SMITH, TORRICELLI, CHAFEE, CORZINE, ALLEN, AKAKA, LIEBERMAN, BAYH, BINGAMAN, FEINGOLD, LEVIN, REED, KOHL, DURBIN, JOHNSON, SARBANES, WELLSTONE, and BOXER are cosponsors of this resolution.

We are deeply concerned that in the vote on May 3, the United States was not re-elected to membership on the Commission. The Commission is the most important and visible international body dealing with the promotion and protection of human rights and is the main policy-making organization dealing with human rights issues in the United Nations. The 53 member governments of the Human Rights Commission prepare studies, make recommendations, draft international human rights conventions and declarations, investigate allegations of human rights violations, and handle communications relating to human rights.

The United States has held a seat on the Commission since its creation in 1947 and has worked effectively through the Commission for the past fifty-four years to improve respect for human rights throughout the world. It is essential for the United States to regain its position on the Commission and to continue to promote human rights worldwide.

The loss of membership on the Commission is a diplomatic setback for the United States and for human rights worldwide. Our resolution emphasizes the important contributions of the U.S. to the Commission, and it urges the Administration to work with our European allies and other nations to restore the membership of the United States on the United Nations Human Rights Commission as soon as possible.

I urge my colleagues to support this resolution.

AMENDMENTS SUBMITTED AND PROPOSED

SA 648. Mr. HELMS proposed an amendment to amendment SA 574 proposed by Mr. HELMS to the amendment SA 358 proposed by Mr. JEFFORDS to the bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965.

TEXT OF AMENDMENTS

SA 648. Mr. HELMS proposed an amendment to amendment SA 574 proposed by Mr. HELMS to the amendment SA 358 proposed by Mr. JEFFORDS to the bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965; as follows:

In lieu of the matter proposed to be inserted, insert the following:

TITLE —EQUAL ACCESS TO PUBLIC SCHOOL FACILITIES

SEC. 1. SHORT TITLE.

This title may be cited as the "Boy Scouts of America Equal Access Act".

SEC. 2. EQUAL ACCESS.

(a) IN GENERAL.—Notwithstanding any other provision of law, no funds made available through the Department of Education shall be provided to any public elementary school, public secondary school, local educational agency, or State educational agency, if the school or a school served by the agency—

(1) has a designated open forum; and

(2) denies equal access or a fair opportunity to meet to, or discriminates against, any group affiliated with the Boy Scouts of America or any other youth group that wishes to conduct a meeting within that designated open forum, on the basis of the membership or leadership criteria of the Boy Scouts of America or of the youth group that prohibit the acceptance of homosexuals, or individuals who reject the Boy Scouts' or the youth group's oath of allegiance to God and country, as members or leaders.

(b) TERMINATION OF ASSISTANCE AND OTHER ACTION.—

(1) DEPARTMENTAL ACTION.—The Secretary is authorized and directed to effectuate subsection (a) by issuing, and securing compliance with, rules or orders with respect to a public school or agency that receives funds made available through the Department of Education and that denies equal access, or a fair opportunity to meet, or discriminates, as described in subsection (a).

(2) PROCEDURE.—The Secretary shall issue and secure compliance with the rules or orders, under paragraph (1), in a manner consistent with the procedure used by a Federal department or agency under section 602 of the Civil Rights Act of 1964 (42 U.S.C. 2000d-1).

(3) JUDICIAL REVIEW.—Any action taken by the Secretary under paragraph (1) shall be subject to the judicial review described in section 603 of that Act (42 U.S.C. 2000d-2). Any person aggrieved by the action may obtain that judicial review in the manner, and to the extent, provided in section 603 of that Act.

(c) DEFINITIONS AND RULE.—

(1) DEFINITIONS.—In this section:

(A) ELEMENTARY SCHOOL; LOCAL EDUCATIONAL AGENCY; SECONDARY SCHOOL; STATE EDUCATIONAL AGENCY.—The terms "elementary school", "local educational agency", "secondary school", and "State educational agency" have the meanings given the terms in section 3 of the Elementary and Secondary Education Act of 1965.

(B) SECRETARY.—The term "Secretary" means the Secretary of Education, acting through the Assistant Secretary for Civil Rights of the Department of Education.

(C) YOUTH GROUP.—The term "youth group" means any group or organization intended to serve young people under the age of 21.

(2) RULE.—For purposes of this section, an elementary school or secondary school has a designated open forum whenever the school involved grants an offering to or opportunity for 1 or more youth or community groups to meet on school premises or in school facilities before or after the hours during which attendance at the school is compulsory.

SEC. 3. EFFECTIVE DATE.

This title takes effect 1 day after the date of enactment of this Act.

MEASURE READ THE FIRST TIME—S. 872

Mr. JEFFORDS. Mr. President, I understand that S. 872, introduced earlier today by Senators MCCAIN, EDWARDS, and KENNEDY, is at the desk, and I ask for its first reading.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 872) to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to protect consumers in managed care plans and other health coverage.

Mr. JEFFORDS. I now ask for its second reading and object to my own request.

The PRESIDING OFFICER. Objection is heard.

The bill will be read a second time on the next legislative day.

PUBLIC SAFETY OFFICER MEDAL OF VALOR ACT OF 2001

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 37, S. 39.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 39) to provide a national medal for public safety officers who act with extraordinary valor above and beyond the call of duty, and for other purposes.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Public Safety Officer Medal of Valor Act of 2001".

SEC. 2. AUTHORIZATION OF MEDAL.

After September 1, 2001, the President may award, and present in the name of Congress, a Medal of Valor of appropriate design, with ribbons and appurtenances, to a public safety officer who is cited by the Attorney General, upon the recommendation of the Medal of Valor Review Board, for extraordinary valor above and beyond the call of duty. The Public Safety Medal of Valor shall be the highest national award for valor by a public safety officer.

SEC. 3. MEDAL OF VALOR BOARD.

(a) ESTABLISHMENT OF BOARD.—There is established a Medal of Valor Review Board (hereinafter in this Act referred to as the "Board"), which shall be composed of 11 members appointed in accordance with subsection (b) and shall conduct its business in accordance with this Act.

(b) MEMBERSHIP.—

(1) MEMBERS.—The members of the Board shall be individuals with knowledge or expertise, whether by experience or training, in the field of public safety, of which—

(A) two shall be appointed by the majority leader of the Senate;

(B) two shall be appointed by the minority leader of the Senate;

(C) two shall be appointed by the Speaker of the House of Representatives;

(D) two shall be appointed by the minority leader of the House of Representatives; and

(E) three shall be appointed by the President, including one with experience in firefighting, one with experience in law enforcement, and one with experience in emergency services.

(2) TERM.—The term of a Board member shall be 4 years.

(3) VACANCIES.—Any vacancy in the membership of the Board shall not affect the powers of the Board and shall be filled in the same manner as the original appointment.

(4) OPERATION OF THE BOARD.—

(A) CHAIRMAN.—The Chairman of the Board shall be elected by the members of the Board from among the members of the Board.

(B) MEETINGS.—The Board shall conduct its first meeting not later than 90 days after the appointment of the last member appointed of the initial group of members appointed to the Board. Thereafter, the Board shall meet at the call of the Chairman of the Board. The Board shall meet not less often than twice each year.

(C) VOTING AND RULES.—A majority of the members shall constitute a quorum to conduct business, but the Board may establish a lesser quorum for conducting hearings scheduled by the Board. The Board may establish by majority vote any other rules for the conduct of the Board's business, if such rules are not inconsistent with this Act or other applicable law.

(c) DUTIES.—The Board shall select candidates as recipients of the Medal of Valor from among those applications received by the National Medal of Valor Office. Not more often than once each year, the Board shall present to the Attorney General the name or names of those it recommends as Medal of Valor recipients. In a given year, the Board shall not be required to select any recipients but may not select more than 5 recipients. The Attorney General may in extraordinary cases increase the number of recipients in a given year. The Board shall set an annual timetable for fulfilling its duties under this Act.

(d) HEARINGS.—

(1) IN GENERAL.—The Board may hold such hearings, sit and act at such times and places, administer such oaths, take such testimony, and receive such evidence as the Board considers advisable to carry out its duties.

(2) WITNESS EXPENSES.—Witnesses requested to appear before the Board may be paid the same fees as are paid to witnesses under section 1821 of title 28, United States Code. The per diem and mileage allowances for witnesses shall be paid from funds appropriated to the Board.

(e) INFORMATION FROM FEDERAL AGENCIES.—The Board may secure directly from any Federal department or agency such information as the Board considers necessary to carry out its duties. Upon the request of the Board, the head of such department or agency may furnish such information to the Board.

(f) INFORMATION TO BE KEPT CONFIDENTIAL.—The Board shall not disclose any information which may compromise an ongoing law enforcement investigation or is otherwise required by law to be kept confidential.

SEC. 4. BOARD PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—(1) Except as provided in paragraph (2), each member of the Board shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Board.

(2) All members of the Board who serve as officers or employees of the United States, a State, or a local government, shall serve without compensation in addition to that received for those services.

(b) TRAVEL EXPENSES.—The members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of service for the Board.

SEC. 5. DEFINITIONS.

In this Act:

(1) PUBLIC SAFETY OFFICER.—The term "public safety officer" means a person serving a public agency, with or without compensation, as a firefighter, law enforcement officer, or emergency services officer, as determined by the Attorney General. For the purposes of this paragraph, the term "law enforcement officer" includes a person who is a corrections or court officer or a civil defense officer.

(2) STATE.—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Attorney General such sums as may be necessary to carry out this Act.

SEC. 7. NATIONAL MEDAL OF VALOR OFFICE.

There is established within the Department of Justice a National Medal of Valor Office. The Office shall provide staff support to the Board to establish criteria and procedures for the submission of recommendations of nominees for the Medal of Valor and for the final design of the Medal of Valor.

SEC. 8. CONFORMING REPEAL.

Section 15 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2214) is amended—

(1) by striking subsection (a) and inserting the following new subsection (a):

"(a) ESTABLISHMENT.—There is hereby established an honorary award for the recognition of outstanding and distinguished service by public safety officers to be known as the Director's Award For Distinguished Public Safety Service ('Director's Award').";

(2) in subsection (b)—

(A) by striking paragraph (1); and

(B) by striking "(2)";

(3) by striking subsections (c) and (d) and redesignating subsections (e), (f), and (g) as subsections (c), (d), and (e), respectively; and

(4) in subsection (c), as so redesignated—

(A) by striking paragraph (1); and

(B) by striking "(2)".

SEC. 9. CONSULTATION REQUIREMENT.

The Board shall consult with the Institute of Heraldry within the Department of Defense regarding the design and artistry of the Medal of Valor. The Board may also consider suggestions received by the Department of Justice regarding the design of the medal, including those made by persons not employed by the Department.

Mr. LEAHY. Mr. President, I am pleased that the Senate is taking up the Public Safety Officer Medal of Valor Act, S. 39, which was introduced by Senator STEVENS, and its House counterpart, H.R. 802, which already passed the House of Representatives in March. I am proud to be a cosponsor of this important piece of legislation.

I congratulate Senator STEVENS for introducing the measure and thank him for his leadership. We had worked together on a number of law enforcement matters and the senior Senator from Alaska is a stalwart supporter of the men and women who put themselves at risk to protect us all. I looked forward to enactment of this measure and to seeing the extraordinary heroism of our police, firefighters and correctional officers recognized with the Medal of Valor.

On May 18, 1999, I was privileged to be on the floor of the Senate when we proceeded to consider S. 39 and passed it unanimously. I took that occasion to commend Senator STEVENS and all who had worked so hard to move this measure in a timely way. That was almost two years ago, during National Police Week of 1999. The measure was sent to the House where it lay dormant for the rest of the last Congress. That delay was most unfortunate.

Again, in this Congress, I have worked with Senator STEVENS, Senator HATCH, and others to prefect the final version of this bill and finally get it enacted into law. We have crafted bipartisan improvements to ensure that the Medal of Valor Board will work effectively and efficiently with the National Medal of Valor Office within the Department of Justice. Our legislation should establish both of these entities and it is essential that they work well together to design the Medal of Valor and to create the criteria and procedures for recommendations of nominees for the award. The men and women who will be honored by the Medal of Valor for their brave deeds deserve nothing less.

I look forward to the President signing the Public Safety Officer Medal of Valor Act into law.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the committee substitute be agreed to, the bill be read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment in the nature of a substitute was agreed to.

The bill (S. 39), as amended, was read the third time and passed.

JAMES GUELFF AND CHRIS McCURLEY BODY ARMOR ACT OF 2001

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 38, S. 166.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 166) to limit access to body armor by violent felons and to facilitate the donation of Federal surplus body armor to State and local law enforcement agencies.

The Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "James Guelff and Chris McCurley Body Armor Act of 2001".

SEC. 2. FINDINGS.

Congress finds that—

(1) nationally, police officers and ordinary citizens are facing increased danger as criminals use more deadly weaponry, body armor, and other sophisticated assault gear;

(2) crime at the local level is exacerbated by the interstate movement of body armor and other assault gear;

(3) there is a traffic in body armor moving in or otherwise affecting interstate commerce, and existing Federal controls over such traffic do not adequately enable the States to control this traffic within their own borders through the exercise of their police power;

(4) recent incidents, such as the murder of San Francisco Police Officer James Guelff by an assailant wearing 2 layers of body armor, a 1997 bank shoot out in north Hollywood, California, between police and 2 heavily armed suspects outfitted in body armor, and the 1997 murder of Captain Chris McCurley of the Etowah County, Alabama Drug Task Force by a drug dealer shielded by protective body armor, demonstrate the serious threat to community safety posed by criminals who wear body armor during the commission of a violent crime;

(5) of the approximately 1,200 officers killed in the line of duty since 1980, more than 30 percent could have been saved by body armor, and the risk of dying from gunfire is 14 times higher for an officer without a bulletproof vest;

(6) the Department of Justice has estimated that 25 percent of State and local police are not issued body armor;

(7) the Federal Government is well-equipped to grant local police departments access to body armor that is no longer needed by Federal agencies; and

(8) Congress has the power, under the interstate commerce clause and other provisions of the Constitution of the United States, to enact legislation to regulate interstate commerce that affects the integrity and safety of our communities.

SEC. 3. DEFINITIONS.

In this Act:

(1) BODY ARMOR.—The term "body armor" means any product sold or offered for sale, in interstate or foreign commerce, as personal protective body covering intended to protect against gunfire, regardless of whether the product is to be worn alone or is sold as a complement to another product or garment.

(2) LAW ENFORCEMENT AGENCY.—The term "law enforcement agency" means an agency of the United States, a State, or a political subdivision of a State, authorized by law or by a government agency to engage in or supervise the prevention, detection, investigation, or prosecution of any violation of criminal law.

(3) LAW ENFORCEMENT OFFICER.—The term "law enforcement officer" means any officer, agent, or employee of the United States, a State, or a political subdivision of a State, authorized by law or by a government agency to engage in or supervise the prevention, detection, investigation, or prosecution of any violation of criminal law.

SEC. 4. AMENDMENT OF SENTENCING GUIDELINES WITH RESPECT TO BODY ARMOR.

(a) IN GENERAL.—Pursuant to its authority under section 994(p) of title 28, United States Code, the United States Sentencing Commission shall review and amend the Federal sentencing guidelines and the policy statements of the Commission, as appropriate, to provide an appropriate sentencing enhancement for any crime of violence (as defined in section 16 of title 18, United States Code) or drug trafficking crime (as defined in section 924(c) of title 18, United States Code) (including a crime of violence or drug trafficking crime that provides for an enhanced punishment if committed by the use of a deadly or dangerous weapon or device) in which the defendant used body armor.

(b) SENSE OF CONGRESS.—It is the sense of Congress that any sentencing enhancement under this section should be at least 2 levels.

SEC. 5. PROHIBITION OF PURCHASE, USE, OR POSSESSION OF BODY ARMOR BY VIOLENT FELONS.

(a) DEFINITION OF BODY ARMOR.—Section 921(a) of title 18, United States Code, is amended by adding at the end the following:

"(35) The term 'body armor' means any product sold or offered for sale, in interstate or foreign commerce, as personal protective body covering intended to protect against gunfire, regardless of whether the product is to be worn alone or is sold as a complement to another product or garment.".

(b) PROHIBITION.—

(1) IN GENERAL.—Chapter 44 of title 18, United States Code, is amended by adding at the end the following:

"§931. Prohibition on purchase, ownership, or possession of body armor by violent felons

"(a) IN GENERAL.—Except as provided in subsection (b), it shall be unlawful for a person to purchase, own, or possess body armor, if that person has been convicted of a felony that is—

"(1) a crime of violence (as defined in section 16); or

"(2) an offense under State law that would constitute a crime of violence under paragraph (1) if it occurred within the special maritime and territorial jurisdiction of the United States.

"(b) AFFIRMATIVE DEFENSE.—

"(1) IN GENERAL.—It shall be an affirmative defense under this section that—

"(A) the defendant obtained prior written certification from his or her employer that the defendant's purchase, use, or possession of body

armor was necessary for the safe performance of lawful business activity; and

"(B) the use and possession by the defendant were limited to the course of such performance.

"(2) EMPLOYER.—In this subsection, the term 'employer' means any other individual employed by the defendant's business that supervises defendant's activity. If that defendant has no supervisor, prior written certification is acceptable from any other employee of the business.".

(2) CLERICAL AMENDMENT.—The analysis for chapter 44 of title 18, United States Code, is amended by adding at the end the following:

"931. Prohibition on purchase, ownership, or possession of body armor by violent felons.".

(c) PENALTIES.—Section 924(a) of title 18, United States Code, is amended by adding at the end the following:

"(7) Whoever knowingly violates section 931 shall be fined under this title, imprisoned not more than 3 years, or both.".

SEC. 6. DONATION OF FEDERAL SURPLUS BODY ARMOR TO STATE AND LOCAL LAW ENFORCEMENT AGENCIES.

(a) DEFINITIONS.—In this section, the terms "Federal agency" and "surplus property" have the meanings given such terms under section 3 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472).

(b) DONATION OF BODY ARMOR.—Notwithstanding section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484), the head of a Federal agency may donate body armor directly to any State or local law enforcement agency, if such body armor—

(1) is in serviceable condition;

(2) is surplus property; and

(3) meets or exceeds the requirements of National Institute of Justice Standard 0101.03 (as in effect on the date of enactment of this Act).

(c) NOTICE TO ADMINISTRATOR.—The head of a Federal agency who donates body armor under this section shall submit to the Administrator of General Services a written notice identifying the amount of body armor donated and each State or local law enforcement agency that received the body armor.

(d) DONATION BY CERTAIN OFFICERS.—

(1) DEPARTMENT OF JUSTICE.—In the administration of this section with respect to the Department of Justice, in addition to any other officer of the Department of Justice designated by the Attorney General, the following officers may act as the head of a Federal agency:

(A) The Administrator of the Drug Enforcement Administration.

(B) The Director of the Federal Bureau of Investigation.

(C) The Commissioner of the Immigration and Naturalization Service.

(D) The Director of the United States Marshals Service.

(2) DEPARTMENT OF THE TREASURY.—In the administration of this section with respect to the Department of the Treasury, in addition to any other officer of the Department of the Treasury designated by the Secretary of the Treasury, the following officers may act as the head of a Federal agency:

(A) The Director of the Bureau of Alcohol, Tobacco, and Firearms.

(B) The Commissioner of Customs.

(C) The Director of the United States Secret Service.

(e) NO LIABILITY.—Notwithstanding any other provision of law, the United States shall not be liable for any harm occurring in connection with the use or misuse of any body armor donated under this section.

Mrs. FEINSTEIN. Mr. President, I rise in support of Senate passage of the James Guelff and Chris McCurley Body Armor Act. This bill is named after two police officers who were killed in the line of duty by criminal assailants wearing body armor.

I thank Senator SESSIONS, Senator HATCH, and Senator LEAHY, among others, for working so diligently with me to craft and pass this bipartisan legislation.

I would also like to recognize Lee Guelff, brother of James Guelff, as well as the many other individuals who worked tirelessly on behalf of this legislation.

I introduced this legislation almost six years ago in response to the death of San Francisco police officer James Guelff. on November 13, 1994, Officer Guelff responded to a distress call. Upon reaching the crime scene, he was fired upon by a heavily armed suspect who was shielded by a kevlar vest and bulletproof helmet. Officer Guelff died in the ensuing gunfight.

The James Guelff and Chris McCurley Body Armor Act is designed to deter criminals from wearing body armor, and to distribute excess Federal body armor to local police.

Lee Guelff, brother of Officer James Guelff, wrote to me about the need to revise the laws relating to body armor. He wrote:

> It's bad enough when officers have to face gunmen in possession of superior firepower . . . But to have to confront suspects shielded by equal or better defensive protection as well goes beyond the bounds of acceptable risk for officers and citizens alike. No officer should have to face the same set of deadly circumstances again.

I strongly agree with Lee.

The legislation has three key provisions. First, it directs the U.S. Sentencing Commission to provide an appropriate sentencing enhancement for any crime of violence or drug trafficking crime in which the defendant used body armor.

Second, it makes it unlawful for a person who has been convicted of a violent felony to purchase, own, or possess body armor.

It is unconscionable that current laws permit felons to obtain and wear body armor without restriction when so many of our police lack comparable protection.

Finally, the bill enables Federal law enforcement agencies to donate surplus body armor (approximately 10,000 vests) directly to local and state police departments;

Far too many of our local police officers do not have access to body armor. The United States Department of Justice estimates that 25% of State, local, and tribal law enforcement officers, approximately 150,000 officers, are not issued body armor.

Getting our police officers more body armor will save lives.

According to the Federal Bureau of Investigation, more than 30% of the 1,200 officers killed by guns in the line of duty since 1980 could have survived if they wore body armor.

This bill has the support of organizations representing 500,000 law enforcement personnel nationwide including: Fraternal Order of Police; National Association of Police Organizations; National Sheriff's Association; National Troopers Coalition; International Association of Police Chiefs; Federal Law Enforcement Officers Assn; Police Executive Research Forum; International Brotherhood of Police Officers; Major City Chiefs; and National Assn. Black Law Enforcement Executives.

Once again, I commend the Senate for passing this important and long overdue legislation.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the committee substitute be agreed to, the bill be read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment in the nature of a substitute was agreed to.

The bill (S. 166), as amended, was read the third time and passed.

COMMEMORATING AND ACKNOWLEDGING THE DEDICATION AND SACRIFICE MADE BY LAW ENFORCEMENT OFFICERS

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 39, S. Res. 63.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

> A resolution (S. Res. 63) commemorating and acknowledging the dedication and sacrifice made by the men and women who have lost their lives while serving as law enforcement officers.

There being no objection, the Senate proceeded to the consideration of the resolution.

Mr. LEAHY. Mr. President, I am proud to be an original cosponsor of this resolution to honor our Federal, State and local law enforcement officers who gave the ultimate sacrifice for our public safety. I commend Senator CAMPBELL for his leadership in submitting Senate Resolution 63.

I want to recognize the other cosponsors of the resolution on the Senate Judiciary Committee: Senators HATCH, KENNEDY, THURMOND, BIDEN, GRASSLEY, KOHL, DEWINE, FEINSTEIN, SESSIONS, FEINGOLD, BROWNBACK, SCHUMER, MCCONNELL, and DURBIN.

Since my time as a State prosecutor, I have always taken a keen interest in law enforcement in Vermont and around the country. Vermont has the reputation of being one of the safest States in which to live, work and visit, and rightly so. In no small part, this is due to the hard work of those who have sworn to serve and protect us, and we should do what we can to honor them and their families.

Our Nation's law enforcement officers put their lives at risk in the line of duty everyday. No one knows when danger will appear. Unfortunately, in today's violent world, even a traffic stop may not necessarily be "routine."

Each and every law enforcement officer across the Nation deserves our heartfelt respect and appreciation on Peace Officers Memorial Day.

Mr. KOHL. Mr. President, I rise today in support of S. Res. 63, recognizing the dedication and sacrifice of the men and women who have lost their lives while serving as public safety officers.

On Sunday, May 13, 2001, in a candlelight vigil, the names of 313 officers, many of whom were lost during the past year, were added to the National Law Enforcement Officers Memorial. Sadly, every year we add hundreds of names to this Memorial in a fitting honor, but also a terribly painful commendation to the people who risk their lives every day to protect our communities.

Wisconsin owes five officers a special tribute today for their service. I would like to honor them again by placing their names in the RECORD along with the date of their untimely passing.

Sung Hui Bang of Milwaukee County—8/17/2000; Edward R. Hoffman of Marinette County—5/26/2000; Frank Moran of Darlington—5/8/1927; Todd Jeffrey Stamper of Crandon—7/15/2000; Ralph Edward Zylka of Milwaukee County—8/17/2000.

I only hope that these moments of recognition bring some solace to the officers' families and express our appreciation for their service. We are forever in their debt.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to the resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 63) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 63

Whereas the well-being of all citizens of the United States is preserved and enhanced as a direct result of the vigilance and dedication of law enforcement personnel;

Whereas more than 700,000 men and women, at great risk to their personal safety, presently serve their fellow citizens as guardians of peace;

Whereas peace officers are on the front line in preserving the right of the children of the United States to receive an education in a crime-free environment, a right that is all too often threatened by the insidious fear caused by violence in schools;

Whereas 150 peace officers lost their lives in the line of duty in 2000, and a total of nearly 15,000 men and women serving as peace officers have now made that supreme sacrifice;

Whereas every year, 1 in 9 peace officers is assaulted, 1 in 25 peace officers is injured, and 1 in 4,400 peace officers is killed in the line of duty; and

Whereas, on May 15, 2001, more than 15,000 peace officers are expected to gather in the Nation's Capital to join with the families of their recently fallen comrades to honor those comrades and all others who went before them: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes May 15, 2001, as Peace Officers Memorial Day, in honor of Federal, State, and local officers killed or disabled in the line of duty; and

(2) calls upon the people of the United States to observe this day with appropriate ceremonies and respect.

PUBLIC SAFETY OFFICER MEDAL OF VALOR ACT OF 2001

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 40, H.R. 802.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 802) to authorize the Public Safety Officer Medal of Valor, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 802) was read the third time and passed.

ORDERS FOR TUESDAY, MAY 15, 2001

Mr. JEFFORDS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 10:30 a.m. on Tuesday, May 15. I further ask unanimous consent that on Tuesday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then resume consideration of the Murray amendment as under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEFFORDS. Mr. President, further, I ask unanimous consent that the Senate stand in recess from the hours of 12:30 p.m. to 2:15 p.m. for the weekly policy conferences to meet.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. JEFFORDS. Mr. President, for the information of all Senators, the Senate will resume consideration of the Murray amendment regarding class size at 10:30 tomorrow morning. Under the previous order, there will be up to 2 hours for debate on the amendment with a vote scheduled to occur at 2:20 p.m. following the policy luncheons. There are numerous amendments currently pending, and further amendments will be offered during tomorrow's session. Therefore, votes are expected throughout the afternoon and into the evening.

ADJOURNMENT UNTIL 10:30 A.M. TOMORROW

Mr. JEFFORDS. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:14 p.m., adjourned until Tuesday, May 15, 2001, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 14, 2001:

DEPARTMENT OF DEFENSE

PETER W. RODMAN, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF DEFENSE, VICE EDWARD L. WARNER, III.

DEPARTMENT OF TRANSPORTATION

ALLAN RUTTER, OF TEXAS, TO BE ADMINISTRATOR OF THE FEDERAL RAILROAD ADMINISTRATION, VICE JOLENE MORTIZ MOLITORIS, RESIGNED.

DEPARTMENT OF THE INTERIOR

PATRICIA LYNN SCARLETT, OF CALIFORNIA, TO BE AN ASSISTANT SECRETARY OF THE INTERIOR, VICE M. JOHN BERRY.

ENVIRONMENTAL PROTECTION AGENCY

GEORGE TRACY MEHAN, III, OF MICHIGAN, TO BE AN ASSISTANT ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY, VICE J. CHARLES FOX, RESIGNED.

DEPARTMENT OF THE TREASURY

BRIAN CARLTON ROSEBORO, OF NEW JERSEY, TO BE AN ASSISTANT SECRETARY OF THE TREASURY, VICE LEWIS ANDREW SACHS, RESIGNED.

DEPARTMENT OF STATE

PAUL VINCENT KELLY, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF STATE (LEGISLATIVE AFFAIRS), VICE BARBARA MILLS LARKIN.

JOHN D. NEGROPONTE, OF THE DISTRICT OF COLUMBIA, TO BE A REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE SESSIONS OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS DURING HIS TENURE OF SERVICE AS REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE UNITED NATIONS.

JOHN D. NEGROPONTE, OF THE DISTRICT OF COLUMBIA, TO BE THE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE UNITED NATIONS, WITH THE RANK AND STATUS OF AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY, AND THE REPRESENTATIVE OF THE UNITED STATES OF AMERICA IN THE SECURITY COUNCIL OF THE UNITED NATIONS.

THE JUDICIARY

LYNN LEIBOVITZ, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSOCIATE JUDGE OF THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA FOR THE TERM OF FIFTEEN YEARS, VICE STEPHEN G. MILLIKEN, RETIRED.

EXTENSIONS OF REMARKS

FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 2002 AND 2003

SPEECH OF

HON. JOSEPH CROWLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1646) to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes:

Mr. CROWLEY. Mr. Chairman, I rise today in firm opposition to the amendment offered by Chairman HYDE, ranking member Mr. LANTOS of the International Relations Committee, and Mr. SWEENEY.

This week, the United States was voted off of the United Nations Human Rights Commission and the International Narcotics Control Board. Though it is unfortunate that the United States will not be a member of these commissions during the next rotation, that does not preclude us from being instrumental in shaping human rights and drug policies throughout the world.

Whether our exclusion from these commissions was a result of decisions by the Bush Administration on the Kyoto Protocol or the ABM treaty, or the result of years of festering anti-American sentiment, we must accept the decision of the member states of the United Nations. As the leader of the international community, we must set an example for the rest of the world to follow. We must persevere in the face of adversity.

By making our payment of UN arrears contingent upon the U.S. return to the United Nations Human Rights Commission runs counter to the principles of cooperation that we expect from the other members of the United Nations.

We are punishing not only the countries of the Western European and other groupings for not supporting us, but the entire UN body.

Instead, we need to work on mending fences with nations around the world to demonstrate that we are ready and willing to work with them, not against them.

We need to pay our arrears that are long overdue. We made a commitment to the international community that we must uphold.

Therefore, I strongly encourage my colleagues to vote against the Hyde-Lantos-Sweeney amendment.

HONORING NATIONAL SCIENCE FOUNDATION FOR 50 YEARS OF SERVICE

SPEECH OF

HON. SHEILA JACKSON-LEE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 2001

Ms. JACKSON-LEE of Texas. Mr. Speaker, I am pleased to be a sponsor to this effort to recognize the significance of the National Science Foundation to our nation's successes in basic research. The National Science Foundation is an independent U.S. government agency responsible for promoting science and engineering through programs that invest over $3.3 billion per year in almost 20,000 research and education projects in science and engineering.

Since the National Science Foundation was established in May 1950 it has provided support for scientific achievement across the United States. It is currently responsible for funding nearly 20,000 research and education projects in science and engineering and has provided financial support for more than half of the nation's Nobel laureates in physics, chemistry and economics.

This resolution recognizes the significance of half a century of service from the National Science Foundation (NSF). It also recommits Congress to supporting the NSF's research, education and technological advancement goals for the next half-century.

The NSF initiates and supports, through grants and contracts, scientific and engineering research and programs to strengthen scientific and engineering research potential, and education programs at all levels, and appraise the impact of research upon industrial development and the general welfare. Award graduate fellowships in the sciences and in engineering.

The NSF also encourages interchange of scientific information among scientists and engineers in the United States and foreign countries. They support the development and use of computers and other scientific methods and technologies, primarily for research and education in the sciences.

This tool of the federal government offers valuable insight into the status and needs of the various sciences and engineering and take into consideration the results of this evaluation in correlating its research and educational programs with other Federal and non-Federal programs.

The NSF maintain a current register of scientific and technical personnel, and in other ways provide a central clearinghouse for the collection, interpretation, and analysis of data on scientific and technical resources in the United States, and provide a source of information for policy formulation by other Federal agencies.

This agency determines the total amount of Federal money received by universities and appropriate organizations for the conduct of scientific and engineering research, including both basic and applied, and construction of facilities where such research is conducted, but excluding development, and report annually thereon to the President and the Congress.

They initiate and support specific scientific and engineering activities in connection with matters relating to international cooperation, national security, and the effects of scientific and technological applications upon society.

The NSF also recommends and encourages the pursuit of national policies for the promotion of basic research and education in the sciences and engineering. Strengthen research and education innovation in the sciences and engineering, including independent research by individuals, throughout the United States.

The NSF is also challenging our nation's basic research programs by supporting activities designed to increase the participation of women and minorities and others underrepresented in science and technology.

I would hope that as the deliberative process of this body continues that we will find it in our nation's best interest to increase the NSF's budget by 15 percent or more. It goes without question within and outside of the federal government that the NSF provides the basic knowledge that leads to innovation that revitalized our economy in the form of the Internet. The NSF was responsible for the management of the Internet until just a few years ago, and provided the foundation for the commercialization that we see today.

The budget resolution conference report cuts the funding level for General Science, Space and Technology, which appropriates funds for the NSF, NASA and DOE non-defense programs, by $600 million below the level in the House-passed version and $1.2 billion below the Senate-passed version. The Senate had added funds to these areas of federal basic research expressly to provide a 15% budget increase for NSF, 14.7% for DOE and 4% for NASA by the adoption of the Bond/Mikulski amendment.

The new number for federal support of the NSF, NASA, and DOE non-defense programs is 2.6% above the Fiscal Year 2001 level, which is in adequate funding for NSF and the other agencies that are the main supporters of research in the physical sciences and mathematics in our nation.

Our nation's current shortage in the number of science, mathematics, and engineering graduates is being felt across the country. With the work of the NSF, these problems can and will be addressed in ways that are creative and proactive.

I urge my Colleagues to support this resolution honoring the work done by the NSF over the last 50 years.

HONORING NATIONAL SCIENCE FOUNDATION FOR 50 YEARS OF SERVICE

SPEECH OF

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 2001

Mr. BOEHLERT. Mr. Speaker, today, under the leadership of my able colleague NICK SMITH, Congress is commemorating fifty years worth of accomplishment by one of the gems of our nation—the National Science Foundation. For fifty years, the National Science Foundation has represented an investment in our nation's future, through the Foundation's funding for world class research across the gamut of scientific disciplines. This work in fundamental science has provided the building blocks for many of the technologies that we depend upon today—for example, biotechnology, the Internet, and aerospace materials. We depend on this type of research to find its way into our commercial products, medical systems and treatments, and even defense technologies. We also leverage this research for its training of our future scientific and technology leaders—in universities, industry, and government.

Over the past 50 years, NSF's reach has extended beyond the lab and into the classroom and even the home. The NSF supports projects at museums, science centers, and planetaria that reach about 50 million people. The figure doubles to 100 million for the audiences of radio, television, and film programs on science. And in our nation's schools, NSF has been leading the way in improving the math and science education of students of all ages. In many innovative programs, they have used their unique position to bring our nation's leading scientific researchers and their discoveries into the classroom, to bring the excitement of science and learning to our children. I am pleased that the President has acknowledged their excellent work in education by naming the National Science Foundation as the lead agency for the Math and Science Partnership element of his education initiative, No Child Left Behind.

Through my work on the Science Committee, and in discussions with scientists, corporate technology leaders, and even my constituents back home, I have become very familiar with the NSF. I have come to have great respect for the work that the NSF, its leadership and staff, and the thousands of scientists and educators who are funded by the agency have done. Their innovative spirit and record of success is extraordinary. I join with my colleagues in applauding the National Science Foundation for fifty years of excellent service to their Nation, and wish them well on the next fifty. I hope my colleagues will join us in supporting this resolution, as well in our efforts to support the NSF in future endeavors.

We must continue to support the National Science Foundation with more than words. In recent years, Congress has given the NSF large increases in its budget for both research and educational activities, enabling it to expand on the excellent work it does in scientific discovery, public outreach, and math and science education. As we enter our annual Appropriations process, I will work—along with many of my concerned colleagues—to ensure that Congressional support for significant increases to NSF's budget continues, so that we live up to the words of praise in this resolution. I hope my colleagues who join us in supporting this resolution on the National Science Foundation's past successes will also join in our efforts to support the NSF in its future endeavors.

BRONX COMMUNITY COLLEGE HALL OF FAME 10K RUN

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 14, 2001

Mr. SERRANO. Mr. Speaker, it is with joy that I rise today to once again pay tribute to Bronx Community College, which held its 23rd Anniversary Hall of Fame 10K Run on Saturday, May 12, 2001.

The Hall of Fame 10K Run was founded in 1978 by Bronx Community College's third President, Dr. Roscoe C. Brown. Its mission is to highlight the Hall of Fame for Great Americans, a national institution dedicated to those who have helped make America great.

The tradition continues, first under the leadership of Acting President, Dr. Leo A. Corbie and now under Dr. Carolyn G. Williams, the first woman President of Bronx Community College. Both Dr. Corbie and Dr. Williams have endorsed and follow the commitment made by Dr. Brown to promote physical well-being as well as higher education.

As one who has run the Hall of Fame 10K Run, I can attest that the excitement it generates brings the entire city together. It is a celebration and an affirmation of life. It feels wonderful to enable more than 400 people to have this experience—one that will change the lives of many of them. It is an honor for me to join once again the hundreds of joyful people who will run along the Grand Concourse, University Avenue and West 181 Street and to savor the variety of their celebrations. There's no better way to see our Bronx community.

For its first 20 years, Professor Henry A. Skinner has coordinated the Bronx Community College Hall of Fame 10K race, a healthy competition which brings together runners of all ages from the five boroughs of New York City. He is also the President of Unity and Strength, the organization of minority faculty, staff, and administrators of Bronx Community College. Dr. Atlaw Belilgne of the Department of Mathematics and Computer Science, as the 1999 Director of the race, continues this rich Bronx tradition. He is also Director of Self Help and Resource Exchange (S.H.A.R.E.).

Mr. Speaker, I ask my colleagues to join me in recognizing the individuals and participants who are making the Bronx Community College's 23rd annual Hall of Fame 10K Run possible.

IN HONOR OF DAVID C. FORBES, SR.

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 14, 2001

Mr. TOWNS. Mr. Speaker, I rise in honor of Reverend Doctor David C. Forbes, Sr. on the occasion of his receipt of a doctorate in sociology from the University of Virginia.

Doctor Forbes was one of eight children born in Raleigh, North Carolina to a Pentecostal Bishop and a sainted mother. He earned a Bachelor of Arts degree from Shaw University, a Master of Social Work degree from Adelphi University and Doctor of Ministry Degree from United Theological Seminary. He has also been awarded several honorary degrees, including a Doctor of Divinity by the Richmond Virginia Seminary, Doctor of Humane Letters by Shaw University and Doctor of Divinity by Shaw Divinity School.

Doctor Forbes was active in the civil rights movement during the 1960's having served as the North Carolina representative for the Student Non-Violent Coordinating Committee (SNCC). Doctor Forbes came to the gospel ministry after an extensive career in education, which included teaching at the elementary and university levels. He was also involved in counseling and social program administration. In addition to the ministerial role, he was Assistant Professor and Director of Admission, School of Social Work, Virginia Commonwealth University for some twelve years. From 1979–1984 Dr. Forbes served as Pastor of St. Peter Baptist Church, Glen Allen/Richmond, Virginia; and from 1983–1990 Senior Minister and Pastor of Martin Street Baptist Church, Raleigh, North Carolina. Dr. Forbes currently serves as Consultant to the President and Dean of The Shaw Divinity School.

Doctor Forbes has also volunteered on numerous committees and boards. He currently serves on the Human Services Taskforce of The North Carolina Local Government Partnership Council, the Board of Building Together Ministries, Board of The United Way of Wake County, and the South-East Raleigh Improvement Commission. In addition, he has a number of publications to his credit. In fact, he is in broad demand as an evangelist, church development consultant, workshop facilitator and keynoter.

Dr. Forbes is married to the former Hazel Baldwin of Lake Waccamaw, North Carolina. He is the father of three children, a son, Reverend David C. Forbes, Jr., founder and Pastor of the Columbus Christian Center, Columbus, Ohio, and two daughters, Mrs. Cheryl Forbes Lassiter, a banker in Raleigh, and Denise Colene Forbes, a music teacher in Bronx, New York. Dr. Forbes proudly answers to "Pa Pa" and "Grand Pa" to five grandsons and four granddaughters.

Mr. Speaker, Reverend Doctor David C. Forbes Sr. has devoted his life to serving his community, his church, and his people. As such, he is more than worthy of receiving our recognition today as he is awarded a truly hard-earned honor. I hope that all of my colleagues will join me in honoring this truly remarkable man.

FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 2002 AND 2003

SPEECH OF

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1646) to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes:

Mr. RANGEL. Mr. Chairman, I rise today to urge the presidential appointment of a Special Envoy for Sudan to facilitate bringing an end to the atrocities associated with the eighteen-year civil war. It is time for the United States to take a strong stand against the situation in the Sudan. Slavery, aerial bombardment of civilians, and other numerous human rights abuses victimize the people of Sudan. I believe that the President's appointment of a high-profile individual with an extensive diplomatic background will send a serious message to the government of Khartoum that slavery and the violence must end.

Sudan has been at war intermittently since its independence in 1956. An estimated 2.2 million people have died as a result of war-related causes since the current conflict erupted in 1983. More than 4 million people, mostly southern Sudanese, have been displaced, largely due to the conflict.

I commend President Bush on his appointment of Andrew Narsios, as special humanitarian coordinator for Sudan to facilitate U.S. assistance. This appointment demonstrates that the United States is taking a leadership role in resolving the situation in the Sudan, however we as a nation we must continue our efforts to put an end to the atrocities in the Sudan.

I also applaud Secretary of State Powell for recognizing the tragedy that is underway in Sudan and for ordering a review of Administration policy. To begin with, the U.S. should use every means at its disposal to bring the military hostilities to an immediate end.

At the same time, we should apply every bit of moral persuasion and condemn in the loudest possible voice the unspeakable violations of human rights being perpetrated against the weakest members of that society.

In the Sudan the world is faced with a human rights nightmare of the first order. We have the opportunity, indeed the responsibility, to use our international leadership to help end the civil war and the heartbreaking enslavement of women and children which has intensified as a result of the hostilities.

As a nation with first-hand knowledge of the savagery of slavery, of the misery to its victims, and the suffering of future generations, we must recoil in horror at the practice of slavery in Sudan and work with the international community to end the war which is the root cause.

FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 2002 AND 2003

SPEECH OF

HON. JOSEPH CROWLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1646) to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes:

Mr. CROWLEY. Mr. Chairman, I would like to begin by thanking Chairman HYDE and our distinguished ranking member, Mr. LANTOS, for crafting a fair and bipartisan bill. I would also like to thank staff on both sides of the aisle for their efforts to include valuable language that is of great importance to me and members of my constituency. I would like to bring your attention to a series of important provisions in the Foreign Relations Authorization Act for 2002–2003. These provisions form a core of initiatives that target what I believe that bridges the gap between the work we do on the international relations committee and the needs and desires of the people in my district.

As the representative of the most diverse district in the United States, these provisions reflect the unique composition of my district. The importance of these provisions is not limited to the residents of my district, they are important to the foreign policy goals of all Americans. They address issues central to our foreign policy toward Ecuador, Israel, human rights abuses in Indonesia, and relations between Northern Ireland and the Republic of Ireland. Two of these amendments request that the Secretary of State provide a report which outlines a comprehensive strategy to address the spill over effect of Plan Colombia on Ecuador and another which describes the steps that the State Department has taken and will take to facilitate better relations between Israel and other members of the international community.

I have also offered a resolution which calls for the prompt release of the autopsy report by the Indonesian Government, and the commencement of the investigation into the death of an Acehnese human rights lawyer who was a permanent resident of my Congressional District in Queens, New York, Jafar Siddiq Hamzah. In addition, I successfully offered an amendment urging David Trimble to allow the Sinn Fein Ministers to take their rightful place on the North South Ministerial Council. Sinn Fein is a legitimate party to the Council and should be able to participate. I have therefore introduced sense of the Congress language calling on David Trimble to adhere to the terms of the Good Friday Agreement, and lift the ban on the Sinn Fein minister participate in the Council.

Finally, this bill addressed the ongoing health and environmental crisis related to the extensive arsenic contamination of drinking water in Bangladesh by requiring the Secretary of State report on activities to deliver arsenic-free drinking water and to treat those already affected with arsenic poisoning.

I wholeheartedly support this bill in its current form, and I commend Congresswoman LEE for her amendment repealing the global gag rule. I urge my colleagues to oppose any efforts to detract from the quality of the provisions included in this bill.

AUTHORIZING USE OF CAPITOL GROUNDS FOR 20TH ANNUAL NATIONAL PEACE OFFICERS' MEMORIAL SERVICE

SPEECH OF

HON. SHEILA JACKSON-LEE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 2001

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to express my strong support for H. Con. Res. 74, which appropriately honors the service of officers that were killed in the line of duty. As a result of the resolution, the National Fraternal Order of Police and its auxiliary shall be permitted to sponsor a public event, the 20th annual National Police Officers' Memorial Service, on the Capitol Grounds on May 15, 2001, or on such other date that may be convenient.

So many of our law enforcement officers work so hard every year. It is appropriate that we honor those that were killed in the line of duty in the year 2000. This is an appropriate initiative because there are many officers that act heroically everyday but never receive their due credit. They must be recognized for their invaluable service because they accomplish so much for communities throughout the nation.

Let me just devote some attention to those who were killed in the line of duty in the past from the city of Houston. Officers like Troy Alan Blando assigned to the auto theft division, who was killed on May 19, 1999 when he was attempting to arrest a suspect driving a stolen Lexus. The suspect fired a 40 caliber Glock, striking Officer Blando once in the chest. Officer Blando made it back to his vehicle and radioed for back-up, giving other units his location and a description of the suspect. Officers arrived on the scene within seconds and arrested the fleeing suspect. Officer Blando died in route to Ben Taub Hospital. Officer Blando was a 19 year veteran of the Houston Police Department.

Officer K.D. Kinkaid was killed on May 23, 1998 while he was off duty and driving in his truck with his wife. As they drove past an oncoming vehicle, an object struck the windshield of the truck. Officer Kinkaid turned around and followed the other vehicle. The other vehicle stopped and Officer Kinkaid exited his truck and approached the driver's side. Officer Kinkaid identified himself as a police officer and proceeded to question the suspects in the vehicle. One of the suspects shot Officer Kinkaid and they fled the scene in the vehicle. Officer Kinkaid died from the gunshot wound a few days later.

Officer C.H. Trinh died on April 6, 1997 while working at his parents' convenience store when a man walked in and attempted to rob him. Officer Trinh was shot in the head and died at the scene. The suspect who was later caught, confessed to the killing, telling police he had entered the store with a handgun and jumped the counter. He stated that after taking some of Officer Trinh's jewelry, Tong demanded his wallet. When he saw Officer Trinh's police badge he got scared and shot the officer.

Officer D.S. Erickson was killed on December 24, 1995 while she was working an extra job directing traffic outside a local church on Christmas Eve. She was struck by a passing vehicle. She was transported to the hospital but died during surgery.

Officer G.P. Gaddis was murdered on January 31, 1994 by one of two suspects he was transporting to jail for aggravated robbery. Both suspects had been searched and handcuffed behind their backs prior to being placed in the back seat of the patrol car. One of the suspects wiggled his hands, still cuffed, to his front, and retrieved a .380 hidden on his person. He then shot Officer Gaddis in the back of the head as he was driving down the road. The patrol car crashed into a house and the suspect escaped from the wrecked car, but was arrested a short distance away from the scene.

These are some of the sorrowing stories of officers who have lost their lives in my home city of Houston. Presently, 95 police officers from the Houston Police Department have been killed in the line of duty.

I urge my colleagues to support the legislation.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, May 15, 2001 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 16

9 a.m.

Agriculture, Nutrition, and Forestry

To hold hearings on the Farm Credit title of the Farm Bill.

SR–328A

9:30 a.m.

Veterans' Affairs

To hold hearings on the nomination of Leo S. Mckay, Jr., of Texas, to be Deputy Secretary of Veterans Affairs; the nomination of Robin L. Higgins, of Florida, to be Under Secretary of Veterans Affairs for Memorial Affairs; the nomination of Maureen Patricia Cragin, of Maine, to be an Assistant Secretary of Veterans Affairs for Public and Intergovernmental Affairs; the nomination of Jacob Lozada, of Puerto Rico, to be an Assistant Secretary of Veterans Affairs; and the nomination of Gordon H. Mansfield, of Virginia, to be an Assistant Secretary of Veterans Affairs for Congressional Affairs.

SR–418

Energy and Natural Resources

Business meeting to consider S. 230, to direct the Secretary of the Interior to convey a former Bureau of Land Management administrative site to the City of Carson City, Nevada, for use as a senior center; S. 254, to provide further protections for the watershed of the Little Sandy River as part of the Bull Run Watershed Management Unit, Oregon; S. 329, to require the Secretary of the Interior to conduct a theme study on the peopling of America; S. 498, entitled "National Discovery Trails Act of 2001"; S. 506, to amend the Alaska Native Claims Settlement Act, to provide for a land exchange between the Secretary of Agriculture and the Huna Totem Corporation; S. 507, to implement further the Act (Public Law 94–241) approving the covenant to establish a commonwealth of the Northern Mariana Islands in Political Union with the United States of America; S. 509, to establish the Kenai Mountains-Turnagain Arm National Heritage Area in the State of Alaska; the nomination of Francis S. Blake, of Connecticut, to be Deputy Secretary; the nomination of Robert Gordon Card, of Colorado, to be Under Secretary; the nomination of Bruce Marshall Carnes, of Virginia, to be Chief Financial Officer; and the nomination of David Garman, of Virginia, to be Assistant Secretary for Energy Efficiency and Renewable Energy, all of the Department of Energy; to be followed by hearings on the nomination of J. Steven Griles, of Virginia, to be Deputy Secretary of the Interior; and the nomination of Lee Sarah Liberman Otis, of Virginia, to be General Counsel, the nomination of Jessie Hill Roberson, of Alabama, to be Assistant Secretary for Environmental Management, the nomination of Nora Mead Brownell, of Pennsylvania, and the nomination of Patrick Henry Wood III, of Texas, both to be Members of the Federal Energy Regulatory Commission, all of the Department of Energy.

SD–366

Commerce, Science, and Transportation

To hold hearings on the nomination of Timothy J. Muris, of Virginia, to be a Federal Trade Commissioner; the nomination of Maria Cino, of Virginia, to be Assistant Secretary and Director General of the United States and Foreign Commercial Service, the nomination of Kathleen B. Cooper, of Texas, to be Under Secretary for Economic Affairs, the nomination of Bruce P. Mehlman, of Maryland, to be Assistant Secretary for Technology Policy, all of the Department of Commerce; and the nomination of Sean B. O'Hollaren, of Oregon, to be Assistant Secretary for Governmental Affairs, and the nomination of Donna R. McLean, of the District of Columbia, to be Assistant Secretary for Budget Programs and Chief Financial Officer, both of the Department of Transportation.

SR–253

10 a.m.

Appropriations

Defense Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of Defense.

SD–192

Appropriations

District of Columbia Subcommittee

To hold hearings on the District of Columbia Superior Court's proposed reform of its Family Division.

SD–116

Foreign Relations

To hold hearings on the nomination of A. Elizabeth Jones, of Maryland, to be Assistant Secretary of State for European Affairs.

SD–419

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2002 for the Federal Emergency Management Agency.

SD–138

Appropriations

Legislative Branch Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2002 for the Seargent at Arms, United States Capitol Police Board, and Office of Compliance.

SD–124

1:30 p.m.

Finance

To hold hearings on the nomination of Claude A. Allen, of Virginia, to be Deputy Secretary, the nomination of Thomas Scully, of Virginia, to be Administrator of the Health Care Financing Administration, the nomination of Piyush Jindal, of Louisiana, to be Assistant Secretary for Planning and Evaluation, the nomination of Wade F. Horn, of Maryland, to be Assistant Secretary for Family Support, all of the Department of Health and Human Services; the nomination of Peter R. Fisher, of New Jersey, to be Under Secretary for Domestic Finance, and the nomination of James Gurule, of Michigan, to be Under Secretary for Enforcement, both of the Department of the Treasury; and the nomination of Linnet F. Deily, of California, and the nomination of Peter F. Allgeier, of Virginia, both to be Deputy United States Trade Representatives, each with the rank of Ambassador.

SD–215

2 p.m.

Intelligence

To hold closed hearings on intelligence matters.

SH–219

3 p.m.

Foreign Relations

To hold hearings on the nomination of Thelma J. Askey, of Tennessee, to be Director of the Trade and Development Agency; and the nomination of Peter S. Watson, of California, to be President of the Overseas Private Investment Corporation.

SD–419

MAY 17

9:30 a.m.

Health, Education, Labor, and Pensions

To hold hearings to examine certain issues surrounding the nursing staffing shortage.

SD–430

Aging

To hold hearings to examine the implementation of the National Family Caregiver Support Program.

SD–562

Appropriations

Treasury and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of the Treasury, focusing on the Internal Revenue Service.

SR–485

Commerce, Science, and Transportation

To hold hearings on the nomination of Kathleen Q. Abernathy, of Maryland, the nomination of Kevin J. Martin, of North Carolina, the nomination of Michael Joseph Copps, of Virginia, and the nomination of Michael K. Powell, of Virginia, all to be a Member of the Federal Communications Commission.

SR–253

Health, Education, Labor, and Pensions

To hold hearings to examine direct care staffing shortages.

SD–430

Environment and Public Works

To hold hearings on the nomination of Linda J. Fisher, of the District of Columbia, to be Deputy Administrator, the nomination of Jeffrey R. Holmstead, of Colorado, to be Assistant Administrator for Air and Radiation, the nomination of Stephen L. Johnson, of Maryland, to be Assistant Administrator for Toxic Substances, all of the Environmental Protection Agency; and the nomination of James Laurence Connaughton, of the District of Columbia, to be a Member of the Council on Environmental Quality.

SD–628

10 a.m.

Governmental Affairs

To hold hearings on the nomination of John D. Graham, of Massachusetts, to be Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget; the nomination of Angela Styles, of Virginia, to be Administrator for Federal Procurement Policy; and the nomination of Stephen A. Perry, of Ohio, to be Administrator of General Services.

SD–342

Appropriations

Commerce, Justice, State, and the Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2002 for the Federal Bureau of Investigation, the Drug Enforcement Administration, and the Immigration and Naturalization Service, all of the Department of Justice.

SD–192

Appropriations

Commerce, Justice, State, and the Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2002 for the Federal Bureau of Investigation, the Drug Enforcement Administration, and the Immigration and Naturalization Service.

SD–192

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To hold hearings on agriculture market concentration issues.

SD–138

Judiciary

Business meeting to consider pending calendar business.

SD–226

2 p.m.

Foreign Relations

To hold hearings on the nomination of William J. Burns, of the District of Columbia, to be Assistant Secretary of State for Near Eastern Affairs; and the nomination of Christina B. Rocca, of Virginia, to be Assistant Secretary of State for South Asian Affairs.

SD–419

Intelligence

To hold closed hearings on intelligence matters.

SH–219

2:30 p.m.

Banking, Housing, and Urban Affairs

International Trade and Finance Subcommittee

To hold hearings on proposed legislation authorizing funds for United States Export-Import Bank.

SD–538

4 p.m.

Foreign Relations

To hold hearings on the nomination of Walter H. Kansteiner, of Virginia, to be Assistant Secretary of State for African Affairs.

SD–419

MAY 22

9 a.m.

Governmental Affairs

To hold hearings on the nomination of Erik Patrick Christian and the nomination of Maurice A. Ross, each to be an Associate Judge of the Superior Court of the District of Columbia.

SD–342

9:30 a.m.

Health, Education, Labor, and Pensions

To hold hearings to examine certain issues surrounding retiree health insurance.

SD–430

2:30 p.m.

Foreign Relations

Business meeting to consider pending calendar business.

S–116, Capitol

MAY 23

9:30 a.m.

Health, Education, Labor, and Pensions

Public Health Subcommittee

To hold hearings to examine issues surrounding human subject protection.

SD–430

10 a.m.

Governmental Affairs

Business meeting to consider certain nominations.

SD–342

Judiciary

To hold hearings on Department of Justice and certain judicial nominations.

SD–226

MAY 24

9:30 a.m.

Health, Education, Labor, and Pensions

To hold hearings to examine issues surrounding patient safety.

SD–430

Governmental Affairs

Investigations Subcommittee

To hold hearings to examine alleged problems in the tissue industry, such as claims of excessive charges and profit making within the industry, problems in obtaining appropriate informed consent from donor families, issues related to quality control in processing tissue, and whether current regulatory efforts are adequate to ensure the safety of human tissue transplants.

SD–342

10 a.m.

Appropriations

Legislative Branch Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2002 for the Secretary of the Senate and the Architect of the Capitol.

SD–124

JUNE 6

10 a.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2002 for the National Science Foundation and the Office of Science Technology Policy.

SD–138

JUNE 13

10 a.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2002 for the Environmental Protection Agency and the Council of Environmental Quality.

SD–138

JUNE 14

9:30 a.m.

Governmental Affairs

Investigations Subcommittee

To hold hearings to examine the nature and scope of cross border fraud, focusing on the state of binational U.S.-Canadian law enforcement coordination and cooperation and what steps can be taken to fight such crime in the future.

SD–342

JUNE 15

9:30 a.m.

Governmental Affairs

Investigations Subcommittee

To continue hearings to examine the growing problem of cross border fraud, which poses a threat to all American consumers but disproportionately affects the elderly. The focus will be on the state of binational U.S.-Canadian law enforcement coordination and cooperation and will explore what steps can be taken to fight such crime in the future.

SD–342

Governmental Affairs

Investigations Subcommittee

To continue hearings to examine the nature and scope of cross border fraud, focusing on the state of binational U.S.-Canadian law enforcement coordination and cooperation and what steps can be taken to fight such crime in the future.

SD–342

JUNE 20

10 a.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of Housing and Urban Development.

SD-138

SENATE—*Tuesday, May 15, 2001*

The Senate met at 10:32 a.m. and was called to order by the Honorable BILL FRIST, a Senator from the State of Tennessee.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Holy Father, we join with Americans across our land in the celebration of National Police Week. We gratefully remember those who lost their lives in the line of duty. Particularly, we honor the memory of our own officers in the United States Capitol Police: Sergeant Christopher Eney on August 24, 1984, Officer Jacob Chestnut and Detective John W. Gibson on July 24, 1998. Thank You for their valor and heroism. Continue to bless their families as they endure the loss of these fine men.

May this be a time for all of us in the Senate family to express our profound appreciation for all of the police officers and detectives who serve here in the Senate. They do so much to maintain safety and order, knowing that, at any moment, their lives may be in danger. Help us to put our gratitude into words and actions of affirmation. May we take no one for granted.

Now we dedicate this day to You. Bless the Senators as they confront issues with Your divinely endowed wisdom and vision. Through our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable BILL FRIST led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 15, 2001.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable BILL FRIST, a Senator from the State of Tennessee, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. FRIST thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. ENSIGN. Mr. President, today the Senate will immediately resume consideration of the Murray amendment regarding class size. Under the order, there will be 2 hours of debate on the amendment prior to the 12:30 recess. When the Senate reconvenes at 2:15 p.m., there will be 5 minutes for final remarks on the Murray amendment with a vote to occur at 2:20 p.m. Following the vote, the Senate will continue consideration of amendments to the education bill. Rollcall votes are expected throughout the day.

I thank my colleagues for their attention.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

BETTER EDUCATION FOR STUDENTS AND TEACHERS ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 1, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965.

Pending:

Jeffords amendment No. 358, in the nature of a substitute.

Kennedy (for Murray) amendment No. 378 (to amendment No. 358), to provide for class size reduction programs.

Kennedy (for Dodd) amendment No. 382 (to amendment No. 358), to remove the 21st century community learning center program from the list of programs covered by performance agreements.

Biden amendment No. 386 (to amendment No. 358), to establish school-based partnerships between local law enforcement agencies and local school systems, by providing school resource officers who operate in and around elementary and secondary schools.

Voinovich amendment No. 389 (to amendment No. 358), to modify provisions relating to State applications and plans and school improvement to provide for the input of the Governor of the State involved.

Carnahan amendment No. 374 (to amendment No. 358), to improve the quality of education in our Nation's classrooms.

Reed amendment No. 425 (to amendment No. 358), to revise provisions regarding the Reading First Program.

Leahy (for Hatch) amendment No. 424 (to amendment No. 358), to provide for the establishment of additional Boys and Girls Clubs of America.

Helms amendment No. 574 (to amendment No. 358), to prohibit the use of Federal funds by any State or local educational agency or school that discriminates against the Boy Scouts of America in providing equal access to school premises or facilities.

Helms amendment No. 648 (to amendment No. 574), in the nature of a substitute.

Dorgan amendment No. 640 (to amendment No. 358), expressing the sense of the Senate that there should be established a joint committee of the Senate and House of Representatives to investigate the rapidly increasing energy prices across the country and to determine what is causing the increases.

Wellstone/Feingold amendment No. 465 (to amendment No. 358), to improve the provisions relating to assessment completion bonuses.

Voinovich amendment No. 443 (to amendment No. 358), to amend the Higher Education Act of 1965 to extend loan forgiveness for certain loans to Head Start teachers.

The PRESIDING OFFICER (Mr. ENSIGN). Under the previous order, the Senate will now resume consideration of the Murray amendment No. 378 under which there will be 120 minutes equally divided.

Who yields time?

The Senator from Washington.

Mr. FRIST. Mr. President, I would like to yield myself about 15 minutes. It can go either way.

Mrs. MURRAY. If the Senator from Tennessee wants to begin, that is OK. I will go after the Senator finishes.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

AMENDMENT NO. 378

Mr. FRIST. Mr. President, I yield myself 15 minutes.

I rise to speak to the underlying amendment about which we will be talking over the course of the morning and on which we will be voting on this afternoon shortly after 2 o'clock. It is a very important amendment, one which we talked about over the last several days—in fact, into last week—an amendment that deserves this time, that deserves the debate, that deserves the discussion that has been put forth.

I say that because it really does strike, I believe, at a fundamental principle that distinguishes much of the debate around education today. It strikes right at the heart of an understanding of what is in the underlying bill as well as in the amendment which is being proposed to that bill.

The principle is one of freedom, and we feel very strongly that local communities, local needs, must dictate what we do here in Washington, through our Federal legislation. We feel strongly that Washington must give local communities—schools, school districts—the opportunity to identify their particular needs or deficiencies. And, yes, it takes testing in many ways to identify the different types of students—that is in the underlying bill. But we must also identify needs such as number of teachers, teacher quality, classroom size, the environment in which the teacher-pupil relationship is cultivated and maximized so achievement is boosted to the largest degree possible. And it really does, to my mind, boil down to freedom, the freedom, the flexibility, the opportunity to identify those local needs and to satisfy them as they see fit at the local level.

Again, it goes to the heart of much of what is in this bill because there are disparities all over the country, and the degree of education success is, in part, dependent on location. That needs to be addressed. And I think it is best addressed at the local level. That is what we would like to do, and that is what is in the underlying bill.

In the bill—and again I encourage our colleagues to go and look at what is in the underlying bill—we try to allow school districts to have that choice, to use the resources available either for class size or for teacher development, professional development, again focusing on what goes on in that classroom between that teacher and that student.

The goal is to boost student achievement. What is needed in Alamo, TN, might be different than what is needed in Manhattan, or the Bronx, or down in Fort Lauderdale, FL. One school might need class size reduction if the classes are very large in certain subjects. Another school might need a better and higher quality teacher in that classroom.

The underlying bill takes those two components of teacher quality and class size, pools those resources, and says to local communities and to local school districts: You choose as to which of those areas you need to apply those resources to boost student achievement.

I think it is very important because class size in some cases can be very important. We all know that. If you happen to be in a State or a community where class size is very large in certain subjects, I think it is very important that class size be reduced. Other parts of the country might have already reduced class size down to an appropriate level, in their judgement, and they prefer the freedom to use that class size reduction money, and teacher development money, to recruit teachers or attract teachers by paying them more, or by encouraging their professional development.

What we want to do is give local school districts the freedom to spend the money in a way that they believe will best increase student achievement. School districts should have the flexibility to decide whether to use that money for class size or for teacher development. That is very simple. That is what we have heard laid out in the bill. It is very important for people to understand that it is that flexibility, that local identification of need, that principle, on which we are voting at 2:20 today. We fundamentally believe school districts should be given maximum freedom and flexibility as to how they use those funds.

Again, it is important to understand the underlying bill. Basically, we pool these resources from class size reduction and teacher development and put them together. We give that local school district the opportunity to use them in the best way they see fit.

Over the last several days we have talked a lot about cost effectiveness of our education dollars to get the very best bang for the buck, the very best outcome and achievement for the dollars invested. When you look at it that way, in terms of cost effectiveness of the dollars being invested in education, that is what we are doing in the underlying bill. We are becoming not education spenders but education investors by investing in the system and investing in that flexibility and local control.

For every dollar invested, it is important to look at what sort of outcome you achieve. If we say school districts shouldn't be forced to downsize classes, and recognize that some have downsized the class size already, then you can ask how effective is each of those dollars invested in terms of cost effectiveness.

It is interesting, if you go back and look at the studies which examine at all sorts of different and independent variables regarding boosting student achievement, class size does not come at the top or even in the middle but further down on that list. In fact, in many of these studies, it is the least effective reform, but it is coupled with the very highest price tag. So in terms of dollars invested, the effect is it falls to the lower end of those scales.

Studies have found that class size can be among the least effective educational investment, especially when you compare it to something like teacher education or teacher development—providing teachers with the resources they need to become better teachers, or to become better educated, for example, to become a real specialist in the field they are teaching.

Again, I don't want to overplay this because I, for one, think class size is an important variable, but I think it is important to recognize that is addressed in the underlying bill. The resources are there. We are simply saying to give the local community the flexibility to use those dollars in a way that gives the biggest bang for the buck invested.

What is the No. 1 variable in many of these studies? If you look outside of parental involvement, which again we encourage in the underlying bill, it is to have a highly qualified teacher in the classroom—not the size of the classroom but a highly qualified teacher.

One recent study conducted at the University of Rochester examined more than 300 studies on the impact of class size reduction and found that it is the quality of the teacher which is much more important than the absolute class size. The National Commission on Teaching & America's Future found that teacher education is five times as effective for each dollar invested as is class size.

All of us can remember our own teachers when we were young and the impact that a high-quality teacher has in the classroom. It is a lasting impact. A smaller classroom has an effect—a here and now effect—but it doesn't have the lasting effect that a highly qualified teacher does in the classroom.

A study done in Tennessee found that the impact of a high-quality teacher continues for at least two years after the student has left that teacher.

Bill Saunders, who has been quoted again and again on this floor, determined that the percentile difference between the student who has 3 years of high-quality teaching versus 3 years of poor quality teaching could mean the difference between a student that is enrolled in a remedial class versus an honors class—again, underscoring the critical importance of not just having more teachers in the classroom but having high-quality teachers in the classroom.

Over the last week or so we have talked a lot about the shortage of high-quality teachers. The fact is that more than 25 percent of new teachers enter our Nation's schools poorly qualified to teach.

We talked a little bit about the studies that have shown that mastery in a subject area is the most tangible teacher quality. When you look at that measure, we are simply not doing as good a job as we should.

Many teachers either lack a major or minor in the subject they are teaching. Fifty-six percent of physics and chemistry teachers lack a major or a minor. Thirty-four percent of English teaches lack a major or minor. And 34 percent of math teachers lack a major or minor.

It is important for people to understand that compulsory class size—focusing just on class size—can exacerbate the problem of having a shortage of high quality teachers.

Over the past week, we talked about a little bit about California's experiment with compulsory class size. It led to many credentialed teachers coming into the classroom. It led to underqualified teachers, and an increase in teacher aides rather than teachers in the classroom—all providing direct instruction to students. This hit especially hard in the underserved areas in inner-city schools, and in rural schools.

Where is the impact? I think the impact of declining teacher quality has been greatest in low-income schools, if you look at the studies altogether. That is where the percentage of qualified teachers has dropped nationwide—but specifically in the California studies.

The third point that I would like to make is that there is no need today for compulsory class size reduction. Again, it comes back to this opportunity of freedom to choose class size reduction, if you want, or to spend those moneys on training teachers.

I mentioned that it is important to understand what is in the underlying bill. In the bill we have combined professional development with class size money. Teacher quality and teacher recruitment varies from community to community. It varies from district to district. We want to have that right balance between class size and having a good high quality teacher in the room. That is why we chose to pool those two resources together and allow that local school and that local school district to choose either a combination of both of those, or one versus the other.

The underlying bill permits school districts to use Federal dollars to recruit high-quality teachers.

The underlying bill supports school efforts to establish incentive programs such as differential pay to attract, hire and keep highly qualified and knowledgeable teachers.

The underlying bill contains specific provisions for recruitment. It supports efforts to recruit individuals who have careers outside of teaching but whose life experience provide a solid foundation for teaching.

The underlying bill also looks at the issue of class size, support schools in hiring teachers, reduce class size, if they so desire it, and to address the teacher shortages in particular grades in subject areas.

The underlying bill addresses the issue of teacher development and promoting teacher reforms, including mentoring and master teachers.

The underlying bill looks at issues, such as alternative credentialing programs.

The underlying bill addresses teacher opportunity payments, allowing funds to go directly to teachers so they can choose their own professional development.

In conclusion, I want to make it very clear from at least my standpoint, and on our side of the aisle, that we are not opposed to class size reduction. Again, I for one think that an appropriate class size and appropriate ratios, depending on where you are in the subject matter, is important. I point out, many areas in many regions have already addressed this particular issue. Secondly, the underlying bill permits States and school districts to use those pooled Federal funds in the best way they see fit.

We increase the number of high-quality teachers by promoting innovative teacher reforms, including alternative certification, merit pay, and the list I just mentioned.

I urge my colleagues to defeat the Murray amendment. Again, it will be a very important vote that we take at 2:20 today because I think it does move us in the wrong direction: less choice, less freedom for our local communities, less flexibility, and less attention to local needs.

Mr. President, I urge my colleagues to vote against the amendment later today and look forward to participating in the debate as we go forward.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, today I rise, once again, to urge my colleagues to continue our commitment to help our schools reduce classroom overcrowding.

Before I begin, I ask unanimous consent that the following Senators be added as cosponsors to my amendment: Senators LEVIN, MIKULSKI, and SCHUMER.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. MURRAY. Mr. President, we all want to improve education. In the last few years we have made a lot of progress. In fact, thanks to our commitment at the Federal level, local schools have now hired about 34,000 new highly qualified teachers.

Because of our investment over the last 3 years, almost 2 million students are learning in less crowded classrooms today. That is because of the Federal commitment we have had. Those kids are learning the basics. They have fewer distractions and fewer discipline problems. Isn't that what we want for all of our kids?

Over the last 3 years we have done the responsible thing by supporting what works. But the underlying bill, despite the rhetoric you have just heard, takes a very different approach. It breaks our commitment to investing in smaller classes. I can tell you as a parent, as a former educator, and as a former school board member, it is the wrong way to go. We should be building on our progress. That is why I am offering this amendment today.

In just a few hours we are going to vote on this amendment. So I want to talk about some of the arguments we have heard throughout the debate last week and today and probably we will hear more of today.

First, we have heard that smaller classes do not really make a difference. Let me tell you, any parent or any teacher knows better. The first questions parents ask their kids when they come home from school on the first day in September are: Who is your teacher? And how many kids are in your classroom? Parents know it makes a difference on how many kids are in that classroom as to whether their child is going to have a successful year or not.

It is not just parents and it is not just teachers. Research, over and over again, has shown us that smaller classes help children succeed. The Tennessee Project STAR—Student/Teacher Achievement Ratio—study has consistently demonstrated that reducing class sizes in K–3 to 13 to 17 students significantly increases children's reading and mathematics scores. And the biggest gains have been found for poor and minority students—those children who are most in danger of being left behind.

Studies have shown that the children in those smaller classes in the early grades were: More likely to take college entrance exams, more likely to finish high school, more likely to enroll in college, less likely to become teen parents, and less likely to go to jail.

In the last month two new studies that have been released interpreting the STAR study have concluded that smaller classes produce significant benefits. One joint study by researchers from Tennessee State University and the University of Chicago found significant increases in ninth grade math test scores among students who had spent their early grades in smaller classes, with the gains even more pronounced among minority students.

Robert Reichardt, a researcher with Mid-continent Research for Education and Learning, concluded in yet another study that class size reduction "provides policymakers with a direct lever for influencing classrooms" and is one of a few policies that "offer such immediate concrete effects."

As in Project STAR, students participating in Wisconsin's SAGE class-size reduction effort outperformed their counterparts in larger classrooms on standardized tests.

Again, as in the other studies, these benefits were strongest among African American students who had larger gains than their white counterparts.

So not only can smaller class size help raise student achievement overall, but reduced class size may be an especially effective measure for closing the "achievement gap" between black students and white students.

Let me turn to a second argument we have heard. I keep hearing that Federal money should not be targeted for a specific purpose such as making classrooms less crowded.

I remind all of my colleagues that in this underlying bill we have targeted money for many causes, including reading, technology, afterschool programs, school safety, and charter schools and magnet schools.

In fact, there are more than 20 targeted funding streams in the underlying bill.

If targeted funding were really the problem, and why we should vote against this amendment, then those who vote against my class size amendment ought to vote against the entire bill.

Some have said we should just let school boards choose how to use this money. But that really ignores the realities local school boards face. I served on a local school board. I know what it is like to try to set aside money to hire new teachers for the foreseeable future when you do not even know if a school bond is going to pass next month. That is one of the reasons it is so hard for local schools to hire new teachers to reduce overcrowding on their own.

Fortunately, because of the work we have done in the last 3 years, today they are not on their own. They have a Federal partner to help them make that critical investment. We need to continue that commitment.

The truth is, the underlying bill would pit two key elements of good schools against one another: Small classes and good teachers. Under this bill, any dollar that local schools decide to spend on smaller classes comes at the expense of a dollar spent on teacher quality. We should not make our schools choose between two priorities that are important; we should fund both.

This kind of "false flexibility" that we see in this underlying bill would be unacceptable in most other arenas. Do we make our military choose between weapons and training? Of course not. We know both are necessary to protect our Nation. Do we make a sick patient choose between food and medicine? Of course not, because we know both are necessary.

Why then, in this underlying bill, are we forcing our schools to choose between high-quality teachers and smaller classes when we know both are necessary to help our children learn?

In their zeal to assail small classes, some people have even claimed that a good teacher is more important than a small class size. Let me say this as clearly as I can: Small classes and good teachers are both important. The importance of funding teacher quality should not crowd out funding for other important reforms such as smaller classes.

I also point out that smaller classes can help us recruit and retain good teachers. One of the main reasons that teachers leave the classroom is job dissatisfaction. The truth is, we are losing a lot of teachers very early in their careers. After 1 year of teaching, we lose 11 percent of our new teachers; after 2 years, we lose 21 percent of them; and after 5 years, it is now up to 39 percent.

Why are we losing teachers out of our classrooms? Studies have shown that one of the main reasons is job dissatisfaction. One of the main causes of job dissatisfaction: Overcrowded classes. Another top complaint: Student discipline. We know there are fewer discipline problems in smaller classes. We need to keep good teachers in our classrooms. That means we ought to invest in teacher quality. But it also means we should reduce overcrowding to encourage more good teachers to stay in our classrooms and give their students their best.

This is not just about statistics. The other day in this Chamber I read an excerpt from a letter sent to me by an award-winning teacher from Pullman, WA. Kristi wrote to me that she is very frustrated. Every day she tries to give her students her best, but with large classes that is getting harder and harder. Kristi is a great teacher. She is a national award-winning teacher.

She is asking us to help her be the kind of "high-quality" teacher we say we want for every child by giving her a class small enough for every child to get the attention they need.

Dedicated teachers such as Kristi spend their lives helping our children to learn. We reward them with working conditions that none of us would tolerate.

Fourth, some on the other side have said we should focus our reform efforts on testing and accountability. The truth is that this amendment is even more essential because of the testing and accountability provisions in the underlying bill. This bill could punish students for failing tests, but it does not give them the tools they need to pass those tests.

Implying that testing is some kind of magic bullet that will somehow turn around low-performing schools is simplistic. The truth is far more complex. Testing is just one of many tools, and it is useless by itself. Tests can identify problems but without the support to solve those problems, tests have little value. Tests alone cannot improve a student's achievement, but give that student a smaller class and a good teacher, and the sky is not even a limit for his or her potential success.

I want all of us to think about that. No test is going to help a student learn to read or learn to write or learn to add. A smaller class and a qualified teacher will.

We can take a classroom of students and give them tests every day for 10 years, and those kids won't do better unless they have a qualified teacher in a classroom that is not overcrowded, where they get the individual attention they need to learn.

Let's make sure we give those kids the tools they need to pass the test, not just to take the test. Let's invest in what works. Our schools are facing bigger challenges than they ever have before. They are educating more students, and more students with special challenges are filling our classrooms such as children with limited English proficiency and disabilities. They are educating them to meet higher standards and succeed in an increasingly complex world.

We know many schools need to do a better job. Schools need to be held accountable and teachers need to be held accountable. But in Congress, we must also be held accountable for meeting our responsibilities as a Federal partner to our schools. Believe me, if we pass this bill without guaranteed funding for things such as smaller classes and with huge unfunded testing mandates, we will be held accountable.

Finally, I will mention something we did not hear from the other side but is at the heart of what is going on in the bill. We did not hear this new funding scheme that is in the underlying bill described as a block grant. That is exactly what it is. The reason it is not called a block grant is because parents know that block grants offer less accountability, less focus on things that work, and in the end less funding. So instead of calling it a block grant, they now call it "a funding pool."

Parents don't want pools of funding. They want commonsense investments that make a difference, such as smaller classes and decent facilities. We have heard a lot of excuses. We have heard a lot of rhetoric. The only thing that will matter when this debate is done is how the students in Kristi's classrooms and thousands of classrooms across our country do next year.

I have shown my colleagues why the arguments that have been raised don't hold up. I close by mentioning some of the reasons we should target these dollars to smaller classes.

Parents know better than to believe the false rhetoric about smaller classes not helping children learn. Smaller classes result in more individual attention for students and better student performance on assessments. They produce long-lasting academic benefits such as lower dropout rates and more students taking college entrance exams and long-lasting social benefits such as less teen pregnancy and incarceration. Rhetoric about choice and flexibility will not go very far when parents ask us why class sizes went back up. The reasons we need a guaranteed funding stream for class size reduction are clear.

In closing, I urge my colleagues to invest in the things that work. As local schools across the country try to make progress in the face of growing challenges, let's give them the tools they need to succeed.

Mr. NELSON of Florida. Mr. President, will the Senator from Washington yield?

Mr. KENNEDY. Mr. President, I yield 5 minutes to the Senator from Florida.

The PRESIDING OFFICER (Mr. ENZI). The Senator from Florida is recognized.

Mr. NELSON of Florida. I thank the ranking member for the time.

I compliment the Senator from Washington on her amendment and for the tremendous insight she brings, as someone who has participated on a school board, as a mom, who understands education from the grassroots.

As the Senator from Washington was talking, I couldn't help but think, I don't get to go to the movies very much, but there was one movie about 2 years ago named "October Sky" that I saw. It was about a coal mining town in West Virginia and how the escape for those young people in school from a life of coal mining was only through the avenue of a dedicated teacher who ignited their little minds.

In this particular case, they were called the rocket boys. They went out and built miniature rockets, won the State science fair, got the college scholarships; and were able to go to college. It is based on a true story about one of those rocket boys who went on to become a very accomplished NASA engineer.

It popped into my mind because of what the Senator was saying about the importance of the teacher and the teacher being able to interrelate with the children in that classroom. If it is a classroom of 50 or 60 children, that personal attention, that interaction just isn't going to occur.

How many studies do we have to undertake to understand that when class size is reduced, particularly in the formative years of kindergarten through the third grade, it shows up in spades later on in life by the child's ability to accomplish and succeed.

The Senator's amendment is so clear. This is like voting against motherhood. I can't imagine anybody would not be supporting this amendment. We have already had 2 years of experience with this program. It clearly has started to work. The Senator wants to extend this program for another 5 years for a total program of 7 years.

If I went to my State and asked the average citizen on the street: Do you want to lower class size by hiring more teachers over a 7-year period, to have the Federal Government invest more by hiring 100,000 teachers, I would get an almost unanimous response.

I add my voice of appreciation to the Senator from Washington for her wonderful commentary and for her very insightful amendment.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield myself 10 minutes off the bill on the amendment.

I commend the Senator from Washington, Mrs. MURRAY, for bringing this measure back to the Chamber, urging the Senate to support an amendment which will make available to school districts the additional funding for smaller class sizes with a particular emphasis on K–3 classrooms.

Senator MURRAY brings a unique and special credibility to this issue as someone who has been an active school board member and also someone who has been a first grade school teacher. Although she didn't review that experience with us this morning, I think all of us who have listened to her make this presentation and fight for this program remember clearly the very compelling case that she has made.

I think it still echoes in my ears about the schoolteachers who are in the classes with 30 children, trying to deal with all of their particular names and needs, as compared to a teacher in a smaller class of 15, 13 children, where she is able to spend the time to give the individual kind of attention to the child, and particularly that child who may have some very special needs on that particular day. It is translated into helping and assisting children in the earliest grades to be able to develop their interests and their awareness in terms of education and reflects itself in terms of an enhancement in their academic achievement and accomplishment.

Now there has been some suggestion on the floor of the Senate that this is not effective, that the studies indicate this is not effective, that it is one of the least desirable reforms. I hope those who maintain that position will at least be good enough to illustrate what studies they were referring to, because I am going to give three practical studies that are compelling information and make a compelling case in support of the Murray amendment. They are overwhelming. And you don't have to go back years to look at the results of the studies, all you have to do is look at the front page of the newspapers here Tuesday of last week:

> Prince Georges' Test Scores Show Best Gains Ever.

Then you read down through this:

> Prince Georges County students posted their highest gains ever on a key standardized test used to gauge how local children measure up to their peers nationally, according to the results released.

Then the school superintendent, when asked about what the principal contributors were in moving the children along in this direction:

> [She] said she hoped that county and State leaders would see the test scores as proof that the county is serious about improving academic achievement and that they would reward it with more funding to reduce class size.

There it is. Results. Reduce class size. We reject this idea that you have to make a choice between well-qualified teachers in the classroom and smaller class size. The Murray amendment says we can do both. That is our position, that we can do both.

With all respect to our colleagues on the other side, the ones who have been addressing this issue voted against getting an allocation of resources in our committee toward having well-qualified, well-trained teachers with professional development and mentoring. As many of us tried to say, let's make sure we are going to provide that, and that was rejected in our committee. Now, in some kind of an attempt to defeat the Murray amendment, they say the No. 1 question is: Are we going to have a well-trained teacher in every class?

We are for it. The Senate voted in favor of it, with a strong bipartisan vote to expand that last week. What we are also saying is we want to have a well-trained teacher in the class with professional development and mentoring programs, but we also want the smaller class size, as has been done here every time we have reviewed this amendment. All we have to do is look at the results.

I think what would be useful is, rather than speculating perhaps what each Member believes is best in the local community, to look at what is happening out in the country and what the results are. Maybe we can benefit from what is happening when we have results. That is what we have.

In the STAR program in the State of Tennessee, April 29, 1999, report, it says:

> The original STAR research tracked the progress of an average of 6,500 students each year in 79 schools between 1985 and 1989 (and 11,600 students overall). It found that children who attended small classes (13–17 pupils per teacher) in kindergarten through grade 3 outperformed students in larger class sizes (22–25 pupils) in both reading and math on the Stanford Achievement Tests for elementary students. The second phase of the STAR research found that even after returning to larger classes in grade 4, STAR's small class students continued to outperform their peers who had been in larger class sizes.

That is what we have, Mr. President. The study goes on and shows that students in smaller class sizes are more likely to pursue college, small classes lead to higher graduation rates, students in small classes achieve at higher levels, and the list goes on. That is Tennessee, 6,500 students.

We can go to what took place from 1996 up to the year 2000 in the State of Wisconsin, the SAGE Program. The exact same results—30 schools, 21 school districts. When adjusted for preexisting differences in academic achievement, attendance, and socioeconomic status, the SAGE students showed significant improvement over their comparison school counterparts from the beginning of the first grade to the end of the third grade across all academic areas. The charts go through there.

We can take the Rand study. That is not known to be a flaming liberal or Democratic organization—the Rand Corporation. Here they examine smaller class sizes in California —more than 1.8 million students. This is their conclusion:

> Smaller class sizes with certified teachers—

That is what we stand for. We have the certified teachers with the authorizations we passed last week in a bipartisan way. But also we haven't got the guarantee that there will be resources in here for the smaller class sizes. Here is the Rand study that was just produced in July of last year:

> Smaller class sizes with certified teachers have the greatest benefit for the neediest students.

Why not do both? That is what the Senator from Washington is saying. Why don't we do both? We are doing the well-qualified teachers. Why not do smaller class sizes? Why be in the situation? We have to make a choice. We know what is working. Let's give that option to the local communities. That is what the Murray amendment does.

Here it is:

> Smaller class sizes with certified teachers have the greatest benefit for the neediest students. Evaluation shows that those students in the most disadvantaged schools were most likely to be in larger classes, or have less-qualified teachers. Students in smaller classes still outperformed their peers in larger classes, even with less-qualified teachers. These students could be performing even better if all children in these schools had fully qualified teachers and smaller class sizes.

That is the Rand Corporation. If we want to try to do something to help children in local communities, let's take the best in terms of studies. Let's take the best in practical experience. Let's take the best in terms of our own intuition and understanding about a schoolteacher in a classroom where they are familiar with the children and can spend the time with the children versus in a larger classroom. That is what this is really all about.

Finally, I want to read this. I have other examples. In Fayetteville, AR, there is a wonderful story about a rural school that took advantage of the Murray amendment, because although we are resisted on the floor of the Senate by our Republican friends, in the past we were able to, under the leadership of Senator MURRAY and President Clinton, have an effective program that is currently working, and one we want to keep.

Let me just read a very brief letter from a student at the Richmond Elementary School from Narragansett, RI. I think it could have been from any number of children. This is from Marieke Spresser:

> If I were in a smaller class, I would do more projects. I could talk more with my teacher about school. I could read more in my book packets. I could have more time for centers. I could have more time for snacks. I could ask more questions. I could talk more with my friends. The coat room would not be so messy and we would not waste the time looking for something. The line would not be so long.

My colleagues get the sense from this student. Even though there are references about other activities, my colleagues have an understanding, which the children have, that should not be lost as well. If we are talking about developing a legislative initiative that is going to present the best we possibly can to local communities, let them make their choice; let them make the decision. They are the ones who are going to ultimately make the request.

There is nothing mandatory in here, but let us at least pass legislation that reflects the best of educators and practical experience. The Murray amendment does that in spades. It is a compelling case. It should be accepted, and I hope it will be.

My colleague, the Senator from New York has arrived. The Senator from Washington can yield time to our colleague.

Mrs. MURRAY. Mr. President, I yield 5 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York.

Mrs. CLINTON. Mr. President, I thank the Senator from Washington. I rise to express my very strong support for Senator MURRAY's class size reduction amendment.

I have been in this Chamber several times in the last weeks talking about class size and have shown numerous pictures of conditions in the classes in the schools in New York. I have listened to the extraordinary description of other colleagues as to what their students and teachers face day in and day out because of overcrowded classrooms.

I know we will be making decisions that determine the opportunities for our educational achievement for our students for years to come when we vote on this amendment and on the bill of which I hope it will be a part.

I have to reiterate several points and call on my colleagues on both sides of the aisle to look at the evidence. I do believe sometimes in Washington we live in an evidence-free zone. It does not matter who comes up with whatever scientific research or evidence. If it runs against any particular political point of view, it is not given the seriousness it deserves.

I do not see how we can turn our backs on the evidence that we have from study after study that lower class size, when it comes to teaching children from disadvantaged backgrounds, makes all the difference.

Sometimes my colleagues say: But there are schools that do a good job with more students, and I remember when I was in school and we had a lot of students.

I can remember that, too. I started school when we had three television networks. I can remember when we had more two-parent families. I can remember when we did not have all of the social and cultural interference with raising children that we now face.

The fact is, we have to take our kids where they are today, and many of them today are coming from situations where they need more attention, more adult time, more discipline, more guidance in order to be academically successful.

We are turning our backs not only on the research which points that out time and again but on these children. I hope my colleagues who have not seen fit to support this amendment will reconsider it. It is not too late to cast a vote for the kinds of classrooms where teachers can teach and children can learn.

If you look at our big States with big cities—and I know New York has obviously a special set of issues because of the size of our school district in New York City, but it is not unique. In Pennsylvania, for example, the average class size in Philadelphia is 30 children per class. In Pittsburgh, it is 25 children per class. In Chicago, it averages 28. In Georgia, it averages 32.

This is not an issue for just Senators or teachers or school board members to be concerned about in debate. Much of the attention I have seen focused on this comes from parents who know their children are not getting academic assistance they need to do the best they can do.

There is a woman in New York whom I commend who started a grassroots parents organization called Class Size Matters. She began to form networks of parents around the country who know because they have seen with their own eyes and their experience of their children, that class size matters.

In Pennsylvania alone, this Class Size Matters network got 1,700 parents to sign a petition in just 2 days, urging the Senate to vote in favor of class size reductions.

I have heard from parents throughout New York who tell me in great detail how crowded their classrooms are and how they need help. This does not interfere with flexibility. This does not take anything away from the local school districts determining priorities, but it does give additional help and resources to those districts and those parents who know that unless we get those class sizes down, their children will not learn to the extent they should do so.

I also regret deeply that if we do not adopt this amendment, we will be stopping the progress we have made.

New York State has hired to date 2,600 teachers and has 700 more all ready to be hired. This will stop that hiring, and we know from the 2,600 we have already hired what a difference it makes in the classrooms of New York.

I believe that without dedicated funding for reducing class sizes, our hardest pressed, most needy districts will not receive the dollars they need to reduce the classes.

Mr. President, I urge my colleagues to stand behind our children, our parents, our teachers and reduce the size of our classes and adopt Senator MURRAY's amendment.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mrs. MURRAY. How much time does the Senator from Michigan wish?

Ms. STABENOW. Five minutes.

Mrs. MURRAY. I yield 5 minutes to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 5 minutes.

Ms. STABENOW. Mr. President, I commend my colleague from Washington State who has been such a stalwart on this commonsense issue. If you were to ask anyone in the public whether it makes sense to have smaller class size so that our children can receive the attention they need from the teacher and have the opportunity to interact in the classroom and maximum opportunity to learn in the classroom, everyone would look at you and say: Well, of course, that ought to be a priority.

We have been able to back up the commonsense nature of this ideal with numerous studies that have been talked about by my colleagues today about what has happened around the country and the difference smaller class size makes.

I want to share with my colleagues what is happening in my great State of Michigan. I have a colleague, a former State senate colleague, Senator Joe Conroy, who is the Senator MURRAY of Michigan. For years he has been speaking about the importance of lowering the number of children in a classroom and how critical that is to teaching. He has been bringing those studies to Michigan, and Michigan finally took action in 1996.

For the 1996–1997 school year, thanks to Senator Conroy, Michigan created a pilot project in Flint, MI, to focus on grades 1–3 and to create a 17-student-per-teacher classroom, a ratio of 17 children to 1 teacher in the high-risk schools.

They found it was so successful after 3 years that the State of Michigan has begun to look for ways to expand that and has now expanded a classroom project to lower class size to 26 different districts in Michigan.

That is the good news. They found in Flint that, in fact, it made a difference that children's performance in reading and math increased dramatically. They are now looking for ways to bring that to children all across Michigan. But the challenge is that there are over 500 districts, and the State has been able to expand to 26 districts, but they need our partnership. They need this Murray amendment. Our children in Michigan need to know that we in Washington understand the critical importance of partnering with the States to lower class size so that our teachers can teach and our children can learn.

We have heard the numbers. We have heard about national studies. Let me just add an analysis of a Texas program that used data from 800 school districts containing more than 2.4 million children. They found that as the number of children in a classroom went up above 18 students per 1 teacher, student achievement fell dramatically. So the more children in the classroom, the lower the achievement.

We have seen study after study that has shown this. We have the opportunity in the Senate to show that we have responded to the common sense and the studies that have indicated very clearly the direction in which we should move as we look at improving education for our children.

I support having strong standards, high standards, and I commend colleagues on both sides of the aisle for initiatives that relate to accountability. But if we do not also provide the opportunity for children to learn in small classes, if we do not also focus on recruiting more certified teachers, and make sure there are an appropriate number of classrooms and they are modernized so the tools are there, we are only doing half the job.

I urge my colleagues to support the Murray amendment. It has made a difference. It will make a difference. The efforts that we have seen in Flint, MI, and now expanded across Michigan, have demonstrated very dramatically that if a teacher is able to spend the time in a classroom—and the ideal number we found in Michigan is 17 to 18 children per classroom—if you are able to do that, if that teacher has the opportunity to spend time with children in a small class, we know reading scores go up, math scores go up, and student performance goes up in general. We also know that classroom is more safe; there is a better opportunity in general for children to be in safe, quality schools when we focus on small class size.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mrs. MURRAY. Mr. President, I ask how much time remains on our side?

The PRESIDING OFFICER. The Senator has 16 minutes.

Mrs. MURRAY. How much remains on the other side?

The PRESIDING OFFICER. The Senator from New Hampshire has 43 minutes.

Mrs. MURRAY. I ask the Senator from New Hampshire when he intends to use his time? Mr. President, we have 16 minutes on our side and 43 minutes on the other side. If I could just inquire when the other side intends to use their time?

Mr. GREGG. I believe the Senator from Minnesota wished to speak. We will proceed after the Senator from Minnesota.

Mrs. MURRAY. I yield 5 minutes to my colleague from Minnesota.

Mr. WELLSTONE. Mr. President, I will just take 3 minutes because I want to give the Senator from Washington as much time as possible.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Senator from Michigan for her response. I ask unanimous consent I be included as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, I heard the Senator from Florida state to the Senator from Washington he appreciated her grassroots perspective. I do as well. I didn't serve on a school board. I wish I had. I keep calling on people in Minnesota to please run for the school board. We desperately need good leadership on our school boards. There is no more important issue and there is no more important public service.

I certainly agree with what the Senator from Michigan has said. The only thing I would add to this debate is, while I didn't serve on a school board, I have averaged being in a school every 2 weeks for the last 10½ years. I love to teach. I was a college teacher. I was in Woodbury High School yesterday. I love being in schools. Almost every time now in the last year or so we have gotten into discussions about education, I pretty much ask students: What do you think makes for a good education? Where do you think the gaps are? What works well? what does not? Why?

Really, over and over again the first of two things students talk about is good teachers. When they talk about good teachers, they never then define good teachers as teachers who teach to worksheets. They are not talking about drill education. They are talking about teachers who fire their imagination, get them to relate themselves personally in relation to the material that is being discussed. Also you hear about smaller class size.

I agree certainly with the little ones, under 4 feet tall, it is critically important. But I frankly think it goes all the way through high school. When you ask students to talk about why, it is just a no-brainer to them.

They say the good teachers are the teachers who get to know us, who can interact with us and can really support us, and they are much better able to do that when there is a smaller class size.

I am a proud Jewish father. My daughter is a great teacher. Next year, the school in which she is teaching will have to lay off 40 teachers for many reasons, including an awful State budget. She will have 50 students in her Spanish class. It is hard to get to know them well and give them the help they need.

Maybe this is the best way I can support this amendment. She said she kept the parents around the night of the parent/teacher conference and had them all crammed into the classroom. She sat them all down and said this year she has 40. She said: Next year, there will be 10 more. That means your child will get 1 minute.

If you think about a class, and they were all sitting there, thinking: This doesn't work very well, does it?

It does not. At the national level, the one thing we can say is there are certain priorities we have, and there is a certain commitment we make to all children wherever they live. We at the Senate say we know good teachers and small class size are important, so we make this commitment in our education legislation. Therefore, I am proud to support your amendment. I certainly hope it will be agreed to in the Senate.

I have no doubt that at the grassroots level in all of our States, the people we represent, including the students who maybe cannot even vote, view this as a priority for them.

I yield the floor.

The PRESIDING OFFICER. Who yields time? If no one yields time, time will be charged equally to both sides. The Senator from Washington.

Mrs. MURRAY. Mr. President, how much time do we have on our side?

The PRESIDING OFFICER. The Senator has 11½ minutes.

Mrs. MURRAY. The other side?

The PRESIDING OFFICER. They have 43 minutes.

Mrs. MURRAY. I ask the Senator from New Hampshire when they intend to use their time? Certainly we have several Senators coming to the floor. We would like to use our 11½ minutes. If the other side doesn't want to use their time, we would love to have some of it.

Mr. GREGG. I appreciate the generosity of the Senator from Washington. I yield to the Senator from Alabama 20 minutes.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I appreciate the courtesy of the distinguished Senator from New Hampshire and appreciate his leadership on all issues relating to this education bill. As a former Governor and a person who has been deeply involved in trying to get the best possible advantage from every dollar spent on education, his influence has been very valuable to us in this body. I think President Bush—as a former Governor himself who made education a high priority, who traveled his State and who was in schools and met with school boards and principals all over his State, he wrestled with those kinds of issues that face all educators—also is providing great leadership. I am pleased to be able to support legislation that he proposes.

We deeply care about improving learning in the classroom. My wife and I both have taught. She taught a number of years. We care about it, have been active in the PTA and those kinds of things, and have tried to keep up with the relevant issues of importance to education.

With regard to class size reductions, it would seem that class size reductions is a wonderful idea. I am sure teachers would say: Wouldn't it be great if I had a smaller group of students? And teacher unions like it; they get to hire more teachers. Polling numbers show that people think they like that.

How are you going to improve education? What do you want to do? Poll? Reducing class size. That sounds like a good idea. It sounds like a good idea to me. It sounds like a good idea for politicians who want to please the public and do something about education. I have thought over the years it is a good public policy we ought to pursue.

I do not suggest there is no benefit from reducing the size of the class.

I think we need to be real serious about it. We are talking about a lot of money and a major commitment. We need to know whether or not this is the best way to achieve additional learning.

Senator MURRAY's goal is a noble one. I know it comes from her heart. She believes in it. But her amendment is, in fact, a federal mandate and a $2.4 billion requirement on education for fiscal year 2002 alone. It is in such sums as are necessary for the next 6 years. It would require States to use those funds to reduce class size whether this is, in their mind, a local need or not.

The bill we have under consideration would allow schools to use the already increased Federal funds for class size reduction, but it does not require them to do so. It leaves those decisions in the hands of the States and localities. I think they should make those determinations.

In addition to that, I think we ought to be real careful in this body when we pass an amendment—if we were to pass this amendment—that we would be sending a signal that it is the considered opinion of this body and the Federal Government that class size reduction ought to be made the No. 1 priority in the schools around America. If that were the right thing to do, I would feel more comfortable about this.

Reduction of class size is a highly expensive policy to place on the States. Many researchers have found little or no benefit in reducing class size.

Some would say, JEFF, that is just skinflint talk. You are always frugal. You are always worried about spending money, and you know that we are going to have more learning if we have smaller classes. Why would you suggest otherwise? I thought so myself. But the more I look at the facts and the studies, I am less and less convinced that we receive any real benefit from a reduction in class size.

Professor Hanushek, a professor at the University of Rochester, and now I believe at Stanford University, has written that class size reduction is best thought of as a political decision. Past evidence suggests that it is a very effective mechanism for gaining voter support, even if past evidence also suggests that it is a very ineffective educational policy.

The problem is, we are dealing with a counterintuitive circumstance here. But we weren't thinking this way in 1988. The Department of Education of the United States declared that reducing class size in 1988 was probably a waste of money.

Then we had a series of efforts and programs around the country and campaigns to raise this issue. It seemed to have taken hold.

I would like to mention a few facts that we need to consider if we really want to make sure the money we are spending benefits children.

In 1961, the average class size in America was 30. In 1998, the average class size was 23.

Most Americans who are thinking about reducing class size probably don't realize that the average class size in America is that small. I think we have made some very good progress in reducing class size already. In fact, that is almost a one-third reduction since 1960 in the size of classes.

Unfortunately, we need to ask ourselves what kind of benefit have we received from this one-third reduction, this reducing down to 23 students per classroom. If we look at the standardized test scores over that same period from 1960 to 1998, scores have fallen. They have not gone up.

You say, well, a standardized test is not a perfect evaluation for a lot of complicated reasons. That is true. But most experts who have studied these numbers will tell you they believe fundamentally test scores have not gone up since 1960. I think most would agree they probably have at least declined some.

The NAEP scores of 17-year-olds have been conducted since 1969, and from 1969 to 1995, class size dropped 23 percent. But NAEP scores on academic improvement show that math and reading were level and science and writing declined.

We have a continual decline in classroom size and no improvement in learning scores. I think that is strong evidence when we are talking about these numbers.

Make no mistake. When we reduce a class size by one-third, what have we done? We have required that we hire one-third more teachers. We have required that we build one-third more classrooms; that we will have one-third more insurance to pay for; one-third more maintenance; and one-third more upkeep and all the things that go with operating a school—a tremendous wealth investment in classroom size reduction.

We have had big classroom size reductions, and I have always thought that was great. But we surely haven't had great test score results in recent years.

The question I guess would be, if we have already had a one-third classroom size reduction and no benefit, why do we think further reductions of a significant order are going to be paid for in increased educational return? I think that is the question with which we need to wrestle.

In 1994, Professor Hanushek did a study. He examined 277 studies that have been conducted of the effects of classroom size in America. He took every one of them. He pored through their data and examined it and reached a number of startling conclusions. He published his study. It showed that in statistically significant studies 15 percent of the studies found some positive benefit from reducing classroom size and 13 percent found a negative benefit from reducing classroom size—negative, adverse consequences from reducing classroom size. Seventy-two percent were basically neutral and didn't show any effect. If you took all the studies, it was 27 percent positive and 25 percent negative.

Mr. KENNEDY. Mr. President, will the Senator yield for a question?

Mr. SESSIONS. Yes.

Mr. KENNEDY. To what studies are we referring? I am trying to understand. We had the study in Tennessee, and the STARS study. I am trying to find out what these studies are and who conducted them.

Mr. SESSIONS. This is a study by Eric Hanushek, a professor at the University of Rochester who published his writings, and who I think is well known in the field and referred to by experts.

Mr. KENNEDY. I apologize to the Senator: I did not hear him.

Mr. SESSIONS. Professor Hanushek.

Mr. KENNEDY. Where is he from?

Mr. SESSIONS. He is now from Stanford University, I believe. He was at the University of Rochester, I believe, previously.

Mr. KENNEDY. What is the title of the study? I want to have a chance to review it.

Mr. SESSIONS. I would be glad to get the Senator the information.

Mr. KENNEDY. Is this the only study that we are using?

Mr. GREGG. Will the Senator yield on that point?

Mr. SESSIONS. I would be glad to yield and talk about it specifically.

Mr. GREGG. Hanushek is a professor at Rochester. He looked at 300 different studies on the question of class size and its effect on pupil performance in the classroom. He also looked at teacher performance in the classroom and teacher professionalism and performance in the classroom. Within those 300 different studies on that subject, he evaluated and came to the conclusions being related by the Senator from Alabama very precisely.

Mr. KENNEDY. Is this the only study that the Senator is using? I used the Tennessee study, the California study, and then the Prince George's results. I am wondering whether the Senator has other studies? I know the Senator from Tennessee referred to multiple studies that are being done on this. I was just trying to be able to look at the studies myself.

Mr. SESSIONS. I will be glad to provide the Senator his analysis of the existing studies he reviewed. That was his conclusion.

He also reviewed the Tennessee STAR report in some depth and concluded that its methodology was dubious, that benefits, at best, were very small, even under the STAR report. It took an heroic endeavor by the writer of the STAR report, based on a single British study of how much more money you make, if you receive a little more education, to justify the expense of it.

His conclusion was that the problem with that analysis is that it compares something to nothing. If you count the amount of billions of dollars that were spent on reducing class size, and you receive such a minimal benefit, perhaps it would be better spent in focusing on questions such as quality teachers.

We know, for example, that good teachers benefit students dramatically. We have studies, that I think are not disputed, that top-quality teachers can produce learning in a year of 1.5 year's worth of learning under their tutelage, whereas a poor teacher may produce an average of .5 year's worth of learning. In other words, an excellent teacher could gain for a child in learning a full year's advantage over a poorer teacher.

If we are going to go out and hire one-third more teachers to reduce class size further down, aren't we running a risk, and isn't that probably why the numbers do not show the kind of improvement we desire? Because we are bringing in less qualified teachers, who may not be producing the kind of quality learning environment that excellent teachers would be. Which would you prefer?

Mr. KENNEDY. May I ask the Senator a question?

Mr. SESSIONS. Yes.

Mr. KENNEDY. Did you review the Rand study? You mentioned that they did the STAR school study and that he questioned that. They had the SAGE review in Wisconsin. And they have the Rand study, which involved 1,800,000 children last year, with very positive results. This is the Rand Corporation. I wonder if——

Mr. SESSIONS. I would like to see the Rand study. I would just say this, that Michigan Professor Linda Lim has done comparative studies of the United States and Asian schools and found that class sizes are 50-plus in places such as Taiwan and they have not kept those schools from surpassing ours.

Mr. GREGG. If the Senator from Alabama would yield?

Mr. SESSIONS. I will.

Mr. GREGG. The Rand study came out after Professor Hanushek completed his study in Rochester. The Rand study has been referred to by the Senator from Massachusetts. I think it is important to note that what the Rand study concluded was that class size might impact student performance but it was the most expensive way to accomplish it; that, in fact, you got much more benefit from the dollars spent if you improved the teacher quality, if you improved the resources of the teacher, in most instances. That was the specific conclusion of the Rand study.

In fact, the average cost per pupil for reducing class size to 17 students, under the Rand study, was found to be $450 per student in a high-poverty district, whereas the same academic aims could be achieved with the average cost of $90 per pupil by providing increased resources and improving the capability of the teacher to teach.

The point, of course, of the underlying bill, which the Senator is trying to amend, is that we give that flexibility to the local school districts. We say to the local school districts: If you need to hire more teachers, you can. But if you think you want to improve the support facilities for the teachers, you can do that, or if you want to improve their talents, you can do that.

We are giving that option to the State and local school districts to decide which is the most efficient, effective and cost-effective way to do this.

Mr. SESSIONS. I think the Senator from New Hampshire is precisely correct. It may be that a school system is in circumstances where they believe that class-size reduction is important. That can be done under this bill as it is written today. They can use the funds for class-size reduction.

But I think we ought to be careful that we do not require them to take steps that could cost tremendous sums of money, money which could be better spent for bringing in a high-quality computer laboratory, a new science laboratory, the latest and best ways to teach mathematics, sending teachers to attain advanced degrees and advanced training in history and science and math and how to teach reading. Those kinds of things may be more important than simply whether the number of students in the classroom is 20 or 16. If you go from 20 students to 16 students in a classroom, that is a 20-percent increase in the number of teachers you have to hire. If you go from 20 students to 16 students, you have to have 20 percent more classrooms and 20 percent more overhead and cost.

So I would just say that from Professor Hanushek's analysis, and from what appears to be common sense over 40 years of rapidly reduced class size with no academic benefit, we ought to be a little bit humble in this body before we start suggesting that it is the sole and best way for any school system in America to spend its money to enhance learning. That is all I am saying in opposition to this amendment.

I have serious doubts that this is the best leadership we can give to American schools. If the best we can say is, don't make any changes, keep on with business as usual, we will just give you more money and more teachers and a smaller class size, that is not going to guarantee that learning will improve in America. We have not seen that improvement. The data does not show it. Serious scientific questions have been raised about the importance of it.

With regard to the highly touted Tennessee STAR experiment, that experiment was based on a class reduction of eight students over the comparative-size classroom—a very expensive proposition. If you have 24 students in a class and you reduce the class size by 8 students, and go to 16 students, you have increased the number of teachers needed by one-third and increased the number of classrooms needed by one-third. That is a huge increase and huge reduction in class size. We have, at best, according to Professor Hanushek, something like a .2 percent statistical or standard deviation improvement, raising real questions about the validity of that.

So the critical issue for us, it seems to me, is that we do not need to be pressing this mandate down on schools, requiring them or making them think that the only way they can get Federal money for this project for teachers is to go on a commitment.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SESSIONS. May I have 30 seconds to wrap up?

Mr. GREGG. I yield the Senator another 2 minutes.

Mr. SESSIONS. We need to be sure we are not spending $2.4 billion a year in encouraging a further investment in classrooms and overhead for schools on a policy that sounds good—that is, to reduce class size even further than we have reduced it in the last 30, 40 years—when we may not be receiving an educational benefit from it.

I do not know about all the studies, but I know this professor examined 277 of them as of 1994. He found no benefit statistically proven for smaller class sizes in education. Isn't that stunning? It is almost counterintuitive. But that is what he found. No studies that I have seen have shown any dramatic improvement.

So I think we ought to allow the local school systems a choice as to whether they want to go to smaller class sizes, improve their science lab, or have better teachers, more funding for top-quality teachers, more training for teachers who are weak. That kind of choice would be better for education.

We need to be more humble in this body about what we think we know.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. Who yields time?

Mrs. MURRAY. How much time remains on both sides?

The PRESIDING OFFICER. Eleven and a half minutes on the Senator's side and a little over 20 minutes on the other side.

Mrs. MURRAY. I thank the Chair.

I yield 7 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 7 minutes.

Mr. REED. Mr. President, I rise in strong support of Senator MURRAY's amendment to authorize class size reduction. I have been listening to this rather pedantic discussion of studies and analyses. We can point on one side to a study from Tennessee and on another side to a study from an eminent expert from the University of Rochester. The reality is much more obvious.

Ask any parent in America if they want to have their children in a class of 27 or 15. The answer is always 15. Go to any prestigious private school in America and they are not advertising: Come to our school; we have 50 in a class just like Taiwan. They are saying: Come to our school; small class size; constant contact with teachers—the kind of atmosphere that provides for academic success.

Look around. Just last week, the headline in the Washington Post read: "Pr. George's Test Scores Show Best Gains Ever." What did the superintendent want to do with these remarkable results? The superintendent said she hoped that the county and State leaders would see the test scores as proof that the county is serious about improving academic achievement and that they would reward it with more funding to reduce class size and repair deteriorating buildings. That is not some scholar from Rochester or some statistician looking at Tennessee. That is the superintendent, a local school official, who said: We are doing better, but we can do better if we lower class size and repair our buildings.

The other point that should be made is that this program is voluntary. It is not a mandate. It does not say: If you take this program, you cannot have any other Federal program in the realm of education. I have seen the results firsthand.

In Providence, the capital city of my State, they use this program very flexibly, very innovatively. They sought a waiver to use class size funding for literacy coaches that would coteach in elementary schools half the time, and deliver school-based professional development the other half of their working time. Through this program, we are able to do what everyone on this floor seems to be talking about: reduce class size and enhance professional development.

This is a program that we have supported over the last several years on a bipartisan basis. We made a downpayment to help communities hire 100,000 teachers. That is something that every parent in this country wants. That is something, apparently, that school leaders such as Superintendent Metts of Prince George's County want. It is something that scientists and researchers have indicated is working in Tennessee and elsewhere. It is something that obviously should be done, and I support Senator MURRAY.

I make two other points: First, class size reduction has to be tied to funds to increase the number of classrooms. That is another portion of an amendment that has been brought to the Chamber.

In addition to that—and this is reflected in a note I received from Jonathan Kozol—by gearing up with an elaborate testing regime, we are putting the cart before the horse. We should first be reducing class size. We should be first increasing title I moneys. We should then go ahead and provide for funds to improve the physical structure of schools. Maybe at that point, maybe when urban children have the same environment, the same teacher ratios as you see in suburban communities, we can start testing them.

We are going to test these children, and urban kids are going to do much worse than suburban kids. Why? Not because they are not capable. But when you are in a school that is falling down, when you are in a school with a large number of children, much larger than the suburban areas, when you have teachers who are not getting the professional development they need, you are not going to get the kind of results you get elsewhere. That is the reality.

We can talk about tests and studies in Rochester and elsewhere, but the reality we know. Frankly, most of us, if we had a choice to send a child to school, we would look for smaller classrooms. We would look for buildings that are not falling down, teachers who are highly motivated, highly qualified, and highly prepared. That is where we would send our child.

Let's give every American family that chance. The one way to do it is to support the Murray amendment.

I yield back the time to Senator MURRAY.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Hampshire.

Mr. GREGG. Mr. President, I have spoken at some length prior to this time on my concern for the Murray amendment. I know it is well directed and well intentioned, but it fails to appreciate the fact that local schools have a variety of needs for their teachers.

Some schools need more teachers, so they want to hire them. Some need better qualified teachers, so they will want to improve the ability of the teachers who are in the classroom. Some may have high-quality teachers they want to keep in the classroom but are being attracted to some other private sector activity or public sector activity, so they need to pay the teachers more. Some classrooms just need more technical support to assist the teacher or teaching aids such as computers or some sort of monitor capability that allows the student to interface with the teacher in a way that the teacher can guide them.

We don't know the answer to which one of those teacher tools are needed, whether it is more teachers, better teachers, better paid teachers, or better support for teachers. Therefore, this bill addresses the issue by giving the local school districts the option of choosing, of taking the teacher money and the Eisenhower grant money, merging it and saying to local schools: You make the decision on teachers, if the money must be spent on teachers. You make the decision as to how you can best improve your classrooms. You, the principal, the family, the parents who participate in the PTA, or the school boards, the actual teachers make the decisions, rather than creating an arbitrary program which says every school in America needs to have more teachers, when that is not necessarily the case.

In fact, 48 to 46 States—something like that—44 States already have teacher ratios of 18 to 1 on average in their States. As a practical matter, a lot of States already meet the criteria for which the original concept of this bill was set up. What those States need is better teachers, better trained teachers, maybe teachers who are better paid, and keeping teachers in the classroom.

There was one thing said by the Senator from Rhode Island with which I agree. He said most parents are going to choose a school that has better teachers or smaller class size or better facilities. Unfortunately, the other side of the aisle isn't interested in allowing choice in the classroom. They have been resisting choice since the debate started.

There will be an opportunity to set up a demonstration program which will allow 3 States and 10 school districts to apply to use choice as an option so that parents can choose as to whether or not they want to stay in that school that is working or maybe a school that is failing, but in any event, whether they want to stay in a school or whether they want to move to another school.

We have in this bill something called supplemental services which says to parents, if your child is in a failed school, after 3 years you can go out and get tutorial support for your student. But if your child is in a failed school and that school has failed for 3 years, you should have some other choice—if you want to be able to take your child and move them to another school, a private school, if that is what you want as your option. That is what happens in Philadelphia. It is what is happening in Arizona and Florida. It is what is happening in a number of areas across the country where schools are consistently poor, consistently failing, which are not educating the children, where when you send your child off to school in the morning, you don't know whether they are going to be beaten up or subjected to some sort of exposure to drug sales or whether they are going to learn anything. A parent should not be put in that position.

Remember, it is interesting what we are talking about now. We are not talking about wealthy parents or even moderate-income parents. In those instances, most of those parents, if they have decided to choose—and many of them have by physically living in a different area than they otherwise might, than in an urban area, for example—those parents will make the choice. We are talking basically about low-income parents in urban areas and specifically single moms with children.

Those are the people we have trapped in schools that fail year after year after year. We say to that parent: I am sorry; your kid is never going to be given a chance in America because we are never going to educate your child. We are never going to give your child an opportunity to be educated. We are always going to send them to a class where we know that class is not working, a school that we know has failed for 3, 4, 5 years. We are not going to give you any options or any opportunities for choice.

I was interested to see that the Washington Post, which isn't necessarily a conservative newspaper, has come out very strongly in two editorials in the last 2 weeks saying: Let's at least try a demonstration program on the issue of choice, on the issue of portability. Let's pick a few districts across the country where people are locked into schools that are failing, especially low-income parents, and give those parents some other opportunities.

When the Senator from Rhode Island talks about giving choices, yes, I am for choice. I am for saying to schools that have for 2, 3, 4 years not met the grade and their children are locked in those schools on a path which means they cannot participate in the American dream because they are not learning: You have to straighten up. You have to do a better job or else the parents or the kids are going to get some options that are real. They are going to be able to take their kids and put them in schools where they are actually learning something. That is a big issue.

Back on the issue of class size, this bill as it is presently structured addresses that issue. It addresses it with flexibility. It makes a decision on whether or not a new teacher should be hired to the local school district. But it gives the local school district the discretion that if it does not need new teachers but, rather, needs to pay teachers more or improve the quality of teachers or give teachers technical support, they can do that instead.

I just don't understand the philosophy of a Government that says we in Washington know how to run the local schools. I don't understand that. That is essentially what this amendment does. It says if you want the money, you are going to have to hire more teachers; we in Washington know you have to have more teachers.

A lot of school districts in the country don't need more teachers; they need better teachers. By adding more teachers, you end up with worse teachers. The California experience is exactly that. They dramatically increased the number of teachers. They went from 1,000 unaccredited teachers to 12,000 unaccredited teachers, which meant 12,000 teachers who may not know how to teach, because they were not accredited and who may not even know the subject matter they are teaching were added to the classrooms.

So reducing class size didn't help those kids. All it did was mean fewer kids got poorer teachers. Good teachers in the classroom is the key—a quality teacher, not necessarily class size. That has been shown in study after study.

As a practical matter, this is too much a one-size-fits-all amendment. This is that stovepipe approach that says we in Washington know how to run you, the local school district, versus saying to the local district: If you need more teachers, you can hire them—which is what our bill says—and if you need better teachers, you can try to improve teachers' ability. If you need to pay your best teachers more, you can do that. If you need to support teachers, use the money that way. It is a much more logical and flexible approach which addresses the needs of school districts in a much more practical way rather than simply command and control from here in Washington.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mrs. MURRAY. Mr. President, how much time do I have?

The PRESIDING OFFICER. Seven minutes.

Mrs. MURRAY. I yield 2½ minutes to the Senator from Washington and then 2½ to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Ms. CANTWELL. Mr. President, I thank the Senator from my home State for yielding me time on this amendment.

I applaud Senator MURRAY for her consistent and passionate support for education throughout her political career. Her advocacy for education has deep roots dating back to her early experience as a legislator working for more funding for schools in her own special experience in volunteering and schoolteaching children in the Shoreline area.

This amendment is very important for the reasons some of my colleagues have said. It will provide the type of flexibility our school systems need. It is something that has been proven to work, and this is a program that works. Over the last 2 years, when we say a program has worked, we can show success. Thanks to this program, 1.7 million children across the country and over 23,000 schools are benefiting from smaller class size, primarily in the early grades when children most need personal attention from their teachers.

As we have heard from other speakers, smaller class size not only has demonstrated an impact on increasing educational performance but also has helped to limit disciplinary problems, and, importantly, small class size has helped encourage greater parental participation in their children's education.

I strongly urge my colleagues to support this legislation that will lead to better student achievement, fewer discipline problems, more individual attention, better parent-teacher communication, and dramatic results for poor and minority students. This program does provide flexibility. Up to 25 percent of these funds can be used for other things. This is a program we cannot afford to cut but we need to continue because it is working.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, I certainly thank the chairman, the sponsor of this amendment. I want to ask her if she would be kind enough to yield for a question.

Mrs. MURRAY. Yes.

Mr. DURBIN. I have listened carefully to the Republican opposition to this amendment to reduce class size in America. I am stunned at the suggestion that putting fewer kids in classrooms does not create a better learning experience. Every parent knows that. I can recall raising one child, then two, then three, and how the challenge grew geometrically as the number of children grew. I can't imagine facing a room full of 30 kids and saying it is just as easy to teach there as it is in a room of 13 or 18 children.

The thing that is said repeatedly by one of our colleagues is that "this is a mandate." I ask the Senator from Washington to say once and for all, are we mandating school to districts that they have to reduce class size with this amendment?

Mrs. MURRAY. I thank the Senator for his question. Let me make it very clear, this is not a mandate. This is funds that are available to school districts to use to decrease class size. School districts that need those funds dramatically can apply for them with a simple application. The funds go directly to them. They are able to use them. It is not a mandate.

Mr. DURBIN. I thank the Senator.

The difference here is that most of us come to this debate as former students and parents. Senator MURRAY comes as a former teacher—one of the few in this body. She has stood in front of classrooms of children and taught them. The rest of us here have been pupils sitting at desks or parents wondering how our kids are doing. She comes here saying lower class size gives teachers a better chance to reach children. It is not just her opinion; studies show it.

The STAR project in Tennessee, which has been followed for years, showed significant gains in smaller class size. In Chicago last week, Larry Hedges at the University of Chicago and Barbara Nye of the University of Tennessee produced a study that found that smaller class size in the early grades produced better math scores not only in the third grade but all the way into high school—a full 6 years after the student was in a small elementary school class.

It stands to reason. Think about how discouraging it must be for a child who has a special need or a problem to be ignored day after day after day, until they have lost all interest and fall behind. In a smaller class a teacher can reach out and pick out a child who needs special attention. This is not a mandate; it is an option that makes sense.

We have decided in this bill to focus on the needs for reading—and I support that—and the needs for technology—and I support that, too. Just because President Clinton came up with this idea doesn't mean it is a bad one. It has worked. It has reduced the size of classes across America and has given kids a better chance. I don't think that President Bush, who has called for bipartisanship, should have a negative attitude just because this idea came about on someone else's watch. Aren't there some good ideas on both the Democratic side and the Republican side that we might put into this bill?

Sadly, unfortunately, that is the part of the debate we have overlooked. More than 29,000 teachers were hired with Class Size Reduction Program funds in 1999, benefitting approximately 1.7 million young students. This bill eliminates that program. To do that is to turn your back on basic human experience: A teacher with a smaller number of students is going to be a better teacher and the students will have a better chance.

I support the Senator's amendment.

The PRESIDING OFFICER. Who yields time?

Mr. FRIST. Mr. President, how much time do we have?

The PRESIDING OFFICER. There are 12 minutes 50 seconds on the Senator's side and 1 minute on the other side.

Mr. FRIST. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. FRIST. Mr. President, I rise to restate the significance of the vote that we will have in about 2 hours—exactly 2 hours, as a matter of fact. It is a vote that will reflect the underlying principles of freedom—freedom to identify local needs and respond to those needs in a way that is specific to the problem, to the challenge, to the need in the community, or in a school, and address the principle of who best decides how to accomplish the goal we all agree to, and that is boosting student achievement. Is it Washington, DC, the Federal Government, or is it parents, local communities, local schools, principals—the very people who can identify what the needs might be?

The legislation captures it all in many ways, and therefore I think that we, our colleagues, and the American people should follow closely how the votes go because the bill captures that principle of flexibility and local control versus sort of a one-size-fits-all programmatic approach, a categorical approach that has so characterized our efforts over the last 35 years.

In 1965, the Elementary and Secondary Education Act was passed. Since that time, there has been, literally, a litany of programs, not 10, 20, 30, or 40, but 50, 60, 70—up in the hundreds by some counts—of well-intended programs based on the idea that if there is a problem it can be fixed by Washington. For example, if there are too many students in classrooms in one part of the country; let's try to fix it in Washington by telling the local communities how to spend their education dollars.

Mr. President, this is about freedom, the freedom of local communities to use federal resources—resources that come from the taxpayers, the people back home, wherever our homes may be—as they see fit. Those resources, those dollars, begin with the taxpayer, then come to Washington, DC, where they are distributed through huge bureaucracies in these categorical programs—all well intended—but all of which have been layered one after another, like this amendment, over the last 35 years and essentially accomplishes nothing when measured against student achievement, or the goal, which President Bush has spelled out so beautifully and demonstrated such true leadership, of reducing over time the achievement gap that exists between the served and the underserved.

If that is truly the goal, we clearly need to do something different, and that something different, as outlined by President Bush, and as incorporated in the underlying bill, is to maximize accountability through assessments and testing, and to provide local communities with the flexibility they need to identify needs and use the resources we make available to address those needs.

As was spelled out today, as well as earlier this week and last week, we have emphasized, in the underlying bill, which is a bipartisan bill supported by both sides, the relationship between teacher and child. Close your eyes and see it: There is a teacher, students, books, technology, computers, but what really ends up having the most value is that relationship between teacher and child. There are many other variable, the number of students in the classroom, how disruptive the students are, how safe the classroom is.

But if we put all those variables in there, we know that at the end of the day, if you have a bad teacher or a poor-quality teacher at the head of the class, nothing else matters very much. It is the quality of the teacher—not just the number of teachers, not just warm bodies in the room—but the quality of that teacher matters. That, as indicated by the studies I cited earlier today, is what determines how well that individual child learns.

What is good about the underlying bill, and why I strongly urge my colleagues to oppose the Murray amendment, is that we do not make that decision. The data is there. We do not force or encourage or incentivize the system to go one way or the other in terms of higher quality teachers, better recruitment, or professional development versus hiring another teacher and reducing class size.

We basically say: No, you decide. If you are in Nashville, TN, in a disadvantaged part of Nashville, TN, or in rural Tennessee, you decide how you can best use that education dollar based on your local needs. The pooling of resources, the discretion we give to local communities about how to use that dollar we feel is so important, we believe that school districts should have the flexibility to decide whether to use the money we have made available for reduced class size, for teacher training, for technology in the classroom, or some other means to reduce the student achievement gap.

There is some data, as I mentioned—again, I am one who thinks class size is, indeed, an important issue. I just think it needs to be determined by a particular school or a particular district rather than by Washington, DC.

There are studies that have prioritized the importance of class size. The National Commission on Teaching and America's Future found that, if your goal is student achievement, then teacher quality is five times more important than class size per se. Class-size reduction is important, but in a relative sense it is less important than having a good quality teacher.

The New Hampshire Center for Public Policy Studies found student grades were not linked to class size. Smaller classes did not lead to better test scores, and that there was no difference in the achievement of students from small classrooms versus those from large classrooms.

In Dallas, researchers confirmed that one of the studies that was done at the University of Tennessee found that not only did high-quality teachers have an enormous impact on student achievement, but that low-quality teachers actually stunted the academic performance of their students.

We have a shortage of high-quality teachers. People who say class size is the answer need to recognize—again, it has been spelled out over the course of the morning and last week—that there is a shortage of high-quality teachers.

We do need to invest—remember, the purpose of this bill is to invest in education because the role of the Federal Government is no longer spender but investor. We know this because after about $120 billion over 35 years, we are still not accomplishing our goal. So, it's not just a matter of money but a matter of investment. If you are a prudent investor, you need to make sure that the outcome is delivered, and in education the outcome is student achievement.

If we have compulsory class size reduction, basically we are putting more teachers in the classroom. But if we have a shortage of high-quality teachers, by definition it means we are going to be taking lower quality teachers.

The data outlined is clear: You actually hurt children rather than help children if you are putting poor quality teachers in a classroom today and, therefore, it is very important that you weigh the relative importance of putting just bodies at the head of that class, interacting with your children, against putting high quality people at the head of the class.

The point is, we give the school, the school district, the parents, the opportunity to make that choice based on the needs they identify—it could be through assessments, it could be identification of that local need in any way that school district or that school sees fit.

Our underlying bill is very different from the Murray amendment which overrides the school district priorities, and overriding the school district priorities in many ways restricts that choice, that freedom. That is why I urge defeat of the Murray amendment and hope my colleagues will join me in defeating that amendment.

Again, as has been outlined in the underlying bill, we stress professional development, as well as class size, but it must be a local choice.

Mr. President, I yield the floor and urge my colleagues to vote against this amendment.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. One minute.

Mrs. MURRAY. Mr. President, in my last 1 minute, I will address two quick points. Our colleagues keep referring to local control. How can one define a bill against an amendment that it should be local control when this underlying bill itself requires Federally mandated testing, requires funding streams for reading, for technology, for 20 other programs? That is fundamentally a flawed argument against this.

Our argument is about local control. Local schools decide whether they want to reduce class size knowing they have a Federal partner if they want to make that happen.

Second, I keep hearing the Hanushek study referred to.

Let me remind my colleagues that the Hanushek study is based on study of pupil-teacher ratio which includes all of the certified people in the building which is today almost everybody. Hanushek is fundamentally flawed because he does not look at class size. All of the studies that we have shown from Wisconsin, Tennessee, the RAND study, and the California study dramatically show that reducing class size increases student performance.

How tragic it will be if this Senate does not approve this amendment and keep the commitment to reducing class size that we began 3 years ago.

Thank you, Mr. President.

Mr. SPECTER. Mr. President, I seek recognition to comment on Senator MURRAY's amendment regarding class-size reduction. Yesterday, I withdrew my second degree amendment, amendment No. 388, which would have accomplished what I sought to do last year on the appropriations bill covering the Department of Education. I would have preferred to give class-size reduction in hiring new teachers a presumption among the various items which the Federal funds could be spent for on teachers. If a school district would make a determination that other issues—such as training teachers to improve the education of students with disabilities or those with limited english proficiency—are more important, then I believe Federal funds should be available for those purposes as they may be decided at the local level.

As chairman of the Appropriations Subcommittee that is responsible for funding critical labor, health and education programs, I have sought to strike a balance between providing States and localities the flexibility they need to implement programs designed to improve the academic achievement of all students—thereby relieving them of Washington's straightjacket—and placing the highest priority on those issues that we deem critical to the success of America's schoolchildren.

I believe that we must weight carefully the flexibility our States and school districts need to improve student achievement with priority programs such as class-size reduction. The underlying bill will permit the Federal funds to be used for class-size reduction by hiring more teachers although it lacks the impetus which a presumption would have given.

The PRESIDING OFFICER. Who yields time?

Mr. FRIST. Mr. President, I yield the remainder of my time.

RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 having arrived, the Senate stands in recess until the hour of 2:15 p.m.

Thereupon, at 12:30 p.m., the Senate recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. THOMAS).

BETTER EDUCATION FOR STUDENTS AND TEACHERS ACT—Continued

The PRESIDING OFFICER. We will now resume consideration of the Murray amendment No. 378. There are 5 minutes equally divided before the vote.

The Senator from Washington.

Mrs. MURRAY. Mr. President, in a minute we are going to be voting on a very important amendment which reduces class size in first, second, and third grades and continue the commitment this Congress has made in the last three years.

Frankly, I cannot believe the Senate just spent 2 hours debating whether or not smaller class size makes a difference. We know it makes a difference. Any teacher, parent, or student will tell you that, and we have the research that proves it.

This vote is our opportunity to support the progress being made in schools across the country and to show that we are willing to invest in the things that work. If our colleagues vote against this amendment, in September when parents find their kids back in overcrowded classrooms, they are going to be upset. They are going to want to know why you voted against smaller classes. You can tell them about flexibility, choice, and funding pools, but the truth is, none of those buzzwords will help their kids learn to read when they are fighting just to get a teacher's attention. The choice we make today will demonstrate whether "no child left behind" is just a catchy campaign slogan or a national commitment. I hope it is the latter. I urge my colleagues to support this amendment, and I yield back the remaining time on our side.

Mr. JEFFORDS. Mr. President, I rise in opposition to the Murray amendment. The bill before us clearly states that Federal funds must be used for activities that will improve teaching and learning in the classroom, including the hiring of highly qualified teachers, if that hiring will improve student performance. The decision as to how Federal money is to be used is up to the local school district.

Although there are teacher shortages in States and localities, there are also areas where teacher shortages are not prevalent. As you can see from this chart, which illustrates class size over the last 40 years, the recent trend in the mid to late 1990s indicates that class size is averaging around 17 students per teacher.

I oppose the class size reduction amendment because I believe local schools are in a better position than we are to determine how best to distribute funding in regard to professional development and hiring practices. S. 1 gives local school districts the opportunity to make their own decisions about the expenditure of dollars for the purpose of improving their teacher corps, which, in turn, will hopefully lead to gains in overall student performance. I urge my colleagues to oppose this class size amendment.

Mr. President, I yield back the remainder of my time.

Mrs. MURRAY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The question is on agreeing to the amendment. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. MILLER (after having voted in the negative). Mr. President, on this vote, I have a live pair with the Senator from Hawaii, Mr. AKAKA. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I, therefore, withdraw my vote.

The result was announced—yeas 48, nays 50, as follows:

[Rollcall Vote No. 103 Leg.]

YEAS—48

Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Byrd
Cantwell
Carnahan
Carper
Cleland
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Harkin
Hollings
Inouye
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Nelson (NE)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Stabenow
Torricelli
Wellstone
Wyden

NAYS—50

Allard
Allen
Bennett
Bond
Brownback
Bunning
Burns
Campbell
Chafee
Cochran
Collins
Craig
Crapo
DeWine
Domenici
Ensign
Enzi
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kyl
Lott
Lugar
McCain
McConnell
Murkowski
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Voinovich
Warner

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Miller, against

NOT VOTING—1

Akaka

The amendment (No. 378) was rejected.

Mr. REID. Mr. President, I move to reconsider the vote.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The Senator from Kansas.

AMENDMENT NO. 413 TO AMENDMENT NO. 358

Mr. BROWNBACK. Mr. President, I have an amendment I call up.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas [Mr. BROWNBACK], for himself and Mr. KOHL, proposes an amendment numbered 413.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide for a study regarding the effects on children of exposure to violent enterainment, and to require the National Assessment of Educational Progress to gather information regarding how much time children spend on various forms of entertainment)

At the end, add the following:

SEC. 902. STUDY AND INFORMATION.

(a) STUDY.—

(1) IN GENERAL.—The Director of the National Institutes of Health and the Secretary of Education jointly shall—

(A) conduct a study regarding how exposure to violent entertainment (such as movies, music, television, Internet content, video games, and arcade games) affects children's cognitive development and educational achievement; and

(B) submit a final report to Congress regarding the study.

(2) PLAN.—The Director and the Secretary jointly shall submit to Congress, not later

than 6 months after the date of enactment of this Act, a plan for the conduct of the study.

(3) INTERIM REPORTS.—The Director and the Secretary jointly shall submit to Congress annual interim reports regarding the study until the final report is submitted under paragraph (1)(B).

(b) INFORMATION.—Section 411(b)(3) of the National Education Statistics Act of 1994 (20 U.S.C. 9010(b)(3) et seq.) is amended by adding at the end the following: "Notwithstanding the preceding sentence, in carrying out the National Assessment the Commissioner shall gather data regarding how much time children spend on various forms of entertainment, such as movies, music, television, Internet content, video games, and arcade games.".

Mr. BROWNBACK. Mr. President, I rise today to urge the adoption of this amendment to S. 1. I am delighted to be joined in this effort by my friend and colleague, Senator KOHL from Wisconsin. I would also like to thank the chairman of the Committee on Health, Education, Labor, and Pensions for his work in securing the passage of this amendment. I think this is a noncontroversial amendment so I am going to summarize the point.

Over the past several years, we have had a number of hearings by this Congress about the impact of entertainment, particularly violent entertainment, on children, and the accessibility of such entertainment to children. This last summer we had the six major health organizations in the country—the American Medical Association, American Psychiatric Association, American Academy of Pediatrics, and others—sign a statement which said that exposing children to violent entertainment can actually cause increases in aggression and hostility and decreases in empathy.

Since then, there have also been reports of studies focusing on how violent entertainment affects a child's brain activity. Less than a month ago, USA Today reported on one study conducted by Professor John Murray of Kansas State University. It showed the results of MRIs taken of children who were watching violent film clips. The reporter concluded: "The scans showed that violent film clips activate children's brains in a distinctive, potentially violence-producing pattern. Although children may consciously know that violence on the screen isn't real, their brains are treating it as gospel truth."

We know that a young child's mind goes through extraordinary development, particularly before the age of 7. We know the influences on their early life can profoundly affect both what they think about and how they think. New research has provided interesting insights into how parents can create the best learning environment and most encouraging learning environment for their children—what influences and factors will encourage the healthiest development of a child's intellect and cognition and enhance their abilities as they develop and move forward in life.

Despite these studies and their implications for the way a young child's mind grows and develops, as well as how they perform in school, there has been very little study on how exposure to entertainment, particularly violent entertainment, affects their cognitive development. This is not a data gap; it is a chasm. And it needs to be filled.

It is in the public interest to find out what the impact of exposing children to violent entertainment has on their cognitive development. It is also in the parent's best interests, as well as in the best interests of children, and, obviously, it is in the best interests of this country. Therefore, the amendment I am proposing, along with my colleague, Senator KOHL, would be a first step in addressing this data chasm.

It calls for a study on how children's cognitive and academic achievement are affected by exposure to violent entertainment. It calls on the National Institutes of Health and the Department of Education to jointly work out a plan for conducting this study, subject to congressional approval, and to report its findings.

The more we know about how our children's young minds are formed and cultivated, the better we can educate, nurture, and care for them. This amendment is an important step towards realizing that goal.

In conclusion, let me say this: We know that currently children in America spend more time in front of a television, a computer screen, or a play station than they do in school. They certainly spend more time in front of one of those screens than they do talking with their parents. We know children spend a large portion of their waking hours focused on entertainment, and we can assume that it has some impact on their thoughts, attitudes, and even abilities. But what we do not know yet is what exposure to violent entertainment does to a child's cognitive abilities. Some of the early studies seem to be very troubling about what it is doing to a child's brain. That is why we are asking for this study, so we can learn about this much better.

Mr. President, I wonder if Senator JEFFORDS, the manager of the bill would be willing to engage me in a short colloquy concerning the pending Brownback-Kohl amendment.

I thank the managers of the bill for their willingness to include our amendment in the education bill. We think this is an important addition to the legislation because it will give Congress and the Department of Education a tool for evaluating the effect of violent entertainment on the cognitive development and educational achievement of our children.

It is the Senator's intention when we go to conference in the House to make every effort to assure that the Brownback-Kohl amendment is included in the final version of the bill?

Mr. JEFFORDS. Mr. President, this amendment has been cleared on both sides of the aisle. We all agree that the Brownback-Kohl amendment, which would gather data on the use of violent entertainment by children through the National Assessment of Educational Attainment and require a joint National Institutes of Health-Department of Education study on the issue, is highly relevant to improving the educational performance of our children. It is my intention to keep this provision in the final version of the education reform package when it comes out of conference with the House of Representatives.

Mr. KOHL. Mr. President, I just want to add that there have been no objections from our side of the aisle to including the Brownback-Kohl amendment in the bill. I appreciate Senator JEFFORDS' cooperation with me, Senator KENNEDY, and Senator BROWNBACK to get this amendment included in the bill. I also appreciate his assurance that he will do everything he can to make sure our proposal is included in the final education reform bill.

Mr. BROWNBACK. Mr. President, I do not know of anybody who is opposing this amendment. I ask for its adoption. There may be other Members who would like to comment on this amendment. I believe it is possible we may be able to proceed to a voice vote on this amendment while we are still on the amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, it is entirely appropriate that we study the impact of violence in the media on young people. The increasing incidence of violent behavior is alarming and we should carefully scrutinize the causes of that violence.

It will be very helpful to learn which types of imaging and broadcasting have causal links to violent behavior. A great deal of research has already been conducted in this area. For example, researchers at the Massachusetts Institute of Technology have studied the impact of violent images in movies, television and video games and have expressed caution against a presumption that there is an isolated cause and effect between violent images and violent action.

I also believe that access to guns is indisputably part of this critical problem. There is no one individual cause of this disturbing social pattern and we should avoid simplifying either this problem or our solution to it.

However, many young people spend a great deal of time watching television and movies and we should explore incentives to the industry to provide entertaining material that is nonviolent.

Industry leaders have expressed a willingness to incorporate improved warnings for parents to monitor the programming that their children do watch, and we should do all that we can to make these worthwhile tools accessible and understandable.

We should be ready also to acknowledge that the entertainment industry is not solely responsible for increasing violent behavior in our youngest citizens.

The Senate should also improve a broad range of opportunities for children to help them achieve to their fullest expectations and dreams. We can increase funding for Early Start and Head Start. We can improve the learning experience of children once they enter school, including reducing class size and teacher quality.

I have sponsored—and I have worked very closely with the Senator from Mississippi, Mr. COCHRAN—on our Ready to Learn legislation to ensure that time spent watching television by young preschool children will be entertaining and educational. With a modest $15 million Federal appropriation, public broadcasting has created effective educational programming that develops skills necessary for success when a child enters a classroom for the first time.

Accompanying material is provided for parents, caregivers and other family members to encourage reading in the child's home environment. We should be tripling funding for this program, but instead, this bill seeks to eliminate it.

The number of awards that those programs for children have been nominated for has been truly amazing. There have been over 40 Emmys for all the ready-to-learn programs. "Between the Lions" has really been an extraordinary success. It and its Web site have won several awards. The series won the Parents' Choice Gold Award for best show for kids aged 4 to 7. It was recently named the Best Children's Show in the country by the Television Critics Association. It has just been nominated for several Academy Awards. And the Web site won two awards in the fall of 2000: Best Children's Entertainment Site from the Massachusetts Interactive Media Council and Best Kids Web Entertainment from NewsMedia.com's Invision Awards.

We welcome the Senator's amendment and think it is an entirely appropriate one. We also recognize there are important additional matters to which we should give focus.

I support a serious examination of the impact that violence in the media has on young children. I am, as well, hopeful we can also improve the educational components of our media.

As I know the Senator is aware, we attempted, for a number of years, to make that as a condition for the relicensing. What happened, of course, is that it never worked because we would find that with the application the broadcasting industry would just label programs as children's programs, and they never really carried forward the effect of that.

We have been remarkably unsuccessful in monitoring and affecting the kind of violence there is on television. But when we provided a very limited amount of incentives for the development of children's programs, and worked those through public broadcasting, we have had some amazing success.

I look forward to working with the Senator in terms of getting this study, this review, and also working with him to try to see what can be developed to attract families, and particularly parents with their children, to watch the programs on television that can be useful, positive, constructive, and, hopefully, educational and helpful to the children as well.

I urge acceptance of the Senator's amendment.

The PRESIDING OFFICER (Mr. CRAPO). The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I do not believe there is any objection to the amendment.

I yield to the Senator on his amendment.

Mr. BROWNBACK. Mr. President, I believe we are ready to proceed to a voice vote on the amendment. Unless the Senator from North Carolina would care to address the amendment, I think it would be appropriate for us to proceed to a voice vote. I call for a voice vote at this time.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to amendment No. 413.

The amendment (No. 413) was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote.

Mr. BROWNBACK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 462 TO AMENDMENT NO. 358

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. EDWARDS. Mr. President, what is the pending business?

The PRESIDING OFFICER. The Voinovich amendment No. 443 is the pending business.

Mr. EDWARDS. I ask unanimous consent to lay that amendment aside, and I call up amendment No. 462.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. EDWARDS] proposes an amenument numbered 462 to amendment No. 358.

Mr. EDWARDS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide for an independent analysis to measure school district achievement)

On page 679, after line 25, add the following:

"(6) support for arrangements that provide for independent analysis to measure and report on school district achievement.".

Mr. EDWARDS. Mr. President, my amendment is very simple and straightforward. It deals with the issue of testing.

Much of our education bill we have been discussing for the last several days and much of the administration's proposal is modeled after what has been done in North Carolina. In North Carolina, we have had in place for a number of years a very vigorous measurement and testing regime. In fact, we already have annual testing in reading and math in grades 3 through 8, which is precisely what is being proposed by the administration and is incorporated into this bill.

This testing process has played a very important role in allowing us to measure student performance in North Carolina and also to identify low-performing schools so we can make an intense effort to turn those schools around.

What I have learned from visiting our schools and talking with students and teachers is that testing in and of itself is not an end. It is a means. From talking to students and teachers and at town hall meetings talking to parents about this testing procedure that has been used in North Carolina, I have learned that there is a great deal of concern that students are spending too much time preparing for tests and teachers are spending too much time in the classroom teaching to the test.

It has gotten to the point where some students and some teachers believe the tests dominate the classroom. And because of the way the tests are given and administered and the kinds of tests that are given, it can sometimes be counterproductive to the learning process.

What we are doing in this amendment is providing that States can go to private outside firms to evaluate the testing in a particular school district to determine whether it is working, how effective it is, and also to make comparisons with the testing being used in that school district as compared to the testing being used in another school district someplace else in the country.

The basic theory is these private outside firms can identify school districts where the testing is working, where it is effective, where it has as little impact as possible on the learning process inside the classroom so the teachers, the students, and the parents feel the testing process is working. It allows them to measure but, at the same time, it doesn't interfere with the substantive learning process of the students, for the students and the teacher.

The basic idea is the State is allowed to contract with these outside firms which can evaluate the testing programs and compare them with testing programs in other places across the country.

The amendment does not authorize any new money. It simply allows States to conduct this type of analysis. The purpose of this amendment and its thrust is to focus on the issue of testing, allow States to identify testing methods and procedures that are, in fact, working. It is a specific effort to address a concern I have heard expressed over and over from students, from teachers, and from parents; that is, to have a testing system and a measurement system that provides us with the information we need but at the same time does as little as possible to interfere with the teaching process and with the learning process.

I thank my colleagues for their support and yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the Senator from North Carolina has given additional focus on a very key element in this legislation; that is, the information made available to parents. His amendment will add an additional dimension in terms of the possible accuracy and types of information so it can be easily understood and utilized by parents and so they can understand what is happening in the schools their children are attending.

In the existing legislation, there is the requirement that the States will provide information to the parents. What the amendment of the Senator from North Carolina does is provide the ability for the States themselves to get, through this contracting arrangement, the up-to-date, most advanced, most recent, comprehensive information that can possibly be developed. It gives that option to the State to provide it to the parents. It is incredibly important.

This is one of the underlying concepts of the legislation; that is, that the parents become involved. We want them to be involved, and there are ample provisions in the legislation to have them involved. We want to get the parents involved. Part of a very powerful tool to get them involved is giving them information about what is happening in the school and what the condition of the school is.

We have provided in the legislation a range of different information that will be available in the report card. The Senator from North Carolina, with this additional amendment, can give the assurance that if the State wants to work through a contracting arrangement, the information may very well be much more available and usable and current for the parent. That is very important and completely consistent with the direction of the legislation and very desirable to have.

I thank him for this idea, as well as bringing to the basic legislation the experience that has taken place in turning around low-performing schools in North Carolina, and the way it has changed through the development of some enormously interesting and very successful models that will be available in this legislation to communities all over this country is really a major strengthening of and improvement in the legislation itself. That is one of the things that makes this legislation so hopeful.

If we are able to get the resources to be able to give all these provisions some life and meaning, we are going to be in an even stronger position. As the Senator from North Carolina and others have pointed out, we have a blueprint here which is both supportable and commendable and can make a difference, but we need the resources to make sure these provisions are going to do what, in this instance, parents need and should have and also what schoolchildren should have in the provisions which have been included in the bill that are patterned after the very important, successful initiatives in North Carolina.

I thank the Senator for his initiative. I hope we will accept it.

Mr. JEFFORDS. Mr. President, I want to join in the accolades for the Senator's amendment. What we are doing in this bill is not something that is easily understood when you try to analyze the facts. But it is incredibly important that parents understand how their child is doing.

The amendment that we have here will be very helpful in letting us understand what is an incredibly important move forward in making sure that we get changes and improvements in the system, but it does it in a way that we can fully understand how each child is doing. I thank the Senator for his excellent amendment.

Mr. EDWARDS. I thank the Senator. I ask for a voice vote at this time.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from North Carolina.

The amendment (No. 462) was agreed to.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. DAYTON. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the Voinovich amendment.

Mr. DAYTON. Mr. President, I ask unanimous consent that it be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 622, AS MODIFIED, TO AMENDMENT NO. 358

Mr. DAYTON. Mr. President, I call up amendment No. 622, and I ask unanimous consent to modify my amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. DAYTON], for himself, Mr. CORZINE, and Mr. WELLSTONE, proposes an amendment numbered 622, as modified.

Mr. JEFFORDS. Mr. President, I may have to object. We haven't seen a copy of it yet.

Mr. KENNEDY. Parliamentary inquiry. The Senator is permitted to modify his amendment. We haven't asked for the yeas and nays.

Mr. DAYTON. I will make it a second degree.

The PRESIDING OFFICER. There was a filing deadline for first-degree amendments. That does constitute Senate action which would then require that the Senator does need consent to modify.

Mr. JEFFORDS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEFFORDS. Mr. President, we have no objection to the amendment, as modified.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment (No. 622), as modified, is as follows:

(Purpose: To amend the Individuals with Disabilities Education Act to fully fund 40 percent of the average per pupil expenditure for programs under part B of such Act)

At the appropriate place, add the following:

SEC. . AMENDMENT TO THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.

Notwithstanding any other amendment made by this Act to section 611(j) of the Individuals with Disabilities Education Act (20 U.S.C. 1411(j)), subsection (j) of such Act is amended to read as follows:

"(j) FUNDING.—For the purpose of carrying out this part, other than section 619, there are authorized to be appropriated, and there are appropriated—

"(1) $12,347,001,000 for fiscal year 2002;

"(2) not more than $18,370,317,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2003;

"(3) not more than $19,048,787,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2004;

"(4) not more than $19,719,918,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2005;

"(5) not more than $20,393,202,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2006;

"(6) not more than $21,067,600,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2007;

"(7) not more than $21,742,019,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2008;

"(8) not more than $22,423,068,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2009;

"(9) not more than $23,095,622,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2010; and

"(10) not more than $23,751,456,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2011.".

SEC. . MAINTAINING FUNDING FOR THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.

Section 611 of the Individuals with Disabilities Education Act is amended to add the following new subsection:

"(k) CONTINUATION OF AUTHORIZATION.—For fiscal year 2012 and each fiscal year thereafter, there are authorized to be appropriated such sums as may be necessary for purpose of carrying out this part, other than section 619.".

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. DAYTON. Mr. President, I am pleased to offer this amendment, which is also sponsored by Senators CORZINE and WELLSTONE.

This amendment would bring the Federal share of funding for special education up to its long-promised 40 percent level in 2 years.

I greatly admire the efforts of my senior colleagues, the authors of this legislation, who have negotiated the previous agreement which is now contained in the legislation. I applaud their efforts and I support their work.

However, I would like to see their timetable for funding 40 percent of the costs of special education accelerated. That is the promise I made to Minnesota educators, parents, and students.

The failure of the Federal Government to pay for 40 percent of the cost of special education is a broken promise which now extends for 25 years. This unfunded Federal mandate is having devastating consequences for schools all across Minnesota.

Federal law requires these important services to students with disabilities and special needs, but it does not provide the funds necessary for them. There is no question that school districts must provide them and should provide them. But without the necessary and long-promised funding from the Federal Government, Minnesota school districts must take money away from other students and from other education programs. In Minnesota, that means local property taxes must be increased to make up the shortfall. Yet even then there is still not enough money available to do justice to all students.

Then schools are blamed, teachers are blamed, and even students are blamed. Yet the failure is ours. The failure is our unwillingness to provide the funding necessary to allow schools to succeed, teachers to succeed, and students to succeed.

Without my amendment, we are saying: Yes, we recognize our responsibility. We intend to finally keep our promise, but we need 6 more years to do so. That is too much procrastination.

The recently passed budget resolution said that Congress can afford huge tax cuts for the very wealthiest Americans. However, we cannot afford to keep our promises to the schoolchildren of America, especially those who have the greatest needs.

That is just plain wrong.

It is time to put our money where our mouths are. We can no longer hide behind the claim that we don't have the funds to do what is right. We have the money. The question is, Do we have the will to spend some of it on behalf of better education for all of America's children? That is the decision we must make today on this amendment.

My amendment would increase education funding by $12 billion in fiscal year 2002 and by $18 billion in fiscal year 2003. That is a lot of money, no doubt about it. But it is less than one-fifth the cost of the proposed tax cuts for 2002, and less than one-third of the tax cuts proposed for 2003. We could still have major tax reduction for middle-income working Americans, and even for upper income Americans, and still keep our promise to fund 40 percent of America's special education costs.

That is the decision before us today. That is the question which my amendment addresses.

On behalf of Minnesota's schoolchildren and educators, I urge the Senate to adopt this amendment. Its benefits will accrue to every classroom, in every school, in every school district throughout America. It will help take the President's words: "leave no child behind" and make them a living reality for millions of schoolchildren throughout our country.

I am reminded of the title of the old television show, "Truth or Consequences." Either we tell the truth or we face the consequences. The truth is that we are not meeting our financial commitment to public education throughout America. The truth is that the Federal Government has mandated important special services to children with special needs for the last 25 years but has not provided its promised funding necessary to fulfill this pledge.

The consequences of our failures are children throughout America who are not receiving the special education they need and deserve. The consequences are lost hopes, lost dreams, and lost lives.

It is time to tell the truth. This amendment will restore the truth to a 25-year unfunded mandate.

Mr. President, I urge the Senate's passage of this amendment.

I yield back my time.

Mr. GREGG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DAYTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DAYTON. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DAYTON. Mr. President, I ask unanimous consent that my amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, I rise to speak for and offer my strong support to my colleague from Minnesota, Senator DAYTON. My understanding is I am an original cosponsor, along with Senator CORZINE. I will not take much time. There are other colleagues who are on the floor.

This amendment fully funds the IDEA program within 2 years, and the spending will be mandatory. Because of the special rules regarding mandatory spending, my understanding is this amendment will require 60 votes for it to be adopted.

To give some sense of the impact IDEA full funding will have on some school districts in Minnesota, Minneapolis will receive around $16 million; St. Paul, $15 million; Duluth will receive around $4.5 million; Blue Earth area public schools will receive around $550,000; Deer River will receive $419,000; and Walnut Grove will receive $54,000.

For those who do not know each of these towns, they probably know Minneapolis and St. Paul. I am also giving some greater Minnesota examples so no one will labor under the misunderstanding that this amendment only applies to urban or metropolitan areas. It is terribly important to rural areas as well.

We have had some other important amendments dealing with IDEA, and, in particular, there was the Harkin-Hagel amendment which passed last week. That was to fully fund IDEA and also to make it mandatory. That was to provide full funding over a 6-year period.

I commend the Senator from Iowa and the Senator from Nebraska for their work. I also want to say this about the Senator from Iowa. I do not think there is another Senator—one has to be careful when one says this because one doesn't want to slight anyone, but I do not believe there has been anybody in the Senate who has been; if you will, more there for children and adults with disabilities than Senator HARKIN. The IDEA program in some ways is TOM HARKIN's idea. This is who he is.

The amendment that was adopted is terribly important, and Senator HAGEL's support was critical as well. We also have done some other work on this education bill that is critically important.

The real importance of this amendment and what Senator DAYTON is saying and the reason this is a joint effort by both Senators from Minnesota—I worry a lot about what we are doing on this education bill. I worry about what we are doing for a couple of different reasons. I will try to make a couple quick points, I say to the Senator from Missouri and also to my friend from Arkansas.

I have not even had a chance to read this article yet today, but I was skim reading a piece where I saw—and this is really important—a reference to a letter or a statement that has been put out by Dr. Robert Coles and Dr. Albert Poussant who are two child psychologists or, in the case of Coles, a psychiatrist, and maybe Dr. Poussant is a psychiatrist as well. They have done the best work with children in the country. Robert Coles has written 46 books on children. I remember assigning one of his books to my students called "Children in Crisis."

I say to the Senator from Vermont, their letter is a plea to the Senate not to rush to these tests.

What they are saying is—these are now my words—you are taking the childhood away from children. They are finding 8-year-olds and 9-year-olds who are under tremendous stress and showing signs of being under tremendous stress because of all these tests they are now taking.

We have to think this through. Some of the amendments I have—and I hope to have as many of them adopted as possible, and I appreciate the support from other colleagues—are to make sure we do this the best possible way.

In my own mind, I raise the philosophical question again: Should the Federal Government be telling every school district in every State to test every child starting at age 8 all the way every year to age 13? I do not know whether we should even be doing this. Should we be doing this to these little children? I am not sure we should. That is a philosophical question, and I will now put it aside.

The second problem is whether the resources are going to be there. I want to again put my colleagues on notice, not in a confrontational way, but I want them to know there are a couple of amendments I have prepared that I look forward to offering which basically say: When we adopt these amendments that authorize money, that does not mean it will ever happen, so we have to make sure that if we are going to do this testing, not only do we do it the right way, but that the funding will be available, be it the IDEA program—that is what is so important about Senator DAYTON's amendment—for children with special needs, be it title I for children who come from economically disadvantaged families so that there is more help for reading, more help for afterschool programs, more help for good teachers and teaching assistants, you name it—which will be another amendment which I, frankly, think is just as important, especially if we are going to start testing 8-year-olds, third graders. I will argue forever that far more important in determining how that child is going to do—maybe not at age 13, but at age 8—far more important than the teacher, although good teachers are always critically important, and far more important than reduced class size, far more important than whether the school is inviting and a good facility is whether or not that child came to kindergarten ready to learn. So the issue is, if we are going to start testing 8-year-olds, then we do that when we make the commitment to fully fund the Head Start Program, and that includes Early Head Start.

I am convinced, the more I think about this moving beyond Head Start, that we have to get to the point where, for 4-year-olds, if not 3-year-olds—and it could be optional—you need to pay teachers who do this work decent salaries. The Head Start Program is optional for families, but every family has that opportunity, and we fund it within our overall goal of public education. We really need to get real about it.

I think the context for Senator DAYTON's amendment is twofold. No. 1, for Minnesota, let me repeat these figures: Minneapolis, an additional $16 million; St. Paul, $15 million; Duluth, $4.5 million; Blue Earth Area Public School, $550,000; Deer River, $419,000; Walnut Grove, $54,000. It would be hugely important for us to make this commitment. That is why I join my colleague, Senator DAYTON, in this effort.

Final point: I really think the work that is being done for the IDEA program, that deals with children with special needs, is, as my good friend from Iowa likes to say, a constitutional mandate. We believe these children with special needs should have every right to be in school with other children and to get the best possible education.

But we are nowhere near our 40-percent funding to which we made a commitment. We are at about 14 percent. What Senator DAYTON is saying in this amendment is: Why 7 years? Why 10 years? If it is the right thing to do and we have this huge surplus now, then let's do the right thing over the next 2 years. The sooner we do it, the sooner we get the assistance to the local school districts, the sooner we get the assistance to the children, the sooner we get the assistance to our teachers, the sooner we get the assistance to our States. Therefore, if it is a great idea and a compelling idea and the right thing to do, it is the right thing to do now. Make it mandatory and fully fund it over a 2-year period of time.

I strongly support this amendment, and I hope my colleagues will vote for it.

I yield the floor.

AMENDMENT NO. 555

Mr. HUTCHINSON. I ask unanimous consent to set aside the pending business and call up amendment No. 555.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The bill clerk read as follows:

The Senator from Arkansas [Mr. HUTCHINSON] proposes an amendment numbered 555.

Mr. HUTCHINSON. I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The amendment is printed in the RECORD of May 9, 2001, under "Amendments Submitted and Proposed.")

AMENDMENT NO. 555, AS MODIFIED

Mr. HUTCHINSON. Mr. President, I ask that the modifications to amendment No. 555 that are at the desk be accepted.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment (No. 555), as modified, is as follows:

(Purpose: To express the sense of the Senate regarding access to secondary schools for military recruiting purposes)

At the end of title IX, add the following:

"SEC. 902. SENSE OF THE SENATE REGARDING DEPARTMENT OF EDUCATION PROGRAM TO PROMOTE ACCESS OF ARMED FORCES RECRUITERS TO STUDENT DIRECTORY INFORMATION.

"(a) FINDINGS.—The Senate makes the following findings:

"(1) Service in the Armed Forces of the United States is voluntary.

"(2) Recruiting quality persons in the numbers necessary to maintain the strengths of the Armed Forces authorized by Congress is vital to the United States national defense.

"(3) Recruiting quality servicemembers is very challenging, and as a result, Armed Forces recruiters must devote extraordinary time and effort to their work in order to fill monthly requirements for immediate accessions.

"(4) In meeting goals for recruiting high quality men and women, each of the Armed Forces faces intense competition from the other Armed Forces, from the private sector, and from institutions offering postsecondary education.

"(5) Despite a variety of innovative approaches taken by recruiters, and the extensive benefits that are available to those who join the Armed Forces, it is becoming increasingly difficult for the Armed Forces to meet recruiting goals.

"(6) A number of high schools have denied recruiters access to students or to student directory information.

"(7) In 1999, the Army was denied access to students or student directory information on 4,515 occasions, the Navy was denied access to students or student directory information on 4,364 occasions, the Marine Corps was denied access to students or student directory information on 4,884 occasions, and the Air Force was denied access to students or student directory information on 5,465 occasions.

"(8) As of the beginning of 2000, nearly 25 percent of all high schools in the United States did not release student directory information requested by Armed Forces recruiters.

"(9) In testimony presented to the Committee on Armed Services of the Senate, recruiters stated that the single biggest obstacle to carrying out the recruiting mission was denial of access to student directory information, as the student directory is the basic tool of the recruiter.

"(10) Denying recruiters direct access to students and to student directory information unfairly hurts the youth of the United States, as it prevents students from receiving important information on the education and training benefits offered by the Armed Forces and impairs students' decisionmaking on careers by limiting the information on the options available to them.

"(11) Denying recruiters direct access to students and to student directory information undermines United States national defense by making it more difficult to recruit high quality young Americans in numbers sufficient to maintain the readiness of the Armed Forces and to provide for the national defense.

"(12) Section 503 of title 10, United States Code, requires local educational agencies, as of July 1, 2002, to provide recruiters access to secondary schools on the same basis that those agencies provide access to representatives of colleges, universities, and private sector employers.

"(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary of Education, in consultation with the Secretary of Defense, should, not later than July 2, 2001, establish a year-long campaign to educate principals, school administrators, and other educators regarding career opportunities in the Armed Forces, and the access standard required under section 503 of title 10, United States Code.

Mr. HUTCHINSON. Since I became chairman of the Armed Services Personnel Subcommittee last year, the subcommittee has conducted two hearings on recruiting. This has been a real eye opener to me, to listen to these front-line military recruiters about the obstacles they face in doing a very important job for the U.S. military.

At both hearings, uniformed recruiters complained that denial of access to high school students or student directory information was the No. 1 obstacle they face in their efforts to recruit high-quality men and women needed to man today's military. It is a bigger problem than the health care of the military, a bigger problem than educational benefits, a bigger problem than image. Bigger than anything else was the problem of actually getting access to the students to be able to tell their story about the career opportunities they might have serving in the U.S. military.

I was stunned to discover that more than 4,000 high schools across the Nation, which routinely allow colleges, employers, and class ring companies access to students, are denying access to recruiters from one or more of our military services.

In 1999, the last year in which accurate figures are available, the Army was denied access by 4,515 schools; the Navy was denied access by 4,364 schools; the Marine Corps was denied access by 4,884 schools; and the Air Force was denied access by 5,465 high schools in the United States.

This, I suggest, is a national disgrace. Our Armed Forces protect America's freedoms, and uniformed recruiters should not be denied access to almost a quarter of America's young people because, many times, of the arbitrary decision of a high school principal or a high school superintendent.

Denial of access undermines our national defense by making it even more difficult to recruit high-quality young Americans in numbers sufficient to maintain the readiness of our All-Volunteer Force.

Denying recruiters direct access to students and student directory information also unfairly hurts America's youth. It prevents students from receiving important information on the educational and training benefits offered by the Armed Forces and impairs students' decisionmaking by hiding the career opportunities available to them.

When I became aware, that our recruiters whom we ask to do one of the most difficult jobs in the military, to go out and recruit young men and women to go into our military at pay that is disparate from what they could get in the private sector, in an almost full-employment economy, we were asking them to do that with one hand tied behind their backs because they weren't given access to almost one-quarter of the students, I offered a provision in last year's defense authorization bill which would, effective July 1, 2001, require high schools to provide recruiters for the armed services both physical and directory access equal to that provided to colleges and prospective employers.

If the high school wants to have an across-the-board policy of no access to their students—no employers, no colleges—then certainly they could apply that to military recruiters. But if they are going to say class ring companies can come on, colleges and institutions of higher learning can come on to the campus and recruit, industries can come on and recruit for careers, then we said that military recruiters should have access on the same basis.

If such access is not granted, a recruiter must report the denial to his or her respective service. This report will trigger, then, a series of visits and written notifications by the Department of Defense personnel culminating in the Secretary of Defense contacting the relevant Governor and asking for help in restoring access to the offending high school.

Any school district in America would have the opportunity to opt out of the law if the local school board voted publicly to discriminate against recruiters from the Armed Forces. But no more simply shall a superintendent or a principal making a determination on their own for whatever reason, because of a bad experience or whatever they might have had, that might motivate them to prevent these recruiters from access. It would have to go to a public vote of the elected representatives, elected school board, before they could opt out of the law. Any high school that continued to discriminate against recruiters from the Armed Forces without the support of such a vote would open itself to lawsuits in Federal court.

We are rapidly approaching July 1, 2001, which will mark 1 year until the new law becomes effective. We have already heard from many recruiters that they are finding that high schools are not aware of the public law that changed Federal policy and the fact it is going to go into effect in just a little over a year. So as thousands of high schools, yet ignorant of the pending change in the law, continue to discriminate against uniformed recruiters, I think now is the time for a national wake-up call concerning this denial of access that continues to this day.

My amendment states that:

> It is the sense of the Senate that the Secretary of Education, in consultation with the Secretary of Defense, should. . .establish a year-long campaign to educate principals, school administrators, and other educators regarding career opportunities in the Armed Forces and the access standard [that is required under this new law].

I think it is very important that recruiters as they go across this country have the support of the Congress in the sense that these principals, these superintendents, and school administrators are aware that we have changed the public policy. There will be a new law in effect.

There will be a new law in effect, and the only way they can deny that access is when they go before the elected school board members and have a public vote to that effect.

I hope my colleagues will unanimously support a very commonsense and patriotic amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HUTCHINSON. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

AMENDMENT NO. 374, WITHDRAWN

Mrs. CARNAHAN. Mr. President, I call for the regular order on amendment No. 274, and I ask unanimous consent to withdraw the amendment.

The PRESIDING OFFICER. The Senator has that right.

Without objection, it is so ordered.

AMENDMENT NO. 448, AS MODIFIED

Mrs. CARNAHAN. Mr. President, I call up amendment No. 448, and I ask unanimous consent to send a modification to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mrs. CARNAHAN] proposes an amendment numbered 448, as modified.

Mrs. CARNAHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To improve the quality of education in our Nation's classrooms)

On page 319, line 4, insert ", including teaching specialists in core academic subjects" after "principals".

On page 326, line 1, insert ", including strategies to implement a year-round school schedule that will allow the local educational agency to increase pay for veteran teachers" after "performance".

On page 327, line 2, insert "as well as teaching specialists in core academic subjects who will provide increased individualized instruction to students served by the local educational agency participating in the eligible partnership" after "qualified".

On page 517, line 18, strike "and".

On page 517, line 20, strike the period and insert "; and".

On page 517, between lines 20 and 21, insert the following:

"(I) alternative programs for the education and discipline of chronically violent and disruptive students as it relates to drug and violence prevention.

On page 528, line 11, strike "and".

On page 528, line 14, strike the period and insert "; and".

On page 528, between lines 14 and 15, insert the following:

"(16) alternative programs for the education and discipline of chronically violent and disruptive students as it relates to drug and violence prevention.

On page 539, line 10, strike "and".

On page 539, between lines 10 and 11, insert the following:

"(E) alternative programs for the education and discipline of chronically violent and disruptive students as it relates to drug and violence prevention; and".

Mrs. CARNAHAN. Mr. President, the quality classrooms amendment provides flexibility for our schools. I am delighted that the Senate has recognized the need to provide our schools with more choices, not more mandates. The amendment allows for the hiring of teaching specialists, the development of alternative educational programs, and year-round school schedules. It will recognize, reward, and encourage promising reform efforts.

I thank the managers for their assistance with the quality classrooms amendment. I greatly appreciate the suggestions that Senator JEFFORDS and his staff have offered. I am also grateful to Senator KENNEDY and his staff for their assistance and for their hard work throughout the education debate. I am proud to be a part of this debate.

I am confident that our efforts in behalf of public education will bring greater opportunity to our Nation's children.

I understand that the managers have agreed to accept the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 448), as modified, was agreed to.

Mr. REID. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, what is the pending question before the Senate?

The PRESIDING OFFICER. The pending question is the Hutchinson amendment No. 555.

Mr. BYRD. Mr. President, I ask unanimous consent that the pending amendment be set aside temporarily so that I might call up an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the Chair.

AMENDMENT NO. 564 TO AMENDMENT NO. 358

(Purpose: To encourage States to require each expelled or suspended student to perform community service for the period of the expulsion or suspension)

Mr. BYRD. Mr. President, I call up amendment No. 564.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 564 to amendment No. 358.

(The text of the amendment is printed in the RECORD of May 9, 2001 under "Amendments Submitted and Proposed.")

AMENDMENT NO. 564, AS MODIFIED

Mr. BYRD. Mr. President, I send to the desk a modification to the amendment. Do I need to ask unanimous consent?

The PRESIDING OFFICER. Yes.

Mr. BYRD. I do that.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered. The amendment is so modified.

Mr. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 564), as modified, is as follows:

On page 571, strike line 13, and insert the following:

ance with this section.

"Subpart 4—State Grants To Encourage Community Service by Expelled and Suspended Students

"SEC. 4141. AUTHORIZATION OF APPROPRIATIONS.

"In addition to amounts authorized to be appropriated under section 4004, there are authorized to be appropriated $50,000,000 for fiscal year 2002 for State grants to encourage States to carry out programs under which students expelled or suspended from schools in the States are required to perform community service.

"SEC. 4142. ALLOTMENTS.

"(a) IN GENERAL.—From the amount made available under section 4141, the Secretary shall allocate among the States—

"(1) one-half according to the ratio between the school-aged population of each State and the school-aged population of all the States; and

"(2) one-half according to the ratio between the amount each State received under section 1124A for the preceding year and the sum of such amounts received by all the States.

"(b) MINIMUM.—For any fiscal year, no State shall be allotted under this section an amount that is less than one-half of 1 percent of the total amount allotted to all the States under this section.

"(c) REALLOTMENT.—The Secretary may reallot any amount of any allotment to a State if the Secretary determines that the State will be unable to use such amount within 2 years of such allotment. Such reallotments shall be made on the same basis as allotments are made under subsection (a).

"(d) DEFINITION.—In this section, the term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.".

Mr. BYRD. Mr. President, many young people in our schools today are suspended for bad behavior, somewhat unlike the days when I was in high school. They took care of the bad ones right there on the spot when I was there. But today a lot of them are suspended. A number of children in our schools are expelled for violent or dangerous behavior. And I am all for that. I am all for suspensions and expulsions where warranted, but what then? In today's home, all to often, both parents work. The suspended or expelled student may be left to his or her own devices. Many counties send expelled students to alternative schools, but alternative schools do not always follow the same procedure, the same schedule as regular public schools, again leaving children on their own for portions of the school day. And an idle mind is the devil's workshop.

An idle young person with no supervision is a child who can easily get into trouble. A violent young person expelled for serious breaches of behavior could even be a menace to the community at large. Some children actually misbehave in school, I am told, in the hopes of being suspended or expelled with the notion that they will be able to enjoy a brief respite from their school classes.

The amendment which I have offered and which has now been modified would encourage States to create a program that enrolls suspended and expelled youth in community service programs. You see, put them to work at something that encourages them to become builders, not wreckers, of buildings. The purpose of this amendment then is twofold.

First, it would occupy young people who have been suspended or expelled. It would put those idle hands to work. Instead of hanging around on street corners or roaming around the shopping malls, these youths would participate in community service activities that give them structure, that promote a work ethic, and send the message that being suspended from school is not a vacation.

Second, this program would give back to the community. Too often the young people of the "me" generation—the "me" generation—do not consider that we are a society, and that each member of that society has a responsibility to the other people in that society. By performing community service, these young people would be making a contribution to their neighbors which would give them a sense of doing for others, perhaps even opening their eyes to the problems of those around them.

My amendment would provide $50 million to allow States to coordinate and run a program which puts suspended and expelled students to work. Whether it is picking up litter, whacking weeds, painting fences, or mowing the grass, participating in public service activities will provide these young people with an alternative activity that helps to better their communities, and to better their lives.

Wordsworth wrote, "Small service is true service while it lasts." I urge my colleagues to support my amendment which authorizes this amount of money and helps to point troubled students toward true service to their communities, their country, and help them to become good, productive citizens.

I yield the floor.

Mr. President, if I may be recognized again.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. I ask unanimous consent that the distinguished Senator from Nevada, the Democratic whip, be made a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I am very happy to have a voice vote if Senators are so inclined.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, as I understand it, we are ready to vote on the Byrd amendment.

The PRESIDING OFFICER. That is correct.

Mr. JEFFORDS. I ask for the vote.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to amendment No. 564, as modified.

The amendment (No. 564), as modified, was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JEFFORDS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Vermont who is the majority manager of the bill. He is very gracious to accept the amendment. I also thank Mr. KENNEDY who likewise was supportive of the amendment.

I yield the floor.

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator from Arizona.

AMENDMENT NO. 477 TO AMENDMENT NO. 358

Mr. McCAIN. Mr. President, I ask unanimous consent that the pending amendment be laid aside to call up amendment No. 477, which was previously filed. I send it to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Arizona [Mr. McCAIN] proposes an amendment numbered 477 to amendment No. 358.

(Purpose: To express the sense of the Senate that S. 27, the Bipartisan Campaign Reform Act of 2001, as passed by the Senate on April 2d should be engrossed and transmitted to the House of Representatives without further delay)

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING TRANSMITTAL OF S. 27 TO HOUSE OF REPRESENTATIVES.

(a) FINDINGS.—The Senate finds that—

(1) on April 2, 2001, the Senate of the United States passed S. 27, the Bipartisan Campaign Reform Act of 2001, by a vote of 59 to 41;

(2) it has been over 30 days since the Senate moved to third reading and final passage of S. 27;

(3) it was then in order for the bill to be engrossed and officially delivered to the House of Representatives of the United States;

(4) the precedents and traditions of the Senate dictate that bills passed by the Senate are routinely sent in a timely manner to the House of Representatives;

(5) the will of the majority of the Senate, having voted in favor of campaign finance reform is being unduly thwarted;

(6) the American people are taught that when a bill passes one body of Congress, it is routinely sent to the other body for consideration; and

(7) the delay in sending S. 27 to the House of Representatives appears to be an arbitrary action taken to deliberately thwart the will of the majority of the Senate.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary of the Senate should properly engross and deliver S. 27 to the House of Representatives without any intervening delay.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, this amendment is very simple. It instructs the Secretary of the Senate to properly engross and deliver S. 27, the campaign finance legislation that was passed 43 days ago by this Senate, to the House of Representatives without any intervening delay.

I am sure that few people in this body knew that the bill they voted for—or against, for that matter—was never sent to the other body. Why is this so? Unfortunately, I don't have an answer. I do know that it is not what we teach our children.

We give out a book here, a very interesting book, one that schoolchildren all over America, I hope, know. Some do, but I wish all of them did. In that book, on page 41, it says: When a bill originates in the Senate, this process is reversed.

When the Senate passes a bill that originated in the Senate, it is sent to the House for consideration.

There is another booklet, "Our American Government," the 2000 edition. "What are the stages of a bill in Congress?" It goes through the various stages:

(6) Passage by the House after votes to confirm the amendments that were adopted in Committee of the Whole; (7) Transmittal to the Senate, by message; (8) Consideration and passage by the Senate—usually after referral to and reporting from a Senate committee—and after a debate and amendment on the Senate floor; (9) Transmission from the Senate back to the House, with or without Senate amendments to the bill.

Those are documents that indicate it is the normal procedure. I note that this is not business as usual. In fact, arbitrarily holding this bill in the Senate after being passed is not the usual practice. I will read from a chart prepared by my staff which shows that the normal expected practice is to send legislation to the other body in a much more timely fashion.

Thirteen bills originating in the Senate have passed the Senate during the 107th Congress. Of those bills, 11 were sent in an average of 5.18 days. The two remaining bills, S. 27, the Bipartisan Campaign Reform Act of 2001, and S. 143, Competitive Market Supervision Act of 2001, were passed on April 5, 2001, and March 22, 2001, respectively. Neither has been referred to the House of Representatives.

The holding of this bill is arbitrary and unfair. A sound majority of Senators has passed the campaign finance reform bill. This is not only bad for the Senate but bad for this great country.

The minority in this body has a great deal of rights. But the Senate also recognizes in its rule that once a majority reaches a certain threshold, it can prevail and move forward. What we are seeing here is a minority of one stopping the will of this body.

As I said, there is no good rationale for this action. The staff of this body, including the Secretary of the Senate, serve the entire Senate. I repeat: The Secretary of the Senate serves the entire Senate, not just one Senator. They are not tools of one individual. They serve all 100 duly elected Senators. These good people should be allowed to perform their duties with due process.

This amendment should not require much discussion or debate. It should be adopted and the Secretary of the Senate should immediately take the actions the resolutions direct. That is what is right, and that is what is fair.

I urge my colleagues, those who support campaign finance reform and those who do not, to join me in seeing that the will of the majority and basic fairness prevail.

I want to talk for a second about this practice being allowed to continue. I speak, I hope, for Members on both sides of the aisle. If the majority prevails in the Senate on a piece of legislation and that legislation is not sent over to the other body, then this could lead to a very, very, very unsound and unfair process that could deprive the majority of the Senate of their rights. A bill passed in the other body is sent over here for our consideration and placed on the calendar. Then it is up to the majority leader and/or the minority leader, depending on who has the votes, as to whether to consider that legislation.

The same thing is true of legislation that originates in the Senate. As I say, I could go back many years. It is roughly an average of 4 days between the passage of legislation through this body and its transmittal to the other body. We have now gone 43 days, and the majority leader of the Senate has stated publicly that he has no intention at any time of sending the legislation to the other body for their consideration.

One can speculate—and I will not—on the reasons why this legislation is not being transmitted to the other body as is our custom. I say to my colleagues in all seriousness, if this practice is condoned, watch out if you prevail and it is against the majority leader's wishes for that bill to be sent over to the other body. By not sending this and every piece of legislation passed by the Senate over to the other body, we may be beginning a very dangerous precedent.

I am very aware that this amendment is not relevant to the education bill, although obviously, as I mentioned, we educate our children in ways that we may have to at least amend in this book. I hope we don't have to. But I want to assure my colleagues, as soon as this bill is transmitted to the other body, I will be the first to stand up and ask unanimous consent to withdraw this from the legislation because I don't want to encumber the education bill with this issue. But when I see, after the long, hard struggle that I have been through, along now with a majority of the Senate, to achieve a legislative result and see that legislative result stymied at least temporarily in a procedural fashion, as far as I can see an unprecedented fashion, then I have to seek whatever vehicle I can to express what I hope is the majority will of the Senate.

I hope we can get this issue behind us. I strongly believe it has more importance than even the campaign finance reform bill itself, if this practice is allowed to become a precedent, what is being done with this legislation.

I might add, it was about 3 weeks ago that by accident I found out that it was not going to be sent over to the other body. I was not even notified that this legislation was not going to be sent over.

Once we did discover it, then I went to the majority leader. I asked on numerous occasions if he would send this bill over. The majority leader, yesterday morning, stated that under no circumstances would he do so.

I have no alternative than to move to get the sense of the Senate on this issue and then, if that doesn't succeed, then we will have to obviously use what other parliamentary options we have.

After a long and fair and, in many ways, illuminating and elevating debate on this issue and having a result achieved, and then to have it not even sent over to the other body, is a great disservice. I hope it will be rectified as soon as possible.

I ask for the yeas and nays at a time determined by the leaders.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. McCAIN. I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I am happy to join with the Senator from Arizona in offering this amendment. Actually, that is not true. I am not really happy we are offering the amendment; I am disappointed and puzzled. Because this amendment should be totally unnecessary. It is unnecessary because by instructing the enrolling clerk not to transmit S. 27 to the House, the majority leader is frustrating the will of the Senate and of the American people for no apparent reason.

I was pleased with the debate we had on campaign finance reform back in late March. Not only because we finally were able to have a real debate, vote on amendments, and ultimately pass a good bill, but also because I thought the Senate acquitted itself extremely well under difficult circumstances. Both sides played fair in that debate. The majority leader kept his word not to filibuster the bill.

The opponents fought hard but did not drag out the proceedings unnecessarily. I think we kept our word as well, even though there were amendments added that we did not necessarily approve of or like a great deal. We did not offer a cleanup amendment before the end of the debate to wipe out all the work of other Members of the Senate; we let the chips fall as the Senate wished. The result was a bill of which the Senate and the public could be proud.

As we know, the bill passed the Senate by a vote of 59–41 on April 2, 2001. There was a technical amendment right before final passage, and it could normally be expected with such a complex piece of legislation that it might take a few days for the bill to be engrossed and officially delivered to the House. That is the way the legislative process legitimately works. The House passes a bill, and it goes to the Senate; the Senate passes a bill, and it goes to the House. But it has been a month and a half.

The McCain-Feingold bill passed by the Senate still has not been sent over to the House. There is not a question at all that it is ready to go, but apparently an instruction was received by the enrolling clerk not to follow the standard procedure when the Senate passes a bill. That instruction clearly originated with the majority leader of this body.

This is actually an embarrassment to the Senate. I think it would also be an embarrassment to the majority leader. I thought we were beyond petty game playing in this body. These kinds of tactics discredit the institution, and they also completely undercut the good feeling many of us gained during that extraordinary 2 weeks of open debate. As a result, this action by the majority leader could be indicative of the lengths to which the opponents of reform will go to stop the bill even when they have lost in the Senate fair and square. Will they stop at nothing? Is there no legislative or parliamentary tactic too obscure to be invoked in the name of stopping reform, to be invoked in the name of protecting this big money system?

In the end, we will enact a reform bill for the American people in this Congress, and the President will sign it, no matter how the opponents complain or what tricks they try to stop it. I agree with the Senator from Arizona that we need to resolve this. The regular business needs to go forward, but that has to happen after this message is sent clearly by the Senate that it is long overdue for this bill to be sent over to the House.

I yield the floor.

Mr. KENNEDY. Mr. President, my good friend from Arizona and the Senator from Wisconsin have pointed out the focus on this legislation, and Senator McCAIN indicated that once the papers go over to the House, they will ask to withdraw this amendment.

I must say, on a broader issue, I congratulate the Senators from Arizona and Wisconsin for bringing this to light on the Senate floor. I think all of us are very mindful in this institution that this is where these issues ought to be debated and discussed and also examined. When we do have that opportunity, as we saw during the debate on campaign financing—the fact that there are a lot of discussions in the back rooms and in the corridors and behind closed doors—when they finally get it into the openness of the floor of the Senate, you get a different reaction.

I daresay we will have a very encouraging reaction when we vote on this measure this afternoon, and we should have. I think it is very regrettable that we have the use of the Senate rules to deny a clear process in this legislative undertaking, where this legislation had passed and still there has not been the passing of the papers. We have seen other actions such as that in denying this body the opportunity to address key issues even currently. For example, on the increase in the minimum wage, we were denied the opportunity of getting a fair vote. Even though a majority of this body is committed to a Patients' Bill of Rights, we have seen this.

On this measure, which is of such importance to our good leaders here, Senator McCAIN and Senator FEINGOLD, they deserve credit and support. I join in congratulating them.

Mr. McCAIN. Mr. President, I ask the distinguished Senator from Massachusetts, have we determined a time yet as to when this vote will take place?

Mr. KENNEDY. I do not. As far as the floor managers are concerned, the earlier the better. I don't know about what the timing is on the other side. The leader on our side is familiar with it, and I hope we will do it at an early time.

Mr. McCAIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from New Mexico is recognized.

Mr. DOMENICI. I thank the Chair.

(The remarks of Mr. DOMENICI pertaining to the introduction of S. 884 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DOMENICI. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, we are awaiting Senators who desire to offer their amendments. I believe Senator BOXER will be here shortly, and also Senator HARKIN, perhaps just after that, depending on the desire of the other side.

While I have a moment and prior to the time they come, I want to review where we are on a very important aspect of this debate, and that is the funding for this legislation.

As I mentioned on a number of occasions, and I am going to continue to mention it, we cannot expect to educate our children on a tin cup budget. It cannot be done on the cheap. Money is not the answer to everything, but it is a very clear indication of a nation's priorities.

In this legislation, we are looking for investments in America's future. When we are talking about America's future, we are talking about America's children. We believe we have an effective blueprint that can make an important difference in the quality of education for children in this country.

As I have said on a number of occasions, it is not going to be this legislation in and of itself. It is going to be the cumulative efforts of parents, teachers, communities, principals, school administrators, and school boards all working together. It is also going to be the support we provide in the early learning programs that will reach children of the 0-to-3 age. It is important we invest in these efforts. It is a biological fact that development of a child's brain reaches its maximum at the age of 5. All the development takes place prior to that time. It is enormously important the child have, up to that time, as many positive influences as possible.

We are going to battle the issues of funding for early intervention of children—the Early Start Program—the Head Start Program, which are only funded at about 40 percent, and the child care programs as well. We have had a good debate on funding IDEA, and we had a very powerful bipartisan vote in the Senate that put us clearly on record that we want to meet our responsibilities to the families and local communities by funding 40 percent of the education of the children.

I want to review where we are on the question of funding this legislation and what we understand will be the administration's position on funding the Elementary and Secondary Education Act. This includes not only title I but professional development programs, technology programs, the Safe and Drug Free Schools Act, afterschool programs, and related programs that are part of the whole Elementary and Secondary Education Act.

I pointed out at the time we had the last debate in the Senate last week what was going to be in the budget for this country, what was going to be available for funding. We have seen now that the Republican leadership, with the support of the administration, has effectively sucked up all of the available resources that can be used for education with the $1.25 trillion tax reduction.

As a result of that, as a result of the document that we had, when it came back from the conference, there was virtually no guarantee or assurance for funding for the years 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010. In fact, a careful reading of that legislation would mean there would actually be a reduction in the funding from current services during that period of time. That is a matter of enormous concern—and it should be—to the families of this country.

I expect the families in this Nation would say if we are going to have a tax cut, you ought to be able to get—as a matter of fact, I am stating what about 75 percent of the American families say. They say: If we are going to have a tax cut we are going to have a tax cut, but first let's fund education, investing in the children of this country.

What we have seen under the administration's program is they have reached a different conclusion. Under that proposal, as I pointed out when we had that debate, the measure was very clear and precise in the instructions to the Finance Committee about what they ought to come back with, within what period of time. Even though we passed that bill last week, as I understand it, we may very well be considering the budget tomorrow. Can you imagine that? We passed it last week. It will be out of the Finance Committee and we may be considering it tomorrow. We can see what happens when the majority, in this case the Republican majority, and in this case the President, want to get something done. They can get it done virtually overnight; over $1 trillion that will go into effect in terms of tax reductions for wealthy individuals. They can get it done overnight.

But what was included in this proposal? Over the period of the life of this legislation, the 10-years, up to $6 billion may be used for education. I think everybody understands there were very precise instructions on tax reduction, very precise instructions on defense, very precise instructions on agriculture, and virtually no instructions with regard to education. That is the fact. That is indisputable. Now we are going to see what the result of that will be.

I think it is instructive to look at what this increase would mean in terms of past years: proposed ESEA budget increases, Clinton versus Bush administration.

We heard the President wants this to be the first priority. As I say, if we compare apples to apples, oranges to oranges, grapefruits to grapefruits, Clinton to Bush, over recent years, in terms of elementary and secondary education budget increases, this chart indicates from 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, and what the Clinton average was over that period.

The Clinton average over that period from 1994 to this last year was 8.67 percent. Under President Bush, it is 3.6 percent. There it is, the Clinton average—2001, 22 percent; 2000, 4.7 percent; 15.7 percent in 1999; 6.8 percent in 1998; 9.4 percent in 1997; 6.4 percent in 1996; 19 percent in 1995; 4.5 percent in 1994. Average: 8.67.

There is the 3.6 percent. We want to point out that is without the changes and without the reforms. We have done a lot of giving and taking. There has been chiding on both sides about whether the administration, the President, gave up too much, whether others gave up too much. That is what compromise is all about. This is not the bill I would have written and this is not the bill President Bush would have written, but it represents a legitimate compromise and I am satisfied. I believe the great majority of our Members are satisfied. If this bill had full funding, we would have virtually every vote on our side. We may not, if it is not funded, and that is what we are saying.

If we are talking about the future of this country and talking about the importance of investing in children, and we have seen the changes which have been brought back as a matter of additional accountability and how this legislation has been put together, the consolidations of various programming, holding schools accountable, holding the children accountable as well, the changes that have been made in holding schoolteachers accountable and strengthening the assurance we have well-qualified teachers, that we have a professional mentoring program, professional development over the years, none of that was out there. We had some accountability in the previous bill. We had some reconstitution, actually, of schools under the last elementary and secondary education bill.

But this goes further and is more comprehensive as a package, bringing together the funding of IDEA, bringing together the additional resources for professional development and the way they are structured, bringing together the outreach for good quality teachers, bringing together consolidation of the technology component, and with a strong emphasis that we are going to get curriculum reform, well-trained teachers, and a more thoughtful process in examining children to find out what they don't know. We do that so we can provide the supplementary services, reaching out to the communities in a much wider way than we have before to use the resources within the communities to help and assist children who might need that extra help with supplementary services in a very expansive way that we had not done before—and to recognize we are only reaching a third of the children.

How are we going to achieve what this legislation effectively states, and that is that we will bring every needy child in this country up to proficiency within 10 years, if we are only reaching a third of them now? It is going to be difficult enough—if we were reaching all of them—to try to help with the additional resources in bilingual education, for example. The number of children who need those services has virtually doubled in our school-age population.

As I mentioned on other occasions, but it bears repeating, the challenges that schools are dealing with are much more complex today. We have many more families divided so children are growing up in divided homes. We see what has happened in terms of violence in many of the homes, in inner cities as well as in rural communities, the problems with substance abuse and physical abuse. All that has taken place. Plus, we have seen an increasing number of children who are homeless—more than 800,000 homeless children, 800,000 migrant children, sweeping from California all the way to Washington in the west and from Florida to the State of Maine in the east. We have about 1.5 million children.

Then we have about 700,000 immigrant children who are going to be citizens of the United States who need help and assistance as they move along. They are going to be American citizens. They are on the way to being American citizens. We want to invest in those children.

These are the kinds of challenges we were not facing 20 years ago, for the most part. So we have a more complex situation at the grassroots level. We have parents, teachers, and schools attempting to cope with this under extraordinary circumstances. They need help, they want help, and they are counting on us to help.

The way that we can do that is to make sure with this legislation and with the accountability that we are going to invest in children who need the help. That is for what we are fighting.

When you look at this chart, the comparison with what this administration is requesting, 3.6 percent this year versus the 8.6 percent average over the previous 8 years and understand that of that 3.6 percent, money is taken from other pots—that is not new money. Half of that is in job training. Two-hundred million dollars of that is from the National Science Foundation. Another couple hundred million dollars is from the EPA.

Look at this: $54.1 million from job training; $20 million from the early learning opportunities—that is the program that reaches the children in the 0-to-3 programs; pediatric graduate medical education to try to assure that we are going to have the best in terms of pediatric training for children. They have taken $30 million out of that; clean water State fund, $497 million. That is a vital resource in terms of many of the States, including my State of Massachusetts where you have so many of the communities under court order to clean up their water systems in what which are basically blue-collar, working-class communities.

They have high taxes as it is. They don't have the resources to be able to draw on a State fund. To help them is absolutely essential. We are cutting that program.

As to the renewable energy programs, we have the great debate and discussion about these energy programs. The administration takes out $156 million; NASA and National Science Foundation, $200 million; FEMA disaster relief, $270 million; and community policing, one of the most successful programs, they cut.

What we see is a difficult situation over the period of the next 5 years out I fear for the outyears, the fifth year to the tenth year, because we know what is going to be in this tax package which is going to be heavily weighted, or backloaded. That is the word which is used. As we all understand around here, the reason it is backloaded is because it conceals its purpose.

Make no mistake about it; if it was frontloaded, there would be a clear indication of the amounts we could evaluate for the first 5 years; that is, the Joint Tax Program, the Congressional Budget Office, and the OMB estimates the first 5 years—not the back 5 years.

As a result, we find the backloaded tax bill. That is going to mean that education resources will remain scarce—not just for the next decade covered by the budget resolution but for the next decade as well when the enrollments are expected to expand dramatically.

I think this is a clear indication if you look at the broader issue. You say, OK, that is ESEA, but maybe much more will be done in the other areas of education; that is, in the Pell grants or other kinds of help and assistance in higher education, such as the Department of Education, or maybe we are looking at research to find out what really works out there so we can help.

But we have the same story. This administration fails in the education budget in investments in education. If we look on the chart, the total increase for the title I program was $669 million, 3.5 percent, even though if you look through the book that has the budget figures, that is effectively where it comes out. There was a great hoopla about how it was going to be 11.9 percent. It is $669 million, and the appropriation for the year 2001 was $3.6 billion.

If you look at the total Department of Education, 6.5 percent appropriations last year; the total for the Department of Education is $2.5 billion.

This is not only elementary and secondary education, but it is in the higher education as well.

I know many of our colleagues have the opportunity to go back as I do and talk with people in our States. If I go back to Massachusetts and have a town meeting, I ask people in that hall, say you have $1 that represents the Federal budget. Let's think through about how that ought to be spent. You ask people for a show of hands. They want national security. They want defense. They understand the importance of national security. They want to make sure whatever is necessary is there, and that is something certainly that we ought to support.

While we are talking about national security, is there anyone in this body who doubts that within the next 3 or 4 weeks after we pass their tax cut on tomorrow, or the next few days, that within a 4-week period we will have the requests from the Department of Defense as a result of Secretary Rumsfeld's total Bottom-Up Review, and the best estimate is anywhere from $100 billion to $200 billion over the next 5 years. That is going to be on track. We are not hearing about it now. We are not talking about it. But does anybody really doubt that? Does anybody in the defense community really question that? Not that I have heard. We are just not going to be able to do this.

As I say, if you are in that room and asking people what they think, they say: Oh, yes. We need Social Security and we need to have Medicare. They understand that. Maybe some will say we will start talking about it.

What about education? What about prescription drugs? Where do they fit? Some will mention that we have to pay an interest on the debt. Then you ask them: What do you think we are spending on education? First of all, what do you think we should spend? After they begin to understand that it is maybe 5 cents in terms of the defense and maybe a little less than that on the interest on the debt, you get probably 2.4 or 2.5 in terms of the Medicare programs. You include Medicaid in there, and you have Social Security. That is figured in the budget. They see that going up.

But at the end of the day when you start talking about education, 80 percent of Senators will say that we ought to at the minimum spend 10 cents or 8 cents out of that dollar on education. Ninety percent will say certainly 5. Would you believe that it is less than 2? And under this administration, it will be less than 1 cent. Does that reflect the American families' priorities in terms of education?

We understand it is a local responsibility and a State responsibility, and the Federal participation has been focused primarily on the higher education. But I think most families would say we want a partnership with local, State, and Federal. We want a partnership because we recognize that we need the resources.

In many different communities where they have the greatest kind of pressure, particularly in the poorest of the poor, they do not have the resources to be able to sort of deal with this.

We made a decision in the early 1960s that we were going to reach out to try to provide resources and recognize as a matter of national commitment that we were going to deal with the neediest students in this country.

That is what this title I program is really all about. It provides resources for those communities—not a great deal of resources. We have had some successes and failures. But we are in a new day and period.

But the idea that we are providing a penny out of that dollar in terms of education, which is really another word for talking about our future—children are our future. Investing in our children is investing in our future. Is there anyone who doubts that if you have an eighth grade class and the children don't learn algebra that those children are not going to college? It is simple, plain, finished, conversation ended. You have to make sure you have people in there who are going to be able to teach them. That is going to take upgrading.

We don't expect to solve all the problems, but we have made a commitment at least in this bill that the teachers who are going to teach the children—better than 50 percent of the title I children who are going to be educated within 4 years—will be well qualified. We have made our commitment. We have to have the resources to be able to do it.

So this is about our future. This is about our priority. It is about the key element in terms of a nation and our fundamental values. Are they going to be in terms of the future, which is our children, or are we going to be presented with a future tax reduction for the wealthy individuals in this country? I think that is how it is going to be.

Let me make it clear that I have every intention of offering amendments to let the American people understand how this body wants to vote in terms of a reduction in the top rates for the wealthiest individuals, or fund education.

This body will have a chance to make a judgment decision on that. Are we going to go from the 39.6 down to 36, and then further reductions in many other areas or are we going to fund our children's education in the future? What is in the national interest? What is in the interest of these children? Do we want this Nation to invest in our children or do we want to find out that we are going to provide additional benefits to people who have done very well in the last few years?

What we have seen in the most recent times has been this extraordinary kind of dichotomy where the wealthier have grown so much wealthier and the poor have grown so much poorer. I remember those charts. I do not have them here. But if you look at what has happened in terms of American income, broken into fifths, from the time of the war to 1972, you will find each group went up; they grew together. Virtually all of them grew together. Not now. You now find the bottom fifth is going down—yes, going down. The second fifth is going down just a little bit. And the top fifth has gone up through the ceiling. We have these enormous disparities. By failing to invest in the children, that is going to continue, as sure as we are standing here.

So we will have the chance to come back and visit this as soon as the Finance Committee reports out its bill. We will welcome the opportunity to have the Members of this body vote on these measures.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. JEFFORDS. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SMITH of Oregon). Without objection, it is so ordered.

Mr. JEFFORDS. I ask unanimous consent that at 5:30 tonight the Senate proceed to vote in relation to the McCain amendment No. 477. I further ask unanimous consent that no amendments be in order to the amendment prior to the vote.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. JEFFORDS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 525 TO AMENDMENT NO. 358

(Purpose: To provide grants for the renovation of schools)

Mr. HARKIN. Mr. President, I ask unanimous consent that the pending amendment be laid aside, and I call up amendment No. 525.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The clerk will report the amendment.

The senior assistant bill clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself, Mr. KERRY, Mr. LEVIN, Mr. REID, Mr. BIDEN, Mr. CORZINE, and Mr. JOHNSON, proposes an amendment numbered 525 to amendment No. 358.

Mr. HARKIN. I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in the RECORD of May 9, 2001, under "Amendments Submitted and Proposed.")

Mr. HARKIN. Mr. President, I know there is a unanimous consent agreement pending for a vote to occur at 5:30, so my statement on the amendment will be interrupted at 5:30—if I go on that long—for the vote at that time.

Mr. President, our children deserve the best when it comes to education—all children; not just a few but all. It is not right that some kids get the best in schooling and the best of teachers and the best of school buildings and other kids are put into rundown, dilapidated, old buildings that are not even safe as far as fire and safety codes go.

Children deserve modern school buildings with access to technology. They deserve small classes so they can get the teacher's attention when they need extra help. It is not just our kids who deserve this, it is the future of our country that deserves this, cries out for it, demands it.

As the old saying goes, a picture is worth a thousand words. This is a picture of a modern elementary school classroom. This is Cleveland Elementary in Elkhart, IN. If I am not mistaken, there are 17 or 18 kids in this well-lit, well-appointed, roomy classroom. That is what a modern school ought to look like. That is sort of what we think about as an elementary school in all of our minds. This is what we conjure up. We conjure up a nice, well-ordered classroom with a class small enough for the teacher to pay attention.

Or how about this? This is South Lawrence East School in Lawrence, MA. There are 12, maybe 13 kids here. This is the library and media center. Now how about that as the kind of an ideal library and media center for all of our elementary schools around the country?

I ask any parent: Wouldn't you like to have your child go to this school? Wouldn't that be wonderful, to think that your kid was in a school like this every day with the latest technology, all hooked up to the Internet? That would be nice.

I am afraid most schools look like this. That is not bad. That is not a dilapidated school. The average school building in the United States is 42 years old. This is where most of our kids go to elementary schools. They are over 50 years old. They have airconditioners sticking out of the windows. This was added later because the schools were not air-conditioned in those days. Many of them have roofs that leak and are kind of rundown schools.

It is a national disgrace that the nicest places our children see are shopping malls, sports arenas, and movie theaters, and the most rundown place they see is the public school. What kind of a signal are we sending them about the value we place on them and their education and their future? How can we prepare kids for the 21st century in schools that don't even make the grade in the 20th century?

The American Society of Civil Engineers recently issued a report card for America's infrastructure. This is their report card. As we can see, the condition of our national infrastructure is poor. All of them are poor: energy, waterways, solid waste, wastewater, drinking water, airports, bridges, roads—all in pretty bad shape. This is the second time they put out this report. The lowest grade of all goes, once again to public schools.

Seventy-five percent of our Nation's school buildings are inadequate. The average cost of capital investments needed to upgrade and replace our schools is $3,800 per student. Since 1998, the total need has increased from $112 billion to $127 billion. That is just to bring the existing public schools, elementary and secondary schools we have in America, up to fire and safety code and to upgrade them in terms of the latest technology.

It does not refer to the amount of money we are going to need to build the new school buildings. That is going to require a lot more money in the future. Right now we have an all-time high of $53.2 million. This will grow. Over the next 10 years, it is going to be necessary to build an additional 6,000 schools. That number is not even reflected here. This $127 billion is needed now to repair and modernize existing schools.

I have been advocating this for about a decade now, starting back in 1991, that the Federal Government begin to meet some of its responsibilities. All one has to do is read Jonathan Kozol's book "Savage Inequalities" to understand why it is necessary for the Federal Government to be involved.

A little history may be in order. I always ask the question: Where does it say in the Constitution of the United States that our public school system in America has to be based on property taxes? You will look in vain, and you won't find it anywhere in the Constitution. Why is that the basis of funding for our public schools?

The reason is, in the early days of the founding of our Republic, it was decided we would have free public education for everyone. At that time it was free public education for white males, but with the adoption of the Bill of Rights and with the ensuing concept that we are all one Nation, we broadened that to women and minorities and everyone else.

Really, we have ingrained this idea of free public education for all. But at that time we didn't have income taxes. We didn't have corporate taxes. We didn't have all these kinds of taxes. All we had were property taxes and excise taxes. So to fund the public schools, the only tax base they had to go to was the property taxes people paid. Thus the whole system sort of built up over the centuries that way.

It literally was not until 1865, under Republican President Abraham Lincoln, that the Federal Government got involved in public education. That was with the passage of the Morell Act that set up the land grant colleges of the United States. That was the first time the Federal Government really got involved at all in public education.

Then for about 100 years, the Federal Government was involved only on that level, through land grant colleges, through some research, and with the adoption of the GI bill after World War II, mostly focused at higher education from the Federal Government standpoint.

Then, with the passage of the Elementary and Secondary Education Act of 1965, the progeny of which we are now debating, the Federal Government got involved with trying to equalize a little bit the great disparities in education to meet the needs of lower income students, special needs students, and to help the States and local governments meet their constitutional requirement that if they did indeed provide a free public education, they couldn't discriminate.

Again, no State in this Union has to provide a free public education to the kids in the State. But if they do, if a State decides to provide a free public education, then the Constitution kicks in and says: You can't have a free public education for whites but not for African Americans, for men but not for women, for Catholics but not Jews, Protestants but not Catholics. It has to be free for everyone.

Of course, as my dear friend and colleague from Vermont knows, this was later expanded under a couple of court cases in the early 1970s to also say that you can't discriminate on the basis of disability. Kids with disabilities under our Constitution also must receive a free, appropriate public education.

Since 1965, the Federal Government has been providing support and funds for elementary and secondary education. Thus, that is the bill we are debating.

As we have looked at the concept of what the Federal Government ought to do in terms of helping elementary and secondary education, we have title I programs.

We had the Eisenhower math and science programs and a variety of different efforts where we have come in and targeted the funds to address a national need, whether it was a lack of science or math, under the Eisenhower math and science program, to try to help needy students who perhaps did not have any early childhood education or support, and title I programs, remedial math programs, to get these kids to catch up, get ready to learn. That is what these were all designed to do.

I forgot to mention one other aspect of our involvement in elementary and secondary education, and that was the free school lunch program, and later, the school breakfast program; both targeted not only nutritional needs but were to help kids learn better in school. I have been advocating for a long time—at least since I read Jonathan Kozol's book "Savage Inequality"—that the Federal Government needs to be involved in helping to rebuild and modernize our public schools. Why? In many areas you have poor schools, and the property-tax payers are overburdened as it is. We need to help them build these schools. It is a national problem, not just local.

So I believe this is a proper role for the Federal Government. As I said, I have been advocating this for over a decade. In fiscal year 1995, I did secure $100 million in the appropriations bill as sort of a downpayment to get us started on this. I was disappointed when those funds were later rescinded. But, then, as the years went by, we made real progress, and last year we passed a $1.2 billion initiative to make emergency repairs to our schools. This was a bipartisan agreement, hammered out with Congressmen GOODLING, PORTER, and OBEY on the House side, and Senators JEFFORDS, SPECTER, myself, and the White House, who all got involved in that and we hammered out this agreement. That was passed last year. That money is now going out to the States.

In about 2 months, that $1.2 billion will be made available to the States on the basis of the incidence of poverty, basically following the title I program. So those States with a high incidence of poverty tend to get more of the money. This is a busy chart, but it shows you the distribution on July 1 for school renovation grants. It goes from California, with $138 million; New York gets $105 million; North Carolina gets $21 million; North Dakota gets $5 million; Ohio gets $37 million; Pennsylvania, also another big player in this, gets $44 million; Texas gets $94.9 million to help modernize and rebuild its schools; Louisiana gets $24.9 million; Vermont gets $5.4 million, about the same as Iowa, which gets $6.4 million. So this money is all contributed on the basis of the incidence of poverty as to the population in those States.

We can't solve the whole problem in one year. This will make a difference, but the bill before us eliminates this program at a critical time, just when it is getting off the ground, the first year. We will get the money out to the States; they will be able to use some of this to get up to fire and safety code in some schools and modernize some schools, and this bill will pull the rug out from underneath them.

We must continue this program to repair and renovate our Nation's public schools. That is why I am proposing this amendment on behalf of myself and Senators KERRY, LEVIN, REID of Nevada, BIDEN, CORZINE, JOHNSON, CANTWELL, TORRICELLI, BINGAMAN, CLINTON, and DODD. They are the cosponsors.

This amendment reauthorizes the school renovation program that we created last year and increases the authorization level from $1.2 billion to $1.6 billion. The amendment continues to split between school modernization and the needs of kids with disabilities under IDEA, which we negotiated in last year's bill. Seventy-five percent of the funds will finance urgent repairs, such as fixing a leaky roof, replacing faulty wiring, or making repairs to bring schools up to local safety and fire codes. That is 75 percent of the $1.6 billion. The remaining funding will support activities related to the Individuals with Disabilities Education Act, part B, or for technology activities related to school construction.

The need to help schools make these repairs is clear. The Healthy Schools Network has reported many problems around the Nation.

Several parents complain that their children were getting sick at a large city school near Albany, NY. The county inspected the school and found unsafe levels of lead and mold in the school. The school has not been able to correct the problem, citing a lack of funding for repairs. But the children continue to go to that school.

A child in North Carolina missed several days of school suffering from headaches and stomach aches. During summer break, the child's illness abated. But when school started and they came back, he got sick again. The child attends class in an old trailer that has poor ventilation and bad odor problems.

In Southern California, a teacher was forced to quit teaching after she suffered hearing and voice loss from, again, lack of proper ventilation and mold in her fourth grade classroom.

A Virginia parent said her son felt sick at school and was doing very poorly. An inspection of the classroom found nonfunctioning ventilators, water stains, mold in the ceiling tiles. Leaky roofs, peeling lead paint, poor plumbing, not meeting fire and safety codes aren't just an inconvenience, they are a hazard to our children.

In my State of Iowa, the State fire marshal reported that fires in Iowa schools have increased fivefold over the past several years, from an average of 20 per year in the previous decades to over 100 per year in just the last decade. I asked why that was. Well, the schools are getting older, the wiring is in disrepair, and thus the fires are started. What happens is they don't have proper wiring, and maybe they put more things in the classroom, and they expand the number of plugs going in the sockets, and they overload the circuits and fires start.

So there is a clear need to help school districts improve the condition of their schools to ensure the health and safety and education of our children.

States and local communities are struggling to renovate existing schools and build new ones to alleviate overcrowding. School construction modernization is necessary to equip classrooms for the 21st century and improve learning conditions, end overcrowding, and make smaller classes possible.

Our school buildings are wearing out. Nearly three-quarters of all public schools in America were built before 1970; 74 percent were built before 1970. In fact, almost 1 out of every 3 schools in America was built before World War II, in the last century.

According to the National Center for Education Statistics, when a school is between 20 and 30 years old, frequent replacement of equipment is necessary. When a school is between 30 and 40 years old, all of the original equipment should have been replaced, including the roof and the electrical system.

After 40 years of age, a school building begins to deteriorate rapidly, and most schools are abandoned after 60 years. Yet before World War II, over 60 years ago—and 1 out of 3 schools functioning today were built over 60 years ago—the average school building was 42 years old, as I noted.

Technology is placing new demands on schools. As a result of the increased use of technology, many schools must install new wiring, new telephone wires, new electrical systems, and the demand for the Internet is at an all-time high. But in the Nation's poorest schools, only about a third have Internet access.

The need to modernize our Nation's public schools is clear, and yet the Federal Government lags in helping our local school districts address this critical problem. Because of increasing enrollments and aging buildings, local and State expenditures for school construction have increased dramatically—by 39 percent from 1990 to 1997. Let me repeat that. Local and State expenditures for school construction has gone up 39 percent from 1990 to 1997. However, this still has not been sufficient to address the need.

Those taxes come from property-tax payers which—not in every case but in most cases—is one of the most unfair, unsound ways of taxing to raise money for our public schools. Again, if you live in an area where there is high income and pay high property taxes, you have good schools. If you live in an area that is low income with low property taxes, you have poorer schools.

Is that any way to run the educational system of America based upon property taxes or where you live? If you are lucky and are born in suburban Northern Virginia, you have great public schools, but if you are born in southern Maryland or maybe even in the southern part of Iowa—I can speak about my own State—where we have low property values, a lack of a good property tax base, you simply do not have the good schools that you need.

This amendment will help school districts make the urgent repairs needed to make schools safer for our children, but we have to do more.

Some buildings have simply outlived their usefulness. As I mentioned, we have to build an additional 6,000 schools in the next decade. We are not even talking about that here.

In the near future, the Senate will act on a tax bill. I will be working with my colleagues, Senator KERRY and others, to provide school modernization tax credits to help underwrite the nearly $25 billion of new school facilities that are needed.

Mr. President, you might ask: Will this approach work? It will work. We have had an experiment going on in Iowa. We are in the third year of a school modernization demonstration project. Over the past 3 years, $28 million in Federal funds have gone to my State of Iowa to rebuild and modernize schools to bring our schools up to safety and fire codes, to make sure these schools are meeting the needs of the 21st century.

Twenty-eight million dollars have gone to Iowa, but it has leveraged $311 million in repair and new construction projects. For every dollar the Federal Government has invested in Iowa, it has leveraged over $10 of State spending to help repair our schools.

The Iowa construction grant program shows what can happen if we put this money out nationally. If we put this money out nationally, the $1.2 billion that we did last year, I guarantee it is going to leverage money all over this country to rebuild and modernize our schools. That is why with $1.2 billion, I would be shocked if we come in at less than $7 billion or $8 billion of additional money leveraged in the States to meet this requirement. That is what this amendment is all about.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, it my understanding that we will be voting at 5:30 p.m.; am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. Mr. President, I congratulate and thank the Senator from Iowa for bringing up this amendment. We will have an opportunity to address this issue perhaps later this evening and tomorrow.

As we have worked on the Elementary and Secondary Education Act, there have been five major components. A well-trained teacher in every classroom is enormously important. Smaller class sizes for the early grades are enormously important. Afterschool supplementary services are enormously important. Having newer computers and technologies to avoid a digital divide are enormously important. But to have a schoolroom that is going to be safe and secure and free from the conditions which the Senator described is absolutely essential as well.

I thank him very much. I will have more to say about this when the time comes. We are going to be voting in a few moments.

Mr. KERRY. Mr. President, I would like to discuss the amendment that the Senator from Iowa and I, and others, have offered to deal with the oft-discussed issue of overcrowded and dilapidated schools.

As many of my colleagues know, for this is an issue that we have talked about before and even addressed in a bipartisan fashion last year, the need for school construction assistance is great. Three-quarters of the public schools are in need of repairs, renovation, or modernization. More than one-third of schools rely on portable classrooms, such as trailers, many of which lack heat or air conditioning. Twenty percent of public schools report unsafe conditions, such as failing fire alarms or electric problems.

At the same time the schools are getting older, the number of students is growing, up 9 percent since 1990. The Department of Education estimates that 2,400 new schools will be needed by 2003 and public elementary and secondary enrollment is expected to increase another million between 1999 and 2006, reaching an all-time high of 44.4 million and increasing demand on schools.

I have come to the floor on more than a few occasions and made clear my feeling that Democrats need to acknowledge that bricks and mortar alone are not the answer for our public schools; I think the reforms on accountability, local control, and tough standards that our party has embraced make clear that we have heard that message, but it does not for a minute dilute the fact that it's increasingly difficult to have meaningful reform in schools that are falling apart at the seams. Research does show that student and teacher achievement lags in shabby school buildings, those with no science labs, inadequate ventilation, and faulty heating systems. Older schools are also less likely to be connected to the Internet than recently built or renovated schools. Facilities are vital to implementation of research-based school reform efforts. We know, for example, that students learn more effectively in small classes, but school districts cannot create smaller classes or hire more teachers unless there is a place to put them.

Many schools are trying to offer more robust curricula, including music, physical education and classes in the arts, but their ability to provide these programs is hampered if there is no space to house them.

Almost every State in the Nation has implemented curriculum standards, calling for advanced work in science and technologies, but some schools are so old that their electrical wiring cannot support enough computers for the students and their science facilities are so antiquated that students cannot perform the experiments required to learn the State's curriculum.

Some school districts are looking to implement universal preschool—a service that we know enhances children's school preparedness and which a study published in last week's Journal of the American Medical Association confirmed makes children more likely to complete high school, less likely to need special education or grade retention services while in school, and more likely to avoid arrest as young adults—but the lack of available facilities is often prohibitive. If we are serious about encouraging research-based, meaningful, effective education reforms—and if we are serious about doing our part to help local districts run safe schools—a commensurate investment in school facilities is imperative.

I have listened to the debate today and have heard some of my colleagues on the other side of the aisle talk about the Federal Government overstepping its bounds into what is a State and local issue. I agree with their sentiment that the Federal Government should not go into local communities and decide what to build or decide what to repair. I also agree, to a certain extent, that the burden of building and renovating schools should be borne by localities.

But what we have seen very clearly over the past several years is that States and local school districts are investing in school construction, but they still need our help. Annual construction expenditures for elementary and secondary schools have been growing. But local and State budgets have not been able to keep up with demand for new schools and the repair of aging ones. Unless school leaders can persuade their wary voters to pass such bond referendums or raise local taxes, though, there's often little hope of change. Until the last few years, the plight of State and local leaders had not received much attention from Washington. Last year we came together to respond to their call by funding a $1.2 billion grant program and this year we should come together again and pass legislation that continues our commitment to help local districts with their repair and renovation needs.

The amendment that we are offering will provide $1.6 billion in grants to local education agencies to help them make urgently needed repairs and to pay for special education and construction expenses related to upgrading technology. And this amendment builds upon the bipartisan emergency school modernization initiative that passed into law as part of the fiscal year 2001 Labor-HHS-Education bill.

Under this amendment, States will distribute 75 percent of the funds on a competitive basis to local school districts to make emergency repairs such as fixing fire code violation, repairing the roof or installing new plumbing. The remaining 25 percent will be distributed by State competitively to local school districts to use for technology activities related to school renovation or for activities authorized under the Individuals with Disabilities Education Act.

I know that my friend from Iowa has seen this school modernization program work. Earlier he talked about the demonstration program in his State, which leveraged $10.33 for each federal dollar invested in the demonstration program. This amendment is a partnership between the Federal Government and districts and it does constitute a legitimate role of the Federal Government.

It is a tragedy that so many of our Nation's students attend schools in crumbling and unsafe facilities. According to the American Institute of Architects, one in every three public schools in America needs major repair. The American Society of Civil Engineers found school facilities to be in worse condition than any other part of our Nation's infrastructure.

The problem is particularly acute in some high-poverty schools, where inadequate roofs, electrical systems, and plumbing place students and school employees at risk. Last month I visited the Westford Public School District in Massachusetts. School facilities were a big concern for this semi-rural town which has seen its student population sky rocket in recent years, but has not experienced comparable property tax revenues. In order to meet the fiscal demands of new school construction, the town is foregoing replacement of large, drafty windows from the early 1950s and is relying on pre-fab trailers to serve as an elementary school.

The Wilson Middle School in Natick, MA, was built for approximately 500 students and currently houses 625. The school has no technical infrastructure, it has no electrical wiring to allow the integration of computers in the classroom. The classrooms are 75 percent of the size of contemporary classrooms and were built with chairs and desks fixed to floor. Classrooms like these make it near-impossible for teachers to use modern-day teaching methods which rely heavily on student collaboration and interaction. The school also lacks science laboratories, making it impossible for students to do hands-on work and experiments.

Natick High School, like many aging school buildings around the Commonwealth, needs to have its basic infrastructure updated: electrical wiring, heating, plumbing and intercom systems are among the many components of the school in need of modernization. Also, the science labs are presently unable to meet the demands of updated State curricula. Natick put in place a prototype lab, and saw remarkable changes in students' interest and ability to experiment in science.

The urgent repair funding that passed the Congress last year provided $1.2 billion, for repairs in high-need schools. In fiscal year 2001, this important program will help repair some 3,500 schools across the country and Massachusetts is slated to receive $19.5 million. But that will be the only money that my State receives unless we pass this important amendment and ensure that every student has a safe learning environment.

The ESEA bill that we have been debating for the past several weeks represents a true coming together of the parties. This body worked tirelessly to hammer out an agreement on the outstanding issues that have separated us in the past and which prevented us from completing work on this reauthorization during the last Congress. It is my sincere hope that we can come together again on the issue of school construction and pass legislation that addresses this nation's critical need for school repairs and renovation, and that we can do it as a part of a broader package of honest and tough reforms which focus, above all else, on the goal of empowering our schools to raise student achievement.

Mr. JOHNSON. Mr. President, I rise in support of Senator HARKIN's amendment to the Better Education for Students and Teachers (BEST) Act, S. 1, that would restore the critical school repair program. I commend Senator HARKIN for his leadership on this issue, and I thank Senators KENNEDY and JEFFORDS for the work that they have done on the overall elementary and secondary education reauthorization bill before us today.

I am pleased to be a cosponsor of this amendment. Communities across the country like many in my home State of South Dakota are struggling to address critical needs to build new schools and renovate existing ones. School construction and modernization are necessary to address urgent safety and facility needs, to accommodate rising student enrollments, to help reduce class sizes, and to make sure schools are accessible to all students and well-equipped for the 21st century.

In South Dakota, it has become increasingly difficult to pass school bond issues, given the fact that real estate taxes are already too high and our State's agricultural economy has been struggling. The result is an enormous backlog of school construction needs, and the costs of repair and replacement only increase with each passing year. A report by the General Accounting Office found that in my home State of South Dakota, 25 percent of schools have inadequate plumbing, 21 percent of schools have roof problems, 29 percent have ventilation problems, and 21 percent of schools are not meeting safety codes.

Crumbling schools are not just an urban problem. They are a nationwide problem, and rural areas are no exception. In fact, 30 percent of schools in rural areas report at least one inadequate building feature. Nationwide, the statistics are similarly ominous.

The findings surrounding the condition of our Nation's schools is downright frightening. Fourteen million children attend classes in buildings that are unsafe or inadequate. Nearly three-quarters of our Nation's schools are over 30 years old with 74 percent of schools built before 1970.

According to the American Institute of Architects, one in every three public schools in America needs major repair. The American Society of Civil Engineers found school facilities to be in worse condition than any other part of our Nation's infrastructure.

South Dakota's tribal schools also face very serious facilities problems and major construction backlogs. There are nine federally recognized tribes in South Dakota. At the same time, my State has 3 of the 10 poorest counties in the Nation, all of which are within reservation boundaries.

With 56 percent of its people under the age of 24, the Native American population in this country is disproportionately young when compared to the American population overall. This population strains existing school facilities. The BIA estimates that there is a construction backlog of $680 million in its 185 elementary, secondary and boarding schools serving Indian children on 63 reservations in 23 States.

However, after several years of debate on this issue, Congress made substantial progress last year on the fiscal year 2001 appropriations bill by including a bipartisan agreement to provide $1.2 billion for a new school urgent repair and renovation program. This important program will help repair some 3,500 schools across the country this year and assist schools with approximately $5.4 million in repair needs throughout the State of South Dakota.

Under this program, funds are allocated to the States based on title I and States are to make competitive grants to Local Education Agencies, LEAs. 75 percent of the funds are to be distributed to LEAs to make urgent repairs such as fixing a leaky roof, replacing faulty wiring or making repairs to bring schools up to local safety and fire codes. The remaining 25 percent of the funds are to be distributed to LEAs for activities related to Part B of IDEA or for technology activities related to school renovation. $75 million is reserved for school districts with more than 50 percent of their students residing on Indian lands.

Senator HARKIN's amendment reauthorizes this critically important program and increases the authorization to $1.6 billion, continuing the split between school modernization and IDEA negotiated in last year's bill.

It is no secret that crumbling schools are a problem of enormous magnitude. It is nearly impossible to measure the impact that these conditions have on students' ability to learn, but there is no doubt that the impact is severe.

The school repair program is a key component in a dual strategy to modernize our Nation's schools. Some schools have simply outlived their usefulness and need to be replaced. In addition, the record enrollment in our Nation's public schools have caused overcrowding that can only be remedied by building new schools. Estimates are that we will need to build 6,000 new schools by the year 2006 if we want to keep class sizes the same as they are presently. That is why we also need to pass legislation to provide school modernization bonds that will finance at least $25 billion in new construction through a Federal-State-local partnership. South Dakota has a great many school districts which are not completely impoverished, but yet find it almost impossible to pass a bond issue and otherwise adequately fund their education programs. I strongly believe that there is a legitimate federal role in helping fix our Nation's crumbling schools, and we can do so without undermining local control of education.

I applaud and support these efforts to invest a small portion of our Nation's wealth in improved educational opportunities and facilities for all—this investment now, will result in improved academic performance, better citizenship and a stronger economy for generations to come. I urge the Senate to pass Senator HARKIN's amendment and invest in the health and well-being of our Nation's school children.

AMENDMENT NO. 477

Mr. KENNEDY. Mr. President, I want to state for the record that I will vote in opposition to the McCain position. I expect it will be an up-or-down vote. If not, I will vote to table. He is entitled to an up-or-down vote. I want to explain my position.

I indicated to colleagues that on this legislation I was going to resist nongermane amendments. I do not think the majority leader has the right to a pocket veto. Although it is a position which I strongly support, we have to be consistent if we are going to take the position that we are not going to support nongermane amendments. We cannot pick and choose with which ones we agree and differ.

Even though I agree with this amendment, I indicated to colleagues that I would oppose nongermane amendments. Therefore, I feel compelled to oppose this amendment.

Should there be an expression of overwhelming support for this, then, obviously, I will at that time interpret my vote perhaps in a different way. I have every intention now to vote in opposition to the amendment.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I follow my good friend from Massachusetts in explaining that I, too, certainly agree with Senator MCCAIN on the merits of his proposal and that we should send that very fine bill to the House, but I also made a commitment to oppose all nonrelevant amendments to the bill. Thus, I will vote against the McCain amendment, but I certainly support the advancement of campaign finance reform and was one of the principal sponsors and participants of that legislation of which I am very proud. I have made this commitment, and I will stick by it.

Mr. President, I yield the floor. We are almost at the point of voting.

The PRESIDING OFFICER. There is 1 minute remaining.

Mr. JEFFORDS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the amendment under discussion is laid aside. The question is on agreeing to amendment No. 477. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from New Hampshire (Mr. GREGG) is necessarily absent.

Mr. REID. I announce that the Senator from Hawaii (Mr. AKAKA) and the Senator from Wisconsin (Mr. KOHL) are necessarily absent.

The PRESIDING OFFICER (Mr. VOINOVICH). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 61, nays 36, as follows:

[Rollcall Vote No. 104 Leg.]

YEAS—61

Allen
Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Byrd
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Cochran
Collins
Conrad
Corzine
Daschle
Dayton
DeWine
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Fitzgerald
Graham
Harkin
Hollings
Hutchison
Inouye
Johnson
Kerry
Kyl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Lugar
McCain
Mikulski
Miller
Murray
Nelson (FL)
Nelson (NE)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Snowe
Specter
Stabenow
Thompson
Torricelli
Warner
Wellstone
Wyden

NAYS—36

Allard
Bennett
Bond
Brownback
Bunning
Burns
Campbell
Craig
Crapo
Domenici
Ensign
Enzi
Frist
Gramm
Grassley
Hagel
Hatch
Helms
Hutchinson
Inhofe
Jeffords
Kennedy
Lott
McConnell
Murkowski
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Stevens
Thomas
Thurmond
Voinovich

NOT VOTING—3

Akaka
Gregg
Kohl

The amendment (No. 477) was agreed to.

Ms. CANTWELL. Mr. President, one reason I made campaign finance reform a centerpiece of my campaign and joined by colleagues Senators MCCAIN and FEINGOLD in working hard to pass campaign finance legislation, is because our current campaign finance system contributes to Americans' growing cynicism about government. And who can blame them for being cynical and believing that government really does not represent their interests, when procedural maneuvering causes a bipartisan bill passed by a wide majority to fail to be transmitted from the Senate to the House?

The McCain-Feingold bill passed this body with 59 votes. Similar legislation has twice passed the House with 252 votes. The majority of both bodies clearly support campaign finance reform, and so do a majority of the American people. Yet leaders in both Houses are apparently determined to use every tool at their disposal to force this broadly supported bill into a divisive conference committee composed of the most vocal opponents of reform.

The day we passed this bill in the Senate, I spoke on the floor about what an amazing feeling it was to have accomplished one of my primary legislative goals within 90 days of arriving in the Senate. While I never thought that day would be the end of the battle to pass this bill, I must admit that I certainly did not expect to be back on this floor because the bill, despite its comfortable margin of passage six weeks ago, continues to gather dust here in the Senate because the Republican leadership cannot reconcile itself to the most significant campaign finance reform in a quarter century. In an information age, we owe our citizens a government free of special interest influence. Not a system of expedient, special-interest based, decision making, and not a system that engages in byzantine maneuvering to delay and thwart the will of the majority.

I hope that the leadership of both the House and the Senate will stop attempting to devise new ways to stonewall this bill and allow the Senate-passed version of this legislation to be debated and voted on in the House without further delay.

Mr. LIEBERMAN. Mr. President, I rise today to note that due to the need to fulfill a long-scheduled speaking engagement at a university made in the expectation there would not be votes, I unfortunately was not able to be here in the Senate last night to vote on two amendments to the education bill, S. 1. I would like to say for the record that I would have voted for both amendments and am pleased that they both passed with broad bipartisan approval.

I support Senator REID's amendment, #460 to expand the 21st Century Community Learning Centers to include projects with emphasis on language and life skills programs for limited English proficient students. We know that assisting students to acquire English proficiency is becoming increasingly important as many of our communities are receiving immigrant children from many different countries. Limited English proficient students are at greatest risk for dropping out of school and are among some of our lowest performing subgroups of students. I have long been an advocate for investing increased Federal resources and greater attention on limited English proficient students. My own ESEA reauthorization bill, S. 303, calls for $1 billion in formula funds focused on increasing the English proficiency and raising the academic performance in all core subjects of our immigrant children. One of the primary risk factors for low academic performance and dropping out of school among immigrant students is their lack of English proficiency. Students that are proficient in English have a much greater chance to reach higher levels of academic achievement and fully participate in our society. The Reid amendment would help many immigrant children receive the extra help they need for English language acquisition through after-school programs. The Senate clearly recognized the value of this amendment by approving it 96 to 0.

I also support Senator CLELAND's amendment, #376 on school safety. It makes funds available to establish a center to offer emergency assistance to schools and local communities by providing information and best practices on how to respond to school safety crises, including counseling for victims, advice on how to enhance school safety and would operate a toll-free nationwide hotline for students to report criminal activity, threats of criminal activity and other high-risk behaviors. It also would provide grants to help communities develop community-wide safety programs involving students, parents, educators, and civic leaders. This amendment would further help to forge a crucial partnership between the Department of Education and the Attorney General so that these two departments may work together to ensure that our schools have the resources and tools they need to create safe learning environments for our nation's youth. In addition, the amendment would provide flexible funding, something that I have long fought for, to enable localities to design school safety programs that best meet their specific needs. For all of these reasons, I would have voted for the Cleland amendment and am pleased it passed by a strong vote of 74 to 23.

MORNING BUSINESS

Mr. JEFFORDS. Mr. President, I ask unanimous consent that there now be a period of morning business with Senators permitted to speak up to 10 minutes each.

Mr. REID. Reserving the right to object, Mr. President, it is my understanding, because there are people waiting to find out what the final decision is, that there will be no more votes tonight. That is my understanding; we are trying to finish.

Mr. JEFFORDS. That is my understanding.

Mr. REID. I also ask if there is going to be any more legislative business tonight.

Mr. JEFFORDS. Other than what is cleared between the two leaders, there will be no other business.

Mr. REID. I withdraw my objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I understand we may speak as in morning business for a few minutes.

The PRESIDING OFFICER. Up to 10 minutes.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that I be allowed to speak for about 4 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENERGY

Mr. MURKOWSKI. Mr. President, I rise on a small point, but it is representative of some of the difficulties we are having in trying to keep some focus on reality associated with the administration's anticipated energy package.

I am sure many Members saw the Washington Post today, Tuesday, May 15. On the front page there was a color picture of the Phillips Petroleum Company facility at Alpine which depicts very vividly the realization that technology indeed can make a very small footprint in the Arctic areas of Alaska, my State.

The picture represents a fair evaluation of this development. It was taken in the summertime, that brief 2½ months or so when the area is not covered with ice and snow. The viewer can see the river, the lakes. But to grasp the significance of it, one has to recognize that this is a major oil field in itself. Yet it takes less acreage than the District of Columbia.

That footprint is concentrated in the area that is known as Alpine. For the most part, one derrick has drilled the wells there. These are directional drills that go out for many miles recovering the oil. This particular facility is producing about 88,000 barrels a day.

However, there is another picture. This is the point I want to bring home to the Members. In an effort to try to draw a balance, if you will, between development and the wildlife in the area, the Washington Post portrays a picture of three little bears, and it is entitled "A polar bear with her cubs rests in Alaska's Arctic National Wildlife Refuge."

The reality is that this picture was not taken in the Arctic National Wildlife Refuge. It was taken in another area of Alaska far, far away.

It isn't that we don't have polar bears in Alaska. We are all concerned about the beauty and the majesty of this beast, but we have done a lot to encourage the polar bear by safeguarding it from any trophy hunting. In Alaska, you cannot take a polar bear for a trophy. You cannot take a polar bear if you are a non-Native, but you can go to Canada and you can go to Russia.

We have and will provide for the RECORD the statement from the photographer of exactly where this picture was taken. But it is not in ANWR, and the photographer is prepared to give a statement in that regard. Here again we have another mischaracterization, the implication that ANWR is filled with polar bears and that if we open up this fragile area, somehow we are going to disturb the polar bears. That is not accurate.

The Washington Post should know better. They should check their sources. They should recognize that polar bears for the most part live out on the ice. Why do they live on the ice? Because that is where there is something to eat. They live on the ice, and they stalk the seal. As a consequence, they don't come into the Arctic National Wildlife area in any abundance.

They do come in from time to time.

But there is little food for them, and during the months where the ice is continually moving, they simply stay out on the ice where they can have the availability of food. It is noted that there are very few that den on the shores adjacent to ANWR. So, again, I encourage my colleagues to recognize, as I am sure many people who see in the Washington Post today those warm and cuddly polar bears, that they are being misled in this particular photo because this photo was not taken in ANWR.

I also encourage my colleagues to recognize that the administration is going to come out with an energy task force report. While I have not had briefings to amount to any significant detail, I think it is important for the American people, and my colleagues particularly, to know that it addresses positive corrections in the imbalance we have in America's energy crisis.

We do have a crisis. One need only look at California to recognize that Californians are going to be paying an extraordinarily increased amount for energy. Electricity is $60 billion to $70 billion. Last year, it was in the area of $28 billion. The year before, it was $9 billion. They have an energy crisis. We haven't built a new coal-fired plant in this country since 1995. Yet close to 51 percent of our energy comes from coal. We haven't built a new nuclear plant in this country for more than 10 years. Yet we know the value of nuclear from the standpoint of what it does to air quality. There are no emissions. There are other tradeoffs.

We also know we are now 56- to 57-percent dependent on imported oil, and the forecasts are that the world will be increasing its consumption of oil for one reason—for transportation—by nearly a third in the next 10 years or so.

We have seen natural gas and our increasing dependence on natural gas because it is one of the few areas where you can get a permit to put in facilities. Yet natural gas prices have increased dramatically from $2.16 per thousand cubic feet 18 months ago to $4, $5, $6, $7 to $8. We have had a coming together and that coming together also involves distribution. We have had the realization in the hearing that we had today before the Energy Committee, which I chair, that there are severe constrictions on transmitting electric energy.

In our bill that we introduced, we left out eminent domain for electric transmission lines purposely because we felt the States could meet that obligation as they saw fit. Now some suggest that States don't have the commitment internally to reach a decision and are going to need Federal eminent domain. Maybe that is the case. It is like the perfect storm; everything is coming together at once. No new coal, no nuclear, dependence on imported oil, higher costs for natural gas, no relief on transmission. Now they are saying we have to do something about it immediately.

Well, what do you do about it? This didn't come overnight. We have seen the realities with regard to higher prices of gasoline. Yet we know we don't have the refining capacity. We haven't built a new refinery in 25 years in this country. We have our refineries up to maximum production. They were busy making heating oil. Now they are trying to build up inventories for gasoline. So you not only have a shortage of refined capacity but you are dependent primarily on foreign countries—OPEC, for the most part—for our crude oil. We suddenly find we have an inability to refine an adequate amount. So with inventories low, the maximum utilization out of refineries is converting over—and they have been for some time—to gasoline; and then the complications of 15 different types of reformulated gasoline in this country that require almost a boutique type of activity in the refiners, where they have to refine it to specific fuel specifications for the area—they have to separate it, batch it, transport it separately. Additives, whether ethanol or MTBE, complicate the process.

Is it necessary that we have that kind of a mandate? Clearly, the industry says they can meet the air quality requirements and the Clean Air Act if you will give them some flexibility. Well, we haven't given them the flexibility.

The public wants relief, and I think it is unfair to characterize the new administration with having the sole responsibility to come up with so-called immediate relief. Nobody is a magician around here, and it would take a magician to provide immediate relief for the crisis we have gotten into. But what we have to do is focus realistically, and I think that is the value of what we are going to see out of President Bush's and Vice President CHENEY's new energy task force—relief—which will be coming out Thursday.

We are not going to see generalities that say you can simply get there from here by conservation. Conservation is important, but conservation isn't going to do it alone. Make no mistake; Americans are used to a standard of living that has been brought about by plentiful supplies of relatively inexpensive energy. If we want to sacrifice our standard of living, that can be done. But I wonder how many people in California are ready to go out and turn in their old refrigerators, their old washers and dryers, when they are not worn out, for a new energy-saving appliance that will cut their energy bills in half. I don't know. Maybe we can mandate CAFE savings. We have a mandatory 27-mile CAFE standard currently in the automobile industry. People say, well, that doesn't include the vans, the suburban vehicles, the type that are so popular today, the SUVs and others. That is true. They are classified in the truck classification as light trucks, but the reality is that you can't get there on CAFE, either.

We have 207 million vehicles in this country. About 170 million are automobiles and the rest are trucks and cars. It is going to take you 10 years to make a significant dent in that number of vehicles because a lot of them aren't paid for. So you are not going to discard them.

If you mandate substantially increased CAFE standards, then people have to buy new cars; they have to buy new ones. CAFE standards are important, but you can't achieve the kinds of savings we need by CAFE standards. You can give tax credits for people who save energy. I think you will probably see an amendment or two on that to give them a $250, $300 tax credit.

The point is that we are far behind, and what the administration is going to propose is some positive steps as to how we can address the energy crisis. It is going to take the conventional sources of energy that we know and have had experience with and the addition of the clean coal technology that we have come to develop in the last decade or so. We can continue to use coal. We can use it in a manner in which we take out many of the impurities—the sulfur, and so forth. We can address the reality that we can produce more natural gas in this country, but the incentive has to be there. That is a return on investment.

Obviously, we can reduce our increased dependence on imported oil by producing more domestic oil. Of course, that involves my State of Alaska and the item that I first mentioned, the accuracy of some of the important portrayals of ANWR.

In conclusion, to those who suggest the potential development in ANWR, a reserve somewhere in the area of 5.6 billion to as high as 16 billion—and if it were an average of 10 billion it would be the largest oilfield found in the last 40 years—I suggest the prospects for developments of this area are very good. We have the technology to open it safely, there is absolutely no question about that, with the 3-D seismic and directional drilling.

The people, the residents in the area of Katovik and Nuiqsut, Barrow, the Natives who live in this area who are dependent pretty much on the realities associated with hunting and fishing for their livelihood, a subsistence lifestyle, also have aspirations of a better life, an alternative life, and this provides them with jobs, education, health care opportunities, and opportunities for their children as well to prosper. Just as people in any other community, they have visions of a better life. They support it.

Some say it is a 6-month supply. That is a totally unsuitable and inappropriate comparison because, as we all know, if you were to stop all the oil flowing into the United States for a 6-month period, that is what it would take to say that this is a 6-month supply. You would have to stop all oil imports coming in from my State of Alaska, from oil produced in the United States, whether it be from California, Kentucky, or Pennsylvania, or imported into this country from overseas. That is what it would take to equal a 6 months' supply of oil.

That Prudhoe Bay has supplied the Nation with 20 to 25 percent of crude oil for the last 25 years—and the likelihood is this field is larger than Prudhoe Bay and would immediately flow in the area of somewhere in excess of 1 million barrels a day—is the reality about which we are talking.

It is important Members keep in mind the reality of separating fact from fiction, which again brings me to the fiction associated with the front page of the Washington Post in identifying three little bears as residents of the Arctic National Wildlife Refuge. Clearly, they are not, and we will have certification from the photographer as soon as we can obtain it relative to the exact location of where the picture of the three bears was taken.

Mr. President, thank you for indulging me additional time. I yield to my good friend from Nevada, if he is seeking recognition at this time.

The PRESIDING OFFICER. The Senator from Nevada.

RECONCILIATION

Mr. REID. Mr. President, as we speak, there is a meeting of the Finance Committee taking place. There are 10 Democrats on that committee and 10 Republicans. I have tried today but really literally have been able to spend no more than 3 or 4 minutes watching the proceedings. They have been going on all day. I understand they will go on into the night trying to come up with a tax bill we call reconciliation.

I have heard in the last few minutes that there is going to be an attempt tomorrow to bring that bill before the Senate. I hope the majority understands there are 40 Democrats and 40 Republicans who do not sit on the Finance Committee. It is a prestigious committee, I understand, but the members cannot speak for the rest of us, either Democrats or Republicans.

I very much want to have the opportunity to look through certain parts of that bill. It is going to be a very large piece of legislation. I doubt I will be able to read all of it, but I want to read parts of it. I have a staff that will read every word of it and bring to my attention those things I have not looked at first.

I have a staff that I think is well equipped to peruse that bill, but I just cannot imagine that we would go to that bill tomorrow without Members of the Senate having an opportunity to look at that legislation. That is how we get into trouble legislatively.

It is unfair to the American people. I have said from the very beginning we are doing well. We have a surplus. We deserve a tax cut. The American people, the people of Nevada deserve a tax cut, and they should get an immediate tax cut. But that tax cut should be given to them with deliberation. We should make sure we understand every provision in that very important legislation. I cannot imagine a legislator voting for or against that bill not having the opportunity to read it.

I hope we slow down. We can work on this bill Thursday or next Monday or Tuesday just as well as we can tomorrow. What I prefer, when they report that bill out of committee, is we have several days to look at it.

I repeat, there is no effort on this Senator's part to unduly delay proceedings. There are all kinds of ways we can do that. There has been talk, if this proceeding goes forward as indicated, that people will file lots and lots of amendments, and we would have to vote on every one of them and the voting would take several weeks.

There are methods of slowing this down. I hope we will not have to resort to any of those. I hope we have ample time for us and for our staffs to review this legislation in some detail.

Mr. DORGAN. Mr. President, will the Senator from Nevada yield for a question?

Mr. REID. I will be happy to yield to my friend from North Dakota, whom I appreciate being here. I say prior to yielding, I served in the House with my friend from North Dakota. I looked to him when we served together. He was one of the leaders of issues dealing with money. He was on the Ways and Means Committee, which is the comparable committee to the Finance Committee in the Senate.

I will be happy to yield to my friend from North Dakota.

Mr. DORGAN. Mr. President, the Senator from Nevada makes a critically important point. It is important for all of us to think through this process and this strategy. We are blessed with a wonderful country that has had an economy that has produced jobs and expansion and opportunity in the last years. We want to make sure we do not create a fiscal policy that turns that around and moves us back into big Federal budget deficits and economic contraction rather than expansion.

The Congress is now, in a new day, set to provide some tax breaks because we are at this point experiencing some budget surpluses.

I support tax cuts. They need to be thoughtful and reasonable. They need to be fair to all the American people. But what I worry about is we are told that the Finance Committee is now writing a tax bill. It is now 6:30 in the evening. I understand there are over 120 amendments to that bill that have been filed. They are sitting over in, I believe, 216 of the Hart Building going through amendments. If they do finish tonight, I expect they will work until the wee hours of the morning.

We are told—I do not know if this is the case—we are told that at 10 o'clock tomorrow morning the Senate will be confronted with the reconciliation bill, the tax bill that is being written this evening. If that is brought before the full Senate for consideration at 10 o'clock in the morning, I ask who in the Senate, A, has read it; B, knows what is in it; and C, has studied it enough to evaluate what kind of amendments they may or may not offer.

The answer to that question—I will answer it myself—is nobody. Not one Member of the Senate will have the foggiest notion of what is in that bill. So bringing that bill up tomorrow at 10 o'clock in the morning will be a disservice to this body and a disservice, in my judgment, to good sound fiscal policy for this country.

We are talking, after all, about a proposal that will affect Federal revenues for well over a decade. We are talking about affecting Federal revenues for over 10 years. This tax bill is put together with the prospect that we will always have budget surpluses in our future, something I hope we will have, but there is no guarantee that will be the case. There is still such a thing as a business cycle, and there is still a contraction phase in the business cycle.

I worry very much we may not experience the surpluses, and if we put in a very large tax cut that some are proposing to do, the bulk of which, by the way, will go to the largest income earners in the country, if we do that in a way that is thoughtless rather than thoughtful, we will throw this country into very significant trouble.

I implore the majority leader and those involved in scheduling not to tell us that the Finance Committee will finish at midnight tonight and, oh, by the way, we will bring that before the Senate at 10 a.m. tomorrow knowing we have not read it, knowing we have not studied it, and knowing we would not have an opportunity to figure out what amendments might be necessary. We will do it and do it under a reconciliation proposal, which is a complete fraud as we know—it was never intended for this purpose—and it will be limited to 20 hours of debate on a bill that is worth trillions of dollars that will affect this country's revenues for the next decade. Is that a thoughtful or a thoughtless way to legislate? My hope is that we can persuade those in charge to understand the best way to do this would be to go through this committee, the Finance Committee, report a bill to the floor, have it printed—God forbid, that should be a radical thought, to have a bill printed—have it on the desks of Members of the Senate, have people study the bill, evaluate what its consequences might be for the country, figure out who gets what, whether it is a fair tax cut, and then come back and debate it after having a couple of days of study and evaluation, offer amendments, and proceed to decide exactly how the Senate wants to work its will on this important issue.

I ask the Senator from Nevada, does the Senator from Nevada think if they bring this to the floor at 10 o'clock in the morning that there is anyone in the Senate, save for those who serve on the Finance Committee, who will know what is in that piece of legislation?

Mr. REID. I answer my friend from North Dakota by saying I think there are several, of the 20 who serve on the committee, who would have a foggy idea of what is in various parts of that bill. Not even every member of the Finance Committee would have a foggy idea of what is in the bill. And certainly the 80 people who do not serve on the committee would not have the slightest idea of what is in that legislation. The Senator from North Dakota is correct.

I also say to my friend who has served in the Congress longer than I, I have known of occurrences when these bills are rushed through that mistakes are made: printing errors, people not having had the opportunity to look at them. Also, some mischievous things have happened. We know during the budget that was debated a couple of weeks ago in the House of Representatives, there were two very important pages missing that they found at 2 o'clock in the morning. Those were the pages dealing with how we would handle, in the budget, the tax measures. Whether it was done on purpose or not I do not know. The fact is those pages were found to be missing and it was necessary to put that over for a couple of days.

I say to my friend from North Dakota, I think the majority would be so much better served, our country would be better served, if we had the opportunity to have this week to study this legislation, come back Monday, we could come in at 9 o'clock in the morning—it doesn't matter to this Senator. We could have ample time next week. There are 20 hours to debate it. We could have some thoughtful amendments prepared.

I am stating to anyone within the sound of my voice that there may be some Senators who feel so strongly about this basic principle, that before you vote on something you should be able to read it, who have this radical idea that they want to have a bill that involves trillions of dollars and, as the Senator has indicated, will involve fiscal policy for this country for more than 10 years—they have this radical idea they would like to understand a little bit before they vote on it. They may feel so strongly that they may file a thousand amendments on this legislation, and the rules are that we only have 20 hours of debate, but we can have a thousand days of voting on amendments.

It would seem to me to serve everyone's best interests if we approach this in a deliberative manner, recognizing there are only 20 hours of debate on it. We could take it up Monday or Tuesday, finish it next week.

I say to my friend from North Dakota, I will be happy to yield to him to answer that question. Does it not seem to make sense with a piece of legislation that will be huge, to have some idea what is in it before we are required to vote on final passage of this most important legislation to people of Nevada, North Dakota, and all over this country?

Mr. DORGAN. The Senator from Nevada yields, and I appreciate that. I only have this to say. The people of America don't care, I am sure, whether you or I or anyone else has the opportunity to speak as long as we might want to speak on anything. They could not care less. Nobody is going to walk around with a bad attitude because somebody here doesn't have enough time to talk on the floor of the Senate.

What is important, if we are going to cut benefits, is who gets the benefit of those tax cuts? I wondered in school whether fractions would ever come in handy. We studied them in the lower grades. Let me give a couple of simple fractions.

From a briefing, I understand, over in the Finance Committee right now the chairman's mark—which is going to pass and be brought to the floor and apparently going to be brought here at 10 o'clock in the morning—does the following: The top 1 percent of the American income earners pay about a quarter of the taxes. They are going to get about a third of the tax cuts.

Let me say that again because I think it is important. The top 1 percent of the income earners in America pay about a quarter of the taxes, one-fourth of the taxes. But the tax bill that is going to come here at 10 in the morning gives them a third of the tax cuts.

I did take fractions. I didn't go way beyond fractions in my little school, but I understand fractions enough to understand that is not fair. Why not take some of that tax cut back, which is above that which should go to the top 1 percent, and give it back to the folks in the rest of the 99 percent and say: If we are going to give taxes back, let's make sure everybody is treated fairly. Wouldn't everybody at every tax bracket like to have a little more back than they pay in? The top 1 percent do. They get it under this bill.

As we take a look at all this and ask ourselves are we going to have a chance to dig into this, offer amendments, understand it, make changes, the answer is: If the bill is not written, except that provision, of course, is already in the chairman's mark and we know he has the votes to get that out—if this bill isn't written, they have 120 or so additional amendments they are going to consider this evening. Now we are told they want to bring it to the floor at 10 o'clock in the morning?

I just ask the question, not so much on my behalf but on behalf of the American people who are not going to get the benefit of getting a bigger tax cut than the proportion of that which they paid in in taxes, would it be fair to have everybody take a look at this and see if maybe there is not a little better way to cut this pie? There are only so many pieces when you cut these pies up. It seems to me there is kind of this hog-in-the-corn-crib approach to some of these things around here. The same people always get the biggest slice. Did you ever notice that? The same interests always seem to end up with the biggest slice.

That is what I fear is going to happen here. It is not that I oppose a tax cut. I do not oppose a tax cut. In fact, I support a tax cut. We have a surplus. Some of that ought to go back to the American people in the form of a tax cut. But it ought to be fair. It ought to be a circumstance where a lot of people who do not have lobbyists walking around this building or haven't been able to afford people to represent their interests, those people, somewhere on the floor of the Senate, ought to have people to dissect this, take it apart and evaluate who is getting a fair piece. Whose slice of this tax cut is appropriate? Whose slice is too large?

Mr. REID. Will the Senator yield for a question?

Mr. DORGAN. I will be happy to yield.

Mr. REID. The other Senator from North Dakota, I spoke to him right down in the well of the Senate a half hour ago. He left the Finance Committee to come to vote.

I said: How are things going, Senator CONRAD?

He said: You can't believe some of the things that are going on there. He said: For example, so that they do not raid the Social Security trust fund this year, they put off one provision for 15 days so they will not raid it for 15 days so they can go around and say we did not raid the trust fund this year—but we will do it in 15 days when it cuts in.

I would like to read that. I would like Senator CONRAD or someone on my staff to point out where it is they did that.

Mr. DORGAN. If you remember a couple of years ago, they created a 13th month—sort of the same tactic, perhaps by the same people.

Mr. REID. I remember that. Thanks for reminding me.

The Senator from North Dakota, Senator CONRAD, also said to me, one of the provisions in here had a sunset provision so things would just stop and have to start all over at a certain time. That was something that they have also, as of a half hour ago, a kind of gimmick, the sunset provision. They changed it only a matter of a few hours.

There are some things going on that should be open. Sunshine should shine on this bill so everyone has a chance to look at what is in it.

Maybe my suspicions are all wrong—I hope so; I hope everything has been done aboveboard—that the Medicare trust fund is not violated, as I think it is. I hope the Social Security trust fund is held inviolate, that it is not also raided so people get these tax cuts. The people of Nevada want tax cuts, but they do not want them at the expense of taking money from the Medicare trust fund or the Social Security trust fund. So all I am saying is, let's take a look at this bill and see whether that, in fact, is the case.

Would the Senator agree that those are a couple of examples, whether valid or not, and we should check to see if they are by reading the bill?

Mr. DORGAN. Mr. President, I say to the Senator from Nevada, he is absolutely correct. This rush here seems to me to be inappropriate if, in fact, they bring a bill to the floor tomorrow at 10 a.m. that has not yet been written—it is now 20 minutes to 7 here in Washington, DC—the bill has not yet been completed, and there are 100 and some amendments remaining. They are over in the Hart Building finishing it. It will be brought over to the Senate. I guarantee it will not be printed. They will have one copy at the desk. Someone may have made some copies, some Xerox copies, and hope they don't lose a couple pages this time. A couple weeks ago they lost a couple pages and held things up. But that is not the way to legislate.

It seems to me the thoughtful way to do this would be to move this through the Finance Committee, have it printed, bring it to the floor, lay it over at least 1 day—it should be more than that—give people an opportunity to study it, and determine what is in it and how they might wish to amend it.

There is an old saying I mentioned before in this Senate Chamber: Never buy something from somebody who is out of breath. There is a kind of breathless quality to this rush: We must rush; We must get this done immediately; We must bring this bill to the floor immediately.

That is not fair. It is not fair in terms of those who come to this Senate wanting to represent their constituents, wanting to know what is in it for various income groups, various occupations. How will it affect their constituents? How will it affect the people living in their State? In order to do that, they will need to see how the bill is written and be able to evaluate it with their legislative assistants.

Just making a final point to the Senator from Nevada, I did serve in the other body, in the House, and served for 10 years on the Ways and Means Committee. We wrote tax law. We had done this many times, where we would write a rather complicated piece of legislation. But it has generally been the case that when you write tax law, and write legislation that is complicated—and tax law by definition is always complicated—you give people an opportunity to evaluate it, to think through it, to try to understand what kind of changes they would like to make; and then have the body work its will.

There is, as I said, a kind of breathless quality around here to rushing this thing through. I am not quite sure I understand why. As I indicated, this will affect our country for a decade. This is big stakes. It will have significant impacts on our economy, on the condition of the American economy, the rates of economic growth. I am not sure how. I am not sure anybody understands how. But we ought to all be given the opportunity to think through and evaluate what is in it, what it means to our country, what it means for the American people in general, and what it means for income groups and occupations, and so on.

The only way we can do that is to have the time. So I urge the majority leader, do not try to do that tomorrow. Do not bring a bill up tomorrow that has not yet been printed and ask the Senate, under 20 hours of time, to begin debating and trying to amend a piece of legislation that has not yet been printed. That is not fair to the Senate and that is not a thoughtful way to legislate.

Mr. REID. If the Senator would yield, I think we have to make sure that people understand this is not some stalling game we are playing. This bill is fast tracked. We have 20 hours to debate it. The majority has a right to yield back 10 of those hours. So it could be done in 1 day.

But I do not think it is a radical proposal when I say for the people I represent—the 2 million people I represent—I would sure like to read this bill first, have my staff review this bill first. I do not think that is asking too much. That is all we are asking.

I think the majority is buying themselves a lot of trouble by trying to fast track this. There is no reason to do this. Let us look at the legislation. We are going to offer amendments anyway. We might as well offer amendments that have some bearing on the bill we have read rather than one we have heard about reported in the press.

Mr. DORGAN. Mr. President, I yield the floor.

PRAYERS FOR THE CAPITOL POLICE

Mr. REID. Mr. President, I was here this morning when the Senate was opened and the Chaplain gave a prayer. The prayer was dedicated to the police officers all over the country because this week we honor these brave men and women who have lost their lives in the line of duty. We recognize them. But the part of the prayer the Chaplain gave that I thought was so moving was directed to our Capitol Police force.

We take for granted these men and women who stand at the doors and patrol these large facilities. We take them for granted because we don't see them often directing traffic or arresting people, even though they do that. In fact, we know they are moments away from danger or terror at all times of the day.

That was recognized a few years ago when two of our finest were gunned down blocking an entrance to this building saving the life of the majority whip in the House of Representatives.

I appreciate the prayer of the Chaplain. These men and women do a remarkable job for the country.

All around the world today there are evil people who if they could figure a way to do damage to these representative buildings of this great democracy or to the people who work in them, would do whatever evil they could. But what keeps them from doing that is the Capitol Police force. They are well trained. We are now, in fact, working towards developing our own academies so these men and women can be trained in this area and not have to travel hundreds of miles away in Georgia to do their training.

There is no better trained police force any place in the world than the Capitol Police. Whatever the danger, whether it is a bomb threat, the need to call in a SWAT Team, or protecting the many dignitaries who come here, they do it, and they do it very well—without any fanfare and without seeking any glory or aggrandizement of any kind.

Again, I very much appreciate the prayer of the Chaplain today. I hope we will all join in recognizing the fine work done by the men and women of our Capitol Police force. Every day I see them I recognize they are there to protect me, my family, the people of this country, and these beautiful buildings in which we have the privilege of working.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY last month. The Local law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to detail a heinous crime that occurred October 29, 1999 in Indianapolis, Indiana. A trio of men, while allegedly committing a series of robberies, broke into the apartment of two men. Convinced that the men were gay, the perpetrators forced the men to strip, tied them together, and tortured them with a hot iron. During the attack that lasted more than 30 minutes, both victims were burned repeatedly, kicked, beaten with a small baseball bat and other household items, and taunted with homophobic remarks. One of the victims was forced to drink a mixture of bleach and urine. The robbers also tried to burn the building down on their way out but later inexplicably returned, put out the fire, and gave some water to the man they made drink the bleach mixture. The robbers walked away from the scene after having stolen $6.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Monday, May 14, 2001, the Federal debt stood at $5,641,550,724,928.73, Five trillion, six hundred forty-one billion, five hundred fifty million, seven hundred twenty-four thousand, nine hundred twenty-eight dollars and seventy-three cents.

Five years ago, May 14, 1996, the Federal debt stood at $5,096,217,000,000, Five trillion, ninety-six billion, two hundred seventeen million.

Ten years ago, May 14, 1991, the Federal debt stood at $3,435,319,000,000, Three trillion, four hundred thirty-five billion, three hundred nineteen million.

Fifteen years ago, May 14, 1986, the Federal debt stood at $2,013,345,000,000, Two trillion, thirteen billion, three hundred forty-five million.

Twenty-five years ago, May 14, 1976, the Federal debt stood at $601,068,000,000, Six hundred one billion, sixty-eight million, which reflects a debt increase of more than $5 trillion, $5,040,482,724,928.73, Five trillion, forty billion, four hundred eighty-two million, seven hundred twenty-four thousand, nine hundred twenty-eight dollars and seventy-three cents during the past 25 years.

ADDITIONAL STATEMENTS

TRIBUTE TO JOHN AND MARY JANE STOKESBERRY

• Mr. GRAHAM. Mr. President, I am pleased to have this opportunity to recognize the exemplary contributions of an extraordinary couple, John and Mary Jane Stokesberry of Miami, FL. Given John's significant impact on public policy development and implementation in the areas of gerontology and aging and Mary Jane's passion for teaching those with special educational needs, I know their joint retirement on June 30, 2001 will leave a void which will be difficult to fill.

John L. Stokesberry has to his credit over 30 years of administrative leadership in human service delivery in Florida. In his most recent public role, John has served as the Executive Director of the Alliance for Aging, Inc., the Area Agency on Aging for Miami-Dade and Monroe Counties in Florida. Through his compassionate and adept oversight, many seniors and developmentally challenged individuals have been provided the benefit of quality care and the timely provision of services.

Florida has long been a favored retirement destination for seniors who have worked hard throughout their lives. They are more than deserving of living out their days in dignity and with whatever comfort and respect we are able to provide. Consequently, in Florida, increasing attention and focus is being placed on aging issues. John L. Stokesberry's contributions in helping to chart Florida's course in this relatively new frontier have been pivotal. We have benefitted from his remarkable expertise, coalition building and advocacy for over three decades. Whether at the district or state administrative levels, his leadership has always been felt and has enhanced the mission of our state in meeting the needs of our seniors.

Mary Jane Stokesberry has worked at the Van E. Blanton Elementary School for 39 years and currently serves as the Chair of the Special Education Department. While instructing young people who have special needs can present unique challenges, Mary Jane's genuine warmth and patience has consistently led to the most positive development of her students. It came as no surprise when she was formerly designated as a Regional Teacher of the Year. Though many of her former students are now adults, I am sure they would agree that Mary Jane has left an indelible mark on their lives. Through her exceptional legacy, I am reminded of the proverb, "if you give a child a fish you feed them for a day; if you teach a child how to fish, you feed them for a lifetime." Mary Jane has fed countless children for a lifetime.

For these reasons, I am proud to join the chorus of other voices in Florida and Miami-Dade County who extend to John and Mary Jane Stokesberry best wishes on the occasion of their retirements. I congratulate them today and wish for them many more productive and healthy years.•

TRIBUTE TO PERRY COMO

• Mr. SANTORUM. Mr. President, I would like to celebrate the life, and commemorate the death of an American cultural icon from the Commonwealth of Pennsylvania, Perry Como.

On May 18, 1912, Pierino Roland Como was born in Canonsburg, PA, the seventh of thirteen children to Italian immigrants. Pierino, who would become known to the world as Perry, would lead a life which was the American dream personified. He began working as a barber's apprentice in Canonsburg at the age of eleven to help provide for his family. It is reported that Mr. Como's illustrious singing career developed by singing to patrons in his own barber shop which he opened by fourteen. The baritone voice, which would become famous throughout the world, was soon discovered by a band traveling through his steel town and he began his career as an entertainer. In 1933, Mr. Como married his childhood sweetheart, Roselle Beline, who told him he could open another barber shop if his singing career failed. His career did not fail, nor did their marriage which lasted until Roselle's death in 1998.

Perry Como's singing and performing career spanned six decades and during that period he sold over 100 million records. Twenty-seven of his albums went gold, while fourteen singles reached number one on the charts. In 1945, "Till the End of Time" became the first single to sell more than one million records. After his great success in record sales in the 1940's, 50's and 60's, his career evolved into that of a television star. From 1948 to 1963, Perry Como was a fixture in American homes as a pioneer of the variety show format. He won acclaim for his performances including 5 Emmy awards. He also won Peabody and Golden Mike awards during his career. And in 1987 Mr. Como was presented a Kennedy Center Honor for outstanding achievement in the performing arts by President Ronald Reagan.

Mr. Como's fame was worldwide and lasting. The BBC reports that he had twelve top ten hits in Britain, over twenty years. His Christmas broadcasts, for which, perhaps, he was most famous, were broadcast from around the globe over the years, including Israel, Paris, and London. A Roman Catholic, he reached Protestants and Catholics alike through his renditions of "Ave Maria" and "The Lord's Prayer." He sang "Kol Nidre" each year on his television program in observance of Yom Kippur. Mr. Como also made many fans in Japan, where his variety shows had unique success. Perry Como continued to perform for fans in the United States well into his eighties.

It is with great humility that I ask this body to remember an American cultural icon on the occasion of his passing. I hope and pray that future generations of Americans will use Perry Como's example of dignity and decency in conducting their personal and professional lives.•

STOCKDALE HIGH SCHOOL REPRESENTS CALIFORNIA IN THE WE THE PEOPLE NATIONAL COMPETITION

• Mrs. FEINSTEIN. Mr. President, I rise today to recognize the achievements of students from Stockdale High School for winning an honorable mention in the We the People..The Citizen and the Constitution national competition. These outstanding students from Bakersfield, CA competed against 49 other classes from across the country and demonstrated a vast knowledge of the U.S. Constitution and American democracy. Their accomplishments are a reflection of their hard work and preparation for this prestigious event.

On April 21–23, 2001, hundreds of young people ascended on our Nation's Capital to participate in the We the People national finals. This exciting competition is administered by the Center for the Civic Education to educate students on the history and principles of American constitutional government. Reaching more than 26 million students nationwide, We the People introduces elementary, middle, and high school students to the intricacies of our government and encourages them to contribute actively to the political process throughout their lives.

I can think of no better way to ensure that this country has competent citizens and future leaders than to encourage more of our Nation's youth to participate in programs such as this one. I am particularly proud of the accomplishments of the Stockdale High School class and encourage these students to be ever vigilant in their future endeavors to learn about and foster our democracy.•

TRIBUTE TO GEORGE CROMBIE

• Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to George Crombie of Nashua, NH, for being named as the 2001 recipient of the Charles Walter Nichols Award. This award was established to recognize outstanding and meritorious achievement in the environmental field.

George serves as the Director of Public Works for the City of Nashua, NH, and manages the full service public works division which services a population of 85,000 residents. His experience in environmental and public works management have enhanced the quality of life for residents in Nashua.

George has served as Public Works Director in Durham, NH, and Burlington, VT. He has also served as undersecretary of Environmental Affairs for the Commonwealth of Massachusetts. A strong coalition builder, George has guided numerous environmental and public projects through development in our state.

He received a Bachelors Degree from the University of New Hampshire and a Master of Public Administration Degree from Northeastern University. George is a past President of the New England Public Works Association and has been honored as the chapter's Man of the Year.

George and his wife, Jacqueline, have three children: Jill, Jack and Jane. He serves on several professional boards including: American Public Works Association, Water Pollution Control Federation, New England Chapter of the American Public Works Association and the New Hampshire Good Roads Association.

George Crombie is a tribute to his community and profession. As Chairman of the Environment and Public Works Committee it is an honor to work with George on issues important to the City of Nashua. His dedicated service to the citizens of Nashua and New Hampshire is to be commended. It is an honor and a privilege to represent him in the U.S. Senate.•

BUENO FOODS 50TH ANNIVERSARY

• Mr. DOMENICI. Mr. President, I rise today to pay tribute to a family-owned business in my home State of New Mexico, which is not only a staple and generous partner in the community, but has grown to be one of the largest Hispanic-owned businesses in the United States. This company, Bueno Foods, this week celebrates its Golden Anniversary—50 years of producing premiere New Mexican food products. The company, housed in Albuquerque's South Valley, is a pride for the community.

Started back in 1951, the company provided the means for the Baca brothers, Joe, Ray and Augustine, to provide for themselves, their family, and improve their community. In the years after World War II, the Baca brothers first opened a grocery store that prospered until supermarket chains started to infiltrate the Albuquerque market. The brothers realized that in order to stay in business for themselves, they needed a new direction. So they expanded their business by featuring the traditional New Mexican recipes of their mother, Filomena. Their company became the first commercial producer of flame-roasted, fresh frozen green chile. Today the name "Bueno Foods" is synonymous with that frozen green chile.

Since those days, the company has grown from a company with five employees to one with 240 workers. Still family run by the Baca family, its purpose has not only been to provide high-quality, authentic products, but also good jobs and active community involvement. Even with its large growth, the company has kept its roots and main plant in the South Valley, a historic and proud part of Albuquerque.

Throughout the years, Bueno has remained true to its core values and beliefs that center around making people's lives better through jobs and opportunity, and contributing to the community. Bueno donates part of its profits to charities and scholarships, and every Christmas helps to provide food and clothing to the needy.

As Bueno Foods turns 50, it is celebrating its golden anniversary in a way that continues to epitomize those values. The company has teamed up with several organizations to host a 4-day fiesta for the South Valley's Barelas community, where the Bacas were born and started their small business. My congratulations go to Bueno Foods president, Jacqueline Baca, the other members of the Baca family who continue the legacy of the Baca brothers, and all their employees. I encourage my colleagues to join me in saluting this company's success and its commitment to the Hispanic entrepreneurial and community spirit.•

REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO BURMA—MESSAGE FROM THE PRESIDENT—PM 19

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to Burma that was declared in Executive Order 13047 or May 20, 1997.

GEORGE W. BUSH.
THE WHITE HOUSE, *May 15, 2001.*

REPORT ON THE CONTINUATION OF EMERGENCY WITH RESPECT TO BURMA—MESSAGE FROM THE PRESIDENT—PM 20

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing and Urban Affairs.

To the Congress of the United States:

Section 202(s) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the president publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice to the *Federal Register* for publication, stating that the emergency declared with respect to Burma is to continue in effect beyond May 20, 2001. The most recent notice continuing this emergency was published in the *Federal Register* on May 19, 2000.

As long as the Government of Burma continues its policies of committing large-scale repression of the democratic opposition in Burma, this situation continues to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. For this reason, I have determined that it is necessary to maintain in force these emergency authorities beyond May 20, 2001.

GEORGE W. BUSH.
THE WHITE HOUSE, *May 15, 2001.*

MEASURES PLACED ON THE CALENDAR

The following bill was read the second time, and placed on the calendar:

S. 872. A bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to protect consumers in managed care plans and other health coverage.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1837. A communication from the Acting Deputy Under Secretary of Rural Development, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Rural Business Enterprise Grants and Television Demonstration Grants" received on May 14, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1838. A communication from the Acting Director of the Office of Surface Mining, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "North Dakota Regulatory Program" (ND-040-FOR) received on May 14, 2001; to the Committee on Energy and Natural Resources.

EC-1839. A communication from the Regulations Officer of the Federal Highway Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Federal-Aid Agreement" (RIN2125-AE77) received on May 14, 2001; to the Committee on Environment and Public Works.

EC-1840. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Determination of Attainment of the NAAQS for PM-10 in the Weirton, West Virginia Nonattainment Area" (FRL6979) received on May 14, 2001; to the Committee on Environment and Public Works.

EC-1841. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans; State of Missouri" (FRL6980-8) received on May 14, 2001; to the Committee on Environment and Public Works.

EC-1842. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Air Quality Implementation Plans; Nitrogen Oxides Budget Trading Program" (FRL6981-4) received on May 14, 2001; to the Committee on Environment and Public Works.

EC-1843. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Final Effective Date Modification for the Determination of Nonattainment as of November 15, 1996, and Reclassification of the St. Louis Ozone Nonattainment Area; States of Missouri and Illinois" (FRL6980-7) received on May 14, 2001; to the Committee on Environment and Public Works.

EC-1844. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law , a report relative to a transaction involving U.S. exports to Venezuela; to the Committee on Banking, Housing, and Urban Affairs.

EC-1845. A communication from the General Counsel of the Federal Emergency Management Agency, transmitting, pursuant to law, the report of a rule entitled "Suspension of Community Eligibility" (Doc. No. FEMA-7761) received on May 14, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC-1846. A communication from the General Counsel of the Federal Emergency Management Agency, transmitting, pursuant to law, the report of a rule entitled "National Flood Insurance Program (NFIP); Letter of Map Revision and Letter of Map Revision Based on Fill Requests" (RIN3067-AD13) received on May 14, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC-1847. A communication from the General Counsel of the Federal Emergency Management Agency, transmitting, pursuant to law, the report of a rule entitled "Changes in Flood Elevation Determinations" (Doc. No. FEMA-7320) received on May 14, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC-1848. A communication from the General Counsel of the Federal Emergency Management Agency, transmitting, pursuant to law, the report of a rule entitled "Changes in Flood Elevation Determinations" (Doc. No. FEMA-D-7503) received on May 14, 2001; to the Committee on Banking , Housing, and Urban Affairs.

EC-1849. A communication from the Assistant to the Federal Reserve Board, transmitting, pursuant to law, the report of a rule entitled "Applicability of Section 23A of the Federal Reserve Act to loans and Extensions of Credit made by a member bank to a third party" (R-1016) received on May 14, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC-1850. A communication from the Assistant to the Federal Reserve Board, transmitting, pursuant to law, the report of a rule entitled "Applicability of Section 23A of the Federal Reserve Act to the Purchase of Securities from Certain Affiliates" (R-1015) received on May 14, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC-1851. A communication from the Secretary of the Division of Market Research, Securities and Exchange Commission, transmitting, pursuant to law, the report of a rule entitled "Definition of Terms in a Specific Exemptions for Banks, Savings Associations, and Savings Banks Under Sections 3(a)(4) and 3(a)(5) of the Securities Exchange Act of 1934" (RIN3235-AI19) received on May 14, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC-1852. A communication from the Regulations Coordinator of the Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Medicare Program; Criteria for Submitting Supplemental Practice Expense Survey Data" (RIN0938-AK14) received on May 14, 2001; to the Committee on Finance.

EC-1853. A communication from the Regulations Coordinator of the Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Medicaid Program; Home and Community Based Services" (RIN0938-AI67) received on May 14, 2001; to the Committee on Finance.

EC-1854. A communication from the Regulations Coordinator of the Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Medicare, Medicaid, and CLIA Programs; Extension of Certain Effective Dates for Clinical Laboratory Requirements Under CLIA" (RIN0938-AI94) received on May 14, 2001; to the Committee on Finance.

EC-1855. A communication from the Regulations Coordinator of the Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Child Support Enforcement Program; Incentive Payments, Audit Penalties" (RIN0970-AB85) received on May 14, 2001; to the Committee on Finance.

EC-1856. A communication from the Regulations Coordinator of the Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "National Medical Support Notice" (RIN0970-AB97) received on May 14, 2001; to the Committee on Finance.

EC-1857. A communication from the Regulations Coordinator of the Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "State Self-Assessment Review and Report" (RIN0970-AB96) received on May 14, 2001; to the Committee on Finance.

EC-1858. A communication from the Regulations Coordinator of the Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "High Performance Bonus" (RIN0970-AC06) received on May 14, 2001; to the Committee on Finance.

EC-1859. A communication from the Regulations Coordinator of the Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Additional Supplier Standards" (RIN0938-AH19) received on May 14, 2001; to the Committee on Finance.

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committee were submitted:

By Mr. GRAMM for the Committee on Banking, Housing, and Urban Affairs.

James J. Jochum, of Virginia, to be an Assistant Secretary of Commerce.

John E. Robson, of California, to be President of the Export-Import Bank of the United States for a term expiring January 20, 2005.

(The above nominations were reported with the recommendations that they be confirmed subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. INHOFE:

S. 878. A bill to amend the Internal Revenue Code of 1986 to prorate the heavy vehicle use tax between the first and subsequent purchasers of the same vehicle in one taxable period; to the Committee on Finance.

By Mr. SANTORUM:

S. 879. A bill to amend the Internal Revenue Code of 1986 to expand the tip tax credit to employers of cosmetologists and to promote tax compliance in the cosmetology sector; to the Committee on Finance.

By Mr. DEWINE (for himself and Mrs. LINCOLN):

S. 880. A bill to amend title XVIII of the Social Security Act to provide adequate coverage for immunosuppressive drugs furnished to beneficiaries under the medicare program that have received an organ transplant, and for other purposes; to the Committee on Finance.

By Mr. HATCH (for himself and Mr. BIDEN):

S. 881. A bill to amend the Taxpayer Relief Act of 1997 to provide for consistent treatment of survivor benefits for public safety officers killed in the line of duty; to the Committee on Finance.

By Ms. MIKULSKI (for herself, Ms. SNOWE, Mrs. MURRAY, Ms. COLLINS, and Mr. SARBANES):

S. 882. A bill to amend title II of the Social Security Act to provide that a monthly insurance benefit thereunder shall be paid for the month in which the recipient dies, subject to a reduction of 50 percent if the recipient dies during the first 15 days of such month, and for other purposes; to the Committee on Finance.

By Mr. DODD:

S. 883. A bill to ensure the energy self-sufficiency of the United States by 2011, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DOMENICI (for himself and Mrs. HUTCHISON):

S. 884. A bill to improve port-of-entry infrastructure along the Southwest border of the United States, to establish grants to improve port-of-entry facilities, to designate a port-of-entry as a port technology demonstration site, and for other purposes; to the Committee on Finance.

By Mr. HUTCHINSON (for himself, Mr. CLELAND, and Mr. MILLER):

S. 885. A bill to amend title XVIII of the Social Security Act to provide for national standardized payment amounts for inpatient hospital services furnished under the medicare program; to the Committee on Finance.

By Mr. WELLSTONE:

S. 886. A bill to establish the Katie Poirier Abduction Emergency Fund, and for other purposes; to the Committee on the Judiciary.

By Mr. WELLSTONE:

S. 887. A bill to amend the Torture Victims Relief Act of 1986 to authorize appropriations to provide assistance for domestic centers and programs for the treatment of victims of torture; to the Committee on the Judiciary.

By Mr. LIEBERMAN:

S. 888. A bill to amend the Internal Revenue Code of 1986 to provide assistance to students and families coping with the costs of higher education, and for other purposes; to the Committee on Finance.

By Mr. FRIST (for himself, Mr. BREAUX, and Mr. JEFFORDS):

S. 889. A bill to protect consumers in managed care plans and in other health coverage; to the Committee on Health, Education, Labor, and Pensions.

By Mr. MCCAIN (for himself, Mr. LIEBERMAN, Mr. SCHUMER, Mr. DEWINE, and Mr. CARPER):

S. 890. A bill to require criminal background checks on all firearms transactions occurring at events that provide a venue for the sale, offer for sale, transfer, or exchange of firearms, and to provide additional resources for gun crime enforcement; to the Committee on the Judiciary.

By Mr. DODD:

S. 891. A bill to amend the Truth in Lending Act with respect to extensions of credit to consumers under the age of 21; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HARKIN:

S. 892. A bill to amend the Clean Air Act to phase out the use of methyl tertiary butyl ether in fuels or fuel additives, to promote the use of renewable fuels, and for other purposes; to the Committee on Environment and Public Works.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. TORRICELLI (for himself, Mr. HELMS, and Mr. MURKOWSKI):

S. Res. 89. A resolution expressing the sense of the Senate welcoming Taiwan's President Chen Shui-bian to the United States; to the Committee on Foreign Relations.

ADDITIONAL COSPONSORS

S. 117

At the request of Mr. FEINGOLD, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 117, a bill to prohibit products that contain dry ultra-filtered milk products or casein from being labeled as domestic natural cheese, and for other purposes.

S. 170

At the request of Mr. REID, the names of the Senator from Washington (Ms. CANTWELL) and the Senator from California (Mrs. BOXER) were added as cosponsors of S. 170, a bill to amend title 10, United States Code, to permit retired members of the Armed Forces who have a service-connected disability to receive both military retired pay by reason of their years of military service and disability compensation from the Department of Veterans Affairs for their disability.

S. 217

At the request of Mr. SCHUMER, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of S. 217, a bill to amend the Internal Revenue Code of 1986 to provide a uniform dollar limitation for all types of transportation fringe benefits excludable from gross income, and for other purposes.

S. 281

At the request of Mr. HAGEL, the name of the Senator from Wyoming (Mr. THOMAS) was added as a cosponsor of S. 281, a bill to authorize the design and construction of a temporary education center at the Vietnam Veterans Memorial.

S. 291

At the request of Mr. THOMPSON, the name of the Senator from Nevada (Mr. ENSIGN) was added as a cosponsor of S. 291, a bill to amend the Internal Revenue Code of 1986 to allow a deduction for State and local sales taxes in lieu of State and local income taxes and to allow the State and local income tax deduction against the alternative minimum tax.

S. 311

At the request of Mr. DODD, the name of the Senator from South Dakota (Mr.

DASCHLE) was added as a cosponsor of S. 311, a bill to amend the Elementary and Secondary Education Act of 1965 to provide for partnerships in character education.

S. 345

At the request of Mr. ALLARD, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 345, a bill to amend the Animal Welfare Act to strike the limitation that permits interstate movement of live birds, for the purpose of fighting, to States in which animal fighting is lawful.

S. 421

At the request of Mr. GRASSLEY, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 421, a bill to give gifted and talented students the opportunity to develop their capabilities.

S. 442

At the request of Mr. CAMPBELL, the name of the Senator from Tennessee (Mr. FRIST) was added as a cosponsor of S. 442, a bill to exempt qualified current and former law enforcement officers from State laws prohibiting the carrying of concealed firearms and to allow States to enter into compacts to recognize other States' concealed weapons permits.

S. 486

At the request of Mr. LEAHY, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 486, a bill to reduce the risk that innocent persons may be executed, and for other purposes.

S. 562

At the request of Mr. REID, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S. 562, a bill to amend the Immigration and Nationality Act with respect to the record of admission for permanent residence in the case of certain aliens.

S. 587

At the request of Mr. CONRAD, the names of the Senator from North Dakota (Mr. DORGAN) and the Senator from Maine (Ms. COLLINS) were added as cosponsors of S. 587, a bill to amend the Public Health Service Act and title XVIII of the Social Security Act to sustain access to vital emergency medical services in rural areas.

S. 661.

At the request of Mr. THOMPSON, the name of the Senator from Kentucky (Mr. MCCONNELL) was added as a cosponsor of S. 661, a bill to amend the Internal Revenue Code of 1986 to repeal the 4.3-cent motor fuel exercise taxes on railroads and inland waterway transportation which remain in the general fund of the Treasury.

S. 677

At the request of Mr. HATCH, the name of the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 677, a bill to amend the Internal Revenue Code of 1986 to repeal the required use of certain principal repayments on mortgage subsidy bond financing to redeem bonds, to modify the purchase price limitation under mortgage subsidy bond rules based on median family income, and for other purposes.

S. 694

At the request of Mr. BENNETT, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 694, a bill to amend the Internal Revenue Code of 1986 to provide that a deduction equal to fair market value shall be allowed for charitable contributions of literary, musical, artistic, or scholarly compositions created by the donor.

S. 723

At the request of Mr. SPECTER, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 723, a bill to amend the Public Health Service Act to provide for human embryonic stem cell generation and research.

S. 769

At the request of Mr. BROWNBACK, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 769, a bill to establish a carbon sequestration program and an implementing panel within the Department of Commerce to enhance international conservation, to promote the role of carbon sequestration as a means of slowing the buildup of greenhouse gases in the atmosphere, and to reward and encourage voluntary, pro-active environmental efforts on the issue of global climate change.

S. 794

At the request of Mr. THOMPSON, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 794, a bill to amend the Internal Revenue Code of 1986 to facilitate electric cooperative participation in a competitive electric power industry.

S. 829

At the request of Mr. BROWNBACK, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. 829, a bill to establish the National Museum of African American History and Culture within the Smithsonian Institution.

S. 839

At the request of Mrs. HUTCHISON, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 839, a bill to amend title XVIII of the Social Security Act to increase the amount of payment for inpatient hospital services under the medicare program and to freeze the reduction in payments to hospitals for indirect costs of medical education.

S. 845

At the request of Mr. CRAPO, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 845, a bill to amend the Internal Revenue Code of 1986 to include agricultural and animal waste sources as a renewable energy resource.

S. 866

At the request of Mr. REID, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 866, a bill to amend the Public Health Service Act to provide for a national media campaign to reduce and prevent underage drinking in the United States.

S. RES. 16

At the request of Mr. THURMOND, the names of the Senator from Colorado (Mr. ALLARD) and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. Res. 16, a resolution designating August 16, 2001, as "National Airborne Day."

S. RES. 88

At the request of Mr. KENNEDY, the names of the Senator from West Virginia (Mr. ROCKEFELLER) and the Senator from Maine (Ms. COLLINS) were added as cosponsors of S. Res. 88, a resolution expressing the sense of the Senate on the importance of membership of the United States on the United Nations Human Rights Commission.

S. CON. RES. 15

At the request of Mr. BROWNBACK, the name of the Senator from Nevada (Mr. ENSIGN) was added as a cosponsor of S. Con. Res. 15, a concurrent resolution to designate a National Day of Reconciliation.

S. CON. RES. 37

At the request of Mr. LIEBERMAN, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. Con. Res. 37, a concurrent resolution expressing the sense of Congress on the importance of promoting electronic commerce, and for other purposes.

AMENDMENT NO. 378

At the request of Mrs. MURRAY, the names of the Senator from Michigan (Mr. LEVIN), the Senator from Maryland (Ms. MIKULSKI), and the Senator from New York (Mr. SCHUMER) were added as cosponsors of amendment No. 378.

AMENDMENT NO. 564

At the request of Mr. BYRD, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of amendment No. 564.

AMENDMENT NO. 640

At the request of Mr. DORGAN, the name of the Senator from West Virginia (Mr. ROCKEFELLER) was added as a cosponsor of amendment No. 640.

AMENDMENT NO. 648

At the request of Mr. HELMS, the name of the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of amendment No. 648.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. INHOFE:

S. 878. A bill to amend the Internal Revenue Code of 1986 to prorate the heavy vehicle use tax between the first and subsequent purchasers of the same vehicle in one taxable period; to the Committee on Finance.

Mr. INHOFE. Mr. President, I rise today to talk about a bill that will help many truck-drivers across the country. As we all know, the trucking industry has incurred an incredible cost increase in recent years due to higher fuel prices and other taxes. One of my constituents, Phillip Parks, has felt this tremendous financial burden and, as a result, sold his truck and got out of the business altogether.

The heavy vehicle use tax is one tax many truck drivers, like Mr. Parks, are required to pay each year. Under the current IRS code, when a vehicle over 75,000 pounds is purchased and driven over 5,000 miles, the owner must pay a $550 heavy-use tax. However, if the owner sells the vehicle in the same year, he or she is unable to receive a refund on this tax, while the person buying the vehicle does not have to pay the tax during that year since it has already been paid. This is what happened to Mr. Parks.

My bill will not only make this tax more fair, but will provide some much-needed relief for people who wish to sell their trucks within the same year they bought them. The Heavy Vehicle Use Tax Equity Act will require the purchaser to pay a prorated tax on the vehicle, while the person selling it will receive a refund for the portion of the tax relative to the time in which they owned it.

I am pleased to introduce this bill that will help make our complex tax code more equitable while putting money back into the hands of hard-working Americans, like Phillip Parks of Stillwell, OK.

By Mr. SANTORUM:

S. 879. A bill to amend the Internal Revenue Code of 1986 to expand the tip tax credit to employers of cosmetologists and to promote tax compliance in the cosmetology sector; to the Committee on Finance.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 879

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Cosmetology Tax Fairness and Compliance Act of 2001".

SEC. 2. EXPANSION OF CREDIT FOR PORTION OF SOCIAL SECURITY TAXES PAID WITH RESPECT TO EMPLOYEE TIPS.

(a) EXPANSION OF CREDIT TO OTHER LINES OF BUSINESS.—Paragraph (2) of section 45B(b) of the Internal Revenue Code of 1986 is amended to read as follows:

"(2) APPLICATION ONLY TO CERTAIN LINES OF BUSINESS.—In applying paragraph (1), there shall be taken into account only tips received from customers or clients in connection with—

"(A) the providing, delivering, or serving of food or beverages for consumption if the tipping of employees delivering or serving food or beverages by customers is customary, or

"(B) the providing of any cosmetology service for customers or clients at a facility licensed to provide such service if the tipping of employees providing such service is customary."

(b) DEFINITION OF COSMETOLOGY SERVICE.—Section 45B of such Code is amended by redesignating subsections (c) and (d) as subsections (d) and (e), respectively, and by inserting after subsection (b) the following new subsection:

"(c) COSMETOLOGY SERVICE.—For purposes of this section, the term 'cosmetology service' means—

"(1) hairdressing,

"(2) haircutting,

"(3) manicures and pedicures,

"(4) body waxing, facials, mud packs, wraps, and other similar skin treatments, and

"(5) any other beauty related service provided at a facility at which a majority of the services provided (as determined on the basis of gross revenue) are described in paragraphs (1) through (4)."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to tips received for services performed after December 31, 2001.

SEC. 3. INFORMATION REPORTING AND TAXPAYER EDUCATION FOR PROVIDERS OF COSMETOLOGY SERVICES.

(a) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986 is amended by inserting after section 6050S the following new section:

"SEC. 6050T. RETURNS RELATING TO COSMETOLOGY SERVICES AND INFORMATION TO BE PROVIDED TO COSMETOLOGISTS.

"(a) IN GENERAL.—Every person (referred to in this section as a 'reporting person') who—

"(1) employs 1 or more cosmetologists to provide any cosmetology service,

"(2) rents a chair to 1 or more cosmetologists to provide any cosmetology service on at least 5 calendar days during a calendar year, or

"(3) in connection with its trade or business or rental activity, otherwise receives compensation from, or pays compensation to, 1 or more cosmetologists for the right to provide cosmetology services to, or for cosmetology services provided to, third-party patrons,

shall comply with the return requirements of subsection (b) and the taxpayer education requirements of subsection (c).

"(b) RETURN REQUIREMENTS.—The return requirements of this subsection are met by a reporting person if the requirements of each of the following paragraphs applicable to such person are met.

"(1) EMPLOYEES.—In the case of a reporting person who employs 1 or more cosmetologists to provide cosmetology services, the requirements of this paragraph are met if such person meets the requirements of sections 6051 (relating to receipts for employees) and 6053(b) (relating to tip reporting) with respect to each such employee.

"(2) INDEPENDENT CONTRACTORS.—In the case of a reporting person who pays compensation to 1 or more cosmetologists (other than as employees) for cosmetology services provided to third-party patrons, the requirements of this paragraph are met if such person meets the applicable requirements of section 6041 (relating to returns filed by persons making payments of $600 or more in the course of a trade or business), section 6041A (relating to returns to be filed by service-recipients who pay more than $600 in a calendar year for services from a service provider), and each other provision of this subpart that may be applicable to such compensation.

"(3) CHAIR RENTERS.—

"(A) IN GENERAL.—In the case of a reporting person who receives rent or other fees or compensation from 1 or more cosmetologists for use of a chair or for rights to provide any cosmetology service at a salon or other similar facility for more than 5 days in a calendar year, the requirements of this paragraph are met if such person—

"(i) makes a return, according to the forms or regulations prescribed by the Secretary, setting forth the name, address, and TIN of each such cosmetologist and the amount received from each such cosmetologist, and

"(ii) furnishes to each cosmetologist whose name is required to be set forth on such return a written statement showing—

"(I) the name, address, and phone number of the information contact of the reporting person,

"(II) the amount received from such cosmetologist, and

"(III) a statement informing such cosmetologist that (as required by this section), the reporting person has advised the Internal Revenue Service that the cosmetologist provided cosmetology services during the calendar year to which the statement relates.

"(B) METHOD AND TIME FOR PROVIDING STATEMENT.—The written statement required by clause (ii) of subparagraph (A) shall be furnished (either in person or by first-class mail which includes adequate notice that the statement or information is enclosed) to the person on or before January 31 of the year following the calendar year for which the return under clause (i) of subparagraph (A) is to be made.

"(c) TAXPAYER EDUCATION REQUIREMENTS.—In the case of a reporting person who is required to provide a statement pursuant to subsection (b), the requirements of this subsection are met if such person provides to each such cosmetologist annually a publication, as designated by the Secretary, describing—

"(1) in the case of an employee, the tax and tip reporting obligations of employees, and

"(2) in the case of a cosmetologist who is not an employee of the reporting person, the tax obligations of independent contractors or proprietorships.

The publications shall be furnished either in person or by first-class mail which includes adequate notice that the publication is enclosed.

"(d) DEFINITIONS.—For purposes of this section—

"(1) COSMETOLOGIST.—

"(A) IN GENERAL.—The term 'cosmetologist' means an individual who provides any cosmetology service.

"(B) ANTI-AVOIDANCE RULE.—The Secretary may by regulation or ruling expand the term 'cosmetologist' to include any entity or arrangement if the Secretary determines that entities are being formed to circumvent the reporting requirements of this section.

"(2) COSMETOLOGY SERVICE.—The term 'cosmetology service' has the meaning given to such term by section 45B(c).

"(3) Chair.—The term 'chair' includes a chair, booth, or other furniture or equipment from which an individual provides a cosmetology service (determined without regard to whether the cosmetologist is entitled to use a specific chair, booth, or other similar furniture or equipment or has an exclusive right to use any such chair, booth, or other similar furniture or equipment).

"(e) Exceptions for Certain Employees.—Subsection (c) shall not apply to a reporting person with respect to an employee who is employed in a capacity for which tipping (or sharing tips) is not customary."

(b) Conforming Amendments.—

(1) Section 6724(d)(1)(B) of such Code (relating to the definition of information returns) is amended by redesignating clauses (xi) through (xvii) as clauses (xii) through (xviii), respectively and by inserting after clause (x) the following new clause:

"(xi) section 6050T(a) (relating to returns by cosmetology service providers)."

By Mr. DeWINE (for himself and Mrs. Lincoln):

S. 880. A bill to amend title XVIII of the Social Security Act to provide adequate coverage for immunosuppressive drugs furnished to beneficiaries under the Medicare Program that have received an organ transplant, and for other purposes; to the Committee on Finance.

Mr. DeWINE. Mr. President, I rise today to introduce a bill with my colleague, Senator Lincoln, to help those with End Stage Renal Disease, ESRD, who receive Medicare-eligible kidney transplants. Our bill would help these patients maintain access to life-saving drugs needed to prevent their immune systems from rejecting their new organs.

With each kidney that is successfully transplanted, a gift of new life is given to the recipient. This precious gift should not be jeopardized simply because the recipient is unable to pay for the immunosuppressive drugs that help ensure that his or her immune system does not reject the new organ. It defies common sense for Medicare to cover expensive kidney transplant operations, but not cover the drugs necessary to preserve the transplanted organ.

I would like to thank my colleagues for supporting the passage of most of the bill that I introduced last Congress—S. 631—which was passed as part of the Medicare Benefits and Improvement Protection Act, BIPA. This law eliminated the 36-month time limitation for Medicare coverage of immunosuppressive medications for transplant recipients who (1) received a Medicare transplant and (2) have Medicare-age or disability status. However, transplant recipients whose Medicare eligibility is based solely on their End Stage Renal Disease, ESRD, status did not qualify for the extended coverage under BIPA and remain limited to coverage for 36 months post-transplant.

The bill we are introducing today simply would eliminate the 36-month time limitation for Medicare immunosuppressive drug coverage for the population that was not covered under last year's BIPA provision. Under current law, an individual with ESRD retains his or her Medicare coverage for all medical needs for 36 months post-transplant. This bill would eliminate the 36-month time limitation for the purpose of paying for the immunosuppressive drugs only—all other Medicare coverage, including that related to other post-transplant needs, would cease after 36 months, as under current law.

A 1999 Institute of Medicine, IOM, study estimated the cost of providing indefinite coverage of all Medicare-covered kidney transplants at $848 million over five years. The IOM estimate of eliminating the time limitation for Medicare-aged and disabled transplant recipients only, covered under BIPA, was $566 million over five years. This represents a difference of only $282 million over five years to cover the rest of the ESRD population.

Furthermore, our bill would make Medicare the secondary payer after 36 months for beneficiaries who do not have Medicare-age or disability status, which the IOM report did not consider. Recipients covered by our bill would be subject to the same Part B premium, deductible, and coinsurance that other beneficiaries pay to receive full Part B coverage.

Medicare will pay for another transplant (average cost is $100,000) or dialysis, annual cost is more than $50,000, if a transplant fails. It makes far better sense from an economic and social perspective to extend Medicare coverage for the anti-rejection medications especially at a time when the number of people waiting for a kidney transplant in this country exceeds 48,000 people.

I urge my colleagues to support our bill and help those who receive Medicare-eligible transplants gain access to the immunosuppressive drugs they need to prevent their bodies from rejecting transplanted kidneys.

This legislation is supported by the National Kidney Foundation, the American Society of Transplantation, the American Society of Pediatric Nephrology, the North American Transplant Coordinators Organization, LifeCenter, the Association of Organ Procurement Organizations, the American Kidney Fund, and the Polycystic Kidney Disease Foundation.

I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 880

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Immunosuppressive Drug Coverage Act of 2001".

SEC. 2. PROVISION OF APPROPRIATE COVERAGE OF IMMUNOSUPPRESSIVE DRUGS UNDER THE MEDICARE PROGRAM.

(a) Continued Entitlement to Immunosuppressive Drugs for Kidney Transplant Recipients.—

(1) In general.—Section 226A(b)(2) of the Social Security Act (42 U.S.C. 426–1(b)(2)) is amended by inserting "(except for coverage of immunosuppressive drugs under section 1861(s)(2)(J))" after "shall end".

(2) Application.—In the case of an individual whose eligibility for benefits under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) has ended except for the coverage of immunosuppressive drugs by reason of the amendment made by paragraph (1), the following rules shall apply:

(A) The individual shall be deemed to be enrolled in part B of the original medicare fee-for-service program under title XVIII of the Social Security Act (42 U.S.C. 1395j et seq.) for purposes of receiving coverage of such drugs.

(B) The individual shall be responsible for the full part B premium under section 1839 of such Act (42 U.S.C. 1395r) in order to receive such coverage.

(C) The provision of such drugs shall be subject to the application of—

(i) the part B deductible under section 1833(b) of such Act (42 U.S.C. 1395l(b)); and

(ii) the coinsurance amount applicable for such drugs (as determined under such part B).

(D) If the individual is an inpatient of a hospital or other entity, the individual is entitled to receive coverage of such drugs under such part B.

(3) Establishment of procedures in order to implement coverage.—The Secretary of Health and Human Services shall establish procedures for—

(A) identifying beneficiaries that are entitled to coverage of immunosuppressive drugs by reason of the amendment made by paragraph (1); and

(B) distinguishing such beneficiaries from beneficiaries that are enrolled under part B of title XVIII of the Social Security Act for the complete package of benefits under such part.

(4) Technical amendment.—Subsection (c) of section 226A (42 U.S.C. 426–1), as added by section 201(a)(3)(D)(ii) of the Social Security Independence and Program Improvements Act of 1994 (Public Law 103–296; 108 Stat. 1497), is redesignated as subsection (d).

(b) Extension of Secondary Payer Requirements for ESRD Beneficiaries.—Section 1862(b)(1)(C) of the Social Security Act (42 U.S.C. 1395y(b)(1)(C)) is amended by adding at the end the following new sentence: "With regard to immunosuppressive drugs furnished on or after the date of enactment of the Immunosuppressive Drugs Coverage Act of 2001, this subparagraph shall be applied without regard to any time limitation.".

(c) Effective Date.—The amendments made by this section shall apply to drugs furnished on or after the date of enactment of this Act.

SEC. 3. PLANS REQUIRED TO MAINTAIN COVERAGE OF IMMUNOSUPPRESSIVE DRUGS.

(a) Application to Certain Health Insurance Coverage.—

(1) In General.—Subpart 2 of part A of title XXVII of the Public Health Service Act (42 U.S.C. 300gg–4 et seq.) is amended by adding at the end the following:

"SEC. 2707. COVERAGE OF IMMUNOSUPPRESSIVE DRUGS.

"A group health plan (and a health insurance issuer offering health insurance coverage in connection with a group health plan) shall provide coverage of immunosuppressive drugs that is at least as comprehensive as the coverage provided by such plan or issuer on the day before the date of enactment of the Immunosuppressive Drug Coverage Act of 2001, and such requirement shall be deemed to be incorporated into this section.".

(2) CONFORMING AMENDMENT.—Section 2721(b)(2)(A) of the Public Health Service Act (42 U.S.C. 300gg-21(b)(2)(A)) is amended by inserting "(other than section 2707)" after "requirements of such subparts".

(b) APPLICATION TO GROUP HEALTH PLANS AND GROUP HEALTH INSURANCE COVERAGE UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—

(1) IN GENERAL.—Subpart B of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185 et seq.) is amended by adding at the end the following new section:

"SEC. 714. COVERAGE OF IMMUNOSUPPRESSIVE DRUGS.

"A group health plan (and a health insurance issuer offering health insurance coverage in connection with a group health plan) shall provide coverage of immunosuppressive drugs that is at least as comprehensive as the coverage provided by such plan or issuer on the day before the date of enactment of the Immunosuppressive Drug Coverage Act of 2001, and such requirement shall be deemed to be incorporated into this section.".

(2) CONFORMING AMENDMENTS.—

(A) Section 732(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185(a)) is amended by striking "section 711" and inserting "sections 711 and 714".

(B) The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 is amended by inserting after the item relating to section 713 the following new item:

"Sec. 714. Coverage of Immunosuppressive drugs.".

(c) APPLICATION TO GROUP HEALTH PLANS UNDER THE INTERNAL REVENUE CODE OF 1986.—Subchapter B of chapter 100 of the Internal Revenue Code of 1986 is amended—

(1) in the table of sections, by inserting after the item relating to section 9812 the following new item:

"Sec. 9813. Coverage of immunosuppressive drugs.";

and

(2) by inserting after section 9812 the following:

"SEC. 9813. COVERAGE OF IMMUNOSUPPRESSIVE DRUGS.

"A group health plan shall provide coverage of immunosuppressive drugs that is at least as comprehensive as the coverage provided by such plan on the day before the date of enactment of the Immunosuppressive Drug Coverage Act of 2001, and such requirement shall be deemed to be incorporated into this section.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning on or after January 1, 2002.

By Mr. HATCH (for himself and Mr. BIDEN):

S. 881. A bill to amend the Taxpayer Relief Act of 1997 to provide for consistent treatment of survivor benefits for public safety officers killed in the line of duty; to the Committee on Finance.

Mr. HATCH. Mr. President, today, my good friend and colleague, Senator BIDEN, and I are introducing legislation we have drafted to help ease the burden of those whose husband or wife or father or mother was a public safety officer and has made the ultimate sacrifice and died while protecting the citizens of this Nation. I am speaking of the families of law enforcement officers, firefighters, and rescue squad or ambulance crew members who have lost a loved one in the line of duty.

The Hatch-Biden bill we introduce in the Senate today, the Fallen Hero Survivor Benefit Fairness Act of 2001, is designed to make annuity benefits for survivors of public safety officers killed in the line of duty tax free, so long as the annuity is provided under a governmental plan to the surviving spouse or to the child of the deceased officer.

In the Taxpayer Relief Act of 1997, Congress took an important step in showing our appreciation for this country's fallen heroes by exempting from taxation survivor benefits for those killed in the line of duty after December 31, 1996. This change has undoubtedly made a significant difference to many such surviving families.

But what about the families of fallen heroes who died before that date? Should not their government-provided survivor annuities be tax-free as well? Of course they should.

This bill provides tax equity for those survivors receiving annuities for officers who died on or before December 31, 1996. We must make this tax-free treatment available for all survivors of peace officers who gave their lives to make this great country a safer place for us all to live. The tax correction in this bill would not be retroactive. Rather, it provides that payments from a qualified survivor annuity received after December 31, 2001, would qualify for tax-free treatment, even if the peace officer was killed prior to the effective date of the Taxpayer Relief Act of 1997 provision.

We are not talking about a great deal of money here. The Joint Committee on Taxation estimates this correction would result in about $5 million per year in lost revenue or a total cost of $46 million over 10 years. This is not a high price to pay to show this country's gratitude for the service these men and women who are public safety officers perform each day when they leave their homes, the risks they take, and for the ultimate sacrifice some of them have made.

Last week, the House Committee on Ways and Means approved identical legislation to correct this problem, and I am told the bill is coming before the entire House for a vote today. Mr. President, this week (May 13–19, 2001) is National Police Week. Although it does not begin to pay our debt to these men and women and their survivors, I cannot think of a better way to honor those public service officers who have died in the line of duty than to pass bills like this one that recognize their sacrifices and attempt to help their survivors with their burdens. I hope our colleagues will join us in cosponsoring this bill and in passing this legislation this week.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 881

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fallen Hero Survivor Benefit Fairness Act of 2001".

SEC. 2. CONSISTENT TREATMENT OF SURVIVOR BENEFITS FOR PUBLIC SAFETY OFFICERS KILLED IN THE LINE OF DUTY.

Subsection (b) of section 1528 of the Taxpayer Relief Act of 1997 (Public Law 105–34) is amended by striking the period and inserting ", and to amounts received in taxable years beginning after December 31, 2001, with respect to individuals dying on or before December 31, 1996.".

By Ms. MIKULSKI (for himself, Ms. SNOWE, Mrs. MURRAY, Ms. COLLINS, and Mr. SARBANES):

S. 882. A bill to amend title II of the Social Security Act to provide that a monthly insurance benefit thereunder shall be paid for the month in which the recipient dies, subject to a reduction of 50 percent if the recipient dies during the first 15 days of such month, and for other purposes; to the Committee on Finance.

Ms. MIKULSKI. Mr. President, today, I rise to talk about an issue that is very important to me, very important to my constituents in Maryland and very important to the people of the United States of America.

For the fourth Congress in a row, I am joining in a bipartisan effort with my friend and colleague, Senator OLYMPIA SNOWE, to end an unfair policy of the Social Security System.

Senator SNOWE and I are introducing the Social Security Family Protection Act. This bill addresses retirement security and family security. We want the middle class of this Nation to know that we are going to give help to those who practice self-help.

What is it I am talking about? I was shocked when I found out that Social Security does not pay benefits for the last month of life. If a Social Security retiree dies on the 18th of the month or even on the 30th of the month, the surviving spouse or family members must send back the Social Security check for that month.

I think that is an harsh and heartless rule. That individual worked for Social Security benefits, earned those benefits, and paid into the Social Security trust fund. The system should allow the surviving spouse or the estate of the family to use that Social Security check for the last month of life.

This legislation has an urgency. When a loved one dies, there are expenses that the family must take care of. People have called my office in tears. Very often it is a son or a daughter that is grieving the death of a parent. They are clearing up the paperwork for their mom or dad, and there is the Social Security check. And they say, 'Senator, the check says for the month of May. Mom died on May 28. Why do we have to send the Social Security check back? We have bills to pay. We have utility coverage that we need to wrap up, mom's rent, or her mortgage, or health expenses. Why is Social Security telling me, 'Send the check back or we're going to come and get you'?'

With all the problems in our country today, we ought to be going after drug dealers and tax dodgers, not honest people who have paid into Social Security, and not the surviving spouse or the family who have been left with the bills for the last month of their loved one's life. They are absolutely right when they call me and say that Social Security was supposed to be there for them.

I've listened to my constituents and to the stories of their lives. What they say is this: "Senator MIKULSKI, we don't want anything for free. But our family does want what our parents worked for. We do want what we feel we deserve and what has been paid for in the trust fund in our loved one's name. Please make sure that our family gets the Social Security check for the last month of our life."

That is what our bill is going to do. That is why Senator SNOWE and I are introducing the Family Social Security Protection Act. When we talk about retirement security, the most important part of that is income security. And the safety net for most Americans is Social Security.

We know that as Senators we have to make sure that Social Security remains solvent, and we are working to do that. We also don't want to create an undue administrative burden at the Social Security Administration—a burden that might affect today's retirees. But it is absolutely crucial that we provide a Social Security check for the last month of life.

How do we propose to do that? We have a very simple, straightforward way of dealing with this problem. Our legislation says that if you die before the 15th of the month, you will get a check for half the month. If you die after the 15th of the month, your surviving spouse or the family estate would get a check for the full month.

We think this bill is fundamentally fair. Senator SNOWE and I are old-fashioned in our belief in family values. We believe you honor your father and your mother. We believe that it is not only a good religious and moral principle, but it is good public policy as well.

The way to honor your father and mother is to have a strong Social Security System and to make sure the system is fair in every way. That means fair for the retiree and fair for the spouse and family. We strongly feel that the current system is an injustice to spouses and families across the Nation. Just because a beneficiary passes away, it does not mean that their bills can go unpaid. Join us to correct this policy and to ensure that families and recipients are protected during this difficult time. That is why we support making sure that the surviving spouse or family can keep the Social Security check for the last month of life.

We urge our colleagues to join us in this effort and support the Social Security Family Protection Act.

By Mr. DODD:

S. 883. A bill to ensure the energy self-sufficiency of the United States by 2011, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. DODD. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered printed in the RECORD, as follows:

S. 883

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Energy Independence Act of 2001".

SEC. 2. DOMESTIC ENERGY SELF-SUFFICIENCY PLAN.

(a) STRATEGIC PLAN.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of Energy shall develop and submit to Congress a strategic plan to ensure that the United States is energy self-sufficient by the year 2011.

(2) RECOMMENDATIONS.—The plan developed under paragraph (1) shall include recommendations for legislative and regulatory actions needed to achieve the goal of the plan described in that paragraph.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $20,000,000.

SEC. 3. FEDERAL GOVERNMENT FUEL CELL PILOT PROGRAM.

(a) PROGRAM.—The Secretary of Energy shall establish a program for the acquisition, for use at federally owned or operated facilities, of—

(1) not to exceed 100 commercially available 200 kilowatt fuel cell power plants;

(2) not to exceed 20 megawatts of power generated from commercially available fuel cell power plants; or

(3) a combination of the power plants described in paragraphs (1) and (2).

(b) FUNDING.—The Secretary shall provide funding and any other necessary assistance for the purchase, site engineering, installation, startup, training, operation, and maintenance costs associated with the acquisition of the power plants under subsection (a).

(c) DOMESTIC ASSEMBLY.—All fuel cell systems and fuel cell stacks in power plants acquired, or from which power is acquired, under subsection (a) shall be assembled in the United States.

(d) SITE SELECTION.—In the selection of a federally owned or operated facility as a site for the location of a power plant acquired under this section, or as a site to receive power acquired under this section, priority shall be given to a site with 1 or more of the following attributes:

(1) A location in an area classified as a nonattainment area under title I of the Clean Air Act (42 U.S.C. 7401 et seq.).

(2) Computer or electronic operations that are sensitive to power supply disruptions.

(3) A need for a reliable, uninterrupted power supply.

(4) A remote location or other factors requiring off-grid power generation.

(5) Critical manufacturing or other activities that support national security efforts.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $140,000,000 for the period of fiscal years 2002 through 2004.

SEC. 4. PROTON EXCHANGE MEMBRANE DEMONSTRATION PROGRAMS.

(a) IN GENERAL.—

(1) ESTABLISHMENT.—The President, in coordination with the Secretary of Energy, the Secretary of Transportation, the Secretary of Defense, and the Secretary of Housing and Urban Development, shall establish a program for the demonstration of fuel cell proton exchange membrane technology in the areas of responsibility of those Secretaries with respect to commercial, residential, and transportation applications, including buses.

(2) FOCUS.—The program established under paragraph (1) shall focus specifically on promoting the application of, and improving manufacturing production and processes for, proton exchange membrane fuel cell technology.

(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $140,000,000 for the period of fiscal years 2002 through 2004.

(b) BUS DEMONSTRATION PROGRAM.—

(1) ESTABLISHMENT.—The President, in coordination with the Secretary of Energy and the Secretary of Transportation, shall establish a comprehensive proton exchange membrane fuel cell bus demonstration program to address hydrogen production, storage, and use in transit bus applications.

(2) COMPONENTS.—The program established under paragraph (1) shall—

(A) cover all aspects of the introduction of proton exchange membrane fuel cells; and

(B) include provisions for—

(i) the development, installation, and operation of a hydrogen delivery system located on-site at transit bus terminals;

(ii) the development, installation, and operation of—

(I) on-site storage associated with the hydrogen delivery systems; and

(II) storage tank systems incorporated into the structure of a transit bus;

(iii) the demonstration of the use of hydrogen as a practical, safe, renewable energy source in a highly efficient, zero-emission power system for buses;

(iv) the development of a hydrogen proton exchange membrane fuel cell power system that is confirmed and verified as being compatible with transit bus application requirements;

(v) durability testing of the fuel cell bus at a national testing facility;

(vi) the identification and implementation of necessary codes and standards for the safe use of hydrogen as a fuel suitable for bus application, including the fuel cell power system and related operational facilities;

(vii) the identification and implementation of maintenance and overhaul requirements for hydrogen proton exchange membrane fuel cell transit buses; and

(viii) the completion of a fleet vehicle evaluation program by bus operators along normal transit routes to provide equipment manufacturers and transit operators with the necessary analyses to enable operation of the hydrogen proton exchange membrane fuel cell bus under a range of operating environments.

(3) DOMESTIC ASSEMBLY.—All fuel cell systems and fuel cell stacks in power plants acquired, or from which power is acquired, under paragraph (1) shall be assembled in the United States.

(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $150,000,000 for the period of fiscal years 2002 through 2004.

SEC: 5. FEDERAL VEHICLES.

(a) IN GENERAL.—The head of each agency of the Federal Government that maintains a fleet of motor vehicles shall develop, implement by not later than October 1, 2006, and carry out through September 30, 2011, a plan for a transition of the fleet to vehicles powered by fuel cell technology.

(b) REQUIREMENTS OF PLAN.—A plan developed under subsection (a) shall—

(1) incorporate and build on the results of completed and ongoing Federal demonstration programs, including the program established under section 4; and

(2) include additional demonstration programs and pilot programs as the head of the applicable agency determines to be necessary to test or investigate available technologies and transition procedures.

SEC. 6. LIFE-CYCLE COST BENEFIT ANALYSIS.

Any life-cycle cost benefit analysis carried out by a Federal agency under this Act that concerns an investment in a product, a service, construction, or any other project shall include an analysis of environmental and power reliability factors.

SEC. 7. STATE AND LOCAL GOVERNMENT INCENTIVES.

(a) GRANT PROGRAM.—

(1) IN GENERAL.—The Secretary of Energy shall establish a program for to make grants to State or local governments for the use of fuel cell technology in meeting energy requirements of the State or local governments, including the use of fuel cell technology as a source of power for motor vehicles.

(2) COST SHARING.—The Federal share of the cost of any project or activity funded with a grant under this section shall not exceed 90 percent.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $110,000,000 for each of fiscal years 2002 through 2006.

By Mr. DOMENICI (for himself and Mrs. HUTCHISON):

S. 884. A bill to improve port-of-entry infrastructure along the Southwest border of the United States, to establish grants to improve ports-of-entry facilities, to designate a port-of-entry as a port technology demonstration site, and for other purposes; to the Committee on Finance.

Mr. DOMENICI. Mr. President, I rise today to introduce the Southwest Border Port-of-Entry Infrastructure Improvement Act. The Southwest border region has been ignored for far too long, and as a result, has lagged behind the rest of the Nation in many areas. Poor health and environmental quality, inadequate infrastructure, and fewer technological and educational resources are common facts of life along much of the Southwest Border.

Last year, the U.S.-Mexico Border had a population of 12.6 million. By 2020, the region will have more than 21 million residents. That means that the southwest border region is growing at more than twice the national average and 40 percent faster than the U.S.'s fastest growing states.

And what has been the engine of this tremendous growth? Trade. When the North American Free Trade Agreement came into effect in 1994, U.S.-Mexico trade totaled $100 billion. In 1999 trade between the two countries accounted for $197 billion, a near doubling in only 5 years.

Unfortunately, we have failed to invest in the Southwest Border to accommodate this tremendous growth. In 1999, eighty-six percent of U.S-Mexico trade was transported across the border by trucks. Yet, rather than promote a system where trade can flourish, we have congested traffic lanes where drivers have to wait three even 5 hours before crossing the border.

These lines include all manner of people and industry, from a truck filled with auto parts en route to Detroit to hungry tourists wanting an authentic taco to service employees who live in Mexico and work in the United States. The effect of these unnecessary traffic backlogs is two-fold.

First, significant delays at our nation's ports-of-entry along the Southwest Border results in inefficient trade. This works at cross purposes with "just in time delivery."

A primary reason that U.S.-Mexico trade has increased so dramatically is that the border allows companies to benefit from "just in time" delivery. Using "just in time," firms eliminate warehousing and preservation costs, resulting in lower prices and more efficient delivery.

Primary producers, intermediary companies, downstream retailers, and customers all rely on the timely delivery of goods and services. But huge backlogs makes "just-in-time" delivery more like delivery "some time." When delivery times increase or are uncertain, associated costs increase for everyone down the product and user chain.

Second, long traffic backlogs detrimentally affect the people who live along the Southwest Border.

A study by the Environmental Protection Agency concluded that, "the border's health conditions and risks * * * are among the most troubling and the most serious in the United States.

Health and environmental problems seem to be most prevalent in poverty stricken areas. The Southwest Border is one of the poorest regions in the nation. In fact, nearly 27 percent of New Mexico's Dona Ana County live below the poverty line, double the national average, and other counties along the border are even worse off. For example, 40 percent of Maverick County, Texas' population live below the poverty level.

We cannot continue to focus on the increased wealth the Nation enjoys from trade while ignoring the burden that trade imposes on border residents.

Long backlogs at ports-of-entry along the Southwest Border creates a substantial hardship on the people in the region. The EPA report concluded that the border disproportionately suffers from serious health threats due, in part, to airborne pollutants from vehicle emissions.

Increased trade means ever increasing vehicle emissions. A recent study by the North American Commission for Environmental Cooperation found that truck traffic increases 8.6 percent per year. An 8.6 percent increase means that by 2020, commodity truck flows will be 5.5 times greater than 1999 levels.

That study never considered the recent NAFTA arbitration panel ruling that the U.S.'s policy prohibiting Mexican trucks beyond twenty miles from the border violates the trade agreement.

I would like the U.S. to promote trade so that the entire Nation's economy continues to grow. Yet, we need to act pro-actively with foresight and responsible planning so that the Southwest Border infrastructure can adequately handle the projected and likely traffic increases.

I would like to see the engine that is our economy keep running. I just want that engine to run faster, quieter, and smoother. That's why I am introducing the Southwest Border Infrastructure Improvement Act.

This bill provides funds to improve our ports-of-entry and ensure efficient binational trade in the future.

Specifically, this bill directs the U.S. Customs Service to update the "Ports of Entry Infrastructure Assessment Study" within 6 months of enactment. Pursuant to the updated study, it provides $500 million to be spent over five years for the recommended improvements.

Second, this legislation recognizes our unique shared border and relationship with Mexico. It considers that a unilateral solution along a binational border is no solution at all.

Therefore, this bill establishes a $75 million grant fund for FY02 and other sums for 2003–2006 through the Department of Transportation for port-of-entry infrastructure improvements that would reduce negative environmental impacts, such as air pollution, associated with cross-border transportation.

The grant program will be administered by the North American Development Bank and certified by the Border Environment Cooperation Commission. Grant applicants must meet a dollar for dollar match requirement to receive grant funds.

Last, this bill recognizes that new technologies must be developed to facilitate future binational trade. Our current system of processing goods at ports is impractical, overly burdensome, and is a substantial factor in traffic backlogs.

In order to innovate more efficient processing systems, this legislation designates that a port-of-entry will serve as a site to demonstrate port technologies. The Customs Service will carry out a program to test and evaluate such new technologies. This bill provides $10 million for 2002 and other sums from 2003 through 2006 for that purpose.

The selected port must have sufficient space to conduct the demonstration program, have low traffic volume so that new technologies may be incorporated without interrupting normal processing activity, and have a relatively modern design.

The recent NAFTA arbitration panel ruling concerning the U.S.'s policy prohibiting Mexican trucks from entering the United States brings our infrastructure limitations to the forefront. It is imperative to improve the Southwest Border's inadequate infrastructure and design. We must act to ensure continued national growth while working to improve the health and environment of border residents.

By Mr. HUTCHINSON (for himself, Mr. Cleland, and Mr. Miller):

S. 885. A bill to amend title XVIII of the Social Security Act to provide for national standardized payment amounts for inpatient hospital services furnished under the medicare program; to the Committee on Finance.

Mr. HUTCHINSON. Mr. President, I am pleased today to be joined by Senator Cleland of Georgia in introducing the Area Wage and Base Payment Improvement Act, which seeks to address Medicare payment inequities for rural and small hospitals so they may pay competitive wages to attract and retain health care personnel and provide quality health care.

We all know that the health care workforce is shrinking, both in its own right and relative to the growing patient population. This is illustrated by the nursing profession. The average age of nurses today is 43.3 years, and less than 10 percent of the current nurse workforce is below age 30. Unfortunately, many nurses are leaving the occupation because of low pay, excessive paperwork burdens, a lack of respect, and other consequences of being short-staffed, such as overly long shifts, mandatory overtime, and the stress of having too many patients under their care. The result is that very few new nurses are getting into the pipeline to replace those who have retired or left the profession. The nursing shortage is being felt in virtually every part of the country, but especially in rural areas, where it is hard for hospitals to recruit and retain qualified personnel. In my home State of Arkansas, where nearly every county is considered a medically underserved area, hospitals are reporting over 750 nurse vacancies, this says nothing of the other personnel shortages they are experiencing as well.

Such severe shortages in qualified health care personnel have "nationalized" the market for health care professionals, and historically low labor costs in rural and small urban areas have disappeared. Hospitals in these areas must compete with large urban hospitals for qualified workers and pay higher wages as a result. In some cases, rural hospitals are being forced to pay health care personnel even more than urban hospitals. For example, a nurse practitioner in rural Arkansas is paid $29.04 per hours on average, while the same nurse practitioner would be paid $28.22 per hour in an urban hospital.

The Area Wage and Base Payment Improvement Act would address this issue by establishing an area wage index floor of 0.925 in order to bring payments in areas with the lowest wage indexes up to just below the national average of 1.00. The wage index is intended to adjust Medicare hospital inpatient and outpatient payments to account for varying wage rates paid by hospitals for workers in different market areas across the country, but it has not been updated since 1997. In Arkansas, the area wage index for rural hospitals is as low as .7445. By creating an area wage index floor of .925, as many as 72 hospitals in Arkansas and 2,100 hospitals nationwide will see an increase in their Medicare payments and their ability to provide competitive wages for hospital labor.

The legislation we are introducing also makes an important change to the Medicare payment formula by increasing the Medicare inpatient prospective payment system, PPS, base amount for rural and small urban hospitals. This base payment is primarily intended to cover labor costs. Today, there are two different base payment amounts for hospitals paid under the Medicare PPS, hospitals in large urban areas receive a base payment of $4,197, while hospitals located in all other areas receive a lower amount of $4,130. This legislation will eliminate this disparity and create one base payment of $4,197 for all hospitals. Nationwide, 2,600 hospitals will benefit from this payment increase.

The Area Wage and Base Payment Improvement Act will provide critical payments to small and rural hospitals striving to provide quality health care and put them on an equal footing with large urban hospitals in terms of competing for health care personnel. I urge my colleagues in the Senate to support this important, bipartisan legislation.

I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 885

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Area Wage and Base Payment Improvement Act".

SEC. 2. ESTABLISHING A SINGLE STANDARDIZED AMOUNT UNDER MEDICARE INPATIENT HOSPITAL PPS.

(a) In General.—Section 1886(d)(3)(A) of the Social Security Act (42 U.S.C. 1395ww(d)(3)(A)) is amended—

(1) in clause (iv), by inserting "and ending on or before September 30, 2001," after "October 1, 1995,"; and

(2) by redesignating clauses (v) and (vi) as clauses (vii) and (viii), respectively, and inserting after clause (iv) the following new clauses:

"(v) For discharges occurring in the fiscal year beginning on October 1, 2001, the average standardized amount for hospitals located in areas other than a large urban area shall be equal to the average standardized amount for hospitals located in a large urban area.

"(vi) For discharges occurring in a fiscal year beginning on or after October 1, 2002, the Secretary shall compute an average standardized amount for hospitals located in all areas within the United States equal to the average standardized amount computed under clause (v) or this clause for the previous fiscal year increased by the applicable percentage increase under subsection (b)(3)(B)(i) for the fiscal year involved.".

(b) Conforming Amendments.—

(1) Update factor.—Section 1886(b)(3)(B)(i)(XVII) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(B)(i)(XVII)) is amended by striking "for hospitals in all areas," and inserting "for hospitals located in a large urban area,".

(2) Computing DRG-specific rates.—

(A) In general.—Section 1886(d)(3)(D) of such Act (42 U.S.C. 1395ww(d)(3)(D)) is amended—

(i) in the heading by striking "IN DIFFERENT AREAS";

(ii) in the matter preceding clause (i)—

(I) by inserting "for fiscal years before fiscal year 1997" before "a regional DRG prospective payment rate for each region,"; and

(II) by striking "each of which is";

(iii) in clause (i)—

(I) by inserting "for fiscal years before fiscal year 2002," after "(i)"; and

(II) by striking "and" at the end;

(iv) in clause (ii)—

(I) by inserting "for fiscal years before fiscal year 2002," after "(ii)"; and

(II) by striking the period at the end and inserting "; and"; and

(v) by adding at the end the following new clause:

"(iii) for a fiscal year beginning after fiscal year 2001, for hospitals located in all areas, to the product of—

"(I) the applicable average standardized amount (computed under subparagraph (A)), reduced under subparagraph (B), and adjusted or reduced under subparagraph (C) for the fiscal year; and

"(II) the weighting factor (determined under paragraph (4)(B)) for that diagnosis-related group.".

(B) TECHNICAL CONFORMING SUNSET.—Section 1886(d)(3) of such Act (42 U.S.C. 1395ww(d)(3)) is amended in the matter preceding subparagraph (A) by inserting "for fiscal years before fiscal year 1997" before "a regional DRG prospective payment rate".

SEC. 3. FLOOR ON AREA WAGE ADJUSTMENT FACTORS USED UNDER MEDICARE PPS FOR INPATIENT AND OUTPATIENT HOSPITAL SERVICES.

(a) INPATIENT PPS.—Section 1886(d)(3)(E) of the Social Security Act (42 U.S.C. 1395ww(d)(3)(E)) is amended—

(1) by inserting "(i) IN GENERAL.—" before "The Secretary", and adjusting the margin two ems to the right;

(2) by striking "The Secretary" and inserting "Subject to clause (ii), the Secretary"; and

(3) by adding at the end the following new clause:

"(ii) FLOOR ON AREA WAGE ADJUSTMENT FACTOR.—Notwithstanding clause (i), in determining payments under this subsection for discharges occurring on or after October 1, 2001, the Secretary shall substitute a factor of .925 for any factor that would otherwise apply under such clause that is less than .925. Nothing in this clause shall be construed as authorizing—

"(I) the application of the last sentence of clause (i) to any substitution made pursuant to this clause, or

"(II) the application of the preceding sentence of this clause to adjustments for area wage levels made under other payment systems established under this title (other than the payment system under section 1833(t)) to which the factors established under clause (i) apply.".

(b) OUTPATIENT PPS.—Section 1833(t)(2) of the Social Security Act (42 U.S.C. 1395l(t)(2)) is amended by adding at the end the following: "For purposes of subparagraph (D) for items and services furnished on or after October 1, 2001, if the factors established under clause (i) of section 1886(d)(3)(E) are used to adjust for relative differences in labor and labor-related costs under the payment system established under this subsection, the provisions of clause (ii) of such section (relating to a floor on area wage adjustment factor) shall apply to such factors, as used in this subsection, in the same manner and to the same extent (including waiving the applicability of the requirement for such floor to be applied in a budget neutral manner) as they apply to factors under section 1886.".

Mr. CLELAND. Mr. President. I want to thank my distinguished colleague from Arkansas, Senator TIM HUTCHINSON, for his leadership on the Area Wage and Base Payment Improvement Act. I am very pleased to join Senator HUTCHINSON in this bipartisan measure to address Medicare inequities in the wage index for rural and community hospitals.

The severe shortage of nurses and other crucial health care workers has driven salaries higher to compete for these employees. The current Medicare wage index for rural areas reimburses at a lower rate which is based on 1997 data. In an increasingly competitive market for health care workers, rural area hospitals are in their ability to provide quality care.

Our proposal establishes a "floor" on the area wage index and will adjust Medicare inpatient and outpatient prospective payments (PPS) for rural and small metropolitan hospitals. By setting a floor on the area wage index of 0.925, our proposed correction would bring Medicare payments in areas with the lowest wage index up to just below the national average which is established at 1.00. The impact of the 0.925 floor is estimated to help more than 2100 mostly rural, but also some urban hospitals across the country.

This measure also increases the Medicare PPS base, of which a significant portion is to cover hospital labor costs. Today's competitive labor market has reduced the disparity in wages between large urban hospitals and rural and small metropolitan facilities. It makes sense that Medicare needs to move to one base payment for the inpatient PPS. The key issue here should be access to health care. For states like Georgia and Arkansas, with a large number of residents living in rural areas, the closing or downsizing of hospital beds because of out-of-date Medicare payment rates and insufficient health workers to provide safe care is creating a health care catastrophe.

Our measure is the companion bill to H.R. 1609. We urge our colleagues to support this bicameral, bipartisan effort to ensure access to rural and smaller metropolitan hospitals for Medicare beneficiaries.

By Mr. WELLSTONE:

S. 886. A bill to establish the Katie Poirer Abduction Emergency Fund, and for other purposes; to the Committee on the Judiciary.

Mr. WELLSTONE. Mr. President, last year in my home State, a talented, spirited young woman named Katie Poirier was abducted from the her job at a Carlton County convenience store. Within days of her disappearance, there was an enormous outpouring of community concern and support, with hundreds of volunteers helping local law enforcement search for Katie. Tragically, Katler's body was later recovered and a suspect arrested and tried for her murder.

The Poirier, Holmquist and Swanson cases in Minnesota, all involving abductions and homicides, demonstrate that resources and good information are absolutely crucial to successful law enforcement, particularly in our small towns and rural communities which are too often overlooked.

To that end, I am re-introducing legislation called "Katie's Law," in honor of Katie Poirier, which will give rural law enforcement the assistance they need to deal with high profile, major crimes.

This legislation will establish a Federal "Katie Poirier Abduction Emergency Fund" to assist local and rural law enforcement agencies with the unanticipated expenses of major crimes. Second, it will provide grants to local and rural law enforcement agencies to integrate their identification technologies, or to establish systems that work with the FBI's Integrated Automated Fingerprint Identification System, IAFIS. In many rural communities, this will cut down the time it takes to identify a violent suspect from two months to two hours.

There are hundreds of thousands adult and child abductions and homicides each year in rural counties. When a high profile, major crime occurs, like the Wetterling or Poirier abduction, local and rural law enforcement with small budgets are frequently overwhelmed by the financial demands these large cases make. The overwhelming hours and investigative demand can wipe out small budgets with expenses, including overtime pay, transporting witnesses and suspects if there is a change of trial venue, as occurred in the Poirier case, and other unanticipated costs.

As the sheriffs across my home State will tell you, the first 72 hours in an abduction case are the most critical. After that, the chances of locating the victim alive drop dramatically. No matter how short staffed or small the budget, law enforcement must put its pedal to the metal 100 percent after an abduction or homicide. It is crucial that rural law enforcement agencies with limited resources handling major crimes get the support they need from the State and Federal governments.

In Minnesota when a high profile case occurs, a joint task force is established between the Bureau of Criminal Apprehension, the FBI, and the local law enforcement agency. Sheriffs I have spoken with say the task force model is effective and extremely helpful. Yet, they still must cover many unanticipated expenses such as huge surges in overtime. Many of them just can't do it. As one sheriff said to my staff, "I am running my agency on fumes, not gas. I've got nothing left."

My bill would establish a Federal Abduction Emergency Fund to help small law enforcement agencies with expenses from high-profile, major crimes, including kidnaping and homicides. The Attorney General would make grants available to state agencies to distribute to local and rural law enforcement agencies in need. The total amount would be $10 million for each of three years.

Second, my legislation will provide local law enforcement officers with the resources to use the latest identification system to solve and prevent crime.

Access to quality, accurate information in a timely fashion is of vital importance in that effort.

One of the best tools available is the FBI's IAFIS system. Since rural and local enforcement often do not have the funds to access the FBI's Integrated Automated Fingerprint Identification System, (IAFIS), they are at a disadvantage when trying to identify violent offenders.

State and local law enforcement organizations need to develop and upgrade their criminal information and identification systems, as well as integrate those systems with other jurisdictions. The Federal Government has invested billions in information and identification systems whose benefits will go largely unrealized unless local law enforcement receive the resources to be able to participate in these systems.

Unfortunately, there is a wide disparity between the criminal identification systems that are now available, and the ability of state and local law enforcement to use them. Many states, including Minnesota, have been developing systems which will allow, at a minimum, the most populous areas to link up to the FBI's IAFIS system. However, many small, rural localities are being left behind. This reduces the capacity of rural law enforcement to quickly verify the identity and criminal record of dangerous suspects in their custody.

Right now, in many rural counties, a sheriff's office may have to wait as long as two months to have a suspect positively identified. Access to FBI's IAFIS system would allow sheriffs like Ray Hunt to determine under two hours a suspect's identity who has an existing file with the FBI.

This legislation will be one step in bridging this gap. It will provide grants to states to assist local and rural law enforcement to intergrate information technologies or to establish systems that work with the FBI's. These funds may be used by local law enforcement agencies to integrate information systems with other jurisdictions, or for training, and maintenance and purchase of fingerprint identification technology. The total amount to be authorized is $20 million for each of three years.

"Katie's Law" will be instrumental in ensuring that rural law enforcement is not left behind. I can never know how the Poirier and the other families really feel, the depth of their pain and the tremendous losses they have suffered. But, I do know how I feel—we must and can do more to safeguard our children and to support rural law enforcement prevent and solve violent crimes. I believe "Katie's Law" is an important step forward in that direction.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 886

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as "Katie's Law".

SEC. 2. KATIE POIRIER ABDUCTION EMERGENCY FUND.

(a) ESTABLISHMENT OF ABDUCTION EMERGENCY FUND.—Not later than 90 days after the date of enactment of this Act, the Attorney General shall establish the Katie Poirier Abduction Emergency Fund (referred to in this section as the "fund") to assist local and rural law enforcement agencies with expenses resulting from a crime, including an abduction or homicide, that results in extraordinary unanticipated costs to the agency because of the magnitude of the crime and the need to adequately respond with personnel and support.

(b) EMERGENCY GRANTS.—The Attorney General shall make grants to States to be distributed to local and rural law enforcement agencies as determined by the State.

(c) CRITERIA FOR GRANTS.—The Attorney General shall establish criteria for awarding grants under this section.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for each of the fiscal years 2002 through 2004.

SEC. 3. ESTABLISHMENT OF GRANT PROGRAM TO ASSIST LOCAL AND RURAL LAW ENFORCEMENT AGENCIES IN ESTABLISHING OR UPGRADING AN INTEGRATED APPROACH TO DEVELOP IDENTIFICATION TECHNOLOGIES AND SYSTEMS TO IMPROVE CRIMINAL IDENTIFICATION.

(a) IN GENERAL.—The Attorney General, through the Bureau of Justice Statistics of the Department of Justice, shall make grants to States which shall be used to assist local and rural law enforcement agencies in establishing or upgrading an integrated approach to develop identification technologies and systems to improve criminal identification.

(b) CRITERIA FOR GRANTS.—The Attorney General shall establish criteria for awarding grants under this section.

(c) USE OF GRANTS.—Grants under this section may be used by local and rural law enforcement agencies to integrate information technologies or to establish, develop, or upgrade automated fingerprint identification systems, including live scan and other automated systems to digitize fingerprints and communicate prints, that are compatible with standards established by the National Institute of Standards and Technology and interoperable with systems operated by States and the Integrated Automated Fingerprint Identification System of the Federal Bureau of Investigation.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $20,000,000 for each of the fiscal years 2002 through 2004.

By Mr. WELLSTONE:

S. 887. A bill to amend the Torture Victims Relief Act of 1986 to authorize appropriations to provide assistance for domestic centers and programs for the treatment of victims of torture; to the Committee on the Judiciary.

Mr. WELLSTONE. Mr. President, I am introducing the Torture Victims Relief Act of 2001. This bill authorizes increased appropriations to provide assistance for domestic centers and programs for the treatment of victims of torture. The bill authorizes the authorization levels for domestic treatment centers for victims of torture to $20 million for fiscal year 2002, double the $10 million amount currently authorized for fiscal year 2002 by the Torture Relief Re-authorization Act of 1999, and $25 million for fiscal year 2003 (an increase of $15 million over the current authorization) and establishes an authorization level of $30 million for fiscal year 2004.

Repressive governments frequently make use of torture to silence those who are defending human rights and democracy in their own country. Many of these people have sought refuge in the United States. The additional funding provided in the Torture Relief Act of 2001 recognizes the debt we own to those courageous people who have made extraordinary sacrifices by speaking out for their principles.

We have come a long way in raising the awareness of torture and helping victims of torture since 1985 when the Center for Victims of Torture in Minnesota was founded and began its pioneering work with torture victims, but still much more needs to be done to stop this terrible practice.

In 1998, as an outgrowth of my work with the Center for Victims of Torture, I introduced the Torture Victims Relief Act. It was adopted by Congress and became law, PL 105–320. The legislation authorized the Department of Health and Human Services to support U.S. treatment programs for victims of torture. For Fiscal Year 2000, Congress appropriated $7.2 million. The implementing agency, the Office of Refugee Settlement, provided 16 grants with this appropriation. About twice that number applied for funding with a total request several times the available amount. For Fiscal Year 2001, Congress appropriated $10 million for this program, the authorized amount. It has become obvious that the program is significantly underfunded and requires the additional support provided by this legislation.

The funds will support treatment services to hundreds of victims each year in 23 treatment centers, located from New York to California and from Minnesota to Texas. The victims have suffered horrendous torture and as a consequence suffer from nightmares, anxiety attacks, flashbacks, depression and other mental health problems. With treatment they can become contributing members of our communities. Without treatment, victims potentially become burdens rather than contributors to our society.

Since adoption of TVRA, the number of treatment programs for victims of torture has more than doubled. The

National Consortium of Torture Treatment Programs now include 23 organizations and others are seeking membership.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 887

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Torture Victims Relief Act of 2001".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS FOR DOMESTIC TREATMENT CENTERS FOR VICTIMS OF TORTURE.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 5(b)(1) of the Torture Victims Relief Act of 1998 (22 U.S.C. 2152 note) is amended to read as follows:

"(b) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts authorized to be appropriated for the Department of Health and Human Services for fiscal years 2002, 2003, and 2004, there are authorized to be appropriated to carry out subsection (a) (relating to assistance for domestic centers and programs for the treatment of victims of torture) $20,000,000 for fiscal year 2002, $25,000,000 for fiscal year 2003, and $30,000,000 for fiscal year 2004.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect October 1, 2001.

By Mr. LIEBERMAN:

S. 888. A bill to amend the Internal Revenue Code of 1986 to provide assistance to students and families coping with the costs of higher education, and for other purposes; to the Committee on Finance.

Mr. LIEBERMAN. Mr. President, today I am pleased to introduce the College Tuition Assistance Act of 2001, a bill that will provide tax relief to middle and lower income American families struggling to pay the rising cost of college tuition for their children.

Last year, at my request, the Committee on Governmental Affairs held two days of hearings on the affordability of higher education. Those hearings showed that the price of college tuition continues to rise at a pace that exceeds the rate of inflation. In fact, the most recent data released by the College Board show that since 1980, both public and private four-year college tuitions have increased on average more than 115 percent over inflation. It's no wonder families are worried about their ability to afford a college education for their children, and about the student loan debt burden their children may have to bear after graduation. We should be worried too—ensuring that higher education is affordable is critical to our nation's ability to maintain its competitiveness in a global economy. Highly trained, skilled workers making good wages are the engine that powers our economy, both because of the work they do and the revenue they generate as both buyers and sellers of goods and services.

The College Tuition Assistance Act will help families in four key ways:

First, it will help them pay tuition expenses while students are in school, by increasing the value of the current Lifetime Learning Credit. Under my bill, while a student is in college, a family would be eligible for a tax credit or tax deduction worth as much as $2,800 toward the first $10,000 in tuition and fees they pay each year. In addition, the adjusted income levels at which individuals and families qualify for the credit are raised so that more families would be eligible to receive this credit.

Second, my bill would remove the requirement that Pell grants and other need-based government aid be subtracted from a family's eligible college expenses, allowing those families to qualify for some portion of the Lifetime Learning Credit. A problem under current law is that the value of need-based aid, such as a Pell grant, received by the child of a lower income family may reduce or even eliminate the family's eligibility for a tax credit based on tuition expenses. However, a recent study by the Congressionally-created Advisory Committee on Student Financial Assistance showed that, even after receiving need-based aid, students from low-income families have as much as $3,800 a year in "unmet need," that is, college expenses that are not covered by assistance and which the family may be unable to afford. If families are permitted to subtract the value of their government aid from their eligible college expenses, they may qualify for the first time for the Lifetime Learning Credit and apply this money toward the costs of their college student's education. Without this help, many students from low-income families might not attend college; the Advisory Committee's report says that, because of the financial barriers, even the most highly qualified students from low-income families attend college at a rate that is 20 percent lower than equally qualified students from the wealthiest families. For less qualified students, this differential is nearly 40 percent.

Third, the costs of higher education continue to be a burden for many students even after graduation, as their student loans come due and they find a significant portion of their disposable income going to pay interest on these loans. Some graduates find that, even with their higher salary, they cannot afford many of the basic things they would like to acquire as adults, such as home or car purchases or even starting a new family. The College Tuition Assistance Act will expand the current tax law in three ways to provide more help offsetting the interest costs associated with repayment of student loans after graduation. This bill will remove the current five year limit on deductions of student loan interest, it will raise the adjusted income levels so more individuals and families can qualify for this deduction, and it will allow the deduction to be taken for each student in the family who owes interest on college loans.

Finally, studies repeatedly show that the purchasing power of the Pell grant itself has been significantly eroded. Recent reports issued by the College Board and the American Council on Education show that in academic year 1975-1976, the maximum Pell grant covered 78 percent of the price of attending a public four-year college; for the current academic year, the maximum grant is enough to cover only 39 percent of these costs. We must do a better job of funding this crucial assistance to low-income students. President Bush, during last year's campaign, pledged to increase the maximum Pell grant for first-year students to $5,100 from its current level of $3,300. While many experts do not support the notion of "front-loading" by increasing aid only to first-year students, this was at least a significant proposed increase in Pell grant funding. The College Tuition Assistance Act will encourage meaningful increases in the maximum Pell grant by raising the authorization level for academic years 2001-2002 and 2002-2003 to $5,800.

A college degree is a basic necessity in our Innovation Economy and a family's financial status should not be the determining factor in whether a young person joins society with the advantages of higher education or not. I hope, with the support of my colleagues, that we can pass the College Tuition Assistance Act in order to ease the burden middle and lower income families and their children bear on their way to success.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 888

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "College Tuition Assistance Act of 2001".

SEC. 2. DEDUCTION FOR HIGHER EDUCATION EXPENSES.

(a) DEDUCTION ALLOWED.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to additional itemized deductions for individuals) is amended by redesignating section 222 as section 223 and by inserting after section 221 the following:

"SEC. 222. HIGHER EDUCATION EXPENSES.

"(a) ALLOWANCE OF DEDUCTION.—

"(1) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction an amount equal to the applicable dollar amount of the qualified tuition and related expenses paid by the taxpayer during the taxable year.

"(2) APPLICABLE DOLLAR AMOUNT.—The applicable dollar amount for any taxable year shall be determined as follows:

"Taxable year:	Applicable dollar amount:
2002	$5,000
2003 and thereafter	$10,000.

"(b) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

"(1) IN GENERAL.—The amount which would (but for this subsection) be taken into account under subsection (a) shall be reduced (but not below zero) by the amount determined under paragraph (2).

"(2) AMOUNT OF REDUCTION.—The amount determined under this paragraph equals the amount which bears the same ratio to the amount which would be so taken into account as—

"(A) the excess of—

"(i) the taxpayer's modified adjusted gross income for such taxable year, over

"(ii) $50,000 ($100,000 in the case of a joint return), bears to

"(B) $10,000 ($20,000 in the case of a joint return).

"(3) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this subsection, the term 'modified adjusted gross income' means the adjusted gross income of the taxpayer for the taxable year determined without regard to this section and sections 911, 931, and 933.

"(4) ADJUSTMENTS FOR INFLATION.—

"(A) IN GENERAL.—In the case of a taxable year beginning after 2001, the $50,000 and $100,000 amounts in paragraph (2)(A)(ii) shall be increased by an amount equal to—

"(i) such dollar amount, multiplied by

"(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2000' for 'calendar year 1992' in subparagraph (B) thereof.

"(B) ROUNDING.—If any amount as adjusted under subparagraph (A) is not a multiple of $1,000, such amount shall be rounded to the next lowest multiple of $1,000.

"(c) QUALIFIED TUITION AND RELATED EXPENSES.—For purposes of this section, the term 'qualified tuition and related expenses' has the meaning given such term by section 25A(f)(1) (determined with regard to section 25A(c)(2)(B)).

"(d) SPECIAL RULES.—

"(1) IDENTIFICATION REQUIREMENT.—No deduction shall be allowed under subsection (a) to a taxpayer with respect to the qualified tuition and related expenses of an individual unless the taxpayer includes the name and taxpayer identification number of such individual on the return of tax for the taxable year.

"(2) NO DOUBLE BENEFIT.—

"(A) IN GENERAL.—No deduction shall be allowed under subsection (a) for any expense for which a deduction is allowable to the taxpayer under any other provision of this chapter unless the taxpayer irrevocably waives his right to the deduction of such expense under such other provision.

"(B) DENIAL OF DEDUCTION TO THE EXTENT CREDIT IS ELECTED.—No deduction shall be allowed under subsection (a) for a taxable year with respect to the qualified tuition and related expenses of an individual to the extent the taxpayer elects to have section 25A apply with respect to such expenses for such year.

"(C) DEPENDENTS.—No deduction shall be allowed under subsection (a) to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.

"(D) COORDINATION WITH EXCLUSIONS.—A deduction shall be allowed under subsection (a) for qualified tuition and related expenses only to the extent the amount of such expenses exceeds the amount excludable under section 135 or 530(d)(2) for the taxable year.

"(3) LIMITATION ON TAXABLE YEAR OF DEDUCTION.—

"(A) IN GENERAL.—A deduction shall be allowed under subsection (a) for qualified tuition and related expenses for any taxable year only to the extent such expenses are in connection with enrollment at an institution of higher education during the taxable year.

"(B) CERTAIN PREPAYMENTS ALLOWED.—Subparagraph (A) shall not apply to qualified tuition and related expenses paid during a taxable year if such expenses are in connection with an academic term beginning during such taxable year or during the first 3 months of the next taxable year.

"(4) ADJUSTMENT FOR CERTAIN SCHOLARSHIPS AND VETERANS BENEFITS.—The amount of qualified tuition and related expenses otherwise taken into account under subsection (a) with respect to the education of an individual shall be reduced (before the application of subsection (b)) by the sum of the amounts received with respect to such individual for the taxable year as—

"(A) a qualified scholarship which under section 117 is not includable in gross income,

"(B) an educational assistance allowance under chapter 30, 31, 32, 34, or 35 of title 38, United States Code, or

"(C) a payment (other than a gift, bequest, devise, or inheritance within the meaning of section 102(a) or needs-based aid received under part A of title IV of the Higher Education Act of 1965) for educational expenses, or attributable to enrollment at an eligible educational institution, which is exempt from income taxation by any law of the United States.

"(5) NO DEDUCTION FOR MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—If the taxpayer is a married individual (within the meaning of section 7703), this section shall apply only if the taxpayer and the taxpayer's spouse file a joint return for the taxable year.

"(6) NONRESIDENT ALIENS.—If the taxpayer is a nonresident alien individual for any portion of the taxable year, this section shall apply only if such individual is treated as a resident alien of the United States for purposes of this chapter by reason of an election under subsection (g) or (h) of section 6013.

"(7) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this section, including regulations requiring recordkeeping and information reporting.".

(b) DEDUCTION ALLOWED IN COMPUTING ADJUSTED GROSS INCOME.—Section 62(a) of the Internal Revenue Code of 1986 is amended by inserting after paragraph (17) the following:

"(18) HIGHER EDUCATION EXPENSES.—The deduction allowed by section 222.".

(c) CONFORMING AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the item relating to section 222 and inserting the following:

"Sec. 222. Higher education expenses.

"Sec. 223. Cross reference.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to expenses paid after December 31, 2001 (in taxable years ending after such date), for education furnished in academic periods beginning after such date.

SEC. 3. EXPANSION OF LIFETIME LEARNING CREDIT.

(a) IN GENERAL.—Section 25A(c)(1) of the Internal Revenue Code of 1986 (relating to lifetime learning credit) is amended by striking "20 percent" and inserting "28 percent".

(b) INCREASE IN AGI LIMITS.—

(1) IN GENERAL.—Subsection (d) of section 25A of the Internal Revenue Code of 1986 is amended to read as follows:

"(d) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

"(1) HOPE CREDIT.—

"(A) IN GENERAL.—The amount which would (but for this subsection) be taken into account under subsection (a)(1) shall be reduced (but not below zero) by the amount determined under subparagraph (B).

"(B) AMOUNT OF REDUCTION.—The amount determined under this subparagraph equals the amount which bears the same ratio to the amount which would be so taken into account as—

"(i) the excess of—

"(I) the taxpayer's modified adjusted gross income for such taxable year, over

"(II) $40,000 ($80,000 in the case of a joint return), bears to

"(ii) $10,000 ($20,000 in the case of a joint return).

"(2) LIFETIME LEARNING CREDIT.—

"(A) IN GENERAL.—The amount which would (but for this subsection) be taken into account under subsection (a)(2) shall be reduced (but not below zero) by the amount determined under subparagraph (B).

"(B) AMOUNT OF REDUCTION.—The amount determined under this subparagraph equals the amount which bears the same ratio to the amount which would be so taken into account as—

"(i) the excess of—

"(I) the taxpayer's modified adjusted gross income for such taxable year, over

"(II) $50,000 ($100,000 in the case of a joint return), bears to

"(ii) $10,000 ($20,000 in the case of a joint return).

"(3) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this subsection, the term 'modified adjusted gross income' means the adjusted gross income of the taxpayer for the taxable year increased by any amount excluded from gross income under section 911, 931, or 933.".

(2) CONFORMING AMENDMENT.—Section 25A(h)(2)(A) of such Code is amended by striking "subsection (d)(2)" and inserting "subsection (d)(1)(B) and the $50,000 and $100,000 amounts in subsection (d)(2)(B)".

(c) USE OF CERTAIN NEEDS-BASED AID FOR QUALIFIED EXPENSES.—Section 25A(g)(2)(C) of the Internal Revenue Code of 1986 (relating to adjustment for certain scholarships , etc.) is amended by inserting "or needs-based aid received under part A of title IV of the Higher Education Act of, 1965" after "section 102(a)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to expenses paid after December 31, 2001 (in taxable years ending after such date), for education furnished in academic periods beginning after such date.

SEC. 4. EXPANSION OF STUDENT LOAN INTEREST DEDUCTION.

(a) PER STUDENT BASIS.—

(1) IN GENERAL.—Section 221(b)(1) of the Internal Revenue Code of 1986 (relating to maximum deduction) is amended by inserting

"with respect to qualified education loans of each eligible student" after "paragraph (2),".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply with respect to any loan interest paid after December 31, 2001, in taxable years ending after such date.

(b) ELIMINATION OF 60-MONTH LIMIT.—

(1) IN GENERAL.—Section 221 of the Internal Revenue Code of 1986 (relating to interest on education loans) is amended by striking subsection (d) and by redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively.

(2) CONFORMING AMENDMENT.—Section 6050S(e) of such Code is amended by striking "section 221(e)(1)" and inserting "section 221(d)(1)".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to any loan interest paid after December 31, 2001, in taxable years ending after such date.

(c) INCREASE IN INCOME LIMITATION.—

(1) IN GENERAL.—Section 221(b)(2)(B) of the Internal Revenue Code of 1986 (relating to amount of reduction) is amended by striking clauses (i) and (ii) and inserting the following:

"(i) the excess of—

"(I) the taxpayer's modified adjusted gross income for such taxable year, over

"(II) $40,000 ($80,000 in the case of a joint return), bears to

"(ii) $15,000 ($20,000 in the case of a joint return).".

(2) CONFORMING AMENDMENT.—Section 221(g)(1) of such Code is amended by striking "$60,000" and inserting "$80,000".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after December 31, 2001.

SEC. 5. PELL GRANTS.

Section 401(b)(2)(A) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b)(2)(A)) is amended—

(1) in clause (iii), by striking "$5,100" and inserting "$5,800"; and

(2) in clause (iv), by striking "$5,400" and inserting "$5,800".

By Mr. FRIST (for himself, Mr. BREAUX, and Mr. JEFFORDS):

S. 889. A bill to protect consumers in managed care plans and in other health coverage; to the Committee on Health, Education, Labor, and Pensions.

Mr. FRIST. Mr. President, I rise today on behalf of my colleagues Senator BREAUX and Senator JEFFORDS to introduce the Bipartisan Patients' Bill of Rights Act of 2001. This new, balanced patients' rights initiative truly represents a bipartisan breakthrough in this ongoing debate.

For over 5 years, we have been engaged in debate about how best to protect patients in managed care plans. The time for debate and discussion is over. We need to act and to move forward to make progress on this issue in this Congress.

The legislation we are introducing today is designed to do just that. It builds upon, incorporates, and refines the best ideas that have been put forth by both Republicans and Democrats over the past few years. I'd like to particularly acknowledge the work of Senator NICKLES, Senator KENNEDY, and Senator JEFFORDS. And of Representative NORWOOD, Representative DINGELL, Representative THOMAS, Representative BOEHNER, Representative SHADEGG, and Speaker HASTERT.

Importantly, the legislation we are introducing today meets the principles the President outlined earlier this year, and can be signed into law. Patients have waited far too long for these needed protections.

As a physician, I am particularly gratified that the legislation we are introducing is being supported by a wide range of groups representing physicians and providers, including the American College of Surgeons, the Society of Thoracic Surgeons, the American College of Cardiology, the American Society of Anesthesiologists, the American Society for Gastrointestinal Endoscopy, the American Society of Clinical Pathologists, the American Academy of Dermatology Association, the American Association of Orthopaedic Surgeons, the American Association of Neurological Surgeons, the American Urological Association, the American Society of Clinical Pathologists, the American College of Emergency Physicians, the American Society of Cataract and Refractive Surgery, the American Psychological Association, and the American Physical Therapy Association.

As others review the details of this legislation, I hope and expect that support will continue to grow.

Let me briefly outline the highlights of our legislation.

The Bipartisan Patients' Bill of Rights Act of 2001 protects all Americans in private health plans. At the same time, it gives deference to the states by allowing state managed care laws to continue in force so long as they are consistent with our principles.

The bill also includes a comprehensive set of patient protections. For example, it guarantees emergency coverage under a "prudent layperson" standard. It guarantees direct access for women to OB/GYNs, and allows patients to choose a pediatrician as their child's primary health care provider. The legislation also bans so-called "gag clauses" in health plan contracts; prohibits discrimination against health professionals based solely on their license, guarantees access to needed prescription drugs that are not part of a health plan's formulary; and contains many other important protections.

Because one of the best ways to improve our health care system is to make sure ,consumers are fully informed, the Bipartisan Patients' Bill of Rights Act of 2001 also requires health plans to disclose to enrollees extensive information about their health coverage, including providing information about the new Federal rights they will be guaranteed as a result of this legislation.

The heart of the legislation is a new, independent, impartial external medical review to make sure patients can get the care they need when they need it. The independent review in our bill will help ensure that qualified doctors, not health plans, will make medical decisions.

Importantly, the legislation includes new, expanded remedies to hold health plans accountable in federal court. As I have often said, litigation should be a last resort. But when patients have been harmed by a health plan delay or denial of care, or where a plan refuses to comply with an external review decision, patients should be allowed to enforce those rights in Federal court.

For the first time under our legislation, patients will be able to sue for monetary damages in federal court. Economic damages are unlimited. Noneconomic damages are capped at $500,000.

In addition, patients can go to court at any time to get the health benefits they need through injunctive relief if going through the internal or external review process would cause them irreparable harm.

While we provide important new federal legal rights, we do not preempt the progress states have made. Our bill expressly protects state HMO liability laws and state court jurisdiction over malpractice cases against HMOs where health plans are making "treatment" or "health care delivery" decisions.

During this time of rapidly rising health care costs, Congress must be extremely careful to protect employers who voluntarily sponsor health coverage for over one hundred million Americans from the increased risk of litigation simply for offering their employees coverage. Our bill accomplishes this by giving employers the statutory right to appoint insurance carriers or third-party administrators who are making coverage decisions as "designated decision makers" who may be sued in federal court.

Finally, the Bipartisan Patients' Bill of Rights Act of 2001 ensures that treating physicians and health professionals are not subject to new, expanded liability. We make clear that doctors who are providing care or treatment directly to patients cannot be "designated decision makers" unless they agree in writing to do so and meet the bill's strict solvency and financial requirements.

Let me again thank my cosponsors, Senators BREAUX and JEFFORDS, for their hard work on this legislation. And let me also express my gratitude to the patient and provider groups who have endorsed our legislation.

I believe this legislation can gather even more support over time, and become a vehicle for breaking through the gridlock and partisan divisions that have prevented us from making progress during the past 5 years on this issue. I look forward to working with my colleagues to ensure that we pass a bill that the President can sign into law to guarantee patients the protections they need.

I ask unanimous consent that a summary of the legislation be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Bipartisan Patients' Bill of Rights Act of 2001—Summary

Today, Senators Bill Frist (R–TN), John Breaux (D–LA), and James Jeffords (R–VT) introduced the first bipartisan managed care reform legislation in the 107th Congress that meets the patient protection principles outlined by President Bush in February of this year.

The "Bipartisan Patients' Bill of Rights Act of 2001" guarantees that all Americans covered by private health plans will be protected through a new comprehensive, common-sense set of patient protections guaranteed by federal law. This centrist proposal builds upon and incorporates the best elements of the patients' rights legislation developed during the past two Congresses by both Republicans and Democrats.

The Bipartisan Patients' Bill of Rights Act will ensure that all Americans covered by private health plans get the care they need and deserve by guaranteeing access to medical specialists, emergency care, needed prescription drugs, point-of-service coverage, and coverage for clinical trials. Patients will be guaranteed access to important information about their health coverage. Doctors, not health plans, will make medical decisions. And, for the first time, all Americans will be able to appeal health plan coverage denials to independent doctors to get rapid, unbiased decisions. Unlike other managed care reform proposals before Congress this year, the bipartisan Frist-Breaux-Jeffords bill will not unnecessarily drive up consumers' health care costs, threaten employers who do not make medical decisions with costly and unnecessary lawsuits, or add significant bureaucratic red tape to the private health care system.

All the protections in the Frist-Breaux-Jeffords bipartisan "Patients' Bill of Rights Act" apply to all 170 million Americans covered by private-sector group health plans, and fully-insured state and local government plans.

At the same time, the legislation recognizes that the federal government does not have all the answers. States will play the primary role in enforcing the bill's requirements with respect to health insurers and will have flexibility to apply for certification from the Secretary of Health and Human Services (HHS) that their laws are consistent with the patient protection requirements in the bill. A federal advisory board would evaluate state-passed consumer protections under this standard and make recommendations to the Secretary of HHS.

If a state does not have a law, or adopt a law, consistent with the new federal requirements, federal fall-back legislation would apply. In this case, the U.S. Department of Labor, DOL, would enforce the requirement for fully-insured group health plans, about 75 million people, and HHS would enforce the provision in the individual insurance market, about 22 million people, and for fully-insured state and, local government plans, roughly 17 million people. DOL will enforce all the Act's provisions with respect to self-insured private group health plans (roughly 56 million people).

The Bipartisan Patients' Bill of Rights Act of 2001 includes a comprehensive set of commonsense protections to ensure that patients have access to the care, treatment, and information they need.

Patients can go the nearest hospital emergency room to get the emergency care they need regardless of whether the emergency room is in their health plan's network.

Employers that offer only closed panel health plans will be required to offer a point-of-service coverage options to their workers.

Health plans that offer obstetrician/gynecological services must provide women with direct access to an OB/GYN specialist for OB/GYN covered services.

Health plans must allow patients to choose a pediatrician as their child's primary health care provider.

When a health care provider is terminated or leaves a health plan's network, the plan must ensure that patients with serious and complex illnesses, and those who are receiving institutional care, may continue treatment with their health care provider for up to 90 days. Health plans also must guarantee that women can continue care with their OB/GYN through post-pregnancy care, and for the remainder of an individual's life in the case of a patient who is terminally ill.

Health plans that provide prescription drugs through a formulary must ensure that physicians and pharmacists help develop and review the formulary. They also must ensure that patients have access to medically-necessary prescription medications that are not part of the formulary.

Health plans must ensure that patients receive timely access to specialty medical care when needed. If a plan lacks an appropriate specialist within its network, the plan must guarantee access to a specialist outside the network at no additional cost to the patient.

Health plans are required to cover routine patient costs associated with participation in approved clinical trials for patients who have life-threatening or serious illnesses for which no standard treatment is effective.

Patients who need medical advice should not have to worry that their doctor will be prohibited by a health plan contract from discussing all possible treatment options. Therefore, the legislation bans so-called "gag rules" in providers' contracts and otherwise prevents health plans from restricting health care professionals from communicating with their patients about treatment options.

Health plans may not exclude doctors and other health professionals from providing services that are covered by the plan based solely on a health professional's license or certification.

Health plans must ensure inpatient coverage for the surgical treatment of breast cancer for a period of time determined by a doctor, in consultation with the patient.

Health plans must disclose the methods they use for compensating health care professionals and providers. In addition, a comprehensive study is authorized to determine the range of provider compensation methods and evaluate the effect of such methods on provider behavior.

Health plans are required, on an annual basis, to provide a wide range of information to enrollees about the plan's coverage, including detailed descriptions of benefits and cost-sharing requirements.

To ensure that patients' health care claims are handled fairly from the outset, the legislation contains new rules governing health plans' timing and handling of initial and internal claims. Plans are required to expedite determinations where appropriate.

The time frames are as follows: Routine Prior Authorization: 14 business days; Expedited Prior Authorization: 72 hours; Concurrent Review: 24 hours.

When health plans deny patients coverage based on a determination that the care is not medically necessary or appropriate, or that the treatment is experimental or investigational, or where a claim for coverage requires an evaluation of medical facts, the Bipartisan Patients' Bill of Rights Act guarantees patients access to timely independent medical review.

The legislation requires external medical review decisions to be made by physicians and health care professionals independent of the health plan who practice in a similar specialty as the physician or professional who recommended the care in the first place. In making a decision, independent medical reviewers must take into account all appropriate and available information, including scientific and clinical evidence. Determinations are to be made without deference to the plan's coverage decision and reviewers are not bound by the plan's definitions of medical necessity or experimental/investigational. Independent medical reviewers' decisions are binding on health plans; plans must provide coverage in accordance with the recommendations and time frames established by the independent medical reviewer.

If a plan fails to comply with the decision of an independent medical reviewer and a patient is harmed, the legislation provides new, expanded legal remedies to hold health plans accountable in federal court.

A new, exclusive federal legal remedy that provides monetary damages will be available to participants and beneficiaries in employer-sponsored health plans. This remedy is available when an external medical reviewer overturns the plan's decision and the patient is harmed because the plan failed to exercise ordinary care in complying with the external review decision. The new remedy also allows lawsuits in federal court when health plans fail to exercise ordinary care in denying coverage initially or upon internal review, resulting in a harmful delay of coverage.

Patients must exhaust the external review process before seeking damages in federal court. However, they may go to court at any time to receive injunctive relief, i.e., the court can require the health plan to approve needed care, if they demonstrate that exhausting internal or external review would cause irreparable harm. Patients who are harmed by a plan's failure to exercise ordinary care may receive unlimited economic damages in federal court. They also may be awarded non-economic damages up to $500,000.

At the same time, the legislation retains the current law distinction with respect to remedies in the areas that the courts have determined are traditional areas of state concern, such as the "quality of health care" and "treatment" standards. The bill respects and reinforces state court jurisdiction over quality of care and treatment claims by expressly stating that any harm resulting from treatment and health care delivery activities will continue to be subject to state law remedies.

When a patient files an appeal and the external reviewer determines that the appeal is not subject to independent medical review, a federal court may assess a civil penalty up to $100,000 when the denial causes substantial harm to the patient.

The Frist-Breaux-Jeffords legislation protects employers who do not make medical decisions from lawsuits. The legislation gives employers statutory authority to designate a party or parties, such as the insurance carrier or the third-party administrator that will have clear and exclusive authority to make determinations that give rise to legal causes of action. In a fully insured group health plan, this "designated decision-maker" is always the insurance carrier, unless the employer expressly takes back responsibility from the carrier. Designated decision-makers must demonstrate that they can fulfill their responsibilities, including financial obligations that stem from liability, by obtaining liability insurance or by meeting certain capital and surplus requirements.

The Frist-Breaux-Jeffords legislation also helps protect doctors and other health professionals from new, expanded federal liability by expressly providing that health care professionals who directly deliver care or treatment, or who provide services to patients, can not be sued for coverage decisions as designated decision-makers unless they expressly agree in writing to be the designated decision-maker and meet the bill's strict financial requirements. Further, insurance companies may not appoint treating health professionals as designated decision-makers under the bill.

Mr. JEFFORDS. Mr. President, today, I am pleased to join with Senators BILL FRIST and JOHN BREAUX in introducing the Bipartisan Patients' Bill of Rights Act of 2001, bipartisan managed care reform legislation that meets the patient protection principles outlined by President Bush for a bill he would sign into law. The President's strong support for our legislation is proof that he is providing the necessary leadership to bring Republicans and Democrats to the table to develop managed care protections for all Americans.

Some believe that the answer to improving our Nation's health care quality is to allow greater access to the State's tort system. However, you simply cannot sue your way to better health. Rather, we believe that patients must get the care they need when they need it. Under the Bipartisan Patient Bill of Rights patients have access to an independent external medical review process for denials of care. Decisions are made by practicing physicians or professionals, independent of the plan. Prevention, not litigation, is the best medicine.

A new Federal remedy that provides damages will be available to Americans in employer-sponsored health plans when an external review entity overturns the plan's decision and the patient is harmed. Employers who do not make medical decisions are protected from frivolous and unnecessary lawsuits by enabling them to legally designate a party that will have clear and exclusive authority to make coverage determinations.

Our Bipartisan Patients' Bill of Rights Act of 2001 has much in common with the managed care legislation introduced by Senators MCCAIN, EDWARDS and KENNEDY. They share provisions that provide new patient protections. Each provides for information to assist consumers in navigating the health care system. Most importantly, the bills provide for an internal and external independent review process with strong new remedies when the external view process fails. Our primary area of disagreement lies in the degree that employers are protected from multiple causes of action in multiple venues and the provision of a reasonable cap on damages.

Fortunately, I believe we can provide the key protections that consumers want at a minimal cost and without disruption of coverage, if we apply these protections responsibly and where they are needed, without adding significant new costs, increasing litigation, and micro-managing health plans.

Our goal is to give Americans the protections they want and need in a package that they can afford and that we can enact. This is why I believe the Bipartisan Patients' Bill of Rights Act of 2001 represents true managed care protections that can be signed into law.

By Mr. MCCAIN (for himself, Mr. LIEBERMAN, Mr. SCHUMER, Mr. DEWINE, and Mr. CARPER):

S. 890. A bill to require criminal background checks on all firearms transactions occurring at events that provide a venue for the sale, offer for sale, transfer, or exchange of firearms, and to provide additional resources for gun crime enforcement; to the Committee on the Judiciary.

Mr. MCCAIN. Mr. President, I rise today to introduce legislation to finally close what has become known as the "gun show loophole" and provide more resources to prosecute violations of gun laws. This bill, "The Gun Show Loophole Closing and Gun Law Enforcement Act of 2001," stops criminals from evading a background check while respecting the rights of individuals who enjoy attending and purchasing firearms at public gun show events and helps puts criminals who use guns behind bars. I am pleased to have as cosponsors Senators LIEBERMAN, SCHUMER, DEWINE, and CARPER.

Since the Brady law went into effect, Federal law requires anyone buying a gun at a gun store to undergo a background check, but the law does not apply to private individuals selling guns, such as at gun shows. At gun shows, both licensed and unlicensed gun sellers offer guns for sale. At tables operated by licensed dealers, buyers must go through a background check; at tables operated by private sellers federal law requires no background check, and 32 states do not require such checks either.

Criminals and gun traffickers have figured this out. Gun shows are the second leading source of illegal guns recovered in gun trafficking investigations. According to a recent report by Americans for Gun Safety, "the states that do not require background checks at gun shows are flooding the rest of the nation with crime guns." While 95 percent of buyers are cleared within two hours, the 5 percent who are not are 20 times more likely to be a prohibited purchaser. Background checks are an essential part of keeping guns from criminals and other prohibited individuals.

This gun show bill will require background checks at each of the 4,500 gun shows that occur every year. It does so in a way that is balanced and protects the rights of those who enjoy gun shows. It is the first gun safety legislation that is genuinely bipartisan and it is the only bill that creates real incentives for states to improve their criminal history records in order to make the National Instant Check System, NICS, faster and more accurate. And this bill contains no provisions that are designed to hurt legitimate gun show business.

This bill eliminates the confusing definition of previous bills and defines a gun show as any event where at least 75 guns are available for sale. This bill corrects a flaw in previous bills and excludes from background checks the sale of a gun either from the seller's home or to an immediate family member.

The sticking point in previous failed gun show bills was over the maximum time allowed to complete a background check: 3 business days, which is current law for licensed dealers, or a shorter time due to the transience of gun shows.

This bill creates an innovative compromise. For the first three years after the bill becomes law, it extends current law to gun shows: 3 business days. But after three years, states may apply for a waiver from the U.S. Attorney General to reduce the maximum wait to conclude a background check for sales between unlicensed individuals at gun shows to 24 hours, but only when that state has automated its records may a waiver be granted so that a shortened time period won't allow criminals and other illegal buyers to get guns. It creates accountability so that states can only receive this waiver when at least 95 percent of their disqualifying records dating back 30 years are computerized.

During the first three years, three business days is the maximum time it can take to run a check for unlicensed sellers. If, after those three business days the buyer has not been denied, he or she can purchase the gun. It is not a waiting period; if you clear the system, you immediately get your gun. If, after three years, a state has sufficiently computerized their records, 24 hours is the new maximum time it can take to run a check for unlicensed sellers.

Background checks do not hurt gun show business in any way. For example, Pennsylvania currently requires background checks for all gun sales and hosts the second most gun shows in the Nation, hundreds every year. And unlike previous bills, this bill creates no new onerous reporting requirements for gun sales at gun shows but requires only the same paperwork required for gun sales from a licensed gun store.

This bill will reduce crime by providing for tougher enforcement of current gun laws. This bill adds new ATF agents and gun crime prosecutors, expands Project Exile, calls for more resources for gun tracing and more research into new "smart gun" technologies, and provides much needed money for states to automate their records.

Recently, the States of Oregon and Colorado overwhelmingly passed statewide referenda closing the gun show loophole. I wholeheartedly supported those efforts. Given the overwhelming support that the people of these two states provided to closing the gun show loophole, I think it is time that we have a national requirement for background checks for all sales at gun shows. In the end, it will require parity between gun stores and gun shows, help stop criminals from getting guns on the black market, reduce the interstate trafficking of guns, and will not harm gun show operators.

I do not view my stance on the gun show loophole as inconsistent with my twenty-year long Congressional voting record on gun-related issues. I will always be a strong defender of law-abiding Americans' Second Amendment rights, but with rights, come responsibilities. And we have a responsibility to help keep guns out of the hands of criminals while protecting the rights of honest, law-abiding citizens.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 890

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Gun Show Loophole Closing and Gun Law Enforcement Act of 2001".

TITLE I—GUN SHOW LOOPHOLE CLOSING ACT OF 2001

SEC. 101. SHORT TITLE.

This title may be cited as the "Gun Show Loophole Closing Act of 2001".

SEC. 102. DEFINITIONS.

Section 921(a) of title 18, United States Code, is amended by adding at the end the following:

"(35) SPECIAL FIREARMS EVENT.—The term 'special firearms event'—

"(A) means any event at which 75 or more firearms are offered or exhibited for sale or exchange, if 1 or more of the firearms has been shipped or transported in, or otherwise affects, interstate or foreign commerce; and

"(B) does not include an offer or exhibit of firearms for sale or exchange by an individual from the personal collection of that individual, at the private residence of that individual, if the individual is not required to be licensed under sections 923 and 931.

"(36) SPECIAL FIREARMS EVENT FREQUENT OPERATOR.—The term 'special firearms event frequent operator' means any person who operates 2 or more special firearms events in a 6 month period.

"(37) SPECIAL FIREARMS EVENT INFREQUENT OPERATOR.—The term 'special firearms event infrequent operator' means any person who operates not more than 1 special firearms event in a 6 month period.

"(38) SPECIAL FIREARMS EVENT LICENSEE.—The term 'special firearms event licensee' means any person who has obtained and holds a valid license in compliance with section 931(d) and who is authorized to contact the national instant criminal background check system on behalf of another individual who is not licensed under this chapter for the purpose of conducting a background check for a potential firearms transfer at a special firearms event in accordance with section 931(c).

"(39) SPECIAL FIREARMS EVENT VENDOR.—The term 'special firearms event vendor' means any person who is not required to be licensed under section 923, who exhibits, sells, offers for sale, transfers, or exchanges 1 or more firearms at a special firearms event, regardless of whether or not the person arranges with the special firearms event promoter for a fixed location from which to exhibit, sell, offer for sale, transfer, or exchange 1 or more firearms.".

SEC. 103. REGULATION OF FIREARMS TRANSFERS AT SPECIAL FIREARMS EVENTS.

(a) IN GENERAL.—Chapter 44 of title 18, United States Code, is amended by adding at the end the following:

"§ 931. Regulation of firearms transfers at special firearms events

"(a) SPECIAL FIREARMS EVENT OPERATORS.—

"(1) REGISTRATION OF SPECIAL FIREARMS EVENT OPERATORS.—

"(A) IN GENERAL.—It shall be unlawful for any person to operate a special firearms event unless that person registers with the Secretary in accordance with regulations promulgated by the Secretary.

"(B) FEES.—The Secretary shall be prohibited from imposing or collecting any fee from special firearms event operators in connection with the registration requirement in subparagraph (A).

"(2) RESPONSIBILITIES OF SPECIAL FIREARMS EVENTS FREQUENT OPERATORS.—It shall be unlawful for a special firearms events frequent operator to organize, plan, promote, or operate a special firearms event unless that operator—

"(A) has an annual operating license for special firearms events frequent operators issued by the Secretary pursuant to regulations promulgated by the Secretary;

"(B) not later than 30 days before commencement of the special firearms event, notifies the Secretary of the date, time, duration, and location of the special firearms event, the vendors planning to participate, and any other information concerning the special firearms event as the Secretary may require by regulation;

"(C) not later than 72 hours before commencement of the special firearms event, submits to the Secretary an updated list of all special firearms event vendors planning to participate, and any other information concerning such vendors as the Secretary may require by regulation;

"(D) before commencement of the special firearms event, or in the case of a vendor who arrives after the commencement of the event, upon the arrival of the vendor, verifies the identity of each special firearms event vendor participating in the special firearms event by examining a valid identification document (as defined in section 1028(d)(2)) of the vendor containing a photograph of the vendor;

"(E) before commencement of the special firearms event, or in the case of a vendor who arrives after the commencement of the event, upon the arrival of the vendor, requires each special firearms event vendor to sign—

"(i) a ledger with identifying information concerning the vendor; and

"(ii) a notice advising the vendor of the obligations of the vendor under this chapter;

"(F) notifies each person who attends the special firearms event of the requirements of this chapter, in accordance with such regulations as the Secretary shall prescribe;

"(G) not later than 5 days after the last day of the special firearms event, submits to the Secretary a copy of the ledger and notice described in subparagraph (E); and

"(H) maintains a copy of the records described in subparagraphs (C) through (E) at the permanent place of business of the operator for such period of time and in such form as the Secretary shall require by regulation.

"(3) RESPONSIBILITIES OF SPECIAL FIREARMS EVENTS INFREQUENT OPERATORS.—It shall be unlawful for a special firearms event infrequent operator to organize, plan, promote, or operate a special firearms event unless that person—

"(A) not later that 30 days before commencement of the special firearms event, notifies the Secretary of the date, time, duration, and location of the special firearms event;

"(B) not later than 72 hours before commencement of the special firearms event, submits to the Secretary a list of all special firearms event vendors planning to participate in the special firearms event and any other information concerning such vendors as the Secretary may require by regulation;

"(C) before commencement of the special firearms event, or in the case of a vendor who arrives after the commencement of the event, upon the arrival of the vendor, verifies the identity of each special firearms event vendor participating in the special firearms event by examining a valid identification document (as defined in section 1028(d)(2)) of the vendor containing a photograph of the vendor;

"(D) before commencement of the special firearms event, or in the case of a vendor who arrives after the commencement of the event, upon the arrival of the vendor, requires each special firearms event vendor to sign—

"(i) a ledger with identifying information concerning the vendor; and

"(ii) a notice advising the vendor of the obligations of the vendor under this chapter;

"(E) notifies each person who attends the special firearms event of the requirements of this chapter, in accordance with such regulations as the Secretary shall prescribe;

"(F) not later than 5 days after the last day of the special firearms event, submits to the Secretary a copy of the ledger and notice described in subparagraph (D); and

"(G) maintains a copy of the records described in subparagraphs (B) through (D) at the permanent place of business of the special firearms event promoter for such period of time and in such form as the Secretary shall require by regulation.

"(b) RESPONSIBILITIES OF TRANSFERORS OTHER THAN LICENSEES.—

"(1) IN GENERAL.—If any part of a firearm transaction takes place at a special firearms event, or on the curtilage of the event, it shall be unlawful for any person who is not licensed under this chapter to transfer a firearm to another person who is not licensed under this chapter, unless the firearm is transferred through a licensed importer, licensed manufacturer, licensed dealer, or a special firearms event licensee in accordance with subsection (c).

"(2) CRIMINAL BACKGROUND CHECKS.—A person who is subject to the requirement of paragraph (1) shall not—

"(A) transfer the firearm to the transferee until the licensed importer, licensed manufacturer, licensed dealer, or a special firearms event licensee through which the transfer is made makes the notification described in subsection (c)(2)(A); or

"(B) transfer the firearm to the transferee if the person has been notified under subsection (c)(2)(B) that the transfer would violate section 922 or would violate State law.

"(3) ABSENCE OF RECORDKEEPING REQUIREMENTS.—Nothing in this section shall permit or authorize the Secretary to impose recordkeeping requirements on any nonlicensed special firearms event vendor.

"(c) RESPONSIBILITIES OF LICENSEES.—A licensed importer, licensed manufacturer, licensed dealer, or special firearms event licensee who agrees to assist a person who is not licensed under this chapter in carrying out the responsibilities of that person under subsection (b) with respect to the transfer of a firearm shall—

"(1) except as provided in paragraph (2), comply with section 922(t) as if transferring the firearm from the inventory of the licensed importer, licensed manufacturer, or licensed dealer to the designated transferee (although a licensed importer, licensed manufacturer, or licensed dealer complying with this subsection shall not be required to comply again with the requirements of section 922(t) in delivering the firearm to the nonlicensed transferor);

"(2) not later than 3 business days (meaning a day on which State offices are open), or if the event is held in a State that has been certified by the Attorney General under section 104 of the Gun Show Loophole Closing Act of 2001, not later than 24 hours (or 3 business days if additional information is required in order to verify disqualifying information from a State that has not been certified by the Attorney General) notify the nonlicensed transferor and the nonlicensed transferee—

"(A) of any response from the national criminal background check system, or if the licensee has had no response from the national criminal background check system within the time period set forth in paragraph (2), notify the nonlicensed transferor that no response has been received and that the transfer may proceed; and

"(B) of any receipt by the licensed importer, licensed manufacturer, or licensed dealer of a notification from the national instant criminal background check system that the transfer would violate section 922 or would violate State law;

"(3) in the case of a transfer of 2 or more firearms on a single day to a person other than a licensee, prepare a report of the multiple transfers, which report shall be—

"(A) on a form specified by the Secretary; and

"(B) not later than the close of business on the date on which the multiple transfer occurs, forwarded to—

"(i) the office specified on the form described in subparagraph (A); and

"(ii) the appropriate State law enforcement agency of the jurisdiction in which the transfer occurs; and

"(4) comply with all record keeping requirements under this chapter.

"(d) SPECIAL FIREARMS EVENT LICENSE.—

"(1) IN GENERAL.—The Secretary shall issue a special firearms event license to a person who submits an application for a special firearms event license in accordance with this subsection.

"(2) APPLICATION.—The application required by paragraph (1) shall be approved if—

"(A) the applicant is 21 years of age or over;

"(B) the application includes a photograph and the fingerprints of the applicant;

"(C) the applicant (including, in the case of a corporation, partnership, or association, any individual possessing, directly or indirectly, the power to direct or cause the direction of the management and policies of the corporation, partnership, or association) is not prohibited from transporting, shipping, or receiving firearms or ammunition in interstate or foreign commerce under subsection (g) or (n) of section 922;

"(D) the applicant has not willfully violated any of the provisions of this chapter or regulations issued thereunder;

"(E) the applicant has not willfully failed to disclose any material information required, or has not made any false statement as to any material fact, in connection with his application; and

"(F) the applicant certifies that—

"(i) the applicant meets the requirements of subparagraphs (A) through (D) of section 923(d)(1);

"(ii) the business to be conducted under the license is not prohibited by State or local law in the place where the licensed premises is located; and

"(iii) the business will not be conducted under the license until the requirements of State and local law applicable to the business have been met.

"(3) APPLICATION AND APPROVAL.—

"(A) IN GENERAL.—On approval of an application as provided in this subsection and payment by the applicant of a fee of $200 for 3 years, and upon renewal of valid registration a fee of $90 for 3 years, the Secretary shall issue to the applicant an instant check registration, and advise the Attorney General of that registration.

"(B) NICS.—A special firearms licensee may contact the national instant criminal background check system established under section 103 of the Brady Handgun Violence Prevention Act (18 U.S.C. 922 note) for information about any individual desiring to obtain a firearm at a gun show from any special firearms event vendor who has requested the assistance of the registrant in complying with subsection (c) with respect to the transfer of the firearm, during the 3-year period that begins with the date the registration is issued.

"(4) REQUIREMENTS.—The requirements for a special firearms event licensee shall not exceed the requirements for a licensed dealer and the record keeping requirements shall be the same.

"(5) RESTRICTIONS.—

"(A) BACKGROUND CHECKS.—A special firearms event licensee may have access to the national instant criminal background check system to conduct a background check only at a special firearms event and only on behalf of another person.

"(B) TRANSFER OF FIREARMS.—A special firearms event licensee shall not transfer a firearm at a special firearms event.

"(e) FIREARM TRANSACTION DEFINED.—In this section, the term 'firearm transaction'—

"(1) includes the sale, offer for sale, transfer, or exchange of a firearm; and

"(2) does not include—

"(A) the mere exhibition of a firearm; or

"(B) the sale, transfer, or exchange of firearms between immediate family, including parents, children, siblings, grandparents, and grandchildren.".

(b) PENALTIES.—Section 924(a) of title 18, United States Code, is amended by adding at the end the following:

"(7)(A)(i) Whoever knowingly violates section 931(a)(1) shall be—

"(I) fined under this title, imprisoned not more than 2 years, or both; and

"(II) in the case of a second or subsequent conviction, such person shall be fined under this title, imprisoned not more than 5 years, or both.

"(ii) Whoever knowingly violates section 931(a)(2) shall be fined under this title, imprisoned not more than 5 years, or both.

"(iii) Whoever knowingly violates section 931(a)(3) shall be fined under this title, imprisoned not more than 2 years, or both.

"(B) Whoever knowingly violates section 931(b) shall be—

"(i) fined under this title, imprisoned not more than 2 years, or both; and

"(ii) in the case of a second or subsequent conviction, such person shall be fined under this title, imprisoned not more than 5 years, or both.

"(C) Whoever knowingly violates section 931(c) shall be fined under this title, imprisoned not more than 5 years, or both.

"(D) In addition to any other penalties imposed under this paragraph, the Secretary may, with respect to any person who violates any provision of section 931—

"(i) if the person is registered pursuant to section 931(a), after notice and opportunity for a hearing, suspend for not more than 6 months or revoke the registration of that person under section 931(a); and

"(ii) impose a civil fine in an amount equal to not more than $10,000.".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—Chapter 44 of title 18, United States Code, is amended in the chapter analysis, by adding at the end the following:

"931. Regulation of firearms transfers at special firearms events.".

SEC. 104. OPTION FOR 24-HOUR BACKGROUND CHECKS AT SPECIAL FIREARMS EVENTS FOR STATES WITH COMPUTERIZED DISQUALIFYING RECORDS AND PROGRAMS TO IMPROVE STATE DATABASES.

(a) OPTION FOR 24-HOUR REQUIREMENT.—

(1) IN GENERAL.—Effective 3 years after the date of enactment of this Act, a State may apply to the Attorney General for certification of the 24-hour verification authority of that State.

(2) CERTIFICATION.—The Attorney General shall certify a State for 24-hour verification authority only upon a clear showing by the State that not less than 95 percent of all records containing information that would disqualify an individual under subsections (g) and (n) of section 922 of title 18, United States Code, or under State law, is available on computer records in the State, and is searchable under the national instant criminal background check system established

under section 103 of the Brady Handgun Violence Prevention Act (18 U.S.C. 922 note).

(3) DISQUALIFYING INFORMATION.—Such disqualifying information shall include, at a minimum, the disqualifying records for that State going back 30 years from the date of application to the Attorney General for certification.

(4) 24-HOUR PROVISION.—Upon certification by the Attorney General, the 24-hour provision in section 931(c)(2) of title 18, United States Code, shall apply to the verification process (for transfers between unlicensed persons) in that State unless additional information is required in order to verify disqualifying information from a State that has not been certified by the Attorney General, in which case the 3 business day limit shall apply.

(5) ANNUAL REVIEW.—The Attorney General shall annually review and revoke for any State not in compliance the certification required in the amendment made by paragraph (1).

(b) PRIORITY.—The Attorney General shall give priority to background check requests at special firearms events made pursuant to section 931 of title 18, United States Code, as added by this Act.

(c) STUDY.—Not later than 180 days after the date of enactment of this Act, the Attorney General shall identify and report to Congress the reasons for delays in background checks at the Federal and State levels and include recommendations for eliminating those delays.

(d) GRANT PROGRAM.—

(1) IN GENERAL.—The Attorney General is authorized to make grants to States to assist in the computerization of the criminal conviction records and other disqualifying records of that State and with other issues facing States that want to apply for certification under section 104(a) of this title.

(2) AUTHORIZATION.—There are authorized to be appropriated such sums as are necessary for fiscal years 2002 through 2004 to carry out this subsection.

SEC. 105. INSPECTION AUTHORITY.

Section 923(g)(1)(B), of title 18, United States Code, is amended by striking "or licensed dealer" and inserting "licensed dealer, or special firearms event operator".

SEC. 106. INCREASED PENALTIES FOR SERIOUS RECORDKEEPING VIOLATIONS BY LICENSEES.

Section 924(a)(3) of title 18, United States Code, is amended to read as follows:

"(3)(A) Except as provided in subparagraph (B), any licensed dealer, licensed importer, licensed manufacturer, licensed collector, or special firearms event licensee who knowingly makes any false statement or representation with respect to the information required by this chapter to be kept in the records of a person licensed under this chapter, or violates section 922(m) shall be fined under this title, imprisoned not more than 1 year, or both.

"(B) If the violation described in subparagraph (A) is in relation to an offense—

"(i) under paragraph (1) or (3) of section 922(b), such person shall be fined under this title, imprisoned not more than 5 years, or both; or

"(ii) under subsection (a)(6) or (d) of section 922, such person shall be fined under this title, imprisoned not more than 10 years, or both.".

SEC. 107. INCREASED PENALTIES FOR VIOLATIONS OF CRIMINAL BACKGROUND CHECK REQUIREMENTS.

Section 924(a) of title 18, United States Code, is amended—

(1) in paragraph (5), by striking "subsection (s) or (t) of section 922" and inserting "section 922(s)"; and

(2) by adding at the end the following:

"(8) Whoever knowingly violates section 922(t) shall be fined under this title, imprisoned not more than 5 years, or both.".

SEC. 108. RULE OF INTERPRETATION.

A provision of State law is not inconsistent with this title or an amendment made by this title if the provision imposes a regulation or prohibition of greater scope or a penalty of greater severity than any prohibition or penalty imposed by this title or an amendment made by this title.

SEC. 109. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect 180 days after the date of enactment of this Act.

TITLE II—GUN LAW ENFORCEMENT ACT OF 2001

SEC. 201. SHORT TITLE.

This title may be cited as the "Gun Law Enforcement Act of 2001".

SEC. 202. STATE AND LOCAL GUN CRIME PROSECUTORS.

(a) PURPOSE.—The purpose of this section is to—

(1) provide funding for State and local prosecutors to focus on gun prosecutions in high gun crime areas; and

(2) double funding for such programs from fiscal year 2001 to 2002.

(b) AUTHORIZATION.—There are authorized to be appropriated $150,000,000 for fiscal year 2002 to the Attorney General to provide grants to States and units of local government to support prosecutions in high gun crime areas by State and local prosecutors.

SEC. 203. NATIONAL PROJECT EXILE.

(a) PURPOSE.—The purpose of this section is to provide funding to replicate the success of the Project EXILE program.

(b) AUTHORIZATION.—There are authorized to be appropriated $20,000,000 for fiscal year 2002 to the Attorney General to provide for additional Assistant United States Attorneys to establish not to exceed 100 Project EXILE programs with local United States Attorneys and local jurisdictions.

(c) MEDIA AWARENESS.—From amounts authorized by subsection (b), the Attorney General may provide funds to participating local jurisdictions.

SEC. 204. FUNDING FOR ADDITIONAL ATF AGENTS.

There are authorized to be appropriated $18,000,000 for fiscal year 2002 to the Secretary of the Treasury for the purpose of funding the hiring of an additional 200 agents for the Bureau of Alcohol, Tobacco, and Firearms.

SEC. 205. GUN TRACING AND YOUTH CRIME GUN INTERDICTION.

There are authorized to be appropriated $20,000,000 for fiscal years 2002 through 2005 to the Secretary of the Treasury for the purpose of—

(1) funding additional resources for the Bureau of Alcohol, Tobacco, and Firearms to trace guns involved in gun crimes; and

(2) expanding the Youth Crime Gun Interdiction Initiative to 250 cities over the 4 years funding is authorized.

SEC. 206. SMART GUN TECHNOLOGY.

There are authorized to be appropriated $10,000,000 for fiscal year 2002 to the National Institute for Justice for the purpose of making grants to research entities developing technologies that limit the use of a gun to the owner.

SEC. 207. REPORT ON BRADY ENFORCEMENT.

Not later than February 1 of each year—

(1) the Attorney General shall report to Congress—

(A) the number of prosecutions resulting from background checks conducted pursuant to the Brady Handgun Violence Prevention Act;

(B) what barriers exist to prosecutions under that Act; and

(C) what steps could be taken to maximize prosecutions; and

(2) the Secretary of Treasury shall report to Congress—

(A) the number of investigations conducted pursuant to the Brady Handgun Violence Prevention Act;

(B) the number of investigations initiated but not pursued under that Act;

(C) the number of firearms retrieved as transferred in contravention of that Act; and

(D) what barriers exist to investigations under that Act.

Mr. LIEBERMAN. Mr. President, I am proud to join Senator McCAIN, Senator DEWINE, Senator SCHUMER, and Senator CARPER in introducing this important legislation. This bill aims to build common ground on gun violence, a problem that has too often divided Members of Congress. And we are going to build that common ground on commonly held American values. As citizens of this great Democracy, we have rights and we have responsibilities. We have the right to own guns, but we have a responsibility not to sell them to criminals. That is the simple but important set of values on which the legislation we introduce today is founded.

For several decades, our nation has had a clear policy against allowing convicted felons to buy guns, because we know that mixing criminals and guns far too often yields violent results. Through the Brady law, we established what seems like an obvious corollary to that policy—a requirement that those selling guns determine whether someone trying to buy a firearm isn't supposed to get one before they sell it to them. The Brady law has been an enormous success. Since its enactment, background checks have kept well over half a million people who by law are not allowed to own guns from getting guns, saving an untold number of our citizens from the violence, injury or death the sale of many of these guns would have brought.

The Brady law, however, contained an unfortunate loophole that has since been exploited to allow convicted felons and other people who shouldn't own guns to evade the background check requirement by buying their guns at gun shows. The problem is that Brady applies only to Federal Firearms Licensees, so-called FFLs, people who are in the business of selling guns. Brady explicitly exempts from the background check requirement anyone "who makes occasional sales, exchanges, or purchases of firearms for the enhancement of a personal collection or for a hobby, or who sells all or part of his personal collection of firearms." As a result, any person selling guns as a hobby or only occasionally, whether at a gun show, flea market or elsewhere, need not obtain a federal license and therefore has no obligation to conduct a background check. This means that any person wanting to avoid a background check can go to a gun show, find out which vendors are not FFLs, and buy a gun. And this is dangerous not only because it allows convicted felons and other prohibited persons to buy guns, but also because, in contrast to FFLs, non-FFLs have no obligation to keep records of the transaction, thereby depriving law enforcement of the ability to trace the gun if it later turns up at a crime scene.

Our bill will change that. We will make sure that no one will be able to buy a gun at a gun show without it first being determined whether that person is a convicted felon or is a member of one of the other categories of people we all agree should not be allowed to buy guns.

Senator MCCAIN and I have heard the concerns expressed about past proposals to close the gun show loophole, and we have tried hard in our bill to make sure those concerns are addressed.

First, our bill has a simple definition of a gun show, an event where 75 or more guns are offered or exhibited for sale—and we make clear that that definition doesn't include sales from a private collection by nonlicensed sellers out of their homes.

Second, to respond to the argument that previous proposals made it too difficult for nonlicensed sellers to fulfill the background check requirement, our bill makes sure that nonlicensed sellers will have easy access to someone who can initiate background checks for them, by creating a new class of licensee whose sole purpose will be to initiate background checks at gun shows.

Third, we have tried to respond to those who say that a three-day check is too long for gun shows, because those events only last a couple of days. It is worth noting that the length allowed for the check doesn't affect the majority of gun purchasers, because 72 percent of checks are completed within 30 seconds and almost 95 percent are done within two hours. We have come up with a compromise that authorizes a State to move to a 24-hour check for nonlicensed dealers at gun shows—when the State can prove that a 24-hour check is feasible. A State can prove that by showing that 95 percent of the records that would disqualify people in that State from buying guns are computerized and searchable by the NICS system.

Now I know that there are many, including President Bush, who argue that what we need to solve the gun violence problem are not new laws but the enforcement of existing ones. I agree with part of that statement. Our bill authorizes significant increases in funding for a number of gun enforcement programs, including state and local gun crime prosecutors, Project Exile, additional ATF agents, gun tracing and smart gun technology. I am pleased that the President said yesterday that he supported a large chunk of what we are proposing today.

But I believe we must go farther than that, because we will never be able to enforce existing laws unless we close the loopholes in them that criminals exploit. And we all know that there is a big loophole in the provision saying that felons aren't supposed to buy guns, and that is that criminals know that if they go to a gun show, they will be able to avoid the background check that was set up to keep them from getting guns.

Gun crime remains a critical public safety problem. For too long, it has unnecessarily divided the Congress, and the American people have been left to suffer the violent consequences. But the reality is that most of us agree on most of the critical questions. We agree that the laws on the books should be enforced, that the rights of law-abiding gun owners should be protected, and that convicted felons shouldn't be able to get guns. The bill we are introducing today would write those principles into law. I hope all of my colleagues support it.

By Mr. DODD:

S. 891. A bill to amend the Truth in Lending Act with respect to extensions of credit to consumers under the age of 21; to the Committee on Banking, Housing, and Urban Affairs.

Mr. DODD. Mr. President, I rise today to introduce legislation designed to help avoid the growing problem of credit card indebtedness.

This legislation is fairly straightforward. It would not prohibit people younger than 21 from obtaining a credit card. It simply requires that when issuing credit cards to persons under the age of 21, the issuers obtain an application that contains: 1. the signature of a parent, guardian, or other qualified individual willing to take financial responsibility for the debt; or 2. information indicating that the young person has a job or some means of repaying any credit extended; or 3. proof that applicant has completed a certified credit counseling course.

One of the most troubling developments in the hotly contested battle between credit card issuers to sign up new customers has been the aggressive way in which they have targeted people under the age of 21, particularly college students.

Solicitations to this age group have become more intense for a variety of reasons. First, it is one of the few market segments in which there are always new customers to go after; every year, 25 to 30 percent of undergraduates are fresh faces entering their first year of college.

Second, it is also an age group in which brand loyalty can be readily established. In the words of one major credit card issuer: "We are in the relationship business, and we want to build relationships early on." In fact, most people hold on to their first credit card for up to 15 years.

Many, if not most, credit card issuers exercise prudence in issuing cards to young people. But some credit card issuers do not. They target vulnerable young people in our society and extend them large amounts of credit with little if any consideration to whether or not there is a reasonable expectation of repayment. As a result, more and more young people are falling into a financial hole from which they were unable to escape.

Experts estimate that the current economic downturn could force a record 1.5 million Americans into bankruptcy this year. About a third of them will be in their 20s and early 30s. According to the American Bankruptcy Institute, just five years ago, only 1 percent of personal bankruptcies filed were by those age 25 or younger. By 1998, that number had risen to nearly 5 percent.

Financial regulators, including the Federal Reserve Board and the Federal Deposit Insurance Corporation, have stated that loans made without consideration of the borrower's ability to repay constitutes an "unsafe and unsound" business practice. They have criticized such lending practices as "imprudent." Thus, an economic downturn coupled with "imprudent" lending practices could have a devastating effect not only on credit card consumers, but on financial institutions, as well.

The business practices of many credit card companies on college campuses are extremely troubling. Some credit card issuers actively entice colleges and universities to help promote their products. According to University of Houston Professor Robert Manning, during the next five years, banks will pay the largest 250 universities nearly $1 billion annually for exclusive marketing rights on campus.

A recent "60 Minutes II" piece vividly illustrated the impact that credit card debt can have on college students. A crew from the show, on a major public university campus, and with the use of hidden cameras, filmed vendors pushing free T-shirts, hats, and other enticements with credit card applications. "60 Minutes II" revealed that this university is being paid $13 million over ten years by a credit card company for the right to have a presence on campus and use the university logo on its cards.

This public university is making money off students who use these credit cards, the report said. As part of the agreement, the university receives 0.4

percent of each purchase made with the cards. In a sense, this university has a vested interest in getting their students in as much debt as possible.

The "60 Minutes II" piece also told the story of one student, Sean Moyer, and his desperate attempts to handle massive credit card debt. This student's life began to spin out of control as the huge debts he racked up in just three years of college began to become, in his mind, insurmountable. As a result of mounting credit card debts, he was unable to get loans to go to law school like he dreamed, and his parents could not afford to pay his way. So in February 1998, Sean took his own life.

"It is obscene that the university is making money off the suffering of their students," said Sean Moyer's mother. Sean Moyer had 12 credit cards and more than $10,000 in debts when he committed suicide nearly three years ago, she related. He had two jobs: one at the library and another as a security guard at a local hotel, but he still could not pay his collectors, she said.

Even three years after her son's death, she still gets pre-approved credit card offers in Sean's name from some of the same companies that he owed thousands of dollars. One company pre-approved Sean for a $100,000 credit line, she said.

Last Congress, I went to the main campus of the University of Connecticut to meet with student leaders about this issue; quite honestly, I was surprised at the amount of solicitations going on in the student union. I was even more surprised at the degree to which the students themselves were concerned about the constant barrage of offers they were receiving.

These offers seem very attractive. One student intern in my office received four solicitations in just two weeks, one promised "eight cheap flights while you still have 18 weeks of vacation." Another promised a platinum card with what appeared to be a low interest rate, until one reads in the fine print that it applied only to balance transfers, not to the account overall. Only one of the four offered a brochure about credit terms but, in doing so, also offered a "spring break sweepstakes."

Last year, the Chicago Tribune reported that the average college freshman will receive 50 solicitations during their "first few months" at college. It further reported that "college students get green-lighted for a line of credit that can reach more than $10,000, just on the strength of a signature and a student ID."

There is a serious public policy question about whether people in this age bracket can be presumed to be able to make the sensible financial choices that are being forced upon them from this barrage of marketing.

While it is very difficult to get reliable information from credit card issuers about their marketing practices to people under the age of 21, the statistics that are available are disconcerting.

Nellie Mae, a major student loan provider in New England, conducted a recent survey of the students who had applied for student loans. It termed the results "alarming." The study found: 78 percent of all undergraduate students have a least one credit card—up from 67 percent in 1998; of those students, the average credit card balance is $2,748, up from $1,879 in 1998; and 32 percent of undergraduates had four or more credit cards.

Some college administrators, bucking the trend to use credit card issuers as a source of income, have become so concerned that they have banned credit card companies from their campuses, and have even gone so far as to ban credit card advertisements from the campus bookstore. Recently, colleges around the nation, ranging from New York's SUNY Buffalo to Georgia Tech in Atlanta, have begun to ban the marketing of credit cards on their campuses.

Let me touch on an important component of this amendment—credit counseling. Much as we encourage children who reach driving age to take drivers' education courses to prevent automobile accidents, we should teach younger consumers the basics of credit to avoid financial wrecks. Educating our nation's youth about the responsibilities of financial management is critical, and we do not currently do a good enough job in this area.

While there is overwhelming evidence that student debt is skyrocketing, most surveys also show that this same group of consumers is woefully uninformed about basic credit card terms and issues.

According to the Jump$tart Coalition for Personal Financial Literacy, a nonprofit group which conducts an annual national survey on high school seniors' knowledge of personal finance, basic financial skills are even poorer today than they were three years ago.

I agree with those who argue that there are many millions of people under the age of 21 who hold full time jobs and are as deserving of credit as anyone over the age of 21. I also agree that students should continue to have access to credit and that we should not try to prohibit the market from making that credit available.

However, the period of time from 18 to 21 is an age of transition from adolescence to adulthood. As we do in many other places in the federal law, some extra care is needed to make sure that mistakes made from youthful inexperience do not haunt these young people for the rest of their lives.

Federal law already says that people under the age of 21 shouldn't drink alcohol. Our tax code makes the presumption that if someone is a full-time student under the age of 23, they are financially dependent on their parents or guardians.

Is it so much to ask that credit card issuers find out if someone under the age of 21 is financially capable of paying back the debt? Or that their parents are willing to assume financial responsibility? Or that they understand the nature and conditions of the debt they are incurring?

Many responsible credit card issuers already require this information in one form or another. Is it too much to ask that the entire credit card industry strive to meet their own best practices when it comes to our kids?

Providing fair access to credit is something I have fought for throughout my tenure in the United States Senate. And credit cards play a valuable role in assisting in their pursuit of the American dream. I do not believe that this legislation is either unduly burdensome on the credit card industry or unfair to people under the age of 21.

The fact of the matter is that excessive solicitations assume that if the young adult is unable to pay, they will be bailed out by their parents. Many times this means that parents must sacrifice other things in order to make sure that their child does not start out their adult life in a financial hole or with an ugly black mark on their credit history.

This measure is critical to ensuring that credit cards are both issued and used responsibly. I urge my colleagues to support this important legislation.

I ask unanimous consent that the text of the bill, a letter of endorsement from Consumers Union, the Consumer Federation of America, and the U.S. Public Interest Research Group, as well as referenced newspaper articles be printed in the RECORD.

There being no objection, the bill and additional material were ordered to be printed in the RECORD, as follows:

S. 891

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Underage Consumer Credit Protection Act of 2001".

SEC. 2. EXTENSIONS OF CREDIT TO UNDERAGE CONSUMERS.

Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by adding at the end the following:

"(6) APPLICATIONS FROM UNDERAGE CONSUMERS.—

"(A) PROHIBITION ON ISSUANCE.—No credit card may be issued to, or open end credit plan established on behalf of, a consumer who has not attained the age of 21, unless the consumer has submitted a written application to the card issuer that meets the requirements of subparagraph (B).

"(B) APPLICATION REQUIREMENTS.—An application to open a credit card account by an individual who has not attained the age of 21 as of the date of submission of the application shall require—

"(i) the signature of the parent, legal guardian, or spouse of the consumer, or any other individual having a means to repay debts incurred by the consumer in connection with the account, indicating joint liability for debts incurred by the consumer in connection with the account before the consumer has attained the age of 21;

"(ii) submission by the consumer of financial information indicating an independent means of repaying any obligation arising from the proposed extension of credit in connection with the account; or

"(iii) proof by the consumer that the consumer has completed a credit counseling course of instruction by a nonprofit budget and credit counseling agency approved by the Board for such purpose.

"(C) MINIMUM REQUIREMENTS FOR COUNSELING AGENCIES.—To be approved by the Board under subparagraph (B)(iii), a credit counseling agency shall, at a minimum—

"(i) be a nonprofit budget and credit counseling agency, the majority of the board of directors of which—

"(I) is not employed by the agency; and

"(II) will not directly or indirectly benefit financially from the outcome of a credit counseling session;

"(ii) if a fee is charged for counseling services, charge a reasonable fee, and provide services without regard to ability to pay the fee; and

"(iii) provide trained counselors who receive no commissions or bonuses based on referrals, and demonstrate adequate experience and background in providing credit counseling.".

SEC. 3. REGULATORY AUTHORITY.

The Board of Governors of the Federal Reserve System may issue such rules or publish such model forms as it considers necessary to carry out section 127(c)(6) of the Truth in Lending Act, as added by this Act.

CONSUMER FEDERATION OF AMERICA
May 14, 2001.

DEAR SENATOR DODD: Consumers Union, the Consumer Federation of America, and U.S. Public Interest Research Group support the Underage Consumer Credit Protection Act of 2001 that addresses the growing problem of credit card debt among young Americans.

Your bill would require that a credit card issuer undertake reasonable steps to verify that students have the means to repay their credit card debts. In the alternative, a credit card could be issued to a student who completes a credit-counseling course. This is a reasonable approach—to protect the safety and soundness of financial institutions and help America's youth who every day face aggressive marketing tactics from the credit industry.

According to bank regulatory agencies, including the Federal Reserve Board and the Federal Deposit Insurance Corporation, making loans without any regard for the borrower's ability to repay, as card issuers do with college students, is "unsafe and unsound." The regulators have criticized such lending practices as "imprudent." The student loan corporation, Nellie Mae, said in a recent report that the increase in the number of students having a credit card includes students who would not have been given credit cards in past years, certainly not without a co-signer. The report also pointed to the need for counseling students at the front end—before the student obtains a credit card. Nellie Mae found that: Some students unwittingly accumulate credit card debt, not consciously planning ahead whether they can afford to borrow that sum, and not aware of the actual finance charges they will pay over time. Having a card doesn't necessarily indicate knowledge about the ramifications of borrowing in general; nor does it show that the student has evaluated the benefit and costs of borrowing with a credit card vs. other types of financing. Without assistance, these students may not have the know-how to borrow wisely on the front end.

The credit card industry has targeted America's youth with relentless marketing ploys and tactics that seem designed to drive those students into debt. According to Nellie Mae, more than 70 percent of undergraduates possess at least one credit card. The average debt for undergraduates who do not pay off their bill every month is more than $2,000. Many students end up dropping out of school under the weight of such debt. Congress should respond to this growing crisis on college campuses. And the problem could get worse as high school students are also receiving credit card offers.

Many colleges and universities not only permit aggressive credit card marketing on campus; they actually benefit financially from this marketing. Credit card issuers pay institutions for sponsorship of school programs, for support of student activities, for rental of on-campus solicitation tables, and for exclusive marketing agreements, such as college "affinity" cards.

Congress should require lending institutions to act in a safe and sound manner by verifying that the person to whom that credit card issuer is extending credit has the ability to repay. In the absence of acting in a safe and sound manner, the least that could be done is to give student's some of the tools that could be useful in avoiding financial trouble through credit counseling at the front end. The Senate should pass the Underage Consumer Credit Protection Act to preserve the soundness of our financial institutions and help America's youth handle the aggressive credit card industry practices.

FRANK TORRES,
Consumers Union.
TRAVIS PLUNKETT,
Consumer Federation of America.
ED MIERZWINSKI,
U.S. Public Interest Research Group.

[From the Chicago Tribune, May 7, 1999]

CHARGED WITH TEACHING YOUNG PEOPLE TO SAVE; EDUCATIONAL CAMPAIGN ATTEMPTS TO GIVE STUDENTS BASIC FINANCIAL SURVIVAL SKILLS, INCLUDING HANDLING CREDIT

(By Humberto Cruz)

It should come as no surprise. Forty percent of American students between the ages of 16 and 22 said they are likely to buy a pair of jeans or something similar they "really" like even if they are short of money.

And 22 percent would pay for it with a credit card

But then, isn't that what they see their parents do? Deeper in debt than ever before, Americans owe a record $565 billion on credit cards, or more than $7,000 per balance-revolving household, based on figures from the Federal Reserve.

"We have an economy that encourages people to borrow and spend more than they have," said Dallas L. Salisbury, chairman and CEO of the American Savings Education Council in Washington, D.C.

Salisbury is talking about the barrage directed at all of us to spend, spend, spend. The enticing offers to sign up for home-equity loans greater than the value of our homes. The culture of instant gratification that demands that if you want something you get it now, and damn the consequences.

"We need to teach our kids very early on how skeptical they should be of this type of thing," Salisbury said. "And how dangerous it is to get yourself buried in debt."

Reaching young people is the goal for the coming year of the "Facts on Savings and Investing" campaign, launched in 1998 by a national partnership of government agencies, securities regulators and business, education and consumer groups.

"We asked ourselves what our priorities should be, and one thing that has come down loud and clear is the necessity to get many people to start saving early," said Salisbury, who is also president and CEO of the Employee Benefit Research Institute in Washington.

As part of the campaign, the savings council and the institute released a "Youth & Money" survey of 560 high school and 440 college students conducted by the research firm Mathew Greenwald & Associates.

The survey found that most students feel confident they understand financial matters. But their behavior suggests they don't know nearly as much as they think, and that many are falling into bad habits.

For example, less than half save at least something whenever they receive money or get paid, only 23 percent draw up a monthly budget and stick to it, and 28 percent of those with credit cards roll over debt month after month.

Perhaps more telling, one-fourth of the students who think they do a good job of managing their money do not think regular savings is a very high priority, when in fact it should be.

And 25 percent of the students with credit cards who say they do a good job of managing their money roll over debt every month, one of the worst financial habits anybody can have.

"One has to presume they are influenced just by watching their parents," Salisbury said. "They end up 'learning' things they would be better off not to learn."

But if parents can't or won't help, what is the solution? The survey showed an overwhelming majority of students, or 94 percent, go first to their parents for financial information and advice. Only 21 percent had taken a financial education course in school, although 62 percent had the chance to do so.

Among those who did, 41 percent said they began saving, 28 percent said they increased their savings, 28 percent said they invested their savings differently, and 19 percent said they developed a budget. The Youth & Money survey, however, questions whether the students actually changed their behavior as opposed to just saying they did.

Still, Salisbury is among a big majority of Americans—count me in, too—who believe financial education should be mandatory in high school. A recent nationwide survey by the National Council on Economic Education found that 96 percent of adults believe basic economics should be a required part of the high school curriculum.

Currently, 38 of the 50 states have adopted guidelines for teaching economics in high school, but only 16 mandate that schools offer a course and just 13 require that students take the course. Even in those states, more needs to be done, and is being done, to train teachers and incorporate more basic financial literacy concepts in the course.

"They all should do it," Salisbury said. "If we require students to take English and to take history to graduate, we should require that they learn basic financial survival skills."

If they all did, maybe the students could then educate their parents on the basics of budgeting and handling credit. Then saving and investing would not be a subject that 30 percent of parents never discuss with their children, according to the Youth & Money survey.

"What's most effective is for students to take what they learn in school about finance and discuss it with their parents," said Paul Yakoboski, director of research for the savings council.

TEENS ABLE TO CALCULATE HOW SAVINGS CAN ADD UP

Would you shell out $4,700 for a pair of sneakers? How about $2,800 for a computer game or $300 for a fast-food meal?

The sums may sound outlandishly high, but that is how much a 13-year-old could save if he invested for retirement, rather than spending $75 for a pair of sneakers, $45 for a computer game and $5 for a fast-food meal, according to "AIE Savings Calculator," which was launched recently on the Web at www.investoreducation.org by the non-profit Alliance for Investor Education.

The calculator allows a child to enter his or her age, a typical purchase or any dollar amount, and then see how much the money might be worth if it was invested for 10 years, 25 years and to the age of retirement. The calculator is based on an 8 percent annual rate of growth, a stock market average in recent years.

[From USA Today, Feb. 13, 2001]

DEBT SMOTHERS YOUNG AMERICANS

(By Christine Dugas)

For many living in a world of easy credit, digging out of debt can become a way of life: 18- to 35-year-olds often live paycheck to paycheck, using credit for restaurant meals and high-tech toys. A news study says the average undergrad now owes $2,748 on credit cards.

As a freshman at the University of Houston in 1995, Jennifer Massey signed up for a credit card and got a free T-shirt. A year later, she had piled up about $20,000 on debt on 14 credit cards.

Paige Hall, 34, returned from her honeymoon in 1997 to find herself laid off from her job at a mortgage company in Atlanta. She was out of work for 4 months. She and her husband, Kevin, soon were trying to figure out how to pay $18,200 in bills from their wedding, honeymoon and furnishings for their new home.

By the time Mistie Medendorp was 29, she had $10,000 in credit card debt and $12,000 in student loans.

Like no other generation, today's 18- to 35-year-olds have grown up with a culture of debt—a product of easy credit, a booming economy and expensive lifestyles.

They often live paycheck to paycheck and use credit cards and loans to finance restaurant meals, high-tech toys and new cars that they couldn't otherwise afford, according to market researchers, debt counselors and consumer advocates.

"Lenders are much more willing to take a risk on people under 25 than they were 15 years ago," says Nina Prikazsky, a vice president at student loan corporation Nellie Mae. "They will give out credit cards based on a college student's expected ability to repay the bills."

Young people are taking advantage of the offers. A study out today from Nellie Mae shows that the average credit card debt among undergraduate students increased by nearly $1,000 in the past two years. On average, they owed $2,748 last year, up from $1,879 in 1998.

At a time when they could be setting aside money for a down payment on a home, many young people are mortgaging their financial future. Instead of getting a head start on saving for retirement, they are spending years digging themselves out of debt.

"I knew for a while that I had a problem. I wouldn't say I was living high on the hog, but when I wanted clothes, I'd buy a new outfit," says Medendorp, an Atlanta resident. "I'd go out to eat and charge it on my cards. There were a bunch of small expenses that added up and got out of control."

Massey, Hall and Medendorp each ended up seeking help from a local consumer credit counseling service. Hundreds of thousands more young people like them are turning to credit counseling or bankruptcy because they can no longer juggle their bills.

In 1999 alone, an estimated 461,000 Americans younger than 35 sought protection from their creditors in bankruptcy, up from about 380,000 in 1991, according to Harvard Law School professor Elizabeth Warren, principal researcher in a national survey of debtors who filed for bankruptcy.

At the Consumer Credit Counseling Service of Greater Denver, more than half of all the clients are 18 to 35 years old, says Darrin Sandoval, director of operations. On average, they have 30% more debt than all other age groups, he says.

"By the time they begin to settle into a suburban lifestyle, they are barely able to meet their debt obligations," Sandoval says. "If there is a job loss, an unexpected medical expense or the birth of a child, they supplement their income with credit cards. Soon they are being financially crushed."

DEBT HEADS

Unlike the baby boom generation—raised by Depression-era parents—young Americans today are often unfazed by the amount of debt they carry.

"This generation has lived through a time when everything was on the upswing," says J. Walker Smith, president of Yankelovich Partners, a market research firm. "There is no sense of worry about being over-leveraged. It all seems to work out."

Kevin Jackson, a 32-year-old software engineer in Denver, has about $8,000 in credit card debt and a $20,000 home-equity loan. He doesn't believe he has a debt problem, though his goal is to reduce his credit card balance to $2,000.

"You learn to live with a certain amount of debt," he says. "It's a means to an end. There is something to be said for paying for everything and something to be said for enjoying life, as long as you do it responsibly."

Unfortunately, enjoying life can be expensive, especially for many young Americans who feel it is essential to have the latest high-tech products and services, such as a cellphone, pager, voice mail, a computer with a second phone line or a DSL connection, an Internet service provider and a Palm Pilot.

Jackson just bought a DVD player and a big-screen TV. "I try to control costs," he says. "I easily could have spent $5,000 on the TV, but instead I paid $2,000 and I got a one-year, no-interest deal."

Movies, TV shows and advertising only reinforce the idea that young people are entitled to have an affluent lifestyle. "We're encouraged to overspend," says Jason Anthony, 31, co-author of Debt-free by 30, a book he wrote with a friend after they found themselves drowning in debt.

"We all see shows like Melrose Place and Beverly Hills 90210. It creates tremendous pressure to keep up. I'm one of the few persons who think a recession will be good for my generation. Our expectations are so elevated. In the frenzy to keep up, we've gotten into financial trouble," he says.

THE PERILS OF PLASTIC

Consumers like Massey, who get bogged down in credit card debt before they even graduate from college, learn the hard way about managing money. Now 24 and married, Massey has a good job in marketing. She has cut up her credit cards and is gradually repaying her debts. However, there have been consequences: She had to explain to her boss that because she no longer has a credit card, she cannot travel for work if it involves renting a car or booking a hotel reservation on her own. She had to tell her husband about her debt problems before they were married.

"I lack confidence now," Massey says. "I'm hard on myself because of my mistakes. But I blame the credit card companies and the university for allowing them to promote the cards on campus without educating students about credit."

The percentage of undergraduate college students with a credit card jumped from 67% in 1998 to 78% last year, according to the Nellie Mae study. And many of them are filing their wallets with cards. Last year, 32% said they had four or more cards, up from 27% two years earlier.

Although graduate students have an even bigger appetite for credit, they are starting to show signs of restraint. Their average debt declined slightly from $4,925 in 1998 to $4,776 last year, Nellie Mae says.

Many young people will be saddled with credit card debts for years, experts say. Among all age groups, credit card holders younger than 35 are the least likely to pay their bills in full each month, according to Robert Manning, author of Credit Card Nation.

Though credit cards and uncontrolled spending are a combustible combination, many young people are pushed to the financial edge by the staggering cost of college. The average annual tuition at a four-year private university jumped to $16,332 last year from $7,207 in 1980, according to the College Board. Between 1991 and 2000, the average student loan burden among households under 35 increased nearly 142% to $15,700, according to an exclusive analysis of the finances of 18- to 34-year-olds for USA TODAY by Claritas, a market research firm based in San Diego.

Those who choose to go on and get a graduate degree pay an even higher price. Another Nellie Mae study found that those who borrow for graduate work, and specifically those in expensive professional programs in law and medicine, are likely to have unusually high debt burdens that are not always offset by comparably high salaries.

Karen Mann didn't need a survey to come to that conclusion. Her husband, Michael, is about to start his career as an orthopedic surgeon after racking up $400,000 in loans during four years of undergraduate school, four years of medical school, one year in an MBA program and a 5-year residency program.

During his residency and a subsequent fellowship, payments and some of the interest on his student loan have been deferred. Soon they'll have to begin paying them off.

The interest payment alone is $20,000 a year.

The Manns are not extravagant, "I've always saved, and I have a budget," says Karen, 31. "I'd love to buy a house, but there's no way. We haven't been able to afford kids yet. The loans are so awesome that you do get crazy."

PAYING FOR EVERYTHING WITH CASH

The Manns are not alone in having to defer important goals because of heavy debt loads. Medendorp, a social worker in Decatur, Ga., lives on a budget and is diligently paying her bills with the help of a Consumer Credit Counseling Service debt-management plan. She pays for everything with cash. There are many things she'd like to do but can't afford, such as having laser eye surgery, going back to school and buying a home.

"When you get in a tar pit, forget about buying a home," author Anthony says. "Instead of saving for a down payment, you're making credit card payments."

At a time when the overall U.S. homeownership rate has risen to historic highs, young Americans are less likely than people their age 10 years ago to buy a home. The homeownership rate for heads of households younger than 35 had declined from 41.2% in 1982 to 39.7% in 1999, according to the Census Bureau. And if they own a home, young people tend to make smaller down payments or borrow against what equity they have. As a result, the average amount of equity accumulated by homeowners younger than 35 has shrunk to about $49,200 in 1999, from $57,100 10 years earlier, according to a study from the Consumer Federation of America.

"For middle-income Americans, the most important form of private savings is home equity," says Stephen Brobeck, executive director of the Consumer Federation of America. "It's essential to have paid off a mortgage by retirement so that living expenses are lower and one has an asset that can be borrowed on or sold if necessary."

By almost every measure, young people are falling behind. Between 1995 and 1998, the median net worth of families rose for all age groups except for the under-35 group. Their median net worth declined from $12,700 to $9,000, according to the Federal Reserve.

That is not to say that young people today are slackers and deadbeats, as they have sometimes been characterized. Many work hard and often make good incomes. Although they may have a lot of debt, they also are very focused on saving and investing, especially through 401(k)-type retirement accounts. Jackson, for example, contributes the maximum to his 401(k) plan.

"They want to protect themselves against future uncertainty," Smith says. "They absolutely don't expect that Social Security will be around for them."

But it's hard to save money if you are head over heels in debt. Massey earns $32,000 a year. With her husband, their annual income is more than $100,000. "But we're still broke trying to pay our bills," she says.

By Mr. HARKIN:

S. 892. A bill to amend the Clean Air Act to phase out the use of methyl tertiary butyl ether in fuels of fuel additives, to promote the use of renewable fuels, and for other purposes; to the Committee on Environment and Public Works.

Mr. HARKIN. Mr. President, I am introducing today legislation designed to address the extensive problems that have been caused by the gasoline additive methyl tertiary butyl ether, MTBE, to make appropriate revisions to the reformulated gasoline, RFG, program in the Clean Air Act, and to increase greatly the use of renewable motor vehicle fuels. The bill is similar to legislation I introduced in the previous Congress.

We have to get MTBE out of our gasoline. This is absolutely clear. Even in Iowa, where we are not required to have oxygenated fuels or RFG, a recent survey found a surprising level of water contamination with MTBE. So my legislation requires a phased reduction in the use of MTBE in motor fuel and then a prohibition of MTBE in fuel or fuel additives beginning three years after enactment.

My legislation recognizes the benefits that have been provided by the oxygen content requirement in the reformulated gasoline program. Oxygen added to gasoline reduces emissions of carbon monoxide, toxic compounds and fine particulate matter. So my legislation continues the oxygen content requirement, but it would allow, in certain circumstances upon a proper showing, averaging of the oxygen content requirement over a period of time up to a year.

The legislation also ensures that all health benefits of the reformulated gasoline program are maintained and improved, and includes very strong provisions to ensure that there is no backsliding in air quality and health benefits from cleaner burning reformulated gasoline. The petroleum companies would also be prohibited from taking the pollutants from gasoline in some areas and putting them back into gasoline in other areas of the country that are not subject to the more stringent air quality standards. Those are referred to as the anti-dumping protections. My bill places tighter restrictions on highly polluting aromatic and olefin content of reformulated gasoline.

My legislation also recognizes the important role of renewable fuels in improving our environment, building energy security for out nation, and increasing farm income, economic growth and job creation, especially in rural areas. The legislation creates a national renewable content requirement for motor vehicle fuel. The requirement would not be a mandate that any particular user of gasoline or diesel fuel has to use the renewable fuel, but it would require the petroleum industry to ensure that renewable fuels make up a certain minimum percentage of the total U.S. supply of motor vehicle fuel, gasoline and diesel fuel. By 2011, that percentage would be about 5 percent on a volume basis, 3.3 percent based on energy content or approximately 10 billion gallons based on current estimates of gasoline and diesel consumption.

Overall, this legislation will get MTBE out of gasoline, maintain and improve the air quality and health benefits of the reformulated gasoline program and the Clean Air Act, and put our nation on a solid path toward greater use of renewable fuels.

I urge my colleagues to support this important legislation.

I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 892

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Clean and Renewable Fuels Act of 2001".

SEC. 2. USE AND CLEANUP OF METHYL TERTIARY BUTYL ETHER.

(a) In General.—Section 211(c) of the Clean Air Act (42 U.S.C. 7545(c)) is amended by adding at the end the following:

"(5) Prohibition on methyl tertiary butyl ether and other ether compounds.—

"(A) Specified nonattainment areas.—

"(i) In general.—Effective beginning January 1, 2002, a person shall not sell or dispense to ultimate consumers any fuel or fuel additive containing methyl tertiary butyl ether in an area of the United States other than an area described in clause (ii).

"(ii) Areas.—An area described in this clause is an area that is a specified nonattainment area—

"(I) that is required to meet the oxygen content requirement for reformulated gasoline established under subsection (k); and

"(II) in which methyl tertiary butyl ether was used to meet the oxygen content requirement before January 1, 2001.

"(B) Interim period of use of MTBE in a fuel or fuel additive.—

"(i) Phased reduction.—

"(I) In general.—The Administrator shall promulgate regulations to require—

"(aa) during the 1-year period beginning on the date that is 1 year after the date of enactment of this paragraph, a ⅓ reduction in the quantity of methyl tertiary butyl ether that may be sold or dispensed for use in a fuel or fuel additive;

"(bb) during the 1-year period beginning on the date that is 2 years after the date of enactment of this paragraph, a ⅔ reduction in the quantity of methyl tertiary butyl ether that may be sold or dispensed for use in a fuel or fuel additive; and

"(cc) that in no area does the quantity of methyl tertiary butyl ether sold or dispensed for use in a fuel or fuel additive increase.

"(II) Basis for reductions.—Reductions under subclause (I) shall be based on the quantity of methyl tertiary butyl ether sold or dispensed for use in a fuel or fuel additive in the United States during the 1-year period ending on the date of enactment of this paragraph.

"(III) Equitable treatment.—The regulations promulgated by the Administrator under subclause (I) shall, to the maximum extent practicable, provide equitable treatment—

"(aa) on a geographical basis; and

"(bb) among fuel manufacturers, refiners, distributors, and retailers.

"(IV) Trading of authorizations to sell or dispense MTBE.—To facilitate the most orderly and efficient reduction in the use of methyl tertiary butyl ether in a fuel or fuel additive, the regulations promulgated by the Administrator under subclause (I) may allow for persons subject to the regulations to sell to and purchase from each other authorizations to sell or dispense methyl tertiary butyl ether for use in a fuel or fuel additive.

"(ii) Labeling.—

"(I) In general.—The Administrator shall promulgate regulations that require any person selling or dispensing gasoline that contains methyl tertiary butyl ether at retail prominently to label the gasoline dispensing system for the gasoline with a notice—

"(aa) stating that the gasoline contains methyl tertiary butyl ether; and

"(bb) providing such information concerning the human health and environmental risks associated with methyl tertiary butyl ether as the Administrator determines to be appropriate.

"(II) Period of effectiveness.—The regulations promulgated under subclause (I) shall be effective during the period—

"(aa) beginning as soon as practicable, but not later than 60 days, after the date of enactment of this paragraph; and

"(bb) ending on the date that is 3 years after the date of enactment of this paragraph.

"(C) Prohibition on use of MTBE in a fuel or fuel additive.—Effective beginning on the date that is 3 years after the date of enactment of this paragraph, a person shall not manufacture, introduce into commerce, offer for sale, sell, or dispense a fuel or fuel additive containing methyl tertiary butyl ether or any other ether compound.

"(D) Waiver.—The Administrator may by regulation waive the prohibition under subparagraph (C) with respect to an ether compound other than methyl tertiary butyl ether if the Administrator determines that the use of the ether compound in a fuel or fuel additive will not pose a significant risk to human health or the environment.

"(E) Areas of MTBE contamination.—If the Administrator finds that methyl tertiary butyl ether is contaminating or posing a substantial risk of contamination of soil, ground water, or surface water in an area, the Administrator may take such action as is necessary to protect human health and the environment in the area, including requiring a more rapid reduction (including immediate termination) of the quantity of methyl tertiary butyl ether sold or dispensed for use in a fuel or fuel additive in the area than required under subparagraph (A) or (B).

"(F) State authority to regulate MTBE.—Notwithstanding any other provision of law, a State may impose such restrictions, including a prohibition, on the manufacture, sale, or use of methyl tertiary butyl ether in a fuel or fuel additive as the State determines to be appropriate to protect human health and the environment.".

(b) Remedial Action Concerning MTBE Contamination.—

(1) Underground storage tanks.—Section 9003(h) of the Solid Waste Disposal Act (42 U.S.C. 6991b(h)) is amended by striking paragraph (3) and inserting the following:

"(3) Priority.—In carrying out a corrective action under this subsection, or in issuing an order that requires an owner or operator to carry out a corrective action under this subsection, the Administrator (or a State under paragraph (7)) shall give priority to a release of petroleum from an underground storage tank that poses the greatest threat to human health, human welfare, and the environment.".

(2) Cleanup guidelines.—Section 1442 of the Safe Drinking Water Act (42 U.S.C. 300j-1) is amended by adding at the end the following:

"(f) Cleanup Guidelines for MTBE.—

"(1) In general.—The Administrator—

"(A) shall develop technical guidelines to assist States, local governments, private landowners, and other interested parties in the investigation and cleanup of methyl tertiary butyl ether in soil or ground water; and

"(B) may enter into cooperative agreements with the United States Geological Survey, the Department of Agriculture, States, local governments, private landowners, and other interested parties—

"(i) to establish voluntary pilot projects for the cleanup of methyl tertiary butyl ether and the protection of private wells from contamination by methyl tertiary butyl ether; and

"(ii) to provide technical assistance in carrying out such projects.

"(2) Private wells.—This subsection does not authorize the issuance of guidance or regulations concerning the use or protection of private wells.".

(3) State source water assessment programs.—Section 1453(a) of the Safe Drinking Water Act (42 U.S.C. 300j–13(a)) is amended by adding at the end the following:

"(8) MTBE contamination.—

"(A) In general.—The Administrator shall amend the guidance under this subsection to require that State source water assessment programs be revised to give high priority to ground water areas and aquifers that have been contaminated, or are most vulnerable to contamination, by methyl tertiary butyl ether.

"(B) Approval of revisions.—Each revision under subparagraph (A) shall be submitted and approved or disapproved by the Administrator in accordance with the schedule described in paragraph (3).".

SEC. 3. OXYGEN CONTENT REQUIREMENT UNDER REFORMULATED GASOLINE PROGRAM.

Section 211(k)(1) of the Clean Air Act (42 U.S.C. 7545(k)(1)) is amended—

(1) in the first sentence—

(A) by striking "Within 1 year after the enactment of the Clean Air Act Amendments of 1990," and inserting the following:

"(A) In general.—Not later than November 15, 1991,"; and

(B) by inserting before the period at the end the following: "and opt-in areas under paragraph (6)";

(2) in the second sentence—

(A) by inserting "and other" after "volatile organic"; and

(B) by inserting "and precursors of toxic air pollutants" after "toxic air pollutants"; and

(3) by adding at the end the following:

"(B) Waiver of per-gallon oxygen content requirement.—

"(i) Procedure for submission of petitions.—The Administrator shall promulgate regulations that establish a procedure providing for the submission of petitions for—

"(I) a waiver, with respect to an area, of any per-gallon oxygen content requirement established under paragraph (2)(B) or (3)(A)(v); and

"(II) the averaging, with respect to an area, of the oxygen content requirement established under paragraphs (2)(B) and (3)(A)(v) over such period of time, not to exceed 1 year, as is determined appropriate by the Administrator.

"(ii) Criteria for granting of petitions.—After consultation with the Secretary of Energy and the Secretary of Agriculture, the Administrator shall grant a petition submitted under clause (i) if the Administrator finds that granting the petition is necessary—

"(I) to avoid a shortage or disruption in supply of reformulated gasoline;

"(II) to avoid the payment by consumers of excessive prices for reformulated gasoline; or

"(III) to facilitate the attainment by an area of a national primary ambient air quality standard.

"(iii) Maintenance of human health and environmental benefits.—The regulations promulgated under clause (i) shall ensure that the human health and environmental benefits of reformulated gasoline are fully maintained during the period of any waiver of a per-gallon oxygen content requirement.".

SEC. 4. LIMITATIONS ON AROMATICS AND OLEFINS IN REFORMULATED GASOLINE.

Section 211(k)(3)(A) of the Clean Air Act (42 U.S.C. 7545(k)(3)(A)) is amended—

(1) by striking clause (ii) and inserting the following:

"(ii) Aromatics.—

"(I) In general.—The aromatic hydrocarbon content of the reformulated gasoline shall not exceed 22 percent by volume.

"(II) Average.—The average aromatic hydrocarbon content of the reformulated gasoline shall not exceed the average aromatic hydrocarbon content of reformulated gasoline sold in covered areas for use in baseline vehicles when using reformulated gasoline during either calendar year 1999 or calendar year 2000.

"(III) Maximum per gallon.—No gallon of reformulated gasoline shall have an aromatic hydrocarbon content in excess of 30 percent."; and

(2) by adding at the end the following:

"(vi) Olefins.—

"(I) In general.—The olefin content of the reformulated gasoline shall not exceed 8 percent by volume.

"(II) Average.—The average olefin content of the reformulated gasoline shall not exceed the average olefin content of reformulated gasoline sold in covered areas for use in baseline vehicles when using reformulated gasoline during either calendar year 1999 or calendar year 2000.

"(III) Maximum per gallon.—No gallon of reformulated gasoline shall have an olefin content in excess of 10 percent.".

SEC. 5. MODIFICATION OF PERFORMANCE STANDARDS.

Section 211(k)(3)(B) of the Clean Air Act (42 U.S.C. 7545(k)(3)(B)) is amended—

(1) in the last sentence of clause (i), by inserting before the period at the end the following: ", and, to the maximum extent practicable using available science, determined on the basis of the ozone-forming potential of volatile organic compounds and taking into account the effect on ozone formation of reducing carbon monoxide emissions"; and

(2) in clause (ii)—

(A) in the first sentence, by inserting ", or precursors of toxic air pollutants," after "toxic air pollutants" each place it appears;

(B) in the second sentence, by inserting before the period at the end the following: ", or precursors of toxic air pollutants";

(C) in the third sentence, by inserting ", or precursors," after "such air pollutants"; and

(D) in the last sentence, by inserting before the period at the end the following: ", and, to the maximum extent practicable using available science, determined on the basis of the relative toxicity or carcinogenic potency, whichever is more protective of human health and the environment".

SEC. 6. ANTI-BACKSLIDING.

(a) In General.—Section 211(k)(3)(B) of the Clean Air Act (42 U.S.C. 7545(k)(3)(B)) is amended—

(1) in the last sentence, by striking "Any reduction" and inserting the following:

"(iii) Treatment of greater reductions.—Any reduction"; and

(2) by adding at the end the following:

"(iv) ANTI-BACKSLIDING PROVISION.—

"(I) IN GENERAL.—Not later than October 1, 2001, the Administrator shall revise performance standards under this subparagraph as necessary to ensure that—

"(aa) the ozone-forming potential, taking into account all ozone precursors (including volatile organic compounds, oxides of nitrogen, and carbon monoxide), of the aggregate emissions during the high ozone season (as determined by the Administrator) from baseline vehicles when using reformulated gasoline does not exceed the ozone-forming potential of the aggregate emissions during the high ozone season from baseline vehicles when using reformulated gasoline that complies with the regulations that were in effect on January 1, 2000, and were applicable to reformulated gasoline sold in calendar year 2000 and subsequent calendar years; and

"(bb) the aggregate emissions of the pollutants specified in subclause (II), or precursors of those pollutants, from baseline vehicles when using reformulated gasoline do not exceed the aggregate emissions of those pollutants, or precursors, from baseline vehicles when using reformulated gasoline that complies with the regulations that were in effect on January 1, 2000, and were applicable to reformulated gasolines sold in calendar year 2000 and subsequent calendar years.

"(II) SPECIFIED POLLUTANTS.—The pollutants specified in this subclause are—

"(aa) toxic air pollutants, categorized by degree of toxicity and carcinogenic potency;

"(bb) particulate matter (PM-10) and fine particulate matter (PM-2.5);

"(cc) pollutants regulated under section 108; and

"(dd) such other pollutants, and precursors to pollutants, as the Administrator determines by regulation should be controlled to prevent the deterioration of air quality and to achieve attainment of a national ambient air quality standard in 1 or more areas.

"(III) ADJUSTMENT FOR EMISSIONS OF CARBON MONOXIDE.—

"(aa) IN GENERAL.—In carrying out subclause (I), the Administrator shall adjust the performance standard for emissions of volatile organic compounds under this subparagraph to account for emissions of carbon monoxide that are greater than or less than the carbon monoxide baseline determined under item (bb).

"(bb) CARBON MONOXIDE BASELINE.—The carbon monoxide baseline shall be equal to the mass carbon monoxide emissions achieved by reformulated gasoline that contains 2 percent oxygen by weight and meets the other performance standards under this subparagraph.".

(b) REFORMULATED GASOLINE CARBON MONOXIDE REDUCTION CREDIT.—Section 182(c)(2)(B) of the Clean Air Act (42 U.S.C. 7511a(c)(2)(B)) is amended by adding at the end the following: "An adjustment to the volatile organic compound emission reduction requirements under section 211(k)(3)(B)(iv) shall be credited toward the requirement for VOC emissions reductions under this subparagraph.".

SEC. 7. CERTIFICATION OF FUELS AS EQUIVALENT TO REFORMULATED GASOLINE.

Section 211(k)(4)(B) of the Clean Air Act (42 U.S.C. 7545(k)(4)(B)) is amended—

(1) by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and indenting appropriately to reflect the amendments made by this section;

(2) by striking "The Administrator" and inserting the following:

"(i) IN GENERAL.—The Administrator";

(3) in clause (i) (as designated by paragraph (2))—

(A) in subclause (I) (as redesignated by paragraph (1)), by striking ", and" and inserting a semicolon;

(B) in subclause (II) (as redesignated by paragraph (1))—

(i) by striking "achieve equivalent" and inserting the following: "achieve—

"(aa) equivalent";

(ii) by striking the period at the end and inserting "; or"; and

(iii) by adding at the end the following:

"(bb) combined reductions in emissions of ozone forming volatile organic compounds and carbon monoxide that result in a reduction in ozone concentration, as provided in clause (ii)(I), that is equivalent to or greater than the reduction in ozone concentration achieved by a reformulated gasoline meeting the applicable requirements of paragraph (3);"; and

(C) by adding at the end the following:

"(III) achieve equivalent or greater reductions in emissions of toxic air pollutants, or precursors of toxic air pollutants, than are achieved by a reformulated gasoline meeting the applicable requirements of paragraph (3); and

"(IV) meet the requirements of paragraph (3)(B)(iv)."; and

(4) by adding at the end the following:

"(ii) CARBON MONOXIDE CREDIT.—

"(I) IN GENERAL.—In determining whether a fuel formulation or slate of fuel formulations achieves combined reductions in emissions of ozone forming volatile organic compounds and carbon monoxide in an area that result in a reduction in ozone concentration that is equivalent to or greater than the reduction in ozone concentration achieved by a reformulated gasoline meeting the applicable requirements of paragraph (3) in the area, the Administrator—

"(aa) shall consider, to the extent appropriate, the change in carbon monoxide emissions from baseline vehicles attributable to an oxygen content in the fuel formulation or slate of fuel formulations that exceeds any minimum oxygen content requirement for reformulated gasoline applicable to the area; and

"(bb) may consider, to the extent appropriate, the change in carbon monoxide emissions described in item (aa) from vehicles other than baseline vehicles.

"(II) OXYGEN CREDITS.—Any excess oxygen content that is taken into consideration in making a determination under subclause (I) may not be used to generate credits under paragraph (7)(A).

"(III) RELATION TO TITLE I.—Any fuel formulation or slate of fuel formulations that is certified as equivalent or greater under this subparagraph, taking into consideration the combined reductions in emissions of volatile organic compounds and carbon monoxide, shall receive the same volatile organic compounds reduction credit for the purposes of subsections (b)(1) and (c)(2)(B) of section 182 as a fuel meeting the applicable requirements of paragraph (3).".

SEC. 8. ADDITIONAL OPT-IN AREAS UNDER REFORMULATED GASOLINE PROGRAM.

Section 211(k)(6) of the Clean Air Act (42 U.S.C. 7545(k)(6)) is amended—

(1) by striking "(6) OPT-IN AREAS.—(A) Upon" and inserting the following:

"(6) OPT-IN AREAS.—

"(A) CLASSIFIED AREAS.—

"(i) IN GENERAL.—Upon";

(2) in subparagraph (B), by striking "(B) If" and inserting the following:

"(ii) EFFECT OF INSUFFICIENT DOMESTIC CAPACITY TO PRODUCE REFORMULATED GASOLINE.—If";

(3) in subparagraph (A)(ii) (as so redesignated)—

(A) in the first sentence, by striking "subparagraph (A)" and inserting "clause (i)"; and

(B) in the second sentence, by striking "this paragraph" and inserting "this subparagraph"; and

(4) by adding at the end the following:

"(B) NONCLASSIFIED AREAS.—

"(i) IN GENERAL.—Upon the application of the Governor of a State, the Administrator shall apply the prohibition specified in paragraph (5) in any area in the State that is not a covered area or an area referred to in subparagraph (A)(i).

"(ii) PUBLICATION OF APPLICATION.—As soon as practicable after receipt of an application under clause (i), the Administrator shall publish the application in the Federal Register.".

SEC. 9. UPDATING OF BASELINE YEAR.

(a) IN GENERAL.—Section 211(k)(8) of the Clean Air Act (42 U.S.C. 7545(k)(8)) is amended—

(1) by striking subparagraph (A) and inserting the following:

"(A) REGULATIONS.—

"(i) EMISSIONS.—The Administrator shall promulgate regulations applicable to each refiner, blender, or importer of gasoline ensuring that gasoline sold or introduced into commerce by the refiner, blender, or importer (other than reformulated gasoline subject to the requirements of paragraph (1)) does not result in average per gallon emissions of—

"(I) volatile organic compounds;

"(II) oxides of nitrogen;

"(III) carbon monoxide;

"(IV) toxic air pollutants;

"(V) particulate matter (PM-10) or fine particulate matter (PM-2.5); or

"(VI) any precursor of a pollutant specified in subclauses (I) through (V);

in excess of such emissions of such pollutants attributable to gasoline sold or introduced into commerce in calendar year 1999 or calendar year 2000, in whichever occurred the lower of such emissions, by that refiner, blender, or importer.

"(ii) MEASUREMENT OF AVERAGE PER GALLON EMISSIONS.—For the purposes of clause (i), average per gallon emissions shall be measured on the basis of—

"(I) mass; and

"(II) to the maximum extent practicable using available science—

"(aa) ozone-forming potential;

"(bb) degree of toxicity; and

"(cc) carcinogenic potency.

"(iii) AROMATIC HYDROCARBON CONTENT AND OLEFIN CONTENT.—The Administrator shall promulgate regulations applicable to each refiner, blender, or importer of gasoline ensuring that gasoline sold or introduced into commerce by the refiner, blender, or importer (other than reformulated gasoline subject to the requirements of paragraph (1)) does not have an aromatic hydrocarbon content or olefin content in excess of such content of gasoline sold or introduced into commerce in calendar year 1999 or calendar year 2000, in whichever occurred the lower of such content, by that refiner, blender, or importer.";

(2) in subparagraph (C)—

(A) by striking "clauses (i) through (iv)" and inserting "subclauses (I) through (VI) of subparagraph (A)(i)";

(B) by inserting “or volatile organic compounds” after “nitrogen”; and

(C) by striking “(on a mass basis)” and inserting “(as measured in accordance with subparagraph (A)(ii))”; and

(3) in subparagraph (E)—

(A) by striking “calendar year 1990” and inserting “calendar year 1999 or calendar year 2000 (as determined under subparagraph (A)(i))”; and

(B) by striking “such 1990 gasoline” and inserting “such 1999 or 2000 gasoline”.

(b) Regulations.—As soon as practicable after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall revise the regulations promulgated under section 211(k) of the Clean Air Act (42 U.S.C. 7545(k)) to reflect the amendments made by subsection (a).

SEC. 10. RENEWABLE CONTENT OF GASOLINE AND DIESEL FUEL.

(a) In General.—Section 211 of the Clean Air Act (42 U.S.C. 7545) is amended—

(1) by redesignating subsection (o) as subsection (p); and

(2) by inserting after subsection (n) the following:

“(o) Renewable Content of Motor Vehicle Fuel.—

“(1) In general.—

“(A) Regulations.—Not later than September 1, 2001, the Administrator shall promulgate regulations applicable to each refiner, blender, or importer of motor vehicle fuel to ensure that motor vehicle fuel sold or introduced into commerce in the United States by the refiner, blender, or importer complies with the renewable content requirements of this subsection.

“(B) Renewable content requirements.—

“(i) In general.—All motor vehicle fuel sold or introduced into commerce in the United States by a refiner, blender, or importer shall contain, on a semiannual average basis, a quantity of fuel derived from a renewable source, measured on a gasoline-equivalent energy content basis (as determined by the Secretary of Energy) that is not less than the applicable percentage by volume for the semiannual period.

“(ii) Applicable percentage.—For the purposes of clause (i), the applicable percentage for a semiannual period of a calendar year shall be determined in accordance with the following table:

“Calendar year:	Applicable percentage of fuel derived from a renewable source:
2001	0.8
2002	1.0
2003	1.2
2004	1.4
2005	1.6
2006	1.8
2007	2.1
2008	2.4
2009	2.7
2010	3.0
2011 and thereafter	3.3.

“(C) Fuel derived from a renewable source.—For the purposes of this subsection, a fuel shall be considered to be derived from a renewable source if the fuel—

“(i) is produced from—

“(I) agricultural commodities, agricultural products, or residues of agricultural commodities or agricultural products;

“(II) plant materials, including grasses, fibers, wood, and wood residues;

“(III) dedicated energy crops and trees;

“(IV) animal wastes, animal byproducts, and other materials of animal origin;

“(V) municipal wastes and refuse derived from plant or animal sources; and

“(VI) other biomass; and

“(ii) is used to replace or reduce the quantity of fossil fuel present in a fuel mixture used to operate a motor vehicle, motor vehicle engine, nonroad vehicle, or nonroad engine.

“(D) Credit program.—

“(i) In general.—The regulations promulgated under this subsection shall provide for the generation of an appropriate amount of credits by a person that refines, blends, or imports motor vehicle fuel that contains, on a semiannual average basis, a quantity of fuel derived from a renewable source that is greater than the quantity required under subparagraph (B).

“(ii) Use of credits.—The regulations shall provide that a person that generates the credits may use the credits, or transfer all or a portion of the credits to another person, for the purpose of complying with subparagraph (B).

“(iii) Regulations to prevent excessive geographical concentration.—The Administrator, in consultation with the Secretary of Energy and the Secretary of Agriculture, may promulgate regulations governing the generation and trading of credits described in clause (i) in order to prevent excessive geographical concentration in the use of fuel derived from a renewable source that would tend unduly—

“(I) to affect the price, supply, or distribution of such fuel;

“(II) to impede the development of the renewable fuels industry; or

“(III) to otherwise interfere with the purposes of this subsection.

“(2) Waivers.—

“(A) In general.—The Administrator, in consultation with the Secretary of Agriculture and the Secretary of Energy, may waive the requirements of paragraph (1)(B) with respect to an area in whole or in part on petition by a State—

“(i) based on a determination by the Administrator, after public notice and opportunity for comment, that—

“(I) implementation of the requirements would severely harm the economy or environment of the area; or

“(II) there is an inadequate domestic supply or distribution capacity with respect to fuel from renewable sources in the area to meet the requirements of paragraph (1)(B); and

“(ii) only after a determination by the Administrator that use of the credit program described in paragraph (1)(D) would not adequately alleviate the circumstances on which the petition is based.

“(B) Approval.—The Administrator shall approve a waiver under subparagraph (A) only to the extent necessary to—

“(i) avoid severe economic or environmental harm; or

“(ii) equalize demand with supply or distribution capacity.

“(C) Petitions for waivers.—The Administrator, in consultation with the Secretary of Agriculture and the Secretary of Energy—

“(i) shall approve or deny a State petition for a waiver of the requirements of paragraph (1)(B) within 180 days after the date on which the petition is received; but

“(ii) may extend that period for up to 60 additional days to provide for public notice and opportunity for comment and for consideration of the comments submitted.

“(D) Termination of waivers.—A waiver granted under subparagraph (A) shall terminate on the earlier of—

“(i) the date on which the Administrator, in consultation with the Secretary of Agriculture and the Secretary of Energy, determines that the reason for the waiver no longer exists; or

“(ii) the date that is 1 year after the date on which the waiver is granted.

“(3) Reports to congress.—Not less often than every 3 years, the Administrator shall—

“(A) in consultation with the Secretary of Agriculture, submit to Congress a report that describes—

“(i) the impact of implementation of this subsection on—

“(I) the demand for farm commodities, biomass, and other materials used for producing fuel derived from a renewable source; and

“(II) the adequacy of food and feed supplies; and

“(ii) the effect of implementation of this subsection on farm income, employment, and economic growth, particularly in rural areas; and

“(B) in consultation with the Secretary of Energy, submit to Congress a report that—

“(i) describes greenhouse gas emission reductions that result from implementation of this subsection; and

“(ii) assesses the effect of implementation of this subsection on United States energy security and reliance on imported petroleum.”.

(b) Penalties and Enforcement.—Section 211(d) of the Clean Air Act (42 U.S.C. 7545(d)) is amended—

(1) in paragraph (1)—

(A) in the first sentence, by striking “or (n)” each place it appears and inserting “(n), or (o)”; and

(B) in the second sentence, by striking “or (m)” and inserting “(m), or (o)”; and

(2) in the first sentence of paragraph (2), by striking “and (n)” each place it appears and inserting “(n), and (o)”.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 89—EXPRESSING THE SENSE OF THE SENATE WELCOMING TAIWAN'S PRESIDENT CHEN SHUI-BIAN TO THE UNITED STATES

Mr. TORRICELLI (for himself, Mr. Helms, and Mr. Murkowski) submitted the following resolution; which was referred to the Committee on Foreign Relations.

S. Res. 89

Whereas for more than 50 years a close relationship has existed between the United States and Taiwan which has been of enormous economic, cultural, and strategic advantage to both countries;

Whereas the United States and Taiwan share common ideals and a vision for the 21st century, where freedom and democracy are the strongest foundations for peace and prosperity;

Whereas Taiwan has demonstrated an improved record on human rights and a commitment to the democratic ideals of freedom of speech, freedom of the press, and free and fair elections routinely held in a multiparty system, as evidenced by the election on March 18, 2000, of Mr. Chen Shui-bian as Taiwan's new president; and

Whereas the upcoming May 21 visit to the United States of Taiwan's President Chen Shui-bian is another significant step in the broadening of relations between the United States and Taiwan: Now, therefore, be it

Resolved, That the Senate—

(1) warmly welcomes Taiwan's President Chen Shui-bian upon his visit to the United States;

(2) requests president Chen Shui-bian to communicate to the people of Taiwan the support of the United States Congress and of the American people; and

(3) recognizes that the visit of Taiwan's President Chen Shui-bian to the United States is a significant step towards broadening and deepening the friendship and cooperation between the United States and Taiwan.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Tuesday, May 15, 2001, to conduct a hearing on the nomination of Mr. Alphonso R. Jackson, of Texas, to be Deputy Secretary of Housing and Urban Development; Mr. Richard A. Hauser, of Maryland, to be General Counsel of the Department of Housing and Urban Development; Mr. John Charles Weicher, of the District of Columbia, to be Assistant Secretary of Housing and Urban Development and serve as the Federal Housing Commissioner; and the Honorable Romolo A. Bernardi, of New York, to be Assistant Secretary of Housing and Urban Development for Community Planning and Development.

The committee will also vote on the nomination of Mr. John E. Robson, of California, to be President of the Export-Import Bank; Mr. Peter R. Fisher, of New Jersey, to be Under Secretary of the Treasury for domestic finance; and Mr. James J. Jochum, of Virginia, to be Assistant Secretary of Commerce for Export Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, May 15, at 9:30 a.m., to conduct an oversight hearing. The committee will consider national energy policy with respect to Federal, State, and local impediments to the siting of energy infrastructure.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet on Tuesday, May 15, 2001, at 2:30 p.m., to receive testimony on the FY02 budget and priorities of the Environmental Protection Agency.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Tuesday, April 15, 2001, to mark up the Taxpayer Relief Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet during the sessions of the Senate on Tuesday, May 15, 2001, at 10 a.m., for a hearing regarding the Financial Outlook of the United States Postal Service.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on Tuesday, May 15, 2001, at 2 p.m., in Dirksen 226.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. GREGG. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on May 15, 2001, at 10 a.m., to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EMERGENCY THREATS AND CAPABILITIES

Mr. GREGG. Mr. President, I ask unanimous consent that the Subcommittee on Emerging Threats and Capabilities of the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, May 15, 2001, at 2:30 p.m., in open and closed sessions to receive testimony on the Department of Energy's defense nuclear nonproliferation programs, in review of the defense authorization request for fiscal year 2002 and the future years defense program.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGES OF THE FLOOR

Mr. REID. Mr. President, I ask unanimous consent that Travis Sullivan, a fellow in Senator CANTWELL's office, be granted floor privileges during the consideration of S. 1, the Elementary and Secondary Education Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that Janet Whitehurst of my staff be granted the privilege of the floor during the remainder of the debate on S. 1.

The PRESIDING OFFICER. Without objection, it is so ordered.

EDUCATION

Mr. JEFFORDS. Mr. President, we have several important amendments pending, but I would like to spend a few minutes discussing the very heart of the bill: Accountability and assessments. I believe the bill before us is the most dramatic reform of the Elementary and Secondary Education Act since 1965. I would like everyone to understand what is in this bill so they can understand how dramatic an impact it will have upon every school in this Nation.

For the first time, we will require all children in grades 3–8 to be annually assessed, and that schools, districts, and States will face consequences if they fail to improve the performance of their students.

Each year—year in, year out—every level of education will be held accountable for showing measurable progress for each group of students they serve. This is the central feature of the legislation, and yet, to judge from press reports and editorials, it is very poorly understood.

I want to do what I can this evening to make sure it is widely understood in this Nation how dramatic the changes are for which we are about to vote.

I am not probably known for unwavering support for the President's agenda, nor, I hope, am I known for going out of my way to criticize the press. But I rise today both to defend the President and to suggest that the press has been sloppy in its reporting and editorial writing on what should be the central issue of the story, education reform.

For the past week or two, there have been a few press accounts and editorials implying that somehow the President or the Senate has caved to pressure, has watered down the standards in this bill, or has walked away from real reform.

In fairness to the press, I realize this is a difficult subject to cover. The topic can be a bit dense, and there is no real bright line as to the kind of progress we can expect from students and schools.

On Thursday, the lead editorial in USA Today read: "Congress Set to Dilute Education Reform," while the subhead read: "Lawmakers gut school accountability, turn backs on minorities."

That editorial is but one example of what I think is the lack of understanding about this bill, especially, it seems, in the press. And while my opinion, of course, is just that, it is based on a wealth of data that can be verified independently. Not only do I think it can be verified, I think it is the obligation of the press to do so before it makes value-laden judgments.

In order to understand where we are, a bit of background is necessary. The major education proposals before the Congress have at their core the requirement that States and schools set high standards in core subject matters and that they measure whether students are achieving those standards; further, that we pay particular attention to the progress of our lowest-achieving students. In other words, we are going to look at the groups of students, as well as the students on a general basis, to make sure that no child is left behind.

As reported from the Committee, both H.R. 1 and S. 1 contain the notion that all students would be proficient in math and reading in 10 years and that a school or school district or State that failed to meet this standard would be deemed to have failed—let me repeat that—and that a school or school district or State that failed to meet this standard would be deemed to have failed.

Further, progress in meeting this goal would be monitored on an annual basis. If a school or district or State failed to make the so-called adequate yearly progress—a term I will use over and over again, "adequate yearly progress," or, for short, AYP—it would be identified as needing school improvement—another phrase to remember—or subject to sanctions if improvement efforts failed.

The concept of AYP is an important one because adequate yearly progress is the bar for judging whether a school or district or State has succeeded or failed.

Legislating that all students should be proficient in 10 years is a wonderful goal, and perhaps for this reason none of us really gave it much thought. Having been involved in the passage of the Goals 2000 Act some years ago, having served on the national goals panel, I must confess that I have become a little wiser about our ability to achieve wonderful goals.

For my colleagues who may not be familiar with the Goals 2000 Act, in it we codified very ambitious goals that we hoped to achieve by the year 2000. For example, back in 1994, we called for our students to be first in the world in math and science—that was a big goal, a goal that we are so far from having fulfilled—and that all students leaving 4th, 8th, and 12th grades would do so with demonstrated competency in challenging subject matter, including English, math, science, foreign language, and so on, all by the year 2000.

Well, 2000 has come and gone. In my view, we have made only limited progress in reaching those goals. We have a long way to go, especially in these goals directly relating to academics. I don't think the lesson to take from this experience is that goals are a bad idea. Rather, I think the lesson is that an unrealistic goal, linked to very real consequences, is a bad idea.

The goal contained in S. 1, as it was reported from the HELP Committee, that all students would be proficient in 10 years, was both admirable and entirely unrealistic. That will explain why we have done what we have. It gives me no great pleasure to say this. I have spent a good part of my career in a continuing effort to improve education for all students, beginning in my very first year in Congress in 1975. Like anyone, I take some pride in my work. I would much rather correct a glaring problem in a piece of legislation before it is reported from my committee, but as has been noted before, wisdom is a rare commodity which should not be rejected merely because it arrives late.

Unlike some of the issues we confront in this Chamber, we have a solid amount of experience in the results of education reform and educational assessment. The same year we put in place the national education goals, we also passed the last reauthorization of ESEA. Among other things, that reauthorization required annual assessments of students served by title I; that is, for economically disadvantaged students. Combined with the efforts of States and especially leaders from Connecticut and North Carolina and Texas, we have a good idea of what States can accomplish.

Thanks to the Internet, which effectively didn't exist during the last reauthorization, it is a simple matter to examine what States and schools have been able to achieve and how they compare with the standards we are contemplating in this legislation.

What you will find when you do so is that the standard we have set in our bill, expecting every child to be proficient in reading and math in 10 years, was simply not going to happen unless States dramatically dumbed down their tests. Moreover, because States used different criteria for determining proficiency, some States would encounter tremendous hurdles relative to other States, as we tried to overlay one Federal goal on top of 50 very different State systems of measurement.

A good example of this is in the comparison of the States of Texas and Missouri. According to the National Assessment of Education Progress, or NAEP, students in Texas and Missouri are almost identical in their reading ability. Yet the two States' assessments could hardly have been more different.

In 1998, when the NAEP reading test was given, Texas, by its own test, judged 79 percent of its students proficient, while Missouri, by its tests, rated only 29 percent of its students proficient in reading. Neither State is right or wrong. The point is, they have very different standards.

Yet the way our bill emerged from committee, Missouri students would have been expected to make 2½ times the gains of the students from Texas each year merely because their State had set a higher bar for proficiency.

Whether a State was expected to make proficiency gains of 7 percentage points a year, such as Missouri, or 2 percentage points, such as Texas, matters little. As it turned out, of the 20 or so States we looked at, no State achieved a level of AYP, annual yearly progress, required by the committee-reported bill.

Not surprising, what was true at the State level for all students was even more true as the sample size declined. Either by looking at various student subgroups or districts or schools themselves, random samples of schools in Connecticut and North Carolina and Texas revealed that almost no school would make adequate yearly progress under our original definition; our original definition meaning later on we changed it. We had to.

I should note here, my remarks focusing on certain States should be taken as a compliment. The three States I just mentioned are widely recognized as being leaders in education reform. Their data goes back for several years. And in the case of North Carolina and Texas, that data is broken out by many of the categories that would be required under our legislation.

My own State of Vermont, which has been working very hard at education reform and assessments over the past several years, would also fail to make annual yearly progress. So would every other State based on the progress even leading States have been able to make.

Some self-styled education reformers have argued that we should not have abandoned the committee report approach, even in the face of this evidence that every school, practically, in the United States would fail. But it is a mystery to me how you can have education reform if every school and every school district and every State is labeled a failure. Resources would be diluted; chaos would result, as every title I school would be steered into corrective action and reconstituted under the bill. Reconstitution means that you tear it all apart. You create a charter school. You fire all the teachers, whatever else. You have to do something that dramatic, with the entire staff being fired, maybe.

Those teachers with seniority rights would no doubt exercise their bumping rights to land a position in another school. This mass firing and dislocation of teachers would come amidst what most people see as a looming teacher shortage. All over the country, we know that our teachers are getting older and fewer and fewer are coming into the field of teaching. Thus, we are going to have problems in that, which is another issue we will have to face later.

This is not good education policy. This is madness. But we were all so intent on proving how tough we could be improving education that for a long time nobody seemed to be willing to admit we were wrong.

The President, to his everlasting credit, saw the problem and was willing to try to address it. He has stuck by that decision in spite of the often ill-informed treatment he has received from the press. He has chosen the substance of education reform over its political symbolism.

The President and anyone engaged in education reform for very long knows that a goal of education reform must be significant, continuous improvement. And to get it, you need to focus your efforts on the schools that need the most help. Monstrous gains from one year to the next, year in and year out, simply do not happen in the real world. In the real world, our schools are battling poverty, violence, drugs, unstable families, apathetic parents, engaged parents, with more than one job, television, turnover, and all manner of impediments. We cannot throw in the towel, but neither can we legislate miracles.

The substitute amendment pending before the Senate tries to set ambitious but realistic goals for school improvement. If they are adopted, we will all see the results in a few years. I would wager today that we will not look back with regret for setting the bar too low. My own view is that the greatest likelihood is that we will swamp the system by identifying too many schools and States as failing.

But we have reached a compromise on this issue and I will support it, in the firm hope that time will prove me wrong and this bill will not over-identify schools as failing.

The substitute amendment sets our two tests for meeting AYP. First, states must establish a formula that measures progress against the goal of 100 percent proficiency for all students in a decade. Many States already have such formulae in place, so they may have to make some adjustments to their existing approaches. The state-determined formula must give greater weight to improving the performance of the poorest performing students. Quite sensibly, greater weight should be given to greater gains. And the driving factor behind a formula must be the performance on assessments.

The second prong of the AYP definition is designed to ensure that no matter how a State formula is constructed, in order to show adequate yearly progress, the State and its schools and districts will be required to achieve at least a one percentage point gain in proficiency for each group of students, every year.

Let me briefly address the notion that our proposal permits schools to hide the performance of low-performing minorities.

Simply put, this notion is rubbish. The disaggregated scores of groups of students must be reported for schools, districts and states. As a result, parents and the public at large will know exactly how groups of students are performing.

What are these groups? They are based on race, ethnicity, gender, migrant status, limited English proficiency, low-income status and disability. The performance of each of these groups will be measured and disclosed through various means, including the Internet.

We're not hiding the results, we're putting them on a worldwide billboard.

A school will be deemed to have failed to make adequate yearly progress if it fails to make progress for disabled students, for limited English proficient students, for low-income students, and for racial and ethnic groups of students in each subject assessed.

There are easily a dozen different ways a typical school can fail to make adequate yearly progress under the approach taken in the pending substitute.

Making a one percentage point gain in the achievement year after year for every subgroup is a daunting task. Very few states have easily accessible data at the school level by the various subgroups for which this bill will require measurement and consequences. But the few that do indicate it will be a high standard indeed.

Even at the State level, this kind of continuous improvement has proven elusive for almost every State, even those that are held up as examples of states committed to reform.

The Education Trust recently published a study of how well States have done in closing the achievement gap between white and minority students. As part of that study, it looks at the states making the largest gains in minority math achievement as measured by NAEP.

According to the Education Trust, eight States made above average gains in 4th grade math for African American students. They were: Massachusetts, Michigan, Texas, Iowa, North Carolina, Connecticut, Indiana, and Louisiana.

Most of these States are generally recognized as being in the forefront of education reform efforts in our country.

They also share this distinction. Each of them would be deemed a failure under the committee reported bill.

Let me repeat that. The eight states that did the best job in improving math instruction for black students would all fail if you held them to a standard of reaching 100 percent proficiency for all students.

I have with me a few charts that illustrate my point. In each, the most recent data available is used, and it is compared to what it would take to reach 100 percent proficiency over 10 years. The charts go back in time as far as readily available comparable data permits. Again, these are some of the very best, most committed States.

If you go across the chart, you will find that in 1999, which is the year from 1998–1999, it shows failure because the progress was not there from 1998, and the actual progress was 11.5 and total required progress was 8.8. I get a little confused with the charts, and I suspect everybody will.

Let's go to Iowa. It shows that their annual required progress was a 2.76 improvement. You will notice that as you go along, starting out with 72.45, if you add all the red, it is because they didn't make the 2.76 improvement all the way across, and actually they are missing about 16.56 percent. Then you can break it down by groups. You can see all the way down male, female, and you go to mathematics and so forth. But they are failing.

Connecticut is the same. Connecticut has one of the most impressive educational systems, but you will see there from looking back to the annual progress, they fail right across the board for all those years. We thought they were one of the best. That gives you an idea of what we are looking at, which will show that we have really an incredibly strict piece of legislation.

Massachusetts failed to make progress in reading, and actually lost a little ground in math.

Michigan, in 1999, failed in math and reading.

Texas failed in both subjects in every year but 1997.

Iowa has failed for 5 years running in both subjects.

North Carolina failed to make AYP in both 1999 and 2000.

Connecticut would have failed to make AYP for 5 years running.

Indiana has lost ground in reading and math, and would have failed for 3 years running.

In Louisiana, given the high bar it sets for proficiency, its gains from 1999 to 2000 don't come close to meeting AYP.

To sum up, every States fails.

So for the press to come out and say that we have weakened the standards and somehow we are not going to be stiff enough, they have to understand that under this bill it is going to be very difficult for the States to comply.

These are the results that drove us to amend the committee-reported bill. We didn't do so because of pressure from Governors or any alllegiance to the status quo. We did so because facts are stubborn things. And the facts show that no State has made, or will make, the kind of gains called for in the original bill. Has the substitute set the bar too low? That's a fair question. Again, I think it has to be answered by what the best schools and States can achieve. And again, I think we have set a very high bar.

A look at a random sample of school districts deemed "exemplary" in Texas shows that they nearly all fail to make one percentage point gains each year, for each group. That might be explained by the fact that when a school's students are at 90 or 95 percent proficiency, either all students or a group or two will fluctuate up and down. But a look at lower-performing Texas schools, those deemed only "acceptable," yields the same result. If you look at a dozen, probably only one will make AYP.

The same holds true for Connecticut schools and districts.

I have a chart that looks at the committee-reported standard, in which all schools and districts failed. But the results are only marginally different with a 1 percent standard. In the case of Connecticut, the data we have does not show student subgroup performance, which will show gains above and below the average performance, but overall not that good. North Carolina shows the same results. The areas that are darker are the problem areas with no success shown. We looked at the first dozen or so school districts in that State. As our chart shows, all but one failed to make AYP based on the performance of all students in either math or reading.

We found one district did make AYP on the basis of all students, but when you look at the performance of the subgroups of students as we do in the chart for the district, it failed to make a uniform 1 percentage point gain, both for some of the lower performing groups, but also for the highest one. The purpose behind my remarks is not to leave all of us discouraged, but to try to illustrate that even where you have the best efforts at educational reform, improving educational performance is a very hard task, and we cannot expect miracles.

Our efforts should be ambitious but anchored to what we know schools can achieve.

If we enact a system that labels all schools failures, then it is we who have failed.

On the other hand, if they have not already done so, I hope my colleagues in the Senate will take some time to talk with educators in their State about this issue. And I hope the very capable people in the press who write on this issue will spend a little more time in trying to connect the varying claims in this debate to the rich amount of experience that is easily available.

I thank my colleagues for their attention.

I took the time this evening to allow people to have the full story so as to better understand, especially when the press says we have watered down the standards. They can make that argument, but if you realized how strict they were to start with and if you realized the present status of our schools, you would understand that had we not done this, it would have been devastating and probably so deflating that we would have chaos.

We have tried to come up with what we believe are the improvements that are capable of being performed by the schools. I point out, as I have pointed out to my colleagues continuously, that is why it is incredibly important we make sure the resources are there for these schools to make the changes to live up to the President's program.

I urge everyone to follow the costs that are going to be incurred and to talk with the officials in their States to see what resources they believe will be necessary to make sure that every child in that State has an opportunity to be a successful student.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEASURE PLACED ON THE CALENDAR—S. 872

Mr. JEFFORDS. Mr. President, there is a bill at the desk due for its second reading.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 872) to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to protect consumers in managed care plans and other health coverage.

Mr. JEFFORDS. Mr. President, I object to further proceedings on this matter at this time.

The PRESIDING OFFICER. Under the rule, the bill will be placed on the calendar.

APPOINTMENTS

The PRESIDING OFFICER. The Chair, on behalf of the President of the Senate, and after consultation with the majority leader, pursuant to Public Law 106–286, appoints the following Members to serve on the Congressional-Executive Commission on the People's Republic of China: The Senator from New Hampshire (Mr. SMITH); the Senator from Kansas (Mr. BROWNBACK); the Senator from Arkansas (Mr. HUTCHINSON); the Senator from Oregon (Mr. SMITH); and the Senator from Nebraska (Mr. HAGEL), Chairman.

The Chair, on behalf of the Majority Leader, in consultation with the Democratic Leader, pursuant to Public Law 102–246, appoints Leo Hindery, Jr., of California, to the Library of Congress Trust Fund Board, vice Adele Hall of Kansas.

ORDERS FOR WEDNESDAY, MAY 16, 2001

Mr. JEFFORDS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it recess until the hour of 9:30 a.m. on Wednesday, May 16. I further ask unanimous consent that on Wednesday, immediately following the prayer, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then begin a period for morning business until 10 a.m., with Senators speaking for up to 10 minutes each, with the following exceptions: Senator ROBERTS, or his designee, the first 15 minutes; Senator DURBIN, or his designee, the second 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. JEFFORDS. Mr. President, for the information of all Senators, the Senate will be in a short period for morning business beginning at 9:30 a.m. during tomorrow's session. It is expected that the Senate will begin consideration of the reconciliation bill. Senators will be notified as to when debate will begin on that legislation. Under the rule, there are 20 hours for consideration of that bill. Amendments will be offered, and therefore votes are expected throughout the day and into the evening.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. JEFFORDS. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate recess under the previous order.

There being no objection, the Senate, at 7:19 p.m., recessed until Wednesday, May 16, 2001, at 9:30 a.m.

HOUSE OF REPRESENTATIVES—*Tuesday, May 15, 2001*

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mr. DUNCAN).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 15, 2001.

I hereby appoint the Honorable JOHN J. DUNCAN, Jr., to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed without amendment a bill of the House of the following title:

H.R. 802. An act to authorize the Public Safety Officer Medal of Valor, and for other purposes.

The message also announced that the Senate has passed bills of the following titles in which the concurrence of the House is requested:

S. 39. An act to provide a national medal for public safety officers who act with extraordinary valor above and beyond the call of duty, and for other purposes.

S. 166. An act to limit access to body armor by violent felons and to facilitate the donation of Federal surplus body armor to State and local law enforcement agencies.

The message also announced that pursuant to Public Law 106-554, the Chair, on behalf of the President pro tempore, and upon the recommendation of the Majority Leader, appoints the Senator from Nebraska (Mr. HAGEL) to the Board of Directors of the Vietnam Education Foundation.

The message also announced that pursuant to Public Law 100-696, the Chair, on behalf of the Democratic Leader, announces the appointment of the Senator from Illinois (Mr. DURBIN) as a member of the United States Capitol Preservation Commission, vice the Senator from California (Mrs. FEINSTEIN).

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 3, 2001, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to 30 minutes, and each Member, except the majority leader, the minority leader, or the majority whip limited to 5 minutes.

The Chair recognizes the gentleman from Florida (Mr. STEARNS) for 5 minutes.

LINDA SHENWICK

Mr. STEARNS. Mr. Speaker, having some concern by the recent UN votes that denied the United States a seat on both the Human Rights Commission and the Narcotics Trafficking Commission, many of my colleagues are again questioning how the U.S. should approach its participation in the United Nations.

In reality, while there is sufficient reason to assess blame on certain functions within the UN, we should also look to our own government. In 1999, during the State Department authorization debate, I brought to the attention of my colleagues the treatment of a dedicated State Department employee, Ms. Linda Shenwick.

Ms. Shenwick is an exemplary public servant, having served in the United States mission to the United Nations handling personnel and budget issues. She quickly carved out a reputation for diligence and hard work.

She earned three consecutive outstanding ratings and a promotion to the Senior Executive Service. Ms. Shenwick's reputation earned the respect of other UN member states resulting in her election to serve on the Advisory Committee on Administrative and Budgetary Questions in 1991 and again then in 1993.

In her position she repeatedly found evidence of deliberate waste, fraud and mismanagement at the UN. Her reports, however, were largely ignored by the previous administration.

Without recourse to address these incidents on her own, Ms. Shenwick began notifying key Members of Congress regarding her discoveries. As a result of her work, Congress forced the UN to create an Office of Inspector General to end such fraud and mismanagement.

So how was one of the most valuable civil servants rewarded? Certain government officials and department employees embarked on a campaign to sabotage her career.

Ms. Shenwick has endured false accusations, unsubstantiated poor performance reviews, and the ultimate and, I believe, illegal removal from government service.

I would like to point out, Mr. Speaker, to my colleagues that when former Secretary Madeline Albright refused to renominate Ms. Shenwick to the UN Budget Committee, negating 5 years of experience with the Byzantine UN budgetary bureaucracy, the U.S. ended up losing its seat on the Budget Committee for the next 4 years.

In all honesty, I do not think we would be seeing current problems at the U.S. mission if we had more employees like Linda Shenwick. Ms. Shenwick is a person that believes in the United Nations and wants to serve to bolster the influence of the United States and to strengthen the organization as a whole.

The problems of waste, fraud and mismanagement have been highlighted by most of my colleagues here on the House floor over the years.

Why, then, do we not insist that the Department of State staff the U.S. mission with those individuals who know where to look for these problems and have the courage and have the dedication to serve and to report them to Congress?

Ms. Shenwick should be reinstated to her former position, reimbursed for her personal expenses, and we should have her personnel files expunged of any unsatisfactory reviews or other false evidence to justify those reviews.

I will be sending a letter to President Bush requesting reinstatement of Ms. Shenwick so the United States can again benefit from her expertise, her diligence, and highly exemplary service.

Mr. Speaker, I am also introducing a concurrent resolution to the same effect. I hope my colleagues will join with me in signing this letter to the President and also cosponsor my legislation.

ENERGY CONSERVATION SHOULD BE FOUNDATION OF OUR NATIONAL POLICY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Oregon (Mr. BLUMENAUER) is recognized during morning hour debates for 5 minutes.

Mr. BLUMENAUER. Mr. Speaker, my goal in Congress is for the Federal Government to be a better partner with individual citizens, their State and local governments; our communities more livable, our families safe, healthy and economically secure.

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Having a dependable supply of energy and using it wisely is critical for a livable community. The current controversy surrounding energy is an excellent opportunity for this administration and this Congress to give thoughtful consideration to the impact that energy decisions can have on the livability of our communities and to develop a more rational approach to energy utilization.

Unfortunately, the President, his chief spokesperson, and most recently the Vice President, are setting up a false policy conflict for Americans. They would like us to somehow believe that being more thoughtful about use of energy and the Federal Government's role in promoting a better approach is somehow an assault on the American way of life. Nothing could be further from the truth.

Mr. Speaker, America works best when we give people choices so they can determine what works best for them. A country that disregards the value of conservation, that ignores fuel efficiency for all automobiles, that seeks to maximize production of energy at the expense of environmental quality is not protecting the American way of life, nor is it doing American families or businesses any favors.

Energy conservation is not just a matter of personal virtue, but if it were, there is nothing wrong with formulating energy policy that recognizes the importance of this virtue.

Energy conservation should be, with all due respect to the Vice President, the foundation of our national policy. It is the only way we will provide significant amounts of energy in the near term. Furthermore, it is an approach that has already proven effective and has received bipartisan support.

All the hotly debated talk about drilling in the Alaskan National Wildlife Refuge and building a new power plant a week is not going to alleviate the problems facing consumers now. Instead of cutting the budget for environmental conservation, we need to set policies that actually encourage it.

There are simple conservation measures we could be taking today. Number one, extending fuel efficiency standards to all vehicles, including SUVs, light trucks and minivans. An increase of 3 miles per gallon in the fuel efficiency of SUVs will save more oil than drilling in the Arctic would ever produce, and we will get the benefits long before we ever get any Arctic oil.

Two, encouraging higher building standards that are more energy efficient, such as colored roofs, which reflect heat rays and lower home temperatures by as much as 5 degrees.

Three, we should be promoting new technologies and alternate fuels. We should not force people who want a 70-mile-per-gallon vehicle to have to buy one from overseas. By providing incentives and Federal support for developing and deploying energy-efficient technologies here in the United States, we can provide new and lucrative markets for American businesses.

Four, we ought to restore the higher standards for energy guzzling appliances. The Bush administration should allow the saving standards issued by the Clinton administration to stand, not be rolling them back.

Businesses are already realizing these benefits. A DuPont plant in New Jersey, for instance, which refused energy use per pound of product by one-third, cut global warming pollution per pound of product by nearly one-half, and as production rose 9 percent, the total energy bill fell by $17 million a year.

But we need to get help to the people who perhaps cannot afford it.

Five, helping low-income people with today's skyrocketing energy bills and helping them install energy savings appliances seems to make sense. If we can afford, as some suggest, up to $2 trillion in tax cuts, there is no reason that Congress cannot put some money on the table now that will help reduce the demand for energy production and help low- and moderate-income people save money over time.

We should have policies that reduce the extra costs for low-income people who may not have the money to replace appliances that in the long term will pay for themselves many times over. The long-term benefits accrue not just to those low-income households. The community and the utilities will benefit huge savings by not building unnecessary power plants.

Yesterday's poll in USA Today showed that the American public understands this problem and an overwhelming percentage favor conservation over production.

We should invest in alternative energy, retrofit existing buildings with new technology, help lower-income people cope today and conserve for tomorrow, and all of us should embrace conservation.

These principles should be the basis of a national energy policy, an approach that will unite us in Washington, D.C., because it is what the people want and it is the quickest path to building more livable communities.

PARENTS' ROLE IN TEEN PREGNANCY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentlewoman from Connecticut (Mrs. JOHNSON) is recognized during morning hour debates for 5 minutes.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I am pleased to be joined on the floor of the House today by the gentlewoman from North Carolina (Mrs. CLAYTON), who is my very dear friend and colleague. The gentlewoman and myself and the gentleman from Delaware (Mr. CASTLE) and the gentlewoman from New York (Mrs. LOWEY) have been very active on the issue of teen pregnancy, and work closely with the campaign to end teen pregnancy to bring attention to the issue throughout the Nation.

The newest data shows a very interesting fact: Teens listen to their parents. Often parents think their teenagers only listen to their teenage friends, and sometimes parents give up talking to their teenagers about difficult subjects like sex and sexuality and sexual activity amongst teens.

But when your child is in their teen years, that is a time when you need to talk with your child. You need to listen to your son or your daughter. You need to hear what pressures they feel and face, because it is only through that conversation that you can help your teenager understand their own growth.

Of course, they are growing in sexual awareness, but they are also growing emotionally towards independence and intellectually towards a level of personal power necessary for them to fulfill their dreams.

When we talk to our kids about sexuality, we rarely talk to them about the terrible danger teen pregnancy poses to their growth and development, their ability to parent, their ability to provide for their child in the way they would want to. We rarely talk to them about the sheer lunacy of teen sex because of the devastating impact it can have on their lives. For young girls, particularly, inappropriate intimacy stunts their growth.

Teenagers, by their nature, spend their teen years weaning themselves from their parents. That is what growing up is all about. It is about gaining your independence, gaining a sense of yourself, developing your own skills so that you can be your own person in the decades ahead.

□ 1245

As one weans oneself from the control of one's parents, one also must gain that control oneself. For young women particularly, premature sexuality has the effect of transferring control to the young man. It is simply more true for young girls than it is for a young man. Yet, we do not talk with our girls about this at all.

We do not help them to see that, if they want to succeed in the project of growing up, if they want to be their own person, if they want to be intellectually strong, they want to be morally strong, they want to have a sound body, a sound mind, a sound heart, they have to take responsibility for themselves.

In seeking to leave their parents, it is particularly dangerous for young girls to shift that power of control through sexual intimacy to a young man. That is unfortunately exactly what happens, and we do not even talk about it.

So it is important to talk to one's teens. It is important to listen to the pressures they face. It is important not to be afraid of those pressures because, through discussion, one will arm one's child with an understanding of the power that abstinence provides them over themselves and gives them in shaping their future.

Now, growing up has always been tough. It is tough all through one's life to really grow up well. But it is particularly tough in teen years and during that process of adolescence. If we, as parents, cannot talk straighter with our children and cannot listen at a level that allows us to listen to things we never thought we would hear our kids say, then we cannot, with them, help them guide themselves through the difficult waters of adolescence in today's world and the many pressures that growing up imposes on teenagers.

So kids need to talk to their folks and folks need to listen to their children. We hope that, by investing money in the research necessary to better understand teen sexuality and teen growth, we will be better able to help kids understand how it is that one becomes empowered to be oneself and to determine one's own course and how it is we establish healthy, strong, loving relationships throughout one's lifetime. By investing money in this very important research project, we will be able to talk from an increasingly sound and strong basis of knowledge ourselves.

But we also hope that, through sheer publicity, we will be able to help teens understand that premature sexual intimacy is destructive of their future.

I am delighted to be here with the gentlewoman from North Carolina (Mrs. CLAYTON) today.

PARENTS' ROLE IN TEEN PREGNANCY

The SPEAKER pro tempore (Mr. DUNCAN). Under the Speaker's announced policy of January 3, 2001, the gentlewoman from North Carolina (Mrs. CLAYTON) is recognized during morning hour debates for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, I am also delighted to join the gentlewoman from Connecticut (Mrs. JOHNSON) as we serve on the House Caucus for the Prevention of Teenage Pregnancy. I am delighted for many year reasons; one, because this is an opportunity, and the month of May is an opportunity to raise the awareness.

Over the last several years, I have spoken out often and devoted a lot of time and energy to this effort. But no more time is more rewarding than talking to young people themselves and talking to community leaders about this issue.

This week alone, I spoke to three different schools. It included a high school and two junior high schools. What I am finding out is that young people themselves have views, opinions, and they are part of a leadership, too. They should be engaged in this issue.

I am convinced if one is effectively to reduce teenage pregnancy, we must, indeed, bring the awareness to the community of the consequences of teenage pregnancies, not only to the families, the young people themselves, but also to the community. But more importantly, we must, indeed, engage our youth, because they are factored in resolving this issue.

We have good news. Since 1990, teenage pregnancies have gone down. It has been a steady decline. So we should celebrate that as a Nation. We deserve to be proud of that activity. But in spite of our good efforts and success, still, yet today, more than 1 million children, young people, indeed, become pregnant each year, those younger than the age of 20. Nearly 1 million every year now, although it is going down, there is a steady number of persons, indeed, who are teenagers who are becoming parents before they reach their 20th birthday.

Also, in my part of the State, eastern North Carolina, the rate is not going down as fast. In fact, I have several of my counties where the rate is higher than in my State. So I am, indeed, concerned about that.

May, as I say, is an opportunity where we can bring the awareness to both the community and to the young people. The thing we want to emphasize to our young people that teenage is a time when they should be concentrating on education. They should be having fun. They should be talking about their career. They should be growing up and not focused on pregnancy or being a parent prematurely.

Mr. Speaker, I was happy to join the gentlewoman from Connecticut (Mrs. JOHNSON) recently when the National Campaign to Prevent Teenage Pregnancy released their report. As the gentlewoman has already commented, that report emphasizes several things, both around parents and teenagers; and that teenagers really wanted to talk to their parents.

Sometimes parents thought teenagers wanted to talk to teenagers and were getting all the information from them. But they really thought they should get that information from the parents. Both parents and teenagers agree more often than one would think. Ninety-five percent of parents felt that abstinence was absolutely what should happen. Ninety-three percent of the teenagers thought, now one would not have thought that, but 93 percent of the teenagers themselves thought abstinence should be.

Both those same groups also felt that, but a lesser degree in terms of the parents, that, indeed, contraception should be a part of the story, and that they were not necessarily in conflict with each other; that abstinence should be emphasized; and, indeed, that contraception information about that should be a part of that as well.

Also, there was consensus about the role of the school. Both parents and teenagers felt that the primary role of the school was not necessarily to teach the values or the appropriateness, but there was a role for the schools, and that the school should be engaged in that process; that the primary responsibility should be the parent. If both parents and teenagers believe that, something must be missing in this game. It means that parents and teenagers are not talking to each other.

Now, many of the parents, as I said earlier, on one hand believe that contraception information and abstinence may give a dual message that may be in conflict. But the teenagers did not believe that. They did not see it. They felt that abstinence, indeed, the 93 percent believed it; but also a vast majority of those teenagers also felt the information about contraception was very, very important.

In fact, I personally believe that abstinence is the most important. But I also know that young people are very active sexually. So we must be engaged in providing the critical important information to teenagers so they can make the decision. I believe if we empower young people, they will make the difference.

Over the last several years, I have spoken out often and devoted a lot of time and energy to teen pregnancy prevention. My most meaningful efforts have involved a host of meetings and discussions with youth and community leaders where the focus has been on prevention and development activities in my congressional district. This week, I visited three different schools including a senior high school and two middle schools.

I am convinced that if we are to effectively reduce teenage childbearing, we must do more to raise the awareness level of this issue in our communities and actively engage our youth. Our youth have ideas, opinions and can provide leadership in our efforts to reduce teenage pregnancy.

Since the early 1990s, teen pregnancy and birth rates have steadily declined. As a nation, we deserve to be proud of the progress we have made. Yet, despite these impressive gains, 4 out of 10 girls in this country still get pregnant at least once by age 20—nearly 1 million adolescent pregnancies each year. Also, in eastern North Carolina, the rate has not gone down at the same time as the Nation, several counties in my district are among the highest in the State. In other words, we have a long way to go.

May is Teen Pregnancy Prevention Month. This is the most opportune time for all of us to redouble our efforts in convincing young people that adolescence must be a time for continued positive growth in the areas of education. It is the growing up and having fun stage for youth, not the time to dwell on pregnancy and parenthood. I was happy to recently help the private, nonprofit National Campaign to Prevent Teen Pregnancy release two new important reports (including a large nationally representative survey of adults and teens) that should provide comfort to parents and schools while challenging.

First, and perhaps most importantly, the survey released by the National Campaign clearly shows that the American public has a very common sense view of the teen pregnancy problem despite the often-extreme rhetoric that surrounds the issue. The overwhelming majority of adults and teens believe that teens should not be sexually active but those who are should have access to contraception. The survey also reveals, however, that the public does not view abstinence and contraceptive use as equally attractive options. A clear national consensus exists that school-age teens should not have sex—more than nine of ten adults (95 percent) and teens (93 percent) said it is important that teens be given a strong abstinence message from society.

The consensus position seems to recognize that the continued debate over abstinence versus contraception is counter-productive and misses the more critical issue of motivation. Teens will do neither unless they are highly motivated to avoid pregnancy in the first place.

Parents who feel that they have lost their children to the influence of peers and popular culture should note that teens say their parents influence their sexual decisionmaking more than any other source. Parents, on the other hand, believe that peers wield the greatest influence on these matters. This generational divide must be bridged. Parents need to know that their children really do want to hear from them about sex, love, and relationships, even if they don't always seem like it.

Schools are also clearly part of the solution to teen pregnancy. When asked where they have learned the most about preventing teen pregnancy, more teens said teachers and sex educators than other sources. Once again, however, both adults and teens take a common sense view of how much of the sex education burden schools should shoulder. Nine out of ten adults disagree that sex education is primarily the responsibility of schools and few adults or teens believe that schools are responsible for fixing the problem of teen pregnancy.

So what should be done? What do these findings and others from the National Campaign suggest? Here are some simple recommendations for continued progress in preventing teen pregnancy:

Abstinence should be strongly stressed as the best choice for teens because of its effectiveness and its consistency with the beliefs of adults and teens. But giving teens information about—and access to—contraception is still important.

Arguments over which strategy is better—sexual abstinence or contraceptive use—are recipes for stalemate. More of both are needed. In a diverse country, a number of difference approaches to preventing teen pregnancy is absolutely essential.

Parents can do much more to help. Kids want to hear from their parents about sex and values but often do not.

Effective programs to reduce teen pregnancy should be expanded, but it is unrealistic to assume that community programs alone will solve this problem.

The good news about declining rates of teen pregnancy and birth is that progress on this seemingly intractable social problem is possible.

I was delighted by the comments and suggestions made by youth during my recent visit to neighborhood schools. Youth are concerned about the lack of productive after school activities. Youth leaders would like to become more active in prevention activities with other youth, and would like to know that contraceptives are provided hassle free.

I believe that devoting more energy resources and funding to prevention teen pregnancy would not only improve the health, education, and economic opportunities of our Nation's youth, but it would save money in the long run.

We cannot overestimate the far-reaching effects of teen pregnancy. We must continue to pursue ways to develop pregnancy prevention programs that educate and support high-risk youth and their families through comprehensive social and health services.

Young people who believe that they have real futures to risk, have real incentives to delay parenting. That is why when we demand responsible behavior we have reciprocal obligation to offer a real future beyond early parenting and poverty.

I strongly support abstinence education and feel that abstinence programs are critically important for pre-teens as well as teens; we, however, cannot ignore the fact that so many of our teens are already sexually active. Therefore it is important that teens hear both messages, abstinence and contraception. Good, factual information is empowering to our youth, especially with guidance from their parents. I encourage each community to help determine how best to address this critical issue.

TRIBUTE TO GLADYS HARRINGTON

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Texas (Mr. SAM JOHNSON) is recognized during morning hour debates for 5 minutes.

Mr. SAM JOHNSON of Texas. Mr. Speaker, today I rise to pay tribute to what I consider a great American lady, a woman who has witnessed firsthand World War I, the Great Depression, World War II, the invention of television, the microwave, and the World Wide Web.

On May 29, Gladys Harrington, who is a real friend of mine, a true pillar of the Plano, Texas community, is celebrating her 100th birthday.

She has lived an abundant life. She moved to Plano in the early 1900s when 1,500 people lived there. Today, Plano is home to 230,000 plus and growing.

She married Fred Harrington in 1919 in Plano, Texas and gave birth to two sons, Joe Harrington and Conner Harrington. Conner Harrington actually ran for Congress against a Democrat icon, Sam Rayburn, who was a friend of mine as well. She is the proud grandma of four children, Connie, Cynthia, Mary Lou, and Freddy, as well as two great grandchildren, Sage and Emily.

It is obvious that she has touched the lives of those around her and blessed everyone with her passion for life and zest for service. As a member of the First Christian Church, she taught Sunday school, led the Christian Women Fellowship and served as a deaconess.

In addition, they helped found what is now the Gladys Harrington Library in Plano. What started as a one-room temporary facility has now blossomed into one of the leading libraries in the area.

Mr. Speaker, I may not even be standing here today were it not for the hard work and selfless dedication of my dear friend Gladys. I say that because Gladys helped me run my first campaign for Congress in 1991 and every time thereafter.

Every Republican knows that one cannot do anything Republican in Texas without Gladys Harrington. She has volunteered countless hours of her time and dollars to help the party rise to the best that it is today. Think about it. Every Statewide office in Texas is now Republican. The Texan in the White House is even a Republican, too; and Gladys helped him as well.

Gladys helped lay the essential groundwork for the grassroots efforts for this amazing fete. She has mobilized ground troops, attended conventions, paid her dues and then some.

In addition to giving her time to the Republican Party, she gives so much to those around her. In fact, she continues to go to a book club and to the Plano Chamber Orchestra. She keeps scrapbooking, detailing the many years behind her and saving room for more to come.

I think America needs more good people like Gladys Harrington. She is a great American in my view, and I am proud to know her. I just want to wish Gladys a happy birthday. Plano would not be the same without Gladys.

TEENAGE PREGNANCY MONTH

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentlewoman from Indiana (Ms. CARSON) is recognized during morning hour debates for 5 minutes.

Ms. CARSON of Indiana. Mr. Speaker, I come to the floor of the House this afternoon because I care about our communities and our young people. I want to give an ovation to the honorable gentlewoman from North Carolina (Mrs. CLAYTON) to support this teenage pregnancy month and certainly to the gentlewoman from Connecticut (Mrs. JOHNSON), who had another engagement and had to leave, because it is imperative, I believe, to raise the awareness around the crisis of teenage pregnancy.

Nearly 1 million teenagers in this country become pregnant every year. One in four of these teenagers will have a second baby within years of the first child. In Indiana, from which I hail, if you will, we have 37,340 teenage girls who become pregnant every year. Just imagine, 37,340 teenage girls become pregnant every year. Eighty-eight out of every 1,000 girls age 15 to 19 become pregnant in Indiana every year.

When a teenager has a baby, it reduces her chances of completing high school. It reduces her chances of earning a decent wage. Her access to health care will decrease, which will contribute to poor nutritional health for her and her baby. In so many cases, because she cannot afford a baby-sitter, this young woman either loses her job for missing days to stay with a child or is forced to leave her baby in situations that are totally undesirable.

In addition, my recent bill, the Responsible Fatherhood Act seeks to address many of the fathers who are either unwilling or unable to be a source of support, both financially and emotionally, for their children. The effects of teenage pregnancy may also have negative effects on young fathers.

I would hasten to add, however, Mr. Speaker, that the majority of teenage girls who become pregnant have not had relationships with young boys. The babies are fathered by men who are not teenagers.

□ 1300

Some studies suggest, on the other hand, that teenage fathers obtain somewhat lower education levels, suffer from loss of earnings on the order of 10 to 15 percent annually, and are more likely to end up in prison. This too causes long-term consequences for society as a whole.

There are no easy answers to solving teenage pregnancy, and our approach must be comprehensive and multifaceted. I would like to acknowledge the successful efforts that have been made as a result of communities working through a variety of programs that coordinate parents, schools, communities, and religious organizations.

I would like to recognize the important work of the National Campaign to Prevent Teen Pregnancy. The organization does a tremendous job because it recognizes the broad consequences for society and the individuals directly involved when children continue to have children. We must empower and support the brave individuals all over the country who are working with programs at the grass-roots level to reduce teenage pregnancy. It is programs such as these that give our young people a fighting chance and an alternative to engaging in destructive behavior.

We believe that if young people have a strategy for the future and have hope about their career and have economic security, they are more likely to value the need to develop themselves, rather than getting involved in behavior that is self-destructive, including premature sex.

I would like to recognize an important bill introduced by my colleague, the gentleman from Nebraska (Mr. OSBORNE). This bill, the Mentoring for Success Act, will provide grants to expand mentoring through new programs and existing programs throughout the country, hopefully reaching around 200,000 young people.

As the gentleman from Nebraska mentioned, studies have shown that young people who are mentored will be 50 percent less likely to skip school, 50 percent less likely to begin using drugs, 36 percent less likely to lie to a parent, 30 percent less likely to commit a violent act of any kind, and certainly they are less likely to drop out of high school.

Mr. Speaker, let me add in closing that I stand here as a Member of the United States Congress and am the product of a teenage pregnancy. However, the amount of community support, religious support, and school support that I received as a young person has boded well in terms of my future. I hope that we can work together in Congress to pass important pieces of legislation and to offer the necessary resources to counteract this pandemic.

RECESS

The SPEAKER pro tempore (Mr. DUNCAN). Pursuant to clause 12 of rule I, the Chair declares the House in recess until 2 p.m.

Accordingly (at 1 o'clock and 2 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. GIBBONS) at 2 p.m.

PRAYER

The Reverend Gene Arey, New Harvest Ministry, Waynesboro, Virginia, offered the following prayer:

Father God, we acknowledge You as the Ruler of all nations and we pray for peace and justice in our world.

We pray First Timothy 2:1–4, "I exhort, therefore, that, first of all, supplications, prayers, intercessions, and giving of thanks be made for all men; for kings; and for all that are in authority; that we may lead a quiet and peaceable life in all godliness and honesty. For this is good and acceptable in the sight of God our Savior, who will have all men to be saved and to come unto the knowledge of the truth."

Father, I pray for our President and the First Lady. Bless them this day and give them the wisdom to do all that is set before them.

I pray for these Representatives, to have the wisdom of God to accomplish all that is set before them to do. Bless them for their commitment to serve the people of our Nation and carry out their duties.

Father, in Jesus' Name I call this United States of America blessed in Jesus' Name.

God bless America. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. BALLENGER. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER pro tempore. The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BALLENGER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8, rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Illinois (Mr. EVANS) come forward and lead the House in the Pledge of Allegiance.

Mr. EVANS led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Sherman Williams, one of his secretaries.

WELCOME TO THE REVEREND GENE AREY

(Mr. GOODLATTE asked and was given permission to address the House for 1 minute.)

Mr. GOODLATTE. Mr. Speaker, it is my pleasure today to say a word about our guest Chaplain who is also my constituent.

The Reverend Gene Arey, who was born and raised in Waynesboro, Virginia, has served as copastor of Waynesboro's New Harvest Worship Center with his wife, Linda. The couple cofounded the church, located at 535 West Main Street, more than 7 years ago. Reverend and Mrs. Arey, who are active in foreign missions, recently returned from Romania, where they also serve as church leaders. Reverend Arey was ordained by Archbishop Silas Owiti of Kenya, Africa, and Dr. Decker Tapscott, pastor of Faith Christian Church in Warrenton, Virginia. Reverend Arey is joined in Washington today by his wife, his son Larry, daughter-in-law Kay, and granddaughter Olivia who live in Greenville, Virginia, also in my district.

ENERGY EFFICIENCY

(Ms. McCOLLUM asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. McCOLLUM. Mr. Speaker, the President will be in St. Paul, Minnesota, on Thursday to unveil his vision for a national energy policy. Minnesotans understand the value of a balanced approach that needs to be part of an energy policy which embraces our environmental qualities. We must have clean fuels, renewable energy and improved energy efficiency and invest in alternative energy resources. The Vice President said conservation is a sign of personal virtue, but not a basis for policy. In Minnesota, conservation is common sense. It means saving energy and money by using our resources more efficiently. Improved energy standards for consumer products would eliminate the need for an additional 180 new power plants. Energy efficiency standards have already saved American consumers $50 billion this past decade. Minnesotans expect conservation to be an important part of any energy policy that balances today's energy needs with the needs of future generations.

H.R. 1 EXPANDS CHOICE FOR PARENTS

(Mr. BALLENGER asked and was given permission to address the House for 1 minute.)

Mr. BALLENGER. Mr. Speaker, children should not be trapped in failing schools where they cannot possibly reach their fullest educational potential. That is why H.R. 1 includes a school choice program that enables parents to remove their children from schools that, as President Bush says, do not teach and will not change.

Before giving parents the option of sending their children to another school, H.R. 1 gives low-performing schools the chance to improve by offering them financial assistance to increase student achievement. If these schools do not make adequate progress after 2 years, parents will be able to send their children to another public school. After 3 years of chronic failure, disadvantaged students will be eligible for private school scholarships.

H.R. 1, it should be noted, aims to bolster failing public schools by giving them special financial help. But more funding cannot be the final remedy. There must be a safety valve that allows children to escape continually low-performing schools.

It goes without saying that we are all committed to improving the quality of our Nation's schools; but first and foremost, students themselves should be our most pressing concern. And it is our responsibility to empower parents to make the right decision for their children's future.

CALIFORNIA'S ELECTRICITY CRISIS

(Mr. FILNER asked and was given permission to address the House for 1 minute.)

Mr. FILNER. Mr. Speaker, we now know what GOP means. It means gas, oil and petroleum. What is the administration's answer to the electricity crisis confronting the West and soon the rest of the Nation? Drill for oil in the Arctic National Wildlife Reserve, cut research into renewable energy research, cut conservation programs.

Mr. Speaker, that is not the answer for the western electricity crisis. We must conserve. We must move more into renewable sources. We must do more research. But most of all, we have to bring down the criminal prices that are being charged for wholesale electricity in California and the rest of the West. The Federal Energy Regulatory Commission, this Congress, this administration, must act now. It is the prices that are killing the California and western economy. It is the prices that are going to kill the rest of this Nation's economy. California is being bled dry by electricity wholesalers. We are being charged $2.5 billion a month for our electricity. This cannot stand. It is time for Congress, it is time for this administration to act. Let us get away from a gas, oil and petroleum policy for this administration.

INCREASED SPENDING JEOPARDIZES FUTURE OF SOCIAL SECURITY AND MEDICARE

(Mr. SMITH of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Michigan. Mr. Speaker, the so-called transition cost for Social Security, if we do nothing, if we make no changes, is $120 trillion over the next 75 years. If we start now by developing the kind of bridge that will bridge the gap between expected revenues and expenditures that is necessary to increase the returns over what Social Security will otherwise be able to pay, we can do it. The average return that is paid in in Social Security taxes is now estimated by the Social Security actuaries to be 1.7 percent return on that so-called investment, or those taxes. In a perfect congressional world, we would not have a tax cut, we would stop the dramatic increase in spending of this Congress that jeopardizes not only the economy but leaves our kids with a huge debt and jeopardizes the future of Social Security and Medicare. Let us hold the line on increased spending.

TIME TO INVESTIGATE THE FBI

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. What is the big surprise, Mr. Speaker, in the McVeigh case? The FBI has been hiding evidence for years. Think about it.

If you really believe that two Libyan mules blew up Pan Am 103, you are on Prozac.

If you really believe that the best FBI sharpshooter just happened to accidentally shoot Mrs. Weaver right between the eyes, you still believe in Mother Goose.

Congress, if you believe the Waco jury heard the whole truth from the FBI, you still believe in the Tooth Fairy.

And, Congress, if you still believe the propaganda about the assassination of JFK, by God, you still believe that Mae West is a virgin.

Beam me up. It is time for an investigation into FBI hiding and concealing exculpatory evidence on criminal defendants.

I yield back the FBI corruption from Boston, Massachusetts to Youngstown, Ohio.

MILITARY WEAR

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, I understand that some Members of Congress are working on legislation which will tell the United States Army what kind of headgear to wear. I believe this action is micromanagement at its worst and makes Congress the fashion police.

For those of us who have strong ties to the military community, this entire episode has been a whirlwind of emotions. Like most of my constituents, I too felt the issuance of a black beret, the modern-day symbol of excellence in the United States Armed Forces, to all soldiers was ill-advised. As I have related to senior Army officials and my constituents, this action is analogous to issuing a letter jacket to all high school seniors regardless of whether they played ball or not. This problem has been worked out, however, by allowing the Rangers to wear a different color beret to distinguish their unique contribution.

Even though I believe the Army is spending too much money on berets, $30 million and climbing, and even though I have problems with where they are made, particularly in China, although that contract has been canceled, I believe Congress does not have the time or the charter to meddle with what the Army does or does not wear. If we can trust the chief of staff of the Army to command our young Americans in wartime, certainly we can trust him to determine what kind of uniform they will wear.

CONGRATULATING DENISE QUINONES AND TITO TRINIDAD

(Mr. ACEVEDO-VILÁ asked and was given permission to address the House for 1 minute.)

Mr. ACEVEDO-VILÁ. Mr. Speaker, I would like to congratulate two Puerto Ricans that in the past weekend made all of us very proud. I am talking about Denise Quinones, who won the Miss Universe contest held in Puerto Rico last Friday, and Felix "Tito" Trinidad who on Saturday added the middleweight championship to his already amazing resume.

Denise and Tito, as we call him down there, make us proud because they represent some of the best qualities of the Puerto Rican people. Denise is much more than a beautiful face. She is extremely bright, well educated, fully bilingual and ready to meet the challenges of the future. Denise is a true role model for our youth.

We also celebrate the triumph of our champion Felix "Tito" Trinidad who is the best pound-for-pound boxer in the world. Tito embodies the talent and discipline of Puerto Rican youth. His unbreakable will in the ring reflects the strength of the Puerto Rican people.

Today, Puerto Rico celebrates two real stars. Denise and Tito remind us that we can accomplish anything through dedication and perseverance. Felicidades a ambos. (Congratulations to both of you.)

SUSPENSION OF UNLAWFUL AND UNNECESSARY REGULATIONS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, industries around this Nation continually are burdened by unfair and unnecessary regulations. However, last year the mining industry faced an additional and unnecessary burden, an unlawful regulation.

Previously, Congress called for the National Academy of Sciences to study and assess the effectiveness of the existing 3809 regulations that affect the mining industry. That study, authorized by Congress, concluded that the existing laws were effective in protecting the environment. Yet the Clinton administration last year promulgated new 3809 regulations in spite of the National Academy's findings and in direct violation of Federal law.

□ 1415

In fiscal year 2000, the Interior appropriations bill clearly prohibited the promulgation of any new 3809 rules except those "which are not inconsistent with the National Academy of Science studies."

Thankfully, President Bush realized the error of President Clinton's ways, and now we have only to roll back the unnecessary and unlawful 3809 regulations proposed by the previous administration, which do not protect the environment or the American people.

PERIODIC REPORT ON NATIONAL EMERGENCY WITH RESPECT TO BURMA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 107-70)

The SPEAKER pro tempore (Mr. GIBBONS) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to Burma that was declared in Executive Order 13047 of May 20, 1997.

GEORGE W. BUSH.

THE WHITE HOUSE, *May 15, 2001.*

CONTINUATION OF EMERGENCY WITH RESPECT TO BURMA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 107-71)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice to the *Federal Register* for publication, stating that the emergency declared with respect to Burma is to continue in effect beyond May 20, 2001. The most recent notice continuing this emergency was published in the *Federal Register* on May 19, 2000.

As long as the Government of Burma continues its policies of committing large-scale repression of the democratic opposition in Burma, this situation continues to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. For this reason, I have determined that it is necessary to maintain in force these emergency authorities beyond May 20, 2001.

GEORGE W. BUSH.

THE WHITE HOUSE, *May 15, 2001.*

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered or on which the vote is objected to under clause 6 of rule XX.

Such record votes, if postponed, will be taken after debate has been concluded on all motions to suspend the rules, but not before 6 p.m. today.

EXPEDITING CONSTRUCTION OF WORLD WAR II MEMORIAL IN DISTRICT OF COLUMBIA

Mr. STUMP. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1696) to expedite the construction of the World War II memorial in the District of Columbia.

The Clerk read as follows:

H.R. 1696

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXPEDITED COMMENCEMENT BY AMERICAN BATTLE MONUMENTS COMMISSION OF CONSTRUCTION OF WORLD WAR II MEMORIAL.

Section 2113 of title 36, United States Code, as added by section 601(a) of the Veterans Millennium Health Care and Benefits Act (Public Law 106-117; 113 Stat. 1576), is amended by adding at the end the following new subsection:

"(i) CONGRESSIONAL DIRECTION TO COMMENCE CONSTRUCTION.—(1) The requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the Commemorative Works Act (40 U.S.C. 1001 et seq.), and all other laws pertaining to the siting and design for the World War II memorial having been met, the Commission shall expeditiously proceed with the construction of the World War II memorial at the dedicated Rainbow Pool site in the District of Columbia.

"(2) The construction of the World War II memorial authorized by paragraph (1) shall be consistent with—

"(A) the final architectural submission made to the Commission of Fine Arts and the National Capital Planning Commission on June 30, 2000, as supplemented on November 2, 2000; and

"(B) such reasonable construction permit requirements as may be required by the Secretary of the Interior, acting through the National Park Service.

"(3) The decision to construct the World War II memorial at the dedicated Rainbow Pool site, decisions implementing this subsection, and decisions regarding the design for the World War II memorial are final and conclusive and shall not be subject to administrative or judicial review.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arizona (Mr. STUMP) and the gentleman from Illinois (Mr. EVANS) each will control 20 minutes.

The Chair recognizes the gentleman from Arizona (Mr. STUMP).

GENERAL LEAVE

Mr. STUMP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1696.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. STUMP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, 8 years ago this month, the original authorization for a memorial on the Mall honoring the World War II veterans was signed into law, and still construction has not yet begun. H.R. 1696 will be the sixth bipartisan piece of legislation Congress has sent to the White House for approval, attempting to move the process along.

Over the past 6 years, 22 public hearings have been held on the site and design of the memorial in compliance with the Commemorative Works Act. The memorial site and design have received the endorsements of the Historic Preservation Officer of the District of Columbia and four endorsements from the District of Columbia Historic Preservation Review Board. The Commission of Fine Arts and the National Capitol Planning Commission has each rendered approval for the memorial five times. This site was approved by both the Secretary of the Interior and the President. And still construction has not begun.

Two other very important things have also been happening since Congress first authorized this memorial. Through the leadership and hard work of former Senator Bob Dole and Academy Award winning actor Tom Hanks, the memorial fund has now raised over $170 million. There are no taxpayer funds involved in this memorial. Financial support has come in from half a million Americans, hundreds of corporations and foundations, dozens of civic, fraternal and professional organizations, 48 State legislatures, over 1,000 schools, and numerous veterans groups representing millions of veterans.

Unfortunately, something else has been happening since the memorial was authorized, Mr. Speaker. Millions of World War II veterans have gone to their eternal rest. According to VA statistics, 3 million World War II veterans have died since this memorial was authorized in 1993.

Once begun, construction of the memorial will take approximately 30 months. In that time, nearly 1 million additional World War II veterans will pass away. Each day of delay tragically adds 1,100 more. And still construction has not begun.

Why? Because a small group of opponents are desperately using litigation to challenge prior decisions and delay construction so they can drag the memorial back through a mind-numbing bureaucracy. The opponents are not satisfied by more than 20 public meetings over the past 6 years resulting in endorsements and approval of all agencies required by law. They wanted to go back to square one.

This is truly bureaucracy at its worst. It has literally taken twice as long to go from congressional approval to construction of a World War II memorial than it did to fight and win World War II in the first place.

Once again, it is up to Congress to get the job done and save the memorial from what an article in the Washington Post called "A bureaucratic form of double jeopardy."

A New York Times article recently quoted the Chairman of the National Capital Planning Commission as favoring congressional action to "clarify the issue and moot the question by saying the Commission's actions were in fact valid."

H.R. 1696 does exactly that. It states that the memorial has met all legal requirements and that construction should begin expeditiously. This legislation has the support of virtually every service organization in the country, and I strongly urge my colleagues to vote for the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. EVANS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to be joining with the chairman of the Committee on Armed Services and the former chairman of the Committee on Veterans' Affairs, my good friend, the gentleman from Arizona (Mr. STUMP). I am glad to have him back working on veterans' issues, if just for one day.

This measure, H.R. 1696, will expedite the construction of the new national World War II memorial in the District of Columbia. I commend my friend from Arizona for his leadership on this issue and am honored to manage this measure with him. The gentleman from Arizona (Mr. STUMP) is one of the heroes of World War II. Mr. Speaker, to the gentleman from Arizona (Mr. STUMP) and the other members of his generation, we all say thank you for your service and sacrifice; it is time to build a memorial to honor your actions.

Mr. Speaker, a national World War II memorial will honor all Americans who served in the Armed Forces during World War II, as well as the millions of other Americans who contributed in countless ways to the war effort.

Mr. Speaker, the time to construct this memorial is now. More than 50 years after the end of World War II, there does not exist in our Nation's Capital a fitting memorial to the service and sacrifices of millions of Americans who preserved democracy and defeated totalitarianism during World War II. The time to construct this memorial is now.

Mr. Speaker, in a longer statement that I will be submitting for the record, at the end of my statement, I review the history of the World War II memorial. The memorial has been the subject of repeated reviews, hearings, public examinations, and official actions. It is time to build this memorial now.

Mr. Speaker, the national World War II memorial will be located between the Washington Monument and the Lincoln Memorial. Some critics of the memorial argue the memorial would "clutter up an already crowded site." A prominent memorial to honor those who served and sacrificed, this memorial is not "clutter." The time to build this memorial is now.

I expect there will always be some opposition to this memorial by its scope, its location and design, or by some individual group. Ironically, the right to oppose this amendment was defeated and preserved by those who fought for and defended this country in World War II.

Mr. Speaker, let us expedite the construction of the World War II Memorial, and construct it now.

Mr. Speaker, John Ruskin once said "our duty is to preserve what the past has said for itself, and to say for ourselves what shall be true for the future." This statement is an appropriate guide for our deliberations today as we consider H.R. 1696, a bill that will expedite the construction of the National World War II Memorial in the District of Columbia.

In 1993, Congress passed legislation authorizing the creation of a National World War II Memorial in Washington, DC. President Clinton signed the legislation into law on May 25, 1993. The memorial is intended to honor all who served in the United States Armed

Forces during World War II. It is also intended to honor the entire nation's contribution to the war effort. The future National World War II Memorial will be an integral part of the Washington, DC landscape. The memorial will not only appropriately honor and pay tribute to those who sacrificed so much, but will educate future generations to some of the costs of freedom.

Mr. Speaker, 14 years after Congress authorized the construction of this memorial, and six years from the first of 22 public hearings on its site and design, the memorial's construction remains delayed by a lawsuit filed by a small opposition group and a procedural issue involving the National Capital Planning Commission (NCPC), one of the agencies required by law to approve the memorial.

NCPC decisions of the past two years, including its approval of the National World War II Memorial, have been placed in question because the former NCPC chairman continued to serve on the commission after the expiration of his term. The legislation that established the commission permitted the chairman to serve until replaced, but when the law was amended this language was inadvertently omitted. The NCPC has scheduled yet another public hearing on the memorial for June 14, 2001. Meanwhile, court action on the lawsuit is on hold pending resolution of this issue, which may take several more months to conclude.

Mr. Speaker, more than 16 million Americans served in uniform during World War II. More than 400,000 gave their lives, over 670,000 were wounded, and millions more supported the war effort on the front here at home. Of the 16 million who served, only five million remain alive today. World War II veterans, who saved democracy and served heroically, today are battling the diseases and disabilities of older age. Today, our World War II veterans are dying at a rate of 1,100 per day. With more than 400,000 veterans dying each year, every delay in memorial construction ensures that hundreds of thousands of World War II veterans will never witness the completion of this memorial. H.R. 1696 will expedite construction of the memorial and make it possible for many of our World War II veterans to be able to see the memorial with their own eyes.

H.R. 1696 would declare that the National World War II Memorial complies with the requirements of the National Environmental Policy Act of 1969, the Commemorative Works Act, and any other governing laws pertaining to the memorial's site and design. H.R. 1696 would direct expedited construction of the memorial, consistent with reasonable construction permit requirements of the Secretary of Interior and the National Park Service. In addition, H.R. 1696 would mandate that the decision to construct the memorial at the Rainbow Pool site and decisions regarding the design of the memorial are final and conclusive and shall not be subject to administrative or judicial review.

The Commemorative Works Act of 1986 governs the process of establishing memorials in Washington, DC. The Act gives the authority for final site and design approval to the Commission of Fine Arts, the NCPC, and the Secretary of the Interior. In total, eight sites were considered for the memorial. The final Rainbow Pool selection was the consensus choice as the only site commensurate with the significance of World War II in American and World history.

Since 1995, the memorial site and design have been the subject of 22 public meetings that resulted in the endorsement of hundreds of Members of Congress, an endorsement from the State Historic Preservation Officer of the District of Columbia, four endorsements from the District of Columbia's Historic Preservation Review Board, five approvals from the CFA, and five approvals from the NCPC.

In other words, the National World War II Memorial is the product of an open and democratic process, in full compliance with all applicable laws. The site and design were debated in the media and in 22 public meetings since 1995. No party has been denied the right to be heard, and critics have had full opportunity to state their positions.

On May 28th of this year, many of us will attend Memorial Day observances. We will with humility and thanks, pay sincere respect to those whose sacrifices and dedications have protected the ideals on which America was founded. In this spirit, I strongly urge my colleagues to support H.R. 1696. The time is overdue to begin construction on this meaningful tribute and symbolic monument that will immortalize the defining moment of our history forever.

Mr. Speaker, I reserve the balance of my time.

Mr. STUMP. Mr. Speaker, I yield 2 minutes to the gentleman from Utah (Mr. HANSEN), the chairman of our Committee on Resources.

(Mr. HANSEN asked and was given permission to revise and extend his remarks.)

Mr. HANSEN. Mr. Speaker, I rise today to support this bill, which will expedite the construction of the national World War II memorial at the Rainbow Pool site on the Mall. I commend the gentleman from Arizona (Chairman STUMP) for the action he has taken on this.

It has been nearly 60 years since the people of our great Nation were called upon to defend democracy from the tyranny threatening to engulf the world. The best of America's sons and daughters heeded the call, and with the Nation united behind them, they changed the course of history. Now as America's greatest generation is in their twilight years, it is time to erect a fitting memorial to them on America's Mall as a testament to their sacrifices and their triumphant victory.

The American Battle Monuments Commission has met the requirements of the National Environmental Policy Act, the Commemorative Works Acts, and all other laws dealing with the site and design of this memorial, yet the memorial remains mired in administrative procedure, which continues to delay the construction.

It is time to set aside the bureaucratic obstacles and do what is right. We owe nothing less to those who gave so much for their country and the world.

Mr. EVANS. Mr. Speaker, I am pleased to yield 5 minutes to the gentlewoman from the District of Columbia (Ms. NORTON).

Ms. NORTON. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, every Member of this body is anxious to see a memorial to the women and men who secured our freedom with their personal sacrifices and their lives. We can assure a memorial on the present timetable or sooner without passing this radically destructive bill that will do irrevocable harm to the World War II memorial itself by eliminating indispensable oversight for the largest and most significant memorial on the Mall since the Lincoln Memorial was constructed almost 80 years ago.

We can keep a memorial on schedule without destroying the Commemorative Works Act, signed by Ronald Reagan 16 years ago specifically to assure oversight of all construction on the Mall.

Those of us who wanted the extraordinary vista between the Washington Monument and the Lincoln Memorial left unobstructed lost that battle several years ago. This bill responds to press reports that left the impression that the National Capital Planning Commission, the NCPC, would reconsider the entire World War II memorial project.

Both the NCPC and recent press reports have corrected this erroneous notion. The matter is before the NCPC again only because the Justice Department spotted a legal flaw that a holdover member had called the vote into question. That would have imperiled the memorial.

This bill is not only unnecessary, it throws out the baby with the bath water that has already been eliminated. The only overreaching left now is in this bill. It would leave a huge memorial to rise on the Mall, without any Federal law or agency with the power or the expertise to assure that the memorial builders meet their commitments and that the many problems that have been identified are caught and avoided.

Here are some of them: Assuring that contaminated groundwater would be pumped out continually and treated before continuing into the Potomac River and Chesapeake Bay inasmuch as the memorial is to be built below the groundwater table;

Protecting the structural integrity of the Washington Monument's wooden foundations as groundwater in its subsoil is pumped out;

Replacing the groundwater upon which the old growth trees that beautify the Mall depend;

Assuring that helicopters have a place to land without putting helicopter pads on the memorial, a National Park Service proposal which was recently stopped by the NCPC;

Accommodating tour buses off the Mall area;

Assuring that the vital 17th Street artery of the District used by Virginia and Maryland commuters and tourists alike near the Tidal Basin is not closed to traffic;

Ensuring oversight of the nighttime lighting plan still to be developed;

Ensuring oversight of the sculptural elements of the memorial and any inscriptions on the walls;

Ensuring compliance with what has already been approved.

This bill, which had no hearing and is informed by no meetings with relevant agency personnel promises serious unintended and counterproductive consequences that could be both embarrassing and disastrous for the memorial.

In the past, the Congress has always avoided the precedent this bill would set; using our power to tamper with the detailed oversight necessary to assure the integrity of the Federal presence.

Vote no. The NCPC has already gotten the message.

□ 1430

Mr. STUMP. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. HOUGHTON).

Mr. HOUGHTON. Mr. Speaker, I first want to thank the gentleman from Arizona (Mr. STUMP), who has been a real leader in this effort; and I appreciate what he has done.

I just want to say a couple of things. I cannot get into the architectural or the engineering problems here. I remember in 1939, I am old enough to remember that, that they had the same arguments as far as the Jefferson Memorial. It would be ruining the tidal basin and everything like that. I do not believe that for a minute, and it has not proved to be so.

I enlisted in the United States Marine Corps in May of 1944. I was proud of that. There are an awful lot of us who are still around, a dwindling number, who want to see something. We have the Vietnam Memorial, we have the Korean Memorial, but we do not a World War II memorial.

Frankly, there are hundreds of thousands of people who believe this and who have contributed: fraternal organizations, foundations, corporations. I have a VFW post, number 524, in my little town of Corning, which is about 12,500 people, which has raised more money than any other small VFW post in the whole country. They really believe in this. There are people out there, not intellectualizing about this, but who have a piece of their skin in this issue. They want to have something done. I would like to have something done, and I would like to have something done before I die.

Mr. EVANS. Mr. Speaker, I yield 5 minutes to the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in strong support of the Stump legislation to construct the World War II memorial exactly where it should be, as a memorial to the victory of liberty over tyranny in the 20th century, between the Washington Monument and the Lincoln Memorial, exactly where it should be placed, so that freedom from the 18th, the 19th, and 20th centuries will be celebrated along our avenue of democracy. It has now taken longer to approve this memorial, three times longer, actually, than it did to fight the war.

It is time for America to say "thank you" to our greatest generation, and to make it more than words. The public has a new-found fascination with the World War II generation, thanks to Tom Brokaw's book, movies such as "Saving Private Ryan," and other commemorations of our Nation's finest hour.

Outside the beltway, more than half a million Americans have responded to a national fund-raising appeal by contributing more than $150 million to the World War II Memorial project. In fact, just this past week, in my district, I returned to accept a check from schoolchildren, 7th and 8th graders at Anthony Wayne, Jr. School for $2,154 to contribute to the memorial's construction. Young people, the children, grandchildren, and great grandchildren who have been given the freedom we have today are contributing across this country. We owe them and their predecessors the kind of thanks that a grateful Nation expresses. Unfortunately, this project has been snarled in a new round of political tussling and legal wrangling inside this beltway.

I do not question the motives of the memorial's opponents, but it is time to move forward. There have been 22 public hearings by organizations like the National Capital Planning Commission, the Fine Arts Commission approving the construction of this memorial. The money has been raised and it is on deposit. All the respective legislation has been passed. Both Chambers of this Congress have said yes, yes, yes. Over 8 years, we have said yes. The ground has been dedicated. It is time to move forward with construction of the World War II memorial at the Rainbow Pool site. I say that not just as a Member of Congress, but as a city planner that helped take a look at the site, that has worked with the architects to make sure that the design was appropriate, blocking no views; and all public input has made this a better design than we began with originally.

Of the 16 million veterans who served during World War II, approximately 5 million still survive. Every day, approximately 1,100 World War II veterans pass away, never to see the memorial in Washington that will stand as testimony to what they did for us, with the heroism and the self-sacrifice that have given us a new generation of children of freedom.

It is time, Mr. Speaker, to move forward with construction of the World War II memorial. The time for delay is over. We not only honor our World War II veterans during this Armed Services Week in doing so, but we also say, we understand the cause for which they fought and it deserves recognition on the central part of our mall, complementing what we have done for the 18th century, the 19th century, and finally, the 20th century.

Support the Stump bill, H.R. 1696.

Mr. STUMP. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. BALLENGER).

Mr. BALLENGER. Mr. Speaker, I thank the gentleman for yielding me this time.

I would like to say that myself and the other two Members that have spoken on this side of the aisle all joined World War II when we were 17 years old. My wife and I have read on a daily basis the number of World War II veterans that are dying at the rate of 1,000 a day; and those that do not believe that, just look at the obituary columns in the newspaper.

Let me cite some of the reasons people give for not building this wonderful building. Critics claim that the memorial was approved behind closed doors by a small group of individuals without regard to the law. That is not true.

Critics claim that the memorial would desecrate grounds made sacred by the civil rights movement and would greatly impede and prevent future public gatherings and marches in the vicinity of Washington and Lincoln. That is not true.

Critics claim that the memorial will block the mall's open space between the Washington Monument and the Lincoln Memorial, inhibiting pedestrians from walking through this part of the mall. That is not true. The design allows open flow of visitors between the Washington Monument and the Lincoln Memorial.

Critics claim that the memorial would destroy the historic Rainbow Pool. That is not true. The Rainbow Pool will be lowered and rebuilt in its historic configuration. The pool's waterworks, which have not functioned for decades, will be restored to their original splendor. The Rainbow Pool will earn greater historic significance as the centerpiece of the only memorial to a 20th century event commemorated on the main axis of the mall.

Critics claim that the design echoes the Nazi Fascist architectural language of triumph and public spectacle. That is not true.

Critics claim that the World War II memorial is being built on ground that is part of the Lincoln Memorial, and that is not true.

I say to my colleagues, there are millions of reasons why this should be done, but every day there are fewer and fewer of us around that really can deliver the purpose that these people died for. I would like to say we have waited long enough. It is time that we pass this bill. Let us vote for it.

Mr. EVANS. Mr. Speaker, I yield 5 minutes to the gentleman from Guam (Mr. UNDERWOOD).

Mr. UNDERWOOD. Mr. Speaker, I thank the gentleman for yielding me this time.

I, first of all, want to rise in strong support of H.R. 1696, which would expedite the construction of the World War II memorial in Washington, D.C. I certainly want to thank the gentleman from Arizona (Mr. STUMP), for his leadership in bringing this very important resolution to the floor today. I would also like to recognize the other World War II veterans who are still in the House of Representatives, including the gentleman from Arizona (Mr. STUMP), who did spend some time in Guam during World War II, and especially the gentleman from New York (Mr. GILMAN), who also spent a significant amount of time in Guam during World War II.

The generation of Americans that fought and sacrificed during World War II deserve proper meaningful, and immediate recognition. A national monument should memorialize the spirit and the sacrifice and the unit of the American people in what was a chaotic and challenging time in world history; and after several years of planning, organization, massive public input, and creative efforts by various groups, this resolution seeks to make this monument a reality.

Time is against us, as has been already pointed out, as the veterans of World War II are dying at a rate that exceeds 1,000 every day; and if we do not act now, we may miss the opportunity to finally ensure proper remembrance for those who made the ultimate sacrifice for our Nation and indeed preserved the Nation. It is one of the great monuments, when we look at what has happened on the mall, where we have the Washington Monument, which in a sense honors the founding of this Nation; and we look at the Lincoln Memorial, which preserves the national division from within.

We have in this memorial testimony to preserving the Nation in the face of challenges from abroad. So it is entirely fitting and proper that as we go through the sequence of American history, we take the time to honor those important events which this Nation experienced and in which this Nation thrived.

The World War II memorial will be discussed mostly in the sense of what happened during the battles of World War II, and I hope to make my own contribution to that. But we should always be mindful as well that World War II represented the maturation of our country as a world power, which has continued to the present. It is more than simply the battles of World War II; it has really shaped and reshaped the destiny of not only our Nation and the years subsequent to it, but indeed the entire world.

My own part in this memorial was to try to bring recognition to the people of Guam who experienced a terrible occupation during World War II as the only American territory with civilians still present who experienced occupation during World War II, and the Chamorros, who were American nationals at the time, remained steadfastly loyal to the United States, and this resistance to conquest only exacerbated the brutality which they experienced. So for the people of Guam, this has a very special significance as well.

One of the immediate challenges that we faced in trying to deal with the memorial was that there were an anticipated 50 pillars, each loosely reflecting each one of the 50 States. And one of the lessons that we tried to work with as the memorial underwent some rethinking and underwent public input was to finally expand the number to 56 so that indeed all States and territories would be included in the commemoration of World War II. I believe that the people of Guam are not only grateful, but deserve this recognition and attention. The people of Guam not only suffered the indignities of a Japanese occupation; hundreds were executed and many, many more died as a result of the battle, as a result of deprivation, as a result of hunger.

One of the biggest holidays in Guam, even today, is July 21, which commemorates the landing of the U.S. Marines on July 21, 1944, which commemorates and celebrates the arrival of their fellow Americans to free the island from the hands of the Japanese and, more importantly, to cement a very strong relationship which exists to this day.

So this is a monument in which it is in the right place. I can think of no better place for it to be. Because when one comes to the Nation's capital, the whole Nation's history should be before us; and it would be a great testimony to the World War II generation.

Mr. STUMP. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I am pleased to rise today in strong support of this measure, H.R. 1696, a bill expediting the construction of the national World War II memorial here in our Nation's capital, and I urge my colleagues to join in lending their support to this legislation. I commend the gentleman from Arizona (Mr. STUMP), the distinguished chairman of our Committee on Armed Services, who is to be commended for his long-term diligent efforts to bring this measure to fruition.

This legislation states that the requirements of the National Environmental Policy Act of 1969, NEPA, the Commemorative Works Act, and any other laws pertaining to the citing and design of the memorial, have been fully met.

□ 1445

This measure allows the American Battle Monuments Commission to proceed expeditiously with construction of this long overdue veterans memorial to our World War II veterans at the dedicated Rainbow Pool site.

Moreover, the measure mandates that the decision to construct this memorial at the Rainbow Pool site and decisions regarding the design of the memorial are final and conclusive and should not be subject to any further administrative or judicial review.

Mr. Speaker, despite being authorized by Congress 8 years ago and having broken ground last year, which I was pleased to participate in, the construction of the World War II memorial has been delayed indefinitely. The decisions on location of the memorial and on its design were the subject of an open and dedicated process that included 22 public hearings over the past 5 years.

Despite these extensive reviews, there remains a small but vocal opposition that is prepared to block construction of the memorial on the Mall at all costs. The majority rule and the democratic process apparently means nothing to many of those opposed to the memorial, some of whom have succeeded in blocking construction with a pending lawsuit and a minor procedural issue.

The problem, Mr. Speaker, is that these petty delays will deprive hundreds of thousands of World War II veterans of the opportunity to ever review or visit the memorial. Only 5 million of the 16 million veterans who served in the Second World War remain with us, and we lose, as it has been indicated earlier today, 1,100 World War II veterans each and every day.

As a World War II veteran, I take offense at this small-minded opposition who want to block construction at all costs. What they forget is that it was the contributions of those who fought in World War II that permit them to freely voice their obstructionist views.

In closing, Mr. Speaker, let me say that the opposition has had ample time to speak. When subjected to a democratic vote, the location and design of the memorial was approved. It is now over time, long overdue to move forward with the construction of this important memorial for our World War II veterans.

Accordingly, I urge my colleagues to support this measure.

Mr. EVANS. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. FILNER).

Mr. FILNER. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, we have all been here this afternoon talking about honoring our World War II veterans, the greatest generation. We have all talked about how long it has taken to honor these veterans, how many have died, even in the planning process.

Mr. Speaker, there is one group of veterans of World War II that has waited 55 years to be honored. This Congress can proceed to do so. The previous speaker, the gentleman from New York (Mr. GILMAN), and I have introduced legislation called the "Filipino Veterans Equity Act."

In 1941, this country drafted all of the regular and irregular forces of the Philippine army and guerilla units. They fought in World War II. They held up the advance of the Japanese army. They surrendered with our forces at Bataan, suffered through the Bataan Death March, bravely defended our last forces at Corregidor. They stopped the Japanese timetable for many, many months, allowed us to regroup, and allowed MacArthur time eventually to return and take back the Philippines.

Yet, in 1946 this country, this Congress in 1946, decided to take away all the veterans' benefits that were promised to these brave heroes of World War II. It has been 55 years since that action was taken. It is time to restore the honor and dignity of the Filipino veterans. It is time to give them back the honor and the benefits that we promised but just took away.

We talk today about honoring our World War II heroes. We talk today about the freedom that they have given us and our Nation. As we talk about the heroes that we are going to commemorate on the Mall, let us not forget the Filipinos who were drafted into our Armed Forces, fought, and died for this country's freedom, and had this Congress take away their benefits in 1946.

Let the 107th Congress truly honor our veterans, restore their benefits, and pass the legislation, the Filipino Veterans Equity Act of 2001.

Mr. STUMP. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado (Mr. HEFLEY).

Mr. HEFLEY. Mr. Speaker, I thank the gentleman for yielding time to me.

I rise in very strong support of H.R. 1696. If ever there was a memorial that should be built, this is it. Quite simply, Mr. Speaker, there is no memorial more befitting than one to honor our World War II veterans and the tens of millions of people who were affected by World War II.

In fact, we in Congress agreed to honor the men and women of World War II when we passed and the President signed the act to authorize the construction of the memorial. Yet, here we are, 8 years later, with nothing to show for it. The only reason we have nothing to show is that the memorial construction has been stonewalled time and again by lawsuits and litigation by a small group of Washingtonians who do not want any additional memorials on the Mall, not even one to acknowledge what is arguably the most important event of the 20th century.

The sad fact is, Mr. Speaker, that in the meantime, over the 8 years, almost 3.4 million World War II veterans have died. With each passing day, over 1,000 more veterans die, men and women who deserve this memorial who will never see it. As this process drags on, we lose 30,000 more each month and 400,000 a year. We simply have to get construction started and completed on this memorial.

I want to add that this bill is not something we are trying to ramrod through at the last minute; quite to the contrary. There have been 22 public hearings, 5 approvals from the Commission on Fine Arts, and 5 approvals from the National Capital Planning Commission. There has been overwhelming national support, and over $170 million has been raised or pledged by over half a million citizens, hundreds of corporations, 1,100 schools, and hundreds of veterans groups.

Mr. Speaker, all the requirements of both the National Environmental Policy Act and the Commemorative Works Act have been met. All of the approvals have been made. The site has been established and is in the proper, rightful, and fitting place. We must end the delays and get on with the construction of the memorial, which pays homage to the brave men and women who fought for our country and sacrificed their lives to keep this country and the world free.

Mr. Speaker, I am ashamed at the delay that has taken place. I strongly urge passage of H.R. 1696 so we can finally bring the stonewalling to an end and ensure that this deserving memorial will be constructed.

Mr. EVANS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. STUMP. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. SMITH), the chairman of our Committee on Veterans' Affairs.

Mr. SMITH of New Jersey. Mr. Speaker, I thank my friend for yielding time to me.

Mr. Speaker, as chairman of the Committee on Veterans Affairs, I rise in very strong support of H.R. 1696, a bill to expedite the construction of the World War II memorial on the Washington Mall between the Washington Monument and the Lincoln Memorial. This artist's rendition to my left shows the dignity and grace that this memorial will provide in memory of those men and women who served so ably and so courageously on behalf of our country.

Mr. Speaker, as we know, the design and site for the memorial have been carefully studied. My good friend just a moment ago spoke to the number of hearings. This has been an exhaustive process. It has been approved over a period of some 6 years, a longer time than it took to win World War II.

The Allied victory in this greatest war in world history represented the triumph of the human spirit and began the march of freedom and democracy across the world that continues even today.

More than half a century has passed, Mr. Speaker, but America's World War II veterans still have no national memorial to honor them. They have been called the greatest generation; and even recently, popular movies like Saving Private Ryan and the Thin Red Line have served to remind us of their incredible bravery and sacrifices. Yet, they have no memorial, and their generation is passing away at the rate of over 1,100 people per day. How much longer can they wait?

Eight years ago, Congress passed the authorization for the World War II memorial. Today we have a site selected and a design approved through an exhaustive process that ensured careful consideration of all the relevant factors before the decisions were made.

Unfortunately, no process can ensure unanimity. A litigious few are now attempting to block both the site selection and design in the courts on legal technicalities. Oh, yes, they too support a memorial. They just cannot agree on when or where or in what form, and they have no concern about how long that process might take.

Mr. Speaker, despite a full and fair opportunity to have their opinions heard, they argue that the process was not perfect. The truth is, they do not like the result so their strategy is endless reconsideration and delay. They apparently do not care whether World War II veterans live to see their own memorial or not. The irony is that they live in a free society, exercising rights secured by the blood of our World War II veterans and other veterans.

I frankly think this situation we find ourselves in today is unconscionable. I would like to commend my good friend and colleague, the gentleman from Arizona (Mr. STUMP), now chairman of the Committee on Armed Services, himself a World War II combat veteran, for leading the way on this legislation. There is nobody more able and more qualified in this Chamber to be offering this resolution than my good friend, the gentleman from Arizona. I want to associate myself with his remarks, and note that he is a former chairman, chairman emeritus, of the Committee on Veterans' Affairs.

Mr. Speaker, like many in this Chamber and many who may be viewing these proceedings, I regret that my own father, a combat veteran who saw horrific action in New Guinea during World War II and elsewhere in the Pacific, including the Philippines, never got to see this memorial, having passed away a few years ago. He, like those 1,100 who die every day, will never see this memorial. Again, like I said a moment ago, that is unconscionable.

Mr. Speaker, if we look at the cosponsors, this is a bipartisan effort to try to get this very important memorial moving. I think it shows that there will be and I hope should be broad support across the spectrum for this.

Let me just finally say that delay is denial. Again, 1,100 veterans die every day, 1,100 of the greatest generation. If we delay this another day, it is denial for them to see what this country has said in gratitude. It is a small token, but nevertheless it is an important token. I hope that everyone unanimously supports this important resolution. I salute the gentleman from Arizona.

Mr. STUMP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in closing, I want to thank all my good friends who have spoken in favor of this resolution today. I want to thank the gentleman from New Jersey (Mr. SMITH), as chairman of the Committee on Veterans Affairs, and his ranking member, the gentleman from Illinois (Mr. EVANS), for all their help and support; along with the gentleman from Utah (Mr. HANSEN), chairman of the Committee on the Interior, which has jurisdiction over the Mall, and his ranking member, the gentleman from West Virginia (Mr. RAHALL), as well as the leadership for allowing us to move expeditiously on this.

In closing, let me say, let us not get into another bureaucratic wrangling and delay any further. The number of 1,100 World War II veterans has been mentioned here that are dying every day. Translate that into the time we have been on this floor. We have been on the floor approximately 1 hour. We have debated this bill for about 50 minutes. Sadly to say, Mr. Speaker, in that time, another 45 World War II veterans have passed away.

Mr. BUYER. Mr. Speaker, I rise in strong support of H.R. 1696.

This bill would expedite the construction of the already-approved World War II Memorial on the Mall in Washington, DC.

In short, World War II veterans have waited long enough. When the long dark shadows of aggression appeared and threatened to cloak liberty, it was the World War II veterans that ensured liberty, freedom and the rule of law. It is time that all Americans express the gratitude and admiration that our nation's World War II veterans rightly deserve.

Our World War II veterans are truly special. While many have served this great nation in varying capacities, it is the World War II generation that ultimately changed the course of history.

In return, this Congress must ensure the United States government remains steadfast in its commitment to provide World War II veterans and their families a memorial that they so richly deserve. We must act now.

Ms. LOFGREN. Mr. Speaker, I rise today in strong support of H.R. 1696, legislation to fast-track the Construction of the World War II Memorial in Washington, D.C. This bill is necessary because it takes into account the crucial element of time; time that is running out for many veterans. Every day, we lose more than 1,000 World War II veterans. Today, less than 6 million remain alive.

The intent of the World War II Memorial is to honor the 16 million Americans who served in uniform during the war, the more than 400,000 who gave their lives, and the millions who supported the war effort on the homefront. World War II was a point of transition in American history, a point at which America's adolescence ended and a mature American mission emerged. This mission, as defined by President Franklin Roosevelt's Four Freedoms, was a call to all Americans to work to end tyranny and poverty wherever it is found.

World War II also marked a time of rapid advancement for America. In order to meet the materiel needs of the worldwide war effort, America's factories manufactured goods at an astronomical rate. To sustain this level of production while so many American men were putting on uniforms and going off to war, women entered the workforce in mass numbers for the first time. This forever changed the face of American industry, while also changing the way many women saw themselves and their role in American society.

The benefits provided to returning veterans, including financial assistance for education and home purchases, allowed many Americans to attain a level of freedom and independence that was not even imagined before the war. The Montgomery GI Bill provided countless veterans with a college education. In many cases, these veterans were the first in their family to go to college.

Above all, World War II was the moment in history when the United States helped save the world from fascism and tyranny. And, as Senator Bob Dole said, "It is time to thank the World War II veterans for doing what they believed was their duty—to help their country save the world. We must build a monument to bear them witness. Witness to young men who, armed with courage, liberated whole continents from tyranny. Witness to young soldiers who willingly died for a future they would never see."

As a testament to the urgency of this matter, I read in today's Washington Post, the obituary of Barbara Lazarsky. During World War II, Ms. Lazarsky served in the Women's Air Force Service Pilots. She contributed to the war effort by ferrying planes across the Unites States so that men were free for combat overseas. When the WASP program was disbanded after the war, Ms. Lazarsky became an aircraft accident analyst for the Air Transport Command. In 1947, she became a military and air attaché in India. Her recent death demonstrates the necessity of expediting the construction of the World War II Memorial.

This World War II Memorial honors those who served, and those who gave the "last full measure of devotion," while also commemorating the indelible mark left on American society. It is time to create a lasting monument to the legacy of those who gave so much and asked for so little. While we may disagree on the style and form of the memorial, we all agree on the moral imperative to honor those who served their country in its hour of need. I urge my colleagues to support H.R. 1696.

Mr. BLUMENAUER. Mr. Speaker, I rise in opposition to H.R. 1696, legislation that would expedite building the World War II Memorial at the expense of protecting our National Mall. I inadvertently voted in support of this legislation earlier today. While I believe it is important to recognize the important contributions and sacrifices that our fighting men and women made during this turning event in world history, I do not support legislation that would do irrevocable harm to the World War II Memorial itself and to the national mall. If any precious national treasure deserves protection by Congress, it is the National Mall. H.R. 1696 would eliminate indispensable oversight for the largest and most significant memorial on the Mall since the Lincoln Memorial was constructed almost 80 years ago.

I oppose this legislation because not only is it unnecessary, but its provisions could seriously compromise the water quality and surrounding cultural and historical landmarks of the city. Congress should not promote legislation that would eliminate or reduce oversight on already agreed to provisions that the City and National Planning Commission have developed. Such critical provisions not addressed by this bill include not allowing contaiminated groundwater to be pumped into the Potomac River and Chesapeake Bay, ensuring the structural integrity of the Washington Monument, and providing tourists with the ability to appreciate this Memorial and the Mall without suffering severe traffic congestion.

Congress should let the National Planning Commission deal with building the Memorial in a more appropriate manner, one that is already underway and which befits the important legacy that this Memorial is designed to honor.

Mrs. MCCARTHY of New York. Mr. Speaker, It is essential that future generations always remember the sacrifices for freedom made by the World War II generation. A tribute to the men and women who helped win that war, both overseas and on the home front is long overdue. It's for this reason that I'm working to expedite construction of the memorial and why I will vote with my colleagues in the U.S. House of Representatives to pass legislation that directs work on the World War II Memorial begin as soon as possible.

The construction of the country's first national memorial dedicated to all who served in the armed forces and Merchant Marine of the United States during World War II on the National Mall is a fitting tribute to their courage. I am disappointed by the efforts of those to delay construction of the World War II Memorial, but the real victims of the indefinite delay are the members of that generation, who now must wait even longer for it to be completed.

It is a harsh reality, but of the 16 million who served in uniform during the war, it is estimated that only 5 million are still alive, and of whom, we lose 1,100 each day.

Throughout a lengthy, open and democratic approval process, the American people have expressed their overwhelming support for the construction of the National WWII Memorial on our nation's mall. Hundreds of thousands of individual Americans, hundreds of corporations and foundations; dozens of civic, fraternal and professional organizations; state legislatures, and veterans organizations have joined the effort to say thank you to America's WWII generation.

Each year, millions of visitors come to the nation's capital to appreciate its monuments to our country's founding fathers, great presidents, and places of government. Home to our nation's cherished symbols of freedom, the memorial will beautifully complement the green vistas of the Mall and its existing monuments. They story of the World War II generation is an inspiration for us all. Once completed, this memorial will be a visible and timeless reminder of what they did to protect freedom and democracy.

The SPEAKER pro tempore (Mr. GIBBONS). The question is on the motion offered by the gentleman from Arizona (Mr. STUMP) that the House suspend the rules and pass the bill, H.R. 1696.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. DAVIS of Illinois. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1500

COMMEMORATING DEDICATION AND SACRIFICES OF LAW ENFORCEMENT OFFICERS

Mr. OTTER. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 116) commemorating the dedication and sacrifices of the men and women of the United States who were killed or disabled while serving as law enforcement officers, as amended.

The Clerk read as follows:

H. RES. 116

Whereas the well-being of all citizens of the United States is preserved and enhanced as a direct result of the vigilance and dedication of law enforcement personnel;

Whereas more than 700,000 law enforcement officers, both men and women, at great risk to their personal safety, serve their fellow citizens as guardians of peace;

Whereas these peace officers are on the front line in preserving the right of the children of the United States to receive an education in a crime-free environment, a right that is all too often threatened by the insidious fear caused by violence in schools;

Whereas 151 peace officers lost their lives in the line of duty in 2000, and a total of nearly 15,000 men and women serving as peace officers have made that supreme sacrifice;

Whereas every year, 1 in 9 peace officers is assaulted, 1 in 25 is injured, and 1 in 4,400 is killed in the line of duty; and

Whereas on May 15, 2001, more than 15,000 peace officers are expected to gather in the Nation's Capital to join with the families of their recently fallen comrades to honor those comrades and all others who went before them: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) all peace officers slain in the line of duty should be honored and recognized; and

(2) the President should issue a proclamation calling upon the people of the United States to honor and recognize such officers with appropriate ceremonies and respect.

The SPEAKER pro tempore (Mr. BARR of Georgia). Pursuant to the rule, the gentleman from Idaho (Mr. OTTER) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentleman from Idaho (Mr. OTTER).

GENERAL LEAVE

Mr. OTTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Res. 116, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. OTTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to have the House consider H. Res. 116, legislation introduced by the gentleman from Colorado (Mr. HEFLEY), my colleague.

This rule commemorates the dedication and the sacrifice of the men and women of the United States who were killed or disabled while serving as law enforcement officers. By adopting H. Res. 116, the House will express its belief that all peace officers slain in the line of duty should be honored and recognized.

Further, Mr. Speaker, this resolution urges the President of the United States to issue a proclamation calling on all Americans to honor and recognize such officers with appropriate ceremonies and respect.

Mr. Speaker, every day more than 700,000 law enforcement officers risk their lives and their safety to protect us. They patrol our most dangerous streets, and they deal with the most violent elements of our society. Increasingly, law enforcement officers are also called upon to preserve the right of our children to receive an education. They then pay a high price to defend all of our liberties.

As the resolution states, Mr. Speaker, 1 in 9 peace officers are assaulted every year; 1 in 25 are injured; and, even more sadly, 1 in 4,400 are killed in the line of duty.

In my own great State of Idaho, Mr. Speaker, we have lost 56 brave men and women in uniform who were protecting our families and our friends and our neighbors.

These, all of them, are heroes and they have put their lives at risk, put their families in danger, and have done something remarkable that we do not see too often today: They put society's safety ahead of their own.

Mr. Speaker, on June 17, 1988, Officer Linda Huff, an Idaho State Police Officer, was shot in the parking lot of her patrol station while walking to her car. The assailant fired 17 rounds from a high-powered hand weapon at point-blank range. She was able to return fire and injured her assailant before dying.

The injuries Trooper Huff inflicted on her assailant led to his eventual arrest. More recently, on January 3 of 2001, two more peacekeeping Idahoans lost their lives while serving a search warrant. Corporals Anderson and Moulson were both wearing bulletproof vests when they were met with gunfire from the suspect inside the home. Sadly, not only are these men and women protecting us; in that process, they have become targets themselves by the criminals.

Over 15,000 officers gather at our Nation's Capitol today to join with the families of these recently fallen comrades and recognize the supreme sacrifice that so many others have made in giving their last full measure.

The courage and sacrifice displayed by our law enforcement officers is being honored by Congress through the establishment of the National Law Enforcement Museum. This museum will ensure the stories of heroism and sacrifice of these police officers are always remembered.

Mr. Speaker, I encourage all Members to support this resolution to offer their votes, first, in appreciation to the fallen heroes, and, second, as a vote of confidence for those who still today serve.

This House should make plain its appreciation for the critical and often unappreciated sacrifices these men and women make in preserving the peace.

Mr. Speaker, I reserve the balance of my time.

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to commend the gentleman from Colorado (Mr. HEFLEY) for introducing this resolution honoring our law enforcement personnel.

Mr. Speaker, the first recorded law enforcement fatality in the performance of duty in this country occurred on May 17, 1792. The officer, Isaac Smith, a sheriff's deputy in New York City, was shot to death while attempting to make an arrest.

Since that time, more than 15,000 other officers have been killed in the line of duty, and today roughly 740,000 officers continue to put their lives on the line for the safety and protection of others.

May 15 is Peace Officers Memorial Day, and it is fitting that this resolution, honoring the men and women of this country who were killed or disabled while serving as law enforcement officers, be brought before this body today.

According to the National Crime Victimization Survey conducted by the Bureau of Justice Statistics in 1997, there were 31.3 million crimes committed in the United States, an average of one crime every second. That is how often law enforcement officers put their lives on the line; every second of every hour they are on duty protecting the American people. And so it is for this reason that in 1984, Congress authorized the National Law Enforcement Officers Memorial.

The memorial honors Federal, State and local law enforcement officers who have died in the line of duty and recognizes the service and sacrifice of all officers.

Completed and dedicated in 1991, the memorial, which is located here in Washington, D.C., has the names of more than 15,000 officers who have been killed in the line of duty inscribed on its blue-gray marble walls.

The names of seven fallen officers from Illinois were added to the memorial this past Sunday. Of those, Roy Costello, John Kearney, and Alane Stoffregen were from the Chicago Police Department.

Their watch over the city ended at various times: Mr. Costello in 1945; Mr. Kearney in 1909; and Ms. Stoffregen last year. But they served one common purpose: to keep the district that I represent safe.

Mr. Speaker, I salute them and those that serve today for their dedication and commitment.

Since 1854, a total of 417 Chicago police officers have lost their lives while serving our communities. For 40 years, the Chicago Police have held the St. Jude parade to honor fallen police officers of the previous year. More than 8,000 participants, including law enforcement officers and employees, marched the streets of Chicago.

This year's march honored 30 fallen officers, including the last officer killed in action, James Camp, who was shot while investigating a car theft.

Soon a museum will be built near the memorial to tell the story of law enforcement's proud history and to serve as a research repository to promote law enforcement safety.

The memorial, the future museum, and this resolution will ensure that the heroism and sacrifice law enforcement officials make every day will be remembered and revered, so I would urge all Members to give support to this resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. OTTER. Mr. Speaker, I yield such time as he may consume to the gentleman from Colorado (Mr. HEFLEY).

Mr. HEFLEY. Mr. Speaker, I thank the gentleman from Idaho (Mr. OTTER) for yielding the time to me.

Mr. Speaker, law enforcement officials from around the country have come in these last few days and today to Washington, D.C. to commemorate and honor fellow peace officers slain in the line of duty.

The National Peace Officers Memorial Day serves as a solemn reminder of the sacrifice and commitment to safety that police officers make on our behalf. The National Peace Officer Memorial Resolution, H.R. 116, which is cosponsored by 81 of my colleagues, expresses the gratitude of the House of Representatives for the work that these officers perform.

Law enforcement officers face unprecedented risks while protecting our communities and our freedoms. Today over 700,000 men and women place their lives at risk to serve as protectors of law and order.

Throughout U.S. history, more than 15,000 men and women serving as peace officers have sacrificed their life for their Nation and community. In the year 2000 alone, 151 Federal, State and local law enforcers gave their lives in the line of duty. To date, 54 have died in 2001; 3 of these 54 come from my home State of Colorado.

Law enforcement officers face enormous risks while protecting our neighborhoods, our families, our freedoms; yet there is often an attitude of indifference. Every community has been impacted by the work of officers, yet most citizens have little direct contact with peace officers. Therefore, the sacrifices of these brave Americans go unnoticed and often underappreciated.

Mr. Speaker, without the service of peace officers, our society is left unprotected. Law enforcement officers deserve to be recognized and honored for their work, their dedication, their sacrifice, and, yes, Mr. Speaker, their bravery in defense of our society.

I hope my colleagues will join me in expressing our appreciation to all peace officers and paying tribute to those slain in the line of duty and to their surviving families by supporting H. Res. 116.

Mr. DAVIS of Illinois. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. STUPAK), one who knows exactly what it means and what it is like to be a law enforcement official himself.

Mr. STUPAK. Mr. Speaker, I thank the gentleman from Illinois (Mr. DAVIS) for yielding the time to me.

Mr. Speaker, I rise today to support this resolution in honor of law enforcement officers who were killed or disabled in the line of duty. I want to thank the gentleman from Colorado (Mr. HEFLEY) for sponsoring this important legislation and to all of those who cosponsored it to make it a reality here today.

Before coming to Congress in 1993, I served as a police officer for 12 years, both as a city police officer and as a Michigan State trooper. I have known personally too many officers who have been disabled or who have given their lives for the people they serve.

Each of us today understand the importance of the House of Representatives in undertaking this resolution to honor law enforcement officers who have made the ultimate sacrifice. In this past year it has been 151 men and women.

We do not forget those officers who died in previous years. Mr. Speaker, in my case, I specifically think back about the funerals and where I was honor guard for the funerals of Darrell Rantanen of the Gladstone Post back in about 1974, or Craig Scott of the Lansing Post who died in 1983. Those officers died doing their job just like law enforcement officials do day in, day out.

Unfortunately, Mr. Speaker, probably each one of us can name an officer that was killed in the line of duty either in our home districts or even here in the Capitol, which happened in 1998 with the deaths of Capitol Police Officers Chestnut and Gibson.

We do not forget the extreme sacrifice our Nation's law enforcement and public safety officers make to our communities and to the Nation every day.

This legislation, as simple as it is, recognizes the very important value our government places on the work of the men and women who serve us each day. It is important that we take this step this week to show our respect and recognition for the jobs that police officers do every day, in every town, in every township, and every county in America.

Mr. Speaker, I ask all of my colleagues to join with me in support of this resolution. It is the least we can do for those who work with us and work for us every day in this great Nation.

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would simply say that when one gives of themselves and gives of their life, they have given the best that they have had to give, and I would urge support for this resolution.

Mr. Speaker, I yield back the balance of my time.

□ 1515

Mr. OTTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I appreciate the remarks of the gentleman from Illinois (Mr. DAVIS).

Mr. Speaker, I commend the gentleman from Colorado (Mr. HEFLEY) for introducing this important piece of legislation and for his efforts to bring it to the floor and see it through its passage. I wanted to thank the gentleman from Indiana (Mr. BURTON), of the Committee on Government Reform, and the gentleman from Florida (Mr. SCARBOROUGH), chairman of the Subcommittee on Civil Service and Agency Organization, and the gentleman from California (Mr. WAXMAN) and the gentleman from Illinois (Mr. DAVIS), ranking members, for working expeditiously for bringing this resolution to the floor.

In closing, Mr. Speaker, let me just remind everyone that it is our law enforcement officers that provide for the construction of the community, provide for its safety. They are, indeed, community builders. It reminds me of a poem that I learned many years ago, and I should like to offer it in closing, Mr. Speaker.

It goes like this: "I saw a group of men in my hometown. I saw a group of men tearing a building down. With a heave and a hoe and a mighty yell, they swung a beam, and a side wall fell. And I said to the foreman, 'Hey, are these men skilled, you know the kind that you'd hire if you wanted to build?' He said, 'Why no indeed. To tear down a building, common labor is all I need. With common labor, I can tear down in a day or two what it took a builder 10 years to do.' So I thought to myself as I walked away, which of these roles am I going to play."

Mr. Speaker, men and women in law enforcement and in uniform today that build our communities deserve the vote, and I urge the Members to provide their vote and their support.

Mr. ORTIZ. Mr. Speaker, I rise in support of this resolution and join Americans across the country today in honoring those officers who have died or who were disabled in the line of duty. South Texans appreciate those men and women who walk that thin blue line every day.

As a former law enforcement officer, I have an intimate understanding of situations that can turn dangerous or deadly in a moment. The men and women who police our communities walk that line that separates the good guys from the bad guys. The work we ask our police officers to do is dangerous, dirty duty.

What people do not understand very often is that it is the inherent risk of what we might have to do that makes law enforcement so dangerous. We see the best and worst of our fellow human beings. It is not our job to judge them. That task is reserved judge and jury. Our job is merely to treat everyone equally.

Enforcing the law is a hard job. When people do something wrong, their first instinct is to find fault with the person who catches them. So being the guardian of our laws is never a simple endeavor. But in the end, it is the enormous satisfaction of protecting our neighborhoods and families that makes walking that line worth all the danger and criticism. It is the laughter of safe children, or the gratitude of someone whose life or property we protect, that makes doing this job enormously satisfying.

There are several South Texans who will be honored this week. Officers who made the supreme sacrifice include: Enrique L. Carrizalez, Alfred Walter Basler, David Rucker, Susan Lynn Rodriguez, Richardo Guillermo Salinas, Joseph Moon, Juan Prieto, Dan Bock, Roy Smith, John Sartain, and Ruben Almanza. These people are examples of the message set forth by Jesus Christ in John 15:13: "Greater love hath no one than this: than to lay down one's life for his friends."

Let us not forget the sacrifice made on our behalf right here in this building; our own Capitol Police Officers Chestnut and Gibson died defending Members of Congress and the public who populate this building. The House of Representatives joins families and communities across the nation to remember those members of the force who are no longer with us, who made the supreme sacrifice in the line of duty.

For the sacrifices to ensure the rule of law, the officers we honor today and their families have the eternal gratitude of a grateful nation. While today we remember and reflect on the last full measure of devotion of these brave peace officers, let us do better than that by remembering their sacrifice and respecting the danger our officers face each and every day on our behalf every other day of the year.

Mrs. CHRISTENSEN. Mr. Speaker, I rise today in support of H. Res. 116, to acknowledge the dedication and sacrifices of the men and women of the United States who were killed or disabled while serving as law enforcement officers. It is fitting that we acknowledge and commend the courage and dedication shown by our law enforcement officers who have given their lives for their fellow citizens.

Mr. Speaker, sadly in the past year, 150 law enforcement officers gave their lives in the performance of their duty. In my own district, although we have been fortunate not to have lost officers in the line of duty in the past year I pause to remember and recognize Randy Stevens, Steven Hodge, Richard Callwood, Dexter Mardenborough, Wilbur Francis, Allen William, and Patrick Sweeney who were all killed as they sought to keep the streets and communities of the Virgin Islands safe.

Mr. Speaker it was President Kennedy, who approved House Joint Resolution 730 in October 1962, which proclaimed May 15 of each year as Peace Officers Memorial Day and the Week of May 15th Police Week. Our Police Officers are the defenders of our communities because they bravely protect us from mortal dangers, in some cases at the cost of their own lives. For that we owe them all our deepest gratitude and respect. I urge my colleagues to vote "yes" on H. Res. 116.

Mrs. MCCARTHY of New York. Mr. Speaker, I support H. Res. 116. It is a long-awaited tribute to the hard working law enforcement community members.

Countless law enforcement men and women daily dedicate their lives to our country's protection. They face unbelievable danger to say nothing of the sacrifices: death, injury, disability and family stress. We must finally recognize their dedication and commitment to our communities, families and children.

They not only deserve our support and gratitude, but they also deserve protection under the law. That is why I cosponsored H.R. 218, the Community Protection Act. This bill, supported by police nationwide, allows law enforcement officers to carry concealed weapons. They need this as criminals know who the officers are, who their families are and where they live. Very simply: law enforcement officers need protection both on and off duty.

When law enforcement officers begin their day, the risk and danger are unknown. I cannot imagine a more unsettling feeling for both the officer and his or her family.

Therefore, I honor law enforcement officers nationwide, particularly those who serve Long Island.

Mr. SCHIFF. Mr. Speaker, I rise today in support of House Resolution 116, honoring law enforcement officers who have been killed or disabled in the line of duty. Often, the immeasurable contributions of our nation's law enforcement officers go unnoticed. The establishment of a Peace Officers Memorial Day would serve as a powerful tribute to slain officers as well as to those who continue to risk their lives each day to make our communities safe.

In one of the communities I represent, Glendale, California, four police officers and one sheriff's deputy have been killed in the line of duty. Many more have suffered work-related injuries and illnesses that have contributed to early deaths. This ultimate sacrifice deserves honorable recognition.

One of these fallen heroes is Charles A. Lazzaretto, a Glendale Police Officer, who was killed in the line of duty only four years ago. Chuck was born on October 5, 1966 and spent his early childhood living with his family in the California communities of Walnut and Montebello. In 1982, the Lazzaretto family moved to Burbank where his father served as city manager. While attending Glendale Community College in the mid-1980s, Chuck was appointed as a campus public safety officer and subsequently promoted to the rank of sergeant. In 1985, he volunteered for the United States Marine Corps Reserves and attended Officer Candidate School.

Chuck joined the Glendale Police Department on May 3, 1987 where he was appointed as a reserve police officer. In 1991, he received the rank of officer, working assignments in the juvenile, burglary, auto theft, arson, and robbery/homicide areas. Chuck's favorite pastime was spending time with his family. He often spoke of his love for his wife and two sons, Andrew and Matthew, as well as his parents and three brothers. Chuck was a community leader and family role model.

Police officers touch the lives of so many Americans. It is a long overdue tribute that we commemorate the courage and spirit of our nation's law enforcement officers with this resolution. I would also like to add my voice in support of H.R. 1727, which assists the families of those killed in the line of duty. May our fallen heroes and their families find solace in the national recognition of their sacrifice.

I urge my colleagues to support this legislation.

Mr. OTTER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARR of Georgia). The question is on the motion offered by the gentleman from Idaho (Mr. OTTER) that the House suspend the rules and agree to the resolution, H. Res. 116, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. OTTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

FALLEN HERO SURVIVOR BENEFIT FAIRNESS ACT OF 2001

Mr. RAMSTAD. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1727) to amend the Taxpayer Relief Act of 1997 to provide for consistent treatment of survivor benefits for public safety officers killed in the line of duty, as amended.

The Clerk read as follows:

H. R. 1727

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fallen Hero Survivor Benefit Fairness Act of 2001".

SEC. 2. CONSISTENT TREATMENT OF SURVIVOR BENEFITS FOR PUBLIC SAFETY OFFICERS KILLED IN THE LINE OF DUTY.

Subsection (b) of section 1528 of the Taxpayer Relief Act of 1997 (Public Law 105–34) is amended by striking the period and inserting ", and to amounts received in taxable years beginning after December 31, 2001, with respect to individuals dying on or before December 31, 1996.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota (Mr. RAMSTAD) and the gentleman from New York (Mr. MCNULTY) each will control 20 minutes.

The Chair recognizes the gentleman from Minnesota (Mr. RAMSTAD).

Mr. RAMSTAD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we cannot be considering this important legislation on a more appropriate day. Today is Peace Officers Memorial Day. Each year, on May 15, America honors the men and women in law enforcement who have given their lives to keep the American people safe in their communities and on their streets. More than 15,400 brave public safety officers have made the ultimate sacrifice since our Nation was founded.

We just considered a resolution honoring these fallen heroes. Now it is time to honor our public safety officers killed in the line of duty by offering tangible help to their loved ones left behind. This is exactly what the legislation before us does.

The Fallen Hero Survivor Benefit Fairness Act provides tax-free benefits to families of all public safety officers killed in the line of duty regardless of when the officer was killed. This bill, Mr. Speaker, includes law enforcement officers, firefighters, rescue squads, ambulance crews and employees working in disaster or emergency areas.

Under present law, a gross inequity exists because survivor benefits are treated differently, depending on when the public safety officer died. Currently, survivor benefits are tax free only if a public safety officer died in the line of duty after December 31, 1996.

This inequity, Mr. Speaker, arose from the Taxpayer Relief Act of 1997 because of revenue constraints. Pursuant to an amendment to that legislation offered by the gentlewoman from Florida (Mrs. THURMAN) and me, families of officers killed in the line of duty became eligible to receive survivor benefits tax free for the first time.

Unfortunately, however, because of the revenue limitations at the time, the tax-free benefits were limited to officers killed after December 31, 1996.

As a result, Mr. Speaker, families of our law enforcement heroes, our fallen heroes, are being treated differently by the Tax Code depending on when the officer was killed. I think all of us in this body and all Americans agree that it is absolutely unconscionable to discriminate against survivors of fallen officers simply because their husband, wife, or parent officer died before 1997.

The bill before us today is based on an amendment I offered 2 years ago in the Committee on Ways and Means, which was unanimously adopted in the Taxpayer Refund and Relief Act of 1999. That provision passed both the House and Senate, but unfortunately the President at the time vetoed the larger bill.

I want to express my gratitude to the gentleman from California (Chairman THOMAS) for expediting H.R. 1727 in the Committee on Ways and Means. I want to also thank the 13 bipartisan members of the committee who joined me in sponsoring this bill and to the other sponsors, especially the gentleman from New Hampshire (Mr. SUNUNU), the gentlewoman from Florida (Mrs. THURMAN), and the gentleman from Michigan (Mr. STUPAK), who have worked on this issue over the years.

I am also grateful to the more than 20 State and national law enforcement organizations who sent letters in support of this important legislation. But most of all, Mr. Speaker, I am eternally grateful to the fallen heroes and their families we honor today.

As cochair of the Congressional Law Enforcement Caucus, I understand the risks and sacrifices made by our officers every time they put on their badge. Over the past 15 years, I have spent over 1,600 hours riding with Minneapolis and suburban police back home. I have accompanied high-risk entry teams on 65 search warrants. So I have seen, firsthand, officers in harm's way simply because they are doing their job to keep our streets and communities safe.

Each year, an average of 62,000 assaults are committed against peace officers, resulting in more than 21,000 injured officers. On the average, it was just said by the previous speakers, an officer is killed every 57 hours in America. Just last year, 150 peace and police officers gave their lives, which represents, by the way, a 12 percent increase in police fatalities over the previous year.

The average age of slain peace officers is only 38 years. Seventy-two percent of these officers were married, and the largest percentage had young children.

Of course the financial hardship on these families can be devastating on top of dealing with an unbearably painful loss.

So, Mr. Speaker, let me conclude by saying this legislation, H.R. 1727, is long overdue. Just a few short hours ago, a memorial service for fallen police officers was held here at the Capitol. Flags on all Federal buildings are currently flying at half-staff. It is time to honor our fallen heroes with deeds as well as words.

I urge my colleagues to support this bill which will ensure that all families, all families of slain police officers receive survivor benefits tax free, regardless of when the officers were killed. It is the very least we can do for families of our fallen heroes who have made the ultimate sacrifice.

Mr. Speaker, I reserve the balance of my time.

Mr. MCNULTY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today H.R. 1727 comes to the House with strong bipartisan support. This bill was approved by the Committee on Ways and Means by unanimous vote. I strongly support this legislation.

H.R. 1727 would bring fairness to our Tax Code for a small but very special group of taxpayers. The bill would extend uniform tax treatment to certain payments received by the surviving spouse or children of a public safety officer killed in the line of duty. This legislation would extend current-law treatment to amounts paid under a survivor annuity with respect to a public safety officer killed in the line of duty before December 31, 1996 with respect to payments received after December 31 in the year 2001.

The Tax Relief Act of 1997 provided that amounts paid pursuant to a survivor annuity with respect to public safety officers who were killed in the line of duty are excluded from the income of the officer's surviving spouse or children if the officer's death occurred on or after December 31, 1996. The annuity must be provided under a government plan.

For this purpose, public safety officers include, not only law enforcement officers, but also firefighters, rescue squad members, or ambulance crews.

As demonstrated under present law, this tax treatment is provided for annuity payments received with respect to public safety officers who lose their lives due to risks inherent in their jobs. These officers risked their lives on a daily basis to protect our families and our communities. This sacrifice obviously is shared by their families.

Under H.R. 1727, we are acknowledging that, when a public safety officer is killed in the line of duty, the officer's family has paid the ultimate sacrifice. The sacrifice is no less great because the officer was killed before December 31, 1996.

This is why H.R. 1727 extends current law to families of all officers killed in the line of duty without regard to date of death. All surviving spouses and all children of public safety officers killed in the line of duty should receive the same tax treatment.

H.R. 1727 provides that all payments received under a survivor annuity as prescribed above after December 31, 2001 would be excluded from income.

I urge all of my colleagues to support H.R. 1727 in the name of all of those who put their lives on the line for us 365 days a year.

Mr. Speaker, I reserve the balance of my time.

Mr. RAMSTAD. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from New Hampshire (Mr. SUNUNU), an important cosponsor of this legislation, a strong advocate to law enforcement, and a fellow member of the Law Enforcement Caucus.

Mr. SUNUNU. Mr. Speaker, it is a great privilege to rise in support of the Fallen Hero Survivor Benefit Fairness Act. I want to begin by thanking the gentleman from Minnesota (Mr. RAMSTAD), who is chairman of the Law Enforcement Caucus and who has worked hard and successfully to bring this important bill through the Committee on Ways and Means and to the floor.

As he and previous speakers have indicated, this legislation extends the tax-free treatment to the survivors of those law enforcement officers and public safety officers lost in the line of duty, not just for those lost after 1996. It makes good sense. It is fair. It is just.

Especially during a week when we honor law enforcement officers and those who have fallen in the line of duty, it is an important gesture, a step forward that gives them the financial security and the piece of mind they so justly deserve.

I introduced similar legislation 2 years ago with the gentleman from Michigan (Mr. STUPAK) after sharing the stories with several families in New Hampshire that faced the consequences of having lost a loved one serving in the line of duty prior to 1996.

It is my pleasure to support the legislation, and it is a pleasure to step forward on a piece of legislation that has such a bipartisan commitment behind it. I thank my colleagues for their support.

Mr. MCNULTY. Mr. Speaker, I am pleased to yield such time as he may consume to the distinguished gentleman from Michigan (Mr. STUPAK), a friend, a colleague, and a former police officer who himself put his life on the line for the folks in his community.

Mr. STUPAK. Mr. Speaker, I thank the gentleman from New York for yielding me this time.

Mr. Speaker, I want to thank the gentleman from Minnesota (Mr. RAMSTAD), my colleague and cochair of the Law Enforcement Caucus, for his hard work on this resolution and the gentleman from New Hampshire (Mr. SUNUNU) and the gentleman from New York (Mr. MCNULTY) and all the members of the Committee on Ways and Means for bringing this legislation to the point where we are today.

Public safety officers put their lives on the line every day to protect and serve the people of this country. Yet, unbelievably enough, until 1997, survivor benefits for public safety officers who died in the line of duty were subject to Federal income taxes. The families, loved ones had done so much for this country, and their spouses and children sacrifice as well, yet the Federal Government would tax the benefits they so need.

□ 1530

In 1997, as I attended the Police Officers Memorial, I was made aware of this injustice of taxing survivor benefits. Because of the quirk in the law, those law enforcement officers who were disabled, their benefits were not taxed; yet those who died, their benefits were taxed by the Federal Government. So I spoke then with the cochair of the Congressional Law Enforcement Caucus, the gentleman from Minnesota (Mr. RAMSTAD). We spoke with the President, got the support of the administration; we worked with members of the Committee on Ways and Means, especially the gentlewoman from Florida (Mrs. THURMAN); and we moved legislation to try to correct this injustice. The Congressional Law Enforcement Caucus wholeheartedly supported it.

In 1997, Congress started to fix this serious problem. The Taxpayers Relief Act of 1997 provided that the survivor benefits of officers killed on or after December 31, 1996, would not be subject to taxation. However, we had budget constraints back then; and we could not extend this legislation to everyone. But we did not give up. These were not minor omissions. The bill left numerous deserving families without assistance.

I am pleased to report that through this legislation today, authored by my colleague, the gentleman from Minnesota (Mr. RAMSTAD) and my cochairman of the Congressional Law Enforcement Caucus, who has worked so hard on this issue, we now have this bill for passage before the House of Representatives. Today, we close this unfair loophole by ensuring that the survivor benefits of all officers, regardless of the date they perished, will be exempt from taxes.

We must provide for those families that have suffered the devastating loss of losing their loved ones to the call of duty. These families deserve our support when the unthinkable happens and their loved one is struck down. We have to look out for them, just as their husbands, their wives, their mothers, and fathers look out for us every day, risking their commitments to their families for the greater commitment they have made to this country.

Mr. MCNULTY. Mr. Speaker, I yield myself such time as I may consume to simply say that in the name of basic tax fairness and on behalf of all of the survivors of the heroes who put their lives on the line and gave their lives for our communities, I urge all of my colleagues to support this legislation.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. RAMSTAD. Mr. Speaker, I yield myself such time as I may consume to again thank my co-chair of the Congressional Law Enforcement Caucus, the gentleman from Michigan (Mr. STUPAK), and the gentleman from New York (Mr. MCNULTY), the gentlewoman from Florida (Mrs. THURMAN), and the 13 other Ways and Means colleagues who cosponsored this important legislation. I also want to thank the gentleman from New Hampshire (Mr. SUNUNU) again for his hard work on this issue and the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means, for expediting this legislation at my request.

This is the least we can do, Mr. Speaker, for our fallen law enforcement heroes and other public safety officers killed in the line of duty, to give all of the survivors of public safety officers who give their lives for our public safety the tax-free benefits regardless of when their officer relative was killed. So I urge Members to support this important legislation.

Mr. DELAY. Mr. Speaker, current law unfairly divides our fallen heroes into two camps. Officers who sacrificed their lives after 1997 are granted the fair and reasonable recognition of allowing their families to draw survivor benefits without paying taxes on the benefits.

Society recognizes that officers who make the supreme sacrifice deserve to be treated in a special way through this provision, which is designed to express our gratitude to the surviving family members.

Unfortunately, this distinction does not currently apply to the surviving families of officers who fell before January 1987. The law discriminates against these law enforcement officers because it denies their families the right to draw their survivor's benefits without taxes.

We need to treat all of our fallen officers equally. We should single out those brave officers who give their lives protecting society. We should demonstrate a special reverence for their demanding and dangerous work as law enforcement officers. Easing the burden on surviving family members is a fair and appropriate gesture to convey our thanks and respect. Members should show our appreciation by supporting this legislation.

Mr. RAMSTAD. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARR of Georgia). The question is on the motion offered by the gentleman from Minnesota (Mr. RAMSTAD) that the House suspend the rules and pass the bill, H.R. 1727, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. RAMSTAD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. RAMSTAD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous matter on H.R. 1727.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

FAIRNESS FOR FOSTER CARE FAMILIES ACT OF 2001

Mr. LEWIS of Kentucky. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 586) to amend the Internal Revenue Code of 1986 to provide that the exclusion from gross income for foster care payments shall also apply to payments by qualified placement agencies, and for other purposes, as amended.

The Clerk read as follows:

H.R. 586

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fairness for Foster Care Families Act of 2001".

SEC. 2. EXCLUSION FOR FOSTER CARE PAYMENTS TO APPLY TO PAYMENTS BY QUALIFIED PLACEMENT AGENCIES.

(a) IN GENERAL.—The matter preceding subparagraph (B) of section 131(b)(1) of the Internal Revenue Code of 1986 (defining qualified foster care payment) is amended to read as follows:

"(1) IN GENERAL.—The term 'qualified foster care payment' means any payment made pursuant to a foster care program of a State or political subdivision thereof—

"(A) which is paid by—

"(i) a State or political subdivision thereof, or

"(ii) a qualified foster care placement agency, and".

(b) QUALIFIED FOSTER INDIVIDUALS TO INCLUDE INDIVIDUALS PLACED BY QUALIFIED PLACEMENT AGENCIES.—Subparagraph (B) of section 131(b)(2) of such Code (defining qualified foster individual) is amended to read as follows:

"(B) a qualified foster care placement agency."

(c) QUALIFIED FOSTER CARE PLACEMENT AGENCY DEFINED.—Subsection (b) of section 131 of such Code is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) QUALIFIED FOSTER CARE PLACEMENT AGENCY.—The term 'qualified foster care placement agency' means any placement agency which is licensed or certified by—

"(A) a State or political subdivision thereof, or

"(B) an entity designated by a State or political subdivision thereof,

for the foster care program of such State or political subdivision to make foster care payments to providers of foster care."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Kentucky (Mr. LEWIS) and the gentleman from New York (Mr. MCNULTY) each will control 20 minutes.

The Chair recognizes the gentleman from Kentucky (Mr. LEWIS).

Mr. LEWIS of Kentucky. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a straightforward bill which updates and simplifies the Tax Code as it relates to foster care families. Under current law, foster care families are given a tax exemption on the payments they receive through a state-run foster care program. The current law was enacted in 1986. The law recognizes that if you are willing to open your heart and home by participating in foster care, you should receive this exemption. It is that simple.

Over the years, however, States have changed the way foster care services are delivered and many are privatizing or contracting out some or all of their services. When this happens, and a private organization participates in the State program, the tax exemption for families becomes confusing and, in some cases, unfair. Specifically, the exclusion is dependent on a complicated analysis of three factors: the age of the fostered individual, the type of entity that places the individual, and the source of payment.

If the payments are found not excludable because a private entity is participating in one or all of these factors, the foster care provider is then required to keep extensive records of every expense made on behalf of the fostered individual in order to qualify for the exclusion. As my colleagues can imagine, these rules are extremely confusing. In fact, many accountants have difficulty interpreting these rules for families; and as a result, families are discouraged from participating in foster care. This problem is created simply because current law is outdated and no longer reflects the changes States are making in their business practices.

Mr. Speaker, States should be encouraged to be innovative and responsible in their business practices; but more important, foster care families should not be penalized as a result. My bill, H.R. 586, simplifies current law to ensure that the exemption is there for all foster care families regardless of how their State foster care practices change and regardless of the age of the individual.

My bill recognizes the increasing role of private agencies in State foster care plans and also requires these agencies to be licensed and certified by the State in order to participate in a State foster care program.

Again, Mr. Speaker, my bill simplifies and provides fairness for the Tax Code for all foster care families, and I urge my colleagues' support.

Mr. Speaker, I reserve the balance of my time.

Mr. MCNULTY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today to join with my friend, the gentleman from Kentucky (Mr. LEWIS), in supporting H.R. 586, the Fairness to Foster Care Families Act. H.R. 586 would expand the types of foster care payments that are excludable from a foster family's taxable income. The bill recognizes that payments received by foster families, regardless of the type of agency providing those payments, are needed to care for the foster child and, therefore, should not be taxed.

We have over 560,000 abused, abandoned, and neglected children in our Nation's foster care system who need caring homes as they wait to return to their birth parents or to be adopted. H.R. 586 removes one barrier to at least some families taking a foster child into their homes. Under current law, foster care payments are excluded from taxable income only if the placement and payment is made by a State agency or, in the case of an individual under the age of 19, by a nonprofit agency.

This bill would extend this favorable tax treatment to any foster care payment made by an agency licensed or certified by the State. This would remove restrictions currently imposed on foster families whose payments are made by for-profit agencies or, in the case of fostered individuals older than the age of 18, by non-profit agencies.

The impact of for-profit agencies in the child welfare system is uncertain. We need more information on how these for-profit agencies affect child well-being and on how common it is for States to contract with them to undertake certain functions, including the placement and oversight of children in foster care. However, it does seem appropriate that we not penalize foster families when they receive foster care payments from private agencies with which a State has entered into a contract to administer parts of their foster care system. Furthermore, H.R. 586 recognizes that States also may contract with private agencies to place older, often disabled individuals with foster families.

This bill is not a single simple answer to the problems faced by our foster care system, but it does take a small step to help some foster families. I strongly support H.R. 586, and I urge support from all my colleagues.

Mr. Speaker, I reserve the balance of my time.

Mr. LEWIS of Kentucky. Mr. Speaker, I yield 3 minutes to the gentlewoman from Kentucky (Mrs. NORTHUP), a good friend and colleague.

Mrs. NORTHUP. Mr. Speaker, I rise to speak in support of House bill 586 and to remind ourselves that it would be easy, considering the system of government, to think of this bill as a tax bill; but it is really a bill about children and families.

So often youngsters in the classroom ask me where I got the best insight to serve as a Member of Congress. They expect me to talk about my economics classes or different classes I had in school. And I always answer that it is being the mother of six children. What I have learned is that families are the most enduring, important part of a child's life. It is the security that they begin life with and that they carry throughout life.

Some of our children in this country have not been blessed with a consistent family life. To our good fortune, we have agencies that are becoming partners with our States to provide more children with better services and an even better chance of growing up in a foster family. Some of these children come from the most difficult circumstances, and it is not surprising that sometimes support systems have to be in place for these families. It is to our good fortune and to this country's good fortune and to our children's good fortune that we have so many of these agencies that are able to provide the comprehensive support services that families need. It is only reasonable that we make sure that our tax laws support these new evolving, important systems that allow children to have what is the most important thing in their life: a family.

And so this bill is not about taxes. It is about families, specifically foster families, and expanding the number and the opportunity and the differing looks that foster families often have as they serve each one of our unique children. God bless our children. How lucky we are to have the services of our foster services, and this bill will help make sure that those services exist and expand for every child.

Mr. McNULTY. Mr. Speaker, I yield myself such time as I may consume; and in support of all of the foster children across this country and the families who care for them, I urge support for this bill.

Mr. LANGEVIN. Mr. Speaker, I rise today in support of H.R. 586, the Foster Care Promotion Act. As the son of parents who welcomed 25 foster children into their family, I know firsthand the worth of the foster care system.

This bill would allow foster parents to exclude payments for foster children of any age placed by a non-governmental foster care agency from their taxable income. By subsidizing the cost of foster children, regardless of their age or the method in which they were placed, we will properly value the incredible work of foster parents everywhere.

Foster parenting is an act of true selflessness, as each child requires a significant financial and emotional investment. Many foster children have been abused or neglected. Such treatment leaves indelible scars, which foster parents lovingly attempt to heal. We should not ask such generous individuals to give of their pocketbooks as well as their hearts.

All children need love and support. This bill takes an important step toward ensuring that some of the most needy children will received it.

Mr. McNULTY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LEWIS of Kentucky. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. LEWIS) that the House suspend the rules and pass the bill, H.R. 586, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. LEWIS of Kentucky. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

☐ 1545

CONCERNING PARTICIPATION OF TAIWAN IN WORLD HEALTH ORGANIZATION

Mr. LEACH. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 428) concerning the participation of Taiwan in the World Health Organization.

The Clerk read as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SECTION 1. CONCERNING THE PARTICIPATION OF TAIWAN IN THE WORLD HEALTH ORGANIZATION (WHO).

(a) FINDINGS.—The Congress makes the following findings:

(1) Good health is important to every citizen of the world and access to the highest standards of health information and services is necessary to improve the public health.

(2) Direct and unobstructed participation in international health cooperation forums and programs is beneficial for all parts of the world, especially with today's greater potential for the cross-border spread of various infectious diseases such as the human immunodeficiency virus (HIV), tuberculosis, and malaria.

(3) Taiwan's population of 23,500,000 people is larger than that of ¾ of the member states already in the World Health Organization (WHO).

(4) Taiwan's achievements in the field of health are substantial, including one of the highest life expectancy levels in Asia, maternal and infant mortality rates comparable to those of western countries, the eradication of such infectious diseases as cholera, smallpox, and the plague, and the first to eradicate polio and provide children with hepatitis B vaccinations.

(5) The United States Centers for Disease Control and Prevention and its Taiwan counterpart agencies have enjoyed close collaboration on a wide range of public health issues.

(6) In recent years Taiwan has expressed a willingness to assist financially and technically in international aid and health activities supported by the WHO.

(7) On January 14, 2001, an earthquake, registering between 7.6 and 7.9 on the Richter scale, struck El Salvador. In response, the Taiwanese government sent 2 rescue teams, consisting of 90 individuals specializing in firefighting, medicine, and civil engineering. The Taiwanese Ministry of Foreign Affairs also donated $200,000 in relief aid to the Salvadoran Government.

(8) The World Health Assembly has allowed observers to participate in the activities of the organization, including the Palestine Liberation Organization in 1974, the Order of Malta, and the Holy See in the early 1950's.

(9) The United States, in the 1994 Taiwan Policy Review, declared its intention to support Taiwan's participation in appropriate international organizations.

(10) Public Law 106–137 required the Secretary of State to submit a report to the Congress on efforts by the executive branch to support Taiwan's participation in international organizations, in particular the WHO.

(11) In light of all benefits that Taiwan's participation in the WHO can bring to the state of health not only in Taiwan, but also regionally and globally, Taiwan and its 23,500,000 people should have appropriate and meaningful participation in the WHO.

(b) PLAN.—The Secretary of State is authorized—

(1) to initiate a United States plan to endorse and obtain observer status for Taiwan at the annual week-long summit of the World Health Assembly in May 2001 in Geneva, Switzerland; and

(2) to instruct the United States delegation to Geneva to implement that plan.

(c) REPORT.—Not later than 14 days after the date of the enactment of this Act, the Secretary of State shall submit a written report to the Congress in unclassified form containing the plan authorized under subsection (b).

The SPEAKER pro tempore (Mr. BARR of Georgia). Pursuant to the rule, the gentleman from Iowa (Mr. LEACH) and the gentleman from Ohio (Mr. BROWN) each will control 20 minutes.

The Chair recognizes the gentleman from Iowa (Mr. LEACH).

GENERAL LEAVE

Mr. LEACH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 428.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today to support this legislation which would authorize the administration to initiate a plan to endorse and obtain observer status for Taiwan in the World Health Organization during the May 2001 World Health Assembly in Geneva.

Mr. Speaker, I would like to congratulate the gentleman from Ohio (Mr. BROWN) for sponsoring this resolution. It should be stressed that nothing in this bill implies a change in this country's one China policy, which has been based for over 30 years on three communiques and the Taiwan Relations Act. At the same time, however, care should be taken not to arbitrarily exclude the 23 million people of Taiwan from appropriate economic and humanitarian venues.

Mr. Speaker, the House previously passed this bill 407–0 on April 24. Today we are considering the legislation as amended by the Senate. We should support it for at least two reasons:

First, Taiwan's participation in the WHO will advance the cause of public health worldwide. In January, Taiwan played an important role in providing relief to earthquake victims in El Salvador. By gaining observer status at the WHO, Taiwan will be able to participate more meaningfully in meeting its, and our, global health challenges in the future. Disease and national disasters know no borders.

Second, where sovereignty is not at issue, Taiwan's participation in international organizations makes common sense. Taiwan thrives economically and politically. Economically, Taiwan has raised the standard of living on a more equalitarian basis than any developing country over the past half century.

Politically, reminiscent of Sun Yat-Sen's call for staged democratic development, Taiwan has moved, particularly over the past two decades, to expand and refine representative democracy. Today it is a model for the world.

Mr. Speaker, the Senate has modified this bill to reflect the concerns of the senior Senator from the State of Utah, Mr. HATCH. The bill now authorizes rather than requires the Secretary of State to formulate and pursue a plan to win observer status for Taiwan in the World Health Organization. The administration supports this change, and I urge that the House do so as well.

Mr. Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman from Iowa (Mr. LEACH) for his good work on this issue. On May 20 of last year, Chen Shui-bian was sworn in as President of Taiwan. This was an historic event, the first major transfer of power between rival political parties in that nation's history.

Mature democracies like the United States take such political transitions for granted, but the peaceful exchange of power is a rare democratic legacy. Taiwan now shares this privilege. Taiwan has evolved into a stable, prosperous nation governed by the rule of law. Taiwan's 40-year journey toward democracy is a success story. We should acknowledge and reward that progress and celebrate it.

Mr. Speaker, to this end, I introduced H.R. 428, which would authorize our U.S. Department of State to initiate a plan to endorse and obtain observer status for Taiwan in this year's World Health Assembly. Ninety-two of my colleagues have cosponsored this bill fostering Taiwan's participation in the World Health Assembly. This is a modest step, but a meaningful one. Observer status in the WHA does not require statehood, in fact the PLO, the Order of Malta, the Vatican, and Rotary International all have observer status in Geneva at the WHA, but passing this bill will be a significant victory for every Taiwanese citizen and for every American who cares about human rights.

Children and families suffer from the effects of inadequate health care, whether they live in Washington, Geneva, Beijing, or Taipei. In 1998, Taiwan suffered an outbreak of enterovirus 71, a potentially fatal disease that causes severe inflammation of muscle surrounding the brain, spinal cord, and heart. Infants and children are particularly vulnerable to this highly contagious virus. Unfortunately, the Taiwanese doctors treating enterovirus 71 did not have access to the medical resources of the WHO. By the time the outbreak was under control, 70 Taiwanese children had died. Had Taiwan been permitted to draw on WHO expertise, these children could very well still be alive.

But as Taiwan benefits from participation in the WHO, so does the rest of the world. Taiwan, with a highly developed health care system, has made great advances in science and technology. Inclusion in WHO would allow American health officials better access to Taiwanese information, as much as the other way around.

Mr. Speaker, our government's tacit support for the status quo, our unwillingness to fight for Taiwan's participation in the World Health Organization, is not only short-sighted, it is unjustifiable. Infectious diseases do not respect politically driven distinctions or national borders. Infectious diseases travel. If there is TB in Taiwan, there will inevitably be TB in the U.S. If there is HIV/AIDS in South Africa, there will inevitably be HIV/AIDS in Brazil.

Mr. Speaker, global illnesses are just that, global. No country is immune when one country faces a public health crisis. Recently, the administration decided to sell four Kidd-class destroyers to Taiwan, despite threats from the People's Republic of China. If our commitment as a Nation is strong enough to justify supporting Taiwan's military defense with arms sales, it certainly is strong enough to justify supporting access to global health resources for Taiwan's 23.5 million people.

Mr. Speaker, I appreciate the strong support H.R. 428 has received from Members on both sides of the aisle, and look forward to the bill's passage today. I call on President Bush to do the right thing, to go to Geneva and fight for observer status for Taiwan at the World Health Assembly.

Mr. Speaker, I reserve the balance of my time.

Mr. LEACH. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. PENCE).

Mr. PENCE. Mr. Speaker, I rise today in support of H.R. 428. I thank the gentleman from Iowa (Mr. LEACH) and the gentleman from Ohio (Mr. BROWN) for their excellent work on this measure.

Mr. Speaker, the passage of this measure before the House will mark yet another triumph for the United States and Taiwan. For too long Taiwan has been denied the benefit of participation in the World Health Organization and a dialogue with its member nations concerning public health policy.

Unfortunately, this absence has prevented the people of Taiwan and the members of the World Health Organization from the experiences of an emerging leader in East Asia. I am pleased that we will correct this oversight today.

Mr. Speaker, we have a moral duty to ensure that our neighbors have access to the same lifesaving information and technology that we enjoy in the United States. As one of the world's most densely populated regions, Taiwan has been successful at controlling infectious diseases and matching the infant mortality rates of developed nations. Yet work remains in areas such as food safety and the control of illegal drugs.

Mr. Speaker, the World Health Organization can help Taiwan in those efforts. I am encouraged by the prospects for all the World Health Organization's members, and I look forward to increased participation by Taiwan in world health events. Ultimately, the real benefit of Taiwan's entry in the WHO will be the children of Taiwan who will have better access to immunizations and preventive care.

Mr. Speaker, I urge all of my colleagues to join me in this bipartisan effort in supporting this bill.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in conclusion, let me stress that arguably the greatest issue in the world today may well be disease control. What the WHO symbolizes is a people-oriented concern for control of disease. Taiwan should not be precluded from expanding its capacity to meet its people's needs, nor precluded from assisting others in less sophisticated health care centers from receiving the support of Taiwanese doctors and health care delivery specialists.

Mr. Speaker, this is a common-sense bill. I urge support of it.

Mr. DAVIS of Illinois. Mr. Speaker, I rise to support the House Resolution 428 to approve Taiwan participation in the World Health Organization.

Historically the United States and Taiwan have maintained good relationship. Ever since its establishment in 1912 we have had substantive diplomatic and commercial ties. On April 10, 1979, the House of Representatives have enacted Public Law 96–8, known as the Taiwan Relations Act. This Act played a very important role in shaping our policies toward Taiwan. It is considered as a representation of our best ideals to safeguard security and commercial interests in the area.

Taiwan with its population of approximately 20 million has solidly embraced the principles of a democratic society.

Its medical infrastructure is considered to be among the best in the world. According to a recent report, at the end of 1999, there were 152,385 medical personnel in Taiwan. There are currently 11 medical schools, 13 paramedical junior colleges, and 14 paramedical vocational schools.

Virtually all medical specialties known in the Western World are being practiced in Taiwan.

In view of our close diplomatic ties and excellent health care program in Taiwan, I support House Resolution 428 to allow Taiwan to participate in the World Health Organization.

Mr. BILIRAKIS. Mr. Speaker, I rise in support of H.R. 428 which authorizes the U.S. Secretary of State to initiate and implement a plan to endorse and obtain observer status for Taiwan at the annual summit of the World Health assembly (of the World Health Organization) this month in Geneva, Switzerland. Taiwan and its 23 million people should have appropriate and meaningful participation in the World Health Organization (WHO).

The WHO Constitution states that the "enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being without distinction of race, religion, political belief, economic or social condition." Yet today, Taiwan is excluded from participation in the WHO because of political pressure from the People's Republic of China.

This means that the people of Taiwan cannot share in the WHO's vital resources and expertise. Taiwanese physicians and health experts are not allowed to take part in WHO-organized forums and workshops regarding the latest techniques in the diagnosis, monitoring and control of diseases. Taiwanese doctors do not have access to WHO medical protocols and health standards.

This is simply not right. Diseases do not stop at national boundaries, and with today's high frequency of international travel, the possibility of transmitting infectious diseases is greater than ever. Good health is a basic right for every citizen of the world, and Taiwan should be granted membership in the WHO.

Despite its exclusion from the WHO, Taiwan has made some remarkable achievements in the field of health, including one of the highest life expectancy levels in Asia, maternal and infant mortality rates comparable to those of western countries, and the eradication of infectious diseases such as smallpox and the plague. Taiwan is the first Asian nation to be rid of polio and the first country in the world to provide children with free hepatitis B vaccinations.

Prior to 1972 and its loss of membership in the WHO, Taiwan sent specialists to serve on health projects in other members countries, and its experts held key positions in the WHO. In recent years, the Taiwanese government has expressed a willingness to assist financially or technically in WHO-supported international aid and health activities, but it has been unable to render such assistance because it is unable to participate in the international health organization.

Taiwan's population of 23 million people is larger than three-quarters of the member states already in the WHO. Clearly, Taiwan and the world community could benefit by its participation in the WHO. I believe the United States should actively support Taiwan's membership in the World Health Organization.

I urge my colleagues to support H.R. 428.

Mr. GILMAN. Mr. Speaker, I rise in strong support of the initiative by the gentleman from Ohio, Congressman BROWN, concerning Taiwan's participation in the World Health Organization. I commend our committee's distinguished chairman, Mr. HYDE and the ranking minority member, the gentleman from California, Mr. LANTOS and the subcommittee chairmen and ranking minority members of the International Operations and Human Rights and East Asia and the Pacific for crafting and bringing this resolution expeditiously to the floor.

Secretary Powell noted before our committee that there should be ways for Taiwan to enjoy full benefits of participation in international organizations without being a member. H.R. 428 only calls for the Secretary of State to initiate a United States plan to endorse and obtain observer status at the WHO for Taiwan.

In recent years Taiwan has expressed a willingness to assist financially and technically in international aid and health activities supported by the WHO, but has been unable to render such assistance because Taiwan is not a member of the WHO.

The WHO has allowed observers to participate in the activities of the organizations, including the Palestinian Liberation Organization, the Knights of Malta, and the Vatican.

Along with many of my colleagues, we are very disappointed that Taiwan is not a full member of the U.N. and all international organizations that its democratically led government wishes to join. Although this resolution does not anywhere near enough address this concern, it is a first step in addressing the problem that Taiwan faces.

Accordingly, I strongly support H.R. 428.

Mr. LEACH. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 428.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. LEACH. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 6 p.m. today.

Accordingly (at 3 o'clock and 56 minutes p.m.), the House stood in recess until approximately 6 p.m.

□ 1802

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. DUNCAN) at 6 o'clock and 2 minutes p.m.

THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 8, rule XX, the pending business is the question of the Speaker's approval of the Journal of the last day's proceedings.

Pursuant to clause 1, rule I, the Journal stands approved.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8, rule XX, the Chair will now put the question on motions to suspend the rules on which further proceedings were postponed earlier today.

Votes will be taken in the following order:

H.R. 1696, by the yeas and nays;

House Resolution 116, by the yeas and nays;

H.R. 1727, by the yeas and nays;

H.R. 586, by the yeas and nays; concurring in Senate amendment to H.R. 428, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

EXPEDITING CONSTRUCTION OF WORLD WAR II MEMORIAL IN DISTRICT OF COLUMBIA

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 1696.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona (Mr. STUMP) that the House suspend the rules and pass the bill, H.R. 1696, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 400, nays 15, not voting 16, as follows:

[Roll No. 109]

YEAS—400

Abercrombie
Ackerman
Aderholt
Akin
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Berkley
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Ferguson
Filner
Flake
Fletcher
Foley
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Mink
Moakley
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Pombo
Pomeroy
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solis
Spence
Spratt
Stearns
Stenholm
Strickland
Stump
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)

NAYS—15

Bereuter
Berman
Clay
Gilchrest
Harman
Hinchey
LaFalce
Lee
Miller, George
Oberstar
Snyder
Stark
Stupak
Taylor (NC)
Waxman

NOT VOTING—16

Allen
Brady (PA)
Fattah
Hall (OH)
McInnis
McIntyre
Mollohan
Obey
Platts
Portman
Ros-Lehtinen
Sanchez
Slaughter
Souder
Whitfield
Young (FL)

□ 1825

Ms. SOLIS and Mr. LIPINSKI changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. PLATTS. Mr. Speaker, on rollcall No. 109, I was inadvertently detained. Had I been present, I would have voted "yea."

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. DUNCAN). Pursuant to clause 8, rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting on each additional motion to suspend the rules on which the Chair has postponed further proceedings.

COMMEMORATING DEDICATION AND SACRIFICES OF LAW ENFORCEMENT OFFICERS

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the resolution, H. Res. 116, as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Idaho (Mr. OTTER) that the House suspend the rules and agree to the resolution, H. Res. 116, as amended, on which the yeas and nays are ordered.

This will be a 5 minute vote.

The vote was taken by electronic device, and there were—yeas 416, nays 0, not voting 15, as follows:

[Roll No. 110]

YEAS—416

Abercrombie
Ackerman
Aderholt
Akin
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio

DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Ferguson
Filner
Flake
Fletcher
Foley
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Israel
Issa
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Mink
Moakley
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Spence
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)

NOT VOTING—15

Allen
Brady (PA)
Fattah
Gordon
Hall (OH)
Horn
Istook
McInnis
McIntyre
Mollohan
Ros-Lehtinen
Sanchez
Slaughter
Souder
Young (FL)

□ 1834

So (two-thirds having voted in favor thereof), the rules were suspended and the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

The title was amended so as to read: "Concurrent resolution acknowledging the dedication and sacrifices of the men and women of the United States who were killed or disabled while serving as law enforcement officers.".

A motion to reconsider was laid on the table.

FALLEN HERO SURVIVOR BENEFIT FAIRNESS ACT OF 2001

The SPEAKER pro tempore (Mr. DUNCAN). The pending business is the question of suspending the rules and passing the bill, H.R. 1727, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota (Mr. RAMSTAD) that the House suspend the rules and pass the bill, H.R. 1727, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 419, nays 0, not voting 12, as follows:

[Roll No. 111]

YEAS—419

Abercrombie
Ackerman
Aderholt
Akin
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Ferguson
Filner
Flake
Fletcher
Foley
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E.B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder

Solis
Spence
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)

NOT VOTING—12

Allen
Biggert
Brady (PA)
Fattah
Hall (OH)
McInnis
McIntyre
Ros-Lehtinen
Sanchez
Slaughter
Souder
Young (FL)

□ 1844

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FAIRNESS FOR FOSTER CARE FAMILIES ACT OF 2001

The SPEAKER pro tempore (Mr. GIBBONS). The pending business is the question of suspending the rules and passing the bill, H.R. 586, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. LEWIS) that the House suspend the rules and pass the bill, H.R. 586, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 420, nays 0, not voting 11, as follows:

[Roll No. 112]

YEAS—420

Abercrombie
Ackerman
Aderholt
Akin
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Ferguson
Filner
Flake
Fletcher
Foley
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Spence
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)

NOT VOTING—11

Allen
Boehner
Brady (PA)
Fattah
Hall (OH)
McIntyre
Ros-Lehtinen
Sanchez
Slaughter
Souder
Young (FL)

□ 1853

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONCERNING PARTICIPATION OF TAIWAN IN WORLD HEALTH ORGANIZATION

The SPEAKER pro tempore. The pending business is the question of suspending the rules and concurring in the Senate amendment to the bill, H.R. 428.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 428, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 415, nays 0, not voting 16, as follows:

[Roll No. 113]

YEAS—415

Abercrombie
Ackerman
Aderholt
Akin
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint

Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Ferguson
Filner
Flake
Fletcher
Foley
Ford
Fossella
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (IL)
Johnson, E.B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Spence
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)

NOT VOTING—16

Allen
Bishop
Brady (PA)
Capuano
Fattah
Frank
Hall (OH)
Johnson (CT)
McIntyre
Quinn
Ros-Lehtinen
Sanchez
Slaughter
Souder
Weller
Young (FL)

□ 1900

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment was concurred in.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 701

Mr. WATTS of Oklahoma. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor from H.R. 701.

The SPEAKER pro tempore (Mr. DUNCAN). Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

THE CONGRESS IS OPPOSED TO FAST TRACK

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, last week the President sent to Congress his International Trade Agenda for 2001. Members who were expecting a detailed and responsible approach were sorely disappointed.

First, the President is trying to play the name game. He knows that Congress has repeatedly rejected Fast Track, most recently in 1998. He also knows that he does not have the support or votes in this Congress to pass this misguided approach. So instead of pushing an initiative that is bound to fail, he is trying to confuse the public and lead the press to believe that this is some kind of novel idea.

By any other name, Fast Track is Fast Track. Let us get real. Trade promotion authority, or TPA as it is being now referred to, is really nothing new. Congress rejected it before, and we will do so again. Let us remember why we rejected it in the first place.

Without congressional oversight and input, trade agreements will be negotiated by unrepresentative delegates, who were never elected, standing up for the rights of international corporations, instead of our hardworking constituents, not to mention that a thing called the Constitution of the United States grants to Congress the right to regulate commerce with foreign nations.

Our Founding Fathers granted Congress this responsibility as a check on the executive branch. It is critical that we do not trade away the right to represent our constituents.

They have sent us here to represent their wishes, not those of only international corporations looking to their bottom line. The second round of the name game came when President Bush referred to labor and environment as core standards.

If these are core standards, why are they not being included in the core text of trade agreements? That would make sense, would it not? Instead, the President wants labor rights, get ready for this, to be enforced by the U.S. Agency for International Development and environmental standards by the World Health Organization. Who is he kidding? Not Congress.

Mr. Speaker, I urge my colleagues to do exactly what they have done numerous times before. Reject this name game. Reject Fast Track. Stand up for the American people, their standard of living, their right to work for a living wage, their right to live in an environment which is not polluting, and to use the power of this marketplace to raise living standards in other parts of the world, not pull us down to their standards. Reject Fast Track. Reject the name game. Reject trade promotion authority.

INSTANT RECALL ON ANY VACCINE GOING INTO OUR CHILDREN THAT HAS MERCURY IN IT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

Mr. BURTON of Indiana. Mr. Speaker, I had a prepared statement that I was going to use, but it has not arrived, so I will speak extemporaneously tonight.

Mr. Speaker, vaccinations have been a real plus for this country. We had a lot of diseases that used to be so feared, like polio and diptheria that we do not have to worry about anymore, and it is because we have vaccinations that really help protect our young people.

But along with the positives, unfortunately there are some negatives, and parents across this country ought to be aware of the negatives as well as the positives. That is why my committee has been holding a number of hearings and has had the health agencies of this country before the committee numerous times.

We have had what is called an explosion of autism in America. Autism, that is a disease most people are not familiar with unless it has hit their family, and that is where one day your child is apparently normal or appears to be normal, and the next day he is running around flapping his arms, cannot speak clearly anymore, bangs his head against the wall, has severe bowel disorders and other related things.

We have had an explosion, an absolute explosion. Twenty years ago, 1 in 10,000 children in America were considered autistic. Today it is 1 in 500. In some parts of the country, it is as many as 1 in 150. Now think about that; 1 in 150 children in some parts of this country is autistic. We need to find out why.

Our committee has held hearings, and we think we have some things that need to be thoroughly investigated, and one of those is why do we have vaccines going into children's arms and into adults arms that contain mercury. Mercury.

Mercury is a toxic substance that we have taken out of our topical dressings. It used to be that you could buy creams that had mercury in them because it was a preservative. They said because it could leach into the bloodstream through the skin, they thought it was safer to take it out of all topical dressings. They still use it as a preservative in many of the vaccinations given to our children.

Mercury is being injected, as I speak tonight, into children across this country along with the vaccinations they are getting.

Other substances being injected into our children are formaldehyde and aluminum, metals that could be and substances that could be toxic. We need to find out why.

I, for one, believe that my grandson became autistic at least in part because he received vaccinations. He received 9 in 1 day, and 6 of those contained mercury. Mercury has a cumulative effect in the body. It gets in the brain. So I believe that 1 week after he received these vaccinations, he became autistic.

He spoke normally. He acted like any other normal child. Yet within 1 week he was running around flapping his arms, walking on his toes, because he had severe bowel disorder, banging his head against the wall, and he could not speak clearly anymore, and he still has those problems.

Mr. Speaker, if what we are putting into our children's bodies along with the vaccinations is causing that, something has to be done.

I asked the Food and Drug Administration when they were before our committee, do we have vaccines that do not contain mercury or these substances? They said, yes, we do, in single-vial doses. Now, what does that mean? It means that if we have single-vial doses that do not contain the mercury, the child is not going to get the mercury.

But what happens is, the pharmaceutical companies are putting out many shots into one vial, and because of that they have to have these preservatives in there, and in many cases they put several vaccines together. And so they have these preservatives in there to make sure that the vaccine does not become contaminated.

If we went to single-vial vaccines and shots, we would eliminate, in my opinion, a large part of the problem. But that is why this country needs to have continued oversight over our health agencies, because our health agencies have not really been following up on these vaccines to find out if there are any side effects that are really going to hurt our kids for the rest of their lives.

Mr. Speaker, I will say tonight that mercury should be taken out of every vaccine in the country, and it should be taken out today. There should be an instant recall on any vaccine that is going into our children that has mercury in it.

We have enough vaccines that do not contain these toxic chemicals and substances, so our children can be inoculated in a safe and effective way, and yet our health agencies continue to let these companies use mercury in these vaccines.

Today as I speak, as I said, children are being vaccinated with these toxic chemicals in them. It is unconscionable.

Mr. Speaker, we have what is called SIDS deaths, and they have said it is because children go to bed and they sleep on the wrong side, and there is no explanation why they do not. My granddaughter received a Hepatitis B shot, and within an hour she quit breathing. We had to you rush her to the hospital, and she was blue in the face.

Had she been in bed, the next morning she would have been dead; but my daughter saw her and saw her turning blue and rushed her to the hospital. It was a reaction to the Hepatitis B shot.

Mr. Speaker, let me just say in conclusion, we will have more of these 5-minute special orders, every parent in the country ought to start reading the inserts on those vaccines. Vaccinations are important, but we want to make sure we know what is going into our children's bodies.

COMMITTEE ON GOVERNMENT REFORM'S OVERSIGHT ACTIVITIES OF VACCINE SAFETY

During the 106th Congress the Full Government Reform Committee and two of its Subcommittees initiated investigations looking at several vaccine issues. There are increasing concerns that the risks related to vaccines are not widely known or acknowledged. Vaccines have been hailed as the greatest public health advance in the twentieth century. I have said from the outset of our investigation that I am not anti-vaccine. Rather I support the appropriate use of safe vaccines that have been thoroughly tested. I support improved information sharing with parents and patients regarding the benefits and risks of immunization and respect the concerns that have been raised by thousands of families across the United States about vaccine adverse events. I also support increased clinical research looking at the long-term safety of vaccines, including their potential link to chronic conditions such as autism, diabetes, attention-deficit disorder, and asthma.

Vaccines are the only drugs Americans are mandated to receive as a condition of attendance at day care and schools and in some cases as a condition of employment. Because each state bases its mandatory immunizations on Federal recommendations, it is very important that adequate oversight be provided by Congress to insure the integrity of the vaccine programs.

At this time, there is a paucity of research looking at long-term safety of any vaccine. This was acknowledged last year in a report to Congress from the Institute of Medicine, "Few vaccines for any disease have been actively monitored for adverse effects over long periods of time.

CONFLICT OF INTEREST ON VACCINE-RELATED ADVISORY COMMITTEES

The Committee investigated two vaccine-related advisory committees. We were concerned that the pharmaceutical industry has too much influence over these committees. From the evidence we found, I think they do. The first committee was the FDA's Vaccines and Related Biological Products Advisory Committee (VRBPAC). This Committee makes recommendations on whether new vaccines should be licensed. The second committee is the CDC's Advisory Committee on Immunization Practices (ACIP). This committee recommends which vaccines should be included on the Childhood Immunization Schedule. We focused on the handling of the rotavirus vaccine. The FDA approved it for use in August 1998. The CDC recommended it for universal use in March 1999. Serious problems cropped up shortly after it was introduced. Children started developing serious bowel obstructions. The vaccine was pulled from the U.S. market in October 1999. We learned that during the FDA's committee meetings there was concern raised about adverse events. They were aware of potential problems. Five children out of 10,000 developed bowel obstructions. There were also concerns about children failing to thrive and developing high fevers, which as we know from other vaccine hearings, can lead to brain injury. Even with all of these concerns, the committee voted unanimously to approve it.

At the CDC's committee, there was a lot of discussion about whether the benefits of the vaccine really justified the costs. Even though the cost-benefit ratio was questioned, the Committee voted unanimously to approve it.

We learned that waivers had been granted to individuals who had financial ties to the industry. This is troubling. At the time the Rotashield vaccine was approved and recommended for universal use, the following conditions existed: (1) That members, including the chair, of the FDA and CDC advisory committees who make these decisions own stock in drug companies that make vaccines. (2) That individuals on both advisory committees own patents for vaccines under consideration or affected by the decisions of the committee. (3) That three out of five of the members of the FDA's advisory committee who voted for the rotavirus vaccine had conflicts of interest that were waived. (4) That seven individuals of the 15 member FDA advisory committee were not present at the meeting, two others were excluded from the vote, and the remaining five were joined by five temporary voting members who all voted to license the product. (5) That the CDC grants conflict-of-interest waivers to every member of their advisory committee a year at a time, and allows full participation in the discussions leading up to a vote by every member, whether they have a financial stake in the decision or not. (6) That the CDC's advisory committee has no public members—no parents have a vote in whether or not a vaccine belongs on the childhood immunization schedule. the FDA's committee only has one public member.

Families need to have confidence that the vaccines that their children take are safe, effective, and truly necessary. Doctors need to feel confident that when the FDA licenses a drug, that it is really safe, and that the pharmaceutical industry has not influenced the decision-making process. Doctors place trust in the FDA and assume that if the FDA has licensed a drug, it's safe to use. I am concerned that this trust has been violated.

We will be continuing this investigation in the 107th Congress to see if the problems have been resolved. Last week, every member of Congress received a well-meaning letter with an attachment addressing some of the "anti-vaccine" messages. The letter states the information was prepared by the Children's Hospital of Philadelphia. What the letter fails to inform. members of Congress is that the document was prepared by a Center at Children's lead by someone with direct financial ties to the vaccine industry. I am concerned about this subterfuge. It is important that individuals who are promoting vaccine safety declare their conflicts of interest. To not do so, in my opinion is unfair to those who receive the information. This omission of corporate sponsorship calls into question the accuracy and balance of the information provided.

INSTITUTE OF MEDICINE'S MEASLES-MUMPS RUBELLA VACCINE AND AUTISM REPORT

The Institute of Medicine's (IOM) Committee on Immunization Safety Review released the "Measles-Mumps-Rebella Vaccine and Autism Report" in April. I was troubled by the headlines and news reports which all stated that the IOM Committee found no connection between the MMR vaccine and autism. The IOM Committee also noted in its conclusions that it could not exclude the possibility that MMR vaccine could contribute to Autism Spectrum Disorder. I would urge all of you to read the entire report, which is available on the National Academy of Sciences website.

THE REALITY IS THAT THERE WAS INSUFFICIENT SCIENTIFIC EVIDENCE TO CONCLUSIVELY PROVE OR DISPROVE A CONNECTION BETWEEN THE MMR VACCINE AND ACQUIRED AUTISM

We have substantial parental observation, which should never be discounted. And we have several case studies and laboratory evidence showing measles virus in the guts of autistic children who have bowel dysfunction. And we also have several population-level epidemiological studies. While the IOM Committee noted that the epidemiological studies do not support an association at a population level, their report stated, "it is important to recognize the inherent methodological limitations of such studies in establishing causality."

In essence, the studies that have been published and held up by the public health community as "proof" against Dr. Wakefield's hypothesis can never answer the question of whether or not MMR vaccine is linked to autism in some children. That is why we need to insist that the National Institutes of Health fund independent research to replicate Dr. Wakefield's research.

At this time, we do not have enough research to make an evidence-based final conclusion. What we have is a clear indication that a problem exists for some children. We need to do the research to get our arms around that problem, so that we can prevent any further escalation of this epidemic of acquired autism.

When the Institute of Medicine formed their Committee, we were assured that there were be no one on the Committee who had ties to the vaccine industry. I was disturbed to learn that the Committee sent this report out for review and comment prior to becoming final to numerous individuals who have ties to the vaccine industry including individuals with financial ties to the manufacturer of the MMR vaccine.

THE AUTISM EPIDEMIC

Two weeks ago, I stood in support of House Resolution 91, which recognizes the importance of increasing the awareness of autism spectrum disorders and supporting programs for greater research and improved treatment of austism and improved training.

Autism rates have skyrocketed. Conservative estimates suggest 1 in 500 children in the United States is autistic. However, those rates are dramatically higher in some places such as Brick Township, New Jersey, where the rates are 1 in 150.

In the first quarter of this year a child was diagnosed with autism every three hours in California. Last year, that rate was every six hours.

Indiana is seeking a similar trend in increased rates. One in 400 children in Indiana is autistic. Between December 1999 and December 2000, requests for special education services for children with autism went up twenty-five percent. That is a twenty-five percent increase in requests for taxpayer provided services in one year.

We have a national and potentially worldwide epidemic on our hands. It cannot simply be better reporting or an expanded definition of autism.

MY PERSONAL EXPERIENCE

Autism or Autism Spectrum Disorder is devastating to families. I know this from personal experience. My grandson, Christian, was born healthy and developed normally. His story is not much different than that of the thousands of families we have heard from over the last year. He met his developmental milestones. He was talkative. He enjoyed being with people. He interacted socially.

Then Christian received his routine immunizations as recommended by the Centers for Disease Control and Prevention. His life changed dramatically and rapidly. He received five different shots and one oral vaccine all in the same day. We now know that many of these shots contained the mercury containing preservative, thimerosal. He may have been exposed to forty-one times the level of mercury than is considered safe by Federal guidelines for a child his size. This was on top of other mercury exposure from earlier vaccinations. This issue of having mercury in children's vaccine is a very troubling issue and I intend to continue this discussion in Special Orders every week.

Within ten days of receiving his vaccines, Christian was locked inside the world of autism. Is it related to the MMR vaccine? Is it related to the mercury toxicity? Is it the environment, including food allergies? Or is autism purely genetic?

As with any epidemic, we need to focus significant energy and research on containing it. We need to located the cause or causes. We need to be aggressive in developing and making available treatments for both the behavioral issues and the biomedical illnesses related to this condition. Last week I chaired two days of hearings to ask experts and public health officials how they have responded to this epidemic.

SHOW ME THE SCIENCE

Some of the scientists and public health officials that have come before the Committee would have us believe that a child's regression into autism within a short time of vaccination is purely a coincidence. However their opinion is not based on scientific evidence, but on their own desire to protect vaccine policy. In fact, our Government has funded very little research looking at the long-term safety of vaccines and has funded no clinical research looking at the potential connection between autism and vaccines.

I don't want to leave the impression that I am an "anti-vaccine" because I am not. Vaccines against serious infectious diseases such as polio and smallpox have saved thousands of lives. I support the use of needed vaccines that have been thoroughly evaluated for safety and efficacy and have been tested extensively.

As Chairman of the Government Reform Committee, I have conducted several hearings on vaccine safety issues and the potential connection between childhood vaccines and the autism epidemic. We have heard from a lot of witnesses on both sides of the issue. One common thread in testimonies of dozens of witnesses is that to date there is a very little research in this area.

Autism and vaccine safety are both very important issues. There is a lot of research that needs to be done to get answers about the causes of autism and whether or not the MMR vaccine and thimerosal-containing vaccines are linked to the onset of acquired autism. Our health agencies can no longer hide their heads in the sand and refuse to acknowledge that we have an epidemic and that in our well-meaning desire to protect the public at large from infectious diseases, that we may have created this epidemic of a chronic and life-long disease.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 622, HOPE FOR CHILDREN ACT

Ms. PRYCE of Ohio, from the Committee on Rules, submitted a privileged report (Rept. No. 107–67) on the resolution (H. Res. 141) providing for consideration of the bill (H.R. 622) to amend the Internal Revenue Code of 1986 to expand the adoption credit, and for our purposes, which was referred to the House Calendar and ordered to be printed.

ENERGY PRICES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. LANGEVIN) is recognized for 5 minutes.

Mr. LANGEVIN. Mr. Speaker, today I am pleased to join my colleagues in addressing the serious issue of rising energy costs.

Today in Rhode Island, the average price of one gallon of regular unleaded gasoline reached $1.77, almost 5 cents above the national average and a record high in my State.

Thousands of my constituents depend on their automobiles to get to their jobs each day and simply cannot afford the drastic increase in gas prices that they are being forced to pay.

Additionally, this problem has a significant impact on Rhode Island's economy which relies heavily on summer tourism.

Increased gasoline costs threaten to discourage people from summer travel, which would have a disastrous effect on our communities.

Mr. Speaker, we need a solution to this problem now. I have contacted the administration and insisted that any energy strategy that they develop must help American consumers by lowering gas prices.

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Both the President and the Vice President have extensive experience and contact in the oil industry. I am certain that, if properly motivated, they could find a way to lower gasoline prices and bring relief to Americans that have been hardest hit by this price spike.

Our national energy strategy must also incorporate technologies to improve vehicles' fuel efficiency standards in order to reduce our runaway consumption of oil and gasoline.

For example, by requiring SUVs to simply meet fuel efficiency standards of passenger cars would reduce U.S. oil consumption by 1 million barrels per day, approximately the daily estimated oil yield from drilling in the Arctic National Wildlife Refuge.

Even though the technology currently exists to make our Nation's cars and SUVs more fuel efficient, Congress has blocked the establishment of higher standards since 1995.

Mr. Speaker, I intend to work with my colleagues in Congress to increase fuel efficiency standards, not only to cut our consumption of oil and gasoline, but also to reduce emissions of carbon dioxide, the greatest contributor to global warming.

I am optimistic that the United States will take advantage of our current energy debate to develop a forward-thinking plan for the future. We must establish an energy strategy that addresses short-term and long-term problems, is environmentally responsible, and truly benefits the American consumer as well as the future of this world.

ENERGY CRISIS AND FUEL PRICES

The SPEAKER pro tempore (Mr. GRAVES). Under the Speaker's announced policy of January 3, 2001, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, in my district in New Jersey, the average price for unleaded gasoline is $1.72 this month. The Energy Information Administration report shows that the average price in New Jersey was $1.14 at this time last year. This is a 50 percent increase in one year, yet I assure my colleagues that New Jersey is not seeing the worst of the gasoline price increases. Prices in many parts of California are well over $2, and price fluctuations in the Midwest have been dramatic.

But, unfortunately, Mr. Speaker, when we talk about the energy crisis and the increase in gasoline prices, President Bush's answer has been, and he delivered this just last Friday, he said, "The best way to make sure that people are able to deal with high energy prices is to cut taxes, is to give people more of their own money so they can meet the bills, so they can meet the high energy prices."

Mr. Speaker, I understand that we just heard today that tomorrow President Bush's tax cut bill, the reconciliation bill, is going to come to the floor. But I assure my colleagues that that is not the answer to gasoline prices.

He is talking about a tax cut so that Americans can go out and pay the $2 to $3 per gallon price of gasoline. But let us look at this. The President proposes that Congress act quickly to pass the tax cut so the Federal Government can refund American families a modest tax refund so they can in turn put gasoline in their vehicle.

Well, he is not proposing a solution. He is just again displaying a lack of leadership and his alliance essentially with the oil and petroleum industry. What he is proposing with his tax cut is just another way to assist the industry, his friends.

The interesting thing, Mr. Speaker, is that, if one looks at the message that President Bush is delivering today and one compares it to the one he delivered when he was a candidate last year, in January 2000, when heating oil prices were soaring in key campaign States and spot prices were $27 per barrel, then Candidate Bush said, "What I think the President ought to do is he ought to get on the phone to OPEC, the cartel, and say we expect you to open your spigots."

Well, why is President Bush changing his position. Even today, Vice President CHENEY was out saying he does not support increases in OPEC oil production. The Secretary Abraham was quoted a couple weeks ago saying that he was not going to give into or lower himself, I think the word was, to talk to OPEC about oil production because that would somehow lower his quality, his status as Energy Secretary.

President Bush has also said he will not release any oil from the SPR, the Strategic Petroleum Reserve. Both the Clinton administration and the first President Bush, his father, George W.'s father, successfully released oil from the SPR, from the reserve, to calm energy markets.

In fact, President Bush's decision not to take action, I think, is essentially unilateral disarmament in talks with oil producing countries. We know last year President Clinton was very effective, I thought, in using the SPR as a tool, if you will, to try to bring prices down.

The other thing that President Bush has talked about as a long-term solution, of course, is to build more refining capacity. But I think he misses the point because it does not help the consumer today. The interesting thing about Bush's policy and CHENEY's policy is that they are not talking about the problem that Americans face today. We have blackouts. We have oil prices, gasoline prices rising dramatically. American motorists are spending too much on gasoline. They want a solution now.

The President talked refineries, but he did not talk about the effect of refinery consolidation. While the number of refineries has decreased, the refinery capacity has increased. Part of the problem that we witness today is this consolidation, is the size of the refinery has increased. Any problem in the refinery, like a fire, for example, that affects production has a greater impact on supply and price.

I just wanted to mention I have a number of speakers tonight who are joining me, my colleagues on the

Democratic side. I do not want to take up much more time before I start yielding to them, but I did want to talk a little bit before I finish the introduction here to our special order that we have tonight to mention mergers in the oil industry, because I also think that that is something that needs to be investigated and looked at, and it is not being looked at by this administration.

Recent company mergers include a $7.49 billion deal in which Tosco recently agreed to be purchased by Philips Petroleum, and Valero will acquire Ultramar Diamond Shamrock for $3.91 billion.

In a letter I recently sent along with the gentleman from Wisconsin (Mr. BARRETT), we requested that the administration, specifically the Department of Energy and the FTC, the Federal Trade Commission, carefully review these mergers to assure that they do not unfairly disadvantage independent marketers.

While mergers like BP and Amoco or Exxon and Mobile may be good for business, I am concerned about the impact on consumers. Exxon-Mobile this year reported $5 billion in record profits over the last year. Valero alone had a 2,272 percent increase in profits from 1999.

There are real solutions, and Democrats have the real solutions. But those solutions are not found in President Bush's energy plan.

Let me just mention a couple of things that we can do. First, we need to review the effect that mergers have on the price of gasoline. Second, I strongly believe that we need to find innovative ways to reduce demand. Conservation and energy efficiency are vital components of reducing prices of gasoline at the pump, and these ideas must be part of our Nation's energy use strategy.

But, unfortunately, President Bush does not really think about this. Last week, he announced that he would abandon the 2004 goal set to develop a five-person vehicle that would get 80 miles per gallon. The Federal Government has spent $1.4 billion on this initiative, and last year the National Academy of Scientists called the program an outstanding effort. But now this program aimed at reducing the future demand on gasoline has been put on hold.

American demand for gasoline is 8.6 million barrels per day. Sport utility vehicles, pickups and minivans account for 43 percent of the vehicles on the road today, up from 30 percent in 1990. Because of this increase, the current fuel efficiency in the U.S. has dropped to its lowest level since 1980.

Today the standard for passenger cars is 27.5 miles per gallon, and for light trucks it is 20.4 miles per gallon. This standard has not changed since 1990. We need to address fuel consumption and create 21st century solutions to meet our 21st century users.

I know that a number of my colleagues have been taking the lead on this, particularly some of the newer Members. I know that the energy crisis has been particularly bad in California.

I yield first to the gentlewoman from California (Mrs. DAVIS), one of my colleagues.

Mrs. DAVIS of California. Mr. Speaker, I appreciate the gentleman from New Jersey (Mr. PALLONE) bringing this to our attention, and it gives me an opportunity to speak particularly about the situation in San Diego.

San Diego families and businesses have been devastated with soaring energy prices since last July, and so now we are faced with rising gasoline prices. Here, too, San Diego was first with the most, not the distinction that we would necessarily like. Prices are almost always 10 percent higher than neighboring Los Angeles. With these prices soaring across the county, San Diego is still at the head of the parade.

Much attention has been focused on issues of supply and demand, and these are important. But there are other predatory practices that crank up the price at the pump.

In August of 1998, as chair of the California Assembly Consumer Protection Committee, I held hearings on the causes of high gasoline prices and why they are so particularly affected in my community of San Diego. We learned a lot during these hearings. We learned about mini-marketing techniques that control the supply. We learned that there are practices where companies sell the same gasoline to different outlets at different prices and discriminate against some communities.

These practices now are being challenged in the Wholesale Motor Fuel Fairness and Competition Restoration Act that is being authored by the gentleman from California (Mr. THOMPSON), and I am very happy to be a cosponsor of that. There are several things that this legislation will do, and I hope that my colleagues will join me in working with the gentleman from California (Mr. THOMPSON) on them.

One, they require that petroleum producers reveal their pricing structure. It seems like a sensible thing to do that will be helpful to consumers to know.

Two, it would make it illegal for companies to discriminate on price regardless of who is purchasing it.

Third, it will mandate that the Federal Trade Commission study the relationships between ownership of gas stations and the high price of motor fuel. I think all of these elements of this legislation are needed and will make it more difficult for oil companies to practice what we consider price zoning, redlining, and discriminatory wholesale pricing.

It is only right that consumers know how rebates, refunds, and discounts to dealers affect the prices that they pay at the pump. I think we now have an opportunity and we now should shine the spotlight on how gas is priced so we can then return to competitive pump prices.

Mr. Speaker, I thank the gentleman from New Jersey (Mr. PALLONE) for bringing these issues to our attention.

Mr. PALLONE. Mr. Speaker, I want to thank the gentlewoman from California (Mrs. DAVIS), and mention, which I am sure some people already know, that certainly the Democrats today, our Democratic leadership, announced an energy policy program under the auspices of the House Democratic Caucus, our energy task force.

There are a number of provisions in there that I think are very good. But one of them specifically says with regard to price gouging that we would instruct the Justice Department to aggressively investigate energy pricing to assure that illegal price fixing does not occur and to give thorough antitrust reviews to any proposals to further consolidate energy companies.

I know that the gentleman from Missouri (Mr. GEPHARDT), our leader, was out there with the gentlewoman from California (Mrs. DAVIS) in San Diego, with some of our other colleagues from California, Southern California. We have been basically saying that we have got to look at this problem overall. Price gouging and gasoline prices are an important part of this.

We still do not have the President's or the Cheney proposal. That is supposed to come out Thursday. But so far every indication that we have got from President Bush and Vice President CHENEY is that they simply do not want to do anything about gasoline prices. It is just not their problem. I cannot imagine that, with all the problems that one faces in California with regard to blackouts and the overall energy crisis, that anybody is happy to hear that we are going to not address gas price problem.

Mrs. DAVIS of California. Mr. Speaker, it is really adding insult to injury, I think, out in the West. When we have seen the energy prices going up 900 percent, people want to know where that is coming from.

I think, when it comes to gasoline prices as well, I know in the San Diego community, we have looked to our neighbors. We do not have to travel that far. I took trips every Sunday when I used to visit my dad actually in Orange County, and we knew where to fill up because gasoline prices were about 35 cents less.

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Now we are seeing high prices throughout the State, but we still have some communities that seem to be affected more than others.

Mr. PALLONE. And in New Jersey we have the phenomenon whereas after Memorial Day, and I represent the shore area, everybody is going to be paying these higher prices when they have to travel to the shore or to the beaches. I know some might say that people do not have to go on a vacation; but obviously, that is not the answer. I just cannot believe that the President and the Vice President simply do not see this as a problem and think that somehow a tax cut is going to help that.

I want to thank the gentlewoman for being here. I know she has been taking her leadership in her home State on this issue. Thanks.

Mrs. DAVIS of California. I thank the gentleman.

Mr. PALLONE. Mr. Speaker, I now wish to yield time to my colleague from Arkansas.

Mr. ROSS of Arkansas. Mr. Speaker, I thank the gentleman for yielding to me.

Currently, Arkansas residents pay on average $1.69 per gallon of mid-grade gasoline. Thousands of my constituents depend on their cars to get to and from their jobs or on tractors or equipment to tend to their farms each and every day. I live in a very rural district, and they simply cannot afford the drastic increase in gas prices that they are being forced to pay.

With the summer season expected to be as hot as last year, we will probably have in Arkansas a drought for the fourth year in a row, and I anticipate that we are headed for a repeat of last year's overheated oil prices, the highest since 1990. In fact, we have already seen indications that the price is growing steadily.

A recent national survey shows that the price of gasoline has skyrocketed 17 cents in the last 4 weeks alone, bringing the national average to $1.82 a gallon. These prices are unjustified, and our response to bring these prices down must be immediate. I call on the President and the administration to tell OPEC to increase their levels of oil production, which they cut as recently as March by a million barrels a day. It is wrong that a handful of foreign countries can get together and have a lot to do with dictating the price of gasoline at the pumps in south Arkansas.

Our reliance on foreign oil has been steadily increasing. We must concentrate on increasing our domestic energy supplies and strengthening our energy infrastructure, and we must guard consumers against potential price gouging by the big oil companies.

Now, the President, as recent as late last week, said that we needed a tax cut to pay for gasoline. Now, Mr. President, I have a problem with my constituents paying $2 or $3 a gallon for gasoline. Yes, Mr. President, we need a tax cut. We need a tax cut for working families to help them make ends meet, to help them pay for child care and, yes, to help them send a child to college. We do not need a tax cut to pay for gas. We need to bring the prices of gas back down.

America's economic prosperity and national security have come to depend on the availability of reliable, affordable energy. We need a balanced, long-term energy policy, not one built for the past, as the administration is putting forth. We need a proactive energy policy for the future, one that helps consumers by increasing energy production while reducing energy demand; one that stresses the importance of conservation, building more energy-efficient products and developing more renewable and alternative fuel sources, the kind that can create new markets for our struggling farm families in south Arkansas.

The production, generation, and distribution aspects must all be done with greater efficiency. Research and development in new energy technologies that increase conservation in all areas are imperative. In addition, we need to expand other energy sources, such as wind, solar and hydroelectric. Renewable energy sources may not be an immediate answer to our energy crisis, but they are certainly important for the long term as fossil fuel sources continue to diminish. These emerging technologies will need Federal support if we are to finally achieve energy independence.

We must look at all available options to solve this complicated crisis. But whatever we do, we must guarantee that drivers in south Arkansas and all across America will pay less when they fill up.

Mr. Speaker, I yield back to the gentleman from New Jersey.

Mr. PALLONE. Mr. Speaker, I thank my colleague from Arkansas. It is really almost incredible to think that the President and the Vice President do not understand what needs to be done now to address the problem with the gasoline prices.

I was just looking at some of the statements that were made here. This is from Vice President CHENEY, May 11, I guess just a week ago, in USA Today. He said, "There's not much we can do in the short-term." And he goes on to talk about everything they are going to come out with, theoretically this Thursday, is long term. Then it says that they apparently have been warning Republicans on Capitol Hill that the energy policy to be released will do little to help with gas prices or California blackouts this summer.

To me, it is incredible to think that they are not looking to at least talk to OPEC and say, look, do something here. These are countries where I think we have a lot of clout and the ability to influence their policy because they depend on us for so many things. The same thing with the SPR. I cannot believe there was so much discussion last session about the SPR and the ability to use that as a sort of a hammer to force prices down and to force more production of OPEC, and yet so far they are not willing to do it.

The gentleman obviously has the same problem leading up to Memorial Day and the summer in Arkansas that we have in New Jersey, and I just know that a few more weeks of these price increases, and it is already almost the number one issue on people's minds, but I do not know how we are going to be able to go back from Congress and say Washington is not doing anything about it. It is just incredible.

I want to thank the gentleman for participating and we are obviously going to be doing a lot more of this. Thanks.

Next, Mr. Speaker, we have, from my neighboring State of New York, and I imagine he has the same phenomenon with people leaving to go to Long Island for the start of Memorial Day weekend, the gentleman from New York.

Mr. ISRAEL. Mr. Speaker, I thank the gentleman for his time and his important leadership on this very vital issue.

Mr. Speaker, last week gas prices on Long Island rose 9 cents per gallon in the span of a single week, and this year alone OPEC has cut its production twice already. I think it is absolutely outrageous that the same countries that we defend time after time are gouging Americans at the pump.

Now, last summer, then Governor Bush said that when he was President, if gas prices increased, he would simply get OPEC on the phone and tell them to turn on the spigot. Well, Mr. President, it is time to make that call. We cannot wait any longer. And when OPEC reconvenes again in June, they have to know that we will no longer tolerate this price-fixing cartel behavior that is punishing Americans at the pump.

At the same time, however, while we are talking a tough line towards OPEC, we have to reduce our dependence on foreign oil. I have been working with some of my colleagues to draft a Tax and Energy Cost Relief Act that will provide working families with tax credits and deductions that will help them purchase energy-efficient equipment and technologies. Now, that is going to reduce taxes, it is going to spur the economy by encouraging people to go and purchase new energy-efficient products, it is going to improve our environment, and it is going to reduce our long-term dependence on foreign oil.

Taking a hard line with OPEC and expanding tax incentives is the smart way to reduce the price of gas while providing relief to working families and decreasing our dependence on foreign oil. It is time for a coherent, effective, comprehensive policy to get gas prices down; and I look forward to working with the gentleman from New Jersey to reach that goal.

Mr. PALLONE. Mr. Speaker, I thank my colleague from New York. I know we are both in the New York metropolitan area, so we share the same concerns and we hear the same complaints from our constituents.

I just wanted to mention, if I could, that the Democrats' energy policy paper was released today, wherein our leader, the gentleman from Missouri (Mr. GEPHARDT), and the gentleman from Texas (Mr. FROST), who is the chairman of the caucus and also the chairman of the task force that put this together, talked about two major tax credits along the lines of what the gentleman just discussed; and I wanted to mention them briefly, if I could.

There is this best energy savings tax credit, which is basically a consumer tax credit for up to $4,000 provided for new homes, in other words, a $4,000 credit for purchase of a new home based on the energy efficiency of the new home. And then similarly with regard to home improvements, 20 percent of the cost up to $2,000 based on the measures taken by the consumer. And there is a separate one for vehicles that an individual could get a credit up to $4,000 based on fuel savings or other performance standards when they purchase a car or a light truck or SUV equipped with these new fuel saving technologies.

And then for businesses, the Democratic proposal has what they call a SAVE incentive, structure and vehicle efficiency tax incentive; and this provides up to a 30 percent investment tax credit for business investment in renewable energy generation and allows businesses to take a deduction for increasing energy efficiency.

These are the kinds of conservation measures linked to new technology that we need, and I know that is what the gentleman was talking about. And I think the great part of what the Democrats put forward today in our energy proposal is that it deals with the high price of gasoline, which is an immediate concern; it deals with conservation; it deals with efforts to use tax credits and deductions for conservation; and, at the same time, it has measures to increase energy production.

So we are looking at this universally, in a sort of a well-rounded way, whereas all we get from the Bush-Cheney administration is just pump; let us pump more oil, let us pump more, and that is going to solve all our problems. But that is not going to solve our problems, particularly in the short term.

Mr. ISRAEL. If the gentleman will yield; about 2 weeks ago, five Federal laboratories issued a report that said if we can encourage weatherization and encourage energy-efficient technologies and energy-efficient consumer products, we will not have to build the 1,300 power plants that the administration is proposing; that we would not have to drill the Arctic reserve that the administration is proposing; we would not have to degrade our environment. And those are the kinds of technologies and efficiencies that we ought to be pursuing.

Now, these were not Democratic Federal laboratories or Republican Federal laboratories; they were Federal laboratories that have been looking at this, and we need to heed their advice.

Mr. PALLONE. The amazing thing that I find is that even my own utilities, during Earth Day myself and my other Democratic colleagues in the House did a bus tour around the State, and one of the places we went, I think it was in the district of the gentleman from New Jersey (Mr. PAYNE), was a generating facility in Linden, which was building a new plant that would reduce carbon dioxide and other emissions by 30 percent.

Here are these utilities, and this is the business community, telling us that they can address carbon dioxide emissions effectively at the same time that the Bush administration tells us they do not want to regulate it. So the President is just not being realistic about what can be done. He is sort of living in the past, in my opinion; and it is very unfortunate.

I want to thank the gentleman.

Mr. ISRAEL. I thank the gentleman.

Mr. PALLONE. Mr. Speaker, next is my colleague on the Committee on Commerce who has been involved in these energy issues for a long time, and I know that our committee has taken up some legislation, but so far the Republicans have not really been helping us very much in terms of addressing the California situation. I yield to my colleague from Ohio.

□ 1945

Mr. STRICKLAND. Mr. Speaker, I thank my colleague from New Jersey (Mr. PALLONE), and I would like to take a few moments to talk about my district in southern Ohio, because as I have heard my colleagues discuss gas prices in their districts, I was thinking gas prices are so much higher in my poor, rural district.

But first, I would like to say some things about the President and his justification for this tax cut, 43 percent of which will be going to the richest 1 percent of the people in our country. Last summer during the campaign he said we needed this large tax cut simply because we had a huge surplus, and this surplus, rather than being spent on government programs, should be returned to the taxpayer. That was the justification a year or so ago.

Then just 2 or 3 months ago, he was justifying this huge tax break, most of which is going to the very wealthy, by saying our economy is entering a period of slump and perhaps moving into a recession, so we need a tax break to generate activity within our economy and keep us from going into a recession. Lo and behold a couple of days ago I was flabbergasted to hear the President say we need a tax cut so people can spend it on gasoline so that my friends in the oil industry can reap the benefits of the tax cut, basically. It is just beyond belief that we would have such shallow, superficial thinking going on when the Nation is facing a very serious problem.

My colleague said he thinks this concern about gas prices may be near the top of people's concerns. I can tell my colleagues after having gone home to southern Ohio for the last several weekends, in my district it is the primary concern. I can go nowhere in my district without meeting people who are saying to me, Congressman, what can you do about these gasoline prices?

I can tell you this weekend the cheapest gasoline I could find in southern Ohio was nearly $1.86 per gallon. That was for the cheapest grade, and the premium was over $2 a gallon.

Mr. Speaker, another thing that troubles me, these prices fluctuate overnight. Especially as we move toward the weekend, this happens regularly. As we are moving toward the weekend on Thursday night or Friday morning, prices may escalate 10 or 15 cents or more overnight. This happens weekend after weekend.

Now, the American people are fairly wise, and they know when they are being taken advantage of. I believe that there is a quiet but growing anger throughout this country. Those of us in political office who are supposed to be representatives of the people are going to pay a heavy price if we do not deal with this issue. The American people are being gouged. They are being charged unfair prices, and they feel hopeless and helpless; and they are looking to Washington for some relief.

Mr. Speaker, to have the President say there is nothing we can do, to have the Vice President say there is nothing we can do is not acceptable. We must do something. I have been trying to search for solutions. I think we should even consider the possibility of a windfall profit tax to be levied on these companies that are gouging the American public.

Last summer in the early summer, myself and the two Senators from Ohio, Senator VOINOVICH and Senator DEWINE, both Republican Senators, met with the Federal Trade Commission. We were concerned at that time with what was happening with escalating gasoline prices, and we asked them to look into the situation and try to determine if something illegal was happening, if collusion was occurring between the oil companies.

Finally, after several months of looking at this, they came out with a report. The report stated that it was not possible for them to establish indications of collusion which would be illegal, but that there was some strong indication that some of these companies were purposefully withholding supplies in an effort to drive up prices.

Now, I want to say a word about supply. I do not like the fact that OPEC has cut back on supplies. The fact is we used our national resources, we put our sons and daughters in danger to protect Kuwait and to keep that part of the world relatively free of the threat of Saddam Hussein. We are supposed to be friendly with Mexico. It troubles me that these companies that use our support and use our protection and use our resources, when they find themselves in need would be so terribly insensitive to the situation facing this country that they would cut back on supplies.

But it troubles me even more, Mr. Speaker, that our President is unwilling to expect something out of these OPEC nations that we as a Nation have a right to suspect. It troubles me that he will not urge and insist that they increase their production. Having said that, I suspect that the problem is not a supply problem right now in the immediate future, but the problem is a pricing problem. I do not see any stations running out of gasoline or lines of people waiting to get gasoline. We can buy as much gasoline in southern Ohio as we are willing to pay for. The problem is that we are simply being charged too much.

Mr. Speaker, I believe there will be a price to pay, regardless of whether or not we are Democrats or Republicans, or from what part of the country we come. If we do not do something to give relief to the American public, the American public has every right to seek retribution against us at the polls. The American people are patient and tolerant, and I think they are wise; but they also get tired, and there is a line beyond which we must not cross. We owe them protection.

I urge the President, I urge the leadership of this House to assume the responsibility that we rightfully have as representatives of the people and think of the various ways in which we can take action to bring some immediate relief this spring, this summer to the American people.

I wanted to share those thoughts with my colleagues, Mr. Speaker, because I know that the American people are paying attention to what we are doing up here, and I think they are also paying attention to what we are not doing up here. I urge all of my colleagues to address all of these issues.

Mr. PALLONE. Mr. Speaker, I want to thank the gentleman from Ohio for what he said. He mentioned two things that I want to elaborate on. First, about the Bush administration's inaction on the price of gasoline.

Mr. Speaker, I often find myself quoting the Vice President because he seems to be the one who speaks more often on this issue, maybe on most issues, but certainly on this issue. Reading something from Reuters today where Vice President Mr. CHENEY said, "Record high U.S. gasoline prices cannot be blamed on the global price of crude." In an interview with Reuters, Cheney also said, "Jawboning OPEC to increase production and reduce the price of crude would have market consequences." I do not know what he means by that. He says that if the United States talked OPEC nations into increasing production, thus dropping the price of crude, the end result could be a slowing in investment by oil companies.

Mr. STRICKLAND. Mr. Speaker, the fact is that the oil companies are recording record profits. The oil companies are getting the profits which they ought to be using to invest in new technologies and in new resources. We ought not to feel sorry for the oil companies. They are doing very well. But I tell you who I feel sorry for. I have got residents in my district who drive one way 85 or 95 miles to work so that they can have a job to support their families. They do that day in and day out, and some of them year in and year out. They are going to the pumps, and they are paying $1.86 up to $2 per gallon to put gasoline in their tanks simply so they can go to work and earn a living. We have got a responsibility to do something about that. It just really, really troubles me.

When someone runs for the Presidency, they assume responsibility. The President has a responsibility to the American people to provide leadership and to protect them from being gouged by the oil industry. That is his responsibility. If he did not want to accept that responsibility, he ought not to have sought the Presidency. There is a burden that comes with an office. We share it here in this House, but the President and the Vice President share it as well. They have got a responsibility to step up to the plate to say what is happening is wrong and to take steps to make sure that the American people are protected.

Mr. Speaker, I do not think that we can overestimate the anger of the American people on this issue, and it is going to grow as we enter into the summer months and gasoline goes from $1.86 to $2 and beyond. That is when we are going to see the strong feelings of the American people directed toward us. That is one of the reasons to act. The real reason we should act is because it is the right think to do for our constituents. But even if we did not care about the well-being of our constituents, if our only unworthy motive was our political survival, we ought to care.

Mr. Speaker, I hope the President and the Vice President and the leaders of this House are listening to this debate because the American people are expecting action.

Mr. PALLONE. Mr. Speaker, I totally agree with what the gentleman said. I was looking at this last statement which I read where the Vice President said if the U.S. talked OPEC nations into increasing production, thus dropping the price of crude, the end result could be a slowing in investment by oil companies. It is almost as if he is saying that it is a good thing that the prices are going up because that gives them more money to invest, which is incredible.

Mr. STRICKLAND. I think his actions indicate that he is happy with the high prices. To say that the answer to the high prices is just for the American citizen to get a tax break so he can then take that tax break, use it to pay these high prices so that the oil companies will get their profits, that is very troubling to me.

Mr. PALLONE. I agree. It is incredible to think about the reasoning that goes behind it.

The second thing which was mentioned is the profits that the companies are getting. There is a chart here that I have that says that while consumers face spiking energy prices, many oil, gas and power companies post record profits. For example, Exxon-Mobil reaped nearly $18 billion in profits last year, up more than 120 percent over the previous year.

This has a chart, and I will just give a few of them. It has Exxon-Mobil profits, increased from 1999 124 percent; British Petroleum-Amoco increased 54 percent; Chevron increase in profits over the year, 151 percent; Hess, which is in New Jersey, increase of 234 percent; Texaco, an increase of 116 percent. It is just incredible to see how much money they have been making.

Mr. STRICKLAND. Their profits are enormous. The supplies are there; otherwise we would not be able to go to the pump and buy the gasoline. I know of nowhere in this country where there seems to be a shortage of gasoline at this time. There is all of the gas that we want to buy if we are willing and able to pay for it. How much profit is enough? How much profit is it going to take to encourage the oil industry to innovate and to do those things that they need to do to bring more supplies to market?

Mr. Speaker, if I felt that there was a true shortage of supply, then there may be some reasonable expectation that prices would escalate. But what we have now is apparently a sufficient supply; but ever-increasing costs and ever-increasing profits; and we have got a President and a Vice President who seems to think that is okay. That is very troubling.

Mr. PALLONE. Mr. Speaker, I do not want to prolong what we say necessarily, but I want to mention again that the Democrats came out today with an energy policy and principles. Obviously, we did this a couple of days before we hear the final report that is going to come out from the Vice President which will express the President's position. I am very proud of what we did today because it basically addresses each of the issues that I think that the public is concerned about, both short term and long term.

If I can just review it and then we can finish our Special Order. First of all, it specifically deals with the problem of prices going up now, first of all, by asking that the President put pressure on OPEC to increase production and lower prices and to use the SPR, the strategic petroleum reserve, and to investigate the price gouging by the biggest companies.

□ 2000

Then it has with regard to energy efficiency, what I mentioned, these best tax credits for both consumers and businesses to improve energy efficiency, to use renewables; and then we also have emergency funding to help low- and fixed-income families meet the rising cost of home heating and cooling bills, basically supplemental to the LIHEAP program which helps people with their energy bills. We have the price caps imposed on wholesale electricity prices in the West, which I think is necessary. That is something that we are going to be addressing in our committee next week when we get the energy bill that comes up. We also have strong provisions to protect the environment. We are saying that you can increase production, but you have to do it in a way that protects the environment.

One of the things I would note is that during the 8 years of the Clinton administration, there actually was a significant increase in production; but they were not drilling in ANWR and other sensitive areas. What we are really doing, I think, is investing in the future. We are trying to come up with ways to encourage conservation, do things more efficiently, increase production but at the same time address this real problem that exists now both with the energy crisis where you have blackouts, electricity blackouts, as well as with the high price of gasoline. All those things have to be looked at as the gentleman pointed out. I want to thank him, and I want to thank the rest of my colleagues for joining me this evening.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GRAVES). The Chair reminds all Members that remarks in debate should be addressed to the Chair and not to others outside the Chamber.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 8 o'clock and 1 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 2340

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. SESSIONS) at 11 o'clock and 40 minutes p.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1836, ECONOMIC GROWTH AND TAX RELIEF RECONCILIATION ACT OF 2001

Mr. REYNOLDS, from the Committee on Rules, submitted a privileged report (Rept. No. 107–68) on the resolution (H. Res. 142) providing for consideration of the bill (H.R. 1836) to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002, which was referred to the House Calendar and ordered to be printed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HALL of Ohio (at the request of Mr. GEPHARDT) for today on account of a family emergency.

Ms. SLAUGHTER (at the request of Mr. GEPHARDT) for today on account of personal business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MCNULTY) to revise and extend their remarks and include extraneous material:)

Ms. KAPTUR, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. SHOWS, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

(The following Members (at the request of Mr. COX) to revise and extend their remarks and include extraneous material:)

Mr. ENGLISH, for 5 minutes, May 16.

Mr. SAM JOHNSON of Texas, for 5 minutes, today.

Mr. BURTON of Indiana, for 5 minutes, May 16 and 17.

Mr. WELDON of Florida, for 5 minutes, May 17.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. LANGEVIN, for 5 minutes, today.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 166. An act to limit access to body armor by violent felons and to facilitate the donation of Federal surplus body armor to State and local law enforcement agencies; to the Committee on the Judiciary; in addition to the Committee on Government Reform for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

ADJOURNMENT

Mr. REYNOLDS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 41 minutes p.m.), the House adjourned until tomorrow, Wednesday, May 16, 2001, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

1915. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Sucroglycerides; Exemption from the Requirement of a Tolerance [OPP–301119; FRL–6778–9] (RIN: 2070–AB78) received May 2, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1916. A letter from the Attorney-Advisor, Division of General and International Law, Department of Transportation, transmitting the Department's final rule—Audit Appeals; Policy and Procedure [Docket No. MARAD–2000–8284] (RIN: 2133–AB42) received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

1917. A letter from the Federal Register Liaison Officer Alternate, Department of the Treasury, transmitting the Department's final rule—Conversion from Stock Form Depository Institution to Federal Stock Association [No. 2001–34] (RIN: 1550–AB46) received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

1918. A letter from the Deputy Secretary, Division of Market Regulation, Securities and Exchange Commission, transmitting the Commission's final rule—Commission Guidance to Broker-Dealers on the Use of Electronic Storage Media under the Electronic Signatures in Global and National Commerce Act of 2000 with Respect to Rule 17a-4(f) [Release No. 34–44238] received May 2, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

1919. A letter from the Deputy Secretary, Securities and Exchange Commission, transmitting the Commission's final rule—Recordkeeping Requirements for Transfer Agents [Release No. 34–44227; File No. S7–17–99] (RIN: 3235–AH74) received May 2, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

1920. A letter from the Deputy Associate Administrator, Environmental Protection

Agency, transmitting the Agency's final rule—Clean Air Act Approval and Promulgation of the Redesignation of Shelby County, Tennessee, to Attainment for Lead [TN 240-1-200103a; FRL-6974-6] received May 1, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1921. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Texas; Ozone; Beaumont/Port Arthur Ozone Nonattainment Area [FRL-6976-1] received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1922. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Hazardous Waste Identification Rule: Revisions to the Mixture and Derived from Rules [FRL-6975-2] (RIN: 2050-AE07) received May 2, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1923. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Storage, Treatment, Transportation, and Disposal of Mixed Waste [FRL-6975-1] (RIN: 2050-AE45) received May 2, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1924. A letter from the Deputy Director, Institute of Museum and Library Services, transmitting the FY 2000 Annual Program Performance Report; to the Committee on Government Reform.

1925. A letter from the Inspector General, International Trade Commission, transmitting the Semiannual report of the Inspector General of the International Trade Commission for the period of October 1, 2000, through March 31, 2001, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

1926. A letter from the Acting Chairman, Securities and Exchange Commission, transmitting the Commission's Government Performance and Results Act Annual Performance Plan for FY 2002 and the Annual Performance Report for FY 2000; to the Committee on Government Reform.

1927. A letter from the Acting Director, Office of Surface Mining, Department of the Interior, transmitting the Department's final rule—Missouri Regulatory Program and Abandoned Mine Land Reclamation Plan [SPATS No. MO-033-FOR] received May 4, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1928. A letter from the Acting Director, Office of Surface Mining, Department of the Interior, transmitting the Department's final rule—Oklahoma Regulatory Program [SPATS No. OK-025-FOR] received May 4, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1929. A letter from the Acting Assistant Administrator for Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—American Lobster; Interstate Fishery Management Plans; Cancellation of Moratorium [Docket No. 010125024-1089-02; I.D. 121500D] (RIN: 0648-AO88) received May 4, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1930. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod by Vessels Catching Pacific Cod for Processing by the Offshore Component in the Western Regulatory Area of the Gulf of Alaska [Docket No 010112013-1013-01; I.D. 042501D] received May 2, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1931. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Emergency Medical Equipment [Docket No. FAA-2000-7119; Amendment No. 121-280 and 135-78] (RIN: 2120-AG89) received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1932. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Emergency Exits [Docket No. 28154; Amendment No. 121-283] received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1933. A letter from the Attorney, Research and Special Programs Administration, Department of Transportation, transmitting the Department's final rule—Hazardous Materials: Temporary Reduction of Registration Fees [Docket No. RSPA-00-8439 (HM-208D)] (RIN: 2137-AD53) received May 1, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THOMAS: Committee on Ways and Means. H.R. 622. A bill to amend the Internal Revenue Code of 1986 to expand the adoption credit, and for other purposes; with an amendment (Rept. 107-64). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMAS: Committee on Ways and Means. H.R. 1727. A bill to amend the Taxpayer Relief Act of 1997 to provide for consistent treatment of survivor benefits for public safety officers killed in the line of duty; with an amendment (Rept. 107-65). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMAS: Committee on Ways and Means. H.R. 586. A bill to amend the Internal Revenue Code of 1986 to provide that the exclusion from gross income for foster care payments shall also apply to payments by qualified placement agencies, and for other purposes; with an amendment (Rept. 107-66). Referred to the Committee of the Whole House on the State of the Union.

Ms. PRYCE of Ohio: Committee on Rules. House Resolution 141. Resolution providing for consideration of the bill (H.R. 622) to amend the Internal Revenue Code of 1986 to expand the adoption credit, and for other purposes (Rept. 107-67). Referred to the House Calendar.

Mr. REYNOLDS: Committee on Rules. House Resolution 142. Resolution providing for consideration of the bill (H.R. 1836) to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002 (Rept. 107-68). Referred to the House Calendar.

DISCHARGE OF COMMITTEE

Pursuant to clause 2 of rule XII the Committee on the Judiciary discharged from further consideration. H.R. 1 referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. LARSON of Connecticut (for himself, Mr. STUPAK, Mr. CAPUANO, Mr. FILNER, Ms. LEE, Mr. HONDA, and Mr. WYNN):

H.R. 1829. A bill to amend the Individuals with Disabilities Education Act to provide full funding for assistance for education of all children with disabilities; to the Committee on Education and the Workforce.

By Mr. LARSON of Connecticut (for himself and Mr. WELDON of Pennsylvania):

H.R. 1830. A bill to ensure the energy self-sufficiency of the United States by 2011, and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committees on Science, and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GILLMOR (for himself, Mr. PALLONE, Mr. DUNCAN, Mr. DEFAZIO, Mr. SHIMKUS, Mr. DINGELL, Mr. YOUNG of Alaska, Mr. OBERSTAR, Mr. TAUZIN, Mr. STUPAK, Mr. OTTER, Mr. PASCRELL, Mr. EHRLICH, Mr. TOWNS, Mr. THUNE, Mr. BLUMENAUER, Mr. GREENWOOD, Mr. GORDON, Mr. LOBIONDO, Mr. HOLDEN, Mr. LARGENT, Mr. DEUTSCH, Mr. FERGUSON, Mr. BARCIA, Mr. BILIRAKIS, Mr. SAWYER, Mr. PETRI, Mr. SANDLIN, Mrs. BONO, Mr. JOHN, Mr. BOEHLERT, Mr. FILNER, Mr. WALDEN of Oregon, Mr. DOYLE, Mr. COOKSEY, Mr. MASCARA, Mrs. WILSON, Mrs. CAPPS, Mr. BAKER, Mr. RAHALL, Mr. BASS, Mr. STRICKLAND, Mr. JOHNSON of Illinois, Mr. BERRY, Mr. BLUNT, Mr. BROWN of Ohio, Mr. GILCHREST, Mr. BARRETT, Mr. BUYER, Mr. HORN, Mr. EVANS, Mr. SIMMONS, Mr. KIND, Mr. EHLERS, Mr. SPRATT, Mr. SHERWOOD, Mr. LIPINSKI, Mr. BACHUS, Mr. SHOWS, Mr. SWEENEY, Mr. GARY G. MILLER of California, Mr. REYNOLDS, Mr. CRAMER, and Mr. MCHUGH):

H.R. 1831. A bill to provide certain relief for small businesses from liability under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980; to the Committee on Energy and Commerce, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TOWNS (for himself, Mr. SHADEGG, Mr. WYNN, Mr. GRAHAM, Mr. HALL of Texas, Mr. DEMINT, Mr. CLYBURN, Mr. HASTINGS of Washington, Mr. SPRATT, Mr. NETHERCUTT, Ms. DUNN, Mr. RADANOVICH, Mr. BURR of North Carolina, and Mr. BROWN of South Carolina):

H.R. 1832. A bill to improve the Federal licensing process for hydroelectric projects; to the Committee on Energy and Commerce.

By Mr. SMITH of Michigan:

H.R. 1833. A bill to amend the Internal Revenue Code of 1986 to suspend all motor fuel taxes for 6 months; to the Committee on Ways and Means.

By Mr. SMITH of Michigan (for himself, Mr. PUTNAM, Mr. PETRI, Mr. BARTLETT of Maryland, and Mr. ENGLISH):

H.R. 1834. A bill to require the Department of Energy to study potential regulatory improvements that may help alleviate high fuel prices; to the Committee on Energy and Commerce.

By Mr. WELLER (for himself, Mr. Lewis of Georgia, Mr. Matsui, Mr. Collins, Mr. McDermott, Mr. Tom Davis of Virginia, Mr. Isakson, Mr. Moran of Virginia, Mr. Meeks of New York, Mrs. Jones of Ohio, Mrs. Tauscher, Ms. DeGette, Mr. Boucher, Ms. McKinney, Mr. Gibbons, Mr. Lantos, Mr. Berman, Mr. Quinn, Mr. Udall of Colorado, Mr. Strickland, and Mr. Turner):

H.R. 1835. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income computers and Internet access provided by an employer for the personal use of employees; to the Committee on Ways and Means.

By Mr. THOMAS:

H.R. 1836. A bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; to the Committee on Ways and Means.

By Mr. ACKERMAN:

H.R. 1837. A bill to amend title 23, United States Code, to direct the Secretary of Transportation to withhold highways funds from any State that permits an individual to use a hand-held mobile telephone while operating a motor vehicle; to the Committee on Transportation and Infrastructure.

By Mr. BRADY of Texas:

H.R. 1838. A bill to amend the Tariff Act of 1930 to modify the provisions relating to drawback claims, and for other purposes; to the Committee on Ways and Means.

By Mr. CAMP (for himself and Mrs. Thurman):

H.R. 1839. A bill to amend title XVIII of the Social Security Act to provide adequate coverage for immunosuppressive drugs furnished to beneficiaries under the Medicare Program that have received an organ transplant, and for other purposes; to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce, and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TOM DAVIS of Virginia (for himself, Mr. DeLay, Mr. Smith of New Jersey, Mr. Rohrabacher, and Ms. Sanchez):

H.R. 1840. A bill to extend eligibility for refugee status of unmarried sons and daughters of certain Vietnamese refugees; to the Committee on the Judiciary.

By Mr. FILNER (for himself, Mr. Hall of Ohio, Mr. Jefferson, Mr. Kind, Mr. Gutierrez, Mr. Andrews, Mr. Taylor of Mississippi, Mr. Price of North Carolina, Mr. Farr of California, Mr. Gordon, Mr. McGovern, Mr. McHugh, Mr. George Miller of California, Mr. Kildee, Mr. Bonior, Mr. Saxton, Mr. Rush, Ms. Rivers, Mr. Towns, Mr. Rahall, Mr. Lantos, Mr. Frost, Mr. Levin, Ms. Jackson-Lee of Texas, Mr. Frank, Mr. Gilman, Mrs. Clayton, Mr. Reyes, Mr. Holden, Ms. Brown of Florida, Mr. Conyers, and Mr. Davis of Illinois):

H.R. 1841. A bill to amend the definition of a law enforcement officer under subchapter III of chapter 83 and chapter 84 of title 5, United States Code, respectively, to ensure the inclusion of certain positions; to the Committee on Government Reform.

By Mr. FRANK (for himself and Mr. McGovern):

H.R. 1842. A bill to reinstate the authority of the Federal Communications Commission and local franchising authorities to regulate the rates for cable television service; to the Committee on Energy and Commerce.

By Mr. GRAVES:

H.R. 1843. A bill to amend the Elementary and Secondary Education Act of 1965 to provide grants to local educational agencies for teacher recruitment, retention, and training, and to amend the Higher Education Act of 1965 to expand the program of loan forgiveness for teachers; to the Committee on Education and the Workforce.

By Mr. GRAVES:

H.R. 1844. A bill to amend the Elementary and Secondary Education Act of 1965 to provide teachers, principals, and other school professionals the tools they need to undertake reasonable actions to maintain order, discipline, and an appropriate educational environment; to the Committee on Education and the Workforce.

By Mr. GREEN of Texas:

H.R. 1845. A bill to provide that no more than 50 percent of funding made available under the Low-Income Home Energy Assistance Act of 1981 for any fiscal year be provided for home heating purposes; to the Committee on Energy and Commerce, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GRUCCI:

H.R. 1846. A bill to amend section 254 of the Communications Act of 1934 to require schools and libraries receiving universal service assistance to block access to Internet services that enable users to access the World Wide Web and transfer electronic mail in an anonymous manner; to the Committee on Energy and Commerce.

By Mr. GRUCCI:

H.R. 1847. A bill to require the Attorney General to identify organizations that recruit juveniles to participate in violent and illegal activities related to the environment or to animal rights; and to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide assistance to States to carry out activities to prevent the participation of juveniles in such activities; to the Committee on the Judiciary, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. JOHNSON of Connecticut (for herself, Mr. Matsui, and Mr. Sessions):

H.R. 1848. A bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of semiconductor manufacturing equipment; to the Committee on Ways and Means.

By Mrs. MALONEY of New York:

H.R. 1849. A bill to amend the Child Nutrition Act of 1966 to provide vouchers for the purchase of educational books for infants and children participating in the special supplemental nutrition program for women, infants, and children under that Act; to the Committee on Education and the Workforce.

By Mrs. ROUKEMA (for herself and Mr. Frank):

H.R. 1850. A bill to extend the Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century and to make technical corrections to the law governing the Commission; to the Committee on Financial Services.

By Mrs. TAUSCHER (for herself, Mr. Etheridge, Mr. Condit, Ms. Velázquez, Mr. Frost, Mr. Underwood, Mr. McGovern, Mr. Filner, and Mrs. Thurman):

H.R. 1851. A bill to establish State infrastructure banks for education; to the Committee on Education and the Workforce.

By Mr. THOMPSON of Mississippi:

H.R. 1852. A bill to amend the Natural Gas Act to limit the extent to which natural gas prices charged to end users may be increased; to the Committee on Energy and Commerce.

By Mr. THOMPSON of Mississippi:

H.R. 1853. A bill to amend the Internal Revenue Code of 1986 to extend enterprise communities for the same period as empowerment zones; to the Committee on Ways and Means.

By Mr. TIAHRT (for himself, Mr. Pitts, Mr. Burton of Indiana, Mr. Smith of New Jersey, Mr. Stearns, Mr. Gutknecht, Mr. Ryun of Kansas, Mr. Barr of Georgia, Mr. English, Mr. Hoekstra, Mr. Jones of North Carolina, Mr. Weldon of Florida, Mr. Tancredo, Mr. Graham, and Mr. Lewis of Kentucky):

H.R. 1854. A bill to amend the General Education Act to allow parents access to certain information about their children; to the Committee on Education and the Workforce.

By Ms. VELAZQUEZ:

H.R. 1855. A bill to amend the Elementary and Secondary Education Act of 1965 to authorize a grant program to enhance parental involvement in elementary and secondary schools; to the Committee on Education and the Workforce.

By Mr. WATTS of Oklahoma:

H.R. 1856. A bill to provide relief from Federal tax liability arising from the settlement of claims brought by African American farmers against the Department of Agriculture for discrimination in farm credit and benefit programs and to exclude amounts received under such settlement from means-based determinations under programs funded in whole or in part with Federal funds; to the Committee on Ways and Means.

By Mr. HUNTER (for himself and Mr. Bass):

H.J. Res. 48. A joint resolution authorizing the President to issue to the late Colonel William Mitchell, United States Army, a posthumous commission in the grade of brigadier general; to the Committee on Armed Services.

By Mr. FLAKE (for himself, Mr. Gilman, Mr. Cantor, and Mr. Wexler):

H. Con. Res. 133. Concurrent resolution expressing the sense of Congress relating to remarks by the President of Syria concerning Israel; to the Committee on International Relations.

By Mr. LaTOURETTE:

H. Con. Res. 134. Concurrent resolution authorizing the use of the Capitol Grounds for the National Book Festival; to the Committee on Transportation and Infrastructure.

By Mr. SCHAFFER (for himself, Mr. Deutsch, Mr. Bartlett of Maryland, Mr. Rohrabacher, Mr. Hinchey, Mr. King, Ms. Kaptur, Mr. Souder, Mr. Watkins, Mr. Frank, Mr. Royce, Mr. Smith of Michigan, Mr. Tiahrt, Mr. Hefley, Mr. Schrock, Mr. Ryun of Kansas, Mr. Riley, Mr. Ackerman, Mr. BARR of Georgia, Mr. CHABOT, Mr. BURTON of Indiana, Ms. CARSON of Indiana, Mr. HOLDEN, Mr. CARSON of Oklahoma, Mr. WEXLER, Mr. MCNULTY, Mr. NADLER, Mr. BROWN of Ohio, Mr. GALLEGLY, Mr. SHERMAN, Mr. HASTINGS of Florida, Mr. PENCE, Mr. BERMAN, Mr. TOOMEY, Mr. FALEOMAVAEGA, Mr. ISSA, and Mr. HOEFFEL):

H. Con. Res. 135. Concurrent resolution expressing the sense of the Congress welcoming President Chen Shui-bian of Taiwan to the United States; to the Committee on International Relations.

MEMORIALS

Under clause 3 of rule XII,

The SPEAKER presented a memorial of the Legislature of the State of Maine, relative to the Joint Resolution memorializing the United States Congress to Abandon Plans to Conduct a Feasibility Study Concerning the Establishment of a National Park in Maine's North Woods; to the Committee on Resources.

PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII,

Mr. GUTIERREZ introduced a bill (H.R. 1857) for the relief of Ana Esparza and Maria Munoz; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 7: Mr. LEWIS of Kentucky, Mr. LEACH, and Mr. ENGLISH.

H.R. 25: Mr. FOSSELLA.

H.R. 68: Mr. SIMPSON.

H.R. 105: Mr. RYAN of Wisconsin.

H.R. 144: Mr. DAVIS of Illinois.

H.R. 157: Mr. OWENS and Mr. RAHALL.

H.R. 168: Mr. CALVERT and Mrs. THURMAN.

H.R. 169: Mr. BERMAN and Mr. DAVIS of Illinois.

H.R. 179: Mr. COMBEST.

H.R. 210: Mr. RAHALL.

H.R. 214: Mrs. JO ANN DAVIS of Virginia.

H.R. 219: Mr. SHERMAN.

H.R. 236: Mr. RODRIGUEZ and Mr. HONDA.

H.R. 267: Mr. OSBORNE.

H.R. 270: Mr. OLVER.

H.R. 274: Mr. WYNN, Mr. FROST, Ms. JACKSON-LEE of Texas, and Mr. LANGEVIN.

H.R. 280: Mr. GRAHAM.

H.R. 282: Mr. SHIMKUS.

H.R. 287: Ms. DELAURO.

H.R. 303: Mrs. NAPOLITANO, Mr. GRAHAM, and Mr. SKELTON.

H.R. 336: Mr. RODRIGUEZ.

H.R. 419: Mr. MURTHA.

H.R. 436: Mr. STUPAK, Mr. KUCINICH, and Mrs. NAPOLITANO.

H.R. 437: Mr. LEWIS of Kentucky.

H.R. 439: Mr. DAVIS of Illinois and Mr. HASTINGS of Florida.

H.R. 442: Mr. CLAY and Mr. STUPAK.

H.R. 448: Mr. BOEHLERT.

H.R. 457: Mr. HONDA.

H.R. 482: Mr. WAMP.

H.R. 500: Mr. HASTINGS of Florida.

H.R. 510: Mr. PETERSON of Minnesota and Mr. SAXTON.

H.R. 527: Mr. CLAY and Mr. PORTMAN.

H.R. 531: Mr. OWENS.

H.R. 586: Mr. ROGERS of Kentucky and Mr. BROWN of South Carolina.

H.R. 590: Mr. FRANK and Mrs. MORELLA.

H.R. 598: Mrs. KELLY, Mr. OTTER, Mrs. TAUSCHER, Mr. PHELPS, Mr. SWEENEY, Mr. DREIER, Mr. BLAGOJEVICH, Mr. HAYWORTH, Mr. HOLDEN, Mr. BLUNT, Mr. TERRY, and Mr. KIRK.

H.R. 602: Mr. TIAHRT, Mr. LATOURETTE, Mrs. NORTHUP, Mr. GILLMOR, Mr. KIRK, Mr. LARSEN of Washington, Mr. BOSWELL, Mr. TAYLOR of Mississippi, Mr. POMEROY, and Mrs. DAVIS of California.

H.R. 606: Ms. WATERS.

H.R. 609: Mr. SAXTON.

H.R. 626: Mr. CHAMBLISS and Mr. GILMAN.

H.R. 627: Mr. LATHAM, Mr. HOBSON, and Mr. CHAMBLISS.

H.R. 638: Mr. BALDACCI.

H.R. 664: Mr. TOOMEY, Mr. PETERSON of Pennsylvania, Mr. SCHIFF, Mr. CAPUANO, Mr. MOAKLEY, and Mr. PHELPS.

H.R. 665: Mr. HASTINGS of Florida.

H.R. 668: Mr. GRUCCI, Mr. LEWIS of Georgia, Mr. LUCAS of Oklahoma, Mrs. EMERSON, and Mr. ROGERS of Michigan.

H.R. 678: Mrs. NAPOLITANO.

H.R. 686: Mr. FRANK, Mr. TURNER, Mr. GONZALEZ, Ms. WATERS, Ms. NORTON, and Mr. DOYLE.

H.R. 691: Mr. ROGERS of Michigan.

H.R. 693: Mr. LANGEVIN.

H.R. 701: Ms. WOOLSEY, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. BARR of Georgia, Mrs. MINK of Hawaii, Mr. POMEROY, Mr. NORWOOD, Mr. PRICE of North Carolina, Ms. SOLIS, and Mr. KIRK.

H.R. 702: Ms. MCKINNEY.

H.R. 716: Mr. DICKS.

H.R. 730: Mr. BROWN of Ohio.

H.R. 737: Ms. ESHOO and Mr. ROYCE.

H.R. 742: Mrs. TAUSCHER, Mr. DEFAZIO, and Mr. MEEKS of New York.

H.R. 744: Mr. RAMSTAD.

H.R. 796: Ms. VELÁZQUEZ.

H.R. 797: Ms. VELÁZQUEZ.

H.R. 798: Ms. VELÁZQUEZ.

H.R. 804: Mr. OTTER, Mr. BOEHNER, Mr. PAUL, and Mr. SCHROCK.

H.R. 826: Mr. BLUNT and Mr. TIBERI.

H.R. 827: Mr. VISCLOSKY.

H.R. 844: Mr. ANDREWS and Mr. PASCRELL.

H.R. 854: Mr. SAWYER, Ms. DELAURO, and Mr. MATSUI.

H.R. 876: Mr. DEFAZIO, Mr. KENNEDY of Minnesota, Mr. MCGOVERN, Mr. BONIOR, Mr. BLUMENAUER, Mr. BALDACCI, Mr. LEVIN, Mr. MCDERMOTT, Mr. TOWNS, Mr. SCARBOROUGH, Mr. LEACH, and Mr. KUCINICH.

H.R. 896: Mrs. CUBIN.

H.R. 914: Mr. NETHERCUTT, Mr. BRADY of Texas, Mr. WYNN, Mr. ISSA, Mr. BALLENGER, and Mr. BOEHNER.

H.R. 917: Mr. HASTINGS of Florida.

H.R. 931: Mr. TERRY, Mr. RANGEL, Mrs. NORTHUP, Mr. HINCHEY, Ms. JACKSON-LEE of Texas, Mr. THORNBERRY, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. BOSWELL, and Mr. AKIN.

H.R. 953: Mr. KUCINICH.

H.R. 954: Mr. BARRETT and Ms. KAPTUR.

H.R. 969: Mr. GRAHAM.

H.R. 976: Mr. HONDA.

H.R. 978: Mr. RYUN of Kansas and Ms. HART.

H.R. 985: Mr. STUPAK.

H.R. 986: Mr. TRAFICANT.

H.R. 1007: Mr. SANDLIN and Mr. CUNNINGHAM.

H.R. 1017: Ms. JACKSON-LEE of Texas.

H.R. 1025: Mr. SKEEN and Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 1035: Ms. CARSON of Indiana, Mrs. CLAYTON, and Ms. NORTON.

H.R. 1073: Mrs. CLAYTON, Mr. SMITH of Washington, Mrs. MINK of Hawaii, and Mr. PHELPS.

H.R. 1110: Mr. STENHOLM.

H.R. 1127: Mr. PAUL.

H.R. 1129: Ms. HARMAN.

H.R. 1140: Mr. SOUDER, Mr. SPENCE, Mr. BRADY of Texas, Mr. MCCRERY, and Mr. BARRETT.

H.R. 1145: Mr. GREENWOOD and Ms. MCKINNEY.

H.R. 1153: Mrs. MINK of Hawaii.

H.R. 1158: Mr. RYUN of Kansas.

H.R. 1170: Mr. DEFAZIO and Mr. PASCRELL.

H.R. 1184: Mr. ROTHMAN and Mr. WAMP.

H.R. 1192: Mr. WELDON of Pennsylvania, Mrs. CAPPS, Mr. SKEEN, Mr. STUPAK, MR. BOUCHER, and Mr. PRICE of North Carolina.

H.R. 1233: Mr. DAVIS of Illinois, and Mr. HASTINGS of Florida.

H.R. 1262: Mr. MCGOVERN, Mr. MEEKS of New York, Ms. NORTON, Mr. PETERSON of Minnesota, and Mr. HINOJOSA.

H.R. 1266: Mr. DEFAZIO, Mr. KNOLLENBERG, and Mr. MATHESON.

H.R. 1272: Mrs. JOHNSON of Connecticut and Mr. ENGLISH.

H.R. 1273: Mr. TANCREDO, Mr. PENCE, and Mr. SKEEN.

H.R. 1305: Mr. CROWLEY, Mr. HOYER, Mr. SKEEN, and Mr. BOSWELL.

H.R. 1320: Mr. FRANK, Mr. KUCINICH, and Mr. KILDEE.

H.R. 1351: Ms. WATERS.

H.R. 1353: Mr. UPTON, Mr. BALDACCI, Mr. LAFALCE, Mr. WICKER, Mr. GOODE, Mr. PETERSON of Minnestoa, and Mr. GREEN of Wisconsin.

H.R. 1354: Ms. NORTON, Mr. JENKINS, Mrs. NAPOLITANO, and Mr. TOM DAVIS of Virginia.

H.R. 1358: Mr. ISRAEL.

H.R. 1360: Ms. DEGETTE and Mr. LOBIONDO.

H.R. 1367: Mr. LANTOS.

H.R. 1372: Mr. WELDON of Florida.

H.R. 1377: Mr. RYUN of Kansas, Mr. LEWIS of Kentucky, Mr. EDWARDS, Mr. BARTON of Texas, Mr. BARR of Georgia, Mr. SKEEN, Mr. DOOLITTLE, and Mr. COSTELLO.

H.R. 1398: Mr. MEEKS of New York.

H.R. 1413: Mr. LARSEN of Washington and Mr. PHELPS.

H.R. 1433: Mr. FILNER and Ms. KAPTUR.

H.R. 1434: Mr. MCHUGH and Mr. MCNULTY.

H.R. 1450: Mr. PUTNAM.

H.R. 1455: Mr. DOOLITTLE and Mr. NEY.

H.R. 1458: Mr. LANGEVIN.

H.R. 1468: Mr. LANGEVIN.

H.R. 1470: Mr. SANDERS.

H.R. 1471: Ms. MILLENDER-MCDONALD.

H.R. 1476: Ms. MILLENDER-MCDONALD, Mr. BOUCHER, and Mr. SIMMONS.

H.R. 1477: Mr. OTTER, Mr. SANDLIN, and Ms. KILPATRICK.

H.R. 1483: Mr. PAUL, Mr. LATOURETTE, Mr. POMEROY, Mr. MCINNIS, Mr. HULSHOF, Mr. HUTCHINSON, Mr. HONDA, and Mr. DOOLEY of California.

H.R. 1492: Mr. COYNE.

H.R. 1523: Mr. HEFLEY, Mr. RYUN of Kansas, and Mr. OSBORNE.

H.R. 1542: Mr. RILEY, Mr. REYES, Mr. BERRY, Mr. SHOWS, and Ms. BROWN of Florida.

H.R. 1545: Mr. DEAL of Georgia.

H.R. 1553: Mr. SCHIFF, Mrs. CAPPS, and Mr. ACKERMAN.

H.R. 1556: Mr. MEEKS of New York, Ms. DELAURO, Mr. COYNE, Mr. KING, Mr. THOMPSON of Mississippi, Mr. BOEHLERT, Mr. CROWLEY, Mrs. JONES of Ohio, Mr. MALONEY of Connecticut, and Mr. QUINN.

H.R. 1575: Mr. BARR of Georgia, Mr. SMITH of Michigan, Mr. PAUL, Ms. HART, and Mr. JOHNSON of Illinois.

H.R. 1577: Mr. NORWOOD, Mr. DEAL of Georgia, Ms SANCHEZ, Mr. CHAMBLISS, Mr. BARTLETT of Maryland, Mr. TOOMEY, Ms. GRANGER, Mr. GILLMOR, Mr. FERGUSON, Mr. CALLAHAN, Mr. MALONEY of Connecticut, Mr. HOSTETTLER, Mr. COYNE, Mrs. MYRICK, Mr. HEFLEY, Mr. BRADY of Texas, Mr. SMITH of New Jersey, Mr. BORSKI, Mr. KNOLLENBERG, Mr. ROGERS of Michigan, Mr. FILNER, Mr. UPTON, Mr. HILL, Mr. BALDACCI, Mr. MCINTYRE, Mr. STUMP, Mr. FROST, Mr. KIRK, Mr. MANZULLO, Mr. OLVER, and Ms. MCKINNEY.

H.R. 1581: Mr. VITTER, Mr. CRAMER, and Mr. BOEHNER.

H.R. 1586: Mr. NEAL of Massachusetts and Mr. GONZALEZ.

H.R. 1597: Ms. MCKINNEY and Mr. SESSIONS.

H.R. 1609: Mr. OBERSTAR, Mr. UDALL of New Mexico, Ms. DELAURO, and Mr. SANDLIN.

H.R. 1624: Mr. ISAKSON, Mr. FERGUSON, Mr. WU, Mr. RILEY, Mr. POMEROY, Ms. HOOLEY of Oregon, Mr. PHELPS, Ms. BALDWIN, and Mr. SHOWS.

H.R. 1644: Mr. HOSTETTLER, Mr. GRAHAM, and Mr. SKELTON.

H.R. 1645: Mr. ISAKSON, Mr. HALL of Ohio, Mr. PICKERING, Mr. GEKAS, Mr. CRAMER, Mr. MCNULTY, Mrs. MINK of Hawaii, Mr. HINOJOSA, Mr. EVANS, Mr. SCHAFFER, and Mr. GREENWOOD.

H.R. 1649: Mr. GEORGE MILLER of California.

H.R. 1650: Ms. BROWN of Florida, Ms. DELAURO, Mr. CUMMINGS, Mr. LATOURETTE, Mr. KUCINICH, and Mr. KENNEDY of Rhode Island.

H.R. 1651: Mr. ENGLISH.

H.R. 1657: Mr. CARDIN.

H.R. 1671: Mr. CROWLEY, Ms. LEE, Mr. KUCINICH, Ms. KILPATRICK, Mr. FROST, and Ms. RIVERS.

H.R. 1677: Mr. SCHAFFER and Mr. TOWNS.

H.R. 1683: Ms. LEE, Ms. HART, Ms. MCCOLLUM, and Mr. CROWLEY.

H.R. 1687: Mrs. JOHNSON of Connecticut.

H.R. 1696: Mr. HAYWORTH, Mr. SIMPSON, Ms. CARSON of Indiana, Mr. BAKER, Mr. SAXTON, and Mrs. JO ANN DAVIS of Virginia.

H.R. 1711: Mr. FOLEY.

H.R. 1713: Mrs. CLAYTON, Mr. BERMAN, Mr. FROST, Ms. DELAURO, Mrs. MINK of Hawaii, and Mr. MORAN of Virginia.

H.R. 1716: Mr. REHBERG, Ms. SOLIS, and Mr. UDALL of New Mexico.

H.R. 1746: Mr. HAYWORTH, Mr. KING, Mrs. JONES of Ohio, Mr. ROGERS of Michigan, Ms. MCKINNEY, Mr. VITTER, Mr. STUMP, and Mr. ENGLISH.

H.R. 1781: Mr. OLVER, Mrs. MORELLA, Mr. CROWLEY, and Ms. WOOLSEY.

H.R. 1784: Mr. BONIOR, Ms. PELOSI, Mr. JACKSON of Illinois, Ms. MCCOLLUM, and Mr. MCINTYRE.

H.R. 1786: Mr. SIMPSON and Mr. RILEY.

H.R. 1798: Mrs. ROUKEMA.

H.R. 1809: Ms. SCHAKOWSKY, Mr. REYES, and Mr. MCINTYRE.

H.R. 1819: Mr. PAYNE and Mrs. JONES of Ohio.

H.J. Res. 12: Mr. KERNS.

H.J. Res. 36: Mr. HANSEN, Mrs. CAPITO, Mr. CRANE, and Mr. CLEMENT.

H.J. Res. 38: Mr. GOODLATTE.

H. Con. Res. 17: Mr. STRICKLAND and Mr. SNYDER.

H. Con. Res. 30: Mr. CULBERSON and Mr. TIAHRT.

H. Con. Res. 48: Mr. TANCREDO.

H. Con. Res. 54: Mr. CRAMER and Mr. BAIRD.

H. Con. Res. 58: Mr. ROHRABACHER.

H. Con. Res. 67: Mr. HAYWORTH.

H. Con. Res. 94: Mr. BROWN of Ohio, Ms. VALAZQUEZ, Ms. MILLENDER-MCDONALD, Mr. SCHIFF, Mr. WAXMAN, and Mr. PASCRELL.

H. Con. Res. 97: Mr. STARK.

H. Con. Res. 104: Ms. NORTON and Mrs. CAPPS.

H. Con. Res. 106: Mr. SCHROCK, Mr. YOUNG of Florida, Ms. CARSON of Indiana, and Mr. HORN.

H. Con. Res. 116: Mr. COSTELLO.

H. Con. Res. 120: Mr. TIBERI.

H. Res. 17: Mr. BARRETT.

H. Res. 120: Mr. GILMAN and Mr. REYNOLDS.

H. Res. 139: Mr. CONYERS, Mr. CLAY, Mrs. MEEK of Florida, Mr. MEEKS of New York, Ms. JACKSON-LEE of Texas, Ms. SOLIS, Mr. GUTIERREZ, Mr. CLYBURN, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. MCKINNEY, Mr. LEWIS of Georgia, Mr. JEFFERSON, Mr. OWENS, Ms. CARSON of Indiana, Mr. HASTINGS of Florida, Mrs. CHRISTENSEN, Mr. THOMPSON of Mississippi, Mrs. CLAYTON, Ms. LEE, and Mr. FATTAH.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 701: Mr. WATTS of Oklahoma.

AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 1

OFFERED BY MR. HOEFFEL

AMENDMENT NO. 1: In section 5214(b)(1) of the Elementary and Secondary Education Act of 1965, as proposed to be amended by section 501 of the bill, add at the end the following: "Such a description may include how the applicant will provide release time for teachers (which may include the provision of a substitute teacher).".

EXTENSIONS OF REMARKS

TRIBUTE TO GRACE ANN MURPHY

HON. RALPH REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 14, 2001

Mr. REGULA. Mr. Speaker, after 42 years of government service, the last 28 of which was with my office, Grace Ann Murphy has earned a well-deserved retirement. Grace began her government career at the Navy Department, followed by employment at NASA. In 1970, she came to Capitol Hill to work for Rep. Frank Bow, my predecessor in Congress.

When I came to the House in 1973, I was pleased to have Grace continue her service to the constituents of the 16th district. She is well known to residents of the 16th district having advised them on traveling to our Nation's capital, helping to set tours of the Capitol and the White House, and responding to a myriad of constituent requests.

With her vast knowledge of how the Hill works, Grace's skills were particularly appreciated during office moves and Presidential Inaugurations, both events having taken place recently. Grace is extremely knowledgeable about Washington, DC, as she was born and raised here where she graduated from Anacostia High School. She spends her spare time keeping track of all of her fellow classmates for class reunions.

My staff, my constituents, and I will miss Grace not only for her many outstanding contributions in helping to keep our office running smoothly, but especially for the way she made the various holidays special with the appropriate decorations and foodstuffs. We wish her well in her retirement as it is richly deserved.

IN RECOGNITION OF FRANK DOMINGUEZ

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 14, 2001

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize Frank Dominguez for his committed service to the community of Elizabeth, NJ, and for his extraordinary business achievements.

Frank Dominguez is president and CEO of Imperial Construction Group, Inc., one of the fastest growing construction firms in the country. From 1996 to 1999, sales increased from $6.4 million to over $21 million. This year, Imperial stands to earn revenues exceeding $30 million. Hispanic Business Magazine ranked Imperial as one of the 100 fastest growing Hispanic-owned companies in the United States. The company has over 70 employees who provide construction and design services for private corporations and government agencies.

Many associations have recognized Mr. Dominguez for his outstanding business achievements. In 1993, he received the "Contractor of the Year" Award from the Hispanic Chamber of Commerce of New Jersey. In addition, the U.S. Small Business Administration has honored him four times in the last 8 years.

In the past 3 years alone, Imperial has awarded over $14 million in subcontracts to numerous small businesses in the State. Mr. Dominguez's dedication and commitment in assisting other small businesses speaks volumes about his character.

Frank Dominguez resides in Warren Township, NJ, with his wife and their two children Anthony and Mark.

Today, I ask my colleagues to join me in honoring Frank Dominguez for his hard work and for his years of service to the State of New Jersey, where he has helped build houses, develop and revitalize communities, and change lives for the better.

THE RETIREMENT OF CELIA DOLLARHIDE

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. SMITH of New Jersey. Mr. Speaker, as all federal agencies are keenly aware, the government is losing many valued employees to retirement. Among them, one stands out for her dedication and commitment—Mrs. Celia Dollarhide, Director of Education Service at the Department of Veterans Affairs, who retired on May 3.

Most veterans don't know Celia Dollarhide by name. Her leadership in setting policy, working with Congress, and ensuring that education benefits are paid has been felt by the hundreds of thousands of veterans and their survivors who received an education under one of the three GI Bills during her tenure.

Celia Dollarhide has devoted her working life to federal service. After taking the federal entrance exam, Celia was highly sought by many federal agencies. Fortunately for veterans, she settled on the Veterans Administration. In 1966, Celia began her career as a claims examiner at the Chicago Regional Office, and in 1972 moved to Washington, DC, to work as an Education Specialist. By 1975, Celia was the Chief of the Program Administration Division in the Education Service. After various management positions within the Veterans Benefits Administration, she became the Deputy Director of the Education Service and in 1994, then-Secretary Jesse Brown promoted her meritoriously to the Senior Executive Service. Celia has served the last six years as Director of Education Service.

Throughout her career, Celia has received numerous awards and professional recognition due to her advocacy and leadership on behalf of veterans and their survivors. It is her core belief—that veterans could achieve so much more with an education—that has driven her to succeed at every turn. There is no way to count the number of people whose lives Celia has affected, and I wouldn't even begin to try.

Mr. Speaker, Celia Dollarhide has met the highest standards to which civil servants can aspire. On behalf of the VA Committee and our staff, I say thank you to this remarkable professional.

RETIREMENT OF CELIA DOLLARHIDE

HON. LANE EVANS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. EVANS. Mr. Speaker, last week marked the retirement of Celia Dollarhide, longtime Director of the Education Service for the U.S. Department of Veterans Affairs. Like most people, I don't like telling friends goodbye. And Celia has been an incredibly helpful friend to me and to the Committee on Veterans' Affairs over the years. Most importantly however, Celia has been an unwavering friend to the men and women who have served our Nation in uniform.

Mrs. Dollarhide has served veterans faithfully for almost 35 years, all of which have been with VA's Veterans Benefits Administration (VBA). She has achieved a remarkable record of accomplishment in the education program. From processing individual education claims for veterans to managing the administration of entire benefit structures, Mrs. Dollarhide's career has been devoted over time to three different GI Bill programs. Prior to her management role at VBA, she began her career at the Chicago Regional Office in 1966 as a Veterans Claims Examiner. She then became an Education Specialist when she moved to Washington, DC in 1972.

From 1975 to 1980, Mrs. Dollarhide served as Chief of the Education Service's Program Administration Division. Throughout the 1980's, she assumed the roles of Administrative Officer for VA's Central Region and Special Assistant to the Deputy Chief Benefits Director for Program Management. She returned to the Education Service in 1990 as its Deputy Director. In 1994 our former Secretary of Veterans Affairs, Jesse Brown, had the wisdom to bring Mrs. Dollarhide into the Senior Executive Service. Since that time, she has excelled in her role as Director for the Education Service.

Above all else, Celia Dollarhide has always believed in the power of higher education. As a major proponent of enhanced education benefits for veterans and as a caring administrator, her career stands as a testament to the notion of individual empowerment. Her life's

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

work has focused on empowering the brave men and women who defend this country to become more and achieve more than they ever could have without education.

The VA education benefits that Mrs. Dollarhide has so masterfully administered have helped countless thousands of veterans and servicemembers to make their dreams a reality. I can say this from experience, as I myself have directly benefited from VA education benefits under the GI Bill program. In this regard, I want to personally thank my friend Celia—for her tireless energy, for her unwavering advocacy efforts and for her leadership.

At VA, Mrs. Dollarhide has spent her working days seated behind the large lawyer's desk that used to belong to her late husband, Charles "Lew" Dollarhide. Mr. Dollarhide also served as VA's Director of the Education Service from 1980 to 1986. Mrs. Dollarhide's service and that of her husband have been an exemplary contribution to public service by two remarkable people. For the betterment of veterans and their families, Celia Dollarhide leaves behind an outstanding record of achievement at VA and for this we are all grateful. Thank you, Mrs. Dollarhide, and best regards to you in your well deserved retirement.

NO ESCAPE, NO MORE TO GIVE

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. LANTOS. Mr. Speaker, I rise today to call the attention of my colleagues to a poignant and powerful article about the increasing violence we are witnessing in Israel. The author of the article, Sherri Lederman Mandell, is the mother of one of the two teenage boys who was found stoned to death in a cave last week. Her words provide us with an insightful look into the lives of Israelis living on the front lines of the violence in Israel.

We must not lose sight of the human element of the issues which we debate. The decisions we are trusted to make impact the lives of real people, a fact too often forgotten. This is especially true for the current violence in Israel, where personal testimonies are often drowned out by pools of rhetoric and propaganda. The fact is, Mr. Speaker, that innocent Israelis are forced to live lives full of fear of violence and terror. Confined to their homes by the violence that surrounds them, these brave people hold out hope that peace will occur one day.

Mr. Speaker, I ask that this entire article "No Escape, No More to Give" by Sherri Lederman Mandell, and published in the May 14th edition of the Washington Post be placed in the CONGRESSIONAL RECORD. I urge my colleagues to carefully consider the tragic human suffering that persists in the Middle East and which the author describes so vividly in this excellent article.

[From the Washington Post, May 14, 2001]

NO ESCAPE, NO MORE TO GIVE

(By Sherri Lederman Mandell)

We want to stop listening to the news and watching TV. It is so unbearable that we have reached the point of saturation; no more—no more listening to reports about our children, our soldiers, our husbands, our mothers, our fathers dead, maimed, dying, lost, suffering.

My friend Leah this morning had to pay a mourning visit to a friend whose husband died on Friday. He was on his way from Neve Yaakov, home to Beit Shemesh, and was found in the trunk of his car, dead. It's not clear whether the killing was criminal or terrorist. The astonishing thing is that we talk about this story and feel as though the world is lost. Then, 10 minutes later we're talking about our diets. Everyone I know is on a diet. Why? Because our weight is all we can control.

I am cleaning house, something I generally don't do. Each corner has to be swept, each bed needs to be made. It is a way of feeling that I can cope. My house is clean and in order, so the world is good.

My friend Shira who is a former SDS member, a feminist and now a therapeutic masseuse, has been reading romance novels—for the first time in her life. She also is decorating the walls of her house with shell sculptures that she fastens with concrete glue. She is busy designing waves and a sun. She is building a life of freedom within the confines of her four walls, the only place she feels safe nowadays.

Suddenly, everyone is home for Independence Day. The only picnic is one that is close by, one that we don't have to drive to with our whole family in the car. We say a special prayer in the synagogue on Friday for Linda and Bobby who were shot at on the tunnel road—shots were fired over their car, the road was closed and they turned around and went back, unhurt.

This is our freedom and independence in our own country. During Holocaust Day, you could hear the sounds of gunfire and tank fire from Gilo and Bethlehem as the prime minister made his speech at Yad Vashem praising Israel as the land where the Jews are free to defend themselves.

On Independence Day, my daughter read the names of 12 people from our area who were killed in the most recent battles. This is not Holocaust Day; this is not some distant battle. This is the battle of today.

We can try to deny it, but we can't escape it—a battle is raging around us. No matter how much we don't want to listen, we lie in bed and hear the shooting.

There is no way not to listen. But what is the message we are supposed to hear? It's not clear anymore. We want peace, but peace is a word that is not the absence of war. Peace has to have value in itself. We have been dreaming about peace. But we have been dreaming with our eyes closed.

Now our eyes are open. We can't escape the sounds of battle. And what is most alarming is this: The battle is a result of giving everything we could. To give more, makes no sense.

The writer's 13-year-old son, Koby, was stoned to death in a cave in Israel last week; she wrote this piece before her son's death, and it is published now with her permission.

TRIBUTE TO JOYCE WILLIAMS

HON. MARION BERRY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. BERRY. Mr. Speaker, I rise today to pay tribute to a great American, and I am proud to recognize Joyce Williams in the Congress for her invaluable contributions and service to our nation.

Joyce comes from the small town of Bono, Arkansas, but her resume shows that she has not had a small town life. In the first place, she is one of the best-educated people I know, having attended Arkansas State University, the Graduate Institute of Politics, Jonesboro Business College, John Robert Powers Modeling School, and of course, Bono High School.

Right now she and her husband Jim—who also is a wonderful friend—operate Williams & Associates Management Consultants, but I came to know her when she worked for me after I was elected in Congress. In total Joyce spent 22 years employed with the U.S. House of Representatives, and her experience in the offices of my predecessors was crucial as I learned how to represent the First Congressional District of Arkansas. Before working for our institution, Joyce had jobs in industry with General Electric and A.D.T., as well as in the bookkeeping trade and sales.

In addition to these professional responsibilities, Joyce somehow found time to be the Governor of Altrusa International, and hold memberships in the Altrusa Club of Jonesboro, the Order of the Eastern Star, Beta Sigma Phi Sorority, the Girl Scout Council, the National Association of Retired Federal Employees, the Arkansas Democratic Women, the Craighead County Democratic Women, the Craighead County Election Commission, the Walnut Street Baptist Church.

Joyce is a devoted mother to her daughter Teresa Jo—now Mrs. Michael Watkins—and spends a great deal of time with her grandchildren Seth and Sarah Watkins, and she is a devoted daughter to her own mother.

I am proud to recognize Joyce Williams for everything she has done to help me and the residents of the communities that have been lucky enough to count her as a member. Today I want to express my appreciation on behalf of those people, and on behalf of the citizens of this nation.

PHIL KENT, PRESIDENT, SOUTHEASTERN LEGAL FOUNDATION

HON. BOB BARR

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. BARR of Georgia. Mr. Speaker, those who would argue that a successful career in the news media and sensible conservative views are mutually exclusive traits have obviously never met Phil Kent.

Phil's service to his country began with duty as a military police officer in the United States Army, and as press secretary to Senator STROM THURMOND. After finishing his tenure in Washington, Phil returned to Georgia where he began a job as opinion page editor for the Augusta Chronicle.

His work at the Chronicle brought him widespread recognition and honors. Even his liberal opponents will admit, Phil's written work was always well-researched, well-written, and interesting to read.

Phil Kent is now entering a new phase in his career. He was recently recruited by the Southeastern Legal Foundation to serve as its President. I have every confidence this vital, public interest legal foundation will benefit greatly from Phil's conservative vision and penchant for bold action as he takes the helm there.

I hope other Members of this body will join me in celebrating the arrival of such an effective activist at such an important legal foundation.

CONGRATULATIONS, KID WITNESS NEWS AWARD WINNERS

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. PAYNE. Mr. Speaker, I would like to ask my colleagues here in the United States House of Representatives to join me in paying special tribute to a very talented group of students at the Gordon Parks Academy, located in my Congressional district in East Orange, New Jersey. On May 15th, they will be honored at the 11th annual Panasonic Kid Witness News Vision Awards Ceremony, to be held in our own Newark Museum in Newark, New Jersey.

The Gordon Parks Academy, K–8, is this year's special Technical Vision Award winner for producing a video with the best special effects. This winning video, "Reading: Destination Unlimited", used especially creative and innovative special effects to create its message that books can transport the mind and the imagination. Two students wander into their school's book fair looking for a recommendation. They are invited by the mysterious librarian to take a trip across the United States. To the tune of Nat King Cole's "Route 66," the students experience a fun-filled cross-country odyssey. The special effects reinforce the point that reading a good book can be as vivid as living what you are reading. Mrs. Sharman Howe Nittoli, the TV Production Teacher and KWN coordinator, should be commended for her outstanding work with the very talented young people who produced this video. Kid Witness News is a hands-on video education program in more than 200 primarily inner-city schools in 120 U.S. cities. Using Panasonic-supplied equipment to create video projects, young people are encouraged to develop their creative, communication and technical skills through video production. Annual awards are presented to student teams in various categories, including Best Video, Documentary, Local Hero, Multiculturalism and News at a special program held in New Jersey each spring. It is apparent that The Gordon Parks Academy is proud to be a participant in Panasonic's KWN student news program. I know Ms. Joyce F. Howard, the school's principal, clearly recognizes the importance for young people of diverse backgrounds to seek new experiences and examine themselves in different roles as they prepare for their own future. I truly am proud to say congratulations to her, to the program advisors, and especially to the students of Gordon Parks Academy for a job well done. As a former teacher and lifelong advocate of youth, I am pleased to support Panasonic's Kid Witness News program. I commend Don Iwatani, Panasonic's Chairman and CEO of North American operations, for his support and leadership of such a commendable program. The excitement surrounding this program is that we actually will see "The World Through Their Eyes" in years to come as the participants become the future newsmakers of tomorrow. The 2001 New Vision Awards are a testament to the great future of today's youth as they prepare for the 21st Century. I am proud that Panasonic is in New Jersey and proud of its efforts to make a difference in the lives of children both in New Jersey and across the country.

THE 42ND ANNUAL CASTROVILLE ARTICHOKE FESTIVAL

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. FARR of California. Mr. Speaker, I rise today to honor the 42nd Annual Castroville Artichoke Festival, taking place May 19th and 20th. While quite unknown to many people outside of my district in California, Castroville is the self-declared "Artichoke Capital of the World," and this delicious thistle is one of the largest crops in northern Monterey County.

The Artichoke Festival is an annual two-day event that celebrates the culture of the Salinas Valley, specifically the growing, harvesting and many uses of the artichoke itself. Every year new events are planned, but the most popular ones include a classic car show, a parade, and, of course, the food. This year will surely be more exciting, with the addition of a 10K/half marathon race and an artichoke recipe contest.

The artichoke first came to central California in 1921, when four families with close ties to Italy decided to grow the thistle that was so popular in Europe right in Castroville. With a climate that is perfect for this crop, the artichoke has become a rich part of the heritage and culture of our area.

Because of this importance in the life and economy of my district, and because it is such a delicious treat for anyone familiar with this thistle, I am pleased to be able to honor the 42nd Annual Castroville Artichoke Festival.

TRIBUTE TO JIMMIE LOU FISHER

HON. MARION BERRY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. BERRY. Mr. Speaker, I rise today to pay tribute to a great American, and I am proud to recognize Jimmie Lou Fisher in the Congress for her invaluable contributions and service to our state and nation.

I have known Jimmie Lou for years, and I can testify from experience to her public service and the example she has set for others.

Jimmie Lou has served longer than any other state treasurer in Arkansas history. As one of the first female office holders in our state, she has been a positive role-model and trailblazer for young women. Most importantly, she executes her responsibilities effectively, and combines her obvious competence with a passion for politics. This explains why the citizens of Arkansas have elected her so many times, and why she has inspired so many others to become involved in our political system.

Clearly Jimmie Lou has mastered her job, and has shown creativity and ingenuity in the process. In 1990 she was named the president of the National Association of State Treasurers. Recently she was the only state treasurer in the nation to employ a state-of-the-art investment and general ledger system, which has cut paperwork and processing in half, and dramatically reduced maintenance costs.

Her many awards and nominations indicate the degree to which she has touched the lives of people in communities large and small. President Bill Clinton was lucky to have her as a district coordinator when he first ran for governor; the Democratic party was lucky to have her in all of the capacities she accepted in its behalf; the citizens of Arkansas were lucky to have her through almost eighteen years of public service; and the women in our state have been lucky to have her as a role model and inspiration.

Jimmie Lou decided to retire from politics this year, which came as a surprise to many people in our state. We all wish she could have served forever. On behalf of the citizens of the state of Arkansas and this nation, with great love and respect, I thank her for everything she has done to improve the lives of others. I am very proud to call her my friend.

INTRODUCTION OF THE SMALL BUSINESS LIABILITY PROTECTION ACT

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. GILLMOR. Mr. Speaker, I am pleased to introduce the Small Business Liability Protection Act. This bill, which has cosponsors from both sides of the aisle, represents the successful negotiations of Republicans and Democrats on both the House Energy and Commerce Committee and the Transportation and Infrastructure Committee. This bill is long overdue and will provide liability protection to small businesses that disposed of very small amounts of waste or ordinary garbage and shelter small businesses from serious financial hardship by offering those affected businesses expedited settlements. It does not save any businesses from Superfund liability if their waste stream caused serious environmental harm. This bill provides an appropriate helping hand while keeping the onus on all businesses to be responsible stewards of our environment. I would urge all members of this House to support this bill, without amendment.

CELEBRATING NILOUS McKINLEY AVERY

HON. CHARLES H. TAYLOR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. TAYLOR of North Carolina. Mr. Speaker, today I rise to commend and celebrate the life and Golden Anniversary Celebration for Dr. Nilous McKinley Avery. Dr. Avery has pastored Hill Street Baptist Church in Asheville, North Carolina for fifty (50) years. It has been my privilege to be in his church many times as he has held the summer "Earning by Learning" reading program in his church which I have sponsored for the past seven years.

Dr. Avery graduated from Garner High School in Garner, North Carolina, and then went on to complete his Bachelor of Arts, Bachelor of Divinity, and Master of Divinity at Shaw University in Raleigh. He pursued a Doctor of Theology Degree (THD) in Psychology and Pastoral Counseling from the Boston University of School of Theology in Boston, Massachusetts and was recognized with an Honorary Doctor of Divinity from Shaw University.

As a student Dr. Avery served as pastor of Pilot Baptist Church in Pilot, North Carolina; New Liberty Baptist Church in Louisburg, North Carolina; Macedonia Baptist Church in Wake Forest, North Carolina; and Malabys Crossroads Baptist Church in Knightdale, North Carolina. In 1951 he came to Asheville to pastor Hill Street Baptist Church, and fifty years later he is still the pastor.

Since his arrival in Asheville, Dr. Avery has become an outstanding leader in the religious community. In 1956 he became the first African American to be elected president of the Interracial Ministerial Association of Asheville and Buncombe County. In addition, he has served in a leadership capacity in many organizations in the area as well as state-wide organizations.

Dr. Avery is married to the former Christine Watson who is a retired teacher from the Asheville City Schools System. They have four children, all college graduates: Nilous M. Avery, II pastors Mount Zion Baptist Church in Salisbury, North Carolina. Kryste' N. Moore practices dentistry in Newark, New Jersey. CiCi Morton is the Supervisor for Community in Schools in Asheville, North Carolina. Nian Avery is a licensed embalmer and funeral director at Hart Funeral Service in Asheville, North Carolina. The Averys have eight grandchildren.

Mr. Speaker, I know that all of my colleagues in the House of Representatives join me in saluting Dr. Avery's first fifty years of service to his Lord, his church and our community.

TRIBUTE TO PRESIDENT CHEN SHUI-BIAN OF TAIWAN

HON. GREG WALDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. WALDEN of Oregon. Mr. Speaker, President Chen Shui-bian of the Republic of China will be completing his first year of service as Taiwan's head of state this May 20, and I would like to congratulate him and comment on a few of Taiwan's achievements.

First, the Republic of China on Taiwan is a major trading partner of the United States and has maintained friendly ties and relations with us for the last ninety years. Second, over recent decades, Taiwan has become a successful model of political reform. Fifty years ago, Taiwan was a closed and authoritarian society with neither freedom of speech nor freedom of assembly. Taiwan did not have elections. Today, Taiwan has become a true democracy. It is the home to more than 90 political parties and virtually every political office in Taiwan is hotly contested through free and fair elections. Third, Taiwan subscribes to the private enterprise system. Taiwan's economy is vibrant and it offers its people one of the highest standards of living in Asia, including universal education and free medical care of people of all ages in Taiwan. Fourth, in terms of its trading relations with us, Taiwan represents our seventh largest export market, thus providing many jobs for our manufacturers. Fifth, in addition to trade relations, more than 30,000 Taiwan students are studying at U.S. colleges and universities. Sixth, the U.S. is the number one destination for most of Taiwan's travelers. Seventh, and last but not least, Taiwan and the U.S. share many values in common such as attachment to human rights, freedom and democracy.

Congratulations to Taiwan. I would also like to extend my sincerest welcome to President Chen during his visit to America. He will be stopping in New York on his way to Central America later this month. His stay in New York will be brief, but I hope he enjoys his stay and I wish him success during his official visit in Central America.

REVEREND FELIX B. DUCKWORTH

HON. MARION BERRY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. BERRY. Mr. Speaker, I rise today to pay tribute to a great American, and I am proud to recognize Reverend Felix B. Duckworth in the Congress for his invaluable contributions and service to our nation.

Reverend Duckworth was born in Little Rock, Arkansas in 1964, and raised in Cleveland, Ohio. He has been married to his lovely wife for 14 years, and he has two beautiful daughters who are 13 and 14 years of age.

His is a life of devotion to the church, and he has spent 20 years in the ministry winning souls for Christ. For ten of those twenty years Reverend Duckworth has been pastor of a church. He served seven of the ten years as Pastor of the Star of Zion Baptist Church in Corpus Christi, Texas. While at the Star of Zion, he was as a member of the City Revitalization/Economic Development Committee. It was here that he committed himself to improving socially and economically distressed areas. Through his work on that board, Reverend Duckworth helped to build and develop the infrastructure for the city of Robstown, Texas, a suburb of Corpus Christi.

After leaving the Star of Zion, he moved to Forrest City, Arkansas, where he assumed the stewardship of Salem M.B. Church. At Salem, he continued his life's work by providing the vision to construct the Salem M.B. Church Family Life Center. Reverend Duckworth used his experience in Corpus Christi to give Forrest City a resource that will provide the community with much-needed intervention and prevention programs. The Salem M.B. Church Family Life Center will serve as a community center that will offer counseling, tutoring and wellness services. The facility will have a computer learning center that is the result of a collaborative effort of state and federal agencies. The Center's primary focus is promoting the importance of getting a good education and addressing the social problems that are ever-present in distressed communities. Reverend Duckworth has written several papers conveying his thoughts on leadership and stewardship. Recently he completed a Leadership Manual addressing church leadership philosophies that will probably be published in late 2001.

In addition to his main responsibilities with the church, Reverend Duckworth somehow has found time to be Moderator of the North Arkansas Baptist District Association, which oversees 12 churches; President of the St. Francis County (Arkansas) Ministerial Alliance; a member of the Community Relations Board at Forrest City Federal Prison; Chaplain of the Baptist Memorial Health Care Center in St. Francis County; a member of the St. Francis County TEA Coalition Board; and a member of the St. Francis County NAACP.

I am proud to recognize Reverend Duckworth for everything he has done to help the residents of the communities that have been lucky enough to count him as a member, and I want to express my appreciation on behalf of those people, and on behalf of the citizens of this nation.

CONGRATULATIONS TO THE NEWARK YMWCA ON 120 YEARS OF SERVICE

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. PAYNE. Mr. Speaker, I would like my colleagues here in the United States House of Representatives to join me in honoring an institution which is close to my heart and which has inspired countless young men and women over its 120 years of service, the YMWCA of Newark and Vicinity.

As friends and supporters of the Newark Y gather for the 120th anniversary celebration, we reflect on the unique history of the organization as it has worked to serve fellow citizens, young and old, men and women, families and singles, of all races and religions. The Newark Y was the first major Y in the nation to have an African American Executive Director, Mr. Robert Wilson. In the early 1950s, when both the YMCA and the YWCA were conducting a capital campaign to raise funds for a new building, it was decided that the two would merge, creating the YMWCA. The Newark Y has been in the forefront of international programs, with the diligent global work of people like Woody and Connie English putting Newark on the map.

As a school teacher in the 1950s, I encouraged students on the athletic team I was coaching at the then Southside High School, called Malcolm X. Shabazz High School today, to join in the storefront Y at 52 Jones Street. That first group formed the Omega Phi Epsilon High School Club, and within a few years we had over 40 clubs. The TransCity Teen Program was recognized as the most active in the country. Our efforts at the Y resulted in thousands of youngsters being mentored and placed in colleges throughout the northeast and the rest of the nation. Volunteers would drive them to college and help them settle in to their freshman dormitories. Participating in regional, national and international programs in Europe, South America and Africa, many of the Y youngsters of yesterday have become outstanding leaders of today in all fields: education, law, government, medicine, and the corporate world. The YMWCA is committed to developing the spirit, mind and body of the individual; to creating a sense of common social purpose in the community; and to promoting basic, wholesome values for living. The YMWCA demonstrates those commitments through programs and services which offer opportunities to develop youth leadership skills, strengthen family life, adopt healthy lifestyles, build international understanding, make friends, go to camp, learn to swim, obtain new skills, volunteer in the community, and play basketball and other sports. Despite the ever-changing nature of the world, the need for these kinds of programs and services remains as great as it was when the YMWCA was founded in 1881.

As the proud former national President of the YMCAs of the USA, I am pleased to recognize the Y for its many contributions to the quality of life in Newark and surrounding communities and urge support for the Y so that it may continue to serve us for years to come.

DEPUTY FIRE CHIEF PHILIP CHOVAN, MARIETTA, GEORGIA

HON. BOB BARR

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. BARR of Georgia. Mr. Speaker, one would be hard pressed to find a better example of a life spent serving others, than that of Marietta, Georgia Deputy Fire Chief Philip Chovan. After serving in the United States Army, and following his graduation from college, Deputy Chief Chovan began a career protecting his friends and neighbors from fires and other disasters.

During that career, Deputy Chief Chovan has continued to develop as a professional; earning certification after certification, and holding teaching positions where he has passed those skills along to others. In addition to engaging in practically every facet of emergency planning in his own department, Philip Chovan has served on disaster preparedness boards, such as the Georgia Local Emergency Planning Committee, on the Atlanta FBI's Joint Terrorism Task Force, and as a presidentially appointed member of the Defense Science Board.

While all of us hope we will never need the services of someone like Philip Chovan, I can say with great confidence he is the kind of person I would want protecting my home and family in an emergency. As he begins a well-earned retirement this year, I join the many individuals who Deputy Chief Chovan has protected from harm, in expressing our thanks and wishing him a safe and prosperous future as he pursues new challenges.

A TRIBUTE TO SMITH DOBSON

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. FARR of California. Mr. Speaker, I rise today to pay tribute to a legendary jazz musician who passed away last month. Smith Dobson died April 20, 2001, in an automobile accident that took the life of a great pianist and teacher. Mr. Dobson was only 54.

Smith Dobson had a career that led him to some of the highest levels of performance. He has shared the stage with musicians such as Art Pepper, Pharoah Sanders, Freddie Hubbard, Mundell Lowe, Stan Getz, among many others, and has spent the last 13 years playing with vibraphonist Bobby Hutcherson. At the beginning of his career, in fact, he was a member of the Airmen of Note, the official White House jazz band. His teaching career has been equally praised, having held positions in jazz history at the University of California, Santa Cruz, and jazz piano and harmony at San Jose State University. Mr. Dobson was also a dedicated community advocate for musical education and outreach. He sat on the boards of the San Jose Jazz Society, the Stanford Jazz Alliance and the Kuumbwa Jazz Center in Santa Cruz.

Indeed, Mr. Speaker, his death has shocked our local community as well as the jazz community at large. At his memorial service, over 1,000 people came to pay their respects, filling the chapel two hours before the service even began. His life was celebrated in word and in song, as his friends and colleagues shared tales and memories. Smith Dobson has been described as the "moral center of the community", a "world-class" player, and the "first-call guy". In fact, last year the internationally known Monterey Jazz Festival recognized his talent and dedication to his craft with a lifetime achievement award. He and his family were also the recipients of the 2001 Gail Rich Award for excellence in the arts. Mr. Dobson's loss is indeed a loss for us all.

Smith Dobson was a consummate musician and member of his community, and I am sure that his legacy will continue through the talents of his two children and wife, all of whom are accomplished musicians as well. He will be greatly missed by his wife, Gail of Santa Cruz; son, Smith Jr. of San Francisco; and daughter, Sasha, of New York; as well as thousands of musicians, friends, colleagues and fans.

SUPPORT H.R. 10

HON. JACK QUINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. QUINN. Mr. Speaker, I rise in support of H.R. 10, the Comprehensive Retirement Security and Pension Reform Act. This comprehensive legislation is an excellent first step toward rectifying the severe retirement savings shortfall in this country.

Clearly we need to do more to prepare for our futures. IRA's, 401(k)s, and other tax-favored retirement plans are one way to do so. At present, half of our nation's workforce, practically 75 million Americans, lack access to a 401(k)-type plan or any kind of pension. IRA contribution limits have been frozen at the $2,000 limit since 1981. I applaud Congressmen PORTMAN and CARDIN for creating this package that will allow Americans to set more aside in IRA or 401(k)-type plans, modernize pension laws, and provide regulatory relief to encourage more small businesses to offer retirement plans.

By allowing individuals to increase their contribution limit for both traditional and Roth IRA's to $5,000 over the next three years, gives them the potential for a sound economic future. This legislation would allow so many working Americans the opportunity to better themselves, their families and their future. Also by including catch-up provisions granting individuals who are over 50 to increase their contribution for IRA's to $5,000 next year, provides these individuals to chance for a better retirement.

In today's society, we are living longer and healthier lives. Current statistics indicate that one-fifth of today's 35-year-olds who reach retirement can expect to live into their 90's. This evidence clearly demonstrates that Americans will outlive their retirement savings. Therefore, it is crucial that Congress can provide Americans, who have worked hard to support themselves and their families, every opportunity possible to achieve a financially secure retirement.

I would urge my colleagues to support this landmark legislation that would expand access to private pensions and increase flexibility for families to save for their retirement.

IN RECOGNITION OF THE 11TH ANNUAL PANASONIC KID WITNESS NEWS PROGRAM AND THE NEW VISION AWARD WINNERS

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize a very talented group of students at Theodore Roosevelt School in Weehawken, New Jersey. On May 15th, 11th annual Panasonic Kid Witness News program will present its New Vision Awards at the Newark Museum in Newark, New Jersey.

Theodore Roosevelt School's K–8 is this year's New Vision Award winner for producing the best "Local Hero" video. Videos in the Local Hero category profile an individual who represents accomplishments, heroism or spirit, and demands our attention and adulation. The video created by the Weehawken school KWN team used a series of on-camera narrators, interviews, still photographs, and home video footage to create a moving portrait of one of their classmates, 12-year-old Lenny Rodriguez, a cancer survivor who made the hard decision to have his leg amputated. In choosing the Theodore Roosevelt School, the judges selected "Our Little Giant Dares to Dream," an inspirational story about one person's extraordinary triumph over adversity. I commend Mr. Jon Hammer, 7th grade teacher and KWN coordinator, and 6th grade teacher Eileen Hochman for their generous time and support given to the Weehawken KWN team to produce such an outstanding and special video.

I am very familiar with Panasonic's Kid Witness News program. It is a hands-on, video education program, in more than 200 primarily inner-city schools in 120 U.S. cities. Using Panasonic-supplied equipment to create video projects, young people are encouraged to develop their creative, communication, and technical skills through video production. Annual awards are presented to student teams in various categories, including Best Video, Documentary, Local Hero, Multiculturalism, and News at a special program held in New Jersey each spring.

Theodore Roosevelt School was the very first participating school in Panasonic's KWN student news program. Mr. Anthony LaBruno, the school's principal, clearly understands the students' pride in accomplishing from these kinds of programs. Congratulations to him, to the KWN program advisers, and to the students of Theodore Roosevelt School for work well done. And a special recognition and best wishes to Lenny Rodriguez, a very courageous young man.

For 11 years the Panasonic KWN program has been helping young people learn about issues that affect them, their classmates and their community. And in its efforts to bridge the digital divide, KWN encourages students' discovery of what technology can do to enhance their educational experience. Therefore, I commend Don Iwatani, Panasonic's Chairman and CEO of North American operations, for his leadership and support. The effort of KWN to bring information, knowledge, and understanding of current events to tomorrow's citizens will make a difference in the world we all share. Kid Witness News certainly has made a difference in the lives of children in New Jersey and throughout the United States.

I ask my colleagues to join me in recognizing the talented students and teachers who have contributed to the great success of Panasonic's Kid Witness News program.

TRIBUTE TO ANNE M. GLATT

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. PALLONE. Mr. Speaker, I would like to call the attention of my colleagues to a friend and constituent of the sixth district whose unselfish service for over 35 years has left a lasting impression in the hearts of members of both her Temple and her community.

Born in Poland and raised in a Yiddish-speaking home in Montreal, following her family's 1930 emigration to Canada, Anne M. Glatt's early education included both public school and a six-day cheder. After three years of college, Anne moved to the United States in 1950, living first in the Branch Brook Park section of Newark, NJ, then Jamestown, NY, and finally settling down in the Edison-Highland Park area in July, 1964.

When she arrived, Anne immediately began looking for a Hebrew School for her three daughters and called the Highland Park Conservative Temple and Center. Once all financial arrangements for her daughters' schooling were arranged, Anne politely suggested to Executive Director Reuben S. Silver that the Temple might be able to use a bookkeeper. Director Silver agreed and thus began an extraordinary relationship that continues to this day. Anne was kindly welcomed by all at the Temple, and found a particularly warm friend in the new young Rabbi Yakov R. Hilsenrath, with whom she often engaged in spirited conversation.

After having been single for 23 years, Anne met Moishe Glatt in 1982, and the two were married in 1986. They will soon be celebrating 15 wonderful years together.

Anne has been a loving mother, grandmother, wife, sister, and most of all, friend to everyone who has had the good fortune of meeting her. She has been the caring voice on the other end of the phone, shining smile behind the desk, and confidante in times of need. Her genuinely good nature and tireless devotion to her community have rightfully earned her the Temple's prestigious Chaver Award for exemplary service.

It is my sincere hope that my colleagues will join me in honoring Anne M. Glatt for her nearly four decades of dedication to the Highland Park Jewish community and wish her all the best in the years to come.

CONGRATULATIONS TO PRESIDENT CHEN SHUI-BIAN OF TAIWAN

HON. PHIL ENGLISH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. ENGLISH. Mr. Speaker, as the Republic of China on Taiwan prepares to celebrate President Chen Shui-bian's first anniversary in office, I wish to extend to President Chen and the people of Taiwan my congratulations.

Despite its diplomatic isolation, Taiwan is a proud nation that has made extraordinary progress in recent years. It has an exemplary democracy with free elections, free press and respect for human rights.

For decades, the United States and its people are united in supporting Taiwan's pursuit of freedom and democracy. We will continue to support Taiwan and its people. Peace and security in the Taiwan Strait is vital to the security interests of all nations in the area.

Congratulations, President Chen on a job well done.

MEMORIALIZING MARY BIANCHINI'S LIFE AND SERVICE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. GILMAN. Mr. Speaker, I rise today to recognize and remember the life and service of my dear friend and tireless advocate, Mary Bianchini of Nyack, NY.

Throughout her life, Mary Bianchini has not only served her family and friends, but our communities with her unwavering kindness and commitment. She devoted a lifetime to service to others—as a nurse, as a media personality, and as a linchpin in numerous charitable endeavors. It is therefore appropriate that we reflect upon Mary's many significant accomplishments and as a dear friend to so many of us that we pause and express our love to her which she has showered upon us all these many years.

A cover story in the January–February 1987 issue of "Geriatric Nursing" recounted how Mary emigrated to the United States from Italy with her family at a young age. In 1929, she married the man her parents had chosen for her even before that union found a firm foundation in love. In fact, Mary remained married until her husband's untimely death in the late 1950's, nearly 30 years after their nuptials.

Mary was a devoted housewife and mother, but as happened with all too many Americans at that time, the Great Depression threw a wrench into her plans. Forced to find employment in a shoe factory, Mary had to seek new employment when that establishment burned down and upon applying to become a telephone operator at the Rockland State Hospital, she was told there were no vacancies, but would be hired if she would help out in patient care. From that experience on, Mary was dedicated to helping others.

Mary demonstrated a natural skill in caring for the ill. She became a licensed practical nurse in 1938, and soon earned a reputation statewide for her compassion, skill, common sense, and her advocacy for nurses.

Mary served as an officer in the New York State Practical Nurses Association from 1948 until 1962. In those positions, her reputation as a feisty defender of the underdog was assured. In the 1960's, Mary embarked on a completely new career as host of her own radio, and cable television programs. Soon, the movers and shakers in all aspects of society were seeking to be interviewed by this remarkable woman, not quite five feet high. Her popular broadcast interviews continued until well into the 1980's.

Mary, who was often referred to as "Rockland's First Lady," received many awards and recognition, including the American Heart Association "Queen of Hearts" in 1985, being cited by Governor Mario Cuomo for her service to our State, and as a strong supporter of my Congressional Citizens Advisory Committee on Drugs.

Perhaps Mary's greatest pride was in her own family. Her son, Dr. Valentino Bianchini, is a respected member of the medical profession, who has raised his own family following Mary's lifetime goals.

The poet John Dryden (1631–1700), once said, "So softly death succeeded life in her/ She did but dream of heaven/and she was there."

Mary Bianchini will be sorely missed not only by all her family and friends, but by the countless people she has helped throughout her life. As we mark the passing of Mary 'Bee,' our good friend, this outstanding citizen, with her gentle heart, we convey our condolences and prayers to her family as we reflect upon her lifetime and service to us all.

TRIBUTE TO DAVE SCHLESINGER

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. FILNER. Mr. Speaker, I rise today to honor the work of the Director of the City of San Diego Metropolitan Wastewater Department (MWWD), Mr. Dave Schlesinger.

Dave is retiring after more than a decade of service to the City of San Diego. During that time he was responsible for managing the planning, design and construction of facilities associated with the upgrade and expansion of the Metropolitan Sewerage System which provides wastewater treatment services to 1.9 million residents from the fifteen cities and districts in the greater San Diego area.

As director of MWWD, Dave headed a team of more than 1,000 employees and full-time consultants, that are also responsible for wastewater collection services for the City of San Diego. The MWWD treats the wastewater generated in a 450-mile-square-mile area stretching from Del Mar to the North, Alpine and Lakeside to the East, and South to the Mexican border. I worked with Dave on a number of projects critical to San Diego. He was a key member of the team that successfully attained legislative approval of the so-called 301(h) waiver for the Point Loma waste treatment plant. This action saved literally billions of dollars for the taxpayers of San Diego. Without Dave's technical expertise and political acumen, we would not have been successful in this effort.

Dave's talents were also critical to last year's Congressional approval of the Bajagua project to treat Mexican sewage. Dave helped to develop the innovative public-private partnership that promises to solve a 50-year-old problem plaguing San Diego. We always relied on Dave's "sense of the possible"—both politically and technically—to get over the many obstacles we faced over several years.

Dave is a graduate of the United States Naval Academy in Annapolis, Maryland where he received a Bachelor of Science degree. He also holds a Masters degree in Civil Engineering from the Georgia Institute of Technology in Atlanta. He is a registered professional engineer in the Civil Discipline. He has had nearly 30 years of experience in planning, engineering and construction project management and facilities management. Prior to his service with the City of San Diego, he served as a U.S. Navy Civil Engineer Corps officer for 25 years. He retired with the grade of Captain. Dave is a member of the Society of American Military Engineers, the National Society of Professional Engineers and the Navy League of the United States. He is also involved in numerous technical and professional societies in the San Diego area.

The City of San Diego will greatly miss the services of Dave Schlesinger.

IN HONOR OF DAVID C. FORBES, SR.

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. TOWNS. Mr. Speaker, I rise in honor of Reverend Doctor David C. Forbes, Sr., Senior Minister and Pastor of Christian Faith Baptist Church, on the occasion of his receipt of a doctorate in sociology from the University of Virginia. Doctor Forbes was one of eight children born in Raleigh, North Carolina to a Pentecostal Bishop and a sainted mother. He earned a Bachelor of Arts degree from Shaw University, a Master of Social Work degree from Adelphi University and Doctor of Ministry Degree from United Theological Seminary. He has also been awarded several honorary degrees, including a Doctor of Divinity by the Richmond Virginia Seminary, Doctor of Humane Letters by Shaw University and Doctor of Divinity by Shaw Divinity School.

Doctor Forbes was active in the civil rights movement during the 1960's having served as the North Carolina representative for the Student Non-Violent Coordinating Committee (SNCC). Doctor Forbes came to the gospel ministry after an extensive career in education, which included teaching at the elementary and university levels. He was also involved in counseling and social program administration. In addition to the ministerial role, he was Assistant Professor and Director of Admission, School of Social Work, Virginia Commonwealth University for some twelve years. From 1979–1984 Dr. Forbes served as Pastor of St. Peter Baptist Church, Glen Allen/Richmond, Virginia; and from 1983–1990 Senior Minister and Pastor of Martin Street Baptist Church, Raleigh, North Carolina. Dr. Forbes currently serves as Consultant to the President and Dean of The Shaw Divinity School.

Doctor Forbes has also volunteered on numerous committees and boards. He currently serves on the Human Services Taskforce of The North Carolina Local Government Partnership Council, the Board of Building Together Ministries, Board of The United Way of Wake County, and the South-East Raleigh Improvement Commission. In addition, he has a number of publications to his credit. In fact, he is in broad demand as an evangelist, church development consultant, workshop facilitator and keynoter.

Dr. Forbes is married to the former Hazel Baldwin of Lake Waccamaw, North Carolina. He is the father of three children, a son, Reverend David C. Forbes, Jr. founder and Pastor of the Columbus Christian Center, Columbus, Ohio, and two daughters, Mrs. Cheryl Forbes Lassiter, a banker in Raleigh, and Denise Colene Forbes, a music teacher in Bronx, New York. Dr. Forbes proudly answers to "Pa Pa" and "Grand Pa" to five grandsons and four granddaughters.

Mr. Speaker, Reverend Doctor David C. Forbes, Sr. has devoted his life to serving his community his church and his people. As such, he is more than worthy of receiving our recognition today as he is awarded a truly hard-earned honor. I hope that all of my colleagues will join me in honoring this truly remarkable man.

150TH ANNIVERSARY OF PHOENIX HOME LIFE MUTUAL INSURANCE COMPANY

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mrs. JOHNSON of Connecticut. Mr. Speaker, 1851 was an extraordinary year. Our country was 75 years old and on the brink of Civil War. In the midst of all the chaos, a small group of Hartford, Connecticut's leading businessmen, religious leaders, cultural and civic leaders, applied for a charter for the formation of The American Temperance Life Insurance Company, which would become Phoenix Home Life Mutual Insurance Company.

On Thursday, Phoenix celebrates its 150th anniversary. It has survived the Civil War, Reconstruction, the Great Depression, two World Wars and the societal upheaval of the late 20th century. Phoenix has endured because the company has always met the needs of its policyholders and customers while upholding its standards of integrity, and industry and community leadership.

Phoenix has through the years been a leader in product innovations: it was the first to insure the temperate, the first to lower rates for women (based on actuarial science), the first to offer policies that covered total families, not just individuals, and the first to lower rates for nonsmokers.

Phoenix has been a leader in business practice innovations: Phoenix was the first to require full-time dedicated agents and led the drive to make the sale of insurance a profession. Phoenix was also the first to develop a publication for its field force and the first company to use direct mail marketing.

Phoenix has been recognized ten times by Working Mother magazine as one of the Top 100 companies for working mothers. It was recognized for its efforts in providing childcare, workplace flexibility, leave for new parents, and advancement of women.

But perhaps most importantly, Phoenix's Chief Executive Officer, Robert W. Fiondella, has proven that the values of community and citizenship made good business sense. Phoenix encourages its employees to volunteer through a policy that allows them to devote 40 hours of company time per year to community activities, provided it is matched by the same amount of personal time. The company also rewards its top 20 professional advisors through its Donor's Award, a program that enables them to designate up to $2,000 to a local charity. Since its inception, the award has benefited many organizations, including the Juvenile Diabetes Foundation, Lou Gehrig Baseball and the Make A Wish Foundation.

Phoenix has spearheaded a $3 million "Legacy Campaign" to sustain and grow the Doc Hurley Foundation, the creation of Walter J. "Doc" Hurley, who has worked tirelessly for Hartford's youth. Phoenix contributed $250,000 at the start of the campaign and will contribute another $250,000 at the end of it. The campaigns endowment will help high school students go on to college through a scholarships and other support, such and help with purchasing books and completing paperwork. Foundation Trustees will help with mentoring and helping to complete necessary paperwork pertaining to college applications.

Student attendance and mastery test scores have improved at Hartford's Fred D. Wish Elementary School as a result of Phoenix's partnership with the school. For 15 years, employees have worked one-on-one with students in grades three through six to sharpen math and language skills. Phoenix provides transportation each week for students to travel to their Hartford office for tutoring.

Mr. Speaker, at a time when some businesses are scaling back their corporate giving programs, Phoenix is sustaining and even enhancing its involvement. In 1995, Phoenix made an eight-year commitment to Special Olympics International as its first Official Worldwide Partner, setting a standard for volunteerism and civic responsibility few companies can match.

Please join me in offering congratulations on their 150th anniversary and in recognition of Phoenix Home Life Mutual Insurance Company.

HONORING ENRON METHANOL COMPANY AS INDUSTRY OF THE YEAR

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. BENTSEN. Mr. Speaker, I rise to honor Enron Methanol as the 2001 Industry of the Year by the Pasadena Chamber of Commerce. On May 17, 2001 Pasadena Chamber of Commerce Chairman of the Board Larry C. Johnson will present this 2001 Industry of the Year Award at the Industrial Luncheon at the First United Methodist Church. Although I will not be able to attend this ceremony because I will be in Washington, D.C. fulfilling my official legislative duties, I want to congratulate all of the employees at the Enron Methanol Plant and Plant Manager David Bush for their commitment to community service. Helping your neighbors is a valuable goal which we should all applaud.

As you may know, Enron Methanol is the seventh industry recognized by the Pasadena Chamber of Commerce for the overall positive impact they provide to the area. This Award is presented annually to a local business which has contributed to improving our neighborhoods and community.

Enron Methanol has clearly demonstrated their commitment to our area. This year, Enron Methanol employees have worked cooperatively with many local community groups including the United Way, Juvenile Diabetes Foundation, American Heart Association, Pasadena Police Department, Girls Softball, H.O.S.T. program, Pen Pal Program, Science Fair judges, Pasadena Alumni Association, the Emergency Response Team and East Harris County Manufacturing Association as well as the Pasadena Chamber of Commerce. All of these organizations have benefited from the volunteer labor and financial assistance which Enron Methanol employees provide to local organizations.

The Pasadena Enron plant produces Methanol, which is a colorless liquid used in MTBE, Acetic Acid, Formaldehyde, Fuel, and Windshield washer fluid. This facility is one of the world's most energy efficient methanol plants. They provide sixty jobs locally with an annual payroll of $3,600,000 and pay $750,000 in taxes to our area.

Again, I want to congratulate the employees of Enron Methanol and encourage other local business organizations to participate in local volunteer activities to make Pasadena, Texas a better place to live.

FENTON HIGH SCHOOL AND JEFFERSON MIDDLE SCHOOL ESSAY CONTEST WINNERS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. HYDE. Mr. Speaker, each year I present a challenge to the 6th District high school seniors and to the students attending junior high. The challenge is an essay contest I sponsor in which I choose a topic and ask the student to write about it. The work is judged on originality, creativeness, cohesiveness, writing skills, including sentence and paragraph structure, and neatness. The topic for the Seniors this year was "The Necessity of the Electoral College," and for the junior high students, I asked that they write about James Madison.

I am very pleased to share with my colleagues the essays that won first place. In the senior category, the author of the winning entry is Jeremy Hawbaker who lives in Bensenville and attends Fenton High School. The first place winner in the junior high category is Keith Root of Elmhurst who attends Jefferson Middle School. I thoroughly enjoyed the writing skills of both these young students and am pleased to insert their essays in the RECORD for your enjoyment.

THE NECESSITY OF THE ELECTORAL COLLEGE

(By Jeremy Hawbaker)

In the wake of a highly controversial election, in which a candidate won with less popular votes but more electoral votes than the other candidate, the question of whether the Electoral College should be abolished or not has come up. Questions then arise around that. What exactly is the purpose, the original purpose, the Founders put it in place for? What would be the advantage of abolishing it in favor of election by purely popular vote? What other method is there?

The purpose of the Electoral College, as the Framers of the Constitution made it, was that with this system, more populated states would not be able to dominate over the less populated states in the presidential elections. This was a compromise made between those who favored power in the states and those who favored the power in the people. This was also a precautionary measure. The Founders created the United States of America as a republic, not a democracy as many would have one believe. They knew when they formed the nation that a democracy could quickly lead to mob rule and eventually tyranny, the farthest thing that they wanted having just fought a war to rid themselves of the tyranny of the British government. In a republic, there would be a government of law that would protect the rights of an individual. As James Madison wrote, many important issues "are too often decided, not according to the rules of justice and the rights of the minor party, but by the superior force of an interested and overbearing majority." In other words, people too often vote the way in which they are misled by politicians who claim to have the people's best interests in mind. Decisions are made by emotion rather than intellect. Instead, in the republic that America is currently, decisions are made by close deliberation. The Founding Fathers also knew their history. They were aware that unlimited power could not be trusted to anyone, including the people. As constitutional scholar Dan Smoot pointed out, "they devised a system to control political power by dispersing it and balancing it so that too much power could not be concentrated in one place." The Electoral College system was also made to protect the people from despots. Once again, from their knowledge of history, the Framers knew that in past democracies in which leaders were chosen by the people alone tyrants had quickly arisen. For example. Caesar, elected by the people with promises of more property, quickly seized power. As Benjamin Franklin put it, "There is scarce a king in a hundred who would not, if he could, follow the example of Pharaoh, get first at the people's money, then all their lands, and then make them and their children servants forever." This has also happened since the Founders. One of the more obvious examples is that of Adolf Hilter who was elected by a democratic election. Hilter, after becoming Chancellor of Germany, rapidly pooled up as much power as possible and abolished the independence of the German states. This was not because this is what the German people wanted. They were unfortunately ignorant of what Hilter turly wanted and instead listened to his promises of security and greatness. Perhaps if such an institution such as the Electoral College existed in Germany this would not have happened. As Fisher Ames, one of America's first congressmen aptly put it. "Every step . . . towards a more complete unmixed democracy is an advance towards destruction: it is treading where the ground is treacherous and excavated for an explosion. Liberty has never lasted long in a democracy; nor has it ever ended in anything better than despotism."

Many people today feel however that popular vote is a much better way of determining who the next president should be. What are the advantages of this then? Or rather should I say what are the disadvantages? One possible advantage is that by abolishing the electoral College, the election process is simplified. The principle of "one person, one vote" is upheld. However, there are many disadvantages. One problem with this method is that it worsens the problems associated with a two-party system. "Split votes" become a serious problem in that if two candidates divide the vote of those who agree with them, a dissimilar third candidate would receive the plurality of the votes even if the electorate sides more with the pair. A larger problem though is that this would require an amendment, an amendment that would most likely never be able to be passed. An amendment requires three-fourths of the states to support it. In an amendment such as this, most states would lose their influence in presidential politics. Few states would endorse this.

What then is there to do? I suggest retaining the Electoral College but reforming it. Instead of the "winner-takes-all" system that the Electoral College runs under now, electors should instead be chosen by congressional districts, with two electors-at-large for the senators in each state. With this idea, candidates would receive an electoral vote from each district they win. This would much more accurately reflect popular mandate. An advantage of this is that it would not take a Constitutional amendment. States can already do this if they wish, a couple of states already do. In this last election, the results would have been much more simplified as well. Bush won counties with an aggregate population of 143 million, compared to the 127 million that Gore would have won. This system would preserve then the weighting of votes in favor of the less populous states instead of letting the more populous states totally dominate over presidential elections.

To keep our country secure and free then, the Electoral College should by all means stay as part of our government. However, I do believe that the process should be looked at due to the amount of controversy recently surrounding it.

JAMES MADISON, THE FATHER OF THE CONSTITUTION

(By Keith Root)

James Madison, the president of the United States from 1809-1817, is known today as the Father of the Constitution because of his major role in the Constitutional Convention. His many other accomplishments include serving as Thomas Jefferson's secretary of state from 1801-1809 and sponsoring the Bill of Rights.

James Madison was born on March 16, 1751 in Port Conway, Virginia. He was the son and heir to a wealthy planter. He received a full education, and graduated from the College of New Jersey (which is now Princeton University) in 1771. In 1776, he was elected to the Virginia Convention, a convention that was called to urge independence from Britain. He was elected in 1780 to the Continental Congress, of which he was the youngest member. Despite this potential drawback, he gained much respect and rose to a position of leadership. During his term he worked with Alexander Hamilton (unsuccessfully) to give Congress the power to tax and regulate trade.

Madison was instrumental in persuading Congress to revise the Articles of Confederation (the current constitution at that time) and, ultimately, create the Constitution that we have today. The Constitutional Convention met in May 1787 in Philadelphia. Madison played a huge role. He drafted the Virginia Plan, the basis for the new government's structure. He also created the checks and balances system, which insures that none of the branches of government become too powerful. Madison, Alexander Hamilton, and John Jay created the Federalist Papers, essays that defended the Constitution against people who feared a strong central government. Madison then shepherded the new Constitution through the ratification process through 1787 and 1788.

Madison was elected to the House of Representatives in 1789, where he sponsored the Bill of Rights, the first ten amendments to the Constitution. He broke with Alexander Hamilton and the Federalist Party in 1791 and joined Thomas Jefferson and James Monroe in creating the Democratic-Republican, or Jeffersonian Republican, Party. In 1794, Madison married Dolley Payne Todd, who was a widow.

In 1801 Madison was appointed secretary of state under Thomas Jefferson, where he failed to persuade the British to stop interfering with American trade. In 1809, he ran in the presidential election and defeated Charles Pickney, the Federalist Candidate with 122 electoral votes to 47. He repealed the embargo by which Thomas Jefferson (who was President before him) tried to avoid war with Europe by banning trade with them. (The major European powers were at war themselves.) However, this didn't stop tensions between Britain and America. Madison declared the War of 1812 on June 12. In 1814, Madison replaced Secretary of War John Armstrong (who wasn't managing the war very well) with James Monroe when Washington was captured. A peace treaty was signed in Belgium in December 1814, but it didn't solve any of the outstanding issues between the U.S. and Britain.

After the war, Madison chartered a national bank and negotiated an agreement (called the Rush-Bagot Agreement) for demilitarization of the frontier between the U.S. and Canada. However, this agreement wasn't ratified until Madison had left office.

When Madison left office, he retired to his estate in Orange County, Virginia. He avoided further participation in politics, and helped Thomas Jefferson found the University of Virginia in 1826. Ten years later, at his estate, James Madison died. That night, American lost one of the most important men in its development as a country.

TRIBUTE TO BEAVER COUNTY POLICE OFFICERS

HON. MELISSA A. HART

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Ms. HART. Mr. Speaker, I rise to the floor today to pay tribute to the law enforcement community of Beaver County, Pennsylvania. These heroic men and women of uniform will be honored on Friday, May 18, 2001 as part of Peace Officers Memorial Day.

Pursuant to a joint resolution of the United States Congress issued June 21, 1961, the President of the United States has designated a week in May as Police Week, in honor of the federal, state, and municipal law enforcement officers who have lost their lives or suffered injuries while safeguarding the lives and properties of the communities they serve.

I join all the residents of Beaver County in recognizing the courageous service these police officers provide to their communities. Their dedication to protecting and preserving the laws of this great land and ensuring that all citizens receive justice deserves the praise and gratitude of all Americans.

I congratulate these men and women who selflessly risk their lives to protect ours, and I thank them for all their service.

FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 2002 AND 2003

SPEECH OF

HON. BETTY McCOLLUM

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2001

The House in Committee of the Whole House on the State of the Union had under consideration: the bill (H.R. 1646) to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes:

Ms. McCOLLUM. Mr. Chairman, once again, I would like to speak in opposition to the DeLay amendment to H.R. 1646.

The intent of the International Criminal Court (ICC) is to try individual perpetrators of genocide, war crimes and crimes against humanity when nations cannot or will not hold perpetrators accountable. I can think of no Member of the U.S. Congress, the administration, or any federal agency, including the Department of Defense and all branches of our armed forces, opposed to ensuring that war criminals are brought to justice. If the accused perpetrator of a war crime is an American citizen, civilian or soldier, then I would strongly support our civilian and/or military systems of justice do everything in their power to bring this individual to trial in the appropriate American court as would be permissible under the ICC treaty.

The argument by supporters of this amendment that American servicemen and servicewomen would be at risk of being tried in foreign courts under the ICC treaty is not accurate. Presently, any alleged crime, including war crimes, committed by U.S. citizens on foreign soil can already be tried in that nation's courts. The ICC would do nothing to diminish the role a U.S. court would have in bringing to trial accused war criminals if they were American citizens. In fact, the ICC could only intervene in trying Americans in the very unlikely event that the American judicial system would be unwilling or unable to try a case.

I do not believe the formation of the ICC will threaten American military personnel. The ICC will provide a forum to bring individuals to justice that commit the most heinous and inhuman acts of systematic violence around the world. To ensure that the U.S. Congress is committed to achieve this needed justice I oppose the DeLay amendment.

TRIBUTE TO MRS. BETTY R. HORNER

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. SHERMAN. Mr. Speaker, I rise today to pay tribute to Mrs. Betty R. Horner, Conejo Valley Civic Leader and pioneer in the communities of Westlake Village and Thousand Oaks, California. Her volunteer service spans more than 32 years.

Betty Horner's community service began in 1968, in the Westlake Village Foxmoor neighborhood homeowners association. At the same time, she was a baseball and cheerleader team mother with the Westlake Athletic Association. She also worked with the PTA and PFA in her neighborhood schools.

While raising her family of three children, Cynthia, Larry Jr., and Kymberly, and helping support her husband Larry Sr.'s professional and political career, Betty began to fashion a civic and philanthropic career for herself.

Betty's distinguished community involvement includes service as the First Lady of Thousands Oaks and Charge d'Affaires (official hostess for the City of Thousand Oaks). This role required her attendance at public ceremonies, meeting with public officials and dignitaries, representing the City of Thousand Oaks, performing ribbon cuttings, and presenting commendations. She was tenacious and carried out her duties with much style and grace. She attended all City Council meetings for 15½ years, a record unequaled by anyone in the city.

Due to her engaging personality and knowledge of the community, Betty has been asked to serve on many prestigious public and private boards and committees. She is an original member of the City of Thousand Oaks' Volunteers in Policing Team and at 65 years of age she can be seen patrolling neighborhoods to help keep our community safe. In 1976, she joined the Westlake Women's club, serving as its president during 1987–88. This philanthropic organization raises thousands of dollars annually for various local organizations and charities. Betty was also instrumental in helping to build the Thousand Oaks Library, and has served on the Library Foundation Board.

She was also selected by the Automobile Club of Southern California to serve on their Advisory Board for seven years.

Betty has received numerous honors and recognitions, including Woman of the Year from the Conejo Valley Chamber of Commerce and was also chosen as one of the ten Outstanding Women in Southern California by Coca Cola Bottling Co. and the Los Angeles Sentinel.

Mr. Speaker, please join me in congratulating Betty R. Horner for her many contributions and years of dedication to the Conejo Valley.

TRIBUTE TO ATTORNEY CONSTANCE SLAUGHTER-HARVEY

HON. BENNIE G. THOMPSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. THOMPSON of Mississippi. Mr. Speaker, I rise today to pay special tribute to Attorney Constance Slaughter-Harvey. Attorney Harvey is a persistent trail blazer in a world of challenges. For 31 years, she has dedicated her life to legal and public service.

Attorney Harvey, a native of Scott County, received her undergraduate degree in Political Science and Economics from Tougaloo College in 1967. In 1970, she became the first African American female to receive a law degree from the University of Mississippi.

Upon graduation she was staff attorney for the Lawyers' Committee for Civil Rights Under Law, executive director of Southern Legal Rights and director of East Mississippi Legal Services.

Among her other outstanding achievements, attorney Slaughter-Harvey is the first African American female to serve as Student Government President at Tougaloo College (1967); to be appointed to serve as judge in Mississippi (1976); to be the president (first female) of the National Association of State Elections Directors (1991); Executive Director of the Governor's Office of Human Development (1980–1984); and to serve as Assistant Secretary of State for Elections, Public Lands and General Counsel for the State of Mississippi (1984–1995).

Attorney Slaughter-Harvey is the first African American female to receive the 2001 Outstanding Woman Lawyer Award given by the Mississippi Women Lawyers' Association.

Among her honors is the Constance Slaughter Harvey Endowed Chair in Political Science/Pre-Law at Tougaloo College. The University of Mississippi named the Black Law Student Association in her honor in 1998. She was 1 of 8 founders (the only female) of the National Black Law Student Association in 1969 at Rutgers in New Jersey.

In 1970, she successfully argued Morrow v. Crisler, which led to the desegregation of the Mississippi Highway Patrol. She filed a 3.8 million dollar lawsuit in 1970, Myrtle Green Burton v. John Bell Williams, against the state of Mississippi and other defendants for wrongful deaths of Jackson State student, Phillip Gibbs and Jim Hill student, James Earl Green.

Presently she is engaged in private practice in Scott County. She is president of Elections, Inc, the Scott County Bar Association, the Magnolia Bar Association and the W.L. and Olivia Slaughter Memorial Foundation. The W.L. and Olivia Slaughter Memorial Foundation is a tribute to the legacy of her parents who lived in Forest and the legacy includes a foundation, library, residential subdivision and office building complex where her law office is located. She has been an adjunct professor at Tougaloo College or 31 years.

Mr. Speaker, Attorney Harvey is proudly recognized by the state of Mississippi and the United States of America as a visionary for all people. On behalf of the people of the 2nd Congressional district, I salute her.

IN SPECIAL RECOGNITION OF MATTHEW J. LENZER ON HIS APPOINTMENT TO ATTEND THE UNITED STATES MERCHANT MARINE ACADEMY

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. GILLMOR. Mr. Speaker, I rise today to pay special tribute to an outstanding young man from Ohio's Fifth Congressional District. I am happy to announce that Matthew J. Lenzer of Wellington, Ohio, has been offered an appointment to attend the United States Merchant Marine Academy, Kings Point, New York.

Mr. Speaker, Matthew's offer of appointment poises him to attend the United States Merchant Marine Academy this fall with the incoming midshipmen class of 2005. Attending one of our nation's military academies is an invaluable experience that offers a world-class education and demands the very best that these young men and women have to offer. Truly, it is one of the most challenging and rewarding undertakings of their lives.

Matthew brings an enormous amount of leadership, service, and dedication to the incoming class of Merchant Marines. While attending Keystone High School in Lagrange, Matthew has attained a grade point average of 3.91, which places him fifth in his class of one hundred twenty-seven students. Matthew is a member of the National Honors Society. Buckeye Boy's State and has attended that National Young Leaders Conference. Also, he has been awarded an All A's Citizenship Award and the Bausch and Lomb Science Award.

Outside the classroom, Matthew has been active in the performing arts. He is a member of the marching band and pep band and is very active in his church.

Mr. Speaker, I am proud to rise today to pay special tribute to Matthew J. Lenzer. Our service academies offer the finest education and military training available anywhere in the world. I am confident that Matthew will do very well during his career at the Merchant Marine Academy and I ask my colleagues to join me in wishing him well as he begins his service to the nation.

FRANK BAUMAN: HONORED COMMUNITY SERVANT

HON. DAVID WU

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. WU. Mr. Speaker, I rise today in honor of Frank A. Bauman, a native Portlander, whose 80th birthday will be celebrated on June 10, 2001. Mr. Bauman has dedicated his life to making enormous contributions to our city, the state of Oregon, and the international community. It is my personal privilege to bring my colleagues' attention the outstanding accomplishments of this great Oregonian.

Mr. Bauman was admitted into the Oregon Bar in 1950 after graduating from our shared alma mater, Yale Law School, and practiced law in Portland for many years. During that period, he devoted substantial time to many worthwhile civic endeavors, where he held significant leadership positions, including:

First Chairman, Oregon State Bar Committee on World Peace through Law; President, United Nations Association (Portland Chapter and the Oregon Association, (two times); President, World Affairs Council of Oregon (two times); Chairman, Committee on Foreign Relations (two times); Chairman, Scholarship Committee of the University Club of Portland; Board of Directors, English Speaking Union; Master, Oregon-Ashlar Masonic Lodge, Member of the Chess for Success, which has established chess programs in 30 Portland public schools and has been hailed by The Oregonian as the most significant extracurricular activity in the public school system.

Mr. Bauman's dedicated and effective leadership was recognized in 1971 when he was appointed by the United Nations Secretary General to serve as Resident Representative for the United Nations Children Fund, United Nations High Commission for Refugees, United Nations Development Programme, and the United Nations Information Office in Australia, New Zealand, Papua New Guinea, and Fiji. Mr. Bauman executed these responsibilities very capably, while serving as the Chief Administrator of United Nations activities in Australia and conducting outreach relations with National and Regional Committees to deal with long-term development for Third World Countries.

Mr. Bauman's commitment to society was further recognized in 1998 when he was awarded the E.B. MacNaughton Civil Liberties Award for his legal work in Mississippi in the 1960's on behalf of African Americans.

It is my honor today, on the floor of the United States House of Representatives, to commend to my esteemed Members of Congress, the 80th birthday and extraordinary achievements of Frank A. Bauman.

FROM OUR FAMILY TO YOURS

HON. HEATHER WILSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mrs. WILSON. Mr. Speaker, they say salsa is now our country's #1 condiment, beating out even the ketchup bottle. A New Mexico company known nationally for their salsa—and their green chile, and their tamales—is celebrating its 50th year of business this month.

Bueno Foods takes pride in sharing a part of New Mexico's culture through the wonderful food they produce and market nationally. Please join me in congratulating Bueno Foods and the Baca Family on fifty successful years and thank them for their contributions to our community.

In the beginning, for the Baca brothers, the company was a way to provide jobs for themselves and members of their community. After serving in WWII several of the brothers had difficulty finding jobs in Albuquerque. Their father Refujio had worked for the Santa Fe Railroad all his life but had always dreamed of owning his own business. He encouraged his sons to start their own business.

The Ace Food Store, a neighborhood "mom and pop" grocery store, was born. They later saw a need to take their business in another direction. They expanded the store into carry-out, which featured traditional recipes by Filomena, the Baca brothers' mother, Also at this time freezers were becoming popular. The Baca brothers recalled the yearly family tradition popular throughout New Mexico for roasting fresh green chile over an open flame and freezing it for the winter months. They decided to take this home process into a commercial one and make this very special family tradition the focus of their restaurant and retail product lines. Food processing became their niche.

Under the leadership of Jacqueline Baca, President (the daughter of founder Joe Baca), Bueno Foods' sales have grown six-fold and the number of employees has tripled. She started in the business at the age of 16 making tamales. Jacqueline is joined by her siblings in the family business. Gene Baca is Senior Vice President, Catherine Baca, MD, is Vice President of Research and Development, Ana Baca is Communications Manager and Marijo Baca pioneered the distribution of Bueno's products in the Colorado market. Together, they make the company's slogan "From Our Family to Yours" a reality.

The Baca Family is committed to our community. From its start with 5 employees to more than 240, located in the Barelas Industrial Park, Bueno is one of the largest employers in this "Pocket of Poverty." Bueno contributes between 3 and 6 percent of after-tax profits to organizations that help people meet basic needs including housing, food and education. Among the many honors earned by Bueno Foods, in April 2000, they received the first annual New Mexico Ethics in Business Award recognizing the integrity, ethical conduct and the highest standards of civic and social responsibility that is part of daily operations within the company.

Please join me and other New Mexican's in honoring the Baca Family and Bueno Foods.

ALGERIA TRIP REPORT

HON. JOSEPH R. PITTS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. PITTS. Mr. Speaker, on February 24–26, 2001, accompanied by former Ambassador David Laux, I traveled to Algeria to meet with key officials and attend celebrations of the 25th anniversary of the Sahrawi Republic in the Sahrawi refugee camps in Tindouf, Algeria. The meetings and discussions with the President, Prime Minister and Cabinet Members in Algeria reflected officials who hold great concern for their nation and the development of their economy and society, as well as concern for North Africa and the whole of Africa.

Creative solutions were presented for problems facing the government as they seek to modernize the financial, security, and democracy aspects of Algeria. There were clear indications that the Algerian government desires to stabilize their economy to attract foreign, particularly U.S. investment (current U.S. investment is $3.5 billion, projected to grow to $6 billion in the next two years due to increased energy investment), and to cooperate in security/terrorism issues with the U.S. Government. A two and a half hour meeting with President Bouteflicka revealed a statesman with great insight, leadership abilities and vision for his nation and the continent, exemplified in the President's key role in helping bring peace in the Ethiopia/Eritrea conflict and his leadership in the OAU in pursuing economic development in all of Africa. The impressive character and qualities of the President also are reflected in his Cabinet and the current Ambassador of Algeria serving in Washington, D.C. His Excellency Idriss Jazairy.

The Algerian people and government are also to be commended for their great hospitality towards the Sahrawi refugees. Many of the Sahrawi people fled their homeland of Western Sahara over 25 years ago due to the conflict over Western Sahara. The Algerian people have graciously allowed the Sahrawis to live in refugee camps in Tindouf and have been supportive of humanitarian aid to assist the refugees arriving from all over the world. Under the leadership of President Bouteflicka, Algeria has continued to extend hospitality to the refugees and not presented obstacles to the Sahrawis governing themselves in the Sahrawi Democratic Republic.

Upon my return to the United States, I shared my impressions about Algeria with a number of individuals, including Secretary of State Colin Powell. I suggested to Secretary Powell the idea of holding an Africa Summit with key African leaders, such as President Bouteflicka of Algeria, for President Bush to listen and learn from those leaders as he shapes his policies on Africa and for the African leaders to garner international support for their vision to help eliminate poverty, elevate standards of living, and bring hope to the people of Africa through a variety of measures.

In light of the various visions and solutions discussed in the meetings, there are several long term and short term practical actions the people of Pennsylvania and the U.S. government can take to support democratic, economic, and security developments in Algeria. My hope is to assist in building a strong relationship between the people of Algeria and United States and our governments through the following projects:

Encourage President Bush to hold an Africa Summit with the leaders of the OAU in which the President can learn about Africa and African leaders can share ways in which the international community can support their vision to help the people of Africa.

Assist the Algerian Minister of Agriculture on his visit to the U.S. by arranging meetings with leading agricultural companies and producers.

Interact with leading U.S. wheat producers regarding the potential opportunities for investment in Algeria.

Encourage the U.S. Department of State, Near East Division, about the need for increased counter-terrorism training and cooperation between Algeria and the United States.

Encourage the establishment of an Algerian-U.S. business council.

Assist in coordinating training seminars for Algerian Army regarding democracy and human rights.

Assist in coordinating police training seminars for Algerian police.

Assist in coordinating lecture, seminar series/academic exchanges at U.S. and Algerian universities.

Investigate water resource issues and possible expertise cooperation.

People to people exchanges and humanitarian projects, including medical equipment, police/forensics equipment, English textbooks, etc.

TRIBUTE TO DR. BETTY WARD FLETCHER

HON. BENNIE G. THOMPSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. THOMPSON of Mississippi. Mr. Speaker, I rise today to pay special tribute to Dr. Betty Ward Fletcher. Dr. Fletcher is a trail blazer, a persistent advocate, a remarkable woman and outstanding leader. She has proven time and time again that one person can make a difference.

Dr. Fletcher, a native of Rankin County, received her undergraduate degree in Sociology from Tougaloo College. She received her master and doctoral in Social Work from the University of Alabama, Tuscaloosa.

From 1975 through 2000, Dr. Fletcher dedicated her life to providing information and ideas on behaviors of societies to Jackson State University. She was the founding director of the Student Intervention and Information Program of Interdisciplinary Alcohol/Drug Studies Center. She has worked in various scholarly positions such as Associate Director of Graduate Program in Alcohol/Drug Studies, Instructor, Associate Professor, Acting Director, Acting Graduate Dean and Vice President for Research and Development of Sociology Department. In addition, she excelled her instructional focus on research and evaluation of sociology by serving as an adjunct Professor at the University of Southern Mississippi, School of Social Work.

Dr. Fletcher's research focus has been the study of social and behavioral correlation of substance abuse and HIV/AIDS. She has generated over $17.5 million in externally funded initiatives, while simultaneously fulfilling her administrative duties.

In 1999, Dr. Fletcher was Jackson State's first-ever Vice President for Research and Development. During her leadership, the University garnered a $2 million donation and a $12.9 million research award. This award was to serve as the coordination center for the Jackson Heart Study, the largest study of cardiovascular disease ever undertaken in the nation.

In 1999, Dr. Fletcher was named Interim President of Jackson State University by unanimous consent of the Board of Trustees, State Institutions of Higher Learning. She was then labeled a "charismatic, courageous and visionary leader" for her success in launching the School of Engineering and building a strong support base with the business community for the University.

In 2000, she was appointed as Executive Director of the Mississippi Department of Human Services (MDHS) and had oversight for a $438 million budget and 4,168 employees. Dr. Fletcher made a positive difference and a goal was to build cooperative working relationships with other state agencies.

Mr. Speaker, Dr. Fletcher is proudly recognized by the state of Mississippi and the United States of America as a visionary for all people. On behalf of the people of the 2nd Congressional district, I salute her.

TRIBUTE TO BARBARA J. SMITH

HON. STEVE C. LaTOURETTE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. LATOURETTE. Mr. Speaker, I rise today to honor a very special constituent, Barbara J. Smith, on the occasion of her receipt of the Ohio Women's Bar Association's Justice Alice Robie Resnick Award of Distinction. This award is the OWBA's highest award for professional excellence and is bestowed annually on a deserving attorney who exhibits leadership in the areas of advancing the status and interests of women and in improving the legal profession in the state of Ohio. It gives me great pleasure to wish Ms. Smith my warmest congratulations on this truly special occasion.

Barbara Smith is currently a shareholder of McDonald, Hopkins, Burke & Haber Co., L.P.A. in Cleveland. She attended Old Dominion College (B.A., 1968); Pepperdine University (M.B.A. 1974, magna cum laude); and Case Western Reserve University (J.D. 1977, magna cum laude).

She is a former President of the OWB (1994–1995) and is one of its original members. The OWBA was initially formed in 1991 and is the only statewide bar association within Ohio solely dedicated toward advancing the interests of women attorneys while encouraging networking and the creation of a statewide mentor program for women attorneys. The 2001–2002 membership year celebrates the OWBA's 10th Anniversary.

Barb has also served as President of the Cleveland Bar Association. At the time she served, she was only the third female president in its 125-year history.

At the same time, Ms. Smith has been active in the community on issues affecting women and minorities, including Ohio Attorney's Assault on Domestic Violence, a Charter Fellow and member of the Cleveland Bar Foundation Board of Trustees and a member of The Federated Church—Multi-racial, Multicultural Task Force.

Ms. Smith has been recognized for excellence in her legal work including Who's Who in American Law, Who's Who in America and The Best Lawyers in America for Health Law.

On May 21, 2001, OWBA President Helen Mac Murray will be presenting Ms. Smith with the Ohio Women's Bar Association's Justice Alice Robie Resnick Award of Distinction at its Annual Meeting in Cleveland, Ohio.

It gives me great pleasure to rise today, Mr. Speaker, and join the OWBA in congratulating Barbara Smith and wishing her continued success.

INTRODUCTION OF DUTY DRAWBACK LEGISLATION

HON. KEVIN BRADY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. BRADY of Texas. Mr. Speaker, today I am introducing legislation to change the drawback and other trade laws in order to make their interpretation, administration and implementation less cumbersome for the U.S. Customs Service. More importantly, the provisions of this legislation will ease the regulatory and administrative burdens imposed by the current regulatory structure on U.S. companies by making them more competitive in the global marketplace when competing against foreign exports of similar or like products.

Since this issue is very technical Mr. Speaker, let me briefly describe what duty drawback is and how this legislation will help. Specifically, duty drawback is the refund of 99% of the duty paid to Customs on an imported product when the imported product, or a product that is substantially similar or commercially interchangeable with the imported product, is later exported from the U.S.

For example, a manufacturer of widgets may import a widget into the West Coast of the U.S., paying a duty of US $10. The same company then produces the same type or quality of widget in Texas and exports it to Mexico. The company may claim a refund of US $9 of the duty paid on the West Coast import as it is substantially similar to or commercially interchangeable with the exported widget.

Therefore, drawback levels the playing field and allows U.S. companies to remain competitive in the international market when competing against foreign companies for export sales and in export markets.

I urge my colleagues to support this legislation. I look forward to working with my colleagues to see it enacted into law.

INTRODUCTION OF THE BLACK FARMERS FAIRNESS ACT OF 2001

HON. J.C. WATTS, JR.

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. WATTS of Oklahoma. Mr. Speaker, today I am introducing the Black Farmers Fairness Act. This legislation will bring to closure a series of injustices our government has committed to a large number of black farmers throughout the country. For many years, this group of dedicated farmers experienced various acts of discrimination by the United States Department of Agriculture.

In 1997, three brave farmers entered into a lawsuit with USDA to correct injustices they had experienced. Two months later they were joined by 11 additional farmers. As more and more black farmers learned of and joined this lawsuit, the suit was changed to a class action suit. For months, government attorneys blocked settlement of their complaint due to a "statute of limitation" argument.

In 1998, the House extended the "statute of limitations" for the black farmer lawsuit—allowing justice to run its full course. Without this provision, many of these farmers would have not been legally permitted to receive consideration for the civil rights complaints. Before this provision, government attorneys argued that they could not settle complaints beyond the two-year period of each complaint.

Finally, it appeared that justice would prevail. On April 14, 1999, a court ruled in a class action suit that the black farmers would be awarded $50,000 each in a cash settlement as well as forgiveness for debts resulting from discrimination for the past injustices.

I discovered, however, that a significant portion of this settlement could potentially end up right back here in Washington through various taxes. That's an outrage! These farmers were discriminated against; no part of their settlement should be taken by the government. That is why I am introducing this bill.

This legislation does two things. First, it lifts the tax burden (income tax as well as estate tax) associated with both the cash payment and debt forgiveness aspects of the settlement. Second, it releases class members from having to include settlement benefits in determining eligibility for federal assistance programs.

Mr. Speaker, this Congress has an obligation to finish what it started in 1998. We have the opportunity and responsibility to give back every cent to those who were denied the opportunity to pursue the American Dream. I encourage my colleagues to join me by supporting the Black Farmers Fairness Act.

TRIBUTE TO RUBEN SIVERLING

HON. SAM GRAVES

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. GRAVES Mr. Speaker, I rise today to recognize Mr. Ruben Siverling, the recipient of the Clay/Platte Development Corporation's Small Business Advocate of the Year.

Mr. Siverling is a full-time business consultant serving on the staff at the Rockhurst University Small Business Development Center. During his years as a consultant to the Small Business Community in the Kansas City region, he has helped start or expand over 1,700 small businesses.

Mr. Siverling was instrumental in opening a satellite Small Business Development Center in the Missouri 6th District. Being a resident of the district, he saw firsthand the growth in the Northland region of Kansas City and understood the importance of a guiding presence to help the area's burgeoning entrepreneurs. His dedication to this cause is proven in the early mornings, long days and late evenings that he endures to help each and every one of his clients achieve success. Success to him does not only involve just having a client receive a loan, but all facets of learning the start-up process. Whether it is revising a loan package that was not approved on the first submittal, or following through with revision and follow-up meetings, he ensures that the small business client is getting a first-class education that will help their business flourish.

I commend the Clay/Platte Development Corporation on choosing Mr. Ruben Siverling as their Small Business Advocate of the Year, and once again congratulate and thank Mr. Siverling for his years of hard work and dedication to the Small Business Community.

NATIONAL PEACE OFFICERS MEMORIAL DAY

HON. GENE GREEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. GREEN of Texas. Mr. Speaker, I rise today to pay tribute to the men and women who are part of the blue line that keep our homes, our families, and our neighborhoods safe and secure.

Every day, they put themselves in the line of fire, confronting crime and those who engage in it, to make our communities a better place to live.

Our nation's law enforcement officers put their lives on the line, just like the men and women of our armed forces, to protect Americans. For that reason, I have introduced legislation that would provide a Capitol-flown flag for deceased law enforcement officers. H.R. 94 would be a step toward this deserved recognition.

I encourage other Members to join me in passing this legislation, to properly show our appreciation for the risk that our nation's law enforcement officers take just by showing up at work every day.

TRIBUTE TO LLOYD E. LEWIS, JR.

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. HALL of Ohio. Mr. Speaker, with sadness and regret, I rise to pay tribute to Lloyd E. Lewis, Jr., a city commissioner of Dayton, Ohio, who recently passed away at the age of 74. Throughout his life, Lloyd was a model civic leader who dedicated himself to the community he loved so dearly.

Lloyd's record of service to Dayton goes back almost half a century and includes serving two terms in the Ohio House of Representatives and working as a Dayton assistant city manager. He also served two terms as chairman of the Dayton Plan Board.

Lloyd was a member of the Dayton Foundation board, Miami Valley Regional Planning Commission, the State Board of Housing, the United Way of Greater Dayton, City Wide Development Corporation, and the St. Elizabeth Medical Center board.

No one worked more tirelessly on behalf of Dayton. When he was assistant city manager, he even went on runs with the fire crews. During one particularly rough season of blizzards, the Dayton Daily News reported he was "all but sleeping at city hall."

The son of a small businessman and the grandson of a shoe shiner, Lloyd was a champion of the average man and woman. His family was one of the first black families to move into his West Side neighborhood. He knew racial discrimination but that only increased his desire to improve his community for all citizens.

Lloyd was a thorough gentleman in all his actions, public and private. He was admired and respected by all who knew him—an extraordinary achievement for someone in public life and a testament to his leadership.

Dayton has lost a great citizen and I have lost a friend.

TAIWAN CELEBRATES ITS PRESIDENT'S FIRST ANNIVERSARY IN OFFICE

HON. EARL F. HILLIARD

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. HILLIARD. Mr. Speaker, our friend in the Pacific, the Republic of China on Taiwan, is a small island nation that has maintained excellent relations with us throughout the years. Although we do not have formal diplomatic relations with the Island, our informal relations with Taiwan in areas such as trade and investment, science and technology, culture and security, and education have been growing steadily year after year.

In addition, Taiwan and the United States share many values in common. Both countries have an abiding attachment to freedom, democracy and human rights. As Taiwan gets ready to celebrate its President's first anniversary in office, I wish to assure President Chen Shui-bian and his people that the American people will always stand behind Taiwan and make sure that it continues to thrive and prosper in the Pacific.

Good Luck and Good Fortune to Taiwan!

GLENDALE HIGH SCHOOL 100 YEAR ANNIVERSARY

HON. ADAM B. SCHIFF

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. SCHIFF. Mr. Speaker, I rise to ask my colleagues to join me in congratulating Glendale High School, which celebrates 100 years of academic excellence on May 19, 2001. This was the first high school in the city of Glendale and famous alumni include actors John Wayne and Madeline Stowe, athletes, Brooklyn Dodger Babe Herman and 3 time track Olympian Frank Wykoff, and entrepreneur Bob Wian, founder of Bob's Big Boy restaurants.

Glendale High has grown from an initial enrollment in 1901 of 23 students, but today hosts 3500 students, each of whom receives a comprehensive educational experience designed to prepare them with the skills, knowledge and training necessary to achieve individual goals and to participate as a productive and responsible member of our ever-changing society and in our own multi-cultural environment.

One of the keys to the success of Glendale High School are the independently-organized parent groups that are committed to continued involvement with the school. Another innovation is the unique grade-level student support services, which counsel and follow students from the time they enter until the time they graduate from Glendale High School.

Please help me in congratulating co-principals Mrs. Gloria Vasquez and Mike Livingston, as well as all students, alumni, friends and family of Glendale High School on their 100 anniversary.

WILDLAND FIRE MANAGEMENT ACT

SPEECH OF

HON. CHRIS CANNON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 581) to authorize the Secretary of the Interior and the Secretary of Agriculture to use funds appropriated for the wildland fire management in the Department of the Interior and Related Agencies Appropriations Act, 2001, to reimburse the United States Fish and Wildlife Service and the National Marine Fisheries Service to facilitate the interagency cooperation required under the Endangered Species Act of 1973 in connection with wildland fire management:

Mr. CANNON. Madam Chairman, in the last eight years my home and the homes of my neighbors have been threatened by fire on the mountain behind our town in Mapleton. I want to thank the heroic, hard working Federal firefighters for how they fought those infernos. My home is in the mouth of a canyon that has a strong and regular evening wind. Had the fire reached the canyon it would have been like a huge blowtorch. Many Utahns have shared the same concerns. We have a lot of homes located along the hundreds of miles of the urban/public lands interface.

Our ways of thinking about fire have shifted in recent years. We understand the benefits of fires in the natural cycles of our public lands. The beautiful areas where we live, the parks and forests that we enjoy, can benefit from reducing the fire risk by reducing fuel loads, prescribed burns, and educating people on fire safety.

To undertake these prevention measures, the Forest Service must first consult with the US Fish and Wildlife Service, ensuring that there will be no adverse effects to animals and especially endangered species. Unfortunately, the USFWS lacks the money to do what is needed.

H.R. 581 will allow the Forest Service to reimburse the Fish and Wildlife Service for their consultations.

Last year, many of the western states, including Utah, experienced some of the worst forest fires in history. Utah's current fire conditions look similar to last year's. According to the National Forest Service, most of the state is at high and very high risk of fire danger. Last year nearly 2,000 fires in Utah burned 228,000 acres of land. In Utah County alone, over 3,200 acres of land were destroyed by 57 fires.

Preventive actions can help save our lands as well as better allocate the taxpayer money spent on putting out fires. The Yellowstone fire of 1988 cost the nation $120 million to fight. Only a fraction of that amount would have been needed for prevention. As prescribed, controlled fire costs about $50 an acre. In a wilderness fire this cost for fighting the fire alone increases to between $200–$400 an acre. That does not include the cost of lost timber, wildlife, or ecological damage. Simply reducing the built-up fuel load that grew during years of fire suppression can have a significant effect on reducing fire danger.

Educating people on fire safety is a key issue as well. In Utah, 60–70% of the fires are either accidentally or intentionally started by humans, Most of these could be avoided with proper understanding.

We must make funding for responsible fire practices a priority. This will improve the sense of serenity for my family, the constituents who I serve, and the many people who live on or near our public lands.

SENATE—*Wednesday, May 16, 2001*

(Legislative day of Tuesday, May 15, 2001)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Honorable LINCOLN CHAFEE, a Senator from the State of Rhode Island.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Holy God, show us Your high intent and keep us from ever being easily content. This is Your Nation; we are here to serve You. Just as Daniel Webster said that the greatest conviction of his life was that he was accountable to You, we press on with intentionality in the duties and deliberations of this day. We want to know what You desire in everything we do and say. Make us aware that You are the unseen guest at every meeting, the silent observer of all our actions, and the careful listener at every conversation. Heighten our awareness not only of Your presence but also of Your power. Give us courage to attempt what only You could help us achieve. Renew our enthusiasm, reinvigorate our vision, revitalize our patriotism, and replenish our strength. In the name of our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable LINCOLN CHAFEE led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 16, 2001.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable LINCOLN D. CHAFEE, a Senator from the State of Rhode Island, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. CHAFEE thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10 a.m. with Senators permitted to speak therein for up to 10 minutes each. Under the previous order, the Senator from Kansas is to be recognized to speak for 15 minutes.

RECOGNITION OF THE ASSISTANT MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The assistant majority leader is recognized.

SCHEDULE

Mr. NICKLES. Mr. President, today the Senate will be in a period of morning business until 10 a.m. At 10 this morning, the Senate will resume consideration of S. 1, the education bill. Senators should expect rollcalls throughout the day with respect to amendments to the education bill.

Also, as a reminder, the tax reconciliation bill was reported out of the Finance Committee last night. It is expected that the Senate will begin consideration of that measure on Thursday. The majority leader hopes that significant progress can be made on the bill on Thursday with the expectation of completing the reconciliation bill on Monday.

In addition, the majority leader is expecting that the Senate will complete action on the education bill next week prior to the Memorial Day recess. I thank my colleagues for their attention.

I just mention that both of these bills, the reconciliation bill and the education bill, are two of the more important issues we will be taking up this entire session. It is our intention to complete both of them by the end of next week. That will take a lot of cooperation and attentiveness by all Members. I encourage Members if they have their amendments to bring them forward. Let us not spend a lot of time on them, complete the amendments on the education bill and on the reconciliation bill so we can give some good news to taxpayers and to everyone who is interested in improving education.

Mr. President, I thank my colleagues for their attention.

Mr. REID. Mr. President, before my colleague leaves the floor, we on this side understand the importance of the education bill. We are doing our best to work through it. I think we have made good progress. We have had some short days which has interfered a little bit, but I think we are down to the end of that and we should be able to wrap it up next week. I would say to my friend—and I hope the majority understands this—we understand the importance of reconciliation. The American people deserve a tax cut. They are going to get one. The only thing I would add is that we have to make sure we are able to read the documents; we have a little bit of time to look at them. My suggestion, to avoid problems that some would call dilatory, others would call necessity, would be that we take this matter up as early on Monday morning as possible and finish it on Tuesday. Maybe we could even finish it Monday night with a long day. I hope we are not forced to do this bill by not having an opportunity to look at it. As you know, with the budget, we had some problems because we didn't have a chance to see it. Our problems over here were very minimal. On the House side, they had a lot of problems because they tried to jam that bill through.

So I say to my friend that I hope we have time to look at it. We understand there is a timeframe that we must work under. We have 20 hours. In addition to that, we have the break coming up. The leaders on the majority side want to finish this most important legislation prior to that time. I accept that. All I am saying is let us have enough time that we can tell people over here, with some degree of certainty, how big it is; that they will have an opportunity to look at parts they are interested in and have the staff review the whole bill.

Mr. NICKLES. Mr. President, I appreciate my friend and colleague's suggestion. I will just mention a couple of things. One, the bill that passed the Finance Committee last night passed by a vote of 14–6, a bipartisan bill by every definition. The bill that passed last night in the Finance Committee is the same one introduced by Chairman GRASSLEY and ranking member BAUCUS last Friday. It hasn't really changed. The information from the Joint Tax Committee is available. The analysis of the bill is available. The bill itself has now been reported, but it hasn't

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

changed. We did not change one provision. Not one amendment was adopted, so people don't have to worry about all the things that are different. It is a pretty simple bill. The rate reductions are pretty simple. They are there. They are not quite as good as I think they should be. I will be happy to explain the entire bill; I can do that. But the rate reductions are very timid, in my opinion. It takes 7 years to get the rate reductions enacted—6 years, I guess—2007 before they are finally enacted, with only a 1 point reduction for all the rates beginning in 2002. But we do have an immediate 10-percent rate.

So, anyway, those things are there. It is pretty easily understood. I hope we go to the bill tomorrow and have as much time as necessary on Thursday, on Friday, and a final vote on Monday with Senators able to offer amendments and to consider them.

The only thing that is complicated is that when you see the bill it will be thicker because the IRA pension provision that passed with over 400 votes in the House was included and that is very extensive, with multiple provisions, several little pieces involved, some of it somewhat complicated, but it does have overwhelming support in both the House and the Senate. So that will cause the bill to be thicker. You take that provision out, or leave that provision alone, and the rest of the bill is not all that complicated.

I urge our colleagues to talk to other members of the Finance Committee. We will get information out today. I hope we begin consideration on it tomorrow and finish it no later than Monday so we can have a chance to have a conference with our colleagues in the House and actually pass it prior to adjourning for the Memorial Day break. That means we have a lot of work to do both on the education bill and on the tax bill in the next week and a half. I think these next 9 days will be very productive for the American taxpayer and for the American public. I appreciate my colleague's question.

Mr. REID. If the assistant majority leader will yield, he is a member of the Finance Committee and has been working on this issue for a long period of time, along with 19 other Senators. Some of us are not on the committee and we do not have the knowledge of the tax provisions in that bill that many of you do. I think the Senator has done a good job of outlining how some of the facts are now available to us. I think that is a good suggestion and we can go to work on that, but even that having been done, I hope the majority will understand some of the feelings of the people over on this side who are not familiar with the legislation. We want to make sure we do not get into some kind of vote-athon at the end of the process, that we not be faced with that.

We will do our best to work, as we try to do all the time, with the majority, but I want to indicate that there are people over here concerned that they have not had the opportunity to know what is in the bill and have not had a chance to see the bill. We hope people will be understanding of some Members on this side.

Mr. NICKLES. I appreciate my colleague's suggestion. I will work to make sure everyone has available from the Finance Committee a short description of the bill so at least they will understand the major details of it.

With that, Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BIDEN. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BIDEN. Mr. President, after speaking with the Republican and Democratic sides, I understand there is room for 10 minutes for any Senator to proceed in morning business, and/or if I need to go over that 10 minutes, my Republican colleague indicated I may have some time. I will proceed and hopefully finish in 10 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Delaware is recognized.

Mr. BIDEN. I thank the Chair.

(The remarks of Mr. BIDEN and Mr. REID pertaining to the introduction of S. 899 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BIDEN. I suggest the absence of a quorum

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. ENSIGN). Morning business is closed.

BETTER EDUCATION FOR STUDENTS AND TEACHERS ACT

The PRESIDING OFFICER. The Senate will now resume consideration of the pending business, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965.

Pending:

Jeffords amendment No. 358, in the nature of a substitute.

Kennedy (for Dodd) amendment No. 382 (to amendment No. 358), to remove the 21st century community learning center program from the list of programs covered by performance agreements.

Biden amendment No. 386 (to amendment No. 358), to establish school-based partnerships between local law enforcement agencies and local school systems, by providing school resource officers who operate in and around elementary and secondary schools.

Voinovich amendment No. 389 (to amendment No. 358), to modify provisions relating to State applications and plans and school improvement to provide for the input of the Governor of the State involved.

Reed amendment No. 425 (to amendment No. 358), to revise provisions regarding the Reading First Program.

Leahy (for Hatch) amendment No. 424 (to amendment No. 358), to provide for the establishment of additional Boys and Girls Clubs of America.

Helms amendment No. 574 (to amendment No. 358), to prohibit the use of Federal funds by any State or local educational agency or school that discriminates against the Boy Scouts of America in providing equal access to school premises or facilities.

Helms amendment No. 648 (to amendment No. 574), in the nature of a substitute.

Dorgan amendment No. 640 (to amendment No. 358), expressing the sense of the Senate that there should be established a joint committee of the Senate and House of Representatives to investigate the rapidly increasing energy prices across the country and to determine what is causing the increases.

Wellstone/Feingold amendment No. 465 (to amendment No. 358), to improve the provisions relating to assessment completion bonuses.

Voinovich amendment No. 443 (to amendment No. 358), to amend the Higher Education Act of 1965 to extend loan forgiveness for certain loans to Head Start teachers.

Dayton modified amendment No. 622 (to amendment No. 358), to amend the Individuals with Disabilities Education Act to fully fund 40 percent of the average per pupil expenditure for programs under part B of such Act.

Hutchinson modified amendment No. 555 (to amendment No. 358), to express the sense of the Senate regarding the Department of Education program to promote access of Armed Forces recruiters to student directory information.

Harkin amendment No. 525 (to amendment No. 358), to provide grants for the renovation of schools.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that the pending amendments be set aside; that I be recognized in order to offer amendment No. 550; and that there be 15 minutes for me to present this amendment; further, following my statement, that my amendment be set aside and Senator BOXER be recognized in order to call up amendment No. 563 and there then be 1 hour equally divided for debate. Further, I ask that following the use or yielding back of time, the Senate proceed to a vote in relation to the Boxer amendment, and, finally, that there be no amendments in order to either amendment prior to the votes.

Mr. REID. Mr. President, reserving the right to object, the manager of the bill, who left for a minute, has asked that he be recognized for 5 minutes prior to the Boxer-Ensign amendment being called up. Will the Senator agree with that?

Mr. HUTCHINSON. Mr. President, I so amend my unanimous consent request.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 550

Mr. HUTCHINSON. Mr. President, I call up my amendment No. 550.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. HUTCHINSON] proposes an amendment numbered 550 to the language proposed to be stricken by the amendment No. 358.

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To liberalize the tax-exempt financing rules for public school construction)

On page 794, after line 7, in the language proposed to be stricken, add the following:

TITLE X—LIBERALIZATION OF TAX-EXEMPT FINANCING RULES FOR PUBLIC SCHOOL CONSTRUCTION

SEC. 1001. ADDITIONAL INCREASE IN ARBITRAGE REBATE EXCEPTION FOR GOVERNMENTAL BONDS USED TO FINANCE EDUCATIONAL FACILITIES.

(a) IN GENERAL.—Section 148(f)(4)(D)(vii) (relating to increase in exception for bonds financing public school capital expenditures) is amended by striking "$5,000,000" the second place it appears and inserting "$10,000,000".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to obligations issued in calendar years beginning after December 31, 2001.

SEC. 1002. TREATMENT OF QUALIFIED PUBLIC EDUCATIONAL FACILITY BONDS AS EXEMPT FACILITY BONDS.

(a) TREATMENT AS EXEMPT FACILITY BOND.—Subsection (a) of section 142 (relating to exempt facility bond) is amended by striking "or" at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting ", or", and by adding at the end the following new paragraph:

"(13) qualified public educational facilities.".

(b) QUALIFIED PUBLIC EDUCATIONAL FACILITIES.—Section 142 (relating to exempt facility bond) is amended by adding at the end the following new subsection:

"(k) QUALIFIED PUBLIC EDUCATIONAL FACILITIES.—

"(1) IN GENERAL.—For purposes of subsection (a)(13), the term 'qualified public educational facility' means any school facility which is—

"(A) part of a public elementary school or a public secondary school, and

"(B) owned by a private, for-profit corporation pursuant to a public-private partnership agreement with a State or local educational agency described in paragraph (2).

"(2) PUBLIC-PRIVATE PARTNERSHIP AGREEMENT DESCRIBED.—A public-private partnership agreement is described in this paragraph if it is an agreement—

"(A) under which the corporation agrees—

"(i) to do 1 or more of the following: construct, rehabilitate, refurbish, or equip a school facility, and

"(ii) at the end of the term of the agreement, to transfer the school facility to such agency for no additional consideration, and

"(B) the term of which does not exceed the term of the issue to be used to provide the school facility.

"(3) SCHOOL FACILITY.—For purposes of this subsection, the term 'school facility' means—

"(A) any school building,

"(B) any functionally related and subordinate facility and land with respect to such building, including any stadium or other facility primarily used for school events, and

"(C) any property, to which section 168 applies (or would apply but for section 179), for use in a facility described in subparagraph (A) or (B).

"(4) PUBLIC SCHOOLS.—For purposes of this subsection, the terms 'elementary school' and 'secondary school' have the meanings given such terms by section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), as in effect on the date of the enactment of this subsection.

"(5) ANNUAL AGGREGATE FACE AMOUNT OF TAX-EXEMPT FINANCING.—

"(A) IN GENERAL.—An issue shall not be treated as an issue described in subsection (a)(13) if the aggregate face amount of bonds issued by the State pursuant thereto (when added to the aggregate face amount of bonds previously so issued during the calendar year) exceeds an amount equal to the greater of—

"(i) $10 multiplied by the State population, or

"(ii) $5,000,000.

"(B) ALLOCATION RULES.—

"(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the State may allocate the amount described in subparagraph (A) for any calendar year in such manner as the State determines appropriate.

"(ii) RULES FOR CARRYFORWARD OF UNUSED LIMITATION.—A State may elect to carry forward an unused limitation for any calendar year for 3 calendar years following the calendar year in which the unused limitation arose under rules similar to the rules of section 146(f), except that the only purpose for which the carryforward may be elected is the issuance of exempt facility bonds described in subsection (a)(13).".

(c) EXEMPTION FROM GENERAL STATE VOLUME CAPS.—Paragraph (3) of section 146(g) (relating to exception for certain bonds) is amended—

(1) by striking "or (12)" and inserting "(12), or (13)", and

(2) by striking "and environmental enhancements of hydroelectric generating facilities" and inserting "environmental enhancements of hydroelectric generating facilities, and qualified public educational facilities".

(d) EXEMPTION FROM LIMITATION ON USE FOR LAND ACQUISITION.—Section 147(h) (relating to certain rules not to apply to mortgage revenue bonds, qualified student loan bonds, and qualified 501(c)(3) bonds) is amended by adding at the end the following new paragraph:

"(3) EXEMPT FACILITY BONDS FOR QUALIFIED PUBLIC-PRIVATE SCHOOLS.—Subsection (c) shall not apply to any exempt facility bond issued as part of an issue described in section 142(a)(13) (relating to qualified public educational facilities).".

(e) CONFORMING AMENDMENT.—The heading for section 147(h) is amended by striking "MORTGAGE REVENUE BONDS, QUALIFIED STUDENT LOAN BONDS, AND QUALIFIED 501(c)(3) BONDS" and inserting "CERTAIN BONDS".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after December 31, 2001.

Mr. HUTCHINSON. Mr. President, I know we have had a healthy debate on education and on the need for our educational infrastructure around the country. What we can all agree on is that many schools in the country are in desperate need of repair and improvement. Just because we can agree on a problem, however, doesn't mean we agree on the appropriate solution. I think the proposal of the distinguished Senator from Iowa to create a new school construction program provides an illustration of this point. We have a big difference on how we ought to approach the solution.

The bill before us maximizes the impact of limited Federal dollars by focusing them on programs for which there is a clear and historical Federal role. Creating a new facilities grant program in the Department of Education, I believe, will raise false hopes and divert our energy away from the urgent task of securing more funding for programs such as IDEA for which there is a clear and unequivocal established Federal responsibility.

The Finance Committee earlier—a few weeks ago—agreed to some measures to provide relief in the area of school construction in the Affordable Education Act. This was bipartisan. This came from the Finance Committee with broad support. It addresses this issue of school construction in a far more constructive and advantageous way. I want to offer, in my amendment, the provisions of that Affordable Education Act dealing with school construction to S. 1.

The first provision is directed at innovative financing for school districts. It expands the tax-exempt bond rules for public-private scholarships set up for construction, renovation, or restoration of public school facilities in these districts. In general, it allows States to issue tax-exempt bonds equal to $10 per State resident.

Each State would be guaranteed, under this provision, a minimum allocation of at least $5 million of these tax-exempt bonds. In total, up to $600 million per year in new tax-exempt bonds would be issued for these innovative school construction projects. This provision is important because it retains State and local flexibility. It does not impose a new bureaucracy on the States, and it does not force the Federal Government to micromanage school construction.

I cannot think of a more counterproductive step for us to take than for the Federal Government to get into the business of school construction and to assume an unprecedented role in that which has been historically, traditionally left to States and local governments.

The provision also is important because it promotes the use of public-private partnerships. Many high-growth school districts may be too poor or too overwhelmed to take on a school construction project themselves. With these bonds, those districts can partner with a private entity and still enjoy the benefits of tax-exempt financing.

It is worth noting that there already is a significant Federal subsidy for school construction. Under current law, States and localities can issue debt that is exempt from Federal taxation. This benefit allows them to finance school construction by issuing long-term bonds at a lower cost than they otherwise could. Moreover, the evidence shows that States and localities are taking advantage of this provision, this benefit, in the current tax law. In the first 6 months of 1996, voters approved $13.3 billion in school bonds, an increase of more than $4 billion over the first 6 months of 1995.

The bottom line is that many States and localities are doing their homework, passing bonds, building and renovating schools, and enjoying favorable treatment under the existing Tax Code. They are doing all this without significant Federal involvement.

I do not have to remind my colleagues that school construction has always been the province of State and local governments. It is important that we preserve that prerogative. It is important that we ensure that the Federal Government not preempt this traditional role of State and local government.

President Clinton stated in 1994, "The construction and renovation of school facilities has traditionally been the responsibility of State and local governments financed primarily by local taxpayers." In that respect, at least, I agree with former President Clinton.

There is a second bond provision in this bill.

That provision is designed to simplify the issuance of bonds for school construction. Under current law, arbitrage profits earned on investments unrelated to the purpose of borrowing must be rebated to the Federal Government. However, there is an exception generally referred to as the small issuer exception which allows governments to issue up to $5 million of bonds without being subject to the arbitrage rebate requirement.

We recently increased this limit to $10 million for governments that issue at least $5 million of public school bonds during the year.

The provision in the Finance Committee bill which I offer now as an amendment increases the small issuer exception to $15 million provided that at least $10 million of the bonds are issued to finance public schools. This measure will assist localities in meeting school construction needs by simplifying their use of tax-exempt financing.

At the same time, it will not create incentives to issue such debt earlier or in larger amounts than is necessary. It is a type of targeted provision that makes good sense.

I reaffirm there is consensus that there is a problem in the area of dilapidated schools, but there is a huge diversion on how we ought to address that problem. There are those who want to start a new categorical Federal grant program involving the Federal Government in a role that has always been left to State and local governments, a program that will, as all Federal programs, mushroom in the years ahead, a path we need not nor should we go down.

The provision I am offering is a better way. It addresses the issue of school construction in an appropriate way for the Federal Government and a provision that has broad bipartisan support in that it passed the Finance Committee on March 13 by a 20–0 vote. This is a better approach as we seek to assist local schools and State governments in their traditional role of building school facilities.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. GRASSLEY. Mr. President, I rise in opposition to the Hutchinson amendment. This tax amendment is not appropriate at this time. The pending underlying legislation is not a revenue bill.

If this amendment passes, this important bill will be potentially subject to a "blue slip" by the House. A "blue slip" would in effect kill this bill and the Senate would have to start anew.

Therefore, a tax amendment at this time would unnecessarily jeopardize the good work of the Committee on Health, Education, Labor, and Pensions.

I would note that this provision regarding private activity bonds for school construction is contained in the Finance Committee bill passed yesterday, and that bill will be taken up tomorrow for consideration.

I have had a very long history on this matter of encouraging school construction, and specifically this very language that is contained in the amendment. I am very pleased that I was able to include this school construction bond language in the tax bill and look to hopefully having it signed into law.

For these reasons, while I know that the Senator has offered this amendment with the best of intentions, unfortunately, I must respectfully oppose this amendment.

Mr. HUTCHINSON. Mr. President, I ask unanimous consent to lay this amendment aside at this time.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from California.

Mrs. BOXER. Mr. President, what is the pending business?

The PRESIDING OFFICER. The Senator, under the order, is authorized to offer her amendment.

Mrs. BOXER. I thank the Chair for being such a strong supporter of afterschool programs for children. I ask unanimous consent that Senators ENSIGN and DODD be added as original cosponsors of this amendment on afterschool programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 563, AS MODIFIED, TO AMENDMENT NO. 358

Mrs. BOXER. Mr. President, there is a typing error in the amendment that deals with the sense-of-the-Senate part that called "billion" "million." I received concurrence that I may ask for that to be modified, and I so ask.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is modified, and the clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from California [Mrs. BOXER], for herself, Mr. ENSIGN, and Mr. DODD, proposes an amendment numbered 563, as modified, to amendment No. 358.

Mrs. BOXER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. JEFFORDS). Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To express the sense of the Senate regarding, and authorize appropriations for, part F of title I of the Elementary and Secondary Education Act of 1965)

At the end of title IX, add the following:

SEC. 902. SENSE OF THE SENATE; AUTHORIZATION OF APPROPRIATIONS.

(a) SENSE OF THE SENATE.—Congress finds that—

(1) Congress should continue toward the goal of providing the necessary funding for afterschool programs by appropriating the authorized level of $1,500,000,000 for FY 2002 to carry out part F title I of the Elementary and Secondary Education Act of 1965.

(2) This funding should be the benchmark for future years in order to reach the goal of providing academically enriched activities during after school hours for the 7,000,000 children in need.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out part F of Title I of the Elementary and Secondary Education Act of 1965—

(1) $2,000,000,000 for fiscal year 2003;
(2) $2,500,000,000 for fiscal year 2004;
(3) $3,000,000,000 for fiscal year 2005;
(4) $3,500,000,000 for fiscal year 2006;
(5) $4,000,000,000 for fiscal year 2007; and
(6) $4,500,000,000 for fiscal year 2008.

Mrs. BOXER. I thank the Chair.

Mr. President, I am very pleased to be offering this amendment which deals with afterschool programs in our country. The purpose of this amendment is very clear. It is to ensure that every child who needs an afterschool program in our Nation will have that opportunity. This amendment does that by authorizing sufficient funds over the next 6 years so that no child has to be a latchkey child.

What do I mean by a latchkey child? That is a child who comes home after school, both parents are working, no one is in the home, and they, in some cases, can get into trouble.

How do we know this? We know this because the FBI tells us that most crime occurs among juveniles right after school. One can see on this chart that the juvenile crime rate peaks at the hour of 3 p.m. and continues and finally starts to go down in the evening hours. We know that juvenile crime occurs after school; that latchkey children do get into trouble after school. It is very clear. That is why we have so many police officers all over this Nation supporting our amendment and supporting afterschool programs in general.

If one looks at this chart, one can see all of the various law enforcement organizations that support the amendment of Senator ENSIGN and myself: The National Association of Police Athletic and Activity Leagues, Fight Crime, Invest in Kids, National Sheriffs Association, Major Cities Police Chiefs, Police Executive Research Forum, National District Attorneys Association, California District Attorneys Association, Illinois Association of Chiefs of Police, Texas Police Chiefs Association, Arizona Sheriffs and Prosecutors Association, Maine Chiefs and Sheriffs Associations, Rhode Island Police Chiefs' Association.

This is a partial list of police organizations across the country that support this amendment. They understand that once a crime is committed and they are called in, it is very late in the game. I have talked with police officers who look me in the eye and say there used to be a divide between the social workers and the police officers when it came to juvenile crime. There is no longer a divide.

The police officers understand, because they are on the street, that if kids are kept busy and they are kept happy, we see a lessening of the crime rate, and that is why quality afterschool programs are so important.

I am very pleased that with Senator JEFFORDS' leadership, along with Senator KENNEDY, we have sufficient funding in this year's bill of $1.5 billion for the year 2002. If we play that out, which is what we do in our legislation, and we continue the increase just to meet the need, we will be able to cover 7 million children in afterschool programs by the year 2008.

This bill is about reform, and I am for reform, but clearly if we reform our schools during the day, but then kids are left to fend for themselves after school, all the benefits of that reform and testing could well be lost. That is why it is so important that we add this afterschool component, not just for this year as we have in this bill but we play it out for the 6-year authorization.

We need places that are safe for our children, protected places, productive places for them to go.

Let me show a couple pictures because pictures tell a story and are worth a thousand words.

This is a photo from our Sacramento afterschool program where they have called in special people. This gentleman is an expert with animals. He brought in this crocodile. The kids are so taken with it. One can see the look on their faces. These kids are happy, they are excited, they are happy to be in school, they are learning about nature, and they are not getting into trouble.

I have another photograph. This one is also from Sacramento. One can see the young people are engaged in a board game, and there is an older mentor sitting with them. Again, they are productive and happy. It is another way of showing what afterschool programs can do.

It is instructive to hear what the kids themselves say about afterschool programs. There is a great program in Los Angeles called LA's Best. I have visited it. It is a shining example of what we can do right for our children. This is a student at 68th Street Elementary School:

> LA's Best is the best place to be after school. I like the games and the work. I like going to the computer lab . . . I like going to the library, but most of all I like the people.

And then we have another student from Hillcrest Drive Elementary School:

> If we didn't have LA's Best, I would probably still be going home to an empty house.

No child should have to go home to an empty house. No child should have to be tempted to get into trouble after school. We can do this.

I often say that it was Dwight Eisenhower who really started the Federal role in education. It is true the States do the majority of it, but what he pointed out was that when there is a void, we have an obligation to move in to assist the schools—not tell them what to do but to offer them the resources.

That is what this amendment is all about. We are taking your $1.5 billion, Mr. President, that you have put in this bill and we are extending it out so we can make sure every schoolchild in this country gets afterschool supervision.

At this time, it is my pleasure to yield 10 minutes to the Senator from Nevada, Mr. ENSIGN, who is the original cosponsor of my amendment.

Mr. ENSIGN. Mr. President, I am pleased to rise today in support of the sense of the Senate being offered by the junior Senator from California on the 21st Century Community Learning Centers program.

The 21st Century Community Learning Centers provide a safe-haven for children during the after-school hours. They provide students in rural and inner-city public schools with access to homework centers, tutors, mentors, and drug and alcohol prevention counseling, as well as cultural and recreational activities. Nationwide, these centers serve over 615,000 children per year in over 3,600 public schools.

There are an estimated 8 million "latch-key kids" who go home every day to an empty house after school. Approximately 35 percent of 12 year-olds are regularly left alone while their parents are at work. Parents need a viable alternative to leaving their children alone.

According to the Department of Education, children who regularly attend high-quality after-school programs have better peer relations and emotional adjustment, better grades and conduct in school, more academic and enrichment opportunities, spend less time watching television, and have lower incidences of drug-use, violence, and pregnancy. This makes sense considering that studies by the FBI have found that the peak hours for juvenile crime and victimization are from 2 p.m. to 8 p.m.

My home State of Nevada receives four grants from this program, which serve numerous elementary, middle, and high schools across the state. Recently a news crew was visiting one of the 21st Century Community Learning Center sites in Las Vegas and asked the children why they liked coming to the program. The children responded more enthusiastically than the reporter had anticipated, stating that the program had helped them improve their grades from D's and F's to A's and B's, and was a safe and fun place for them to go after school.

I am committed to ensuring that our schools have the assistance they need to ensure that our children leave the public education system as well-rounded individuals. Children attending public schools should not only be proficient in reading, writing, and arithmetic, but should also be skillful in music, art, and athletics.

I hope that my colleagues will support this amendment to prove that Congress is willing to provide the 21st Century Community Learning Centers program with the much-needed support that it deserves.

Mr. President, on a personal note, when I was growing up with a single mother—my mom worked—at times she wasn't home for us latchkey kids and we did not have these types of programs after school. I will tell you that I was on my road to a life of crime because of the situation. I was very fortunate that later in life my mom got remarried and was able to quit her job and stay home with us; but a lot of parents are not in that kind of a situation. There is no question that direct supervision helped me turn away from a life of juvenile delinquency into now what, obviously, has become a productive life. At least I like to think of it that way.

I think of many children, though, in the same situation that I was in, go home after school with nothing to do. Back then, my friends and I would say: What are we going to do today? We would think of numerous ways to get in trouble.

Now, the things that we did back then, which we don't want to mention today, were not exactly good things to do but are mild compared to what a lot of the kids are into today because of the influences we have in our society. So for us to use programs such as this, programs that are working to make a difference and giving children positive things to do, I think these programs should be applauded and supported. We should work to eliminate wasteful Government spending, but when Government programs such as this are working, we should all be getting behind them and say: Let us fund these programs; let us make sure that they are working effectively. Hold them accountable for their results. But as long as they are providing the results they have been, I think we should continue to support them.

Mr. President, I yield the floor, and I thank the junior Senator from California for allowing me to participate in her amendment.

(Mr. ENSIGN assumed the Chair.)

Mrs. BOXER. Mr. President, I hope our colleagues in their offices and doing their work heard the remarks of my colleague from Nevada. I think he was eloquent because he spoke from the heart and from his own life experience. His own life experience underscores the need for this amendment and what we are trying to do. You can take the best kid in the world, but if they are home alone after school and they are very lonely and they do not have guidance, bad things can happen, and bad things do happen.

I want to show, again, the chart by the FBI which underscores exactly what my friend was saying as far as when crime occurs. If you look at the chart, it is very clear. Juvenile crime starts climbing right after school and it peaks right after school, and eventually, as the parents come home, the crime rate goes down. So it is not, as we say, rocket science to understand that we can do a tremendous amount for our children.

The other point my friend made which I thought was important was that he has heard stories from his own State, where they use some of these funds, that the academic performance of the children is also improving.

I have seen programs in Richmond, CA, where the local Police Athletic League serves over 400 students and the juvenile crime rate has decreased by 36 percent as a result of the afterschool program. It is documented. The scores are going up.

In Hemet, CA, we have, again, the police athletic and activities league serving over 2,500 students in that afterschool program. There has been a 29-percent decrease in juvenile crime and the scores are getting better.

In Highland Park, MI, the 21st Century Learning Center reports a 40-percent drop in juvenile crime after the implementation of their programs and the scores are getting better.

In Brooklyn, at the Cyprus Hills Center, it was reported that 72 percent of the program participants improved their grades by 35 percentage points in one or more of their classes. This is a proven winner.

In Chatanooga, TN, absentee days dropped from 568 days to 135 days. That is an amazing drop. Why is it? Because the children are doing their homework after school. They are getting support after school. They are getting mentoring after school, and it works.

In Plainview, AR, the 21st Century Learning Center implemented an abstinance program that resulted in no pregnancies in their high school graduating class for the first time in years. Before this program, there were 16 pregnancies in 1998. I did not mention that. I showed you the crime rate. What I did not tell you is the teen pregnancy situation is traced back to afterschool hours.

So, Mr. President, what you said is so, so true. We know it from our own experience when we were children growing up. We know it as we watch the new afterschool programs take hold.

I have been in public office for 25 years now and I have worked hard in a number of areas, but I have to say one of my proudest moments was bringing the first afterschool amendment down to the floor of the Senate many years ago where we were then spending $40 million a year on afterschool programs. And working together across party lines, and at that time working with the President, we were able to see this program go up to $800 million and is now serving many children.

But still, we have 7 million children to go and we will not rest, all of us here, across party lines, who care about kids, until we make sure that every child has an alternative, every child has an option.

In closing, I would like to say our children are good kids. Unfortunately, we always seem to spotlight the bad kids, the kids who get in trouble. I have to say, I believe all children are gifts from God and all children deserve to be honored. They all come on this Earth and they deserve to be honored. We do not honor our children if we do not invest in them.

These are not huge investments, these are really quite small investments. When we invest in a child in a way that is positive, where we give that child that Head Start, that Early Start, that Jump Start, where we then send them to quality public schools where we then have quality afterschool programs, we are going to see the vast majority of social problems in our Nation will be resolved. This is what I believe. Are you going to miss the boat on a few kids? Of course. Are you going to have a kid who simply will not respond? Of course. But that is a rarity.

So I think this amendment, as it was spoken to by Senator ENSIGN in such an eloquent way, where he traced back his childhood, where he remembered what it was like to be alone, without supervision, to be floundering and perhaps to be steered into a life from which you can never really come back—that kind of situation should not be present for any of our children in this Nation.

I hope very much we will have bipartisan support, that we will be able to pass this overwhelmingly and send a clear signal to our children that they are important before school, during school, and after school.

Mr. President, I reserve the remainder of my time.

Mr. KENNEDY. I wonder if the Senator will be good enough to yield me 5 minutes.

Mrs. BOXER. I am delighted to yield Senator KENNEDY as much time as he may require.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I thank Senator BOXER and Senator ENSIGN for this amendment. I think this amendment is enormously important. In this whole debate on elementary and secondary education we are now making a commitment to the families and to the country that we are going to have the funding for these reforms which are in this legislation, which I support; also, that we are not going to leave children who have limited-English-speaking ability behind. We had a good debate on that. We are only reaching 25 percent of those children.

As a result of the amendment of the Senator from Arkansas—we had a good debate on this—a decision was made that we were not going to be satisfied to leave behind any children who had those challenges.

Now with this amendment we are saying we are not going to leave behind any of the children who need afterschool services. That is what this amendment is really all about. We are making our commitment to the children in the classroom with supplementary services, with good teachers, and we have made a commitment to make sure we are going to have good teachers. We are making sure we are going to have the bilingual support children are going to need. We are not leaving anyone behind. This amendment is saying the same with regard to afterschool programs.

As the Senator from California understands, this program, the afterschool program, was the most oversubscribed program of any in the Clinton administration, with quality programs. There were not any other programs that could come close to it. That is a reflection of the demand in the local communities. That is a reflection of what is happening out there in communities all across this country.

As has been pointed out, there are 7 million children going to be home alone. Under the existing legislation, we cover a little more than a million of them. But the importance of this program is that we are moving in a glidepath to reach out to these children, all 7 million. It will take some time, but that is the best we can do at this time.

What we are saying to those children about their afterschool situation is, we as a country believe this time for you is important. For many of us who have seen these afterschool programs, we know what an extraordinary difference they make in enhancing the child's not only academic ability but confidence. Also, the children work with other children. In many of the centers in Massachusetts you have older children working with younger children. That has made a big difference in the older children's attitude about the program. It has made a big difference in the private sector.

I can take you to places in Boston where many companies are coming in and talking about graphic arts and photography, which are not being taught in the schools. It just clicked children's minds open. Children who were indifferent in school are tying into photography or graphic arts in ways they could not have imagined and are now interested in going to school.

It can also provide pathways for children in sports and athletics, with all the lessons in life that come from competing and participating in sports.

This makes sense. It is of key importance. These afterschool situations can be enormously important and significant for the supplementary services that are necessary and needed for children. We have seen that particularly in the Boys Clubs and Girls Clubs in Boston, how they are working providing all these supplementary services.

If we are really going to do the job for children in this country, which I believe this President wants to do, and we are committed to do in this legislation, this amendment is enormously important, far beyond the resources that are being talked about here, making a real difference in quality education and investment in the children.

I commend the Senator. I certainly hope this amendment will be adopted.

The PRESIDING OFFICER. Who yields time?

Mr. JEFFORDS. I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. JEFFORDS. Mr. President, I commend the Senator from California for what she is doing with this very wonderful program. I introduced the original legislation which resulted in this program. It was modeled after a school I found in Vermont which had the foresight to understand the need to extend the child's time in school, or on the school grounds, and to give them constructive things to do, something educational during the period of time before they can go home and find someone there to greet them.

Actually, it came further in the past than that. When I had the opportunity to visit the former Soviet Union, not too long after the end of the Soviet Union in that sense, I visited what were called Pioneer Palaces. They were spread throughout the Soviet Union. I visited them. I found what they did. From the time school ended, from 3 in the afternoon until 6 at night, every child was required to do something that was constructive and hopefully leading toward some occupation or whatever. As you walked around, you found people learning how to be cosmonauts, 8- or 9-year-olds. Then as you went further, you saw people very intensely working on musical instruments and all sorts of things. Every child was required to find something to do that was constructive during that period.

As we know, as the Senator from Nevada pointed out, the studies show how important it is, in the time from the midafternoon until suppertime, to keep young people fully occupied. Crime, pregnancies—almost all of that results from behavior during that period of time.

So I have a certain feeling of thankfulness for the way this program has grown. President Clinton grabbed onto a program which had a little bit of funding and had the foresight to make it into a really well funded program.

I thank the former President for doing that, but right now it is up to us to do all we can to make sure this kind of a program is available as far across this land as possible and in such numbers that at least every young person ought to have an opportunity to have a fulfilling full day rather than just the hours at school.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mrs. BOXER. Has all my time expired?

The PRESIDING OFFICER. The Senator has 6½ minutes.

Mrs. BOXER. I ask unanimous consent that Senator FEINGOLD be given 6 minutes to speak on another topic since no one else is in the Chamber to speak against my amendment. We can take the rest of the time or whatever the Presiding Officer wishes.

The PRESIDING OFFICER. The Senator yields time?

Mrs. BOXER. OK. I yield 6 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Wisconsin is recognized.

Mr. FEINGOLD. I thank the Senator very much for her amendment and for her help in getting me time to speak.

(The remarks of Mr. FEINGOLD are located in today's RECORD under "Morning Business.")

Mr. FEINGOLD. Mr. President, I, again, thank the ranking member, the chairman, and the Senator from California for their generosity in giving me this time.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. As I understand, there is one-half hour in opposition, which is not being used at this time. For the benefit of the membership, the time has been established to vote. We are prepared to do that. I think the leadership has stated a time for the convenience of the Members. If there is no objection, I will talk a little bit about what the afterschool programs have meant to children, and as soon as any Member comes to speak in opposition to the amendment, I will be glad to yield the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I will proceed on that basis.

Mr. President, I will mention some success stories. I regret I missed the splendid presentation by the present Presiding Officer earlier today, but I look forward to reading it in the RECORD. I have been told by a number of my colleagues what a moving story it was. I thank the Senator for sharing that with this body.

I will mention a few of the individual success stories that we have seen in Boston. We have a program called From 2 To 6. It is available to all children up to the age of 13 in Boston. Let me mention some of the experiences which we have seen in that program.

There is a young student named Natalia. When Natalia started in the Gardner Extended Services School in Allston in the middle of the 1999 school year, she could not read, write, or perform basic arithmetic. They suggested that Natalia enroll in its afterschool program to receive extra support in both her academics and her study skills. With the help of a certified teacher, a teacher's aide, and several Boston College tutors, Natalia showed significant progress.

Currently, Natalia is in the second grade and is performing at grade level in all academic areas of the classroom. She is maintaining a solid B average. Natalia is also now participating in many extracurricular activities, such as the African Dance Club and swimming lessons at the YMCA.

Michael: In 1999, 11-year-old Michael spent afterschool time playing Nintendo, and as the end of the school year approached, he began to hang around with a group of kids who were affiliated with a local gang. His mother grew concerned and enrolled Michael in the summer camp program run by the East Boston YMCA Program Center.

At first Michael was not very responsive. However, as the summer progressed, he learned how to swim and became more confident in his athletic abilities. By the end of the summer, he made a lot of friends and also started to mentor the 5- and 6-year-olds. He also continued to attend the afterschool program when school started again. He got sort of hooked on it through the course of the summer. Many of his new friends were going to the afterschool program, too. Since being involved in the program, all of his teachers have commented about the progress he has made. He now receives A's and B's on his report card And enjoys outdoor activities.

Edgar from Roxbury first came to the B.E.L.L. Foundation's BASICs program at the Jackson/Mann Elementary School in Allston in the fall of 1998 as a second grader. He was a friendly, outgoing, energetic student, but he couldn't read and didn't know the alphabet. Edgar was embarrassed to work on academics with other students his age because he was well below grade level in literacy. They paired him with a one-on-one tutor, and he worked hard to improve but became frustrated when he didn't see immediate results.

Seeing that Edgar might need more support, his tutor encouraged him to get to know a fifth grader name Jesus. They both had many things in common. Both were recent immigrants from Brazil. They loved wrestling, making people laugh. One day a tutor overheard Jesus say to Edgar: I know you're having a hard time reading. I did, too, when I first came here, and I promise you that it will get easier.

A year later, Edgar is now completing grade level work in school and getting good grades. He also helps his peers who are having a hard time reading. It was the afterschool program that has made the difference.

We have example after example of these programs. The 2–6 program, as I mentioned, is primarily for children 12 or younger. We know that this particular program will reach the children in middle school and high school, and that is something which is very much in need and is one of the principal reasons we are working now to see its support.

I mentioned the Institute for Student Achievement in six New York school districts which is a school-based afterschool program that provides counseling and academic assistance to middle and high school students who are struggling in school. The programs, STAR, Success Through Academic Readiness, and COMET, Children of Many Educational Talents, provide tutoring, academic enrichment activities, and computer-assisted instruction. Community service and family involvement are also key components of the afterschool programs. Every STAR student has graduated from high school, and 96 percent have gone on to college. Test scores at Hempstead High School on Long Island have improved dramatically since the afterschool program began.

This is the tie-in between the core program that we are talking about in terms of the classroom. What goes on in the classroom is the key: obviously, a well-trained teacher, good curriculum, accountability, the range of different challenges that exist in the classroom. We see these afterschool programs and what has happened. When you have effective afterschool programs associated with schools in terms of providing those supplementary services, the children improve academically significantly.

I mentioned this excellent series of afterschool programs in six New York districts that the students have been attending, and 96 percent have gone on to college. The test scores of the Hempstead High School on Long Island, which is sort of the major high school in the center of these activities, have improved dramatically since the afterschool program began. The State removed the school from its list of low-performing schools 1 year ahead of schedule.

Here was a school that was in trouble. With the development of the afterschool programs and the supplementary services that were provided, we see the very positive impact that had on the academic achievement in the school. This is the point which has been made by the two sponsors of this legislation.

In Pennsylvania, the Rand Corporation, when evaluating afterschool programs supported by Foundations, Inc. in the Philadelphia area, found fourth graders in the program outperformed comparison students in reading, language arts, and math. The Rand Corporation is a tough, independent organization that does evaluations of various programs. Their own evaluation of afterschool programs, in this case in Philadelphia, which is very much challenged in terms of their school systems, has shown some results.

In Ohio, the University of Cincinnati, when evaluating the Ohio Hunger Task Force urban afterschool initiative, found fourth graders in the program exceeding the statewide percentage of students meeting proficient standards in math, writing, reading, citizenship, and in science.

In Texas, the Lighted Schools Project, in Waco, TX, provides over 650 middle school students with a safe, supervised environment during after hours. The program targets at-risk youth, although all middle school students can participate in free activities, including sports, crafts, special events, and institutions. Students have access to primary health care and programs to enhance self-confidence, violence prevention, the dangers of drug and alcohol abuse, conflict resolution, and to receive tutoring and homework assistance.

These programs also have a very positive effect in terms of reducing the violence in school and, in this particular case, the dangers of alcohol abuse and also the conflict resolution, important initiatives which are taking place in schools.

We have some enormously impressive ones in Massachusetts started by the former Attorney General Harshbarger and continued and expanded by Attorney General Reilly on conflict resolutions. And we have had as well in many of our schools the AmeriCorps students involved with the students in what they call Peace Games. It is a rather interesting concept where they just do it for an hour once a week. And what it is, they take large popcorn cans, jars, and they take extended rubber bands. Then they all pick up the popcorn cans and pile them on top of each other to make a design.

The fact is, they all have to work together because if one loosens the end of the rubber bands, the popcorn can will fall. And as they build it, they will work it out so they will have 10 students working together in order to construct it. They play games with it about what part of the class can do it. Then they have classes against each other, just 1 hour a week. It is supervised by the AmeriCorps children. It has had an incredible impact in terms of reducing conflict and violence among the students in that school. It is called Peace Games.

These are the range of activities. These are the kinds of hands-on local initiatives that are taking place in these afterschool programs that are helping. They have demonstrated a positive impact in terms of academic achievement.

I know time is running out now. I could give the example in the reduction in terms of teenage pregnancies.

The interesting sad effect is about 80 percent of teenage pregnancies happen during the afterschool time, between 3 in the afternoon and 7 o'clock at night.

The fact that we have these afterschool programs has had a positive impact in reducing teenage pregnancies, in many instances, more effectively than some of the other programs that have been tried. Reducing violence, academic achievement, bringing children who may have fallen somewhat further behind because of the fact maybe they didn't get into the Head Start program, maybe they didn't get the early interventions in terms of help in literacy as they were starting through school, all these kinds of initiatives have helped.

This amendment is really an outreach. It is going to bring up all of these children that perhaps have fallen through the cracks at one place or another and help to bring them on into hopefully the academic setting, and then, with the other parts of the legislation working, if they are funded—they are not funded, but they have to be funded—can really make a difference.

Mrs. BOXER. Will the Senator yield?

Mr. KENNEDY. Yes.

Mrs. BOXER. I am taken with my colleague's analysis because there are very few things we do that have such a beneficial effect in so many ways. As my colleague said: We are looking at a program, after school, that helps kids improve their scores; that is, the academic achievement.

We are seeing a program that keeps kids out of trouble. That is why all the police organizations support after school, and the PAL group supports it. We are talking about a reduction in teen pregnancy, which is absolutely documented because of these programs. We are talking about the ability of kids to learn to work together. There is one other thing, I say to my friend, he didn't mention directly, but he hinted at it. If there is a child who falls through the cracks who may have an emotional problem—and we all looked at this when we looked at the Columbine tragedy and other places where kids have acted out in horrible ways. It is a chance for a professional to see a child who really needs help. It gives a chance for that one-on-one.

My colleague from Nevada pointed out that there is a chance for kids to learn better English, make sure their skills in the language are improved. It is very rare that you see a program that does so many things. Of course, someone is going to slip through the cracks. But this is one that I think is so crucial. I am proud to have the support of my colleague from Massachusetts and the Senator from Vermont.

Mr. KENNEDY. One final point. This is the Milwaukee project. Public schools, law enforcement, community-based organizations, and residents provide safe havens at neighborhood sites for children. There were 8,400 youth participating. The Milwaukee project provides homework tutoring assistance, recreational games, arts and crafts. The program helped reduce the crime rate in neighborhoods participating in the project by providing youth with alternative activities during afterschool hours.

In the 15 months following the inception of the program, the crime rate dropped 21 percent in the neighborhoods that had these afterschool programs—law enforcement, teenage pregnancy, substance abuse, violence, academic achievement, and accomplishment.

Mr. JEFFORDS. May I interrupt for a unanimous consent request?

Mr. KENNEDY. Yes.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the vote on the Boxer amendment occur at 11:15 a.m.

Mr. REID. Mr. President, reserving the right to object, I say to my friend, the manager of the bill for the majority, we have been waiting for I don't know how many days to conclude the Harkin amendment. We are waiting for a second-degree amendment to be filed by the majority. This is one of the most important amendments in this whole legislation. I suggest we should move on and just vote on Harkin if a second-degree amendment is not going to be offered.

I will just alert everybody that I hope perhaps after this vote it will be ready because each hour we are told it is almost ready. It must be a doozy if it is taking this long to prepare.

Mr. JEFFORDS. My understanding is there will be a second-degree amendment.

Mr. REID. We know that, and we are waiting. We have tried to be cooperative. We could have filled the tree ourselves. We want to have good feelings on both sides about the way this legislation moves. We hope that maybe it can be filed when we finish the vote on the Boxer amendment.

Mr. JEFFORDS. I will meet with the Senator. I hope we can go forward with this vote.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The PRESIDING OFFICER (Mr. BUNNING). The question is on agreeing to the amendment of the Senator from California.

The yeas and nays have not been ordered.

Mrs. BOXER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Missouri (Mrs. CARNAHAN) is absent attending a funeral.

I further announce that, if present and voting, the Senator from Missouri (Mrs. CARNAHAN) would vote "aye."

The result was announced—yeas 60, nays 39, as follows:

[Rollcall Vote No. 105 Leg.]

YEAS—60

Akaka
Allen
Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Byrd
Campbell
Cantwell
Carper
Chafee
Cleland
Clinton
Collins
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Ensign
Feingold
Feinstein
Graham
Harkin
Hollings
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Mikulski
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Smith (OR)
Snowe
Specter
Stabenow
Torricelli
Warner
Wellstone
Wyden

NAYS—39

Allard
Bennett
Bond
Brownback
Bunning
Burns
Cochran
Craig
Crapo
DeWine
Domenici
Enzi
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Kyl
Lott
Lugar
McCain
McConnell
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Stevens
Thomas
Thompson
Thurmond
Voinovich

NOT VOTING—1

Carnahan

The Amendment (No. 358) was agreed to.

Mrs. BOXER. I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I believe the manager of the legislation is going to offer a unanimous consent request we have worked out that will allow us to have some morning business for Senators who wish to speak for a brief period of time and for Senator AKAKA to offer his amendment and also to get to a vote this afternoon on a Reed of Rhode Island amendment.

Let me plead with the Members, though, if we could avoid interruptions as much as we could today. Senators KENNEDY and JEFFORDS and others working on the legislation are trying very hard to make progress on the education bill. When we have interruptions for other issues, Senators tend to get away from the floor, and it slows us down. We want to try to finish this legislation at a reasonable time next week. I thank Senators JEFFORDS and KENNEDY and REID for trying to make that happen.

At this point, we thought the fair thing was to work out an agreement where we could have a brief period of morning business and then return to the bill. Senator JEFFORDS has an agreement we are ready to offer.

Mr. JEFFORDS. I have one which will be here momentarily.

Mr. LOTT. If I could inquire while we are waiting, is it correct then that Senator AKAKA will have an amendment right after morning business?

Mr. KENNEDY. The Senator is correct. As I understand, it will take 2 to 3 minutes for Senator AKAKA to raise this amendment, and hopefully it will be accepted. If not, we will accept it at a later time. Then we put into effect the understanding that the Senator from Rhode Island, Mr. REED, would offer his libraries amendment and to vote at a quarter of 2. Then we would have the time, as the leader has announced, so there would be a brief period for morning business so that from three to four Senators would be able to address the Senate.

Mr. LOTT. Would Senator REED be ready to go immediately after this sequence is lined up?

Mr. REED. There is a modification of my amendment which is being reviewed by your staff and Senator JEFFORDS' staff. If that is in order, then I believe we will have to wait until I get word.

Mr. LOTT. Does the Senator have a unanimous consent request?

Mr. JEFFORDS. Yes, I do.

Mr. LOTT. Go ahead then.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that Senator AKAKA now be recognized to call up amendment No. 407 and there be up to 5 minutes under his control. I further ask unanimous consent that the following Senators be recognized as in morning business for the following times: Senator HELMS, up to 15 minutes; Senator KERRY, 10 minutes; Senators BAUCUS and JEFFORDS, 5 minutes each. I further ask unanimous consent that following the morning business, Senator REED of Rhode Island be recognized to call up and modify his amendment No. 425 and the time between then and 1:45 be equally divided, with no second-degree amendments in order, and that the vote occur in relationship to the amendment at 1:45 today.

The PRESIDING OFFICER. Is there objection?

The Senator from Rhode Island.

Mr. REED. Mr. President, reserving my right to object, the modification is critical, whether or not the modification is accepted by your side. I wanted to clarify, the modification has been accepted in your unanimous consent request?

Mr. JEFFORDS. It is in the UC.

Mr. REED. I thank the Senator.

Mr. BAUCUS. Mr. President, reserving the right to object, I regret I was not present on the floor when the leader and the chairman and ranking member of the committee were proposing a unanimous consent request.

Mr. JEFFORDS. The Senator has 5 minutes.

Mr. BAUCUS. I do not object.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 407 TO AMENDMENT NO. 358

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. AKAKA. Mr. President, I have an amendment at the desk, amendment No. 407. I ask that it be called up.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Hawaii [Mr. AKAKA] proposes an amendment numbered 407.

Mr. AKAKA. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To strike the provision requiring recognition by the Governor of Hawaii of certain organizations primarily serving and representing Native Hawaiians)

On page 548, lines 2 and 3, strike "which are recognized by the Governor of the State of Hawaii".

Mr. AKAKA. Mr. President, this amendment makes a technical change to section 4118 of S. 1, and would allow organizations that primarily serve Native Hawaiians to compete for grants under this section. The current language in the bill requires the Governor to recognize the Native Hawaiian institution as a condition for consideration for the grant. This amendment would remove this requirement, thereby streamlining this process and allowing more organizations to apply for these grants. I urge adoption of this amendment.

The PRESIDING OFFICER. Is there further debate on the amendment of the Senator from Hawaii?

Mr. KERRY. Mr. President, I don't intend to debate it, but Senator KENNEDY indicated he would be right back. I don't know if he intends to speak. I wanted to protect his right to do that.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to amendment No. 407.

The amendment (No. 407) was agreed to.

Mr. AKAKA. Mr. President, I move to reconsider the vote.

Mr. JEFFORDS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I ask unanimous consent that it be in order for me to deliver my remarks seated at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. HELMS pertaining to the introduction of S. 894 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. AKAKA. Mr. President, with respect to my previously agreed upon amendment No. 407, I ask unanimous consent that the instruction line conform to the Jeffords substitute amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Massachusetts is recognized for 15 minutes.

Mr. KERRY. I thank the Chair.

(The remarks of Mr. KERRY and Mr. FRIST pertaining to the introduction of S. 895 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

AMENDMENT NO. 425, AS MODIFIED

Mr. REED. Mr. President, pursuant to the unanimous consent under consideration there will be a vote scheduled on my amendment at 1:45. At this time I ask unanimous consent to make a modification to amendment No. 425. I send that modification to the desk for immediate consideration.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment (No. 425), as modified, is as follows:

On page 203, between lines 20 and 21, insert the following:

"SEC. 1228. IMPROVING LITERACY THROUGH SCHOOL LIBRARIES.

"(a) IN GENERAL.—From funds made available under subsection (d) for a fiscal year, the Secretary shall allot to each State educational agency having an application approved under subsection (c)(1) an amount that bears the same relation to the funds as the amount the State educational agency received under part A for the preceding fiscal year bears to the amount all such State educational agencies received under part A for the preceding fiscal year, to increase literacy and reading skills by improving school libraries.

"(b) WITHIN-STATE ALLOCATIONS.—Each State educational agency receiving an allotment under subsection (a) for a fiscal year—

"(1) may reserve not more than 3 percent to provide technical assistance, disseminate information about school library media programs that are effective and based on scientifically based research, and pay administrative costs, related to activities under this section; and

"(2) shall allocate the allotted funds that remain after making the reservation under paragraph (1) to each local educational agency in the State having an application approved under subsection (c)(2) (for activities described in subsection (f)) in an amount that bears the same relation to such remainder as the amount the local educational agency received under part A for the fiscal year bears to the amount received by all such local educational agencies in the State for the fiscal year.

‘‘(c) APPLICATIONS.—

‘‘(1) STATE EDUCATIONAL AGENCY.—Each State educational agency desiring assistance under this section shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary shall require. The application shall contain a description of—

‘‘(A) how the State educational agency will assist local educational agencies in meeting the requirements of this section and in using scientifically based research to implement effective school library media programs; and

‘‘(B) the standards and techniques the State educational agency will use to evaluate the quality and impact of activities carried out under this section by local educational agencies to determine the need for technical assistance and whether to continue funding the agencies under this section.

‘‘(2) LOCAL EDUCATIONAL AGENCY.—Each local educational agency desiring assistance under this section shall submit to the State educational agency an application at such time, in such manner, and containing such information as the State educational agency shall require. The application shall contain a description of—

‘‘(A) a needs assessment relating to the need for school library media improvement, based on the age and condition of school library media resources, including book collections, access of school library media centers to advanced technology, and the availability of well-trained, professionally certified school library media specialists, in schools served by the local educational agency;

‘‘(B) how the local educational agency will extensively involve school library media specialists, teachers, administrators, and parents in the activities assisted under this section, and the manner in which the local educational agency will carry out the activities described in subsection (f) using programs and materials that are grounded in scientifically based research;

‘‘(C) the manner in which the local educational agency will effectively coordinate the funds and activities provided under this section with Federal, State, and local funds and activities under this subpart and other literacy, library, technology, and professional development funds and activities; and

‘‘(D) the manner in which the local educational agency will collect and analyze data on the quality and impact of activities carried out under this section by schools served by the local educational agency.

‘‘(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $500,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

‘‘(e) WITHIN-LEA DISTRIBUTION.—Each local educational agency receiving funds under this section shall distribute—

‘‘(1) 50 percent of the funds to schools served by the local educational agency that are in the top quartile in terms of percentage of students enrolled from families with incomes below the poverty line; and

‘‘(2) 50 percent of the funds to schools that have the greatest need for school library media improvement based on the needs assessment described in subsection (c)(2)(A).

‘‘(f) LOCAL ACTIVITIES.—Funds under this section may be used to—

‘‘(1) acquire up-to-date school library media resources, including books;

‘‘(2) acquire and utilize advanced technology, incorporated into the curricula of the school, to develop and enhance the information literacy, information retrieval, and critical thinking skills of students;

‘‘(3) facilitate Internet links and other resource-sharing networks among schools and school library media centers, and public and academic libraries, where possible;

‘‘(4) provide professional development described in 1222(c)(7)(D) for school library media specialists, and activities that foster increased collaboration between school library media specialists, teachers, and administrators; and

‘‘(5) provide students with access to school libraries during nonschool hours, including the hours before and after school, during weekends, and during summer vacation periods.

‘‘(g) ACCOUNTABILITY AND CONTINUATION OF FUNDS.—Each local educational agency that receives funding under this section for a fiscal year shall be eligible to continue to receive the funding for a third or subsequent fiscal year only if the local educational agency demonstrates to the State educational agency that the local educational agency has increased—

‘‘(1) the availability of, and the access to, up-to-date school library media resources in the elementary schools and secondary schools served by the local educational agency; and

‘‘(2) the number of well-trained, professionally certified school library media specialists in those schools.

‘‘(h) APPLICABILITY.—The provisions of this subpart (other than this section) shall not apply to this section.

‘‘(i) SUPPLEMENT NOT SUPPLANT.—Funds made available under this section shall be used to supplement and not supplant other Federal, State, and local funds expended to carry out activities relating to library, technology, or professional development activities.

‘‘(j) NATIONAL ACTIVITIES.—From the total amount made available under subsection (d) for each fiscal year, the Secretary shall reserve not more than 1 percent for annual, independent, national evaluations of the activities assisted under this section. The evaluations shall be conducted not later than 3 years after the date of enactment of the Better Education for Students and Teachers Act, and each year thereafter.

Mr. REED. Mr. President, this modification deals with my underlying amendment which would authorize funding for the acquisition of library books and library materials for our school libraries across the country. This original amendment I offered on behalf of myself and Senator SNOWE, Senator CHAFEE, Senator KENNEDY, and others.

While I was debating the amendment initially, there was some concern raised by my colleague and friend, Senator COLLINS from Maine, that my amendment would in some way detract from the President's Reading First Initiative. I support that initiative and compliment both him and Senator COLLINS. It is focused on raising the literacy of our children across the country. It is an effort that has to be undertaken and I am pleased it is being undertaken.

I want to make it clear that my proposed amendment to restore funding for school libraries is a complement to the President's program and not a subtraction from that program. The modification to the amendment does just that. It clarifies that what I am attempting to do is add to the Reading First Initiative and not subtract from it.

My amendment will complement the President's initiative and Senator COLLINS' correcting amendment that were unanimously adopted last week in this Chamber. It will do that by providing an essential part of any literacy program, and that is high-quality reading material.

The President's focus and Senator COLLINS' focus is improving the instruction with respect to reading skills and literacy in this country, which is an important goal. But it cannot be fully accomplished, the goal of having literate American students, without also having high-quality reading material. Most people understand this intuitively. It is one thing to teach the techniques of reading; it is something else to open up to children a realm of discovery and wonder and opportunity by having good, high-quality school libraries—we hope in every school in this country.

I see my proposal as a very important component of the overall strategy of the Reading First Initiative. This is a proposal that would essentially allow local communities to receive Federal resources to acquire library materials: books and the materials necessary for a modern, up-to-date school library.

It would give extraordinary flexibility and discretion to local communities because it would allow them to make the choice of what is the most appropriate material. It responds to an obvious need throughout this country and the need is chronic, and that is to provide for good school libraries.

Unfortunately, if you travel throughout this country, if you go back to your home State, and you visit school libraries, most of those collections are out of date; most of those collections have not been renewed and have not been improved over many years. This is not because of the intentions or the wishes of local authorities. The reality is, library acquisitions are the type of program that can be put off year to year to deal with more pressing needs, and year 1 becomes year 2, which becomes year 3, and you find yourself, as we find ourselves in so many schools across this country, in a situation where the library is deplorable.

We know that good libraries are connected to good literacy skills and, for the purpose of this legislation, good results on tests—both standardized tests and nonstandardized tests. The latest results in the National Assessment of Educational Progress show that from 1992 to the year 2000, reading scores have remained flat for fourth graders. One aspect of that finding is the fact that there are too many schools in this country where the library books are out of date and inadequate, in addition to problems with teaching the mechanics of reading. We have to solve both problems if we really want to see test results take off.

As you find throughout the country, in looking at different studies, there is a clear indication that well-stocked, modern, up-to-date school libraries contribute directly to success on achievement tests. And that seems obvious to most people because libraries are the places which will have the information, but are also attractive to young people. They will want to go to the library because it is modern, up to date, interesting, exciting—all the things we want education to be in this country.

One of the reasons why school libraries are in such poor condition is the lack of dedicated funding. In the beginning of our efforts to improve elementary and secondary education in 1965, in the confines of the first Elementary and Secondary Education Act, we provided for specific funding for school libraries. However, several years later, we rolled all of this funding into one block grant, title VI. As a result, the commitment to libraries, because of local pressures to spend on other endeavors, has resulted in a situation across the country of very poor school libraries. We can do better. When we improve school libraries, as I indicated before, we improve the performance of students.

It has been found in one study that for every school, in every grade level, in which there was a strong school library and strong school library services, there were improvements in test scores regardless of social and economic factors in the particular community. This study was conducted in States such as Colorado, Pennsylvania, and Alaska. So it is not a regional effect; it is not an urban effect versus a rural effect; it is the effect of good libraries in the schools. These findings echo earlier findings which found that students in schools with well-equipped libraries and staff performed better on achievement tests for reading comprehension and basic research skills.

Interestingly enough, the President has appointed, as his nominee for Assistant Secretary for Elementary and Secondary Education at the U.S. Department of Education, Dr. Susan Neuman. Dr. Neuman, a professor at Temple University, is a nationally renowned expert in early literacy development. She has written about the importance of books in developing and enhancing the literacy skills of children.

Dr. Neuman wrote an article in the Reading Research Quarterly entitled "Books Make A Difference: A Study of Access to Literacy." She talked about a literacy program in Pennsylvania childcare centers and concluded that access to books matters and is critical for early literacy; children exposed to books outperformed a control group on every measure of early literacy abilities.

That is the distinguished individual who has been nominated by President Bush to be the key individual with respect to elementary and secondary education. Through her academic research, she has concluded that access to high-quality library material—books and other materials—is critical to literacy. I think that is a compelling argument that my initiative today will complement the President's approach to literacy training through our schools in this country.

As I said, if you go through the school libraries of America today, the books are terribly out of date. I could rattle off another litany of arcane books that are inaccurate, politically incorrect, stereotypical, out of date, that talk about the fact that someday we might land on the Moon. But I believe most people at this point understand that because you have been in your communities; you have looked at your schools; you have been in schools where the library is an old closet or it is at the end of a hallway that is not being used. You have been in schools where you can take books off the shelves and the copyright is 1967. In fact, some of them are still stamped: "Elementary and Secondary Education Act of 1965," indicating from where they originally came.

So we can do better. We have to particularly do better when it comes to disadvantaged students because we know this is one of the particular burdens urban school systems and poorer rural school systems bear. That is where the resources do not filter down into the library.

If what we are asking and demanding is that these young, low-income, disadvantaged children do well on tests, then we have to give them the tools to do that job—not just training in literacy but give them the books that will allow them to practice what they have been taught and open up worlds of excitement and information and knowledge to them. That is what I hope my bill can do.

We are going to, I hope and believe, train these teachers because of the President's initiative. But without the books to complement that training, I do not know if in fact we are going to make the progress we need to make.

We also understand this is a burden that is increasingly more difficult for local communities to bear. The price of an average school library book today is about $16. Yet it has been estimated that across the country the average amount of money expended per pupil on library material is $6.75 in elementary schools, $7.30 in middle schools, and $6.25 in high schools. And that is an average. I think you can understand there are some wealthy communities that are spending more, but there are a lot of very poor communities. So we can help. It is important, I believe, to help.

We want to go ahead and ensure that our children have excellent instruction in literacy but also excellent access to books so that they can in fact be literate, not just during the schoolday but throughout the day, not just as students but we hope as lifelong learners. My amendment will, I hope, do that.

It would provide $500 million in funding support for school libraries. It would not take away any resources from the President's Reading First Initiative. It also would target the funding to the poorest schools because we know that is the greatest need. We know that is where the library budget is usually close to zero. We know there we can make a difference—and we should make a difference.

It would provide great flexibility to these schools. There would be no standardized issue of books from Washington or elsewhere. It would allow local communities to make decisions about what they purchase. It would allow them to use these resources to train library specialists. And it would also establish, we hope, or inspire resource-sharing initiatives as exist in Ohio and Rhode Island, so that school libraries could be linked to academic libraries and to public libraries, to broaden the reach of the library program in each school.

It would also allocate funding on a formula basis to school districts, so that all needy districts and schools get the assistance they need to improve their libraries.

I believe it is very important to adopt this amendment in the context of this reauthorization. This bipartisan amendment is cosponsored by Senators SNOWE, KENNEDY, CHAFEE, BINGAMAN, WELLSTONE, MURRAY, CLINTON, SARBANES, JOHNSON, BAUCUS, LEVIN, REID of Nevada, ROCKEFELLER, DURBIN, DAYTON, and SCHUMER. It is supported by the American Library Association, the Association of American Publishers, and a wide array of educational organizations. It is a bipartisan amendment.

Let me again, for the record, reiterate several points.

My proposal does not create a separate standalone program. It incorporates school library acquisition funding as a component of the Reading First Program. This approach is as old as the Elementary and Secondary Education Act reauthorization. In 1965, when we first committed ourselves at the national level to help elementary and secondary schools, an important part of that commitment was helping school libraries directly to acquire books and library material.

I know there is a desire to consolidate many programs, but we have seen, at least in the case of the library program, where this consolidation has led to a diminution of resources for school libraries. If we are serious about literacy, we have to enhance the resources for school libraries.

So I urge that this amendment be adopted. I urge that we get on with the great task before us of ensuring that every child has access to excellent instruction in reading and also excellent books to read.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I believe I have time allotted as in morning business.

The PRESIDING OFFICER. That is affirmative.

(The remarks of Mr. JEFFORDS pertaining to the introduction of S. 897 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. JEFFORDS. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, if the Senator from Rhode Island will be good enough to yield 5 minutes, I would like to rise to express my great appreciation to my good friend from Rhode Island for pursuing this issue regarding quality libraries in our schools across this country.

Among many other education issues, the Senator from Rhode Island has devoted an enormous amount of time, attention, efforts, and energy, to the issue of school libraries. Today, he has put before the Senate an extremely thoughtful amendment and one that is extraordinarily compelling. He has thought a great deal about the state of libraries in the nation's schools, and has consulted with many who have worked on this issue throughout the course of their lives.

I was disappointed that, at the time of our markup of this legislation, we were unable to embrace Senator REED's proposal. Historically, we have made a major national commitment to reading. We have supported outstanding programs that promote literacy in young children, such as the Reading Is Fundamental Program, and the Everyone Wins Program, which was shepherded by the chairman of our committee, Senator JEFFORDS. Our efforts to promote and increase literacy have targeted all ages, from early literacy programs to those that serve adults later in life.

President Bush has also placed a tremendous emphasis on the importance of reading. He has furthered our commitment made last year in the Reading Excellence Act, through his Reading First and Early Reading First proposals in ESEA.

However, the idea of launching a major national literacy program without a commitment to the nation's libraries defies rational thought. We all understand the importance of reading, and we all recognize that schools—especially low-performing schools—which devote greater attention to reading early in the school day, for 60 or 90 minutes, will have greater success in ensuring that all students are strong readers. Prince George's County in Maryland has increased their results on statewide assessments of student performance, and reading was a key element of that increase. If we plan to make a commitment in terms of reading as a matter of national purpose, that commitment must be accompanied by a commitment to the libraries in our children's schools.

The idea that we do not have an effective, comprehensive library program is just missing the most basic, fundamental recognition of the relationship between a reading program and libraries. It defies understanding and explanation.

The Senator has reminded us that we have failed in the past to devote the proper attention to libraries and their impact on literacy. The Senator from Rhode Island now offers an amendment which is a responsible one, as well as one that I am very hopeful will be accepted.

I would like to take the opportunity to mention some comments from groups that have lent their support to this amendment. The Association of American Publishers states:

> It is a national disgrace that we live in the most technologically advanced nation in the world, yet our K-12 school libraries are packed with outdated books and materials. For our children to succeed in today's digital world, they first must learn to read and read well, and therefore need access to school libraries containing up-to-date information.

The American Library Association asserts:

> Many of the nation's school libraries have collections that are old, inaccurate, and out of date. How can we encourage children to read, continue their education in college and become life-long learners if the material we have available for them is inadequate?

We must give adequate attention to reading. Any that fail to support this amendment really fail to appreciate the relationship between literacy and libraries. This amendment is a very responsible one that makes a great deal of sense. I commend the Senator from Rhode Island for bringing this amendment forward. We have all been dilatory in understanding this very important and major hole in our educational system. The good Senator is going to help us to address it with his amendment. I am very hopeful that it will have overwhelming support.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Rhode Island.

Mr. REED. Mr. President, I thank Senator KENNEDY for those insightful words and also for his leadership on this legislation. He, along with Chairman JEFFORDS, has been battling and moving along to try to bring, ultimately, a bill that will improve education in the United States.

I believe, as evidenced by this amendment, that one very pragmatic, practical way to do this is to help local communities acquire library materials for their schools. In fact, I am always amazed that there is any controversy about this issue. It seems to me to be the most obvious complement to the President's program for literacy and also one of those programs which doesn't raise issues of curriculum, doesn't raise issues of local control, doesn't raise issues of any seriousness.

Frankly, I hope that each of my colleagues will recognize that allowing local communities, local school systems to buy books is something we should be doing and not rejecting.

I hope that at 1:45, when the roll is called, we will have the strongest possible support. This is a bipartisan initiative, cosponsored, along with many Senators, by Senators SNOWE and CHAFEE. I hope we can get a good, solid vote for school libraries when this roll is called.

I reserve the remainder of my time and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REED. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REED. Mr. President, I understand the quorum call is being charged to my time. I ask unanimous consent that, pursuant to the unanimous consent agreement, it be evenly divided and charged equally to both sides.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. REED. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REED. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REED. Mr. President, I ask unanimous consent to be allowed to speak for 5 minutes at the conclusion of the quorum call and prior to the vote.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. REED. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BOND. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOND. I ask the pending amendment be set aside.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 476, AS MODIFIED

Mr. BOND. Mr. President, I call up amendment No. 476 and send a modification to the desk.

The PRESIDING OFFICER. Without objection, the clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. BOND] proposes an amendment numbered 476, as modified.

Mr. BOND. I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To strengthen parental involvement)

On page 763, lines 23, insert "(including statewide nonprofit organizations)" after "organizations".

On page 764, line 4, strike "(including parents of preschool age children)" and insert "(including parents of children from birth through age 5)".

On page 764, line 17, insert "(including statewide nonprofit organizations)", before the comma.

On page 765, line 4, insert "and Parents as Teachers organizations" after "associations".

On page 765, line 14, insert "(including a statewide nonprofit organization)" before "or nonprofit".

On page 767, line 23, strike "part of" and insert "at least ½ of".

On page 768, line 2, insert "or other early childhood parent education programs" before ";".

On page 769, line 22, insert "(such as training related to Parents as Teachers activities)" before the semicolon.

On page 770, line 8, strike "and".

On page 770, line 12, strike the period and insert "; and".

On page 770, between lines 12 and 13, insert the following:

"(6) to coordinate and integrate early childhood programs with school age programs.

Mr. BOND. Mr. President, I understand my colleague from Rhode Island has requested 5 minutes. I intend to do this briefly. But I think it is very important that we consider this issue. I believe the amendment can be accepted on both sides to make sure that we deal properly with early childhood education.

I have come to this Chamber many times to state that research has now verified what parents have known instinctively for generations, and teachers will tell us time after time that the first years of life are absolutely crucial development periods for children. How well the parent handles that early time with the child will determine how well that child performs in school later on. Infant brain development occurs very rapidly. The sensations and experiences of this time go a long way toward shaping the baby's mind in a way that has long-lasting effects on all aspects of the child's life.

We have learned in Missouri from a program called Parents As Teachers that we can assist parents and families to be better in playing this role that is key to the child's development. Early positive interaction between parents and guardians plays a critical role.

A child's education and mental development begin very early in life. Through this amendment, we seek to ensure the continued support of families with the youngest children to find the early childhood parent education programs that can help those families and parents provide supportive, stimulating environments we know all children need.

We must focus on the earliest years before formal schooling. We know that half of the child's mature intelligence develops in those first critical 3 years.

This amendment provides no new money. All the amendment does is clarify that the early childhood and early childhood parent education is to be a key focus of title VI, Part A.

I have talked about the Parents As Teachers Program that really was developed in Missouri. I managed to carry it statewide when I was Governor. One of the great successes is that it now has over 150,000 families in Missouri, with 200,000 children benefiting from it. If you want to find out whether it is working, I just ask that you go and talk to the parents who have been in the program. They are the ones who can tell you it works. We have scientific assessments that show it works.

The PAT, the Parents As Teachers, is an early childhood-parent education program that empowers all parents—regardless of income level, regardless of social condition—to give their children the best possible start in life.

We have programs now in all 50 States and in 6 foreign countries.

It provides information to parents on child development from birth to age 5. It has voluntary participation. It is tailored to meet the needs of each parent, and it is often included as part of Even Start and other title I programs. We have found it works very well with Head Start.

The PAT Program benefits the children, but it also helps the parents develop the confidence to take an active role in their children's education.

Earlier this year, I received a report from the Missouri Department of Elementary and Secondary Education: The School Entry Assessment Project. The findings throughout are that the highest performing children in schools are the ones whose parents have participated in Parents As Teachers. It further shows that special needs children who participate in Parents As Teachers in preschool, in addition to an early childhood special education, are rated by teachers as being similar in preparation to the average child.

These findings sum it all up. Parents As Teachers works. It works for children raised in households of all income levels. It works for children who are home schooled. It works for children with special needs.

My amendment makes certain that priority is given to these programs, such as Parents As Teachers, HIPPY, and others. For any of my colleagues who would like a fuller description of it, I happen to have a few pamphlets available. You can contact my office, and I will provide you with that.

Mr. President, I ask unanimous consent that a 2-page summary of the evaluation of Parents As Teachers be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EVALUATIONS OF PARENTS AS TEACHERS

A PARTIAL LIST

In 1985, an independent evaluation of the Parents as Teachers (PAT) pilot project was conducted. Evaluators randomly selected 75 project families from a group of 380 first-time parents representing Missouri's urban, rural and suburban communities, and, from the same communities, 75 comparison families who had not received PAT services. Posttest assessments of children's abilities and parents' knowledge and perceptions showed that PAT children at age three were significantly more advanced in language, problem-solving and other intellectual abilities, and social development than comparison children. PAT parents were more knowledgeable about child rearing practices and child development.

(Pfannenstiel, J., and Seltzer, D. Evaluation report: New Parents as Teachers project. Overland Park, KS: Research & Training Associates, 1985.)

A follow-up study of the pilot project showed PAT children scored significantly higher on standardized measures of reading and math at the end of first grade than did comparison children. In all behavorial areas assessed by their teachers, the PAT participant children received higher ratings than the comparison group children. A significantly higher proportion of PAT parents initiated contacts with teachers and took an active role in their child's schooling.

(Pfannenstiel, J. New Parents as Teachers project follow-up study. Overland Park, KS: Research & Training Associates, 1989.)

Results of the 1991 Second Wave evaluation of the PAT program's impact on 400 randomly selected families enrolled in 37 diverse school districts across Missouri indicated both children and parents benefited. At age three, PAT children performed significantly higher than national norms on measures of language and intellectual abilities, despite the fact that the Second Wave sample was over-represented on all traditional characteristics of risk. More than one-half of the children with observed developmental delays overcame them by age three. Parent knowledge of child development and parenting practices significantly increased for all types of families. There were only two documented cases of abuse and neglect among the 400 families over a three-year period.

(Pfannenstiel, J., and Lambson, T., and Yarnell, V. Second wave study of the parents as teachers program. Overland Park, KS: Research & Training Associates, 1991.)

A follow-up study of the Second Wave sample was initiated in 1993 to assess the longer-term impacts of program participation. This study focused on the early school experiences and peformance of the PAT children, and their parents' involvement in their children's school and in activities to support learning in the home. PAT children scored high on measures of complex and challenging tasks. Overall, the relative level of achievement children demonstrated at age three on completion of the PAT program was maintained in the first (or in some cases second) grade. This held true despite broad diversity in children's experiences with preschool, child care, kindergarten and primary grades. PAT parents demonstrated high levels of school involvement, which they frequently initiated.

(Pfannenstiel, J. Follow-up to the second wave study of the Parents as Teachers program. Overland Park, KS: Research & Training Associates, 1995.)

A series of studies of PAT program participation and school readiness has been carried out in the Binghamton, New York School District. Children enrolled in kindergarten in Binghamton in 1992 were tested in pre-kindergarten and again in kindergarten. PAT children had significantly higher cognitive, language, motor, and social skills than non-participants. These advanced skills led to higher grades in kindergarten and lower remedial and special education costs in first grade. PAT families also had substantially reduced welfare dependence and half the number of suspected child abuse and neglect cases compared to comparison groups. When assessed again in second grade, PAT children continued to perform better on standardized tests and required fewer remedial and special education placements.

(Drazen, S., and Haust, M. Increasing children's readiness for school by a parental education program. Binghamton, NY: Community Resource Center, 1994; Drazen, S. and Haust, M. The effects of the Parents and Children Together (PACT) program on school achievement. Binghamton, NY: Community Resource Center, 1995; Drazen, S., and Haust, M. Lasting academic gains from and home visitations program. Binghamton, NY: community Resource Center, 1996.)

A study demonstrating the effectiveness of PAT was conducted by the Parkway School District, a large suburban district in St. Louis County. Third graders who had received PAT with screening services from birth to age three scored significantly higher on standardized measures of achievement than non-participating counterparts. PAT children had a national percentile rank of 81, while non-participating students had a rank of 63 on the Stanford Achievement Test, with a significant difference in scores on all subtests. The study also reported PAT graduates were less likely to receive remedial reading assistance or to be held back a grade in school. PAT "graduates" continued to significantly outperform non-PAT children on the Standard Achievement test in fourth grade.

(Coates, D. Early childhood evaluation. Missouri: A report to the Parkway Board of Education, 1994. Coates, D. Memo on one-year update on Stanford scores of students—early childhood evaluation study group. St. Louis County, MO: Parkway School District, Dec. 26, 1996.)

Researchers in North Carolina have followed 97 families who were involved in the Rutherford County PAT program beginning in 1991. The PAT children were compared to 61 children whose families did not receive PAT services, and another 61 whose families received a quarterly educational newsletter from PAT, but no direct services. Children were assessed upon entry into kindergarten. the PAT children outperformed children from both comparison groups on measures of cognitive, language, motor, and self-help skills, with significant differences on the language and self-help measures. Also, PAT parents talked to their children significantly more often about their daily activities.

(Coleman, M., Rowland, B., and Hutchins, B. Parents as Teachers: policy implications for early school intervention. Paper presented at the 1997 annual meeting of the National Council on Family Relations, Crystal City, VA: November 9, 1997; Parents as Teachers: Kindergarten screening final report. Rutherford County, VA: Rutherford County Schools, May, 1998.)

A 1999 study of kindergarten readiness involved 3,500 kindergartners from randomly selected districts and schools across Missouri. Results showed that children who participated in PAT had significantly higher readiness scores than children who did not, as rated by both kindergarten teachers trained in the evaluation process and by parents. The study also showed that PAT in combination with other kinds of preschool experiences (home child care, center-based child care, preschool, Head Start) resulted in higher kindergarten readiness scores for children.

(Pfannenstiel, J. and Barr, S. School entry assessment; the power of PAT participation. Paper presented at the Parents as Teachers Annual International Conference. St. Louis, Mo. June 1999.)

Mr. BOND. Mr. President, studies and reports have shown that PAT children at age 3 are found to be significantly more advanced than comparison children in language, problem solving, and social development. Often, through participation in PAT, learning problems or development delays are identified and treated early.

PAT parents are more confident in their parenting abilities and knowledge. The great thing is, PAT hooks parents early on which means that they are more likely to stay involved in their children's schooling.

We all know that we can have all the programs in the world and can provide all the funding possible, but one of the main ingredients to a child's success in school is the involvement of the child's parents in the child's education.

As I said, earlier this year I received a copy of a report from the Missouri Department of Elementary and Secondary Education. The report was the "School Entry Assessment Project". The summary of findings reinforced my interest, support, and commitment to PAT. The findings of the report are as follows:

1. When Parents as Teachers is combined with any other pre-kindergarten experience for high-poverty children, the children score above average on all scales when they enter kindergarten.

2. The highest performing children participate in PAT and preschool or center care. Among children who participate in PAT and attend preschool, both minority and non-minority children score above average. Children in both high-poverty and low-poverty schools who participate in PAT and attend preschool score above average when they enter kindergarten.

3. Among children whose care and education are sole home-based, those whose families participate in PAT score significantly higher.

4. Special needs children who participate in PAT and preschool in addition to an early childhood special education program are rated by teachers as being similar in preparation to the average child.

5. Head Start children who also participate in PAT and another preschool score at average or above when they enter kindergarten.

This findings sum it all up. PAT works. PAT works for children raised in household of all income levels. PAT works for children who are home-schooled. PAT works for our special needs children.

My amendment makes certain that priority is given to programs such as PAT and other early childhood parent education programs.

With that, Mr. President, I urge my colleagues to support this amendment.

I yield the floor.

AMENDMENT NO. 425, AS MODIFIED

The PRESIDING OFFICER. There are 5 minutes of debate remaining under the control of the Senator from Rhode Island.

Mr. REED. Mr. President, I will reiterate the importance of this amendment and summarize it. But I also understand that the Senator from Maine is here, and I am delighted and honored to yield 1 minute to her.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, I commend the Senator from Rhode Island for his work on this issue. He has been a long-time, strong advocate for improving libraries in our Nation's schools. I was pleased to work with him in refining parts of this amendment to make sure that it did not take funds away from the important reading programs.

I thank the Senator from Rhode Island for his efforts and pledge my support for the amendment.

Mr. President, I ask unanimous consent to be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. COLLINS. Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. I thank the Senator from Maine not only for her gracious statement and her support but also for her leadership on the Reading First Literacy Program, the President's program. As we all know, last week unanimously we adopted her amendment which focused and refined the President's proposal. I believe, as Senator COLLINS believes, that a complement to that program is the program that I am supporting today, which would allow local communities to acquire library materials for their school libraries. I thank her very much for her cooperation, her leadership, and her collaboration on this effort.

Mr. President, let me just emphasize what my amendment, as modified—working closely with Senator COLLINS—would do.

It is designed to complement the President's approach to literacy, to improve reading so that those improvements in reading can be translated to better academic performance and better performance throughout a person's entire life.

It gives flexibility to the States. It authorizes $500 million. It is a targeted program going to the poorest schools because that is where the greatest need is. It allows local communities the flexibility to decide what library materials they need for their school libraries.

It is a bipartisan effort. I am so delighted to have been joined at this point by Senator COLLINS, along with Senator SNOWE and Senator CHAFEE, and many colleagues.

It is an amendment that is supported by the American Library Association and the Association of American Publishers.

It is important to note, as was suggested by my colleague, Senator COLLINS, what the amendment does not do. It does not preempt or distort the President's program, the Reading First Initiative. It is not a new program or a separate program. It is part of America First, and is as old as the Elementary and Secondary Education Act.

In 1965, the first time this Congress spoke out decisively to help local schools, a large part of that was direct funding for school libraries. In fact, those books, in some cases, are still on the shelves today.

Interestingly, the President has appointed Dr. Susan Neuman as his nominee to be Assistant Secretary for Elementary and Secondary Education. Her research shows that books are important. In fact, she published an article in "Reading Research Quarterly," the title of which is, "Books Make A Difference: A Study of Access to Literacy." My amendment could properly be subtitled: "Books Make A Difference."

We have a strong program for reading instruction, for literacy, championed by Senator COLLINS, but books make a difference. We can make that difference by supporting the Reed amendment.

Again, the President has entrusted Dr. Neuman with the implementation of this literacy program. I hope that she would echo today my comments here and say: Once again, books do make a difference.

I hope that when the roll is called in just a few moments we will have strong bipartisan support for this amendment which will allow local communities to acquire the materials they need so their children—every child in this country—can succeed.

With that, Mr. President, I yield the floor and reserve whatever time I have.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

All time having expired, under the previous order, the pending amendment is laid aside, and the question occurs on agreeing to Reed amendment No. 425, as modified.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REED. I announce that the Senator from Missouri (Mrs. CARNAHAN) is absent attending a funeral. I further announce that, if present and voting, the Senator from Missouri (Mrs. CARNAHAN) would vote "aye."

The PRESIDING OFFICER. (Mr. DAYTON). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 69, nays 30, as follows:

[Rollcall Vote No. 106 Leg.]

YEAS—69

Akaka
Allen
Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Byrd
Campbell
Cantwell
Carper
Chafee
Cleland
Clinton
Cochran
Collins
Conrad
Corzine
Daschle
Dayton
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Feingold
Feinstein
Fitzgerald
Graham
Grassley
Harkin
Hollings
Hutchison
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Lugar
McCain
Mikulski
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Sessions
Shelby
Smith (OR)
Snowe
Specter
Stabenow
Torricelli
Warner
Wellstone
Wyden

NAYS—30

Allard
Bennett
Bond
Brownback
Bunning
Burns
Craig
Crapo
Ensign
Enzi
Frist
Gramm
Gregg
Hagel
Hatch
Helms
Hutchinson
Inhofe
Kyl
Lott
McConnell
Nickles
Roberts
Santorum
Smith (NH)
Stevens
Thomas
Thompson
Thurmond
Voinovich

NOT VOTING—1

Carnahan

The Amendment (No. 425), as modified, was agreed to.

Mr. KENNEDY. I move to reconsider the vote.

Mr. JEFFORDS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that following the adoption of the following amendments, which have been cleared—Cleland amendment No. 430 and Akaka amendment No. 524—Senator ENZI be recognized to offer a first-degree amendment regarding the subject matter contained in the Harkin amendment and there be 1 hour of debate equally divided on the Enzi amendment, the Harkin amendment No. 525, and the Hutchinson amendment No. 550 concurrently, and that votes occur on the amendments in the order listed above at the use or yielding back of time, with no second-degree amendments in order to any of the amendments mentioned above; that Senator CLELAND be recognized for 10 minutes and Senator AKAKA be recognized for 5 minutes on their amendments.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Hawaii.

AMENDMENT NO. 524 TO AMENDMENT NO. 358

(Purpose: To provide for excellence in economic education)

Mr. AKAKA. Mr. President, I thank my colleague for permitting me to go before him.

I ask that my amendment, which is at the desk, amendment No. 524, which is cosponsored by my friend from New Jersey, Senator CORZINE, be called up.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Hawaii [Mr. AKAKA], for himself and Mr. CORZINE, proposes an amendment numbered 524 to amendment No. 358.

Mr. AKAKA. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is located in today's RECORD under "Amendments Submitted.")

Mr. AKAKA. Mr. President, this amendment is similar to the economic education legislation which I introduced during the 106th Congress. That legislation received considerable bipartisan support from my colleagues, Senators BAYH, BREAUX, CLELAND, COCHRAN, COLLINS, CRAPO, DASCHLE, DODD, DURBIN, ENZI, HAGEL, JOHNSON, Bob Kerrey, JOHN KERRY, LANDRIEU, LINCOLN, LUGAR, Moynihan, SNOWE, and WELLSTONE.

With each passing day, the need for increased economic literacy becomes more and more apparent. Our nation's economy is undergoing enormous changes. When I first introduced economic education legislation, we were in the midst of unprecedented economic growth and the longest peacetime economic expansion in our nation's history. More recently, however, the stock market experienced serious volatility and the NASDAQ suffered a sharp downturn. A number of employers, especially in the technology sector, have released a substantial number of their employees. The Federal Reserve has cut interest rates five times this year, the most recent cut occurring yesterday, in an effort to prevent our nation from sliding into an economic recession.

Economic changes such as these highlight the importance of economic and financial literacy. I am convinced that increased education about basic economic principles such as money management, personal finance, interest rates, and inflation will assist all Americans in making informed decisions about their financial situations. Beginning this education at a young age will better equip future generations to manage their financial affairs in our rapidly and constantly fluctuating economy. It is critical that today's students learn that there are consequences for every fiscal decision they make because the fiscal habits they learn now are likely to be the habits that remain as adults.

We must also assist today's students in becoming productive and well-informed citizens. Studies have shown that a lack of individual knowledge about fundamental economic principles can lead to negative effects on our national economy. Economic education, or the lack of it, has profound long-term effects on us all. In an April 6, 2001, speech, Federal Reserve Chairman Alan Greenspan concurred with this assessment. In that speech, Chairman Greenspan articulated his belief that our nation's schools need to improve their ability to teach young people basic financial education. He also stated that this financial education should begin as early as possible.

I would like to share some of the results of a national test on basic economic principles conducted by the National Council on Economic Education in 1998 and 1999, which provide further evidence of the need for increased economic education. These results are based on responses from 1010 adults and 1085 high school students. Both the students and adults alike lacked a basic understanding about the fundamental concepts of money, inflation, and scarcity of resources. One-half of the adults and two-thirds of the students tested did not know that the stock market brings people who want to buy stocks together with those who want to sell them. Thirty-five percent of the students taking the test admitted that they do not know what the effect of an increase in interest rates would be. Only a little more than half of the adults and less than a quarter of the students tested knew that a budget deficit occurs when the Federal Government's expenditures exceed its revenues for that year. Amid these disappointing results, the study found that 96 percent of Americans believe that basic economics should be taught in high school. Yet, few States require students to take an economics course in order to graduate, or have adopted guidelines for teaching economics in their schools, or, alarmingly, even require schools within their State to offer a course on economics to be made available.

This amendment aims to increase student knowledge of, and achievement in, finance and economics by strengthening our nation's teachers' understanding of, and ability to teach economics. It provides resources to incorporate economics into K through 12 curricula. It encourages economics-related research and development, dissemination of instructional materials, and replication of best practices and programs. And it also increases private and public support for economic education partnerships between schools and local businesses. The need for economic literacy should be no different from, or less important than, reading literacy, writing aptitude, or math and science comprehension.

I want to thank my colleague, Senator CORZINE, for joining me in this effort to improve our nation's financial literacy. I urge all of my colleagues to support our amendment and ensure that our nation's youth are sufficiently prepared for their financial futures.

The PRESIDING OFFICER. Is there further debate on the amendment?

The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I think we are ready to accept the amendment. We know of no other speakers. I hope we can at this time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 524) was agreed to.

Mr. KENNEDY. I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENTS NOS. 377 AND NO. 429 WITHDRAWN

Mr. CLELAND. Mr. President, I ask unanimous consent to withdraw amendments No. 377 and No. 429.

The PRESIDING OFFICER. Without objection, the amendments are withdrawn.

AMENDMENT NO. 430 TO AMENDMENT NO 358

Mr. CLELAND. Mr. President, I call up amendment No. 430 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative read as follows:

The Senator from Georgia [Mr. CLELAND] proposes an amendment numbered 430 to amendment No. 358.

Mr. CLELAND. I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To add, for funding under the program of grants for State and local instructional activities for language minority students, other activities that provide enhanced instructional opportunities and related services for such students and their parents)

On page 480, line 12, strike the period at the end and insert a semicolon and the following:

"(6) other instructional services that are designed to assist immigrant students to achieve in elementary and secondary schools in the United States, such as literacy programs, programs of introduction to the educational system, and civics education; and

"(7) activities, coordinated with community-based organizations, institutions of higher education, private sector entities, or other entities with expertise in working with immigrants, to assist parents of immigrant students by offering comprehensive community social services, such as English as a second language courses, health care, job training, child care, and transportation services.".

Mr. CLELAND. Mr. President, let me first say that there was a printing error regarding amendment number 430 when it was printed in the May 9th CONGRESSIONAL RECORD. The amendment was correctly printed in its entirety in the May 14th RECORD.

Mr. President, this amendment addresses the explosion of immigrants coming to this country over the past decade. Information from the 2000 Census shows that the impact from this wave of immigration is transforming the nation. The Latino population, for example, is up 60 percent since 1990 and now, for the first time ever, it is roughly equal to the population of African Americans in the U.S. New York's population now tops 8 million, a record number which is a direct result of its rising numbers of Asians and Hispanics.

These changes are summed up in one astounding fact from the Census Bureau: recently arrived immigrants and refugees will account for 75 percent of the U.S. population growth over the next 50 years. And let me add that these changing demographics are impacting not just communities accustomed to large immigrant populations like New York, Los Angeles and Miami, but also non-traditional immigrant communities in states like Wisconsin, Iowa, Nebraska, Oklahoma, Georgia, Alabama, and the Carolinas.

Like our communities, our schools are feeling the impact of this new wave of immigration. A record number of children with diverse linguistic and cultural backgrounds are enrolling in America's classrooms. In Wayne County, MI, for example, 34 percent of the student population are Arabic-speaking and receive special help. The Waterloo, IA school system is being challenged to teach hundreds of Bosnian refugee children, who came to America without knowing our language, culture or customs. In Dalton, GA, public school enrollment of Hispanic students is now 51 percent, up from just 4 percent ten years ago. This is an incredible increase—from just 4 percent a decade ago to over half of the student body population today.

This surge in immigration is increasingly challenging U.S. schools and communities from Florida to Washington State. We need to provide resources to these communities to help ensure that these children—and their families—are served appropriately. We know from national studies that where quality educational programs are joined with community-based services, immigrants have an increased opportunity to become an integral part of their community and their children are better prepared to achieve success in school.

This amendment is based on legislation Senator Coverdell and I introduced in the last Congress. It would provide support to schools and communities experiencing an influx of recently arrived immigrant families. Specifically, it would expand the use of funds under the Emergency Immigrant Education set-aside to include activities which, No. 1, provide enhanced instructional opportunities to assist culturally and linguistically diverse children achieve success in America's schools; and which, No. 2, allow local educational agencies to partner with community-based organizations to provide the families of immigrant children access to comprehensive community services, including English as a second language courses, health care, child care, job training and transportation. This amendment is endorsed by the U.S. Conference of Mayors, the National Association for Bilingual Education, the Hispanic Education Coalition, the League of United Latin American Citizens, and the National Council of La Raza.

Mr. President, I ask unanimous consent to temporarily lay the amendment aside.

Mr. KENNEDY. Reserving the right to object, I would like to just say a quick word on that amendment. I think we are prepared actually to accept it if the Senator wants to press it. I would like to take just 1 minute on this amendment.

I thank the Senator for raising this issue.

Today there are approximately 800,000 migrant children in the nation. They are all going to become citizens of our country. By and large, they have placed an enormous burden on local communities.

Years ago, the Federal Government provided help and assistance to families when they resettled in a local community for up to 18 months. There were resources available to schools.. All of that has been cut back. We are back to about 4 months now.

So basically, the Federal Government has abdicated its support for local communities. There are a number of people, for example, the Cambodians, who came to this country and were settled by religious groups in different parts of the country. We found—which was their choice—there were major groupings of Cambodians in Lowell, MA.

We have a higher Cambodian population in Lowell, MA, than in Phnom Penh. They placed an enormous initial burden on the school community because of the destruction by Pol Pot of all of the information, all of the books. They did not have any training. The burden fell on a blue-collar community to try to respond to the kinds of challenges which, for these children, were overwhelming. But they did it. And they deserve great credit for it.

Now, if you look at the various schools up in Lowell, half of the valedictorians from the high school will be the sons and daughters of these extraordinary, resourceful people. I think the Senator has put his finger on an important need.

Finally, last year, when we were considering the Elementary and Secondary Education Act, there was no additional assistance included in that legislation for migrant, homeless, or immigrant students. There is additional assistance in this legislation. I would not support this bill if it did not provide for these students because they number over 1.5 million children. It would have been a great mistake not to increase support for these students in this bill.

The Senator has recognized a very important need. He is presenting this so there will be local options. Communities will be able to use these resources.

I thank him for raising it. I am very hopeful we can accept the amendment.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I join in the accolades by the Senator from Massachusetts and say that this amendment is an excellent amendment. Even in little old Vermont, we have schools with 20, 22 students who have English as their second language. There have been problems that we never imagined we would have. We believe this bill—all over this Nation—will be very helpful.

As far as I am concerned, we can accept the amendment to ensure its passage.

Mr. CLELAND. I thank the distinguished Senator from Vermont and the distinguished Senator from Massachusetts and ask that my amendment be adopted.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to amendment No. 430.

The amendment (No. 430) was agreed to.

Mr. CLELAND. Mr. President, I would now like to ask unanimous consent to call up amendment No. 449 for its immediate consideration and ask unanimous consent Senator JACK REED be added as a cosponsor.

Mr. JEFFORDS. Reserving the right to object, we have an order, I think in place, an amendment by Senator ENZI. I believe that it would be right to take that amendment up first.

The PRESIDING OFFICER. Objection is heard.

Under the previous order, the Senator from Wyoming is recognized.

AMENDMENT NO. 649 TO AMENDMENT NO. 358

(Purpose: To modify provisions relating to school construction)

Mr. ENZI. Mr. President, under the previous agreement, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. ENZI] for himself, Ms. SNOWE, Mr. HAGEL, and Mr. DEWINE, proposes an amendment numbered 649 to amendment No. 358.

Mr. ENZI. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is located in today's RECORD under "Amendments Submitted and Proposed.")

Mr. ENZI. Mr. President, I am pleased to be on the floor today to discuss an amendment that deals with the area of school construction that Senator HARKIN has been talking about. I bring forward a proposal along with Senator SNOWE, Senator HAGEL, and Senator DEWINE. I would like to take this opportunity to thank them for their hard work, as well as the hard work of their staffs.

I know that we can all agree that there are schools across the Nation that are in need of repairs and renovation. Just because we can agree on the problem, however, does not mean that we can agree on a solution Senator HARKIN's proposal to create a new Federal program to fund school construction is a good example. While I understand that a need exists in many of our Nation's schools, I do not believe there is a Federal responsibility to address that need, especially if States and local school districts have not made every effort to address the issue on their own. I also believe that it is extremely important that we do not ignore preexisting Federal school construction obligations in favor of new school construction programs.

It is for these reasons that I have drafted this amendment, which will target all Federal school construction funds toward existing obligations to fund the construction and renovation needs of schools on Indian reservations and schools impacted by Federal land holdings. This amendment would also make construction and maintenance of high-poverty schools a priority and create a revolving loan fund that States could use to help schools make interest payments on school construction bonds.

I would also like to emphasize the importance of appropriately targeting limited resources where they are needed most. That is why my amendment requires that any grant funds available after existing Federal obligations are met should be highly targeted to the schools most in need. In addition to identifying the truly neediest schools, the local districts and States must demonstrate that they are already doing all they can to meet the needs of those schools.

I believe that a tier of schools does exist where traditional school construction financing is extremely difficult for a local community. The capacity of the local tax base, particularly in rural communities, is not as flexible or far-reaching as urban or suburban districts. In high poverty districts, the bonding capacity may fall dramatically short of the cost to renovate or construct a school. In those cases, the States should be doing more. And, in providing direct Federal support for school construction, we should never extend that reach beyond such schools.

Some of my colleagues have cited several studies that claim that our Nation's school construction needs range from $112 billion—according to the Government Accounting Office—to $125 billion—according to the National Center for Education Statistics. We all view these numbers as a national disgrace, but for very different reasons. My colleagues on the other side of the aisle would suggest that these numbers indicate that the Federal Government has failed to fulfill its duty to fund school construction. I, on the other hand, believe that these numbers suggest that State and local communities have abandoned their responsibilities and allowed our schools to fall into disrepair.

As a former member of both houses of the Wyoming State Legislature, I understand that school construction has always been the responsibility of State and local governments. I also understand how hard some States, such as Wyoming, are working to make sure that they are fulfilling their responsibility to equitably distribute school construction funds.

I have been troubled to see some of the data that indicates that States and local governments have the capacity to do more to fulfill their own construction needs. During the last session of Congress, members of the Congressional Research Service testified before the Health, Education, Labor and Pensions Committee, that I serve on, that between 1990 and 1998 State and local budget surpluses grew from $80.1 billion $148.7 billion. A December 2000 press release from the National Governors' Association revealed that States cut taxes and fees by $5.8 billion in fiscal year 2001. This is the seventh consecutive year States have reduced taxes and fees. That is from a National Governors' Association press release from December 12, 2000.

According to the American School & University's 24th Annual Construction Study, school districts allocated 9.4 percent of their net current expenditure for maintenance in 1997, a substantial drop from the 12.75 percent allocated 10 years earlier. You can see from this data that if the current level of expenditures on school construction by States and local governments are deemed to be inadequate it is not because of a lack of capacity to do more.

I also think it is important to inform my colleagues who try to assert that the Federal Government is doing nothing to deal with the issue of the declining quality of our Nation's schools that according to the Congressional Research Service the overall estimated cost or revenue loss for the total of tax-exempt bonds—that is taxes the Federal Government does not get—in 1999 was $25 billion. The most recent data for bonds that specifically support school construction comes from 1996, with an estimated cost/revenue loss at $3.7 billion. In other words, albeit indirect, there is clearly currently Federal support of school construction through the tax exemption we provide on construction bonds.

In addition to having very strong reservations about introducing a new Federal education responsibility in the face of calls to prioritize existing Federal obligations, I am very concerned about creating inequities among States. As I have said, I firmly believe that funding school construction is a State and local responsibility. To that end, there are some States that are making tough decisions and dedicating the resources needed to fulfil their obligation to children in public schools.

Wyoming is not alone in having experienced years of legislation and litigation in an effort to ensure that all children are provided an education in safe, appropriate classrooms. The State will soon dedicate significant new resources towards school construction. A lot of time and money has already been spent assessing every school in the State to determine which communities are the neediest. The State of Ohio has undertaken a similar effort.

For those States that are not as far along in prioritizing school construction, why should they get a better deal under a Federal grant program? The proponents of the Harkin amendment may argue that there is a provision requiring the funds to be a supplement to existing resources. However, if a State is not already dedicating meaningful resources, and doesn't have a plan or initiative which calls for additional resources, it looks to me like they would be eligible for funds under this new program. That is simply not fair. If they are not doing something, they get money. If they are, they do not. It is not an appropriate use of Federal tax dollars. And it forever lets the entities responsible for school construction off too easily. That bring me to my most important point. The neediest schools are not being targeted enough by States. They will not be targeted sufficiently under the proposal by the Senator from Iowa.

It is imperative that any additional Federal support we provide be strictly linked to the highest need schools. There will never be enough money to address the estimated $127 billion in construction needs, even if we did all agree that Federal funds should be expended. In fact, in 2000, almost $26 billion was spent on public K–12 construction, with nearly $27 billion in spending forecast for this year. A similar amount is also forecast to be spent each year through 2004.

All of this data is available through the National Clearinghouse for Educational Facilities, which Congress established after the General Accounting Office released a series of studies on school construction over the last few Congresses.

In addition to providing basic data on facilities financing, the clearinghouse is intended to serve as a resource for schools and public officials on how to properly assess their construction needs, how to develop a model school construction proposal, and how to meet the unique needs of their community. We should not be embarking on a path that either displaces this effort or discourages States and locales from meeting the school construction needs of their communities.

This is vitally important in rural communities. Those communities face hardships in meeting their construction needs as it is, but we cannot set them up with the false hope of erasing their need to pass bond initiatives or to pressure the State for more help. There are roughly 80,000 public schools in this country. Half are in rural areas or small towns.

As we consider the Enzi-Snowe-Hagel-DeWine amendment and the Harkin amendment as a whole, I should like to remind my colleagues that we do not serve any of our Nation's children by ignoring the commitments we have already made while making new promises that we can't keep. We owe our children more than that, and I hope as we move forward with the legislation we will keep that in mind.

I reserve the remainder of my time and yield the floor.

The PRESIDING OFFICER. Who yields time? If no one yields time, time will be charged equally to both sides.

Mr. JEFFORDS. Mr. President, may I inquire of the Senator from Wyoming, are we through with his presentation?

Mr. ENZI. Mr. President, it is my understanding that other Senators will be down shortly to make a presentation—the Senator from Iowa and the Senator from Colorado.

Mr. JEFFORDS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the time be charged equally to both sides.

Mr. REID. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. JEFFORDS. I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, the clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, I listened as best I could to the presentation made by my friend from Wyoming on his amendment. Let's recap a little bit.

As I said yesterday, we have been trying for some time to get money for school construction and repair to help beleaguered schools around the country. We did that last year in an agreement. I ask my friend from Wyoming if he knows this. But in last year's appropriations bill, there was an agreement hammered out on a bipartisan basis and a bicameral basis. It was signed off on the House side. We worked with Congressman Goodling, Congressman Porter, Congressman Obey; on the Senate side, Senator Specter and I, Senator Jeffords, and Senator Kennedy were all involved in the negotiations--and the White House.

We came up with a program that provided $1.2 billion this year that would go out to States under broad guidelines to help them meet the needs of their poorest school districts in terms of meeting fire and safety code, renovation for technology, and 25 percent of the money was set aside to meet the needs of disabled students under IDEA.

I didn't know this until I just read the Enzi amendment, but the Enzi amendment wipes out that $1.2 billion. This is a list of all the States that are going to get this money 2 months from now of the $1.2 billion that was appropriated for this year. The Enzi amendment is not prospective. It takes the $1.2 billion this year and reneges on what the Senate, the House, and the White House signed off on last year.

That is eminently unfair. A lot of these school districts in the States already know the amount of money that they have applied for and that has been approved. The money hasn't gone out yet. It is going out the first of July. But they have applied for it, and they know what they are going to get. Now the Enzi amendment just wipes it out. You can see how much money some of the States will lose.

The Enzi amendment will take a lot of this money and put it in the Department of Defense. I don't know if that makes any sense at all. Then there are all these hurdles that a State has to jump through before it can get any of the renovation money. I thought we Democrats were the ones always being accused of tying the hands of the States and telling them exactly what they had to do. Read the Enzi amendment. There are more hoops and more barriers and more hurdles and more paperwork the States will have to confront than anything I have seen offered in the Senate in a long time.

For example, he says—just to illustrate how unfair the amendment will be—that before a school can qualify, 50 percent of the enrollment will have to come from families whose income does not exceed the poverty level. That is a public school. He says before a public school facility can get any of this construction or renovation money, 50 percent of the enrollment will have to be from families whose income does not exceed the poverty level.

I ask the Senator from Wyoming how is he going to determine that. There is no way to determine that. I ask the Senator from Wyoming to please tell us how he is going to determine if a public school has 50 percent of enrollment from families whose income is below the poverty level.

The only measure we have right now is from a school district and schools based upon free and reduced-priced lunches. That is based on 185 percent of poverty. It is based on school districts. I ask the Senator from Wyoming, how is a public school in your State, my State, Minnesota, Vermont, or any other State, going to show that 50 percent of its enrollment is from families whose income does not exceed the poverty level? As you say, "as determined by annual census data published by the Department of Labor." The Department of Labor does not publish census data by schools.

So this is a very poorly drafted amendment. I don't know what the author was trying to get at. I say to my friend from Wyoming that you cannot in any way determine how you are going to have 50-percent poverty from a school.

That is the first hurdle that is impossible. Think of the paperwork. Think of what a school would have to go through to find out whether or not 50 percent of its enrollment are kids from families who do not exceed the poverty level.

First of all, I think that would be impossible. Second—and here is something that is unfair—Mr. Enzi says the other hoop is that the school has to be located in a district in which the district's bonded indebtedness basically has reached or exceeded 90 percent of the debt limitation imposed upon school districts pursuant to State law.

Well, what about a school district in a rural State in which there are a lot of elderly people who may not be able to bear the burden of property taxes, or they have property tax exemptions because of their age, and let's say they have 30 percent of their kids getting free and reduced-priced school lunches but their bonded indebtedness is only 15 percent. You are going to go out to that district with a heavily weighted population that is elderly, maybe rural, and you are going to say you have to raise your property taxes before you can qualify?

How unfair is that, I ask you. Again, what kind of paperwork, what kind of State requirements are going to have to be set up to do that?

So, again, I don't know what the Senator is trying to get at, but if he is trying to target it, it is not doing it. There is no way this can be done. The paperwork and the burden on the States in accounting for all this would be incredible.

Again, he also says the Federal share of the cost of any project shall not exceed 50 percent. Well, again, why don't you leave that up to the States? In my amendment, I didn't tie the hands of the States and say here is exactly what you have to do. The Enzi amendment basically says: State, here is A, B, C, D—exactly what you have to do—and you can't do anything else. There may be some projects of an emergency nature. We have had them in Iowa, such as meeting fire and safety codes—things that may need to be done right away. Maybe they can't come up with a 50-percent match right away. But the Enzi amendment says, tough luck; you don't get any help.

I understand there is a revolving loan fund also set up—a loan authority for loans to be made. Again, there are all kinds of hoops and paperwork requirements and findings that a State would have to face. The more I look at this amendment, the more I don't want to hear any more arguments from that side of the aisle about how Democrats are trying to tie the hands of States by specifying exactly what has to be done. If you want to learn about specifications, read the Enzi amendment.

It is in here that for revolving loans it says—listen to this: With respect to a fiscal year, any State, to receive assistance on the revolving fund loan in this part of the bill, has to have four-tenths of a percent—in other words, they have to have less than four-tenths of a percent of the total amount available in the United States for all title I.

So for a State to qualify for this revolving loan fund, that State has to get less than four-tenths of a percent of the entire amount in the United States. So I ask, why was it four-tenths? Why wasn't it five-tenths? Why wasn't it three-tenths? Why wasn't it 5.5? Why was four-tenths a magic number? I would like to know the answer to that question. I don't know why.

Mr. KENNEDY. Will the Senator yield?

Mr. HARKIN. Yes, I will.

Mr. KENNEDY. We have only had this amendment for a brief period of time. However, in reviewing this amendment, I have noticed that on page 13 it refers to the set-aside of Federal funds. This is the only reference in the amendment to the authorization of funds. If the Senator has a copy——

Mr. HARKIN. I don't seem to have page 13 for some reason.

I have it now.

Mr. KENNEDY. It says "set-aside of Federal funds."

It reads:

> IN GENERAL—Notwithstanding any other provisions of law. . .there shall be made available to carry out this section for each fiscal year, an amount equal to 20 percent of the total amount of Federal funds appropriated for such fiscal year for Federal programs to provide assistance for school construction, renovation, or repair.

The Harkin amendment, of course, expires this year. As such, the only funds that I am aware of will be the DOD and the BIA funds and impact aid.

Mr. HARKIN. Impact aid, yes.

Mr. KENNEDY. For school construction. We are talking about an amount that is less than $100 million. And here we have a proposal to authorize 20 percent of that amount. That totals approximately $20 million. Do we understand that? I respect my colleague from Wyoming, and he knows he is my friend, but it is a hoax to suggest that this is a program to help local schools. We are only talking about $20 million: $10 million for grants, and $10 million for loans. This is the amount that would be available under the restrictions that the Senator from Wyoming has outlined. We are calling this a construction program.

I ask my colleague and friend, does he believe that when Senators vote for the Enzi amendment, they will be able to claim that their vote is a vote for school construction? They will have voted against the Harkin amendment that helps local communities in the neediest areas of the nation, both rural and urban, repair and renovate crumbling schools. Instead, they will say, "oh, no, we prefer the Enzi amendment that provides $20 million—$10 million in grants, and $10 million in loans."

I ask the Senator from Iowa whether he reads this amendment the same way?

Mr. HARKIN. The Senator is correct. In fact, I will add one thing to that. What the Enzi amendment does this year is it takes away the $1.2 billion going out to States. That has already been appropriated. He wipes that out. Then on the revolving loan fund the Senator talked about, he says "shall be made available to carry out this section for each fiscal year amounting to 20 percent of the total amount of the Federal budget."

What all that means is that after this year we impact the money for impact aid and Indian schools. They are going to take 20 percent of that money and put it in the revolving loan fund. So here the Senator from Wyoming purports in his amendment that he wants to help Indian schools and he wants to help impact aid, but in the second part of the amendment he takes money out of those programs to put it into a revolving loan fund.

Mr. KENNEDY. I don't know whether the Senator from Wyoming can tell us whether we have interpreted the amendment correctly. I invite him to correct us if we are incorrect. As I understand it, this amendment would equal only 20 percent of the total amount of funds that will be appropriated for such fiscal year. We anticipate that next year, outside of the Bureau of Indian Affairs, impact aid and military schools, that such an amount is less than $1 million. And this amendment proposes 20 percent of that amount for school construction. Am I correct; I inquire of the Senator?

Mr. ENZI. Mr. President, answering on their time, of course, as I have said throughout this whole process on the authorization bill, this is an authorizing process, and we have an appropriations process that comes up later. The amount of dollars allocated would be allocated as part of the appropriations process. There is money that can be done on this.

We are getting into a brand new program. This isn't something that has been a continuing program. We are getting into something new. Since it is new, I was hoping we would handle that through the appropriations process. Whatever money is allocated in the process, 20 percent would go to that.

Mr. KENNEDY. I agree with the Senator that the appropriations process will determine the amount we will have for resources. If it is not authorizing, a point of order is made.

As I understand it, this amendment authorizes 20 percent of existing Federal funds. The only construction funds of which I am aware are funds made available through BIA, impact aid, and defense. If we are referring to 20 percent of those funds—that is what it says in here—equal to 20 percent, then 20 percent is the authorization level. That amount equals $20 million. That is the authorization. I understand further that half of that goes to loans and grants.

I withhold further comment. I think this is a pale, pale substitute for the Harkin amendment. At an appropriate time after the Senator from Iowa makes a comment about it, I would like to have 4 or 5 minutes to add my support for the Harkin amendment.

Mr. HARKIN. I thank the Senator. I still have the floor. I ask my friend from Wyoming, I just heard the Senator say this is the authorization process and he did not want to interfere with the appropriations process.

Again I ask the Senator, does not your amendment wipe out the appropriations we made last year? Does it not invade the appropriations process? We appropriated this money last year. If I am not mistaken, the Senator's amendment wipes that out. The Senator just said this was authorization, not appropriations, but if you read the amendment, it wipes out our appropriations.

Am I reading it wrong? I yield to the Senator for a response. It says "notwithstanding any other provision of law." I ask the Senator, does not this invade the $1.2 billion we already appropriated? I will be glad to yield to the Senator.

Mr. ENZI. Mr. President, if I can use their time, under this bill, the $1.2 billion that was appropriated last year would come under the formula for this, which would become the current school foundation construction program. So, yes, the $1.2 billion the Senator from Iowa is talking about would be included in this particular amendment.

Mr. HARKIN. I appreciate the forthrightness of my friend from Wyoming. That is exactly what I have been saying. That is the way it is written. The $1.2 billion that will be going out to the States this summer will not be going out.

Mr. KENNEDY. Will the Senator yield?

Mr. HARKIN. Yes.

Mr. KENNEDY. It is my understanding that school districts all across this country that have relied on these funds, and have planned accordingly under the assumption that they would receive these funds, but will now not receive such funds. Is the Senator from Wyoming saying these funds will be snatched back from local communities all over the Nation that have budgeted for it, that have received assurances of it? Is the Senator proposing to grab that money back to re-allocate its sum through a new formula?

Is the Senator prepared to tell every school district planning to receive these funds in the next few weeks that their planning is for nought? Is that the purpose of the Senator's amendment? Because it seems that this would be the effect.

Mr. ENZI. Mr. President——

Mr. KENNEDY. I think Senator HARKIN has the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. I yield to the Senator from Wyoming for a response. I will be glad to yield.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. The purpose of this amendment is to place some constraints on Federal school construction so we are not opening up a brand new program that will fund any school that needs to be constructed or renovated in this country without any requirements. That is why the provision is included, for the 90-percent bonding capacity in a district to make sure the local district is participating to the level it can.

My colleagues will find that there are school districts across this country that are already perhaps at 200-percent bonding. They are doing a maximum effort. Ninety percent would be considered a maximum effort. It requires a match by the State. The other amendment does not require any participation by the State. There is some wording in there about supplanting some State funds, but it does not have any requirements.

The purpose of this amendment is to show there needs to be some constraint on how fast the Federal Government gets into a school funding program. We are not there yet. We are on our way there, and there needs to be some local recognition that they need to have some participation and States need to be a part of it. We cannot wipe out that obligation under a new program.

Mr. HARKIN. Again, I thank the Senator for his forthrightness. His answer is correct because that is what the Senator is doing.

I point out to the Senator that the American Society of Civil Engineers has said that we need about $121 billion just to repair and modernize the schools we have right now. We will need $187 billion over the next 10 years. This is a $1.6 billion authorization. We do not know how much we can appropriate. We appropriated $1.2 billion last year. I do not know how much we can appropriate this next year.

Certainly, we are not rushing headlong into repairing and modernizing schools at $1.2 billion. With the Senator's amendment, it is less than a snail's pace. We might get there in about 200 years. We cannot wait that long.

Let us be clear about the Enzi amendment. There are some fatal flaws there. No. 1, the Enzi amendment takes away money already going out to the States, make no mistake about it. If Senators want to vote to take money away from State school construction—I have the list right here. My colleagues can look at it. This is what their States are going to receive this year, and the Enzi amendment takes it away.

No. 2, the Senator is right; in my amendment, I do not handcuff the States. He is right. I do not prescribe every jot and tittle of exactly what they have to do. I trust them. We gave broad outlines. We said put this out under competitive grants to go to the lowest income, poorest districts that need the help the most. Then we reserve some funds for the highest poverty districts. That is it. We trust the States to make that decision.

We had $28 million in my State of Iowa. The State department of education put it out for competitive grants. I have not heard one complaint, not one because the State believes it went through a very fair process and the neediest school districts got that money.

No. 3, the Enzi amendment shifts money from education to the Department of Defense. Why would we want to do that?

No. 4, the paperwork burden on local school districts, I submit, under the Enzi amendment will be more than anything they have ever filled out for title I or for anything else. How are you going to determine that 50 percent of your kids are below the poverty level? There is no census data, and yet you have to do that before you qualify.

Next, it shifts the power from States and local governments to the Federal Government. I know the Senator does not intend to do that, but that is what really happens in this amendment. If you read the revolving loan fund part of the Senator's amendment, it takes money out of Indian schools in the future and puts it into the revolving fund. We do not need to be taking any more money out of Indian schools.

I sum up by saying the Enzi amendment guts our commitment to school modernization which we made last year. If my colleagues vote for it, they are voting to strip education funds from their States. I will leave this list up during the vote and Senators can check how much money is going out to their States.

There are poor school districts in every one of these States that need that money this year for fire and safety code violations. They need it this year.

If you do not trust the States, if you can say, "Well, if we give money to the States, they will give it to the richest school districts," I do not think that is going to happen. I tend to trust the State departments of education.

Under our guidelines, we say it has to go to the poorest schools and put out in competitive grants. Make no mistake about it; if any one of my colleagues votes for the Enzi amendment, they are voting to strip this money.

With those fatal flaws, and with the fact we made an agreement last year—it was a bipartisan agreement; it was bicameral; it was hammered out with the White House; and we reached an agreement on how to do it and the money is going to be going out—I do not think we ought to stop that money from going out. It is $1.2 billion. We are not rushing headlong into something.

I bet my colleagues will see, when this money goes out to the States this year, they are going to have a lot of support from their States, thanking you for helping fix up the poorest schools they have.

I hope the Enzi amendment is not approved because we made this agreement last year, and we ought to stick by it for this year.

In closing I want to share some comments from the officials with the Keokuk, IA, school district. This district has received two $100,000 grants to remedy fire code violations.

The funds are being used to install fire alarms, replace doors with new fire-rated doors and make other repairs at an elementary school and at the high school so they meet fire and safety codes. The renovations are planned for this summer and next year.

In a letter from Board President Dr. Wilson Davis, Jr., Superintendent Jane Babcock and Business Manager Kate Baldwin wrote; "Completion of these building renovations will bring both of these student attendance centers into full compliance with all fire-safety codes. The availability of these funds have made this district goal a reality."

Without the modest Federal investment, students in these two schools would continue to attend classes in buildings that do not meet State and local fire codes. Permitting such situations to continue is simply unacceptable.

The schools in Keokuk are safer today because of a modest Federal investment. Our amendment will make it possible to make many more schools across the country safer for our children. So if you want safe schools for our kids, if you want them to attend modern, well-equipped schools, if you want schools that meet fire and safety codes, you should support this commonsense amendment.

I ask unanimous consent to print in the RECORD letters of support.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

KEOKUK COMMUNITY SCHOOL DISTRICT,
Keokuk, IA, April 10, 2001.

Senator TOM HARKIN,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR HARKIN: The Koekuk Community School District is very excited to be selected to receive a federal grant of $100,000 for Fire (Life) Safety facility building renovations. Responding to specific neds as outlined on our annual building safety inspections, the district is focusing the funds to provide necessary egress compliance in eight classrooms and replacing interior and exterior doors with new, fire-rated doors. The necessary building renovations will be during the summer of 2001 at one of our elementary sites and during 2002 at our high school site. Completion of these building renovations will bring both of these student attendance centers into full compliance with all fire-safety codes. The availability of these funds have made this district goal a reality.

This is the second year Keokuk Schools has received a $100,000 Fire (Life) Safety grant. Funds awarded last year were targeted at installing a new fire alarm system in our high school building. The district began installation during July 2000 and will have this project completed in June 2001.

The citizens of Keokuk are proud of our school. We sincerely appreciate the efforts you have made to provide additional funding to help meet the increasing costs of maintaining school facilities. Thank you for working for the students, parents, and citizens of Iowa.

Very truly yours,

WILSON DAVIS, Jr., MD.
President, Board of Directors.
JANE BABCOCK,
Superintendent.
KATE BALDWIN,
Business Manager.

NATIONAL EDUCATION ASSOCIATION,
Washington, DC, May 14, 2001.

U.S. SENATE,
Washington, DC.

DEAR SENATOR: On behalf of the National Education Association's (NEA) 2.6 million members, we urge your support for an amendment to be offered this week by Senator HARKIN (D-IA) to the Better Education for Students and Teachers (BEST) Act (S. 1) that would restore the critical school repair program. Votes associated with this issue may be included in the NEA Legislative Report Card for the 107th Congress.

Too many of our nation's students attend schools in crumbling and unsafe facilities. According to the American Institute of Architects, one in every three public schools in America needs major repair. The American Society of Civil Engineers found school facilities to be in worse condition than any other part of our nation's infrastructure.

The problem is particularly acute in some high-poverty schools, where inadequate roofs, electrical systems, and plumbing place students and school employees at risk. Yet, many high-need schools and communities simply cannot meet the costs of these urgent repairs absent federal assistance.

Last year, Congress agreed on a bipartisan basis to provide grants for urgent repairs in high-need schools. In FY 2001, this important program will help repair some 3,500 schools across the country. The Harkin amendment would help ensure every student a safe learning environment by continuing this critical grant program.

We urge your support for the Harkin school repair program.

Sincerely,

MARY ELIZABETH TEASLEY,
Director of Government Relations.

REBUILD AMERICA'S SCHOOLS COALITION,
Washington, DC, May 14, 2001.

Hon. TOM HARKIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR HARKIN: The Rebuild America's School Coalition supports your amendment to S. 1, the Better Education for Students and Teachers (BEST) Act, to restore the emergency school repair program.

The need for school repairs exists in all communities across the county. According to the American Society of Civil Engineers recently released annual report card on America's infrastructure, the condition of our nation's public schools received the lowest rating.

Our coalition supported your bipartisan efforts in the last Congress to establish a new program to help schools make emergency school repairs. The emergency school repair program will provide $1.3 billion to states and school districts through competitive grants to make emergency school repairs and to fund IDEA and technology renovations. Your amendment will reauthorize this critically needed program for emergency school repairs.

Rebuild America's Schools is fighting for these and other programs in this Congress. Rebuild America's Schools is working with Congresswoman Nancy Johnson (R-CT) and Congressman Charles Rangel (D-NY) and other Members of Congress to pass the "America's Better Classrooms Act." With a federal investment of $5 billion, this bill generates $25 billion in bonds to help school districts finance programs to build new schools and to modernize existing schools.

Communities struggling to find the resources to provide our nation's school children with safe and modern schools ask how can Congress consider more than $1 trillion in tax cuts without investing in safe school buildings.

Coalition members appreciate the leadership you have provided for this critical issue. We urge your colleagues to support your amendment for the school repair program.

Sincerely yours,

ROBERT P. CANAVAN.

COUNCIL OF THE
GREAT CITY SCHOOLS,
Washington, DC, May 14, 2001.

Hon. TOM HARKIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR HARKIN: The Council of the Great City Schools, a coalition representing over fifty of the largest urban public school systems in the country, appreciates your work to improve our nation's school infrastructure, and to highlight school modernization as a Senate priority during reauthorization of ESEA. We support authorization of the School Renovation Program, and will work with you to ensure that the Harkin School Renovation Amendment is included in S. 1, the Better Education for Students and Teachers (BEST) Act.

Last year, a bipartisan Congress agreed that the federal government must not ignore the physical deterioration of our nation's school buildings, and appropriated $1.2 billion for emergency repair and renovation for FY 2001. The School Renovation Program provides these funds to States to assist school districts with infrastructure needs, and represented the most significant federal assistance for school construction in over a decade.

By authorizing a $1.6 billion School Renovation program in ESEA, your amendment will help to reverse school infrastructure deterioration in urban schools, where the country's oldest buildings have long suffered from overcrowding, as well as scarce funds for maintenance and repair. The School Renovation Program will also help crumbling schools nationwide, which received a grade of "D" from the American Society of Civil Engineers in 2001, citing a 75% inadequacy level in facilities across the country.

The Council of the Great City Schools appreciates your work to end the physical deterioration of our nation's schools. Preserving the bipartisan School Renovation Program is a decision that would help school districts continue to address the emergency repairs and renovation needs of aging and overcrowded schools. The Harkin Amendment assists districts with the support they need to improve the learning environment for all students, and has the full support of the Council of the Great City Schools.

Sincerely,

MICHAEL D. CASSERLY,
Executive Director.

BOARD OF EDUCATION OF THE
CITY OF NEW YORK,
Washington, DC, May 13, 2001.

Hon. TOM HARKIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR HARKIN: On behalf of Chancellor Harold O. Levy and the New York City Public Schools system, I write to thank you for your commitment to improving our nation's school infrastructure. The Chancellor is very supportive of your current efforts to authorize the School Renovation Program as part of S. 1, the Better Education for Students and Teachers (BEST) Act.

As you know, the BEST Act repeals current Title XII of ESEA, the School Facilities Infrastructure Improvements Act. This step takes us backwards from last year's bipartisan agreement that provided funds for the School Renovation Program as part of PL 106-544, the Omnibus Consolidated Appropriations Act of 2000. Thanks to your leadership, this legislation provided approximately $1.2 billion to help communities make emergency school repairs and renovations. This urgently needed initiative will help local schools fix leaky roofs, correct faulty plumbing, heating, and electrical systems, and address other dangerous health and safety concerns in our schools, such as the presence of lead paint and asbestos in the classroom. It provided a solid framework for targeting limited federal resources to those districts most in need of assistance, as it reserves funds for high need school districts based on concentrations of poverty, fiscal capacity, safety, and condition of buildings. The agreement also reflected a reasonable and fair balance between competing priorities as it allows a portion of these funds to be used by states and localities for special education and technology upgrades related to school renovation.

Most importantly, last year's budget agreement recognized that New York City and other school systems around the nation cannot do it alone. Even though the City recently adopted a five-year, $7.1 billion capital plan for our schools—the largest school construction plan in the City's history—it is not sufficient to meet the needs of the system, which are conservatively estimated at $15 billion. Clearly,the infrastructure needs of public schools have outpaced the ability of local governments to meet these demands by themselves. The need for school repair and modernization funds has reached critical proportions and necessitates partnerships among local, state and federal governments.

ESEA reauthorization presents an excellent opportunity to enhance current law in this area. Specifically, New York City supports your amendment, authorizing $1.6 billion annually for grants and loans to high poverty school districts for emergency school repairs and renovations. It would also provide funds to enhance special education services, and upgrade technology infrastructure.

Thank you for your consideration of Chancellor Levy's views on this important matter.

Sincerely,

KRISTOR W. COWAN,
Director, NYCBOE Washington Office.

The PRESIDING OFFICER. The Senator from New York.

Mrs. CLINTON. Mr. President, I rise in support of the Harkin amendment on school construction, renovation, and repair. I am concerned by what I have heard from Senator HARKIN as to his analysis of the——

The PRESIDING OFFICER. The Senator should be advised the Democratic time has just expired.

Mr. HARKIN. Mr. President, I ask unanimous consent that we be given an additional 5 minutes to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator is granted 5 minutes.

Mrs. CLINTON. I thank the Chair. I thank my distinguished colleagues from Wyoming and Iowa.

I am concerned, as Senator HARKIN has pointed out, that dollars that are already committed to construction projects, to State planning for school repair and renovation, under the second-degree amendment, will be diverted to other worthy causes. I happen to agree with the Senator from Wyoming that the dollars we need as the Federal Government to spend to upgrade, repair, and construct BIA schools and DOD schools and Impact Aid schools is an obligation we should step up to and fulfill. But I do not think we should be robbing Peter to pay Paul, when we have so many schools that are in need of the kind of assistance that can be provided with Senator HARKIN's amendment.

What I hope is that as we debate the second-degree amendment, we look for ways to deal with the very real problem that the Senator from Wyoming has pointed out without upsetting and undermining the commitments that have already been made. These are commitments for this $1.2 billion that my State of New York is counting on, that the cities in my State are counting on. As the chart that Senator HARKIN has shown points out clearly, we have plans for that money. About $105 million of it has been allocated to New York. We have a backlog of many hundreds of millions of dollars more of repair and renovation.

I hope that the Senator from Wyoming's amendment as currently written will not pass, but that we take the good ideas the Senator from Wyoming has brought to the floor with respect to the BIA schools and other schools that are particularly part of the Federal responsibility and look for additional ways to provide the funds they need.

Let me also reiterate something I have said on this floor before, and then I will yield for final comments to our Democratic leader on this issue, Senator HARKIN. This bill does not remove State or local responsibility for school construction, repair, and renovation. What it does is provide necessary funds where we as a nation have gotten so far behind in providing decent facilities for our teachers and students. It is a partnership. I thought the whole idea behind this reauthorization was that we were going to have a partnership. The Federal Government was going to step in with the funds it provides and assist the States and localities in providing the best possible education for our children; that we were going to marry accountability and resources. I do not think the $105 million currently in line to come to New York to help us with our backlog of construction, repair, and renovation is in any way an interference with State or local control over education. It is a recognition that we as a nation have fallen woefully behind.

I am reminded of how many of the schools that children in New York attend—some were built 100 years ago, many were built 50 or 60 years ago. We have not invested in our children to provide the kind of resources they need.

I stood on the floor and told true stories about what happens in some of our schools. The Senator from Iowa may have heard me talk about a teacher standing in a classroom in Mechanicville, NY, who had a piece of concrete fall on her head. I showed pictures of classrooms that were so overcrowded there was literally no place for the children to sit.

We have schools where we have 100 different languages being spoken, where we are in hallways and bathrooms; where we have not a single square foot of space left and where the condition of what is there is deteriorating.

This bill that Senator HARKIN is promoting, to me, is the right kind of partnership. We are not interfering. We are not forcing any money on anybody. This is a voluntary program. It adds to, it does not take away from, the resources our States and localities are using. But it recognizes the fact that States that have made a commitment to using these dollars would, under Senator ENZI's amendment, lose money.

New York will lose at least $22 million off the top because 20 percent of the funds would first be diverted to smaller states, but in all likelihood New York would never see any of the $105 million already set aside for Emergency School Renovation and Repair. We have a million children in the New York City school district. We have the oldest school buildings in America in Buffalo, NY. We want to do the best job we can for our children, as every other State represented here does. All we need is a little bit of help. I urge we vote for Senator HARKIN's amendment.

Mr. CAMPBELL. Mr. President, first I would like to thank Senator ENZI for offering an amendment to S.1 concerning the existing obligations the Federal Government has to Bureau of Indian Affairs', DOD and Impact aid school systems. Through numerous treaties, statutes, and court decisions, the Federal Government has assumed a trust responsibility to provide a quality education to Indian children.

This duty includes providing school facilities that have such basic amenities as 4 walls, heat and healthy air to breathe. Adequate facilities and such essential necessities are not being provided to many Indian children attending Bureau of Indian Affairs, BIA, funded schools.

Unlike communities that have a tax base to fund school construction, military reservations and Indian reservations are dependent on Federal resources. Nearly 4,500 facilities serve the Bureau's education program, consisting of over 20 million square feet of space, including dormitories, employee housing, and other buildings providing education opportunities to more than 50,000 students. These facilities serve more than 330 Federally recognized Indian tribes located in 23 States through Self-Determination contracts, compacts and education grants.

We are not dealing here with "the unknown." The GAO and other entities have produced countless studies and surveys showing us that half of the school facilities in the inventory have exceeded their useful lives of 30 years, and more than 20 percent are over 50 years old. Numerous deficiencies in the areas of health, safety, access for disabled students, classroom size, ability to integrate computer and telecommunications technology, and administrative space have been reported by the Bureau.

As a former teacher myself, I am appalled when I visit reservations and see first hand the many schools with leaking roofs, peeling paint, overcrowded classrooms, and inadequate heating and cooling systems. The studies have shown that such deficiencies have adverse effects on student learning. By not providing secure educational facilities, we are paralyzing these children and putting them at a disadvantage that they may never overcome.

The Federal Government has responded to the problem in piecemeal fashion, often using temporary solutions instead of working on a permanent plan of action. For instance, in fiscal year 2001 President Clinton's budget requested $2 million for "portables" or trailer classrooms that have been used since 1993. To date, the BIA has purchased 472 portables and 20 percent of the BIA's total education buildings are now portable classrooms. The request states these trailers are needed due to overcrowding and unhealthy and unsafe buildings. It states that portables are used to replace buildings or parts of buildings that have "poor air quality" that result in what the BIA calls "sick building syndrome."

New funds for Indian school construction is one of the major focuses of the President Bush's fiscal year 2002 budget request with $292.5 million slated for such purposes. Of the overall education construction budget, $127.8 million has been requested for the construction of six schools: Wingate Elementary, NM; Polacca Day School, AZ; Holbrook Dormitory, AZ; Santa Fe Indian School, NM; Ojibwa Indian School, ND; and Paschal Sherman School, WA.

As of January 2001, the repair and rehabilitation, and renovation backlog for Indian education facilities and quarters stood at $1.1 billion and is even greater today.

I understand the underlying notion of the Harkin amendment, but I think this body should affirm our existing obligations to this Nation's DOD, Indian, and Impact Aid schools before we undertake even greater obligations.

Ms. SNOWE. Mr. President, I rise today in support of the Enzi/Snowe school construction amendment. I want to thank my colleague from Wyoming, Senator ENZI for working with me to provide some much federal assistance to states to address serious school construction need. And I appreciate his interest in including a part of my bill, the "Building, Renovating, Improving, and Constructing Kids' Schools, BRICKS, Act" in this amendment.

The amendment before us would provide funding for Impact Aid schools, provide a direct grant to states to provide for the construction needs of their poorest schools and creates a revolving loan fund for school construction.

The condition of many of our Nation's existing public schools is abysmal even as the need for additional schools and classroom space grows. Specifically, according to reports issued by the General Accounting Office, GAO, in 1995 and 1996, fully one-third of all public schools needing extensive repair or replacement.

As further evidence of this problem, an issue brief prepared by the National Center for Education Statistics, NCES, in 1999 stated that the average public school in America is 42 years old, with school buildings beginning rapid deterioration after 40 years. In addition, the NCES brief found that 29 percent of all public schools are in the "oldest condition," which means that they were built prior to 1970 and have either never been renovated or were renovated prior to 1980.

Not only are our nation's schools in need of repair and renovation, but there is a growing demand for additional schools and classrooms due to an ongoing surge in student enrollment. Specifically, according to the NCES, at least 2,400 new public schools will need to be built by the year 2003 to accommodate our nation's burgeoning school rolls, which will grow from a record 52.7 million children today to 54.3 million by 2008.

Needless to say, the cost of addressing our nation's need for school renovations and construction is enormous. In fact, according to the General Accounting Office, GAO, it will cost $112 billion just to bring our nation's schools into good overall condition, and a recent report by the NEA identified $322 billion in unmet school modernization needs. Nowhere is this cost better understood than in my home state of Maine, where a 1996 study by the Maine Department of Education and the State Board of Education determined that the cost of addressing the state's school building and construction needs stood at $637 million.

We simply cannot allow our Nation's schools to fall into utter disrepair and obsolescence with children sitting in classrooms that have leaky ceilings or rotting walls. We cannot ignore the need for new schools as the record number of children enrolled in K–12 schools continues to grow.

Accordingly, because the cost of repairing and building these facilities may prove to be more than many state and local governments can bear in a short period of time, I believe the Federal Government can and should assist Maine and other State and local governments in addressing this growing national crisis.

Admittedly, not all members support strong Federal intervention in what has been historically a state and local responsibility. In fact, many argue with merit that the best form of federal assistance for school construction or other local educational needs would be for the federal government to fulfill its commitment to fund 40 percent of the cost of special education. This long-standing commitment was made when the Individuals with Disabilities Education, IDEA, Act was signed into law more than 20 years ago, but the Federal Government has fallen woefully short in upholding its end of the bargain, only recently increasing its share above 10 percent.

Needless to say, I strongly agree with those who argue that the Federal Government's failure to fulfill this mandate represents nothing less than a raid on the pocketbook of every state and local government. That is why I am a cosponsor of legislation introduced by Senators HAGEL and JEFFORDS to fully fund IDEA, and I support ongoing efforts to achieve the 40 percent federal commitment in the near future.

Yet, even as we work to fulfill this long-standing commitment and thereby free-up local resources to address local needs, I believe the Federal Government can and should provide some assistance to state and local governments in addressing their school construction needs without infringing on local control.

And that is why our amendment is narrowly drawn. First, our legislation will ensure that we meet the federal commitment to Impact Aid schools, which provide education to communities serving our military families and those where the Federal Government owns a substantial share of the property, thereby depriving the community of local revenue. The amendment also provides a direct grant to states to assist in building or rehabilitating the lowest income schools.

In addition, there is a provision based on my school construction bill, BRICKS, that would set aside 20 percent of the Federal money appropriated for school construction for a Federal revolving loan fund for states that meet the Title I small State minimum allocation. These 14 States, which receive a de minimus amount of money under the Title I program, would be eligible for funding that could be used to fund their state revolving loan funds, pay interest owed on construction bonds and for other state authorized school construction activities.

Of importance, these loan monies, which will be distributed on an annual basis using the Title I distribution formula, will become available to each state at the request of a Governor. While the Federal loans can only be used to support bond issues that will supplement, and not supplant, the amount of school construction that would have occurred in the absence of the loans.

And to encourage the Federal Government to meet its funding commitment for IDEA, and to compensate states for the fact that every dollar in foregone IDEA funding is a dollar less that they have for school construction or other local needs, our amendment would impose no interest on BRICKS loans during the first five years provided the 40 percent funding commitment is not met.

Thereafter, the interest rate is pegged to the federal share of IDEA: zero in any year that the federal government fails to fund at least 20 percent of the cost of IDEA; 2.5 percent, the long-term projected inflation rate, in years that the Federal share falls between 20 and 30 percent; 3.5 percent in years the Federal share is 30 to 40 percent; and 4.5 percent in years the full 40 percent share is achieved.

Combined, these provisions will minimize the cost of these loans to the states, and maximize the utilization of these loans for school construction, renovation, and repair.

This afternoon the choice we have on school construction is philosophical. We can provide assistance to states to address the needs of their poorest schools, which is what the Enzi/Snowe amendment does. My colleague Senator HARKIN's approach seeks to provide a piece of the proverbial pie to all schools. But the size of the problem and the piece of the pie, I think they would be so thinly cut that a mere mouthful would be all that was offered. Better to consolidate our efforts on the very neediest so that the Federal assistance will make a difference.

By providing assistance to states to address their most pressing school construction needs, I believe our amendment provides important assistance to help address a national problem. Our children need a safe, clean and healthy environment in which to learn.

I urge that my colleagues support the Enzi/Snowe amendment legislation that will make a tangible difference in the condition of America's schools without turning it into a partisan or ideological battle that is better suited to sound bites than actual solutions.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ENZI. Mr. President, I yield up to 10 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 10 minutes.

Mr. VOINOVICH. Mr. President, I rise today to make it very clear to my colleagues that I do not oppose constructing new schools: In fact, I firmly believe that more schools should be built, replaced, repaired, and renovated in the United States of America. I suspect there are few people in this country who have done as much as I have to make that happen.

Earlier this month, I was in Cleveland, OH, to campaign for a $380 million local school construction bond and levy initiative. That money would be used to leverage $500 million from the State of Ohio.

Last week, the voters of Cleveland passed that bond and levy by a margin of 3 to 2. They voted to tax themselves in order to help build, replace, and repair over 100 schools throughout the Cleveland School District.

The citizens of Cleveland know that school construction is a State and local responsibility.

But I am concerned about the Federal Government telling State and local officials they have to spend Federal resources on school construction instead of spending it on education priorities they have determined. Localities should have the freedom to invest their dollars in the greatest needs, whether it is teachers, computers, or textbooks, and not be locked in.

We also need to consider the fairness factor. Many of our States have committed themselves in a very major way to school construction programs. I am concerned that as the Federal Government becomes more involved in school construction, the less inclined the States will be to invest their own funds in school construction. There will be an incredible temptation for States to simply sit back and let the Federal Government take care of things. That is something we see too much of in this body.

All we would be doing in passing the Harkin amendment or any amendment is giving those States that refuse to step up to the plate and provide for their schoolchildren, a free pass from meeting their obligations. In my State, we have stepped up to the plate. Under Ohio's Classroom Facilities Assistance Program we have appropriated more than $2.7 billion to repair and rebuild our schools. By the end of this month, 23 schools will have been built or renovated by our program, and by the end of the year, 50 schools will be completed by the program.

For example, in Canton, OH, the State is paying $129 million out of a $176 million schools project. In the Springfield City schools, the State is paying $135 million out of a $165 million project. In Youngstown, the State is picking up $130 million out of $163 million.

In other words, the lower the wealth in the district, the less they have to pay for rebuilding their schools. We are going to get the job done in Ohio.

In fact, a GAO report pointed out that in terms of investing in school construction, our State ranks ninth in the Nation in percentage terms and the eighth greatest in dollar amount.

I think it is important for my colleagues to understand that last year, the National Governors' Association Center for Best Practices looked into the prevalence of State involvement in school construction. Here is what they had to report:

> The Center discovered Governors are focusing more attention on school construction and modernization than ever before.

The report goes on to cite several examples: 11 States subsidize, reimburse, or match local funding for construction projects; 10 States have an established formula for determining the amount of State funding each school district will receive; six States have established a new agency to oversee school construction with the State; five States provide low-interest loans for low-income school districts to help support their school construction efforts; and four States require the Governor and State legislature to approve school construction projects prior to State funding being made available.

The States are getting it done, which prompts me to ask my colleagues on the other side of the aisle, why should the taxpayers of Wyoming, Florida, or New Hampshire have to pay to build schools in Ohio? And, conversely, why should the taxpayers of Ohio, who are meeting their responsibility, pay for those who have not yet done so? What kind of a message are we sending to these people? They have done the right thing, but we are saying: Tough luck, we are going to take your tax money, the tax money we should spend on true Federal responsibilities, and totally ignore them so we can do something that is politically popular. That is just wrong.

Mark my words, once the Federal Government gets involved in providing direct grants to build schools, there will be pressure like you would not believe to ramp-up the funding.

We just heard from the Senator from New York saying they have already committed schools for the money that has been made available to New York State. I tell you this, they are lining up in New York and every other place. They are letting their Governors and their legislatures and their local officials off the hook. The passage of the amendment of the Senator from Iowa will do more to discourage States from stepping up to the plate and doing what they are supposed to be doing than anything I can think of today.

As chairman of the National Governors' Association, we worked very hard to make a real difference in this area.

I started on this effort back in 1991 when I became Governor of the State of Ohio, and we are getting it done. But there is one more thing we need to remember: When we spend Federal money on things like this, we give up what you could have purchased with the money for other Federal responsibilities. Economists call that concept "opportunity cost." When the Senate thinks about spending money on one thing, we need to recognize we are giving up the ability to use money for other worthy causes. When figuring opportunity costs, we need to remember the fact that we have a number of unmet Federal needs, needs that are a Federal responsibility, and which we should address as part of our full and balanced approach to the Federal budget.

I am going to be talking more about that in this Chamber with my colleagues later on this year. I have asked the General Accounting Office to do a study on unmet infrastructure needs in our Nation—needs that are the responsibility of the Federal Government, not State government, not local government, but the Federal Government.

That GAO study is going to include highways, mass transit, airports, drinking water supply, wastewater treatment, public buildings, and water resources projects.

I believe the GAO's final report will give us a better sense of exactly how formidable our unmet needs really are.

We cannot do everything for everyone. Before we start down the road to spend billions upon billions of dollars, we need to remember that school construction, like the vast majority of education programs, is a responsibility best left to our State and local officials. They are the ones who are on the front lines. They are the ones who know best the needs of their respective communities in their States.

I think it is time for this body to stop acting like a national school board. We are not a national school board. Many States elect their school board members. Many States elect their superintendents. They are the ones who are charged with the responsibility under the Constitution. Under the 10th amendment, that is a responsibility of local and State government.

Let them do the job they are elected to do. And let us allocate our resources in those areas where we do have the Federal responsibility.

Mr. President, I yield the floor.

Mr. HARKIN. Do we have time left? Zero? OK.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, while I am awaiting the arrival of the Senator from Arkansas, I will take a couple more minutes on this amendment.

What we are doing today, through one of the three amendments—or maybe all of the three amendments—is setting up a new school renovation and construction program. The question is, Do you want to just give the money to the States or do you believe there ought to be some constrictions on the money?

Under the amendment I have offered, there is a first priority. That first priority is that the Federal Government shall first meet its existing obligation to fund the construction and renovation needs of Indian schools and federally impacted schools before any other construction needs are addressed. That is an area that we have underfunded in the past. It is an obligation we already have. That obligation stands at $2 billion.

There is a second priority; that is, once we have assured the funding of the Indian schools and the federally impacted schools, which is already a Federal obligation, then we would have two mechanisms for funding schools, both of which would require that they be targeted toward the neediest districts in the States. Those would be determined by the States, but they have to be the neediest schools in the States.

There are two ways of funding that. One of them is Senator SNOWE's "bricks" approach, which is a revolving loan fund that is set up to pay the interest on the school bonds that are done to build the schools. The other one is the proposal that I have put forth that targets the 10 percent for the neediest schools and requires that there be a 90-percent effort at the local level.

We keep talking about the local level. There are no provisions for funding to get to the local level for an obligation. A needy area has very little capability to raise money through bonds. States have requirements. Bonding companies have requirements on how much money they will allow a district to bond. Some of those districts have already reached their entire capacity.

As I mentioned before, some have exceeded their capacity. How does that happen? If the value of the property in the district goes down, and they already have existing obligations, then they exceed the capacity they are allowed. There is no penalty for exceeding the capacity. The bonds are not as valuable and they won't sell with any kind of premium. They will probably sell with a discount, but it is a mechanism that is out there for local school districts to provide funding for their schools. And one of the things I have been concerned about through the whole process is how we make sure there is money available for the neediest schools, for those districts that do not have a very high bonding capacity but still to make sure they do some local effort.

There is a tremendous difference in the kind of a school that is built if you get to use somebody else's money as opposed to your own money. So we need to make sure there is still that local obligation involved.

The other part of it is that States have always had an obligation to do this. In fact, the Federal Government, outside the two areas I mentioned, which are the Indian schools and the Federally impacted schools, has not had a role in school construction and renovation. We have made that a requirement of the States.

As a result, in order to make sure there is still some State participation, there is a 50-percent match requirement. I do not think we ought to pass any bill out of this Chamber that does not assure we have the local participation and State participation before we do a brand new Federal spending program that assures we are going to build schools for all of the school districts in the United States.

I can see the cash register ringing up out there as the wish list for new schools goes up. I can tell you that in Wyoming, we have been working under an equalization process so that the rich school districts, those districts that have a higher property valuation, and other resources, help to pay for the schools in poorer areas of the State.

That is always under some court review to make sure that there is some equalization. There is a rating system for the school. There are some requirements on how big of a school, the fact that it has to go to classrooms, that it cannot go to athletic facilities. Athletic facilities have to be provided by outside sources in that district—100 percent by the district. So they have gone through a lot of difficulty to arrive at a formula.

We are talking about launching a new Federal program with no constraints. Once you do it with no constraints, it is pretty hard to go back and say: Whoops, we bit off a bigger chunk than we can ever afford. After everybody in the country is figuring that their school can be replaced by Federal dollars, how do we back off of that kind of a position?

I am suggesting that if we get into this kind of a position at all, we be sure that we nail down some of the requirements. Something that I did not even address is, what size school do you build? If they are going to have 16 students, do you allow them to build for 1,000 students on the possibility that it might be a growth area? No, you cannot do that either. You cannot afford unlimited schools.

I heard someone say that the amendment of the Senator from Iowa does not force money on anybody. That certainly is true; It does not force money on anybody. It passes it out by the bushel basket, with no constraints whatsoever. Can you imagine some school district saying: No, no, we would rather take care of the problem ourselves; don't give us any money? No. What they are all going to say is: You started a program. You said you would fix schools. It is underfunded. It is not funded.

Whatever you want to say, there will never be enough funds to take care of the kinds of schools that everybody will be able to envision. Architects will be staying up late dreaming of new ways they can build logos for schools, let alone the schools, because there are no constraints in the Harkin bill.

This amendment puts in some modest constraints, constraints that say they have to have 90 percent bonding capacity in their area; they have to be making a local effort. They just have to have the local folks, even though it is not much, participating in their own program. Then the States have to make sure that 50 percent of it comes either from the local districts or the State, in any combination the State chooses, before any Federal dollars kick in.

We have the other solution that provides a revolving fund for States. That would provide the money to cover construction bonds. It is another alternative, another way that we can do the process.

I hope people will look at this amendment as being one that is a logical way to start the process. I ask that my colleagues consider the amendment carefully, and then support the amendment that I have offered.

Another amendment that takes another approach that can have an impact on schools is one that the Senator from Arkansas is proposing. So at this point, I yield the floor, and I yield the remainder of my time to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 550

Mr. HUTCHINSON. Mr. President, I thank the Senator from Wyoming for yielding time. I will only take a minute to briefly explain why I ask my colleagues to support the amendment I have offered.

There are, frankly, three amendments that deal with the issue of school construction. I believe Senator HARKIN and Senator ENZI are sincere. They have worked very hard. They understand there is a severe problem out there. In fact, there is one area of agreement that we all have, and that is that there is a serious need in this country for resources for school construction.

There is a different approach. There are three votes. There are three amendments. There is only one that does not create a new Federal program addressing school construction. So while there are merits and demerits to the various approaches, the other two amendments create a new program—both create new programs—for school construction. I believe that is wrong. There is only one amendment that preserves the prerogative of State and local governments to control the school construction issue.

So my amendment offers a helping hand through the Tax Code for local school districts, low-income, poor school districts to better be able to address the school construction needs they have. This is an approach that passed 20-0 out of the Finance Committee and has been supported previously in this body. I believe it is the right approach and expresses our concern about this issue and gives help to the local governing bodies who need the assistance but preserves that very important prerogative of the local school districts to control school construction issues.

So this preserves the whole principle of this bill; that is, local flexibility and local control, and does not take us down the road of a new Federal program involving us in a brand new area of building schools across this country.

So I ask my colleagues to support my amendment. I believe it is consistent with what we are trying to do in this bill with greater flexibility and greater local control.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to amendment No. 649 offered by the Senator from Wyoming.

Mr. ENZI. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is ordered.

The question is on agreeing to amendment No. 649. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Missouri (Mrs. CARNAHAN) is absent attending a funeral.

I further announce that, if present and voting, the Senator from Missouri (Mrs. CARNAHAN) would vote "no."

The PRESIDING OFFICER (Mr. BROWNBACK). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 37, nays 62, as follows:

[Rollcall Vote No. 107 Leg.]

YEAS—37

Allard
Baucus
Bond
Burns
Campbell
Chafee
Cochran
Collins
Conrad
Craig
Crapo
DeWine
Domenici
Dorgan
Enzi
Frist
Gramm
Grassley
Gregg
Hagel
Hutchison
Inhofe
Jeffords
Lott
Lugar
McCain
McConnell
Murkowski
Nickles
Santorum
Sessions
Shelby
Smith (NH)
Snowe
Stevens
Thomas
Thurmond

NAYS—62

Akaka
Allen
Bayh
Bennett
Biden
Bingaman
Boxer
Breaux
Brownback
Bunning
Byrd
Cantwell
Carper
Cleland
Clinton
Corzine
Daschle
Dayton
Dodd
Durbin
Edwards
Ensign
Feingold
Feinstein
Fitzgerald
Graham
Harkin
Hatch
Helms
Hollings
Hutchinson
Inouye
Johnson
Kennedy
Kerry
Kohl
Kyl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Mikulski
Miller
Murray
Nelson (FL)
Nelson (NE)
Reed
Reid
Roberts
Rockefeller
Sarbanes
Schumer
Smith (OR)
Specter
Stabenow
Thompson
Torricelli
Voinovich
Warner
Wellstone
Wyden

NOT VOTING—1

Carnahan

The amendment (No. 649) was rejected.

Mr. KENNEDY. I move to reconsider the vote.

Mr. JEFFORDS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. How long did that vote take, Mr. President?

May we have order, Mr. President.

The PRESIDING OFFICER. There will be order in the Senate.

The question is on the Harkin amendment. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the next votes in the series be limited to 10 minutes each.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. The Senator from Massachusetts asked how long the last vote took. Did he get an answer to his question?

The PRESIDING OFFICER. Thirty-two minutes.

Is there objection to the request?

Mr. BYRD. Mr. President, what is the request?

The PRESIDING OFFICER. That the next vote be a 10-minute vote.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. BYRD. Mr. President, I do not know how serious this request is. I would like to know first. I will reserve an objection. I know the Senator wants to have a 10-minute vote. I know that.

Mr. JEFFORDS. Yes.

Mr. BYRD. I know he is serious.

Mr. JEFFORDS. Right.

Mr. BYRD. But just how much do we mean this in the Chamber? I am not making little of the Senator's request. I would like to see a 10-minute vote.

May I ask this question of the leader. I ask unanimous consent that I may speak for 1 minute on this reservation.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. BYRD. May I ask the distinguished majority leader a question. There is a request before the Senate to limit this next vote to 10 minutes, and the only way that can happen is if the majority leader steps in at the end of the 10 minutes and closes this vote. Having been the majority leader, I do not think it is unfair for me to ask the majority leader if he intends to enforce this request if it is agreed to, and only the leader can enforce it.

Mr. LOTT. Mr. President, if Senator BYRD will yield, Senator BYRD has made this point before, and I certainly understand how he feels, and others, as a matter of fact, about the need to cut these votes off in a reasonable period of time.

I would be perfectly happy, and I am sure the managers would be happy, to see us limit these to 10 or, I believe, 10 minutes plus 5 minutes over the time, which has been allowed, for a total of 15 minutes. I will be glad to do that.

What happens, of course, is Senator DASCHLE and I will receive a call from a Senator who is on the way. We had last week a mistake where the Senator from West Virginia had not been recorded when, in fact, he had voted, and we, thinking he had not voted said: No, wait until he gets here. We know he wants to be recorded.

We make a mistake by bending over backwards too much trying to accommodate all 100 Senators. But the Senator's point is well taken. Since we are all here and listening attentively, this vote will be cut off in the prescribed time, as was suggested by the Senator from Vermont, if in fact that request is honored.

Mr. BYRD. Mr. President, I remove my reservation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that following the sequenced votes and any cleared amendments, the Senate then resume consideration of the Dayton amendment No. 622 and the Voinovich amendment No. 443. I further ask unanimous consent that there then be a total of 30 minutes equally divided for closing remarks with respect to both amendments.

Further, I ask unanimous consent that following that time, the Senate proceed to a vote in relation to amendment No. 622 to be followed by a vote in relation to amendment No. 443, with no amendments in order to the amendments prior to the vote. I ask unanimous consent that there be 2 minutes equally divided prior to the second vote.

The PRESIDING OFFICER. Is there objection?

Mr. KYL. Mr. President, I inquire of the Senator from Vermont, about what time, then, would the next two votes occur? Would that be roughly in 1 hour—1 hour 10 minutes, excuse me?

Mr. JEFFORDS. The elapsed time would be about an hour.

Mr. KYL. I thank the Senator.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. I regret I was sitting immediately behind the distinguished Senator and I did not understand his request. Would he mind repeating the request.

Mr. JEFFORDS. I ask unanimous consent that following the sequenced votes and any cleared amendments, the Senate then resume consideration of the Dayton amendment No. 622 and the Voinovich amendment No. 443. I further ask consent that there then be a total of 30 minutes equally divided for closing remarks with respect to both amendments.

Further, I ask consent that following that time, the Senate proceed to a vote in relation to amendment No. 622, to be followed by a vote in relation to amendment No. 443, with no amendment being in order to amendments prior to the vote. I ask that there be 2 minutes equally divided prior to the second vote.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I would like to speak for 30 minutes on the matter of reconciliation. Is it expected in the morning we will have an opportunity to speak before that bill is taken up?

Mr. LOTT. Mr. President, let me say if the Senator will yield, I would like to have a chance to talk to the managers of the legislation about the possibility of yielding some time tonight or we will work with you to make sure you have time in the morning. We know you want to speak on this matter, and we will work with you to find a time that is agreeable with you to do so, either after these votes or in the morning. If you will allow us to talk to the managers and get with you, we will find a way you can do that.

Mr. BYRD. Mr. President, I do not want to speak to an empty Chamber on the matter of reconciliation. So I would like to speak immediately after the next two votes, which I understand are already scheduled. Am I correct?

Mr. KENNEDY. The Senator is correct.

The PRESIDING OFFICER. There are two votes that are scheduled at this point.

Mr. BYRD. I would like to speak immediately after those votes.

Mr. LOTT. Mr. President, I am not sure; does Senator BYRD still have the floor?

Mr. BYRD. I do not have the floor. I was reserving the right to object.

The PRESIDING OFFICER. The Senator from Vermont has the floor.

Mr. LOTT. If the Senator from Vermont will yield, as we try to get the unanimous consent agreement worked out, I believe we have requests that would allow us to have this sequence and then have two votes in about an hour. I think maybe then there would be a time where Senators will be in the Chamber and perhaps we could do it after the two votes that are supposed to occur in an hour. Would that be agreeable to Senator BYRD?

Mr. BYRD. Mr. President, will the Senator from Vermont yield?

Mr. JEFFORDS. I yield.

Mr. BYRD. As I understand it, two votes are locked in already.

Mr. LOTT. That is correct.

Mr. BYRD. I would like to speak following those two votes.

Mr. LOTT. Mr. President, I know the Senator would like to have an opportunity to speak when there would be the maximum opportunity to have the arguments heard, but I do not think Senators are going to stay after these two stacked votes. We were hoping we could stay on the education issue and get through this agreement that has been worked out, the final two. Then while we are working on the next amendment we thought it would be a good time for Senator BYRD to make his statement.

Mr. BYRD. Mr. President, I object to the request.

Mr. LOTT. Mr. President, I believe we have two votes that are already ordered and we can go to the vote.

The PRESIDING OFFICER. The question is on the amendment.

Mr. BYRD. Mr. President, may we have an explanation of the amendment?

Mr. KENNEDY. We ask for 2 minutes for the proponent, the author of the amendment to be able to address the Senate prior to the vote. I ask for 2 minutes.

The PRESIDING OFFICER. Is there objection to the author of the amendment explaining it for 2 minutes? One minute?

Mr. BYRD. Mr. President, I object. If it is only going to be 1 minute, I object. I want an explanation on this. We will have it or we will have a quorum call and that will take far longer than an explanation would require. I want to know what this amendment is about.

Mr. KENNEDY. Could I renew my request he be given 2 minutes?

That is too short a time?

The PRESIDING OFFICER. Is there an objection?

Mr. BYRD. Let's make that 5 minutes.

Mr. KENNEDY. It is 5 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. THOMAS. Yes. Objection.

The PRESIDING OFFICER. Is there objection?

Mr. THOMAS. Yes.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. BUNNING. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will continue.

The assistant legislative clerk continued the call of the roll.

Mr. LOTT. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

Mr. BYRD. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk continued the call of the roll.

Mr. LOTT. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. LOTT. Mr. President, I thank the managers of this legislation and all those who have been involved in continuing to try to move it forward. It is not easy to accommodate the wishes of all Senators in terms of time for final debate before amendments or those who would like to speak on other issues, but we try very hard to accommodate all of those wishes.

We have come up with an agreement that I think will allow us to make progress on the education bill, move to the reconciliation bill, and make progress there. So to put it in layman's language, we have two votes on amendments back to back that are already ordered. What we would do then would be to go to the debate on the next amendments. Those two votes would occur in the morning, beginning at 9 o'clock, preceded by 3 minutes of time before each vote. Then at 9:30 or so, as the votes are completed, we would go to reconciliation, and Senator BYRD would be recognized for up to 30 minutes as the first speaker on reconciliation. So that is how it would work out.

Mr. President, I ask unanimous consent that following the votes that are ordered, and any cleared amendments, the Senate then resume consideration of the Dayton amendment No. 622 and the Voinovich amendment No. 443. I further ask consent that there then be a total of 20 minutes, equally divided, for closing remarks with respect to both amendments. Further, I ask consent that following that time, the Senate proceed to a period of morning business. I ask consent that these votes occur beginning at 9 a.m., with 3 minutes prior to each vote for explanation.

I further ask consent that Senator BYRD be recognized immediately following the two stacked votes for up to 30 minutes immediately following the reporting of the bill by the clerk.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. I do not expect to object, but I want to be clear on two things. No. 1, when we have a quorum call here, we should be able to hear the clerk call the names. No. 2, the 30 minutes that are reserved for me to speak——

Mr. REID. Twenty minutes.

Mr. BYRD. No. I did not say 20 minutes.

Mr. LOTT. For Senator BYRD?

Mr. REID. I am talking about the two votes.

Mr. BYRD. I am not talking about the two votes. My 30 minutes I do not want taken out of the 20 hours tomorrow. I wanted to make it today. I wanted to make it today between the votes so that it would not——

Mr. LOTT. If the Senator will yield, I think we could probably spend more time working through this. Let's make that accommodation. We will have two votes in the morning, but Senator BYRD will speak for 30 minutes. Then we will go to the reconciliation bill, which would be at approximately 10 o'clock or 10 after, whatever it would be.

The PRESIDING OFFICER. Is there objection?

Mr. BAUCUS. Reserving the right to object, it is our understanding that the remarks by the Senator from West Virginia would not come out of the reconciliation.

Mr. LOTT. Because of his objection, perhaps others, it would not count against that time. But we are going to have to use about 12 hours or more tomorrow. So I was thinking that since it was relevant to that issue those 30 minutes could count against the 12 or 14 hours we need to use tomorrow. But if there is objection to that, it is more important we get the agreement, hear what he has to say, and get started with the reconciliation bill.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

VOTE ON AMENDMENT NO. 525

The PRESIDING OFFICER. The question is on agreeing to the Harkin amendment No. 525.

The yeas and nays have not been ordered.

Mr. REID. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Missouri (Mrs. CARNAHAN) is absent attending a funeral.

I further announce that, if present and voting, the Senator from Missouri (Mrs. CARNAHAN) would vote "aye."

The PRESIDING OFFICER (Mr. ALLEN). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 49, nays 50, as follows:

[Rollcall Vote No. 108 Leg.]

YEAS—49

Akaka
Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Byrd
Cantwell
Carper
Cleland
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Harkin
Hollings
Inouye
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Nelson (NE)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Specter
Stabenow
Torricelli
Wellstone
Wyden

NAYS—50

Allard
Allen
Bennett
Bond
Brownback
Bunning
Burns
Campbell
Chafee
Cochran
Collins
Craig
Crapo
DeWine
Domenici
Ensign
Enzi
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kyl
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Stevens
Thomas
Thompson
Thurmond
Voinovich
Warner

NOT VOTING—1

Carnahan

The amendment (No. 525) was rejected.

Mr. GRAMM. Mr. President, I move to reconsider the vote.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 550

The PRESIDING OFFICER. The question now is on agreeing to the Hutchinson amendment No. 550. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Missouri (Mrs. CARNAHAN) is absent attending a funeral.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 83, nays 16, as follows:

[Rollcall Vote No. 109 Leg.]

YEAS—83

Akaka
Allard
Allen
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bunning
Burns
Campbell
Cantwell
Carper
Cleland
Cochran
Collins
Corzine
Craig
Crapo
Daschle
Dayton
DeWine
Dodd
Domenici
Dorgan
Edwards
Ensign
Enzi
Feinstein
Fitzgerald
Frist
Graham
Gramm
Gregg
Hagel
Harkin
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
McConnell
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Nickles
Reed
Reid
Roberts
Rockefeller
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Specter
Stabenow
Stevens
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner
Wellstone
Wyden

NAYS—16

Baucus
Byrd
Chafee
Clinton
Conrad
Durbin
Feingold
Grassley
Hollings
Inouye
Jeffords
Johnson
Kyl
McCain
Mikulski
Snowe

NOT VOTING—1

Carnahan

The amendment (No. 550) was agreed to.

Mr. JEFFORDS. Mr. President, I move to reconsider the vote.

Mr. REID. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. REID. Mr. President, I advise my friend from Vermont, the manager of this bill, the Senator from California, Mrs. FEINSTEIN, wishes to offer an amendment. She will do that in just a few minutes. She says she will not take more than 5 minutes in presenting the amendment. So I ask unanimous consent the pending amendment be set aside to allow Senator FEINSTEIN to offer her amendment.

Mr. JEFFORDS. No objection. I look forward to learning about it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from California.

AMENDMENT NO. 369, AS MODIFIED

Mrs. FEINSTEIN. Mr. President, I call up amendment No. 369. I ask unanimous consent to resubmit the amendment with modifications.

The PRESIDING OFFICER. Is there objection to the modifications?

Without objection, it is so ordered. The clerk will please report.

The assistant legislative clerk read as follows:

The Senator from California [Mrs. FEINSTEIN] proposes an amendment numbered 369, as modified.

Mrs. FEINSTEIN. I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To specify the purposes for which funds provided under subpart 1 of part A of title I may be used)

On page 137, between lines 3 and 4, insert the following:

SEC. . LIMITATIONS ON FUNDS.

Subpart 1 of part A of title I (20 U.S.C. 6311 et seq.) is amended by inserting after section 1120B (20 U.S.C. 6323) the following:

‘‘SEC. 1120C. LIMITATIONS ON FUNDS.

‘‘(a) IN GENERAL.—Notwithstanding any other provision of this Act, a local educational agency shall use funds received under this subpart only to provide academic instruction and services directly related to the instruction of students in preschool through grade 12 to assist eligible children to improve their academic achievement and to meet achievement standards established by the State.

‘‘(b) PERMISSIBLE AND PROHIBITED ACTIVITIES.—In this section, the term ‘academic instruction’—

‘‘(1) includes—

‘‘(A) the implementation of instructional interventions and corrective actions to improve student achievement;

‘‘(B) the extension of academic instruction beyond the normal school day and year, including during summer school;

‘‘(C) the employment of teachers and other instructional personnel, including providing teachers and instructional personnel with employee benefits;

‘‘(D) professional development for instructional personnel;

‘‘(E) the provision of instructional services to pre-kindergarten children to prepare such children for the transition to kindergarten;

‘‘(F) the purchase of instructional resources, such as books, materials, computers, other instructional equipment, and wiring to support instructional equipment;

‘‘(G) the development and administration of curricula, educational materials, and assessments; and

‘‘(H) the transportation of students to assist the students in improving academic achievement; and

‘‘(2) does not include—

‘‘(A) the purchase or lease of privately owned facilities;

‘‘(B) the purchase or provision of facilities maintenance, gardening, landscaping, or janitorial services, or the payment of utility costs;

‘‘(C) the construction of facilities;

‘‘(D) the acquisition of real property;

‘‘(E) the payment of costs for food and refreshments;

‘‘(F) the payment of travel and attendance costs at conferences or other meetings other than travel and attendance necessary for professional development; or

‘‘(G) the purchase or lease of vehicles.’’.

‘‘(3) the chief administrative officer may make exceptions to the prohibitions that are reasonable and necessary to carry out the purposes of the program.’’.

Mrs. FEINSTEIN. Mr. President, this amendment directs that Title I funds be used only for academic instruction. It is true that for the most part title I funds are used for academic instruction. It is also true, though, that money often goes for other purposes, and this amendment would clarify the purposes for which Title I funds can be used by school districts.

The amendment states that the funds be used to improve academic achievement, to help students meet State achievement standards. Permitted uses would include corrective actions to improve student achievement, extending academic instruction beyond the normal school day and school year, including summer school, employing teachers and instructional personnel, providing instructional services to pre-kindergarten children to help them transition to kindergarten, purchasing instructional resources, conducting or obtaining professional development, and developing curriculum, for example.

What is explicitly not permitted is the purchasing or leasing of facilities or vehicles with Title I funds, purchasing or providing facilities maintenance, janitorial, gardening, or landscaping services, paying for utilities, constructing facilities, acquiring real properties, buying food or refreshments, or travel to and attendances at conferences except for travel and attendance necessary for professional development.'

The purpose of this amendment is to take these critical funds and see that they go where they should go, which is toward the core curriculum and the teaching of and learning by youngsters. I believe the amendment will be accepted.

Current law on Title I is much too vague.

It says,

A State or local educational agency shall use funds received under this part only to supplement the amount of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of pupils participating in programs assisted under this part, and not to supplant such funds.

Basically, it says that Title I funds are to be used for the ‘‘education of pupils.’’ That is just too nebulous.

The U.S. Department of Education has given states a guidance document that explains how Title I funds can be used. Permitted uses are for the following: instructional practices; counseling; mentoring; developing curricula; salaries; employee benefits; renting privately-owned facilities; janitorial services; utilities; mobile vans; training and professional development; equipment; interest on lease purchase agreements; travel and conferences; food and refreshments; insurance for vehicles; and parent involvement activities.

Under this guidance document, only two uses are specifically prohibited: construction or acquisition of real property; and payment to parents to attend a meeting or training session or to reimburse a parent for salary lost due to attendance at ‘‘parental involvement’’ meeting.

I believe we should give the Department, states and districts clearer guidance in law. My reason for introducing this amendment is this: Our students are not learning; our schools are failing our children. We must use our limited federal dollars for the fundamental purpose of education: to help students learn.

A January 2001 study by Education Weekly, titled ‘‘Quality Counts 2001: A Better Balance,’’ brought more bad news about California's students. Here's what the report found:

In fourth grade reading, 20 percent of students are proficient and 52 percent are below the basic standard.

In eighth grade reading, 22 percent of students are proficient and 36 percent are below the basic standard.

Comparing California to other states, in how well fourth grade students read, California ranks 36 out of 39 states. In eighth grade reading, California ranks 32 out of 36 states.

Nationally, the news is similarly distressing:

U.S. eighth graders are out-performed by their counterparts in math and science from Japan, Korea, Hong Kong and Singapore, Australia, and Canada.

American twelfth graders performed in mathematics better than student in only two countries, Cyprus and South Africa.

In writing, 75 percent of U.S. school children cannot compose a well-organized, coherent essay, according to the National Assessment for Education Progress in September 1999.

We have to put a stop to this bad news. Fortunately, the bill before us takes some strong steps and with this amendment, it will take even more.

While it is difficult to ascertain how Title I funds are always being used, we do know of a few examples that raise questions in my mind:

In Alabama, according to the Citizens' Commission on Civil Rights, "dipped into Title I to pay the electric bill and for janitorial services."

While most of Title I's $8 billion appear to be spent on instruction, the Los Angeles Times, in a March 12, 2000 editorial, said, "About half that amount is wasted on unskilled though well-meaning teacher aides, who are often more babysitter than instructor."

Title I has been used "to pay for everything from playground supervisors and field trips to more time for nurses and counselors," according to the San Diego Union-Tribune, March 16, 2000.

California school officials have told my staff that Title I has been used for pay for clerical assistants in school administrative offices, payroll staff, truant officers, schoolyard duty personnel, school bus loading assistants, "curriculum coordinators," "compliance," attending conferences, and home visits.

By offering this amendment, I am not suggesting that Title I funds are being wasted across the board.

In fact, an August 2000 report by the Department of Education says, "Most—77 percent—of Title I funds were used for instructional resources," for example, to hire teachers and to provide instructional materials. That is good.

But that report also says, that 12 percent of funds or $835 million in 1998, were used for "program administration." Since this report does not provide more specificity, it is difficult to tell exactly what these funds were used for, but I do think we have to question whether we want $835 million spent on administration of this program.

Another report, a draft by the Citizen Commission on Civil Rights, found that in the Fresco, California, school districts, "15 percent [of Title I funds remains in the district office." It goes on to say that funds are also used for "supplies, two case workers, Saturday schools, and breakfast and lunch programs for about 800 homeless students." This is just one example and while these uses probably most certainly contribute to a child's education, it is my view that Title I cannot do everything.

That is why I am trying to better focus Title I funds on academic instruction, teaching the fundamentals and helping disadvantaged children achieve.

Federal funding is only seven percent of total funding for elementary and secondary education and Title I is even a smaller percentage of total support for public schools. We must get the most that we can educationally for our limited dollars. It is time to better direct Title I funds to the true goal of education: to help students learn. This is one step toward that goals.

I urge my colleagues to support this amendment.

I yield the floor.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. JEFFORDS. Mr. President, I have no request for time on the amendment.

I ask unanimous consent the amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. JEFFORDS. Mr. President, I ask unanimous consent there now be a period for morning business with Senators permitted to speak for 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEFFORDS. Mr. President, I make a point of order that there is not a quorum present.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I ask consent to speak in morning business for 15 minutes.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 15 minutes.

ENERGY POLICY

Mr. DORGAN. Mr. President, tomorrow I believe Vice President CHENEY will be releasing details of an energy plan he has worked on for some long while. All of us anxiously await release of that plan, so we can begin discussing what kind of an energy policy this country needs.

I think it is the case that with respect to both Republican and Democratic administrations, for many years this country has not had a satisfactory energy plan. We have become more and more reliant on foreign sources of energy. We seem not to have a consistent plan that tracks over a long period of time relating to production and conservation and renewables.

So I think it is quite clear we need a new plan. We need a new strategy, one that works for this country. We have Americans today who discover, when they drive up to the gasoline pumps, that the price of gas has increased dramatically. In some parts of the country, people are now paying over $2 a gallon for gasoline. In other parts of the country, the price of gasoline, they say, will probably move to $3 a gallon at some point. Lord only knows what the new projections will be.

Those who are trying to heat their homes with natural gas, or family farmers who are going into the field with anhydrous ammonia fertilizer, 80 percent of which is natural gas, are discovering the price of natural gas has spiked and skyrocketed. In many parts of the country, the price of natural gas is double what it used to be, and in some cases is much more than that.

If you happen to live in California at the moment, you discover that the price of electricity has dramatically increased. We know that 2 years ago, the price of power in California cost consumers $7 billion. Two years later, it is $70 billion in California, which is nearly a tenfold increase. Those price increases have spread to other parts of the west, as well.

We know that in California the use of natural gas to produce power in electric generating plants, in a deregulated wholesale market, has created, in my judgment, a broken market, one in which unregulated sellers sell into a regulated market in California, and in 24 hours the price of an MCF of natural gas can double, triple, or quadruple—in just a 24-hour period. And all of it is non-transparent. No one can see what the pricing is, who made the money, how much money was made. That is what is happening in California today.

I have been very critical of the Federal Energy Regulatory Commission that is supposed to be regulating some of these activities, but instead has done its best imitation of a potted plant for a couple years. They have essentially done nothing because they apparently view markets as some sort of sacrosanct device which will be fair to all.

In fact, the market in California is broken. The market for power in California does not work. This is a failed experiment in deregulation. Any lesson we should take from this for the rest of the country—and, I would say, for my home State of North Dakota, is: let us not follow this example of deregulation. They call it restructuring. That is just a fancy name of saying deregulation.

In North Dakota, we have been deregulated with airlines, deregulated with railroads, and now they talk about the deregulation of electricity. Every time we have been deregulated, we have been hurt badly. The California experience of deregulation and restructuring ought to send shivers down the backs of the rest of the people in this country who have not yet had this experience.

My point is, we have an energy situation that is in chaos in this country: it is at the gasoline pumps in the eastern part of the country, and all the rest of the country; it is in electricity prices in California; natural gas prices for farmers who are about to go into the field; and for people trying to heat their homes.

What do we do about all that? First, I happen to think we ought to investigate pricing policies. When you have concentration of power in the hands of a few—I would say, in the oil industry, with the kinds of mergers we have had in recent years—we have larger and larger enterprises that have the capability, that have the economic power and the muscle to impose high prices and to manipulate supply. I do not allege they do it in all cases. I do allege the possibility exists. And we would do the public and this country some good by shining light on pricing policies in many of these energy streams. I suggest we do that by creating a select committee—a joint House and Senate committee—to investigate energy prices.

Let me be quick to say, there also are other reasons for the spike in some energy prices. When the price of oil went to $10 a barrel, frankly, there was very little incentive for the energy industry to look for oil and natural gas. I understand that. I accept that.

Then the price of oil spiked to $35 a barrel, and we began to see more drilling rigs; more people are looking for oil. We will have more supply coming on line. I accept the fact that there is an imbalance in supply and demand. That is not permanent. That is temporary. I also accept the fact we would be better off as a country not having that kind of roller coaster ride on energy prices.

We would be much better, in my judgment, having a more stable pricing structure that would provide incentives for people to search for coal, oil and natural gas, not just sometimes, but all of the time.

So I accept that as part of the reason for some of the pricing disparities that exist in this country. But I do not accept that that represents the entire answer for what is happening in this country.

I believe there is evidence of price manipulation and supply manipulation, and I think this Congress, which seems to be willing to investigate almost anything in the last 10 years or so, would do the American public a service by creating a select committee of the House and the Senate to investigate energy prices. If there is nothing there, we will not find anything. If we find something, we will do the American public a service by shining light on it, and finding it, and stopping it, with respect to price manipulation.

Having said all that, let me say that we welcome the submission by Vice President CHENEY tomorrow. It is time—high past the time—that this Congress begin deliberating on a new energy policy.

What should that policy be? In my judgment, that policy needs to have incentives and the kinds of mechanisms that will encourage production. Yes, we need more production; no question about it. We need to find more coal, more oil, and more natural gas. So production is a part of it.

In fact, there is a substantial amount of production opportunity around this country. There are 32 trillion cubic feet of natural gas up in Alaska that we know is there. It is leased. That could be brought down here, if we could only build a pipeline. So in terms of production, we need pipelines. And, we also need facilities to transmit electricity.

There are a whole series of infrastructure issues, in addition to the production incentives, that ought to be in a good, sound energy plan. But let me say, with respect to the news report about energy policy that we are likely to get tomorrow, when they say production is the overwhelming urge in this new energy plan, production is an important part of it, but it is not the only part of it. A balanced energy plan that is good for this country will include production. There is no question about that. But a balanced energy plan will especially also include conservation.

This country needs to be more conservation-minded. We can conserve much more energy than we do, if we have the kind of leadership that we ought to have, and if we have the incentives for conservation that we ought to put in place.

In addition to conservation, we need efficiency. There is no reason that we ought not require more efficiency in appliances and a range of other activities in this country. We know from experience that requiring greater efficiency works, that the manufacturers can develop products to be more efficient and produce these products for our consumers in this country. Efficiency must be a part of a balanced energy plan.

Then, finally, a balanced energy plan must—and I emphasize must—include renewable sources of energy. I know the oil companies have never liked some of them. The oil industry has never liked the production of ethanol. What is ethanol? Taking a kernel of corn, extracting a drop of alcohol from that kernel of corn, and using that alcohol to extend our energy supply makes great sense to me. It is renewable. You can produce that corn over and over again. Once you take the drop of alcohol from the kernel of corn, you have protein feed stock left that you can use to feed animals. What a terrific bargain for this country: Extend your energy supply by using a renewable source of energy and have the protein from the feed stock left for animals.

But the oil companies have never much liked ethanol, and I understand why. Because it is a competitor, albeit a small competitor, but it ought to be a much bigger competitor. We ought to develop renewable resources. Ethanol is one renewable source. Another is biomass; still another is wind power.

It may surprise some to know that the Department of Energy says the wind power capital of the world is North Dakota. We do not have any wind devices in North Dakota to collect this power and distribute it. The new wind energy turbines are very efficient. They are wonderful devices that can take the wind and create from that wind, and from the spinning of the propeller into a turbine, electricity.

North Dakota, they say, is the "Saudi Arabia" of wind. Some listening to me from time to time on the floor of the Senate might understand I contribute to that. But if North Dakota is the "Saudi Arabia" of wind—and the Department of Energy says it is—then we ought to, not just in North Dakota, but around the country, use this new wind energy, which itself is renewable.

We have a substantial amount of new wind energy activity in Iowa, in Minnesota, and, of course, there has been a substantial amount in California. But the new turbines for wind energy are highly efficient. We owe it to this country to use these new renewable sources of energy to extend our country's energy supply.

So the point I am trying to make tonight is this: If we get an energy policy from the administration tomorrow that says, "Look, this is a simple solution, all we have to do is go find more oil and natural gas, and maybe crank up another nuclear plant or two," I say that is an answer that would have come 20 years ago or 40 years ago or 60 years ago. We need to do a lot of things, and a lot of things well, in order to resolve this country's energy problems.

Let me just digress for a moment to say, one of the interesting things about this country, and about energy, is this: Almost everything in the world has changed in the last century—almost everything. You name an area, and you will find a significant change—except, we still use gasoline in automobile engines.

I was a very young boy when I got my first car. My father actually found it in an elevator out on an abandoned farm. He knew who owned the abandoned farm, and he said: "Why don't you write to him in Milwaukee and see if you can buy this car?" I was a young boy.

My dad said: "It is a 1924 Model T Ford. You can buy it and restore it. What a great project for a young fellow;" and I did.

I wrote to the guy in Milwaukee. He wrote back and said: "Gosh, I would love to let you have that car. It's sitting there in this little elevator on the farm that is abandoned. Send me $25."

I sent him $25, and he sent me the owners manual that he saved all those years and the key that he had saved all those years, as well. I pulled the Model T Ford into my father's service station. I worked on it for a year and restored the little old Model T Ford. It was a 1924 antique automobile.

Do you know something? You provided energy for that car—that 1924 car—exactly the same way you provide energy for a car produced in 2001. You stick a gas hose in the tank, and pump a little gas in. Nothing has changed. Nothing has changed in all of these intervening years. Isn't that interesting? Almost everything else has changed, but we still stick a gas pump in a gas tank of a car—80 years ago, or today, you pump the same gasoline. Quite remarkable.

We can do better in this country. I am not suggesting we wean ourselves off gasoline in a short period of time, but there is a car sitting out in front of this Capitol from time to time, owned by our friend from Utah, Senator BENNETT, that runs on both gasoline and electricity. It is one of the new hybrid cars. I think that is kind of interesting. I would like to see a whole fleet of them in this country. I would like to see that kind of technology. Perhaps this is just the first step toward the fuel cell, and taking the hydrogen out of water and using it as a fuel, as some say will happen with the new fuel cells.

The point is this, we can do a lot of things. This country has the technological capability to do a lot of wonderful things. But here we are, sitting on the edge of this spin in this energy crisis, with the price of natural gas doubling, the price of gasoline $2 at the pump and going north, and the price of electricity in California going through the roof, and blackouts occurring at a time when California is only at about two-thirds of its ultimate power needs for the hot weather.

We have a mess on our hands. In order to get out of this mess, all of us, Republicans and Democrats, need to figure out how we construct a strategy on energy that is balanced—that includes production, conservation, efficiency, and renewables. A good energy policy that has all of those elements, that represents the best of all of the ideas brought to the table in this Chamber, will serve this country well.

Feuding and fussing with an energy strategy, then coming up with the same tired old strategy we have had in the past, just simply street-corner chanting "production, production, production"—thinking that somehow that will solve this country's problem, is, in my judgment, a road to nowhere.

I am anxious to see, and interested in seeing, what the Vice President has produced. Most of us in this Chamber should be ready and willing to begin working immediately with the Vice President, the administration, and all others, to both construct and demand a balanced energy policy for this country.

The American consumers have long deserved it and have never received it. Americans don't deserve to be held hostage by foreign energy supplies over which we have little control. They don't deserve to be held hostage with respect to electric costs we can't control and, therefore, have rolling blackouts in one of our largest States. They don't deserve to have been held hostage by gas pump prices over which they have no control and very little understanding.

Tomorrow will be an interesting day. I hope it is the first step on a journey to begin constructing between Republicans and Democrats an energy policy that will really serve this country well.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maine.

(The remarks of Ms. COLLINS and Mr. WARNER pertaining to the introduction of S. 904 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

DOUBTS ABOUT THE DEATH PENALTY

Mr. FEINGOLD. Mr. President, I rise to speak on the disclosure late last week that the Government had failed to share thousands of pages of evidence with defense attorneys in the case of Timothy McVeigh.

Let me first say that my thoughts and prayers are with the victims and families who lost loved ones as a result of this horrific, cowardly act. My heart goes out to them. For them, this cannot help but be a very difficult time.

Sadly, their ordeal has only been aggravated by the national spectacle surrounding McVeigh's planned execution and now this latest revelation of the mishandling of his case. This latest unforeseen turn must only add to their anger, their pain, and their grief.

There is no question that McVeigh should be punished severely for this heinous crime. On that, there can be no disagreement.

But the FBI's belated release of these thousands of documents highlights the fact that the Federal Government's administration of the death penalty, even in the most highly scrutinized of cases, is fallible.

At his press conference Friday, President Bush said:

> Any time we're preparing to carry out the death penalty, we have a solemn obligation to make sure that the case has been handled in full accordance with all the guarantees of our Constitution. The very foundations of our democracy depend on our ability to assure our citizens that in all criminal cases, and especially in the death penalty, defendants have been treated fairly.

I agree with President Bush.

But if this kind of gross failure can occur in a case managed by the most competent, professional law enforcement agency of which we know, doubts must arise with regard to the Government's ability in every capital case "to assure . . . that defendants have been treated fairly."

And if this kind of dereliction occurs in a case vigilantly observed under the television klieg lights, doubts must arise that this Nation has made sure that other capital defendants' cases have "been handled in full accordance with all the guarantees of our Constitution."

And if this kind of deficiency can take place when dedicated and well-trained counsel have labored and diligently applied themselves to ensure fairness for this defendant, doubts must arise that this Nation is in all death penalty cases delivering the justice on which "[t]he very foundations of our democracy depend."

To honor "the guarantees of our Constitution," we must ensure the fairness of the entire process by which the Government applies the death penalty—from arraignment, to trial, to sentencing.

And to ensure that "defendants have been treated fairly," we must ensure equity in treatment for all defendants, regardless of where in the Nation they live or what the color of their skin.

In these respects, the case of Timothy McVeigh does not present the Bush administration its most difficult test. For the McVeigh case lacks the questions of innocence, regional disparity, and discrimination that haunt so much of death row.

After McVeigh's, the next scheduled Federal execution is that of Juan Raul Garza. Because of questions raised about regional and racial disparities in the Federal death penalty system, his execution was stayed until June 19. When he stayed the execution, President Clinton instructed the Justice Department to conduct a study to determine the causes of those regional and racial disparities.

Observers of justice in America will await how the Justice Department and the President review these questions. Until these questions are resolved, and until we are certain of the fairness of the process, the Government should not execute Juan Raul Garza. These questions may provide the weightiest test of Attorney General Ashcroft and President Bush in the weeks to come.

TAX CREDITS FOR HYBRID VEHICLES

Mr. BIDEN. Mr. President, tomorrow the administration will unveil its energy plan. From the early reports we have been given, I am concerned that the proposals are too heavily weighted on the production side and fail to adequately address the need for conservation. One bright note that I have found is a general support for hybrid vehicles, the topic that I wish to address briefly today.

Specifically, I want to voice my support for legislation creating a hybrid vehicle tax credit. A hybrid vehicle combines an electric motor and battery pack with an internal combustion engine. The engine and the electric motor work in tandem, with either system providing primary or secondary power depending on driving conditions. For example, when stopped at a light, the vehicle shifts from an internal combustion engine to electric power and then back again upon acceleration. In addition, the batteries are re-charged during operation, eliminating the need for an external charger. This is new technology and the result of years of hard work.

I would like to see my colleagues join me in passing legislation to create a tax credit that would encourage consumers to purchase hybrid vehicles. I have known for years that this technology would become available and I have been looking for the right opportunity to draft legislation that would help put hybrid vehicles on our roads. I think that there are two components that must be addressed in a tax credit bill. To begin, I firmly believe that we must reward the integration of the technology into the vehicle with a base credit. In addition, however, I feel strongly that an important goal that must be achieved through legislation is to reward a vehicle that significantly decreases the amount of fuel consumed. I have proposed a plan that provides both a base credit of up to $2000 for the use of the technology, as well as a bonus credit, up to $1000, calculated based upon the lifetime fuel savings of the vehicle.

I think that this approach is a sound one. Placing the emphasis on gallons saved speaks directly to the importance of conservation and with our country facing an energy crisis is critical. And I also know that the biggest improvements in the reduction of fuel consumption will come from getting larger volumes of hybrid vehicles into the hands of consumers.

But in crafting this legislation, there are certain realities that we must accept. Today, there is a significant portion of the population that wants to drive a larger vehicle. This is America and people are entitled to personal choice. It is for this reason that I applaud the efforts of car manufacturers who have chosen to place hybrid technology in larger vehicles and SUV's. For example, DaimlerChrysler has committed to hybridizing the popular Dodge Durango with the vehicle scheduled to come on like in 2003 and this will bring a 20 percent improvement in fuel consumption.

I am also aware that others have advocated different approaches to crafting legislation that creates a tax credit for hybrid vehicles. My colleague Senator HATCH has introduced a bill, S. 760, that would provide a tax credit for hybrid vehicles as well as other advanced motor vehicle technologies. While his bill provides a base credit, up to $1,000, for the inclusion of hybrid technology, the bonus credit in this bill, up to $3,000, is calculated depending upon the fuel economy performance of the vehicle.

In addition to the Hatch bill and the administration's general statements, members of the automobile industry as well as environmentalists are also engaged in discussions to draft language that will create an incentive for consumers to purchase a hybrid vehicle. In the next few weeks, we need to have a thorough discussion among members of the automobile industry and environmentalists so that we can reach consensus on the language of this important legislation and move forward to passage of a bill. There is not just one approach that solves the problem and I am prepared to listen to all views. I hope that the other stakeholders are also ready to work for a compromise. While we may differ on our approach to drafting the legislation, I am sure that we can all agree that the goal should be passage of legislation that creates a tax credit for hybrid vehicles and provides the necessary encouragement to bring this important technology into the marketplace.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY last month. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a heinous crime that occurred December 12, 1999 in Washington County, PA. Three men who went to an adult bookstore to rob a gay man now face charges of kidnapping, robbery, aggravated assault, murder, tampering with evidence, and one count of conspiring to commit those crimes in the disappearance of Ira Swearingen, 49, a medical consultant from Stout, NV. The gruesome details of the abduction, beating, and murder of Swearingen were revealed in court. After being abducted, Swearingen was stuffed inside the trunk of his rental car, during which time, one of the perpetrators said "Did ya hear it? I broke his jaw." Another perpetrator heard gurgling of blood and heard the victim screaming. They yelled "Shut up faggot! Shutup, pickle." Later, the victim was driven to an isolated area, forced to strip and marched into the woods as he pleaded for his life at which point, one perpetrator testified, he shot the victim between the eyes at close range.

I believe the Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, May 15, 2001, the Federal debt stood at $5,651,674,551,618.32, five trillion, six hundred fifty-one billion, six hundred seventy-four million, five hundred fifty-one thousand, six hundred eighteen dollars and thirty-two cents.

One year ago, May 15, 2000, the Federal debt stood at $5,665,245,000,000, five trillion, six hundred sixty-five billion, two hundred forty-five million.

Five years ago, May 15, 1996, the Federal debt stood at $5,115,694,000,000, five trillion, one hundred fifteen billion, six hundred ninety-four million.

Ten years ago, May 15, 1991, the Federal debt stood at $3,460,389,000,000, three trillion, four hundred sixty billion, three hundred eighty-nine million.

Fifteen years ago, May 15, 1986, the Federal debt stood at $2,030,072,000,000, two trillion, thirty billion, seventy-two million, which reflects a debt increase of more than $3.5 trillion, $3,621,602,551,618.32, three trillion, six hundred twenty-one billion, six hundred two million, five hundred fifty-one thousand, six hundred eighteen dollars and thirty-two cents during the past 15 years.

ADDITIONAL STATEMENTS

TRIBUTE TO S. ROBERT LEVINE

• Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to S. Robert Levine of Stratham, NH for being honored as a significant contributor to New Hampshire's growth and development.

Robert co-founded Cabletron Systems, Inc., in 1983, expanding the computer networking company into a $1.5 billion corporation employing more than 6,000 people in 110 offices throughout the world. He was the recipient of the "Entrepreneur of the Year" award by Inc. Magazine in 1991, and was included among the Nation's wealthiest people on the "Forbes 400" list for several years.

Robert also has operated his own business, Robert Associates, in Natick, MA, selling cable products. He earned a B.S. in Business Management from the University of Miami, FL.

Robert Levine has been a generous supporter whose personal gifts include millions of dollars for police departments, schools and hospitals. One of his largest gifts funds cancer research at a teaching hospital in Worcester, MA.

Robert Levine has served the people of the State of New Hampshire with dedication and generosity. His contributions to the business and charitable communities of our State have been exemplary. I commend him for his philanthropy to our State and country. It is an honor and a privilege to represent him in the United States Senate.●

IN RECOGNITION OF NEIGHBOR DAY

● Mr. REED. Mr. President, I rise today to acknowledge the endeavors of the citizens and Town Council of Westerly, RI, in establishing and promoting Neighbor Day. Neighbor Day is an opportunity to learn more about others in our communities. It is also a celebration of friendship, civility, peace and cooperation. Since 1993, when a dispute between two teenagers left one youth dead and another charged with murder, Westerly has celebrated Neighbor Day in an effort to prevent similar tragedies at home and throughout the world.

Westerly's tradition has been adopted throughout my state. The Rhode Island General Assembly in 1999 designated the Sunday before Memorial Day as Neighbor Day for annual statewide observance. It is the hope of the citizens of Westerly that Neighbor Day will gain nationwide and worldwide recognition, and that its ideals—community, tolerance, and nonviolence—will one day become a reality for all.

I hope my colleagues will join with me in recognizing Westerly's achievement in encouraging friendship and respect among all people.

I ask that following this statement the resolution of the Rhode Island General Assembly, declaring statewide recognition of Neighbor Day, be printed in the RECORD.

SENATE RESOLUTION DECLARING MAY 19, 1996 TO BE NEIGHBOR DAY IN RHODE ISLAND

Whereas, Go out of your way to get in touch with your neighbors. Ring doorbells and say "Hello." These are but some of the things we each can do to learn more about the people in our communities; and

Whereas, In 1993, Westerly became the first town in the Ocean State to declare the Sunday before Memorial Day to be Neighbor Day, and the State of Rhode Island swiftly followed its splendid example. Hopefully national and international recognition of this special day will make its ideals a reality for all; and

Whereas, While respect and justice for all is often upon our lips, it will take a strong personal commitment by each and every one of us to actualize this dream; now, therefore, be it

Resolved, That this Senate of the State of Rhode Island and Providence Plantations hereby declares May 19, 1996 to be Neighbor Day in Rhode Island. It is so important that all Rhode Islanders learn that the most important moral obligation we all share is to "Love Thy Neighbor"; and be it further

Resolved, That the Secretary of State be and he hereby is authorized and directed to transmit a duly certified copy of this resolution to Mary Jane DiMaio, MJD Enterprises.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 3:17 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 586. An act to amend the Internal Revenue Code of 1986 to provide that the exclusion from gross income for foster care payments shall also apply to payments by qualified placement agencies, and for other purposes.

H.R. 1696. An act to expedite the construction of the World War II memorial in the District of Columbia.

H.R. 1727. An act to amend the Taxpayer Relief Act of 1997 to provide for consistent treatment of survivor benefits for public safety officers killed in the line of duty.

The message also announced that the House has agreed to the amendment of the Senate to the bill (H.R. 428) concerning the participation of Taiwan in the World Health Organization.

The message further announced that pursuant to section 201(b) of the International Religious Freedom Act of 1998 (22 U.S.C. 6431), as amended by Public Law 106–55, the Speaker reappoints the following member on the part of the House of Representatives to the Commission on International Religious Freedom for a term of 2 years: Ms. Nina Shea of Washington, DC.

The message also announced that pursuant to section 4 of the Congressional Award Act (2 U.S.C. 803), the Majority Leader appoints the following Member of the House of Representatives to the Congressional Award Board: Ms. JACKSON-LEE of Texas.

At 4:21 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1836. An act to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002.

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 1836. An act to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1860. A communication from the Acting Assistant Attorney General, Office of Legislative Affairs, Department of Justice, transmitting, pursuant to law, the annual report relative to the Department's enforcement activities under statute during calendar year 2000; to the Committee on Banking, Housing, and Urban Affairs.

EC–1861. A communication from the Acting Assistant Secretary of Defense, Command, Control, Communications, and Intelligence, transmitting, pursuant to law, the Chief Information Officer Annual Information Assurance Report for Fiscal Year 2000; to the Committee on Armed Services.

EC–1862. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Revision to Interim Approval Requirements" (FRL6980–6) received on May 10, 2001; to the Committee on Environment and Public Works.

EC–1863. A communication from the General Counsel of the Federal Emergency Management Agency, transmitting, pursuant to law, the report of a rule entitled "Disaster Assistance; Public Assistance Program Community Disaster Loan Program" (RIN3067–AD20) received on May 14, 2001; to the Committee on Environment and Public Works.

EC–1864. A communication from the Acting Assistant Secretary of the Office of Health Standards Programs, Department of Labor, transmitting, pursuant to law, the report of a rule entitled "Occupational Exposure to Cotton Dust—Amendment; Partial Exemption for Batch-Kier Washed Cotton" (RIN1218–AB90) received on May 14, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–1865. A communication from the Director of Regulation Policy and Management, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Secondary Direct Food Additives Permitted in Food for Human Consumption" (Doc. No. 00F–1487) received on May 14, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–1866. A communication from the General Counsel of the Office of Management and Budget, transmitting, pursuant to law, the report of a vacancy, nomination, and a change in the previously submitted report information for the position of Administrator of the Office of Federal Procurement Policy, Office of Management and Budget; to the Committee on Governmental Affairs.

EC–1867. A communication from the Deputy Director of the Institute of Museum and Library Services, transmitting, pursuant to law, the Annual Program Performance Report for Fiscal Year 2000; to the Committee on Governmental Affairs.

EC–1868. A communication from the Chairman of the United States International Trade Commission, transmitting, the report of the Office of Inspector General for the period October 1 through March 31, 2001; to the Committee on Governmental Affairs.

EC–1869. A communication from the Attorney-Advisor of the Common Carrier Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Implementation of the Local Competition Provisions in the Telecommunications Act of 1996; Intercarrier Compensation for ISP-Bound Traffic, CC Doc. Nos. 96–98, 98–68, Order on Remand and Report and Order" (FCC 01–131) received on May 9, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1870. A communication from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Reexamination of the Comparative Standards for Noncommercial Educational Applicants" (Doc. No. 95–31) received on May 9, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1871. A communication from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Memorandum Opinion and Order on Reconsideration, Establishment of Class A Television Service" (Doc. No. 00–10) received on May 9, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1872. A communication from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations; Aberdeen, Elma and Montesano, Washington" (Doc. No. 00–13) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1873. A communication from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.622(b), Table of Allotments, DTV Broadcast Stations; Lubbock, TX" (Doc. No. 01–17) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1874. A communication from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations; Brighton and Stowe, Vermont" (Doc. No. 00–134) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1875. A communication from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.622(b), Table of Allotments, DTV Broadcast Stations; Eugene, OR" (Doc. No. 01–16) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1876. A communication from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.622(b), Table of Allotments, DTV Broadcast Stations; Albuquerque, NM" (Doc. No. 01–28) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1877. A communication from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations; Wickenburg, Bagdad and Aguila, AZ" (Doc. No. 00–166) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1878. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Establishment of Class D and Class E Airspace; Oxford, CT" ((RIN2120–AA66)(2001–0084)) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1879. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Amendment to Class E Airspace; Ogallala, NE; Correction" ((RIN2120–AA66)(2001–0082)) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1880. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Amendment to Class E Airspace; Grant, NE" ((RIN2120–AA66)(2001–0083)) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1881. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Establish Class E Airspace; Culpeper, VA" ((RIN2120–AA66)(2001–0080)) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1882. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Revocation of Class E Airspace; Gage, OK" ((RIN2120–AA66)(2001–0081)) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1883. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Airbus Model A340 Series Airplanes Equipped with CFM International CFM56–5C Engines" ((RIN2120–AA64)(2001–0210)) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1884. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: McDonnell Douglas Model DC 8 Series Airplanes" ((RIN2120–AA64)(2001–0209)) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1885. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: McDonnell Douglas Model DC 8 Series Airplanes" ((RIN2120–AA64) (2001–0208)) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1886. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: McDonnell Douglas Model DC 8 Series Airplanes" ((RIN2120–AA64) (2001–0207)) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1887. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: McDonnell Douglas DC 8 Series Airplanes" ((RIN2120–AA64) (2001–0206)) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1888. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Boeing Model 707 and 720 Series Airplanes" ((RIN2120–AA64) (2001–0203)) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1889. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Boeing Model 777–200 Series Airplanes" ((RIN2120–AA64) (2001–0204)) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1890. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Gulfstream Model G 1159, G 1159A, G 1159B, G IV, and G V Series Airplanes" ((RIN2120–AA64) (2001–0205)) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1891. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: P and W PW4000 Series Turbofan Engines" ((RIN2120–AA64) (2001–0199)) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1892. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Dornier Model 328–300 Series Airplanes Equipped with Motive Flow Check Valves Having Part Number 106–6007–01" ((RIN2120–AA64) (2001–0200)) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1893. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Airbus Model A330 and A340 Series Airplanes" ((RIN2120–AA64) (2001–0201)) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1894. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Sikorsky Aircraft Model S–76A Helicopters" ((RIN2120–AA64) (2001–0202)) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC-1895. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: MD Helicopters Inc Model MD-900 Helicopters" ((RIN2120-AA64) (2001-0198)) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC-1896. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Airbus Model A300 B4-620, A310-203, A310-221, and A310-222 Series Airplanes" ((RIN2120-AA64) (2001-0197)) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC-1897. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Boeing Model 757-200 and -300 Series Airplanes" ((RIN2120-AA64) (2001-0194)) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC-1898. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Raytheon Aircraft Company Beech Models 35-C33A, E33A, E33C, F33A, F33C, S35, V35, V35A, V35B, 36 and A36 Airplanes" ((RIN2120-AA64) (2001-0196)) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC-1899. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: JanAero Devices 14D11 and 23D04 Series Fuel Regulator and Shutoff Valves" ((RIN2120-AA64) (2001-0195)) received on May 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC-1900. A communication from the Acting Assistant Administrator for Fisheries, Office of Sustainable Fisheries, Domestic Fisheries Division, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Fisheries of the Northeastern United States ; Final 2001 Specifications for the Atlantic Bluefish Fishery; Regulatory Amendment" (RIN0648-AM47) received on May 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC-1901. A communication from the Secretary of the Interior, transmitting, pursuant to law, the reports of the service on the Marine Mammal Protection Act of 1972; to the Committee on Commerce, Science, and Transportation.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-53. A resolution adopted by the Senate of the Legislature of the State of Michigan relative to prayer in public schools; to the Committee on the Judiciary.

SENATE RESOLUTION NO. 54

Whereas, The United States of America was founded by men and women with varied religious beliefs and ideals; and

Whereas, The First Amendment to the United States Constitution states that "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof . . .," which means that the government is prohibited from establishing a state religion. However, no barriers shall be erected against the practice of any religion; and

Whereas, The establishment clause of the First Amendment was not drafted to protect Americans from religion. Rather, its purpose was clearly to protect Americans from governmental mandates with respect to religion; and

Whereas, The Michigan Senate strongly believes that reaffirming a right to voluntary, individual, unorganized, and nonmandated prayer in public schools is an important element of religious choice guaranteed by the Constitution, and will reaffirm those religious rights and beliefs upon which the nation was founded: Now, therefore, be it

Resolved by the Senate, That the members of this legislative body memorialize the Congress of the United States to strongly support voluntary, individual, unorganized, and nonmandatory prayer in the public schools of this nation; and be it further

Resolved, That a copy of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GRASSLEY, from the Committee on Finance, without amendment:

S. 896: An original bill to provide for reconciliation pursuant to section 103 of the concurrent resolution on the budget for fiscal year 2002 (H. Con. Res. 83).

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of the committee were submitted:

By Mr. MURKOWSKI for the Committee on Energy and Natural Resources.

Bruce Marshall Carnes, of Virginia, to be Chief Financial Officer, Department of Energy.

David Garman, of Virginia, to be an Assistant Secretary of Energy (Energy Efficiency and Renewable Energy).

Francis S. Blake, of Connecticut, to be Deputy Secretary of Energy.

Robert Gordon Card, of Colorado, to be Under Secretary of Energy.

(The above nominations were reported with the recommendation that they be confirmed subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. REID (for himself and Mr. MCCAIN):

S. 893. A bill to establish the National Boxing Commission, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HELMS (for himself, Mr. LIEBERMAN, Mr. SANTORUM, Mr. GRAHAM, Mr. TORRICELLI, Mr. ENSIGN, Mr. ALLEN, Mr. CRAIG, Mr. NELSON of Florida, Mr. SHELBY, Mr. SMITH of New Hampshire, Mr. SMITH of Oregon, and Mr. REID):

S. 894. A bill to authorize increased support to the democratic opposition and other oppressed people of Cuba to help them regain their freedom and prepare themselves for a democratic future, and for other purposes; to the Committee on Foreign Relations.

By Mr. KERRY (for himself and Mr. FRIST):

S. 895. A bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for research related to developing vaccines against widespread diseases and ensure that such vaccines are affordable and widely distributed; to the Committee on Finance.

By Mr. GRASSLEY:

S. 896. An original bill to provide for reconciliation pursuant to section 103 of the concurrent resolution on the budget for fiscal year 2002 (H. Con. Res. 83); from the Committee on Finance; placed on the calendar.

By Mr. BAUCUS (for himself, Mr. JEFFORDS, Mr. ALLARD, Mr. LEAHY, and Mr. LEVIN):

S. 897. A bill to amend title 39, United States Code, to provide that the procedures relating to the closing or consolidation of a post office be extended to the relocation or construction of a post office, and for other purposes; to the Committee on Governmental Affairs.

By Mr. HATCH (for himself, Mr. DOMENICI, and Mr. DASCHLE):

S. 898. A bill to make technical amendments to the Radiation Exposure Compensation Act (42 U.S.C. 2210 note), provide compensation to certain claimants under such Act, and for other purposes; to the Committee on the Judiciary.

By Mr. BIDEN (for himself, Mr. HATCH, and Mr. ALLEN):

S. 899. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to increase the amount paid to families of public safety officers killed in the line of duty; to the Committee on the Judiciary.

By Mr. DURBIN (for himself, Mr. DORGAN, Mr. SCHUMER, Mrs. BOXER, and Ms. STABENOW):

S. 900. A bill to establish a Consumer Energy Commission to assess and provide recommendations regarding recent energy price spikes from the perspective of consumers; to the Committee on Energy and Natural Resources.

By Mrs. BOXER:

S. 901. A bill to amend the Outer Continental Shelf Lands Act to direct the Secretary of the Interior to cease mineral leasing activity on the outer Continental Shelf seaward of a coastal State that has declared a moratorium on mineral exploration, development, or production activity in State water; to the Committee on Energy and Natural Resources.

By Mr. THURMOND (for himself, Mr. HATCH, Mr. SESSIONS, and Mr. SMITH of New Hampshire):

S. 902. A bill to amend section 1951 of title 18, United States Code (commonly known as the Hobbs Act), and for other purposes; to the Committee on the Judiciary.

By Mr. ALLARD:

S. 903. A bill to amend the Cache La Poudre River Corridor Act to make technical amendments; to the Committee on Energy and Natural Resources.

By Ms. COLLINS (for herself, Mr. Warner, Ms. Landrieu, Mr. Cochran, Mr. Allen, and Mr. Hatch):

S. 904. A bill to amend the Internal Revenue Code of 1986 to provide an above-the-line deduction for qualified professional development expenses of elementary and secondary school teachers and to allow a credit against income tax to elementary and secondary school teachers who provide classroom materials; to the Committee on Finance.

By Mr. HARKIN (for himself, Mr. Kerry, Mr. Daschle, Mr. Kennedy, Mr. Reid, Mr. Johnson, and Mr. Levin):

S. 905. A bill to provide incentives for school construction, and for other purposes; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. GRAHAM (for himself, Mr. Bayh, Mr. Bond, Mrs. Boxer, Mr. Breaux, Mr. Brownback, Mr. Carper, Mr. Cleland, Mrs. Clinton, Mr. Craig, Mr. Crapo, Mr. DeWine, Mr. Dodd, Mr. Dorgan, Mr. Durbin, Mr. Edwards, Mr. Ensign, Mr. Enzi, Mr. Feingold, Mrs. Feinstein, Mr. Grassley, Mr. Hagel, Mr. Hatch, Mr. Hollings, Mr. Inhofe, Mr. Inouye, Mr. Johnson, Mr. Kennedy, Mr. Kerry, Mr. Kohl, Ms. Landrieu, Mr. Levin, Mr. Lieberman, Mrs. Lincoln, Mr. McCain, Ms. Mikulski, Mrs. Murray, Mr. Nelson of Florida, Mr. Reid, Mr. Rockefeller, Mr. Sarbanes, Mr. Schumer, Mr. Sessions, Mr. Smith of Oregon, Ms. Snowe, Mr. Specter, Ms. Stabenow, Mr. Thomas, Mr. Thurmond, Mr. Torricelli, Mr. Voinovich, Mr. Warner, Mr. Wellstone, and Mr. Wyden):

S. Res. 90. A resolution designating June 3, 2001, as "National Child's Day"; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 88

At the request of Mr. Rockefeller, the name of the Senator from Michigan (Ms. Stabenow) was added as a cosponsor of S. 88, a bill to amend the Internal Revenue Code of 1986 to provide an incentive to ensure that all Americans gain timely and equitable access to the Internet over current and future generations of broadband capability.

S. 171

At the request of Mr. Dorgan, the name of the Senator from South Dakota (Mr. Johnson) was added as a cosponsor of S. 171, a bill to repeal certain travel provisions with respect to Cuba and certain trade sanctions with respect to Cuba, Iran, Libya, North Korea, and Sudan, and for other purposes.

S. 201

At the request of Mr. Warner, the name of the Senator from Iowa (Mr. Grassley) was added as a cosponsor of S. 201, a bill to require that Federal agencies be accountable for violations of antidiscrimination and whistleblower protection laws, and for other purposes.

S. 284

At the request of Mr. McCain, the name of the Senator from Maryland (Ms. Mikulski) was added as a cosponsor of S. 284, a bill to amend the Internal Revenue Code of 1986 to provide incentives to expand health care coverage for individuals.

S. 452

At the request of Mr. Murkowski, the name of the Senator from Rhode Island (Mr. Chafee) was added as a cosponsor of S. 452, a bill to amend title XVIII of the Social Security Act to ensure that the Secretary of Health and Human Services provides appropriate guidance to physicians, providers of services, and ambulance providers that are attempting to properly submit claims under the medicare program to ensure that the Secretary does not target inadvertent billing errors.

S. 468

At the request of Mrs. Feinstein, the name of the Senator from California (Mrs. Boxer) was added as a cosponsor of S. 468, a bill to designate the Federal building located at 6230 Van Nuys Boulevard in Van Nuys, California, as the "James C. Corman Federal Building."

S. 580

At the request of Mr. Hutchinson, the name of the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of S. 580, a bill to expedite the construction of the World War II memorial in the District of Columbia.

S. 582

At the request of Mr. Graham, the name of the Senator from Connecticut (Mr. Lieberman) was added as a cosponsor of S. 582, a bill to amend titles XIX and XXI of the Social Security Act to provide States with the option to cover certain legal immigrants under the medicaid and State children's health insurance program.

S. 592

At the request of Mr. Santorum, the names of the Senator from New Hampshire (Mr. Smith.) and the Senator from Mississippi (Mr. Cochran) were added as cosponsors of S. 592, a bill to amend the Internal Revenue Code of 1986 to create Individual Development Accounts, and for other purposes.

S. 697

At the request of Mr. Baucus, the name of the Senator from North Carolina (Mr. Edwards) was added as a cosponsor of S. 697, a bill to modernize the financing of the railroad retirement system and to provide enhanced benefits to employees and beneficiaries.

S. 706

At the request of Mr. Kerry, the name of the Senator from Rhode Island (Mr. Chafee) was added as a cosponsor of S. 706, a bill to amend the Social Security Act to establish programs to alleviate the nursing profession shortage, and for other purposes.

S. 742

At the request of Mr. Grassley, the names of the Senator from Wyoming (Mr. Enzi), the Senator from Hawaii (Mr. Inouye), the Senator from New Hampshire (Mr. Smith), the Senator from Missouri (Mr. Bond), and the Senator from Nevada (Mr. Ensign) were added as cosponsors of S. 742, a bill to provide for pension reform, and for other purposes.

S. 749

At the request of Mr. Fitzgerald, the names of the Senator from Florida (Mr. Nelson) and the Senator from Vermont (Mr. Leahy) were added as cosponsors of S. 749, a bill to provide that no Federal income tax shall be imposed on amounts received by victims of the Nazi regime or their heirs or estates, and for other purposes.

S. 782

At the request of Mr. Inouye, the name of the Senator from Arkansas (Mr. Hutchinson) was added as a cosponsor of S. 782, a bill to amend title III of the Americans with Disabilities Act of 1990 to require, as a precondition to commencing a civil action with respect to a place of public accommodation or a commercial facility, that an opportunity be provided to correct alleged violations, and for other purposes.

S. 790

At the request of Mr. Brownback, the name of the Senator from Nevada (Mr. Ensign) was added as a cosponsor of S. 790, a bill to amend title 18, United States Code, to prohibit human cloning.

S. 795

At the request of Mr. Thompson, the name of the Senator from Colorado (Mr. Allard) was added as a cosponsor of S. 795, a bill to amend the Internal Revenue Code of 1986 to permit the consolidation of life insurance companies with other companies.

S. 805

At the request of Mr. Wellstone, the name of the Senator from Rhode Island (Mr. Chafee) was added as a cosponsor of S. 805, a bill to amend the Public Health Service Act to provide for research with respect to various forms of muscular dystrophy, including Duchenne, Becker, limb girdle, congenital, facioscapulohumeral, myotonic, oculopharyngeal, distal, and emery-dreifuss muscular dystrophies.

S. 823

At the request of Mr. Graham, the name of the Senator from Rhode Island (Mr. Reed) was added as a cosponsor of S. 823, a bill to assure access under group health plans and health insurance coverage to covered emergency medical services.

S. 824

At the request of Mr. GRAHAM, the names of the Senator from Connecticut (Mr. LIEBERMAN) and the Senator from West Virginia (Mr . ROCKEFELLER) were added as cosponsors of S. 824, a bill to establish an informatics grant program for hospitals and skilled nursing facilities.

S. 828

At the request of Mr. LIEBERMAN, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 828, a bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for certain energy-efficient property.

S. 839

At the request of Mrs. HUTCHISON, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. 839, a bill to amend title XVIII of the Social Security Act to increase the amount of payment for inpatient hospital services under the medicare program and to freeze the reduction in payments to hospitals for indirect costs of medical education.

S. 866

At the request of Mr. REID, the name of the Senator from Texas (Mrs. HUTCHISON) was added as a cosponsor of S. 866, a bill to amend the Public Health Service Act to provide for a national media campaign to reduce and prevent underage drinking in the United States.

S. 881

At the request of Mr. HATCH, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 881, a bill to amend the Taxpayer Relief Act of 1997 to provide for consistent treatment of survivor benefits for public safety officers killed in the line of duty.

S. RES. 71

At the request of Mr. BINGAMAN, his name was added as a cosponsor of S. Res. 71, a resolution expressing the sense of the Senate regarding the need to preserve six day mail delivery.

S. CON. RES. 3

At the request of Mr. FEINGOLD, the name of the Senator from Utah (Mr. BENNETT) was added as a cosponsor of S. Con. Res. 3, a concurrent resolution expressing the sense of Congress that a commemorative postage stamp should be issued in honor of the U.S.S. *Wisconsin* and all those who served aboard her.

S. CON. RES. 9

At the request of Mr. HARKIN, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. Con. Res. 9, a concurrent resolution condemning the violence in East Timor and urging the establishment of an international war crimes tribunal for prosecuting crimes against humanity that occurred during that conflict.

AMENDMENT NO. 425

At the request of Mr. SCHUMER, his name was added as a cosponsor of amendment No. 425.

At the request of Ms. MIKULSKI, her name was added as a cosponsor of amendment No. 425, supra.

At the request of Ms. COLLINS, her name was added as a cosponsor of amendment No. 425, supra.

At the request of Mr. REED, the name of the Senator from West Virginia (Mr. BYRD) was added as a cosponsor of amendment No. 425, supra.

AMENDMENT NO. 524

At the request of Mr. CORZINE, his name was added as a cosponsor of amendment No. 524.

AMENDMENT NO. 563

At the request of Mr. ENSIGN, his name was added as a cosponsor of amendment No. 563.

At the request of Mr. DODD, his name was added as a cosponsor of amendment No. 563, supra.

AMENDMENT NO. 648

At the request of Mr. HELMS, the names of the Senator from New Hampshire (Mr. SMITH), the Senator from Oklahoma (Mr. INHOFE), and the Senator from Kansas (Mr. BROWNBACK) were added as cosponsors of amendment No. 648.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HELMS (for himself, Mr. LIEBERMAN, Mr. SANTORUM, Mr. GRAHAM, Mr. TORRICELLI, Mr. ENSIGN, Mr. ALLEN, Mr. CRAIG, Mr. NELSON of Florida, Mr. SHELBY, Mr. SMITH of New Hampshire, Mr. SMITH of Oregon, and Mr. REID.)

S. 894. A bill to authorize increased support to the democratic opposition and other oppressed people of Cuba to help them regain their freedom and prepare themselves for a democratic future, and for other purposes; to the Committee on Foreign Relations.

Mr. HELMS. Mr. President, it is an honor to be joined today by Senator LIEBERMAN and eight other distinguished Senators in the sponsorship of the Cuban Solidarity Act which is intended to be a blueprint for a more vigorous U.S. policy to liberate the now enslaved island of Cuba.

This measure, S. 894, is the companion to House bill No. 1271 sponsored by Representative LINCOLN DIAZ-BALART and 95 other Members of the House of Representatives.

Whether one supports the current embargo on the Castro regime or not, we should all agree that we can and must do more to help those struggling for freedom today in Cuba. That is the aim of the Cuban Solidarity Act, and that is why I ask Senators on both sides of the embargo issue to consider supporting this bill on its merits.

The embargo is not a policy, it is merely a policy tool, and the U.S. policy should be to put an end to Fidel Castro's stranglehold on the Cuban people and end his brutal dictatorship—and the sooner the better.

The Cuban Solidarity Act will authorize $100 million in U.S. assistance to the Cuban people over 4 years. It also will mandate a proactive U.S. policy to support the internal opposition to Castro in Cuba. This strategy, by the way, is modeled after the decisive U.S. support for the Polish Solidarity movement back in the 1980s.

With the enactment of the legislation, the U.S. Government will move beyond merely isolating the Fidel Castro regime. Indeed, we can undermine Castro's isolation and oppression of the Cuban people by finding bold, proactive, and creative programs to help those who are working for change on the island of Cuba. This can be achieved by giving the President a mandate to increase all forms of U.S. support for prodemocracy and human rights activists in Cuba.

This support may include food, medicines, office supplies, books, educational materials, telephones, FAX machines, or other material or financial support. And recipients may include political prisoners or their families, persecuted dissidents, labor rights activists, economists, journalists, and others working for peaceful change.

Such support will encourage independent libraries, independent agricultural cooperatives, so-called microenterprises run by self-employed Cubans, or U.S.-based exchange and scholarship programs. In addition, this measure will support nongovernmental charitable programs, such as senior citizen centers, free clinics, or soup kitchens.

For Senators who are not fans of foreign aid—and I am among them—I am obliged nevertheless to acknowledge that the investment the United States made in the liberation of Eastern Europe has yielded immeasurable benefits. That is precisely what we propose to do with and to Cuba. Our businesses and our farmers stand to benefit once the Cuban people can begin to reconstruct their economy. This, of course, cannot happen until the Cuban people can shed themselves of the Marxist regime now in power in Cuba that is bankrupt in every sense of the word.

While the pending bill neither tightens nor loosens the embargo on the Cuban regime—that is to say, the Fidel Castro regime—it will allow President Bush to license private donations from Americans to independent Cuban groups and to independent self-employed Cubans. The President can license the importation into the United States of goods made by independent, self-employed Cubans. These potential beneficiaries and activities have in common the intent and purpose to promote freedom and independence from the ruthless Fidel Castro regime that now uses hunger and fear to keep the people of Cuba under control.

Critics of this bill may contend that this high-profile support will give Castro an excuse to harass and jail dissidents for receiving foreign support. But the sad truth is that Fidel Castro is already tormenting his own people, systematically and relentlessly.

Furthermore, if courageous Cuban dissidents choose to stand up for their God-given rights and look to us for moral or material support, certainly we should not turn our backs on them. Let Castro do his worst. Let us do our best. Let others waste their energy trying to engage the wornout, cruel dictator, Fidel Castro. The United States will be engaging the other 11 million souls on the island of Cuba who have suffered persecution for too long already.

President Bush already has broad authority to initiate many of the programs prescribed by this bill, and I anticipate that he may do so. He should begin by instructing all relevant U.S. agencies to increase support to democratic opposition groups on the island of Cuba.

For example, the U.S. Agency for International Development has been providing support to U.S. groups promoting democracy and human rights in Cuba. Under the Clinton administration, this program amounted to little more than "window dressing." Hardly anything was done about it. Under President Bush, it must have more personnel, more money, and more room to maneuver around the Fidel Castro regime.

Now other steps are prescribed by this proposed legislation, and they are steps that President Bush can take this day, right now. For example, the proposed act also urges multilateral diplomacy calling on the Cuban Government to respect human rights, free political prisoners, legalize political parties, allow independent trade unions, and submit to internationally monitored free elections, none of which Fidel Castro has permitted since he took over the island of Cuba.

The pending legislation urges the "freedom broadcasting" stations, known as Radio and Television Marti and the Voice of America, to take steps to overcome Castro's jamming of the power of those stations so that their excellent programming will be available throughout the island.

The act also urges the President of the United States to instruct the Attorney General to bring to justice those Cubans involved in the February 1996 shoot-down of four innocent pilots on a humanitarian mission over international waters.

Pending indictments also tell us that Castro and his cronies are up to their noses in cocaine smuggling. It is high time for Fidel Castro to be held accountable for that crime and his many other crimes.

The act also mandates an international campaign to remind the world every day of Castro's abuse of human rights, workers' rights, the independent press, and religious freedom of the Cuban people.

The act also requires an indepth review of all of Fidel Castro's threats to U.S. security posed by his espionage and his relentless quest for unconventional weaponry.

This coming Sunday, May 20, will mark Cuba's independence day. Few Americans know that the United States played a pivotal role in helping Cubans win their independence from Spain back in 1902. Today, our Nation is called upon to keep faith with those Cuban mothers who want to raise their children with the best values, and with Cuban fathers who want to see their families thrive and prosper, and for little Cuban children who deserve a better future than they now have.

The Cuban Solidarity Act is a blueprint for a principled, proactive policy aimed at liberating Cuba. We will be keeping faith with the Cuban people.

I thank the Chair and yield the floor.

By Mr. KERRY (for himself and Mr. FRIST):

S. 895. A bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for research related to developing vaccines against widespread diseases and ensure that such vaccines are affordable and widely distributed; to the Committee on Finance.

Mr. KERRY. Mr. President, last month at the African Summit on AIDS in Nigeria, the Secretary General of the U.N., Kofi Annan, called upon the international community to establish a new multibillion-dollar global fund to combat AIDS and other infectious diseases, such as tuberculosis and malaria. He estimates that $7 billion to $10 billion annually will be needed to fight the global pandemic of HIV/AIDS on all fronts—prevention, care, and treatment. This call reflects the magnitude of the challenge before all of us.

The AIDS crisis has never been so devastating or so urgent as it is today. In less than two decades, AIDS has become a global epidemic, endangering the lives of millions of people, the majority of them in developing countries. It has proved more devastating than wars. In 1998, in Africa, 200,000 people died in armed conflict, but in the same time, 2.2 million people died from AIDS.

It is destroying the economies of many developing countries at a critical juncture, unacceptable as that level of death would be at any time, and it is reversing half a century of developmental gains.

Even more importantly, AIDS has emerged as an international security threat with the ability to destroy communities, whole generations, and even nations. Just recently, the Bush administration continued what the Clinton administration had done, which is recognizing it as a security threat to the United States of America.

The statistics are chilling. Over 36.1 million people are living with HIV/AIDS around the world. According to the United Nations, every 60 seconds, 11 people contract HIV due mostly to unprotected sex, but also to intravenous drugs. At the end of the day today, 14,500 more men, women, and children will be infected with HIV. Over 13 million children have been orphaned by AIDS.

Africa is hardest hit by this epidemic today. Eight African countries are struggling under the weight of a disease that has infected 15 percent of their adult populations. Three African countries—South Africa, Botswana, and Zimbabwe—are threatened with negative population growth in the next few years, and if a cure is not found, that will happen.

I know it is difficult for any of us to imagine the enormity of the human suffering that goes along with these statistics, but it is important that we as policymakers do not shy away from understanding the terrible impact AIDS is having on a global basis.

In South Africa, which is at the epicenter of this global epidemic, 25 percent of adults, one in every nine South Africans, are now living with HIV. U.N. officials estimate that if the epidemic continues to spread at its current pace, close to one-half of the country's 15-year-olds will die of AIDS-related illnesses in the coming years—one-half of all the 15-year-olds. This represents an entire generation of South Africans.

While Africa is bearing the brunt of the epidemic today, there are strong signs that Asia will soon fall under the same inconceivable burden. Infection rates are climbing in Asia with countries such as India on the brink of a large-scale expansion of the epidemic. Currently, almost 4 million people in India are infected—second only to South Africa in total number of infections.

In a country with one-sixth the world's population, the AIDS pandemic in India is of particular concern to us. According to the International AIDS Vaccine Initiative, it is making clear inroads into the general population. As with many countries affected by HIV/AIDS, many of the high-risk groups, such as commercial sex workers, intravenous drug users, truckers, and migrant workers, all of whom have high infection rates, end up spreading HIV at alarming rates as globalization and the market economies continue to put pressure on the movement of migrant populations of workers.

Prevention efforts in India face many of the same obstacles as in many developing countries. These include high illiteracy rates, widespread poverty, very poor infrastructure, the low status of women, and taboos on talking about issues of sexuality.

In East Asia, more than 2.4 million people are already infected with the HIV virus, and an estimated 150,000 children have been orphaned. While China does not yet have the same infections as India, Chinese researchers estimate that the number of HIV-infected people could jump to 10 million in a few years.

Countries of the former Soviet Union and Eastern Europe are also vulnerable, with Russia experiencing the highest increase in infection rates in the world last year. The Russian Federation had more new HIV infections in 2000 than in all the previous years of the epidemic combined, totaling 700,000 infections in the year 2000, up from 170,000 in 1997.

Latin America and the Caribbean are also heading down the same path. In fact, some of the Caribbean island states have worse epidemics than any country outside of sub-Saharan Africa. Five percent of the adults in Haiti are living with AIDS.

Even these alarming statistics do not give a full picture of the scope of the HIV/AIDS threat. In fact, for many people in the developing world, AIDS is simply another burden on top of many others, such as poverty, armed conflict, and incomplete infrastructure.

By eating away at the social capital of many of these countries, AIDS is decimating the most productive members of society who are needed to solve many of the other problems in their nations.

In addition to the challenges posed by AIDS, malaria and tuberculosis are also exacting a tremendous toll on the developing world. In 1999, there were an estimated 8.4 million new tuberculosis cases, and 10.2 million new cases are expected in 2005 if present trends continue. Malaria also poses an increasing threat as well, killing at least 1 million people each year, about 3,000 people a day.

The spread of each of these infectious diseases is made worse by health systems' failure, population movement, deteriorating sanitation, and insufficient prevention and treatment efforts.

A human crisis of this proportion demands that we respond with urgency and thoughtfulness. We must continue to support robust prevention, treatment and care programs. But we must also recognize that vaccines are the most effective weapons in the arsenal of modern medicine to stop the threat of AIDS and other infectious diseases. Pharmaceutical companies, however, are reluctant to invest in research for vaccines to prevent HIV/AIDS and other infectious diseases because they fear they will not recover the expense of their research.

The bill that I am introducing today, along with my colleague Senator FRIST, is designed to address this problem by providing incentives for pharmaceutical and biotech research companies to accelerate their efforts to develop vaccines and microbicides to prevent AIDS, TB, malaria, and other deadly infectious diseases. It does this in three ways.

First, it provides a 30 percent tax credit each year on qualified research expenses to develop microbicides for HIV and vaccines for HIV, TB, malaria, and other infectious diseases that kill more than 1 million people annually. This is an expansion of the existing R&D tax and can be applied to clinical trials outside of the United States, since the majority of those infected with these diseases are beyond our borders.

Second, it provides a refundable tax credit to small biotechnology companies based on the amount of qualified research that they do in a given year. Biotech firms are among the most innovative when it comes to research. Increased research efforts by these firms could be instrumental to the effort to develop effective vaccines, particularly for HIV/AIDS.

Third, the bill provides a 100 percent tax credit on contracts and other arrangements for research and development of these vaccines and microbicides. This credit, which is an increase over the 65 percent credit now in the tax code, is designed to serve as an incentive to larger pharmaceutical companies to work hand in hand with the smaller biotech companies to pick up the pace of vaccine development.

Over the last year a number of pharmaceutical companies have taken steps to help in the treatment of those infected with AIDS by providing life-extending therapies to the developing world at reduced costs. These drugs are critically important but the war against AIDS cannot be won unless we develop vaccines against the HIV virus and related infectious diseases. The pharmaceutical and biotech companies hold the key.

Once vaccines are developed, it is imperative that they be widely distributed. The bill that I am introducing today with Senator FRIST also addresses the distribution side of the equation. It provides a 100 percent tax credit to companies on the sales of new vaccines and microbicides as long as those sales are made to a qualified international health organization or foreign government for distribution in developing countries. It also directs the Secretary of the Treasury to establish a fund in the Treasury for the purchase and distribution of eligible vaccines to developing countries. Finally, it urges continued U.S. government support for the Global Alliance for Vaccines and Immunizations, GAVI, and the Global Fund for Children's Vaccines.

Mr. President, many steps need to be taken in the war against AIDS and other infectious diseases. This bill focuses on only one area but a critically important one: vaccine development and distribution. If the public and private sectors work together with energy and commitment, I believe we can develop the vaccines and once developed, we will win the war.

It is easy for people in a country as rich as we are, as safe as we are, as blessed as we are to lose sight of what is happening on the rest of the planet. There are even some in this country who are quick to simply say: Well, it's their fault; it's the result of their sexual practices; it's the result of their values; it's the result of their culture.

It may well be that it is possible for people to cast a finger and to point blame, but this is a crisis of human proportions that affects all of us. It affects all of us because of the potential destabilization of whole nations with which we do business and on whom we must rely in a whole series of relationships.

It is also critical for us to understand the implications of this because in the world today there are no boundaries. This is a disease, and a disease has all the capacity to be carried across boundaries and become as important to us in this nation as it should have been already simply by virtue of the number of people in our country who are infected and who may potentially carry the disease elsewhere.

Yes, we must continue to support prevention; yes, we must continue to support treatment; and, yes, we must continue to support care programs. But I do not believe any of us can feel secure in the notion that there will be enough money, enough delivery systems, or that we will ever have the capacity to provide the kind of care, treatment, and prevention that will deal with the numbers about which we are talking in a global pandemic of this nature.

The most important tool, the most important weapon in the arsenal against this we have not even begun to use because we have not discovered it yet, and that is a vaccine. A vaccine can replace all of the need for infrastructure, except for the delivery of the vaccine, the need for care, the extraordinary burden on health care systems, and the incapacity of systems to deal with the sheer numbers we are facing.

There is a reason we do not have a vaccine. It is because there is no marketplace. All of these countries are poor, and the drug companies, by and large, have an incentive to provide the drugs that most rapidly remunerates them. We have Prozac, Viagra, and a host of other drugs that are quickly and easily put in the marketplace.

We need to create an incentive in the Tax Code to encourage research and development for the creation of an AIDS vaccine. Many of us are confident that if the United States were to create the kind of energy in our research and development technology, in our education sector, we have the ability to provide the ultimate vaccine against this.

Senator FRIST, a colleague of enormous respect in this institution, as a physician is unparalleled in his understanding of the difficulties of this issue.

I am proud that he is a cosponsor with me of this legislation. We are hoping our colleagues will join us next week when the tax bill comes to the floor in reconciliation. We have an opportunity to provide the small amount of money necessary through this tax structure to be able to create the vaccine that can help deal with this crisis.

Many steps are needed in the war against AIDS and other infectious diseases. This bill focuses on only one area, but it is a critically important one, vaccine development and distribution. If the public and private sectors work together with the energy and commitment that we produced for so many other things in this country, we can make a global contribution of historic proportions. I think we should strive to do nothing less than that.

I yield the floor.

Mr. FRIST. Mr. President, I am pleased to support of S. 895, the Vaccines for the New Millennium Act of 2001. In an age where antibiotics are taken for granted, we often forget that one fourth of all deaths worldwide, over 13 million people annually, are the result of infectious disease. In the next hour alone, 1,500 will die from an infectious disease such as AIDS, malaria, TB or pneumonia, over half those who die will be under the age of 5 years old.

The developing world suffers a disproportionate burden of infectious disease deaths, which destroy lives and perpetuate poverty and sickness, undermining gains in economic growth, education and life expectancy. Vaccines, the most cost-effective weapons in the fight against infectious diseases, have eradicated smallpox, nearly eliminated polio from the planet, and dramatically lowered measles rates.

Yet vaccines are not reaching all those who need them. The expanded use of currently available vaccines, such as those for tetanus, measles and hepatitis could save up to 4 million children every year. The U.S. heavily invests in immunization programs, providing over $100 million each year for polio eradication efforts and millions more to support other global vaccination programs. Recently, we joined the Gates Foundation and other governments to fund the Global Alliance for Vaccines and Immunization to help purchase and deliver the latest vaccines to the poorest countries.

But despite these programs, effective vaccines do not yet exist for malaria, TB, or AIDS, diseases that together kill nearly 6 million people each year. Unfortunately, research and development for diseases such as these, lag far behind the need. Of the $60 billion investment in health research by the public and private sectors, only 10 percent is allocated to the health needs of developing countries.

The National Institutes of Health is the global leader in searching for new vaccines for these diseases, but the job of NIH is science, not development and distribution of commodities such as vaccines. We must encourage increased attention by the private sector if vaccines for AIDS, Malaria and TB are to become a reality.

Research and development by both pharmaceutical and biotech companies have provided dramatic and lifesaving technologies and drugs that benefit millions here and abroad. Their efforts are the lynchpin that ensures recent advances in science reach the widest number of people. But companies are faced with a conundrum, how do they justify the hundreds of millions of dollars necessary to develop and license a vaccine, such as for TB, when the markets for those vaccines are primarily in the world's poorest countries, countries spending less than $10–20 per person on health care per year?

The Vaccines for the New Millennium Act of 2001, is an attempt to provide market incentives for both the large pharmaceutical industry and smaller biotech companies to accelerate development of vaccines for AIDS, malaria and TB, diseases that disproportionately affect developing countries.

The bill will provide incentives at multiple levels in the vaccine development process. It: provides a 30 percent tax credit for research and development expenditures for vaccines for malaria, TB, and AIDS; provides a refundable tax credit to biotech companies that are doing innovative research but are not yet making a profit; provides a 100 percent credit on sale of vaccines for these three diseases to poor countries. Over 10 years, this provision alone could provide as much as $1 billion in additional funding for pharmaceutical companies that develop vaccines for AIDS, malaria, and TB; authorizes a purchase fund for these three vaccines to be established after they become available to the market; and provides the same package of benefits to research and development of microbicides for HIV/AIDS—medications that would enable women to protect themselves from infection with the virus.

It is the objective of this bill to energize the public/private partnership that has helped the U.S. pharmaceutical industry become the world leader in innovation. By promoting increased R&D for diseases affecting the poorest countries, we will all benefit. There is a clear humanitarian and moral call to do what we can to provide safe and effective vaccines to save lives. But beyond this obligation, we cannot forget that infectious diseases do not respect borders. Until TB, malaria, and AIDS are eliminated, we all face the threat from diseases that should be rapidly relegated to the waste bin of history.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

There being no objection, the additional material was ordered to be printed in the RECORD, as follows:

VACCINES FOR THE NEW MILLENNIUM ACT OF 2001—SUMMARY

This bill has two purposes: to provide incentives to pharmaceutical and private sector biotech companies to accelerate research and development of vaccines and microbicides to prevent deadly infectious diseases such as HIV/AIDS, tuberculosis, and malaria, which kill some 5–6 million people annually; and to increase international access to vaccines and microbicides, once developed.

Incentives to Accelerated Research

1—INCREASED TAX CREDIT FOR VACCINE RESEARCH AND DEVELOPMENT

Provides a 30 percent tax credit on qualified research expenses to develop microbicides for HIV and vaccines for malaria, TB, HIV and other diseases that kill 1 million people or more annually. This is an expansion of the existing 20 percent Research and Development tax credit.

Mandates that a company file a research plan with the Secretary of the Treasury on these priority vaccines or microbicides before claiming the tax credit.

Allows the tax credit to be applied to the costs of clinical trials outside of the United States, because of the prevalence of malaria, TB, and HIV in developing countries. However, pre-clinical research must be conducted in the United States in order to claim the tax credit.

2—REFUNDABLE TAX CREDIT FOR SMALL, BIOTECH COMPANIES

Provides a refundable tax credit to small biotech companies based on the amount of qualified research that they a company does in a given year. This credit is designed to stimulate increased research among firms that often do the most innovative research.

Mandates that any firm receiving this credit put an equivalent amount of funds into research and development within 2 years of having received the credit. Such expenditures cannot be claimed under the tax credit for qualified vaccine research and development. Requires the Secretary of the Treasury to promulgate regulations to recapture the credit if a company fails to make these expenditures.

3—TAX CREDIT FOR RESEARCH CONTRACTED OUT

Provides a 100 percent tax credit on contracts and other arrangements for research and development on these priority vaccines and microbicides. This credit, an increase from the existing 65 percent, is designed as an incentive for larger firms to contract with smaller, vaccine research companies.

International Access to Vaccines and Microbicides

1—TAX CREDIT ON SALES OF VACCINES AND MICROBICIDES

Provides a 100 percent tax credit on the value of sales of new vaccines and microbicides for malaria, TB, and HIV and any other disease killing more than 1 million people annually. Sales must be made to a qualified international health organization or foreign government for use in developing countries.

Limits the annual credit on such sales to $100 million through the years 2002–2006 and 125 million through the years 2007–2010.

2—ESTABLISHMENT OF LIFESAVING VACCINE PURCHASE FUND

Mandates the Secretary of the Treasury to establish a purchase fund in the Department of the Treasury at the time that an eligible vaccine is ready for purchase.

Authorizes the Secretary to use the fund to purchase vaccines and distribute those vaccines in developing countries.

3—OTHER MECHANISMS TO INCREASE ACCESS TO VACCINES

Requires a company that develops a vaccine or microbicide using the research and development credit to certify to the Secretary of the Treasury that it will establish a plan to maximize distribution of the vaccine or microbicide to developing countries. Such plan would not waive any rights to pricing, patent ownership or release of proprietary information.

Urges continued U.S. Government support for the Global Alliance for Vaccines and Immunizations, GAVI, and the Global Fund for Children's Vaccines.

By Mr. BAUCUS (for himself, Mr. JEFFORDS, Mr. ALLARD, Mr. LEAHY, and Mr. LEVIN):

S. 897. A bill to amend title 39, United States Code, to provide that the procedures relating to the closing or consolidation of a post office be extended to the relocation or construction of a post office, and for other purposes; to the Committee on Government Affairs.

Mr. BAUCUS. Mr. President, today I am pleased to re-introduce an important, common sense, community-based bill with my friend, Mr. JEFFORDS. That bill is the Post Office Community Partnership Act of 2001.

It is not by mistake that we offer this bill during National Historic Preservation Week. This week, sponsored by the National Trust for Historic Preservation, highlights the need to support the diversity and history of our communities and work to revitalize them.

A few years ago, we discovered that post offices throughout the country were not paying attention to local ideas and local needs before closing, relocating, consolidating, or constructing new facilities. I know of several examples in my home state of Montana. Post offices in Livingston and Red Lodge, for example, proposed changes that would have severely altered the downtown fabric of those communities. These small, rural towns have a Main Street by name and by function. It's on Main Street that people stop by the post office on the way to the bank or the grocery store. It's where they enjoy the chance to not only get all their "in town" chores done, but also interact with each other.

It's small town "Main Streets" all over the country that are threatened when post offices close or relocate. At a time when many rural communities are struggling, the closure or relocation of a Main Street post office is the sounding of a death knell.

Communities like Livingston and Red Lodge define our rural landscapes. They have been built around a cluster of essential services that ensure their vitality. Communities are unnecessarily hurt when cornerstone institutions, like post offices, close or relocate. People not only lose a gathering place, they lose an important element of their community.

There are certainly instances where closures, relocations, consolidations, and new construction are good choices for a community. This bill doesn't change that. What it does, is address those instances where people and communities have suffered because the Postal Service has made a decision without consulting with community members.

While the Postal Service has made some internal changes in the past couple of years to include more public involvement, I fear that new pressures on delivery service will tempt the Postal Service to focus on ways to meet their business needs, while belying the role they play in communities.

Today, Senator JEFFORDS and I are re-introducing legislation to ensure public participation in local post office decisions relating to closing, consolidation, relocation, or new construction. This bill isn't about imposing new mandates on the Postal Service. It's about honoring the role that the Postal Service plays in our towns and communities. It's about protecting a partnership that communities and the Postal Service have nurtured throughout the history of this country.

Indeed, partnership is what this bill is all about. Specifically, our bill outlines a process for community notification and involvement. It makes sure that a community's voice is heard. It requires the Postal Service to post notification of proposed facility changes. It specifies that local government officials be notified of the proposed changes at the same time as persons serviced by the local post office. And it requires the Postal Service to follow local public participation processes if they are more stringent than their own.

These common-sense provisions will ensure that communities continue to partner with the Postal Service and that both the Postal Service and our communities will continue to enjoy a mutually beneficial relationship.

I urge my colleagues to support Senator JEFFORDS and me in passing this important legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 897

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Post Office Community Partnership Act of 2001".

SEC. 2. PROCEDURES RELATING TO THE PROPOSED CLOSING, CONSOLIDATION, RELOCATION, OR CONSTRUCTION OF A POST OFFICE.

(a) APPLICABILITY.—Section 404(b) of title 39, United States Code, is amended—

(1) by redesignating paragraphs (2) through (5) as paragraphs (3) through (6), respectively;

(2) by striking "(b)(1)" and inserting "(2)"; and

(3) by inserting before paragraph (2) (as so redesignated) the following:

"(b)(1) This subsection shall apply in the case of any proposed closing, consolidation, relocation, or construction of a post office.".

(b) ADVANCE NOTICE.—Paragraph (2) of such section 404(b) (as so redesignated) is amended to read as follows:

"(2)(A) The Postal Service, before making a determination under subsection (a)(3) as to the necessity for a proposed action described in paragraph (1), shall, in order to ensure that the persons, including local government officials, who are (or would be) served by the post office involved will have an opportunity to present their views, provide adequate notice of its intention to take such action with respect to such post office at least 60 days before—

"(i) in the case of the proposed construction of a post office, the date of the determination under subsection (a)(3); or

"(ii) in the case of an action other than the proposed construction of a post office, the proposed date of such action.

"(B) The requirements of this paragraph shall not be considered met unless the notice—

"(i) has, by the deadline specified in subparagraph (A)—

"(I) been hand delivered or delivered by mail to the persons required under subparagraph (A); and

"(II) been published once a week for at least 4 weeks in 1 or more newspapers regularly issued and of general circulation within the zip code areas which are (or would be) served by the post office involved; and

"(ii) includes a description of the action proposed to be taken with respect to the post office involved, a summary of the reasons for the proposed action, and the date on which such action is proposed to be taken (or, if the construction of a post office is involved, the proposed timetable therefor).".

(c) CONSIDERATIONS.—Paragraph (3) of such section 404(b) (as so redesignated) is amended—

(1) in the matter before subparagraph (A), by striking "to close or consolidate" and inserting "to take a proposed action with respect to";

(2) by striking "such closing or consolidation" each place it appears and inserting "such action";

(3) in subparagraph (A)(i), by striking the semicolon and inserting ", taking into account (I) the extent to which the post office is part of a core downtown business area (if at all), and (II) the nature and the extent of any opposition within the community to the proposed action;";

(4) in subparagraph (A)(ii), by striking "Service employed at such office;" and inserting "Service;";

(5) in subparagraph (A)(iv), by inserting "quantified long-term" before "economic"; and

(6) in subparagraph (A), by striking "and" at the end of clause (iv), by redesignating clause (v) as clause (viii), and by inserting after clause (iv) the following:

"(v) any views or concerns expressed by any officials or other representatives of local government, including whether the proposed action is reasonable in light of local population projections;

"(vi) consistency with the size, scale, design, and general character of the surrounding community;

"(vii) whether all reasonable alternatives to such action have been explored; and".

(d) NOTICE OF DETERMINATION.—Paragraph (4) of such section 404(b) (as so redesignated) is amended—

(1) by striking "to close or consolidate" and inserting "to take a proposed action (described in paragraph (1)) with respect to";

(2) by striking "paragraph (2)" and inserting "paragraph (3)"; and

(3) by striking "office." and inserting "office (including by posting a copy of such determination in the post office or each post office serving the persons who will be affected by such action) and shall be transmitted to appropriate local officials.".

(e) ADDITIONAL REQUIREMENTS.—Such section 404(b) is amended by adding at the end the following:

"(7) In any case in which a community has promulgated any procedures to address the relocation, closing, consolidation, or construction of buildings in the community, and the public participation requirements of those procedures are more stringent than those provided in this subsection, the Postal Service shall apply those procedures to the relocation, closing, consolidation, or construction of a post office in that community in lieu of applying the procedures established in this subsection.

"(8) In making a determination to relocate, close, consolidate, or construct any post office, the Postal Service shall comply with any applicable zoning, planning, or land use laws (including design guidelines, building codes, and all other provisions of law) to the same extent and in the same manner as if the Postal Service were not an establishment of the Government of the United States.

"(9) Nothing in this subsection shall be construed to apply to a temporary customer service facility to be used by the Postal Service for a period of less than 60 days.

"(10)(A) In this paragraph the term 'emergency' means any occurrence that forces an immediate relocation from an existing facility, including natural disasters, fire, health and safety factors, and lease terminations.

"(B) If the Postmaster General determines that there exists an emergency affecting a particular post office, the Postmaster General may suspend the application of this subsection, with respect to such post office, for a period of not to exceed 180 days.

"(C) The Postmaster General may exercise the suspension authority under this paragraph with respect to a post office once for each discrete emergency affecting such post office.

"(11) The relocation, closing, consolidation, or construction of any post office shall be conducted in accordance with applicable provisions of the National Historic Preservation Act (16 U.S.C. 470 et seq.).".

(f) TECHNICAL AND CONFORMING AMENDMENTS.—Such section 404(b) is amended—

(1) in paragraph (5) (as so redesignated) by striking "take no action to close or consolidate" and inserting "take no action described in paragraph (1) with respect to"; and

(2) in paragraph (6) (as so redesignated)—

(A) by striking "to close or consolidate" and inserting "to take any action described in paragraph (1) with respect to"; and

(B) by striking "paragraph (3)" and inserting "paragraph (4)".

Mr. JEFFORDS. Mr. President, I rise today to join my colleague Senator BAUCUS in reintroducing the "Post Office Community Partnership Act of 2001."

This bill is similar to the one we introduced in the 105th and 106th Congress that so many of our colleagues supported in the past. It is my hope that this year the bill will become law. We are also coordinating our efforts with Representative BLUMENAUER of Oregon who will introduce a companion bill in the House of Representatives this week.

This bill will allow local communities to have a voice in determining the future of their local Post Office. In many towns across Vermont, the post office functions as the social and economic cornerstone of the local downtown area. Not only does the post office provide a daily service to residents, it is an enduring neighborhood institution. The post office is an enduring neighborhood institution where residents catch up with their neighbors, or get the latest news. As a consequence many small towns across America are hurt by decisions to close, relocate or consolidate postal facilities. Our bill will increase local community input when the Postal Service determines that a facility will be constructed, consolidated, relocated, or closed.

This bill also addresses larger smart growth concerns. Right now, the U.S. Postal Service is exempt from local zoning and building laws. This creates situations where the new facilities do not fit in with the size or scale of the local community. Many new facilities are relocated to the outer fringes of downtowns which encourages sprawl. Transplanting local facilities out of downtown locations has a potentially devastating impact on the character of many towns. This bill will help preserve the small town way of life by preventing sprawl and encouraging the reuse of historic structures. The Post Office Community Partnership Act will help communities have a say in the future of their local post offices.

There have been a number of incidents in Vermont where a post office has moved out of the traditional town center and local officials have had little or no say in the decision. In Perkinsville, VT the post office moved from the general store to a site miles from the downtown. The same thing happened in Fairfax, when the post office moved from a historic building downtown to a strip mall.

A prime example is Westminster, one of the oldest towns in Vermont. This town of 3,200 people was shocked to learn that the Postal Service was replacing their old facility with a building more than four times as large with 33 parking spaces. There were several reasons the community and local government officials were outraged at the decision. First, the Postal Services's standard "design number 30" does not fit in with Westminster's size, scale, zoning, or historic character. The Postal Service has been unwilling to modify their standard designs to meet community needs. Moreover the neighboring town recently built a new post office with more than 1200 PO boxes that are still vacant. The Post Office Community Partnership Act will allow the Postal Service and the local community to work together from the beginning of the planning process toward common sense solutions that benefit everyone.

This legislation is necessary to ensure that local communities will always have a voice in the Postal Service's decision making process. As towns struggle to grow and plan for their development, the Postal Service has all too often been an unwilling partner. In Vermont and across the U.S., many communities are attempting to carefully plan their future development, to protect and preserve their open space, prevent unregulated sprawl, and conserve natural resources. Yet they are not getting any assistance, and are often hindered by Postal Service decisions. This bill will close some of the loopholes that allow the Postal Service to operate outside the regulations that localities place on other businesses and government agencies.

This legislation will strengthen the ties between the Postal Service and local governments, help preserve our downtowns, prevent sprawl, and promote sensible, managed growth. I urge my colleagues to join Senator BAUCUS and me in support of this legislation.

Mr. LEAHY. Mr. President, I am pleased to be an original co-sponsor of the Post Office Community Partnership Act. Too often the Postal Service's designs for new offices fail to conform with local land use laws and these new cookie-cutter structures are replacing what were once the heart and soul of our towns. This legislation will ensure that the Postal Service does a better job of listening to local communities, respecting zoning regulations, and preserving Vermont's distinctive character.

In Vermont and across the country, Post Offices are community linchpins, serving more than just generic mailing stations. It is the Post Office where people go to meet their neighbors and talk about the latest news. The Postmaster is sometimes the only national representative in a community, and they often provide advice and guidance about important issues. The Post Office is inextricably linked with daily life. Remove it, and the special character of the place is lost.

As the Post Office has experienced financial difficulties in recent years, the prospect of Post Office closures has loomed larger. Unfortunately, inadequate processes are in place to ensure that the U.S. Postal Service will consult with local communities in the event of a closure, relocation, or consolidation. This legislation will ensure that the service notifies communities far in advance of any action, and ensure that concerned citizens have a role in decisions.

With such provisions in place and other much-need reforms, the U.S. Postal Service will work through its difficulties. The service will continue to grow, expanding access and making much-needed modernizations to its older facilities.

Too often, though, new post offices look like they do not belong in the heart of a traditional town center. Local zoning ordinances are ignored, and the Post Office contributes to unsightly sprawl. While there are many success stories, there are few detailed guidelines to avoid repetitions of the failures. That is why this legislation also includes provisions to ensure the U.S. Postal Service will follow local land use laws.

Successful mail service is a subtle balance between efficiency and contributing to the community. I think this important legislation will help the U.S. Postal Service find that balance well into the future. I commend Senator JEFFORDS for introducing this legislation, and I urge its swift consideration and passage, as it will help preserve the important role of our Post Offices in our way of life.

By Mr. HATCH (for himself, Mr. DOMENICI, and Mr. DASCHLE):

S. 898. A bill to make technical amendments to the Radiation Exposure Compensation Act (42 U.S.C. 2210 note), provide compensation to certain claimants under such act, and for other purposes; to the Committee on the Judiciary.

Mr. HATCH. Mr. President, today I am introducing bipartisan legislation that will provide important and necessary technical changes to the Radiation Exposure Compensation Act of 1990, RECA, as amended.

I am delighted that my good friend and esteemed Chairman of the Budget Committee, Senator DOMENICI, is joining me as the primary cosponsor. PETE and I have been working on RECA since its enactment in 1990 and his leadership has been invaluable over the years in making this program a reality.

I want to give special thanks to Senator DASCHLE for joining us as an original cosponsor on this important legislation. His support of this program has been critical to its success.

I also want to thank Congressman CHRIS CANNON who is introducing the companion bill in the House.

The compensation fund established under the original RECA Act of 1990 provides a level of financial support to thousands of individuals, both workers and civilians, who were not informed about the health hazards associated with radiation exposure. Many of these individuals worked in uranium mines, many drove the trucks which transported uranium ore, and many happened to live downwind from a nuclear test site. These individuals, especially the downwinders, became ill due to their radiation exposure.

As my colleagues will recall, last year Congress passed the Radiation Exposure Compensation Amendments of 2000, S. 1515. This law, P.L. 106-245, included new eligibility standards so that individuals who were injured as a result of working in the government's nuclear weapon's program would receive some compensation for their radiation-related illness.

The RECA Amendments of 2000 made important changes to the original 1990 Act by updating the list of compensable illnesses, primarily cancers, eligible for consideration as well as increasing the number of individuals and states eligible for compensation based on the latest scientific and medical information gathered over the past decade.

It has become painfully clear that there remain several important problems with the program which needs immediate or corrective attention by the Congress.

First and foremost is the fact that the RECA Trust Fund is depleted. This is a situation we cannot allow to continue.

I must say that I am outraged by the lack of funding for RECA. If Social Security recipients suddenly did not receive their checks, can you imagine the outcry that would fall on the Congress? A government IOU is a second injustice for families who have already suffered once too much.

The fact of the matter is that funding for RECA must be permanently appropriated. Otherwise, we continue to run the risk of annual appropriation shortfalls during the appropriations process.

Because the trust fund is depleted, RECA claimants are now receiving "IOU" letters from the Federal Government in lieu of a check. I am informed by the Justice Department, which oversees the RECA program, that approximately 180 claims cannot be paid because the trust fund is depleted. Morever, I understand this number is likely to increase to as many as 2,000 claims.

This situation is simply unacceptable. I have met with RECA claimants in my state. It does not take long to see the pain and suffering they have endured over the years. Pain and suffering, I might add, that has taken a toll not only on their lives but on the lives of their families, as well.

Most of these individuals are now retired; they live on modest incomes, and fear their declining health will only exacerbate their limited family finances.

Many of these individuals have already died as a result of their injuries sustained while working for the government's nuclear production program. They have paid the highest price for service to their country—their lives.

I recently received a copy of a letter from one of my constituents, Miss Rita Torres, who wrote to President Bush regarding her father, Mr. Jose O. Torres, who suffered from cancer as a result of working in a uranium mine.

Mr. Torres was diagnosed with lung cancer two years ago. It metastasized to his liver. He had to use oxygen constantly because part of one of his lungs had been removed.

Seven months ago Mr. Torres received a letter from the Department of Justice informing him he had been approved for compensation under the RECA program.

According to Mr. Torres, "When I received my approval, it was a happy day. I have exhausted all my means and have been waiting for some relief from my government since the approval letter arrived seven months ago. Once I was a strong man, glad to work hard all day long. But I am no match for the pain, it has brought me to tears, it has brought my wife to tears as she struggles to make me comfortable, it has brought my children to tears to see their parents suffer so. I have no access to money. I have no influential friends. I am a simple person who has understood that when you gave your word, it meant something. But all the promises to the people have been forgotten. To be near the end [of my life] with no relief from the government has saddened me very much."

Mr. Torres never received his check from the federal government. He received an IOU instead.

Several weeks ago, on March 21 at 2:30 p.m., Mr. Jose Torres passed away. He was 73.

We cannot forget these brave Americans. When Congress passed the original RECA legislation in 1990 and the subsequent RECA 2000 amendments last year, we made a promise to them.

Mr. Torres, like thousands of other individuals in the 1940s, 50s and 60s, worked in some of the most horrendous conditions imaginable all the while not knowing that they were exposed to dangerous levels of radiation.

The legislation I am introducing today will provide for a permanent, indefinite appropriation to the RECA Trust Fund. Both the President's budget and the budget resolution contain a provision proposing to fund RECA on a permanent basis.

The bill we are introducing today provides the necessary authority for Congress to follow-through and appropriate a full and permanent allocation to the trust fund.

Let me also take a moment to comment briefly about another key provision in the bill which I believe deals with a matter of fairness for the RECA community.

The legislation we are introducing today ensures that all individuals exposed to radiation as a result of the government's nuclear weapons production program are accorded the same level of benefits.

Last fall, Congress passed the Department of Defense Authorization Act of 2000, P.L. 106-398, creating a new "Energy Employees Occupational Illness Compensation Program." This new program, which I supported, establishes a compensation fund for Department of Energy, DOE, employees and contract employees who were injured due to exposure to radioactive materials while working at DOE nuclear facilities and weapons testing sites.

Under the Energy program, individuals whose claims are approved will receive a monetary amount of $150,000 plus prospective medical benefits. These benefits are considerably more generous than those provided under RECA.

During the DOD conference last fall, Senator DOMENICI and I worked to provide an increase in benefits for the RECA claimants to provide them with an additional $50,000 plus prospective medical benefits.

It seems blatantly unfair for the federal government to provide a richer level of benefits to its own employees than for innocent civilians who happened to live downwind from a test site, or who worked in one of the mining operations.

Although the final agreement did extend additional benefits to the RECA workers, the conferees decided not to include the downwinders or on site participants.

The bill we are introducing today corrects this injustice and ensures that all individuals exposed to radioactive materials, as part of the government's program, are treated the same with respect to the level of benefits provided.

The third and final key provision of this legislation provides necessary technical changes to the 2000 Act which, essentially, were recommended by the Department of Justice. The 2000 Act inadvertently eliminated some claimants previously eligible for compensation, and made it more difficult for other claimants to prove eligibility.

For example, in amending the list of downwinder areas, RECA 2000 inadvertently eliminated individuals in a portion of Mohave County in Arizona who were previously eligible under the original RECA program. As a consequence, claimants who reside in this portion of Mohave County are no longer eligible for compensation. The technical amendment would again include this area in the definition of downwinder areas.

The proposed legislation we are introducing today will also improve the efficiency of the RECA program. Moreover, this bill will ensure fairness in the administration of RECA.

I am particularly mindful of concerns regarding the inclusion of additional cancers or counties to be included in the Act as well as the standards for length of radiation exposure necessary to qualify for the program. I know there has been some confusion over the length of radiation exposure requirements for certain cancers.

In this regard, I have included in the bill Section 5 which specifically directs the National Research Council to report to Congress annually with recommendations to include additional cancers, or counties, in the program. Moreover, the NRC is directed to examine whether the requirements for exposure to radiation should be reduced. This section will provide Congress the needed epidemiological data to assist us in resolving these issues.

It is critical that Congress pass this legislation as soon as possible. And, to that end, I intend to schedule this bill for an executive business meeting in the Judiciary Committee as soon as possible.

This bill has strong bipartisan support. I urge my colleagues to support this measure so that the Federal Government can keep its commitment to those eligible claimants for whom RECA was enacted.

I ask unanimous consent the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 898

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RADIATION EXPOSURE COMPENSATION TECHNICAL AMENDMENTS.

(a) IN GENERAL.—The Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended—

(1) in section 4(b)(1)(C), by inserting ", and that part of Arizona that is north of the Grand Canyon" after "Gila";

(2) in section 4(b)(2)—

(A) by striking "lung cancer (other than in situ lung cancer that is discovered during or after a post-mortem exam),"; and

(B) by striking "or liver (except if cirrhosis or hepatitis B is indicated)." and inserting "liver (except if cirrhosis or hepatitis B is indicated), or lung.";

(3) in section 5(a)(1)(A)(ii)(I), by inserting "or worked for at least 1 year during the period described under clause (i)" after "months of radiation";

(4) in section 5(a)(2)(A), by striking "an Atomic Energy Commission" and inserting "a";

(5) in section 5(b)(5), by striking "or lung cancer";

(6) in section 5(c)(1)(B)(i), by striking "or lung cancer";

(7) in section 5(c)(2)(B)(i), by striking "or lung cancer";

(8) in section 6(e)—

(A) by striking "The" and inserting "Except as otherwise authorized by law, the"; and

(B) by inserting ", mill, or while employed in the transport of uranium ore or vanadium-uranium ore from such mine or mill" after "radiation in a uranium mine";

(9) in section 6(i), by striking the second sentence;

(10) in section 6(j), by adding at the end the following: "Not later than 180 days after the date of enactment of the Radiation Exposure Compensation Act Amendments of 2000, the Attorney General shall issue revised regulations to carry out this Act.";

(11) in section 6, by adding at the end the following:

"(m) SUBSTANTIATION BY AFFIDAVITS.—

"(1) IN GENERAL.—The Attorney General shall take such action as may be necessary to ensure that the procedures established by the Attorney General under this section provide that a substantiation may be made by an individual filing a claim under those procedures by means of an affidavit described under paragraph (2), in addition to any other material that may be used to substantiate—

"(A) employment history for purposes of determining working level months; or

"(B) the residence of an individual filing a claim under section 4.

"(2) AFFIDAVITS.—An affidavit referred to under paragraph (1) is an affidavit that—

"(A) meets such requirements as the Attorney General may establish; and

"(B) is made by a person other than the individual filing the claim that attests to the employment history or residence of the claimant.";

(12) in section 7, by amending subsection (b) to read as follows:

"(b) CHOICE OF REMEDIES.—No individual may receive more than 1 payment under this Act."; and

(13) by adding at the end the following:

"SEC. 14. GAO REPORTS.

"(a) IN GENERAL.—Not later than 18 months after the date of enactment of the Radiation Exposure Compensation Act Amendments of 2000, and every 18 months thereafter, the General Accounting Office shall submit a report to Congress containing a detailed accounting of the administration of this Act by the Department of Justice.

"(b) CONTENTS.—Each report submitted under this section shall include an analysis of—

"(1) claims, awards, and administrative costs under this Act; and

"(2) the budget of the Department of Justice relating to this Act.".

(b) CONFORMING AMENDMENTS.—Section 3 of the Radiation Exposure Compensation Act Amendments of 2000 (Public Law 106-245) is amended by striking subsections (e) and (i).

SEC. 2. COMPENSATION FOR CERTAIN CLAIMANTS UNDER THE RADIATION EXPOSURE COMPENSATION ACT.

(a) IN GENERAL.—Section 3630 of the Energy Employees Occupational Illness Compensation Program Act of 2000, as enacted into law by Public Law 106-398, is amended to read as follows:

"SEC. 3630. SEPARATE TREATMENT OF CERTAIN CLAIMANTS UNDER THE RADIATION EXPOSURE COMPENSATION ACT.

"(a) COMPENSATION PROVIDED.—An individual who receives, or has received, a payment under section 4 or 5 of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) for a claim made under that Act (in this section referred to as a 'covered individual'), or the survivor of that covered individual if the individual is deceased, shall receive compensation under this section in the amount of $50,000.

"(b) MEDICAL BENEFITS.—A covered individual shall receive medical benefits under section 3629 for the illness for which that individual received a payment under section 4 or 5 of that Act.

"(c) COORDINATION WITH RECA.—The compensation and benefits provided in subsections (a) and (b) are separate from any compensation or benefits provided under that Act.

"(d) PAYMENT FROM COMPENSATION FUND.—The compensation provided under this section, when authorized or approved by the President, shall be paid from the compensation fund established under section 3612.

"(e) SURVIVORS.—(1) Subject to the provisions of this section, if a covered individual dies before the effective date specified in subsection (g), whether or not the death is a result of the illness specified in subsection (b), a survivor of that individual may, on behalf of that survivor and any other survivors of that individual, receive the compensation provided for under this section.

"(2) The right to receive compensation under this section shall be afforded to survivors in the same order of precedence as that set forth in section 8109 of title 5, United States Code.

"(f) PROCEDURES REQUIRED.—The President shall establish procedures to identify and notify each covered individual, or the survivor of that covered individual if that individual is deceased, of the availability of compensation and benefits under this section.

"(g) EFFECTIVE DATE.—This section shall take effect on July 31, 2001, unless Congress provides otherwise in an Act enacted before that date.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—(1) The table of sections for the Energy Employees Occupational Illness Compensation Program Act of 2000 is amended by striking the item relating to section 3630 and inserting the following:

"Sec. 3630. Separate treatment of certain claimants under the Radiation Exposure Compensation Act.".

(2) Section 3641 of the Energy Employees Occupational Illness Compensation Program Act of 2000, as enacted into law by Public Law 106-398, is amended—

(A) by striking "covered uranium employee" and inserting "covered individual"; and

(B) by adding at the end the following: "Nothing in this section shall be construed to offset any payment of compensation under section 3630 and any payment under the Radiation Exposure Compensation Act (42 U.S.C. 2210 note).".

SEC. 3. ATTORNEY FEES.

Section 3648(b)(2) of the Energy Employees Occupational Illness Compensation Program Act of 2000, as enacted into law by Public Law 106-398, is amended to read as follows:

"(2) 10 percent with respect to—

"(A) any claim with respect to which a representative has made a contract for services before the date of enactment of this Act; or

"(B) a resubmission of a denied claim.".

SEC. 4. RADIATION EXPOSURE COMPENSATION.

Section 3(e) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended—

(1) in the subsection heading by striking the first 2 words and inserting "INDEFINITE"; and

(2) by striking "authorized to be".

SEC. 5. REPORTS BY THE NATIONAL RESEARCH COUNCIL.

(a) CONTRACT FOR REPORTS.—Not later than 60 days after the date of enactment of this Act, the Attorney General of the United States shall enter into a contract with the National Research Council to submit reports in accordance with subsection (b).

(c) REPORTS.—Not later than December 31, 2002, and not later than December 31 of each year thereafter through 2010, the National Research Council shall submit a report, in accordance with the contract entered into under subsection (a), to Congress that—

(1) reviews the most recent scientific information relating to radiation exposure and related cancers; and

(2) makes any recommendation to—

(A) reduce the length of radiation exposure requirements; or

(B) include types of cancer or classes of individuals to be covered by the Radiation Exposure Compensation Act (42 U.S.C. 2210 note).

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) $600,000 for fiscal year 2001; and

(2) such sums as may be necessary for fiscal years 2001 through 2011.

Mr. DOMENICI. Mr. President, I rise today, with Senator HATCH, to introduce the Radiation Exposure Compensation Technical Amendments and Refinement Act. These technical amendments are needed because the RECA amendments we passed in 2000 inadvertently eliminated some claimants previously eligible for compensation and made it more difficult for other claimants to prove eligibility.

These technical amendments are very important, but perhaps more importantly this bill provides mandatory funding for the now-bankrupt RECA Trust Fund. For over a year now, eligible claimants have been receiving nothing more than a five-line IOU from the Justice Department. This is an injustice I never imagined when I authored the Radiation Exposure Compensation Act in 1990—an injustice that can and must be rectified through this bill.

RECA was designed to compensate our nation's uranium mine workers who became afflicted with debilitating and too often deadly radiation-related diseases. These men helped build our nuclear arsenal—the arsenal that is, at least in part, responsible for ending the cold war. We must not let their sacrifice go unanswered.

These miners and their families lived under tough conditions. Some lived in one-room houses located as close as 200 feet from the mine shafts. Their children played near the mines and their families drank underground water that exposed them to radiation. These miners faced long, uncomfortable days many feet underground.

Many of those uranium miners from New Mexico who endured these conditions were Native Americans from the Najavo Nation. To this group of victims, our government owes a special duty of care based on a longstanding trust relationship formed by treaties and agreements.

Mr. President, the Najavos and all the uranium miners performed a special service for our nation, and our nation owes them a special obligation. An obligation that it has twice failed to keep.

Strike one: The government had adequate warning about the radiation hazards of uranium mining, and yet federal mine safety standards were not fully implemented until 1971. Thus, prior to 1971, the miners were sent into inadequately ventilated mines with virtually no warning regarding the dangers of radiation.

Strike two: The government has failed to keep the program fully funded. Frankly, this is unconscionable. Those who helped protect our nation's security must be compensated for their suffering. Anything less is unacceptable.

Mr. President, our legislation today would ensure that the government does not strike out. These men served our nation well, and it is time for this nation to serve them well.

By Mr. BIDEN (for himself, Mr. HATCH, and Mr. ALLEN):

S. 899. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to increase the amount paid to families of public safety officers killed in the line of duty; to the Committee on the Judiciary.

Mr. BIDEN. Mr. President, I rise today to introduce the Frances Collender Public Safety Officers' Benefit Improvement Act of the year 2001.

At around 6 a.m. on February 6 of this year, Corporal Frances Collender of the Delaware State Police pulled her cruiser behind a van that had been disabled by an accident on Route 1 in Odessa, DE. Tragically, Corporal Collender was struck and killed by another driver just as she was assisting the disabled motorist. There was a little bit of snow on the ground.

Corporal Collender was not only a beloved mother and daughter, she was also beloved by her entire troop and by the State Police. This was a woman who, after having started another career, went back and decided to become a public safety officer and joined the elite of the Delaware State Police. She was sort of the mother figure of these folks who were a lot younger than she. She was a leader. She was a corporal, but in many ways she was the captain. She was the one to whom everybody looked.

Everything and anything that was good that was being sponsored by police organizations in our State—she was not atypical in that sense—she was involved in. She was always one who not only refused to shirk her duty but took on additional responsibilities.

She did not have to respond to this call. She was about to get off, but she responded—it was typical of her—to keep someone else from having to come out. She was "nearby," so she responded. And she has passed away. She volunteered, as she always did, and, in doing so, maybe saved somebody else's life but lost her own.

This week, with thousands of law enforcement officers, survivors, and family members gathered in the Nation's Capital for National Police Week, we listened to the President of the United States, as we have other Presidents. We listened as the rollcall was called of all fallen officers nationwide in the calendar year 2000. Until you attend an event such as this, as I am sure my colleagues have, it doesn't—how can I say this?—it doesn't sink in, just how incredible these officers are, just what incredible chances they take for us, and just how many lose their life in doing so.

Corporal Collender had two beautiful daughters, one of whom has become my buddy. She is 17 years old; she is smart; she is beautiful; she is engaged. She lives with her grandmom and grandpop who, if you knew them—especially grandmom—you would understand, without knowing Corporal Collender, that she is everything I said she is.

It seems to me we have to do more than pay our respects once a year to these families for the sacrifices they have made on our behalf. I was involved with a group, years ago, that decided although it is technically not a Federal responsibility, we should provide a death benefit to fallen and slain officers. What I am suggesting today is that a death benefit is not sufficient. It was set years ago. Although it has increased with inflation, it is below what I think is a realistic need of the average first responder's salary.

This will cover first responders including firefighters. If you think about it, there are very few people in law enforcement—none goes into it because they think they are going to make a lot of money, and very few in law enforcement come from families who have trusts or endowments or inheritances that are left. They are working-class people, almost all these days college educated. But they make a decision because of their sense of duty, their sense of honor, and their sense of just wanting to take on difficult tasks. When they die, their families are left in a very difficult circumstance.

I need not tell anyone in here that a $150,000 death benefit—which is what the original death benefit is up to now because of inflation—is insufficient. It is not going to pay even for the college costs of one of Corporal Collender's daughters, if she goes to a private institution, by the time they get there. It will not even pay for the college costs of her younger daughter if she goes to my alma mater, the State University of Delaware.

So I think it is time, particularly in this period of incredible surplus we are talking about, when we can decide that the inheritance tax should be eliminated for billionaires, when we decide we are going to give hundreds of thousands of dollars in tax breaks to people who make over a million bucks and up, that we ought to be able to, for the relative handful, thank God—we are talking hundreds now, not talking thousands—we ought to be able to raise the death benefit for those who give their lives to make us safer.

Since 1972 with the shooting of a New York deputy sheriff, over 15,000 public safety officers have been killed in the line of duty; 30 officers from my State. Thirty from my little State have paid the ultimate price, with Corporal Collender being the most recent loss. This past Sunday, 313 names were added to the National Law Enforcement Officers Memorial. Yesterday, as I said, families paid tribute to those fallen officers by laying a wreath at the National Peace Officers Memorial Service. I was there. The President paid tribute to Corporal Collender and her family and to the families of all officers who were lost.

There are too many—there are too many—line-of-duty deaths each year, and for too long our response to their families just hasn't been enough.

The Justice Department runs the Public Safety Officers' Benefits program, an initiative begun 25 years ago to make one-time payments to assist public safety officers and their families when they become disabled, or lose their lives, in the line of duty.

For the first 12 years of its existence the Public Safety Officers' Benefits Program issued $50,000 payments to qualifying officers and their families.

In 1988, we recognized this figure was inadequate both to express the gratitude of a grateful nation and to try to put these families on sound financial footing. So 13 years ago we raised the payment to $100,000 and indexed it for inflation. This year the program began at $151,000.

Last year, 181 claims were paid, and the Public Safety Officers' Benefits program has successfully helped disabled officers, their families, and the families of those officers killed in the line of duty put their lives back together.

It is time to take another look at the Public Safety Officers' Benefits program. Recently, the other body approved legislation that would increase to $250,000 the maximum death benefits for families of military personnel killed in the line of duty. We should do the same thing for the families of slain public safety officers, including firefighters.

So today I am introducing the Frances Collender Public Safety Officers' Benefits Improvement Act, legislation that will increase the payment under the Public Safety Officers' Benefits Program from $100,000 to $250,000. Payments will continue to be indexed for inflation. We have not adjusted the payment under this program for almost 15 years, and the families of those who have paid the ultimate price deserve some more help than they are getting.

I have raised this issue with my good friend and chairman of the Judiciary Committee, Senator HATCH. He has indicated he may very well want to join as an original cosponsor of the bill. I have not been able to get in touch with him this morning, so I have not added his name. The reason I am introducing the bill now is because the afternoon will get so busy and I may not have an opportunity to speak to the introduction of this legislation. If my friend from Utah decides to join me on this bill, as I hope he will, I am prepared to rename this act in the name of both Frances Collender and a slain Utah police officer that my friend from Utah would like to add to this legislation. I would be happy to do that if he decides and wishes to join me.

During Police Week, while the Collenders and other heroic families of public safety officers are in Washington to pay tribute, let's show our gratitude as well, beyond our sympathy. Washington can pay tribute. They can pay tribute by us voting and agreeing to increase this death benefit. It is the least Congress can do to express our gratitude to the peace officers for all they have done. If we cannot afford it now, we can never afford it. I do not see how we can afford not to do this for the public safety officers of this Nation.

I thank the Chair. I thank the family of Frances Collender for their bravery because it is sometimes much harder to be in the waiting room than the operating room. Sometimes it is much harder to be at the grave site than being the one buried, I suspect. They have shown great class. They have shown great resolve. And the one thing all of us who deal with law enforcement and firefighters know, they never forget their own. Although those two beautiful young girls of Frances Collender do not have their mother, they have inherited, for as long as they live, the entire police force of the State of Delaware, who, for real—it is not hyperbole—will be there for them, whether they ever knew their mother or not, until the day they die. It is part of the tradition, it is part of the honor, and it is part of our responsibility as well.

I thank the Chair.

Mr. REID. Will the Senator yield?

Mr. BIDEN. I am happy to yield.

Mr. REID. I say to the Senator from Delaware, the people of Nevada and people all over the country should be grateful to the Senator from Delaware, as they are any time they realize there are fewer slain police officers as a result of the work done by the Senator from Delaware in giving us the COPS Program, putting tens of thousands of new police officers all over America on the streets, so there are fewer slain police officers, so there is less crime.

I, of course, did not know Frances Collender. The Senator, from Delaware as usual, is very articulate in explaining the importance of this woman to the State of Delaware. But as important as she is to the State of Delaware, the Senator from Delaware is important to the country for the work he has done. In Nevada, it has made a difference. Having additional police officers on the street has been a big benefit. We have less crime in Nevada and around the country. Statistics, by any way you look at them, have proven that.

So on behalf of the people in Nevada, and on behalf of the people of this country, I extend our appreciation to the Senator from Delaware for his undying efforts to make sure we have more police officers on the streets. Without the Senator from Delaware, it would not have happened.

Mr. BIDEN. Mr. President, I thank the Senator. As usual, he is generous and gracious. He is, as everyone on both sides knows, one of the most gracious men who serves in this body. He is a gentleman with a backbone like a ramrod. I take his comments to heart because I believe he means them. It means a lot to me that he does.

There are few things I have done in my 28-year career in the Senate that I believe has been more worthwhile, and that I am more proud of, than working with the law enforcement agencies of this country, getting them from 500,000 to over 600,000 in local law enforcement agencies.

I appreciate the sentiments expressed by my friend. I add, he was there every step of the way, voting for it, adding amendments, pushing it. I know he will be with me as we try to, quite frankly, prevent the President of the United States from eliminating that program. I am sure the President cares deeply about the safety of law enforcement officers in the country. I hope we can get his attention, to convince him that cutting the COPS Program in this upcoming budget is a mistake. I think once he focuses on that, we have a shot of doing that.

But, again, I thank my friend from Nevada. He is a real gentleman and a good friend. And I thank the Presiding Officer for listening. One of the things—I should not say this—I like best about the present occupant of the chair is, whenever I stand to speak in this Chamber—I am sure he does it for everybody—he looks and listens and acts as if he is paying attention, and it makes a big difference. He is not signing his mail. I know I am not supposed to say that, but I am going to say it anyway because I appreciate his courtesy, speaking of a gentleman.

I thank you all and yield the floor.

By Mrs. BOXER:

S. 901. A bill to amend the Outer Continental Shelf Lands Act to direct the Secretary of the Interior to cease mineral leasing activity on the outer Continental Shelf seaward of a coastal State that has declared a moratorium on mineral exploration, development, or production activity in State water; to the Committee on Energy and Natural Resources.

Mrs. BOXER. Mr. President, today I am introducing the Coastal States Protection Act, which is intended to protect our Nation's fragile coastlines from the detrimental environmental impacts of offshore oil and gas development. Chronic leakage associated with normal oil and gas operations, as well as catastrophic spills such as the horrific Santa Barbara spill in 1969, irreparably contaminate the ocean floor, tidelands, and beaches.

In California, there is strong and enduring public support for the protection of our oceans and coastlines. My State decided that the potential benefits that might be derived from future offshore oil and gas development were not worth the risk of destroying our priceless coastal treasures. To ensure that our beaches remain pristine and our waters clear, California passed legislation permanently prohibiting oil and gas exploration in State waters. Unfortunately, the State only has jurisdiction over the territory that extends three nautical miles out from shore.

Federal waters off the coast of California, which extend beyond State waters to 200 nautical miles out, have received several forms of temporary protection from additional offshore oil and gas development. Since 1982, Congress has approved successive 1-year leasing and drilling moratoria that have provided protection for U.S. waters. In 1998, President Clinton issued a 10-year ban on Outer Continental Shelf activity off the coast of California. We now face, however, mounting pressures to explore new sources of domestic oil and gas.

My bill provides permanent protection by ensuring that no mineral leasing can occur on the Outer Continental Shelf in Federal waters where the State has placed a moratorium on mineral exploration, development, or production activity in adjacent States waters. Thus, this bill guarantees that the wishes of a State are reflected in the management decisions made regarding associated Federal waters.

This legislation is similar to bills I introduced in the 104th, 105th, and 106th Congress. Several officials in the new administration have expressed strong support for State and local decision-making, so I am hopeful that they will join me in supporting this legislation.

This bill will make an important and lasting contribution to the protection of our Nation's coastlines.

By Mr. THURMOND (for himself, Mr. HATCH, Mr. SESSIONS, and Mr. SMITH of New Hampshire):

S. 902. A bill to amend section 1951 of title 18, United States Code (commonly known as the Hobbs Act), and for other purposes; to the Committee on the Judiciary.

Mr. THURMOND. Mr. President, I rise today to introduce legislation to close a long-standing loophole in our Nation's labor laws, and help stop union violence in America. The bill would make clear that violence conducted in the course of a strike is illegal under the Federal extortion law, the Hobbs Act. I am pleased to have Chairman HATCH and others join me in introducing this important measure.

Violence has no place in our society. As I have said many times before, I would, if it were in my power to do so, put an absolute stop to the disruption of commerce in this country by intimidation and violence, whatever its source.

Unfortunately, corrupt union officials have often been the source of such violence. Encouraged by their special Federal exemption from prosecution, corrupt union officials have routinely used intimidation and violence over the years to achieve their goals. Since 1975, the Institute for Labor Relations Research has documented over 9,000 reported incidents of union violence in America. A major study entitled "Union Violence: The Record and the Response by Courts, Legislatures, and the NLRB," which was updated and republished in 1999 by the John M. Olin Institute at George Mason University, discusses the problem and trends in union violence in detail. This updated study shows that while union membership and the total number of strikes has decreased in recent decades, the number of reported incidents of violence per strike has actually increased. It is clear that union violence remains a serious issue facing our Nation today.

Let me make clear that I agree that the Federal Government should not get involved in minor, isolated physical altercations and vandalism that are bound to occur during a labor dispute when emotions are charged. Action such as this is not significant to commerce. However, when union violence moves beyond this and becomes a pattern of coordinated violent activity, the Federal Government should be empowered to act. State and local governments sometimes fail to provide an effective remedy, whether because of a lack of will, a lack of resources, or an inability to focus on the interstate nature of the conduct. It is during these times that Federal involvement is needed.

Let me also note that this legislation has never been an effort to involve the Federal Government in a matter that traditionally has been reserved for the states. Labor relations are regulated on a national basis, and labor management policies are national policies. There is no reason to keep the Federal Government out of serious labor violence that is intended to achieve labor objectives.

Indeed, the Congress intended for the Hobbs Act to apply to the conduct we are addressing in this legislation today. The decision to keep the Federal Government out was not made by the Congress. Rather, it was made by the Supreme Court in the United States versus Enmons decision in 1973, when the Supreme Court found that the Hobbs Act did not apply to a lawful strike, as long as the purpose of the strike was to achieve "legitimate labor objectives," such as higher wages. Such an exception does not exist in the words of the statute. The Court could only create this loophole through a strained interpretation of the law. In his dissent, Justice Douglas aptly criticized the majority for, "achieving by interpretation what those who were opposed to the Hobbs Act were unable to get Congress to do."

The Enmons decision is an unfortunate example of judicial activism, of a court interpreting a statute to reach the policy result the court favors rather than the one the legislature intended. This is a problem that has concerned many of us in the Senate for many years. We have held numerous hearings on this matter in the Judiciary Committee since the Enmons decision. We must continue to focus on this serious problem until it is solved.

It is time we closed the loophole on union violence in America.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 902

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Freedom From Union Violence Act of 2001".

SEC. 2. INTERFERENCE WITH COMMERCE BY THREATS OR VIOLENCE.

Section 1951 of title 18, United States Code, is amended to read as follows:

"§ 1951. Interference with commerce by threats or violence

"(a) PROHIBITION.—Except as provided in subsection (c), whoever in any way or degree obstructs, delays, or affects commerce or the movement of any article or commodity in commerce, by robbery or extortion, or attempts or conspires so to do, or commits or threatens physical violence to any person or property in furtherance of a plan or purpose to do anything in violation of this section, shall be fined not more than $100,000, imprisoned for a term of not more than 20 years, or both.

"(b) DEFINITIONS.—For purposes of this section—

"(1) the term 'commerce' means any—

"(A) commerce within the District of Columbia, or any territory or possession of the United States;

"(B) commerce between any point in a State, territory, possession, or the District of Columbia and any point outside thereof;

"(C) commerce between points within the same State through any place outside that State; and

"(D) other commerce over which the United States has jurisdiction;

"(2) the term 'extortion' means the obtaining of property from any person, with the consent of that person, if that consent is induced—

"(A) by actual or threatened use of force or violence, or fear thereof;

"(B) by wrongful use of fear not involving force or violence; or

"(C) under color of official right;

"(3) the term 'labor dispute' has the same meaning as in section 2(9) of the National Labor Relations Act (29 U.S.C. 152(9)); and

"(4) the term 'robbery' means the unlawful taking or obtaining of personal property from the person or in the presence of another, against his or her will, by means of actual or threatened force or violence, or fear of injury, immediate or future—

"(A) to his or her person or property, or property in his or her custody or possession; or

"(B) to the person or property of a relative or member of his or her family, or of anyone in his or her company at the time of the taking or obtaining.

"(c) EXEMPTED CONDUCT.—

"(1) IN GENERAL.—Subsection (a) does not apply to any conduct that—

"(A) is incidental to otherwise peaceful picketing during the course of a labor dispute;

"(B) consists solely of minor bodily injury, or minor damage to property, or threat or fear of such minor injury or damage; and

"(C) is not part of a pattern of violent conduct or of coordinated violent activity.

"(2) STATE AND LOCAL JURISDICTION.—Any violation of this section that involves any conduct described in paragraph (1) shall be subject to prosecution only by the appropriate State and local authorities.

"(d) EFFECT ON OTHER LAW.—Nothing in this section shall be construed—

"(1) to repeal, amend, or otherwise affect—

"(A) section 6 of the Clayton Act (15 U.S.C. 17);

"(B) section 20 of the Clayton Act (29 U.S.C. 52);

"(C) any provision of the Norris-LaGuardia Act (29 U.S.C. 101 et seq.);

"(D) any provision of the National Labor Relations Act (29 U.S.C. 151 et seq.); or

"(E) any provision of the Railway Labor Act (45 U.S.C. 151 et seq.); or

"(2) to preclude Federal jurisdiction over any violation of this section, on the basis that the conduct at issue—

"(A) is also a violation of State or local law; or

"(B) occurred during the course of a labor dispute or in pursuit of a legitimate business or labor objective.".

By Mr. ALLARD:

S. 903. A bill to amend the Cache La Poudre River Corridor Act to make technical amendments; to the Committee on Energy and Natural Resources.

Mr. ALLARD. Mr. President, today I am introducing the Cache La Poudre River Corridor Technical Amendments Act of 2001.

When former Senator Hank Brown and I decided to sponsor the Cache La Poudre River Corridor Act, Public Law 104–323, it was only after we held numerous meetings with the affected individuals, groups and governmental entities to determine how best to protect the area. The result was a delicate compromise bill to which all parties agreed.

The purpose of the Act was to designate the Cache La Poudre Corridor within the Cache La Poudre River Basin for special use. It is to provide for an educational and inspirational benefit to both present and future generations, as well as provide unique and significant contributions to our national heritage of cultural and historical lands, waterways, and structures within the Corridor.

The Act also established the Cache La Poudre Corridor Commission to consult with public officials and conduct public hearings on how to administer the corridor consistent with the purpose of the Act. The make-up of the Commission was to represent the affected counties and interested parties.

However, due to drafting errors and conflicting interpretations of the appointment process for the Commission, local communities and the Department of the Interior have been unable to proceed with implementing the Act.

To correct these errors, my colleague Congressman BOB SCHAFFER and I are introducing the Cache La Poudre River Corridor Technical Amendments Act of 2001. These changes will allow the Cache La Poudre River Corridor Act to be fully implemented.

These corrections will address several non-controversial provisions of the original law, which include correcting references to affected counties and clarifying duties of the commission. I hope that Congress will move quicky and act on the Cache La Poudre River Technical Corrections Amendments Act.

I thank my colleagues for their consideration of this matter.

By Ms. COLLINS (for herself, Mr. WARNER, Ms. LANDRIEU, Mr. COCHRAN, Mr. ALLEN, and Mr. HATCH):

S. 904. A bill to amend the Internal Revenue Code of 1986 to provide an above-the-line deduction for qualified professional development expenses of elementary and secondary school teachers and to allow a credit against income tax to elementary and secondary school teachers who provide classroom materials; to the Committee on Finance.

Ms. COLLINS. Mr. President, I rise this evening, along with my good friend, the distinguished senior Senator from Virginia, Mr. WARNER, to introduce the Teacher Tax Relief Act of 2001. We are very pleased to be joined by the Presiding Officer, the Senator from Virginia, Mr. ALLEN, and Senators COCHRAN and LANDRIEU, as original cosponsors of our legislation. All of these Senators are strong advocates for education and for our Nation's teachers.

It would be difficult to script a more appropriate time for us to introduce this important legislation. We stand now at the summit of an education debate that began over 2 weeks ago. At the same time, we anticipate a major tax relief bill to which we will turn our attention as early as tomorrow.

Our bill is related to both. It is both sound education policy and sensible tax policy. We plan on offering it as an amendment to the tax bill as soon as feasible on the Senate floor.

For that reason, Senator WARNER and I wanted to take advantage of this time this evening to talk a little bit about our bill and the ensuing amendment. In the midst of the education and tax debates, we are asking the Senate not to overlook the selfless efforts of our teachers and the many financial sacrifices they make to improve their instructional skills and the classrooms where they teach. Senator WARNER deserves tremendous credit for focusing our attention, through a sense-of-the-Senate amendment to the education bill, on the need to provide tax relief for our Nation's teachers.

Our teachers serve such a critical role in the education and development of our children. In fact, study after study demonstrates that other than involved parents, a high-quality, dedicated teacher is the single most important prerequisite for student success.

The amendment which Senator WARNER offered earlier this past week, and which I was proud to cosponsor, expressed the sense of the Senate that Congress should pass legislation providing teachers with tax relief in recognition of the many out-of-pocket expenses, unreimbursed expenses they incur to improve the education of our children. The bill we introduce today is legislation very similar to Senator WARNER's amendment which was adopted by the Senate by a vote of 95–3.

The bill we introduce today is targeted to support the expenditures of teachers who strive for excellence beyond the constraints of what their schools can provide.

Earlier this year, Senator WARNER, Senator HATCH, and I each introduced our own version of our teacher tax relief bills. Last year Senator KYL and I teamed up in a similar way. We have now all come together behind the Teacher Tax Relief Act of 2001, which enjoys bipartisan support from our colleagues as well as the endorsement of the National Education Association.

Our bill has two major provisions. First, it will allow teachers, teachers' aides, principals, and counselors to take an above-the-line deduction for their professional development expenses. I have talked with teachers in Maine who have financed continuing education courses at the master's and doctoral level as well as seminars out of their pocket. They then came back to their schools and shared their knowledge with their colleagues, and that additional course work has made them better teachers.

Some school districts reimburse for those kinds of professional development expenses. It would be great if they all did. But some school districts simply don't have the resources to help teachers who are striving to improve their skills.

What our bill will do is help those teachers who are financing those educational expenses out of their own pockets by giving them an above-the-line tax deduction.

The second provision of our bill will grant educators a tax credit of up to $250 for books, supplies, and equipment they purchase for their students. The tax credit would be set at 50 percent of such expenditures so that teachers would receive 50 cents of tax relief for every dollar of their own money they spend for supplies for their classroom.

It is remarkable how much the average teacher spends every year out of his or her own pocket to buy supplies and other materials for their students. According to a study by the National Education Association, the average public school teacher spends more than $400 annually on classroom materials.

Just recently, I met with Idella Harter, president of the Maine Education Association. She told me of the books, rewards for student behavior, and other materials she routinely purchases for her classroom. One year Idella decided to save her receipts to see how much she actually was spending. She said she started adding up the receipts and was startled to discover they totaled over $1,000. When they got that high, she decided to stop counting. But she continues to this day to purchase supplies and materials for her students.

When you think that the average teacher is not particularly well paid, it speaks volumes about their dedication that they are willing to make that kind of investment to improve the teaching for their students.

Idella is not alone. Maureen Marshall, who handles education issues for me in my office, taught public school for several years in Hawaii and Virginia. In her first year as a teacher, she, too, spent more than $1,000 of her own money on educational software, books, pocket charts to assist with language arts instruction, and other materials. Because of her tax situation, she could not deduct any of these expenses from her taxable income.

The ultimate beneficiaries of efforts to provide financial assistance to our teachers are our students. Our bill provides tax relief for up to $1,000 spent out of pocket by teachers for professional development and for supplies. These are teachers who are going the extra mile for our children, for our students.

Our bill makes it a priority to reimburse educators for just a small part of what they invest in our children's future.

I hope our colleagues will join us in support of this important initiative. I hope they will join us in a resounding vote when Senator WARNER and I offer this proposal as an amendment to the upcoming tax bill.

Mr. WARNER. Mr. President, just last week, on May 8, 2001, the Senate overwhelmingly passed an amendment that I offered to the education bill currently on the floor. This amendment, which passed by a vote of 95–3, stated:

> The Senate should pass legislation providing elementary and secondary level educators with additional tax relief in recognition of the many out of pocket, unreimbursed expenses educators incur to improve the education of our Nation's students.

At that time, both Senator COLLINS and I were pursuing the same goal, obtaining much needed tax relief for our teachers. However, despite sharing the same goal, we each had our own bill and each had our own approach towards achieving this shared goal.

Senator COLLINS has truly been a leader on this issue. I commend her for her work in highlighting this issue and for her tireless efforts to improve education in this country.

I am so glad that Senator COLLINS and I had the opportunity to sit down and discuss teacher tax relief legislation in greater detail. As a result of these discussions, we have joined forces and agreed on an approach to achieve our shared goal.

Today, I am honored to be joining Senator COLLINS in introducing the Teacher Tax Relief Act.

This Collins/Warner bill is cosponsored by Senators LANDRIEU, COCHRAN, and ALLEN. We will be offering this bill as an amendment to the tax reconciliation bill that will be on the Senate floor tomorrow.

The Collins/Warner Teacher Tax Relief Act has two components.

First, the legislation provides a $250 tax credit to teachers for classroom supplies. This credit recognizes that our teachers dip into their own pocket in significant amounts to bring supplies into the classroom to better the education of our children.

Second, this legislation provides a $500 above the line deduction for professional development costs that teachers incur. This deduction will particularly help low-income school districts that typically do not have the finances to pay for professional development costs for their teaches.

Our teachers in this country are overworked, underpaid, and all too often, under-appreciated. In addition, they spend significant money out of their own pocket to better the education of our children.

These out of pocket costs place lasting financial burdens on our teachers. This is one reason our teachers are leaving the profession. Little wonder that our country is in the midst of a teacher shortage.

While the primary responsibility rests with the states, I believe the Federal Government can and should play a role in helping to alleviate the nation's teaching shortage.

On a Federal level, we can encourage individuals to enter the teaching profession and remain in the teaching profession by providing tax relief to teachers for the costs that they incur as part of the profession. This incentive will help financially strapped urban and rural school systems as they recruit new teachers and struggle to keep those teachers that are currently in the system.

Our teachers have made a personal commitment to educate the next generation and to strengthen America. While many people spend their lives building careers, our teachers spend their careers building lives.

The Teacher Tax Relief Act goes a long way towards providing our teachers with the recognition they deserve by providing teachers with important and much needed tax relief.

It is important to note that providing a specific profession with tax relief is not without precedent. Title 26, United States Code, Section 62(a) allows an above the line deduction to performing artists in connection with their performances.

I believe teachers in this country deserve similar treatment under the tax code. I look forward to a vote on the teacher Tax Relief Act in the next few days.

By Mr. HARKIN (for himself, Mr. KERRY, Mr. DASCHLE, Mr. KENNEDY, Mr. REID, Mr. JOHNSON, and Mr. LEVIN):

S. 905. A bill to provide incentives for school construction, and for other purposes, to the Committee on Finance.

Mr. KERRY. Mr. President, I am pleased to introduce legislation today with my good friend and colleague from Iowa, Senator HARKIN, to deal with the issue of overcrowded and dilapidated schools. In March I offered an amendment in the Senate Finance Committee that was very similar to the legislation that we are introducing today. I am sorry that the amendment failed on a 10–10 vote in the Committee, but I am hopeful that we can come together to find a way to pass school construction legislation during this Congress.

The need for school construction assistance is great. Three-quarters of the public schools are in need of repairs, renovation, or modernization. More than one-third of schools rely on portable classrooms, such as trailers, many of which lack heat or air conditioning. Twenty percent of public schools report unsafe conditions, such as failing fire alarms or electric problems.

At the same time the schools are getting older, the number of students is growing, up nine percent since 1990. The Department of Education estimates that 2,400 new schools will be needed by 2003 and public elementary and secondary enrollment is expected to increase another million between 1999 and 2006, reaching an all-time high of 44.4 million and increasing demand on schools.

It's increasingly difficult to have meaningful reform in schools that are falling apart at the seams. Research does show that student and teacher achievement lags in shabby school buildings, those with no science labs, inadequate ventilation, and faulty heating systems. Older schools are also less likely to be connected to the Internet than recently built or renovated schools. Facilities are vital to implementation of research-based school reform efforts. We know, for example, that students learn more effectively in small classes, but school districts cannot create smaller classes or hire more teachers unless there is a place to put them.

Many schools are trying to offer more robust curricula, including music, physical education and classes in the arts, but their ability to provide these programs is hampered if there is no space to house them.

Almost every State in the Nation has implemented curriculum standards, calling for advanced work in science and technologies, but some schools are so old that their electrical wiring cannot support enough computers for the students and their science facilities are so antiquated that students cannot perform the experiments required to learn the state's curriculum.

Some school districts are looking to implement universal preschool, a service that we know enhances children's school preparedness and which a study published in last week's Journal of the American Medical Association confirmed makes children more likely to complete high school, less likely to need special education or grade retention services while in school, and more likely to avoid arrest as young adults, but the lack of available facilities is often prohibitive. If we are serious about encouraging research-based, meaningful, effective education reforms, and if we are serious about doing our part to help local districts run safe schools, a commensurate investment in school facilities is imperative.

The America's Better Classroom Act, is similar to legislation introduced in the House by Congressman RANGEL and Congresswoman JOHNSON that has 158 cosponsors. Our legislation allows the Federal government to issue $24.8 billion in school modernization bonds through a formula-based allocation to states and through expansion of the Qualified Zone Academy Bond, QZAB, program. The bill also includes a $200 million set-aside for Bureau of Indian Affairs schools for two years to help school replacement projects at schools funded or run by the Bureau of Indian Affairs.

Our bill would allocate 60 percent of $22 billion in bonds to states based on school-aged population. The remaining 40 percent of the bond revenue would be directly allocated to the 125 school districts with the largest number of low-income students based on ESEA Title I funding.

States and local school districts are investing in school construction, but it is clear that they still need our help. Annual construction expenditures for elementary and secondary schools have been growing. But local and state budgets have not been able to keep up with demand for new schools and the repair of aging ones. Unless school leaders can persuade their wary voters to pass such bond referendums or raise local taxes, though, there's often little hope of change. Until the last few years, the plight of state and local leaders had not received much attention from Washington. Last year we came together to respond to their call by funding a $1.2 billion grant program and this year we should come together again and pass legislation that continues our commitment to help local districts with their repair and renovation needs.

It is a tragedy that so many of our Nation's students attend schools in crumbling and unsafe facilities. According to the American Institute of Architects, one in every three public schools in America needs major repair. The American Society of Civil Engineers found school facilities to be in worse condition than any other part of our nation's infrastructure.

The problem is particularly acute in some high-poverty schools, where inadequate roofs, electrical systems, and plumbing place students and school employees at risk. Last month I visited the Westford Public School District in Massachusetts. School facilities were a big concern for this semi-rural town which has seen its student population sky rocket in recent years, but has not experienced comparable property tax revenues. In order to meet the fiscal demands of new school construction, the town is foregoing replacement of large, drafty windows from the early 1950s and is relying on pre-fab trailers to serve as an elementary school.

The Wilson Middle School in Natick, MA was built for approximately 500 students and currently houses 625. The school has no technical infrastructure, it has no electrical wiring to allow the integration of computers in the classroom. The classrooms are 75 percent of the size of contemporary classrooms and were built with chairs and desks fixed to floor. Classrooms like these make it near-impossible for teachers to use modern-day teaching methods which rely heavily on student collaboration and interaction. The school also lacks science laboratories, making it impossible for students to do hands-on work and experiments.

Natick High School, like many aging school buildings around the Commonwealth, needs to have its basic infrastructure updated: electrical wiring, heating, plumbing and intercom systems are among the many components of the school in need of modernization. Also, the science labs are presently unable to meet the demands of updated state curricula. Natick put in place a prototype lab, and saw remarkable changes in students' interest and ability to experiment in science.

I am very pleased to be introducing this legislation today with Senator HARKIN, and it is my sincere hope that we can come together again on the issue of school construction and pass legislation that addresses this Nation's critical need for school repairs and renovation, and that we can do it as a part of a broader package of honest and tough reforms which focus, above all else, on the goal of empowering our schools to raise student achievement.

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE RESOLUTION 90—DESIGNATING JUNE 3, 2001, AS "NATIONAL CHILD'S DAY"

Mr. GRAHAM (for himself, Mr. BAYH, Mr. BOND, Mrs. BOXER, Mr. BREAUX, Mr. BROWNBACK, Mr. CARPER, Mr. CLELAND, Mrs. CLINTON, Mr. CRAIG, Mr. CRAPO, Mr. DEWINE, Mr. DODD, Mr. DORGAN, Mr. DURBIN, Mr. EDWARDS, Mr. ENSIGN, Mr. ENZI, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. GRASSLEY, Mr. HAGEL, Mr. HATCH, Mr. HOLLINGS, Mr. INHOFE, Mr. INOUYE, Mr. JOHNSON, Mr. KENNEDY, Mr. KERRY, Mr. KOHL, Ms. LANDRIEU, Mr. LEVIN, Mr. LIEBERMAN, Mrs. LINCOLN, Mr. MCCAIN, Ms. MIKULSKI, Mrs. MURRAY, Mr. NELSON of Florida, Mr. REID, Mr. ROCKEFELLER, Mr. SARBANES, Mr. SCHUMER, Mr. SESSIONS, Mr. SMITH of Oregon, Ms. SNOWE, Mr. SPECTER, Ms. STABENOW, Mr. THOMAS, Mr. THURMOND, Mr. TORRICELLI, Mr. VOINOVICH, Mr. WARNER, Mr. WELLSTONE, and Mr. WYDEN) submitted the following resolution; which was referred to the Committee on the Judiciary

S. RES. 90

Whereas June 3, 2001, the first Sunday of June, falls between Mother's Day and Father's Day;

Whereas each child is unique, is a blessing, and holds a distinct place in the family unit;

Whereas the people of the United States should celebrate children as the most valuable asset of the United States;

Whereas the children represent the future, hope, and inspiration of the United States;

Whereas the children of the United States should be allowed to feel that their ideas and dreams will be respected because adults in the United States take time to listen;

Whereas many children of the United States face crises of grave proportions, especially as they enter adolescent years;

Whereas it is important for parents to spend time listening to their children on a daily basis;

Whereas modern societal and economic demands often pull the family apart;

Whereas, whenever practicable, it is important for both parents to be involved in their child's life;

Whereas encouragement should be given to families to set aside special time for all family members to engage together in family activities;

Whereas adults in the United States should have an opportunity to reminisce about their youth to recapture some of the fresh insight, innocence, and dreams that they may have lost through the years;

Whereas the designation of a day to commemorate the children of the United States will provide an opportunity to emphasize to children the importance of their developing an ability to make the choices necessary to distance themselves from impropriety and to contribute to their communities;

Whereas the people of the United States should emphasize to children the importance of family life, education, and spiritual qualities;

Whereas because children are the responsibility of all people of the United States, everyone should celebrate children, whose questions, laughter, and dreams are important to the existence of the United States; and

Whereas the designation of a day to commemorate our children will emphasize to the people of the United States the importance of the role of the child within the family and society: Now, therefore, be it

Resolved, That the Senate—

(1) designates June 3, 2001, as "National Child's Day"; and

(2) requests the President to issue a proclamation calling on the people of the United States to observe the day with appropriate ceremonies and activities.

Mr. GRAHAM. Mr. President, I rise today to submit a resolution that designates June 3, 2001, as National Child's Day.

National Child's Day celebrates the children of this country, recognizing them as one of our nation's most valuable resources, a resource that should be cherished and protected. Too often, we tell the world that children are our future, and yet our actions do not always convey our belief in the statement. Children are often made to feel that their challenges, concerns, and ideas are not valid. National Child's Day shows the children of our country that we recognize the value of each of our children and the contributions they make to this great nation.

It is important therefore, that we establish a day of national admiration. This simple, yet important, resolution will ensure that our children receive the message of love, support, and encouragement they deserve.

Nearly 5 million children return to an empty home after school each week while their parents work because most communities lack adequate after-school programs. These children are more likely to engage in a host of risky behaviors that threaten their future.

Many children face crisis of grave proportions. Sadly, over 5 million American children go to bed hungry at night. There has been an increase in the number of children in or in need of foster care services. Our children deserve more, and we must make a commitment to reverse these trends. When we fail to invest in our children, we fail to invest in our country.

National Child's Day focuses on children's accomplishments and addresses their needs. The establishment of a National Child's Day will encourage families to spend more quality time together and will highlight the special importance of the child in the family unit.

I urge my colleagues to join me in establishing June 3, 2001, as National Child's Day.

AMENDMENTS SUBMITTED AND PROPOSED

SA 649. Mr. ENZI (for himself, Ms. SNOWE, Mr. HAGEL, and Mr. DEWINE) proposed an amendment to amendment SA 358 submitted by Mr. JEFFORDS and intended to be proposed to the bill (S. 1) extend programs and activities under the Elementary and Secondary Education Act of 1965.

TEXT OF AMENDMENTS

SA 649. Mr. ENZI (for himself, Ms. SNOWE, Mr. HAGEL, and Mr. DEWINE) proposed an amendment to amendment SA 358 submitted by Mr. JEFFORDS and intended to be proposed to the bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965; as follows:

On page 893, after line 14, add the following:

SEC.   . FEDERAL PRIORITIES FOR SCHOOL REPAIR AND RENOVATION.

Title IX, as added by section 901, is amended by adding at the end the following:

"PART B—SCHOOL RENOVATION PRIORITIES

"SEC. 9201. GENERALLY APPLICABLE PROVISIONS.

"(a) REQUIREMENT RELATING TO FUNDING OF CERTAIN SCHOOLS.—

"(1) REQUIREMENT.—Notwithstanding any other provision of law (including the provisions of this Act) and except as provided in section 9202(e)(1), in administering any Federal program to provide assistance for school construction, renovation, or repair the Secretary of Education shall ensure that assistance under such program is provided to meet the construction or renovation needs of schools receiving Impact Aid, schools under the jurisdiction of the Department of Defense, and Indian and Bureau of Indian Affairs funded schools prior to making any such assistance available under such program to other schools.

"(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to apply to school construction bond programs or school renovation bond programs.

"(b) TARGETING OF CERTAIN SCHOOLS.—

"(1) GENERAL RULE.—Notwithstanding any other provision of law (including the provisions of this Act), amounts made available under any Federal program to provide assistance for school construction, renovation, or repair for a fiscal year and remaining available after the requirement of subsection (a) has been complied with and after amounts have been made available under section 9202(e)(1), shall be made available—

"(A) for qualified public school facility construction projects described in paragraph (2); and

"(B) to local educational agencies in States described in paragraph (3) for the renovation and construction of public education facilities in grades kindergarten through grade 12.

"(2) QUALIFIED PUBLIC SCHOOL FACILITY CONSTRUCTION PROJECT.—In paragraph (1)(A), the term 'qualified public school facility construction project' means a construction project selected by the State with respect to a public school facility—

"(A) 50 percent of the enrollment population of which is from families whose income does not exceed the poverty level, as determined by annual census data published by the Department of Labor;

"(B) that is located in a district in which the district bonded indebtedness or the indebtedness authorized by the district electorate and payable from general property tax levies of the districts within the agency's jurisdiction has reached or exceeded 90 percent of the debt limitation imposed upon school districts pursuant to State law;

"(C) with respect to which the local educational agency has made its best effort to maintain the existing facility; and

"(D) that is among the neediest 10 percent of all public elementary and secondary school facilities in the State, as determined by the State.

"(3) STATE ELIGIBILITY.—

"(A) IN GENERAL.—A State described in this paragraph shall be deemed an eligible State in which local educational agencies may receive grants for school renovation and construction if the State is appropriately participating in the renovation and construction of public education facilities in grades kindergarten through grade 12, as determined by the State. The State shall demonstrate that it has an operational plan to meet such an obligation.

"(B) RULE OF CONSTRUCTION.—In the case of a State with a school financing law separate from the State's education facilities capital construction plan, nothing in subparagraph (A) shall be construed as affecting the application of such financing law or the eligibility of such a State to receive a grant under this section.

"(4) FEDERAL SHARE.—The Federal share of the cost of any project funded under subparagraphs (A) and (B) of paragraph (1) shall not exceed 50 percent. The non-Federal share of the cost of such project may be provided in cash or in kind, fairly evaluated, including services.

"SEC. 9202. REVOLVING LOAN PROGRAM

"(a) DEFINITIONS.—In this section:

"(1) BOND.—The term 'bond' includes any obligation.

"(2) GOVERNOR.—The term 'Governor' includes the chief executive officer of a State.

"(3) PUBLIC SCHOOL FACILITY.—The term 'public school facility' shall not include—

"(A) any stadium or other facility primarily used for athletic contests or exhibitions, or other events for which admission is charged to the general public; or

"(B) any facility that is not owned by a State or local government or any agency or instrumentality of a State or local government.

"(4) QUALIFIED SCHOOL CONSTRUCTION BOND.—The term 'qualified school construction bond' means any bond (or portion of a bond) issued as part of an issue if—

"(A) 95 percent or more of the proceeds attributable to such bond (or portion) are to be used for the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed with part of the proceeds;

"(B) the bond is issued by a State, regional, or local entity, with bonding authority; and

"(C) the issuer designates such bond (or portion) for purposes of this section.

"(5) SECRETARIAL FUND.—The term 'Secretarial fund' means a fund established by the Secretary to carry out this section.

"(6) STATE.—The term 'State' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

"(b) LOAN AUTHORITY AND OTHER SUPPORT.—

"(1) LOANS AND STATE-ADMINISTERED PROGRAMS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), from funds made available to a State under subsection (e) the State, in consultation with the State educational agency—

"(i) may use the funds to make annual interest payment on qulified school construction bonds, to support State revolving fund programs or for any other State-administered programs that assist State, regional, and local entities within the State in paying for the cost of construction, rehabilitation, repair, or acquisition described in subsection (a)(4)(A).

"(B) STATES WITH RESTRICTIONS.—If, on the date of enactment of this section, a State has in effect a law that prohibits the State from making certain loans described in subparagraph (A)(i), the State, in consultation with the State educational agency, may use the funds described in subparagraph (A) to support the other uses described in subparagraph (A)(i).

"(2) REQUESTS.—The Governor of each State desiring assistance under this section shall submit a request to the Secretary of Education at such time and in such manner as the Secretary may require.

"(3) ELIGIBILITY.—

"(A) IN GENERAL.—Only those States described in subparagraph (B) shall be eligible to receive assistance under this section with respect to a fiscal year.

"(B) STATES DESCRIBED.—With respect to a fiscal year, a State described in this subparagraph is a State that receives assistance under part 'A of title I for the fiscal year involved in an amount that is less than .4 percent of the total amount made available to all States under such part for such fiscal year.

"(4) PRIORITY.—In selecting entities to receive funds under paragraph (1) for projects involving construction, rehabilitation, repair, or acquisition of land for schools, the State shall give priority to entities with projects for schools with greatest need, as determined by the State. In determining the schools with greatest need, the State shall take into consideration whether a school—

"(A) is among the schools that have the greatest numbers or percentages of children whose education imposes a higher than average cost per child, such as—

"(i) children living in areas with high concentrations of low-income families;

"(ii) children from low-income families; and

"(iii) children living in sparsely populated areas;

"(B) has inadequate school facilities and a low level of resources to meet the need for school facilities;

"(C) is located in a rural area;

"(D) is among the neediest 40 percent (except that schools described in section 9201(b)(2)(D) shall not be considered for purposes of this paragraph) of all public elementary and secondary schools in the State, as determined by the State; and

"(E) meets such criteria as the State may determine to be appropriate.

"(c) REPAYMENT.—

"(1) IN GENERAL.—Subject to paragraph (2), a State that uses funds made available under subsection (e) to make a loan or support a State-administered program under subsection (b)(1) shall repay to the Secretarial fund the amount of the loan or support, plus interest, at an annual rate of 4.5 percent. A State shall not be required to begin making such repayment until the year immediately following the 15th year for which the State is eligible to receive annual distributions from the fund (which shall be the final year for which the State shall be eligible for such a distribution under this Act). The amount of such loan or support shall be fully repaid during the 10-year period beginning on the expiration of the eligibility of the State under this section.

"(2) EXCEPTIONS.—

"(A) IN GENERAL.—The interest on the amount made available to a State under subsection (e) shall not accrue, prior to January 1, 2007, unless the amount appropriated to carry out part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.) for any fiscal year prior to fiscal year 2007 is sufficient to fully fund such part for the fiscal year at the originally promised level, which promised level would provide to each State 40 percent of the average per-pupil expenditure for providing special education and related services for each child with a disability in the State.

"(B) APPLICABLE INTEREST RATE.—Effective January 1, 2007, the applicable interest rate that will apply to an amount made available to a State under subsection (e) shall be—

"(i) 0 percent with respect to years in which the amount appropriated to carry out part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.) is not sufficient to provide to each State at least 20 percent of the average per-pupil expenditure for providing special education and related services for each child with a disability in the State;

"(ii) 2.5 percent with respect to years in which the amount described in clause (i) is not sufficient to provide to each State at least 30 percent of such average per-pupil expenditure;

"(iii) 3.5 percent with respect to years in which the amount described in clause (i) is not sufficient to provide to each State at least 40 percent of such average per-pupil expenditure; and

"(iv) 4.5 percent with respect to years in which the amount described in clause (i) is sufficient to provide to each State at least 40 percent of such average per-pupil expenditure.

"(d) FEDERAL RESPONSIBILITIES.—The Secretary shall—

"(1) be responsible for ensuring that funds provided under this section are properly distributed;

"(2) ensure that funds provided under this section are used only to pay for—

"(A) the interest on qualified school construction bonds; or

"(B) a cost described in subsection (b)(1)(A)(ii); and

"(3) not have authority to approve or disapprove school construction plans assisted pursuant to this section, except to ensure that funds made available under this section are used only to supplement, and not supplant, the amount of school construction, rehabilitation, and repair, and acquisition of land for school facilities, in the State that would have occurred in the absence of such funds.

"(e) FUNDING.—

"(1) SET-ASIDE OF FEDERAL FUNDS.—

"(A) IN GENERAL.—Notwithstanding any other provision of law (including section 9201(a) and the provisions of this Act) there shall be made available to carry out this section for each fiscal year, an amount equal to 20 percent of the total amount of Federal funds appropriated for such fiscal year for Federal programs to provide assistance for school construction, renovation, or repair.

"(B) TRANSFER OF FUNDS.—Not later than 60 days after the beginning of each fiscal year, the Secretary of the Treasury shall transfer to the Secretary of Education the amounts described in subparagraph with respect to the fiscal year involved and the Secretary shall utilize such amounts to carry out this section.

"(2) ALLOCATIONS.—

"(A) IN GENERAL.—Subject to subparagraph (C), of the amount available under paragraph (1) for a fiscal year, the Secretary shall make available to each State submitting a request under this section a loan amount that bears the same relation to such available amount as the amount the State received under part A of title I for fiscal year 2001 bears to the loan amount received by all States under such part for such year.

"(B) DISBURSAL.—The Secretary shall disburse the amount made available to a State under subparagraph (A) or (C), on an annual basis, during the period beginning on October 1, 2001, and ending September 30, 2018.

"(C) SMALL STATE MINIMUM.—

"(i) MINIMUM.—No State shall receive a loan amount under subparagraph (A) for a fiscal year that is less than an amount equal to .5 percent of the total amount made available for such fiscal year under paragraph (1).

"(ii) STATES.—In this subparagraph, the term 'State' means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.".

NOTICE OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that a legislative hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place on Tuesday, May 22, 2001, at 2:30 p.m., in room SH–216 of the Hart Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on the Administration's energy plan and the following bills: S. 388, the National Energy Security Act of 2001; and S. 597, the Comprehensive and Balanced Energy Policy Act of 2001.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, U.S. Senate, 364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please call Trici Heninger, Staff Assistant, or Bryan Hannegan, Staff Scientist, at (202) 224–4971.

SUBCOMMITTEE ON WATER AND POWER

Mr. SMITH. Mr. President, I would like to announce for the information of the Senate and the public that an oversight hearing has been scheduled before the Subcommittee on Water and Power.

The hearing will take place on Wednesday, May 23, 2001, at 2 p.m., in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to conduct oversight on the Lower Klamath River Basin.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Subcommittee on Water and Power, Committee on Energy and Natural Resources, U.S. Senate, SH–212 Senate Hart Office Building, Washington, DC 20510–6150.

For further information, please call Trici Heninger, Staff Assistant, or Colleen Deegan, Counsel, at (202) 224–8115.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Wednesday, May 16, 2001. The purpose of this hearing will be to review the credit title of the upcoming farm bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, May 16, 2001, at 10 a.m., in executive session to consider certain pending nominations.

The PRESIDING OFFICER: Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on the nominations of Maria Cine to be Assistant Secretary of Commerce and Director General of U.S. and Foreign Commercial Service; Kathleen Cooper to be Under Secretary of Commerce for Economic Affairs; Bruce Melman to be Secretary of Commerce for Technology Policy of the Department of Commerce; Sean O'Hollaren to be Assistant Secretary of Governmental Affairs; Donna McLean to be Assistant Secretary for Budget Programs and Chief Financial Officer of the Department of Transportation; and Tim Muris to be a Commissioner of the Federal Trade Commission on Wednesday, May 16, 2001, at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, May 16, for purposes of conducting a full committee business meeting which is scheduled to begin at 9:30 a.m. The purpose of this business meeting is to consider pending calendar business, as follows:

Agenda Item No. 1, S. 230.—To direct the Secretary of the Interior to convey a former Bureau of Land Management administrative site to the City of Carson City, Nevada, for use as a senior center.

Agenda Item No. 2, S. 254.—To provide further protections for the watershed of the Little Sandy river as part of the Bull Run Watershed Management Unit, Oregon, and for other purposes.

Agenda Item No. 3, S. 329.—To require the Secretary of the Interior to conduct a theme study on the peopling of America, and for other purposes.

Agenda Item No. 4, S. 498.—Entitled the "National Discovery Trails Act of 2001".

Agenda Item No. 5, S. 506.—To amend the Alaska Native Claims Settlement Act, to provide for a land exchange between the Secretary of Agriculture and the Huna Totem Corporation, and for other purposes.

Agenda Item No. 6, S. 507.—To implement further the Act (Public Law 94–241) approving the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, and for other purposes.

Agenda Item No. 7, S. 509.—To establish the Kenai Mountains-Turnagain Arm National Heritage Area in the State of Alaska, and for other purposes.

Agenda Item No. 10.—Nomination of Francis S. Blake to be Deputy Secretary of Energy.

Agenda Item No. 11.—Nomination of Robert Gordon Card to be Under Secretary of Energy.

Agenda Item No. 12.—Nomination of Bruce Marshall Carnes to be Chief Financial Officer of the Department of Energy.

Agenda Item No. 13.—Nomination of David Garman to be Assistant Secretary for Energy Efficiency and Renewable Energy of the Department of Energy.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, May 16, immediately following the committee business meeting to conduct a hearing. The committee will consider the nominations of J. Steven Griles to be the Deputy Secretary of the Interior; Lee Sara Liberman Otis to be the General Counsel for the Department of Energy; Jesse Hill Roberson to be the Assistant Secretary for Environmental Management of the Department of Energy; Nora Mead Brownell to be a Commissioner of the Federal Energy Regulatory Commission; and Patrick Henry Wood III to be a Commissioner of the Federal Energy Regulatory Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Wednesday, May 16, 2001, to consider the nominations of Claude Allen to be Deputy Secretary, Department of Health and Human Services; Thomas Scully to be Administrator of the Health Care Financing Administration, Department of Health and Human Services; Piyush Jindal to be Assistant Secretary for Planning and Evaluation, Department of Health and Human Services; Peter R. Fisher to be Under Secretary for Domestic Finance, U.S. Department of Treasury; James Gurule to be Under Secretary of the Treasury for Enforcement, U.S. Department of Treasury; Linnet F. Deily to be Deputy U.S. Trade Representative, with the Rank of Ambassador, Executive Office of the President; and, Peter Allgeier to be Deputy U.S. Trade Representative, with the Rank of Ambassador, Executive Office of the President.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, May 16, 2001, at 10 a.m. and 3 p.m., to hold two nomination hearings as follows: at 10 a.m., in SD–419, the Honorable A. Elizabeth Jones, of Maryland, to be Assistant Secretary of State for European Affairs and Stephen Brauer, of Missouri, to be Ambassador to Belgium at 3 p.m., in SD–419, the Honorable Thelma J. Askey, of Tennessee, to be Director of the Trade and Development Agency and the Honorable Peter S. Watson, of California, to be President of the Overseas Private Investment Corporation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be authorized to meet to hold a hearing on the following nominations for the Department of Veterans Affairs: Leo S. Mackay, Jr. to be Deputy Secretary; Robin J. Higgins to be Under Secretary for Memorial Affairs; Maureen P. Cragin to be Assistant Secretary for Public and Intergovernmental Affairs; Jacob Lozada to be Assistant Secretary for Human Resources and Administration; and Gordon H. Mansfield to be Assistant Secretary for Congressional Affairs.

The hearing will be held on Wednesday, May 16, 2001, at 9:30 a.m., in room 418 of the Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, May 16, 2001, at 2 p.m., to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGES OF THE FLOOR

Mr. REID. Mr. President, I ask unanimous consent that Deborah Forbes, a detailee in Senator KENNEDY's office, be granted floor privileges for the duration of the education debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEFFORDS. Mr. President, I ask unanimous consent Heather Smith, an American Planning Association congressional fellow in my office, be granted floor privileges for the duration of the debate on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to 22 U.S. C. 276d–276g, as amended, appoints the following Senators as members of the Senate Delegation to the Canada-U.S. interparliamentary Group during the First Session of the 107th Congress, to be held in Canada, May 17–21, 2001: The Senator from Iowa (Mr. GRASSLEY) and the Senator from Ohio (Mr. VOINOVICH).

The Chair, on behalf of the Vice President, pursuant to 22 U.S.C. 276d–276g, as amended, appoints the following Senators as members of the Senate Delegation to the Canada-U.S. Interparliamentary Group during the First Session of the 107th Congress, to be held in Canada, May 17–21, 2001: The Senator from South Carolina (Mr. HOLLINGS), the Senator from Vermont (Mr. LEAHY), the Senator from Maryland (Mr. SARBANES), and the Senator from Hawaii (Mr. AKAKA).

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Ms. COLLINS. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nomination on the Executive Calendar: No. 77.

I further ask unanimous consent that the nomination be confirmed, the motion to reconsider be laid upon the table, that any statements relating to the nomination appear at this point in the RECORD, and the President be immediately notified of the Senate's action. I also ask unanimous consent that the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination was considered and confirmed, as follows:

DEPARTMENT OF COMMERCE

James J. Jochum, of Virginia, to be an Assistant Secretary of Commerce.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

ORDERS FOR THURSDAY, MAY 17, 2001

Ms. COLLINS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9 a.m. on Thursday, May 17. I further ask consent that on Thursday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Ms. COLLINS. Mr. President, for the information of all Senators, under the order, tomorrow the Senate will conduct two votes in relation to the education bill. The first vote will be in relation to the Dayton amendment No. 622, to be followed by a vote in relation to the Voinovich amendment No. 443. Senators should, therefore, expect two early morning votes beginning shortly after 9 a.m.

Following those votes, the Senate will begin consideration of the reconciliation bill and the statutory 20 hours for debate. Additional votes will occur throughout Thursday's session, and the Senate is expected to remain in session into the evening in order to make progress on the tax reconciliation measure.

Before we close, I remind all Members of the early morning votes and ask that Senators be prompt to enable us to begin work on the important Tax Relief Act.

ADJOURNMENT UNTIL 9 A.M. TOMORROW

Ms. COLLINS. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:02 p.m, adjourned until Thursday, May 17, 2001, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate May 16, 2001:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

ANGELA ANTONELLI, OF VIRGINIA, TO BE CHIEF FINANCIAL OFFICER, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, VICE RICHARD F. KEEVEY.

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

LORI A. FORMAN, OF VIRGINIA, TO BE AN ASSISTANT ADMINISTRATOR OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT, VICE ROBERT C. RANDOLPH, RESIGNED.

DEPARTMENT OF STATE

PIERRE-RICHARD PROSPER, OF CALIFORNIA, TO BE AMBASSADOR AT LARGE FOR WAR CRIMES ISSUES, VICE DAVID J. SCHEFFER.

CHARLES J. SWINDELLS., OF OREGON, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO NEW ZEALAND, AND TO SERVE CONCURRENTLY AND WITHOUT ADDITIONAL COMPENSATION AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO SAMOA.

MARGARET DEBARDELEBEN TUTWILER, OF ALABAMA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF MOROCCO.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR A REGULAR APPOINTMENT IN THE GRADES INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 531:

To be lieutenant colonel

JEFFREY E. FRY, 6642

To be major

GEORGE A. MAYLEBEN, 8666

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTION 12203:

To be colonel

JOHN R. MATHEWS, 7284,
WILLIAM M. MENNING, 7982
KARL C. THOMPSON, 2623

CONFIRMATION

Executive Nomination Confirmed by the Senate May 16, 2001:

DEPARTMENT OF COMMERCE

JAMES J. JOCHUM, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF COMMERCE.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

HOUSE OF REPRESENTATIVES—*Wednesday, May 16, 2001*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. LAHOOD).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 16, 2001.

I hereby appoint the Honorable RAY LAHOOD to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

The Reverend Whit W. Grace, First United Methodist Church, Long Beach, Mississippi offered the following prayer:

Mr. Speaker, Members of the House of Representatives, and honored guests, let us take this moment to bow for a moment of prayer.

Almighty Father, Wonderful Counselor, we come to You this morning as mere people whom You have chosen to be Your vessel in this place of power. We come from different backgrounds and different places, yet we are joined together for a united goal. This goal will allow You to lead our Nation in a way which will bring a sense of opportunity to each one of our citizens.

The work which we do in this Chamber will affect the lives of people we may never see. O God, would that You bless us and enlarge our horizons, that Your hand might be with us, and that You may keep us from hurt and harm. And at the end of this day, allow all thoughts and all work not to be pleasing to parties or certain groups, but pleasing to You, Almighty Father. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. MCNULTY. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MCNULTY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8, rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from North Carolina (Mr. BALLENGER) come forward and lead the House in the Pledge of Allegiance.

Mr. BALLENGER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair announces there will be five 1 minutes on each side after the gentleman from Mississippi (Mr. TAYLOR) is recognized for 1 minute.

THE REVEREND WHIT W. GRACE

(Mr. TAYLOR of Mississippi asked and was given permission to address the House for 1 minute.)

Mr. TAYLOR of Mississippi. Mr. Speaker, today we are privileged to have been joined by Reverend Whit Grace, who is the pastor of the First United Methodist Church in Long Beach, Mississippi.

I have to confess it was not until I was elected to Congress that I fully appreciated just how tough a job our priests and preachers and rabbis and ministers have.

See, Mr. Speaker, I have discovered that when something goes wrong, the local Congressmen usually are the second or the third call. The first call is to the local priest or the preacher and minister. It has to be an incredibly tough job when all you do is hear someone has gotten in trouble with the law or someone is ill or someone has just died or someone is near death.

So, Reverend, for what you do and for what all of our priests and preachers do on a daily basis, to listen to our problems and to help as best as you can, to ask for divine intervention, I want to thank you, and I want to thank everyone who chose to serve our Nation in the ministry.

YUCCA MOUNTAIN DOES NOT SOLVE THE ENERGY CRISIS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, we need to address the energy crisis in our Nation; however, before this country can embrace increases in nuclear energy production, we need to solve the problem of what to do with the high level nuclear waste.

Because burying it in Yucca Mountain, an area already rocked by earthquakes on a regular basis, is not the answer.

Studies have shown that a repository site at Yucca Mountain is at least 10 times more prone to earthquakes and lava flows than government scientists previously estimated. Nevada ranks third in the Nation for earthquake activity, experiencing over 650 earthquakes in the last 20 years; that means with over 30 earthquakes a year alone in this area.

Clearly, Yucca Mountain is one of the worst places to store the deadliest material ever created by man.

Mr. Speaker, we need to find a solution to the energy crisis, but we need to base it on true science and not misinformation and conjecture.

The DOE plans to buy nuclear waste in Yucca Mountain is not only misguided but immeasurably dangerous for all Americans.

TRIBUTE TO PASTOR JO ANN LONG

(Mr. RUSH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUSH. Mr. Speaker, I rise today to salute Pastor Jo Ann Long as she celebrates her ministerial anniversary of 30-plus years. She is the founder and pastor of the New Covenant Life Church located in the heart of my district.

As a young woman, Pastor Jo Ann was called to the gospel ministry. Since 1962, she has remained a dedicated and dynamic leader.

Over the years, her ministry has taken her all over the world as she served in almost every position within the Church of God and Christ.

Drawing on both professional and personal experiences, Pastor Jo Ann

☐This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

identifies with the issues and needs of women, children and youth. Most of her work has been ministering to these same people.

In addition to serving as pastor, teacher, and mentor, Pastor Jo Ann is a respected and renowned voice on the radio and television. Seizing on every God-given opportunity to positively impact a life, she began her radio ministry some 20 years ago. Tirelessly, she has hosted a number of pastoral counseling programs and has undoubtedly brought spiritual, mental, and emotional healing to thousands of listeners and viewers in the Midwest.

Today, together with the assistance of the flock at the New Covenant Life Church, Pastor Jo Ann holds various uplifting forums, sponsors informative workshops, and runs several community-based organizations.

Mr. Speaker, I ask my colleagues today to join me in saluting a woman of vision with a mission and holistic gospel ministry, Pastor Jo Ann Long.

NO CHILD LEFT BEHIND ACT REWARDS PROGRESS, CORRECTS FAILURE

(Mr. BALLENGER asked and was given permission to address the House for 1 minute.)

Mr. BALLENGER. Mr. Speaker, the overarching goal of H.R. 1, the No Child Left Behind Act, is to narrow the achievement gap between disadvantaged students and their more affluent peers. The bill takes a two-track approach, expanding flexibility for States and local school districts while holding them strictly accountable for increasing student achievement.

The No Child Left Behind plan will tie Federal funding to results for the first time in the Elementary and Secondary Education Act that was enacted in 1965. Since then, the Federal Government has spent more than $130 billion, including more than $80 billion in the last 10 years, and created more than 50 programs on the landmark Title I program to close the achievement gap between disadvantaged students and their more affluent peers.

Today the gap remains wide, and in some cases it is getting wider. We cannot keep perpetuating a system that accepts such mediocrity, not at the expense of our least fortunate children.

One feature of accountability in H.R. 1 is a plan to help low performing schools, a designation that will be made by the States, to improve their performance. The bill increases the set-asides for States' school improvement funding to 5 percent.

Let us please support the No Child Left Behind bill.

ANOTHER ATTACK ON SCHOOL PRAYER

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, another attack on school prayer, this time at the Virginia Military Institute. For 157 years, VMA students said a prayer before dinner; not anymore.

Attorneys representing two, mind you two, students said it is unconstitutional. Unbelievable. Schools without prayer, schools without God. And what really frosts my pumpkin, experts around the country say it has solved the problem.

Congress, should give them more money. Beam me up. Schools do not need more money; schools can use God. I yield back all the guns, drugs, murder and rape in our schools. And I ask what is next, church without prayer?

VOTE YES ON H.R. 1, NO CHILD LEFT BEHIND ACT

(Mr. KELLER asked and was given permission to address the House for 1 minute.)

Mr. KELLER. Mr. Speaker, I rise today as an original cosponsor and strong supporter of the No Child Left Behind Act.

Mr. Speaker, I say to my colleagues, let me be crystal clear, this act does three things. First, we invest $5 billion in reading for children in grades K through 2. The reason is, 70 percent of the fourth graders in our inner city schools cannot read. We must address this issue head on.

Second, we measure the performance of each child in grades 3 through 8. Why? We do not want to have a situation where a child falls through the cracks and goes to college where he cannot read. We want to measure that performance and fix it. Again, we are addressing that issue head on.

Third, and for those children trapped in a failing school or unsafe schools, they will have a safety valve in the form of immediate public school choice.

This is a good bill that will make a meaningful difference in the lives of young children.

Mr. Speaker, I ask my colleagues to vote yes on H.R. 1 this week.

CLEANING UP AFTER THE CLINTON-GORE ADMINISTRATION

(Mr. STEARNS asked and was given permission to address the House for 1 minute.)

Mr. STEARNS. Mr. Speaker, the Bush administration has been in office less than 100 days, and they are unveiling a comprehensive energy policy. The Clinton-Gore administration was in office 8 years and provided this country with a comprehensive energy crisis.

The energy issue is not about a clean environment, it is about developing a policy. The administration had 8 long years to provide this country with a coherent energy policy and they did not.

Clinton-Gore Energy Secretary Bill Richardson said it best when he admitted that the Clinton-Gore administration had been caught napping on energy policy. Mr. Speaker, now this country is waking up to the nightmare of a full-blown energy crisis, complete with blackouts and high gas prices as a result.

The Clinton-Gore administration had no policy for 8 years. The Bush-Cheney administration now has one within 100 days.

LOOKING AT ISSUES REGARDING ENERGY POLICY

(Mr. SMITH of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Michigan. Mr. Speaker, tomorrow the President is going to announce this administration's energy policy. I say bravo. For the last 8 years, like the gentleman from Florida (Mr. STEARNS) mentioned, we have not had an energy policy except close to the election, former President Clinton released some of the strategic oil reserves. Of course, that only made a short-term difference. Petroleum imports over the last 8 years have risen from 50 percent of our need to 58 percent.

We are now faced with a dramatic and challenging future as we try to reduce our dependence on imported oil, especially from OPEC. So the opportunity to look at some of the other oil-producing countries in the world is something we must pursue. But even more than that, as chairman of the Subcommittee on Research, we must look at renewable and alternative sources of energy including clean coal technology.

We must push for the kind of research necessary to increase efficiency and conservation in this country.

I think also it is time to review President Clinton's increase of 4.3 cents on the gas tax that he implanted in 1993 to be a temporary measure for deficit reduction. The balanced budget is accomplished; let us discontinue that tax increase even if we maintain the Highway Trust Fund.

THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 8, rule XX, the pending business is the question of agreeing to the Speaker's approval of the Journal of the last day's proceedings.

The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. NUSSLE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 348, nays 53, answered "present" 1, not voting 29, as follows:

[Roll No. 114]

YEAS—348

Abercrombie
Ackerman
Akin
Allen
Andrews
Armey
Baca
Bachus
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Boehlert
Boehner
Bonilla
Bono
Boswell
Boucher
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clyburn
Coble
Combest
Condit
Conyers
Cooksey
Cox
Cramer
Crenshaw
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Edwards
Ehlers
Ehrlich
Emerson
Engel
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Flake
Fletcher
Foley
Ford
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Hall (TX)
Hansen
Harman
Hart
Hastings (WA)
Hayes
Hayworth
Herger
Hill
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jenkins
John
Johnson (CT)
Johnson (IL)
Jones (NC)
Kanjorski
Kaptur
Keller
Kelly
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
LaHood
Lampson
Langevin
Lantos
Largent
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (KY)
Lipinski
Lofgren
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Mink
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Rogers (KY)
Rogers (MI)
Rohrabacher
Ross
Rothman
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sanchez
Sandlin
Sawyer
Saxton
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spence
Spratt
Stearns
Stenholm
Stump
Sununu
Tanner
Tauscher
Tauzin
Taylor (NC)
Terry
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Traficant
Turner
Upton
Velázquez
Vitter
Walden
Walsh
Wamp
Watkins
Watt (NC)
Waxman
Weldon (FL)
Weldon (PA)
Wexler
Whitfield
Wilson
Wolf
Woolsey
Wu
Wynn
Young (FL)

NAYS—53

Aderholt
Baird
Bonior
Borski
Brady (PA)
Capuano
Costello
Crane
Crowley
DeFazio
English
Filner
Gephardt
Gillmor
Gutierrez
Gutknecht
Hastings (FL)
Hefley
Hilleary
Hilliard
Jones (OH)
Kennedy (MN)
Kennedy (RI)
Kucinich
LaFalce
Larsen (WA)
Lewis (GA)
LoBiondo
Lowey
McDermott
Menendez
Miller, George
Moore
Oberstar
Pallone
Peterson (MN)
Ramstad
Roemer
Sabo
Schaffer
Slaughter
Stark
Strickland
Stupak
Taylor (MS)
Thompson (CA)
Thompson (MS)
Udall (CO)
Udall (NM)
Visclosky
Waters
Weiner
Weller

ANSWERED "PRESENT"—1

Tancredo

NOT VOTING—29

Bereuter
Blunt
Boyd
Burr
Clement
Collins
Coyne
Dunn
Fossella
Hall (OH)
Hinchey
Hunter
Hutchinson
Jefferson
Johnson, E. B.
Johnson, Sam
Linder
Moakley
Nadler
Rangel
Ros-Lehtinen
Roukema
Sanders
Scarborough
Sweeney
Thomas
Watts (OK)
Wicker
Young (AK)

☐ 1035

So the Journal was approved.

The result of the vote was announced as above recorded.

Stated for:

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, on rollcall No. 114, Approval of the Journal, I missed the vote due to detainment departing the White House. Had I been present, I would have voted "yea."

PERSONAL EXPLANATION

Mr. STUPAK. Mr. Speaker, yesterday the first vote was rollcall vote 109. It was on H.R. 1696, calling for the World War II memorial to be expeditiously built on the Mall in Washington, D.C. I arrived late for the vote, as I was in a meeting. I was under the impression the first vote was approving the journal; thus I voted no. Had I realized the vote was calling for the World War II memorial being expeditiously built on the Mall, I would have voted yes. I ask the RECORD reflect how I wish to have voted on the World War II memorial on rollcall vote 109, H.R. 1696.

FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 2002 AND 2003

The SPEAKER pro tempore (Mr. GUTKNECHT). Pursuant to House Resolution 138 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 1646.

☐ 1036

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 1646) to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes, with Mr. LAHOOD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. It is now in order to consider amendment No. 4 printed in House Report 107-62.

AMENDMENT NO. 4 OFFERED BY MR. HYDE

Mr. HYDE. Mr. Chairman, I offer an amendment made in order by the rule.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. HYDE:

Page 27, strike line 9 and all that follows through line 2 on page 30.

The CHAIRMAN. Pursuant to House Resolution 138, the gentleman from Illinois (Mr. HYDE) and a Member opposed, the gentleman from California (Mr. LANTOS) each will control 30 minutes.

The Chair recognizes the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Chairman, I yield myself such time as I may consume.

I rise in strong support of the Hyde-Barcia-Smith-Oberstar amendment. This amendment will greatly improve the bill by deleting a provision that would require the United States to subsidize abortionists and abortion lobbyists in foreign countries. That provision was adopted by a very close vote in committee; and it would overturn President Bush's benign and sensible policy, the Mexico City policy as it is called, that puts a wall of separation between U.S. family planning programs and the international abortion industry. Taxpayer dollars should not be used to export abortions.

Mr. Chairman, opponents of our amendment have had some harsh and misleading things to say about the Mexico City policy. First, they say, without any evidence, that it is an anti-family planning policy; yet the Mexico City policy does not cut by one penny the $425 million the United States spends every year promoting family planning overseas. And the Mexico City policy strengthens family planning programs by ensuring that U.S. funds are directed to groups that provide genuine family planning, which is something entirely distinct from abortion.

The opponents of the Mexico City policy like to call it a gag rule. They say it violates the right of free speech, although a Federal appellate court has held it is fully consistent with the first amendment. Everybody has a right to free speech, but nobody has an absolute right to Federal tax dollars. The right to free speech does not include the right to have the taxpayers buy a word processor.

Organizations that work for the United States in foreign countries are our partners and our representatives in these countries. In a very real sense they are our ambassadors. Their advocacy in these countries on issues closely related to the U.S. programs they administer, as well as other activities such as the actual performance of abortions, is inevitably going to be associated with the United States. So must we use tax dollars to facilitate abortions overseas?

Specifically, among the most important stated purposes of U.S. family planning programs overseas is to reduce the number of abortions by providing contraception instead. The U.S. has no obligation to administer these programs through agents who fundamentally disagree with this goal. Would we hire casino lobbyists to run an anti-gambling campaign or a distillery to run an anti-alcohol campaign? It makes no sense to hire abortionists or abortion lobbyists to run programs that are aimed at reducing abortions.

Opponents of our Mexico City amendment also argue that U.S. family planning grantees should be allowed to perform and promote abortion so long as the abortion-related activities are carried out with their own money rather than U.S. grant money. This is nothing other than a bookkeeping trick. It ignores the fact that money is fungible. When money is given to an organization, it inevitably enriches and empowers all its activities.

U.S. support also enhances the domestic and the international prestige of the organization by giving it an official U.S. seal of approval. And remember, the people we are trying to reach, poor women and men who have a need for family planning, are not very likely to see the organization's books, so they do not know which activities are funded from which spigot. So when the very same organization offers U.S. family planning assistance with one hand and abortion with the other, the message is the United States and its partners are perfectly comfortable with abortion as a method of family planning.

The most outrageous claim made by proponents of the amendment, and this is a brand new one, as far as I can remember they have never claimed this in more than 20 years of debate about this Mexico City policy, is that it will interfere with efforts to address the HIV-AIDS epidemic. This claim is outrageously false. For one thing, the United States currently spends over ½ of a billion dollars per year on fighting AIDS, $482.5 million in direct U.S. expenditures in fiscal year 2001, plus millions more in contributions to organizations such as the World Health Organization and UNDP, part of which funds anti-AIDS programs.

□ 1045

The President's Mexico City Policy has absolutely no application to this half-billion dollars. It only applies to population assistance which is a different set of accounts from HIV/AIDS programs.

The proponents of the Lee amendment argue that population assistance has an incidental effect of reducing exposure to the HIV virus because part of it pays for contraceptive devices which may prevent infection. This argument misses the whole point of the Mexico City policy. The same identical amount of money will be available for contraceptive devices with or without the Mexico City policy. The same number of contraceptives will be available for distribution. The only difference is whether we hire abortionists or non-abortionists to distribute them. There have always been plenty of organizations willing to administer U.S. programs, including hundreds around the world that are very good that are in the business of family planning, not abortion.

The claim that Members have to oppose the President's pro-life policy in order to support efforts to eradicate AIDS is total nonsense.

Mr. Chairman, I remind my colleagues, this amendment would make the bill abortion neutral. The amendment would not enact the Mexico City policy or any other policy on abortion. The only thing our amendment does is strike the pro-abortion language that was inserted in committee.

When this bill was originally introduced, it said nothing at all about abortion. It was a foreign relations authorization bill, pure and simple. Unfortunately, supporters of an international right to abortion decided to use this bill as a vehicle for their attack on the President's authority in this area.

So a vote for our amendment is a vote to restore the bill to its original abortion-neutral position. A "yes" vote will simply uphold the authority of the President to set reasonable terms and conditions on the distribution of U.S. foreign aid as the courts have held he has the power to do.

Get us out of the abortion business. I urge my colleagues to vote "yes" on the Hyde-Barcia-Smith-Oberstar amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. LANTOS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong opposition to this amendment because I believe it strongly undermines our support for democracy, free speech, and human rights globally.

Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. LEE), our lead speaker.

Ms. LEE. Mr. Chairman, I rise in strong opposition to the Hyde-Smith amendment which will overturn the pro-family planning language that the Committee on International Relations added by a bipartisan vote of 26–22, and I want to thank the gentleman from California (Mr. LANTOS), the ranking member, for his tremendous leadership.

Mr. Chairman, I wanted to begin first by asking Members to put themselves in the shoes of someone who will be affected if we reinstate the dangerous gag rule with the Hyde-Smith amendment. Imagine being a 20-year-old woman living on $300 per year in Africa, and going to the only health clinic within hundreds of miles of your home to get family planning counseling, and being denied access to the truly life-saving information needed to decide when to have children or how to prevent HIV and AIDS.

Mr. Chairman, the use of condoms and information about sexually transmitted diseases is essential in preventing AIDS. Also, this is central to family planning counseling. We will be compromising the health and the lives of millions of women and children worldwide, and especially those in developing nations, who want and need to plan their families, if this Hyde-Smith amendment passes.

Mr. Chairman, I ask my colleagues what they oppose about the current language in the bill. Do they not support access to family planning which is proven to reduce the number of abortions? Do they not support access to HIV and AIDS prevention and education which could be eliminated at clinics under this amendment? Do they not support free speech and medical ethics and allowing health care providers in other nations to give complete information to their patients, as is the case in this country?

Mr. Chairman, I want to remind my colleagues that not one penny of United States funds can go to providing abortions overseas as per the

1973 Helms amendment. The law states, and I have the law right here, the law states, "None of the funds made available to carry out subchapter I of this chapter may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions." This has been law since 1973.

Mr. Chairman, I urge a "no" vote on the dangerous Hyde-Smith amendment which will put the lives of millions of women and children at risk.

Mr. HYDE. Mr. Chairman, I yield 1½ minutes to the gentleman from Pennsylvania (Mr. PITTS).

Mr. PITTS. Mr. Chairman, I rise to express strong support for the Hyde-Barcia-Smith-Oberstar amendment. When President Bush took office, he reinstated the Mexico City policy. This policy does not reduce by one penny the $425 million allocated for population control funding. Under President Clinton in fiscal year 2000, we enacted a compromise Mexico City policy, where groups received their funding and they were required to certify that they would not perform abortions, violate the laws of the host country, or lobby to change the country's laws. Groups who refused to abide by these pro-life protections could still receive funds. Well, the sky did not fall. Women were not hurt. Family planning continued. In fact, 448 out of 457 groups agreed to abide by this simple policy. Only 9 international abortion groups refused, a mere 2 percent.

Mr. Chairman, we all want to ensure that our funding benefits the poorest women, helping them with actual family planning decisions. This will happen under the Mexico City policy. We all agree that AIDS is a tragedy. However, some supporters of the Lee amendment have been claiming that Mexico City will harm international AIDS programs. It should be said in no way will the Mexico City policy negatively affect efforts to eradicate this terrible disease. We are spending over a half-billion dollars per year in anti-AIDS efforts around the world. Nor is there any indirect effect on HIV-AIDS through reduction in population assistance which might help prevent AIDS because we will spend the same amount on population assistance. Do not be misled. While we differ on abortion, I urge that we support the Hyde amendment and stand with President Bush in protecting women overseas and taxpayers' consciences.

Mr. LANTOS. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. GREENWOOD).

Mr. GREENWOOD. Mr. Chairman, let me strip this debate down to its essentials and talk about what it is really about.

Mr. Chairman, the great religions of the world differ on when and if and under what circumstances a woman should have or it is moral for a woman to terminate her pregnancy. The Catholic Church thinks one thing. My church, Presbyterians, think something else. Jews think something, Muslims think something, and within those religions there are differences of opinions.

Mr. Chairman, our country was based on religious tolerance and religious freedom. That is why most people came to this country initially. Let us talk about what this debate is about. This debate is about religious intolerance. This debate is about saying, because my religion tells me something about abortion, I as a Member of Congress have a right to impose my religious views on the women of America, regardless of their religion, and now the women of the world; and that I have the power of the purse to say to women overseas, regardless of what their religion tells them, we are going to deny their country and where they might go for their health care family planning funds because of our narrow religious views. That is unAmerican. I urge my colleagues to vote "no" on this motion.

Mr. HYDE. Mr. Chairman, I yield 1 minute to the gentleman from Virginia (Mr. CANTOR).

Mr. CANTOR. Mr. Chairman, I rise in strong support of the Hyde-Smith amendment to reinstate Ronald Reagan's Mexico City policy prohibiting American taxpayer dollars to go to groups which violate foreign abortion laws.

Mr. Chairman, clearly, by claiming that organizations performing abortions and receiving funds for lobbying activities are not using Federal funds in support of abortion is to engage in a shell game. Currently 100 countries restrict abortion, and it should not be the policy of the United States to undermine the laws of those countries. Critics of the Mexico City policy argue that the pursuit of such policy results in the denial of first amendment rights to free speech. However, the first amendment does not give anyone a constitutional right to receive Federal money. This bill is not about religious tolerance. It is about the use of U.S. taxpayer dollars. If one thinks taxpayer dollars should go to fund organizations that are going to try to overturn pro-life laws in foreign countries, then they should oppose the amendment.

If my colleagues think this is an inappropriate use of taxpayer funds provided by our hard-working American families, then vote for the amendment and stand with President Bush.

Mr. LANTOS. Mr. Chairman, I yield 1 minute to the gentlewoman from New York (Mrs. LOWEY).

Mrs. LOWEY. Mr. Chairman, I rise in opposition to this amendment. As a beacon of democracy and freedom for the entire world, the United States has a responsibility to do what is right and what is fair. The provision which the Hyde amendment seeks to strip from this bill embodies the principles on which our country was founded. The language this amendment seeks to strike says simply that we should not treat others the way we ourselves would not want to be treated; that we should not apply different, more onerous standards to overseas groups, damage which would be unconstitutional if we tried to apply them in our own country simply because we have the authority to do so.

Mr. Chairman, to be honest, I cannot understand why some of my colleagues take issue with this. Proponents of this amendment are armed with the statistics that most overseas groups have accepted the gag rule when it has been imposed in the past. They have continued to receive U.S. funds and have not had to shut off all of their programs. But this misses the point. The statistics do not show the agonizing decisions organizations have to make in order to comply with the policy. They do not show the effects of denying medical advice to poor women. They cannot prove that the gag rule makes abortion more rare. And this returns us to the question of imposing the global gag rules because it is right, because it accomplishes the goal of making abortion more rare, or simply because we can.

Mr. HYDE. Mr. Chairman, I yield 2 minutes to the gentlewoman from Virginia (Mrs. JO ANN DAVIS).

Mrs. JO ANN DAVIS of Virginia. Mr. Chairman, once again we see the pro-abortion advocates attempting to override the reinstatement of the Mexico City policy by attempting to paint this policy as anti-family. Yet their objections to this policy have nothing to do with families. This current attempt to repeal President Bush's executive order banning U.S. Government aid for U.S. and foreign contraception groups that perform abortions overseas is another disturbing sign of the pro-abortion movement's contempt for the vast majority of Americans who oppose the spending of their tax dollars on abortions.

The President's executive order protects the desires of millions of Americans who ethically and morally oppose Federal funding of abortion. The current misconception being spread that the Mexico City policy hurts family planning efforts overseas is simply not true. By withholding funds from groups that violate the Mexico City policy, the U.S. does not reduce the amount of foreign family assistance. In fact, the Mexico City policy increases family planning.

From 1984 to 1993, when the Mexico City policy was in effect, U.S. family planning spending increased dramatically. This year, funding for U.S. international family planning is budgeted at $425 million, and reimplementation of the Mexico City policy will not reduce this.

The only change that will take place under the Mexico City policy is that funding will be provided through representatives who are not in the abortion business.

Mr. Chairman, abortion is not needed for family planning, and we must respect the views of millions of Americans who do not want their tax dollars spent overseas to promote abortion. The Mexico City policy continues family planning funding while respecting the views of millions who cherish life and oppose abortion.

Mr. LANTOS. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. KIRK), my distinguished Republican colleague.

Mr. KIRK. Mr. Chairman, I reluctantly rise today to urge my colleagues to oppose this amendment. Recent research shows that voluntary family planning reduces abortion. Two separate studies, one by the RAND Corporation in Bangladesh and one by Princeton demographers in Kazakhstan, show the same conclusion: Abortion rates fall when contraception is prevalent.

Mr. Chairman, across the former Soviet Union, abortion was the principal method of birth control under Communism. Princeton University studied Kazakhstan through the 1990s, looking at the effect of increased access to voluntary family planning. The results are clear. Contraceptive prevalence increased by 50 percent since the beginning of the 1990s, while abortion decreased by the same amount.

"The proposition that the occurrence of abortions can be reduced by increases in the use of contraception has been demonstrated again in the analysis of data from the 1999 Kazakhstan Demographic and Health Survey," said Charlie Westoff, Princeton University's demographer.

□ 1100

This amendment will not reduce abortion but the real way to reduce abortion is to increase voluntary family planning.

Mr. HYDE. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Kansas (Mr. RYUN).

Mr. RYUN of Kansas. Mr. Chairman, today as we consider a bill to authorize funding for foreign relations, I find it puzzling that some of my colleagues would wish to include language to repeal President Bush's Mexico City policy. The issue of abortion as a method of family planning is one of the most divisive and controversial that we face as a Nation. Why should we be thrust into that debate in other countries?

President Bush was right to remove the United States from promoting abortions in developing nations. After all, abortion is legal only in a fraction of these countries. Those who want American taxpayers to fund abortions overseas should consider the destructive impression that it gives others about the United States. As a Nation, the image we promote to the rest of the world should be one of life, health, and hope.

The Mexico City policy allows the U.S. to support overseas family planning programs without tying those dollars to abortion. I urge my colleagues to support President Bush's Mexico City policy.

Mr. LANTOS. Mr. Chairman, I yield 1 minute to my good friend, the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Chairman, I rise in strong opposition. First and foremost this is not about abortion. It is about women dying to the tune of 600,000 a year. That is equal to one or two jumbo jets crashing each day. And it is about saving women's lives. Since 1973, no U.S. Federal funds have been or are used for abortions around the world. During the time that we are debating this amendment, 65 women will die from pregnancy-related complications.

The global gag rule restricts foreign NGOs from using their own funds. In America, this language would be unconstitutional. It is unconscionable that we would impose it on the world's poorest women. The global gag rule is enough to make you gag. The rule puts the U.S. in the position of deciding what speech is acceptable and what speech is unacceptable.

Current Mexico City policy is not abortion neutral. Organizations receiving U.S. funds can use their own money to lobby against abortion but cannot use their own money to lobby to make abortion legal. Vote no on this amendment.

Mr. Chairman, as a supporter of family planning, I rise in strong opposition to the Hyde-Smith amendment which reinstates the anti-woman antidemocratic Global Gag Rule.

First and foremost, this is not about abortion. It's about women dying, to the tune of 600,000 a year. That is equal to one or two jumbo jets crashing every single day. And, it's about saving women's lives.

Since 1973, no U.S. Federal funds have been or are used around the world for abortions. During the time we are debating the gag rule, 65 women will die from pregnancy related complications because they don't have access to the most basic health care.

The Global Gag Rule restricts foreign NGO's from using their own funds. In America, this language is unconstitutional. It's unconscionable that we would impose it on the world's poorest women. The gag rule is enough to make you gag. It cripples foreign NGO's ability to practice democracy in their own countries.

We can't afford to stifle the international debate on family planning by tying the hands of NGO's with an antiwoman gag rule.

The gag rule forces NGO's to choose between their democratic rights to organize and determine what is best in their own countries and desperately needed resources of U.S. family planning dollars.

We know that family planning reduces the need for abortions. We know that it saves lives. The gag rule reduces the effectiveness of family planning organizations and should be eliminated.

I urge my colleagues to support the Lee language and oppose the Hyde-Smith amendment.

Mr. HYDE. Mr. Chairman, I am pleased to yield 1 minute to the distinguished gentleman from Indiana (Mr. PENCE).

Mr. PENCE. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise today in support of the amendment offered by the gentleman from Illinois (Mr. HYDE) and the gentleman from New Jersey (Mr. SMITH) and I commend their efforts in this important matter.

Mr. Chairman, much has been said this day about the effects of the Mexico City policy. Our opponents claim that this is a gag on the first amendment and that it is an attack on family planning.

Mr. Chairman, these claims are false and are simply an effort to change focus away from the real issue here which is federally funded abortions and abortion lobbying around the world.

Regardless of one's personal stance on the sanctity of life, this body should be able to agree that the millions of pro-life taxpayers that have a moral objection to the practice of abortion should not be forced to pay for abortions or abortion advocacy internationally. America has always and should ever stand for life and liberty across the globe.

Mr. Chairman, I urge all of my colleagues to choose life today and to vote for the Hyde-Barcia-Smith amendment and end forced taxpayer funding of abortion and abortion advocacy internationally.

Mr. LANTOS. Mr. Chairman, I am delighted to yield 1 minute to my good friend, the gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. Mr. Chairman, I rise in strong opposition to the Hyde-Smith amendment. What we are talking about today is not abortion. No U.S. tax dollars are used for abortions. Zero. Zilch. That has been the fact since 1973 and it is the same today. The Lee amendment does not change that one single bit.

Mr. Chairman, we have all read stories in the newspaper and seen on television reports on the ravages of HIV/AIDS throughout the world. It is easy to forget those stories and the plight of millions of people around the world who are so far removed from today's debate. Last year I visited one of those far-off places, Malawi, in sub-Saharan Africa. I saw how in one location in a small village family planning is provided in the same place as immunizations for kids and HIV and TB testing for adults.

With up to 35 percent of the population in some countries in sub-Saharan Africa infected with HIV/AIDS and with India and the South Asia region on the horizon as the next HIV time bomb, the U.S. must be more actively involved in funding programs.

A one-size-fits-all solution is not what we need. What we need to do is work with the local NGOs and health care organizations to provide the highest quality of service, education, and care that we can possibly provide.

Mr. HYDE. Mr. Chairman, I am pleased to yield 1 minute to the gentleman from Kansas (Mr. TIAHRT).

Mr. TIAHRT. Mr. Chairman, I think the fundamental issue with the Mexico City policy is whether or not we will use our American tax dollars to promote the abortion industry overseas.

We are known for our exports, beautiful cars, commercial jets, music, and movies. The Lee amendment will add abortion to our list of exports and does so at taxpayer expense. I believe this is the wrong message to send the world. Instead, let us promote life, the arts, new technology, not the industry of death. And above all, not with taxpayer dollars.

I encourage my fellow Members of Congress to support the Hyde amendment and raise the standard of exports from America.

Mr. LANTOS. Mr. Chairman, I am honored to yield 2 minutes to the gentleman from Missouri (Mr. GEPHARDT), the Democratic leader.

Mr. GEPHARDT. Mr. Chairman, I rise to urge my colleagues to vote against the Hyde amendment and for international family planning assistance that we know makes a difference in the lives of women and children across the globe.

Our international family planning assistance should not be encumbered. It should be enhanced. Overpopulation leads to the suffering of women and children, poverty and environmental degradation. Family planning is critical for the survival of the planet and the people on it, and it plays a critical part in preventing the spread of diseases like HIV/AIDS, which I believe is the moral issue of our time.

In one of his first official actions, President Bush decided to restore the so-called Mexico City policy and reinstate controversial restrictions on U.S. family planning assistance. The President said he wanted to make sure U.S. taxpayer dollars were not being spent on abortions abroad. Respectfully, I believe this is a misunderstanding of our law. Since 1973, U.S. policy has prohibited taxpayer funds from being used in any way, shape, or form to provide abortions. But under the Mexico City policy, nongovernmental organizations, with their own funds, cannot inform women about their options, nor can they advocate their own government's laws regarding reproduction. I believe these Presidential restrictions are harmful and will reduce the availability of family planning services to some of the world's poorest and most needy women.

There is talk about compassion. In my view, this is not compassionate. In fact, these restrictions placed on overseas family planning organizations would be illegal in our own country. We are imposing restrictions on free speech, putting on a gag order that would not be allowed in the United States of America. We are asking nongovernmental organizations in other places, in other countries, to live under a restriction that we would not impose here in the United States.

So the issue is simple. Do we empower women and families across the globe with the ability to plan for the number of children they will have, as is the case here in America? Or do we pull the rug out from under these important efforts? For me, the choice is clear. We must continue to work to empower women with the ability to make their choice necessary to plan the size of their own family.

I was in Cambodia recently and we visited a family planning clinic. There were no abortions going on. There was no effort at abortion. They were simply giving women needed advice and education and help with what they desperately wanted, which was family planning. I could not see that without coming to the floor here today to try to change this policy. I think it is the right thing to do morally. I think it is the right thing to do for our leadership role in the world. I ask Members to examine their conscience and to examine the facts. If they will do that, I believe a majority here today will vote to overrule the President's ill-advised order on international family planning.

Mr. HYDE. Mr. Chairman, I am pleased to yield 6 minutes to the distinguished gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. I thank the distinguished chairman of the full committee for yielding me this time and for his courage in offering this amendment.

Mr. Chairman, the sole purpose of the seemingly benign title of this language that we are seeking to strike, the Global Democracy Promotion Act of 2001, is to provide Federal funds to organizations that perform and/or promote abortions overseas as part of this legislation, as part of our population account.

The Lee language has nothing whatsoever to do with building democracy and the rule of law. It has nothing whatsoever to do with the protection of human rights, all causes to which I have devoted and many others have devoted their entire lives to. The Lee language is not about protecting people. Indeed, the absolute contrary is true.

I am sure many others like myself find it highly offensive when a legislative proposal that seeks to abolish the most fundamental, the most elemental of all human rights on the face of the Earth, the right to life, is euphemistically cloaked as a democracy builder, which it is not. The Lee language is designed to repeal the pro-life, pro-child Mexico City policy which as Members know was recently reinstated by President Bush to ensure that we do not fund the killing of unborn babies, either directly or indirectly.

Mr. Chairman, it is high time we came to the recognition that abortion is violence against children. Abortion methods are cruel. Abortion procedures, referred to in the language as medical services, rip and dismember the innocent child or they chemically poison the baby with some toxic substance. Today, Mr. Chairman, the pro-life laws and policies of about 100 countries around the world are under continuous siege. Regrettably, the forces, the engine behind the pro-abortion push are nongovernmental organizations, pro-abortion groups that we fund and we are the primary provider of subsidies to those groups.

The Bush executive order, like the original Reagan-Bush executive order, permits funding only to those organizations that provide family planning. Abortion is not family planning, and by funding only family planning, innocent children are not put at risk. As one of my previous colleagues pointed out so well, an overwhelming number of organizations, including some Planned Parenthood affiliates, accepted the Mexico City policy. For several years, there was a wall of separation between abortion and family planning. And the Bush policy ensures that as well. Who we subsidize, not just what, but who we give millions upon millions of dollars to has profound consequences.

The simple fact of the matter is, Mr. Chairman, that as far back as 1984, we recognized that the longstanding law that said no funds could be used directly to pay for abortion was very infirm, it was incomplete and it was not working.

□ 1115

Money is fungible. The millions of dollars we gave to a family planning group to perform abortions immediately freed up millions more that were used for the performance and promotion of abortion.

It should matter to us, not just what an organization does with our specific subsidy, but what else they do. It is a package deal. Many groups, regrettably, use family planning as a Trojan horse to conceal their real agenda, which is abortion on demand.

Mr. Chairman, I know that Members of Congress are getting blitzed by Planned Parenthood and other abortionists who oppose the Hyde-Barcia-Oberstar-Smith amendment. I appeal to you to resist. I ask you to stand with the victims, both mother and child, and against the victimizers. When we subsidize and lavish Federal funds on abortion organizations, we empower the child abusers; and Planned Parenthood, make no mistake about it, both here and overseas, is "Child Abuse, Incorporated."

Here in the United States, for example, and I would say parenthetically, this is not a domestic amendment, but the example gives you an insight as to what is happening overseas, Planned Parenthood has been given $2 billion and performed 2.6 million abortions since 1977. That is 2.6 million girls and boys who will never know the joys and challenges of living or the thrill of learning or marrying or playing soccer or raising their own families some day. That is 2.6 million individual dreams and talents and creativity the world will never see.

The loss of children's lives directly attributable to Planned Parenthood is staggering; 2.6 million dead babies and counting. And if that is not enough, Planned Parenthood both lobbies and litigates against virtually every child protection initiative, including parental notification, women's right to know laws, abortion funding bans, partial-birth abortion, and, again, most recently, the Unborn Victims of Violence Act.

Sadly, they do exactly the same thing overseas; and these non-governmental organizations will be affected by this legislation we pass today. Members should be aware that the International Planned Parenthood Federation, which is based in London, is leaving no stone unturned in its misguided, obsessive campaign to legalize abortion on demand. If they succeed, millions of babies will die from the violence of abortion. I urge Members, please, let us not add to the body count.

Mr. Chairman, Planned Parenthood's Vision 2000 strategic plan makes it very clear that they want family planning organizations to bring pressures on governments to campaign for abortion on demand. They do not cloak it; they do not disguise it. They wanted to undermine Central and South American countries that protect their babies, as well as Ireland and many other countries.

Mr. Chairman, I urge a strong vote in favor of the Hyde amendment, in favor of family planning and against abortion promotion.

Mr. Chairman, Title I Subtitle C of the pending Foreign relations Act, inserted by amendment over the Prime Sponsor's objection during committee markup, is breathtakingly misleading.

Subtitle C hides its sole purpose—providing federal funds to organizations that perform and/or promote abortion overseas, under the seemingly benign title of "Global Democracy Promotion Act of 2001."

Don't be fooled, I say to my colleagues.

Subtitle C has nothing whatsoever to do with building democracy and the rule of law. It has nothing whatsoever to do with protection of human rights—all causes to which I have devoted my entire life.

The Lee language is not about protecting people. The absolute contrary is true.

As Chairman of the Commission on Security and Cooperation in Europe, former Chairman of the International Operations and Human Rights Subcommittee, and today as Vice Chairman of the International Relations Committee—I not only have traveled on numerous human rights trips and chaired over 160 hearings on human rights and democracy building in the People's Republic of China, Russia, Vietnam, France, Sudan, Rwanda, Indonesia, Cuba, Peru, Turkey, the Middle East, Northern Ireland, and the Ukraine (to name a few)—I am also the prime sponsor of:

Public Law 106–386—the "Victims of Trafficking and Violence Protection Act of 2000,"

Public Law 105–320—the "Torture Victims Relief Act of 1998,"

Public Law 106–87—the "Torture Victims Relief Authorization Act of 1999,'

Public Law 104–319—the "Human Rights, Refugee, and Other Foreign Relations Provisions Act of 1996," as well as

Public Law 106–113, Division B—the "Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001," which is filled, like the other bills I have listed, with human rights and democracy provisions.

In addition to authoring human rights legislation, I have offered scores of amendments to boost the Child Survival Fund, Refugee Protection, and Freedom Broadcasting, like Radio Free Asia.

I and, I'm sure, many others find it highly offensive when a legislative proposal that seeks to abolish the most fundamental human right on the face of the earth—the right to life—is euphemistically cloaked as a democracy builder.

It is not.

Amazingly, no specific mention is made of abortion in either the findings or operative clause of the amendment. Why the unwillingness to be candid and transparent?

Abortion is referred to as "a particular issue" or "medical service."

But I guess one would have to be blind to not understand the precise nature of this section. It is designed to repeal the pro-life, pro-child Mexico City Policy—recently reinstated by President Bush to ensure that we do not fund the killing of unborn babies, either directly or indirectly.

Mr. Chairman, abortion is violence against children.

Abortion methods are cruel. Abortion procedures—referred to this section as "medical services"—rip and dismember the innocent child, or chemically poison the baby with some toxic substance.

This—and only this—is the "particular issue" referred to in the section we seek to strike.

Today, Mr. Chairman, the pro-life laws and policies of approximately one hundred countries that restrict abortion are under continuous siege and the forces behind the pro-abortion push are non governmental organizations funded by the US Government.

The Bush executive order—like the original Reagan-Bush executive order—permits the funding of only those organizations that provide family planning—and abortion isn't family planning. Innocent children, therefore, are not put at risk.

Who we subsidize—not just what—but who, we give millions of dollars to has profound consequences.

The simple fact of the matter is that as far back as 1984, the longstanding law stipulating that no U.S. funds can directly be used for abortion was found to be infirm and incomplete. Money is fungible. The millions of dollars we give to a group immeditely frees up other non-U.S. funds that can be used—and have been used—for performing and aggressively promoting abortion. It should matter greatly to each of us not just what an organization does with our specific subsidy, but the rest of its agenda as well. It is a package deal. Many groups use family planning as the Trojan horse to conceal their real agenda—abortion on demand.

I know Members of Congress have been getting blitzed by Planned Parenthood and other abortionists to oppose the Hyde-Barcia-Smith-Oberstar Amendment.

I appeal to you to resist.

I ask you to stand with the victims—both mother and child—and against the victimizers.

Whe we subsidize and lavish federal funds on abortion organizations, we empower the child abusers.

And Planned Parenthood, make no mistake about, it, both here and overseas is Child Abuse Incorporated!

Here in the United States for example, and of course it's not affected by this amendment, Planned Parenthood has been paid $1.997 billion in taxpayer dollars and has performed 2,608,362 abortions since 1977.

That's 2.6 million girls and boys who will never know the joys and challenges of living, or the thrill of learning, or marrying, or playing soccer, or raising their own family someday.

That's 2.6 million individual dreams, talents and creativity the world will never see.

The loss of children's lives directly attributed to Planned Parenthood is staggering—2.6 million dead babies and counting.

And if that wasn't enough, Planned Parenthood both lobbies and litigates against virtually every child protection initiative including parental notification, women's right to know laws, abortion funding bans, partial birth abortion bans and the Unborn Victim of Violence Act. Sadly—they do the same overseas, and those non governmental organizations would be affected by what we do today.

Members should be aware that the International Planned Parenthood Federation is leaving no stone unturned in its misguided, obsessive campaign to legalize abortion on demand around the world. If they succeed, millions of babies will die from the violence of abortion on demand. Please, let's not add to the body count.

Planned Parenthood's Vision 2000 strategic plan says that family planning organizations should "bring pressure on governments and campaign for policy and legislative change to remove restrictions against abortion." Can anything be more clear? "Pressure" governments to nullify their pro-life policies. "Campaign" for abortion on demand. And Subtitle C of this bill would compel us to provide millions of dollars to these abortionists.

A headline in the Philippine Daily Inquirer a few years ago succinctly underscores our concern, "Flavier Hits U.S. Pressure on Abortion." The article quotes Senator Juan Flavier:

> We had just celebrated our 50th anniversary of independence from America, but we can still see insidious methods of imperialism trying to subvert our self-determination by using [population control] funds as subtle leverage . . . I strongly opposed abortion. It is prohibited by our laws and the Philippine Constitution. Hence, we should be prepared to lose foreign funding rather than be pressured into causing the death of unborn children.

The abortion promotion by Planned Parenthood is so extreme in the Philippines, for example, that the President of IPPF's affiliate—the Family Planning Organization of the Philippines (FPOP)—resigned over what he called International Planned Parenthood Federation's "hidden agenda" and misuse of his family planning affiliate to legalize abortion.

The use of family planning to cloak its real agenda—the use of family planning as a cover for permissive abortion laws—is now commonplace, and must be stopped. The Bush executive order will help.

Let me remind Members that the pro-life safeguards included in the Bush executive order are nothing new; they were in effect for almost a decade. And they worked!

The pro-life safeguards—the Mexico City Policy—were in effect during the Reagan and Bush years as a principled way to fund family planning without promoting abortion.

We should have no part in empowering the abortion industry to succeed in performing or promoting violence against children.

Mr. LANTOS. Mr. Chairman, I am delighted to yield 1 minute to my friend and neighbor, the distinguished gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Chairman, I thank the gentleman for yielding me time and congratulate him and the gentlewoman from California (Ms. LEE) for their leadership on the committee in putting forth this global democracy act. I also want to commend the gentlewoman from New York (Mrs. LOWEY) for writing those words in an independent bill.

Mr. Chairman, I want to address some of the concerns raised by our colleagues. This language that is in this bill is good because it goes a long way to address the concerns, in fact, the entire way to address the concerns Members have about international family planning.

This is the first time Members will have to vote on this particular language. This is not tied to anything they have ever voted for before. It is simply saying we treat non-governmental organizations in other countries the way we treat our own people over there.

The gentleman used the argument of fungibility. The President of the United States, when issuing this executive order, used the argument of fungibility. Yet no one says anything when the faith-based initiatives say that organizations can use their own money for religion, while using our money for social services.

Let us be consistent. Let us let these organizations use their own money, just as we do in the U.S., for reproductive freedom, for pregnancy counseling, issues like that, using our money for international family planning.

Mr. HYDE. Mr. Chairman, I am advised that there are more Members that want to speak on this, and, at the same time, I am reluctant to open the floodgates, so I ask unanimous consent for an additional 5 minutes on each side.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. LANTOS. Mr. Chairman, reserving the right to object, and I will not object, I would like to ask my friend, would he be willing to agree to an additional 10 minutes on each side?

Mr. HYDE. Yes.

Mr. LANTOS. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to an additional 10 minutes of debate on this amendment on each side?

There was no objection.

Mr. HYDE. Mr. Chairman, I am pleased to yield 3 minutes to the gentleman from Florida (Mr. WELDON).

Mr. WELDON of Florida. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I rise in support of the Hyde amendment. I would encourage all of my colleagues who support the right-to-life and who also are opposed to Federal funding for abortion to support the Hyde amendment, to support the Hyde language.

As most people know, I practiced medicine for many years before I came to the U.S. Congress. Though I never performed abortions, I did have the opportunity to witness abortions being performed in my medical training. While I know some people who defend the right to abortion do so more or less seeing it as the better of two evils, protecting the right of the woman for reproductive autonomy versus the right to life, there is no question if you ever actually go into the operating suite and actually see an abortion being performed, really in any of the techniques that are used, that it is extreme violence against an unborn baby. It is brutal, it is most certainly very painful.

The anatomical data, the embryology, what we know about the fetus in the womb based upon our understanding of what we see using ultrasound, ultrasonic techniques, I just spoke to a radiologist recently in my district who described to me how you can clearly see when you do amniocentesis and some of these other procedures in the womb, you can see these babies reacting.

This is clearly, I think for me personally, a no-brainer. Keeping in mind that there are millions of Americans who are pro-life, should we be using taxpayer dollars to go to these international family planning organizations who perform abortions? Now, they will tell us, and we are going to hear it on the floor today, oh, they use the American money, the Federal money, for fax machines and IUDs and other contraceptive purposes, and use this other money. As we all know, money is fungible, you can move it around.

I think this is a very, very good amendment. It is a very, very well thought out amendment; and I would highly encourage all of my colleagues, this is very, very consistent with our long-established policy in not funding abortions. We should not be funding abortions overseas.

Furthermore, these organizations use their money to lobby foreign countries to repeal their pro-life laws. Should American taxpayer dollars be used for something like that? I say no.

Support the Hyde language. Support the President of the United States.

Mr. LANTOS. Mr. Chairman, I am pleased to yield 1 minute to the gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Chairman, by lifting the global gag rule, this bill does not send U.S. funds overseas to pay for abortions. The 1973 Helms amendment prohibits Federal funding of abortions as a method of family planning.

This amendment remedies a hypocritical double standard imposed by the global gag rule which would be unconstitutional if it were applied to family planning organizations in the United States.

Although it is constitutionally permissible for the U.S. government to restrict how a U.S.-based organization spends Federal funds, the Constitution does not permit the government to impinge upon an organization's rights to free speech and association by restricting how it spends funds received from other non-Federal sources.

Under the global gag rule, foreign organizations that receive U.S. family planning funds cannot use their own non-U.S. funds to provide medical counseling, which includes information about abortion or abortions or to lobby their own governments on the subject. These restrictions, if applied to U.S. organizations, would quickly be struck down as violating the right to free speech and association.

The United States should respect the rights of citizens of other countries to freedom of speech. It is arrogance for us to attempt to limit the rights of free speech abroad in a way we would never do at home. I urge the defeat of this amendment.

Mr. LANTOS. Mr. Chairman, I am pleased to yield 1 minute to my friend the gentlewoman from Florida (Ms. BROWN).

Ms. BROWN of Florida. Mr. Chairman, I rise in opposition to the Hyde-Smith amendment. As a member of the

Russia Duma Study Group, I have seen firsthand how important these funds are to women around the world. I have met with family planning providers from around the world; and they consider this aid to be the most important assistance that they receive from the United States, especially the providers in the former Soviet Union and African nations.

This is not about promoting abortion. It is about helping women and their families. When I was coming up in the 1960s, there used to be a program with Sergeant Joe Friday, and he would say, "Just the facts." The facts are we do not spend a dime of U.S. taxpayer money for abortions and have not since 1973.

This is not about protecting the taxpayers' dollars. This is about the fact that each year more than 600,000 women die of pregnancy-related deaths that are preventible. This is about the fact that more than 150 million married women in developing countries want assistance.

Vote against this ill-fated amendment.

Mr. LANTOS. Mr. Chairman, I am very pleased to yield 1 minute to the distinguished gentlewoman from Wisconsin (Ms. BALDWIN).

Ms. BALDWIN. Mr. Chairman, for more than 30 years, the United States has led an international effort to reduce the toll of maternal deaths, unwanted pregnancies, and abortion in developing countries by providing money and technical assistance for family planning programs. The Hyde-Smith amendment would severely limit our efforts to reduce abortions worldwide because it would reinstate the global gag rule, a policy that prohibits foreign, non-governmental organizations that receive U.S. Federal funds from promoting and providing comprehensive family planning services.

By reducing funding to reproductive health care providers in underserved areas, this amendment will decrease women's ability to access pregnancy-related care, family planning and services for HIV/AIDS and other sexually transmitted diseases. Our efforts to reduce the number of abortions worldwide through greater access to family planning services will be hindered.

Mr. Chairman, I urge my colleagues to vote against the Hyde-Smith amendment.

Mr. LANTOS. Mr. Chairman, I am pleased to yield 1 minute to the distinguished gentlewoman from New York (Ms. SLAUGHTER).

Ms. SLAUGHTER. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, the findings of the amendment of the gentlewoman from California read as following: "It is the fundamental principle of American medical ethics and practice that health care providers should at all times deal honestly and openly with patients. Any attempt to subvert the private and sensitive physician-patient relationship should be intolerable in the United States and is an unjustified intrusion into the practices of health care providers when attempted in other countries."

No one will argue with that, and yet the Hyde amendment strikes this from this bill.

What happens here then is that women in poor countries die. Six hundred thousand women a year die. Abortion is not stopped. Women are simply not able to plan their families, and women die.

Do we want the people to understand that the United States only cares about the doctor-patient relationship and about giving decent health care only in our own borders?

Stop letting women in other countries die because we refuse to give them the information that they need. It is not about abortion.

Mr. LANTOS. Mr. Chairman, I am very pleased to yield 1½ minutes to the gentleman from New York (Mr. GILMAN), the former distinguished chairman of the Committee on International Relations.

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Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I am pleased to rise in opposition to the amendment offered by the gentleman from Illinois (Mr. HYDE), the distinguished chairman of our Committee on International Relations, my dear friend.

The Mexico City global gag rule is unnecessary and it is unproductive. We should not impose any conditions on funding for family planning programs that restrict credible organizations from helping us achieve our family planning goals, because those organizations, with their own funds, engage in activities that we may disagree with, such as lobbying for the lifting of restrictions on abortions overseas. Please bear in mind, I say to my colleagues, that under the current U.S. law, no U.S. funds are allowed to support abortion or abortion-related activities abroad.

Mr. Chairman, the Congress, not the President, should be deciding issues of this nature. It is inappropriate for the President, for whom I have the highest regard, to be issuing executive orders to provide for policies such as the so-called global gag rule, the Mexico City policy. And any Member, or any administration, wishing to provide for that policy should bear the burden of moving that legislation through the Congress.

If our colleagues support the bill as reported from our committee, we will be promoting a sound policy and will be defending the prerogatives of the legislative branch.

Accordingly, I urge my colleagues to join in opposing this amendment.

Mr. HYDE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Chairman, I rise in strong support of the Hyde amendment. I do not think it is the strongest amendment that we could have, because ultimately, this debate will not end until we stop the Federal funding or taxpayer funding of population control overseas. But nevertheless, a vote for this amendment is a strong statement in opposition to tax-supported abortion.

I would like to address the subject of the gag rule. As many of my colleagues know, if there is any violation whatsoever of any civil liberties or the Constitution, no matter how well intended a piece of legislation is, I will vote against it. On occasion even though I'm strong pro-life, I have occassionally voted against pro-life legislation for that reason.

But let me tell my colleagues, this gag rule argument is a red herring if I have ever seen one. This has nothing to do with the first amendment. This would be like arguing that if we had a prohibition in this bill against passing out guns to civilians in some foreign nation, we would say, we cannot have a prohibition on that because of the second amendment, defending the right to own guns. It would be nonsense. So this has nothing to do with the first amendment; but it does have something to do with the rights of U.S. citizens, Mr. Chairman, in forcibly taking funds through taxes from people who believe strongly against abortion their rights are violated.

Someone mentioned earlier that this was a violation of the religious beliefs of people overseas. What about the religious beliefs of the people in this country who are at the point of a gun forced to pay for these abortions? That is where the real violation is. It is not an infraction on the first amendment.

As a matter of fact, I think this is a bad choice and bad tactics for those who support abortion, because this is like rubbing our nose into it when the people who feel so strongly against abortion are forced to pay for abortion, to pay for the propaganda and to pay for the lobbying to promote abortion. Ultimately, the solution will only come when we defund overseas population control.

Mr. LANTOS. Mr. Chairman, I am pleased to yield 1 minute to the distinguished gentlewoman from Connecticut (Ms. DELAURO.)

Ms. DELAURO. Mr. Chairman, the family planning programs our country supports provide critical reproductive health care for millions of women around the globe. Family planning assistance prevents unwanted pregnancies and yes, helps to prevent abortions. These family planning programs are the only health care these women and their families have.

The President's executive order dictates to these groups that they must forfeit their right to determine what they do with their own private funds: you must not talk about certain things, you must not perform certain health care services, you must report to us what you do with your own money.

If we were to impose these mandates on domestic groups, they would be struck down as unconstitutional. The gentleman from New Jersey (Mr. SMITH), my colleague, acknowledged that in 1997 on this floor. He also said at that time that he would like to impose this gag rule on these domestic organizations.

The United States Government does not fund abortions here or abroad. We have not done that for decades. We have now begun to restrict what groups can do with their own money. Who suffers when we penalize the funding for these groups? Women and children, some of the most impoverished women and children in the world.

Mr. Chairman, I urge my colleagues to reject the Hyde amendment, save women's lives, and promote democratic values.

Mr. LANTOS. Mr. Chairman, I am very pleased to yield 1 minute to the gentlewoman from Colorado (Ms. DEGETTE).

Ms. DEGETTE. Mr. Chairman, I thank the gentleman for yielding me this time.

It has been said, but I will say it again: the issue we are debating today is not abortion, it is family planning. Equally important, everyone who will be voting on this amendment today needs to know that the ban on international family planning assistance is more restrictive than any this House has voted on before. If this amendment passes, the global gag rule will go back into effect. This policy disqualifies overseas groups from U.S. planning assistance if they use their own funds simply to counsel pregnant women on all their pregnancy options, including birth control.

The distinguished gentleman from Illinois said, well, birth control will still be there. These workers just will not be able to tell the women about it. Well, that is really helpful, if the birth control is sitting there in the drawer and no one can tell them about it.

The truth is, we all do share one goal today. The goal we share is reducing abortion overseas. There is one way to reduce abortion overseas, and that is family planning. Vote "no" on the Hyde amendment, and let us keep family planning available to women around the globe.

Mr. LANTOS. Mr. Chairman, I yield 1 minute to the gentlewoman from Maryland (Mrs. MORELLA), my dear Republican friend.

Mrs. MORELLA. Mr. Chairman, I join so many of my colleagues in opposing this Hyde amendment, which would impose a gag rule on critical international family planning funds.

Mr. Chairman, I do not know what we are hearing, because the taxpayers' dollars have never been used or have not been used for paying for abortions, and people are talking about abortions. This is not about promoting abortions at all. The taxpayer money has never been used to perform or promote it. It has been mentioned that the law that explicitly forbids such activities began as an amendment by Senator HELMS to the Foreign Operations bill in 1973, which is renewed annually. Therefore, there should be no anti-abortion concerns within international family planning.

International family planning helps women, it helps families, it helps our national security. Access to international family planning services is one of the most effective means of reducing abortions, because it provides safe and effective contraceptive options allowing women to plan and space their children; and it promotes the health of both mother and child.

Mr. Chairman, we need this access, so I hope people will vote against this Hyde amendment.

Mr. HYDE. Mr. Chairman, I yield 30 seconds to the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Chairman, just to respond very briefly. First of all, this is all about foreign aid grant money and whether or not we will have modest conditions that protect children.

Mr. Chairman, it was mentioned a moment ago that we have never voted on this issue before. That is patently untrue. I offered the amendment supporting the Reagan-Bush Mexico City policy year in and year out going back to 1985. This body has voted repeatedly, close to 15 years of voting on this very policy, identical to what we have under consideration today. So hopefully, that argument, that false statement will not be made again.

Let me remind my colleagues, the Hyde, Barcia, Smith, Obestar Amendment does not reduce family planning by one penny; we condition it; we put in safeguards. Who we give our tax dollars to does matter. Pro-abortion organizations perform and promote abortions. Let us give our tax dollars to those that will divest themselves of abortion, and simply stick to family planning.

Mr. LANTOS. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. HOEFFEL).

Mr. HOEFFEL. Mr. Chairman, I rise in opposition to the Hyde-Smith amendment. The distinguished chairman started this debate by saying there is a difference between the issues of abortion and family planning, and he is correct. The underlying issue in the Hyde-Smith amendment is not the question of stopping abortion, although they would like us to believe that. The underlying issue is how do we best deliver family planning services to women around the world. We do that by abolishing the gag rule, by voting against this amendment.

This amendment would prevent women around the world from getting fundamental family planning information, the most basic information that would go directly to the issue of them controlling their reproductive freedom and not needing to turn to abortions. It is contrary to what my Republican colleagues say they stand for to cut off funding for international family planning, and we would cut it off to the poorest women in the world, not women in our districts, but women around the world that need this information.

Vote "no" on the amendment.

Mr. LANTOS. Mr. Chairman, I am very pleased to yield 1 minute to the gentleman from Connecticut (Mr. SHAYS), my good Republican friend.

Mr. SHAYS. Mr. Chairman, I thank the gentleman for yielding me this time.

In 1960 there were 3 billion people that lived on this Earth. Today, there are 6 billion people who live on this Earth; and in 40 years, without worldwide family planning services, it will rise to nearly 9 billion. Without worldwide family planning, abortions will be more prevalent.

We need to defeat the Hyde-Smith amendment. There is no funding in this bill for abortions. U.S. law already prohibits family planning funds from being used for abortions, and nothing in this bill permits organizations to break the laws of their host countries or those of the United States.

We need to defeat the Hyde amendment.

Mr. LANTOS. Mr. Chairman, I yield 1½ minutes to the gentlewoman from California (Mrs. DAVIS). Although she has been with us only a few months, she has already made a significant contribution to the work of this House.

Mrs. DAVIS of California. Mr. Chairman, I rise today to oppose the global gag rule. It has been stated before, but it bears repeating: the global gag rule imposes restrictions on foreign organizations that would be illegal and unacceptable in our own country.

In this country, we value our freedom of speech, and we value the sanctity of our doctor-patient relationships. The global gag rule prevents foreign, nongovernmental organizations from participating in public policy debates regarding the right to choose. Can any of us imagine if Congress passed a law that silenced the Christian Coalition or Planned Parenthood? The American public would not stand for such a blatant violation of the freedom of speech. Like American groups, foreign organizations should have the right to advocate for their cause.

Perhaps, Mr. Chairman, however, the most egregious impact of the global gag rule is that it violates the sanctity of the doctor-patient relationship. We should not be making decisions about personal, private health care decisions. It is absolutely critical that women are able to discuss their health care concerns with their doctors. So in turn, doctors need to be able to answer all of their questions and discuss every available health care option. If Congress votes to limit what doctors can say to their patients, we will jeopardize the health of women around the world.

The time has come to stand up for democracy and patients' rights. I urge all of my colleagues to vote to repeal the global gag rule today.

Mr. HYDE. Mr. Chairman, I am pleased to yield 1 minute to the gentleman from Colorado (Mr. SCHAFFER).

Mr. SCHAFFER. Mr. Chairman, this debate is a matter of subsidy versus choice. The amendment makes our foreign policy consistent with our domestic practices. While many Americans regard themselves as advocates of abortion choice, they clearly oppose subsidies for abortions, whether directly or indirectly, through a fungible subsidy, which is the focus of this amendment.

Our proposal funds family planning, but distinguishes family planning from lethal abortion. America's standard is clearly stated in our Declaration and in our Constitution, a standard which promotes life and regards the right to it as unalienable.

The most pernicious aspect of the efforts by our opponents to promote overseas abortions is that these promotions are targeted to the world's poor, those whose children are already the most vulnerable on the planet. The amendment promotes free will, while avoiding ill will. It draws a clear line at human life and places our country on the side of sanity, decency, and human dignity.

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Mr. LANTOS. Mr. Chairman, I am pleased to yield 1 minute to my friend and colleague, the gentlewoman from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. Mr. Chairman, the global gag rule is anti-family and it is pro-abortion.

President Bush said the policy was necessary "to make abortion more rare." There is absolutely no evidence that it did that the last time it was in effect. Rather, there is statistical evidence that family planning reduces the number of abortions all over the world.

This gag rule would deny money to places like Turkey, where the Ministry of Health initiated a pilot program linking family planning services and abortion. The results have been dramatic. After a program to promote the use of birth control, the number of abortions performed at that hospital dropped 42 percent from 1992 to 1998.

This policy would be unconstitutional if applied in our own country. How could we even imagine voting in favor of a policy that hinders and gags democracy around the globe?

The global gag rule undermines women's health by denying aid money to organizations that provide crucial family planning services. I urge a no vote.

Mr. LANTOS. Mr. Chairman, I am pleased to yield 1 minute to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Chairman, I urge my colleagues, I plead with my colleagues, to oppose this amendment that would put the Mexico City policy back into this bill, that would put the language that gags foreign private organizations from using their own funds, and I want to repeat this, using their own funds to educate women and families about reproductive choices and options, including birth control options.

International family planning operations provide women in foreign countries with access to maternal care, clinic health services, education and counseling, programs that reduce the need for abortion in the first place. At the very least, we should allow organizations that participate in family planning programs to use their own private funds to provide information and services for women and their families.

Mr. Chairman, if we truly care about women and children, we will support international family planning. Without it, women in developing nations will be forced to make unconscionable choices.

Mr. LANTOS. Mr. Chairman, I am delighted to yield 1 minute to my good friend, the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Chairman, quickly, let me observe that the President and his faith-based organizations' proposal said that funds can be segregated. Yes, they may be fungible, but they can make a difference. That is what this issue is about.

Family planning programs supported by the United States save lives around the world. The World Health Organization estimates that close to 600,000 women die each year of pregnancy-related causes that are often preventable. Nearly one in four of these deaths could be prevented if high-quality family planning services were available.

Proponents of the global gag rule would lead us to believe that taxpayer dollars are being spent to actively promote or fund abortions. This is false and has been prohibited by United States law since 1973. Imposing restrictions on the freedom of speech of foreign NGOs not only undermines the key goal of our foreign policy, promoting democracy worldwide, but it would be unconstitutional in the United States.

I urge my colleagues to preserve the existing language in the bill and vote against the global gag rule.

Mr. Chairman, family planning programs supported by the United States save lives around the world.

The World Health Organization estimates that close to 600,000 women die each year of pregnancy-related causes that are often preventable—99 percent of which are women that live in developing countries.

Nearly one in four of these deaths could be prevented if high-quality family planning services were available.

Proponents of the global "GAG" rule would lead you to believe that taxpayer dollars are being spent to actively promote or fund abortions. This is false. The truth is that not one penny of U.S. assistance pays for abortion services. Federal law has explicitly prohibited funding for abortion services since 1973. Furthermore, the global "GAG" rule would be unconstitutional in the United States.

Impossing restrictions on the freedom of speech of foreign NGOs not only undermines the key goal of our foreign policy—promoting democracy worldwide—but it would be unconstitutional in the U.S.

I urge my colleagues to preserve the existing language in the bill and vote against the global "GAG" rule.

Mr. HYDE. Mr. Chairman, I am pleased to yield 1 minute to the gentleman from Indiana (Mr. HOSTETTLER).

Mr. HOSTETTLER. Mr. Chairman, I rise in strong support of the Hyde-Barcia-Smith-Oberstar amendment, which preserves President Bush's legal authority to implement the pro-life Mexico City policy which prohibits U.S. population assistance funds from being made available to foreign organizations that perform or actively promote abortions in foreign countries.

I would have thought that I would not have needed to remind anyone in this body today about the revelation last year that the International Planned Parenthood Federation quietly repaid $700,000 in U.S. grants just days before a congressional audit to determine if the funds were used for abortions or the promotion of abortion in India and Uganda.

If International Planned Parenthood Federation believes they were used illegally according to Federal law, my colleagues should probably contact them to find out the truth. While International Planned Parenthood might have repaid the U.S. Treasury, they could not pay us back in the human lives they stole.

Today, let us reaffirm our fundamental belief that all of the world's unborn have precious lives that should be protected. Our own Declaration of Independence recognizes that governments are instituted to protect the inalienable right to life. Why should we want to export a contrary doctrine?

Mr. LANTOS. Mr. Chairman, I am delighted to yield 1 minute to my friend and neighbor, the gentlewoman from California (Ms. MILLENDER-MCDONALD).

Ms. MILLENDER-MCDONALD. Mr. Chairman, I thank the gentleman for yielding time to me.

Just 2 days after the Bush administration came into office, he issued an executive memorandum reinstating the notorious global gag rule on international family planning programs, so we knew that this was going to come to the floor, but we must know the facts on this.

The fact is, access to family planning services is one of the most effective ways of reducing abortion. Limiting access to family planning results in higher rates of high-risk pregnancies, unsafe abortions, and maternal deaths. Let us know the facts: 600,000 women die each year of causes related to pregnancies or childbirth. Ninety-nine percent of those women live in developing countries.

We must vote no on this Hyde-Smith-Oberstar amendment so we can strengthen HIV-AIDS prevention, so we can encourage the Golden Rule, respect medical ethics, and respect and reinforce current U.S. laws. I urge Members to vote against this thinly-veiled legislation that is anti-family planning. Vote no.

Mr. LANTOS. Mr. Chairman, I am pleased to yield 1 minute to the distinguished gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. Mr. Chairman, in the late seventies when I was assistant administrator of AID in charge of population programs, I was in charge of the effort to enforce the Helms amendment, whether the agency liked it or not. We did that. We set up a rigorous procedure to make sure that no U.S. monies were used for abortion-related activities.

Now, the argument is that money is fungible, and even if an organization uses a small amount of its own monies, or an affiliate uses its monies, we should make sure that that organization receives no American funding. That carries the fungibility argument to an extreme, period. It is not a rule of reason.

I just suggest to those who are carrying this fungibility argument to an extreme, they should not be surprised if it is used against them or others when they try to apply a different principle in terms of domestic programs.

This is a bad amendment. It is an extreme amendment. I urge its rejection.

Mr. LANTOS. Mr. Chairman, I am delighted to yield 1 minute to my friend, the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the ranking member for giving me the time for a very important discussion.

I respectfully rise to oppose the Hyde-Smith amendment. I guess it is because I have spent a lot of time in developing nations visiting with women across the world. Many of them want peace, and they fight for human rights. They want dignity for their families, their children. They want to be able to raise their children. They want to be able to give them a good quality of life. They want to live, I say to the gentleman from California. The reason they want to live is because they want to be able to foster the opportunities for their children.

But if this amendment passed, 600,000 of those women can die because of pregnancy-related problems, because there has been no family planning. I think it is very important to realize that this Bush Mexico City global gag rule policy that was implemented is more extreme than any other policy we have ever had, because the policy disqualifies overseas groups from U.S. family planning assistance if they use their own funds simply to counsel women on their pregnancy options.

Family planning is vital. We should vote this amendment down so women and children around the world might live.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Members are reminded to address their comments to the Chair, and not to other parties.

Mr. LANTOS. Mr. Chairman, I am pleased to yield 1 minute to my colleague, the gentlewoman from California (Ms. LOFGREN).

Ms. LOFGREN. Mr. Chairman, I hope this body can come together on this very sensible plan that we have discussed today to protect birth control, yes, birth control, in the international aid program.

We know that the Republican party is opposed to choice, but what is at stake here is not the fight about abortion, it is whether poor women in the Third World are going to be able to have access to birth control so that they can plan their families.

Surely this House is not so radical that it will oppose birth control and the family planning program.

Mr. HYDE. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Chairman, I just want to make a couple of points in rebuttal to those comments made by my friends on the other side of this issue.

A couple of their speakers have said that somehow the fungibility argument is analogous, to what we were doing with the faith-based initiative proposed by President Bush.

I would suggest that in the faith-based initiative, there is a benign outcome, a benign consequence. If, as a matter of fact, because we give money to a religious organization, which in-turn frees up money, for example, for them to proselytize their religion, I think most of us would agree that is not a bad thing. That is why we give tax breaks to religious organizations, regardless of denomination or belief, because we do believe that religious beliefs are a positive good for society.

That is not the case when we are talking about money and fungibility with regard to family planning and abortion. If the organization, a pro-abortion organization, is performing and killing and decimating, destroying, chemically poisoning and dismembering unborn children, because U.S. funding allows them to use their own money for abortion, that is not a benign consequence, that is a horrific consequence.

If our U.S. funding for family planning is used to free up other money for abortion, we have a responsibility to step in and protect the child and only fund those groups that just do family planning.

I believe as reasonable men and women we can make choices and say, we do not want that consequence. So here in the Mexico City policy, the fungibility argument has real teeth, it has real grip. It ensures that we do not subsidize groups that engage in abortion, the killing of unborn children.

Let me also point out to my colleagues again that when the Mexico City policy was in effect, 350 nongovernmental organizations accepted the pro-life Mexico City provisions, including 57 affiliates of the International Planned Parenthood Federation based in London. That is 57 mostly in-country affiliates who said, we will divest ourselves of killing. Abortion is killing. Family planning is not.

I would hope and I would respectfully submit, this is a modest policy. We do not reduce family planning by a dime. Last year we appropriated $425 million for family planning, and $425 million will go forward for family planning, with the pro-life safeguards.

Mr. LANTOS. Mr. Chairman, I am pleased to yield 1 minute to our distinguished colleague, the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON).

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise to request a vote no on this amendment. Let me share with Members that my religious values I hold dear. I am not in church right now, but I respect the right of every woman to choose medical procedures that she and her doctor have decided.

But that is not what this is about. This is about family planning. Family planning will eliminate the need for abortions. As a professional nurse, abortions are not done lightly. It is a tough decision and a medical one, for the most part. I can assure the Members that not a single dollar in this bill is going to fund an abortion.

□ 1200

But, Mr. Chairman, we recognize the need for family planning, not only will it save lives, it will also prevent a lot of disease. When people have access to information on how to control their emotions and their lives, we will see a better result.

Mr. HYDE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from South Dakota (Mr. THUNE).

Mr. THUNE. Mr. Chairman, I thank the gentleman from Illinois (Mr. HYDE) for yielding the time to me.

Mr. Chairman, I rise in support of the Hyde-Barcia-Smith-Oberstar amendment to preserve the President's legal authority to implement the pro-life Mexico City policy.

Mr. Chairman, the pro-abortion lobby likes to call the Mexico City policy a gag rule. This is a cunning and deceptive argument and could not be further from the truth. Abortion, even when it is cloaked in the terms of those who favor it as choice or reproductive freedom, is still giving one human being the power to terminate the life of another.

Fortunately, many of the countries that are considered the Second and Third World still respect and cherish life. These countries though vulnerable and in need of aid should not be forced, coerced, or unduly influenced to accept a practice that is abhorrent to them and a complete contradiction of their most basic beliefs.

That is exactly what the Mexico City policy is all about, Mr. Chairman. It is a reasonable attempt to ensure that the pro-abortion lobby in the West does not undermine the traditions and the laws of other countries.

The Mexico City policy prohibits organizations that perform abortions or lobby foreign governments to legalize abortions from receiving U.S. tax dollars. It is a just but modest measure for those Americans and, Mr. Chairman, there are a clear majority of Americans who do not want their foreign aid dollars used to fund abortions.

Mr. Chairman, I urge my colleagues to support this amendment and to implement the Mexico City policy, a policy which protects and values and respects life not only in this country but around the world.

Mr. LANTOS. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from Connecticut (Mrs. JOHNSON), my Republican friend.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I am proud to be an American. I am proud to be a citizen in the freest Nation in the world. We have the confidence in America that if everyone is allowed to speak up, to share their experience, to share their knowledge, we as a Nation will find the best and truest path into the future.

I am proud that I am part of a country that trusts what is an extraordinarily difficult process, because it is difficult sometimes to trust the chaos that comes with public debate about difficult issues. And so I am humiliated as I stand here as an American to watch Members of this House impose on other countries a limit on their citizens' rights to speak up, to advocate what they think their government ought to do in governing themselves.

Mr. Chairman, the underlying bill denies the use of American dollars for abortion; that is that. The underlying bill denies the right to counsel women to go get an abortion; that is that. I do not agree with it; but that is that.

That is not the issue that so profoundly concerns me about the amendment, which I strongly oppose. If America's policy is to be no American funds for abortion, no American funds to counsel for abortion, so be it. But we do know that empowering women with the knowledge to space their children, to have healthy pregnancies, not only saves lives but produces healthy mothers and healthy babies. I am glad that there is money in the bill for family planning.

This amendment is about whether we take the next step and we say to that country that the people who have experience in providing information and education to women may not raise their voice as citizens of their own country, to inform the debate in their own country about what public policy and public law ought to be. And worse than that, this bill says if you have an opinion that we approve of, you may speak publicly. If you have an opinion we disapprove of, you may not speak publicly.

Are we going to send in the FBI? American troops? Are we going to be the censors of speech of people in other countries? It is one thing for America to say you cannot use our money for abortions; it is another thing to say and for us to export as a matter of American policy, we deny you the right to speak your opinion in your own country. We should be ashamed.

Mr. LANTOS. Mr. Chairman, I reserve the balance of my time.

Mr. HYDE. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Chairman, I thank the gentleman from Illinois (Mr. HYDE) for yielding.

Mr. Chairman, let me just say to my colleagues, if we subsidized an organization that used their money and our money for hunger relief, but hunger relief was only part of their mix of programs a mix that also include the promotion of racial prejudice, we would withhold U.S. funds. Take for instance, apartheid, just go back 15, 20 years in South Africa. We would fund only NGOs who did not agree with Apartheid because we found it egregious and something we could not agree with. So we would suggest to those NGO's that had Apartheid as part of their package, just part of their program, that we will find another NGO to fund. One that divested itself from Apartheid.

Mr. Chairman, that is exactly what has happened with the Mexico City policy. We have said we will provide enormous amounts of money for family planning, but we want some pro-life safeguards to ensure that we are not promoting abortion. Many of us and many in America and many in the world believe abortion to be the taking of human life and exploitation of women as well, we don't want to fund that. Instead, we want to make sure that that money goes for family planning, their own money as well as our own.

Again, if we apply this policy to other issues where we have grave disagreements, like racial prejudice, we would pick and choose among NGOs, and only fund those who divested themselves, completely, from the egregious activity.

Finally, this policy has been found to be constitutional. It has already been litigated, and has been reaffirmed through the scrutiny of the U.S. courts. The Mexico City policy is fully constitutional.

Mr. LANTOS. Mr. Chairman, I yield 1 minute to the gentlewoman from New York (Mrs. LOWEY).

Mrs. LOWEY. Mr. Chairman, I say I have great respect for my colleagues who feel so strongly about the Hyde amendment, but I would like to repeat once again exactly why I am asking my colleagues to vote no on the Hyde amendment. Number one, the Hyde amendment reduces abortion funding from zero to zero. There is no abortion funding in any family planning legislation which we are proposing.

The Hyde amendment will not reduce the number of abortions, it can only make them less safe. The Hyde amendment, in fact, may well increase the number of abortions, because we are denying poor women around the world the opportunity to get counseling and spacing their children to get family planning.

The Hyde amendment violates medical ethics. It interferes in the doctor-patient relationship. The Hyde amendment punishes free speech and democracy. The Hyde amendment will strip language that respects United States law and laws in foreign countries.

Mr. Chairman, I say to my colleagues, please read this carefully. Vote no on the Hyde amendment. Vote for free speech and democracy and the rights of the United States citizen. Let us not, let us not impose on others what we would not impose on our own.

Mr. HYDE. Mr. Chairman, I yield myself the remainder of my time.

The CHAIRMAN. The gentleman from Illinois (Mr. HYDE) is recognized for 6 minutes.

Mr. HYDE. Mr. Chairman, I speak in defense of millions of people who are offended by having their tax dollars coercively spent to facilitate abortions, and that is the state of the bill now with the Lee amendment.

My amendment strikes the Lee amendment and makes this bill abortion neutral. I have heard people argue, debate abortion, and say that government ought to keep its hands out of this decision. They ought not to be involved in abortion. That is what we are trying to do.

The Lee amendment provides that money, millions of dollars can go to organizations that facilitate abortions, that propagandize for abortions, that lobby to change the laws of countries that are antiabortion and that perform abortions. And it is wrong.

Our country, this Congress, the President, are all entitled to specify the terms and conditions under which our tax dollars are being granted to nongovernment organizations to spend. We can tell them what to spend it for because it is our money, and that has been held constitutional by the courts. If my colleagues want the citations, I have them here.

Now, abortion is not family planning. Family planning is helping you get pregnant or keeping you from getting pregnant. It is not killing an unborn child after you become pregnant. That is abortion. You can call it reproductive rights if you want, but it is abortion. It is killing a life once it has begun.

Mr. Chairman, a lot of people do not want their money facilitating that practice overseas. No family planning dollars are going to be lost. Four hundred and twenty-five million dollars of your tax money and mine will go for family planning, and every penny of it will be spent. It will be spent providing family planning, not abortion. And that is as it should be.

We invite a veto from the President. The President has reestablished the Mexico City policy, which is we do not subsidize organizations that propagandize, that lobby, that perform abortions.

If this Lee amendment stays in the bill and if the Hyde amendment is defeated, we are inviting a veto of a very good bill. That is a shame.

Secondly, this amendment, the Lee amendment, does not belong in this bill. This bill is an authorization for the State Department, not a foreign aid bill. It properly belongs as an amendment on a foreign aid appropriation, not in this bill.

Mr. Chairman, money is fungible. If we provide millions of dollars to international planned parenthood, sure, they are spending their own money on abortions, but we free up their money. We make it available to them by providing our money for other purposes. So the notion that we are telling an organization how to spend its own money is nonsense.

The gag rule, nobody is being gagged. If you want to talk about abortions, talk away, but not on our dime, not on tax dollars provided by this Congress. That is the difference.

I heard my friend, the gentleman from Connecticut (Mr. SHAYS), talk about how important family planning is. I do not doubt that. He talked about all kinds of millions of people who cannot sustain a decent standard of living, that is fine.

We provide family planning, and whether Planned Parenthood spends the money or other organizations, the money will be spent for family planning. Whatever good can come of that will come of that whether the Hyde amendment is there or not.

Mr. Chairman, I plead with my colleagues, support the Hyde amendment. Help this bill get passed to where the President will sign it and do not, do not saddle people's consciences and souls with the fact that my colleagues are coercing tax dollars to facilitate organizations that preach and promote abortion. It is just wrong.

Mr. Chairman, I yield back the balance of my time.

□ 1215

Mr. LANTOS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me first thank all of my colleagues on both sides of this issue for conducting an enlightening and civilized debate. Let me also specifically commend the gentlewoman from California (Ms. LEE) who led our side in the debate in the committee where we won the issue 26 to 22. It was a significant bipartisan vote.

I would also like to pay tribute to the gentlewoman from California (Ms. PELOSI), the gentlewoman from New York (Mrs. LOWEY), the gentleman from Pennsylvania (Mr. GREENWOOD), the gentlewoman from Connecticut (Mrs. JOHNSON), the gentleman from Connecticut (Mr. SHAYS) for raising the awareness on this so-called Mexico City policy.

Mr. Chairman, this is not a partisan issue. This is not a pro-choice versus pro-life issue. This is about advocating globally what we so cherish for our own citizens here at home, the right to speak freely and the right to choose wisely.

I believe, Mr. Chairman, that reasonable people can and do have different views on the matter of a woman's right to choose; and I respect the views of my colleagues on both sides of the aisle and on both sides of this issue.

But our debate today is not about abortion. Not one dime of U.S. Government tax dollars are used for abortions overseas. Since 1973, it has been illegal to use U.S. taxpayer funds for abortions. This debate is not about funding abortions. It is about the right to free speech and the principle of an open and privileged doctor-patient relationship.

We have heard from the other side repeatedly the notion of fungibility. Fungibility is a real concept. It means that, if funds are made available to purpose A, then funds become freed for purpose B. This is as true of President Bush's faith-based initiative as it is true of this issue.

I think it is important that we not be hypocrites in dealing with this legislation. It is not enough to talk about human rights and democracy and free speech, it is important that we practice what we preach.

I urge my colleagues strongly to vote against this amendment to save the lives of countless poor women across the globe in the most destitute countries on the face of this globe. I urge my colleagues to defeat the amendment.

Mr. BLUMENAUER. Mr. Chairman, I have dedicated my efforts in Congress to the promotion of more livable communities, communities that are safe, healthy and economically secure, here and abroad. Our contribution to international family planning efforts is an example of our partnership on an international level to promote more livable communities.

Poverty-stricken nations face significant obstacles to providing for the health, safety, and economic security of their families. The "Global Gage rule" put into effect by the Bush Administration earlier this year placed an additional burden on these struggling countries. I commend Congresswoman LEE for her successful effort in Committee to overturn the Mexico City restrictions and restore funding to family planning clinics across the world.

U.S. aid for international family planning is used to provide health education, family planning, contraception, and women's health services to women across the globe. Since 1983, by law these funds cannot be used to perform abortions; instead they provide resources critical to combating mother and infant mortality and diseases like HIV/AIDS which cripple development efforts in third world nations. Without these funds, non-governmental agencies in 52 developing nations will be forced to lose or severely reduce their efforts to reduce unwanted pregnancies and sexually transmitted diseases.

The people who don't believe women should control their own reproduction have successfully placed many restrictions on American women in the last 25 years. We should not further this agenda overseas with additional restrictions that would be illegal if enacted here. The height of hypocrisy is that the President proposes providing federal dollars for his Faith Based Initiative, allowing churches to compartmentalize their federally funded activities, but refuses to extend the same latitude to hard pressed organizations in desperately poor countries.

I urge my colleagues to support the action of the committee to restore U.S. international family planning dollars by opposing the Hyde/Barcia/Smith/Oberstar Amendment.

Mr. VELÁZQUEZ. Mr. Chairman, I rise today in strong opposition to this amendment.

This amendment flies in the face of the very principles upon which our Nation was founded. Free speech is a right that we all hold dear. Yet by imposing the Global Gag Rule, we are refusing that right to healthcare providers throughout the world.

We all came to Congress because we believe in full and open Democratic participation.

But this Amendment uses U.S. AID funding as blackmail to silence millions—simply because their ideas differ from those of our current administration.

If this policy were imposed on us, we would be outraged. If it was proposed for community groups in our districts, we would not stand for it. But because it is being inflicted upon poor, third world countries, it's OK. What gives this body the right to dictate to people how they should think and what they should be allowed to say?

This policy is hypocritical, it's discriminatory, and it has no place in a free and open society. I urge my colleagues to oppose this amendment.

Mr. BARCIA. Mr. Chairman, I rise today as the Democratic Chair of the Pro-Life Caucus and as one of the original sponsors of the Hyde/Barcia/Smith/Oberstar amendment to urge my colleagues on both sides of the aisle to support this important pro-family planning, pro-life, and pro-woman legislation.

Mr. Chairman, four months ago, President Bush re-instituted a long-standing policy of the United States: that no American tax-payer dollars should go to support those international organizations which promote or provide abortions for women in foreign countries. This is the cornerstone of the so-called Mexico City family planning policy.

But, Mr. Chairman, even as we celebrate our return to an international family planning policy that promotes the sanctity of life, we are called to the floor of this House to defend this important idea. We are currently debating a bill which funds much of our foreign policy. Unfortunately, buried amongst countless worthy American efforts to make the world a better place, there is a provision in this bill which repeals the Mexico City policy. Our amendment is intended to delete this pro-abortion provision.

I urge my colleagues who oppose this amendment, and who oppose eliminating the American subsidy of abortions overseas, to consider that this amendment in no way damages the American commitment to vital international family planning efforts throughout the world.

But don't just take my word for it, Mr. Chairman, we've done this before—in 1984—and the record of history speaks more loudly and more eloquently than I. Despite predictions by the supporters of the international abortion industry that no international family planning organization would accept American funds under the terms of the Mexico City policy, more than 350 foreign family planning agencies agreed to use American funds with these restrictions. Also during this period, we funded family planning efforts throughout the world at higher levels than ever before.

Mr. Chairman, at the beginning of my time, I stated that this amendment is pro-family planning, pro-life, and pro-woman. It is pro-family planning because it will strengthen genuine family planning programs by enacting a wall of separation between real family planning, and the performance and promotion of abortion—all while maintaining the high level of economic assistance the United States contributes to international family planning efforts.

It is pro-life because it prohibits the funding of abortions overseas and therefore protects the sanctity of life throughout the world. And it is pro-woman because it offers pregnant mothers in the poorest places on earth more options for her family than a paid-for trip to an abortion clinic, subsidized by the American taxpayer.

Indeed, Mr. Chairman, this is a critical issue with which this body must grapple: with all of the problems in the Third World—the grinding poverty, the enduring famines, the absence of life-saving medicine or adequate health care—is access to subsidized abortion all we have to offer the suffering, and poverty-ridden women of the developing world? Is abortion the only type of family planning assistance worthy of American support and promotion?

Mr. Chairman, my colleagues, I simply do not believe this is true. We can support family planning without promoting abortion, and still give the vital family planning assistance many countries need to sustain their populations.

Support this amendment and tell the world that after almost ten years of encouraging abortion overseas, the United States is back in the business of defending the rights of the unborn and promoting the sanctity of life throughout the world.

Mr. STARK. Mr. Chairman, I rise today in support of the provision added to the Foreign Relations Authorization Act (H.R. 1646) that would reverse the Bush administration's policy known as the global gag rule, and in opposition to the Hyde-Barcia-Smith-Oberstar amendment that would enforce the global gag rule. The rule prohibits international family planning organizations that receive U.S. funds from counseling on or conducting abortions with their own funds—not U.S. government dollars.

Many international family planning organizations in developing nations offer comprehensive reproductive health services including contraceptive counseling, sexually transmitted disease prevention, rape counseling, and abortions. Women often enter the patchwork healthcare systems of developing nations through such international family planning organizations. By qualifying the use of U.S. funds according to the gag rule, we are rendering these comprehensive programs ineligible for valuable resources and limiting their effectiveness in providing health services overall. Furthermore, the gag rule could have the perverse effect of increasing the number of abortions, because those organizations that are ineligible for funds may no longer be able to provide a broad range of family services such as contraceptive counseling.

In African countries where HIV/AIDS has reached epidemic proportions, every chance to counsel on disease prevention must be taken. Life expectancies are plummeting and drug prices are soaring, leaving a grim picture for the future of African children. Thus far, 17 million Africans, including 3.7 million children, have died of AIDS and over 12 million African children have been orphaned. Once a person is at a clinic, the door is open to provide information such as STD prevention. Integrating reproductive health services maximizes the effectiveness of these programs. We cannot stand by and watch this tragedy unfold without exploring every avenue possible to slow the growth of this disease that is devastating the spirits and economies of the developing world.

On another note, how can we justify imposing restrictions on the rights of people in other countries that are constitutionally protected in the United States? In this country, the Constitution does not permit the government to restrict how organizations spend their own, non-federal funds. In this country, our right to free speech allows us to assemble peacefully and petition our government. In this country, we expect full disclosure of all our medical options when we week treatment from a physician. Yet, the global gag rule prohibits all of these legal activities in other countries in exchange for U.S. funds. We would not stand for such restrictions in the United States, and we cannot allow international family planning organizations to be prevented from discussing and performing services that are legal in their countries.

Let's be clear, even if the Hyde-Barcia-Smith-Oberstar amendment fails here today, the United States Agency for International Development (U.S.A.I.D.) cannot promote abortion, nor can it fund abortions except in the cases of rape, incest, or if the life of a woman is in danger.

I urge my fellow colleagues to oppose the Hyde-Barcia-Smith-Oberstar amendment. Reproductive health services are not solely the responsibility of developing nations. We are all affected by the growing population and the spread of HIV/AIDS. Furthermore, we should not impose restrictions on the citizens of other countries that citizens in the United States would not tolerate.

Mr. EVERETT. Mr. Chairman, I rise in strong support of the Hyde/Barcia/Smith/Oberstar Amendment which would effectively reinstate president Bush's order implementing the Mexico City Policy. The Mexico City Policy reflects the views of million of U.S. citizens and is a common sense approach for a civilized nation to take to ensure support for genuine family planning programs, not the promotion of abortion.

Passage of the Hyde/Barcia/Smith/Oberstar Amendment would result in a return to a policy that prohibits U.S. population assistance funding—which comes straight from the pockets of U.S. taxpayers—from going to foreign organizations that perform or actively promote abortion as a method of family planning.

As a world leader, we have an obligation to protect the sanctity of life and liberty, especially for those who are helpless to protect themselves. I, like many in our great country, cannot condone abortion as a means of birth control, population control, material comfort or mere convenience; and I certainly cannot understand the U.S. taking the lead on encouraging this practice or funding lobbying efforts to influence other countries to change their anti-abortion laws.

Accordingly, today, I ask my colleagues to join me in voting for this important amendment. We must return to a policy that respects the ethical and moral views of our citizens and provides support for groups who are wiling and able to reflect these values in their family planning programs.

Mr. GREEN of Texas. Mr. Chairman, the Hyde-Smith Amendment would reinstate the Mexico City anti-international family planning policy known as the global "gag" rule.

This policy requires that foreign non-government organizations (NGOs)

1. Withhold information from pregnant women about the option of legal abortion and where to obtain safe abortion services.

2. Refuse to provide legal abortion services,

3. Sacrifice the right to engage in any public debate or public information effort on the availability of legal abortions.

4. And, most importantly, it prevents the NGOs from educating women and families on family planning options that would help prevent abortions in the first place.

The subject of abortion has always been controversial.

Very often highly charged emotions and special interest organizations enter the debate and muddle the true issue at hand.

The key issue of debate today should be on whether educating women and families about family planning services will reduce the number of abortions each year.

The passage of the Hyde-Smith amendment would prevent educating women and families on the issue of abortion.

That is why I urge my colleagues to vote against Hyde-Smith amendment so that we can educate women and families about family planning services and ways to reduce the number of abortions each year in foreign countries.

I would also like to clarify that U.S. taxpayer funds are not being used for foreign (NGO's) abortions or for the advocacy of abortion.

The Hyde-Smith amendment confuses people by stating that no federal U.S. funds will be used to fund abortions or family planning services.

These activities have already been prohibited by longstanding U.S. statues, and recipients of U.S. international family planning assistance are in compliance with those laws.

NGO's use their own funds to provide family planning and legal abortion services.

Finally, I would like to address their HIV/AIDS epidemic in South Africa.

The Hyde-Smith amendment interferes with the effectiveness of HIV/AIDS prevention efforts.

36 million people worldwide are living with and dying from AIDS. A majority of these people are in developing countries.

This is especially true in South Africa, where 55% of new infections occur among women and where the disease is spreading most rapidly among the young.

Family planning providers are a key effort in preventing the transmission of HIV/AIDS, other sexually-transmitted diseases, and unintended pregnancy.

However, it is these same programs that are being targeted by the gag rule in the Hyde-Smith amendment since abortion is legal in South Africa and clinics there do provide women with information about abortion in the context of pregnancy options counseling.

To reduce the number of abortions and to prevent the transmission of HIV/AIDS we must educate women and families on family planning.

I urge my colleagues to vote against the Hyde-Smith amendment that would strike Rep. LEE's language containing the text of H.R. 755, the Global Democracy Protection Act.

Mrs. CAPPS. Mr. Chairman, I rise in very strong opposition to the Hyde amendment, and in support of the important family planning language in the bill.

I want to commend my colleague from California, BARBARA LEE, for her courageous work in the Committee that overturned the "global gag rule."

The gag rule is a medical and moral disaster.

It simply defines common sense to prevent women in the developing world from having access to full and accurate information about their health care options.

It is inexcusable for the United States to force community-based organizations to choose between desperately needed aid and their basic democratic rights.

It is outrageous to reinstate a policy that will reverse global progress in the fights against unwanted pregnancies and the spread of AIDS.

Let's stand up for women, children and families around the world. Let's stand up for fundamental democratic freedoms.

Defeat the Hyde amendment.

Mr. McGOVERN. Mr. Chairman, I rise in opposition to the amendment offered by Chairman HYDE and Representatives BARCIA, SMITH of New Jersey and OBERSTAR. This amendment would reimpose the Mexico City Policy, also known as the global gag rule, which prohibits U.S. population funds from being made available to foreign non-profit organizations engaged in family planning programs abroad that perform or actively promote abortions.

I will be brief, Mr. Chairman.

Since 1973, no U.S. funds can be used for abortions. Period. End of discussion.

This amendment imposes restrictions on non-governmental organizations (NGOs) abroad that would be unconstitutional here in the United States. It stifles freedom of speech and the rights of individuals to present their views to their own government. It prohibits locally raised funds from being used for locally-defined purposes. In a word, it is anti-democratic.

Finally, this amendment is counter-productive, even in achieving its own stated goals. Cutting off funding for family planning programs results in more abortions taking place around the world, not fewer. Cutting off family planning funds results in greater poverty, not less. Cutting off family planning funds results in increased rates of disease, not decreased rates.

This amendment is very bad policy. I urge my colleagues to oppose it.

Mr. LANTOS. Mr. Chairman, I yield back the balance my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. HYDE).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. LANTOS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 218, noes 210, not voting 4, as follows:

[Roll No. 115]

AYES—218

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Bartlett
Barton
Bereuter
Berry
Bilirakis
Blunt
Boehner
Bonilla
Bono
Borski
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Costello
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Doyle
Dreier
Duncan
Ehlers
Emerson
English
Everett
Ferguson
Flake
Fletcher
Fossella
Gallegly
Ganske
Gekas
Gibbons
Gillmor
Goode
Goodlatte
Goss
Graham
Graves
Green (WI)
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Holden
Hostettler
Hulshof
Hunter
Hutchinson
Hyde
Issa
Istook
Jenkins
John
Johnson (IL)
Johnson, Sam
Jones (NC)
Kanjorski
Keller
Kennedy (MN)
Kerns
Kildee
King (NY)
Kingston
Knollenberg
Kucinich
LaFalce
LaHood
Langevin
Largent
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
Mascara
McCrery
McHugh
McInnis
McIntyre
McKeon
Mica
Miller, Gary
Mollohan
Moran (KS)
Murtha
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Ortiz
Osborne
Otter
Oxley
Paul
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Portman
Putnam
Quinn
Radanovich
Rahall
Regula
Rehberg
Reynolds
Riley
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Sherwood
Shimkus
Shows
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stenholm
Stump
Stupak
Sununu
Tancredo
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Vitter
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—210

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barrett
Bass
Becerra
Bentsen
Berkley
Berman
Biggert
Bishop
Blagojevich
Blumenauer
Boehlert
Bonior
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Dunn
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Foley

Ford
Frank
Frelinghuysen
Frost
Gephardt
Gilchrest
Gilman
Gonzalez
Gordon
Granger
Green (TX)
Greenwood
Gutierrez
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holt
Honda
Horn
Houghton
Hoyer
Inslee
Isakson
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson, E. B.
Jones (OH)
Kaptur
Kelly
Kennedy (RI)
Kilpatrick
Kind (WI)
Kirk
Kleczka
Kolbe
Lampson
Lantos
Larsen (WA)
Larson (CT)
Leach
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (FL)
Miller, George
Mink
Moore
Moran (VA)
Morella
Nadler
Napolitano
Neal
Obey
Olver
Ose
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Pryce (OH)
Ramstad
Rangel
Reyes
Rivers
Rodriguez
Ross
Rothman
Roukema
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Shays
Sherman
Simmons
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Strickland
Sweeney
Tanner
Tauscher
Thomas
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Walden
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—4

Ehrlich
Hooley
Moakley
Ros-Lehtinen

□ 1240

Mr. CRAMER, Mrs. MEEK of Florida, Mr. HILLIARD, and Mr. ACKERMAN changed their vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated against:

Mr. EHRLICH. Mr. Chairman, on rollcall No. 115, I was inadvertently detained. Had I been present, I would have voted "no."

Ms. HOOLEY of Oregon. Mr. Chairman, Earlier today I did not register my vote for roll No. 115, Mr. HYDE's amendment to H.R. 1646. If present, I would have voted "no" on this amendment.

Mr. HYDE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. SHIMKUS) having assumed the chair, Mr. LAHOOD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1646) to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes, had come to no resolution thereon.

ECONOMIC GROWTH AND TAX RELIEF RECONCILIATION ACT OF 2001

Mr. REYNOLDS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 142 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 142

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 1836) to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002. The bill shall be considered as read for amendment. The previous question shall be considered as ordered on the bill and on any amendment thereto to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) the amendment printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Rangel of New York or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent, and (3) one motion to recommit with or without instructions.

SEC. 2. Upon receipt of a message from the Senate transmitting H.R. 1836 with Senate amendments thereto, it shall be in order to consider in the House a motion offered by the chairman of the Committee on Ways and Means or his designee that the House disagree to the Senate amendments and request or agree to a conference with the Senate thereon.

The SPEAKER pro tempore. The gentleman from New York (Mr. REYNOLDS) is recognized for 1 hour.

Mr. REYNOLDS. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. FROST), pending which I yield myself such time as I may consume. During consideration of the resolution, all time yielded is for the purpose of debate only.

□ 1245

Mr. Speaker, House Resolution 142 is a modified closed rule, providing for the consideration of H.R. 1836, a bill to provide for reconciliation instructions for legislation already approved by this body.

The rule provides for 1 hour of general debate, equally divided and controlled by the chairman and the ranking member of the Committee on Ways and Means.

Additionally, the rule waives all points of order against consideration of the bill. The rule also provides for consideration of the amendment in the nature of a substitute, printed in the Committee on Rules report accompanying the resolution, if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered as read and shall be separately debatable for 1 hour equally divided and controlled between a proponent and an opponent.

Furthermore, the rule waives all points of order against the amendment in the nature of a substitute and provides for one motion to recommit, with or without instructions.

The rule provides that upon receipt of a message from the Senate transmitting H.R. 1836 with Senate amendments thereto, it shall be in order to consider in the House a motion offered by the chairman of the Committee on Ways and Means or his designee and that the House disagree to the Senate amendments and request or agree to a conference with the Senate thereon.

Mr. Speaker, I speak in strong support of this rule, and its underlying bill, H.R. 1836, the Economic Growth and Tax Relief Reconciliation Act of 2001. This bill provides immediate relief to taxpayers by reducing the present-law structure of five income tax rates to four by 2006. This is a fair rule that allows for a minority substitute.

Economist and author James Dale Davidson had the following to say about taxes in America: "The politicians do not just want your money. They want your soul. They want you to be worn down by taxes until you are dependent and helpless. When you subsidize poverty and failure, you get more of both."

Mr. Speaker, I would hate to think that is what Americans think of us. Today we have the opportunity, and frankly the obligation, to give money back to its rightful owners. Let us not waste another minute.

I realize that this tax cut plan has its share of critics. They say things like, "It is not fair. We cannot afford it. It favors the rich." Or, "The Federal Government will collapse." Spare me.

Mr. Speaker, let us consider those arguments for just a moment. To those who say the President's tax cut plan is not fair, I ask, Is not fair to whom? Anyone who pays taxes will get a tax break, period. And the lowest income families receive the largest percentage reduction. What is not fair about that?

There are others who say the President's tax cut plan favors the wealthy. In my congressional district, a family of four with a single wage earner earning the area's median family income will currently pay a little more than $1,400 in Federal income taxes. Under President Bush's plan, that family would pay no Federal income tax, not a penny.

Mr, Speaker, still others say the Nation cannot afford a tax cut. With each projection, the budget surplus continues to grow. The President has offered a budget which funds education at record levels, protects and strengthens Social Security, pays off the largest amount of debt in world history, and allows vital government programs to grow at or above the rate of inflation. And still there is a surplus.

If the Federal Government has more money than it needs to fund programs, it is for one reason and one reason only. People are sending too much of their hard-earned dollars to Washington. It is the people's money, not the government's, and they deserve a refund.

The typical American family actually pays more in taxes than it spends on food, clothing, shelter and transportation combined. That is an outrageous burden, and one that we have a fundamental responsibility to change.

This is a first step towards establishing parity and fairness in America's Tax Code. For years it has been well documented that taxpayers in my State send far more of their money to Washington than they get back in Federal programs and services. Under this tax plan, my home State of New York will receive the second most of any State in tax relief, $88.6 billion over 10 years. The fact that those hard-working families will receive on average more than $18,000 in relief is welcomed news, and an issue of fundamental fairness.

Mr. Speaker, I would like to commend the chairman of the Committee on Ways and Means, the gentleman from California (Mr. THOMAS) and the gentleman from New York (Mr. RANGEL), the ranking member, for their devotion and hard work on this measure.

Mr. Speaker, the clock is ticking. I urge my colleagues to support this rule and the underlying legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we are here today to debate the President's energy policy. That is right, you heard me correctly. We are debating President Bush's energy plan for America, a tax cut for the wealthy. Just last week President Bush told the American people that the best answer to rising gasoline prices is the immediate passage of his $1.35 trillion tax cut. In other words, he has said, let us go back to the old-time religion of trickle-down economics. We do not have to do anything to reduce gasoline prices at the pump, we will just cut taxes and wait for something to trickle down to the middle class to help them pay for $2- and $3-a-gallon gasoline.

Mr. Speaker, the problem with this logic, and calling it logic is being charitable, is if you are a hard-working middle class American, you may not feel the trickle. The President's tax cut, as advanced by the Republican majority, once again today is heavily oriented towards upper-income taxpayers, the very folks who can afford to pay for high gasoline prices.

The approach to our current energy problems would be laughable if it were not coming from the highest elected official in the land. So here we are once again voting to give a big break to the wealthiest Americans, and we are not even touching what the President says he wants to do, end the marriage penalty, or reform our estate tax laws so family farmers and small business owners can pass down their property to their families free of estate tax.

All of that is for another day, maybe. Meanwhile, Mr. Speaker, the wealthy get their tax cut and the rest of us are left holding the bag on taxes and soaring energy prices.

Mr. Speaker, I reserve the balance of my time.

Mr. REYNOLDS. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), the distinguished chairman of the Committee on Rules.

Mr. DREIER. Mr. Speaker, I rise in strong support of this rule. It is very important that we move this tax package just as expeditiously as possible. I was saddened to hear the gentleman from Texas (Mr. FROST), my friend from Dallas who has now left the Chamber, and I am sure the gentleman from Ohio (Mr. HALL) would not do the same, but the gentleman from Texas engaged in that standard, failed class-warfare argument, tax cuts for the rich, the us-versus-them view that they are still spewing out, but it just is wrong.

The fact of the matter is if you look at the involvement that virtually half of the American people have in the market today, they are members of the investor class. Using the us-versus-them argument is not one that resonates, especially in light of the fact that this package is one that provides relief for every single American who pays taxes.

Mr. Speaker, what we are doing with this rule is allowing for the reconciliation provision. Why? So that the United States Senate can move ahead and we can get tax relief to the American people as quickly as possible.

My State of California and other parts of the Nation are faced with an energy crisis. I know a lot of people pooh-poohed the fact that the President said over the weekend that we can allow people to keep more of their hard-earned dollars, and that can help mitigate the deleterious effects that this energy crisis is having. That is what we need to do with this measure. As quickly as possible, let hard-working Americans keep more of their dollars as we look at an energy package that is just being unveiled by this administration and a number of us in the Congress are working on.

Mr. Speaker, I believe that is something that we clearly can do, this measure, to help provide some kind of relief for people who are dealing with increased energy costs.

So this is a measure which allows us to move ahead with the President's very positive vision, which calls for a reduction of the tax burden on working families, paying down $2.4 trillion of national debt, saving Social Security and Medicare, and ensuring that those dollars are not used for a wide range of problems, as has been the case in the past.

So it seems to me that we have got a wonderful opportunity here to do the right thing for the American people, and I hope that in a bipartisan way we will have support for this rule and support for the reconciliation package so that we will be able to get that relief to the people who so desperately need it.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Speaker, last Friday President Bush said, "I am deeply concerned about consumers. I am deeply concerned about high gas prices. To anybody who wants to figure out how to help consumers, pass the tax relief package as quickly as possible."

Now it all becomes clear. First, President Bush comes out with a tax plan which gives 45 percent of the benefit to the wealthiest 1 percent of all American citizens, those with incomes of $373,000 or more.

Next, the vast bulk of every other American, the average American, they only get a grand total of 16 percent of the total tax cut, but he says it should go directly back into the pockets of big oil and gas and electricity companies across the country to pay for people's energy bills. So no tax cut in people's pockets.

You all remember Ronald Reagan's trickle-down economics which theorized if you cut taxes for the rich, the benefits would ultimately trickle down to the rest of us. President Bush has brought us a new vision, trickle-up energy economics.

Under his politics, even the portion of the tax cut that goes to the less wealthy immediately trickles up to wealthy gas, oil, and electrical power companies. For the 138 million Americans, more than half the Nation who are in the bottom 60 percent income range and have incomes of less than $44,000, the Bush tax cut provides just $256. Because the Bush administration refuses to do anything to bring down high gasoline and high electricity rates in the United States, all consumers are going to end up just passing all of their tax cut, and more, right on to wealthy energy companies.

Mr. Speaker, we need a fairer tax cut bill, one that helps working families and not just the wealthiest 1 percent.

Mr. REYNOLDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I listened with interest to my colleague. For the last 8 years, and probably a few years of the Bush I administration, we have not had an energy policy. I am looking forward to the President releasing that policy tomorrow and seeing if the Congress might be in a partnership of putting together an effective energy policy for the country.

Mr. Speaker, let us get back to tax relief. In my congressional district, a family of four with a single wage earner earning the area's median income would currently pay a little more than $1,400. Their average income is $34,500 for a family of four. Under the President's plan, the $1,400 they currently pay under Federal income taxes, they would pay no Federal income tax money at all. This is tax relief across the board. If you pay in taxes, you get tax relief; and that tax relief can be significant at all levels, including the lowest level of income seeing the largest percentage of tax savings in this country. It is tax fairness, tax relief.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Hawaii (Mr. ABERCROMBIE).

Mr. ABERCROMBIE. Mr. Speaker, I rise, kind of incredulous about the idea that this is now a policy. The policy is, if I understand it correctly, especially according to the gentleman from California who spoke a moment ago, the policy is that we are going to have a tax cut in order to pay our electric bill.

Mr. Speaker, I suggest, and I am sure the gentleman who just spoke will be in favor of this, we want to cut out bureaucracy and the middle man. Why not give the money directly to the energy companies? Why not have a direct deposit at Exxon or a direct deposit at the oil production companies or the electric generators? The gentleman from California who just spoke, my good friend, let us do that. Cut out the middle man. Forget the fact that we owe $1.1 trillion to the Social Security fund. Forget the fact that we owe Medicare $229 billion, and that we owe the military retirees $162 billion. Forget about drawing down the debt. I thought that is what we were going to do.

Mr. Speaker, my colleagues over here were the ones that helped convince us that getting rid of the deficit and paying down the debt is something that we needed to do. Let us put some rationality behind this. Let us pass the tax cut. Let us have a direct deposit at the oil companies, at the energy companies. Let us cut out the middle man and the bureaucracy. Let us cut out the American people.

□ 1300

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, middle- and. working-class families need and deserve a tax cut this year. Democrats believe that we should cut taxes for all families within the framework of a fiscally responsible budget that strengthens Social Security, allows for a Medicare prescription drug benefit, works down the national debt, and allows us to address pressing needs in education and health care and in national defense. We support a responsible plan that meets the needs of all of America's families.

Regrettably, the Republican leadership has chosen a different path. They have rejected bipartisanship, they have turned aside efforts to reduce the size of the tax cut that goes to the wealthiest wage earners in this country so that we can invest in education and a prescription drug benefit.

Mark my words, the President and the Republican leadership have no intention of abiding by a $1.3 trillion tax cut that is contained in their budget. They are going to move things around. There will be some creative accounting. And they are going to try to fit more than a $3 trillion tax cut into this $1.3 trillion bag. They have no intention of stopping.

That is not responsible and it is not what is best for all of America's families. We make it impossible to meet the needs of Social Security and Medicare or to invest in education. We roll the dice on a set of budget projections that are not just wrong some of the time, these projections are wrong all of the time. This is a recipe for budget deficits, for more debt, and less economic growth. It is the wrong plan for America.

It is not the answer for working families, for middle-class families. They are the folks who need the tax cut the most. The tax cut we consider today is totally skewed to the wealthiest at the expense of everyone else. Forty-five percent of the Bush tax cut goes to the wealthiest 1 percent. What do working Americans get? Nothing. 12.2 million working- and middle-class families with 24 million children get absolutely no tax cut under the Bush plan. It is unfair.

And the notion that the tax cut will solve our energy problem is a bizarre and a disconnected idea and wrongheaded.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, I thank the gentleman for yielding me this time.

If you stay here for a little while, you will see almost anything. I remember about 10 years ago the gentleman from Iowa (Mr. NUSSLE) came down to the House floor, placed a brown paper bag over his head and said he was doing that because he was embarrassed to be associated with a Congress that had its own bank, that was giving Members free overdraft protection, that they in effect could write checks for money that was not there. The gentleman from Iowa, if the truth be known, did a good thing in bringing the public's attention to that. The bank is gone. We all bank at the same credit union that every other Federal employee on Capitol Hill does now.

But what troubles me about the present budget chairman and what is going on on the House floor today is if we should have been embarrassed for Congressmen writing checks on money that was not there, should we not be ashamed that we are passing tax cuts on a day when we owe the Social Security system $1.1 trillion? We have taken their money, we have spent it on other things and now when we have a small surplus, instead of putting that money aside for Social Security, we are giving some Americans a tax break.

It goes beyond that. For years we have been taking money out of the defense budget. Since the 1980s, we have pulled $162 billion out of the Department of Defense budget with the promise that we were setting it aside to pay future military retirees' benefits. Every penny of that has been spent. Again, if we were ashamed that some Congressmen were writing checks for $500, $200 over their amount, should we not be embarrassed to look a veteran in the eye and say we have spent your retirement and we are not putting any money in to pay it back?

Since the 1980s, we have taken money out of all of our civil servants' paychecks, again with the promise that it would be there for their retirement. To date we owe them $501 billion. Now, a billion is a thousand million. A million is a thousand thousand.

Now, for folks who want to, you can visualize probably a thousand dollars. So $501 billion is a thousand, thousand, thousand. Money has been taken out of their paychecks with the promise that we would spend it only on their retirement, but it has been spent on other things. This budget does nothing to pay it back.

Lastly, the Medicare trust fund. Everybody up here, everyone in the gallery, everyone in this room who has a job, money is taken out of your paycheck with the promise it is going to go to your Medicare retirement. To date, we owe that system $229 billion. There is nothing in that so-called lockbox but an IOU. But instead of taking the small surplus we have and applying it to pay off our military retirees, our Social Security recipients, our civil servants, and the folks on Medicare, we are going to pass tax breaks to give some Americans, and incidentally the wealthiest Americans, a tax break while we continue to overcharge people on their Social Security, on their Medicare, on their military retirement, and the civil service retirement.

I hope at some point today someone will tell me why that is fair because I think you are going to have a heck of a hard time explaining that to the American people.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SHIMKUS). The Chair reminds all Members that directions and comments should be made directly to the Chair, and references to guests in the gallery are not in order.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

I think the gentleman from Mississippi has pretty much summed up what we believe over here, that this is bad legislation. We ask the Congress to vote against the bill and against the rule.

Mr. Speaker, I yield back the balance of my time.

Mr. REYNOLDS. Mr. Speaker, I yield myself the balance of my time.

This is a fair rule. It offers an amendment as well by the ranking member of the Committee on Ways and Means. I look forward to having it come to a vote.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HALL of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 220, nays 207, not voting 5, as follows:

[Roll No. 116]

YEAS—220

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Linder
LoBiondo
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Miller (FL)
Miller, Gary
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Morella
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Peterson (PA)
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Saxton
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NAYS—207

Abercrombie
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Green (TX)
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Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
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McCarthy (MO)
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McGovern
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McKinney
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Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Moran (VA)
Murtha
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Napolitano
Neal
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Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Shows
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Woolsey
Wu
Wynn

NOT VOTING—5

Cubin
Hansen
Lewis (KY)
Moakley
Wexler

□ 1331

Messrs. GEPHARDT, CUMMINGS, BERRY and LUCAS of Kentucky changed their vote from "yea" to "nay."

Mr. TAUZIN changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1332

Mr. THOMAS. Mr. Speaker, pursuant to House Resolution 142, I call up the bill (H.R. 1836) to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. SHIMKUS). Pursuant to House Resolution 142, the bill is considered read for amendment.

The text of H.R. 1836 is as follows:

H.R. 1836

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the "Economic Growth and Tax Relief Reconciliation Act of 2001".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) SECTION 15 NOT TO APPLY.—No amendment made by section 2 shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

SEC. 2. REDUCTION IN INCOME TAX RATES FOR INDIVIDUALS.

(a) IN GENERAL.—Section 1 is amended by adding at the end the following new subsection:

"(i) RATE REDUCTIONS AFTER 2000.—

"(1) NEW LOWEST RATE BRACKET.—

"(A) IN GENERAL.—In the case of taxable years beginning after December 31, 2000—

"(i) the rate of tax under subsections (a), (b), (c), and (d) on taxable income not over the initial bracket amount shall be 12 percent (as modified by paragraph (2)), and "(ii) the 15 percent rate of tax shall apply only to taxable income over the initial bracket amount.

"(B) INITIAL BRACKET AMOUNT.—For purposes of this subsection, the initial bracket amount is—

"(i) $12,000 in the case of subsection (a),

"(ii) $10,000 in the case of subsection (b), and

"(iii) ½ the amount applicable under clause (i) in the case of subsections (c) and (d).

"(C) INFLATION ADJUSTMENT.—In prescribing the tables under subsection (f) which apply with respect to taxable years beginning in calendar years after 2001—

"(i) the Secretary shall make no adjustment to the initial bracket amount for any taxable year beginning before January 1, 2007,

"(ii) the cost-of-living adjustment used in making adjustments to the initial bracket amount for any taxable year beginning after December 31, 2006, shall be determined under subsection (f)(3) by substituting '2005' for '1992' in subparagraph (B) thereof, and

"(iii) such adjustment shall not apply to the amount referred to in subparagraph (B)(iii).

If any amount after adjustment under the preceding sentence is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.

"(2) REDUCTIONS IN RATES AFTER 2001.—In the case of taxable years beginning in a calendar year after 2001, the corresponding percentage specified for such calendar year in the following table shall be substituted for the otherwise applicable tax rate in the tables under subsections (a), (b), (c), (d), and, to the extent applicable, (e).

"In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:				
	12%	28%	31%	36%	39.6%
2002	12%	27%	30%	35%	38%
2003	11%	27%	29%	35%	37%
2004	11%	26%	28%	34%	36%
2005	11%	26%	27%	34%	35%
2006 and thereafter	10%	25%	25%	33%	33%

"(3) ADJUSTMENT OF TABLES.—The Secretary shall adjust the tables prescribed under subsection (f) to carry out this subsection.".

(b) REPEAL OF REDUCTION OF REFUNDABLE TAX CREDITS.—

(1) Subsection (d) of section 24 is amended by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(2) Section 32 is amended by striking subsection (h).

(c) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 1(g)(7) is amended—

(A) by striking "15 percent" in clause (ii)(II) and inserting "the first bracket percentage", and

(B) by adding at the end the following flush sentence:

"For purposes of clause (ii), the first bracket percentage is the percentage applicable to the lowest income bracket in the table under subsection (c)."

(2) Section 1(h) is amended—

(A) by striking "28 percent" both places it appears in paragraphs (1)(A)(ii)(I) and (1)(B)(i) and inserting "25 percent", and

(B) by striking paragraph (13).

(3) Section 15 is amended by adding at the end the following new subsection:

"(f) RATE REDUCTIONS ENACTED BY ECONOMIC GROWTH AND TAX RELIEF RECONCILIATION ACT OF 2001.—This section shall not apply to any change in rates under subsection (i) of section 1 (relating to rate reductions after 2000).".

(4) Section 531 is amended by striking "equal to" and all that follows and inserting "equal to the product of the highest rate of tax under section 1(c) and the accumulated taxable income.".

(5) Section 541 is amended by striking "equal to" and all that follows and inserting "equal to the product of the highest rate of tax under section 1(c) and the undistributed personal holding company income.".

(6) Section 3402(p)(1)(B) is amended by striking "7, 15, 28, or 31 percent" and inserting "7 percent, any percentage applicable to any of the 3 lowest income brackets in the table under section 1(c),".

(7) Section 3402(p)(2) is amended by striking "equal to 15 percent of such payment" and inserting "equal to the product of the lowest rate of tax under section 1(c) and such payment".

(8) Section 3402(q)(1) is amended by striking "equal to 28 percent of such payment" and inserting "equal to the product of the third to the lowest rate of tax under section 1(c) and such payment".

(9) Section 3402(r)(3) is amended by striking "31 percent" and inserting "the third to the lowest rate of tax under section 1(c)".

(10) Section 3406(a)(1) is amended by striking "equal to 31 percent of such payment" and inserting "equal to the product of the third to the lowest rate of tax under section 1(c) and such payment".

(11) Section 13273 of the Revenue Reconciliation Act of 1993 is amended by striking "28 percent" and inserting "the third to the lowest rate of tax under section 1(c) of the Internal Revenue Code of 1986".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) AMENDMENTS TO WITHHOLDING PROVISIONS.—The amendments made by paragraphs (6), (7), (8), (9), (10), and (11) of subsection (c) shall apply to amounts paid after the 60th day after the date of the enactment of this Act.

SEC. 3. PROTECTION OF SOCIAL SECURITY AND MEDICARE.

The amounts transferred to any trust fund under the Social Security Act shall be determined as if this Act had not been enacted.

The SPEAKER pro tempore. After 1 hour of debate on the bill, it shall be in order to consider an amendment printed in House Report 107-68, if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered read and shall be debatable for 1 hour, equally divided and controlled by the proponent and an opponent.

The gentleman from California (Mr. THOMAS) and the gentleman from New York (Mr. RANGEL) each will control 30 minutes of debate on this bill.

The Chair recognizes the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, perhaps first of all we should talk about what this debate that is going to ensue is not about. It is not about the structure of the taxes that this Nation will have based upon a conference between the House and the Senate, notwithstanding the fact that the House has passed a number of tax revisions and the Senate is in the process of passing a tax revision package.

What we are doing today is a process which is dictated by the budget bill and largely tied to the rules under which the Senate must operate. Notwithstanding the fact that the content of this bill in front of us, H.R. 1836, has already been passed by the House under the bill titled H.R. 3, we are not debating the content of this bill, because when this bill passes, it becomes the reconciliation vehicle under the Budget Act. It will go over to the Senate, the Senate will take H.R. 1836, remove the contents, and place therein whatever it is that they have come up with, send it back to us; and then we will reject what the Senate has done, and we will go to conference.

The reason we are doing this now, notwithstanding the fact that we have already voted on the substance of this bill under a different title, is because under the reconciliation needed by the Senate to go to a simple majority, or 51 votes, only those tax items passed after the budget and reconciliation has passed are recognized as appropriate vehicles. We are here today then to meet that narrow technicality. We are providing an appropriate vehicle to send over to the Senate so that this process can continue, leading to a conference between the House and the Senate to put together the final product.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. RANGEL. Mr. Speaker, the one word that could describe the procedure that we are going through this afternoon is "outrageous." It is outrageous what is happening to this House of Representatives, and even more painful is what is happening to my beloved Committee on Ways and Means.

It is true that most of the Members, Republican and Democrats, walk around with more self-esteem than we really need, but the truth of the matter is, we were under the belief that revenue issues came from the House of Representatives, came from the Committee on Ways and Means, came to the floor; and historically, this is the way it has been.

Mr. Speaker, this is outrageous. I did not understand half of what the chairman said. I know one thing he is saying, and that is that what we are voting on has nothing to do with all of the tax cuts that came tc the House of Representatives and were voted for. It is a fraud that has been committed by press releases that this House has cut people's taxes, because they have only taken one piece of the bill, and the only reason they have taken that is so that we can accept the Senate bill. So the prerogatives of the House in terms of revenue issues now has been laterally passed to the other body, and that will be decided in conference; and not only will Democrats be excluded, but most all Republicans will be excluded.

So all of the compassion about the marriage penalty, all of the compassion about getting rid of the estate tax, all of the compassion about the gentleman from Maryland (Mr. CARDIN) and the gentleman from Ohio (Mr. PORTMAN) working together for better pension benefits, all of the things that we have debated on the floor, I think what the chairman of the committee said is that that is exactly what this debate is not about. This debate is about how fast can we relinquish our responsibilities as House Members, how quickly can we yield to the leadership, and how quickly can they bring something over here that nobody, freshmen, senior Members, Republicans or Democrats, had anything to do with.

And guess what? If they do it on this, what is going to happen in the next bill? That is the best kept secret in the House. The next bill, that is the alternative minimum tax. That is the one that we take care of capital gains, that would take care of extenders, we take care of debt service, we take care of small business people. But do not trust us if we bring it to the House. That is just for practice. That is just for C-SPAN. The real tax bill will come from the Senate, and we probably will send something over there so that we can go into conference.

Mr. Speaker, I reserve the balance of my time, since nobody here should be wasting their time talking about tax policy, but rather how to yield to the other body.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I share my colleague's outrage. I share his pain. I only wish that when he was in the majority, he would have shown the same degree of outrage and pain which produced this particular situation that we are in. It is not called the Byrd Rule for nothing. And Senator BYRD was in the majority when this was created, as was the gentleman from New York. So I find it somewhat perplexing, although amusing, that he wishes to characterize this as something that this majority has perpetrated on the House and the American people. Quite frankly, it was under his watch.

What this chairman will do is make changes in this outrageous and painful current structure. I aim to pluck some feathers from the Byrd Rule, and I hope the gentleman joins me in making sure that that happens.

We do have the constitutional prerogative to initiate revenue. I think it is an outrage that we are told when and how we are to deal with this issue by the other body. However, under the current rules passed on the gentleman's watch with the Democrats in the majority, we are in the current circumstances. However, I am quite sure that the gentleman and his side of the aisle will take this time to discuss taxes. It is certainly one way to consume the time that we have available to us.

I would much prefer that we work together as Members of this institution to be able to reclaim some of the prerogative we should have had that was given to the other institution when the gentleman was in the majority. I will work with him to make sure that we claim what I think are the House's rightful prerogatives in determining time, place, manner, and circumstances in which we deal with the Senate on questions of revenue. Unfortunately, we are laboring under the current law supported by the gentleman, passed by the gentleman, and imposed upon this House when he was in the majority.

Mr. RANGEL. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from New York.

Mr. RANGEL. Mr. Speaker, I would ask the chairman, what makes the Byrd law so powerful that it is one of the few Democratic legacies that we have that the gentleman has not dismantled? Everything else we believed in, in health care and Social Security and education, the gentleman found it so easy to say that we are now in power and this is where we can show you what we are going to do. When did the gentleman first find out that the gentleman had the power to change the Byrd amendment?

Mr. THOMAS. Mr. Speaker, reclaiming my time, I do not know that I have the power. It is a cooperative effort. But after this exercise and the clear feeling on the part of the gentleman that it is now outrageous and painful, that I found a new ally in trying to make it work. I did not realize the gentleman was so outraged and that there was so much pain laboring under the Byrd Rule. For fear of putting everyone to sleep, I will spend just a minute talking about why we are in the situation that we are in.

Under reconciliation with the Senate, given their rules, there are two key points that need to be remembered when the House and the Senate try to resolve issues surrounding the budget and taxes. There is only one opportunity in any given session of Congress to have a decision made on the budget and taxes associated under that budget with just 51 votes, because the Senate's fundamental rules do not limit debate. Therefore, anyone can filibuster at any time they want, which requires 60 votes from the Senate to stop that filibuster. This is an opportunity to do the people's work under a simple majority. That is one of the reasons we have labored under the Byrd Rule. The 51 vote means we can do meaningful and useful change instead of some of the outrageous change dictated by a minority, whether it is Democrats or Republicans at the time, or a coalition that can control the floor of the Senate.

In addition to that, the Senate does not have the equivalent of our Committee on Rules. One of the things the Founding Fathers created was a structure in the House that could be relatively responsive to needs. There is a time limit in terms of debate; I have already said the Senate does not possess that. We have a traffic cop or a structure for controlling debate on the floor called the Committee on Rules. The Senate does not have that. So we are willing to be subjected, to a certain extent, to the outrages that the gentleman has expressed for the opportunity of moving needed legislation with a 51-vote number in the Senate. We only get it once. If we fail on this, we go back to the 60-vote requirement. As the gentleman knows, the tyranny of the minority on a 60-vote requirement will not enable us to do things that I believe the gentleman and I would like to do.

So we are putting up with this, notwithstanding the outrage; but we will be looking at ways to modify this in the future so that the prerogatives in the House are not quite so controlled by the other body.

□ 1345

It is the opportunity to make law by 51 votes in the Senate that is driving us to this what I would otherwise consider outrageous and painful situation.

However, knowing how the other body works, the opportunity to resolve problems with 51 votes is an opportunity neither one of us should pass up, because we have seen what they are doing with 51 votes. We can imagine what they would have to do with 60 votes.

Mr. Speaker, I reserve the balance of my time.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SHIMKUS). The Chair would remind members that while it may be important to focus on House prerogatives, they should be very, very careful not to characterize Senate rules.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to my friend, the gentleman from Maryland (Mr. CARDIN), a member of the Committee on Ways and Means.

Mr. CARDIN. Mr. Speaker, I thank the gentleman from New York for yielding me this time.

I appreciate my chairman's explanation of the budget reconciliation process. That is what this is, this is the budget reconciliation bill. But I always thought that budget reconciliation legislation was supposed to reconcile what we do on spending and tax bills with the budget resolution.

We have certainly limited how much tax cuts we are supposed to have this year and how much spending, but as the chairman pointed out, and I think rightly so, budget reconciliation normally occurs at the end of the session, so we reconcile to the budget resolution. Instead, we are doing it earlier so we can pass a single tax bill in the other body, not by a bipartisan vote, but along very partisan lines. That is what this bill is allowing us to do. I urge my colleagues to vote against it.

It is very interesting that the other two issues that are scheduled this week already violate the budget resolution, because we have a bill this week that will cut taxes a little more for adoptions, and we have a spending bill that will be coming out dealing with the education programs that is above the budget resolution.

Mr. Speaker, my reason for urging my colleagues to vote against this legislation is that it is not a $1.25 trillion tax bill. In reality, we have gone through this, and the chairman knows it, we are going to be doing other tax issues this year. We are going to have to deal with the alternative minimum tax. We have to deal with the tax extenders. There is other tax legislation that already has been favorably reviewed by the committee. Also, we have the underlying interest cost. When we add that all up, it comes to over $2.5 trillion.

On the spending side, the education bill we will be taking up later this week, it does not spend what was provided in the budget resolution, it is $4.5 billion above what was provided in the budget resolution.

I do not object to spending more money on education. The Democratic budget provided for more money for education. But I do object to us passing legislation that is going to add to red ink. That is where we are heading, to larger tax cuts, larger spending, and what we will give is our ability to pay down our national debt.

I do not even think we are very subtle about it. The National Review, which often espouses the Republican philosophy, says, "Don't fear a deficit: the advantages of red ink."

I would hope that with our projected surplus, that our first priority on a bipartisan basis would be to reduce our national debt. I regret that is not the case.

So I heard my chairman's explanation. This budget reconciliation should not be a way in which we pass a single partisan bill in the other body. Instead, we should use it as a way to come together to a budget that is truly bipartisan that will allow us to protect the priorities that are important to our Nation: to have a reasonable tax cut, and to be able to move forward in a bipartisan way.

This bill does not do it. I urge my colleagues to reject the legislation.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Arizona (Mr. Hayworth), a member of the Committee on Ways and Means.

Mr. HAYWORTH. Mr. Speaker, I thank the chairman of the Committee on Ways and Means for yielding time to me.

Mr. Speaker, how mystifying this debate must be to Mr. and Mrs. America, because here we stand in the people's House finding ourselves enshrouded, encumbered with some frustrations dealing with something our Founders put together, and that is the difference between these two institutions, this bicameral legislative branch.

We understand that. I appreciate the concern of my colleague, the gentleman from New York, the ranking member of the committee. But let me suggest to all my colleagues that what we do today with this piece of legislation is to reaffirm our commitment to a basic premise that is quite simple: the American people are overtaxed and they deserve a refund.

We are working through a process that any student of government understands, and indeed, all schoolchildren are taught about, in terms of bringing this forward.

We can deal with arcana, we can deal with prerogatives of different committees, but the bottom line is this: for the Members of this House today, a vote in favor of this legislation will result in tax relief for the American family. That is the basic premise. This is the tool we use to achieve that dream.

Mr. Speaker, all too often we hear from constituents that they would like us to focus on results. We can disagree without being disagreeable. If Members oppose meaningful tax relief, then oppose this legislation. But if Members want to stand up for their constituents who are overtaxed, who for years and years and years have been told that they should somehow sacrifice so that Washington bureaucrats can have more, in stark contrast to the rhetoric of the last half-century, where American families were asked to sacrifice so that Washington ostensibly could do more with their hard-earned money, what we say today, what we reaffirm with this procedural vote today, in essence, is the notion that we should turn that around; that Washington should tow the line so that American families can have more.

We can disagree on a variety of issues. We can share the frustrations as to institutional prerogatives. But again today, when we come to the floor, I would implore the Members of this body to keep their eye on the ball, keep their eyes on the prize: basic tax relief. This vote, in essence a procedural vote, moves that along.

If Members want the American people to hold onto more of their own hard-earned money to save, spend, and invest for their families, vote yes on this legislation.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is not a procedural vote, this is a substantive vote. The gentleman has just said that he has dumped the marriage penalty provision, the estate tax provision, the Portman-Cardin provision, the child credit provision. He dumped all of that, and he is asking us just to support this tax cut that is geared to the top 1 percent of the highest-income people here, so this is not procedure, this is substantive.

Mr. Speaker, I yield 3 minutes to my friend, the gentleman from Washington (Mr. McDERMOTT), a senior member of the Committee on Ways and Means.

Mr. McDERMOTT. Mr. Speaker, here we go again. We are through with the shell game of the budget and now we have come to the tax cut.

First we are told we need a tax cut because the country's economy is strong and we need to encourage it and keep it going. Then we are told that we need a tax cut because the economy is going bad, so now we need a tax cut for that. Most recently, we have been told we need a tax cut for the issue of the energy prices all over the country.

Mr. Speaker, the Bush tax cut is an outright deception. It is not for hard-working Americans and will do nothing to prevent a recession. Not a single component of the President's proposal is honest. It is really no wonder we have to take this thing through here one piece at a time.

The Republicans and the administration want to move it on a fast-moving train that nobody ever gets a chance to look at. Instead of focusing on what we actually have right now, this tax debate has been framed in terms of an unreliable 10-year frame of reference. If the Congressional Budget Office were to figure out the surplus now, under the present circumstances in our economy, with California in trouble and the stock market and all the rest, then we would have much different things.

Basically, the game today is a crapshoot. We would have better odds rolling these dice than banking on the money being around for education, for defense, for privatizing Social Security, all the things the President says, that we would counting on a 10-year projection. Just roll the dice, Mr. Speaker, and see what comes up.

The administration seriously underestimates the size of the surplus we ought to be running in order to meet our needs for Social Security and Medicare. It is no wonder that the bill is so backloaded, just like everything else. They are trying to squeeze five pounds of potatoes in a three-pound sack, and the President will not be around to take care of it when the mess occurs.

President Bush's record of cutting taxes in Texas was the centerpiece of his Presidential campaign. Now, many State Texas legislators attribute those tax cuts to the reason they have a budget deficit in Texas. In fact, then Governor Bush the other day said he could see there was a disaster. He said, I hope I am not here to deal with it.

This is deja vu all over again. Take a look at the record in Texas and figure out what it is going to be like in this country in two or three years if he gets what he wants. This is deja vu all over again. We can learn from history.

I would offer anybody the opportunity today to vote no on a fraud, because if Members want to gamble away the country's future on 15-year projections, today is the day. Members should bring their dice and say, here we go, come back to me, baby. That is what this is all about. It is not going to happen.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I must say that I do have fun trying to follow which argument has now been determined by the brain trust of the Democratic Party is the appropriate one to make.

Apparently now we need to slow this process down because this is a fast-moving train. I thought earlier the argument was the train was not moving fast enough, and that we have to make sure that we get money out to the American people.

I do want to put in context the fundamental nature of the political and partisan argument that is being made. I would simply lay before the Members the story which has run in a number of newspapers. This happens to be from the Los Angeles Times:

> The Federal Reserve cut its key interest rate another half percentage point, to 4 percent on Tuesday, and contrary to what had been expected, left the door open for still more cuts aimed at getting the stumbling U.S. economy moving again. It was the fifth time in 5 months that the central bank shaved the so-called Federal funds rate, a benchmark for interest rates in general, and continued one of the swiftest rate reductions in Fed history.

I would hope this Congress is on a fast-moving train to provide additional assistance. It is not the end-all and the be-all, but if we can move, as the budget resolution said, up to $100 billion over the rest of this fiscal year and next fiscal year into the hands of the American income tax payers, it would simply assist the Federal Reserve chairman in making sure that this stumbling economy recovers.

I just find it humorous. Earlier we were not moving fast enough, and now that we are involved in a procedure which enables us to get to conference to produce a result before Memorial Day, and whoa, this is a fast-moving train.

I hope the American people believe us when we say this majority in the House and Senate is going to produce a fast-moving train. It will produce a responsible, permanent marginal rate reduction, along with other adjustments, so that we can make sure that we do not stumble in this economy. Our goal is to keep the country strong, not to gain some kind of a narrow partisan advantage by exploiting this opportunity.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker I yield myself such time as I may consume.

I am certain that those 1 percent of the billionaires cannot wait to get half of this tax cut so they can spur the economy. But that explanation is just as interesting as this procedure.

Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. Mr. Speaker, I do not know if this is a fast-moving train or a slow-moving train, but I get the sense this is like that train yesterday with no driver. It is very toxic and it is going real fast down the tracks, and there is nobody in the engine.

What this tax cut is going to do is in fact it is going to be toxic to the rest of the priorities in this Nation. Tomorrow we are going to start the debate on the elementary-secondary school act, and we are going to bring a bill out here that not only will provide major reforms within our school systems, but it will provide the resources to bring about those reforms that the President has said he has wanted, that the Congress has said they wanted, Republicans and Democrats alike.

But this vote today will cause us to pass a tax bill that will strip all of the money away that is in that bill for the next 5 years for elementary and secondary education.

□ 1400

Because when you take the budget as it was passed, as it was impacted by this tax bill, the President's budget went from some money to education to no money in the future for education.

The reforms will not come about, the school improvement will not come about, because that is the real price of this tax cut; it infringes on every American school child's education.

Mr. THOMAS. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. BLUNT), the chief deputy majority whip.

Mr. BLUNT. Mr. Speaker, I thank the gentleman from California (Chairman THOMAS) for yielding the time to me.

Mr. Speaker, with the train metaphor that we are having here, it does seem to me that this bill and what is contained in it will be the engine that moves the train. We do need to respond to what needs to happen to get our economy headed back in the right direction. This bill helps do that.

This discussion of rates, Mr. Speaker, is very important. It is very important to talk about this whole rate issue. I mean, no American, as our bill proposes, would establish this principle. No American taxpayers should pay more than a third of their income in Federal income tax. That is what this bill says.

That does not say they would not pay more than a third of their income in taxes. That says the Federal income tax.

You could argue this in a much more fine way than we are here today by saying that even that rate is too high because that does not consider the Social Security tax. It does not consider the Medicare tax. It does not consider State income tax. It does not consider sales tax.

It does not consider gasoline tax. It does not consider tax on utility bills. It does not consider the 103-year-old Spanish-American War tax on your local telephone bill. This just says that on your income, with your Federal income tax there should be a limit. And it also says at the bottom levels that we are better off with a 10 percent bottom line bracket than a 15 percent bottom bracket.

Those are the guidelines that we need to be debating, need to be working on. They need to be part of the conference with the Senate and passing this bill today, understanding that every taxpayer, every taxpaying family, has a stake in the economy and a stake in this tax surplus that has been sent to Washington.

Mr. Speaker, I respect the work that is being done on the education bill that the gentleman from California (Mr. GEORGE MILLER) talked about.

I am convinced there is going to be money to do what the Federal Government needs to do. The problem will be if we leave this money in town that we have been saying that we did not need in the Federal Government, we will think of a way to spend it.

Mr. Speaker, we have still allowed in our budget plenty of room for growth. In fact, we are wondering, in fact, if there is a way that we can keep the growth of the Federal Government to twice the rate of inflation. And many, including me, are saying the President will have won a big victory if we can hold the growth of the Federal Government to twice the rate of inflation, which just shows how far we have gone in the direction of Federal Government spending.

One way not to spend the hard-earned money of American taxpayers is give it back to them. They will do a better job for their families and for this economy with their money than the Federal Government would.

Moving this bill forward moves that process forward. It would be great within the next few days if we can send to the President's desk real, meaningful tax relief for every American taxpayer.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. DOGGETT), a member of the Committee on Ways and Means.

Mr. DOGGETT. Mr. Speaker, finally, the Republican tax plan and the Republican energy plan are one. In the amazing words of President Bush on Friday, "The quickest way to help people with their energy bills is tax relief."

This year the benefit to the typical taxpaying American family from this Republican plan that we are considering today will amount to the cost of about 3 gallons of gas per week. That is probably not enough gas to get most Americans to and from work, but it will keep your lawn looking pretty good. I guess you could ride your lawn mower to work.

Mr. Speaker, perhaps, though, Democrats have been a little harsh in criticizing this bill as being designed solely for the wealthy, because just being affluent, just being rich is not enough to really rake in a bonanza from this bill.

As The New York Times reported yesterday morning, "The biggest cuts would go more to the extraordinarily wealthy" as opposed to just the "merely affluent or wealthy" and, "the very richest would save more than $1 million a year under this House plan."

Your family gets 3 gallons of gasoline a week, the super-rich, each of them, gets $1 million a year from this scheme.

This summer many American consumers cannot afford to go to the gas station and say "fill 'er up" unless it is a very small quantity for their lawn mower. But the privileged few, they have already said "fill 'er up" to these Republicans, who have been all too willing to reward the few at the expense of the many.

That expense will come not just this year, but when it is time over this decade to fund student financial assistance, so that every young person can get all of the education for which he or she is willing to work wants; when it is time to address the many unmet health care needs of Americans such as access to the soaring cost of prescription drugs; when it is time to put more cops on the street to protect our neighborhoods; when it is time to meet a wide range of future needs of this country including reasonable tax relief and correction of inequities in the Tax Code. The same Republicans who offer your family 3 gallons of gas a week while they give other folks a million dollars a year, they are going to be saying, well, we are sorry we cannot do that: We just do not have the money to do it.

The reason they do not have the money is no accident. It is a result of a purposeful policy to shortchange the American people in the way quite similar to how they are being shortchanged today.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I cannot help but observe the indication of the gentleman from Texas (Mr. DOGGETT) that they are going to get 3 gallons, and he repeatedly held up a 1 gallon tank. That is about as accurate as the rest of his statement.

Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. RYAN), a member of the Committee on Ways and Means.

Mr. RYAN of Wisconsin. Mr. Speaker, I thank the gentleman from California (Mr. THOMAS) for yielding the time to me.

Mr. Speaker, the other side has nothing to offer but fear itself. As I watch these public policy debates coming to the floor of Congress, you can see two schools of thought at play here. One seeks to prey on the emotions of fear and envy in the American people and to exploit those emotions to keep more of their hard-earned money in Washington.

The other school of thought, what we are trying to achieve is to appeal to people's emotions of hope, of accomplishment, of success.

We punish success in the Tax Code today. The small businessman, the small businesswoman, the entrepreneur in society today, which is the engine that drives the American economy, is what gives us our jobs in this country; yet, we tax them at punishing tax rates, higher than we tax IBM, Exxon, the multinational corporations in this world.

What we are trying to achieve by lowering the tax rates on entrepreneurs, on small businesses, on the American families, down to 33 percent is to simply say that we recognize that what creates this economy, that what grows this economy, that what creates jobs are small businesses and entrepreneurs.

We need to feed that engine, because if we fall victim to the politics of fear and envy, as the other side is suggesting, we will continue to take more and more dollars out of workers' paychecks. We will continue to raise the bar and the hurdle on what it takes to build a small business; to employ people, to risk-take and become an entrepreneur.

Mr. Speaker, there is a tremendous toll gate in the middle class, on the way to becoming the middle class. We are penalizing success in this country. The other side wants us to continue to penalize success in this country. They want to appeal to the worst emotions in you.

They want to suggest that this is nothing more than a tax cut to Bill Gates' or Sam Walton's heirs. That is not what we are doing here. What we are trying to accomplish is this: You are overpaying your taxes. You ought to get some of your money back. We are protecting Medicare. We are modernizing Medicare. We are protecting Social Security.

We are paying down the national debt as fast as we can. And even after doing all of those things, you are still overpaying your taxes. What we are simply saying is rather than take your money and find new ways to spend it for you here in Washington, we want to give it back to the American people, put the money back into their paychecks as they overpay their taxes, and revive this engine of economic growth, small businesses and entrepreneurs, and prey on people's hopes and dreams and aspirations. That is what this is all about.

That is why it is important to lower that top rate to 33 percent. I know these numbers may be confusing to some. But what it means is whether or not we are going to answer the call to revive this struggling economy, whether or not we are going to put jobs in front of fear and envy, these are the things that are on the line right here. That is why it is important for us to pass this tax bill, because it is our job to grow this economy and save jobs in this country.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am surprised that the gentleman from California (Mr. THOMAS), my distinguished chairman of the Committee on Ways and Means, would ridicule the 1 gallon container that was held by the gentleman from Texas (Mr. DOGGETT), my friend. As a former college professor, he should know that 1 gallon filled three times equals 3 gallons.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. MATSUI), a member of the Committee on Ways and Means.

Mr. MATSUI. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL), the ranking Democrat on the Committee on Ways and Means, for yielding this time.

Mr. Speaker, I am kind of surprised that my colleagues on the other side of the aisle keep talking about Democrats bringing up the issue of greed and envy. I thought we were supposed to debate these things and state the facts.

The fact of the matter is, if you took all of the bills that were passed over the last 3 months on the other side of the aisle there, you would find that the top 1 percent of the taxpayers in America, that is, people that file tax returns on the average of $1.1 million a year, their earned income, they get 46 percent of this tax cut.

Mr. Speaker, we cannot change that fact, and I think it is only right that the American public know this fact, the fact that those people that make over a million dollars a year get 46 percent of the benefit.

It seems to me something that everybody should know before they vote on this particular bill. This is not talking about, making discussions about greed and envy; it is just stating a fact.

But rhetoric is always there, and that is what I guess this floor is all about. This is what we are talking about in terms of lowering the rhetoric on the floor of the House.

The fact of the matter is that not only are we talking about where the distribution of this tax cut goes, but there is also something interesting about the so-called surplus. If you recall, we are talking about the basis of this tax cut, $5.6 trillion in surpluses over the next 10 years, of which one-third, or about 30 percent of it, will be in the first 5 years; and then a 70 percent total of this $5.6 trillion will be in the second 5 years.

The same people that predicted this number, the Congressional Budget Office, said that there is only a 50 percent chance of accuracy that the first 5-year projection will be correct.

Then in the last sentence in the same document, the same Congressional Budget Office that made this prediction says they cannot really even make a forecast on 10-year projections. The only reason they do it is because we in Congress mandated it.

We could be talking about $10.9 trillion or $1.6 trillion, or maybe even a deficit, because these numbers are based upon projections. They are projecting, for example, there will be a 4.6 growth rate over the next 10 years.

Mr. Speaker, I would imagine any one of you sitting in the hall here would have to say that you cannot make projections about what your income or your child's income will be 10 years from now. But, nevertheless, we are doing this.

I have to say another thing. This is redistribution. About 60 percent of the $5.6 trillion is in the form of Social Security payroll taxes. Who gets the burden of that? The average American, because it is capped at $76,000 a year.

So we are going to take the payroll taxes and we are going to redistribute it to those people that file income tax returns of $1.1 million a year.

We are playing a gamble with the deficit and with the future of our children, and we are redistributing this tax cut in a way that takes from the average taxpayer or the average worker and gives to the super-rich. This bill should be voted down. The budget is a sham.

Mr. THOMAS. Mr. Speaker, I yield 3 minutes to the gentleman from Colorado (Mr. McINNIS), a member of the Committee on Ways and Means.

□ 1415

Mr. McINNIS. Mr. Speaker, what a bunch of hogwash. I was just peering over the last few minutes. What is this, Broadway? I am saying this to the Democrats, what is this, Broadway? They have got a Member up here with a gasoline can stomping around trying to use his theatrical props. Before the speaker, before the gas can, we had another Member on the other side of the aisle up here playing with some dice.

This is serious business. We are not on Broadway over here, we are in Washington, D.C. using other people's money. Did my colleagues ever hear of a play on Broadway "Using Other People's Money"? That is exactly what the Democrats want to do, but they want to use more and more of other people's money.

Their policy is simple: spend, spend, spend. When the American taxpayer, who, by the way, is the American worker and, by the way, men and women that are working out there in that workplace, when they begin to question the liberal Democrats about their policy of spend, spend, spend, they come up with one answer: fear tactics.

I will tell my colleagues, the gentleman from Texas (Mr. DOGGETT), and I question the accuracy of his remarks, in fact, they are inaccurate. Let me quote his remarks: If we pass this, all future needs of this country cannot be met, if you give a tax refund to the taxpayers.

He goes on further: Further, if you give a tax cut to the American taxpayers, no money for education, no student finance assistance, no prescription drugs, no health care, no more money for the Cops on the Street, and once again he summarizes, it stops all future needs of this country.

It is that kind of exaggeration that puts disrespect in Washington, D.C. That is why people are concerned about the integrity of the institution back here. My colleagues are talking about other people's money, and they ought to move it off Broadway and they ought to move it to Main Street.

Those liberal Democrats that want to continue to spend and spend and spend should at least have enough guts to stand up to the people who are working for this money, who are creating jobs in this country, and tell them they want to spend, spend, spend instead of threatening them with their future education for their children or all future needs of this country will not be met if a tax cut goes to the American taxpayer.

Take a look. Everybody on this House floor, all of my colleagues, we do not go out there. Our salary is created by tax dollars. We do not go out and sell more hamburgers or put up a Kool-Aid stand or mow a lawn. We reach into people's pockets and take the money they got for selling a hamburger or setting up a Kool-Aid stand or mowing a lawn.

We take their money, and the first thing we do is pay ourselves. The second thing we do, when we discover there is money left, do not give it back to that person, people at the Kool-Aid stand. Just spend it, spend it, spend it.

When the person at the Kool-Aid stand says, hey, can I have a little back of what I gave you? You have some extra money. No, not if you care about your kids' education. No, not if you care about more cops on the street. No, not if you care about prescription care. In fact, no, not if you care about any future need of the country. What an exaggeration.

The Republicans and the conservative Democrats deserve more from the liberal side of the Democratic party. My colleagues ought to follow the leads of their conservatives over there and give back these taxpayers a little of what they deserve.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. STARK), a senior member of the Committee on Ways and Means.

Mr. STARK. Mr. Speaker, I thank the distinguished ranking member. I like the introduction by the gentleman from Colorado (Mr. McINNIS). As one of the most conservative Members of the House, as ranked by the Concord Coalition and other groups, I am proud to answer the question of the gentleman from Colorado, because it is true that Democrats have been concerned about spending.

We would like to spend money to see that our parents' Medicare is safe. We would like to spend money to make sure that the checks for Social Security go out each month to those beneficiaries. We would like to spend money to see that teachers can have a reasonable salary. All of those things are purposely being denied in the Republican budget which is driven by this tax cut. This is not Broadway. These are facts.

The Republicans, for example, ran out of money for next year's Medicare payments and had to go through some blue smoke and mirror accounting tricks to find an extra $20 billion yesterday in the Senate bill because, otherwise, they would have had to dip into 2002's Medicare trust fund by 20 billion bucks to balance the budget.

That is how bad this bill is. There is no money left for a pharmaceutical benefit unless, of course, we choose to take it out of Medicare and thereby dismantle the Medicare system which, under the former leadership of Speaker Gingrich, was the Republican plan and still remains the operative policy today.

Privatize Social Security as the Republicans try to have us do, so that we can save that money and give the tax cuts back to the rich.

So make no mistake about it, we conservatives would like to save money. But those of us who have ever run a business and not inherited it from our fathers, or worked all our lives in the public trough would like to see that the poorest of Americans get taken care of. That is the American way. We would like to see that the children's health care is taken care of. We would like to see that Medicare survives. That takes tax dollars.

The fairest way to tax the American people is to let those who are very rich and very wealthy pay a larger percentage. That has been the American way for a long time. We hope, as Democrats, that that continues to be the American way, not the Republican way to give the money back to the rich donors to their campaigns, the huge corporate officers and the beneficiaries of huge stock options, support the people in Aspen who are living the life of luxury, and let the people on Main Street go broke. That is not the Democratic way. That is the Republican way, and we should oppose it.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Texas (Mr. BRADY), a member of the committee.

Mr. BRADY of Texas. Mr. Speaker, I think too many people in Washington are out of touch with the real world and the way families have to struggle these days. It is true that tax relief under this plan starts pretty modestly and grows. It is done so that it increases as we pay off more of our national debt; and as our surplus increases, the tax relief increases. That is the responsible way to do it.

But they will tell us it is only for the wealthy. But if we look at families today, we just had tax freedom day, which meant, from January 1 to May 3, the average American family worked for that time period just to pay their taxes. Starting last week, we started to work for ourselves. No wonder it is so hard for families to make ends meet.

Under the President's proposal and under the Republican proposal here today, in this first year, for a teacher whose husband works at the auto dealership as a mechanic, who has two kids, it means tax relief for about $500 this first year; and it increases each year to about $1,600.

Now, in Washington, people do not think that counts. But I can tell my colleagues, when one is raising children, an extra $120 or $140 a month for school clothes or to fix the car or to pay for utilities or all the things that come up for health care when your child is sick, that is real money.

My colleagues will hear today about a rebate scheme. But let me tell them, they will love the rebate scheme as long as they do not mind overpaying at the cashier, at the counter, and watching the clerk hand the change to the next guy in line. They will love rebates.

But if my colleagues think if one overpays that the change ought to come back to one in proportion of what one overpaid, then my colleagues are going to support the President's plan and the principles in the Republican plan.

What is wrong with eliminating the marriage penalty? What is wrong with not taxing people at death? What is wrong with encouraging small businesses to create new jobs? We know if we head into recession, we will lose 3 million jobs in America. That is 3 million families that are going to hurt very badly. If we can make changes today, maybe we cannot save all those jobs, but we can save some of them, and we ought to try.

Mr. RANGEL. Mr. Speaker, I yield myself 30 seconds to ask the gentleman from Texas (Mr. BRADY) to answer a couple of questions if he has the time, because he talked about helping small businesses. He talked about marriage penalty. I assume he wants estate tax relief.

Where are all these things in this bill that we are talking about today? Where are these things? I am missing it. Where is it?

Mr. BRADY of Texas. Mr. Speaker, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from Texas.

Mr BRADY of Texas. Mr. Speaker, the principles of this bill——

Mr. RANGEL. Mr. Speaker, I advise the gentleman, be careful what word he uses, because he has got the Speaker here. Do not talk about the other body now, but go ahead. Be careful.

Mr. BRADY of Texas. Mr. Speaker, this bill creates the vehicle for tax relief for Americans. As we sent it to the Senate, as we talked through the principal items we talked about, that is what this bill is about. The gentleman knows it and may not like it, but he understands it.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me this time.

Mr. Speaker, this is serious business today. This is a serious debate. That is why today I seriously oppose the majority's tax reconciliation bill before us and strongly support the Democratic substitute which I feel is much more fiscally responsible, long-term in outlook at better enables us to pay down our national debt.

Mr. Speaker, there are a lot of problems with this tax reconciliation bill, not least of which that this is the single most important act we can do if we are interested in setting up for failure future generations of leadership and our children and grandchildren.

The great unspoken truth in this debate is all the focus has been on the next 10 years and projected budget surpluses that may or may not occur, but very little attention has been given to what happens in the second decade with the aging population, the demographic boom, the soon-to-be-retiring baby boom generation. We have serious unfunded liabilities and responsibilities that need to be taken care of. If we want to set up the next generation of leadership and our children for failure, this is the best way of doing it.

Just take this chart, for instance. It shows the Social Security surplus in the trust fund and what it looks like over the next 10 years. Half of the projected surplus in the next 10 years is coming out of the Social Security trust fund which no one here wants to touch. But if we look at the second decade and beyond when the boomers start retiring, we see a sea of red of unfunded liabilities.

If this tax cut the way it is currently drafted passes, it will gradually phase in over the next 10 years and become fully implemented at exactly the same time the baby boomers start to retire. If that is not a recipe for disaster, I do not know what is.

But what else is unspoken is the hidden cost of the budget resolution that is working its way through Congress. Where is AMT relief in this tax bill, the alternative minimum tax? We all know that that is something we are going to have to deal with in the next 10 years. Where are the tax extenders? Where are the projected plus-up in cost for the missile defense shield, for increase in defense spending, for farm relief if the farm economy does not turn around?

These are things that we all know we are going to have to deal with and deal with in a fiscally responsible manner. We nor future Congresses are going to meet those obligations and reduce our national debt with this tax reconciliation bill. So I encourage my colleagues to support the Democratic substitute, which is more fiscally responsible and places a priority on debt reduction and to preserving and protecting Social Security and Medicare for future generations.

Mr. THOMAS. Mr. Speaker, might I inquire about the time remaining on either side.

The SPEAKER pro tempore (Mr. GILLMOR). The gentleman from California (Mr. THOMAS) has 6 minutes remaining. The gentleman from New York (Mr. RANGEL) has 7 minutes remaining.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 4 minutes to the gentleman from Louisiana (Mr. MCCRERY), a member of the Committee on Ways and Means.

Mr. MCCRERY. Mr. Speaker, I rise in strong support of H.R. 1836 which continues this body's efforts to quickly enact meaningful tax relief.

While I understand that this bill mainly represents a vehicle to get us to conference with the Senate, I am particularly pleased that the House's reconciliation bill focuses on the most important component of the President's tax cut, a reduction in marginal tax rates.

With almost $960 billion in tax relief, this legislation provides a solid base for addition of other important tax cuts during negotiations with the Senate. As we work to reach agreement with our friends on the other body, however, I urge the retention of these rate cuts.

First, unlike the tax policy of the prior administration, marginal rate cuts do not discriminate. They do not favor only individuals engaging in activities deemed worthy. They do not use IRS agents as social engineers. Under these marginal rate cuts, if one pays income taxes, one gets a tax cut. It is that simple.

Second, bold marginal rate cuts can help prevent a further slide in our economy. During testimony before the Committee on Ways and Means earlier this year, noted economist Martin Feldstein explained that, "a large tax cut coming at this time will help to assure a stronger short-term recovery from the current economic slowdown."

He went on to say that, while adjusting the tax rates cannot eliminate the business cycle, a tax cut now would be useful, as the increase in after-tax incomes and expectations that such increases will continue in the future will boost confidence as well as spending power.

□ 1430

Increasing the short-term effect by starting the tax cuts at the beginning of the year would reinforce this favorable effect."

Simply put, the sooner we pass rate reductions, the more likely they are to help address concerns about the softening economy. Arthur Laffer, who advised former President Reagan, said it quite simply, "George W. Bush's tax cut proposal will benefit the American economy in the near term by bringing the current slowdown to a quick end. In the long run, it could increase the economy's growth rate. Pro-growth tax policies do wonders for the economy."

Cutting marginal tax rates encourages individuals to work harder and to take risks. For the small businesses who pay taxes on the individual schedule, these tax cuts will make it possible for them to expend the capital necessary for them to continue to grow.

Recent research by Robert Carroll and other economists found tax rate reductions had a significant influence on small business growth and that reducing the top marginal rate down to 33 percent would result in approximately 10 percent higher revenues for those small businesses in the top tax bracket. In another paper, the group found that boosting small businesses' after-tax income by that much would increase their likelihood of adding more employees.

A dynamic analysis of the United States economy done by the Heritage Foundation estimated the rate reductions contained in this legislation would increase the family of four's after-tax budget by $2,624, leading to an increase in consumption while also driving up our anemically-low national savings rate.

In short, Mr. Speaker, let our economy grow. Let us pass this tax bill out of the House today, get into conference with the Senate, give our economy a boost, and get us back on the path to economic growth.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. BECERRA), a member of the Committee on Ways and Means.

Mr. BECERRA. Mr. Speaker, I thank the gentleman for yielding me this time.

My colleagues, why the need to circumvent the rules of this House and the Senate? Why not follow the legislative process in this Congress? Why do we have this bill, so-called reconciliation bill, before us today? Why, especially when this bill's benefits go mostly to the wealthy and not enough to the rest of middle America?

Why is it that in this proposal the tax cuts that are within it would benefit the richest of Americans; that 1 percent of Americans would get 44 percent of the benefits of this bill and yet 60 percent of Americans earning some $44,000 or less, 60 percent of America, will receive something on the order of about 16 or 17 percent of the entire wealth in this package?

Why are we rushing so quickly to do this? Why must we evade the process? Why can we not go through the committee process? Why can we not have this inspected in the light of day? Why can the sun not shine on what we are doing?

Why can we not, in fact, feel the same urgency for our energy crisis as we apparently feel in this Congress towards giving tax cuts which will benefit mostly the wealthy? If we are in need of acting quickly in any regard in this body at this moment it is in regards to the energy crisis, which will affect middle America today. When those blackouts occur, those who have money can buy their way out of them.

Yet here we are today not following the legislative process that we are accustomed to, to try to rush through a package of benefits that will not help most of middle America. This is a major use of our time, and it is a major use of taxpayers' money, because every day the lights are on here we are spending money.

I would urge my colleagues to use more caution, more prudence in moving forward. Because, quite honestly, if we need to act today, it is on dealing with this energy crisis that will hit every single home of middle America. That is why today it does not make sense for us to evade the process, go around it, circumvent it, not show the American public what we are doing completely, which will not affect most of the people having a chance to watch this debate.

It is time for us to get down to the business this Congress was elected to do. It is time for us to take care of urgent matters, such as the energy crisis now, and deal with tax cuts in a fair and prudent manner for all of America.

The tax proposal that comes in the Democratic alternative is exactly that. It provides immediate relief to all Americans, and it does it in a fair way; and it makes sure that we protect Social Security, Medicare, education, crisis for our farmers in the heartland, and does it in a way that still saves us money to take care of crises like the energy crisis we are facing.

That is where we need to go. And I would hope that this Congress would heed the call of Americans who say, keep my lights on. Give me fair tax relief, but keep my lights on.

Mr. RANGEL. Mr. Speaker, I yield the balance of my time to the gentleman from Pennsylvania (Mr. MURTHA), a distinguished Member of this House that does not ask to speak unless he really believes that it is important to the national security of our great Republic. It is a great and distinct honor for me to yield the remainder of my time to him.

The SPEAKER pro tempore (Mr. GILLMOR). The gentleman from New York (Mr. RANGEL) has 4 minutes remaining. The gentleman from Pennsylvania (Mr. MURTHA) is recognized for 4 minutes.

Mr. MURTHA. Mr. Speaker, I am concerned about the way we are doing this. I voted against every tax cut so far. When I go home, and I have been home the last 8 weeks in a row, only one person has brought up to me that we need a tax cut. Only one person has said, and I ask them, How many of you in this room make over $300,000 a year? Not many hands go up in my district.

The point I am making is the way we are doing this is what worries me. We have a pent-up demand in defense; we have promised the troops we are going to give them a 7 to 10 percent pay increase. We have all kinds of weapon systems which are out of date. We have an O&M problem. And all these are outlay problems. We have a procurement problem as far as the ships go in the Navy. I remember back 20 years when half our airplanes were grounded because of lack of spare parts. I remember offering an amendment to put $5 billion in for spare parts; $5 billion for O&M.

Now, I voted for the last tax cut. It was a bipartisan tax cut. When I say the last tax cut, the tax cut that came in the Reagan administration that most of us were convinced by President Reagan and the leadership in the House that this was going to improve things. We ended up with $4 trillion worth of deficit. Now, we can blame it on spend, we can blame it on everything, but the facts are we ended up with a bigger deficit. I worry about the same thing again.

It seems to me that before we take up a tax cut of this size, we should figure out exactly what we are going to do with the money. When I went down to Austin to visit with President Bush, he asked a number of us what we thought needed to be done. I told him I thought this year alone we needed $30 to $35 billion more for defense alone.

I worry about my district. They just cut off the gas to some of the people that could not pay their bills. In Pennsylvania you cannot turn the gas or electricity off during the wintertime; obviously, people would freeze. But they have now turned it off. They could not afford to pay for prescription drugs and heating; and yet we are passing a tax bill, however it is configured in my estimation. That worries me that we are going to be right back to where we were before.

Now, they assured us that supply-side economics would work. All of us believed that at the time. I remember sitting in a corner and the chairman of the Committee on Ways and Means came back there and said, Look, this is going to work. He said, You need to vote for this tax cut because it will stabilize policy, it will increase economic activity, it will make more money available for investment. Well, as all of us know, for whatever reason, it did not work right.

But my major concern is our national security. I have not seen any of the details of what the President's going to propose. I hear all kinds of rumors. I hear the President saying he is going to spend more money on defense. I listened to him during his campaign. I think most of the people in the military thought that by this time there would be a supplemental appropriation and that there would be more money available for the military.

And I understand that he wants to study the situation. I appreciate that. He has some of the best advisers that any President ever had, and I know he is committed to a strong national defense. But I frankly do not see how we are going to get there. I do not see how we can increase the quality of life for the troops.

I was for the draft, one of the few people in the Congress that voted to continue the draft. I was not for the volunteer army because I knew that personnel costs would be exorbitant, but I thought a cross-section of Americans ought to serve in the military. It turns out it is very expensive. We have to offer bonuses; we have to pay extra money. If we want to keep a quality force, it is essential. Today's force must be a quality force for them to meet the issues that they face today.

So I would urge the Members to vote against this reconciliation bill until we see the details of the budget.

Mr. THOMAS. Mr. Speaker, I yield myself the balance of my time.

I guess everyone is thoroughly confused right now, based upon the statements made by my colleagues on the other side of the aisle: Why do we not do this in the light of day? Do we know where and how we are going to be spending any of this money?

I hate to be the one to tell my colleagues, if they are not aware of it, but the House and the Senate have already passed a budget. That budget takes care of paying down the debt. It covers Medicare. It protects Social Security. It provides more than sufficient money for defense.

I find it ironic they have now reached a point that on a Republican administration, with the former Secretary of Defense as the Vice President, the former military chief of staff as the Secretary of State, and with the honored Donald Rumsfeld as the Secretary of Defense that we are worried about whether or not the defense of this country is going to be taken care of. Where were my colleagues in the last administration based upon the folk who were running the show?

I hate to tell my colleagues this, but we have already passed three tax bills. It was more than a month ago. Even above the Arctic Circle, the sun does not stay up that long. And I know some of my colleagues want to make this a partisan fight, but on one of those tax bills that we passed, the marriage penalty, there were 64 Democrats that agreed with us. We do not call that partisan; we call it bipartisan. On the Estate Tax Bill there were 58 Democrats who voted on that package. We call that bipartisan.

It has been said that my colleagues engage in the politics of envy in an attempt to slow down giving people their money back. And when we hear the other side talk about the fact that only millionaires benefit, we begin to think that maybe that is true. When we say sometimes our colleagues use fear tactics, if we listened to the gentleman from California, who said there were going to be no Social Security checks going out; that, in fact, there was not enough money for prescription drugs for Medicare, I would remind my colleagues that it was this Republican majority that for the first time put preventive and wellness, when we became the majority, provisions into Medicare. Long overdue; not done by the previous majority.

So I guess our concern is that a few months ago we were hearing from the Democratic leadership that we had to get money out into the hands of people. It had to be done fairly quickly. We are on the verge of doing that, and now the statement is this needs to slow down; this needs not to move forward. And at some point, I hope people realize that my colleagues will be arguing the issue of the day when this majority, with right-thinking Democrats, are trying to make sure that programmatic change goes forward and assists the beleaguered chairman of the Federal Reserve Board.

But more importantly, since we have more money than we are spending right now, it is called a surplus, and we need to reduce the taxes that, under a budget we have already passed, takes care of the gentleman from Pennsylvania's concerns, we ought to return some of the taxpayers' money. It is not this bill. We are going to conference to find out what that bill is going to be, and it is time we do that so we can move forward.

Mr. BEREUTER. Mr. Speaker, this Member rises today in support of H.R. 1836, the Economic Growth and Tax Relief Act of 2001, a bold and fair tax relief plan that will reduce the inequities of the current tax code and help ensure that America remains prosperous. This measure will reduce taxes for everyone who pays income taxes, and it will encourage enterprise by lowering marginal tax rates.

This Member strongly believes that some considerable portions of the Federal budget surplus should be returned to the American taxpayer, especially to middle income Americans. And, this Member also believes it is symbolically and financially important to use part of the surplus to at least make significant reductions in the national debt. Therefore, this Member is pleased to support the President's common sense plan that funds our nation's top priorities, pays down our national debt and gives tax relief to every taxpayer. Overcharged taxpayers deserve some of their own money back. It is interesting to note that in the first four months of fiscal year 2001, the surplus generated $74 billion. Clearly, the American people are being taxed too much.

In fact, Federal taxes are at the highest peacetime rate in history. Americans currently pay more in taxes than they spend on food, clothing and housing combined. This year, it will take most Americans more than four months of paychecks to pay their tax burden.

This Member is supportive of this tax cut because George W. Bush is President and we have a Republican Congress to check truly excessive levels of Federal spending. The legislation will help strengthen our economy, create jobs, and put money back in the pockets of those who earned it and need it most.

The measure provides immediate tax relief by reducing the current 15 percent tax rate on the first $12,000 of taxable income for couples ($6,000 for singles). A new 12 percent rate would apply retroactively to the beginning of 2001 and also for 2002. The rate would be reduced even further to 10 percent as follows: 11 percent in 2003 through 2005 and 10 percent in 2006. The reduction in the 15 percent bracket alone provides a tax reduction of up to $360 for couples in 2001 ($180 for singles), increasing to as much as $600 for couples in 2006 ($300 for singles).

Furthermore, in accordance with President Bush's income tax rate reductions, H.R. 1836 reduces other income tax rates and consolidates rate brackets. By 2006, the present-law structure of five income tax rates (15 percent, 28 percent, 31 percent, 36 percent and 39.6 percent) gradually would be reduced to four rates of 10 percent, 15 percent, 25 percent and 33 percent. No American will pay over one-third of his or her income in income taxes.

This Member supports the reduction in the tax rates provided in H.R. 1836 because the bill reduces taxes for all Americans who pay income taxes, spurs economic and job growth for all Americans and provides an average of $1,600 in tax relief for the average American family (family of four) phased in over a 5-year period. The $1,600 amount represents the average mortgage payment for almost two months, one year's tuition cost at most community colleges, and the average gasoline costs for two cars for one year.

The legislation will also begin to address the growing problem of the alternative minimum tax by repealing the current-law provisions that offset the refundable child credit and the earned income credit by the amount of the alternative minimum tax. In addition, it should be remembered that this is only the first element of the Bush tax plan—additional tax relief is in sight for married couples and others that will benefit from more targeted tax cuts.

According to the non-partisan Joint Committee on Taxation, savings to taxpayers over ten years would be $958 billion under the provisions of H.R. 1836.

In closing, Mr. Speaker, this Member would like to express his appreciation to our President, George W. Bush, for his willingness to steadfastly "demand a refund" for the American taxpayer. This Member urges his colleagues to support H.R. 1836 as an important step toward tax relief for all Americans.

The SPEAKER pro tempore. All time for debate has expired.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Speaker, I offer an amendment in the nature of a substitute.

The SPEAKER pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. RANGEL:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the "Tax Reduction Act of 2001".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) SECTION 15 NOT TO APPLY.—No amendment made by this Act shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

(d) TABLE OF CONTENTS.—

Sec. 1. Short title.

TITLE I—REFUND OF 2000 INDIVIDUAL INCOME TAXES

Sec. 101. Refund of 2000 individual income taxes.

TITLE II—INDIVIDUAL INCOME TAX RATE REDUCTIONS; EXPANSION OF EARNED INCOME CREDIT ASSISTANCE

Sec. 201. Individual income tax rate reductions.

Sec. 202. Modifications to earned income tax credit.

TITLE III—MARRIAGE PENALTY RELIEF

Sec. 301. Marriage penalty relief.

TITLE I—REFUND OF 2000 INDIVIDUAL INCOME TAXES

SEC. 101. REFUND OF 2000 INDIVIDUAL INCOME TAXES.

(a) IN GENERAL.—Subchapter B of chapter 65 (relating to rules of special application) is amended by adding at the end the following new section:

"SEC. 6428. REFUND OF 2000 INDIVIDUAL INCOME TAXES.

"(a) IN GENERAL.—Except as otherwise provided in this section, each individual shall be treated as having made a payment against the tax imposed by chapter 1 for such individual's first taxable year beginning in 2000 in an amount equal to 100 percent of the amount of such individual's net Federal tax liability for such taxable year.

"(b) MAXIMUM PAYMENT.—The amount treated as paid by reason of this section shall not exceed $300 ($600 in the case of a married couple filing a joint return).

"(c) NET FEDERAL TAX LIABILITY.—For purposes of this section—

"(1) IN GENERAL.—The term 'net Federal tax liability' means the amount equal to the excess (if any) of—

"(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

"(B) the sum of the credits allowable under part IV of subchapter A (other than the credits allowable subpart C thereof, relating to refundable credits).

"(2) FAMILIES WITH CHILDREN.—In the case of a taxpayer with 1 or more qualifying children (as defined in section 32) for the taxpayer's first taxable year beginning in 2000, such taxpayer's net Federal tax liability for such year shall be the amount determined under paragraph (1) increased by 7.65 percent of the taxpayer's taxable earned income for such year. For purposes of the preceding sentence, the term 'taxable earned income' means earned income as defined in section 32 but only to the extent includible in gross income.

"(d) DATE PAYMENT DEEMED MADE.—The payment provided by this section shall be deemed made on the later of—

"(1) the date prescribed by law (determined without extensions) for filing the return of tax imposed by chapter 1 for the taxable year, or

"(2) the date on which the taxpayer files his return of tax imposed by chapter 1 for the taxable year.

"(e) CERTAIN PERSONS NOT ELIGIBLE.—This section shall not apply to—

"(1) any estate or trust, and

"(2) any nonresident alien individual.".

(b) CLERICAL AMENDMENT.—The table of sections for subchapter B of chapter 65 is amended by adding at the end the following new item:

"Sec. 6428. Refund of 2000 individual income taxes."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning in 2000.

(d) PROTECTION OF SOCIAL SECURITY AND MEDICARE.—The amounts transferred to any trust fund under the Social Security Act shall be determined as if this Act had not been enacted.

TITLE II—INDIVIDUAL INCOME TAX RATE REDUCTIONS; EXPANSION OF EARNED INCOME CREDIT ASSISTANCE

SEC. 201. INDIVIDUAL INCOME TAX RATE REDUCTIONS.

(a) IN GENERAL.—Section 1 is amended by adding at the end the following new subsection:

"(i) 12 PERCENT RATE BRACKET.—

"(1) IN GENERAL.—In the case of taxable years beginning after December 31, 2001—

"(A) the rate of tax under subsections (a), (b), (c), and (d) on taxable income not over the initial bracket amount shall be 12 percent, and

"(B) the 15 percent rate of tax shall apply only to taxable income over the initial bracket amount.

"(2) INITIAL BRACKET AMOUNT.—For purposes of this subsection, the initial bracket amount is—

"(A) $20,000 in the case of subsection (a),

"(B) 80 percent of the dollar amount in subparagraph (A) in the case of subsection (b), and

"(C) 50 percent of the dollar amount in subparagraph (B) in the case of subsections (c) and (d).

"(3) INFLATION ADJUSTMENT.—

"(A) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2002, the $20,000 amount under paragraph (2)(A)(i) shall be increased by an amount equal to—

"(i) such dollar amount, multiplied by

"(ii) the cost-of-living adjustment determined under subsection (f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2001' for 'calendar year 1992' in subparagraph (B) thereof.

"(B) ROUNDING RULES.—If any amount after adjustment under subparagraph (A) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.

"(4) ADJUSTMENT OF TABLES.—The Secretary shall adjust the tables prescribed under subsection (f) to carry out this subsection."

(b) ADJUSTMENT IN COMPUTATION OF ALTERNATIVE MINIMUM TAX.—Paragraph (2) of section 55(a) is amended to read as follows:

"(2) the sum of—

"(A) the regular tax for the taxable year, plus

"(B) in the case of an individual, 3 percent of so much of the individual's taxable income for the taxable year as is taxed at 12 percent."

(c) REPEAL OF REDUCTION OF REFUNDABLE TAX CREDITS.—

(1) Subsection (d) of section 24 is amended by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(2) Section 32 is amended by striking subsection (h).

(d) CONFORMING AMENDMENT.—Subclause (II) of section 1(g)(7)(B)(ii) is amended by striking "15 percent" and inserting "12 percent".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(f) PROTECTION OF SOCIAL SECURITY AND MEDICARE.—The amounts transferred to any trust fund under the Social Security Act shall be determined as if this Act had not been enacted.

SEC. 202. MODIFICATIONS TO EARNED INCOME TAX CREDIT.

(a) INCREASES IN PERCENTAGES AND AMOUNTS USED TO DETERMINE CREDIT; MARRIAGE PENALTY RELIEF.—

(1) IN GENERAL.—Subsection (b) of section 32 is amended to read as follows:

"(b) PERCENTAGES AND AMOUNTS.—

"(1) PERCENTAGES.—The credit percentage, the initial phaseout percentage, and the final phaseout percentage shall be determined as follows:

"In the case of an eligible individual with:	The credit percentage is:	The initial phaseout percentage is:	The final phaseout percentage is:
1 qualifying child	34	15.98	18.98
2 or more qualifying children	40	21.06	24.06
No qualifying children	7.65	7.65	7.65

"(2) Amounts.—

"(A) In general.—The earned income amount and the initial phaseout amount shall be determined as follows:

"In the case of an eligible individual with:	The earned income amount is:	The initial phaseout amount is:
1 qualifying child	$8,140	$13,470
2 or more qualifying children	$11,120	$13,470
No qualifying children	$4,900	$6,130.

In the case of a joint return where there is at least 1 qualifying child, the initial phaseout amount shall be $2,500 greater than the amount otherwise applicable under the preceding sentence.

"(B) Final phaseout amount.—The final phaseout amount is $26,000 ($28,500 in the case of a joint return)."

(2) Modification of computation of phaseout.—Paragraph (2) of section 32(a) is amended to read as follows:

"(2) Phaseout of credit.—The amount of the credit allowable to a taxpayer under paragraph (1) for any taxable year shall be reduced (but not below zero) by the sum of—

"(A) the initial phaseout percentage of so much of the total income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds the initial phaseout amount but does not exceed the final phaseout amount, plus

"(B) the final phaseout percentage of so much of the total income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds the final phaseout amount."

(3) Total income.—Paragraph (5) of section 32(c) is amended to read as follows:

"(5) Total income.—The term 'total income' means adjusted gross income determined without regard to—

"(A) the deductions referred to in paragraphs (6), (7), (9), (10), (15), (16), and (17) of section 62(a),

"(B) the deduction allowed by section 162(l), and

"(C) the deduction allowed by section 164(f)."

(4) Conforming amendments.—

(A) Subsection (j) of section 32 is amended to read as follows:

"(j) Inflation Adjustment.—

"(1) In general.—In the case of any taxable year beginning after 2002, each of the dollar amounts in subsection (b)(2) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3), for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2001' for 'calendar year 1992' in subparagraph (B) thereof.

"(2) Rounding.—If any dollar amount, after being increased under paragraph (1), is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10."

(B) Subparagraph (C) of section 32(c)(1) is amended by striking "modified adjusted gross income" and inserting "total income".

(C) Paragraph (2) of section 32(f) is amended to read as follows:

"(2) Requirements for tables.—

"(A) In general.—The provisions of subsection (a)(1) and the provisions of subsection (a)(2) shall be reflected in separate tables prescribed under paragraph (1).

"(B) Subsection (a)(1) table.—The tables prescribed under paragraph (1) to reflect the provisions of subsection (a)(1) shall have income brackets of not greater than $50 each for earned income between $0 and the earned income amount.

"(C) Subsection (a)(2) table.—The tables prescribed under paragraph (1) to reflect the provisions of subsection (a)(2) shall have income brackets of not greater than $50 each for total income (or, if greater, the earned income) above the initial phaseout threshold."

(b) Repeal of Denial of Credit Where Investment Income.—Section 32 is amended by striking subsection (i).

(c) Earned Income To Include Only Amounts Includible in Gross Income.—

(1) In general.—Section 32(c)(2)(A)(i) (defining earned income) is amended by inserting ", but only if such amounts are includible in gross income for the taxable year" after "other employee compensation".

(2) Conforming amendment.—Section 32(c)(2)(B) is amended by striking "and" at the end of clause (iv), by striking the period at the end of clause (v) and inserting ", and", and by adding at the end the following new clause:

"(vi) the requirement under subparagraph (A)(i) that an amount be includible in gross income shall not apply if such amount is exempt from tax under section 7873 or is derived directly from restricted and allotted land under the Act of February 8, 1887 (commonly known as the Indian General Allotment Act) (25 U.S.C. 331 et seq.) or from land held under Acts or treaties containing an exception provision similar to the Indian General Allotment Act."

(d) Modification of Joint Return Requirement.—Subsection (d) of section 32 is amended to read as follows:

"(d) Married Individuals.—

"(1) In general.—If the taxpayer is married at the close of the taxable year, the credit shall be allowed under subsection (a) only if the taxpayer and his spouse file a joint return for the taxable year.

"(2) Marital status.—For purposes of paragraph (1), an individual legally separated from his spouse under a decree of divorce or of separate maintenance shall not be considered as married.

"(3) Certain married individuals living apart.—For purposes of paragraph (1), if—

"(A) an individual —

"(i) is married and files a separate return, and

"(ii) has a qualifying child who is a son, daughter, stepson, or stepdaughter of such individual, and

"(B) during the last 6 months of such taxable year, such individual and such individual's spouse do not have the same principal place of abode,

such individual shall not be considered as married."

(e) Expansion of Mathematical Error Authority.—Paragraph (2) of section 6213(g) is amended by striking "and" at the end of subparagraph (K), by striking the period at the end of subparagraph (L) and inserting ", and", and by inserting after subparagraph (L) the following new subparagraph:

"(M) the entry on the return claiming the credit under section 32 with respect to a child if, according to the Federal Case Registry of Child Support Orders established under section 453(h) of the Social Security Act, the taxpayer is a noncustodial parent of such child."

(f) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

TITLE III—MARRIAGE PENALTY RELIEF

SEC. 301. MARRIAGE PENALTY RELIEF.

(a) Standard Deduction.—

(1) In general.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(A) by striking "$5,000" in subparagraph (A) and inserting "twice the dollar amount in effect under subparagraph (C) for the taxable year",

(B) by adding "or" at the end of subparagraph (B),

(C) by striking "in the case of" and all that follows in subparagraph (C) and inserting "in any other case.", and

(D) by striking subparagraph (D).

(2) Increase allowed as deduction in determining minimum tax.—Subparagraph (E) of section 56(b)(1) is amended by adding at the end the following new sentence: "The preceding sentence shall not apply to so much of the standard deduction under subparagraph (A) of section 63(c)(2) as exceeds the amount which would be such deduction but for the amendment made by section 201(a)(1) of the Tax Reduction Act of 2001.

(3) Technical amendments.—

(A) Subparagraph (B) of section 1(f)(6) is amended by striking "(other than with" and all that follows through "shall be applied" and inserting "(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied".

(B) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

"The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).".

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

The SPEAKER pro tempore. Pursuant to House Resolution 142, the gentleman from New York (Mr. Rangel) and a Member opposed each will control 30 minutes.

Mr. McCRERY. Mr. Speaker, I rise in opposition to the amendment.

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. McCrery) claims the time in opposition.

The Chair recognizes the gentleman from New York (Mr. Rangel).

□ 1445

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from California (Mr. Thomas), the chairman of the Committee on Ways and Means, said the people should be thoroughly confused, and I guess he knows what he is talking about since it is his tax bill that is on the floor. And he talks about all of these tax bills that we passed.

We better get back to how a law is made, because what we pass here, unless it gets over to the other body, it never gets to the President. So forget all of these things that we have passed here. We are not passing any tax law here. We have given up our authority to pass a tax law here. What we pass here are vehicles so the other body will then send to us a tax bill.

Mr. Speaker, I tell the gentleman, when we take over the House and I become chairman of the Committee on Ways and Means, I am anguished to find that we may not have authority to do anything other than ask the other body, what would you like us to send over so we can go into conference?

What does the gentleman mean by "we"? It is the other body's bill. The gentleman could have taken the estate tax and sent it over there, the child credit and sent it over there, the marriage penalty and sent it over there; but, no, the gentleman says that we are going to send this over there, and is so proud of it.

Mr. Speaker, I hope the gentleman is proud of what they send back over here, because most of us will not be involved in that decision. So if there is confusion, I agree. But my colleagues should understand why. And that is, we are confused because we do not know what the other body is going to send to us as our bill.

Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. NEAL), a distinguished member of the Committee on Ways and Means.

Mr. NEAL of Massachusetts. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the tax vote today is essentially a procedural vote to go to conference, since the only reason we are here is to add a reconciliation instruction to a tax bill to speed up the process in the other body. But that does not mean this is an unimportant vote.

The House should go to conference with the best product, and the best product is the Rangel substitute. It contains rate reductions for the American people, marriage penalty relief, improvements in the earned income tax credit, and a rebate of $600 for married couples. But let me stress this, and my colleagues talk about the juxtaposition of the two political parties, our substitute is affordable. The Republican bill is not. Our substitute is fiscally prudent. The Republican bill is not.

Mr. Speaker, the substitute does not push 10 years into the future tax cuts which we cannot afford today. If we cannot afford them now, why does anyone think we can afford them when the baby-boom generation begins to retire? I would call everyone's attention to that front-page piece in The New York Times yesterday about who is going to get this tax cut. I was mistaken, because I used to argue that the Republican bill would only take care of the wealthy. I discovered yesterday it really takes care of the super-wealthy. That is an extraordinary achievement, even for the other party.

Mr. Speaker, we should be investing in the promotion of retirement savings, and we know that this bill that the Republicans have is deficient on that score. The pension provisions approved by the House lack direct incentives for anyone other than those who least need it to save for retirement. We could have done something about that here with simply spending $100 billion over 10 years. Over 10 years, I emphasize.

The pension provisions produced by the other body are superior in structure to the House pension provisions, but squeezing those provisions into the $40 billion box was done.

At the very least, I would recommend to the conference that they take the House cost figure and spend the additional money on the other body's retirement savings proposal.

Mr. Speaker, let me go back to something. The main point here is that no one in business across this country would use up all of the surplus when they see large investment needs just around the corner. Education, defense, the environment, the retirement of baby-boom generation members are all going to make gigantic demands on the Federal budget beginning in 2012, and we are going to have nothing to offer to those people once this bill goes into effect. The responsible thing to do is to support the Rangel substitute and object to and oppose the irresponsible majority party's position on this tax cut.

Mr. McCRERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I commend the minority on bringing forward a tax cut to this body. It is not an exercise that they are particularly accustomed to, but I commend them for getting a substitute together to cut taxes for the American people.

Mr. Speaker, I believe that not only the base bill that is before us, H.R. 1836, which is an across-the-board rate cut for the American people, as well as the other tax vehicles, the tax cut provisions that we have passed through this House that will be part of the conference between the House and the Senate, those items being the marriage penalty relief, the increase in the child tax credit, estate tax relief, the Portman-Cardin bill on IRAs and 401(k)s, savings vehicles, will provide the kind of stimulus for savings and investment that we need in this country; whereas the substitute that is offered by the minority, as good as it is, will not do that.

Their bill is more narrowly targeted, to say the least. It will not provide incentives for small businesses or entrepreneurs to increase investment in their businesses, to create more jobs, and to give the economy the kind of kick that we need to continue economic growth in the future.

While I commend the minority for bringing forth a tax cut to this body today in the form of their substitute, I would urge the Members of this House to vote against the substitute and for the underlying bill.

Mr. Speaker, I yield 2 minutes to the gentleman from Iowa (Mr. NUSSLE), a distinguished member of the Committee on Ways and Means.

Mr. NUSSLE. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, picture this. Pull into a 7-Eleven late at night. The gentleman tops the gas tank off at the pump. It comes to $18 because of the last 8 years' worth of energy policy that we have had. The gentleman walks into the clerk at the 7-Eleven and hands the clerk $20 for the $18 charge out on the pump. What happens next? What happens next?

Does the clerk take the money and stick it all in the cash drawer and say it is close enough? Does the clerk take the change that is owed and stick it in the little charity box that might be in front of the cash register, as many of the convenience stores have, maybe it is for Muscular Dystrophy, maybe it is for Special Olympics? No. That is not what happens.

Does the clerk look at the person next in line and say, they deserve the money more than you do, so let us give it to somebody else? No, they do not do that. Do they take the extra money, and as the gentleman before me said, we have some investments that we need and so we are going to invest that overcharge in something right here at our local 7-Eleven; thank you very much. No, that is not what they do.

What do they do? They give, my colleagues, their change back. That is what our Federal Government needs to do. We have been overtaxing America for some time now. Americans have been paying the tab. We have bills that we have been able to pay. We have investments that we have met. We have spending that we have taken care of. We have debt that we are paying down. We have set aside Social Security, and there is change left over.

What the Rangel substitute says is we will give part of the gentleman's change back, but we will keep the rest, because we have extra spending that we need or we have extra investments, as the Rangel substitute seems to presuppose.

Mr. Speaker, that is not what we say in our Republican budget, and that is not what we say in this reconciliation bill. We say, just like in Iowa, the clerk would run into the parking lot to give the change. American taxpayers deserve their change back. Vote for the underlying bill and against the Rangel substitute.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it would seem to me if we gave $20 to the guy at the gas station and got $18 worth of gas, and we owed the owner $3.4 trillion in national debt, we would say put the $2 on our account; but that is a different way of doing business.

Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. INSLEE).

Mr. INSLEE. Mr. Speaker, I had a constituent at a town hall meeting in Washington ask a very interesting question, I thought, about the President's tax cut and energy bill which must be considered together. He asked this question: What earthly good is it to get some very modest tax cut, if every single dollar I get in a tax cut I have to turn around that month and give to an energy company in Texas? Every single dollar I get, I am going to give it to the energy industry which increases electrical bills and gas prices. He is right. What good is it?

Mr. Speaker, what he asked me, if the Republicans want to do that, if they want to take absolutely no action about this energy crisis in the short term, nothing to help people in the short term with energy prices, what he asked me was why do they not just eliminate the middleman. Why not just give all of the tax cut to the energy industry and not have it go through us? I thought about that and thought it is clear.

The Bush energy inaction plan, together with the Bush tax plan, is a giant money-laundering operation. The Republicans are not content to give 43 percent of all the tax cut to the top 1 percent, much of which goes to the wealthy oil barons; they want to make sure all of the money gets to the energy industry oil barons. That is not right.

Why not have a sensible substitute and a sensible energy tax policy? We need a time-out from this madness of having the energy industry increase their prices to my constituents 1,000 percent in 1 year. It is a crime. This simple money-laundering operation to make sure all of the money in this tax vehicle goes to the energy industry is not going to do anybody any good except President George Bush's political friends.

It is time for this President to understand he does not work for the oil industry anymore. He works for us. Reject this bill, pass the Democratic substitute and our energy policy, which will help middle-class Americans.

Mr. McCRERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, with all due respect to the gentleman from Washington, I would hope that he would tell his constituent who asked that question, would he be better off with both higher energy prices and higher taxes, surely not. Surely he realizes that one way we can help that constituent is to cut his taxes, to give him more of his own money to use to meet those high energy bills.

The gentleman should know that the President appointed long ago a task force to come back with recommendations on energy policy, which this country has lacked for a decade and we are very sorely in need of having. So this President is trying to respond to the energy needs of this country, and we expect that report, in fact, tomorrow from the President.

Mr. Speaker, I hope that we can tell the constituent of the gentleman from Washington (Mr. INSLEE) that help is on the way, not only on the energy front but certainly on the tax front, as we have demonstrated by our votes here in this House to cut taxes.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. SAM JOHNSON), a member of the Committee on Ways and Means.

Mr. SAM JOHNSON of Texas. Mr. Speaker, the base bill provides a tax cut to people who pay income taxes. The problem is the Federal Government is collecting too much in income taxes. I think the gentleman from New York (Mr. RANGEL) knows that. The solution is to let the taxpayers keep more of their income rather than sending it to Washington. Providing money to really low-income individuals who do not earn enough money to pay income taxes is not a tax cut. It is simply an excuse for those who do not want tax cuts to spend more money.

□ 1500

When President Clinton and every Democrat voted to pass the largest tax increase in history, they voted to punish hard work, penalize success and tax the American dream. They believed then and still believe now if you work hard and become successful, the government is entitled to over 40 percent of your income. That is just wrong.

Today with this vote, Republicans are saying if you work hard, you get to keep more of your money. I honestly believe if you ask any American, they would agree that the government does not deserve to keep more than one-third of a taxpayer's hard-earned money. The budget surplus we currently enjoy was created because Americans pay too much in taxes. It is a tax surplus. This substitute does not want to give it back to you. The government did not create the surplus, and I do not think the government deserves to keep it.

Every Member should remember this money belongs to the people. If they vote for any substitute, they will deny every American who pays taxes from getting their own money back. Americans want, need, and deserve a tax break. They deserve tax relief because that is what America is all about.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. LEWIS), a distinguished member of the Committee on Ways and Means.

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank my friend and my colleague, the gentleman from New York (Mr. RANGEL), for yielding me this time.

Mr. Speaker, this entire process is unbelievable. It is unreal. It is a sham. It is a shame. It is a disgrace. The tone in Washington has not changed and this reconciliation process proves it.

We are passing this bill today so we can rush the Republican tax bill to conference. We are rushing to pass a $1.35 trillion tax bill. That is a lot of money. That is a great deal of money. We cannot afford to be wrong. Somebody needs to tell the American people what would happen if we are wrong. The Republican tax bill is based on a 10-year budget projection that may be wrong. It is going to jeopardize our ability to provide for our senior citizens, jeopardize our ability to invest in priorities like education and prescription drug benefits for all of our citizens, and jeopardize our ability to pay down the national debt, save Social Security, and protect Medicare.

We should be taking care of the basic needs of all of our people and not just some of our people but all of our people and not rushing to pass a tax bill that we cannot afford. This Republican bill is not right for America. It is not fair and it is not just. And this entire process is rotten to the core. Where is the bipartisanship that we hear from the White House, that we hear from the other side? It is not here with this bill. It was not here last week and it is not here today. We have wasted an important opportunity to work together on a bill that is good for all Americans.

I urge all of my colleagues to vote against it and vote for the Democratic substitute. If we want clean water, if we want clean air, if we want safety in the workplace, then support the Democratic substitute.

Mr. McCRERY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Washington (Ms. DUNN), a member of the Committee on Ways and Means.

Ms. DUNN. Mr. Speaker, one of the previous speakers asked the question, how can we afford the tax cut? Well, I say if we cannot afford the tax cut at this time of surplus, when can we ever afford a tax cut? It is the taxpayers who created this surplus for us and it is they whom we should be rewarding by turning back some of those dollars for them to spend.

Mr. Speaker, I rise in support of the reconciliation measure and in opposition to the substitute motion. President Bush has very wisely made rate reduction the foundation of his tax relief proposal. He wants to help all income tax payers, especially low- and moderate-income tax payers as quickly as possible and this bill embodies his commitment to give Americans broad-based tax relief.

The bill is fair, it is fiscally responsible, and it is good for the economy. Rate reduction is fair. Everybody who pays income taxes will receive tax relief under this proposal. It targets no one in and no one out. In addition, it provides retroactive tax relief for people in the lowest brackets by reducing the 15 percent rate to 12 percent effective at the beginning of this year.

This tax relief bill takes 6 million people off the tax rolls, and it enables a woman on her own with two children to earn up to $31,000 in a year without having to pay income taxes. Rate reduction is fiscally responsible. The tax cut is phased in over 10 years, and it represents a very small fraction of the estimated $20 trillion the government is expected to take in over the next decade.

And rate reduction will help American families. Once the cuts are fully implemented, an average family of four with $55,000 in income will see $2,000 a year in tax reduction. $2,000 is the same as 10 weeks of groceries, a semester of tuition at a community college, or 2 months' worth of mortgage payments. These are real dollars that should go where the taxpayer chooses to send them.

I urge my colleagues to support the reconciliation bill and reject the substitute.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

The gentlewoman from Washington asks if not now, when could we give a tax cut? I would respond to this rhetorical question, that if you are talking about repealing estate taxes, I would suggest the time would be 2011.

Mr. Speaker, I yield 3 minutes to the gentlewoman from Florida (Mrs. THURMAN).

Mrs. THURMAN. Mr. Speaker, we have been hearing an awful lot about the need to pass the biggest tax cut since 1981, and we always seem to go back to 1981. Maybe it was the teacher in me, I am not real sure, but for some reason I thought, well, what exactly happened in 1981?

Well, I got to looking at it, and found out some information. Like this bill, the Reagan tax bill of 1981 was an exploding tax cut. If it had not been changed, CBO estimated that by 1986 it would have reduced revenues by 5.5 percent of the gross domestic product. At today's level, that is about $550 billion per year. And because of these projections, Congress passed legislation in 1982 to raise revenues by a little over 1 percent.

Another part of this history lesson is, it could not come out of the House, it was passed by the Senate under Senator Dole's guidance. Two years later, the Deficit Reduction Act of 1984 raised taxes again. Taxes again were raised in 1987, 1989, 1990, and then in 1993. Taken together, all six of these tax increases reversed about two-thirds of the 1981 Reagan tax cut.

Proponents of the Bush tax cut often argue that the deficits of the 1980s and the early 1990s resulted from surging spending rather than reduced revenues. The figures that they cite on spending are misleading. Why? Because they include soaring interest payments on the national debt. Gee, we have not heard this before. Appropriations declined relative to GDP while our entitlement spending held roughly constant as a share. Tax revenues fell relative to GDP. The result was an increase in the public debt. Remember that thing we keep talking about, the public debt, pay it down, let us get rid of it?

Well, if we do not look at this, we are going to lead ourselves into higher and higher payments on the debt.

Mr. Speaker, I needed to provide this history lesson as a warning. This is an exploding tax bill. Most of its benefits will not take effect for 5 or 10 years. Revenues will be reduced just when the baby boomers retire, and that money will be needed for their retirement and health care. If we pass an irresponsible tax bill, a future Congress, like 1981, 1982, 1983, 1984, will have to find the money for these needs. We need to pass the responsible Rangel substitute.

Mr. McCRERY. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I thank the gentleman from Louisiana for yielding me this time, and I thank my friend from Florida for bringing up the 1980s. A key element which Paul Harvey may refer to as the rest of the story, who was the majority in Congress in 1981, 1982, 1983, 1984 but liberal, big-spending Democrats? And what do they do when they get your money? They spend it. Why are they opposed to a tax reduction? Because they believe in their heart of hearts, and this is the crux of the whole matter, the big philosophical, empirical difference between the parties is that in their heart of hearts they believe they can spend your money better than you can. They believe the American people are incapable of spending decisions which might benefit society by creating jobs and creating more tax revenues.

I was speaking at a high school recently and I asked a young lady on the front row of a class how many of you have a job. She had a job. She made $7 an hour. I said, "So if you work for 2 hours, you make $14."

She said, "No, sir, I only get to bring home about $11 because of the taxes."

I said, "I knew that. But let us say you do not really object to paying $3 in taxes or $4 in taxes out of your 2 hours that you work, you pay $4 in taxes and that $4 goes to roads, bridges, education, military, Medicare and you don't have a problem with that, right?"

She said, "No, sir I don't mind that."

I said, "What if you knew that instead of $4, that we could run the government on $3.50 out of your earnings, what would you want with the rest of the money, that extra 50 cents? Would you want to keep it or would you want it to go to Washington so you could feel even more patriotic?"

She said, "That's my 50 cents. I want to keep it." That is all that this is about, is saying to the American people, we could run the government on less money. The only question is, who wants the return? Do you want to send it to the government or do you want to keep it yourself? And when you go out as an American taxpayer and you buy washing machines or tires for your cars or clothes or whatever, you create jobs, you stimulate the economy, the economy grows, and it is good for America.

Let the American people spend their own money. Support tax relief.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri (Mr. GEPHARDT), the distinguished minority leader.

Mr. GEPHARDT. Mr. Speaker, I rise to urge my colleagues to vote for the Democratic substitute and against the Republican tax bill which I think is fiscally irresponsible and the wrong plan for America. Republicans in the last days are so committed to this massive tax cut for the wealthiest special interests that they are even suggesting that cutting taxes is a substitute for a real energy policy in our country.

This is a full-service operation. To sell a tax plan, they are willing to use any argument that is available to try to convince the country that the tax plan is the right thing to do. First, it was the economy that was in trouble. That is why we needed the tax plan. Now it is the energy problem that causes the need for the tax plan. I fully expect it is going to be suggested as the cure for the common cold.

□ 1515

We should be voting today, rather than on this plan, for immediate relief from soaring electricity prices. We should be directing the Federal Energy Regulatory Commission to do something now to give people in California relief.

This tax bill will not give the ordinary citizens in California, in Oregon, in Washington, and through the rest of the country that are facing huge increases in energy prices any reasonable relief. If milk prices in California had gone up the way energy prices have gone up in California, a gallon of milk in California today would be $190, for a gallon of milk.

This tax bill offers no reasonable relief for the middle-income families and the poor families in California and the West that are facing huge energy price increases. Gasoline in the Midwest in some places has gone to $2.22 a gallon. If you want to know where relief is needed, it is at the pump. And again, this tax bill is so focused on the wealthiest Americans, it does very little for those poor and middle-income Americans who are having to go to the pump today to buy gasoline at $2 and $2.22 a gallon.

We should be passing today a bill that addresses our long-term, short-term, and medium-term energy problems in this country. But Republicans have chosen tax cuts for the wealthy special interests first, second, third, fourth, fifth, and sixth. This is a one-trick pony. The only thing they ever want to talk about on this floor is tax cuts for the wealthiest Americans.

In addition, this bill becomes a budget buster. It is going to cause high deficits. It is going to cause high interest rates and high inflation. We did this in the 1980s; we do not need to do it again. It could very well, alone, wipe out the budget surplus that the people of this country have worked so hard to produce, to keep interest rates down, to keep inflation down. And again, half of it is focused on the wealthiest folks in the country, people who do not even need tax relief, instead of focusing the tax cut, as we do in our substitute, on the hard-working, middle-income families and people trying to get in the middle class.

Now, finally, by passing this tax cut, if that is our choice today, it is so large that it forces things out of our budget that people desperately want. People want money for education, to build new buildings, to help local school districts hire teachers, to have after-school programs and pre-school programs. It will cause us to eliminate all of those efforts in education.

We are going to take up an education bill here in the next few days. It is not going to have any additional money in it, because the budget assigns most of the surplus to this tax cut. It makes impossible a universal Medicare prescription drug program. When I go home now people come up to me and say, where is the drug program? You ran ads for it, the President ran ads for it, all the Democrats and Republicans ran ads saying they were for prescription drugs. Where is it?

Well, I will tell you where it is: it is in this tax cut. There is not going to be a prescription drug program that goes to everybody who needs it in this country, because we have spent the money on the wealthiest special interests, so the people, the senior citizens of this country who want this program, are not going to get it.

Where are the cops-on-the-beat? We are not going to have enough. We are not going to fight crime and prevent crime, because we are squandering too much money on a tax cut for the wealthiest interests. Where are the environmental protections? Where is the research on renewable sources of energy, on fuel cells, on trying to solve this problem in an environmentally-sensitive way? Again, we are spending those dollars in this tax cut.

This is the wrong choice for America today. We could do better than this if we would pass a tax cut that is reasonably priced, that is focused on the people who need it, and will continue the economy we built in this country over the last 10 years.

I urge Members to vote for the Democratic substitute and against this irresponsible tax cut that will wreck the greatest economy we have seen in our lifetime.

Mr. McCRERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the minority leader has engaged in a tactic that is fairly common around here. It is the tactic of obfuscation. But no amount of obfuscation can get around the fact that the American people today are being taxed more than they have ever been taxed before in peacetime. In fact, as far as the research that I have been able to conduct can uncover, this is the highest rate of taxation for the American people except for one time in our history, which was during World War II. You cannot obfuscate that fact. We are paying more in taxes than we ever have.

And what is the result of that high rate of taxation? We have a surplus. We are taking in more money than we need to run the government. So what are we going to do with that surplus? We are paying down debt as fast as we can. Regardless of all the rhetoric that you just heard, this House and the Senate passed a budget that accounts for this tax cut, that accounts for paying down $2.4 trillion in debt over the next 10 years, that accounts for a prescription drug benefit for seniors, that accounts for Medicare spending and Social Security spending.

Shame on people who say that if we give the American people some of their money back, their hard-earned money, if we let them keep more of the money that they earned, that we are going to throw the elderly into the streets. Shame on them. That is just not the case, and they know it.

For years in this House, years, decades, the Democratic majority passed budgets that not only did not pay down debt, it added to the debt. They spent money willy-nilly while raising taxes in a vain attempt to keep up with their spending habits.

But in the last 6 years, the Republican majority, with spending restraint, has managed to balance the Federal budget and create a surplus. Now we would like to give the American people the rewards of those efforts, and I believe we are going to do it. It is the right thing to do. It is the right thing to do for the American people, it is the right thing to do for economic growth.

Mr. COLLINS. Mr. Speaker, will the gentleman yield?

Mr. McCRERY. I yield to the gentleman from Georgia.

Mr. COLLINS. Mr. Speaker, I appreciate the gentleman yielding.

Am I understanding the gentleman right that the gentleman is saying that the Democrats in the Congress for years have been on the kick of tax and spend, and that tax and spend was for the purpose of implementing programs, for the purpose thereof of reelection; because over those years there has been a dependency created among some constituency in this country, that those people had to be reelected to go forward with those programs, irregardless of the cost? Is that what I am hearing the gentleman say?

Mr. McCRERY. Mr. Speaker, reclaiming my time, that may be the interpretation of the gentleman from Georgia (Mr. COLLINS), but I really believe that Democrats are well intentioned. They really believe that the Federal Government ought to spend money for the benefit of people in this country.

Mr. COLLINS. Mr. Speaker, if the gentleman will yield further, I have no doubt of the intent. But my daddy was one of the smartest people that I ever knew. He had less than a third grade education, and I often heard him say that the road to the poorhouse was paved with good intentions.

We have created so many programs in this country, so many programs that have to be funded, that it has created excessive taxation on the American people.

What we are talking about here today, sir, is cash flow. There are people in this Chamber and this body who are concerned about the cash flow of the Treasury of the United States, rather than the cash flow of the constituency at home, who get up every day or work 12 hours, 14 hours, sometimes around the clock, to make ends meet for their families.

But we are taking so much of it. And we also require them to have to shift their cash flow at home to meet necessities, where it used to be they could meet necessities and niceties because they had the money. But today they do not.

It has been mentioned about energy. Yes, gas prices are excessive, and they are going to go even higher. But a lot of it has been due to the recent years of overprotection, overregulating, the lack of providing the facilities and the infrastructure to have the energy necessary to keep this country going, that now the price is out of hand and now some people are getting concerned about it, only because of the cash flow of the Treasury, not the cash flow of people. And when it comes to the charge while operating this government, we have a different charge than the marketplace does. We have a different charge structure than States and local governments do, because when it comes to taxes for local government or taxes for the State, everyone within that State practically pays the same or pays on the same basis. When we go to the marketplace and buy our product, we all pay on the same price structure. But when it comes to the operation of the government, we have five tiers of price structure, five marginal rates. We only had four prior to the previous administration, but there was a fifth one added in 1993, moving it to 39.6 percent.

That is unfair. This bill allows the removal of some of those marginal rates and consolidation of and lowering of the tax rate on every taxpayer in this country, increasing the cash flow to the family and the private sector, which will result in an increase in the cash flow of the Treasury. We need to be looking at the cash flow of our citizenry, not the cash flow of this Treasury.

Mr. McCRERY. Mr. Speaker, reclaiming my time, I thank the gentleman for his remarks.

Mr. Speaker, let me conclude by pointing out that the minority leader in closing on the Democrat substitute twice mentioned that the Republican underlying bill, the underlying tax cut, is a tax cut for the wealthy special interests. Did Members hear that? The wealthy special interests.

Guess who the underlying bill benefits? Guess who this tax cut that the Republican majority is attempting to past today benefits? It benefits everybody in this country who pays income taxes. That is your special interest. That is your wealthy special interest.

If you pay income taxes, I guess you are a wealthy special interest. So be it; we are going to cut your taxes.

Ms. PELOSI. Mr. Speaker, I rise in strong support of the Democratic alternative and commend our distinguished ranking member for bringing it to the floor and in opposition to the Republican's risky tax cut.

Our best hope for reducing dependence on foreign oil and reducing pollution is through renewable energy and energy efficiency. Yet funding for renewable energy is cut by almost one-half and energy efficiency research and development is cut by over 30 percent.

Mr. Speaker, the Republicans attempt to justify the tax bill by saying it is needed to offset a slow down in the economy.

My colleagues, in case you haven't noticed, the biggest threat to our economy is the energy crises which will be felt throughout the country.

The Republicans are willing to tank the economy with their cavalier attitude toward the energy needs of Western United States.

The Bush budget cuts about one-half billion from energy research into renewable sources which are the wave of the future.

Indeed even without the energy concerns, the Republican tax bill is excessive, which is based on a surplus which we may not have and comes at the expense of investments which are priorities to the American people. Administration have repeatedly spoken of "hard budgeting times" and the need therefore to make difficult choices.

In other words in order to pay for this risky tax cut, Bush's budget cut millions of dollars from breast and cervical cancer even when we know that early detection saves lives.

Cuts in child care block grants, ignoring school modernization needs modernization needs and the cuts in investments go on.

Don't let the Republicans tank the economy——

Vote "no" on their risky tax cut!

Mr. RANGEL. Mr. Speaker, I yield back the balance of my time.

Mr. McCRERY. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SWEENEY). Pursuant to House Resolution 142, the previous question is ordered on the bill and the amendment in the nature of a substitute offered by the gentleman from New York (Mr. RANGEL).

The question is on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. RANGEL).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. RANGEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 188, nays 239, not voting 4, as follows:

[Roll No. 117]

YEAS—188

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Green (TX)
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (VA)
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Tanner
Tauscher
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NAYS—239

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Berry
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Boyd
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Condit
Cooksey
Cox
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doggett
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Holden
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Murtha
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stenholm
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter

Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—4

Cramer
Cubin
Napolitano
Phelps

□ 1550

Messrs. SAXTON, KENNEDY of Minnesota, THOMPSON of California, MICA, and SAM JOHNSON of Texas changed their vote from "yea" to "nay."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mrs. NAPOLITANO. Mr. Speaker, on rollcall No. 117, the Rangel amendment/substitute, I was detained with constituents and arrived as the roll closed. Had I been present, I would have voted "yea."

The SPEAKER pro tempore (Mr. SWEENEY). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. THOMAS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 230, nays 197, not voting 5, as follows:

[Roll No. 118]

YEAS—230

Abercrombie
Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Bishop
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cantor
Capito
Castle
Chabot
Chambliss
Clement
Coble
Collins
Combest
Condit
Cox
Cramer
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Maloney (CT)
Manzullo
McCrery
McHugh
McInnis
McIntyre
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—197

Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clyburn
Conyers
Costello
Coyne
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Green (TX)
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schiff
Scott
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—5

Cannon
Cooksey
Cubin
Horn
Schakowsky

□ 1610

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. HORN. Mr. Speaker, on rollcall No. 118, the Economic Growth and Tax Relief Reconciliation Act, I was on official business to examine the computers that were being demonstrated to assure honest and effective implementation of voting. I strongly support the tax relief provided by this legislation, thus, had I been present, I would have voted "yea."

Mr. COOKSEY. Mr. Speaker, during rollcall vote No. 118, I was unavoidably detained. I strongly support tax relief and had I been present, I would have voted "yea."

Stated against:

Ms. SCHAKOWSKY. Mr. Speaker, on rollcall No. 118, had I been present, I would have voted "nay."

GENERAL LEAVE

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 1836.

The SPEAKER pro tempore (Mr. SWEENEY). Is there objection to the request of the gentleman from California?

There was no objection.

MAKING IN ORDER EN BLOC AMENDMENTS TO H.R. 1846, FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 2002 AND 2003

Mr. HYDE. Mr. Speaker, I ask unanimous consent during further consideration in the Committee of the Whole of H.R. 1646, pursuant to H. Res. 138, that it be in order at any time for the chairman of the Committee on International Relations or a designee to offer en bloc a set of amendments comprising amendments numbered 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 24, 25 and 26 printed in House Report 107–62 or germane modifications of any such amendment; that amendments en bloc pursuant to this order be considered as read, except that modifications be reported, be debatable for 40 minutes, equally divided and controlled by the chairman and ranking minority member of the Committee on International

Relations, or their designees, not be subject to amendment and not be subject to a demand for a division of the question in the House or in the Committee of the Whole; that the original proponent of an amendment included in such amendments en bloc may insert a statement in the CONGRESSIONAL RECORD immediately before the disposition of the amendments en bloc.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

Mr. LAHOOD. Mr. Speaker, reserving the right to object, I only do so in order to ask the gentleman from Illinois (Mr. HYDE) a question.

Mr. Speaker, can the gentleman from Illinois (Mr. HYDE) assure me that the amendment offered by the gentleman from California (Mr. LANTOS), the ranking member of the Committee on International Relations, having to do with Lebanon is not a part of the en bloc amendment, and that that will be considered as a separate amendment?

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. LAHOOD. I yield to the gentleman from Illinois.

Mr. HYDE. Yes, I can give that assurance to the gentleman.

Mr. LAHOOD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 2002 AND 2003

The SPEAKER pro tempore. Pursuant to House Resolution 138 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 1646.

□ 1613

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 1646) to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes, with Mr. SIMPSON (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole House rose earlier today, amendment No. 4, offered by the gentleman from Illinois (Mr. HYDE), had been disposed of.

Pursuant to the order of the House of today, it shall be in order at any time for the chairman of the Committee on International Relations or a designee to offer amendments en bloc printed in House Report 107–62 or germane modifications of any such amendment.

The amendments en bloc shall be considered read, except that modifications shall be reported, shall be debatable for 40 minutes, equally divided and controlled by the chairman and the ranking minority member, or their designees, shall not be subject to amendment and shall not be subject to a demand for a division of the question.

The original proponent of an amendment included in the amendments en bloc may insert a statement in the CONGRESSIONAL RECORD immediately before disposition of the amendments en bloc.

□ 1615

AMENDMENTS EN BLOC OFFERED BY MR. HYDE

Mr. HYDE. Mr. Chairman, pursuant to the order of the House of today and House Resolution 138, I offer en bloc amendments consisting of the following amendments printed in House Report 107–62: Amendment No. 5; amendment No. 6, as modified; amendments numbered 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 24, 25 and 26.

The CHAIRMAN pro tempore (Mr. SIMPSON). The Clerk will designate the amendments en bloc.

The text of the amendments en bloc is as follows:

Amendments en bloc offered by Mr. HYDE, consisting of the following:

Amendment No. 5 offered by Mr. LAMPSON: Page 32, after line 5, insert the following:

(c) REPORT ON COMPLIANCE WITH THE HAGUE CONVENTION ON THE CIVIL ASPECTS OF INTERNATIONAL CHILD ABDUCTION.—Section 2803(a) of the Foreign Affairs Reform and Restructuring Act of 1998 (as contained in division G of Public Law 105–277) is amended in the first sentence by striking "2001," and inserting "2003,".

Amendment No. 7 offered by Mr. HYDE: Page 66, after line 12, add the following:

SEC. 344. CORRECTION OF TIME LIMIT FOR GRIEVANCE FILING.

Section 1104(a) of the Foreign Service Act of 1980 (22 U.S.C. 4134(a)) is amended in the first sentence by striking "but in no case less than two years after the occurrence giving rise to the grievance" and inserting "but in no case more than three years after the occurrence giving rise to the grievance.".

SEC. 345. CLARIFICATION OF SEPARATION FOR CAUSE.

Section 610(a) of the Foreign Service Act of 1980 (22 U.S.C. 4010(a)) is amended—

(a) in paragraph (1), by inserting "decide to" after "may";

(b) by striking paragraphs (2), (3), (4), (5) and (6) and inserting the following:

"(2) When the Secretary decides under paragraph (1) to separate, on the basis of misconduct, any member of the service (other than a United States citizen employed under section 311 who is not a family member) who either (A) is serving under a career appointment, or (B) is serving under a limited appointment, the member may not be separated from the Service until the member receives a hearing before the Foreign Service Grievance Board and the Board decides that cause for separation has been established, unless the member waives the right to such a hearing in writing, or the member's appointment has expired, whichever occurs first.

"(3) If the Board decides that cause for separation has not been established, the Board may direct the Department to pay reasonable attorneys fees to the extent and in the manner provided by section 1107(b)(5). A hearing under this paragraph shall be conducted in accordance with the hearing procedures applicable to grievances under section 1106 and shall be in lieu of any other administrative procedure authorized or required by this or any other law. Section 1110 shall apply to proceedings under this paragraph.

"(4) Notwithstanding the hearing required by paragraph (2), when the Secretary decides to separate a member of the Service for cause, the member shall be placed on leave without pay. If the member does not waive the right to a hearing, and the Board decides that cause for separation has not been established, the member shall be reinstated with back pay.".

Amendment No. 9 offered by Ms. VELÁZQUEZ:

Page 95, after line 3, add the following:

SEC. 706. PARTICIPATION BY SMALL BUSINESSES IN PROCUREMENT CONTRACTS OF USAID.

(a) STUDY.—The Administrator of the United States Agency for International Development shall conduct a study to determine what industries are under-represented by small businesses in the procurement contracts of the Agency.

(b) INITIAL REPORT.—Not later than 120 days after the date of the enactment of this Act, the Administrator shall submit to the designated congressional committees a report that contains the following:

(1) The results of the study conducted pursuant to subsection (a).

(2)(A) A specific plan of outreach to include measurable achievement milestones, to increase both the total numbers of contracts and the percentage of total contract dollars to small business, small disadvantaged business, women-owned businesses (as such terms are defined in the Small Business Act), and small businesses participating in the program under section 8(a) of such Act.

(B) The plan shall include proposals for all contracts (Washington, D.C.-based, field-based, and host country contracts) issued by the Agency or on behalf of the Agency.

(C) The plan shall include proposals and milestones of the Agency to increase the amount of subcontracting to businesses described in subparagraph (A) by the prime contractors of the Agency.

(D) The milestones described in subparagraph (C) shall include a description of how the Agency will use failure to meet goals by prime contractors as a ranking factor in evaluating any other submissions from this vendor for future contracts by the Agency.

(c) SEMIANNUAL REPORT.—The Administrator shall submit to the designated congressional committees on a semiannual basis a report that contains a description of the percentage of total contract dollars awarded and the total numbers of contracts awarded to businesses described in subsection (b)(2)(A), including a description of achievements toward measurable milestones for both direct contracts of the Agency, host country contracts, and for subcontracting by prime contractors of the Agency.

(d) DEFINITION.—In this section, the term "designated congressional committees" means—

(1) the Committee on International Relations and the Committee on Small Business of the House of Representatives; and

(2) the Committee on Foreign Relations and the Committee on Small Business of the Senate.

Amendment No. 10 offered by Ms. JACKSON-LEE of Texas:

Page 95, after line 3, add the following:

SEC. 706. ANNUAL HUMAN RIGHTS COUNTRY REPORTS ON CHILD SOLDIERS.

(a) COUNTRIES RECEIVING ECONOMIC ASSISTANCE.—Section 116(d) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151n(f)) is amended—

(1) in paragraph (7), by striking "and" at the end and inserting a semicolon;

(2) in paragraph (8), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(9)(A) wherever applicable, a description of the nature and extent of—

"(i) the recruitment and conscription of individuals under the age of 18 by armed forces of the government of the country, government-supported paramilitaries, or other armed groups, and the participation of such individuals in such groups; and

"(ii) the participation of such individuals in conflict;

"(B) what steps, if any, taken by the government of the country to eliminate such practices; and

"(C) such other information related to the use by the country of individuals under the age of 18 as soldiers, as determined to be appropriate by the Secretary of State.".

(b) COUNTRIES RECEIVING SECURITY ASSISTANCE.—Section 502B(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2304(b)) is amended by inserting after the sixth sentence the following: "Each report under this section shall also include (i) wherever applicable, a description of the nature and extent of the recruitment and conscription of individuals under the age of 18 by armed forces of the government of the country, government-supported paramilitaries, or other armed groups, the participation of such individuals in such groups, and the participation of such individuals in conflict, (ii) what steps, if any, taken by the government of the country to eliminate such practices, and (iii) such other information related to the use by the country of individuals under the age of 18 as soldiers, as determined to be appropriate by the Secretary of State.".

Amendment No. 11 offered by Mr. SANDERS:

Page 95, after line 3, add the following:

SEC. 706. AMENDMENTS TO THE VICTIMS OF TRAFFICKING AND VIOLENCE PROTECTION ACT OF 2000.

(a) ASSISTANCE FOR VICTIMS IN OTHER COUNTRIES.—Section 107(a)(1) of the Victims of Trafficking and Violence Protection Act of 2000 is amended by adding at the end the following: "In addition, such programs and initiatives shall, to the maximum extent practicable, include the following:

"(A) Support for local in-country nongovernmental organization-operated hotlines, culturally and linguistically appropriate protective shelters, and regional and international nongovernmental organization networks and databases on trafficking, including support to assist nongovernmental organizations in establishing service centers and systems that are mobile and extend beyond large cities.

"(B) Support for nongovernmental organizations and advocates to provide legal, social, and other services and assistance to trafficked individuals, particularly those individuals in detention.

"(C) Education and training for trafficked women and girls upon their return home.

"(D) The safe reintegration of trafficked individuals into an appropriate community or family, with full respect for the wishes, dignity, and safety of the trafficked individual.

"(E) Support for increasing or developing programs to assist families of victims in locating, repatriating, and treating their trafficked family members.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 113 of the Victims of Trafficking and Violence Protection Act of 2000 is amended—

(1) in subsection (a), by striking "for fiscal year 2002" and inserting "for each of the fiscal years 2002 and 2003";

(2) in subsection (c)—

(A) in paragraph (1), by striking "and \$10,000,000 for fiscal year 2002" and inserting ", \$10,000,000 for fiscal year 2002, and \$15,000,000 for fiscal year 2003"; and

(B) in paragraph (2), by striking "for fiscal year 2001" and inserting "for each of the fiscal years 2001, 2002, and 2003"; and

(3) in paragraphs (1) and (2) of subsection (e), by striking "and \$10,000,000 for fiscal year 2002" each place it appears and inserting ", \$10,000,000 for fiscal year 2002, and \$15,000,000 for fiscal year 2003".

Amendment No. 12 offered by Mr. MILLER of Florida:

Page 95, after line 3, add the following:

SEC. 706. REPORT ON EXTRADITION EFFORTS BETWEEN THE UNITED STATES AND FOREIGN GOVERNMENTS.

(a) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of State, in conjunction with the Attorney General, shall prepare and submit to the Congress a report on efforts between the United States and the governments of foreign countries to extradite to the United States individuals described in paragraph (2).

(2) INDIVIDUALS DESCRIBED.—An individual described in this paragraph is an individual who is being held in custody by the government of a foreign country (or who is otherwise known to be in the foreign country), and with respect to which a competent authority of the United States—

(A) has charged with a major extraditable offense described in paragraph (3);

(B) has found guilty of committing a major extraditable offense described in paragraph (3); or

(C) is seeking extradition in order to complete a judicially pronounced penalty of deprivation of liberty for a major extraditable offense described in paragraph (3).

(3) MAJOR EXTRADITABLE OFFENSES DESCRIBED.—A major extraditable offense described in this paragraph is an offense of murder, attempted murder, manslaughter, aggravated assault, kidnapping, abduction, or other false imprisonment, drug trafficking, terrorism, or rape.

(b) ADDITIONAL INFORMATION.—The report required under subsection (a) shall also include the following:

(1) The aggregate number of individuals described in subsection (a)(2) who are being held in custody by all governments of foreign countries (or are otherwise known to be in the foreign countries), including the name of each such foreign country and the number of such individuals held in custody by the government of each such foreign country.

(2) The aggregate number of requests by competent authorities of the United States to extradite to the United States such individuals that have been denied by each foreign government, the reasons why such individuals have not been so extradited, and the specific actions the United States has taken to obtain extradition.

(c) ADDITIONAL REQUIREMENT.—In preparing the report under subsection (a), the Secretary of State, in conjunction with the Attorney General—

(1) shall establish procedures under which a competent authority of a State, which is requesting extradition of 1 or more individuals from a foreign country as described in subsection (a)(2) and with respect to which the foreign country has failed to comply with such request, may submit to the Attorney General appropriate information with respect to such extradition request; and

(2) shall include information received under paragraph (1) in the report under subsection (a).

Amendment No. 13 offered by Mr. MANZULLO:

Page 95, after line 3, add the following:

SEC. 706. PAYMENT OF ANTI-TERRORISM JUDGMENTS.

Section 2002(a)(2)(A)(ii) of the Victims of Trafficking and Violence Protection Act of 2000 (Public Law 106-386; 114 Stat. 1542)), is amended by inserting "June 6, 2000," after "March 15, 2000,"."

Amendment No. 14 offered by Mr. BRADY of Texas:

Page 122, after line 23, insert the following:

SEC. 747. SENSE OF CONGRESS RELATING TO THE NEGOTIATION OF EFFECTIVE EXTRADITION TREATIES.

(a) FINDINGS.—The Congress finds as follows:

(1) According to the Department of Justice, there are approximately 3,000 open extradition cases worldwide at any time.

(2) The United States has extradition treaties with only approximately 60 percent of the worlds nations.

(3) Of such treaties, nearly half were enacted prior to World War II and are seriously out of date.

(4) Treaties enacted prior to the 1970's are basically ineffective because only specific crimes listed in the treaties are extraditable offenses.

(5) Treaties negotiated since the 1970's are much more effective because they are flexible and reflect modern criminal justice issues such as international child abduction and cybercrimes.

(b) SENSE OF CONGRESS.—The Congress calls on the Secretary of State to develop and implement a process for negotiating new effective extradition treaties with countries with which the United States has no current extradition treay, as well as renegotiating old ineffective treaties, and to work closely with the Department of Justice in achieving these objectives.

Amendment No. 15 offered by Mr. FALEOMAVAEGA:

Page 122, after line 23, insert the following:

SEC. 747. SENSE OF THE CONGRESS RELATING TO UPCOMING ELECTIONS IN FIJI, EAST TIMOR, AND PERU.

It is the sense of the Congress that—

(1) the upcoming national elections in Fiji and East Timor in August 2001 and Peru in June 2001 are crucial and should be conducted in a free, fair, and democratic manner; and

(2) the Secretary of State should send election monitors to Fiji, and should offer technical support, as appropriate, to East Timor and Peru, to support free and fair elections in these nations.

Amendment No. 16 offered by Mr. BRADY of Texas:

Page 122, after line 23, insert the following:

SEC. 747. SENSE OF CONGRESS REGARDING THE MURDER OF JOHN M. ALVIS.

(a) Findings.—The Congress makes the following findings:

(1) On November 30, 2000, John M. Alvis was brutally murdered in Baku, Azerbaijan.

(2) John Alvis was serving his final two weeks of a two year full-time commitment to the International Republican Institute, an American nongovernmental organization carrying out assistance projects for the United States Government to help promote democracy and strengthen the rule of law in Azerbaijan.

(3) Almost immediately following the news of the murder of John M. Alvis, our United States Ambassador to Azerbaijan, Ross Wilson, raised the issue with the the President of Azerbaijan and with the Minister of Interior, and was assured that every effort would be made to carry out a prompt and thorough investigation.

(4) After the murder, 18 members of Congress, led by Congressman Kevin Brady and then-Chairman of the House International Relations Committee, Ben Gilman, wrote President Aliyev expressing the commitment of the Congress to seeing John's murder solved, and Senator John McCain wrote former President Clinton's Administration requesting the FBI's involvement.

(5) The United States Ambassador to Azerbaijan continues to raise this issue with Azerbaijani officials.

(6) The Government of Azerbaijan has cooperated with the FBI to find the individual or individuals responsible for killing John Alvis.

(7) United States President George W. Bush wrote Azerbaijan's President Hedar Aliyev and thanked Azerbaijan for its efforts to find the murderer or murderers of John M. Alvis.

(b) Sense of Congress.—It is the sense of Congress that—

(1) the United States and the Congress is absolutely committed to ensuring that the truth of the murder of John M. Alvis is determined and the individual or individuals responsible for this heinous act are brought to justice; and

(2) the Congress—

(A) appreciates the efforts of the Government of Azerbaijan to find the murderer or murderers of John M. Alvis and urges it to continue to make it a high priority; and

(B) urges the United States Department of State to continue to raise the issue of the murder of John M. Alvis with the Government of Azerbaijan and to make this issue a priority item in relations between the Government of the United States and the Government of Azerbaijan.

Amendment No. 17 offered by Mr. Flake:

Page 122, after line 23, insert the following:

SEC. 747. SENSE OF CONGRESS RELATING TO REMARKS BY THE PRESIDENT OF SYRIA CONCERNING ISRAEL.

(a) Findings.—The Congress finds the following:

(1) On March 27, 2001, at the first regular Arab summit gathering in more than 10 years, President Bashar al-Assad used his speech to lash out at Israel.

(2) On March 28, 2001, the New York Times reported, "In electing Mr. Sharon to be their leader, President Assad said, Israelis had chosen a man who hated anything to do with Arabs and had dedicated his career to killing them.".

(3) President Assad additionally said, "We say that the head of the government is a racist, it's a racist government, a racist army and security force," he said, adding that by extension, "It is a racist society and it is even more racist than the Nazis.".

(4) On March 28, 2001, State Department spokesman Richard Boucher described President Assad's remarks as, "absolutely wrong...totally unacceptable and inappropriate.".

(5) On March 29, 2001, the Bush administration's top Middle East diplomat, Assistant Secretary of State Edward Walker, responding to Assad's remarks stated, "His statement at the Arab League was unacceptable, particularly his reference to Zionism as racism.".

(6) On May 5, 2001, in his welcoming speech to Pope John Paul II, upon the Pope's arrival in Damascus, President Assad said, "They, Israelis, try to kill all the principles of divine faiths with the same mentality of betraying Jesus Christ and torturing Him, and in the same way that they tried to commit treachery against Prophet Mohammad.".

(7) On May 6, 2001, at the Umayyad Mosque, Muhammad Ziyadah, Syria's minister of religious affairs, said, "We must be fully aware of what the enemies of God and malicious Zionism conspire to commit against Christianity and Islam.".

(8) On May 7, 2001, State Department spokesman Richard Boucher condemned President Assad's remarks, "Our view is that these comments are as regrettable as they are unacceptable. There's no place from anyone or from any side for statements that inflame religious passions and hatred.".

(9) It is only through constructive diplomacy, and not through hateful, counterproductive speech, that peace can possibly be achieved in the Middle East.

(b) Sense of Congress.—The Congress—

(1) condemns Syrian President Bashar al-Assad for his inflammatory remarks on March 27, 2001, and May 5, 2001;

(2) expresses its solidarity with the state and people of Israel at this time of crisis;

(3) calls upon President Assad and the Syrian Government to refrain from any future inflammatory remarks;

(4) commends the Administration for its swift response to President Assad's remarks; and

(5) urges the Administration to emphasize to Syrian Government officials the concerns of the United States about the negative impact such remarks make on Middle East peace negotiations.

Amendment No. 19 offered by Mr. Underwood:

Page 122, after line 23, add the following:

SEC. 747. SENSE OF CONGRESS RELATING TO ENVIRONMENTAL CONTAMINATION AND HEALTH EFFECTS IN THE PHILIPPINES EMANATING FROM FORMER UNITED STATES MILITARY FACILITIES.

It is the sense of the Congress that—

(1) the Secretary of State, in cooperation with the Secretary of Defense, should continue to work with the Government of the Philippines and with appropriate non-governmental organizations in the United States and the Philippines to fully identify and share all relevant information concerning environmental contamination and health effects emanating from former United States military facilities in the Philippines following departure of the United States military forces from the Philippines in 1992;

(2) the United States and the Government of the Philippines should continue to build upon the agreements outlined in the Joint Statement by the United States and the Republic of the Philippines on a Framework for Bilateral Cooperation in the Environment and Public Health signed on July 27, 2000; and

(3) Congress should encourage an objective non-governmental study which would examine environmental contamination and health effects emanating from former United States military facilities in the Philippines, following departure of United States military forces from the Philippines in 1992.

Amendment No. 20 offered by Mr. Shays:

Page 122, after line 23, add the following:

SEC. 747. SENSE OF CONGRESS REGARDING THE LOCATION OF PEACE CORPS OFFICES ABROAD.

It is the sense of the Congress that, to the degree permitted by security considerations, the Secretary of State should give favorable consideration to requests by the Director of the Peace Corps that the Secretary exercise his authority under section 606(a)(2)(B) of the Secure Embassy Construction and Counterterrorism Act of 1999 (22 U.S.C. 4865(a)(2)(B)) to waive certain requirements of that Act in order to permit the Peace Corps to maintain offices in foreign countries at locations separate from the United States embassy.

Amendment No. 21 offered by Mr. Engel:

Page 122, after line 23, insert the following:

SEC. 747. SENSE OF CONGRESS REGARDING THE MISTREATMENT OF UNITED STATES CIVILIAN PRISONERS INCARCERATED BY THE AXIS POWERS DURING WORLD WAR II.

(a) Findings.—The Congress makes the following findings:

(1) The Axis Powers captured and incarcerated 18,745 United States civilians who were living or traveling abroad during World War II, of which 1,704 died or were executed in captivity.

(2) These civilian prisoners of war were subjected to barbaric prison conditions and endured torture, starvation, and disease.

(3) The incarceration of these United States civilians and the conditions of such incarceration violated international human rights principles.

(4) The vast majority of these civilian prisoners of war have never received any formal recognition or compensation for their suffering, despite the physical and emotional trauma they endured.

(5) The incarceration of United States civilians by the Axis Powers during World War II and the conditions of such incarceration violated international human rights principles.

(b) Sense of Congress.—The Congress—

(1) extends its sympathies to the brave men and women who endured the terrible hardships of such incarceration and to their families; and

(2) encourages foreign nations that incarcerated United States civilians during World War II to formally apologize to these individuals and their families.

Amendment No. 22 offered by Mr. Traficant:

Page 122, after line 23, add the following:

SEC. 747. SENSE OF CONGRESS REGARDING PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.

In the case of any equipment or products that may be authorized to be purchased with financial assistance provided under this Act (including any amendment made by this Act), it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

Amendment No. 24 offered by Mr. MENENDEZ:

Page 153, after line 23, add the following:

TITLE IX—IRAN NUCLEAR PROLIFERATION PREVENTION ACT OF 2001

SEC. 901. SHORT TITLE.

This title may be cited as the "Iran Nuclear Proliferation Prevention Act of 2001".

SEC. 902. WITHHOLDING OF VOLUNTARY CONTRIBUTIONS TO THE INTERNATIONAL ATOMIC ENERGY AGENCY FOR PROGRAMS AND PROJECTS IN IRAN.

Section 307 of the Foreign Assistance Act of 1961 (22 U.S.C. 2227) is amended by adding at the end the following:

"(d) Notwithstanding subsection (c), the limitations of subsection (a) shall apply to programs and projects of the International Atomic Energy Agency in Iran, unless the Secretary of State makes a determination in writing to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate that such programs and projects are consistent with United States nuclear nonproliferation and safety goals, will not provide Iran with training or expertise relevant to the development of nuclear weapons, and are not being used as a cover for the acquisition of sensitive nuclear technology. A determination made by the Secretary of State under the preceding sentence shall be effective for the 1-year period beginning on the date of the determination.".

SEC. 903. ANNUAL REVIEW BY SECRETARY OF STATE OF PROGRAMS AND PROJECTS OF THE INTERNATIONAL ATOMIC ENERGY AGENCY; UNITED STATES OPPOSITION TO PROGRAMS AND PROJECTS OF THE AGENCY IN IRAN.

(a) ANNUAL REVIEW.—

(1) IN GENERAL.—The Secretary of State shall undertake a comprehensive annual review of all programs and projects of the International Atomic Energy Agency in the countries described in section 307(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2227(a)) and shall determine if such programs and projects are consistent with United States nuclear nonproliferation and safety goals.

(2) REPORT.—Not later than 1 year after the date of the enactment of this Act and on an annual basis thereafter for 5 years, the Secretary shall prepare and submit to the Congress a report containing the results of the review under paragraph (1).

(b) OPPOSITION TO CERTAIN PROGRAMS AND PROJECTS OF INTERNATIONAL ATOMIC ENERGY AGENCY.—The Secretary of State shall direct the United States representative to the International Atomic Energy Agency to oppose programs of the Agency that are determined by the Secretary under the review conducted under subsection (a)(1) to be inconsistent with nuclear nonproliferation and safety goals of the United States.

SEC. 904. REPORTING REQUIREMENTS.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act and on an annual basis thereafter for 5 years, the Secretary of State, in consultation with the United States representative to the International Atomic Energy Agency, shall prepare and submit to the Congress a report that—

(1) describes the total amount of annual assistance to Iran from the International Atomic Energy Agency, a list of Iranian officials in leadership positions at the Agency, the expected timeframe for the completion of the nuclear power reactors at the Bushehr nuclear power plant, and a summary of the nuclear materials and technology transferred to Iran from the Agency in the preceding year which could assist in the development of Iran's nuclear weapons program; and

(2) contains a description of all programs and projects of the International Atomic Energy Agency in each country described in section 307(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2227(a)) and any inconsistencies between the technical cooperation and assistance programs and projects of the Agency and United States nuclear nonproliferation and safety goals in these countries.

(b) ADDITIONAL REQUIREMENT.—The report required to be submitted under subsection (a) shall be submitted in an unclassified form, to the extent appropriate, but may include a classified annex.

SEC. 905. SENSE OF THE CONGRESS.

It is the sense of the Congress that the United States Government should pursue internal reforms at the International Atomic Energy Agency that will ensure that all programs and projects funded under the Technical Cooperation and Assistance Fund of the Agency are compatible with United States nuclear nonproliferation policy and international nuclear nonproliferation norms.

Amendment No. 25 offered by Mr. LANTOS:

Page 153, after line 23, add the following:

TITLE IX—EAST TIMOR TRANSITION TO INDEPENDENCE ACT OF 2001

SECTION 901. SHORT TITLE.

This title may be cited as the "East Timor Transition to Independence Act of 2001".

SEC. 902. FINDINGS.

Congress makes the following findings:

(1) On August 30, 1999, the East Timorese people voted overwhelmingly in favor of independence from Indonesia. Anti-independence militias, with the support of the Indonesian military, attempted to prevent then retaliated against this vote by launching a campaign of terror and violence, displacing 500,000 people and murdering at least 1,000 people.

(2) The violent campaign devastated East Timor's infrastructure, destroyed or severely damaged 60 to 80 percent of public and private property, and resulted in the collapse of virtually all vestiges of government, public services and public security.

(3) The Australian-led International Force for East Timor (INTERFET) entered East Timor in September 1999 and successfully restored order. On October 25, 1999, the United Nations Transitional Administration for East Timor (UNTAET) began to provide overall administration of East Timor, guide the people of East Timor in the establishment of a new democratic government, and maintain security and order.

(4) UNTAET and the East Timorese leadership currently anticipate that East Timor will become an independent nation as early as late 2001.

(5) East Timor is one of the poorest places in Asia. A large percentage of the population live below the poverty line, only 20 percent of East Timor's population is literate, most of East Timor's people remain unemployed, the annual per capita Gross National Product is $340, and life expectancy is only 56 years.

(6) The World Bank and the United Nations have estimated that it will require $300,000,000 in development assistance over the next three years to meet East Timor's basic development needs.

SEC. 903. SENSE OF CONGRESS RELATING TO SUPPORT FOR EAST TIMOR.

It is the sense of Congress that the United States should—

(1) facilitate East Timor's transition to independence, support formation of broad-based democracy in East Timor, help lay the groundwork for East Timor's economic recovery, and strengthen East Timor's security;

(2) help ensure that the nature and pace of the economic transition in East Timor is consistent with the needs and priorities of the East Timorese people, that East Timor develops a strong and independent economic infrastructure, and that the incomes of the East Timorese people rise accordingly;

(3) begin to lay the groundwork, prior to East Timor's independence, for an equitable bilateral trade and investment relationship;

(4)(A) recognize East Timor, and establish diplomatic relations with East Timor, upon its independence;

(B) ensure that a fully functioning, fully staffed, adequately resourced, and securely maintained United States diplomatic mission is accredited to East Timor upon its independence; and

(C) in the period prior to East Timor's independence, ensure that the United States maintains an adequate diplomatic presence in East Timor, with resources sufficient to promote United States political, security, and economic interests with East Timor;

(5) support efforts by the United Nations and East Timor to ensure justice and accountability related to past atrocities in East Timor through—

(A) United Nations investigations;

(B) development of East Timor's judicial system, including appropriate technical assistance to East Timor from the Department of Justice, the Federal Bureau of Investigation, and the Drug Enforcement Administration;

(C) the possible establishment of an international tribunal for East Timor; and

(D) sharing with the United Nations Transitional Administration for East Timor (UNTAET) and East Timorese investigators any unclassified information relevant to past atrocities in East Timor gathered by the United States Government; and

(6)(A) as an interim step, support observer status for an official delegation from East Timor to observe and participate, as appropriate, in all deliberations of the Asia-Pacific Economic Cooperation (APEC) group, the Association of Southeast Asian Nations (ASEAN), and other international institutions; and

(B) after East Timor achieves independence, support full membership for East Timor in these and other international institutions, as appropriate.

SEC. 904. BILATERAL ASSISTANCE.

(a) AUTHORITY.—The President, acting through the Administrator of the United States Agency for International Development, is authorized to—

(1) support the development of civil society, including nongovernmental organizations in East Timor;

(2) promote the development of an independent news media;

(3) support job creation, including support for small business and microenterprise programs, environmental protection, sustainable development, development of East Timor's health care infrastructure, educational programs, and programs strengthening the role of women in society;

(4) promote reconciliation, conflict resolution, and prevention of further conflict with

respect to East Timor, including establishing accountability for past gross human rights violations;

(5) support the voluntary and safe repatriation and reintegration of refugees into East Timor; and

(6) support political party development, voter education, voter registration, and other activities in support of free and fair elections in East Timor.

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to the President to carry out this section $25,000,000 for fiscal year 2002.

(2) AVAILABILITY.—Amounts appropriated pursuant to the authorization of appropriations under paragraph (1) are authorized to remain available until expended.

SEC. 905. MULTILATERAL ASSISTANCE.

The Secretary of the Treasury should instruct the United States executive director at the International Board for Reconstruction and Development and the Asian Development Bank to use the voice, vote, and influence of the United States to support economic and democratic development in East Timor.

SEC. 906. PEACE CORPS ASSISTANCE.

The Director of the Peace Corps is authorized to—

(1) provide English language and other technical training for individuals in East Timor as well as other activities which promote education, economic development, and economic self-sufficiency; and

(2) quickly address immediate assistance needs in East Timor using the Peace Corps Crisis Corps, to the extent practicable.

SEC. 907. TRADE AND INVESTMENT ASSISTANCE.

(a) OPIC.—The President should initiate negotiations with the Government of East Timor (after independence for East Timor)—

(1) to apply to East Timor the existing agreement between the Overseas Private Investment Corporation and Indonesia; or

(2) to enter into a new agreement authorizing the Overseas Private Investment Corporation to carry out programs with respect to East Timor,

in order to expand United States investment in East Timor, emphasizing partnerships with local East Timorese enterprises.

(b) TRADE AND DEVELOPMENT AGENCY.—

(1) IN GENERAL.—The Director of the Trade and Development Agency is authorized to carry out projects in East Timor under section 661 of the Foreign Assistance Act of 1961 (22 U.S.C. 2421).

(2) AUTHORIZATION OF APPROPRIATIONS.—

(A) IN GENERAL.—There are authorized to be appropriated to the Trade and Development Agency to carry out this subsection $1,000,000 for fiscal year 2002.

(B) AVAILABILITY.—Amounts appropriated pursuant to the authorization of appropriations under subparagraph (A) are authorized to remain available until expended.

(c) EXPORT-IMPORT BANK.—The Export-Import Bank of the United States should expand its activities in connection with exports to East Timor to the extent such activities are requested and to the extent there is a reasonable assurance of repayment.

SEC. 908. GENERALIZED SYSTEM OF PREFERENCES.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the President should encourage the Government of East Timor (after independence for East Timor) to seek to become eligible for duty-free treatment under title V of the Trade Act of 1974 (19 U.S.C. 2461 et seq.; relating to generalized system of preferences).

(b) TECHNICAL ASSISTANCE.—The United States Trade Representative and the Commissioner of the United States Customs Service are authorized to provide technical assistance to the Government of East Timor (after independence for East Timor) in order to assist East Timor to become eligible for duty-free treatment under title V of the Trade Act of 1974.

SEC. 909. BILATERAL INVESTMENT TREATY.

It is the sense of Congress that the President should seek to enter into a bilateral investment treaty with the Government of East Timor (after independence for East Timor) in order to establish a more stable legal framework for United States investment in East Timor.

SEC. 910. PLAN FOR ESTABLISHMENT OF DIPLOMATIC FACILITIES IN EAST TIMOR.

(a) DEVELOPMENT OF DETAILED PLAN.—The Secretary of State shall develop a detailed plan for the official establishment of a United States diplomatic mission to East Timor, with a view to—

(1) recognize East Timor, and establish diplomatic relations with East Timor, upon its independence;

(2) ensure that a fully functioning, fully staffed, adequately resourced, and securely maintained United States diplomatic mission is accredited to East Timor upon its independence; and

(3) in the period prior to East Timor's independence, ensure that the United States maintains an adequate diplomatic presence in East Timor, with resources sufficient to promote United States political, security, and economic interests with East Timor.

(b) REPORT.—

(1) IN GENERAL.—Not later than three months after the date of the enactment of this Act, the Secretary of State shall submit to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate a report that contains the detailed plan described in subsection (a), including a timetable for the official opening of a facility in Dili, East Timor, the personnel requirements for the mission, the estimated costs for establishing the facility, and its security requirements.

(2) FORM OF REPORT.—The report submitted under this subsection shall be in unclassified form, with a classified annex as necessary.

(c) CONSULTATION.—Beginning six months after the submission of the report under subsection (b), and every six months thereafter until January 1, 2004, the Secretary of State shall consult with the chairmen and ranking members of the committees specified in that paragraph on the status of the implementation of the detailed plan described in subsection (a), including any revisions to the plan (including its timetable, costs, or requirements).

SEC. 911. SECURITY ASSISTANCE FOR EAST TIMOR.

(a) STUDY AND REPORT.—

(1) STUDY.—The President shall conduct a study to determine—

(A) the extent to which East Timor's security needs can be met by the transfer of excess defense articles under section 516 of the Foreign Assistance Act of 1961;

(B) the extent to which international military education and training (IMET) assistance will enhance professionalism of the armed forces of East Timor, provide training in human rights, and promote respect for human rights and humanitarian law; and

(C) the terms and conditions under which such defense articles or training, as appropriate, should be provided.

(2) REPORT.—Not later than 3 months after the date of enactment of this Act, the President shall transmit to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives a report that contains the findings of the study conducted under paragraph (1).

(b) AUTHORIZATION OF ASSISTANCE.—

(1) IN GENERAL.—Beginning on the date on which Congress receives the report transmitted under subsection (a), or the date on which Congress receives the certification transmitted under paragraph (2), whichever occurs later, the President is authorized—

(A) to transfer excess defense articles under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) to East Timor in accordance with such section; and

(B) to provide military education and training under chapter 5 of part II of such Act (22 U.S.C. 2347 et seq.) for the armed forces of East Timor in accordance with such chapter.

(2) CERTIFICATION.—A certification described in this paragraph is a certification that—

(A) East Timor has established an independent armed forces; and

(B) the assistance proposed to be provided pursuant to paragraph (1)—

(i) is in the national security interests of the United States; and

(ii) will promote both human rights in East Timor and the professionalization of the armed forces of East Timor.

SEC. 912. AUTHORITY FOR RADIO BROADCASTING.

The Broadcasting Board of Governors is authorized to further the communication of information and ideas through the increased use of audio broadcasting to East Timor to ensure that radio broadcasting to that country serves as a consistently reliable and authoritative source of accurate, objective, and comprehensive news.

SEC. 913. CONSULTATION REQUIREMENT.

(a) IN GENERAL.—Not later than six months after the date of the enactment of this Act, and every six months thereafter until January 1, 2004, the Secretary of State, in coordination with the Administrator of the United States Agency for International Development, the Secretary of the Treasury, the United States Trade Representative, the Secretary of Commerce, the Overseas Private Investment Corporation, the Director of the Trade and Development Agency, the President of the Export-Import Bank of the United States, the Secretary of Agriculture, and the Director of the Peace Corps, shall consult with the Chairman and ranking member of the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate concerning the information described in subsection (b).

(b) INFORMATION.—The information described in this subsection includes—

(1) developments in East Timor's political and economic situation in the period covered by the report, including an evaluation of any elections occurring in East Timor and the refugee reintegration process in East Timor;

(2)(A) in the initial consultation, a 2-year plan for United States foreign assistance to East Timor in accordance with section 904, prepared by the Administrator of the United States Agency for International Development, which outlines the goals for United States foreign assistance to East Timor during the 2-year period; and

(B) in each subsequent consultation, a description in detail of the expenditure of United States bilateral foreign assistance during the period covered by each such consultation;

(3) a description of the activities undertaken in East Timor by the International Bank for Reconstruction and Development, the Asian Development Bank, and other international financial institutions, and an evaluation of the effectiveness of these activities;

(4) an assessment of—

(A) the status of United States trade and investment relations with East Timor, including a detailed analysis of any trade and investment-related activity supported by the Overseas Private Investment Corporation, the Export-Import Bank of the United States, and the Trade and Development Agency during the period of time since the previous consultation; and

(B) the status of any negotiations with the United Nations Transitional Administration for East Timor (UNTAET) or East Timor to facilitate the operation of the United States trade agencies in East Timor;

(5) the nature and extent of United States-East Timor cultural, education, scientific, and academic exchanges, both official and unofficial, and any Peace Corps activities;

(6) a description of local agriculture in East Timor, emerging opportunities for producing, processing, and exporting indigenous agricultural products, and recommendations for appropriate technical assistance from the United States; and

(7) statistical data drawn from other sources on economic growth, health, education, and distribution of resources in East Timor.

Amendment No. 26 offered by Mr. LANTOS:

Page 153, after line 23, add the following:

TITLE IX—FREEDOM INVESTMENT ACT OF 2001

SECTION 901. SHORT TITLE.

This title may be cited as the "Freedom Investment Act of 2001".

SEC. 902. FINDINGS.

Congress finds the following:

(1) Supporting human rights is in the national interests of the United States and is consistent with American values and beliefs.

(2) Defenders of human rights are changing our world in many ways, including protecting freedom and dignity, religious liberty, the rights of women and children, freedom of the press, the rights of workers, the environment, and the human rights of all persons.

(3) The United States must match its rhetoric on human rights with action and with sufficient resources to provide meaningful support for human rights and for the defenders of human rights.

(4) Providing one percent of amounts available annually for foreign affairs operations for human rights activities, including human rights monitoring, would be a minimal investment in protecting human rights around the world.

(5) The Department of State should have individuals in positions in foreign countries that are designated for monitoring human rights activities and developments in such countries, including the monitoring of arms exports.

SEC. 903. SALARIES AND EXPENSES OF THE BUREAU OF DEMOCRACY, HUMAN RIGHTS, AND LABOR.

For fiscal year 2004 and each fiscal year thereafter, not less than 1 percent of the amounts made available to the Department of State under the heading "Diplomatic and Consular Programs", other than amounts made available for worldwide security upgrades and information resource management, are authorized to be made available only for salaries and expenses of the Bureau of Democracy, Human Rights, and Labor, including funding of positions at United States missions abroad that are primarily dedicated to following human rights developments in foreign countries and that are assigned at the recommendation of such Bureau in conjunction with the relevant regional bureau.

SEC. 904. HUMAN RIGHTS AND DEMOCRACY FUND.

(a) ESTABLISHMENT OF FUND.—There is established a Human Rights and Democracy Fund (hereinafter in this section referred to as the "Fund") to be administered by the Assistant Secretary for Democracy, Human Rights and Labor.

(b) PURPOSES OF FUND.—The purposes of the Fund are—

(1) to support defenders of human rights;

(2) to assist the victims of human rights violations;

(3) to respond to human rights emergencies;

(4) to promote and encourage the growth of democracy, including the support for nongovernmental organizations in other countries; and

(5) to carry out such other related activities as are consistent with paragraphs (1) through (4).

(c) FUNDING.—Of the amounts made available to carry out chapter 1 and chapter 10 of part I of the Foreign Assistance Act of 1961 and chapter 4 of part II of such Act for each of the fiscal years 2002, 2003, and 2004, $27,000,000 for each such fiscal year is authorized to be made available only to the Fund for carrying out the purposes described in subsection (b).

SEC. 905. REPORTS ON ACTIONS TAKEN BY THE UNITED STATES TO ENCOURAGE RESPECT FOR HUMAN RIGHTS.

(a) SECTION 116 REPORT.—Section 116(d) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151n(d)) is amended—

(1) in paragraph (7), by striking "and" at the end and inserting a semicolon;

(2) in paragraph (8), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(9) for each country with respect to which a determination has been made that extrajudicial killings, torture, or other serious violations of human rights have occurred in the country, the extent to which the United States has taken or will take action to encourage an end to such practices in the country.".

(b) SECTION 502B REPORT.—Section 502B(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2304(b)) is amended by inserting after the 4th sentence the following: "Such report shall also include, for each country with respect to which a determination has been made that extrajudicial killings, torture, or other serious violations of human rights have occurred in the country, the extent to which the United States has taken or will take action to encourage an end to such practices in the country.".

The CHAIRMAN pro tempore. The Clerk will report Amendment No. 6, as modified.

The Clerk read as follows:

Amendment No. 6, as modified, offered by Ms. SLAUGHTER:

Page 43, insert the following after line 21:

SEC. 214. REPORT CONCERNING THE GERMAN FOUNDATION "REMEMBRANCE, RESPONSIBILITY, AND THE FUTURE".

(a) REPORT CONCERNING THE GERMAN FOUNDATION "REMEMBRANCE, RESPONSIBILITY, AND THE FUTURE".—Not later than 180 days after the date of the enactment of this Act, and every 180 days thereafter until all funds made available to the German Foundation have been disbursed, the Secretary of State shall report to the appropriate congressional committees on the status of the implementation of the Agreement and, to the extent possible, on whether or not—

(1) during the 180-day period preceding the date of the report, the German Bundestag has authorized the allocation of funds to the Foundation, in accordance with section 17 of the law on the creation of the Foundation, enacted by the Federal Republic of Germany on August 8, 2000;

(2) the entire sum of DM 10,000,000,000 has been made available to the German Foundation in accordance with Annex B to the Joint Statement of July 17, 2000;

(3) during the 180-day period preceding the date of the report, any company or companies investigating a claim, who are members of ICHEIC, were required to provide to the claimant, within 90 days after receiving the claim, a status report on the claim, or a decision that included—

(A) an explanation of the decision, pursuant to those standards of ICHEIC to be applied in approving claims;

(B) all documents relevant to the claim that were retrieved in the investigation; and

(C) an explanation of the procedures for appeal of the decision;

(4) during the 180-day period preceding the date of the report, any entity that elected to determine claims under Article 1(4) of the Agreement was required to comply with the standards of proof, criteria for publishing policyholder names, valuation standards, auditing requirements, and decisions of the Chairman of ICHEIC;

(5) during the 180-day period preceding the date of the report, an independent process to appeal decisions made by any entity that elected to determine claims under Article 1(4) of the Agreement was available to and accessible by any claimant wishing to appeal such a decision, and the appellate body had the jurisdiction and resources necessary to fully investigate each claim on appeal and provide a timely response;

(6) an independent audit of compliance by every entity that has elected to determine claims under Article 1(4) of the Agreement has been conducted; and

(7) the administrative and operational expenses incurred by the companies that are members of ICHEIC are appropriate for the administration of claims described in paragraph (3).

The Secretary of State's report shall include the Secretary's justification for each determination under this subsection.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the resolution of slave and forced labor claims is an urgent issue for aging Holocaust survivors, and the German Bundestag should allocate funds for disbursement by the German Foundation to Holocaust survivors as soon as possible; and

(2) ICHEIC should work in consultation with the Secretary of State in gathering the information required for the report under subsection (a).

(c) DEFINITIONS.—In this section:

(1) AGREEMENT.—The term "Agreement" means the Agreement between the Government of the United States of America and

the Government of the Federal Republic of Germany concerning the Foundation "Remembrance, Responsibility and the Future", done at Berlin July 17, 2000.

(2) ANNEX B TO THE JOINT STATEMENT OF JULY 17, 2000.—The term "Annex B to the Joint Statement of July 17, 2000" means Annex B to the Joint Statement on occasion of the final plenary meeting concluding international talks on the preparation of the Federal Foundation "Remembrance, Responsibility and the Future", done at Berlin on July 17, 2000.

(3) GERMAN FOUNDATION.—The term "German Foundation" means the Foundation "Remembrance, Responsibility and the Future" referred to in the Agreement.

(4) ICHEIC.—The term "ICHEIC" means the International Commission on Holocaust Era Insurance Claims referred to in Article 1(4) of the Agreement.

Mr. HYDE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment, as modified, be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN pro tempore. Pursuant to the order of the House of today, the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Chairman, I yield myself such time as I may consume.

This en bloc amendment, Mr. Chairman, consists of 19 amendments that were made in order by the rule on H.R. 1646. The inclusion of these 19 provisions into this en bloc amendment reflects the concurrence of each sponsor and the gentleman from California (Mr. LANTOS), the ranking Democratic member of the Committee on International Relations.

I assure my fellow Members that these measures are noncontroversial, and I recommend an aye vote on this en bloc amendment. I appreciate very much the cooperation we have received from the sponsors of these amendments and from the gentleman from California (Mr. LANTOS), my Democratic colleague, for working with us to advance these measures in this manner.

Mr. Chairman, I reserve the balance of my time.

Mr. LANTOS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first, let me express my deep appreciation to the gentleman from Illinois (Chairman HYDE) for the extraordinarily cooperative and collegial manner in which he has handled both this matter and all matters that we have dealt with in the committee.

Mr. Chairman, I rise in support of this en bloc amendment. This en bloc amendment includes amendments from both sides of the aisle and includes a technical provision requested by the Department of State.

I would like to highlight several provisions that enjoy broad bipartisan support: the amendment of the gentleman from American Samoa (Mr. FALEOMAVAEGA) supporting free, fair and democratic elections in Fiji, East Timor, and Peru; the amendment of the gentleman from Guam (Mr. UNDERWOOD) on the Philippines; the amendment of the gentlewoman from New York (Ms. VELÁZQUEZ) on small business contracting by AID; the amendment by the gentlewoman from Texas (Ms. JACKSON-LEE) on child soldiers; the amendment by the gentleman from Vermont (Mr. SANDERS) on trafficking; the amendment by the gentleman from New York (Mr. ENGEL) on U.S. civilian prisoners during World War II; and the amendment by the gentleman from New Jersey (Mr. MENENDEZ) on IAEA and Iran.

Mr. Chairman, a provision offered by the gentlewoman from New York (Ms. SLAUGHTER) seeks to ensure congressional oversight and enforcement in the area of Holocaust restitutions by requiring the Secretary of State to determine in a report to Congress whether the foundation established for this purpose is meeting its responsibilities to claimants.

The en bloc amendment also contains the East Timor Transition to Independence Act, legislation I introduced with the gentleman from Rhode Island (Mr. KENNEDY), the gentleman from Massachusetts (Mr. MCGOVERN), the gentleman from New Jersey (Mr. SMITH), and the gentlewoman from New York (Mrs. LOWEY).

I would express my appreciation to the gentleman from Illinois (Chairman HYDE) and the gentleman from Iowa (Mr. LEACH), chairman of the Subcommittee on East Asia and the Pacific, and the gentleman from American Samoa (Mr. FALEOMAVAEGA), ranking Democratic member, for their help on this legislation, along with the East Timor Action Network.

Two years ago, Mr. Chairman, the people of East Timor voted overwhelmingly for independence from Indonesia. In response, anti-independence militias, with the support of the Indonesian military, launched a campaign of terror and violence.

The East Timorese have now won their hard-earned freedom, and the United States is playing a lead role in helping the East Timorese get back on their feet. This legislation provides a 3- to 5-year trade, aid, and security agenda with East Timor so that our Nation remains a key player in helping to rebuild that small and long-suffering country.

It authorizes $25 million in bilateral U.S. assistance to East Timor, authorizes the establishment of a Peace Corps Program in that country, and mandates a series of steps to increase the involvement of U.S. trade and export agencies in East Timor.

I also wish to point to the amendment offered by the gentleman from New Jersey (Mr. SMITH) and myself titled the Freedom Investment Act. This amendment ensures that our human rights and democracy programs are not merely part of our foreign policy rhetoric, but are also part of U.S. foreign policy reality.

If we are to accomplish this, the human rights function within the Department of State must be strengthened appreciably.

This provision provides a permanent authorization for the Bureau of Democracy, Human Rights and Labor equal to 1 percent of the Department's main operating account. This continues specific authorizations that the Congress has provided for the democracy and human rights functions and boosts the human rights and democracy fund.

This fund administered by the Department of State has been crucial to providing small level grants to human rights causes around the globe, and it definitely should be increased.

So I want to reiterate my support, Mr. Chairman, of the en bloc amendment offered by the gentleman from Illinois (Chairman HYDE), and I urge my colleagues to vote for his amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. HYDE. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Ohio (Mr. CHABOT).

Mr. CHABOT. Mr. Chairman, I am pleased to join with the gentleman from Texas (Mr. LAMPSON), my good friend, thanking the gentleman from Illinois (Chairman HYDE) for including in his en bloc amendment our amendment, which extends until 2003 the reporting requirement of the State Department on compliance with the provisions of the Convention on the Civil Aspects of International Child Abduction.

My colleagues will recall that the gentleman from Texas (Mr. LAMPSON) and I offered legislation last year adopted in both the House and the Senate that urged compliance by signatory countries with the Hague Convention. The legislation became necessary because, sadly, some Hague signatories consistently fail to comply fully with both the letter and the spirit of their international legal obligations under the Convention.

The Hague Convention establishes reciprocal rights and duties between and among its contracting states to expedite the return of children to the state of their habitual residence as well as to ensure that rights of custody and of access under the laws in one contracting state are respected in other contracting states. Unfortunately, some parties to the Convention have been routine offenders.

My colleagues have often heard me talk about the case of a Cincinnati man, Tom Sylvester, whose then baby daughter, Carina, was abducted by her mother back in 1995 and taken to Austria where she remains today. Six years after the abduction, the case remains unresolved despite a number of court orders in Mr. Sylvester's favor in both the United States and Austria, including an order all the way up to the Austrian Supreme Court in Mr. Sylvester's favor.

Unfortunately, the Sylvester case is not a rarity. Every year, more and more American parents suffer similar circumstances and face similar obstacles from other nations, many of whom are signatories of the Hague Convention.

This amendment which extends for 2 years the reporting requirements of the Department of State on compliance by Hague signatories is, unfortunately, quite necessary. The continuation of this language in the State Department authorization legislation sends a message to those offending countries who consistently fail to honor their obligations under international law, that the Congress takes their failure to comply very seriously and will continue to pursue efforts to bring our American children home.

I want to commend the gentleman from Texas (Mr. LAMPSON). As chairman of the Congressional Caucus on Missing and Exploited Children, he has done an extraordinary job in bringing national and international attention to this growing problem that devastates so many American families. I urge adoption of the amendment.

Mr. LANTOS. Mr. Chairman, I am happy to yield such time as he may consume to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I want to commend the gentleman from Ohio (Mr. CHABOT) and the gentleman from Texas (Mr. LAMPSON) on their continuing efforts on focusing their attention on this very tragic situation that so many parents are in across our Nation. We welcome the opportunity to include this amendment in the en bloc, and I thank the gentleman from Illinois (Chairman HYDE) for including it.

Mr. LANTOS. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from New Jersey (Mr. MENENDEZ).

Mr. MENENDEZ. Mr. Chairman, part of the en bloc is one that I offer on Iran because I am deeply concerned about U.S. taxpayer dollars being used to support the development of a 1,000 megawatt nuclear power reactor at Bushehr in Iran's Persian Gulf coast. I want specifically to address the role of the International Atomic Energy Agency's technical assistance for this plant; because I believe the agency is indirectly supporting Iran in its well-known endeavors to acquire dangerous nuclear technology.

Iran claims it is merely seeking the wherewithal to meet its publicly desired statement to have a civil nuclear power program to generate electricity, which is suspect in light of Iran's having the world's largest oil and natural gas reserves. But it is no secret that Iran is also pursuing a nuclear weapon's development program.

Last fall, Assistant Secretary of State for Nonproliferation Bob Einhorn stated in testimony before the Senate that the administration opposed construction of the Bushehr plant because, "it would be used as a cover for maintaining wide-ranging contacts with Russian nuclear entities and for engaging in more sensitive forms of cooperation with more direct applicability to a nuclear weapons program." I could not agree more.

Let me suggest to my colleagues that we must decide as a government whether to oppose or acquiesce in the construction of the plant, which is being built with Russian support. I submit to my colleagues that acquiescence in this case is tantamount to our acceptance as inevitable the construction of the nuclear power plant. This is not about safety, this is about operational capacity. If we do not speak out, who will?

My amendment would simply withhold U.S. proportional voluntary assistance to the IAEA for programs and projects of the agency which go for technical assistance for the Bushehr plant. I have no interest in cutting off all IAEA assistance to Iran, but it is ludicrous for the United States taxpayers to support a plant which could pose a threat to the United States and to stability in the Middle East.

Please support my colleagues in supporting the en bloc amendment.

Mr. HYDE. Mr. Chairman, I am pleased to yield 2 minutes to the distinguished gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. Mr. Chairman, the Flake-Gilman-Cantor-Wexler amendment is a bipartisan straightforward resolution condemning the remarks of Syrian President Bashar al-Assad.

On March 27 at the first regular Arab summit gathering in more than 10 years, President Assad used his speech to lash out against Israel.

In electing Mr. Sharon to be their leader, President Assad said Israelis "had chosen a man who hated anything to do with Arabs and had dedicated his career to killing them."

President Assad continued by saying, "We say that the head of the government is a racist, it's a racist government, a racist army and security force." "It is a racist society and it is even more racist than the Nazis."

Mr. Chairman, as if President Assad's remarks back in March were not enough, he reiterated his anti-Semitic remarks 11 days ago in his welcoming speech to Pope John Paul, II, in Damascus.

In both cases, the administration has been swift to condemn Assad's remarks. The time has now come for Members of the House to go on record condemning these inflammatory remarks and express its support for people of Israel.

Finally, President Assad's remarks illustrate a counterproductive pattern beginning there. These types of actions will only have a negative impact on the region in this time of crisis.

This amendment sends a message that the United States opposes this type of speech by world leaders. For this reason, I urge my colleagues to support the en bloc amendment.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. HYDE. Yes, I yield to the gentleman from New York.

□ 1630

Mr. GILMAN. Mr. Chairman, I want to thank the gentleman from Arizona for his cogent remarks with regard to the appalling remarks made by the President of Syria recently. He was criticized by the press, by leaders throughout the world for encouraging and inciting more hostility rather than being a leader for peace.

We had looked to the new President of Syria for greater leadership than he has demonstrated, and we hope he will take a good hard look at what he has done to stir up the problems in the Middle East and recant his statement, and we look forward to hearing from the President of Syria further on this issue.

Mr. LANTOS. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Chairman, I thank my friend from California, the ranking member, the distinguished gentleman, for yielding time to me.

I certainly agree with the remarks of the gentleman from New York (Mr. GILMAN) and the gentleman from Arizona (Mr. FLAKE) condemning the President of Syria, and I would also add that Syrian troops ought to leave Lebanon as soon as possible.

Mr. Chairman, my amendment, which is rolled into the en bloc amendments, addresses the unfortunate events of World War II in which almost 19,000 American civilians living or traveling abroad were captured by the Axis powers and incarcerated, 1,700 of whom either died in captivity or were executed. It is really a shocking statistic. To date, no formal apology has been offered for these terrible actions.

My amendment would extend the Congress' sympathy to the brave men and women who were incarcerated and their families for the terrible hardships they endured. Also, it encourages foreign nations that incarcerated U.S. civilians during World War II to formally apologize to these individuals and their families.

Passage of this amendment would honor the many who suffered, including Michael Kolanik, Sr., of Westchester County, New York, which I represent. He was captured by Nazi Germany and was a slave laborer for 6 years. Unfortunately, he has already passed away; but his son Mike, Jr., a Vietnam veteran, has been pursuing this issue in honor of his father.

While recognition of their ordeal will not erase the painful reality of their imprisonment, it will provide a sense of closure for them and their families and put to rest a long and drawn-out battle to honor those brave men and women for their suffering.

I know this has bipartisan support, and I thank everybody for that; and I urge my colleagues to vote in favor of this amendment so that we can begin to heal the wounds of the past.

Mr. HYDE. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. CANTOR).

Mr. CANTOR. Mr. Chairman, I rise in support of the Flake amendment. In a gesture of interfaith reconciliation, Pope John Paul II recently undertook the first-ever visit by a Pope to Syria where he visited a mosque. I commend the Pope for these historic actions that are in keeping with the finest teachings of our Judeo-Christian heritage. Despite these generous acts, Pope John Paul II was subjected to a primitive anti-Jewish outburst by Syrian President Bashar Assad. President Assad attacked the Jews as a people "who try to kill the principles of all religions with the same mentality with which they betrayed Jesus Christ, and in the same way they tried to commit treachery against the Prophet Muhammad."

Later, Pope John Paul II was subjected to a second bigoted tirade, this time by the Syrian Religious Affairs minister, who railed against "what the enemies of God and malicious Zionism conspire to commit against Christianity and Islam." On the second day of the Pope's visit to Syria, a front page editorial in the official government newspaper called Israelis "the enemies of God and faith."

These expresses must have been particularly painful to the Pope, in view of the fact that he has worked so long and hard to further increase understanding between Christians and Jews and people of all faiths. The religious bigotry expressed by Syria's president is contrary to America's values of religious tolerance and undermines the chance for peace and poisons relations between people of different faiths.

There have been reports that the Syrian government hopes to improve its relationship with the United States in order to qualify for American financial aid. Such anti-Semitic rhetoric is not a positive step and merely fans the flames of violence.

The Flake amendment would shed light on the actions and statements of high-ranking Syrian government officials and emphasizes the concern of the United States about the negative impact such remarks make on the prospects for Middle East peace. Congress must speak up and act to condemn this hatred. Accordingly, I strongly urge all Members to support this amendment.

Mr. LANTOS. Mr. Chairman, I am pleased to yield 2 minutes to the gentlewoman from New York (Ms. SLAUGHTER).

Ms. SLAUGHTER. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, time is running out for Germany to provide a measure of justice to the survivors of the Holocaust, 10 to 15 percent of whom are dying every year. I urge passage of the Slaughter-Waxman-Schakowsky amendment to H.R. 1646 that would require the Secretary of State to report to Congress twice a year on the status of the German foundation, Remembrance, Responsibility, and the Future.

The amendment also expresses the sense of Congress regarding the urgency of payments to Holocaust slave and forced labor camp survivors, and encourages the International Commission on Holocaust Era Insurance Claims to work with the Secretary of State in gathering the information required for the report.

Behind this amendment are real faces, faces of survivors from a variety of concentration and forced labor camps. Thousands suffered torture, mental abuse, loss of family, destruction of their culture during the Holocaust; yet they continue to wait on reparations for the suffering they endured so many years ago. Nearly a year after the agreement signed by the United States and Germany establishing the German foundation as the exclusive forum for the resolution of Holocaust-era restitution claims, not one Deutsche Mark has been paid out to a Holocaust survivor.

The German foundation is supposed to be an exclusive remedy. We must make sure it is an effective remedy. This amendment would serve notice to the German foundation that Congress is concerned about Holocaust survivor restitution claims and expects the allocations of funds from the German foundation to go forward without further delay.

During the last Congress, I introduced the Justice for Holocaust Survivors Act, H.R. 271, a bill that would have allowed survivors to pursue reparations from Germany for the unspeakable suffering they endured during the Holocaust. H.R. 271 garnered the support of 96 bipartisan cosponsors. This legislation served as a major catalyst in the talks between the U.S. and Germany to reach a compensation agreement.

On July 17, 2000, the United States and Germany signed an agreement to establish the German Foundation, as the exclusive forum for the resolution of all Holocaust-era personal injury, property loss, and damage claims against German banks, insurers, and companies. In return, the U.S. Department of Justice has urged the U.S. courts to reject all existing and future lawsuits against German companies by slave laborers and other victims of the Nazi era.

However, nearly a year after the agreement's inception, not one Deutsche mark has been paid by the German Foundation to Holocaust survivors. There needs to be more oversight and enforcement of the agreement that was negotiated by the United States. The German Foundation is supposed to be an exclusive remedy; we must make sure it is an effective remedy.

Our amendment would achieve this goal by requiring the Secretary of State to report to Congress on whether the German Foundation is meeting its responsibilities to claimants; insurance companies joining the agreement abide by the same baseline set of standards; and slave and forced labor payments are distributed as soon as possible.

Mr. Chairman, this report would also serve notice to the German Foundation that Congress is concerned about Holocaust survivor claims and expects the allocation of funds from the German Foundation to go forward without further delay.

We must address the current lack of oversight of the German Foundation. I urge my colleagues to join me in calling for this report to Congress on the status of the German Foundation before it is too late to grant justice to our aging Holocaust survivors.

Mr. LANTOS. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. LAMPSON).

Mr. LAMPSON. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I want to thank the chairman of the committee, the gentleman from Illinois (Mr. HYDE), for his willingness to fold the Lampson-Jackson Lee-Chabot amendment regarding international child abduction into his en bloc amendment. I also want to thank the gentleman from Ohio (Mr. CHABOT) and the gentleman from New York (Mr. GILMAN) for their earlier comments and their hard work on this issue that affects so many parents and children in the United States of America.

In the fall of 2000, I wrote to former Secretary of State Albright to express my strong concern regarding the U.S. State Department's adherence to the reports required in section 202 of the consolidated appropriations act of last year. Congress takes this reporting requirement very seriously, as it is designed to strengthen the implementation of the Hague Convention on the Civil Aspects of International Child Abduction.

In the past, the Department of State has submitted reports to Congress that in my mind have not been meeting the statutory requirements required by the reports and has not helped the cause of many parents left behind in the United States.

As H.R. 1646 is currently written, there is no reporting requirement of the U.S. Department of State on the compliance with the provisions of the Convention on Civil Aspects of International Child Abduction done at the Hague in 1980, and this amendment simply extends the reporting requirement in last year's State Department authorization bill from the current requirement of 2001 for 2 years, to 2003.

The entire purpose of this report is to educate judges, attorneys, and the public to promote remedial actions in current cases and to prevent as many new ones as possible. This depends on full disclosure by the State Department of information sought by Congress and the sort of widespread dissemination of the report that was called for in the last Congress' law.

So again I thank the chairman for accepting this as part of the en bloc amendment, and I urge my colleagues to support it.

Mr. LANTOS. Mr. Chairman, I yield 2 minutes to my distinguished colleague, the gentleman from Guam (Mr. UNDERWOOD).

Mr. UNDERWOOD. Mr. Chairman, I thank the ranking member, the gentleman from California (Mr. LANTOS), for yielding me this time; and I thank the gentleman from Illinois (Mr. HYDE) for including this amendment in the en bloc amendment.

I urge my colleagues to support the en bloc amendment, particularly my amendment regarding the former United States military facility in the Philippines. Basically, what my amendment does is support the joint statement by the United States and the Republic of the Philippines on the Framework for Bilateral Cooperation in the Environmental and Public Health, signed on July 27, 2000. This would encourage an objective nongovernmental study which would examine the environmental contamination and health effects emanating from the former U.S. facilities in the Philippines following the departure of the U.S. military forces from the Philippines in 1992.

This is good responsible policy. It cements an ongoing dialogue that we have with the Philippines on the results of the contamination which was evident in the military facilities which we left in 1992. This is particularly important at this particular time as we examine our ongoing relationships with the Philippines.

The United States and the Philippines have a long and proud history of friendship and cooperation. We originally acquired the Philippines under the Treaty of Paris in 1898; and frankly, we were engaged in a period of imperialism and forcibly took the Philippines. But since that time, we have helped the Philippines to develop its democratic foundations and its military, as most Philippine military institutions are modeled after the United States. We could consider the Philippines the first pioneer democracy in Asia.

Now, this is particularly important at this time as we have finalized a visiting forces agreement with the Philippines. We continue to understand that in the ongoing environment of Asia we need the Philippines now more than ever. It is time we take a little responsibility for the environmental cleanup and take a good strong look at it. I urge passage of the amendment and again thank the chairman and the ranking member.

Mr. Chairman, I urge my colleagues to support my amendment regarding the former United States military facilities in the Philippines to H.R. 1646, The Foreign Relations Authorization Act for FY 2002.

My amendment would support the Joint statement by the United states and the republic of the Philippines on a Framework for Bilateral Cooperation in the Environmental and Public Health signed on July 27, 2000, which I ask permission to submit for the record; and would encourage an objective non-governmental study which would examine environmental contamination and health effects emanating from the former U.S. military facilities in the Philippines, following departure of U.S. military forces from the Philippines in 1992.

The United States and the Philippines have a long and proud history of friendship and cooperation. Spain ceded the islands to the United States under the terms of the Treaty of Paris signed December 10, 1898, which ended the Spanish-American War. In turn, the United States helped the Philippines to develop its democratic foundations and its military, as most Philippine military institutions were modeled after United States counterparts. Depending upon ones perception of history and definition of democracy, the Philippines could be considered the first pioneer democracy in Asia. In 1906, as a U.S. territory, the Philippines elected two Resident Commissioners to the U.S. Congress. In 1935, the Philippine Islands became the Commonwealth of the Philippines. Between 1907–1946, the Philippines elected 13 different Resident Commissioners to the U.S. Congress. In 1946, the Philippines became fully independent.

The United States and the Philippines maintained their relationship as allies during World War II and the postwar period. In 1941, then President Roosevelt called up members of the Philippine Commonwealth Army into the service of the United States. Over one hundred thousand Filipinos fought alongside the allies to reclaim the Philippine Islands from Japan. This valiant sacrifice and dedication to our shared values during their service in World War II is the foundation of the U.S. and Philippine relationship.

In 1947, the U.S. and the Philippines signed the Military Bases Agreement, which resulted in Clark Air Force Base and Subic Bay Naval Base. Throughout, U.S.-Philippine relations have been and continue to be based on shared history and commitment to democratic principles.

During negotiations between the U.S. and the Philippines in 1991, the Philippine Senate rejected the renewal of the Military Base Agreement. As a result, in 1992, the U.S. withdrew from Clark Air Force Base and Subic Bay Naval Base, thereby ending the almost 100 years of American military presence there. In the haste of our departure, unfortunately little effort was made to provide any environmental restoration in the bases, albeit none was required. This was a result of the 1988 Amendments to the Military Base Agreement.

Moreover, the 1998 Defense Authorization Act specifically states that the armed forces "should not be deployed outside the U.S. to provide assistance to another nation in connection with environmental preservation activities in that nation, unless the Secretary of Defense determines that such activities are necessary for national security purposes." Given this legal and Congressional framework, the U.S. is not legally obligated to provide any environmental restoration in regards to the Philippines. However, I would strongly argue that while both our nations share a profound concern for the quality of the environment, the U.S. has a moral obligation to the Philippines to cooperate in ameliorating this environmental degradation.

Nevertheless, according to the General Accounting Office, the Department of Defense (DOD), and the World Health Organization, at least eighteen contaminated sites on or surrounding these former military installations in the Philippines have been identified. High levels of toxic materials were generated on these sites from over 45 years of intensive military activities, including the production, cleaning, use, and storage of weapons, ordnance, aircraft, naval vessels, land vehicles, and electronic equipment. Wastes were dumped with little regard for the environment as was the norm during the Cold War. As a result of frequent chemical waste dumping, and inadequate sewage and treatment facilities, these toxic materials directly polluted the soil, air, and water.

The urgency of my amendment is shown through the severe illnesses and increasing number of deaths experienced by the current Filipino inhabitants near the former bases. Their health concerns include high rates of urinary tract, reproductive, and nervous system problems, plus high rates of respiratory disorders in children. Various reports have suggested possible connection between these health problems and the drinking water containing heavy metals such as mercury and lead. There has also been a high occurrence of skin diseases, miscarriages, stillbirths, birth defects, various cancers, heart and lung ailments, and leukemia. In only one village where mercury and other contaminants were found in the water, 68 deaths were reported between 1995 and 1999.

Not only are the lives of numerous families at stake, but our actions should be considered within the larger scope of U.S.-Philippines relations. Clark Air Force Base and Subic Bay Naval Base were strategically valuable during the Cold War—especially during the Vietnam and Korean conflicts. The Filipino people have been our loyal allies throughout this century. Therefore we cannot ignore these pressing issues as the daily lives of thousands have been adversely affected from such contamination.

In a positive step forward, in 1999, the U.S. and the Philippines reached agreements to revive the security relationship, which had declined following the U.S. withdrawal from military bases in 1992. The two governments concluded a Visiting Forces Agreement that will allow U.S. military personnel to enter the Philippines for joint training and other cooperative activities.

In addition, in July of 2000, the U.S. and the Philippines signed a Joint Statement that outlines a cooperative partnership that would include increased sharing of information, best practices and partnerships through ongoing capacity building programs, among government and non-government experts. The goal of this Joint Statement would be to enhance the Philippines' institutional and technical capacity to address environmental and public health problems throughout the Philippines and help coordinate military-to-military consultations to discuss ways to reduce the environmental impacts of peacetime military activities.

I would like to commend the DOD and the State Department for their collaborative efforts in working within the legal framework provided, and cooperating with the Philippines in turning over records and documents via the U.S. Embassy. Moreover, I would like to point out the many successful U.S. inter-agency team visits to the Philippines. In May 2000, officials from DOD, State, the Environmental Protection Agency (EPA), and Department of Energy (DOE) began to discuss the broad environmental issues facing the Philippines. In October 2000, a DOD team began a defense-to-defense environmental information exchange program, and conducted a workshop on hazardous waste management. And, in December of 2000, yet another inter-agency team consisting of DOD, State, EPA, the US Agency for International Development, and US Geological Service conducted more workshops on environmental management systems. My amendment supports these activities and provides further constructive steps by encouraging an objective non-governmental study that would build upon this positive work.

A new study issued May 14th by the Rand organization, entitled "U.S. & Asia—Toward a New U.S. Strategy and Force Posture" reinforces the importance of U.S.-Philippine relations.

This study argues that the conflict between Taiwan and mainland China are key to U.S. security posture in the Pacific and recommends the U.S. engage in new relationships with the Philippines and Guam. Specifically, the study reports that the U.S. should ". . . expand cooperation with the Philippines" and ". . . the Philippines may present an interesting opportunity to enhance Air Force access in the Western Pacific." Moreover, the study suggests that Guam "should be developed into a major hub from which the Air Force and Navy could project power into the South China Sea and elsewhere in Southeast Asia."

Given this analysis of the importance of the Philippines, Congress should seek to encourage better cooperation and increased dialogue between our two countries, which my amendment intends to do.

Passage of this important amendment will also help raise awareness of the environmental contamination and health issues at the former military bases in the Philippines. I urge all Members to support my amendment.

Joint Statement by the United States of America and the Republic of the Philippines on Framework for Bilateral Cooperation in the Environment and Public Health

Whereas the United States of America and the Republic of the Philippines have a long and proud history of friendship and cooperation.

Whereas both nations share a profound concern for the quality of the natural environment and the impact environmental quality has on the health and well-being of our peoples.

Whereas both nations recognize the critical importance that environmental quality plays in the stability and security of nations.

Whereas both nations share a strong interest in working to prevent environmental problems that could threaten public health or the national security of either nation.

Whereas both nations intend to cooperate to help protect air, soil, and water resources, marine and coral reefs, tropical forests, and biological diversity.

And taking note of the joint statement on clean energy and climate change signed by their Energy Departments, both nations do hereby express their intent to reduce industrial and toxic pollution and the emissions of greenhouse gases that can contribute to global climate change, and to enhance local capacities for improved environmental and public health management.

Accordingly, the United States of America and the Republic of the Philippines announce that they intend to jointly expose ways in which this cooperation can further enhance their long tradition of friendship and help ensure the well-being of their peoples and the planet.

This cooperation is envisioned to include increased sharing of information, best practices and partnerships through ongoing capacity building programs, among government and non-governmental experts, directly and by electronic mans. The goal of this cooperation would be to enhance the Philippines' institutional and technical capacity to address environmental and public health problems throughout the Philippines.

In particular, cooperative efforts should be undertaken to build capacity for effective regulation of the competitive electric power industry that will be evolving in the Philippines in order to facilitate the market deployment of energy efficient technologies, renewable energy sources, and less carbon intensive fuels such as natural gas, all of which can help limit emissions of both carbon dioxide and conventional air pollutants.

In addition, these exchanges and consultations may also include cooperation to minimize loss of life and property damage resulting for natural disasters.

Further, in consideration of the treaty alliance between the United States of America and the Republic of the Philippines, and believing strongly in the importance of a close relationship between our armed forces, as part of our cooperative effort, we intend to convene defense-to-defense consultations to discuss ways to reduce the environmental impacts of peacetime military activities.

Further specific priorities for this enhanced framework for cooperation on the environment and public health are to be defined in an ongoing dialogue by interagency teams of both Governments and should build on current bilateral efforts. Through this dialogue, the Philippine side will provide the United States a prioritized list of proposed cooperative activities with a view to achieving the objectives of this Joint Statement.

Washington, DC, July 27, 2000

Mr. LANTOS. Mr. Chairman, I am delighted to yield 2 minutes to my friend, the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the chairman and the ranking member for allowing this amendment to come to the floor. I support the en bloc, and I ask for the support of my colleagues for this amendment that places governments on notice that the United States pays attention to those nations who use children as soldiers.

The amendment mandates that the Department of State annual Human Rights Report for each country, where applicable, include a description of the nature of conscription, and participation of persons under the age of 18 by governmental forces, government-supported paramilitaries, or other armed groups.

Do I need to name the countries? Countries in South America, Sierra Leone in Africa, Sudan, Liberia, and other places where children have been placed into conflicts not of their own choosing. This is important documentation that will tell us a great deal about the real human rights practices that occur when children are absorbed into armed conflict.

The mere compilation of annual country reports regarding this human tragedy will be a critical tool in the United States foreign policy. We must stop children being forced into armed war. An estimated 300,000 children under the age of 18 were engaged in armed military conflicts in more than 30 countries, and they are currently fighting along with the adults in these armed conflicts.

I am gratified that the ranking member, the gentleman from California (Mr. LANTOS), is a cosponsor, as is the gentleman from Georgia (Mr. LEWIS). Far too many of these children have been forcibly conscripted through kidnapping or coercion, and others join because of economic necessity, to avenge the loss of a family member, or for their own personal safety. It is horrific to see children with mutilated hands, but even more so for the children to mutilate those because they are forced to do so.

Listen to the story of a girl from Uganda who was kidnapped, taken away from picking tomatoes in the garden. These soldiers surrounded her, they then took her to her home, killed her mother, and then took her away, leaving behind her little brother and two little sisters. It is a tragedy. And these children try to resist.

This is a good amendment and I ask for support. We must stop the utilization of children for soldiers in armed warfare.

Mr. Chairman, I rise to extend my strong support for the Jackson Lee-Lewis-Lantos amendment to the underlying bill. It would enhance our understanding of the treatment of children being used as soldiers.

In short, the amendment would require annual human rights country reports on children used as soldiers. Nothing in the amendment would require any change in U.S. policy or prohibit any funding through multilateral or bilateral assistance given abroad. Mr. Chairman, the amendment merely places governments on notice that the United States pays attention to those nations who use children as soldiers.

The amendment mandates that the Department of State annual Human Rights Report for each country, where applicable, include a description of the nature of conscription, and participation in of persons under the age of 18 by governmental forces, government supported paramilitaries, or other armed groups; their use in combat; and what steps are being taken by the government of that country to eliminate such practices. This is important documentation that will tell us a great deal about the real human rights practices that occur when children are absorbed into armed conflict. The mere compilation of annual country reports regarding human rights has been a critical tool of American foreign policy under Republican and Democratic Administrations.

An estimated 300,000 children under the age of 18 were engaged in armed military conflicts in more than 30 countries are currently fighting in armed conflicts. Sadly, far too many of these wonderful children are forcibly conscripted through kidnapping or coercion and others joined because of economic necessity, to avenge the loss of a family member or for their own personal safety. There are so many stories of children being abused in this way.

"B." [who wishes to remain unidentified], a 14-year-old young girl, was abducted in Uganda in February 1997: "I had gone to the garden to collect tomatoes at around eight or nine in the morning. Suddenly, I was surrounded by about 50 rebels. They started picking tomatoes and eating them. They arrested me and beat me terribly. Finally, I walked them to my home. We went there and collected my clothes. There, they killed my mother. They made me go, leaving behind my little brother and two little sisters. . . . I was resisting. Then they started beating me until I became unconscious."

War is a daily reality for millions of children. Some have never known any other life—they have grown up in the midst of civil wars, guerrilla wars, guerrilla insurgency, or long-term occupation by a foreign army. For others, the world is suddenly turned upside down when invasion of forced internal displacement drives them on the road of refugees or displaced persons, often separated from their families.

The results are devastating. Children injured in armed conflicts often-innocent bystanders, but some are targeted deliberately by security forces and armed opposition groups, in retribution or to provoke outrage in each other's communities. Some, mainly girls are singled out for sexual abuse. While both boys and girls are used as fighters, girls are at particular risk of rape.

Casualty rates among child soldiers are generally high, because of their inexperience, fearlessness and lack of training, and because they are often used for particularly hazardous assignments, such as intelligence or planting landmines. Both governments and armed groups use children because they are easier to condition into fearless killing and unthinking obedience; child soldiers are sometime provided with drugs and alcohol to overcome their fear or reluctance to fight.

Last year, the United States government signed two landmark Protocols that address prostitution, the impact of pornography on children, and the global practice of child labor. This resolution, in an entirely complimentary way, applauds the decision by the U.S. government to support the Protocol that condemns the use of children as soldiers by government and nongovernment forces. Further, the House passed H. Con. Res. 348, a resolution that condemns the use of children as soldiers. And there is good reason why we did that. This is a common sense step forward.

It is important that the House accept the Jackson Lee-Lewis-Lantos amendment so that the U.S. Department of State may include reports on other countries that use children as soldiers. I urge my colleagues to support this amendment.

□ 1645

Mr. LANTOS. Mr. Chairman, I yield 2 minutes to the gentleman from Rhode Island (Mr. KENNEDY).

Mr. KENNEDY of Rhode Island. Mr. Chairman, I thank the gentleman for yielding me this time, and rise to support an amendment which outlines a 3- to 5-year trade, aid and security agenda with East Timor which, as everyone knows, is currently under United Nations control and is scheduled for full independence later this year.

This legislation contained in the en bloc authorizes bilateral U.S. assistance to East Timor in order to promote civil society, independent media, job creation and economic development. It authorizes the establishment of a Peace Corps program in East Timor, requires that a developmental plan to establish full diplomatic facilities in East Timor be accomplished and mandates a series of steps to increase the involvement of U.S. trade and export agencies in East Timor.

I had the honor of having the chance to travel to East Timor with Nobel Prize winner Bishop Carlos Belo, and this was just after he received the Nobel Peace Prize. As my colleagues know, for the last 30 years East Timor has been fighting for its independence. Finally it won it.

Mr. Chairman, now we need to make sure that independence sticks and stability takes hold. In this Congress and many other places, we prepare for war. And when we prepare for war, we make sure that we make an investment in order to win war once we have prepared for it. Now we need to win the peace. We need to make sure that peace takes hold in East Timor. So we also need to make sure that peace takes hold, and this legislation within the en bloc will make that take place.

Mr. Chairman, I encourage my colleagues to join me in support of this very important amendment which will help our relationship with East Timor and help it get underway.

Mr. HYDE. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. BRADY).

Mr. BRADY of Texas. Mr. Chairman, I rise to urge support for two amendments that we have offered as part of the en bloc proposal today. The first deals with fugitives who continue to flee America and American justice. The world has gotten smaller and the number of criminals fleeing America continues to grow. With this amendment, Congress takes another step towards the days when there is nowhere in the world for fugitives to hide.

According to the Department of Justice, more than 3,000 indicted criminals have fled and remain out of our American reach. Their crimes include murder, terrorism, drug trafficking, money laundering, child abduction, financial fraud, and cyber crime. Our extradition agreements are terribly outdated. Half of them predate World War II, and we do not have agreements with over 40 percent of the world, so there are safe havens throughout the globe.

Mr. Chairman, our goal with this amendment is to ensure that the State Department creates a process for updating our outdated extradition agreements and starting a process to incur new agreements to return these criminals to face American justice and to work with the Department of Justice in doing so.

The second amendment is designed to express a sense of our Congress which is absolutely committed to ensuring the truth of the murder of a Texan American, John Elvis, who was brutally murdered last November in Baku, Azerbaijan. He was finishing a 4-year commitment to the International Republican Institute for Fair and Free Elections, and had only 2 weeks left before he returned home to Texas and his family.

We appreciate the support the government of Azerbaijan has provided us, the FBI, and our Ambassador onsite to attempt to solve this murder. This young man was a friend, a colleague and a true freedom fighter for America. President Bush and others continue to urge Azerbaijan to cooperate with us to ultimately find this murderer or murderers, and bring them to justice.

Mr. LANTOS. Mr. Chairman, I yield 1 minute to the gentlewoman from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. Mr. Chairman, I rise in strong support of the Slaughter-Waxman-Schakowsky amendment and thank my co-authors for their hard work on this important subject, and I thank the gentleman from California (Mr. LANTOS), the distinguished chairman and ranking Democratic member of the Committee on International Relations.

My district, the Ninth Congressional District of Illinois, includes Skokie and is home to one of the largest Holocaust survivor populations in this country. With passage, this body will make it clear to Holocaust survivors in my district and throughout the world that the United States places the utmost importance on providing some measure of justice, albeit long overdue, to those who suffered the worst atrocity of the last century.

This amendment also puts it clearly on record in underscoring the critical timing of this issue for the aging Holocaust survivor population, and urges the German Bundestag to provide the funds for disbursement by the German foundation to Holocaust survivors as soon as possible. Holocaust survivors have been waiting more than 50 years. This amendment will help assure that their pain and patience is acknowledged in some small way.

Mr. WAXMAN. Mr. Chairman, I join Representative SLAUGHTER and Representative SCHAKOWSKY today in offering an important amendment to the State Department Authorization Bill, which will enhance U.S. Government oversight of the major Holocaust restitution settlement that created the German Foundation "Rememberance, Responsibility, and the Future."

Nearly a year ago, on July 17, 2000, the German Foundation was established to expedite payments to Holocaust survivors who were tortured as slave and forced laborers, and settle claims for banking and insurance policies stolen by the Nazis. Unfortunately, its implementation has fallen far below expectations.

Thousands of aging survivors who suffered through the horrors of concentration camps continue waiting for the distribution of payments months after all of the class action slave and forced labor cases were dismissed or withdrawn from U.S. courts. In the matter of insurance, merely 496 claims out of the 70,000 filed with the International Commission on Holocaust Era Insurance Claims (ICHEIC) have been settled. The rest have been idled or rejected because the companies have largely ignored many of ICHEIC's standards for approving claims and publishing policyholder names.

During the ceremony preceding the announcement of the German Foundation, U.S. Holocaust Envoy Stuart Eizenstat said, "It is critically important that all German insurance companies cooperate with the process established by the International Commission on Holocaust Era Insurance Claims, or ICHEIC. This includes publishing lists of unpaid insurance policies and subjecting themselves to audit. Unless German insurance companies make these lists available through ICHEIC, potential claimants cannot know their eligibility, and the insurance companies will have failed to assume their moral responsibility."

We must vigilantly pursue resolution of these issues. The amendment asks the State Department for a status report on the progress of the German Foundation, including verification that all participating insurance companies abide by the same baseline set of claims handling procedures and standards for publishing policyholder names. It is troubling enough that barely half of the modest DM 10 billion designated for the German Foundation has been contributed, but no amount of money is worthwhile unless survivors have meaningful access to the funds.

Congress played a vital role in fostering and facilitating the creation of the German Foundation, and we must be equally devoted to overseeing its proper implementation. We should continue holding congressional hearings on this issue, and briefings to help Members of Congress assist constituents in filing claims as deadlines rapidly approach. The deadline to qualify for slave and forced labor payments is August 11, 2001, and the deadline to file for insurance claims is January 31, 2002.

We must do as much as possible to make sure that the German Foundation offers not just an "exclusive remedy," but the fair and just process that was envisioned.

Mr. SCHROCK, Chairman, I rise today in support of Mr. MANZULLO'S Amendment and in support for a constituent in Virginia's 2nd district who will be directly affected by this amendment.

Ms. Chantal Ganthier was the wife of one of the service men taken hostage on the hijacked TWA flight 847 in 1985. I support Ms. Ganthier becoming eligible for compensation due to the traumatic suffering she and her family has endured since her husband was brutally taken as a hostage in 1985.

I encourage my colleagues to vote yea for the Manzullo amendment. It's time was recognize the legal right of these families, these victims of a terrible hijacking, to become eligible for compensation.

Mr. SMITH of Michigan. Mr. Chairman, I am disappointed that there was not an amendment addressing the Kyoto Protocol language in the State Department reauthorization bill. This language that calls for implementary the protocol will potentially have far-reaching ramifications. An issue of such importance should have been debated before the House.

Under the Kyoto Protocol, by 2008 to 2012 the U.S. would be required to slash emissions of greenhouse gases to seven percent below the 1990 level—a level last achieved in 1979. Based on projections of the future growth in U.S. energy use, this would require a real cut in emissions of over 30 percent. In the meantime, major greenhouse-gas emitters, such as China, India, Mexico, and Brazil, would be able to continue business as usual.

But while the Protocol sets stringent targets and timetables for developed countries, it left the important details of implementation for later negotiations. After three years, these negotiations have gone nowhere, the developing countries have repeatedly refused to even discuss the possibility that targets and timetables might apply to them, as well.

Furthermore, in the recent round of discussions that I attended at The Hague last November, the European Union obstructed any effort to establish a system to account for carbon sinks that take carbon gases out of the air. Some estimates suggest that U.S. carbon sinks—mainly forests and agricultural crop land—offset all of our carbon dioxide emissions in the U.S. As U.S. farmers know, corn, sorghum, wood lots, and other crops take up vast amounts of carbon dioxide. But instead of negotiating in good faith on this and other issues, European governments seemed more intent on using the treaty to weaken America's competitiveness.

The United States Senate has already voted against the treaty. With no realistic hope that the treaty could be salvaged and eventually ratified by the Senate, the Bush Administration did the right thing and rejected the treaty. Although many European governments have expressed bitter disappointment about the U.S. decision, it should be pointed out that Romania is the only developed country to ratify the treaty so far.

We need to reduce emissions of green house gases, and we are doing that but the simple fact is that for the U.S. to achieve the unfair U.S. responsibility set out in the Kyoto treaty, energy costs would have to rise sharply.

Today's high cost of energy provides just a hint of the kinds of price increases we could expect if we agree to the Kyoto treaty. The Energy Information Administration projects that under Kyoto, by 2010 the average cost of a gallon of gasoline, in current dollars, would rise 32 cents. Diesel fuel prices to would rise to an average of $2.18 compared to $1.47 today. Home heating oil also would be expected to rise to $2.10 per gallon, well above last winter's price.

Such price increases would have a devastating impact on the U.S. economy. Good-paying, high-skilled manufacturing jobs in many industries would be lost at investment in American plants dries up and industries relocate to developing countries not subject to the treaty's requirements. The losses suffered in these industries will be felt throughout the economy in lower incomes and fewer jobs.

A study by the well-respected econometrics firm WEFA Inc. estimates that the treaty would lead to a drop in average household income of $2,700 per year. Further, an additional 2.4 million U.S. manufacturing jobs could be expected to move to developing countries where companies could take advantage of cheaper energy. Once these countries became sanctuaries for energy-intensive industries, they would be even less likely to agree to emissions limits in the future.

The treaty also lacks a firm scientific basis. While there is not scientific disagreement that more carbon dioxide and other greenhouse gases are in our atmosphere than before the Industrial Revolution, scientists disagree about the extent man-made gases contribute to global warming, the amount of warming, or even if the planet is warming at all. Some research indicates even warmer global temperatures in the past then what we are experiencing today.

Current computer models predicting warming over the next century may prove to be no more reliable than the five-day weather forecast. But even assuming that these models are right, achieving the emission goals in the treaty would reduce project warming by about two-tenths of a degree by 2050. But that does not mean we should ignore this potential problem.

There are many things about the climate system we still do not understand. That is why I support continued research to increase our understanding of climate variability and the potential human impact of greenhouse gas emissions. Instead of Kyoto's command and control approach, the Administration and Congress must work to develop new technologies, market-based incentives, and other approaches to increase energy efficiency and reduce greenhouse emissions. I fully support these approaches and urge my colleagues to do so as well.

Mrs. MORELLA. Mr. Chairman, I rise in support of the Sanders-Morella amendment. Last year, Congress passed the landmark Trafficking Victims Protection Act of 2000, authorizing funds through FY 2002. Our amendment authorizes an increase in funds for FY 2003 and makes some technical amendments to the Act's foreign assistance provisions.

The international trafficking of human beings for slavery, forced labor, or prostitution is a growing global problem that affects poor and rich countries alike. The Congressional Research Service estimates that every year two million people are trafficked against their will to work in some form of servitude. The majority of trafficking victims are under the age of 18 and annually, about 50,000 women and girls are trafficked into the United States alone. The International Organization for Migration (IOM) estimates that trafficking in human beings is a $5 to $7 billion industry worldwide.

Women, children, and men are trafficked to work in a variety of settings beyond forced prostitution and pornography. These areas include domestic work, illegal labor in manufacturing, service industries, or farms, bonded labor, servile marriage, false adoption, and street begging to profit traffickers. Women and girls may be initially trafficked to work as sweatshop laborers and then be transferred into prostitution or domestic servitude.

The states of the former Soviet Union and Southeast Asia are principal sources of trafficked women and girls, but women are trafficked from many developing countries. In Southeast Asia, trafficking is responsible for approximately 10% of the region's gross domestic product (GDP).

Ending the global trade in human beings will require a multi-dimensional approach that addresses the causes of trafficking, protects and supports victims, and prosecutes traffickers. Most importantly, women's vulnerability to trafficking is rooted in poverty and their low social status in many nations. Increased education, work skills, business development, and economic opportunity for women and girls will cut trafficking off at its roots. Additionally, training for law enforcement, customs and immigration officials, and courts in source and destination countries can help deter traffickers. International attention is necessary, not only because the United States imports thousands of women and girls but also because, in many cases, police, judges, and elected officials at all levels of government collude with traffickers—making a law enforcement approach alone ineffective.

The United States has and should continue to be active in combating the growing problem of trafficking in humans. I want to thank Chairman HYDE and Congressman SMITH for their dedication to this issue and encourage members to support the Sanders-Morella amendment.

Mrs. THURMAN. Mr. Chairman, I rise in strong support of the Manzullo amendment. Last year, in enacting the Victims of Trafficking and Violence Protection Act, Congress provided relief to Americans victimized in five terrorist incidents sponsored by nation states. One of these incidents involved seven Americans who were taken hostage when TWA flight 847 was hijacked by terrorists allegedly sponsored by Iran. Through an unfortunate error, Congress did not provide compensation to six of the Americans who filed suit against Iran in March 2000. Former Navy diver Ken Bowen, a constituent of mine from Lake City, Florida, is one of those Americans. He and the other military personnel were taken to Lebanon where they were beaten and subjected to mock executions over 17 days before their release. Equity demands that we correct this grave error. As we work toward the Memorial Day recess and the June 14 anniversary of the hijacking, I ask you to please join me in supporting the Manzullo amendment so that Mr. Bowen and the other American victims can receive the compensation they so justly deserve.

Mr. SHAYS. Mr. Chairman, it is my pleasure to address an issue of great importance to the Peace Corps and its many fine Volunteers serving around the world—the potential application of the Secure Embassy Construction and Counterterrorism Act to require Peace Corps to "collocate" its offices with embassies abroad.

More than 7,000 Peace Corps Volunteers are currently serving in developing countries around the world. Volunteers give two years of their lives to provide assistance to, and learn from, the people of some of the poorest countries in the world.

Living and working with ordinary people, volunteers contribute in a variety of capacities to improving the lives of those they serve. They also seek to share their understanding of other countries with Americans back home.

For 40 years, Peace Corps offices have existed separately from U.S. embassies in their host country. Volunteers generally reside outside capital cities, often in remote villages at the same economic level as the people to whom they lend their energy, skills, and friendship.

There is a critical security aspect to this arrangement. When Volunteers are recognized as development workers serving a community's needs, they are embraced, supported and protected by the community.

If, on the other hand, a perception arises that Volunteers are serving U.S. political objectives or are possibly connected with intelligence activity, the protection the Peace Corps has traditionally relied upon will erode.

Mr. Chairman, my amendment expresses the sense of the Congress that the Secretary of State should give favorable consideration to requests by the Peace Corps and exercise his waiver authority in order to permit the Peace Corps to maintain offices separate from U.S. embassies abroad.

I offer this amendment because I know firsthand that Volunteers are able to meet their goals only to the extent they are accepted into and trusted by their communities. Significantly increased reliance upon, and contact between, Peace Corps Volunteers and the embassy—an inevitable result of collocation—would compromise that trust.

I would like to thank Chairman HYDE and his staff for their assistance in drafting this amendment and urge my colleagues to support it.

Mr. MANZULLO. Mr. Chairman, I rise in strong support of my amendment to the State Department authorization bill. My amendment is a simple, technical correction to legislation Congress passed and the president signed last fall: H.R. 3244, the Victims of Trafficking and Violence Protection Act of 2000.

In its closing weeks, the 106th Congress passed H.R. 3244 to provide relief to Americans victimized in five terrorist incidents sponsored by nation states. H.R. 3244 permits the payment of anti-terrorism judgments with the frozen assets of countries that sponsor terrorism, such as Iran.

One of the five incidents involved seven Americans, retired and active duty members of the U.S. Navy and U.S. Army, who were taken hostage by terrorists allegedly sponsored by the nation state of Iran when TWA flight 847 was hijacked from Athens, Greece to Beirut, Lebanon airport in 1985. The Americans were tortured and held hostage for 17 days. Of the seven American TWA victims, Robert Stethem was murdered. The remaining six Americans, survived. One of them is my constituent.

Stethem's family members filed suit against Iran in U.S. District Court for the District of Columbia on March 15, 2000, pursuant to the Foreign Sovereign Immunities Act. The remaining six American TWA victims filed a separate but similar suit against Iran in the same court on June 6, 2000. Through inadvertent error, Congress listed only Stethem's suit, not that of the other six American TWA victims, when it provided relief in H.R. 3244 in the closing weeks of the 106th Congress. The two American TWA victim cases are now consolidated and await a joint trial during the summer of 2001.

My amendment would render the six American TWA victims eligible for compensation on the same basis as are complainants associated with the five other complaints listed in H.R. 3244.

This is a matter of fairness. I ask my colleagues for their strong support.

Mr. MCGOVERN. Mr. Chairman, I rise in support of the amendment offered by the Ranking Member of the International Relations Committee that would outline and authorize over three-to-five years a recovery and transition to independence strategy for U.S. aid for East Timor.

I was proud to introduce this legislation as H.R. 675 with my colleagues, Representatives LANTOS (CA) and KENNEDY (RI) in February. I want to express my appreciation for their leadership in designing a bill that looks towards establishing permanent and productive relations with a soon-to-be independent East Timor.

This amendment calls upon the Administration to continue to facilitate East Timor's transition to independence, to support democracy and economic recovery, and to strengthen the security of East Timor. Today, the situation on the border between East and West Timor remains tense and combative. Over 100,000 East Timorese remain trapped in squalid refugee camps just inside the Indonesian territory of West Timor. Indonesian-supported militia groups during the violence of 1999 forcibly removed most of these people from their homes in East Timor. International humanitarian and refugee organizations are limited or unable to provide these refugees with assistance because of the threatening climate created by Indonesia.

We should recall that three United Nations humanitarian workers were brutally and publicly murdered—stabbed to death—by these militias while Indonesian police and authorities stood by. The individuals who carried out the murders were tried and sentenced to the lightest of sentences, giving official sanction to similar violent acts.

While some areas of reconstruction and recovery have moved ahead in East Timor, a great deal more needs to be done to rebuild this tiny nation which has suffered so much in order to gain its freedom. Current reconstruction and longer-term economic aid should focus on creating employment economic security for the majority of East Timorese. It should include the participation of local communities in the planning and design of projects and help preserve, strengthen and expand local leadership. The people of East Timor are eager and more than capable of rebuilding their homes, businesses and communities. International aid targeted at these tasks should hire and compensate the East Timorese for their productive labor, rather than flowing into the pockets of high-salary consultants and officers of multilateral and other foreign organizations.

This amendment looks ahead to the future of an independent East Timor. It sets forth requirements for the provision of bilateral assistance, multilateral aid, Peace Corps assistance, scholarships for East Timorese students, security assistance, and trade and investment aid.

I can see that future, and I commend the gentleman from California in moving this amendment forward so that it can become a reality.

[From the Boston Sunday Globe, May 5, 2001]

BORN AMID VIOLENCE, AND YET LOOKING TO THE FUTURE

(By Arnold Kohen)

DILI, EAST TIMOR.—Jose Maria Barreto Lobato Goncalves typifies the youth of this country. But his own life is anything but typical.

When he was a toddler, Jose was snatched from the arms of his mother, Isabel, as she faced execution on that day in December 1975 when Indonesian forces invaded this island nation.

The boy—son of Nicolau Lobato, a legendary symbol of resistance—was himself nearly put to death, but at the last moment, the Indonesian commander was persuaded to spare him.

Adopted by his aunt, Olimpia, and her husband, the late Jose Goncalves, the boy was taken to live in the Indonesian capital of Jakarta. Kept unaware of his true parentage (and of his father's death in 1978 in an Indonesian ambush), he was educated in Indonesia's best Jesuit school, later studying computers and management.

Now, at 28, he is back in his homeland, which was freed in late 1999 by international peacekeepers after nearly a quarter-century of harsh Indonesian military control.

Today, Lobato is an assistant to the chief executive at a local relief organization. He displays all the good humor and intellectual nimbleness of the best of his contemporaries anywhere, combined with a spirit of reconciliation that is all the more impressive in light of his family's suffering.

In this way, he is said to take after his father. "He was a nationalist, a man of rectitude, just and humane," says Bishop Carlos Ximenes Belo, the 1996 Nobel Peace Prize colaureate.

Indeed, Lobato's father was a man who refused to seek revenge against Indonesian prisoners or Timorese accused of working for Indonesia, even after nearly all his family members were murdered.

The bishop, a priest in the Salesian Order, noted for its ministry to the young, knows that people like Jose Lobato must be groomed for the task of eventually running this new nation, on a tropical island off northern Australia whose beauty and perfume-scented air belie its tragic history.

It has been estimated that one-third of East Timor's original population of 700,000 perished during the nearly 25-year Indonesian military occupation. On April 2 an East Timor Genocide Documentation Project was launched by Yale University's Genocide Studies Program, adding to existing Yale efforts on Cambodia and Rwanda.

The country, still reeling from its violent past, is struggling to rebuild.

For almost two years, it has been administered by the United Nations, yet border attacks from Indonesian territory continue. Street children are common now, after never before having been a problem in East Timor. Essential systems, such as water and electrical, have been hampered after Indonesian military elements bent on vengeance destroyed the manuals needed to operate them.

The East Timorese are receiving help from the United States. There is a small U.S. military contingent based offshore, called USGET, the U.S. Support Group East Timor, which is by U.S. law operating independently of the United Nations peacekeepers. The USGET presence is an important signal of American backing for the transition to independence. (East Timor had, before its annexation by Indonesia, been a Portuguese colony.) USGET receives periodic help from the Air Force, Army, Marines, and Navy in its work in East Timor, renewing schools, community centers, and repairing power and water lines.

Last month, hundreds of tons of U.S. relief aid were distributed, some of these donations with the help of Jose Lobato and his organization.

Although young Lobato is far too diplomatic to even hint at this, the stability created by sustained American help is seen privately as the least the United States can provide, given the billions of dollars in economic and military aid spent to support Indonesia's military occupation of East Timor. More reconstruction would be possible if Congress increased the modest $25 million if appropriated last year for East Timor.

Many concerned about East Timor's future—Bishop Belo certainly among them—see a continuing international presence as vital. Dire outcomes can be averted with timely initiatives. Like many other things, it is simply a matter of political will.

For his part, Lobato knows he has been blessed with an excellent education, and is eager to advance the prospects of others less privileged. Young leaders like him give strong reason for hope for East Timor's future. The question is whether they will receive the international help they need.

[From the Tablet, Apr. 21, 2001]

HIGH HOPES OF A NEW NATION

(By Arnold Kohen)

Easter is an especially verdant time of the year in East Timor, a tropical island off northern Australia whose beauty belies its tragic history. Regeneration, both within East Timor and of the international networks vital to the sustenance of this martyred land, is urgently needed. Administered by the United Nations since an international peace-keeping force entered the former Portuguese colony in September 1999, East Timor is still reeling from its ordeal. Border attacks from Indonesian territory continue.

Two years ago, the people of East Timor suffered a mounting series of assaults by Indonesian army and local militias, some carried out in and around churches in this predominantly Roman Catholic island nation. After nearly 80 percent of eligible voters opted for independence from Indonesia in a referendum, the territory was subjected to an orgy of violence and destruction spearheaded by these same Indonesian forces. Now, 18 months later, renewal is under way.

The task is immense. Much if not most of the infrastructure was left in ruins. Electrical and water facilities were severely damaged, and even the manuals needed to operate these systems were destroyed by Indonesian military elements bent on vengeance. Many homes and public facilities have yet to be rebuilt. Though the UN presence has created jobs, an estimated 70 percent of East Timor's people are unemployed. Paradoxically, many of those without work at present were among the most committed members of the resistance to the 24-year Indonesian occupation: often they did not pursue their studies or were expelled for their political activities. Their plight must be redressed urgently.

UN-sponsored elections are due on 30 August this year. In these crucial transitional months leading up to the poll, the people of East Timor are under great stress. Yale University medical specialists report that a majority of them are suffering from the aftereffects of the traumatic events surrounding the referendum of 1999. With only minor exceptions, justice has not been forthcoming and will take time to achieve—indeed, is impossible under current conditions, for the Indonesian military is refusing to cooperate with prosecution of those in its ranks seen as the guilty parties. An international tribunal should be established.

Massive reconstruction remains to be done, and many areas need the most fundamental attention such as the cleaning up of garbage and debris. Reforestation, planting of gardens, building or rebuilding of parks and gardens could all be increased to improve the environment and serve as an important psychological boost to a long-suffering population. Beyond such emergency jobs, Bishop Carlos Ximenes Belo, the Nobel peace laureate, has issued a call to all nations to work to create sustainable enterprises to tackle unemployment.

The East Timorese are demonstrating enormous pride and resilience. Bishop Belo has told the young people that this Easter they should become joyful and happy about opportunities now open to them that never before existed. In fact, a vibrant civil society is developing resourceful non-governmental organisations devoted to human rights, women's concerns, the environment, relief and reconstruction and the rest. Most of these groups are led by people under 35, which gives strong reason for hope in the future. Can the world community fulfill its obligation to provide stability and sustained support—especially those nations that spent decades and billions of dollars of economic and military aid effectively supporting Indonesia's military occupation of the former Portuguese colony? For a start, the UN staff and peacekeeping troops are a force for stability and a bulwark against reinvasion: they should stay for several years.

International financial authorities, the real economic overlords in the territory, have argued that in three or four years East Timor will be simply another poor Pacific island nation and have no special status. But they miss a crucial point: something terrible has happened in East Timor over the past quarter-century that the world must not be allowed to forget. A small but significant step was taken on 2 April in the United States when the East Timor genocide documentation project was launched by Yale University's genocide studies programme, adding to existing Yale efforts on Cambodia and Rwanda.

About a third of East Timor's original population of 700,000 perished from the combined effects of the Indonesian military occupation. As the East Timor resistance leader Xanana Gusmao recently asked two priests who schooled him as a young man, who is going to dry the tears of the widows of the freedom fighters? Who will feed those who struggled for more than two decades? In the light of the special relationship of the Catholic Church with the people of East Timor, it would seem appropriate to request backing from international church authorities so that they may press governments for long-term support for East Timor, in terms of troops, qualified aid workers and finance. Local and foreign church agencies (and private development organizations such as Oxfam) that support East Timor have limited means to address employment or larger economic and political matters, but they have knowledge that should be transmitted to interested parties.

For example, Maryknoll Sisters have medical and psychological expertise, and are specialists on women's health. Agencies associated with Caritas such as Cafod and Trocaire can use their influence in Europe to gather support for East Timor: Cafod staff have travelled widely in hard-hit areas near the border with Indonesia. For its part the Jesuit Refugee Service, led by Fr Frank Brennan, is doing indispensable work assisting East Timorese refugees who remain in West Timor.

The United States bishops can work in Washington, where lawyers for East Timorese victims of the carnage of 1999 recently brought a case against an Indonesian general who was in the chain of command during those events. The testimonies of the Timorese, whose identities were not revealed for their own protection, provided a searing microcosm of what their nation underwent: lives and limbs lost, property and meagre possessions totally destroyed; in some instances families nearly wiped out.

International headlines featuring East Timor these days focus on who will be the first president of this nascent nation, which is expected to become independent next year. But the politics of the moment are far less important than long-term international programmes to help in the country's resurrection. A major danger is that discontent fuelled by East Timorese unemployment will provide fertile ground for subversive forces, some of them linked to Indonesian military elements that were responsible for the tragic events of 1999. Left unchecked, the situation could lead to riots and social breakdown which could sabotage the international peacekeeping mission and UN efforts. But such dire outcomes can be averted with timely initiatives and patience. Like many other things, it is simply a matter of political will.

Mr. MILLER of Florida. Mr. Chairman, I first became involved in extradition reform in 1997 when there was a horrible crime in my district in Sarasota, Florida. Sheila Bellush, a mother of six, was brutally murdered in her home while her 2-year-old quadruplets watched. The murderer, Jose Luis Del Toro, immediately fled to Mexico where he managed to avoid extradition for almost 2 years. The Mexican government demanded that we waive the death penalty in order to have him returned to the U.S. Despite our cooperation, they still held up his extradition for over a year. This kind of policy is not acceptable. We are dealing with cases of Americans, killing other Americans, on American soil. No foreign country has the right to interfere in the just prosecution of these criminals!

Unfortunately, the Del Toro case is not an isolated one. In 1977 in Philadelphia, Ira Einhorn brutally murdered Holly Maddux. He bludgeoned her to death and then shoved her body in a steam chest where she remained in his closet for 18 months. While waiting to stand trial for this heinous crime, Einhorn fled overseas. He is now in France, successfully avoiding extradition by continuously hiding behind false claims regarding his case. In 1977, the death penalty was not legal in Philadelphia, therefore it was never an option in the Einhorn case. Yet, the French use Einhorn as a poster child for their crusade against capitol punishment and are still pursuing all options possible in holding up his extradition to the United States. The French Prime Minister, Lionel Jospin, has signed Einhorn's extradition order, but the appeals process can take an unspecified amount of time and there is no indication that they are interested in expediting the matter. In the meantime, the family of Holly Maddux is in its 24th year of watching and waiting to see if justice will be served.

The more involved I have become in this issue, the more I realize that while the United States may not be to blame for the lack of cooperation from these countries, we certainly have not done our part in formulating a solution. To date, the Department of State has no tracking system for extradition cases. It is absolutely incomprehensible to me that there is no place for anyone, whether a Member of Congress or a family member of a victim, to find simple answers on which countries are extraditing criminals and which ones are not. How can the State Department work effectively with the government of France in getting Einhorn returned, if they have no idea how many similar cases are pending in France. We need to have these answers. If Mexico has 35 outstanding extradition requests from the United States, and 10 have been denied—we need to know that! And we also need to know why!

My amendment will require that the State Department compile this information and submit it to Congress. It will provide a country by country report of the number of Americans being held by foreign governments, the number of extradition requests that the United States has made to such governments, the number of those requests denied, and any reasons for delays. This is not a controversial amendment. It is a matter of ensuring that justice is served. When foreign governments blatantly disregard reasonable and legitimate requests by the United States, our authority is undermined. My amendment would take us one step closer to ending this practice. My thoughts and prayers go out to the Maddux family and any others who have lost a loved one in a tragic murder where the killer remains free in a foreign land. I sincerely hope that you will all see justice served in the near future.

Mr. FALEOMAVAEGA. Mr. Chairman, I rise in support of the en bloc amendment to H.R. 1646 and my amendment which is contained therein.

The amendment I offered is a Sense of Congress provision that recognizes the extraordinary importance of the national elections this year in Fiji, East Timor and Peru, and urges the Secretary of State to support the holding of free and fair elections in these nations.

Mr. Chairman, each of these countries has recently undergone significant political instability and turmoil.

In Fiji, the government of former Prime Minister Mahendra Chaudry, an Indo-Fijian, was deposed by an attempted coup in May of last year. Fiji has long suffered from political and economic tensions between its indigenous Fijian population and the Indo-Fijian community, which is comprised of individuals of Indian descent. I believe much of Fiji's problems today are a tragic result of Great Britain's bitter legacy of colonialism. For a century, Fiji was controlled and ruled by England as a colony. During that period, from 1879 to 1916, the British brought waves of indentured servants and laborers from Indian, another English colony, to work the sugar plantations of Fiji. The colonial policies of transmigration have resulted in a dilemma today for native Fijians who fear they may lose control of their government as well as their homeland.

This August 25th, Fiji's caretaker administration will hold national elections intended to return Fiji to parliamentary government. Both New Zealand and Australia have pledged to assist with Fiji's elections, and the United States should join that effort by providing election monitors to ensure free, fair and democratic elections.

As our colleagues know, when East Timor voted to break away from Indonesia in the August 1999 referendum, it triggered a campaign of killings and destruction by pro-Indonesia militias that devastated the territory. Five hundred thousand East Timorese were made refugees and upwards of 2,000 were murdered.

Under the guidance of the United Nations Transitional Administration, East Timor is slowly recovering stability and progressing towards democracy. A crucial part of that process will take place on August 30th, when East Timor holds its first national election to select the 88-member Constituent Assembly. Once seated, the new parliament will draft a Constitution for an independent and democratic East Timor.

The recent resignations from the National Council, the interim government, by President Xanana Gusmao and Nobel laureate Jose Ramos-Horta is not a good sign, indicating that problems may surface in the lead up to the elections. The United States should support East Timor and U.N. authorities to ensure that the first national elections are successful in consolidating democratic government for the people of East Timor.

Mr. Chairman, Peru is overcoming 10 years of authoritarian rule under former President Alberto Fujimori, whose administration has increasingly been revealed as crime-ridden, with high-level corruption spanning from top politicians to Supreme Court Justices to military generals. Fujimori's intelligence chief, Vladimiros Montesinos, orchestrated the rigging of elections, bribing of high officials, and plotting against opponents. This culminated last year with Fujimori's fraudulent attempt to win a third term, the collapse of his administration, and the former president fleeing the country in November.

This past month, the interim government of Peru held open and fair presidential elections which I was privileged to witness as an election monitor with a delegation led by former President Jimmy Carter. On June 10th, a runoff election will be held between the two top presidential candidates, Alejandro Toledo and Alex Garcia.

Mr. Chairman, I commend the Peruvian electoral officials for the open and impartial elections held in April and urge that our nation continue to support Peru, as well as Fiji and East Timor, to ensure that the upcoming crucial elections are conducted under free and fair conditions necessary for democracy to flourish.

I thank Chairman HYDE and Ranking Member LANTOS for their support of this provision and urge our colleagues to adopt the en bloc amendment.

Mr. LANTOS. Mr. Chairman, we have no further speakers, and I yield back the balance of my time.

Mr. HYDE. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. SIMPSON). The question is on the amendments en bloc, as modified, offered by the gentleman from Illinois (Mr. HYDE).

The amendments en bloc, as modified, were agreed to.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 8 printed in House Report 107–62.

AMENDMENT NO. 8 OFFERED BY MR. BARTLETT OF MARYLAND

Mr. BARTLETT of Maryland. Mr. Chairman, I offer an amendment made in order by the rule.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Mr. BARTLETT of Maryland:

Page 76, after line 12, insert the following new subsection (and redesignate the subsequent subsections accordingly):

(a) ADDITIONAL RESTRICTION ON RELEASE OF ARREARAGE PAYMENTS RELATING TO GENERAL ACCOUNTING OFFICE REPORT ON UNITED STATES CONTRIBUTIONS TO UNITED NATIONS PEACEKEEPING OPERATIONS.—

(1) In addition to the satisfaction of all other preconditions applicable to the obligation and expenditure of funds authorized to be appropriated by section 911(a)(3) of the United Nations Reform Act of 1999, such funds may not be obligated or expended until the date on which the General Accounting Office submits a report to Congress under paragraph (2) or September 30, 2001, whichever occurs first.

(2) Not later than September 30, 2001, the General Accounting Office, in consultation with the Department of Defense, shall submit to the Congress a detailed accounting of United States contributions to United Nations peacekeeping operations during the period 1990 through 2001, including a review of any reimbursement by the United Nations for such contributions.

The CHAIRMAN pro tempore. Pursuant to House Resolution 138, the gentleman from Maryland (Mr. BARTLETT) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Maryland (Mr. BARTLETT).

Mr. BARTLETT of Maryland. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first I will include in the RECORD a brief report from GAO called "U.S. Costs in Support of Haiti, Former Yugoslavia, Somalia, and Rwanda" for the years 1992 through 1996.

Mr. Chairman, this is a very simple amendment. These documents which will be included in the RECORD indicate that the United States has spent about $18 billion on legitimate U.N. peacekeeping activities. There are reports from CRS, from GAO, and from Department of Defense itself, all corroborating that we have spent about $18 billion on legitimate U.N. peacekeeping activities. Through the years 1992 through 1996, we have been credited for $1.8 billion of that against dues. There has been no other accounting and no other credit with the U.N. for the moneys which we have spent on U.N. peacekeeping activities.

Before these funds are released, our amendment says that the Congress needs to know the cost of peacekeeping activities for which we have not been given credit by the U.N. This report is to be issued on or before September 30, 2001. The funds will be withheld until that date. If the report is issued before that, then the funds can be released before that.

Mr. Chairman, I would note that this sequestering of this payment to the U.N. is a much shorter period of time than the sequestering which has already been accomplished by a prior amendment. Again, this is a very simple amendment which simply intends to inform the Congress and the people of the United States, through a report of the GAO, of all of the moneys that we have spent on legitimate U.N. peacekeeping activities.

My hope is when this report comes to the Congress, that the people of the United States seeing the report of the GAO, and the Congress seeing this report will ask for an accounting; but our amendment does not withhold the payment beyond the issuing of this report or beyond September 30, 2001, whichever occurs first.

The American people need to know the amounts of money that we have spent and not been given credit for. Congress needs to know that the reality is with all of these moneys that we have spent on legitimate U.N. peacekeeping activities, we have paid our dues several times over. But notwithstanding that, this amendment does not prevent the release of this last payment of the dues, it simply withholds it until the report is issued and the Congress and the American people have a chance to look at the report, or September 30, 2001, whichever occurs first.

The report previously referred to is as follows:

[U.S. GAO Report to the Majority Leader, U.S. Senate, March 1996]

PEACE OPERATIONS: U.S. COSTS IN SUPPORT OF HAITI, FORMER YUGOSLAVIA, SOMALIA, AND RWANDA

U.S. GENERAL ACCOUNTING OFFICE,
NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION,
Washington, DC, March 6, 1996.

Hon. ROBERT DOLE,
Majority Leader, U.S. Senate.

DEAR SENATOR DOLE: As requested, we are providing you information on U.S. agencies' estimated costs for their support of U.N. peace operations in Haiti, the former Yugoslavia, Rwanda, and Somalia for fiscal years 1992 through 1995. For this report, we define peace operations as actions taken in support of U.N. resolutions designed to further peace and security, including observers; monitors; traditional peacekeeping; preventive deployment; peace enforcement; security assistance; the imposition of sanctions; and the provision, protection, and delivery of humanitarian relief.

BACKGROUND

U.S. agencies' costs in support of peace operations are paid from their congressional appropriations. These costs include expenditures for (1) direct participation of U.S. military forces, (2) the U.S. share of U.N. peacekeeping assessments, and (3) humanitarian and related assistance. The Departments of Defense (DOD) and State are the two lead agencies responsible for planning and implementing U.S. participation in peace operations. The U.S. Agency for International Development (USAID) is the primary agency responsible for providing humanitarian assistance, including food donated by the Department of Agriculture, USAID provides humanitarian assistance through the United Nations and private organizations. The Departments of Justice, Commerce, Treasury, Transportation, and Health and Human Services are also involved in activities in support of peace operations. The agencies' specific actions related to the four peace operations are presented in appendix I.

RESULTS IN BRIEF

From fiscal years 1992 through 1995, the incremental cost reported by U.S. government agencies for support of U.N. peace operations in Haiti, the former Yugoslavia, Rwanda, and Somalia was over $6.6 billion (see table 1). The United Nations has reimbursed the United States $79.4 million for some of these costs.

TABLE 1.—REPORTED U.S. COSTS FOR SUPPORT OF SELECTED U.N. PEACE OPERATIONS

[Fiscal years 1992–95, dollars in millions]

Country	Fiscal year—				
	1992	1993	1994	1995	1992–95
Haiti	$79.7	$130.4	$530.8	$875.8	$1,616.7
Former Yugoslavia	126.7	408.7	959.0	692.5	2,186.9
Rwanda	22.1	24.8	261.4	265.4	573.7
Somalia	92.9	1,124.8	913.3	92.1	2,223.1
Total	321.4	1,688.7	2,664.5	1,925.8	6,500.4

Note: As of August 1995, the United Nations had reimbursed the United States $79.4 million for its participation in these operations.

From fiscal years 1992 through 1995, DOD's incremental costs to support the four operations were about $3.4 billion, the State Department's were about $1.8 billion, and USAID's were about $1.3 billion (including $556 million for commodities and transportation). The Departments of Justice, Commerce, Treasury, Transportation, and Health and Human Services reported incremental costs of which totaled about $91 million. Figure 1 shows the percentage distribution of agency costs from fiscal years 1992 through 1995.

FIGURE 1.—DISTRIBUTION OF U.S. AGENCY COSTS IN SUPPORT OF SELECTED PEACE OPERATIONS

[Fiscal years 1992–95]

	Percent
DOD	51.5
State	27.8
USAID	19.3
Other agencies	1.4

AGENCY COMMENTS

The Department of State, DOD, and USAID generally agreed with this report, but each offered some technical and editorial suggestions, which we have incorporated where appropriate. DOD's written comments are reprinted in appendix II; State and USAID provided oral comments.

SCOPE AND METHODOLOGY

We met with officials from DOD, the Departments of State, Agriculture, Justice, Commerce, Transportation, and Health and Human Services, USAID; and the U.S. Mission to the United Nations to obtain information on the costs in support of the four peace operations. We obtained DOD's reported incremental costs for the four operations from fiscal years 1992 through 1995. We also reviewed data supporting DOD's request for supplemental appropriations. For the other agencies and departments, we used a data collection instrument to obtain the cost information, including funds obligated and transferred through lead agencies. We also obtained budget reports and documents from State Department officials and from finance officials at the U.N. Controller's Office and the Department of Peacekeeping Operations.

At all the agencies, we discussed with officials how they budgeted and accounted for peace operations' costs. In addition, we reviewed other GAO reports that previously reported cost data for peace operations. In some cases, the cost data we obtained from participating agencies changed from amounts previously reported because agencies update their costs as more information becomes available. We did not verify the accuracy of the costs reported; however, a forthcoming report will address issues concerning the consistency, accuracy, and reliability of DOD's incremental costs related to contingency operations.

We did our review from February to November 1995 in accordance with generally accepted government auditing standards.

We are sending copies of this report to appropriate congressional committees; the Secretaries of Defense, State, Agriculture, Treasury, Transportation, Justice, Commerce, and Health and Human Services; the Administrator, U.S. Agency for International Development, the Director, Office of Management and Budget; and the Secretary General of the United Nations. Copies will also be made available to others upon request.

Please contact me at (202) 512-4128 if you or your staff have any questions concerning this report. The major contributions to this report were Tetsuo Miyabara, Joseph C. Brown, and Elizabeth Nyang.

Sincerely yours,

Harold J. Johnson,
Associate Director,
International Relations and Trade Issues.

Report to the Congress for the Fourth Quarter, Fiscal Year 1996 in Compliance With Section 8113, Defense Appropriations Act of 1996

The Defense Appropriations Act for 1996 (Act) requires the Secretary of Defense to submit a report at the end of each quarter indicating "all costs (including incremental costs) incurred by the Department of Defense (DoD) during the preceding quarter in implementing or supporting resolutions of the United Nations Security Council." The data included herein are provided in response to section 8113.

The Defense Finance and Accounting Service (DFAS) compiles incremental costs associated with United States military operations based on data provided by the military departments and defense agencies. These data were modified, as necessary, to properly reflect transfer actions and unreported costs applicable to contingency operations. Data are presented below in both quarterly and cumulative (for the fiscal year) format. It is important to note that DFAS cost reports include information received during a particular quarter of the fiscal year: comprehensive cost data are not available in the immediately succeeding quarter. The Department collects only incremental costs, which are defined as additional costs to the DoD component appropriations that would not have been incurred if a contingency operation had not been supported. All other costs are available by reference to annual appropriations information. All incremental costs included below are current as of 30 September 1996, and are aggregated for FY96, with the exception of reimbursements received for troop contributions (section 2), which are presented individually.

(In thousands of dollars)

Operation/region	Reported for 4Q, FY96	Cumulative for FY 96 through 4Q
Former Yugoslavia Operations:		
Able Sentry (FYROM)	$16,864	$30,929
Deny Flight/Decisive edge	37,516	225,949
Provide Promise	2,005	21,756
Sharp Guard	735	9,275
IFOR Preparation	147	158,437
IFOR Operations	789,564	2,073,052
UNCRO	12	469
Southern Watch (Iraq)	257,943	576,248
Provide Comfort (Iraq)	13,538	88,901
UNMIH (Haiti)	17,821	86,838
Sea Signal (Haitian migrants)	1,894	24,789
Total	1,138,039	3,296,643

Report to the Congress for the Fourth Quarter, Fiscal Year 1997 in Compliance With Section 8091, Defense Appropriations Act of 1997

The DoD Appropriations Act for 1997 (Act) requires the Secretary of Defense to submit a report at the end of each quarter indicating "all costs (including incremental costs) incurred by the Department of Defense (DoD) during the preceding quarter in implementing or supporting resolutions of the United Nations Security Council." The data included herein are provided in response to section 8091.

The Defense Finance and Accounting Services (DFAS) compiles incremental costs associated with United States military operations based on data provided by the military departments and defense agencies. These data were modified, as necessary, to properly reflect transfer actions and unreported costs applicable to support to UN operations. Data are presented below in both quarterly and cumulative (for the fiscal year) format. It is important to note that DFAS cost reports include information received during a particular quarter of the fiscal year: comprehensive cost data are not available in the immediately succeeding quarter. The Department collects only incremental costs, which are defined as additional costs to the DoD component appropriations that would not have been incurred if a contingency operation had not been supported. All incremental costs included below are current as of 30 September 1997, and are aggregated for FY97, and exclude reimbursements received for troop contributions (section 2), which are presented individually.

[In thousands of dollars]

Operation/Region	Reported for 4Q, FY97	Cumulative for FY97 through 4Q
Former Yugoslavia Operations:		
Able Sentry (FYROM)	$2,950	$11,727
Deny Flight/Decisive Edge	30,101	183,266
IFOR/SFOR Operations	779,316	2,087,518
Southern Watch/Vigilant Sentinel (Iraq)	185,499	597,312
Provide Comfort/Northern Watch (Iraq)	20,627	93,115
Total	1,018,493	2,972,938

Report to the Congress for the Fourth Quarter, Fiscal Year 1998 in Compliance With Section 8079, Defense Appropriations Act of 1998

The DoD Appropriations Act for 1998 (Act) requires the Secretary of Defense to submit a report at the end of each quarter indicating "all costs (including incremental costs) incurred by the Department of Defense (DoD) during the preceding quarter in implementing or supporting resolutions of the United Nations Security Council." The data included herein are provided in response to section 8079.

The Defense Finance and Accounting Service (DFAS) compiles incremental costs associated with United States military operations based on data provided by the military departments and defense agencies. These data were modified, as necessary, to properly reflect transfer actions and unreported costs applicable to support to UN operations. Data are presented below in both quarterly and cumulative (for the fiscal year) format. It is important to note that DFAS cost reports include information received during a particular quarter of the fiscal year, but comprehensive cost data are not normally available in the immediately succeeding quarter. This report is prepared as soon as data are compiled. Also, the Department collects only incremental costs, which are defined as additional costs to the DoD component appropriations that would not have been incurred if a contingency operation had not been supported. All incremental costs included below are current as of 30 September 1998, and exclude reimbursements received for troop contributions (section 2), which are presented individually.

[In thousands of dollars]

Operation/Region	Reported for 4Q, FY98	Cumulative for FY98 through 4Q
Former Yugoslavia Operations:		
Able Sentry (FYROM)	(979)	10,466
Deny Flight/Decisive Edge	33,144	159,269
IFOR/SFOR Operations	548,739	1,792,861
Southern Watch (Iraq)	469,874	1,497,242
Northern Watch (Iraq)	31,771	135,976
Total	1,082,549	3,595,814

REPORT TO THE CONGRESS FOR THE FIRST QUARTER, FISCAL YEAR 1999 IN COMPLIANCE WITH SECTION 8073, DEFENSE APPROPRIATIONS ACT OF 1999

The DoD Appropriations Act for 1999 (Act) requires the Secretary of Defense to submit a report at the end of each quarter indicating "all costs (including incremental costs) incurred by the Department of Defense (DoD) during the preceding quarter in implementing or supporting resolutions of the United Nations Security Council." The data included herein are provided in response to section 8073.

The Defense Finance and Accounting Service (DFAS) compiles incremental costs associated with United States military operations based on data provided by the military departments and defense agencies. These data were modified, as necessary, to properly reflect transfer actions and unreported costs applicable to support to UN operations. Data are presented below in both quarterly and cumulative (for the fiscal year) format. It is important to note that DFAS cost reports include information received during a particular quarter of the fiscal year, but comprehensive cost data are not normally available in the immediately succeeding quarter. This report is prepared as soon as data are compiled. Also, the Department collects only incremental costs, which are defined as additional costs to the DoD component appropriations that would not have been incurred if a contingency operation had not been supported. All incremental costs included below are current as of 31 December 1998, and exclude reimbursements received for troop contributions (section 2), which are presented individually.

[In thousand of dollars]

Operation/Region	Reported for 1Q, FY99	Cumulative for FY99 through 1Q
Former Yugoslavia Operations:		
Able Sentry (FYROM)	$2,091	$2,091
Deliberate Forge	40,234	40,234
Joint Forge (SFOR)	264,351	264,351
Southern Watch (Iraq)	230,244	230,244
Northern Watch (Iraq)	28,218	28,218
Total	565,138	565,138

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore. Who claims time in opposition to the amendment?

Mr. LANTOS. Mr. Chairman, we are not opposed to the amendment. We deem the amendment redundant and unnecessary, but it will have no practical effect and we are not opposing it.

Mr. EVERETT. Mr. Chairman, I rise in strong support of the Bartlett Amendment to withhold the final payment of $244 million in UN arrearages until the GAO completes a report to Congress relating to the U.S. voluntary contributions to the UN for peacekeeping operations from 1990 to 2001.

I have long been suspicious of the United Nations. In fact, I have long hoped that we would end our membership in the United Nations. Given the recent slaps in the face that the United States has suffered—being voted off the secret ballot from the UN Human Rights Commission and being kicked off the UN International Narcotics Control Board—I am now more convinced than ever that the U.S. should remove itself from the UN and pursue an international agenda dictated by the American people.

The Bartlett Amendment is a common sense addition to this bill that will allow Congress to carefully review and make an informed decision on whether to release these funds to UN. It is important to note that this is only a delay in the funding and should not impact the deal that finally reduces the disproportionate share that the U.S. pays in UN dues. I urge all Members to support this amendment and vote to allow the Congress to see exactly how many millions of dollars for peacekeeping that the U.S. has given voluntarily compared to what the UN says we owe.

Mr. BARTLETT of Maryland. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Maryland (Mr. BARTLETT).

The amendment was agreed to.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 18 printed in House Report 107–62.

AMENDMENT NO. 18 OFFERED BY MR. LANTOS

Mr. LANTOS. Mr. Chairman, on behalf of the gentleman from New York (Mr. WEINER), I offer an amendment on his behalf. He will arrive momentarily.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 18 offered by Mr. LANTOS:

Page 122, after line 23, add the following:

SEC. 747. SENSE OF CONGRESS RELATING TO STATE DEPARTMENT TRAVEL WARNINGS FOR ISRAEL, THE WEST BANK AND GAZA.

It is the sense of the Congress that—

(1) the Secretary of State should, in an effort to provide better and more accurate information to American citizens traveling abroad, review the current travel warning in place for Israel, the West Bank and Gaza, to determine which areas present the highest threat to American citizens in the region and which areas may be visited safely; and

(2) the Secretary of State should revise the travel warning for Israel, the West Bank, and Gaza as appropriate based on the above determinations.

The CHAIRMAN pro tempore. Pursuant to House Resolution 138, the gentleman from California (Mr. LANTOS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from California (Mr. LANTOS).

Mr. LANTOS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the amendment we are discussing was introduced by our colleague, the gentleman from New York (Mr. WEINER), calling for a State Department travel warning to Israel, the West Bank, and Gaza. I commend him for his leadership on this important issue.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. LANTOS. I am happy to yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, we have no objection to this amendment. If the gentleman wishes, we gladly accept it.

Mr. LANTOS. Mr. Chairman, I appreciate the gentleman's offer.

Mr. CROWLEY. Mr. Chairman, I rise in strong support of the amendment by my colleague and neighbor Representative ANTHONY WEINER.

In January of this year I had the opportunity to travel to Israel on my third trip to that amazing country, with my colleagues ANTHONY WEINER and JERRY NADLER.

While American media has focused on the West Bank and Gaza and attacks carried out by Palestinian terrorists against Israeli military and civilian targets, the media and our own government misses the other part of the story.

Ben Yehuda Street in Jerusalem is not Hebron. Dizengoff Square in Tel Aviv is not the Gaza Strip.

Warnings from the State Department which lump trouble in the West Bank and Gaza Strip into blanket warnings for the entire State of Israel miss the larger picture.

For the majority of Israelis who live inside the 1948 borders of Israel what is known as the Greenline, they live their life every day without disruption.

For visitors to Jerusalem the eternal Capital, to vibrant Tel Aviv and to the Holy Galilee, by exercising common sense, they will have a wonderful, fulfilling visit.

At a time when the U.S. people should be standing with Israel, we do not need alarmist bureaucrats dissuading Americans from visiting the Holy Land.

It is time for the State Department to separate myth from reality. For American visitors travel to the major tourist sites and cities in Israel is safe.

I urge my colleagues to support the Weiner Amendment and to support the State of Israel.

Mr. LANTOS. Mr. Speaker I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from California (Mr. LANTOS).

The amendment was agreed to.

Mr. LANTOS. Mr. Chairman, I ask unanimous consent that the gentleman from New York (Mr. WEINER) have 2 minutes to explain his amendment we just adopted.

The CHAIRMAN pro tempore. Without objection, the gentleman from New York (Mr. WEINER) may be recognized for 2 minutes, and a Member opposed may be recognized for 2 minutes.

There was no objection.

Mr. WEINER. Mr. Chairman, you will forgive me for being short of breath. I was off the floor at the time my amendment was called.

Mr. Chairman, the State Department has said in a rather comprehensive fashion that it is unsafe to travel to Israel. It is unsafe to visit there. It is unsafe for our personnel that are stationed there.

This has had a broad and draconian effect on the economy of the State of Israel. Make no mistake, Israel is under almost constant state of siege from terrorists. The terrorists are the Palestinians. They take sniper attacks at small children. They blow up buses. Simply put, they are in a state of war, and terrorism is their tool.

However, as we have often said in this Chamber, the way that you fight terrorism is to be wary, is to be vigilant, but you do not capitulate.

Mr. Chairman, my amendment says to the State Department, let us have a sophisticated way for travelers to know where it is safe and where it is not; but we will not capitulate to terrorists by saying to school groups you should not visit there; saying to businessmen, if you travel there, your travel insurance will not be valid; to simply deal with the true effects of the status that Israel has.

Mr. Chairman, I would say to my colleagues that Israel is not a victim and that they are not cowering to the terrorism. It is a thriving country. It is the birthplace of the major religions of the world. It is a place that is joyous and historic to visit. This amendment asks the State Department to return to the drawing board and give us a comprehensive but fair assessment of where it is safe to travel in Israel and where it might not be.

□ 1700

While we consider this, let us remember that this state of terrorism that exists in Israel should also be addressed by the State Department of why it is the Palestinians do not appear on the terrorism watch list and why it is we continue to believe that terrorism is a state of being rather than something perpetuated on the people of the State of Israel. I thank the chairman and I thank the ranking member for their consideration of this amendment.

The CHAIRMAN pro tempore (Mr. SIMPSON). It is now in order to consider amendment No. 23 printed in House Report 107-62.

AMENDMENT NO. 23 OFFERED BY MR. LANTOS

Mr. LANTOS. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 23 offered by Mr. LANTOS:

Page 153, after line 23, add the following:

SEC. 863. ASSISTANCE TO LEBANON.

(a) MILITARY ASSISTANCE.—Notwithstanding any other provision of law, the President shall not provide assistance under chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.; relating to international military education and training) to the armed forces of the Government of Lebanon unless the President certifies to the appropriate congressional committees that—

(1) the armed forces of Lebanon have been deployed to the internationally recognized border between Lebanon and Israel; and

(2) the Government of Lebanon is effectively asserting its authority in the area in which such forces have been deployed.

(b) ECONOMIC ASSISTANCE.—If the President has not made the certification described in subsection (a) within 6 months after the date of the enactment of this Act, the President shall provide to the appropriate congressional committees a plan to terminate assistance to Lebanon provided under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund).

Mr. LANTOS. Mr. Chairman, I ask unanimous consent that the time allotted for the discussion of this amendment be extended by an additional 10 minutes equally divided between the proponents and the opponents. I have discussed it with the distinguished chairman who had no objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

Mr. LAHOOD. Mr. Chairman, reserving the right to object, I wonder if the gentleman would allow just an additional 10 minutes on top. There are a number of Members that would like to speak on this amendment and I know that the gentleman did that earlier on with the amendment of the gentleman from Illinois (Mr. HYDE). If the gentleman could extend it by an additional 10 minutes in addition to what he has, we would be grateful to him for that.

Mr. LANTOS. If the gentleman will yield, let me be sure that I understand my friend. I am asking for an additional 10 minutes equally divided between the proponents and the opponents, which I believe is fair.

Mr. LAHOOD. So the total time would be?

Mr. LANTOS. Twenty minutes. Each side would have 10 minutes.

Mr. LAHOOD. So I am asking the ranking member if he would do an additional 5 minutes on each side. I have many Members. It is obviously strictly up to the gentleman from California, but I know for the Hyde amendment, when he had many Members over there, he extended it. I do not think that I am asking for too much.

Mr. LANTOS. I think doubling the original amount is reasonable.

Mr. LAHOOD. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN pro tempore. Pursuant to House Resolution 138, the gentleman from California (Mr. LANTOS) and the gentleman from Illinois (Mr. LAHOOD) each will control 10 minutes.

The Chair recognizes the gentleman from California (Mr. LANTOS).

Mr. LANTOS. Mr. Chairman, I yield myself such time as I may consume. This is a very simple but a very important amendment.

The amendment, Mr. Chairman, has two aspects. The first aspect is by far the most important, and I offered my colleagues on the other side to drop the second aspect because that is not the thrust of the amendment. So let me deal with the first aspect which is critical for preserving peace and stability along the Israeli-Lebanese border. The amendment does not intend to take one thin dime in economic aid going to Lebanon as long as it does not go to the Hezbollah terrorists.

Last summer, Israel withdrew all of its forces from the territory of Lebanon. Lebanon was obligated under U.N. Resolution 425 to deploy its robust army of some 60,000 people on the Lebanese-Israeli border to prevent the recurrence of another war in the area.

As Members will recall, Mr. Chairman, in 1982, terrorists controlled that border, a war ensued, and 17,000 innocent people were killed. A portion of the Lebanese-Israeli border today is controlled by Hezbollah terrorists. This is a well-known fact and the Lebanese Ambassador a few days ago confirmed it to me personally. The Secretary-General of the United Nations, Kofi Annan, made the following statement concerning Lebanon's responsibilities with respect to the deployment of their forces on the border:

"I believe that the time has come to establish the state of affairs envisaged in Resolution 425. This requires first and foremost that the government of Lebanon take effective control of the whole area vacated by Israel last spring and assume its full international responsibilities, including putting an end to the dangerous provocations that have continued across the line."

Our own Secretary of State last summer made the following statement:

"Those with authority in Lebanon now have a clear responsibility to ensure that the area bordering Israel is not used to launch attacks." Attacks, Mr. Chairman, are being launched daily, most recently yesterday. And attacks invite retaliation. The most recent Israeli retaliation resulted in the death of three Syrian soldiers, which indicates the direction in which we are going. There will be more terrorist attacks by Hezbollah, there will be stronger retaliation, and we may be on the verge of yet another military confrontation, a bloodbath in the Middle East, which is the last thing U.S. national interests would call for.

Let me spend a minute or two, Mr. Chairman, on the question of the nature of Hezbollah, the terrorist group which clearly controls a portion of an international border because the Lebanese Army is not deployed there. It is this group, in conjunction with similar terrorist groups, which in recent years was responsible for the murder of 241

American Marines at the Marine barracks in Lebanon, 19 of our military at Khobar Towers, and 17 in the attack on the U.S.S. *Cole*, 277 military who have been forced to give up their lives because of this interlocking, complex web of extremist terrorism. We are now allowing them, unless we pass this amendment, to control a portion of an international border.

Now, no people have suffered more in the last few decades than the Lebanese people as a result of war being waged on their territory. My resolution would secure that border, would eliminate the terrorist presence from that border, and would see to it that just as the Egyptian-Israeli border is now secure, the Jordanian-Israeli border is now secure, even the Syrian-Israeli border is secure, the final border between Lebanon and Israel would be secured on the one side by the Israeli military and on the other side by Lebanon's 60,000-strong military.

It is difficult to fathom who would benefit from allowing a border, an international border in a volatile and fragile and explosive area, being controlled by terrorists who openly and clearly desire no return to the peace process. They want the bloodbath to continue. They would like nothing more but yet another explosion of military hostilities.

I urge all of my colleagues to support this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. LAHOOD. Mr. Chairman, I yield 2 minutes to the gentleman from West Virginia (Mr. RAHALL).

Mr. RAHALL. I thank the distinguished gentleman from Illinois for yielding me this time.

Mr. Chairman, I appreciate the gentleman from California's intent here. I listened very closely to his remarks. Each one of the incidents of terror and loss of American life which he so adequately described is horrendous, and I join him in condemning every one of those attacks. Any loss of innocent civilian lives is to be highly condemned no matter who the perpetrators.

But I ask my distinguished colleague, Lebanon was not responsible for these acts of terror. As the gentleman has said, the Lebanese themselves have suffered over the last couple of decades. The Lebanese are the victims. Let us face it, the Lebanese are the victims here.

Now, if we cannot take direct aim at Syria itself and, let us face it, Syria is very much a controlling influence in Lebanon, then why should we take aim at the innocent Lebanese government? This amendment attempts to send a message to Syria. It is clear and simple what its intent is concerning the cross-border attacks against Israel, which I condemn as well. But this amendment would not accomplish the intent of securing that border. All it accomplishes is to do more harm to the Lebanese.

Lebanon cannot comply with this amendment that it deploy all of its troops to the southern border between Israel and Lebanon, because Syria will not allow it. I believe that the sponsor of the amendment is fully aware of that.

The administration is against this amendment. Secretary Powell has sent a very strong letter stating what a destabilizing situation would occur in the south if U.S. assistance and its training, both military and economic, were to be cut off. USAID helps send Lebanese children to school through scholarship programs. That is the economic part of it. The IMET training helps train the Lebanese Army so that they can go down into the south and secure the border when given the political goahead to do it. I think Secretary Powell and this administration knows well that this amendment would seriously impede the long-term massive effort that has gone into pursuing critical U.S. policy in this area. That is what we should be most concerned with here, U.S. best interests in this region. This amendment does not further the United States' best interests.

Mr. LANTOS. Mr. Chairman, I am delighted to yield 1½ minutes to the distinguished gentleman from New York (Mr. ACKERMAN).

Mr. ACKERMAN. Mr. Chairman, I rise in support of the amendment by the gentleman from California (Mr. LANTOS), the Democratic leader of the Committee on International Relations, and I commend him for his leadership.

I rise as someone who has consistently supported U.S. assistance to Lebanon, but I now believe that the Lantos amendment is necessary and I believe it has been carefully crafted to advance key U.S. foreign policy objectives. The Lantos amendment strikes a careful balance between promoting U.S. interests in Lebanon's recovery and development and the need to provide incentives to the government of Lebanon to address a security problem which, if left unattended, could lead to a regional war.

Mr. Chairman, there is no doubt that Israel has fulfilled its obligations to the Security Council under Resolution 425 and it has fully withdrawn its forces from Lebanese territory. The U.N. Secretary-General has said so and the U.S. has confirmed it. The question is whether Lebanon has fulfilled its obligations under Resolution 425 to resume effective authority in the area bordering the State of Israel.

Unfortunately, the government of Lebanon has not lived up to its requirements, as demonstrated by the ongoing and unimpeded attacks by the Hezbollah from Lebanon's southern border against the State of Israel. The continued absence of the Lebanese Army from the south of Israel is obvious and indicative of the fact that Lebanon is not even trying to keep its own border secured.

Some might argue that providing security to Israel is not a Lebanese obligation. Not only is this assertion wrong, it overlooks a fundamental truth and all nations are responsible for securing their own borders. A secure border with Israel is overwhelmingly in the interest of Lebanon itself.

Lebanese Prime Minister Hariri campaigned and won on a plan for the reconstruction of Lebanon predicated on the active engagement, assistance, and support of the international community. There is no question that Lebanon badly needs foreign assistance to rebuild and recover from decades of strife. But the determining factor in whether or not Lebanon will be able to elicit the outside resources it needs, is whether or not there is peace and stability on the Lebanese-Israeli border.

So far the Lebanese government appears unprepared to take decisive steps to maintain a peaceful and stable border with Israel, as is its responsibility, and thus ensure that the region will not again be pushed into conflict due to cross-border attacks.

Mr. Chairman, I commend my friend the gentleman from California for offering this amendment. I strongly support the Lantos amendment and ask my colleagues as well to give it their strong support.

Mr. LAHOOD. Mr. Chairman, I am pleased to yield 40 seconds to the gentleman from Michigan (Mr. DINGELL), the dean of the House.

Mr. DINGELL. Mr. Chairman, what does this amendment do? It eliminates two items of assistance. The first is $600,000 for the Lebanese Army. The second is $35 million to USAID for humanitarian concern and aid to U.S. educational institutions in Lebanon.

What my good friend, and I express great affection and respect for him, does is he aims at Hezbollah but he lands a haymaker on the person of the innocent Lebanese, USAID and U.S. educational institutions. That is what the amendment does.

If you are for peace in the Middle East, you do not want to hurt those undertakings.

The CHAIRMAN pro tempore. The gentleman's time has expired.

□ 1715

PREFERENTIAL MOTION OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. DINGELL moves that the Committee do now rise and report the bill back to the House with a recommendation that the enacting clause be stricken.

The CHAIRMAN pro tempore (Mr. SIMPSON). The gentleman from Michigan (Mr. DINGELL) is recognized for 5 minutes in support of his motion.

Mr. DINGELL. Mr. Chairman, I will not insist on the motion, but I want my colleagues to understand what this does, and I cannot believe that my good friend from California really wants the result of what he is going to get.

Now, he has quoted a lot of sources, but I want to read what Colin Powell, the Secretary of State, had to say about this matter. He says, "The Department opposes the amendment proposed by Representative Lantos to H.R. 1646. If enacted, this amendment would severely impede our ability to pursue the critical U.S. policy objectives in Lebanon and the region, including stabilizing the south and providing a counterweight to the extremist forces."

If you want to drive the Lebanese into the arms of extremists, the Lantos amendment is the mechanism for doing so.

Now, Kofi Annan has been quoted. What did he have to say? He had this to say about what the Lebanese are doing. "At present, Lebanese administrators, police, security, and army personnel function throughout the area, southern Lebanon, and their presence and activities continue to grow. They are reestablishing local administration in the villages and have made progress in reintegrating the communications infrastructure, health, and welfare systems with the rest of the country."

That is what this amendment would bring to a halt. He goes on to say, "The deployment of both UNIFIL and the Lebanese Joint Security Forces proceeded smoothly, and the return to the Lebanese administration is ongoing. I appeal to donors to help Lebanon meet urgent needs for relief and economic revival in the south, pending the holding of a full-fledged donor conference."

He has gone on to point out that we should help, not hurt, the Lebanese in these undertakings.

Let us take a look at a little bit more here.

Look at the resolution. I may not have time to put the whole of it in, but it does not call upon the Lebanese to do the kind of thing that the gentleman from California would have them do under penalty of loss of assistance.

I call on my colleagues to remember, this is a haymaker at U.S. policy in the area. It hurts American universities, it hurts humanitarian aid, and it drives the Lebanese into the arms of the extremists and the terrorists. Is that what we want? No.

What we want is peace. American interests in this area are vital to this country and they are vital to us in terms of assuring world peace and to assuring the Arabs that this country wants to be an honest broker in terms of seeing to it that we can sell peace and that we can work together with both sides, with the Israelis and with the Lebanese and with the other Arabs and Muslims and other people in that area.

The amendment, I know the gentleman offers in the best of good faith; but, remember, it is a haymaker at innocent Lebanese, it is a haymaker at American educational institutions, and it drives the Lebanese into the arms of the terrorists. If that is what you want, vote for the Lantos amendment, and that is what you will get. You will have more trouble in South Lebanon that will affect the Israelis adversely and that will fill that area with more enemies of Israel and more terrorists receiving more support from the people in the area.

If you want to restore peace in the area, the small amount of money, which is supported by this administration and which is supported by the U.N., is the way to do it. The Lantos amendment is the way to kill this.

I urge this body to reject what is clearly on its face an amendment which does not look to the U.S. policy or understand what that amendment, in fact, does.

I urge my colleagues to reject this amendment. It is unwise, it is irresponsible, it is destructive of American interests, it is destructive of the interests of the people of Lebanon, and it is destructive not only of these, but also the best interests of the people of Israel and the people of the whole area over there.

If you want peace, if you want this country to work for and be able to effectively lead the people in that area towards peace, if you want to strike a blow at Hezbollah and the others who are causing trouble in that area, reject this amendment. Show the Lebanese people that you are in support of their desire to redevelop a peaceful land. And do something else: Let us show the people in the area that this is a country that wants to be a friend to all parties. I note we have established this for the benefit of our friends in Israel. There is about $5 billion in here for Israel. The amendment offered by my good friend from California would take out $35 million which would go to help the Lebanese.

I urge Members to reject the amendment.

The CHAIRMAN pro tempore. Does any Member claim time in opposition to the preferential motion offered by the gentleman from Michigan (Mr. DINGELL)?

Mr. LANTOS. Mr. Chairman, I claim the time in opposition.

The CHAIRMAN pro tempore. The gentleman from California is recognized for 5 minutes.

Mr. LANTOS. Mr. Chairman, first let me say my amendment has the intent of not withdrawing one single dime of economic and technical assistance to Lebanon. As a matter of fact, I earlier offered to cosponsor with some of the opponents a measure that would increase economic and technical assistance to Lebanon.

My amendment is designed to stop the aid to Hezbollah-controlled communities. It is absurd that American taxpayer funds are used to support Hezbollah activities, which is, in fact, what is taking place as of today. If American taxpayers would know that their funds are used to enhance Hezbollah goals, they would be in revolt against that.

Every dime currently appropriated for economic and technical assistance to Lebanon, I support; and I am ready to increase that amount. But I want to be sure that those funds go to communities, organizations and institutions that are not under the control of Hezbollah.

Mr. Chairman, I yield to the gentleman from Illinois (Mr. KIRK).

Mr. KIRK. Mr. Chairman, I thank the distinguished gentleman from California for yielding to me, and I rise in reluctant opposition to the dean of the House.

Mr. Chairman, this amendment is funded on the principle that peace in the Middle East is based on security and that long-lasting peace in the Middle East cannot be based on Israel's insecurity. As America has subsidized Lebanon, we have a growing insecurity on Israel's northern border, and that does not help the peace process.

This sends a message that Lebanon must control her own border. And let us remove all artifice. There is no such thing as Hezbollah. Hezbollah is a wholly owned subsidiary of the MOIS, the Iranian Intelligence Service. Is time that Iran's control of Lebanon's southern border with Israel ends, and this amendment sends that message.

Mr. LANTOS. Mr. Chairman, I yield to my friend, the gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. Mr. Chairman, I rise in firm support of the amendment introduced by the gentleman from California (Mr. LANTOS). One year ago, the Israeli government put its own security at risk in the name of cooperation and reconciliation. Israel unilaterally withdrew its armed forces from the security zone on the Lebanese-Israeli border. The hope for a reciprocal response from Beirut never occurred.

In conjunction with the Israeli withdrawal, the Lebanese Army was responsible for filling the vacuum left by the Israeli troops. In a location where law and order was meant to prevail under the watchful eye of the Lebanese Army, now exists chaos, disorder and lawlessness. The northern border zone is now occupied by Hezbollah troops, who filled the void when the Lebanese refused to take the action required by U.N. Security Council Resolution 425.

Two weeks ago, I stood alongside families of three Israeli soldiers abducted by Hezbollah along the Lebanese-Israeli border. It is the Lebanese inaction that allowed that to take place.

The State of Israel will continue to be at risk until Lebanon fulfills its obligation to the international community. I believe that this amendment is a proportional response to the current stance taken by the Lebanese government.

It is an honor to train with American troops. That privilege should continue to be extended to those who play by the rules. That is a message this amendment will convey, and I encourage my colleagues to join me in supporting it.

Mr. LANTOS. Mr. Chairman, I am pleased to yield to the gentleman from Virginia (Mr. CANTOR).

Mr. CANTOR. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I rise in support of this amendment prohibiting the IMET funding for the Lebanese Armed Forces in response to Lebanon's failure to keep its border with Israel free of Hezbollah terrorists.

One year ago, Israel unilaterally withdrew from southern Lebanon. U.N. Secretary General Kofi Annan certified Israel's complete withdrawal from Lebanon and its full compliance with U.N. Security Council Resolution 425. This is the same resolution that commits Lebanon to deploy its security forces in order to secure its border with Israel.

However, Lebanon has not lived up to its obligation. Israel continues to face attacks, kidnappings and the prospect of rocket attacks from the north. Today, hundreds of thousands of Israelis live within range of Hezbollah Katusha rockets.

This amendment sends a very important message. If we are to treat Lebanon as a sovereign nation, it must fulfill its obligations. Lebanon must deploy its army to the Israeli border and fill the vacuum that is currently being filled by Hezbollah terrorists. The Lebanese-Israeli border should be more stable, not less stable, since Israel's withdrawal. Hezbollah terrorists continue to operate in southern Lebanon because the government of Lebanon refuses to assert its effective authority in the area.

Mr. Chairman, I urge my colleagues to join me in supporting this amendment.

The CHAIRMAN pro tempore. All time for debate on the preferential motion has expired.

Mr. DINGELL. Mr. Chairman, I withdraw my preferential motion.

The CHAIRMAN pro tempore. Without objection, the preferential motion is withdrawn.

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Illinois (Mr. LAHOOD) has 7⅓ minutes remaining and the gentleman from California (Mr. LANTOS) has 2 minutes remaining.

Mr. LAHOOD. Mr. Chairman, I yield 20 seconds to the gentleman from Michigan (Mr. DINGELL), the dean of the House.

Mr. DINGELL. Mr. Chairman, it is with profound regret that I read to my good friend from California the language of his amendment, which concludes with saying that the President shall commit to the Congressional committees a plan to terminate assistance to Lebanon provided under chapter 24, part 2, of the Foreign Assistance Act, et cetera.

What the gentleman does is terminates all assistance, military and economic and humanitarian. I think with a more careful reading, perhaps the good author of the amendment would join me in opposition to it.

Mr. LAHOOD. Mr. Chairman, I yield 1 minute to the gentleman from Arizona (Mr. KOLBE), the distinguished chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs of the Committee on Appropriations.

Mr. KOLBE. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I rise to oppose the amendment offered by the gentleman from California, not because I oppose the goal of extending Lebanese government control to south Lebanon, but because I believe this amendment would be counterproductive to that goal.

I agree that the Lebanese Army needs to secure its border with Israel to prevent attacks against Israeli soldiers and civilians, but the key to achieving this is to extract more cooperation from the Syrians. We should not be punishing Lebanon for the sins of Syria and the Hezbollah.

I also think that threatening to eliminate our foreign assistance program for Lebanon is the wrong way to go about this. All of the $35 million that we allocate to Lebanon in fiscal year 2001 is provided to none-governmental organizations, private, voluntary organizations, contractors. They implement our assistance program for Lebanon.

Not a penny of it goes to the government, and $3 million to the American University of Beirut and the Lebanese-American University to help with education. The largest program is the Rural Development Clusters program, which helps rural villages in Lebanon. It has been focused on the south in an effort to provide an alternative to the economic and social development activities of the Hezbollah.

Punishing the villagers of south Lebanon by withdrawing this program is not going to do anything to assist in the effort to persuade the Lebanese government to remove its security forces.

I urge my colleagues to vote against this amendment. It is not in the interests of Lebanon, Israel, or the United States.

Mr. LAHOOD. Mr. Chairman, I yield 1 minute to the gentleman from Michigan (Mr. BONIOR), the distinguished Democratic whip.

Mr. BONIOR. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, let me just say that I have a deep respect for the gentleman from California (Mr. LANTOS) and how he has handled this bill, but I do rise in opposition to his amendment.

Next week marks one year since the withdrawal of Israeli troops from southern Lebanon. The Lantos amendment on the face of it cuts funding for the Lebanese military, education and training, but as the dean of the House has just told us, if you look a little closer at the amendment, it sets in motion to cut all aid to Lebanon in 6 months after the passage.

□ 1730

Discontent in the Middle East has taken a tremendous toll on Lebanese infrastructure, and this is not the time to remove our efforts toward stability in the region. Our aid package is funneled through USAID, American NGOs, and not through the government; and it is directed at, as we have heard several times from the floor from the gentleman from West Virginia (Mr. RAHALL), from the gentleman from Michigan (Mr. DINGELL), it is directed toward building civilian infrastructure.

Secretary Powell has said that he opposes this amendment. He has also said we are hurting the ability of those nongovernmental organizations to provide the service that the people need. That sentiment has been echoed on this floor. I urge my colleagues to vote "no" on the amendment.

Mr. LANTOS. Mr. Chairman, I reserve the balance of my time.

Mr. LAHOOD. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. ISSA).

Mr. ISSA. Mr. Chairman, I rise today to strongly oppose the Lantos amendment, which represents a major step backward in Lebanese-American relations.

The aid which we provide Lebanon is an investment in a future stability of Lebanon and the well-being of a people who only wish peace in the Middle East.

I share with the gentleman from California (Mr. LANTOS) the feeling of frustration that the south of Lebanon is today not secure and that, in fact, the south of Lebanon is being operated often by terrorists; but I must remind the gentleman from California that for over 20 years, the best trained and best equipped army in the Middle East, the Israeli Army, with billions of dollars of resources, was unable to completely quiet that aggression originating out of Iran. How would we expect an army that we fund at $600,000 to do so?

After the defeat of this amendment, I strongly hope the gentleman from California and I can work together to develop a funding package for Lebanon that would enable it to make some real dent in enforcing its borders.

Mr. LANTOS. Mr. Chairman, I reserve the balance of my time.

Mr. LAHOOD. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN pro tempore (Mr. SIMPSON). The gentleman from Illinois (Mr. LAHOOD) has 4 minutes remaining.

Mr. LAHOOD. Mr. Chairman, does the gentleman from California (Mr. LANTOS) close on this amendment?

The CHAIRMAN pro tempore. The gentleman from California has the right to close.

Mr. LAHOOD. Mr. Chairman, I yield myself such time as I may consume.

This is far from a simple amendment. The idea that this is a simple amendment is simply not true. This is a slap at the face of the people of Lebanon, the Government of Lebanon. The gentleman met with the prime minister when he was here, and the gentleman heard him say that they are trying to forge a peace in Lebanon. The prime minister met with the President of the United States; the Vice President; the Secretary of State; Condoleeza Rice, the National Security Advisor; the Secretary of Defense. This is no way to treat Lebanon, and I guarantee my colleagues, this House would never pass an amendment like this against Israel, against Palestine, against Jordan, against any of the countries in the Middle East. We would not do this.

This is a slap in the face to not only the peace process, but a small country who is trying to get its act together, and they are trying to get their act together economically, they are trying to get their act together as a democracy. They work very hard at it.

When the prime minister was here, he said they are working very hard to get their act together. Is it perfect? Of course not. It is an intolerable situation in the region with many people getting killed. This amendment does not help anyone. It does not send the signal that the gentleman wants it to send. It really hurts the process. It really hurts our government's ability to be in that region and get the people to work together.

Now, this amendment is opposed by the administration. The Secretary of State spoke out against it at the Subcommittee on Foreign Operations; and the chairman of this committee, the distinguished gentleman from Illinois (Mr. HYDE), is also opposed to this amendment, as well as the Dean of the House.

The gentleman is not accomplishing what he wants to do here; and I wish, and this in no way diminishes my respect for the gentleman, the gentleman knows that I respect him. And I know the gentleman visited the region, and I know the gentleman has been to Lebanon. This hurts the country that the gentleman is trying to send a message to. I ask the gentleman, really, the gentleman still has time here to ask unanimous consent to withdraw this amendment, because the gentleman is sending the wrong message, not only to our government, but all over this region. This simply is wrong. It is wrongheaded, and it does not help.

The money that we are allocating here is walking-around change in this House, compared to what we give to so many other countries in that region, including Egypt and Jordan and so many other countries in that region. This helps people get an education. It helps rebuild the country. Gosh darn it, it is about time we help a country like this. This is our way of doing it. This is our way of encouraging peace. I would encourage the gentleman, to ask to withdraw the amendment, because it is hurtful and it does not help the process.

All this talk around here about Hezbollah and trying to create some kind of a one-headed monster out of Lebanon is wrong; it is nonsense. We should not be doing that. We should not be doing it to a country like Lebanon. It just does not make any sense to do it.

Mr. Chairman, I urge every Member of the House who has people of Lebanese descent in their districts, and I know there are people watching this on C-SPAN, and I know there are staff people; this is an amendment that hurts the process. If my colleagues have people that they are representing of Lebanese descent and of Arab descent, vote against this amendment and send a message that the United States is for peace. We are for bringing people together. We do not want to hurt the country of Lebanon. We want to bring the process together. This pittance amount of money absolutely is a drop in the bucket compared to all of the other resources that we are spending there. But it is the message that is being sent.

So I urge Members to look carefully at this. This is not about Israel. This is about what we can do for Lebanon and the peace process.

So I urge the gentleman from California (Mr. LANTOS) to give consideration to withdrawing this amendment. The gentleman will send a message that he is for peace; he will send a message that he cares about Lebanon. If the gentleman cannot do that, then I ask all Members to defeat this amendment and send a message that we are for peace, true peace, and that Lebanon is a country that we can count on.

Mr. LANTOS. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Chairman, I thank the gentleman for yielding to me, and I rise in support of his amendment.

U.N. Security Council Resolution 520 expresses strong support for Lebanese sovereignty "under the sole and exclusive authority of the Government of Lebanon through the Lebanese Army throughout Lebanon." It is time that the Lebanese Government abides by the call of the Security Council and deploys its military throughout the country.

It is inexcusable that in the wake of the complete Israeli withdrawal, southern Lebanon remains under the control of the terrorist organization called Hezbollah. I will not stand idly by while the United States provides military support to a government which refuses to halt acts of terror on a neighbor.

I still favor humanitarian and educational assistance to Lebanon. I hope in conference we can continue economic assistance to Lebanon. But such assistance is put in jeopardy by the inaction of the Lebanese Government to control Hezbollah.

Mr. Chairman, I strongly support Lebanon. The Lebanese people have suffered enough. Syria, Hezbollah and all terrorist organizations need to get out of Lebanon now. It is not enough for the Government of Lebanon to wring their hands and claim that they have no maneuverability. They need to attempt at least to take strong actions now.

Mr. Chairman, I urge my colleagues to vote for this amendment.

Mr. LANTOS. Mr. Chairman, I yield myself such time as I may consume, before yielding to our closing speaker, to just say, if my colleagues wish to see the terrorist organization Hezbollah control an international border and provide the opportunity for further bloodshed in the region, vote against this amendment. If my colleagues want peace in the Middle East and a stable border, vote for my amendment.

Mr. Chairman, I yield the balance of my time to the gentleman from California (Mr. SCHIFF).

Mr. SCHIFF. Mr. Chairman, I rise in support of the amendment. American domestic policy is built on the twin foundations of opportunity and responsibility. Our foreign policy should be built on no less of a strong foundation.

The opposition objects that Lebanon is not responsible, and this is precisely the problem. Lebanon has not taken responsibility for its own borders, and we ought to use whatever leverage device we have to require them to take control of their own borders.

The objection has been made that we will give greater rein to Hezbollah and terrorism, and yet Hezbollah already has a free run on the border. What greater rein could be given to the Hezbollah?

Finally, the opposition argues that this will not accomplish what it has set out to do, and yet the opposition has no alternative to recommend, no alternative. If we cannot use the power of our purse and our financial support to force the Lebanese Government to exercise its own sovereignty, what else will work? Nothing. I urge Members' support.

Mr. HALL of Ohio. Mr. Chairman, I rise in opposition to the Lantos amendment which has the potential to cut off all economic aid to Lebanon. While I share Representative LANTOS' goal for stability on the Israel/Lebanon border and end to Hezbullah terrorist attacks on Israel, I do not believe this amendment is the best approach. This amendment would hurt the peace process between Israel/Lebanon, would strain the U.S. bilateral relationship with Lebanon, and would cut humanitarian assistance to those in need.

Secretary of State Colin Powell has made it clear that the Administration opposes this amendment. He stated,

> We don't support that particular amendment. And a lot of the aid that being spoken of its distributed to non-governmental organizations. So you're hurting the ability of these non-governmental organizations to provide the service to people in need.

I agree with the Secretary of State that this amendment would have the effect of hurting innocent people. I would urge my colleagues to vote against it.

The CHAIRMAN pro tempore. All time has expired. The question is on the amendment offered by the gentleman from California (Mr. LANTOS).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. LANTOS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 216, noes 210, not voting 5, as follows:

[Roll No. 119]

AYES—216

Ackerman
Andrews
Armey
Bachus
Ballenger
Bartlett
Bentsen
Berkley
Berman
Bilirakis
Bishop
Blagojevich
Blunt
Bonilla
Boswell
Boyd
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Camp
Cantor
Cardin
Carson (OK)
Chabot
Clyburn
Coble
Condit
Costello
Coyne
Cramer
Crenshaw
Crowley
Cunningham
Davis (CA)
Davis (FL)
Davis, Jo Ann
Davis, Tom
Deal
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dooley
Doyle
Duncan
Edwards
Ehrlich
Emerson
Engel
English
Etheridge
Evans
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Frost
Gallegly
Gilman
Gonzalez
Goode
Gordon
Graham
Graves
Green (TX)
Grucci
Gutierrez
Hall (TX)
Harman
Hart
Hastings (FL)
Hayworth
Hefley
Hill
Hilleary
Hilliard
Hobson
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Hunter
Inslee
Israel
Istook
Jackson-Lee (TX)
Jefferson
Johnson (IL)
Johnson, Sam
Jones (OH)
Kelly
Kennedy (RI)
King (NY)
Kingston
Kirk
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lewis (GA)
LoBiondo
Lowey
Lucas (KY)
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (NY)
McCollum
McInnis
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Moore
Moran (KS)
Morella
Nadler
Neal
Nussle
Ose
Otter
Owens
Pallone
Pastor
Paul
Pence
Peterson (MN)
Phelps
Pickering
Pitts
Platts
Pombo
Portman
Ramstad
Rangel
Reyes
Reynolds
Riley
Rodriguez
Ros-Lehtinen
Ross
Rothman
Roukema
Ryan (WI)
Ryun (KS)
Sanchez
Sandlin
Saxton
Scarborough
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Shadegg
Shaw
Shays
Sherman
Sherwood
Shows
Skelton
Slaughter
Smith (NJ)
Solis
Souder
Spence
Spratt
Stearns
Stenholm
Strickland
Stupak
Sweeney
Tancredo
Tauscher
Taylor (MS)
Terry
Thompson (CA)
Thune
Thurman
Tiahrt
Tiberi
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Vitter
Walden
Wamp
Waxman
Weiner
Weller
Wexler
Wu
Wynn

NOES—210

Abercrombie
Aderholt
Akin
Allen
Baca
Baird
Baker
Baldacci
Baldwin
Barcia
Barr
Barrett
Barton
Bass
Becerra
Bereuter
Berry
Biggert
Blumenauer
Boehlert
Boehner
Bonior
Bono
Boucher
Brady (TX)
Burton
Buyer
Callahan
Calvert
Cannon
Capito
Capps
Capuano
Carson (IN)
Castle
Chambliss
Clay
Clayton
Clement
Collins
Combest
Conyers
Cooksey
Cox
Crane
Culberson
Cummings
Davis (IL)
DeFazio
DeMint
Dicks
Dingell
Doggett
Doolittle
Dreier
Dunn
Ehlers
Eshoo
Everett
Farr
Ford
Frank
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Goodlatte
Goss
Granger
Green (WI)
Greenwood
Gutknecht
Hall (OH)
Hansen
Hastings (WA)
Hayes
Herger
Hinchey
Hinojosa
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hutchinson
Hyde
Isakson
Issa
Jackson (IL)
Jenkins
John
Johnson (CT)
Johnson, E. B.
Jones (NC)
Kanjorski
Kaptur
Keller
Kennedy (MN)
Kerns
Kildee
Kilpatrick
Kind (WI)
Kleczka
Knollenberg
Kolbe
Kucinich
LaHood
Largent
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Lofgren
Lucas (OK)
Luther
McCarthy (MO)
McCrery
McDermott
McGovern
McHugh
McKeon
McKinney
Mica
Miller (FL)
Miller, Gary
Miller, George
Mink
Mollohan
Moran (VA)
Murtha
Myrick
Napolitano
Nethercutt
Ney
Northup
Norwood
Oberstar
Obey
Olver
Ortiz
Osborne
Oxley
Pascrell
Payne
Pelosi
Peterson (PA)
Petri
Pomeroy
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Regula
Rehberg
Rivers
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sawyer
Serrano
Sessions
Shimkus
Simmons
Simpson
Smith (MI)
Smith (TX)
Smith (WA)
Snyder
Stark
Stump
Sununu
Tanner
Tauzin
Taylor (NC)
Thomas
Thompson (MS)
Thornberry
Tierney
Toomey
Traficant
Upton
Walsh
Waters
Watkins
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Whitfield
Wicker
Wilson
Wolf
Woolsey
Young (AK)
Young (FL)

NOT VOTING—5

Borski
Brady (PA)
Cubin
Moakley
Skeen

□ 1806

Ms. LOFGREN, Ms. ESHOO, Ms. McCARTHY of Missouri, Messrs. EHLERS, OLVER, LARGENT and BERRY changed their vote from "aye to "no."

Ms. SLAUGHTER, Ms. BROWN of Florida, Ms. HART, Messrs. CAMP, GOODE, WALDEN of OREGON, HILLEARY, COBLE, BARTLETT of Maryland, SHAYS, PICKERING, GALLEGLY, GUTIERREZ, HOBSON, CUNNINGHAM, VITTER and TANCREDO changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated for:

Mr. SKEEN. Mr. Chairman, on rollcall No. 119 I was inadvertently detained. Had I been present, I would have voted "Aye."

Mr. PETERSON of Pennsylvania. Mr. Chairman, on rollcall No. 119 I inadvertently pressed the "No" button. I meant to vote "Aye."

Ms. JACKSON-LEE of Texas. Mr. Chairman, I ask unanimous consent to address the Committee for 1 minute.

Mr. FOLEY. I object, Mr. Chairman.

The CHAIRMAN pro tempore (Mr. SIMPSON). Objection is heard.

Ms. HARMAN. Mr. Chairman, I rise today in support of the Lee Amendment, a provision in this bill included by my friend and colleague from California, BARBARA LEE.

I would like to begin by reminding my colleagues that since 1973, no U.S. dollars have been used to pay for the performance of an abortion as a method of family planning or for involuntary sterilizations overseas—None!

The Lee provision does not alter that restriction, but instead restores U.S. support for international family planning organizations. In my view the best way to reduce the number of abortions worldwide, a goal we all share, is to ensure access to family planning. Yet, supporters of the so-called Mexico City policy claim that we must limit all funds to prevent United States dollars from being used in clinics that only inform their patients on the option of abortion—including clinics in countries where abortion is legal.

Turning this into a vote about abortion does a disservice to the millions of women throughout the world who do not have access to the health care and reproductive services, education and treatment that women in this country take for granted.

Mr. Chairman, I support a woman's right to choose whether or not to have a child. I also recognize that for some women, that choice is about whether or not to give birth to a healthy child. More than 600,000 infants become infected with HIV each year worldwide. That is appalling. How can we possibly claim to be working to prevent the spread of HIV if we do not offer counsel and education in family planning? It seems to me that it is an oxymoron to be both anti-abortion and anti-family planning. Only through family planning efforts can we reduce the number of unwanted pregnancies—a result always preferable to abortion.

The Lee provision will prevent international family planning groups from being denied lifesaving funds to carry out their work—both in preventing unintended pregnancies and the spread of the deadly HIV/AIDS disease.

We have the chance to really make a difference for millions of women worldwide. Let's give women the opportunity to make informed and educated decisions about their reproductive health. Vote for to keep the Lee provision.

Ms. JACKSON-LEE of Texas. Mr. Chairman, as we consider the authorization bills for our foreign policy agenda, it is necessary to recognize the continuing human rights abuses practiced by governments in the Horn of Africa, particularly in Ethiopia. The U.S. Department of State must carefully investigate the continuing human rights abuses in Ethiopia.

Just recently, I am outraged by the recent violence in Addis Ababa, Ethiopia, especially the loss of life in the face of peaceful demonstrations on the campus at Addis Ababa University on April 11th. I am deeply disturbed that police forces used excessive force to prevent students from vocalizing their discontent in an academic setting. I understand that as many as 41 brave individuals were killed on or near the campus at Addis Ababa University, while another 250 persons were injured in an indiscriminate attack by the police forces. The recent action taken by police forces can never be justified.

Although I have strongly spoken out against human rights abuses in Ethiopia before, I wholeheartedly join the Ethiopian community in the United States in denouncing the indiscriminate killings that recently occurred in Ethiopia. Justice must be served swiftly and fairly even though the brutal attack has already exacted an unimaginable toll. Further, I am somewhat relieved that approximately 2,000 students who were detained by police have now been released. That is not enough, however. As some of you may know, the U.S. Department of State is concerned that dozens of persons who were arrested without warrant remain detained. The United States Government must vigorously call upon the government of Ethiopia to promptly and unconditionally release all the students that remain in detention. Their freedom cannot be denied.

In the past, I successfully fought for a legislative measure that would prohibit the government of Ethiopia from receiving aid until human rights abuses are eliminated. We must do more. The people of Ethiopia deserve to be treated humanely by their government.

Mr. Chairman, in the words of Franklin Delano Roosevelt, "We believe that the only whole man is a free man." I hope we can support efforts to bring human rights abuses by government actors in Ethiopia to a halt.

Mrs. MINK of Hawaii. Mr. Chairman, I rise today to thank the Members of the House Committee on International Relations for including $13.5 million for the East-West Center in the FY2002 State Department Authorization bill. An amendment to delete this funding was overwhelming defeated in Committee on a vote of 6 yeas to 30 noes.

The last time we considered the State Department Authorization bill in July 1999, we had to defeat an amendment on the floor to reduce the funding authorization for the East-West Center, North-South Center, and the Asia Foundation. That amendment was defeated on a vote of 180 yeas to 237 noes. I am very pleased that we face no such amendment this year.

The East-West Center is an internationally respected research and educational institution based in Hawaii with a 40-year record of achievement. It is an important forum for the development of policies to promote stability and economic and social development in the Asia-Pacific region. Established in 1960 through a bipartisan effort of the Eisenhower Administration and the Congress, the Center has worked to promote better relations and understanding between the United States and the nations and peoples of Asia and the Pacific through cooperative study, training, and research. Presidents, prime ministers, ambassadors, scholars, business executives, and journalists from all over the Asia-Pacific region have used the Center as a forum to advance international cooperation.

The Asia-Pacific region accounts for more than half the world's population, about a third of the world's economy, and vast marine and land resources. The United States has vital national interests in connecting itself in partnership with the region. As the Asia-Pacific region continues to develop and change, it is essential that the United States be seen as a part of the region rather than an outsider. The most powerful force of U.S. influence in the Asia-Pacific region has been our ideas, and the East-West Center is the only program that has a strategic mission of developing a consensus on key policy issues in U.S.-Asia-Pacific relations through intensive cooperative research and training.

I want to thank my colleagues for supporting the mission of the Center with this authorization and I ask that the Commerce, Justice, State Appropriations Subcommittee fully fund this important national program.

Mr. STARK. Mr. Chairman, I rise in opposition to H.R. 1646 the Foreign Relations Authorization. When this bill was placed on the floor of this House, I was surprised to see such a reasonable piece of legislation. For several years now this bill has been used to advance a conservative agenda including restrictions on international family planning activities, refusals to pay our commitments to international organizations, and fund totaling billions of dollars in direct military and economic aid to other countries.

I am encouraged that there is not a multi-billion dollar package of military and economic aid to other countries in this bill. It is foolish to help train and equip other countries for war when there are so many people here at home who need help to obtain prescription drugs, lift their families out of poverty, and educate our children. Unfortunately, the amendment process has overridden my earlier support. This bill now restricts international organizations, cuts funding to these organizations, and re-implements draconian restrictions on international family planning activities abroad.

The first amendment passed by the House provided special protections from international prosecution to U.S. forces engaged in human rights abuses. The International Criminal Court (ICC) was created to ensure that those people who violate internationally recognized human rights would suffer consequences for doing so. By providing special protection from prosecution to U.S. forces we are telling the world community that Human Rights are not important to the United States and that we should not have to abide by the same rules as the rest of the world. This is wrong and I am disappointed that so many of my colleagues supported this language.

The second amendment passed by the House halted repayment of our back dues to the United Nations until we are given a seat on the UN Human Rights Commission (UNHRC). I disagree fundamentally with this decision and was dismayed that a majority of my colleagues supported this amendment too. This body has passed numerous bills and resolutions supporting democracy throughout the world. Unfortunately, when three other countries were democratically elected to the UNHRC rather than the United States, a majority of this House voted against democracy because we didn't win the election. It's an infantile reaction and I oppose it.

The third amendment passed by the House re-affirms President Bush's implementation of the Mexico City provisions which prohibit U.S. funding to organizations who mention abortion in their counseling of people seeking family planning services. Existing law has prohibited these groups from using U.S. dollars to conduct abortions. This bill does nothing more than eliminate important services to people around the world, including access to contraception and other family planning services which reduce the number of abortions by decreasing the number of unwanted pregnancies. I strongly oppose its inclusion in this bill.

I am disappointed in the bill as amended. It has gone back to advancing a conservative agenda when it should advance a free and democratic agenda. I oppose this bill and the principles it now supports.

The CHAIRMAN pro tempore. There being no further amendments in order, under the rule the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN pro tempore. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. GIBBONS) having assumed the chair, Mr. SIMPSON, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1646) to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes, pursuant to House Resolution 138, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. HASTINGS OF FLORIDA

Mr. HASTINGS of Florida. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. HASTINGS of Florida. Mr. Speaker, I am, in its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. HASTINGS of Florida moves to recommit the bill H.R. 1646 to the Committee on International Relations with instructions to report the same back to the House forthwith with the following amendment:

Page 58, after line 20, insert the following:

SEC. 306. UNITED STATES SPECIAL COORDINATOR FOR KOREA.

(a) STATEMENT OF POLICY.—It shall be the policy of the United States to engage diplomatically with the Government of the Democratic People's Republic of Korea in order to reduce the threats from such government and to improve the stability of the Korean peninsula and surrounding countries until such time as the United States concludes that such efforts are no longer productive.

(b) ESTABLISHMENT—There shall be within the Department of State a United States Special Coordinator for Korea who shall be designated by the Secretary of State.

(c) CONSULTATION.—The Secretary of State shall consult with the chairman and ranking minority member of the appropriate congressional committees prior to the designation of the special coordinator.

(d) CENTRAL OBJECTIVES.—The central objectives of the special coordinator are as follows:

(1) To seek to reduce or eliminate the missile program of the Democratic People's Republic of Korea and its export of ballistic missile technology through steps that include resumption of the discussions between the United States and the Democratic People's Republic of Korea regarding a binding and verifiable agreement.

(2) To ensure the compliance of the Democratic People's Republic of Korea with the Non-Proliferation Treaty and the International Atomic Energy Agency agreement and increase the transparency of its nuclear activities.

(3) To reduce the conventional military threat of the Democratic People's Republic of Korea to the Republic of Korea.

(e) DUTIES AND RESPONSIBILITIES.—The special coordinator shall—

(1) serve as the primary advisor to the Secretary of State on security issues on the Korean Peninsula, including the central objectives outlined in subsection (d);

(2) coordinate United States Government policies, programs, and projects concerning security issues on the Korean Peninsula;

(3) oversee discussions and negotiations on issues concerning the central objectives in subsection (d);

(4) consult with the Governments of the Republic of Korea and Japan to coordinate negotiating strategy and overall policy toward the Democratic People's Republic of Korea;

(5) serve as the primary liaison to Congress on issues relating to the central objectives in subsection (d); and

(6) take all appropriate steps to ensure adequate resources, staff, and bureaucratic support to fulfill the responsibilities of the special coordinator.

Mr. HASTINGS of Florida (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. HASTINGS) is recognized for 5 minutes in support of the motion.

Mr. HASTINGS of Florida. Mr. Speaker, as good as this bill is that is presently before us, I think this motion to recommit with instructions would make it even stronger.

Mr. Speaker, there are several realities upon which we can all agree. Security and stability on the Korean Peninsula is a matter of vital national interest to the United States.

Mr. Speaker, reducing and eliminating the North Korean long-range missile threat is a vital national interest of the United States.

Mr. Speaker, eliminating any vestiges of a North Korean nuclear weapons program is a vital national interest of the United States.

The motion that the gentleman from Maine (Mr. ALLEN) and I have drafted would create a special coordinator position within the Department of State for Korea. This official would be charged with serving as the primary advisor to the Secretary of State on security issues on the Korean Peninsula; coordinate United States Government policies, programs and projects; oversee discussions and negotiations with North Korea; consult with the governments of the Republic of Korea and Japan to coordinate negotiating strategy and overall policy towards the Democratic People's Republic of Korea; and serve as the primary liaison to Congress on issues related to North Korea.

The previous administration had a special envoy on North Korea. This administration cannot afford to reduce the level of institutional attention to these matters by not creating a similar position.

Indeed, our colleagues in Europe in the European Union have already begun to fill the void that we have created. Mr. Speaker, we must not allow ourselves to be losing opportunities to shape the future of this region which is so vital to our national security.

Mr. Speaker, the North Korean threat to the United States and its allies in the region is too great to downgrade its management to lower-level officials.

Mr. Speaker, I urge my colleagues to support this motion and allow it to be included as part of the underlying bill. It does not change the structural underlying portion of the bill.

Mr. Speaker, I yield to the gentleman from Maine (Mr. ALLEN), my good friend, who is a cosponsor of this motion.

Mr. ALLEN. Mr. Speaker, I thank the gentleman from Florida (Mr. HASTINGS) for yielding, and I rise in support of the motion to recommit the bill to create the special position of special coordinator for Korea.

North Korea tested a missile in August 1998. They have not tested a missile since, because the Clinton administration successfully negotiated a moratorium on their test program.

□ 1815

North Korea has voluntarily continued this moratorium through 2003. If they cannot test their missiles, they cannot deploy their missiles to threaten us. President Bush, Mr. Speaker, has refused to continue negotiations with the North Koreans.

Mr. Speaker, we can negotiate away the North Korean missile threat but only if we sit down at the table to discuss the subject. That is why we need a special coordinator for Korea. President Bush appears to be more interested in justifying a technologically unproven missile defense than in eliminating the missiles themselves. It is easier to defend against the missile that is never launched than one that is.

Let us seize this opportunity to negotiate an end to the North Korean missile threat. I urge my colleagues to support the motion to recommit.

Mr. HASTINGS of Florida. Mr. Speaker, I yield back the balance of my time.

Mr. HYDE. Mr. Speaker, I rise in opposition to the motion to recommit.

The SPEAKER pro tempore (Mr. GIBBONS). The gentleman from Illinois (Mr. HYDE) is recognized for 5 minutes.

Mr. HYDE. Mr. Speaker, the amendment made in order by this motion would require the creation of a special office in the Department of State to carry out negotiations with North Korea. It mandates that the person appointed to that office, and I quote, must oversee discussions and negotiations with North Korea regarding missile proliferation and other matters.

It does not mandate negotiations, and that is what the gentleman said we want. It does not do anything except say hire somebody and give them a title and he should oversee negotiations.

This is micromanagement gone mad. We should not be telling a new State Department, a new administration what personnel it should have and what they should do. There will be somebody overseeing negotiations in North Korea. It may be the Secretary of State who is a general of some accomplishment. It may be the Deputy Secretary of State. It may be an Assistant Secretary of State. It may be lots of people.

But to set up a special office and give him a title and he is to oversee discussions and negotiations is micromanagement, and the administration should be given the opportunity to do this in its own way. If we do not like what they are doing, we can criticize it. But to micromanage the Department of State and tell them they must hire somebody, give them the title, and then he should oversee negotiations is just a tad arrogant. I would trust Secretary Powell to do the right thing.

So I hope my colleagues will vote this down. We can pass this bill and get on to other matters.

Mr. GEPHARDT. Mr. Speaker: this motion to recommit symbolizes the direction I believe we should be steering U.S. national security policy in the 21st century.

Last year, our diplomats made significant progress, negotiating an agreement with North Korea in which it would end its ballistic missile program.

Unfortunately, President Bush has backed away from these discussions, publicly telling South Korean President Kim Dae Jung that the North Koreans could not be trusted.

Meanwhile, the administration is proceeding full speed ahead with plans for a costly missile defense system, whose initial purpose is to defend against ballistic missiles from North Korea.

These actions and others strongly suggest that the Bush administration is taking us down the wrong path: toward a policy of isolationism, unilateralism, and disengagement that jeopardizes our security and undermines our leadership role in the world.

We must resist this direction. Instead, we should convince the Administration that there is a better way to serve our interests and enhance the security of our citizens.

We must choose leadership over isolation. We must work to shape the international security environment rather than simply insulate ourselves from it by relying excessively on a defensive shield.

We should choose cooperation over unilateralism, and collaborate with our allies like South Korea, not alienate them.

Finally, we should choose engagement over disengagement, and pursue verifiable agreements like the one with North Korea that can eliminate real threats to our security.

By adopting this motion, we will demonstrate our commitment to reducing threats to the United States, at their source, before they spread to other unfriendly nations or are launched against us.

And we will indicate that we want our foreign and defense policies to go in the direction of preserving America's security through leadership, engagement and cooperation.

Mr. HYDE. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. HASTINGS of Florida. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—ayes 189, noes 239, not voting 3, as follows:

[Roll No. 120]

AYES—189

Abercrombie
Ackerman
Allen
Andrews
Baca
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Bonior
Boswell
Boucher
Boyd
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Moore
Moran (VA)
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Solis
Spratt
Stark
Strickland
Stupak
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOES—239

Aderholt
Akin
Armey
Bachus
Baird
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jackson (IL)
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
Matsui
McCrery
McHugh
McInnis
McKeon
McNulty
Mica
Miller (FL)
Miller, Gary
Mollohan
Moran (KS)
Morella
Murtha
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rivers
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Souder
Spence
Stearns
Stenholm
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Turner
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—3

Borski
Brady (PA)
Cubin

□ 1837

Mr. THOMPSON of California and Mr. GORDON changed their vote from "no" to "aye."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. GIBBONS). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. PAUL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 352, noes 73, not voting 6, as follows:

[Roll No. 121]

AYES—352

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Armey
Baca
Bachus
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Boehlert
Boehner
Bonilla
Bono
Boswell
Boucher
Boyd
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (OK)
Chabot
Chambliss
Clayton
Clement
Clyburn
Coble
Collins
Condit
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Culberson
Cunningham
Davis (CA)
Davis (FL)
Davis, Jo Ann
Davis, Tom
Deal
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dingell
Doggett
Dooley
Doyle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Engel
English
Eshoo
Etheridge
Evans
Farr
Fattah
Ferguson
Fletcher
Foley
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Israel
Istook
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kind (WI)
King (NY)
Kingston
Kirk
Kolbe
LaFalce
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Mink
Moakley
Moore
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Owens
Oxley
Pallone
Pascrell
Pastor
Pelosi
Peterson (MN)
Peterson (PA)
Phelps
Pickering
Pitts
Platts
Pomeroy
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Rogers (KY)
Rogers (MI)
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Rush
Ryan (WI)
Ryun (KS)
Sanchez
Sandlin
Sawyer
Saxton
Scarborough
Schakowsky
Schiff
Schrock
Scott
Serrano
Sessions
Shadegg
Shays
Sherman
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stenholm
Strickland
Stump
Stupak
Sweeney
Tauzin
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Traficant
Turner
Udall (NM)
Velázquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOES—73

Akin
Baird
Barr
Berry
Blunt
Bonior
Carson (IN)
Castle
Clay
Combest
Conyers
Cummings
Davis (IL)
DeFazio
DeGette
Dicks
Doolittle
Duncan
Emerson
Everett
Filner
Flake
Goode
Hefley
Hostettler
Inslee
Issa
Jackson (IL)
Jones (NC)
Jones (OH)
Kerns
Kilpatrick
Kleczka
Knollenberg
Kucinich
LaHood
Lee
Lucas (OK)
McDermott
McInnis
McKinney
Meeks (NY)
Mollohan
Moran (KS)
Moran (VA)
Otter
Paul
Payne
Pence
Petri
Pombo
Putnam
Rahall
Roemer
Rohrabacher
Royce
Sanders
Schaffer
Sensenbrenner
Slaughter
Solis
Stark
Stearns
Sununu
Tancredo
Tanner
Tauscher
Taylor (MS)
Thompson (MS)
Udall (CO)
Upton
Watkins
Weldon (FL)

NOT VOTING—6

Borski
Brady (PA)
Cubin
Sabo
Shaw
Smith (TX)

□ 1848

Messrs. ROYCE, BAIRD, and JACKSON of Illinois changed their vote from "aye" to "no."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 1646, FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 2002 AND 2003

Mr. HYDE. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 1646, the Clerk be authorized to correct section numbers, cross-references, and punctuation, and to make such stylistic, clerical, technical, conforming, and other changes as may be necessary to reflect the actions of the House in amending the bill.

The SPEAKER pro tempore (Mr. GIBBONS). Is there objection to the request of the gentleman from Illinois?

There was no objection.

HUMAN RIGHTS VIOLATIONS IN ETHIOPIA

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, just a few minutes ago on this floor I attempted to rise and speak out about the outrage of human rights violations in the country of Ethiopia. Unfortunately, it was objected to.

Mr. Speaker, what I cannot understand is how this House can ignore the fact that police forces use excessive force to prevent students from vocalizing their discontent in an academic setting. I understand that 41 brave individuals were killed on or near the campus in Addis Ababa. Two thousand students were detained.

It is imperative that as we talk about human rights around the world, that we are ultimately concerned that people who are our brothers and sisters are treated fairly. I am glad to know that the 2,000 students have been released, but this is not enough. There are dozens of persons arrested without warrant, and they remain detained.

It is extremely important that we say to Ethiopia that freedom cannot be denied, and it is extremely important that this floor and this House and Members of this House allow those of us who are concerned about human rights violations in Ethiopia to get on the floor of the House and debate it and ask that, in fact, we support human rights around this Nation. Mr. Speaker, I ask this Congress to act on the human rights violations in Ethiopia.

Mr. Speaker, as we consider the authorization bills for our foreign policy agenda, it is necessary to recognize the continuing human rights abuses practiced by governments in the Horn of Africa, particularly in Ethiopia. The United States Department of State must carefully investigate the continuing human rights abuses in Ethiopia.

Just recently, I am outraged by the recent violence in Addis Ababa, Ethiopia, especially the loss of life in the face of peaceful demonstrations on the campus at Addis Ababa University on April 11th.

I am deeply disturbed that police forces used excessive force to prevent students from vocalizing their discontent in an academic setting. I understand that as many as 41 brave individuals were killed on or near the campus at Addis Ababa University, while another 250 persons were injured in an indiscriminate attack by the police forces. The recent action taken by police forces can never be justified.

Although I have strongly spoken out against human rights abuses in Ethiopia before, I wholeheartedly join the Ethiopian community in the United States in denouncing the indiscriminate killings that recently occurred in Ethiopia. Justice must be served swiftly and fairly even though the brutal attack has already exacted an unimaginable toll.

Further, I am somewhat relieved that approximately 2,000 students who were detained by police have now been released. That is not enough, however. As some of you may know, the U.S. Department of State is concerned that dozens of persons who were arrested without warrant remain detained. The United States Government must vigorously call upon the Government of Ethiopia to promptly and unconditionally release all the students that remain in detention. Their freedom cannot be denied.

In the past, I successfully fought for a legislative measure that would prohibit the Government of Ethiopia from receiving aid until human rights abuses are eliminated. We must do more. The people of Ethiopia deserve to be treated humanely by their government.

Mr. Speaker, in the words of Franklin Delano Roosevelt, "We believe that the only whole man is a free man." I hope we can support efforts to bring human rights abuses by government actors in Ethiopia to a halt.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

RICH SANCHEZ LEAVES WSVN AND MOVES TO MSNBC

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. ROS-LEHTINEN) is recognized for 5 minutes.

Ms. ROS-LEHTINEN. Mr. Speaker, today I would like to congratulate Rick Sanchez, a beloved television anchor in my district who is leaving WSVN Channel 7 to move on to even greater challenges nationally at MSNBC.

I am sure that many of my colleagues across the Nation have seen Rick's reporting. My colleagues would have seen it years ago when watching an energetic reporter ride along with police to get the real story. My colleagues would have seen it when they watched a young roving reporter absolutely transform a newscast. My colleagues have seen it when they have watched a professional and genuine, but unusual, piece of reporting and thought, "What the heck is happening here?"

That is Rick Sanchez; Rick Sanchez, doing an unconventional but honest and impassioned style of reporting before that came into current fashion.

Perhaps the name "Rick" really stands for "maverick," for that is what he always has been. His unconventional ways are always talked about. His high-energy, in-your-face style, his use of expressive body language, his colorful adjectives, and his penchant for visual aids brought an interesting element to the traditional newscast.

City Link Magazine voted him the best newscaster ever, saying that "TV has come around to Rick's style. He asks the best questions, and he is not afraid to speak his mind."

Runaway Rick has never shied from danger. He began behind-the-scenes police beat reporting before there was a show which seemed to start that trend. "Maverick Rick" has always been a man of firsts. He was the youngest reporter and anchor hired in south Florida, brought on as a 21-year-old, right out of the University of Minnesota in 1982.

He was the first-ever Cuban American main anchor in south Florida, with the highest-rated newscast among all 10 o'clock newscasts in the Nation. He was the first to have a south Florida talk show. He was the youngest to win an Emmy for his five-part documentary, which aired nationwide, on Cuban American exiles. He has covered world news stories from Nicaragua, Cuba, Haiti, and Grenada.

Even when reporting just from back home, Rick's unique style transformed you to a new place. Who can forget turning on Channel 7 just to see what props Rick had this week? Who can forget the places he has been to, and the places he has taken us to?

This has been quite a journey for the son of a factory worker and a dishwasher, who was born in Havana and came to Miami when he was only 2 years old.

Although his high-profile status has made him a local celebrity, Rick has remained humble and appreciative. He has been the station spokesperson for wonderful organizations such as Habitat for Humanity and DARE, the program to keep kids off drugs.

Rick was honored by the Florida Broadcasters Association and the George Bush White House for his coverage of and his relief effort after Hurricane Andrew. Rick spearheaded an effort to move 60,000 tons of relief supplies while coordinating it with the U.S. Customs and U.S. Coast Guard.

At heart, Rick is a nice guy and a hungry reporter whose hard work and determination has made him the success story that he is today. I have had the pleasure of knowing Rick for years and watching him grow up on television. I have seen his work. I know of his dedication to his family and of his deep service to our community.

Mr. Speaker, as his 20-year south Florida locally based career comes to a close, Rick will not be forgotten by our local area. Now he will be shared by millions nationwide. Rick Sanchez has never been afraid to ask tough questions, say what is on his mind, and do whatever it takes to get the story and get people to speak.

Thank you, Rick Sanchez, for taking your job seriously and making the news so interesting for us to watch each and every night. I wish you and your family, your wife Suzanne, your sons Ricky, Jr., Robert and Remmington, and your newly arrived daughter Savannah, a smooth transition and the best of luck.

Rick, Felicidades! Y muchas gracias por tu servicio. (Thank you for your service.)

MACEDONIAN GOVERNMENT MUST MAKE A CHOICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. BONIOR) is recognized for 5 minutes.

Mr. BONIOR. Mr. Speaker, I think all of us grew up in families where we were taught from an early age to be proud of our ethnic heritage. Millions of Americans were raised in homes where it was not uncommon to hear relatives speak Polish or Italian or Yiddish or Chinese or Urdu or Arabic or any one of dozens of other tongues. But we always understood that no matter what language our family spoke and what their ethnicity, at the core we were all Americans.

Imagine if it were different. Imagine if because your family spoke a different language or honored different traditions, you were barred from being a police officer or working for the Postal Service or even attending college. Imagine for a moment that this bigotry was not only sanctioned by the government but it was actually written into the Constitution.

If my colleagues can imagine that, then they have a pretty good idea what it is like to be an ethnic Albanian living in Macedonia today. Today the Macedonian government is being applauded by leaders worldwide; but has it truly earned its praise? Yes, the creation of the unity government was a step in the right direction. But it was a very small step in a time that calls for great strides, strides that can only begin with acknowledging the reality of today's Macedonia. It is a country whose constitution disenfranchises 33 to 40 percent of Macedonians who are ethnic Albanians.

Mr. Speaker, in any true democracy, equality is conferred by citizenship, not by ethnicity or by religion. That is why the Macedonian government must make a choice. Are they committed to true democracy or to a sham democracy on the order of the one that distinguished South Africa throughout the era of apartheid?

□ 1900

It is a question we have yet to hear a satisfactory response to.

What we do know is that today ethnic Albanians are treated like second-class citizens in their own country. We know they are denied the same educational and job opportunities enjoyed by Slavic Macedonians. We know that Slavic Macedonians hold 90 percent of the public sector jobs and they compose 90 percent of the police force and that 90 percent of the university students are Slavic Macedonians. We know that Albanians are even penalized for speaking their own language. Universities which use the Albanian language are actually denied public funds.

Macedonians and Albanians should both have equal opportunities to use their native languages. Albanians are made to suffer in poorly funded schools and universities because they speak, quote, the wrong language. But that is not all. Ethnic Albanians not only have second- and third-rate schools, they have bad roads and inadequate health care.

There might be a time when Macedonia earns our applause, Mr. Speaker, but that time has not arrived and it will not until all of its people are treated equally. It will not until their constitution recognizes ethnic Albanians as citizens of Macedonia. It will not until ethnic Albanians have the right to use their own language. It will not until ethnic Albanians have the right to preserve their own cultural heritage.

Power sharing is not just about who holds the positions in the government. It is about who has what status in a society as a whole.

This is no time for baby steps or token gestures. This is the time for the Macedonian government to take action to remove the institutional discrimination against Albanian Macedonians. This is the time for the Macedonian government to take on initiatives that make amends to the Albanian people.

The challenge of democracy is that it does not ask leaders to do what is easy. It challenges them to stand up and do what is right.

Mr. Speaker, in conclusion let me say that I hope that this ethnic violence in Macedonia will cease and it can only cease when equality is brought to all of its people.

INTRODUCTION OF RESOLUTION IMPROVING THE WAY WE MEMORIALIZE OUR FALLEN HEROES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GRUCCI) is recognized for 5 minutes.

Mr. GRUCCI. Mr. Speaker, with Memorial Day only 12 days from today, veterans' graves are graced with our Nation's flag on Memorial Day in my district as is customary across our Nation since the end of the Civil War.

However, too often these flags are removed immediately after the Monday observation of Memorial Day, not giving the sufficient recognition deserved these fallen heroes. The original intent of Memorial Day was for it to be a time of reflection on our hard-earned freedom and to pay our respects to those men and to those women who made the ultimate sacrifice for the citizens of our Nation and gave their lives to preserve that freedom. Yet today the true meaning of Memorial Day is often lost to a sense of commercialism.

For this reason, local veterans organizations within my district have partnered with one of our national cemeteries, Calverton National Cemetery, to improve the way we memorialize our fallen veterans. They leave the American flags in place until May 31 so that they fly in honor of our brave service men and women through to the original date of Decoration Day, May 30.

The flag is the symbol of America's greatness and all of its compassion, perseverance and values. It is part of the tapestry that has been woven with the lives and the efforts of our men and our women in uniform during times of crises that makes America what it is. It honors those brave service men and women who have made the ultimate sacrifice so that freedom, peace and democracy can be assured to all of us here in this great Nation.

I and my colleagues from both sides of the aisle have sponsored House Resolution 120 which urges all cemeteries to institute this policy of maintaining the flags placed on the grave sites of American veterans on Memorial Day through at least May 31.

Mr. Speaker, I call upon my colleagues to please join me in honoring those men and women who gave their lives to preserve our freedoms.

NATIONAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. WELDON) is recognized for 5 minutes.

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise today to share with my colleagues two items of concern relative to our national security. First of all, about this time last year, we heard a lot of ranting and raving in this Chamber and on national TV, allegations of massive fraud in our missile testing program. In fact, Mr. Speaker, 53 of our colleagues signed a letter to the FBI demanding an investigation of a fraud that was alleged by an MIT professor. The MIT professor said there was abuse, there was waste, that the Defense Department deliberately lied and so did TRW.

We said let us get to the bottom because the investigation of this issue was done before. We have not heard anything from those 53 of our colleagues, Mr. Speaker, but a front page story in Bloomberg Press by Tony Capaccio cites the FBI in February throwing the whole thing out, saying it was nothing but a bunch of hogwash.

Mr. Speaker, I include for the RECORD the Bloomberg news story, "FBI Clears TRW of Fraud Charge in Missile Defense Test," and the actual FBI document. The Department of Defense has been completely exonerated. For those 53 colleagues and for Ted Postol, I think you owe the Department of Defense an apology.

[From Bloomberg.com: Top Financial News, May 2001]

FBI CLEARS TRW INC. OF FRAUD CHARGE IN MISSILE DEFENSE TEST

(By Tony Capaccio)

Washington, May 4, (Bloomberg)—The Federal Bureau of Investigation cleared TRW Inc., of allegations it manipulated the test results in a program for the U.S. missile defense system, according to a government document.

It's the second time the allegation has been dismissed. A 1999 review by the Justice and Defense departments in a separate whistleblower lawsuit dealing with the same charge also found no basis for fraud in TRW's testing.

Last June, 53 members of the U.S. Congress asked the FBI to investigate charges by Massachusetts Institute of Technology professor Theodore Postol that TRW and Pentagon officials committed "fraud and cover-up," by tampering with the results of program's first test flight to conceal that company's warhead can't distinguish between decoys and the real thing.

Postol and another antimissile critic, Dr. Nira Schwartz, alleged that TRW and the Pentagon manipulated the results of a June 1997 flight test. Military and TRW officials said the company's warhead succeeded.

Postol and Schwartz claimed the data was manipulated to indicate success after the test failed. The test was conducted in a competition between TRW and Raytheon Co., which TRW eventually lost. Their charges were aired in March and June 2000 front page New York Times articles that became the basis for the congressional request and fodder for arms control critics.

The FBI closed the case in late February, saying Postol's charges were "a scientific dispute and Postol's attempts to raise it to the level of criminal conduct had no basis in fact."

The FBI's action removes a cloud over the missile defense program just as the Bush administration presses ahead with plans to expand it.

A spokesman for TRW said the company hadn't been told of the finding and is "delighted" if it's true. Both Postol and Rep. Dennis Kucinich, an Ohio Democrat who organized the congressional opposition, said they too were unaware.

TRW'S ROLE

TRW is a top subcontractor on the National Missile Defense program managed by Boeing Co. TRW provides the command and control system, or electronic brains, that receive and process target information to missile interceptors carrying Raytheon Co. hit-to-kill warheads.

The TRW system has performed well in the three missile intercept tests to date, though two of them ended in failure after glitches in technology unrelated to the basic system.

Postol argues the Pentagon's system is fundamentally flawed and is incapable of distinguishing decoys from real warheads. He alleged the Pentagon watered down its decoy testing, substituting simpler and fewer decoys that were easier for the warhead to recognize. The Pentagon has acknowledged shortcomings in its decoy testing and says it plans improvements.

"The program needs to ensure the ability of the system to deal with likely countermeasures," Pentagon program manager Army Gen. Willie Nance wrote in an April 12 review.

'No Federal Violation'

"The investigation failed to disclose evidence that a federal violation has been committed," the FBI said in a February 26 memo to the Justice Department, "Since all logical investigation has been completed, this matter is being closed."

The allegation was first made by Schwartz in an April 1996 False Claims Act whistleblower suit. Schwartz was a senior staff engineer who worked on the project for 40 hours, according to TRW. The federal government declined to join her lawsuit after determining there was no evidence to support criminal charges. The case is pending. Schwartz would received a monetary award if TRW was found guilty.

Schwartz alleged that TRW "knowingly and falsely certified" as effective discrimination technology that was "incapable of performing its intended purpose."

"Dr. Schwartz's allegations were scientific in nature and concerned false claims made by TRW regarding the data obtained from the first test flight," said the FBI memo. "Postol expanded Schwartz's allegations to include criminal conduct. Investigation revealed that Postol's claim that data had been altered was unfounded."

GAO Review

Postol said in an interview he was surprised by the FBI's decision because he was under the impression that the Bureau would wait to wrap up its review until the General Accounting Office completed a separate noncriminal technical review of the charges.

The GAO review, which was requested by two Democrats, Representative Ed Markey of Massachusetts and Howard Berman of California, won't be finished until later this year.

I am amazed the FBI would have done this without checking with the GAO," Postol said. "It looks to me that the FBI was simply not interested in doing anything except covering its back."

Kucinich, who organized the June letter that prompted the FBI inquiry,, said he hadn't heard of the FBI's conclusion.

"It is interesting that the day after the president announced plans to spend billions more dollars on a missile defense system, it's revealed that the FBI had terminated its fraud investigation of the missile defense program—despite plain proof this technology doesn't work and substantial evidence suggesting that the Ballistic Missile Defense Organization covered it up," he said in a statement.

Kucinich was referring to President George W. Bush's May 1 speech outlining his plans for a missile defense shield that will likely include the ground-based system.

TRW spokesman Darryl Fraser in a statement said "if this report is accurate, we are delighted to hear that the FBI has vindicated TRW for the years of hard work."

[U.S. Department of Justice, Federal Bureau of Investigation, Feb. 26, 2001, Washington, DC]

NATIONAL MISSILE DEFENSE SYSTEM FRAUD AGAINST THE GOVERNMENT—DEPARTMENT OF DEFENSE

In a June 15, 2000, letter to Director Freeh, Dennis J. Kucinich, U.S. House of Representatives, and 52 other members of Congress requested an FBI investigation into allegations that the Department of Defense (DOD) covered up fraud relevant to the experimental failure of testing involving the National Missile Defense System. This anti-missile defense system is designed to defeat nuclear warheads launched at the United States by inexperienced nuclear powers such as Iran, Iraq and North Korea by intercepting the warhead carrying missiles in the air.

Specifically the Congressional letter detailed allegations by anti-missile critic Dr. Theodore Postol, a respected scientist from the Massachusetts Institute of Technology, that not only is the S50 billion National Missile Defense System incapable of distinguishing between warheads of incoming missiles and decoys, but the DOD and its contractors have altered data to hide the failure. Dr. Postol also contended that his letter to the White House, its attachments, and all the information and data he used to draw his conclusions of fraud and coverup, were derived from unclassified material and were subsequently classified by the DOD in an effort to conceal the fraud and wrongdoing.

The Washington Field Office (WFO) of the FBI opened a preliminary inquiry into allegations of fraud in the National Missile Defense System to specifically address the following items: (1) coordinate with Defense Criminal Investigative Service (DCIS) and obtain copies of material alleging fraud and coverup prepared by Dr. Postol; (2) address DOD's justification for classifying Dr. Postol's information and; (3) obtain details of a DCIS Qui Tam inquiry that precipitated Dr. Postol's criticism of the National Missile Defense System.

WFO opened up a preliminary inquiry into allegations of fraud in the National Missile Defense System on July 25, 2000. Contact was made with the DCIS who agreed to work jointly with the FBI in conducting the preliminary inquiry. WFO obtained a copy of Dr. Theodore Postol's letter to the White House from Philip Coyle, Director, Operational Test and Evaluation, at the Pentagon. Postol had sent Coyle a copy of his letter to the White House.

The Director of Security for the Ballistic Missile Defense Organization (BMDO) requested a line by line review of Postol's package when it was suggested that classified material may be attached to Postol's letter. This line by line review revealed that four pages of Attachment B to Postol's letter contained previously classified data, and Attachment D contained 12 previously classified figures and one classified table. All this material had been previously classified and was not newly classified. Postol had obtained this information from other individuals involved in a Qui Tam law suit against TRW. Those involved in the Qui Tam suit believed that the information they had was unclassified. A good faith effort had been made by a DCIS investigator to declassify a report that had been previously classified. In the process, certain classified information was inadvertently left in the report. Postol used this information believing it to be unclassified.

Postol's information was based on data he received from Dr. Nira Schwartz, a scientist and former employee of TRW, a defense contractor involved with BMDO. Schwartz had filed a Qui Tam action in the Western District of California alleging wrongful termination and false claims on the part of TRW. Dr. Schwartz's allegations were scientific in nature and concerned false claims made by TRW regarding the data obtained from the first test flight, IFT–1A. Postol expanded Schwartz's allegations to include criminal conduct. Investigation revealed that Postol's claim that data had been altered was unfounded. As to Postol's claim that the system is incapable of distinguishing between warheads and decoys, there is a dispute among scientists about the ability of the system to discriminate based on scientific grounds. This is a scientific dispute and Postol's attempt to raise it to the level of criminal conduct had no basis in fact. A Department of Justice civil attorney and an Assistant United States Attorney in the Central District of California, both advised that during the Qui Tam investigation, there was no indication of fraud or criminal activity.

The joint FBI/DCIS investigation failed to disclose evidence that a federal violation has been committed. Since all logical investigation has been completed, this matter is being closed.

Mr. Speaker, I also want to point my colleagues to a story that ran just the last few days where we now have seen that Danny Stillman has evidence and material he collected that shows that the Chinese were aggressively trying to acquire supercomputers so that they could miniaturize their nuclear weapons. Up until 1996, China had no supercomputers. That was the year President Clinton lowered the standard and within 2 years China acquired 700 supercomputers. The information Danny Stillman allegedly has gives us the details as to how China uses the supercomputers we gave them to build miniature weapons, nuclear weapons to be used against us and our allies.

Right now, the Department of Defense and Department of Energy are refusing to allow Danny Stillman's notes to be made public. I am today writing Secretary Rumsfeld and the administration to demand that these questions be answered. As a member of the Cox Committee that looked at this issue in depth, we need to know for sure what impact the President's decision in 1996 had to allow China to develop miniature nuclear weapons which they could use against America today.

Mr. Speaker, I include for the RECORD the letter to Secretary Rumsfeld.

MAY 3, 2001.

DONALD H. RUMSFELD,
Secretary of Defense, Defense Pentagon, Washington, DC.

DEAR SECRETARY RUMSFELD: I am writing with regard to today's article in the Washington Post entitled, "U.S. Blocks Memoir of Scientist Who Gathered Trove of Information." As a member of the Select Committee on U.S. National Security and Military/Commercial Concerns with the People's Republic of China, I am alarmed and concerned that the Committee was never informed about Danny B. Stillman or provided with the materials he collected over the years.

The article states:

Stillman said Chinese physicists told him that they had begun research on miniaturization during the 1970s, but could not complete it because they lacked the computing power to carry out massive calculations. When the Chinese physicists got access to supercomputers, they pulled out their old research, ran the numbers and designed the new devices.

These supercomputers not only benefited the Chinese advanced conventional weapons programs but also their weapons of mass destruction programs. Now these weapons are targeted at the United States and our friends and allies in the region.

Please answer the following questions:

1. Where did the Chinese get the supercomputers?
2. What other weapons systems did they use the supercomputers on?
3. Were export control officers made aware of the importance of supercomputers to the Chinese weapons programs?
4. When did the previous Administration learn of this?
5. Why was Congress not informed?

The article also states:

In all, Stillman said he collected the names of more than 2,000 Chinese scientists working at nuclear weapons facilities, recorded detailed histories of the Chinese program from top scientists, inspected nuclear weapons labs and bomb testing sites, interviewed Chinese weapons designers, photographed nuclear facilities—and then, each time he returned home, passed the information along to U.S. intelligence debriefers.

Please provide to me Stillman's trip reports, notes, photographs, videos, the list of Chinese scientists and a draft of his book. Along with a list of all DOE employees who have visited Chinese nuclear weapons facilities.

Sincerely.

IN SEARCH OF THE DEFENSE SUPPLEMENTAL APPROPRIATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. SKELTON) is recognized for 5 minutes.

Mr. SKELTON. Mr. Speaker, has anyone seen the defense supplemental appropriation? I seem to recall that during the recent Presidential election, much was made of the needs of our men and women in uniform. "Help," we were told, "is on the way."

Now we know of helicopters that cannot fly, roofs on family housing leaking, training missions being canceled or deferred, and even major procurements being modified, all because the supplemental that was promised, the supplemental that was planned for, has not arrived.

I know that Secretary Rumsfeld is in the middle of a wide-ranging strategy review and I know that he has put most of the Department of Defense on hold while the review runs its course. I will have more to say about that soon in another venue.

But a supplemental appropriation has nothing to do with our future strategy. The shape of tomorrow's force is not the issue. The supplemental is supposed to pay for what our military has already done.

So surely, Mr. Speaker, there must be a supplemental around here somewhere, and I would appreciate hearing from any other Member who happens to stumble over it. I have risen on this floor several times in the Congress to point out the need for such a supplemental. Even the commitment to having one would be enough to let commanders carry on, secure in the knowledge that their costs would be reimbursed later. But even that simple assurance has not been forthcoming. And our military services are paying the price today. Readiness is lower, aircraft are being scavenged for parts, and all because we cannot find that darn supplemental.

Mr. Speaker, if you see it, would you please let me know?

AIDS IN AFRICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RUSH) is recognized for 5 minutes.

Mr. RUSH. Mr. Speaker, each day, 16,000 more people become infected with HIV/AIDS. Nowhere is this staggering figure more apparent than sub-Saharan Africa, where 25 million people are HIV positive. Last year alone, 2.4 million sub-Saharan Africans died of HIV/AIDS. One particular group deserves our particular attention and assistance due to the disproportionate burden that they have borne, that is, the women of sub-Saharan Africa.

Sub-Saharan African women are now the fastest growing HIV population in Africa. They constitute 55 percent of all adult HIV infections in the entire region. Most disturbing, sub-Saharan African women are becoming infected at earlier ages than their male counterparts. Teenage girls are infected at a rate five to six times greater than their male counterparts. Of course, the escalation of HIV/AIDS among sub-Saharan African women has a direct and important impact upon the most vulnerable population in the sub-Saharan region, its impact on children. Two-thirds of the 500,000 orphaned children in Africa lost parents to HIV/AIDS. Over 30 percent of children born to HIV positive women will develop pediatric AIDS.

□ 1915

I have personally witnessed the orphanages overflowing with children who have lost parents to this disease, and it is both astonishing and heartwrenching.

Mr. Speaker, many social factors have resulted in these staggering statistics. Sub-Saharan African women often suffer from lower social status and lower economic status. They are economically dependent on males in their society. Many do not have the same access to health care or education as their male counterparts.

Also, despite the fact that many women are primary sources of income for their families, poverty abounds and abounds and abounds and abounds. This pervasive policy of poverty forces many women into vocations which make them more susceptible to HIV/AIDS.

These inequalities, Mr. Speaker, begin early in life. Young girls are less likely to be informed about the risks and dangers of HIV/AIDS and also far more likely than boys to be coerced or even raped. Even when they are taught about prevention, they are often unable to avoid unsafe sexual practices because of their lack of social influence.

Mr. Speaker, many of us may ask, what can we in this country do to change the status of women in sub-Saharan Africa? Well, there are many things that we can do. There are many things that we can and must do right now.

Right now, Mr. Speaker, we must focus national and international policies toward the eradication of poverty in order to empower women. Right now, Mr. Speaker, we must affirm the human rights of girls and women to equal access to education, skills training and employment opportunities. Right now, Mr. Speaker, we must intensify efforts to determine the best policies and programs to prevent women and young girls from becoming infected with HIV/AIDS.

Mr. Speaker, there is a lot we can do and we must do it right now.

DEVELOPING A COMMONSENSE, COMPREHENSIVE NATIONAL ENERGY POLICY

The SPEAKER pro tempore (Mr. KIRK). Under a previous order of the House, the gentleman from Utah (Mr. MATHESON) is recognized for 5 minutes.

Mr. MATHESON. Mr. Speaker, this week there will be a number of different energy policy proposals that will be introduced, a number of events that will attract a lot of attention, attract a lot of press; and we are at the outset of a time when Congress will be asked to take on the very difficult task of trying to develop a commonsense, comprehensive national energy policy.

This is a complicated issue, and we really should not take a simplistic approach. In that context, we should not take a simplistic partisan approach. Energy should not be a partisan issue. We should find a common ground within this body to tackle such a complicated issue.

We are going to hear concerns about this issue, where we talk about some short-term issues and some long-term issues, and it is important to consider both of those time frames in terms of making good public policy decisions.

The short-term is the set of issues that we can all relate to the most, because we are all consumers in this country and we have all felt the pain of the gas pump. We have all seen our electric bills come in at higher prices. We have all seen our gas bills come in at higher prices.

The short-term issue is the more tangible issue. Although it is the more tangible issue, it is also one that is very complicated to solve, because there are not too many options we have right now. But we should recognize that consumers are feeling the pinch.

We should promote policies that encourage any potential incremental production that we can accelerate quickly to bring to market, and we also need to encourage policies that are going to encourage efficiency and better use of our energy supplies.

That is really the best weapon we have got in terms of short-term solutions to our energy supply problems, because if you really want to take a step back and talk about the problem, as I said, it is very complicated in nature. It comes down to where we have a supply and demand imbalance. And in the short-term, supply is going to be very hard to affect so we really need to take a look at the demand side and see what we can do.

There are a lot of technologies out there right now. This is not something where we have to come up with something new. These technologies exist today, they are proven, and we have to be smart about how we use energy in our country.

But let me shift to the long-term issues, which get to be a broader range of issues we need to talk about. We need to talk about ways to enhance our supplies; there is no question about it. We need to do this in a comprehensive, balanced way. We need to rely on technology to give us the best available options for creating additional energy supplies.

From a public policy perspective here in Congress, we need to try to create a more predictable policy environment. I used to work in the energy business. I know how complicated it can be when you want to site a power plant and you are trying to figure out, what are the rules? I have to play by the rules, but I do not know what they are.

We need to create a situation where we have more transparent rules, a more transparent situation, so people can make informed decision, because we are talking about investments of hundreds of millions of dollars in an individual energy facility. If we are going to make those types of investment decisions, we have to have a predictable future about what the marketplace is going to look like and what the rules of the game are going to.

So I call on Congress to make sure that as we make these policy decisions, we do not make the situation more complicated. We need to pursue something where we are clear and predictable in the policy environment.

Energy should not be characterized as a partisan issue. Our constituents expect more of us. Our constituents recognize how difficult energy policy can be. They are also feeling the pinch today. I think as we sit here at the outset, it is important for us to take a step back and make a commitment to take a good balanced comprehensive approach, looking at both supply and demand, and address this in as comprehensive a manner as possible.

EXCHANGE OF SPECIAL ORDER TIME

Ms. KAPTUR. Mr. Speaker, I ask unanimous consent to reclaim the time of the gentleman from Oregon (Mr. DEFAZIO) in order to present my 5-minute special order.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

REPORT OF CHURCH LEADER DELEGATION TO MEXICO WITH REGARD TO EFFECTS OF NAFTA

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, I wish to extend my sincere appreciation to the gentleman from Tennessee (Mr. DUNCAN) for allowing me to precede him here this evening. He is always very gracious and accommodating to other Members.

Mr. Speaker, this evening I begin what will be a series of 5-minute speeches to place in the RECORD information about a very important trip on our continent that was taken by religious leaders of Canada to Mexico in a fact-finding trip subsequent to the passage of the North American Free Trade Agreement, NAFTA.

They traveled there in late March and early April, and in fact have produced probably one of the finest documents I have had the opportunity to read regarding what has happened in the last 7 years post-NAFTA. The delegation included representatives of the Presbyterian Church, the Roman Catholic Church, the Anglican Church, the United Church of Canada, the Canadian Religious Conference, and the Inter-Church Committee on Human Rights in Latin America. They traveled throughout Mexico to all different regions, and this evening I will only talk about a few of the areas that they visited.

The compelling report that they have produced tells all of us who are going to be faced very shortly with a vote on fast-track extension, to move NAFTA to expand its concepts to all of Latin America, to think twice about what we are doing and to go back and redress some of the horrendous conditions that the original NAFTA agreement has created in our own country and in the other two major nations on this continent, Canada and Mexico.

The group first visited the Sierra Tarahumara, which is in the central part of the country in the region of Chihuahua, and I will only read parts of their written report. They begin saying, "In the once densely forested mountains of the Tarahumara Sierra, we met with the indigenous communities of San Alonso, who gave us a letter for our government, signed with their thumbprints that pleads for 'an end to the impoverishment of our people.'"

They said, "People here once lived from agriculture and from selling small amounts of timber, but changes to forestry controls under free trade have brought multinational corporations and clear-cutting. Soils for food crops are eroding," and it is important to say the soil layer in Mexico is very thin. For them, it is survival.

They said, "Laws have been imposed that favor companies from other countries. The local Catholic Church referred to legislation that had preceded NAFTA's passage, and said these laws have enabled much wealth to be taken from the Sierra, leaving behind growing poverty."

They said, "We saw the impact of this in the ulcerated sightless corneas of a child, whose mother had nothing to feed him now, but a soup of ground corn. We sat with an indigenous woman who had brought her dying baby to a dispensary run by nuns, and heard that 48 percent of infants in the Sierra die before the age of 5 because of chronic malnutrition. Other than suicide, a new phenomenon in these indigenous communities, the nuns told us, many see only two alternatives: To cultivate marijuana or poppies for drug traffickers or to migrate north in search of work, abandoning ancestral land, breaking up families and splintering communities."

They said, "In the community of Baborigame, we heard how 48 percent of children die before the age of 5 from poverty-induced chronic malnutrition. We personally witnessed the desperation of mothers of children who had died. The Carmelite Sisters told us that the situation is worsening. Indigenous people who once were able to eat corn and beans now often can only afford to eat a soup of ground corn, and lately they also have witnessed a new cause of death previously unheard of in these historic indigenous communities, suicides due to sheer hopelessness."

The report goes on to talk about policies associated with NAFTA have effectively privatized what were once community lands, or ejido lands, that provided rural and indigenous communities with guaranteed land in perpetuity. Unable to get a just price for their products and saddled with overwhelming and unpayable debts, Mexican farmers are increasingly being forced to sell those lands, leading to a growing concentration of land in few hands.

They say those buying up the land and who are renting from farmers unable to make a go of it, including multinationals like PepsiCo, have basically used the land now to produce potatoes for the fast food market in our three countries.

Mr. Speaker, I will continue in the future. I will enter this particular report in the RECORD.

REPORT OF THE ECUMENICAL CHURCH LEADERS DELEGATION TO MEXICO—MARCH 28–APRIL 6, 2001

INTRODUCTION

From March 28 to April 6, 2001, five Canadian church leaders travelled to Mexico as part of an ecumenical fact-finding delegation organized by the Inter-Church Committee on Human Rights in Latin America (ICCHRLA). The delegation was made up of: Rev. Glen Davis, Moderator of the Presbyterian Church of Canada; Mgr. Jean Gagnon, Auxiliary Bishop of Quebec City; Archbishop Thomas Morgan, Anglican Diocese of Saskatoon; the Very Rev. Robert Smith, former Moderator of the United Church of Canada; Sr. Priscilla Solomon, Canadian Religious Conference; Suzanne Rumsey and Kathy Price, Inter-Church Committee on Human Rights in Latin America.

The delegation's mission was to explore the impact of the North American Free Trade Agreement—along with free trade policies and legislative changes that were implemented prior to 1994 in order to make Mexico "NAFTA-ready"—on human rights. The delegation's time in Mexico focused on three areas: visits with indigenous and non-indigenous communities in the Sierra Tarahumara; visits with communities of small farmers in Central Chihuahua; visits with workers and migrants in the Special Border Zone of Ciudad Juarez.

THE SIERRA TARAHUMARA

In the southern mountain region of the state of Chihuahua, known as the Sierra Tarahumara, our delegation visited indigenous communities where we heard how privatization of state Forestry Services and the lifting of controls over logging—policies implemented in the lead up to the signing of the North American Free Trade Agreement—have coincided with the arrival of transnational forestry companies and intensive, largely unregulated logging. This has resulted in the denuding of forests that once provided edible plants, medicinal herbs and a livelihood to the Tepahuane, Raramuri and Huichol indigenous peoples, along with growing desertification, depletion of soils and shrinking of agricultural harvests. Meanwhile, we were told that NAFTA has enabled cheap wood imports to enter Mexico from countries such as the United States, Chile, Brazil and even Russia (via the U.S.), driving down the price that indigenous communities can obtain for the timber resources on their land, contributing to growing poverty as well as pressure to cut down more and more trees in order to make a living.

"We want the impoverishment of our people to end," states a simple yet eloquent letter we were given, signed by 73 members of the indigenous community of San Alonso, who asked us to pass it on to you. We have attached their letter to ours and ask you to read its urgent plea for controls to stop the degradation of their environment by the rapacious operations of multinational corporations. Efforts by communities to halt these practices have been largely ignored, or worse still, met with threats and violence.

The Catholic Diocese of the Tarahumara told us in unequivocal terms that NAFTA is to blame for the increased clearcutting by multinational companies that are destroying the region's forests. Indeed, the Diocese told us they have brought a complaint to the Commission for Environmental Cooperation in Montreal citing violations of Articles 14 and 15 of the NAFTA side agreement but to no avail. In "Our Word About the Destruction of the Forest" the Diocese states: "Laws have been imposed that favour companies from other countries . . . These laws have enabled much wealth to leave the Sierra, leaving behind growing poverty . . . Exploitation of the forest has brought no benefits to the majority of the inhabitants of the Sierra . . . If we do not halt the destruction, we are heading for death."

In the community of Baborigame, we heard how 48 percent of children die before the age of five from preventable diseases that result from poverty-induced chronic malnutrition. We personally witnessed the desperation of a mother whose baby would have died, had the Carmelite sisters, who run a small dispensary, not taken him to the nearest hospital, three hours away. The Carmelite sisters also told us that the situation is worsening; indigenous people who once ate corn and beans, now often can only afford to eat a soup of ground corn and lately they have witnessed a new cause of death, previously unheard of in indigenous communities; suicides due to sheer hopelessness.

In such a context, many indigenous inhabitants feel they have little option but to choose between two terrible alternatives: abandon their land and migrate north in search of work (a process that is causing family, community and cultural disintegration) or turn to cultivating drugs like marijuana and poppies, illicit crops which unlike others, fetch a price that enables them to feed their families. Drug trafficking is present throughout the Sierra because there is no work, we were told by the Diocese of Tarahumara. "The people need to survive in this impoverished mountain region." We were outraged at the price these people are paying for their survival.

We also heard from the respected, church-based Commission for Solidarity and the Defence of Human Rights (COSYDDHAC) how instead of providing solutions to the hard economic realities and growing poverty that have forced some into drug cultivation, the Mexican government has militarized the region. COSYDDHAC has documented arbitrary detentions, torture, disappearances and assassinations committed by the police and military, who justify their actions in the name of the "war on drugs". In a joint letter to the Mexican government that was shared with us, Bishop Jose Luis Dibildox and 28 priests, religious and lay workers stated: "The methods used by the army create a doubt in the minds of the public as to what is the real aim of their actions, which in some instances seem to be responding to other interests, such as the militarization of Mexico, especially in indigenous regions."

In Baborigame, we witnessed the trauma and terror that repression by state security forces is causing amongst inhabitants of the community. We witnessed the pain of people whose relatives were shot down in cold blood, victims who included a local indigenous leader. We share the grave concern of the Tarahumara Diocese that "instead of seeking ways to ease tensions, and bring about well-being and peace, we see actions that will bring war and death."

THE FARMING REGION OF CENTRAL CHIHUAHUA

In rural communities in the state of Chihuahua, we witnessed the terrible human impact on small farmers of policies that have consciously neglected and excluded them. Since the implementation of policies that were entrenched in NAFTA, communities where families once made a living from farming basic grains for local markets and their own consumption have found it increasingly difficult to survive. As a result, men of working age are forced to abandon their farms and migrate north in search of temporary jobs. Many of them work illegally in the United States, having been unable to obtain a work visa. As a result, they are paid exploitative wages and denied the rights and benefits accorded to others.

The suffering caused by these realities was evident in our conversations with inhabitants of the communities we visited. "We have become half men because we are no longer able to provide for our families. We can no longer be husbands to our wives, or fathers to our children," we were told by small farmers who must leave their communities in search of work for 4 to 5 months at a time. This means the women, as they told us, "are left to assume the roles of both women and men", taking on a triple work load of caring for their homes and families, looking after their farms, and often seeking paid work in order to feed their children.

The exodus from the countryside, as we were told by the respected Democratic Campesino Organization, as well as many of the farming families we met with, is a direct result of economic policies that were enacted to make Mexico NAFTA-ready. Unlike in the United States—and to a lesser extent in Canada—where basic grains producers continue to be subsidized for the costs of production, subisidies to corn producers in Mexico were competely phased out in 1997, 12 years ahead of schedule, thus creating an unlevel playing field. Moreover, since NAFTA came into effect in 1994, tariffs have been lifted and cheap corn and beans from the U.S. have flooded the Mexican market, making it impossible for Mexico producers to compete. In addition, free market policies that began prior to 1994 but which have been made permanent in NAFTA, have resulted in the elimination of credit for small farmers, leaving them at the mercy of local loan sharks who charge usurious interest rates.

All of these policies have had a predictable effect, one which was impossible to ignore in the faces of those we met with: increasing poverty and increasing desperation as families worry how they will get by from one day to the next. As in the Sierra Tarahumara, we heard of families reduced to a diet of cornmeal soup, and of the existence of preventable diseases due to chronic malnutrition. It is this situation, in which vast numbers are robbed of their very dignity, that is forcing people to leave in search of other means to survive, provoking family and community disintegration in the process.

Policies associated with NAFTA have also effectively privatized what were once communal or ejido lands, that provided rural and indigenous communities with a guaranteed land base in perpetuity. Unable to get a just price for their products and saddled with overwhelming and unpayable debts, Mexican farmers are increasingly being forced to sell those lands, leading to growing concentration of land in few hands. Those buying up the land or renting from farmers unable to make a go of it,—including multinationals like PepsiCo—have used vast extensions to produce potatoes for the fast food markets of the three NAFTA countries. In an arid state where we were told that "water is gold," PepsiCo was able to obtain access to wells, which small farmers had been denied, and its large scale irrigation has reduced the already alarmingly low water table. This, together with extensive use of chemical fertilizers and pesticides has meant that arable land is being destroyed, and with it, the means for rural Mexicans to be guaranteed the basic human right to adequate nutrition and food security.

It is clear to us that one of the factors that is fueling this crisis in the countryside is that a significant proportion of Mexico's gross domestic product is being used to service its foreign debt. We wish to share with you what we were told by the Democratic Campeesino Organization, a position which we support: "Developing countries like Mexico need to have food security and policies that guarantee that security, because if they don't, the 40 million people who live in poverty and the 20 million people who live in extreme poverty in Mexico will continue to migrate north."

CIUDAD JUAREZ

In the border city of Ciudad Juarez—home to 397 maquila factories employing 281,000 workers that assemble electronics products and car parts for export to the United States and Canada—we saw where many whose means of survival has been eliminated under free trade in the Tarahumara Sierra, or the failed farms of the plains of Chihuahua, end up. It is a reality we would not wish on anyone. The political leaders of this hemisphere have, on numerous occasions, told their citizens it will take time for the benefits of free trade to be realized and equitably shared. In Ciudad Juarez we came face to face with what 30 years of free trade has wrought on countless human lives. That is because the city has operated as a free trade zone since the 1970s, when the first maquila assembly factories were established under rules that provide generous incentives for foreign investors, while workers are paid what can only be called exploitative wages and denied rights which Canadian workers take for granted. What we saw in Cuidad Juarez is nothing less than economic slavery.

Until the recent recession in the United States, unemployment in Cuidad Juarez stood at an astonishing 0 percent. Yet 58 percent of those fully employed workers and their families live below the poverty line. Of that total 18 percent live in poverty and 40 percent live in extreme poverty. In 1976, a maquila worker earned a salary in pesos that was the equivalent of US$11 a day, yet the value of that salary is now as little as just US$4.50 a day, due to currency devaluations under free trade. As one maquila worker put it, "You have the choice to clothe yourself or to feed yourself."

What does a maquila salary buy? We visited several colonias where maquila workers have no choice but to live and this was how one member of our delegation described his reaction: "I stood in the dust and saw houses pulled together, framed with packing pallets from the maquila, and covered with cardboard. I saw the barrels that once carried chemicals to the maquilas with their dwindling supply of tepid, unpotable water. And you know what I discovered? I discovered that these people are employed 10 to 16 hours a day producing cheap microwaves, cheap TVs, cheap computers for Canada. And our government says, "NAFTA is a good deal for Canada!' Mr. Prime Minister, you have not been to this shantytown. A day's work for a salary equivalent to the cost of a jug of milk is not a good deal for anyone! If my car is cheaper because of what I saw here, that is unacceptable."

In Juarez, we saw with our own eyes what a local priest had told us, you can work for a Fortune 500 company and live in a cardboard house. Indeed, we were appalled at the living conditions of thousands upon thousands of people who exist without decent housing, and without access to essential social services like water, sanitation, health care, and education.

Time and again, we heard from young workers about the dehumanizing impact of the highly controlled environment of the maquilas. Assembly lines are often sped up by supervisors in order to meet high production quotas, approval must be obtained for bathroom breaks, which are carefully timed and future breaks denied if the time is exceeded. Workers told us they are treated "like a machine, a cog in the wheel." Exhausted young women workers, demoralized by salaries that do not afford the means for anything more than basic survival, added: "The maquilas have robbed us of our dreams for a better future."

Workers also told us they are fearful about the long term effects of being exposed to chemical solvents without adequate protection, in denial of their right to a healthy work environment. As we heard repeatedly: "The only right people have here is the right of a job. But in reality that's nothing more than the right to be exploited."

None of the maquila workers we spoke to in Juarez had the right to unionize freely to defend their rights. The experience of workers who have tried to challenge such a situation was brought home painfully to us by the testimony we received from maquila worker, Pedro Lopez, from the state of Tamaulipas. Mr. Lopez told us about his experience trying to help organize an independence union at the Duro Bag Company, a maquila where labour rights were routinely violated. The first such initiative to occur under the new administration of President Vicente Fox, the vote took place on March 2, in what can only be described as conditions of fear, intimidation and violence. Workers were locked inside the factory and had to declare their vote verbally (rather than a secret ballot) in the presence of heavily armed men (who the day before had entered the plant with machine guns), hired by the "official" union affiliated with Mexico's former ruling PRI party. International and Mexican observers were not allowed to enter. Needless to say, the independent union lost the vote. The following day, Mr. Lopez had to be hospitalized when his vehicle was forced off the road by two others, the "accident" leaving a scar still visible on his face.

The 3 metre high fence that runs along the border with the United States—a sign that desperate people from other parts of Mexico can come to Juarez to be a source of cheap labour in the maquila factories but are not welcome any further north—was always visible during our stay. Visible too was the militarized U.S. border patrol, posted along the fence at regular intervals. Borders between Canada, the United States and Mexico under NAFTA have been opened to the free passage of goods and capital but not to people.

It is deeply troubling to us that a wall has been erected on the border between the United States and Mexico under NAFTA, in contrast to the experience of Europe, where the Berlin Wall has been dismantled and the European Union has opened up its borders to increased movement of workers between member countries. As we heard from social organizations in Juarez, militarizing the border does not stop those desperate for the means to adequately provide for their families from trying to get across. It only makes the crossing more dangerous, as those attempting to get into the US take greater risks, such as picking routes that require days walking in the desert or other hazards. A study by the University of Houston recorded over 300 deaths during border crossings in 2000.

A Visit to Northern Mexico Shows Just How Badly Economic Democracy Is Needed—But Will the Summit of the Americas Address That Challenge?—April 2001

Mexican President Vicente Fox's arrival in Canada is sure to occasion, on the part of apologists eager to have the Summit of the Americas extend free market policies, rhetoric that would be more suitable for the Second Coming. For they regard it as gospel that it was the North American Free Trade Agreement that brought democracy—and President Fox—to Mexico.

Fox is, by all accounts, a gifted and concerned leader, but I'd like to ask him and his NAFTA partners how they square the supposed arrival of democracy with the fence—steel, chain-linked, three metres high and guarded by armed Border Patrols at regular intervals—that I saw along Mexico's border with the United States.

It's a strange, capricious fence. Trucks roar through its gates night and day, loaded with goods. Money floods over it; investments heading south, profits heading north. Canadians and Americans pass through, with only a cursory glance from officials. For Mexicans—at least, for the now 58 percent of Mexicans who live in grinding poverty despite their country's "rapid economic growth"—it's a different story. The fence is there to keep them out.

Earlier this month, I travelled to northern Mexico with other Canadian church leaders to see what has happened to those the fence was built to retain.

In the once densely-forested mountains of the Tarahumara Sierra, we met with the indigenous community of San Alonso who gave us a letter for our government, signed with their thumbprints, that pleads for "an end to the impoverishment of our people". People here once lived from agriculture and from selling small amounts of timber. But changes to forestry controls under free trade have brought multinational companies and clear cutting. Soils for food crops are eroding. "Laws have been imposed that favour companies from other countries," says the local Catholic Church, referring to legislation that paved the way for NAFTA. "These laws have enabled much wealth to be taken from the Sierra, leaving behind growing poverty."

We saw the impact in the ulcerated, sightless corneas of a child whose mother had nothing to feed him but a soup of ground corn. We sat with an indigenous woman who had brought her dying baby to a dispensary run by nuns, and heard that 48 percent of infants in the Sierra die before the age of five because of chronic malnutrition. Other than suicide—a new phenomenon in indigenous communities, the nuns told us—many see only two alternatives: cultivate marijuana or poppies for drug traffickers or migrate north in search of work, abandoning ancestral land, breaking up families, and splintering communities.

In the farmland of Chihuahua, families who used to make a living growing corn and beans have also seen their livelihood destroyed by so-called free trade. Promised that NAFTA would greatly improve their lot, Mexican corn producers saw subsidies eliminated by 1997—12 years ahead of schedule—along with credit for small farmers. Meanwhile, the lifting of tariffs has allowed a flood of cheap corn and beans from the U.S., where farmers can access 5 percent loans and subsidies at 46 percent of the cost of production. Unable to compete, Mexican farming families are struggling to survive. Once again, we heard how people are reduced to eating little other than corn and we witnessed the agony of families torn asunder, communities dispersed, as former farmers are forced north to the squalor of the border or the perils of crossing illegally into the United States, in search of the means to sustain their children.

Our last stop was Juarez, on the border with Texas, a city rapidly expanding with newcomers from the Sierra, from abandoned farms, and other parts of Mexico that have only got poorer under NAFTA. Many have been lured by the promise of a job in one of some 400 maquila factories that assemble car parts or electronics for Fortune 500 companies selling to North American consumers. "The maquila has stolen our dreams of a better future", exhausted women barely out of their teens, told us, explaining the pressures of the assembly line, impossibly high production quotas, repetitive motion injuries and salaries of just US $4.50 a day.

Others told us about employment conditions that beggar description: forced to work unprotected in the presence of dangerous chemicals, their right to organize unions thwarted by managers who bring in thugs armed with automatic weapons. Earning in a day the equivalent of a two-litre jug of milk, workers are condemned to slums, without potable water or sanitation, where many live in hovels made of discarded pallets, covered with cardboard.

"Good fences make good neighbors." That's what the poet Robert Frost's neighbour told him one spring day when they were out surveying the winter-ravaged stone wall that ran between their properties. Frost wasn't so sure. He wrote, "Before I built a wall I'd ask to know what I was walling in or walling out, and to whom I was likely to give offense."

The work that Messrs. Fox, Bush, Chretien and their colleagues do this weekend will be an offense if it does not address the unconscionable disparity between rich nations, like Canada and the United States, and poor nations, like Mexico. Policies such as those enshrined in NAFTA, which guarantee the free play of market forces, are an offense because they deny that which is the first democratic right—the right not to starve to death. Then they compound the offence by building barriers—steel, chain-linked, three metres high—to wall the hungry out.

The day the fence is no longer necessary will be the day to celebrate the arrival of democracy—true democracy—in the hemisphere.

TRIBUTE TO THE LATE JOHN H.P. "HAPPY JACK" CHANDLER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. SUNUNU) is recognized for 5 minutes.

Mr. SUNUNU. Mr. Speaker, I rise today to pay tribute to a great citizen, State Senator, and a former Congressional candidate, Jack Chandler of Warner, New Hampshire.

On May 3, 2001, Jack's family and friends joined together to remember this remarkable man who touched the lives of everyone he met in the 89 years he was blessed to walk this Earth. He was unique and at times even controversial, but all that met Jack Chandler agreed he loved his State and he loved his country, a patriot to the end.

Jack grew up in Portsmouth, New Hampshire, and led a storybook life. He was a descendent of Nathan Hale, and his own convictions were rooted in the principles of our Nation's founders. In the tradition of Revolutionaries like Hamilton, he owned and operated his own newspaper, the Kearsarge Independent; and I am certain his editorials still blaze in the minds of many former readers.

Jack was a pioneer in New Hampshire's ski industry with the great idea to fill trains in Boston with skiers and welcome them to the slopes of the Granite State. A half century later, this tradition continues every winter weekend when the roads north are filled with skiers on the move.

As a politician, Jack Chandler was a genuine article. He stood firm in his beliefs and never hesitated to speak his mind. Perhaps he was one of the last in an age of politicians that never needed a poll to see where to stand on an issue. He constantly traveled his district, campaigning town-to-town and person-to-person, always willing to lend an ear or a helping hand to a constituent. Although Jack did not believe in big government, he had a generous heart that even his critics grew to admire.

It is difficult to say good-bye to "Happy Jack," but I am grateful I had a chance to know him during his wonderful journey throughout New Hampshire. He made a huge difference in the lives of his constituents, his friends, but mostly his family. Godspeed, Jack Chandler.

CONCERN OVER ENERGY POLICY IN AMERICA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the very patient gentleman from Tennessee (Mr. DUNCAN) is recognized for 60 minutes as the designee of the majority leader.

Mr. DUNCAN. Mr. Speaker, I rise tonight because people all over this Nation are concerned because they see their utility bills going way up with gas prices possibly heading to $3 a gallon, according to many articles. All of this is happening at a time that other prices are going up. Our economy has been slowing for almost a year now, the dot.coms have taken a dive, and many major corporations have laid off thousands of people.

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These things are happening. Utility bills are going up; gas prices are going up because of years of environmental extremism and actions by the administration of former President Clinton all coming home to roost.

For years now, we have had groups of environmental extremists all over this country protesting and stopping or delaying for years anytime anyone tried to drill for any oil, dig for any coal, cut any trees, or produce any natural gas. This has helped extremely big business, which has financed many of these groups, because it has driven thousands of small and now even medium-sized businesses out of existence or forced them to merge. In the late 1970s, I am told we had 157 small-coal companies in east Tennessee. Now there are none. Federal mining regulators opened an office in Knoxville, and the regulators and the environmentalists drove all of the coal companies out of business. The same thing has happened to small logging companies all over this country. I have read and heard that many small communities have been devastated.

Today, in the Subcommittee on Water Resources and Environment, we heard testimony about a proposal for 400 pages of new regulations by the EPA on the runoff from animal feeding operations. All of the witnesses told us that this would drive many more small farmers out of business and lead to much more concentration by the big giants in the agriculture industry. Those on the left are always telling us they are for the little guy; but when they create this big government that comes down with all of these rules and regulations and red tape, it first drives out the small guys, and then it gets the medium-sized people, and it ends up destroying jobs and driving up prices. And who ends up getting hurt? The lower-income and the working people and the middle-income people of this country.

We are going to talk tonight, Mr. Speaker, about its effect on several different industries; and I am pleased to be joined here tonight by one of my best friends here in the House and one of the most respected Members of Congress, the gentleman from Kentucky (Mr. LEWIS). I would like to yield to him at this time for any opening comments that he wishes to make.

Mr. LEWIS of Kentucky. Mr. Speaker, I thank the gentleman for yielding.

The gentleman from Tennessee (Mr. DUNCAN) is totally correct, Mr. Speaker. We have an energy crisis in this country today because for the most part it is self-imposed because of the extreme views of some people in this country about the environment.

Now, of course, no one is opposed to clean air, clean water, safe working conditions. We all want those things. But there has to be some common sense applied when we deal in these areas. We need some good scientific data; we need cost analyses, risk assessment, due process built into what we do concerning our environment and how it relates to our economy and to our energy.

As the gentleman just stated, this has cost our economy, it has cost the working people in this country thousands upon thousands of jobs. Since 1990, as a matter of fact, more than 100,000 jobs have been lost due to lower domestic oil and gas exploration and production. And then we can multiply that probably several times over when we look at all of the other industries, the timber industry, the coal industry. If we look at what has happened, we certainly, I think, have seen a self-imposed energy crisis; and it now is affecting our economy, costing more jobs. Every time someone pulls up to a gas pump today and they see $2 per gallon gas and every time they get their electric bill and every time they get their gas bill or home heating oil bill, that has an effect on our economy and on the ability of my constituents and citizens across this land on the bottom line, how are they going to make ends meet.

I yield back to my friend.

Mr. DUNCAN. Mr. Speaker, I thank the gentleman. Let me just say this. What we are talking about here tonight is the hope that we can get some balance and moderation brought back into our environmental policies.

I voted for the toughest clean air law in the world, and I voted for the toughest clean water law in the world, and I voted to require double hulls on oil tankers and for higher grazing fees on our Federal lands and the Tongas Timber Reform Act, and so many environmental laws I probably could not even count them all, and I am sure the gentleman from Kentucky has as well. But some of these groups keep having to raise the bar and are demanding more and more and more, or their contributions dry up. So I really think that all of this is about money.

One of the subcommittees on which I serve is the Subcommittee on Forests, and I was told by the staff of that subcommittee that in the mid-1980s, Congress passed a law saying that we would not cut more than 80 percent of the new growth in the national forests, and the environmentalists wanted that law. Today, we are cutting less than one-seventh of the new growth, less than 14 percent of the new growth, and that at a time when the amount of forest land in this country has been going way up. Yes, I said, way up.

I have been reading, and I am almost through with Bill Bryson's very fine book called "A Walk in the Woods," about hiking the Appalachian Trail. At one point in the book he mentions that New England in 1850 was only 30 percent forest and 70 percent open farmland. Today he writes, New England is 70 percent in forest land. In my own State of Tennessee, according to the Knoxville News Sentinel, in 1950 it was 36 percent forests. Now 50 percent of Tennessee is now made up of forests. Yet left-wing environmentalists have so successfully brainwashed many young people and children that I am sure if I went into any school and asked them if the number of trees had gone way up or way down in the last 50 or 100 or even 150 years, almost all of the children would say way down, when the truth is exactly the opposite.

The Subcommittee on Forests in early 1998 had a hearing in which we were told that 39 million acres of forest land in the western part of the country was in immediate danger of catastrophic forest fires, because when we cut less than 3 billion board feet, and to somebody who does not know anything about it, 3 billion board feet probably sounds like a lot, but as I said earlier, that is less than one-seventh of the new growth in our national forests, much less what is already there. But we are cutting less than half of the dead and dying trees.

So those dead trees which we cannot even get to to remove, once again, because of the extremism that we have had in some of these environmental policies, the fuel buildup on the floor of the forest has led to this great danger of forest fires, and we were warned about that in our subcommittee by our subcommittee in early 1998 and again in 2000. So then what happened? Last summer we saw 7 million acres out West burn, $10 billion worth of damage. Yet, if the gentleman from Kentucky (Mr. LEWIS) or I went into one of our national forests and burned or cut down one tree, we would probably be arrested.

So what happens when we will not let anybody cut any trees? The price of lumber goes up, houses cost more, furniture costs more, every product made of paper costs more; and once again, as I mentioned earlier, we devastate these logging communities. So what happens? We destroy jobs; we drive up prices. And who do we hurt? The poor and the lower-income and the middle-income people.

I remember a few years ago reading that the average member of the Sierra Club has an income of more than four times higher than the average American. Maybe some of these rich people in the Sierra Club are not hurt if gas prices go to $3 a gallon or if the utility bills are doubled or if the prices go up on timber and everything else; but a lot of middle-income, millions of middle-income and lower-income people are hurt when all of those jobs are destroyed and the prices go up on everything.

Mr. Speaker, I would like to yield back to my friend for any comments he wishes to make at this time.

Mr. LEWIS of Kentucky. Mr. Speaker, I thank the gentleman for yielding. As the gentleman from Tennessee just mentioned, why are we in this mess? What has caused this energy crisis? What has caused the problems dealing with our timberland?

Well, it is because there are those who have stood in the way of progress in this country and they have stood in the way of doing the right thing in defending some extreme point of view.

When we look at the energy crisis that we are facing today, the question is, How did we get into this mess? Well, number one, there have been no major oil refineries built in 30 years. There are 36 refineries that have been shut down since 1992. The refineries that we have now are operating at the highest level that they probably can, but current gasoline inventories are below the average level. What we have cannot create enough gasoline. It is a matter of the law of supply and demand. There is not enough supply for the demand in this country today.

In 1992, our U.S. oil production, or since 1992, our U.S. oil production is down 17 percent, but our consumption is up 14 percent. And nearly 60 percent of our oil is imported.

So here we are. We are dependent on foreign oil. We cannot get enough oil, and if we were able to get enough oil at this point, we do not have the refinery capacity to produce the gasoline. So it does not take too much reasoning to figure out the problem we are in here. We just do not have enough supply for the demand, and it is hurting our Nation. It is causing some real problems. As the gentleman just said, it is hurting the people that our workers, our middle class, our poor, because they depend on the ability for low-priced fuel. We are going to see more problems.

What is the answer? I guess that is the question, What is the answer? Well, we have a great supply of oil in Alaska. We have great supplies of oil off of our shores; and with the technology that we have today, we have the technology to go in and get those oil reserves without hurting the environment.

Mr. Speaker, this is the problem. We have come a long way since the 1970s in producing technology that protects the environment, but allows us to have the energy resources we need to keep our economy moving in the right direction. But there are those that are extreme, the extreme environmentalists. They do not want to use the technologies. They do not want to do anything. They want to make sure that not one renewable resource like a tree is touched; they do not want to go in the direction of common sense. They want to stake out these extreme positions and stand there.

The sad part about it, there are many here in Washington that want to support that extreme point of view, and they do not want to do what we have to do, and that is go after the resources we have and use those resources, the oil, the coal, and the natural gas. I yield back to the gentleman.

Mr. DUNCAN. Mr. Speaker, I thank the gentleman. I think the gentleman is exactly right. When we cut fewer and fewer trees, we destroy jobs and we drive up prices, as I said, for homes and furniture and every type of paper product. When we restrict and cut back and eliminate coal companies and coal production, we drive up utility bills and drive up costs for businesses that have to be passed on to the consumer for every type of product, and we destroy more jobs.

When we close half of the oil refineries, as we have done since 1980, and we sign, as President Clinton did, orders to not allow oil drilling in Alaska, and 80 percent of our offshore capabilities, we drive up the price for oil and gas and destroy more jobs. When we sign, as President Clinton did just before he left office, an order locking up 213 trillion cubic feet of natural gas, we drive up utility bills and destroy prices. For anyone who wants more information on this lockup of natural gas, they can read last month's Consumers' Research Magazine and the article by Rider from USA Today in which he said that President Clinton locked up 213 trillion cubic feet of natural gas. Mr. Speaker, then what happens? People's utility bills all over the country go way up.

I have the mayor of Engelwood, Tennessee, a small town in my district, who comes to me and tells me that he has senior citizens who are having to choose between eating or paying their utility bills. Once again, I say who we hurt with this environmental extremism is not these wealthy environmentalists; but we hurt the poor and the lower-income and the working people because we destroy jobs and drive up prices, and it hurts those lower-income people, and now even middle-income people who are becoming very concerned about how these bills are going up.

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But the gentleman from Kentucky (Mr. LEWIS) mentioned the oil situation.

Last September 25, long before the current administration came in, the Washington Post National Weekly Edition had a cover story headline which said, "Will rising oil prices kill the boom?"

I can tell the Members that Aviation Daily reported last December that 12 airlines went into bankruptcy last year, mainly due to higher-than-expected oil prices. The Air Transport Association told me, and I chaired for the last 6 years the Subcommittee on Aviation so this was of special interest to me, they told me that each one penny interest in jet fuel cost the industry as a whole $200 million. So if oil prices go up, airline tickets have to go up. Then more people are forced onto our much less safe highways, the trucking industry is hurt, agriculture is hurt, and almost everything is hurt. Then, as the Washington Post asked on its cover, "Will rising oil prices kill the boom?"

As the gentleman from Kentucky (Mr. LEWIS) said, and I think he has some additional information, we have all of this oil. We have so much oil. I heard one radio report saying oil is the second most plentiful liquid today, after salt water, and we have hundreds of years of supplies if we did not have these extreme groups keeping us from getting to it.

Vice President CHENEY gave us a briefing this morning. He said that today well over half of our oil is having to be imported, and that by the year 2020, it is going to be two-thirds of our oil, and we are going to be even more subject to being held hostage by OPEC and some of these other foreign countries.

Now, the U.S. Geologic Survey tells us that we have I think it is 16 billion barrels of oil in one little tiny place, on the coastal plain of Alaska. I can tell the Members, I have been up there twice. I have been twice to Prudhoe Bay.

The first time was about 6 years ago, and I had a man in the Anchorage Airport who I told where I was going, and he said, well, if you see anything up there taller than 2 feet, it was put there yesterday by a man.

Some of these groups show this false, almost Nazi-like propaganda showing trees and mountains and so forth. The Arctic National Wildlife Refuge is 19.8 million acres. It is so big we almost cannot comprehend it. It is 35 times the size of the Great Smokies, a big part of which are in my district.

We have between 9 million and 10 million visitors a year to the Great Smokies. Time Magazine reported a couple of months ago that last year the entire Arctic National Wildlife Refuge had 1,000 visitors, because there are no roads or paths, and it is dangerous for most people to go up there.

We could drill on about 2,000 acres out of that 19.8 million acres and potentially get up to 16 billion barrels of oil, which is equal to 30 years of Saudi oil. We could do it in an environmentally safe way. Yet, we cannot do it. The votes are not there because of environmental extremists who put out all this false propaganda, so people see their gas prices going up and potentially going up much higher.

I yield to the gentleman from Kentucky (Mr. LEWIS) because he has more information about the ANWR.

Mr. LEWIS of Kentucky. Mr. Speaker, as the gentleman knows, the information that is put out by some of these extreme groups says that this is pristine forest and a beautiful landscape, and it is the last great frontier.

I have a picture of the area that would be drilled. Like the gentleman said, it is 2,000 acres. It would be about the size of Dulles Airport where the drilling would take place. With the technology that we have today, there would be no harm done to the environment. Here is a picture of that pristine, beautiful landscape. It looks like the moon. There is nothing there. It is amazing.

If we look at some of these other areas, yes, they are beautiful landscapes, but this is the coastal plain, ANWR, where the drilling would be done. I think there has been some false information put out about what that area looks like and the damage that would be done to wildlife.

The efforts that would be put in place there to get that 30-year supply of oil would certainly, with the technology we have today, would certainly do no harm to that environment.

What would this mean to American workers if we go after that oil, if we start to work on our own domestic supplies for energy? I was reading in the Washington Times yesterday that the energy plan that the President is talking about would call for building between 1,300 and 1,900 new power plants and spending $150 billion on new pipelines and transmission facilities, creating millions of jobs for carpenters plus energy, electrical, and construction and operation and maintenance workers all over this land. It would create a lot of jobs to get us back, really, to where we need to go for our energy supply in this country.

But if we do not, if we do not go after what we have that God has blessed this Nation with, then there are going to be a lot more jobs lost because of this extreme view. And I think, yes, here in Congress we should, in a bipartisan way, come together and work for the good of the American people and not let this be a political football.

But there are already those, our friends across the aisle, that are saying the way out of this mess would be to conserve our energy. Well, we would have a tough time conserving our way out of our energy crisis at this point, especially when we are about 1,900 utility power plants behind, we are depending on 60 percent of our oil from foreign sources, and we still do not have enough. We do not have enough refineries.

Yes, we can do some more conservation, but the bottom line is, we have to go after the supply to meet the demand for this country and meet the needs of our economy for the 21st century.

Mr. DUNCAN. I thank the gentleman, once again, he is exactly right on target.

Mr. Speaker, as I said earlier, we are simply trying to say that we hope to bring back some moderation and balance to our environmental policies, instead of allowing environmental extremists to control all of these things.

It is like I have seen cartoons showing hundreds of oil wells in that Arctic wildlife refuge. That is totally false, because today the technology is such, as the gentleman mentioned, that we could put one oil well and go out 4 and 5 miles in any direction, so the footprint on the land is hardly anything at all.

They said the people who opposed the original Alaska pipeline, and thank goodness we have that or we would have been in trouble years ago, they said it would kill off the caribou. At that time they say there were between 5,000 and 6,000 caribou. Now there are over 30,000 caribou. So all of this can be done in an environmentally safe way.

As I said earlier, the coastal plain, which is 1.5 million acres, and as I said, I have been there twice, and most of these people who are against this have never even been there, there is not a tree or bush up there. It is a frozen tundra, as they call it. As the gentleman from Kentucky (Mr. LEWIS) said, it looks like a moonscape.

I was up there in August. Both times I was there in August it was brown with little puddles of oil seeping up. Most of the year it is covered by snow and ice. Yet, these groups show these pictures of the mountains and trees where nobody has ever advocated drilling for oil.

As I said earlier, I have noticed over the years that most of these extreme environmentalists seem to come from wealthy or very upper-income families. As I said before, maybe they are not hurt if utility bills double or gas prices go way up, but millions of people are hurt and millions more are going to be hurt even worse if we do not start getting some order, moderation, and balance back into our environmental policies.

The Sierra Club and some of these other environmental groups have gone so far to the left now they make even socialists look conservative. Some of these radical environmentalists, some proudly call themselves ecoterrorists, seem to want to shut this country down economically.

They seem not to realize that the worst pollution in the world has occurred in the Communist and socialist nations because their economies do not generate enough income to do the good things for the environment that all of us want to do, so they protest any time anyone wants to dig for any coal or drill for any oil or cut any trees or produce any natural gas.

Then these coal companies and timber companies and oil refineries and small natural gas producers that are run out of business can no longer hire accountants and salespeople and lawyers and blue collar workers, and people wonder why their college graduate children or grandchildren cannot find jobs, cannot find good jobs and have to work in restaurants, as many college students are working today, and why they have to go to graduate school.

Mr. Speaker, this is really all about money. Environmental groups have to continually tell us how bad everything is or their contributions will dry up. Many of their contributions, as I have said, come from extremely big businesses, which are really the only ones which benefit when all of these small- and medium-sized businesses are forced out of business or forced to merge.

Also, they are big enough to get the huge Federal contracts with obscene markups to do the environmental cleanup that is demanded by the same groups that they fund.

It is amazing, I think, when these liberals and left-wingers and environmental extremists claim to be the friend of the little guy, because they are the best friends that extremely big business has. But almost everything they do ends up hurting the poor and lower-income people, and very small businesses and small farms. Jobs are destroyed and prices go up. More and more jobs are forced to go to other countries.

Some groups, of course, receive contributions from foreign oil companies and people connected to OPEC or foreign shipping companies. There are many large foreign companies, and even some large U.S. companies that benefit greatly and make huge money if we have to import more oil, or more of other products, for that matter. It is all about money.

That is what the Kyoto agreement is all about, for instance, because the U.S. relied on a free enterprise-free market economy with small government until recent years. The U.S. now purchases 25 percent of the world's goods, though we have just slightly over 4 percent of the world's population. Many countries are jealous of this, and believe they could take more of our jobs and income if we had to reduce our energy use by 30 percent, as the Kyoto agreement would require.

The Kyoto agreement excludes such large polluters as Mexico and China and more than 125 other countries. This treaty would devastate our economy, and we should all praise President Bush for not caving in to the demands of extremists and going along with such a potentially harmful agreement.

Some people who support the Kyoto agreement and oppose any type of coal or oil or lumber or natural gas production in this country know that their policies would be very harmful to the U.S. economically, and yet they do these things anyway.

I yield to the gentleman from Kentucky (Mr. LEWIS) for any comments he wishes to make.

Mr. LEWIS of Kentucky. Speaking of the Kyoto treaty, I was in China a few years ago. I was in Sian, China. The smog, coal, smoke in that city was so bad that the people, the citizens of that city, had to wear like surgical masks. We could not see for the pollution. In the Kyoto treaty, it is my understanding that they were exempt from the environmental restraints that we would have been placing ourselves under. That did not make a lot of sense to me.

We have done a good job in this country with technology, we have done some good things with our environment, and new technology and reasonable regulations can make increased consumption of our energy supplies possible and continue to decrease pollution. But there has to be, again, some common sense built into it.

In Kentucky, I can use Kentucky as a good example, through clean coal technology, we use a lot of coal in our utilities, and we have the lowest or I think probably the second- or third-lowest rates for our electric utility bills of any State in the Nation. But through coal technology, we have really reduced emissions, and in fact, it is almost as clean now as the natural gas being used in other utility companies.

So with clean coal technologies, we have been able to increase coal by 195 percent over the last 30 years, while cutting coal air emissions by one-third. So we have a 300-year supply of coal, and we have done the right things in being able to use that energy source, but no one wants to reward that. They want to take it even to a greater extreme and say, basically, no coal, no oil; we are going to have to move on to some alternative energy sources that will not meet the demand that we have today.

Again, it comes back to getting rid of the extremism and getting into a scientific-based commonsense approach to how we are going to deal with our energy supply in this country.

□ 2000

We are blessed and we need to use those blessings to benefit our population here in this country. I think it is certainly time that we start looking at the handwriting on the wall and today start turning the situation around.

I think you can compare the situation in Kentucky and California. We have new power plants coming online. We have the energy. We have low-cost energy, so we could do that across this country, but we have to start.

Mr. Speaker, 1,300 or 1,900 new power plants over the next 20 years to just get us to the supply we are going to need in order to provide the electricity for this country, if anything, stands in our way and that does not make sense. We are hurting our economy, and we are hurting the working people in this country.

Mr. DUNCAN. Mr. Speaker, I thank the gentleman, and he is exactly right. I mentioned the briefing that Vice President CHENEY gave us this morning. We were not given all the details, but President Bush, among other things, I am told, is going to announce in his energy plan tomorrow $2 billion for clean coal technology.

The President is not going to announce any tax breaks for big oil companies or big gas companies, but he is going to advocate tax breaks or incentives for alternative energy sources and for renewable energy sources. Yet he still will be attacked on it, I am sure.

The gentleman from Kentucky (Mr. LEWIS) mentioned the Kyoto agreement. The global climate information project said that, quote, So while the U.S. cuts energy use by more than 30 percent, most U.N. countries get a free ride. Because U.S. energy prices will rise, American products could be more expensive at home and less competitive overseas. That will slow down our economic growth and cost American jobs, all for a treaty that will produce little or no environmental benefit.

One thing it would do for sure is speed up the transfer of wealth and jobs from this Nation to underdeveloped countries.

I can tell you unless you can reduce your standard of living by 30 percent overnight, which very few people in this country would want to do, and no one should want to do, no one should have to do because we do not have to, if we can just get a little moderation and balance back into our environmental policies instead of following the extremist groups that have power far beyond their numbers.

As I mentioned earlier, some of these people I think know that this Kyoto agreement would devastate our economy, and yet they do not believe they should think of themselves as Americans first and foremost, but they should consider themselves as citizens of the world.

They think things like national borders and patriotism are old-fashioned anachronisms totally out of date and out of place in our sophisticated, globalized world economy of today.

I know Strobe Talbott who roomed with former President Clinton in Oxford and who was one of his main advisors. He wrote this: He said within the next 100 years, nationhood as we know it will be obsolete. All States will recognize a single global authority.

He may be right, but I certainly hope not.

I want to read to you what nationally syndicated columnist Georgie Anne Geyer wrote recently about those individuals and multinational corporations that she referred to as globalizers. First, they came and took away Main Street and all that meant in terms of the individual and the community and of small businesses who supported the Fourth of July parades, the Girl Scouts and the old folks home. Finally, they took away American industries and corporations. They could have headquarters anywhere in the world. They were proud not to belong to any archaic nation-state. Who, after all, really believed anymore? This, always said with such a patronizing smile in such old things. In between, they managed to denigrate patriotism, citizenship, environmental protectionism, labor, including child labor, human rights protection, and all that made for an American society.

As I said earlier, these extreme policies that we have been going to have hurt for many years and are hurting now the small companies, and now even the medium-sized companies and driving them out of business and hurting what I do not like to refer to as the little guy, but that is the most accurate way you can portray it.

I have always heard that what happens in California is soon headed to the rest of the Nation. We better hope not, because people in California wonder why their utility bills have gone up so much. And once again, these environmental extremists have made sure that no power plants were built in many years there.

So while demand was going up, capacity was not keeping up. The brownouts and blackouts of recent weeks were inevitable.

The national news a few weeks ago showed scenes of California farmers dumping out huge amounts of milk because processing plants had to shut down because of lack of power. So people all over the country will see milk prices go higher.

As I said repeatedly tonight, we just need to get some balance and moderation back into some of these policies so we do not drive up the prices and hurt the poor and the lower-income and the working people of this country.

Mr. Speaker, I yield to the gentleman from Kentucky (Mr. LEWIS).

Mr. LEWIS of Kentucky. Mr. Speaker, I thank the gentleman for yielding to me. Here are the people who are being hurt by these high energy prices. The gentleman just mentioned the dairy farmers in California having to pour the milk out because they cannot run their operation, keep the milk without the electricity. But farmers are doing their spring planning, an expense that they have to bear for diesel fuel and for gasoline. Those costs are really cutting into, really, a very much shrinking margin that they have to deal with anyway.

In fact, most of our farmers today, with the prices of grain, are fighting a losing battle. Then when you add these fuel prices on top of that, it is just a disaster for them.

The gentleman mentioned the low-income people. They cannot possibly afford these high energy costs, yet back when this started to happen in the winter, when the costs of heating oil and the costs of natural gas to heat their homes, some people were getting these enormous bills, they could not even afford to make their house payments because of the fuel bills that they were having to come up with.

Of course, we all know about the $2-per-gallon gasoline. That is projected to get worse through the summer. This just is not fair. It is not right because of a small group that have had their way for the last 30 years. Now they have put us in a situation where our people, the citizens of this country, are not being able to enjoy the fruits of their labor.

The economy has been running in a magnificent way, but it is in danger of putting the brakes on the success that we have seen for the last, goodness, 20 years in this country of prospering and growth in our economy in ways that we may not have ever imagined.

But now we are facing a situation where we could have some problems. We do not have to. We have the resources, and we have the supply, so we need to go after it. Yes, there are going to be some long-term efforts that we are going to have to make, but there are some things that we can do now.

We can start to remove some of the regulations that are causing some problems in getting our energy sources.

Mr. DUNCAN. The gentleman is exactly right, and that is the sad thing. We have plenty of oil, plenty of coal, plenty of natural gas, plenty of timber; as I said, much more timber than we had 50 or even 100 years ago. We have got plentiful supplies.

As the gentleman said, God has blessed this Nation greatly, and yet to stop everything and shut this country down economically just would devastate, first, the poorest people in this country. Yet some of these people who know that it would shut us down and would harm us greatly economically, they feel justified at times because of a misguided belief that we are all destroying the world because of global warming.

Mr. Speaker, I would like to just mention that for a moment. I have a report of Sallie Baliunas, who is a senior staff astrophysicist at the Harvard-Smithsonian Center for Astrophysics and deputy director of the Mount Wilson Observatory. In 1991, Discover Magazine profiled her as one of America's outstanding women scientists.

She received her master's and Ph.D. degrees in astrophysics from Harvard University. She put out a very detailed report. I would be glad to provide copies of it to any Member who wishes, or staff member who needs it, but she says this global warming scare assumes that human emissions of carbon dioxide and other greenhouse gases are the dominant driving force in recent and probably future climate changes.

Yet surface temperature records indicate that the world is warmed only about 0.5 degrees centigrade during the last 100 years, roughly half of the amount predicted by the computer models on which warming scenarios are based. Moreover, at least half the warming observed during the 20th century occurred before 1940, while most of the increase in greenhouse gas concentrations occurred after 1940.

That suggests that of the observed warming, mankind is responsible for only about one-tenth or two-tenths of a degree. It further suggests that future temperature increases due to industrial activity during the next century are likely to be extremely modest.

I could come here tonight armed with all kinds of reports that say the exact same thing, and even that the very, very small amount of global warming that has occurred has actually helped us increase crop production and helped alleviate starvation in many parts of the world.

The gentleman started off earlier tonight and said we need to have some sound science behind some of these policies. We have not had that, and we have not had cost-benefit analysis on some of these things, so we have ended up following many policies that have been very costly and very harmful to this country.

Once again, as I say, maybe they have helped a few extremely big businesses, because much of their competition has been driven out of existence; but it should be of great concern to all Americans, particularly those who are concerned and upset about these higher utility bills and higher gas bills and higher prices on everything else, because all of this is hitting at a time when it is becoming more and more difficult for many middle-income people to meet some of these bills.

I have said before that extremely big government really only helps extremely big business and the bureaucrats who work for the government. Extremely big government is really good at only one thing. That is wiping out the middle class.

Mr. Speaker, I can tell my colleagues that every place in the world where the people have allowed their governments to get too big, the middle class has been wiped out, and you end up with a few elitists at the top and a huge underclass.

The great thing about the United States of America is that we have kept our government relatively small in comparison to other countries, and therefore we have had few people at the top and few at the bottom and a huge middle class.

I also can tell my colleagues, you can never satisfy government's appetite for money or land. If we gave every agency and department up here twice what we are giving them, they would be happy for maybe a few weeks or a few months, but then they would come back to us crying about a shortfall in funding.

I also want to mention something about government's appetite for land, because that ties into private property. It certainly ties into these economic problems. But I will yield to the gentleman from Kentucky (Mr. LEWIS).

Mr. LEWIS of Kentucky. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would love to know the numbers. How many jobs have been lost? How many jobs has this movement cost the workers in this country? How many automobile workers? How many construction workers? How many miners? How many timber workers? How many laborers have lost jobs because of this very extreme position on the environment? It has to be thousands upon thousands, upon thousands of jobs that have been lost.

More are going to be lost if this energy crisis takes our economy in the wrong direction. I think with what we are seeing today with the slowdown, it is a direct result of this energy crisis, of the costs of energy. You cannot have $2-a-gallon gasoline and the costs of oil and the costs of natural gas without it affecting the economy.

I think that we are seeing a direct result of the energy costs. How many more jobs will it cost? It is the working people that are going to be hurt. It is those folks that get up every day and go out to work and they have to provide for their families. They pull up to the gas station and, gosh, there is $2-a-gallon gasoline, and it could be getting worse.

□ 2015

I think this is what is happening because of this self-imposed energy crisis. But this can be turned around. Yes, there is no short-term solution. But in the long-term, this can be turned around, and it can provide a lot of employment for a lot of people in this country.

So I think we certainly have to be good stewards. We have to use good science. We have to make sure that we continue on the path of keeping our environment clean and sound. But we have the technology to be able to use our resources and to make sure that the people in this country are able to live their lives to the best that they can live. To have anything at this point to stand in the way of that, I think, would be a tragedy, especially when there was no real need for it to happen.

Mr. DUNCAN. Mr. Speaker, I could not agree with the gentleman from Kentucky more. He is exactly right. Last year, we had the largest or biggest trade deficit in our history. I think it was $350 billion. Every leading economist tells us that we lose conservatively 20,000 jobs per billion, which means we lost 7 million jobs to other countries last year; and much of it was because of these extreme policies that we have been following in recent years that have forced more companies to go to other countries and take some of our best jobs.

Once again, as I said earlier, then I have many parents and grandparents coming to me bringing their college-age kids, good-looking kids with good grades, but they cannot find the good jobs that used to be out there. So they end up, even while they work on master's degrees or something, and then they are still going to have trouble finding these jobs.

I know last year The Washington Times had a big story about the glut of Ph.D.s that we have, and so many people even with the advanced degrees are having trouble finding jobs.

But there is one last thing that I want to get into because it has been a great concern of mine for the last 2 or 3 years. Private property is one of the foundation stones of our prosperity. Once again, some of these extreme environmental groups want the government to take over all of the land.

There is something called the Wildlands Project that I read about in The Washington Post that would require 50 percent of the land now in private ownership to be taken over by the government. If people do not think that theirs will ever be taken over by the government, they should look around at every place in this country and all the land that has been taken over. It has happened all around my area of east Tennessee.

I can tell my colleagues that today the Federal Government owns or controls over 30 percent of the land in this country. State and local governments and quasi-governmental agencies control or own another 20 percent. So half the land is in some type of public ownership.

Then government keeps placing more and more restrictions on what can be done with the land that remains in private hands. In fact, I was told by the Home Builders Association a few years ago that, if the wetlands regulations were strictly enforced, over 60 percent of the developable land that is out there right now would be off limits. So what does that do? That drives up the prices for homes. So we have young families that, in past years would have been able to afford a home, now they cannot afford a very important part of the American dream.

What happens, too, people developed subdivisions in the 1950s and 1960s with big yards. Now developers, the land costs are so high because so little land can be developed that they have to put homes on quarter-acre lots or one-third acre lots. They have to jam more and more people into closer and closer quarters, and so people get this crowded feeling. It really adds to this urban sprawl problem that these environmental extremists are always attacking. Yes, they are the very ones that are causing it.

I can tell my colleagues, private property, while most people do not think about it, it is one of the main things that helped create the prosperity of this country. It is one of the great foundation stones, knowledge of our freedom, but of the prosperity that we have had in this country.

Any one who does not understand this, I wish they would read a book called The Noblest Triumph, Property and Prosperity Through the Ages by Tom Bethell. The whole book is important, but a couple of brief excerpts. He wrote, "Leon Trotsky, a leading Communist, long ago pointed out that where there is no private ownership, individuals can be bent to the will of the state under threat of starvation. The Nobel Prize-winning economist Milton Friedman has said that 'You cannot have a free society without private property' . . . Recent immigrants have been delighted to find that you can buy property in the United States without paying bribes.

"The call for secure property rights in Third World countries today is not an attempt to help the rich. It is not the property of those who have access to Swiss bank accounts that needs to be protected. It is the small and insecure possessions of the poor.

"This key point was well understood (by) Pope Leo XIII (who) wrote that the 'fundamental principle of Socialism, which would make all possessions public property, is to be utterly rejected because it injures the very ones whom it seeks to help.'"

What we have been saying all night here tonight is some of these liberals and left wingers claim to be the friend of the little guy, yet all of these things that they do end up hurting the small businesses and the small farmers and the little guy most of all.

Over the years, when private property has been taken by government, it most often has been taken from lower- and middle-income people and from poor or small farmers. So it is like all these industrial parks that are created. We do not need any more industrial parks in this country. We take land from poor farmers and then turn it over to these big multinational corporations for free or very reduced costs.

Then when we have all of these Federal projects, agencies in my area, for instance, have taken twice the amount of land that they needed to take for their project. It has been a very sad thing to see. But if we allow more and more land to be taken, then we are going to ultimately destroy the freedom that we have in this country and the prosperity that we have in this country. It will be a sad day if we continue to allow that to happen.

Mr. Speaker, I yield to the gentleman from Kentucky (Mr. LEWIS) for any final comments that he wishes to make.

Mr. LEWIS of Kentucky. Mr. Speaker, I thank the gentleman for yielding to me. There has been a lot of polling data over the years; and the question is, would you prefer clean water as opposed to more oil exploration or clean air as opposed to more increased utility power companies? When one asks that question, of course we all want clean air. We all want clean water. We all want safe working conditions.

But the question should have been asked, do you want to be able to have your automobile? Do you want to be able to have reasonable prices for your energy? Do you want to have the living standards and conditions that you are used to? Do you want running water in your home? Do you want to be able to flip a switch and get the lights to come on? The American people want that.

I think as we are seeing in California today, they are in danger of losing the ability to flip a switch and have their electricity. They are in danger of having hot water because they do not have their hot water tanks generating heat.

So there is going to be some dire consequences to the extreme position that these environmentalists have taken over the last many years and put the American people in a very tough situation if this continues.

That is why we need to start turning it around now. Yes, continue to work very hard to use the technology and to create new technologies to make sure that, yes, when we explore and when we drill for oil, that the environment is protected; yes, that when we use coal, that it is burned cleanly and efficiently so that the environment is protected like it is being done now, natural gas, so forth.

Yes, we want those things. But these extremists, they have a Walden Pond mentality. They want to go out by Walden Pond and give up all, evidently, the conveniences that our forefathers have provided for us, that my father worked hard to provide for his family and on back. They want, for some reason, to think that that is evil to be able to have the standard of living that we have today because it is going to destroy planet Earth.

Well, the reality is that we are not going to destroy planet Earth. We do have the technology. We do have the opportunities to provide the energy resources that the people of this country need and do it in the right way, the environmentally correct way. But get rid of the extremism and make sure that we are not going to sacrifice the workers of this country and their jobs and take away from their families.

Mr. DUNCAN. Mr. Speaker, let me just say very quickly in summing up. One example that I wanted to mention was President Bush has been hit real hard on the arsenic in the water, yet one water district in Illinois said, if we went to those unrealistic standards that former President Clinton advocated, their water bills would have to go up $72 a month.

So what we are saying is we need some balance and moderation brought back into our environmental policies. We cannot keep going along with wealthy environmental extremists who are not hurt when water bills go up $40 or $50 a month or gas prices go up to $3 a gallon or utility bills double. But millions of people throughout this country are hurt if we have to do all of that.

We do not need to shut this country down economically and continue to hurt worse the poor and the lower-income and the working people and the middle-income in this country by forcing more jobs to leave to go to other countries and forcing people to reduce their standard of living by at least a third, as some of these policies would mean, because it is totally unnecessary. Then we would not be able to do the good things for the environment that we all want to do.

So we just need some balance and moderation brought back into these environmental policies.

I thank the gentleman from Kentucky (Mr. LEWIS), my friend, for taking time out from his busy schedule to be with me here tonight to discuss these very important issues.

LIVABLE COMMUNITIES

The SPEAKER pro tempore (Mr. SIMMONS). Under the Speaker's announced policy of January 3, 2001, the gentleman from Oregon (Mr. BLUMENAUER) is recognized for 60 minutes as the designee of the minority leader.

Mr. BLUMENAUER. Mr. Speaker, we have had the first hour discussing issues that relate to energy and the current situation. Some would label it a crisis. I must say that I listened to my esteemed colleagues from the other side of the aisle, but I guess I would take a slightly different tact in terms of the situation we face and the opportunities for improving it.

Having a dependable supply of energy and using it wisely is clearly critical for a livable community. But the current controversy surrounding energy ought to be an example where we can come together and make a difference, where this Congress and this administration can give thoughtful consideration to the impact that energy decisions can have on the livability of our communities and develop a more rational approach to energy utilization.

Now, unfortunately, my friends on the other side of the aisle, the President, his chief spokesperson, and most recently, Vice President CHENEY are setting up a false policy conflict for the American public. This has nothing to do with cutting back on the American quality of life, throwing vast numbers of people out of work.

They would like us to believe that somehow being more thoughtful about the use of energy and the Federal Government's role in promoting a better approach is somehow an assault on the American way of life. Nothing could be further from the truth.

America works best when we give people choices so that they can determine what works best for them. What choice do our friends in California have today paying far more for energy using far less when energy supplies are actually in pretty strong condition? We are going to hear from one of my colleagues tonight from California discussing that situation in greater length.

A country that disregards the value of conservation, that ignores fuel efficiency for automobiles, that seeks to maximize production at the expense of environmental quality is not protecting the American way of life, nor is it doing American families or business any favors.

With all due respect to the Vice President, he got it exactly wrong. Energy conservation is not just a matter of personal virtue. But even if it was, there is nothing wrong with formulating energy policy that recognizes the importance of this virtue.

□ 2030

Energy conservation should be the foundation of our national policy, not belittled by our national leaders.

Now, luckily, the Vice President and the President have been backing away from that for the last couple of days, and maybe we are going to get some positive recommendations from them; but the fact remains that it is the only way we will provide significant amounts of additional energy in the near term, not the proposal to go nuclear, not the proposal to build a power plant a week.

Energy conservation is an approach that has already been proven to be effective and has received, when we get a chance to deal with it here on the floor of this Chamber, broad bipartisan support. All the hotly debated talk about drilling in the Arctic Wildlife Refuge is not going to alleviate problems facing the consumers now. Indeed, the administration has proposed cutting the budget for energy conservation. We need a set of policies that actually encourages it.

Tonight we are going to discuss some of these elements, because there are simple, energy-efficient conservation methods that we can be taking today. In my State of Oregon, like 10 other States, there is a bottle bill. Aluminum-can recycling saves 95 percent of the energy needed to make aluminum from bauxite oil. Energy savings in 1993 alone was enough to light up a city the size of Pittsburgh for 6 years.

Now, let me bring this down to a more tangible example. The energy saved from recycling one aluminum can will operate a home computer for 3 hours. Energy saved from recycling one glass bottle will operate a 100 watt light bulb for 4 hours. Recycling seven soup cans saves enough energy to operate a 60 watt bulb for 26 hours.

There was talk from the other side of the aisle about somehow taking cars away from the American public. That is ludicrous. That is not the issue. We are talking about extending fuel-efficiency standards so that the 40 percent of oil that is used by cars and light trucks goes further. Switching from driving an average new car to a 13-mile-per-gallon SUV for 1 year is the equivalent of leaving your refrigerator door open for 6 years. And it has been discussed at great length. The notion of just improving the fuel standards for SUVs three miles per gallon will more than offset the amount of energy that we could hope to extract from the wildlife refuge, which the American public does not want us to invade; and it will get that energy to us quicker.

We are going to discuss this evening issues that relate to energy conservation with building standards. If we simply change the color of a roof to a light color, it will reflect the heat rays and lower home temperatures by as much as 5 degrees.

We have issues that we are going to be discussing this evening in terms of dealing with higher standards for energy-guzzling appliances. Rather than rolling back the standards that would improve these efficiencies that are improved by the last administration, we ought to maintain them.

We have, today, an opportunity to move forward and make a difference. And, sadly, it is my friends on the other side of the aisle and the Republican administration that are out of step with the American public. In Monday's poll in USA Today, an overwhelming majority of Americans favored conservation over drilling in the ANWR or moving in other directions. The American public understands that that will make a huge difference.

Mr. Speaker, I would like, if I could, to turn to my colleague from California, who has had some firsthand experience in the impacts that this has. We are going to have a spirited discussion. We have a number of colleagues, but I would like to turn the first 3 or 4 minutes of our discussion over to the gentleman from California (Mr. SHERMAN), who can talk a little bit about the perspective of what we are facing in the State of California and what we ought to be doing to help this country.

Mr. SHERMAN. Mr. Speaker, I thank the gentleman from Oregon, who has a distinguished record on trying to move our policies toward livable communities and sustainable approaches to energy and to the quality of life.

I am from California, and that is ground zero for a crisis. But rather than focus on the long term, because the gentleman has, I think, illuminated that rather well, I want to focus on the short term.

We are told that what California is suffering now is somehow our own fault; that energy companies wanted to build power plants in our State, were desperate, knew how profitable it would be, and we just would not let them because we are so concerned about the environment. Nothing could be a bigger lie.

First, private industry did not particularly want to build power plants in California because they did not think they would make big money. When they bought the plants, they bought them for rather modest prices. And if they were desperate to build new ones, they certainly would have paid a premium for old ones. They were not trying to build new ones, and they did not pay very much for the old ones. They did not realize, until they lucked into it, that energy would be tight enough in California so that they could gouge the California consumer; that what looked like a modest investment in a State that could produce enough electricity to meet its needs would turn into a gold mine of gouging not because of actual shortages but because of a new concept in electric power called "closed for maintenance."

We have seen in each of the last 8 months double or triple the amount of capacity "closed for maintenance" than in that same month 12 years ago. Closed for maintenance means closed to maintain an ungodly price for each kilowatt.

And so just to prove that there was not some intense desire to build power plants in California somehow stopped by these environmental extremists we are tagged with, reflect on the fact that California is not by itself an energy market. Each of the adjoining States, particularly Nevada and Arizona, are part of that energy market. And so if there is a plant built in Arizona or Nevada, those plants can sell into California. The electrons really do not know when they are coming to a State boundary.

So if industry was desperate to build power plants to supply California, they could have built them in California, Arizona, Nevada, or Oregon. They chose not to, until quite recently. What they chose to do instead was to operate the old power plants, close a few for maintenance, and make a fortune on each kilowatt.

In 1999, we paid $7 billion for our electricity in California. The next year, the year 2000, we actually used less electricity at peak times, and they charged us $32.5 billion. This year we will not use more electricity; but we will be paying 50, 60, or perhaps even $70 billion for the same electrons that we were paying $7 billion for just a couple years ago.

The answer to this crisis is here in Washington. Now, we are told that California should not expect a bailout. I do not want one penny from any of the States represented here. There are some programs to help out a few people in California, and those are wonderful programs; but we do not need a single penny. All we need is to regulate on a fair basis, with generous profits for the power plants in California.

Now, we are told that California should solve the problem ourselves. Why are we not self-reliant? We are bound and gagged with Federal rope spun out of the White House. Federal law prevents us from regulating the price of electricity from these plants. And so we can almost hear the muffled laughter from the White House as Federal law ties us up, the White House prevents this Congress from untying us, and they can laugh at California and say It's all your fault.

A White House that cared about fairness would reinstitute the same policies that we have had in the electric industry for over 100 years and that built this country, and for at least a couple of years more have rates based on costs, with fair profit to those generating electricity in the West. Until that happens, we will have an artificial crisis, transferring billions and tens of billions in wealth from all the people of California to a few megacorporations, which just happen to be based in Texas.

Mr. Speaker, I yield back to the gentleman.

Mr. BLUMENAUER. I appreciate the gentleman's forceful explanation this evening, and he is one who has been a tireless advocate for trying to shine a spotlight on the situation in California. I really appreciate his focusing on what has happened to a State over the last couple of years that is actually using less energy, that is working on conservation, and is paying a terrible price, multiple, multiple times what they paid just 2 years ago.

The gentleman's tireless advocacy is extraordinarily useful in helping us understand this situation.

Mr. SHERMAN. If I can have just a couple of seconds, I would like to point out that per capita California uses less electricity than any State except Rhode Island. And in a couple of months, we will be number one in minimizing our use of electricity among all 50 States. This rape of California is not justified.

Mr. BLUMENAUER. I thank the gentleman for that clarification.

I would now, if I could, turn to the gentleman from New Jersey (Mr. PALLONE), who has been a tireless champion on this floor dealing with issues of the environment generally and I know has a special interest in areas that affect energy conservation, the use of energy; and I yield to him at this time.

Mr. PALLONE. Mr. Speaker, I want to thank my colleague from Oregon. I said last night when we had some of our Democratic colleagues doing a Special Order on energy that we would continue to make the point every night if necessary, and I want to thank my colleague from Oregon for continuing that tonight.

We know that tomorrow President Bush is expected to unveil his energy package. We have gotten some indication, even though he has this secret task force with Vice President Cheney, and they do not really tell us, they do not reveal what they are doing, they do it behind closed doors; but we have had some indication of what they are going to suggest tomorrow. From all indications, the Bush-Cheney energy plan that has been developed in secret is basically pro-drilling, pro-nuclear, anticonsumer, and as the gentleman from Oregon has so well mentioned, anti-environment.

I have had a number of my constituents say to me, well, why is Bush so anti-environment? Why is the President this way? Why is he leaving the issue of what kind of an energy policy we should have primarily to the oil companies and the oil interests? And the answer is that he and the Vice President are captive. They are the oil companies. They are the oil interests. They are the special interests.

We know that big oil gave $3.2 million to the Bush campaign and $25.6 million to Republicans overall; and other sectors of the energy industry have been similarly generous. Apparently, tomorrow is payback time to the energy industry, and I am afraid that consumers and the environment are going to suffer for it.

I do not say that because I am trying to be cute. As the gentleman knows and he mentioned, and the gentleman is the champion of the livable communities issue, which is so important in my home State of New Jersey as it is in Oregon and around the country, people care about the environment. People do not want drilling at the expense of the environment.

□ 2045

But what we are getting is drilling in ANWR, in the Arctic Wildlife Refuge. Further, the Bush administration seems to have decided to move forward with offshore oil and gas leases in the Gulf of Mexico, even rejecting an appeal from the President's brother, who is the Governor of Florida. President Bush has suggested drilling for oil in national monuments. He told that to the Denver Post.

We are getting the oil and gas companies running the show. He wants to drill, build new plants. Not that we should not, but I do not know that we need as many as he is suggesting. He does not seem to want to do anything about what my colleague from California and his constituents face, the problems they face right now. He has rejected, as the gentleman from California (Mr. SHERMAN) knows, the idea of any wholesale price caps which, from what I can see, are the best way to address the near-term problem in California and western States.

He said that he does not want to do anything about OPEC. He is not going to ask them to increase production. He said it is not good policy to ask. He says that he does not want to use the SPR, the strategic petroleum reserve, to control prices. He does not seem to have any concern about the immediate problem of gasoline prices.

Mr. Speaker, we are at $1.72 in my district now, but I understand in California we are over $2. I would not be surprised to see $2.50 or $3 a gallon in the next few weeks.

The Democrats unveiled through our energy task force on Monday their proposal. Lo and behold, the Democrats not only want to deal with long-term energy efficiency and provide tax credits for people who buy a car or a home that provide for energy or fuel efficiency, but we want to put an end to the price gouging. We are saying, go to OPEC and demand that they increase production so that prices come down. Use the SPR as President Clinton and the previous President, the father, did before President Clinton. Instruct the Department of Justice to investigate to ensure that illegal price-fixing does not occur, and have FERC impose wholesale price caps so we do not continue to have the blackouts.

Mr. Speaker, we passed this tax reconciliation bill and this tax cut, which I opposed and most Democrats opposed. President Bush is saying, we will give you a tax refund and you can take that tax refund and pay the higher prices for gasoline at the pump. Well, I have never heard anything so ridiculous in my life. Now I am going to feed the oil industry with my tax refund, which is probably going to be very limited if I am middle income. But I am supposed to take that and give it to the oil companies so they can continue to make huge profits and continue to pay the Bush-Cheney campaign expenses. Hopefully, someday everybody will wake up and realize what an outrage this is.

Mr. BLUMENAUER. Mr. Speaker, I appreciate the gentleman's comments; and I was particularly struck by something that the gentleman said at the outset, because the gentleman was here in Congress when there was a big uproar because the First Lady had a secret committee examining health care costs and ways to bring it down.

My recollection is that people on the other side of the aisle were outraged that there would be these discussions about a public policy issue and not be open to the public. And it seems to me that you make an extremely valid point that all these discussions now have been in secret, with a very limited cross-section of people excluding the broad range of interests, and now it is going to be inflicted upon us. It seems to me a certain amount of inconsistency.

Mr. PALLONE. Mr. Speaker, during the campaign, then-Candidate Bush said at the time when heating oil prices were soaring in my State, he said, "What I think the President ought to do is get on the phone with the OPEC cartel and say, we expect you to open your spigots."

Now he says that he does not want to talk to the cartel. I think Secretary Abraham was saying that it was sort of degrading to the United States to have to go to OPEC and ask them to open the spigots. He might feel degraded, but my constituents would like him to go to the OPEC countries, some of whom we have saved their very existence, and ask them to open their spigots.

Mr. BLUMENAUER. Mr. Speaker, I turn to the gentleman from Washington (Mr. INSLEE), my colleague from the Seattle area who has been an advocate and concerned citizen dealing with these issues. We have had a tremendous impact in the State of Washington, and I know the gentleman has been a leader here in bringing people from the West and the West Coast to deal with these impacts.

Mr. Speaker, I wonder if the gentleman would like to make a few comments from his unique perspective. Maybe California thinks that they are ground zero, but there are those of us who feel we are getting a few of the after-shocks.

Mr. INSLEE. Mr. Speaker, I yield to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. I would like to pick up on the gentleman from New Jersey's comment about this really ludicrous idea put forward by the President that his tax cut bill is a solution to the gouging of prices that we face in California, both for gasoline and electricity.

First, the idea of giving people their tax money back so they can give it to the energy and oil companies, that strikes me as so inefficient. Why does he not have the courage of his convictions and simply ask the American taxpayer to send the money directly from the Federal Treasury to the oil companies? As the gentleman from New Jersey (Mr. PALLONE) pointed out, a portion of that money to the oil companies will go to the Republican Party, so you can send a portion of the surplus to the Republican Party and the bulk to the energy companies.

The second thing to point out is as working Californians are paying $2.10 for regular gasoline, as they are paying double and triple the electric bills, if you say a single mother in California with a couple of kids, an income of $20,000, how much money does she get out of this tax cut? Zero. So she still pays the $2.10 a gallon. She still pays double or triple the electric bill, and she gets nothing from the tax cut.

Mr. INSLEE. Mr. Speaker, I appreciate the gentleman's comments. I was in a town hall meeting the other day, and I had a constituent that sort of suggested that it would have been simpler just to cut out the middleman of giving us any tax break at all when it goes right to the oil companies. He said it reminded him of a money laundering scheme. I do not think that is too far off the mark.

Mr. Speaker, I have a message for the rest of the United States, and that is it is not just California. And it is coming to you in your neighborhood, because it is in Oregon and it is in Washington now. It may have started in California, but right now in the State of Washington, we are suffering potentially 43,000 people losing their jobs, Mr. Speaker, as a result of these oil companies and generating companies increasing their prices, not twice, not 5 times, not 10 times, but on the wholesale spot market for electricity right now in the State of Washington, these companies have increased their price 1,000 percent, 2,000 percent, without spending another dime to generate one single electron. These are windfall profits that people are enjoying right now at our expense. Forty-three thousand families out of work because these folks have a callous indifference to the economy of Washington, Oregon, California and, soon, whatever State you are in. This is coming to you because they have figured out a way to game this system starting in the West.

Mr. Speaker, what we Democrats have proposed is a short-term solution. We need a long-term solution, but we have to have some short-term solution to this. Unfortunately, the President, what has he decided to do? What has his message been to America? Go fish. You are on your own. We do not have any short-term solution. We are not going to do anything.

Mr. Speaker, we have suggested a couple of things. Number one, that he call FERC, the Federal Energy Regulatory Commission, and he ask them to impose a 2-year cost-based pricing system for wholesale prices for the western grid of the United States. We are asking a simple thing: that the companies for the next 2 years get their costs and a reasonable degree of profit, and pick the highest degree of profit, it will still be half of what they are charging today.

When they have increased their prices 1,000 percent; like if you bought a car for $30,000, it now costs you $300,000 to $600,000, if Detroit did the business the way that the generators are doing right now.

We are asking for a time-out on this ludicrous explosion of prices. People have said, will this not decrease the supply of electricity? Hogwash. If anything, it will increase it. These companies have figured out how to reduce supply and drive the price up. Fully one-third of all of the generating capacity in California in the last 4 months has been turned off, and they have driven these prices sky high.

Mr. Speaker, we have asked the administration for simple relief. They have refused it, and they give us no simple relief.

I want to say that there is good news in the long term and short term when it comes to conservation and efficiency. We should be optimistic. There are plenty of causes for this country to be as optimistic as we were when we decided to go to the Moon, and there were naysayers then too about new technology. But there is just as good news for us from a technological basis for wind, solar, new transmission, fuel cells, as there was for new technologies which took us to the Moon.

For example, in Seattle right now, there is a company called MagnaDrive. MagnaDrive is manufacturing a coupling device based upon, as you can guess, magnetism, which basically has two plates which act as a coupling for electric motors. This device can save 30 to 40 percent of the electricity to drive an electric motor. It is just starting to develop a market. We need to recognize technologies like MagnaDrive and recognize their potential. That is the good news.

The bad news is that some of these technologies are being developed not in America, because we have not given them the incentives for the development of these. For example, hybrid cars, electric gasoline-powered cars: The one on the road right now is from Japan. Why should America give up this market to the Japanese manufacturers? Why should we give up this potential development of jobs to those manufacturers?

Mr. Speaker, I think this Nation ought to be confident enough in our technological ability to say we are going to lead the Nation in new car technology. Yet in that very specific field, the President's budget has gone backwards. We ought to lead the Nation in efficiency and conservation. If we stand up to Mr. CHENEY's shortsighted statement that conservation is just a personal ethic but does not have anything to do with sound economic policy, he is dead wrong. Efficiency is a personal virtue, and it is an economic virtue, and it is a job-growth strategy that this country ought to use.

Mr. Speaker, that is why I am proud that the Democratic Party has come up with a comprehensive plan to combine conservation and short-term price mitigation. It is a short-term solution and a long-term solution, and I appreciate the gentleman from Oregon (Mr. BLUMENAUER) bringing us here tonight.

Mr. BLUMENAUER. Mr. Speaker, we also have been joined by the gentleman from Connecticut (Mr. LARSON), who has had lots of practical experience from a State that has dealt in the past with energy problems. I know that from leadership as the Senate president of the great State of Connecticut, he has had a chance to navigate these rocky shoals before, and I am honored that the gentleman joins us for this discussion.

□ 2100

Mr. LARSON of Connecticut. I thank the gentleman and also recognize that the current Speaker also hails from the great State of Connecticut and is doing an outstanding job.

I want to applaud the gentleman from Oregon for his leadership in every aspect here in the Congress as relates to our environment most notably, as was pointed out by the gentleman from New Jersey (Mr. PALLONE), in the area of livable communities but also in recognizing the need to make sure that a core component of any energy plan has got to be conservation, that overall the number of examples that he put forward, if followed, should serve as the cornerstone to any policy moving forward.

I also join with my colleagues from California and the Northwest as well and not only sympathize but empathize with the problems that they currently face and understand that today it may be California but tomorrow it could be Connecticut. And so as a Nation, we must pull together and make sure that we are enacting sound public policy.

The fact of the matter is that there are a lot of fingers that could be pointed and a lot of blame that could be distributed, but for a number of years, several different White Houses and Congresses have not addressed this issue the way that it should be tackled. I believe that first and foremost and piggybacking on the comments of the gentleman from Washington (Mr. INSLEE), that we need to lay out a strategy that has an end goal.

I suggest that we start that end goal by saying we will be independent of foreign oil resources within a 10-year period and that we should instruct the Department of Energy to devise a strategic plan that will take us there. The process of attaining that goal is much like establishing putting a man on the Moon as the gentleman from Washington (Mr. INSLEE) was alluding to.

When you establish a goal for yourself and then set out to achieve that goal, you can accomplish great things. It seems to me pretty clear that along with conservation, along with renewable resources and assorted other policies that we must pursue, we must above all else have a specific goal. When you consider that in 1999 the cost of importing oil from abroad was $60 billion and now that is estimated to be something closer to $100 billion in cost, that money could be better spent at developing alternative energy sources. Specifically, I feel that the energy systems of the future and most notably fuel cells hold the key to provide us with both the power and efficiency we need to get 60 to 80 miles per gallon out of an SUV and also the by-product of which is vapor that is clean.

This kind of environmentally sound policy, this kind of energy alternative is exactly the kind of can-do spirit that took us to the Moon. And what got us to the Moon, frankly were spacecraft that were powered by fuel cells. If we can go to the Moon and go on to Mars, certainly we can get to and from work. Later this month, I hope to bring an SUV to the Capitol and encourage everyone to drive that automobile powered by fuel cells to see its efficiency, to see how this actually works and the cutting edge technology, which in combination with conservation is the path for us to go down.

I applaud my Democratic colleagues for the initiative they took in the press conference the other day. These are the concerns that the American people long for us to address. We need bipartisan cooperation. We do not need committees that meet in secret. We need to have an open, public forum and dialogue to produce the best possible results, with a common goal and common mission to make us no longer energy dependent and make us much more energy efficient with a conservation ethic that places us in a position where we can provide the kind of energy and means that the people we are sworn to serve richly deserve.

I thank the gentleman again so much for his leadership in this area and I look forward as always to working with him on his agenda of livable communities and the great, great job that he has done in terms of bringing conservation to the forefront here in the United States Congress.

Mr. BLUMENAUER. I appreciate the gentleman sharing his insights and his kind words.

I yield to the gentleman from New Jersey.

Mr. PALLONE. I wanted to briefly point out that although the comments I made earlier were primarily with regard to the President's proposal, President Bush and Vice President Cheney's proposals and what they are likely to come up with tomorrow from their task force in terms of a policy to address energy issues, that it is also true that for the last 6 years since the Republicans have been in the majority in this Congress, that they have conveniently forgotten, or failed really, to address what has now become an energy crisis.

And each year from 1995 on when President Clinton and the congressional Democrats tried to present commonsense, balanced, both immediate and long-term solutions to the energy problems that existed then and were continuing to build, the Republicans blocked those efforts in the Congress every step of the way. If I could just mention a few, I think the most egregious was in 1999, I remember, I was here, when the Republican leaders, the gentleman from Texas (Mr. ARMEY), the gentleman from Texas (Mr. DELAY) joined 36 other Republicans to introduce a bill that would have eliminated the Department of Energy altogether and the Strategic Petroleum Reserve.

As I mentioned, President Bush still says that he does not want to tap the Strategic Petroleum Reserve, but they would have abolished it completely. In the same year, the Republicans rejected an Energy Department proposal to buy 10 million barrels of oil when crude prices were only $10 a barrel that would have allowed us to build up the SPR.

So they wanted to abolish it. They did not want to fill it. In addition to that, every year in those 6 years the President and congressional Democrats would propose budget initiatives that would help with energy efficiency and renewables. But between fiscal year 1996 and fiscal year 2001 the Republicans underfunded energy efficiency and renewable energy programs by $1.4 billion below what President Clinton and congressional Democrats' funding requests were at the time.

We have seen essentially no effort to address conservation, no effort to address energy efficiency, alternative fuels, the list goes on. Next week in the Committee on Commerce which I sit on, we are going to have a full committee markup on a bill that is being brought by the congressional leadership in the Committee on Commerce, the Republican leadership in the Committee on Commerce called the Electricity Emergency Relief Act. This is sponsored by the gentleman from Texas (Mr. BARTON) who is the chairman of the Subcommittee on Energy and Power. This bill, I mean, needless to say, is fundamentally flawed. It is not going to address the problems in California; and I just wanted to point out, this is from my colleague the gentleman from California (Mr. WAXMAN), who is a leading member, a more senior member of the Committee on Commerce, he cited four major flaws with the bill. Keep in mind this is the Republican answer to the California energy crisis.

First, it fails to address runaway wholesale electricity prices. The efforts by the gentleman from California (Mr. WAXMAN) of the Committee on Commerce, then in the subcommittee, next week in the full committee, to impose some sort of cap as the Democrats would like to see on wholesale electricity prices is not included in the bill. The bill, the Republican bill, also interferes with California's actions to address the electricity crisis. It increases the State's dependence on the spot market. It inhibits the State's ability to acquire and operate transmission lines in California. It conflicts with California's innovative demand reduction programs. So it is actually hurting the State, making it difficult for the State to actually do what the State wants to do to improve the electricity situation.

It also, and I note that my colleague from Oregon has repeatedly noted the effort to break down environmental laws, this bill creates loopholes in the Nation's environmental laws. It opens up every national park and wilderness area to the construction of new power lines. It allows States to waive environmental requirements applicable to hydro-power projects. It authorizes extensive waivers of the Clean Air Act requirements for electricity generation. And lastly, of course, the bill fails to adequately address conservation.

I know that my colleague, the gentleman from Oregon (Mr. BLUMENAUER), has repeatedly said how there has to be a conservation component in our energy policy. The Democrats have that. The Republicans do not. This bill does nothing to improve it. Tomorrow we are going to hear about the Bush-Cheney report and how great that is going to be. Next week we are going to hear about the Barton bill and how great that is going to be to solve the California problem. Neither one solves any of those problems. Unfortunately we continue to have Republican inaction.

Mr. BLUMENAUER. Mr. Speaker, I yield to the gentleman from California.

Mr. SHERMAN. The Vice President made some remarks recently that have become rather famous. He said conservation might be a personal virtue but it was not the basis, not a sufficient basis, for a national energy policy. I think we can only respond that degrading the environment and maximizing energy company prices might be good cash generation politics, but it is not the basis, not the sufficient basis, for a comprehensive energy policy.

I want to talk a little bit about how California is being hurt because we do not have rate regulation on the wholesale generation of electricity. Technically what is being called for is not price caps but technically what we are asking for is temporary cost-based price regulation, basically the same system that existed in this country for electric utilities, privately owned electric utilities for 100 years, when America went from a rural society to the world's only superpower.

Now, these lack of price regulations are responsible and will increasingly be responsible for blackouts in California. We are told by some economic theorists, oh, if you could just increase the price of electricity, Californians would conserve and you would not need blackouts. These folks have not been schooled in the school of hard knocks that we are experiencing in California. You see, no matter how much Californians conserve, the owners, the robber barons, can still suppress supply even more so that they can charge huge amounts for each kilowatt while not having to pay for the fuel to generate very many kilowatts. So the absence of regulation reduces supply.

Higher prices will not reduce demand. As I pointed out earlier, California is now second, we are about to be first, in terms of energy conservation, electric energy conservation among all 50 States. And there is a real spirit in California to conserve electricity wherever we possibly can. Conservation is what we are doing already. Limits on wholesale prices will eliminate the incentive that these companies have to suppress production, to close their plants for maintenance, and will instead ensure that they generate electricity because they know they can only get a fair profit on each kilowatt that they generate.

Second, we are about to see prices paid by California consumers be roughly double what they are used to. Double what they paid just a year ago. But that does not fully convey to Californians the degree of this rip-off. You see, the electrons flowing to each California home, about two-thirds of them, are coming at a fair price. One-third are not coming at double a fair price, or triple a fair price. No, these unregulated producers are charging 6 or 10 times a fair price on average, and at peak times, or at times of particularly acute engineered shortages, they are charging 50 and 100 times a fair price per kilowatt. So if you are getting an electric bill that is only double what is fair, do not think that these few megacompanies are only earning double what is fair. They are earning 10 times what is fair.

The solution is in the White House. But I think the headline is clear: "President to California, Drop Dead." There is one possible California response and it comes not from the California Democrats. We have already responded. The onus is on California Republicans and Republicans from the other Western States. Four have had the courage to tell the White House that destroying our State is not acceptable and they have cosponsored the bill sponsored by the gentleman from California (Mr. HUNTER), a Republican from San Diego County, to provide these cost-based price regulations. We need every Republican from the Western States to cosponsor that bill. And if they do not do it this month, they are going to face their constituents next month and the month after. But it has to go beyond that because President Bush will simply veto a bill. He will veto a bill that requires fair prices in California.

□ 2115

He would veto a bill that prevents a justified transfer of $50 billion from the people of California to a few megacorporations, most of them based in Texas.

The only way to prevent that veto is to get every Republican from the Western States, starting with those in California, to come down to this floor and announce that they will not support any Presidential initiative, that they will vote "present" and not "yes" on every one of those Republican proposals, until we save our State.

I am calling on my colleagues from California, put your constituents above your contributors; put your State above your party. Come down to this floor tomorrow and say you are going to vote against every proposal. You do not have to vote against it. Just vote "present" on every proposal until the President signs the legislation we need to save California.

If you think that maybe we in California do not deserve any Federal legislation, then, for God's sake, let us pass a bill that gives California the right to regulate the wholesale price of electricity generated at plants located in California. If you do not believe the Federal Government should play a role, at least untie our hands. We need at least that, and we need California Republicans to stand up for our State.

Mr. BLUMENAUER. Mr. Speaker, reclaiming my time, I thank the gentleman. Clearly he has identified a critical area where 12 percent of our Nation's population is facing something that surely we are all going to have to contend with.

What have we discussed here at this point this evening? Well, first and foremost, we have established that conservation may be a virtue. I think it is, but it certainly is an important part of an energy policy for this country, and we are arguing it ought to be part of the foundation. Without the conservation that was inspired in the mid-1970s and, sadly, to a certain extent rolled back during the Reagan years, without that energy conservation, the use in the United States of energy in the year 2000, if we had kept on the same line, would have been 40 percent higher and Americans would have spent $260 billion more for energy. Conservation works.

But we have just barely scratched the surface of the potential for achieving more savings. If we had one of the popular SUVs that had an average of 40 miles per gallon over the next decade, it would save the equivalent of 50 billion barrels of oil, 15 times more than would be reclaimed from the Arctic Wildlife Refuge, if that is where you want to go.

We have been dealing with the facts surrounding the energy situation. We have heard about what the situation is in the State of California. We are in fact now building, and any reader of The Wall Street Journal this last week has learned that we are moving ahead without a Federal initiative, to build more generating capacity. More is on line; markets are in fact responding.

We have heard this myth somehow that people, for example, in California, or the "radical environmentalists," were at fault for not building up refining capacity in this country and talk about how there has not been a lot of new refineries built.

Well, the reason there have not been new refineries built is because the industry has been going through consolidation. We have more refinery capacity today, fewer refineries. And if you look at what the petroleum giants are doing, they are shedding refinery capacity because it is not profitable enough.

What measures up to the hundreds of percent or thousands of percent rate of return that can be extracted from some of the situations that we have had described on the floor today? It is not somehow the fault of the environmentalists, it is market forces that are at work.

We understand, and I have heard twice now the Vice President extolling the virtues of going back to nuclear energy. Interesting. I come from a State that shut down a nuclear plant. The private company that owned it shut it down earlier than its license would have required because it was not profitable.

It is true that over 20 percent of the generation currently comes from nuclear power, but there has not been a new nuclear power plant ordered in the United States in over 23 years. And it was not just in my State that they shut it down. The gentleman from New Jersey can testify that there was the same situation occurring there and in Maine, Illinois, and Connecticut, where people were backing away from nuclear energy.

We still do not have a safe place to store nuclear waste in this country. We have been tied in knots over that. Yet some want to go ahead and deal with more.

The assertion somehow that nuclear energy is the salvation, the silver bullet, that it does not provide pollution, well, excuse me. First of all, nuclear waste continues for a quarter of a million years or longer. Nuclear waste, when you are dealing with it, is not just nuclear energy; it is the very warm water that is generated. It pollutes the waterways.

The process of enriching uranium uses a substantial amount of electricity in and of itself that produces many of the same sort of traditional fossil fuel air pollutants. Nuclear energy is not a silver bullet.

We have heard some arguing that somehow the environmentalists have locked up all the land. We cannot have access. Wait a minute. Right now the oil and gas industry has access to huge tracts of BLM lands. Only 3.5 percent of the BLM land in Colorado is off limits to exploration; only 2 percent in Montana; only 2.5 percent in Wyoming; 4 percent in New Mexico. It simply is not true that there is not access.

It is interesting watching the little struggle between the President's brother and the people in California and Alaska who are concerned about offshore drilling, but there is still over 60 percent of the Nation's undiscovered economically recoverable oil and 80 percent of the economically recoverable gas that is located in areas that are accessible. There are opportunities for further exploration. It is the private sector that to this point has chosen not to take advantage of them.

I guess I will conclude my remarks before turning to the gentleman from New Jersey to wrap it up to just make one other point, that there are many opportunities now for low-income people to be able to reduce their energy costs over time.

We have talked about the lunacy of having a massive tax cut that is not going to benefit the vast majority of low- and moderate-income people, but somehow they are going to take this tax cut and pay it for higher energy costs. But if for a moment we can spend upwards of $2 trillion over the next 11 years, is it not possible that Congress and this administration could design programs to help very low- and moderate-income people pay some of the higher costs through rebates or direct tax credits that go back to them, so they can afford to be more energy efficient, lower their electrical costs today, not tomorrow or 20 years from now, lower those costs today, save them money today, and have additional savings that will accrue to the broader community because we will not have to build an energy plant a week?

It seems to me that this is a simple, commonsense approach; that if we could get it to the floor, I am convinced an overwhelming majority of Republicans and Democrats would agree with the American public to put conservation, wise use, invest in American technology, do that first before we move ahead with things that simply they are opposed to. I think it makes good sense, and I hope that this Congress will listen to what we are being told by the American public.

With that, I will turn to the gentleman from New Jersey (Mr. PALLONE) for the last word in our special order this evening.

Mr. PALLONE. I thank the gentleman. I do not mean to take the last word, but I just wanted to comment on what the gentleman said, because I think what he pointed out is that the Democrats' energy policy is a well-rounded, commonsense approach.

We are saying that we want more production in those areas that are available to be done; to drill for oil, to drill for natural gas, in an environmentally sensitive way. It can be done. We are for more production. We are saying we want conservation. We want the use of more renewables. We want more energy efficiency. We have tax credits for energy efficiency, if you buy a car or do something to your home that is more energy efficient.

We basically are very well rounded in our approach in terms of the types of fossil fuels that could be used, and I for the life of me do not understand why we have to take this Bush-Cheney approach that just says drill, drill, drill, and nothing else. Even in our Democratic proposal, we have a supplement to the LIHEAP program for low-income individuals, because we recognize that they are going to need additional help.

If you think about what the Democrats have put forward, more production, more energy efficiency, more use of renewables, trying to provide direct payments to low-income individuals so they can pay for their rising costs, all these things are in there.

But we want this energy policy to be well rounded. We do not want it to just be limited to something that the oil companies want, which is to drill and drill and drill. There is no way that you can possibly look at what the Democrats have in mind and then look at what the President is proposing. The President's proposal is nothing more than a payback to the special interests, to the oil industry. We have seen that.

I know tomorrow it is going to be unveiled. We heard a lot about it, but I am waiting to see what happens, because, as the gentleman says, we want to be bipartisan, and we are hoping that maybe he will incorporate tomorrow some of the conservation and other things that we are talking about tonight. I doubt he will, but I hope he does, because I would like to see a responsible energy policy passed. I just do not see that coming from the White House so far.

With that, I thank my colleague for all he has done and continues to do on these issues.

DIABETES, A DEVASTATING PUBLIC HEALTH ISSUE

The SPEAKER pro tempore (Mr. CANTOR). Under a previous order of the House, the gentlewoman from California (Ms. MILLENDER-MCDONALD) is recognized for 5 minutes.

Ms. MILLENDER-McDONALD. Mr. Speaker, as we observe National Women's Health Week this week, I rise as the Cochair of the Congressional Caucus on Women's Issues to bring attention and highlight a disease that has become a devastating public health issue. That disease is diabetes, and it is wreaking havoc on women, especially African American women.

Recent studies confirm the numbers of women being diagnosed with Type II diabetes each year, and these numbers are increasing in alarming rates.

Mr. Speaker, diabetes kills one American every 3 minutes, and a new case is diagnosed every 40 seconds. No person is immune and no community remains unaffected. Almost 16 million Americans have diabetes, with 60 percent of those being women.

Statistics have shown that women with diabetes have a five-fold higher risk of coronary heart disease than do non-diabetic women. In addition, coronary heart disease is the number one killer of people with diabetes and poses a greater risk for women who develop heart disease. Furthermore, close to three-fourths of deaths in individuals with diabetes will be directly attributable to cardiovascular disease.

Another disturbing aspect associated with this disease is that it is the number one killer of African American women with diabetes and has reached epidemic proportions. An alarming statistic is that 11.8 percent of African American women who are 20 years old or older have diabetes, and about one in four African American women over the age of 55 have diabetes, which is nearly twice the rate of white women.

Statistics reflect that among older populations, women make up 75 percent of diabetes cases. One of the reasons diabetes disproportionately affects women is because there are more obese women than men, and women live longer and maintain less active lives than men. Inactivity puts women at a greater risk for obesity, which is often a direct precursor to diabetes.

The poor health habits of mothers increase the risks of their children developing similar behaviors and health challenges. Therefore, it is vital that we highlight the importance of educating women about healthy living.

It is also important to conduct more diabetes-related research studies. Diabetes research has been an invaluable tool, that has paved the way to extraordinary breakthroughs for women.

□ 2130

However, more research must be funded and conducted as a standard protocol for women's health initiatives. We must research new and progressive treatments for women with diabetes and promote prevention as a response to this challenge.

Primary prevention is critical to reducing morbidity, mortality, and economic costs associated with cardiovascular disease in diabetic women. Diabetes is the single most costly disease in America, totaling about $105 billion a year. That is why the Women's Caucus submitted an appropriations request for fiscal year 2002 that would fully fund NIH programs and which will provide the resources necessary to address this issue.

Therefore, Mr. Speaker, I urge my colleagues to raise their voices, open their hearts, and enhance their commitment in educating our communities about diabetes and primary prevention. I also ask each one to join in the fight for adequate funding for research.

Mr. Speaker, I will be introducing legislation in the next few days to bring attention to this important public health issue. The legislation will address this disparity that exists among diabetic women. It will focus on research, increased representation of minority scientists, and education outreach. I hope that my colleagues will cosponsor this legislation with me.

THE ENERGY CRISIS IN THE UNITED STATES

The SPEAKER pro tempore (Mr. CANTOR). Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. MCINNIS) is recognized for 60 minutes.

Mr. MCINNIS. Mr. Speaker, first of all, in regards to the gentlewoman from California, this diabetes is a horrible, horrible disease and there are lots of statistics that support exactly what the gentlewoman from California has said. If we could figure out a cure for diabetes, according to the statistical information that I have, it would be amazing how dramatically we could cut health care costs in this country. A huge portion of our Medicare and Medicaid budgets in this country are directly attributable to diabetes, juvenile diabetes, adult diabetes, et cetera, et cetera. So I encourage the gentlewoman from California to go on with her efforts.

Mr. Speaker, this evening I want to talk about the energy crisis that we have in this country; and I want to talk about what is our future. What is the future for this country? I want to talk about conservation. I want to talk about realistic conservation. I want to talk about the solutions that start at home, not solutions that are dictated out of Washington, D.C.,

However, before we do that, I just listened to an hour of rambling on about how bad the Republicans are here, how bad this is here and how bad that is there, and how California has innocently suffered the wrath of the United States, because California, after all, does not deserve this blame. I think we need to take just a couple of minutes of rebuttal.

The gentleman from California (Mr. SHERMAN), my colleague, says that the answer for this energy crisis in California lies in Washington, D.C. I say to the gentleman, with all due respect, the answer should not come out of Washington, D.C. The answer should come at the local level and at the State level. Frankly, the State of California thought they would show all the other States how deregulation was done. They took the lead on deregulation, and they made a mistake. I say to the gentleman, with all due respect, the gentleman sounds like another gentleman from California. He sounds like defense attorneys. He blames everybody else: it is not my fault; it is their fault. It is not the fault of California; it is the fault of the Federal Government in Washington, D.C. It is not the fault of California and the State legislature and the Governor of California; it is the fault of the Western States. It is not the fault of the Governor of the State of California and the legislature of California; it is the fault of the oil companies or it is the fault of this and that.

Mr. Speaker, we want to help California. Let me say something about California. Despite the fact that a lot of people in this country think they have it coming because of the fact that they do not want it in their backyard and, although they will never admit it, that is the attitude in California, and frankly, that has been the attitude in California. Despite the fact that some people think they have it coming, I am telling my colleagues here today, California needs our help. California is the sixth most powerful economic factor in the world. In other words, if California were a State of its own, California would be the sixth most powerful economy in the world. The United States of America is very dependent upon the State of California. After all, they are a State. They are our neighbors. They are fellow citizens. We have an obligation to help California.

But, Mr. Speaker, before we go out to help somebody, especially somebody that got into that jam largely because of their own doing, we like to hear some kind of admission from the person that we are about to help: hey, I made a mistake. We would like to see a little humbleness come out of some of the people that have made this mistake, like the government and the legislature in California. But that is not what we are hearing. Instead, what we are seeing is the blame game. It is Washington, D.C.'s fault, it is Colorado's fault, it is Nevada's fault, it is everybody's fault but us here in California.

Come on, Governor. One does not need to be a defense attorney. We are not out to prosecute California. We should not be out to prosecute California. We are not putting California on trial. Do not act like a defense attorney, I say to the Governor of California, and say that it is everybody else's fault and you share none of the fault. Stand up to it. Take the blame. Do not play the blame game. Do not delay the pain game.

You think what you are trying to do out there in California is defer the pain: we will freeze these prices. That does not bring conservation. The Governor of California and the gentleman from California (Mr. SHERMAN), why do you not just for a moment say, all right, maybe in California we have to change some of the philosophy we have had; maybe we have to come up with the approach that maybe somewhere it is going to have to happen in our backyard; maybe we have to admit that there is a balance out there, a balance, a balance that can be reached with conservation as an element, with energy production as an element. I mean there is a balance. In California, frankly, the problem is they have gone to one side of the balance, that somehow all of the production should take place out of the State of California.

By the way, I heard one of the previous speakers talk about the power plants that are needing to be built in this country. Let me tell my colleagues, we have built three power plants a week, three power plants a week last year that came online in this country. Three a week. Multiply that times how many weeks we have in a year, and that is how many came online in this Nation. How many came online in the State of California? Zero. How many natural gas lines has the Governor of the State of California allowed? Zero. For 8 years their leadership out there has not had it come. Do not let California put the blame game on the rest of the United States.

As I said earlier, the United States has an obligation to California. They are important for our economy. They are good people out there. They are people that are working hard and want this resolved. But the politicians in California, specifically that governor who I heard last Sunday on Meet the Press talk about maybe the answer is to seize the power plants; a Governor of California who blames everybody but himself for this problem in California. Come on. One cannot blame everybody else when one has not had a natural gas line in 8 years. They have not had any power plants come online in California last year, although throughout the rest of the country, we had three a week come online. You place price gaps; all you are doing is artificially messing with the market.

Take a look. Every time the government gets involved, the consumer suffers. Tonight we hear some of my colleagues say, what we should do is go out and freeze the prices. Now, I know that sounds great. Who does not want to do that? But we do not get something for nothing. The best way to destroy conservation is to tell people the prices are not going to go up. I can tell my colleagues right now, the reason my wife and I are conserving, I think fairly extensively in our own personal life, is because our prices have gone up. If we let the market take its place, the market will produce. California has artificially tried to guide the market, first through deregulation, and then through their governor-led sponsorship of no price increase, et cetera, et cetera, et cetera, and look what has happened.

California, if you want help, let us help you; but you have to participate. You have to be willing to help the other States produce this power. You have to be willing to let transmission lines be built in your State. You have to be willing to let a natural gas transmission line come through your State and distribute in your State.

Anybody in these Chambers, anybody in these Chambers who does not want to help California ought to leave these Chambers. I mean that. Any one of my colleagues in here who does not want to help the State of California ought to leave these Chambers. That is a State in the Union. I think we have an obligation to help California. But by gosh, California has got to help pick itself up by its own bootstraps too. They have to help. And to the governor and the politicians out there in California, you have to help. The people of California deserve more, frankly, than I think you are giving them; and you do not help the situation in California by getting on the Sunday talk shows and blame it all on Washington, D.C. and blame it on all of the western States, blame it on everybody but your own regime out there in the government of California.

Now, let us talk about not just California, let us talk about our entire country. What can we do with this energy crisis? How bad is the energy crisis. First of all, let me say to my colleagues, I think it is going to work itself out. Now, that might be heresy around here. What do you mean it is going to work itself out? We have a crisis that is going to sink this country. I do not think it is going to sink this country.

In fact, I think the electrical power production will increase fairly dramatically in the next year or two. In fact, we may even have a glut out there of electricity. That is hard to believe. But if we take a look and go beyond the rhetoric, go beyond the emotion, we are going to see that this country, that the private marketplace out there, that the people of this country are an enterprising bunch of people, and we will be able to stand up to this. But one of the big factors, one of the most critical things we can do, every one of us, every one of us, I say to my colleagues, not only to help the State of California, but to help every one of our constituents out there is to take a serious look at what we can do for conservation.

I say to my colleagues, do we know what is neat about conservation? We do not have to go through a lot of pain to conserve. I will give a good example. I have the statistics on it. No pain. I am going to give my colleagues some gain without any pain. My colleagues say, something for nothing? Let me tell my colleagues, take a look at this. How many people of America have read their owner's manual in their cars? I say to my colleagues, do it tonight. Take out the owner's manual and see what the manufacturer, the experts, the manufacturer, the engineers and the designers and the manufacturer of your car, take a look at what those experts say about how often you should change the oil in your car. My guess is, at a minimum, 5,000 miles, maybe 6,000 miles. Take a look at all of the advertising in the newspapers by the quick lubes and people like that. You should change your oil every 3,000 miles. I say to my colleagues, we could conserve lots of oil in this country without any pain, without any harm to our vehicles, without any harm to the motors that we operate, by simply taking the time, read the owner's manual and find out exactly when we do need to change the oil in that vehicle. If we could move people off the 3,000 mile oil change to the oil change recommended in the owner's manual, we would have a dramatic savings in petroleum products in this country.

Let us talk about some other things. I have thought a lot about conservation; and I can tell my colleagues, I am exercising it myself. In fact, in the mornings, when I usually go back to my office, when I go into my office in the mornings, I get to the office oh, 6:30, 7 o'clock in the morning, and the first thing I do is I turn on every light in my office. I turn on every light.

□ 2145

I started thinking about this a couple of months ago. I do not need every light. I probably have six or seven different lights in my office. What I do for the first 2 hours I am in the office is read or work on the phone. I have one light that provides enough light for that. So now in my office five lights stay off for an additional 2 hours. I just turn on the one light that I need to do my work.

We can do it. All of us can conserve without a lot of pain.

I have some other ideas here that I would like to go over, because they work. They work, again, without economic pain. We do not have to pay money to do it or go out and buy some fancy device or go out and buy a hybrid automobile in order to help us conserve, in order to help this country take a look at its consumption of energy and figure out how to get the same product with less energy.

Let us go through a few things. Obviously, turn off room lights in rooms not in use. Although obvious, this tip saves the most energy.

Take a look at a city. I was in Denver the other day. It was interesting to notice in Denver how many of those tall buildings which had cleaning crews in them, how many of those tall buildings had lights on them from the bottom floor clear to the top. If we could just go, if all of us could accept the responsibility of conservation, by just shutting the light off after we leave the room, we would have a dramatic impact.

In the State of California alone, if the citizens in California, I say to Governor Davis, if his citizens in California would just simply change the oil when the owner's manual tells them to change the oil, not when their local quick-change outfit tells them to change the oil, if they would simply turn out the lights after they left the room and follow a few more of these tips, I can assure my colleagues from the State of California, their crisis would be much less than it is today.

I am here to help. Let me tell the Members, every State in the Union is dependent upon the State of California, and, frankly, California is dependent upon us. We are a union of States.

Let us go on. Set the thermostat to 69 degrees or less during the day, 60 degrees or less at night. Bundle up. Put on an extra sweater. Keep all exterior doors tightly shut and avoid frequent in-and-out traffic.

Lower the temperature of the hot water heater to low, or 120 degrees. That is really a pretty simple thing. If we lower our water heater to 120 degrees, that is plenty hot. We are not going to suffer at all. We are not going to get a chill. We are going to feel that water is as hot as we could possibly want it, but we save energy by simply going down into the basement tonight, go to the hot water heater, turn that little button.

We do not have to call the plumber in or call the electrician in. It is made for pretty simple adjustment by the homeowner. Go down and turn the switch from high, from medium to low. I assure the Members that tomorrow morning, tomorrow morning when we take a shower or bath or wash our hands in hot water, we will have to add cold water to hot water because that 120 degrees will be adequate, yet overnight we will have helped this country begin to work its way out of this energy crisis.

Again, I am optimistic that we are going to work out of this crisis. In fact, I am more optimistic than most people here that we will get out of it sooner than we will later, but it is good for us to accept long-term conservation.

We are not going to stop our conservation efforts once we work out of this crisis. What we are going to be able to do once we work out of this is we are going to be smarter. We are going to know how to use our energy better.

Let us continue on, here. Do not let the hot water run while washing hands, brushing teeth, or shaving. That sounds pretty simple, but I was thinking about the comments I was going to make today. Believe it or not, this morning when I was at the gym I was shaving and I had the hot water running. Instead of just filling a bowl in the sink, I had the hot water running. Then I would go over and switch the TV channel and I would come back. I got to thinking, I probably had several gallons of hot water run down that drain.

I can do it better, and we can do it better.

Let us go on from there. Take shorter showers. Do not let the hot water run while washing hands, brushing teeth, or shaving. We went through that. Turn water on only when one is actually using it.

Use smaller appliances such as microwaves, toaster ovens, and crock pots to cook meals.

Use cold water to operate the garbage disposal. It is surprising how many people will turn on their garbage disposal and turn on the hot water in the sink. The garbage disposal does not require hot water, it will run with cold water.

By the way, do not let it just run and run, with the water continually flowing and flowing. We can dispose of the garbage much quicker than most people usually do. We do not need to run that garbage disposal for 2 or 3 minutes. We can run it probably for 15 or 20 seconds, run the water for 15 or 20 seconds instead of running it five times as long as that to accomplish the same results.

Let us just keep going.

Wash clothes in cold water. Schedule washings so we can do the laundry in as few loads as possible. Air dry the clothes when possible.

Close blinds, shades, and draperies. That is amazingly simple. When we leave during the day, if we want to maintain the coolness during the day in the summer coming up, close those blinds. It is amazing over a period of time how much energy and money, by the way, we will save for ourselves.

These are pretty easy conservation tips that can be followed. Let us go on.

Regular maintenance is important to the efficient operation of heating and air conditioning systems. Clean or replace air filters monthly. Vacuum and clean the condenser coils, fan blades, registers, and dampers frequently.

Again, this does not require an electrician, it does not require a master mechanic. A lot of these are simple methods that we ourselves can do, like turning down that hot water heater.

Shut off any unneeded lights, computers, motor-driven appliances and fans. If you use ceiling fans, blades should rotate..

This is very important. I did not know this until I read this tip. If we are using a ceiling fan, and most of us have ceiling fans in the home, run it clockwise in the summer months because it pulls cool air up from the floor.

I never even looked at my fans at my house, my ceiling fans, to see which direction they are running. I do know that the fans run either direction. But in the summertime, run those fans clockwise. It pulls the cool air off the floor and will reduce the utility bill, and it is more money in our pockets while at the same time we are helping the Nation conserve its energy. That is a win-win deal. That is how we are going to get to the bottom of this energy problem.

Finally, before we move on, keep the doors closed as much as possible on refrigerated coolers. That makes a lot of sense.

Tomorrow morning when we get ready for breakfast, let us take a look at what happens when we get the milk. We will run over and still have the refrigerator door open because we are going to go back and get the butter. Shut the door.

Or many refrigerators have an outside door where one can open up a little door and keep the most frequently-used food products in that little box, and we will save ourselves some money. Over a period of time, that kind of money makes a lot of difference.

Let me pull up this next one. I thought this was a fabulous poster when I saw it. That is why I have reproduced it. I want to go over it.

"How does electricity power my home? The electricity in a home travels through the house wires." We know that. "The wires lead to light switches and outlets which power televisions, computers, lights, and most everything else in the home. Electricity makes our homes very comfortable to live in, but electricity is not free. Before electricity gets to our homes, some type of fuel must be used."

Again, before the electricity gets to our house, some type of fuel must be consumed to generate that electricity. It can be coal, it can be nuclear elements, or even a dam on a river. We give up certain parts of nature to enjoy electricity, so we must do our part to conserve electricity.

There is the balanced statement. We give up certain parts of nature. We do give up parts of our nature to enjoy the benefit of electricity, but while we do that, it is incumbent upon us to act in a responsible fashion. It is incumbent upon us to help conserve the utilization of that part of nature that we are bringing in so we have the convenience of electricity.

For example, if we leave a light on in the room after we leave it, we are using electricity that we do not need. To conserve electricity, simply shut off the lights in the rooms we are not using.

Other examples include: Shut off the TV when nobody is watching it. Keep the computer in sleep mode if we are not using it, and shut off the monitor. Use fluorescent lights or use gas-filled lights, like halogen lights. These light bulbs use less energy than regular light bulbs.

Unplug appliances, like curling irons and irons, clothing irons, right away. Letting them sit while turned on wastes electricity, and on top of that, it is unsafe.

There are lots of different ways we can conserve. My purpose in starting my comments out this evening about conservation is this solution, number one should not be dictated out of Washington, D.C. As I said earlier, my colleague, the gentleman from California (Mr. SHERMAN) says, "Regulate. The solution rests in Washington, D.C."

I appreciate the compliments of the gentleman from California that he has given to this respectable body in Washington, D.C., but I am telling the Members, the best answers start at home. The best answers start at home with conservation. The best answers start in our own States, where, on an environmentally sensitive and an environmentally clean and a safe project, it can allow natural gas transmission lines, for example, or allow electrical transmission lines.

There is a balance out there that can be reached. What I have seen since we have gotten into this energy crisis is an extreme on this side and an extreme on this side. Some people say, drill wherever it is necessary to drill. Some people over here want us to live on the pretense that conservation alone will solve the problem or that we do not have to build any more electric plants in this country or that the oil and gas companies really somewhere in this world have a huge pool of gas that they are hiding because they do not want to sell it to us right now. It is interesting, when the price is the highest it has been in a long time, and they do not want to sell gasoline to us when they can make a lot of profit.

Let us go on from there. Let us talk about some of the facts. I think tonight my real focus in the balance of my time is to do a little research, to look into some of the facts, and then let my colleagues draw their own conclusions. But I think I have some interesting information to reflect on here.

Cleaner air. Energy consumption has risen while emissions have declined. Take a look at the emissions from a car or from a coal plant or from a nuclear plant or Florida hydro dam. Take a look at the pollution that was emitted 25 years ago. It is as dramatic a difference from 25 years ago to today as a car 25 years ago, its radiator system, heating system. Of course, it did not have the anti-lock brakes and things like that.

The technology today has moved that car to a point that is fairly dramatic. We have done the same thing. Despite what we are hearing from one side, that we continue to generate electricity without any regard to the environment, that we continue to run our cars that are dirtier than ever, we hear misstatement after misstatement after misstatement.

Here are some of the facts. It is American technology at work. Technology is another critical piece of this puzzle to solve this energy problem. Cleaner air. Energy consumption has gone up while emissions have declined.

Here is our gross domestic product. That is recognized right here by the green line. It has gone up 147 percent. Our economy, our gross domestic product, has gone up 147 percent in the last 30 years.

Vehicle miles traveled, the amount of miles we put in our vehicles country-wide, and obviously the population has gone up, that has resulted in additional miles of 140 percent in the last 30 years.

U.S. coal consumption, the amount of coal that we are using every day for generation of power, that has gone up 100 percent. Energy consumption, the energy we are using in our country in the last 30 years, has gone up 42 percent.

But take a look at what has happened to the key air emissions. It has gone down 31 percent. So consumption is up, the economy is up, the miles driven is up, but the emissions going out are going down. Why? Because it is American technology. That is one of the key ingredients. We have to encourage technology.

Let us not be fooled, there are a lot of people that sell us the magic, like the old medicine man that drove around in a wagon and whatever sickness we had, he had a cure for it. We are going to see the same in this energy crisis. We are going to see all kinds of wild ideas they have the cure for.

The taxpayers of this country, by the way, have for some period of time funded research on technology, and it is not working. It has not worked. We have to have enough guts, frankly, Mr. Speaker, I say to my colleagues, to stand up to a technology that is not working and take that money from a technology that is not working and put it into a technology that has some promise.

President Bush has stepped forward and said, I have a number of programs out here that the American taxpayers have spent billions of dollars on and we have no real result, we need to use that money on other technology. It is not working. Do not just reject out of hand our proposition that all technology that is being studied out there is giving us promising results. It is not.

It was of interest that I heard I think again the gentleman from California (Mr. SHERMAN) talk about hybrid cars, and the Japanese are the only ones who really have it out. He is wrong on that fact. In fact, Americans have a few out. But the Japanese in this article, it is in the newspaper today, the Japanese are having problems. They are not sure how much more production they can continue with that.

Take a look at that. Do Members know what the Japanese are saying? "We have to find a technology that conserves energy, that satisfies the consumer, and that operates in an economic manner such that the average consumer out there can afford it."

☐ 2200

Mr. Speaker, these are not graphs that I made up. These are graphs that are all sourced. It is information that if you listen to the emotional arguments that are going on out there, you would say this does not sound like what I just heard at coffee this morning. That is why I thought it would be important this evening to look at the facts.

Let us put the emotions aside. Let us put the political arguments aside and look at some of the facts. The U.S. economy is more energy efficient. Energy use has been constant since 1972. Right there, that is the energy use.

If we look at 1950, if we come back in 1950 and go to about 1972, the amount of energy use, we tracked the actual amount of projected energy use and the actual energy use. We recognized no savings, no efficiency, no real efficiency. But in 1972, because of the fact that the American people begin to demand from products more energy efficiency, we begin to see a dramatic gap.

Today, had we not exercised that energy efficiency, had American technology and, frankly, some foreign technology not been deployed in everything from our appliances to increased mileage in our cars, our actual energy consumption would be right here.

The American technology has that actual energy use right here. In a way, in a way, this energy crisis that we have today will actually be somewhat beneficial, because right now there are more Americans conserving every minute of the day today than there were just 1 year ago.

There are many, many more Americans that will be conserving next week than were conserving this week. This gap right here will continue to grow. That is positive. Efficiency is being realized. Conservation is being realized.

This next chart I think is very, very important. We cannot continue to ignore the fact. As I showed you on that earlier poster with electricity, having electricity come into your home means that somewhere, somewhere, fuel is being utilized to generate that electricity.

It is the same thing with refrigeration. It is the same thing with our petroleum products, everything from the making of clothes to driving vehicles, air-conditioning units which preserve everything from medicine to our poultry, to our agricultural fields out there, all of these things require energy.

What has happened in this country is that there has been a fairly directed attack, saying that any kind of pursuit of energy, any kind of development of oil and gas products, any kind of development of a coal product, any kind of a development of a nuclear product, any kind of development of a dam on a river for a hydroproduct, for some reason is fundamentally wrong; that this country should not do it.

What has happened, unfortunately, is in some of those cases, including especially the nuclear generation case, these arguments have prevailed.

Now, maybe that is what the American people want. I do not think so. Because, you know what it does? It makes us more dependent on countries who are not exactly allies of the United States of America.

What happens when you become dependent on foreign energy resources? Then you are subject to their whims. Sixty percent, 60 percent, of our energy comes from overseas; 60 percent of it. If tomorrow OPEC, for example, decided they did not want to sell to the United States, can you imagine what that would do to us?

If, for example, air, let us take the air, every breath you breathe in, you are dependent on 60 percent of your air from one source, and all of a sudden that source is shut off, you are all of a sudden going to be gasping for air. You are going to be short of air; dramatically short.

That is exactly what happens if OPEC tomorrow decides to shut off the valve. That is not what we need, because that then brings on all kinds of panic. That is the kind of panic that brings on exploration that is not environmentally sensitive.

That is the kind of panic where people begin to do things they should not be doing. So what we need to do is have some kind of a logistical balanced plan for a clean energy product.

Take a look right here. This is our consumption since 1970, this blue line. These are net imports, that is the percentage. It is above 60 percent right now. That is a very dangerous line. That dependency on these countries puts our Nation at the whim of governments that may not have the best interests of the United States of America in their minds.

As we begin to explore a little further this evening, I thought it would probably be useful to take a look at where the energy consumption is by sectors. Take a look at it from 1970. In 1970, this is residential, the blue reflects residential use.

Compare residential use in 1970 with the jump that it is going to take by the year 2020, like we are talking about today, the year 2000. That is the blue line there. There is the blue line.

In 1970, take a look at where commercial is today, the increase in commercial. Take a look right here on industrial, and we come over here on industrial. I mean, these lines are going like this.

Finally, transportation. Transportation takes a huge leap, a huge leap, to move people, to move products. Remember that when you hear people talk about we need to reduce the number of cars we have and we need to get trucks off the road, remember that is what trucks provide.

There is lots of transportation that takes place, and it is not transportation of a person from point A to point B; it is transportation of products from point A to point B.

Most of the products that you have on right now, if I were to take a look at my own clothing, every piece of clothing I have on right now, my eyeglasses, my ring, all of this was dependent upon transportation. None of this was produced in the community in which I lived. I purchased it locally, but it was transported in.

Transportation is a critical energy consumer in our economy. But now that we have an idea, somewhat of a relation of what energy consumption is, let us go a little further.

As we continue in our society to provide, put more computers in rooms, to have more conveniences, even as we build bigger and better schools in our country, as we have more products that help us with different needs in this country, better machines in our hospitals, et cetera, et cetera, here is what is happening. Our energy consumption continues to go up, and this is our energy production at the 1990 to the 2000 growth rates. In other words, production is flat, consumption is going up.

A portion of this gap, this gap, somehow we have to provide for that gap. The more this goes up, the red line, the more the green line stays flat; then the more we become dependent on foreign oil supplies or foreign energy supplies like OPEC. Again, that is very dangerous.

Mr. Speaker, a portion of this red line, I think we can move this from an angle like this, perhaps down to an angle more like this, if all of us help conserve. That is where conservation comes in to help.

But do not be led down the straight path by some of the speakers, including some who preceded me this evening. Do not believe that this entire gap here, like this line will come down to energy production level simply through conservation alone. Conservation is a critical factor. It helps, but it is not the total solution.

The fact is we have to continue to build generation facilities in this country. And we are, by the way. Construction of generation facilities has not stopped in this country.

It has stopped in California, but it has not stopped throughout the rest of the United States. Obviously, now it is restarting in California. We need this production. We need it handled in a safe way. I do not want my workers, and my colleagues do not want your workers working out there in an industrial facility that is not safe.

We want safe facilities. We want clean facilities. My district has some of the cleanest water in the United States of America. My district, as you know, is the highest district in the Nation. It is the Rocky Mountains in the State of Colorado.

I happen to think all of us take a great deal of pride in our district, but I happen to think that my district has a lot of unique beauty. We do not want dirty water in our district. On the other hand, we think we have hydroelectric power plants in our district, which we have some right now. We can have hydropower in our district without dirtying the water.

We have hydroelectric plants that are safe, because we need them. We need the electricity. We need the energy. We need it done in an economic way that not just the wealthiest people of our society get the benefits of turning on a light switch anytime they want, the American people, regardless of their income level, have come to expect that when they turn on the light switch in the house, the lights come on. They have a right to that expectation, and we can provide that energy. We can provide that juice to them again in an efficient manner, in a safe manner and, most importantly of all, in a clean manner.

Now, we have heard lots of emotional arguments in the last few weeks. The evil oil, the word "oil." You would think if you heard the word "oil," it is almost like a cuss word. When you were a young child, the teacher would slap you on your wrist: Do not say the word "oil" around here.

Look, we need oil. There is a lot of our routine life that is fully dependent on oil: our health care, our medicines, our transportation, our air-cooling systems, our homes, construction; I mean, whatever you talk about, it is very interesting to hear people who speak very badly against oil. They think it is terrible that we have oil in our society. They come to the meeting, they drive up in a car, and they expect the room they are in to be at 68 degrees. They expect the light to go on when they flip the switch. And, by the way, you need oil to generate electricity.

Oil is not an evil word. It is a resource that the entire world is dependent upon. It is a resource that we cannot afford to ignore. It is a resource that we must conserve. It is a resource that is fair game for us to utilize to provide for the needs that we have in our society.

In the next 20 years, our demand for oil will increase by 33 percent. Yet, as demand rises, domestic production drops. We now produce 39 percent less oil than we did in 1970; almost 40 percent. We produce less oil, 40 percent less oil than we did just 30 years ago. We are down nearly 4 million barrels a day. Unless our policies change, domestic production will continue to drop to 5 million barrels a day in 2020, down from 9 million barrels a day 30 years ago.

We are increasingly, and this is what frightens me, and I say to my colleagues take a very careful look, we are increasingly dependent on foreign governments for our oil. Back in 1973, we imported just 36 percent of our oil from overseas. Today we import 54 percent of our oil.

When you add the other energy that we import, almost 60 percent of the Nation's energy needs are imported from foreign governments. The number of U.S. refineries has been cut in half since 1980.

There has not been a new refinery built in this country, in the interior of this country, in more than 25 years. We have to come to some policy decisions.

As I said earlier, those policy decisions are best made at the State level, not at the level of this Congress in Washington, D.C. I keep hearing over and over, California, the Governor of California, again acting like a defense attorney, blaming it on everybody else and focusing his blame on D.C., and saying Washington, D.C. ought to come up with the remedy.

□ 2215

California, you need to help yourself, and you can begin by conserving. You can begin by forgetting these artificial price freezes out there. Face up to the music. The reality is you have got to allow electrical generation to be built in your State. The reality of it is, despite the fact that the Governor and some politicians may despise the oil production, it is sometimes necessary. Not sometimes, it is necessary.

It is necessary to my colleagues in California that you, like every other State in the Union, allow natural gas transmission lines. Look, we can do it in a clean manner, and we have a responsibility to do it in a clean and efficient manner.

I despise somebody coming into my district who thinks they want to explore for natural gas resources and leaves a scar on the land or damages the environment or, worse than that, dirties our water. Because back where I am, water is like blood. We can do it without that kind of destruction. We have a responsibility, one, to provide energy to our constituents, and, two, to do it in an efficient manner that is also a clean and safe manner.

Natural gas. Let us move to natural gas very quickly. Consumer prices for natural gas have increased twenty-fold in some parts of the country over the past year. America's demand for natural gas is expected to rise even more dramatically than oil. According to the Department of Energy, by 2020, we will consume 62 percent more natural gas than we do today.

Now why am I talking about 2020? Look, part of our leadership role in Washington, D.C. is to provide for the young people and for the future of this country. We have an obligation in my opinion to make sure that the future generations to this country are not dependent on foreign governments, that the future generations of this country have fuel services, fuel energy resources that can be provided through the most modern technology we have.

We have an obligation for the people in 2020 that they are not going to have polluted air, that their water is clean, and when they turn on the switch, they can have electricity. We can do it.

Right now, an estimated 40 percent of potential gas supplies in the United States are on Federal lands that are either closed to exploration or limited by severe restrictions. Even if we find supplies of gas, moving to the market, it will require an additional 38,000 miles of pipeline and 225,000 miles of transmission lines.

The problem of inadequate supply lines is illustrated by Prudoe Bay in Alaska. The site produces enough gas a day to meet 13 percent of American's daily consumption. But because a pipeline has not been built, the gas is pumped back to the ground; and in some cases, the gas is simply burned off.

Let us take a look very quickly at what our problems are region by region in the United States. I think of all the charts that I have shown this evening, this one will probably be of the most interest.

We have heard a panic across the country about electricity. I really think the electrical shortage in California is going to be limited pretty much to California this summer. New York City is going to be hit with some of it, but New York City can have the utilization of generation, portable generators. So I think New York City will probably be able to get through the summer pretty well, too.

Now, California has got a problem. But I do not want, Mr. Speaker, for my colleagues to think that we need to panic, that the entire Nation is going to have the electrical crisis as is faced in California.

Let us take a look at what stands out in California. Dark days are ahead, an estimated 34 of them. Actually, I think they will probably have more than 34 days of blackouts as summer descends on the once Golden State. Rolling blackouts are inevitable if California uses as much electricity as it did last year.

Now, what are some of the problems of California? First of all, the Governor of California blames it on everybody else. Second of all, I wanted the Governor of California to know that we in Congress feel an obligation to help California. And unlike what the gentleman from California (Mr. SHERMAN), the previous speaker, said, that President Bush told California to drop dead, President Bush never said that. That is a highly inaccurate statement. It is charged with emotion. It is misleading. That statement was never made by President Bush.

We care about California. But, California, there are a couple of things we need to do to alleviate the problem. One is conservation. I have spent a lot of time this evening on conservation. Two, they need transmission lines.

Our transmission systems in this country can only handle so much of a load. It is as if you have lots of cars. For example, let us say you have a pickup and you need to go from one community to the other community. If you do not have a road to get you between them, it does not do you any good no matter how many pickups you have. You have got to have a path. You have got to have transmission lines.

California, you are going to have to build some transmission lines. California, you are going to have to build some gas transmission lines. California, you are going to have to do some things in your own backyard. You are going to have to bring electrical generation facilities on-line.

Now, let us look up to the Pacific Northwest. Now, the Pacific Northwest faces problems, not because of lack of generation, not because of lack of foresight, not because they attempted to deregulate, but because of nature. They have the second worst drought on record. The second worst drought on record has tamed the mighty Columbia River, a source of most of the Pacific Northwest electricity. Enough hydroelectric capacity has been lost to power four Seattles just because they have not had the rainfall. This cycle, too, will pass, but this is their problem this summer.

Texas. Texas has a very interesting situation. Texas has kind of been self-sufficient on its power generation, but its power grid is pretty well restricted to Texas. It does not have the continental transmission lines that most other States have. New power plants mean an ample supply for the Lone Star State, but its freestanding power grid does not allow it to share its electricity riches with others. So, in Texas, they are beginning to expand their transmission lines to help the rest of the United States.

It was nothing but political rhetoric in my opinion. When Governor Davis on Sunday, Gray Davis out there in California, every other sentence, he kept blaming the Texans for California's problem. Take a look at a replay of that Meet the Press or whatever it was. Every other sentence, it was Texas' fault; and then the sentence in between, it was Bush's fault. Here is a State that pulled itself up by its bootstraps and is now running transmission lines to help other States.

Mid-Atlantic. Most mid-Atlantic States can rest easy this summer because largely of their sophisticated shared system to ensure electricity reliability. They know that they need that energy. They have planned for that. They have not pretended that some kind of magic fix was out there, that they did not have to have electrical generation, or they did not need transmission lines; but, yet, they still have low-priced power coming into their homes.

That is the dream that took place out here in Disney Land. It is not what took place in the mid-Atlantic. In the mid-Atlantic States, they knew they had to plan for it, and they have done it in an environmentally sensitive manner. They also are exercising conservation.

New York City is unable to generate enough electricity within its border to meet its demand. With the blackouts in 1995 and 1997, the officials are racing to install 10, actually more as I understand it today, more power plants as a hedge against these shortages.

Look, the United States is preparing for this. This energy crisis is not going to bring us to our knees. But it is going to bring to our attention the fact that conservation is important, that exploration is important, that there is a balance out there.

It will also continue to bring to our attention the fact that we all have to share in this. California, you can no longer enjoy the privilege of saying, no, not in my backyard. I say to the governor of California, you can no longer enjoy the privilege of saying no electrical generation in my State.

It is time for us to take a new look at whether or not hydropower, which is the cleanest power out there, or nuclear power, if we can do it in a safe and environmentally conscious way, why not look at it. We ought to put these things on the table.

That is exactly what President Bush has committed to do. He has assigned his Vice President DICK CHENEY to go out there and take a look at the different alternatives, which also include conservation, despite the liberal Democrats, this vision of emotional fear that they are trying to put out there that conservation is not a critical part of this puzzle. In fact, my colleagues will find out with the announcements tomorrow that it is a part of the puzzle.

But my colleagues also have to understand that conservation alone, while it is important, it alone will not meet the energy needs of this country. So we have to face up to these facts. I think the American people are willing to do it.

Mr. Speaker, I have got about 7 minutes, and I want to take this last 7 minutes to kind of resummarize what we have visited with in the last 50 minutes.

I stand before my colleagues today saying that I do not think this energy crisis is going to bring down America. I do not think this energy crisis is going to bring down our economy.

Our economy is having some tough times. It is not solely because of the energy crisis that our economy is suffering. There are a number of different factors. There are a number of economies around the world that are suffering. Our economy, too, will recover.

But this is a good time for us to reflect as American people on what do we do about energy for the future of this country. Today we have plenty of power. Here in the House, I do not know, I probably have 100 lights lit up above us right here. All our TV cameras are powered. All my colleagues have watches on their hands that have batteries that are powered.

We are not suffering in this country, really suffering in this country. But we do have an obligation to look to the future. We have an obligation for some foresight. We have an obligation for this generation, not just this generation, the one we live in, to provide the energy needs that they have. But we have an obligation to move in some kind of direction that will prove positive for future generations of this country.

We have to face some realistic facts. Let us go through the facts. Conservation makes a difference. Every one of us can help conserve. I am doing it in my family. I can tell my colleagues what has driven most incentives to conserve in this country in the last few months is not government action by Governor Davis in California or by the government bureaucracy back in Washington or by those elected to Congress. We are not the ones who have driven people to conservation. Do my colleagues know what has driven them to conservation? It hit them in the wallet. It has cost a lot more money.

My wife and I are trying to conserve. We started several months ago. Why? Because we got a power bill we had not seen in a long time. That hurt. We began to conserve. Guess what? It works, and it has not hurt our lifestyle.

So conservation works. But conservation alone will not close the gap between energy consumption and energy production. Here is production. Here is consumption. That conservation will help close the gap, but it will not close the gap.

So I do not think we should stand up here and hold out as villains those leaders such as President Bush, the Vice President, who say we need to do exploration.

We need to lessen our dependency on foreign governments. That is a real pickle we are getting future generations into. We are obligating future generations of this country to foreign governments who do not have the best interest of the United States of America in mind. In fact, many of those countries could care less about what happens to the United States of America.

We have got to look out for ourselves. We cannot just tell California to look out for themselves. We as a Nation, including California, need to look out for this Nation. We need to help protect future generations. So this energy problem that we have got today can help be resolved starting today.

Tomorrow, my colleagues are going to hear the President come out with some proposals. I gave my colleagues some proposals tonight. Let us look at those real quick.

Every one of my colleagues, my guess is most of them change the oil in their car every 3,000 miles. Certainly if they do not, they have heard the advertising that you need to change it every 3,000 miles. All of us could help conserve oil without any pain if we simply looked into the owners manual and changed our oil pursuant to the recommendation of the manufacturer and the engineers who put this product together.

My guess is most of my colleagues will find out they actually do not need to change their oil except every 5,000 or 6,000 miles, and they can cut their oil consumption in that car in half as far as their engine oil is concerned.

Turn out the lights when you leave the room. Help get together at a community level, not have policy dictated to you through regulation out of Washington, D.C., from forum and community level, to the community, to the County, to the State levels on ways that your State can help this Nation conserve on energy. At the same time, when you are having those conversations, have open and legitimate conversations about what do we do for energy production.

□ 2230

It is best that we come to the table with an open mind on conservation and it is best that we come to the table with an open mind on energy production. We cannot do one without the other.

The solution for the problem that we are now seeing in this country, that we are experiencing in our every day life in this country, can be resolved through a commonsense, clean, and safe solution of more energy production and more conservation. It works. It is a win-win for us today, and it is a win-win for the future of this country.

RECESS

The SPEAKER pro tempore (Mr. CANTOR). Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 10 o'clock and 31 minutes p.m.), the House stood in recess subject to the call of the Chair.

☐ 2333

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. REYNOLDS) at 11 o'clock and 33 minutes p.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1, THE NO CHILD LEFT BEHIND ACT OF 2001

Ms. PRYCE of Ohio, from the Committee on Rules, submitted a privileged report (Rept. No. 107–69) on the resolution (H. Res. 143) providing for consideration of the bill (H.R. 1), a bill to close the achievement gap of accountability, flexibility and choice so that no child is left behind, which was referred to the House Calendar and ordered to be printed.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Ms. JACKSON-LEE of Texas) to revise and extend their remarks and include extraneous material:)

Mr. BONIOR, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Ms. MILLENDER-MCDONALD, for 5 minutes, today.

Mr. LANGEVIN, for 5 minutes, today.

Mrs. MALONEY of New York, for 5 minutes, today.

Mrs. DAVIS of California, for 5 minutes, today.

Mr. SKELTON, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mr. RUSH, for 5 minutes, today.

Mr. MATHESON, for 5 minutes, today.

(The following Members (at the request of Mr. GRUCCI) to revise and extend their remarks and include extraneous material:)

Mr. ROHRABACHER, for 5 minutes, May 17.

Ms. ROS-LEHTINEN, for 5 minutes, May 17.

Mr. PETERSON of Pennsylvania, for 5 minutes, today.

Mr. GRUCCI, for 5 minutes, today.

Mrs. BIGGERT, for 5 minutes, today.

Mr. WELDON of Pennsylvania, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. SUNUNU, for 5 minutes, today.

ENROLLED BILLS SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 428. An act concerning the participation of Taiwan in the World Health Organization.

H.R. 802. An act to authorize the Public Safety Officer Medal of Valor, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 700. An act to establish a Federal interagency task force for the purpose of coordinating actions to prevent the outbreak of bovine spongiform encephalopathy (commonly known as "mad cow disease") and foot-and-mouth disease in the United States.

ADJOURNMENT

Ms. PRYCE of Ohio. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 34 minutes p.m.), the House adjourned until tomorrow, May 17, 2001, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

1934. A letter from the Acting Assistant Secretary, Department of Defense, transmitting the Department's FY 2000 Chief Information Officer Annual Information Assurance Report; to the Committee on Armed Services.

1935. A letter from the Assistant to the Board, Board of Governors of the Federal Reserve System, transmitting the Board's final rule—Application of Sections 23A and 23B of the Federal Reserve Act to Derivative Transactions with Affiliates and Intraday Extensions of Credit to Affiliates [Miscellaneous Interpretations; Docket No. R–1104] received May 4, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

1936. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Changes in Flood Elevation Determinations [Docket No. FEMA-B–7412] received May 8, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

1937. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Changes in Flood Elevation Determinations—received May 8, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

1938. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Suspension of Community Eligibility [Docket No. FEMA–7759] received May 8, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

1939. A letter from the Acting Assistant Secretary, OSHA, Department of Labor, transmitting the Department's final rule—Occupational Exposure to Cotton Dust [Docket No. H–052G] (RIN: 1218–AB90) received May 14, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

1940. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—Medical Devices; Medical Device Reporting Regulations; Technical Amendment [Docket No. 98N–0170] received May 14, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1941. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—Secondary Direct Food Additives Permitted in Food for Human Consumption [Docket No. 00F–1487] received May 11, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1942. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Revision to Interim Approval Requirements [FRL–6980–6] received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1943. A letter from the Assistant Director for Executive and Political Personnel, Department of Defense, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1944. A letter from the Assistant Director for Executive and Political Personnel, Department of Defense, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

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1947. A letter from the Assistant Director for Executive and Political Personnel, Department of Defense, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1948. A letter from the Director, Office of Budget, Department of Housing and Urban Development, transmitting the Department's FY 2002 Annual Performance Plan; to the Committee on Government Reform.

1949. A letter from the Attorney/Advisor, Department of Transportation, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1950. A letter from the Chair, District of Columbia Financial Responsibility and Management Assistance Authority, transmitting a copy of the Authority's Acts and fiscal impact statement; to the Committee on Government Reform.

1951. A letter from the Chair, District of Columbia Financial Responsibility and Management Assistance Authority, transmitting a copy of the Authority's resolutions and orders; to the Committee on Government Reform.

1952. A letter from the General Counsel, Executive Office of the President, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1953. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Service Difficulty Reports [Docket No. 28293 (FAA-2000-7952); Amendment No. 121-284, 125-37, 135-81, and 145-26] (RIN: 2120-AF71) received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1954. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Dornier Model 328-100 Series Airplanes [Docket No. 2001-NM-67-AD; Amendment 39-12190; AD 2000-26-09 R1] (RIN: 2120-AA64) received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1955. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A319 and A320 Series Airplanes Equipped with Elevator and Aileron Computer (ELAC) L80 Standard [Docket No. 2001-NM-79-AD; Amendment 39-12203; AD 2001-08-26] (RIN: 2120-AA64) received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1956. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 30244; Amdt. No. 2047] received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1957. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Commuter Operations and General Certification and Operations Requirements [Docket No. 28154, Admt. Nos. 21-79, 43-37, 45-22, 65-41, 91-267, 142-4, 145-25, 161-2, and 170-3] received May 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1958. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Establishment of Class D and Class E Airspace; Oxford, CT [Airspace Docket No. 2000-ANE-91] received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1959. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Grant, NE [Airspace Docket No. 00-ACE-37] received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1960. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Ogallala, NE; Correction [Airspace Docket No. 00-ACE-38] received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1961. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Establish Class E Airspace; Culpepper, VA [Airspace Docket No. 00-AEA-12FR] received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1962. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Revocation of Class E Airspace; Gage, OK [Airspace Docket No. 2000-ASW-21] received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1963. A letter from the Acting Deputy General Counsel, Small Business Administration, transmitting the Administration's final rule—New Markets Venture Capital Program (RIN: 3245-AE40) received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Small Business.

1964. A letter from the Comptroller General, General Accounting Office, transmitting the financial audit of the Federal Deposit Insurance Corporation's 2000 and 1999 Financial Statements, pursuant to 31 U.S.C. section 9105(a)(4); jointly to the Committees on Financial Services and Government Reform.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Ms. PRYCE of Ohio: Committee on Rules. House Resolution 143. Resolution providing for consideration of the bill (H.R. 1) to close the achievement gap with accountability, flexibility, and choice, so that no child is left behind (Rept. 107-69). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. BOEHLERT:

H.R. 1858. A bill to make improvements in mathematics and science education, and for other purposes; to the Committee on Science, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KANJORSKI (for himself, Mr. HORN, Mrs. MALONEY of New York, Mr. SANDERS, Mr. KUCINICH, Mr. HINCHEY, Mr. PALLONE, and Mr. ANDREWS):

H.R. 1859. A bill to assure quality and best value with respect to Federal construction projects by prohibiting the practice known as bid shopping; to the Committee on Government Reform.

By Mr. EHLERS (for himself and Mr. BARCIA):

H.R. 1860. A bill to reauthorize the Small Business Technology Transfer Program, and for other purposes; to the Committee on Small Business, and in addition to the Committee on Science, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BLUMENAUER (for himself, Mr. ABERCROMBIE, Mr. ALLEN, Mr. BALDACCI, Mr. BILIRAKIS, Mr. BONIOR, Mr. BORSKI, Mr. BROWN of Ohio, Mrs. CAPPS, Mr. CUMMINGS, Mr. DEFAZIO, Mr. DOYLE, Mr. ENGLISH, Mr. FILNER, Mr. FRANK, Mr. FROST, Mr. GANSKE, Mr. GREENWOOD, Mr. HASTINGS of Florida, Mr. HEFLEY, Mr. HINCHEY, Mr. HOEFFEL, Mr. HOLDEN, Mr. INSLEE, Mr. ISAKSON, Mrs. KELLY, Mr. KILDEE, Mr. KLECZKA, Mr. KUCINICH, Mr. LAHOOD, Mr. LATOURETTE, Ms. LEE, Mr. LEWIS of Georgia, Mr. MALONEY of Connecticut, Mr. MANZULLO, Mr. MASCARA, Mrs. MCCARTHY of New York, Mr. MCGOVERN, Ms. MCKINNEY, Mr. GEORGE MILLER of California, Mr. MOORE, Mr. MORAN of Virginia, Ms. NORTON, Mr. PALLONE, Mr. PETERSON of Pennsylvania, Ms. PRYCE of Ohio, Mr. RODRIGUEZ, Ms. SANCHEZ, Mr. SANDERS, Ms. SCHAKOWSKY, Mr. SHIMKUS, Mr. STRICKLAND, Mr. STUPAK, Mrs. THURMAN, Mr. UDALL of Colorado, Mr. WAXMAN, Mr. WELDON of Pennsylvania, and Mr. WOLF):

H.R. 1861. A bill to amend title 39, United States Code, to provide that the procedures relating to the closing or consolidation of a post office be extended to the relocation or construction of a post office, and for other purposes; to the Committee on Government Reform.

By Mr. BROWN of Ohio (for himself, Mrs. EMERSON, Mrs. THURMAN, Mr. PALLONE, Mr. BALDACCI, Mr. STUPAK, Mr. SHOWS, Mr. ALLEN, Ms. KAPTUR, Mr. SANDERS, and Mr. FRANK):

H.R. 1862. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide greater access to affordable pharmaceuticals; to the Committee on Energy and Commerce.

By Mr. CAMP (for himself, Mr. EHLERS, Mr. FOLEY, and Mrs. JOHNSON of Connecticut):

H.R. 1863. A bill to amend the Internal Revenue Code of 1986 to expand the credit for electricity produced from certain renewable resources to energy produced from landfill gas; to the Committee on Ways and Means.

By Mr. CAMP (for himself, Ms. DUNN, Mr. RAMSTAD, Mrs. BONO, and Mr. CANNON):

H.R. 1864. A bill to amend the Internal Revenue Code of 1986 to encourage and accelerate the nationwide production, retail sale, and consumer use of new motor vehicles that are powered by fuel cell technology, hybrid technology, battery electric technology, alternative fuels, or other advanced motor vehicle technologies, and for other purposes; to the Committee on Ways and Means.

By Mr. CANNON (for himself, Mr. HANSEN, Mr. SKEEN, Mr. MCINNIS, Mr. MATHESON, and Mr. UDALL of Colorado):

H.R. 1865. A bill to make technical amendments to the Radiation Exposure Compensation Act (42 U.S.C. 2210 note), provide compensation to certain claimants under such Act, and for other purposes; to the Committee on the Judiciary.

By Mr. COBLE:

H.R. 1866. A bill to amend title 35, United States Code, to clarify the basis for granting requests for reexamination of patents; to the Committee on the Judiciary.

By Mr. DEAL of Georgia:

H.R. 1867. A bill to amend the Internal Revenue Code of 1986 to provide 5-year depreciation for certain horses placed in service after attaining age 7; to the Committee on Ways and Means.

By Mr. ENGEL (for himself, Mr. ACKERMAN, Mr. CROWLEY, Mrs. MALONEY of New York, Mr. RANGEL, and Mr. SERRANO):

H.R. 1868. A bill to amend the Elementary and Secondary Education Act of 1965 to allow certain counties flexibility in spending funds; to the Committee on Education and the Workforce.

By Mr. FROST:

H.R. 1869. A bill to amend the Fair Labor Standards Act of 1938 to require an employer to notify the parent or guardian of an employee who is under the age of 18 or handicapped and who works at the same facility as an individual who has a criminal record that includes a conviction for a crime of violence; to the Committee on Education and the Workforce.

By Mr. GIBBONS:

H.R. 1870. A bill to provide for the sale of certain real property within the Newlands Project in Nevada, to the city of Fallon, Nevada; to the Committee on Resources.

By Mr. GREENWOOD:

H.R. 1871. A bill to modify certain vesting requirements for Railroad Retirement annuities; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HANSEN:

H.R. 1872. A bill to amend the Internal Revenue Code of 1986 to allow a refundable credit to individuals who donate their organs at death; to the Committee on Ways and Means.

By Mr. HAYWORTH (for himself and Mr. Kildee):

H.R. 1873. A bill to reauthorize the funding for the Native American Housing and Self-Determination Act of 1996; to the Committee on Financial Services.

By Mr. HUNTER (for himself, Mr. Royce, Mr. Cunningham, Mr. Doolittle, Mr. Herger, Mr. Ose, Mr. Pombo, Mr. Radanovich, Mr. Gallegly, Mr. McKeon, Mr. Dreier, Mr. Horn, Mr. Lewis of California, Mr. Gary G. Miller of California, Mr. Calvert, Mrs. Bono, Mr. Rohrabacher, Mr. Cox, and Mr. Issa):

H.R. 1874. A bill to allow any business or individual in any State experiencing a power emergency to operate any type of power generation available to ensure their economic stability, and for other purposes; to the Committee on Energy and Commerce.

By Mr. HUTCHINSON (for himself and Mrs. Morella):

H.R. 1875. A bill to amend the Violence Against Women Act of 2000 by expanding the legal assistance for victims of violence grant program to include legal assistance for victims of dating violence; to the Committee on the Judiciary.

By Mr. ISAKSON:

H.R. 1876. A bill to suspend temporarily the duty on nelfilcon polymer; to the Committee on Ways and Means.

By Mrs. JOHNSON of Connecticut (for herself, Mrs. Maloney of New York, Mr. Green of Wisconsin, Mr. Shows, Mr. English, Ms. Norton, and Ms. Hart):

H.R. 1877. A bill to amend title 18, United States Code, to provide that certain sexual crimes against children are predicate crimes for the interception of communications, and for other purposes; to the Committee on the Judiciary.

By Mr. KIND:

H.R. 1878. A bill to provide supplemental payments to dairy producers based upon their annual milk marketings and to provide additional payments to dairy producers for any month in which the prices received by producers for milk for the preceding three months is less than a target price of $12.50 per hundredweight; to the Committee on Agriculture.

By Mr. RADANOVICH:

H.R. 1879. A bill to authorize the President to award a gold medal on behalf of the Congress to Peter F. Drucker, the father of modern management, in recognition of his accomplishments as a journalist, a writer, an economist, and a philosopher; to the Committee on Financial Services.

By Mr. SCHAFFER:

H.R. 1880. A bill to amend the Cache La Poudre River Corridor Act to make technical amendments; to the Committee on Resources.

By Mr. SENSENBRENNER:

H.R. 1881. A bill to amend the Internal Revenue Code of 1986 to provide that the graduated income tax rates that apply to principal campaign committees of candidates for Congress shall apply to all comparable committees of candidates for State and local offices; to the Committee on Ways and Means.

By Mr. UDALL of Colorado:

H.R. 1882. A bill to establish the Cultural Heritage Assistance Partnership Program in the Department of the Interior, and for other purposes; to the Committee on Resources.

By Mr. WALDEN of Oregon:

H.R. 1883. A bill to authorize the Secretary of the Interior to conduct a feasibility study on water optimization in the Burnt River basin, Malheur River basin, Owyhee River basin, and Powder River basin, Oregon; to the Committee on Resources.

By Mr. LINDER (for himself, Mr. Kingston, Mr. Chambliss, Mr. Barr of Georgia, Mr. Deal of Georgia, Mr. Collins, Mr. Norwood, Mr. Lewis of Georgia, Mr. Isakson, and Ms. McKinney):

H.R. 1884. A bill to honor Paul D. Coverdell; to the Committee on Education and the Workforce.

By Mrs. CAPPS (for herself, Mr. Thompson of California, Mr. Scarborough, Mr. Boehlert, Mr. Farr of California, Mr. George Miller of California, Ms. Lee, Mr. Pallone, Mr. Lantos, Mrs. Davis of California, Ms. Hooley of Oregon, Ms. Roybal-Allard, Mr. Honda, Mrs. Napolitano, Mr. Stark, Ms. Woolsey, Mr. Filner, Ms. Solis, Mr. Sherman, Ms. Pelosi, Ms. Eshoo, Mr. Davis of Florida, Mr. Blumenauer, Mrs. Tauscher, Mrs. Thurman, Mr. Waxman, Ms. Harman, Mr. Matsui, Mr. Berman, Mr. Frank, Ms. Lofgren, Mr. Wexler, Ms. Waters, Ms. Millender-McDonald, Mr. Allen, Mr. Wu, Ms. Brown of Florida, Mr. McDermott, Mr. Horn, Mr. Hastings of Florida, Mr. Kennedy of Rhode Island, Mr. DeFazio, Mr. Deutsch, Mr. Schiff, Mr. Becerra, Mr. Gilchrest, Mr. Smith of Washington, Mr. Delahunt, and Mr. Abercrombie):

H. Con. Res. 136. Concurrent resolution expressing the sense of the Congress that the moratoria on new oil and natural gas leasing activity on submerged lands of the Outer Continental Shelf should be maintained; to the Committee on Resources.

MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

72. The SPEAKER presented a memorial of the Senate of the State of Ohio, relative to Senate Resolution No. 126 memorializing the United States Congress to reintroduce and pass the New Markets for State-Inspected Meat Act as a means of assisting small meatpacking operations and to restore fairness to the meat industry in this country; to the Committee on Agriculture.

73. Also, a memorial of the Legislature of the State of Alaska, relative to Resolution No. 13 memorializing the United States Congress to amend the tax code to eliminate the marriage penalty; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 13: Mr. Duncan

H.R. 17: Mr. Platts.

H.R. 18: Mr. Gillmor and Ms. Hart.

H.R. 37: Mr. Moore.

H.R. 40: Mr. Davis of Illinois.

H.R. 46: Mr. Clement and Mr. Hinchey.

H.R. 68: Mr. Tiahrt.

H.R. 80: Mr. Peterson of Minnesota.

H.R. 115: Mr. McDermott and Ms. Rivers.

H.R. 179: Mr. Aderholt.

H.R. 218: Mr. Stupak, Mr. Frost, Mr. Crowley, Mr. Rahall, Mr. Costello, Mr. Vitter, Mr. Brady of Texas Mr. Doyle, and Mr. Whitfield.

H.R. 220: Mr. Burton of Indiana.

H.R. 231: Mr. Price of North Carolina.

H.R. 267: Ms. Sanchez.

H.R. 303: Mr. Petri.

H.R. 324: Mr. Rangel, Mr. Blumenauer, Mr. Grucci, and Mr. Sherman.

H.R. 437: Mr. Bartlett of Maryland.

H.R. 471: Mr. Brown of Ohio.

H.R. 481: Mr. Clay.

H.R. 491: Ms. McKinney, Mr. Baird, Ms. Eshoo, Ms. Pelosi, Mr. Wynn, Mr. Farr of California, and Ms. Waters.

H.R. 499: Mr. Langevin, Ms. McCollum, Ms. Baldwin, and Mr. Abercrombie.

H.R. 500: Mr. Hinchey.

H.R. 510: Mr. Brady of Pennsylvania.

H.R. 511: Mr. Foley and Mr. Green of Texas.

H.R. 537: Mrs. Jones of Ohio, Mrs. McCarthy of New York, and Mr. English.

H.R. 573: Mr. Levin.

H.R. 600: Mr. Skeen, Mr. Bentsen, and Mr. Graham.

H.R. 606: Mr. Skelton.

H.R. 612: Ms. Kaptur and Mr. LaTourette.

H.R. 623: Mr. Sawyer.

H.R. 663: Mr. Owens and Ms. Millender-McDonald.

H.R. 717: Mr. Boehner and Mr. Hyde.

H.R. 755: Mr. Baca.

H.R. 782: Mrs. Davis of California.

H.R. 826: Mr. Mica and Mr. Bishop.

H.R. 835: Mrs. Napolitano and Mr. Rehberg.

H.R. 840: Mr. Platts and Mr. Everett.

H.R. 844: Mr. Mascara.

H.R. 868: Mr. Clay, Mr. Brady of Texas, Mr. McIntyre, Mr. Moran of Virginia, Ms. Lofgren, Mrs. Napolitano, Mr. Matheson, and Mr. Clyburn.

H.R. 876: Mr. Udall of Colorado, Mr. Barrett, Mr. Shays, Ms. Lee, and Mr. Bartlett of Maryland.

H.R. 909: Mr. Ryan of Wisconsin.

H.R. 913: Mrs. Maloney of New York.

H.R. 924: Mr. Delahunt.

H.R. 925: Mr. Delahunt.

H.R. 926: Mr. Delahunt.

H.R. 1073: Mr. Hinojosa and Mr. Price of North Carolina.

H.R. 1089: Mr. Hayworth.

H.R. 1139: Mr. Schiff.

H.R. 1149: Ms. Eschoo, Ms. McKinney, Mr. Smith of Washington, Mr. Dooley of California, and Mr. Schiff.

H.R. 1155: Mr. Menendez and Ms. Pelosi.

H.R. 1203: Mr. Walden of Oregon.

H.R. 1220: Mr. Gonzalez.

H.R. 1255: Mrs. Maloney of New York and Mr. Strickland.

H.R. 1262: Mrs. Clayton, Mr. Price of North Carolina, Mr. Shows, Mr. Coyne, and Mr. Baca.

H.R. 1265: Mr. Souder, Ms. Pelosi, and Ms. Woolsey.

H.R. 1304: Mr. Doyle.

H.R. 1305: Mr. Berry, Mr. Callahan, Ms. DeGette, Mr. Rogers of Kentucky, and Mr. Kucinich.

H.R. 1307: Mr. Clay, Mr. Gordon, Ms. Norton, Mrs. Clayton, Mr. Price of North Carolina, and Mr. Kucinich.

H.R. 1318: Mr. Issa, Mr. Cooksey, and Mr. Bereuter.

H.R. 1343: Mr. Green of Texas.

H.R. 1354: Mr. Grucci and Mr. Farr of California.

H.R. 1357: Mrs. Kelly.

H.R. 1363: Mr. Bartlett of Maryland.

H.R. 1366: Mr. Becerra and Ms. Pelosi.

H.R. 1367: Mr. Hunter.

H.R. 1400: Mr. Clay and Ms. Kilpatrick.

H.R. 1408: Ms. Kilpatrick, Mr. Weldon of Florida, and Mrs. Biggert.

H.R. 1421: Ms. Berkley, Mr. Payne, Mr. Saxton, Mr. Blagojevich, and Ms. Lee.

H.R. 1430: Mr. Simmons.

H.R. 1459: Mr. Udall of Colorado, Mr. Blunt, Mr. Shaw, Mr. McDermott, and Mr. Kucinich.

H.R. 1468: Mr. Kennedy of Rhode Island.

H.R. 1487: Mr. Gallegly.

H.R. 1522: Mr. Meeks of New York.

H.R. 1524: Mr. Hastings of Washington and Mr. Skeen.

H.R. 1532: Mr. Grucci.

H.R. 1541: Ms. Solis.

H.R. 1542: Mr. Weldon of Florida, Ms. Baldwin, and Mr. Tancredo.

H.R. 1543: Mr. Frank.

H.R. 1553: Mr. Isakson, Mr. Towns, Mr. Cantor, and Mr. Meeks of New York.

H.R. 1556: Mr. Towns, Mr. Frank, Mr. Aderholt, Mr. Lewis of Georgia, and Mr. English.

H.R. 1589: Mr. Rangel.

H.R. 1597: Mr. Doolittle.

H.R. 1599: Mrs. Thurman.

H.R. 1603: Mr. Boehlert.

H.R. 1604: Ms. McCollum, Ms. DeLauro, Mr. Ross, Mr. Sabo, Mr. Udall of New Mexico, and Mr. Green of Wisconsin.

H.R. 1609: Mr. Spence.

H.R. 1624: Mr. Pickering, Ms. Eddie Bernice Johnson of Texas, Ms. DeLauro, Mr. Walden of Oregon, Mrs. Cubin, Mr. Shaw, Ms. Millender-McDonald, and Mr. Kerns.

H.R. 1628: Mr. Gonzalez and Mr. Frost.

H.R. 1629: Mr. Ney, Mr. Bachus, Mr. Frost, Mr. Capuano, and Mrs. Kelly.

H.R. 1631: Mrs. Meek of Florida.

H.R. 1632: Mr. Toomey, Mr. Barton of Texas, and Mr. Isakson.

H.R. 1638: Mrs. McCarthy of New York and Mr. Grucci.

H.R. 1644: Mr. Lipinski, Mr. Stump, Mr. Baker, Mr. Blunt, Mr. Chabot, Mr. Green of Wisconsin, and Mr. Thornberry.

H.R. 1650: Mr. Bishop and Mr. Hinojosa.

H.R. 1657: Mr. Weller and Mr. Hunter.

H.R. 1663: Mr. Waxman and Mr. Stark.

H.R. 1672: Mr. Udall of New Mexico, Mr. Upton, Mr. Kildee, Mr. Sanders, Mr. Tierney, and Mr. Bonior.

H.R. 1674: Mr. Waxman, Mr. Baldacci, Mr. English, Mr. Udall of Colorado, Mr. Jefferson, Mr. LaFalce, and Mr. Sandlin.

H.R. 1688: Mr. Everett.

H.R. 1700: Mr. Moakley, Mr. Sabo, Ms. Carson of Indiana, Mr. Ganske, Mr. McHugh, and Mr. Shimkus.

H.R. 1701: Mr. Shows, Mr. Turner, Mr. Hilleary, Mr. Nethercutt, Mr. Clement, Mr. Simpson, Mr. Holden, Mr. Duncan, Mr. Hutchinson, Mr. Bereuter, Ms. Pryce of Ohio, and Mr. Skelton.

H.R. 1707: Mr. LaFalce, Mrs. Capps, Mrs. Tauscher, Mr. Flake, Mr. Ackerman, Mr. Wexler, Ms. Roybal-Allard, Mr. Calvert, Mr. Boucher, and Ms. Harman.

H.R, 1713: Mr. Ortiz, Mr. McDermott, and Mr. Kucinich.

H.R. 1718: Mrs. Mink of Hawaii, Mr. Horn, Mr. Rahall, Mrs. Thurman, Mr. Pallone, Mr. Condit, Mr. Hall of Ohio, Mr. Isakson, Mr. Dooley of California, Mr. Filner, Mr. Cooksey, Ms. Rivers, Mr. Capuano, Mr. Stearns, Mr. Shays, Mr. Brown of Ohio, Mr. Baldacci, Mr. Baird, Ms. Pelosi, Mr. Blagojevich, Mr. Kennedy of Rhode Island, Mr. Moran of Virginia, Ms. Brown of Florida, Mr. Spratt, Mr. Holden, Mr. Quinn, Ms. Roybal-Allard, Mr. Smith of New Jersey, Mr. McGovern, and Mr. Israel.

H.R. 1723: Mr. Ackerman, Mr. Hinchey, Mr. Oberstar, Mr. Crowley, Mr. Langevin, Mr. Israel, Mr. Neal of Massachusetts, Mr. Quinn, Mr. Boswell, Mrs. Maloney of New York, Mrs. Mink of Hawaii, Mr. Matsui, Mr. Rodriguez, Mr. Bonior, Mr. Abercrombie, Mr. Shays, Mr. King, Mr. Skelton, Mr. Baldacci, Mr. Boucher, Ms. Eschoo, Mrs. Roukema, Mr. Nussle, Mr. Wynn, Mr. Moran of Virginia, Mr. Coyne, Mr. Kucinich, Ms. Lee, Ms. Baldwin, Ms. Harman, Ms. Hooley of Oregon, Ms. Norton, Mr. Lampson, and Ms. DeLauro.

H.R. 1733: Mr. Clay.

H.R. 1750: Mr. LaFalce and Mr. Filner.

H.R. 1751: Mr. LaFalce and Mr. Filner.

H.R. 1762: Mr. Aderholt.

H.R. 1769: Mr. Isakson, Mr. Gilman, Mr. Andrews, Ms. Pryce of Ohio, and Mrs. Maloney of New York.

H.R. 1770: Mr. Barr of Georgia, Mr. Gilman, Mr. Rogers of Michigan, Mr. English, Mr. Hostettler, Mr. Issa, and Mr. Dingell.

H.R. 1781: Mr. Ehlers, Mr. Matsui, Mr. Frelinghuysen, Mr. Payne, and Mr. Andrews.

H.R. 1801: Mr. Turner, Mr. Brady of Texas, Mr. Smith of Texas, and Mr. Frost.

H.R. 1810: Mr. Boehlert.

H.R. 1819: Ms. Solis.

H.R. 1831: Mr. Oxley, Mr. Ganske, Ms. McCarthy of Missouri, Mr. Brady of Texas, Mr. Pickering, Mr. Radanovich, Mr. Costello, Mr. Borski, and Mr. Baird.

H. Con. Res. 13: Ms. Waters.

H. Con. Res. 28: Mr. Conyers.

H. Con. Res. 29: Mr. Conyers, Mr. Kucinich, and Mrs. Christensen.

H. Con. Res. 30: Mr. Conyers.

H. Con. Res. 31: Mr. Conyers.

H. Con. Res. 32: Mr. Conyers.

H. Con. Res. 33: Mr. Conyers.

H. Con. Res. 34: Mr. Conyers.

H. Con. Res. 36: Mr. Condit, Mr. Jenkins, and Mr. Tiahrt.

H. Con. Res. 29: Mr. Ganske and Mr. Costello.

H. Con. Res. 56: Mr. Kucinich.

H. Con. Res. 58: Mr. Cantor.

H. Con. Res. 97: Mr. Gary G. Miller of California.

H. Con. Res. 102: Mr. Osborne, Mr. Strickland, Mrs. Mink of Hawaii, Mr. Frank, Mr. Coyne, and Mr. Wu.

H. Con. Res. 116: Mr. Barcia, Mr. Shays, and Mr. Hoeffel.

H. Con. Res. 135: Mr. Paul, Mr. Schiff, Mr. Tancredo, Mr. Wu, and Mr. Stump.

H. Res. 87: Ms. Berkley, Mr. Deutsch, and Ms. Jackson-Lee of Texas.

H. Res. 120: Mr. Rangel, Mr. King, and Mr. Evans.

EXTENSION OF REMARKS

TROUBLES IN ADDIS ABABA

HON. MICHAEL M. HONDA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. HONDA. Mr. Speaker, I rise today to raise awareness and express my concern over the serious situation in Addis Ababa, Ethiopia. On April 11th while students at University College of Addis Ababa were peacefully protesting the fact that the government had disbanded the student council and closed the student newspaper, federal security police were sent in to crack down on the protests.

In the wake of this crackdown over 50 students were seriously injured. Amnesty International reported that "over 40 students required hospital treatment from head wounds or fractures" and two students were killed. The crackdown continued through April 17th and there have been reports of more than 41 people, including university and secondary school students, being killed during this period.

Since April 17th, Human Rights Watch reported, "Students were dragged out of local churches and mosques, where they had sought refuge, and taken into detention [and] more than two thousand students were detained during these raids." The use of unprovoked and heavy violence inflicted by the federal police, who were armed with live ammunition, against peaceful student demonstrators and the public must not continue.

I am also extremely concerned about the recent arrests of key Ethiopian human rights workers such as Dr. Mesfin Wolde-Mariam and Dr. Berhanu Nega for allegedly inciting students to protest. To my knowledge, formal charges have not been filed and these men's whereabouts are not known. These men should be accorded due process of the legal system and be provided adequate medical care if needed and they should be released if no charges are filed against them.

I will be watching the events in Addis Ababa closely. I put those who would continue to harm innocent students and human rights advocates on notice that they are being monitored.

IN HONOR OF ROBERT D. DICKENS

HON. ASA HUTCHINSON

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. HUTCHINSON. Mr. Speaker, I rise today with the sad task of informing the House of the passing of Dr. Dick Dickens, Jr. of Little Rock. Dick was a neurosurgeon in private practice who was adored by his patients. They were deeply touched by his warmth as a human being, and by his dedication as a surgeon. Everyone knew that if they were being treated by Dick, they were in the skillful hands of a highly trained and committed surgeon.

Dick came from a family of doctors; his father and grandfather were doctors. Recently, Dick decided to use his background and skills to be an active participant in the effort to ensure that outstanding healthcare is available to all. He began working as an Associate Medical Director at Arkansas Blue Cross and Blue Shield of Little Rock because he wanted to be well-versed in all facets of the practice of medicine, including the administrative side.

Dick was also deeply interested in the complex ethical issues which confront physicians and hospitals today. He received a Certificate of Achievement from the University of Virginia Center for Biomedical Ethics after studying these issues in depth.

Dick was a man with great zest for life. He lived his personal life with the same gusto and dedication which he applied to his professional life. He had a tremendous thirst for knowledge which evidenced itself in many ways. He was an accomplished runner who participated in several marathons, was a connoisseur of fine wines and Italian cooking, and had a true love for music of all types.

More important than Dick's extremely successful professional and personal accomplishments was the fact that he was a man who knew the value of people. He loved and was loved. He would often say that the true value of a man was not the things that had been done in life, but the people loved. It can be said of Dick by those who knew him well that they were granted a great privilege to be his friend, and as one friend said "I am a better man today because I had the opportunity to know Dick Dickens."

The world is a better place today because Dick Dickens lived, and a little sadder because he has passed away. I join my colleagues in the House of Representatives in sending our deepest sympathy to the Dickens family, and especially, Dick's wife Nancy and his children, Rob and Margaret Avery.

FAIRNESS FOR FOSTER CARE FAMILIES ACT OF 2001

SPEECH OF

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mrs. MORELLA. Mr. Speaker, I rise in strong support of the Fairness for Foster Care Families Act and thank my colleague Congressman Ron Lewis for taking this important step toward expanding the benefits of our foster care system.

Approximately 500,000 children are placed in foster care programs each year nationwide, including 23 counties in Maryland. According to the Maryland State Social Services report for January 2001, the number of children in foster care has risen over 20 percent from 8,178 in 1997 to 9,900. H.R. 586 addresses a growing need for foster care and foster care placement agencies.

Imagine two households of foster care families. The first one is run by John Doe, who receives his foster care payments from a nonprofit foster placement agency. His next door neighbor, Jane Doe, puts in the same amount of effort and spends the same amount of money on her foster child, and her initial foster care payments are the same. But because Jane's payments are from a for-profit foster placement agency, current law states that Jane has to pay taxes, so she effectively earns less money than John Doe even though she puts in the same amount of effort as John Doe. The Fairness for Foster Care Families Act will remedy this patently unfair system by ensuring that equal effort from foster care families merits equal reward in the form of nontaxable payment from all foster placement agencies.

Tax credits for payments from any qualified placement agency will make it easier for prospective foster care parents and placement organizations alike to provide a safe and nurturing environment in which these children can develop without worrying about profits or financial insecurity. If we do not in the House of Representatives expand tax credits to include for-profit foster care organizations, we risk jeopardizing the quality of care that foster children may receive while at the same time further complicating the screening process for foster parents.

Currently, for-profit foster care organizations that are not directly controlled by the government do not receive tax credits for the payments they make to providers of foster care. As a result, these companies must raise their payments to solicit more applicants.

Applicants for foster care undoubtedly increase as payments from foster care organizations increase. With a tax credit for all qualified foster care placement agencies we can be sure that the applicant pool of foster parents can increase in a way that boosts both quantity and quality of the applicant pool.

The Fairness for Foster Care Families Act will help expand foster care to meet a growing need that affects my constituents and the nation at large. We owe it to our children, we owe it to the future of our society, we owe it to the families who have the courage and compassion to open up their homes to those children that are, for whatever reason, without a home. Passing the Fairness for Foster Care Families Act sends the message that we care enough about our foster individuals to provide them all with an equal opportunity for proper care. I encourage my colleagues to join me in supporting H.R. 586.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

THE NATIVE AMERICAN HOUSING ASSISTANCE AND SELF-DETERMINATION REAUTHORIZATION ACT OF 2001

HON. J.D. HAYWORTH

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. HAYWORTH. Mr. Speaker, I come before this House today to introduce legislation with Congressman DALE KILDEE that will help make the dream of homeownership more accessible to Native American families. Five years ago, my friend and former colleague Congressman Rick Lazio and I worked together to write the Native American Housing Assistance and Self-Determination Act of 1996 (P.L. 104–330). This law has revolutionized Indian housing, and Congressman KILDEE and I are pleased to offer a bipartisan bill that would reauthorize this Act for an additional five years.

Mr. Speaker, the Congress set out on a path during the 104th Congress to support tribal self-determination through the passage of NAHASDA. Prior to 1996, Native Americans were rolled into standard public housing programs that were insufficient to meet the unique needs of Native American tribes. NAHASDA has changed that. For the first time, tribes have been able to assess their own needs and access funds through a single, flexible block grant that allows for innovation and creativity. The block grant program supports new partnerships between the Federal and tribal governments and the private sector, and provides the tools needed for tribal governments to help their members achieve a higher standard of living.

After only a few years of implementation, NAHASDA has proven itself invaluable in this effort. Statistics from the Department of Housing and Urban Development show that today there are nearly 25,000 units of housing under construction or in development, a twelve-fold increase in production since 1996, the last year that tribes were covered by public housing programs.

Although originally a sound bill when it was passed in 1996, it took implementation to show where the law might be improved to more effectively serve its purpose. Reacting accordingly, the Congress further refined the Act with two packages of amendments that were approved with wide bipartisan support in 1998 and 2000.

The difference in Indian housing before NAHASDA and now, particularly with these new amendments in place, is astounding. NAHASDA provides tribal governments and tribally-designated housing entities with the ability and responsibility to strategically plan their own communities' development, focusing on the long-term health of the community without the burden of excessive regulation. Offering the maximum amount of flexibility in the use of housing dollars, while still upholding strict accountability standards, NAHASDA affirms the self-determination of tribes and allows for local problem-solving.

Furthermore, the formula-driven block grant allows tribes to involve private markets and private real estate entities to improve economic conditions in Indian country. Simply put, NAHASDA facilitates a better use of federal dollars to address the needs of Indian communities.

Mr. Speaker, the positive impact NAHASDA has had in the lives of so many Native people is nothing short of remarkable. With its emphasis on self-determination and responsibility at the local level, I hope that the House will act quickly to approve the NAHASDA reauthorization legislation we are introducing today. I look forward to working with my colleagues in the House, as well as in the Senate and the Bush administration, to ensure that the American Dream becomes a reality for Native Americans.

NATIVE AMERICAN HOUSING ASSISTANCE AND SELF-DETERMINATION REAUTHORIZATION BILL

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. KILDEE. Mr. Speaker, I am very pleased to be an original cosponsor of the Native American Housing Assistance and Self-Determination Act (NAHASDA) reauthorization bill. The NAHASDA, enacted in 1996, was the first piece of comprehensive housing legislation directed solely to Native American and Alaska Native people. The Act provides basic housing, basic plumbing, basic water infrastructure, heat, and electricity to many of our country's Indian reservations. That is why I support the reauthorization of NAHASDA, an Act that has already gone so far in meeting the housing needs of our First Americans.

The success of NAHASDA is clear. In the five years since NAHASDA's enactment, twenty-five thousand housing units have been constructed or are in development. With severely overcrowded conditions in more than fifty percent of homes in tribal areas, and more than forty percent of homes with serious physical deficiencies, the need has been demonstrated and is slowly being met. While development under NAHASDA is encouraging, it is estimated that there is still an immediate need for 200,000 housing units.

NAHASDA promotes tribal self-determination. Under the Act, tribes administer their funds directly instead of the regional housing organizations administering their funds. The Act also encourages the involvement of private sector entities and promotes innovative financing.

Mr. Speaker, the NAHASDA reauthorization bill will build upon the success of the past five years by providing more housing development on our nation's Indian reservations. Housing is the backbone of economic and community development. It creates jobs and drives tribal economies. It is a basic need that can strengthen progress in other areas like education and health care too.

I would like to thank my colleague, Congressman J.D. HAYWORTH for his dedication to Native American issues, and for introducing this bill today. It is my hope that my colleagues on both sides of the aisle will support this bill for what it is—a renewed commitment to the well-being of the Native American people of this nation.

HONORING THE DEDICATED SERVICE OF TRACY WALRAVEN

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. GORDON. Mr. Speaker, I rise today to recognize the tremendous contributions Tracy Walraven has made to Tennessee's Sixth Congressional District. For the past two years, Tracy has been an invaluable part of my Washington, D.C., office.

But she is moving on to greener pastures now. Tomorrow will be her last day as my executive assistant. Although my staff and I are sad to see Tracy leave, we are glad she has taken a job that should further her incredibly bright career.

Tracy started in my office as an eager intern still in college pursuing her undergraduate degree and wanting to learn as much as possible about the workings and intricacies of Capitol Hill. Her work ethic, intelligence and research skills soon prompted me to offer her a full-time job. She has proven herself a capable, loyal employee.

Tracy has ably assumed a wide variety of responsibilities while serving in my office. She is a dedicated and talented professional who accomplishes every assigned task, no matter how complicated. Throughout all the pressures exerted in such a fast-paced workplace, her sense of humor has been a positive influence on everyone.

I will always have a special place in my heart for Tracy, who, like myself, is a graduate of Middle Tennessee State University. Congratulations on your new job, Tracy, and may God bless you in your future endeavors.

RECOGNIZING THE ARTISTIC TALENTS OF BRANDON BARCHFELD

HON. MICHAEL F. DOYLE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. DOYLE. Mr. Speaker, I rise today to recognize the tremendous artistic ability of a young man from my Congressional District, Brandon Barchfeld of Thomas Jefferson High School. Brandon is the top winner of the 2001 18th Congressional District High School Art Competition, An Artistic Discovery.

Brandon's colored pencil piece, entitled, "Alaina," is a beautiful, vibrant depiction of a young lady who is sitting at a desk while taking notes. He has captured a moment out of this individual's life and leaves us wondering what it is for which she appears to be listening so intently. It is a piece of artwork that leaves you mesmerized by the value of a moment in time.

Brandon's artwork was selected from a number of outstanding entries to this year's competition. I hope that he and his family are proud of this accomplishment.

I would also like to recognize all the other participants in this year 18th Congressional District High School Art Competition, An Artistic Discovery. I would like to thank these vibrant young artists for allowing us to share and celebrate their talents, imagination and creativity. The efforts of these students are no less than spectacular.

I hope that all of these individuals continue to utilize their artistic talents, and I wish them all the best of luck in their future endeavors.

A TRIBUTE FOR TAIWANESE-AMERICAN HERITAGE WEEK

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. KLECZKA. Mr. Speaker, each May, our nation pauses to recognize the enormous contributions that Pacific Islanders and Americans of Asian descent have made to our country. One week of this month long celebration, the week following Mother's Day, is designated as Taiwanese-American Heritage Week. This observance offers us the opportunity to acknowledge the contributions of the Taiwanese-American population throughout the United States, and celebrate its rich and unique cultural heritage.

There are currently over 10 million Americans of Asian descent in the United States, 500,000 of whom are Taiwanese Americans. In Wisconsin, our Asian-American population has grown statewide to nearly 89,000, with over 25,000 located in Milwaukee County alone.

The Taiwanese-American community in the United States places strong emphasis on the importance of education. Over 40% of its population consists of college graduates, many with advanced degrees. Americans of Taiwanese descent have made significant contributions in all walks of life, including the arts, sciences, and the humanities. In fact, the 1986 winner of the Nobel Prize in Chemistry, Dr. Lee Yuan-tse, is a Taiwanese American.

The Taiwanese-American community in Milwaukee has also made important contributions to the quality of life in our community. This week, Milwaukee-area residents are being given the opportunity to learn more about the Taiwanese American people, its food, culture and history at the Taiwanese-American Heritage Week festival sponsored by the Taiwanese-American Associations of Milwaukee & Madison, the Taiwanese Student Association of UW-Madison and the Formosan Association for Public Affairs-Wisconsin. I congratulate these organizations for their efforts to share their rich cultural heritage with our community, and extend my best wishes for a rewarding and successful day of festivities.

And, as we join in celebrating the traditions and culture of the Taiwanese-American community, let us also remember to cherish the diversity that is America, and the spirit of community that binds us together as a nation.

TRIBUTE TO NEW YORK VETERANS

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. WALSH. Mr. Speaker, most recent data from the U.S. Department of Veterans Affairs estimate that roughly 23.6 million male and 1.2 million female veterans currently reside in the United States. Of which, 3,400 veterans served in World War I, 5.9 million in World War II, 4.1 million in the Korean Conflict, 8.1 million during the Vietnam era, 2.2 million during the Persian Gulf War era, and 5.8 million during peacetime.

New York State is home to over 1.4 million veterans, and some 4,600 veterans reside in Cortland County alone. Veterans from across the State of New York will be descending upon the Country Music Park in Truxton, New York on Sunday, May 20th to attend festivities recognizing their service to the American people.

As a Member of Congress representing Cortland County and Chair of the House Appropriations Subcommittee on Veterans Affairs/HUD and Independent Agencies overseeing the funding of all federal veterans benefits and health services, I rise today to recognize the dedication these New York State veterans and their families have shown in service to our nation.

Americans of all ages owe a sincere debt of gratitude to the sacrifice of all veterans who have defended our country and preserved and protected the foundations of liberty and freedom both home and abroad. I anticipate that the event on May 20th will be a fitting tribute to their selfless service.

HONORING THE MUSIC MAN, DR. THOMAS HAMMETT—A REMARKABLE EDUCATOR

HON. ZACH WAMP

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. WAMP. Mr. Speaker, I rise today to talk about an exceptional teacher in my district—Dr. Thomas Hammett. Dr. Hammett teaches chorus and drama at Lookout Valley High School and is also the Director of Music at Rivermont Presbyterian Church. I think it is particularly fitting to honor Dr. Hammett the same week we are debating H.R. 1, the No Child Left Behind Act of 2001.

Dr. Thomas Hammett has continually demonstrated character education in the classroom long before the term was ever coined. Many of his students believe he invented the phrase. Not only does he teach music; he teaches character, morals and how to live life.

He has made a significant difference in the lives of so many of his students. He teaches them that music can break down barriers in a way that nothing else can. It can break down prejudice and indifference and it crosses racial lines. Dr. Hammett is a man of Christ and is never afraid to demonstrate his faith despite the consequences. Without his dedication many of his students wouldn't be where they are today.

I have heard from a number of Dr. Hammett's students and their words tell the story better than I could.

Rebekah Griffits said,

"Dr. Hammett has made a huge difference in my life and I am a better person because of his example and teachings. I love him like a father and appreciate his listening ear, time and advice more than he will ever know."

Michael Langston states,

"Dr. Hammett has been an outstanding role model for me. He has taken many days out of his personal life to help me succeed in chorus. I don't know many teachers who would take a single student to All-State auditions and performances."

I am proud to have him teaching in my district. Keep up the good work Dr. Hammett—you are a perfect example of why character education works and a role model for other teachers who dedicate their lives to teaching America's children. I commend you and your wife, Faye, and your four daughters, Charity, Emily, Stephanie and Rosalie.

ATTACKS ON PLACES OF WORSHIP IN THE BALKANS

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. SMITH of New Jersey. Mr. Speaker, news reports from Bosnia and Kosovo earlier this month give reason to despair.

First, in Bosnia-Herzegovina, about 30 people were injured and property was damaged during riots in the "Republika Srpska" cities of Trebinje on May 5 and Banja Luka on May 7. Islamic leaders, Bosnian officials and representatives of the international community were attacked during ceremonies to lay the first stones of mosques being rebuilt where mosques destroyed by Serb militants in 1993 once stood.

We remember well, hundreds of mosques were destroyed during the war as part of the genocidal campaign of ethnic cleansing. The apparent purpose was to erase the cultural vestiges of the Bosniac population which was terrorized and forced to flee. It was not uncommon for the local ethnic Serbs subsequently to deny a mosque had ever existed, once the rubble had been cleared away. The famous Ferhadija mosque in Banja Luka built in 1583 was blown to bits on May 7, 1993. The ceremony exactly eight years later was the culmination of persistent efforts, including the Helsinki Commission which I co-chair, to get Republika Srpska leaders to permit the reconstruction of destroyed mosques, which they finally did this year.

The riots last week demonstrate the continued intolerance in the region. Moreover, while Bosnian Serb officials have officially condemned the incidents, there are indications that both the Trebinje and Banja Luka events were orchestrated and perhaps linked. In Trebinje, the police force seemed simply to be not adequate. In Banja Luka, though, some believe that the police forces may have been involved in plans to disrupt the ceremonies. Radovan Karadzic, the wartime Bosnian Serb leader who has been indicted for genocide but remains at large, is alleged to have been responsible.

Meanwhile, in Kosovo on May 6, local Albanians threw stones breaking windows and the doors of the Serbian Orthodox Church of St. Dimitrije in the village of Susica. Damage was done inside, and some cash offering was stolen. This was only the most recent in a wave of attack since the end of the conflict in Kosovo in 1999 in which about one hundred Orthodox churches have been damaged or destroyed. Many of these incidents have been documented by Serbian Orthodox Bishop Artemije in testimony before the Helsinki Commission. Mr. Speaker, there are signs that in Kosovo, too, these attacks are not spontaneous acts of intolerance. Unfortunately, it seems that an environment has been created in which such acts of violence are not discouraged, let alone thwarted.

Mr. Speaker, attacks on places of worship are reprehensible, no matter what the faith, no matter what the ethnicity of the worshipers. These sites are sacred to believers, and important as cultural symbols even to many who are not. Orchestrated or spontaneous, these attacks must be stopped. The international presence, including peacekeeping forces, local law enforcement, political leaders, and religious figures across faiths must be part of the solution, not the problem.

I was particularly disappointed with the response of Yugoslav President Vojislav Kostunica, who, while criticizing those who engaged in violence, sought to place some of the blame on those working to rebuild the mosques in Republika Srpska. He was quoted as saying that some churches and mosques should not be rebuilt because they might provoke such incidents. Blaming the victim, sadly, has become a norm in the minds of too many who could and should, instead, be champions of justice.

In conclusion, Mr. Speaker, let us remember that freedom of thought, religion and belief is a fundamental human right, and attacks on religious sites are attacks on that right, attacks that must be wholeheartedly condemned and hopefully prevented from happening again.

STATEMENT APPLAUDING CHICAGO PUBLIC SCHOOL TEACHER INDUCTION INTO THE NATIONAL TEACHERS HALL OF FAME

HON. JESSE L. JACKSON, JR.

OF ILLINIOS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. JACKSON of Illinois. Mr. Speaker, I am proud to recognize Dr. Emiel Hamberlin, who is being inducted into the National Teachers Hall of Fame today. Today's children need a balance of guidance and knowledge, and I am glad to see that Chicago's Public schools and its students are being fortified by teachers like Dr. Hamberlin.

Dr. Hamberlin has been teaching biology and Horticulture Environmental Sciences for the past 36 years in Chicago public schools. His honors and awards include City of Chicago Teacher of the Year, the Kohl Family Foundation International Educator, Who's Who Among Black Americans, and the Golden Apple Foundation Academy Fellowship, and he has been recognized as one of Newsweek Magazine's America's 100 Heroes.

Dr. Hamberlin has applied a practical application of his science curriculum that includes educating his pupils in small business and small business enterprises. Through the Ornamental Horticulture Program, he and his students developed a landscaping club where student were paid for producing public and private landscapes throughout the city.

He and his students have also developed an award winning Urban Ecology Sanctuary where they studied, maintained and housed various animals, numerous plant life, and unique ecosystems all within an enclosed courtyard on their high school campus. Dr. Hamberlin has shown that classrooms can be stimulating experiences for all types of students, and they can have first hand experience at life's lessons.

Dr. Hamberlin has demonstrated what a great impact a teacher can have on our children, and we are glad to have him teaching the children of Chicago. Dr. Hamberlin, thank you for your years of dedication to the most noble of services, and may you continue to influence and inspire students for many years to come.

TRIBUTE TO DONALD J. SIEGEL

HON. MICHAEL E. CAPUANO

OF MASSCHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. CAPUANO. Mr. Speaker, I rise to pay tribute to Donald J. Siegel. On May 16, the Israel Bond National Labor Division will honor Don Siegel with the Habonim Yisrael, the Builders of Israel, Award. It is fitting that Don will receive this honor in a union hall. It is fitting, too, that Edward C. Sullivan, President of the Building and Construction Trades Department of the AFL–CIO, serves as honorary chair of the celebration. This ceremony, like Don Siegel himself, exemplifies all that is best in our country: men and women of good will working to understand and help one another.

Don has served for many years as counsel to the Massachusetts Building Trades Council. He began practicing labor law in 1971, and, since then, he has been a trusted friend and advisor to many unions and employee benefit funds. In 1994, the Archdiocese of Boston honored him with its Cushing-Gavin award, recognizing his moral integrity, professional competence, and community concern. There is no faith community in Massachusetts, and, I think, few activists of any political or religious persuasion, who do not recognize him as a tireless, persuasive advocate for working people.

Don is a man who assumes responsibility as naturally as he breathes, and as unaffectedly. He is the immediate past president of the Jewish Community Relations Council and now chairs its Israel Strategy group. He has taken pains to educate non-Jews—and for this I am personally grateful—about Israeli society, about Israel's success in absorbing new immigrants, and about the difficult and important attempts, like those in the city of Haifa, to build understanding between Jewish and Arab Israelis.

Don Siegel is a righteous man. He lives, teaches, and inspires others to uphold the principles of ts'dakkah v'hessid: justice and loving-kindness.

TRIBUTE TO DORI PYE

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. BERMAN. Mr. Speaker, I rise to pay tribute to a remarkable woman, a distinguished business leader and a great friend—Dori Pye—who is retiring as President of the Los Angeles Business Council (LABC) after 30 years of service. Dori is being honored by the LABC at a dinner on May 17, 2001 for her outstanding contributions to the business community.

I have known Dori from her days at the Westwood Chamber of Commerce, when I was a newly elected state Assemblyman, nervous and apprehensive about speaking to such an august group. Dori, in her inimitable manner, soothed my anxiety and made me feel welcome. From that day forward, we developed a close and very rewarding relationship.

Dori's tenure was highlighted by the innovative programs, projects and invaluable resources she brought to LABC and to the City of Los Angeles. She established the LABC's Annual Urban Architectural Awards Program which is designed to recognize outstanding construction and landscaping projects; and she established and continues to run the nationally recognized Leadership LA Program, which prepares business professionals for leadership roles in the community. As President of LABC, Dori was the spokeswoman for the Los Angeles business community in Sacramento and Washington, D.C. I have witnessed firsthand how her strong voice, persuasive logic and general savvy helped bolster the cause of the Los Angeles business community.

Anyone who has seen her syndicated show, “Inside LA,” knows that Dori truly understands the special idiosyncracies of her home town. She has hosted this program for ten years, during which she has interviewed individuals from all walks of life. She delved into LA's toughest issues and in the process, created a spirited and interesting show that was a favorite of the viewers of Los Angeles.

Dori has also served Los Angeles through her tireless work with numerous community, professional and charitable organizations including the Southern California Association of Chamber Executives where she served as President, the American Chamber of Commerce Executives, the American Heart Association, and the Los Angeles International Airport Advisory Committee, among many others. Dori's good works have been recognized by local, state and national legislators and by the City of Hope, which awarded her the "Spirit of Life Award."

It is my great pleasure and honor to ask my colleagues to join me in paying tribute to Dori Pye, an extraordinary individual and a very special friend.

IN TRIBUTE TO WILLA DOBBS

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. GALLEGLY. Mr. Speaker, I rise to pay tribute to Willa Dobbs, a woman who has proven that love and caring are powerful forces that can change lives and lift a community.

For more than 30 years, Mrs. Dobbs has worked tirelessly to feed the less fortunate. As founder and director of Care and Share, the community food bank in my hometown of Simi Valley, California, Mrs. Dobbs has been responsible for seeing to it that thousands of men, women and children have been fed.

Except for a short time during the '70s, Care and Share has received no outside funding. It's an all-volunteer effort.

And what an effort it is. Care and Share feeds an estimated 500 families a month. During the holidays, Mrs. Dobbs' dogged determination ensures that every family has access to a good, nourishing holiday meal. Every basket is served with Mrs. Dobb's everpresent smile and a kind and encouraging word.

Mrs. Dobbs began in the 1960s by enlisting schools to sponsor canned food drives. As Care and Share grew and allied with other charitable organizations, Mrs. Dobbs also reached out to community organizations to help with the drive.

That made it a true community effort as the Simi-Moorpark Association of Realtors, Rotary and Kiwanis clubs, Scouts, churches and numerous other community groups joined the cause.

Mrs. Dobbs has decided to retire and enjoy life with her husband, Carl, their five children and six grandchildren. Care and Share will continue to thrive under the guidance of longtime volunteer Veronica Rubio. Mrs. Dobbs has promised to volunteer from time to time as well.

Mr. Speaker, I know my colleagues will join me in thanking Willa Dobbs for caring for her fellow human beings; for making life richer and fulfilling for those who helped her and those who were helped by her; and for proving that one person can make a difference in many, many lives. We wish her love and Godspeed in retirement.

INTRODUCTION OF LEGISLATION ALLOWING VICTIMS OF DATING VIOLENCE TO ACCESS DOMESTIC VIOLENCE LEGAL ASSISTANCE PROGRAMS

HON. ASA HUTCHINSON

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. HUTCHINSON. Mr. Speaker, I rise today to introduce legislation that is an important step in continuing to assist victims of dating violence. The bill I am introducing today with Rep. CONNIE MORELLA will allow victims of dating violence to qualify for federal legal assistance grants authorized under the Violence Against Women Act.

Dating violence is a little-known and misunderstood aspect of domestic violence. Historically, domestic violence laws have been applied only to cases where the victim is married or cohabitating with the abuser, or where the couple shares a child together. Unfortunately, this criteria ignores the equally dangerous violence that can occur in dating relationships. Victims of domestic violence are victims regardless of their relationship to the abuser. These victims face the same trauma and the same manipulation as every other domestic violence victim. As Congress focuses its attention on providing necessary assistance to the states for the prevention of domestic violence, we must not allow victims of dating violence to be left behind.

The lack of recourse for victims of dating violence was brought to my attention through a tragic incident in the State of Idaho. In December 1999, seventeen-year-old Cassie Dehl was killed in an accident involving her abusive boyfriend. Despite documentation of years of vicious and life-threatening abuse, Cassie's parents were unable to obtain legal protection for their daughter because neither federal nor state domestic violence laws applied to teenage dating relationships. Although the abuse was evident and the need for assistance was clear, no one was able to offer Cassie the help she needed.

Last year, Congress overwhelmingly reauthorized a number of important domestic violence programs under the Violence Against Women Act. In addition to continuing the existing programs, the VAWA reauthorization included two new provisions of particular importance. First, a legal definition of dating violence was created, the first such definition under federal law. Second, a new grant program to provide civil legal assistance to victims of domestic violence was authorized. Unfortunately, while many of the existing VAWA programs were expanded to include dating violence, this new legal assistance grant was not. Our legislation will correct this discrepancy.

The victims of dating violence require and deserve the same legal assistance given to other victims of domestic violence. The ability to obtain a legal protection order or pursue other legal remedies can be the difference in a victim being able to break the cycle of oppressive abuse and regain control of their life. Under this legislation, victims of dating violence will have the same legal standing as all other victims of domestic violence when seeking civil legal assistance.

Mr. Speaker, I applaud Congress for coming together last year to bring attention to the continuing problem of domestic violence. In order to build upon the advances we made last year, I urge my colleagues to support this legislation that takes another step toward achieving an equal status for victims of dating violence.

TRIBUTE TO BRANDON SILVERIA

HON. MICHAEL M. HONDA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. HONDA. Mr. Speaker, I rise today to recognize Brandon Silveria, a courageous young man committed to fighting underage drinking and drunk driving.

Over the last seven years, many of my fellow Members have had the opportunity to meet and introduce Brandon to students in our districts.

After consuming a few drinks at a high school party and then driving his friends home, Brandon fell asleep and crashed head-on into a tree. With his family at his side, Brandon spent three long months in a coma. To this day, Brandon faces daily difficulties—recurring and persistent seizures and noticeable speech and walking limitations. Despite these difficulties, Brandon made a commitment to apply his experience to the lives of high school students throughout the United States. He recalls his personal story to others urging them to make the right choice about underage drinking.

Through a partnership with The Century Council, a national non-profit organization dedicated to fighting drunk driving and underage drinking and funded by America's leading distillers, Brandon and his father, Tony Silveria, travel to high schools across the country to educate students about the life consequences of underage drinking and driving.

May is National Prom and Graduation month. Appropriately enough, this month Brandon will speak to his one millionth student at his hometown high school in Los Gatos, California. Brandon is a special young man with an important mission to our next generation of leaders. Brandon and The Century Council are to be commended for their efforts.

THE DANGERS OF UNILATERALISM

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. FRANK. Mr. Speaker, I was very interested to read in the May 9 issue of The Hill an article by David Silverberg which sounded an important warning about excessively unilateralist tendencies in the Bush administration foreign policy. Coming from the perspective from which Mr. Silverberg writes, I think this is an especially interesting article and I hope that it has a favorable impact on the policy makers in the Bush administration.

[From The Hill, May 9, 2001]

AMERICA'S COURSE TOWARD SPLENDID ISOLATION

(By David Silverberg)

Late in the reign of Queen Victoria, Britain, possessing the world's most powerful navy, owning an empire on which the sun never set, described its diplomatic strategy as one of "splendid isolation."

By that Britons meant that they remained above the passions and rivalries of the European continent.

As one charts the course of President Bush's foreign policy today, one gets the uncomfortable feeling that the United States is heading toward its own version of "splendid isolation." This is not the same as the isolationism of the 1930s, which would have had the United States withdraw from the world stage. Nor is it neo-isolationism, which would revive the 1930s doctrine in a new guise. It is something different.

It also comes as we stand on the edge of a new defense era. In the coming weeks, Defense Secretary Donald Rumsfeld is going to unveil a new overarching defense strategy. This plan, formulated in great secrecy, is expected to go beyond the strategy created in the Bottom-Up Review of 1993 which has since then governed American defense.

Early indications are that the Rumsfeld policy will be a policing strategy, aimed at maintaining the status quo against possible violent efforts at change.

That's fine as far as it goes, and an informed critique will have to await its unveiling. However, it's likely to follow the general foreign policy outlines of this administration. As war is politics by other means, strategy is policy by other means.

To date, this administration has consistently taken a unilateral approach in foreign policy. It is abandoning the Kyoto Treaty on Global Warming. In a brusque departure from previous policy—White House denials notwithstanding—President Bush has declared that the United States will defend Taiwan and the United States will sell it a significant arms package. He did this without consulting allies or the potential rival, China.

Now, in pursuit of a missile defense shield, the United States is seeking to abandon or significantly modify the Antiballistic Missile (ABM) Treaty of 1972.

In the interests of fairness, instances of multilateralism have to be noted: The United States is promoting the hemispheric Free Trade Area of the Americas, and relations with Mexico have never been better.

So what does all this add up to? The Bush administration appears to believe in muscular unilateralism everywhere but in the Western Hemisphere and on trade issues. The United States will depart from the international consensus on the environment and its commitments on ABM, and will build a missile shield behind which it will withdraw, while jousting to contain China.

If this is to be American policy, American strategy and American military means will have to follow it. The United States will spend billions on a missile defense shield. The United States will have to have very robust naval forces to protect Taiwan and the American mainland from attack, but will also have to be able to reach far afield for pinpoint attacks should they be necessary.

While President Bush specifically rejected isolationism as a policy during the campaign, a form of isolationism appears to be taking shape on a day-to-day basis. The United States will not withdraw from the world, but it will act unilaterally when it feels the need. Of course, any country has this right—it's inherent in sovereignty. But during the previous administration the United States exercised its rights judiciously and made real efforts to work in concert with partners, allies and even competitors like China.

The world is not accepting American unilateralism passively. The United States has been voted off the United Nations' Human Rights Commission in a small, but telling, gesture of disapproval. Such gestures are likely to become more significant and more pronounced if things don't change.

Perhaps the problem is simply one of style. The world was more accustomed to Bill Clinton's more ingratiating ways and is having trouble adjusting to a more brusque manner.

If style is the difficulty, it's easily corrected. But if the administration is determined to be an unrestrained unilateralist it will court, literally, a world of trouble. As President Theodore Roosevelt counseled, "Talk softly and carry a big stick." The world knows about America's big stick, perhaps George W. Bush and his administration should speak a bit more softly.

What we may end up with is an American version of "splendid isolation" where America stands proud but very alone in the world. We can achieve isolation if we want—but it certainly won't be splendid.

COMMEMORATING DEDICATION AND SACRIFICES OF LAW ENFORCEMENT OFFICERS

HON. JACK QUINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. QUINN. Mr. Speaker, I rise today in support of H. Res 116. It is appropriate that we consider this during National Police Week. Since the first recorded police death in 1792, there have been more than 15,000 law enforcement officers killed in the line of duty. On average more than 62,000 law enforcement officers are assaulted each year and some 21,000 are injured annually.

Thousands of law enforcement officers and their families gathered today here at the Capitol and at the National Law Enforcement Officers Memorial Fund to honor those who lost their lives in the line of duty. I support the establishment of a Peace Officers Memorial Day to honor the men and women killed or disabled while serving their country on the federal, state, and local level. H. Res. 116 is a tribute to the men and women who lost their lives in order to protect our communities. This is the least we can do to honor these brave Americans.

TRIBUTE TO STEPHEN DUNN

HON. FRANK A. LoBIONDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. LoBIONDO. Mr. Speaker, I rise today to salute a celebrated poet from Southern New Jersey, Stephen Dunn of Egg Harbor Township, Atlantic County on his winning the 2001 Pulitzer Prize for poetry. His collection of poems, entitled "Different Hours," has won the acclaim of critics and readers from across the nation.

The book, Stephen Dunn's 11th collection of original verse, has been hailed as an exploration and insight into the "different hours" of one's life as well as into the philosophical and historical life all set in the Southern New Jersey environs that we both call home.

Stephen Dunn, as well as being an accomplished author and poet, is also a Trustee Fellow and Professor of Creative Writing at Richard Stockton College in Pomona, New Jersey. I am confident that his students and the faculty members there are tremendously appreciative of both his great literary talent and his great devotion to teaching, handing down his creative spark to the next generation of chroniclers of life in Southern New Jersey.

Mr. Speaker, I congratulate Professor Stephen Dunn on his Pulitzer Prize and thank him for his many contributions to the State of New Jersey and its people.

BOEING EMPLOYEE NAMED MINORITY BUSINESS BUYER OF THE YEAR

HON. NICK LAMPSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. LAMPSON. Mr. Speaker, it is my pleasure to commend to the attention of my colleagues and the public at large the accomplishments of Mr. Russ Carroll, Boeing's Director of Supplier Management and Procurement, in being named 2001 Buyer of the Year by the Houston Minority Business Council. This is an outstanding accomplishment that reflects the dedicated efforts of Mr. Carroll and The Boeing Company.

Mr. Carroll—who supports Boeing's International Space Station program office in Houston—was selected from a field of fifty nominees representing twenty-three, Fortune 500 companies throughout Houston. The award is presented annually to an individual who, in the past three years, has successfully increased expenditures and efforts towards the growth and development of minority businesses. The Houston Business Council is involved in increasing and expanding opportunities and growth for minority business enterprises.

Mr. Carroll joined The Boeing Company in 1978 as a material planner in commercial airplanes. He held numerous positions on the commercial side of Boeing's business before being transferred to Houston in 1993 to support the International Space Station program. His efforts in Houston have included doubling dollar expenditures with minority business enterprises from $13.2 million in 1998 to $26.5 million in 2000.

Mr. Carroll has also been proactive in providing minority suppliers the opportunity to compete exclusively for $25 million on engineering and technical services for the International Space Station; creating a forum to communicate specific procurement needs to the local community; and establishing an ISS Supplier of the Year award to recognize and celebrate the exceptional accomplishments of suppliers.

Mr. Speaker, we have debated the merits of Space Station many times over on the floor of the House. Indeed, we continue to debate Station issues even today. But the Station is more that a collection of technical, cost, and schedule considerations, it is also the day-do-day work that is done by people like Russ Carroll who labor more often than not in relative obscurity, yet whose contributions to the success of this international undertaking are incalculable.

Congratulations, Russ Carroll. We hope to see you and The Boeing Company back in the winner's circle again next year.

NATIONAL LAW ENFORCEMENT WEEK

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. COSTELLO. Mr. Speaker, I rise today in honor of National Law Enforcement Week and the National Peace Officers Memorial Service, which was held today.

America's law enforcement officers are one of our most valuable resources. Almost one million individuals nationwide perform an incredibly important task as they put their lives in danger on a daily basis to protect and serve the people. As a former police officer, and the father to a former police officer, I know the inherent risk involved in the profession and salute these men and women for their efforts.

Mr. Speaker, I am pleased that since 1993, the 12th District of Illinois has received funding for 286 new law enforcement officers under the COPS grant funding program. These additional officers have worked to increase the safety and well being of my constituents.

Last year 150 very devoted, brave officers from the ranks of state, local and federal service were killed in the line of duty—144 men, and 6 women were killed. The average age of those killed was 39 years, and with an average of 10 years in service.

In my state of Illinois three police officers died in the line of duty during 2000—At this time I would like to read their names into the record: Gregory M. Sears, Alane Stoffregen, and William Howard Warren. Their names will be etched on the memorial wall, and will join 4 other officers from Illinois already memorialized. In addition to those three officers, I would also like to read into the record the names of two fallen officers from the St. Louis, Missouri area, which is across the river from the district I represent. The officers are: Robert J. Stanze II, St. Louis Police Department, and Richard Eric Weinhold, St. Louis County.

I urge my colleagues to join me in supporting our fallen Peace Officers as well as honoring our courageous law enforcement officers. These men and women deserve this praise and recognition.

COMMEMORATING DEDICATION AND SACRIFICES OF LAW ENFORCEMENT OFFICERS

SPEECH OF

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. GILMAN. Mr. Speaker, I rise to take this opportunity to recognize Police Memorial Week. It is a time when the citizens of our Nation join the families, friends, and colleagues of America's slain peace officers, to honor and remember their sacrifice.

On September 24,1789, Congress created the first Federal law enforcement officer, the United States Marshal. Five years later, on January 11th, 1794, U.S. Marshal Robert Forsyth became the first officer in a long list of men and women who have given their lives to protect and serve the communities of their beloved nation. Since then, over 14,000 officers have died in the line of duty, including over 1,000 from the state of New York. The city of New York has lost more officers than any other department in the nation, with more than 500 deaths. These heroes must never be forgotten, and their sacrifice as a reminder that the price of a safer America, a nation based on law and order, is being paid for by the lives of our men and women in blue.

Earlier today, along with President Bush and attorney General Ashcroft, I had the opportunity to participate with the friends and families of our Nation's slain police officers at the 20th Annual National Peace Officers' Memorial Service outside the Capitol. This service reflects the loss which our Nation's communities have felt and echo our need to ensure that our nation's law enforcement community is provided the support and assistance necessary to protect our communities and our citizens.

Although our Nation's crime rate is at its lowest level in years, on the average, one law enforcement officer is killed somewhere in America nearly every other day. Over the past 10 years, America has lost one police officer every 54 hours; over 1,500 men and women. In the year 2000, 150 men and women who served our communities with the greatest honor, respect and dedication, gave their lives to protect our Nation's communities.

Accordingly, we honor Police Memorial Week, to remind us that when a police officer is killed, it is not a community that loses an officer, it is an entire nation. We hope and pray that the senseless murders and crimes against our Nation's bravest men and women will one day cease; until then we will do everything we can in order to remember and honor all of our law enforcement officers who have ever given their lives.

Let us take this opportunity to recite the names of those fallen heroes from New York, who, in the name of duty, gave their lives over the past year: Officer Raymond J. Curtis, Officer John M. Kelly, Officer T. Michael Kelly, Trooper Kenneth A. Poormon, and Officer David Alexander Regan. I would also like to pay tribute to New York City Police Officer Michael Buczek of Suffern who was brutally murdered in the line of duty in 1988. In March of this year we were able to secure the extradition of Pablo Almonte Telluberes, his accused killer, from the Dominican Republic after years of international negotiation. The return of this cop killer to face American justice is a tribute to the many law enforcement officials who pursued the case and refused to give up in the name of their fallen comrade. To Michael Buczek and all of our fallen officers, we express our nation's gratitude.

To our fallen men and women in blue, I pledge to you, that in your spirit, I will continue to fight for those laws that provide our Nation's peace officers with the tools needed to fulfill their mandate of making our communities a safer place in which to live.

I invite all Americans to visit the National Law Enforcement Officers Memorial in Washington which is a fitting tribute to their dedicated service and sacrifice.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, May 17, 2001 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 22

9 a.m.
  Governmental Affairs
    To hold hearings on the nomination of Erik Patrick Christian and the nomination of Maurice A. Ross, each to be an Associate Judge of the Superior Court of the District of Columbia.
SD-342

9:30 a.m.
  Health, Education, Labor, and Pensions
    To hold hearings to examine certain issues surrounding retiree health insurance.
SD-430

  Commerce, Science, and Transportation
    To hold hearings to examine issues surrounding Amtrak.
SR-253

10 a.m.
  Judiciary
  Technology, Terrorism, and Government Information Subcommittee
    To hold hearings to examine the challenges in cybercrime focusing on the National Infrastructure Protection Center.
SD-366

Banking, Housing, and Urban Affairs
Economic Policy Subcommittee
To hold hearings to examine the reverse wealth effect, focusing on consumer confidence with regard to market losses.
SD–538

Judiciary
To hold hearings to examine competition in the pharmaceutical marketplace, focusing on the antitrust implications of patent settlements.
SD–226

2 p.m.
Judiciary
Immigration Subcommittee
To hold hearings to examine U.S. immigration policy, focusing on rural and urban health care needs.
SD–226

Foreign Relations
To hold hearings on the nomination of Lorne W. Craner, of Virginia, to be Assistant Secretary for Democracy, Human Rights, and Labor, the nomination of Ruth A. Davis, of Georgia, to be Director General of the Foreign Service, and the nomination of Carl W. Ford, Jr., of Arkansas, to be Assistant Secretary for Intelligence and Research, all of the Department of State.
SD–419

2:30 p.m.
Energy and Natural Resources
To hold hearings on the Administration's proposed energy plan, and S. 388, to protect the energy and security of the United States and decrease America's dependency on foreign oil sources to 50% by the year 2011 by enhancing the use of renewable energy resources conserving energy resources, improving energy efficiencies, and increasing domestic energy supplies; improve environmental quality by reducing emissions of air pollutants and greenhouse gases; mitigate the effect of increases in energy prices on the American consumer, including the poor and the elderly; and for other purposes; and S. 597, to provide for a comprehensive and balanced national energy policy.
SH–216

Commerce, Science, and Transportation
Consumer Affairs, Foreign Commerce, and Tourism Subcommittee
To hold hearings to examine prescription drug advertising.
SR–253

MAY 23

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings to examine issues relating to the boxing industry.
SR–253

Health, Education, Labor, and Pensions
Public Health Subcommittee
To hold hearings to examine issues surrounding human subject protection.
SD–430

Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of Defense and related programs.
SD–192

10 a.m.
Governmental Affairs
Business meeting to consider certain nominations.
SD–342

Environment and Public Works
Fisheries, Wildlife, and Water Subcommittee
To hold hearings to examine the Environmental Protection Agency's support of water and wastewater infrastructure.
SD–628

Joint Economic Committee
To hold joint hearings on the economic outlook of the nation.
311, Cannon Building

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for international financial institutions.
SD–138

Judiciary
To hold hearings on Department of Justice and certain judicial nominations.
SD–226

2 p.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings to examine issues relating to carbon sequestration.
SR–253

Energy and Natural Resources
Water and Power Subcommittee
To hold oversight hearings to examine the Lower Klamath River Basin.
SD–366

MAY 24

9:30 a.m.
Health, Education, Labor, and Pensions
To hold hearings to examine issues surrounding patient safety.
SD–430

Governmental Affairs
Investigations Subcommittee
To hold hearings to examine alleged problems in the tissue industry, such as claims of excessive charges and profit making within the industry, problems in obtaining appropriate informed consent from donor families, issues related to quality control in processing tissue, and whether current regulatory efforts are adequate to ensure the safety of human tissue transplants.
SD–342

Commerce, Science, and Transportation
Business meeting to consider pending calendar business.
SR–253

10 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Secretary of the Senate and the Architect of the Capitol.
SD–124

Appropriations
Transportation Subcommittee
To hold hearings to examine transportation safety issues and Coast Guard modernization proposals.
SD–192

10:30 a.m.
Foreign Relations
Business meeting to consider pending calendar business.
SD–419

JUNE 6

10 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the National Science Foundation and the Office of Science Technology Policy.
SD–138

JUNE 13

10 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Environmental Protection Agency and the Council of Environmental Quality.
SD–138

JUNE 14

9:30 a.m.
Governmental Affairs
Investigations Subcommittee
To hold hearings to examine the nature and scope of cross border fraud, focusing on the state of binational U.S.-Canadian law enforcement coordination and cooperation and what steps can be taken to fight such crime in the future.
SD–342

JUNE 15

9:30 a.m.
Governmental Affairs
Investigations Subcommittee
To continue hearings to examine the growing problem of cross border fraud, which poses a threat to all American consumers but disproportionately affects the elderly. The focus will be on the state of binational U.S.-Canadian law enforcement coordination and cooperation and will explore what steps can be taken to fight such crime in the future.
SD–342

Governmental Affairs
Investigations Subcommittee
To continue hearings to examine the nature and scope of cross border fraud, focusing on the state of binational U.S.-Canadian law enforcement coordination and cooperation and what steps can be taken to fight such crime in the future.
SD–342

JUNE 20

10 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of Housing and Urban Development.
SD–138

HOUSE OF REPRESENTATIVES—*Thursday, May 17, 2001*

The House met at 10 a.m.

The Reverend F. Kenneth Hoffer, Mount Culmen Evangelical Congregational Church, East Earl, Pennsylvania, offered the following prayer:

Almighty God, Ruler of all nations, we give our thanks for Your guidance which has preserved our Nation and for the peaceful continuity of government in America.

We look gratefully to the past, thanking You that from the foundations of America You granted our forefathers courage and wisdom, as they trusted in You. By their example to lead, guide and direct, inspire this Congress whom You have entrusted leadership to serve and wage the struggle to find peace and justice in our world.

For our leaders, diplomats and military, let our resources be a strength to all, regardless of race, creed, faith, age, sex or national origin. May we work together towards justice, righteousness and goodness for all peoples of all nations.

We pray to You, O God. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. DIAZ-BALART. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DIAZ-BALART. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to clause 8, rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Pennsylvania (Mr. HOLDEN) come forward and lead the House in the Pledge of Allegiance.

Mr. HOLDEN led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair recognizes the gentleman from Pennsylvania (Mr. HOLDEN) for 1 minute. All other 1-minutes will be postponed until the end of the day.

THE REVEREND F. KENNETH HOFFER

(Mr. HOLDEN asked and was given permission to address the House for 1 minute.)

Mr. HOLDEN. Mr. Speaker, I would like to thank my colleagues and Father Coughlin for providing my constituent, Reverend F. Kenneth Hoffer, the opportunity to offer the opening prayer this morning in the House Chamber.

Pastor Hoffer resides in Reading, Pennsylvania, and is the pastor at the Mount Culmen Evangelical Congregational Church in East Earl, Pennsylvania. He was born in Lancaster County, Pennsylvania, and graduated from Manheim Central High School.

Mr. Speaker, he served with distinction in the United States Navy during World War II. He graduated from Lebanon Valley College in 1953 and went on to study theology at the Evangelical School of Theology in Myerstown, Pennsylvania.

He and his wife Anna have been married for 48 years and are the proud parents of a son, Craig, and three grandchildren.

On behalf of all of my colleagues, I would like to thank Reverend Hoffer for his spiritual guidance this morning.

THE JOURNAL

The SPEAKER. Pursuant to clause 8 of rule XX, the pending business is the question of agreeing to the Chair's approval of the Journal of the last day's proceedings.

The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GOSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 336, nays 68, answered "present" 1, not voting 26, as follows:

[Roll No. 122]

YEAS—336

Abercrombie
Ackerman
Akin
Allen
Andrews
Armey
Baca
Bachus
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Boyd
Brady (TX)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Conyers
Cooksey
Cox
Coyne
Cramer
Crenshaw
Culberson
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeGette
Delahunt
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
Eshoo
Etheridge
Everett
Farr
Fattah
Ferguson
Flake
Fletcher
Foley
Ford
Fossella
Frank
Frelinghuysen
Gallegly
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gonzalez
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Hall (TX)
Hansen
Harman
Hart
Hastings (WA)
Hayes
Hill
Hilleary
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jenkins
John
Johnson (IL)
Johnson, Sam
Jones (NC)
Kanjorski
Keller
Kelly
Kennedy (RI)
Kerns
Kildee
Kind (WI)
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
Lampson
Langevin
Lantos
Largent
Larson (CT)
Latham
LaTourette
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McIntyre
McKeon
Meehan
Meek (FL)
Meeks (NY)
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Mink
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Osborne
Ose

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Otter
Owens
Oxley
Pascrell
Paul
Payne
Pelosi
Pence
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Roukema
Royce
Rush
Ryan (WI)
Ryun (KS)
Sandlin
Sawyer
Saxton
Scarborough
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spence
Spratt
Stearns
Stump
Sununu
Tauscher
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Upton
Velázquez
Vitter
Walden
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Whitfield
Wilson
Wolf
Woolsey
Wynn
Young (FL)

NAYS—68

Aderholt
Baird
Bonior
Brown (FL)
Capuano
Condit
Costello
Crane
Crowley
Cummings
DeFazio
DeLauro
Evans
Filner
Frost
Gutierrez
Gutknecht
Hall (OH)
Hastings (FL)
Hefley
Hilliard
Hinchey
Holt
Hutchinson
Jackson-Lee (TX)
Johnson, E. B.
Jones (OH)
Kaptur
Kennedy (MN)
Kucinich
LaFalce
LaHood
Larsen (WA)
Lee
LoBiondo
McDermott
McGovern
McNulty
Menendez
Miller, George
Moore
Oberstar
Obey
Olver
Pallone
Pastor
Peterson (MN)
Pomeroy
Ramstad
Rothman
Sabo
Sanchez
Schaffer
Slaughter
Stark
Stenholm
Strickland
Stupak
Sweeney
Tanner
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Udall (NM)
Visclosky
Waters
Wu

ANSWERED "PRESENT"—1

Tancredo

NOT VOTING—26

Borski
Boucher
Brady (PA)
Cubin
Doyle
English
Ganske
Gilman
Gordon
Hayworth
Herger
Hunter
Jefferson
Johnson (CT)
Kilpatrick
Kleczka
Leach
Lucas (OK)
McKinney
Moakley
Rangel
Roybal-Allard
Sanders
Weller
Wicker
Young (AK)

□ 1027

So the Journal was approved.

The result of the vote was announced as above recorded.

Stated for:

Mr. PENCE. Mr. Speaker, on rollcall No. 122 I was unavoidably detained. Had I been present, I would have voted "yea."

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 17, 2001.

Hon. J. DENNIS HASTERT,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: I have the honor to transmit herewith a copy of the unofficial results received from Dick Filling, Commissioner, Bureau of Commissions, Elections and Legislation, Commonwealth of Pennsylvania, indicating that, according to the unofficial results of the Special Election held on May 15, 2001, the Honorable Bill Shuster was elected to the Office of Representative in Congress, from the Ninth Congressional District, Commonwealth of Pennsylvania.

With best wishes, I am,

Sincerely,

JEFF TRANDAHL,
Clerk.

Attachment.

SPECIAL ELECTION, REPRESENTATIVE IN THE U.S. CONGRESS, 9TH CONGRESSIONAL DISTRICT, COUNTIES OF BEDFORD, BLAIR, CENTRE, CLEARFIELD, FRANKLIN, FULTON, HUNTINGDON, JUNIATA, MIFFLIN, PERRY AND SNYDER, MAY 15, 2001

Unofficial Results

	Vote Totals
Republican—Bill Shuster	55,549
Democratic—H. Scott Conklin	47,049
Green—Alanna K. Hartzok	4,420

SWEARING IN OF THE HONORABLE BILL SHUSTER OF PENNSYLVANIA AS A MEMBER OF THE HOUSE

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania (Mr. BILL SHUSTER) be permitted to take the oath of office today.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. Will the Representative-elect and the Members of the Pennsylvania delegation present themselves in the well of the House and take the oath of office.

Mr. SHUSTER appeared at the bar of the House and took the oath of office, as follows:

Do you solely swear that you will support and defend the Constitution of the United States against all enemies, foreign and domestic; that you will bear true faith and allegiance to the same; that you will take this obligation freely, without any mental reservation or purpose of evasion; and that you will well and faithfully discharge the duties of the office on which you are about to enter. So help you God.

The SPEAKER. Congratulations. You are now a Member of the 107th Congress of the United States.

□ 1030

INTRODUCTION OF BILL SHUSTER, NEW MEMBER FROM PENNSYLVANIA

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, it is my honor and extreme privilege to introduce the newest Member of the House to its Members here. He succeeds an individual who has become anonymous and who is little known in this Chamber but, despite that, we will present him with the distinction that he carries a name that has been a part of our traditions for many, many years. He is, of course, the son of Bud Shuster.

Beyond that, he, as an individual, was elected in the heart of Pennsylvania, was born and raised in that area, in Hollidaysburg, where he went to school and became a star athlete in three varsity sports, and who then went to Dickinson College. And by the way, what that does is double the number of Dickinson College graduates of this body in the Dickinson College Caucus, which I chair. Then he went and received a master's degree from American University. All the way up, he worked as a farm laborer, as a construction worker, in various businesses, until, at the time of his election, he was an entrepreneur in the automobile business.

His two children, who are with him, Ali, age 13, and Garrett, who is nine, are with him, as is the mother of the children, Rebecca, and a whole host of Shuster family and supporters. He is ready to tackle the job. He has talked about nothing except his future service in the House of Representatives. He is eager to take his place among us. We are ready to hear him and to help him and to help him become a great Member of the House of Representatives. BILL SHUSTER.

READY TO REPRESENT THE PEOPLE OF THE NINTH DISTRICT OF PENNSYLVANIA

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, I thank the gentleman from Pennsylvania very much for the introduction.

Mr. Speaker, it is truly an honor to stand here today as the newest Representative from the Ninth District from Pennsylvania. I want to thank the voters of central Pennsylvania for this incredible privilege. The faith and trust the people of Pennsylvania have placed in me is indeed an awesome responsibility.

Over the past 4½ months, I have traveled throughout the 11 counties that make up the ninth district, from DuBois to Chambersburg. I have listened closely to the concerns of the people: teachers, factory workers, senior citizens, business owners, young people and farmers. And I come here today ready to represent their values and bring their voices and concerns to Washington.

Job creation, tax relief for our families and businesses, strengthening and securing Social Security and Medicare for this generation and the next are among my top priorities. I am particularly honored to be sworn in today and cast my first vote for H.R. 1, the President's education plan. As the father of two young children in public schools and the husband of a schoolteacher, I can tell my colleagues that reforming and improving our education system is one of the most important areas that Congress can act on.

Mr. Speaker, I look forward to the days and months ahead working with my colleagues, and especially those in the Pennsylvania delegation, in accomplishing the people's business.

Finally, I want to thank my family and friends, many of whom have traveled down here to be with me today. Without their continued love and support, I would not be here. I would especially like to thank my mother, Pat; and my father, Bud; my wife, Becky; and my two children, Ali and Garrett. Again, none of this would be possible without their love and support.

HOPE FOR CHILDREN ACT

Ms. PRYCE of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 141 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 141

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 622) to amend the Internal Revenue Code of 1986 to expand the adoption credit, and for other purposes. The bill shall be considered as read for amendment. The amendment recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; and (2) one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. LATOURETTE). The gentlewoman from Ohio is recognized for 1 hour.

Ms. PRYCE of Ohio. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to my good friend and colleague, the gentleman from Ohio (Mr. HALL); pending which I yield myself such time as I may consume. During consideration of the resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 141 makes in order the bill H.R. 622, the Hope for Children Act, under a closed rule. The rule provides for 1 hour of debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The rule waives all points of order against consideration of the bill. Finally, the rule provides for one motion to recommit with or without instructions.

While this is a closed rule, it is important for my colleagues to understand that this bill represents a bipartisan effort that has the support of 289 Members of this body and could be passed under suspension. However, this rule will provide extra time for my colleagues to debate and discuss the importance of the adoption tax credit.

Mr. Speaker, adoption is an issue that holds a special place in my heart. It blesses a loving couple with the joy of parenthood and provides wanting children the chance to find permanency in their lives and love in their hearts. As an adoptive parent, I know firsthand this joy, but I also understand the financial burdens that it places on a family. Tragically, this burden can be so high that it prevents a couple from becoming a family and sadly leaves a needing child without a home.

Mr. Speaker, as an original cosponsor of the legislation that created this tax credit 5 years ago, and an original cosponsor of this, the Hope for Children Act, I am proud to be here today discussing these important changes that serve to update the adoption credit. Since the passage of the original credit 5 years ago, Congress has been working hard to strengthen adoption laws in the United States.

In the 1996 legislation, we included a provision that prohibited discrimination in adoption or foster care placements, helping to assure that the cultural, ethnic or racial background of a child would not hinder the placement into a loving home. Then, in 1997, Congress passed one of the most important child welfare laws in 20 years, the Adoption and Safe Families Act. This legislation helped to ensure that consideration of a child's safety is paramount in placement decisions.

June of 2000 saw the introduction of the adoption stamp, which many in Congress supported as a way to bring awareness to the 122,000 children waiting to be adopted in this country alone. In October of 2000, with passage of the Intercountry Adoption Act, the United States became the 39th country to ratify the Hague Convention, a cooperative framework between countries which ensures that a child's best interests are safeguarded during intercountry adoption processes.

That same month, Congress passed the Child Citizenship Act, a bill that grants automatic citizenship to foreign-born children adopted by American parents. And then came the Strengthening Abuse and Neglect Courts, which bolsters the efficiency and effectiveness of courts so that children in our child welfare system are not kept from permanent homes due to delays in the court system.

Now, in 2001, this House will consider the Hope for Children Act, legislation designed to help foster and facilitate adoptions; legislation that will strengthen families across the Nation; and legislation that will help to provide loving homes to children who desperately need them.

Current law provides a $5,000 tax credit to families for qualifying adoption expenses when adopting a child and $6,000 for a child with special needs. This is set to expire. Over 289 Members of the House have cosponsored the Hope for Children Act to show their support for extending and updating these sections of the code. H.R. 622 would begin by making the current tax credits a permanent part of the Tax Code. It would also raise the credit limitations to better reflect the costs of adoptions, allowing families to claim up to $10,000 in qualifying expenses upon adoption.

Statistics from the National Adoption Information Clearinghouse show that the cost of adoptions range from $4,000 on the low end to sometimes over $30,000 on the high end, depending on such factors as the cost of birth-parent counseling, adoptive-parent home study and preparation, the child's birth expenses and post-placement supervision until the adoption is finalized. This bill will update the credit to better reflect the costs associated with adoption today. This increase will provide an additional $4,000 to the tax credit for special needs adoptions.

Mr. Speaker, 63 percent of the children waiting in foster care are between the ages of 6 and 18. With this increased age comes an increased likelihood that these children will be classified by the State as special-needs children due to histories of emotional, physical, and sexual abuse. We have children waiting to be adopted that bring with them physical handicaps, and entire sibling groups that need to be placed in a home together. These children, more than any others, need a loving, permanent home; and families that will open their hearts should be given the utmost support. All of these important changes will be available to families beginning with expenses incurred in the 2002 tax year.

Mr. Speaker, we have to reduce the financial burden that adoption can place on families so that couples can become families and more children can sleep peacefully under the roof of loving parents. The Hope for Children Act will continue the hard work and dedication this Congress has devoted to adoption by reducing this huge financial barrier. It will help more children find the love of a family.

I urge all my colleagues to support both the rule and this important legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume, and I thank my friend, the gentlewoman from Ohio (Ms. PRYCE), for yielding me this time.

Mr. Speaker, this is a closed rule. It will allow for the consideration of the bill called the Hope for Children Act, H.R. 622. As my colleague from Ohio has described, this rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means.

□ 1045

Under the rule, no amendments are in order.

Mr. Speaker, this bill permanently extends the adoption tax credit. It raises it to $10,000. The bill also permanently extends the exclusion from income for employer-provided adoption assistance and raises it to $10,000. Under current law the amount in both provisions is $6,000 for special-needs children and $5,000 for other children.

Special-needs children include those who have physical, mental or emotional handicaps that make difficult placing the child with adoptive parents.

Mr. Speaker, permanently placing foster children with loving, adoptive parents is an important goal for our society. In doing so, we are setting a firm foundation in life for these children and strengthening our society as a whole. Therefore, it is appropriate for our government, including the Federal Tax Code, to encourage adoptions.

I am proud to join the gentlewoman from Ohio (Ms. PRYCE) and close to 200 of my House colleagues as a cosponsor of the bill. Almost two-thirds of the House has cosponsored this legislation. I regret that this is a closed rule which will not permit any amendments. Even in the case of tax bills, it is often customary to permit one substitute amendment.

Mr. Speaker, the bill before us does not offer sufficient incentives to promote the adoption of special-needs children; and although the bill does increase the size of the adoption tax credit, the definition of qualified adoption expenses is inadequate to help the overwhelming majority of families adopting special-needs children. Because this is a closed rule, there will be no opportunity to improve this on the House floor.

It is the understanding of concerned Democratic members of the Committee on Ways and Means that this issue will be addressed later in the legislative process. I am concerned about this closed rule. However, the bill was approved by the Committee on Ways and Means with Democratic support. The bill clearly has the overwhelming support of House Members on both sides of the aisle; therefore, I support the passage of the bill.

Mr. Speaker, I reserve the balance of my time.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. CUNNINGHAM), an adoptive father himself.

Mr. CUNNINGHAM. Mr. Speaker, I stand in support of the rule. I do not like closed rules myself, but I think in this case with the bipartisan support that we have on the bill, I doubt if there will be very many people opposed to it. I support the rule and am a cosponsor of the bill.

I have a son. He happens to be adopted. I would like to tell people that there is no difference between a natural son and an adopted son as far as the love and care, through better and worse. Like all children, you have problems; but it has been a blessing to my wife and myself.

I would also tell you a story. My brother, when he was going to college, was dating a young lady. Unbeknownst to him, the young lady became pregnant. She went away to Kansas City and gave birth to this child without my brother's knowledge.

Later on, my brother married this same young lady. They had two children. Later on, the adopted child wanted to know who her parents were. My niece, Louise, sought to find her mother. It took almost 2 years. She arrived in St. Louis and called my sister-in-law and said, "I think you are my mother." Louise had been adopted. She turned out to be living about a mile away from her natural parents.

When she arrived, she had no idea she had a natural father and a natural brother and sister. Louise is now pregnant with her third child. No, the child will not be aborted; and the child will have a loving family from Josh and Louise. A loving mother who supported her daughter's right to seek her natural parents is very close to my brother and the entire family.

So the story, Mr. Speaker, is that adopted children, there are success stories. And it is a wonderful thing that I think Members on both sides of the aisle are doing here by making it possible to go forward with this bill. Mr. Speaker, I thank the sponsors of this bill.

Mr. HALL of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts (Mr. DELAHUNT).

Mr. DELAHUNT. Mr. Speaker, I too rise in support of the rule and the underlying bill. I was among its original cosponsors, and I want to take a moment to commend the gentlewoman from Ohio (Ms. PRYCE) and the gentleman from Michigan (Mr. CAMP) for their leadership.

The bill will make it possible for many more families to provide children with loving and permanent homes. But I would be remiss not to acknowledge my disappointment that the bill we are considering today is not the one that I cosponsored originally. It has been stripped of one of its most important provisions which was designed to help those adoptive families most in need of our assistance, those who adopt children with special needs.

Children with special needs are those who, because of their age, race, disability or other characteristics, would be unlikely to find a permanent home without special assistance. Many are older, some have mental or physical or emotional problems. Not only are these children the least likely to find a loving home, but when they do find a home, their adoptive parents typically face financial burdens in caring for them.

There are some 125,000, approximately, children in foster care now who are eligible for adoption and who continue to wait and wait and wait for a permanent placement. The vast majority of these children are so-called children with special needs.

The credit actually does little for these families, unfortunately, because it can be applied to only such adoption-related expenses as adoption fees, court costs and attorneys' fees. Most special-needs children are adopted from foster care and publicly-supported institutions, and the families who do adopt them do not incur these kinds of expenses. That is why the Department of Treasury reported last October that only 15 percent of these families were able to claim any tax benefits under the credit for 1998.

The provision that was removed from the bill would have remedied this situation by providing a $10,000 tax credit for families who adopt special-needs children irrespective of the nature of the expenses they incur in providing for the child.

Mr. Speaker, this would have ensured that all adoptive parents could partake equally in the benefits of the credit. Most importantly, it would have provided a meaningful incentive to those who are eager to adopt children with special needs but maybe are unable to absorb all of the extraordinary financial burdens that this can entail.

As an adoptive father myself, I believe we have a strong interest as a society, as a Nation, in encouraging all adoptions, but especially those that provide a permanent home to a child with special needs.

As I indicated, I am going to support the bill, but I hope very much that a way can be found to reinstate the provision before it is sent to the President for his signature.

Ms. PRYCE of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I, too, regret that the provision that the gentleman spoke of is not included. However, we have assurances from our Committee on Ways and Means that this matter will be subject to hearings. I think there is great support for it in the Senate. I, too, hope it is added before it goes to the President for signature.

Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. CAMP), a member of the Committee on Ways and Means and a champion of the issue of adoption in the House of Representatives.

Mr. CAMP. Mr. Speaker, I thank the gentlewoman for yielding me this time, and for her leadership on the issue of adoption.

Mr. Speaker, since 1995, we have made tremendous progress from the creation of the credit, to ending discrimination in adoption, to the Adoption in Safe Families Act, a stamp commemorating adoption, the Intercountry Adoption Act to help people who are adopting children from abroad, and the Child Citizenship Act to make sure that children who are foreign born who are adopted by American parents receive automatic citizenship. That had been a real hang-up for families who are adopting. And also for the Abuse and Neglect Act; and now, of course, today increasing the credit.

Mr. Speaker, I support this rule. This bill represents a unanimous bipartisan effort from the Committee on Ways and Means and from the House. There are well over 289 cosponsors, a significant amount of support.

This rule will provide extra time for my colleagues to debate and discuss the importance of this act. The credit, as I said, was originally enacted in the mid-1990s. A portion of that original law is set to expire. So if we do not act, we will lose the adoption credit, and we need to update the language of this bill to better reflect the realities and cost of adoption today.

The Hope for Children Act will make permanent an update of the adoption tax credit, increasing the credit to $10,000 per eligible child and raising the income caps and exempting the credit from the Alternative Minimum Tax, so there are no adverse tax consequences for people who use this credit.

It will also extend the gross income exclusion for employer-provided adoption assistance programs and raise that maximum exclusion to $10,000 as well.

As has been stated, this is about children and families and about finding a loving home for children who do not have homes. That is the most important thing in this bill.

Mr. Speaker, again I wanted to commend the leadership on the bipartisan effort of this bill, and especially the leadership of the gentlewoman from Ohio (Ms. PRYCE) who has brought the issue of adoption to the floor.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of the bill and also the rule, and for the very strong pro-family, pro-adoption tax relief policy, Hope for Children Act. Children's issues, and specifically promoting adoption and improving foster care, have been important legislative goals in my career. I am proud to have worked with President Clinton and his staff in a bipartisan way in this Congress back in 1996 when we passed the original bill that helped break down the financial and bureaucratic barriers to adoption, giving every child what every child needs and deserves: loving parents and a strong, stable home.

This legislation eases the cost of adoption by increasing the adoption tax credit that expired this year from $5,000 to $10,000 for all adoptions, and increases the employer adoption assistance exclusion to $10,000.

Every child deserves a loving family. This legislation helps provide assistance to those families who wish to add a child to their lives. All parents today face the stark reality that raising children, although wonderful and a true joy, is also increasingly expensive. The simple cost of going through the adoption process can be very expensive.

Mr. Speaker, I am hopeful that this Congress will also be able to address the item that my colleague from Massachusetts raised, the needs of parents who wish to adopt special-needs children. And I am pleased that my colleague, the gentlewoman from Ohio (Ms. Pryce), states a commitment from the Committee on Ways and Means to address this later in the session has been forthcoming.

These children are often older and have handicaps and medical conditions, and I urge my colleagues to work with the gentlewoman and others in the future to make sure that this is also included.

Again, I applaud the bipartisan leadership on this bill. With so many children in need of homes, it is morally right for Congress to relieve some of the financial burdens for these families.

All Members of Congress know that our doors are continually beaten down by those seeking various tax benefits for specific special interests. Children's voices often fail to be heard today in Washington, and I am pleased to stand in support with my colleagues of our Nation's children. This will help thousands of children waiting for a family that wants them, and it will help thousands of middle-class parents adopt them. It is an important bill. I urge a "yes" vote on the rule and the underlying bill.

□ 1100

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 1 minute to the distinguished gentleman from Indiana (Mr. PENCE).

Mr. PENCE. I thank the gentlewoman for yielding me this time.

Mr. Speaker, I rise today in support of the rule and of the Hope for Children Act. I thank my colleagues on the Hope Coalition for their bipartisan leadership on this issue, especially the gentlewoman from Ohio.

Mr. Speaker, there are very few things that can touch a life more than providing a home for a child without a family. The presence of parents in a child's life is undoubtedly the single most important aspect of their development. However, many would-be parents of children without homes are prevented from opening their doors due to the high cost of adoption.

Mr. Speaker, the Hope for Children Act will tear down the financial barriers to adoption by doubling the adoption tax credit from $5,000 to $10,000. While this credit may cause a relatively small loss in revenue for the Federal Government, it is a significant step to placing loving families and children together.

Mr. Speaker, I urge all of my colleagues to vote for the Hope for Children Act. It is said that He puts the lonely in families. It is the Hope for Children Act that puts the Congress in the business of putting lonely children into the families of America.

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 2 minutes to the distinguished gentleman from Florida (Mr. STEARNS).

Mr. STEARNS. Mr. Speaker, I thank the distinguished gentlewoman from Ohio for yielding me this time.

I support the rule. This bipartisan legislation addresses the needs of this country's most vulnerable citizens, the children. Many families who would like to open their homes to children in need are prevented from doing so because of the $8,000 to $30,000 cost that is associated with this. The increase in the adoption tax credit to $10,000 for all adoptions would greatly facilitate the placement of children into permanent homes.

In Congress, we are limited as to what we can do to promote healthy families. We cannot legislate kindness from parents towards their children nor can we legislate responsible parental behavior. Therefore, it is our duty to do what is in our power to encourage strong families. One such thing we can do is to enable these families who would like to open their households as permanent and loving homes for children in need. This legislation relieves the heavy financial burden placed on these families.

Any family who wishes to care for these children in a permanent way should have the support of this body. I support the rule and urge passage of the bill.

Mr. HALL of Ohio. Mr. Speaker, I yield myself the balance of my time.

This is a good piece of legislation. I think many of us are very proud to be on it. We hope as the bill makes its way through the legislative process that this amendment addressing special-needs children is added. We support the bill and the rule.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Ms. PRYCE of Ohio. Mr. Speaker, I yield myself the balance of my time.

This issue is very close to my heart and a personal priority. By reducing the financial burden that adoption can place on families, more couples can share their love with lonely, wanting children. That is what it is all about, fulfilling the dreams of those who long for a family.

I would like to give my personal thanks to the gentleman from California (Mr. THOMAS) and the Committee on Ways and Means for their extraordinary efforts on behalf of this bill; the majority leader, the gentleman from Texas (Mr. ARMEY); and the Adoption Caucus. I urge all my colleagues to support both the rule and this important legislation.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. LATOURETTE). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HALL of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 415, nays 1, not voting 16, as follows:

[Roll No. 123]

YEAS—415

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boswell
Boucher
Boyd
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Conyers
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
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Jefferson
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Johnson, E. B.
Johnson, Sam
Jones (NC)
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Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (KS)
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Price (NC)
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Young (AK)
Young (FL)

NAYS—1

Stark

NOT VOTING—16

Bilirakis
Borski
Brady (PA)
Condit
Cooksey
Cubin
Ganske
Gilman
Hunter
Kilpatrick
Largent
Lewis (GA)
Lucas (OK)
Pence
Radanovich
Tierney

☐ 1126

Mr. THOMPSON of Mississippi changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. THOMAS. Mr. Speaker, pursuant to House Resolution 141, I call up the bill (H.R. 622) to amend the Internal Revenue Code of 1986 to expand the adoption credit, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. LATOURETTE). Pursuant to House Resolution 141, the bill is considered read for amendment.

The text of H.R. 622 is as follows:

H.R. 622

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Hope for Children Act".

SEC. 2. EXPANSION OF ADOPTION CREDIT AND ADOPTION ASSISTANCE PROGRAMS.

(a) IN GENERAL.—

(1) ADOPTION CREDIT.—Section 23(a)(1) of the Internal Revenue Code of 1986 (relating to allowance of credit) is amended to read as follows:

"(1) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter—

"(A) in the case of an adoption of a child other than a child with special needs, the amount of the qualified adoption expenses paid or incurred by the taxpayer, and

"(B) in the case of an adoption of a child with special needs, $10,000.".

(2) ADOPTION ASSISTANCE PROGRAMS.—Section 137(a) of such Code (relating to adoption assistance programs) is amended to read as follows:

"(a) IN GENERAL.—Gross income of an employee does not include amounts paid or expenses incurred by the employer for adoption expenses in connection with the adoption of a child by an employee if such amounts are furnished pursuant to an adoption assistance program. The amount of the exclusion shall be—

"(1) in the case of an adoption of a child other than a child with special needs, the amount of the qualified adoption expenses paid or incurred by the taxpayer, and

"(2) in the case of an adoption of a child with special needs, $10,000.".

(b) Dollar Limitations.—

(1) Dollar amount of allowed expenses.—

(A) Adoption expenses.—Section 23(b)(1) of the Internal Revenue Code of 1986 (relating to allowance of credit) is amended—

(i) by striking "$5,000" and inserting "$10,000",

(ii) by striking "($6,000, in the case of a child with special needs)", and

(iii) by striking "subsection (a)" and inserting "subsection (a)(1)(A)".

(B) Adoption assistance programs.—Section 137(b)(1) of such Code (relating to dollar limitations for adoption assistance programs) is amended—

(i) by striking "$5,000" and inserting "$10,000", and

(ii) by striking "($6,000, in the case of a child with special needs)", and

(iii) by striking "subsection (a)" and inserting "subsection (a)(1)".

(2) Phase-out limitation.—

(A) Adoption expenses.—Clause (i) of section 23(b)(2)(A) of such Code (relating to income limitation) is amended by striking "$75,000" and inserting "$150,000".

(B) Adoption assistance programs.—Section 137(b)(2)(A) of such Code (relating to income limitation) is amended by striking "$75,000" and inserting "$150,000".

(c) Year Credit Allowed.—Section 23(a)(2) of the Internal Revenue Code of 1986 (relating to year credit allowed) is amended by adding at the end the following new flush sentence:

"In the case of the adoption of a child with special needs, the credit allowed under paragraph (1) shall be allowed for the taxable year in which the adoption becomes final.".

(d) Repeal of Sunset Provisions.—

(1) Children without special needs.—Paragraph (2) of section 23(d) of the Internal Revenue Code of 1986 (relating to definition of eligible child) is amended to read as follows:

"(2) Eligible child.—The term 'eligible child' means any individual who—

"(A) has not attained age 18, or

"(B) is physically or mentally incapable of caring for himself.".

(2) Adoption assistance programs.—Section 137 of such Code (relating to adoption assistance programs) is amended by striking subsection (f).

(e) Adjustment of Dollar and Income Limitations for Inflation.—

(1) Adoption credit.—Section 23 of the Internal Revenue Code of 1986 (relating to adoption expenses) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) Adjustments for Inflation.—In the case of a taxable year beginning after December 31, 2002, each of the dollar amounts in subsection (a)(1)(B) and paragraphs (1) and (2)(A)(i) of subsection (b) shall be increased by an amount equal to—

"(1) such dollar amount, multiplied by

"(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2001' for 'calendar year 1992' in subparagraph (B) thereof.".

(2) Adoption assistance programs.—Section 137 of such Code (relating to adoption assistance programs), as amended by subsection (d), is amended by adding at the end the following new subsection:

"(f) Adjustments for Inflation.—In the case of a taxable year beginning after December 31, 2002, each of the dollar amounts in subsection (a)(2) and paragraphs (1) and (2)(A) of subsection (b) shall be increased by an amount equal to—

"(1) such dollar amount, multiplied by

"(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2001' for 'calendar year 1992' in subparagraph (B) thereof.".

(f) Limitation Based on Amount of Tax.—

(1) In general.—Section 23(c) of the Internal Revenue Code of 1986 (relating to carryforwards of unused credit) is amended by striking "the limitation imposed" and all that follows through "1400C)" and inserting "the applicable tax limitation".

(2) Applicable tax limitation.—Section 23(d) of such Code (relating to definitions) is amended by adding at the end the following new paragraph:

"(4) Applicable tax limitation.—The term 'applicable tax limitation' means the sum of—

"(A) the taxpayer's regular tax liability for the taxable year, reduced (but not below zero) by the sum of the credits allowed by sections 21, 22, 24 (other than the amount of the increase under subsection (d) thereof), 25, and 25A, and

"(B) the tax imposed by section 55 for such taxable year.".

(3) Conforming amendments.—

(A) Section 26(a) of such Code (relating to limitation based on amount of tax) is amended by inserting "(other than section 23)" after "allowed by this subpart".

(B) Section 53(b)(1) of such Code (relating to minimum tax credit) is amended by inserting "reduced by the aggregate amount taken into account under section 23(d)(3)(B) for all such prior taxable years," after "1986,".

(g) Credit Renamed the Tom Bliley Adoption Credit.—

(1) The heading of section 23 of such Code is amended to read as follows:

"SEC. 23. TOM BLILEY ADOPTION CREDIT.".

(2) The item relating to section 23 in the table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended to read as follows:

"Sec. 23. Tom Bliley adoption credit.".

(h) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

The SPEAKER pro tempore. The amendment printed in the bill is adopted.

The text of H.R. 622, as amended, is as follows:

H.R. 622

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Hope for Children Act".

SEC. 2. INCREASED TAX INCENTIVES FOR ADOPTIONS.

(a) Increase in Maximum Benefit.—Section 23(b)(1) of the Internal Revenue Code of 1986 (relating to dollar limitation) is amended by striking "$5,000" and all that follows and inserting "$10,000.".

(b) Benefits Made Permanent for All Children.—Paragraph (2) of section 23(d) of such Code is amended to read as follows:

"(2) Eligible child.—The term 'eligible child' means any individual who—

"(A) has not attained age 18, or

"(B) is physically or mentally incapable of caring for himself.".

(c) Increase in Phaseout.—Clause (i) of section 23(b)(2)(A) of such Code (relating to income limitation) is amended by striking "$75,000" and inserting "$150,000".

(d) Credit Allowed Against Alternative Minimum Tax.—

(1) In general.—Subsection (b) of section 23 of such Code is amended by adding at the end the following new paragraph:

"(4) Limitation based on amount of tax.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

"(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

"(B) the sum of the credits allowable under this subpart (other than this section) and section 27 for the taxable year.".

(2) Conforming amendments.—

(A) Subsection (c) of section 23 of such Code is amended—

(i) by striking "section 26(a)" and inserting "subsection (b)(4)", and

(ii) by striking "reduced by the sum of the credits allowable under this subpart (other than this section and section 1400C)".

(B) Paragraph (1) of section 26(a) of such Code is amended by inserting "(other than section 23)" after "this subpart".

(C) Section 904(h) of such Code is amended by inserting "(other than section 23)" after "chapter".

(D) Subsection (d) of section 1400C of such Code is amended by inserting "and section 23" after "this section".

(e) Amendments Related to Employer-Provided Adoption Assistance.—

(1) Paragraph (1) of section 137(b) of such Code is amended by striking "$5,000" and all that follows and inserting "$10,000.".

(2) Subparagraph (A) of section 137(b)(2) of such Code is amended by striking "$75,000" and inserting "$150,000".

(3) Section 137 of such Code is amended by striking subsection (f) (relating to termination).

(f) Effective Date.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(2) Expenses paid or incurred in prior years.—Expenses paid or incurred during any taxable year beginning before January 1, 2002, may be taken into account in determining the credit under section 23 of the Internal Revenue Code of 1986 for a taxable year beginning on or after such date only to the extent the aggregate of such expenses does not exceed the applicable limitation under section 23(b)(1) of such Code as in effect on the day before the date of the enactment of this Act.

The SPEAKER pro tempore. The gentleman from California (Mr. THOMAS) and the gentleman from Maryland (Mr. CARDIN) each will control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from California (Mr. THOMAS).

□ 1130

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Before us today is H.R. 622, the Hope for Children Act. Most importantly, I want to thank the gentleman from South Carolina (Mr. DEMINT) and the gentlewoman from Ohio (Ms. PRYCE) for their leadership in moving this piece of legislation forward. But as chairman of the Committee on Ways and Means, I also want to congratulate Members on both sides of the aisle on the Committee on Ways and Means.

The bill before us today is not as the bill was introduced. It was amended in committee to bring together both the idea of the Tax Code assisting in adoption and the President's proposals as outlined during the campaign. This bill may, in fact, be changed as it moves through the legislative process with the Senate; but the heart of the bill, the fundamental purpose of the bill, will not change; that is, that the dollar amounts currently in law, some of them subject to termination, will be made permanent and increased in the hope that adoption will be utilized more frequently in this country.

Mr. Speaker, I have a Statement of Administration Policy that I would like inserted in the RECORD. The heart of the Statement of Administration Policy is "H.R. 622 is consistent with the President's priorities, which include permanently extending and increasing the adoption tax credit."

That is the focus that we should place on this bill, and this is one of those opportunities to engage in a discussion and debate on the floor of the House in a way that we do not do it as often as we would like; but joining together on this particular bill, it will be a very rewarding morning.

OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, May 17, 2001.

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES)

The Administration supports House passage of H.R. 622, the Hope for Children Act, as an important pro-family and pro-adoption tax relief initiative. H.R. 622 is consistent with the President's priorities, which include permanently extending and increasing the adoption tax credit. The Administration looks forward to working with Congress through the legislative process to achieve a result that best embodies the objectives of the President's plan.

Pay-As-You-Go Scoring

Any law that would reduce receipts is subject to the pay-as-you-go requirements of the Balanced Budget and Emergency Deficit Control Act. Accordingly, H.R. 622 or any substitute amendment in lieu thereof, that will also reduce revenues, will be subject to the pay-as-you-go requirement. The Administration will work with Congress to ensure that any unintended sequester of spending does not occur under current law or the enactment of any other proposals that meet the President's objectives to reduce the debt, fund priority initiatives, and grant tax relief to all income tax paying Americans.

Mr. Speaker, I reserve the balance of my time.

Mr. CARDIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there is broad support for the underlying goals of H.R. 622, to assist families in meeting their needs on adoption. The bill, as the chairman has indicated, would increase the adoption credit to $10,000. That is broadly supported in this body.

Secondly, it would make permanent the adoption credit. In current law, the adoption credit for special-needs children is already permanent, and this bill would make it permanent for all adoptions to use the credit; and there is broad support for that provision.

Mr. Speaker, let me point out two concerns that we have with this bill. As I indicated, we supported the bill, but we have two concerns. First, this is the eighth tax bill that has been considered by this body. This bill is not part of the $1.25 trillion budget that has passed both this body and the other body. So we are already starting to see additional tax bills that are going to be considered that are going to go beyond the $1.25 trillion.

One of the concerns that has been expressed by the Democrats is that we, in fact, are going to be having tax relief far in excess of what is provided in the budget resolution. I regret this will probably not be the last time that we will be making this point, that there will be other tax bills that are going to be brought forward that exceed the budget resolution that was passed by this body.

The second concern, and we have already heard this by other speakers speaking on the rule, is that there is not enough help in this legislation for parents who want to adopt special-needs children. The children that fall into this category are our most difficult children to place with adoptive parents. These are usually older children, children that come out of foster care, children that have one or more disabilities. We want to help these children find permanent homes.

Unfortunately, today, only one out of seven parents who adopt a child with special needs can take advantage of the credit that is in the law for adoption expenses; and the main reason for this is that the expenses that qualify for the adoption credit are normally paid for by the social agencies that are involved in adoption of children with special needs. Those parents who can take advantage of the adoption credit find that they do not have as much expenses and they do not reach the limit. The percentage of parents who are using the adoption credit with special-needs children are much lower in reaching the credit than those that are adopting other children. So, therefore, this bill that costs $2.5 billion over the 10-year window will have little benefit for helping children with special needs find permanent placements.

Mr. Speaker, there are 122,000 children waiting for adoption with special needs. I think we can do more to help families. The original bill had a provision in it that allowed the $10,000 credit without the documentation of costs. That amendment would cost about $125 million, a small fraction of the money that the underlying bill that has been reported to this body would cost.

Mr. Speaker, we support this bill; but I would hope that we could do better. I would like just, if I might, to quote from the Committee Report, and I thank the chairman for including this language in our committee report: "The committee, however, is aware that families adopting special-needs children may incur continuing expenses after the adoption is finalized that are not eligible for these benefits. The committee will continue to search for ways to help alleviate these post-adoption expenses."

I want the chairman to know that we want to work with him in finding a way in which we can provide additional assistance to families who are adopting special-needs children. We think we can do better, and we hope as the bill works its way through the legislative process we will find a way to take care of that need.

Mr. Speaker, I reserve the balance of my time.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume, in part to respond to my colleague from Maryland.

In terms of his concerns about finding money to pay for this particular program or, indeed, any other program, because notwithstanding the budget reconciliation numbers, there is included in that budget reconciliation an estimated revenue stream outside of reconciliation of more than $18 billion over 10 years, more than enough to pay for this particular program, and for a number of others that I would say the Committee on Ways and Means will probably be looking at. These are not large amounts of money, and they can be accommodated.

The question is ordering our priorities; and it seems to me that based upon the support of this bill that this ought to be very high on our priority list to claim its fair share of that revenue outside of reconciliation.

Mr. Speaker, at this time I ask unanimous consent that the gentleman from Michigan (Mr. CAMP) be permitted to control the remaining time, someone who has been instrumental in helping us shape this legislation and move it forward.

The SPEAKER pro tempore (Mr. LATOURETTE). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CAMP. Mr. Speaker, I yield myself such time as I may consume.

I want to thank the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means, for his leadership on this very important issue. This bill would not have come to the floor without his support and effort. Also, I am grateful for the bipartisan effort that this bill has enjoyed.

Mr. Speaker, I think it is important to also mention that the former chairman of the Committee on Commerce, the gentleman from Virginia (Mr. BLILEY), originally introduced this bill in the last Congress, and along with the gentlewoman from Ohio (Ms. PRYCE) and the gentleman from South Carolina (Mr. DEMINT) helped bring this bill to the floor.

Obviously, I support the Hope for Children Act, H.R. 622, which would raise the tax credit for adoption to $10,000. Currently the maximum credit is $6,000 for families who adopt a special-needs child and $5,000 for all other adoptions. The credit is set to expire this year, and H.R. 622 would make the credit permanent. The special-needs credit, as the gentleman from Maryland mentioned, is permanent now. But furthermore, the Hope for Children Act applies to all adoptions, both domestic and intercountry. As the lead sponsor of the Adoption and Safe Families Act, which was signed into law in November of 1997, I am pleased that we are continuing our efforts to make adoptions easier.

I supported the legislation which was signed into law that provided adoptive parents a $5,000 per child adoption credit, but now it is time to expand this tax credit and make it permanent. Families can spend anywhere from $8,000 to $30,000 to adopt a child; and we need to ease the financial burden that really gets in the way of children finding permanent and loving homes.

I have heard from many families like William and Susan Logan of Midland, Michigan, who would like to open their home to a child, but are prevented or delayed from doing so because of the high cost of adoption. The good news is that the Logans will be traveling abroad in the next couple of weeks to bring home the newest addition to their family.

Regrettably, there are thousands more children who are without permanent families, and it is time we work together to ensure they find a loving home. I believe that now is the time to help those children find the families they are waiting for so that they may enjoy a wonderful, loving relationship. I urge my colleagues to vote "yes" on H.R. 622.

Mr. Speaker, I reserve the balance of my time.

Mr. CARDIN. Mr. Speaker, it is my pleasure to yield 5 minutes to the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Speaker, I thank the gentleman for yielding this time and for being so generous with his time.

Mr. Speaker, this is a very nostalgic moment for me. My late wife, Jo, and I started our family with adoption. We brought Ted into our family in April of 1968; and there followed Noelle and Annie and Monica, and now grandchildren, granddaughters. It would not have been possible without adoption.

I started thinking about what we were able to do, how we were able to afford the cost of adoption. But there are many others who could not. And in 1977, I introduced what then was recognized as the very first bill to provide financial assistance for adoption, a modest $1,500 tax deduction. Well, it was rejected by Treasury as costing too much; Treasury could not afford it. There was not really much of a movement across this country for adoption in those days. So I began to work to build a consensus. With the help of Members on both sides of the aisle, it is remarkable how I found support, for example, from our former colleague, Mr. Lightfoot of Iowa, who himself was an adopted child; from Mr. BLILEY, the gentleman from Virginia, who was an adoptive parent. Over time, we built a consensus and a bipartisan momentum until in 1996, 20 years later, legislation was enacted to provide, not a tax deduction, but a much more valuable $5,000 tax credit. Never in my wildest dreams did I think we could achieve that goal.

I thank the gentleman from South Carolina (Mr. DEMINT); the gentlewoman from Ohio (Ms. PRYCE); the gentleman from Alabama (Mr. BACHUS); the gentleman from New York (Mr. KING); and the gentleman from Michigan (Mr. CAMP), who is currently the floor manager; and the chairman of the committee; and my very, very dear friend, the gentleman from Maryland (Mr. CARDIN), for championing this cause within the Committee on Ways and Means, and there are many others.

Mr. Speaker, I am disappointed that the committee did not follow my suggestion that we name this the Bliley Adoption Tax Credit, but I understand that the Chair has reservations about naming provisions of tax bills for sponsors. However, we do have the Keogh bill; we do have many other provisions of law that are named after former or, at the time, Members of Congress who were their sponsors. Nonetheless, the time will come, when this provision will be known as the Bliley Tax Credit and perhaps just because of his activism. But the gentleman from Virginia (Mr. Bliley) and I did join forces in crafting this legislation, securing 289 cosponsors; and I know that he is very pleased. It would be nice if his name were attached to it, but the recognition is there.

Now, I do feel, as the gentleman from Maryland said so well, that this was an opportunity to go farther, to do more.

□ 1145

I feel somewhat ill at ease saying that we should have done more when we already are doing something. But let us never stop. We should never rest in finding homes for children.

A modest number, I think, 122,000 already identified special-needs children will benefit, hopefully, from this legislation with loving parents who will take these children into their homes.

If we want to look at the cost side of it, think of the enormous cost savings to society. The best insurance policy we have against violence in our society, against crime, is a loving family, a home for these children who are not condemned to a life adrift.

But there are further considerations; we do have to think about these: home and vehicle modifications, out-of-pocket medical expenses, lost income, no reimbursement for such lost income for parents who need to take time to deal with their special needs adoptive child. They are not reimbursed by the State; they are not eligible for the current adoption tax credit.

There is much to be commended in this legislation. It is a big step forward. I am delighted with it. I urge all those parents, all those would-be parents to take a look when this becomes law and move quickly on it, and show that we have acted in good faith and that there is a response, and that children will be taken out of institutions and into loving families.

I will say in closing, that it is not the tax credit by itself that is going to make the difference in whether these children are adopted. Parents will find homes for them. But we should use the Tax Code to make it easier; to show that our government, our tax system, has a heart, and we are opening that heart today a little wider, opening the doors wider to a generous society, a loving society, one that respects life from conception all the way through every stage of human existence.

Mr. CAMP. Mr. Speaker, I yield 3 minutes to the gentleman from South Carolina (Mr. DEMINT), the sponsor of the bill.

Mr. DeMINT. Mr. Speaker, it does give me great joy to stand here today to celebrate the thousands of moms, dads, and children who become bigger and stronger families through adoption.

The Hope for Children Act that we will pass in the House today will help build more loving, stable families in America, and send a strong signal across our land that every child is a wanted child.

Like many Americans, I grew up in a family without my father in the home. While my mother and eventually my stepfather did all they could to compensate for this missing piece in my life, nothing could dispel the haunting in my heart that regularly whispered that I was not wanted.

Too many Americans grow up with this sense of not being wanted. But every year in America, thousands of children have an infinitely more positive experience. When a married couple decides to adopt a child, they not only fill a void in their own lives, they send a clear signal to their child that he or she is loved and wanted.

The Hope for Children Act sends a strong signal that America wants her children, all of her children. By helping new parents with the high financial cost of adoption, we as a nation encourage the building of strong, happy families.

I introduced H.R. 622 earlier this year, along with my colleagues in the Hope Coalition, the gentleman from Minnesota (Mr. OBERSTAR), the gentlewoman from Ohio (Ms. PRYCE), the gentleman from Alabama (Mr. BACHUS), and the gentleman from New York (Mr. KING), to work to ensure enactment of the Hope for Children Act this year.

However, as has been mentioned, the original Hope for Children Act to permanently extend and double the tax credit for adoption was introduced in the last Congress by the gentleman from Virginia, our former, our former colleague, Tom Bliley. Chairman Bliley worked tirelessly on adoption issues during his tenure in Congress and paved the way for this legislation.

While he is retired from the House, it is our privilege to carry on his work to pass Hope for Children today. The provisions in this bill are an excellent step in making adoption a reality to more families. As we work with the Senate to help the Hope for Children Act become law, we look forward to exploring the best policy methods to address the unique circumstances of special-needs adoptions in relation to the adoption tax credit.

I want to take a moment to thank my colleagues in the House for showing their overwhelming support for this bill. With 289 cosponsors, this bill is truly bipartisan.

As we celebrate this pro-child, pro-family legislation today, I want to thank the chairman, the gentleman from California (Mr. THOMAS), and the members of the Committee on Ways and Means.

I also want to thank the distinguished majority leader, the gentleman from Texas (Mr. ARMEY), for taking a special interest in moving this important legislation.

Lastly, I would like to thank the members of the Hope Coalition and their staffs for working as a team to make the passage of this legislation a reality.

I especially need to thank a member of my staff, Courtney Weise, who has made this her passion for the last 6 months. It is only because of her that we pulled this off today.

Mr. Speaker, this past Sunday we celebrated Mother's Day; next month, Father's Day. Being a mom or dad is the greatest privilege in life, and this bill will help make moms and dads all across the country, and make America a better place to live.

Mr. CARDIN. Mr. Speaker, I am pleased to yield 5 minutes to my colleague, the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I want to thank my colleague, the gentleman from Maryland, for yielding time to me.

I also want to commend and congratulate the gentleman from South Carolina (Mr. DEMINT) for introducing this meaningful legislation.

Mr. Speaker, I rise to join with my colleagues in expressing the importance of the Hope for Children Act. In our country, there are thousands of children without a family to care for them. At the same time, there are thousands of families who would like to bring these children into their homes but cannot because of the rising cost of adoption.

Families today often spend between $8,000 and $30,000 just to adopt a child. Yet, the adoption credit to them is only $5,000. For many families, this makes adoption impossible simply because of the huge financial burden.

Last year, the Illinois Department of Children and Family Services consummated 6,281 adoptions. However, this year, DCFS reports that 1,600 children are still waiting to be adopted immediately; and there are 29,000 children in Illinois living in non-permanent substitute homes. By increasing the adoption tax credit to $10,000, the Hope for Children Act will allow more families to adopt, give them the opportunity to adopt. It will help more children bypass the foster care system and become part of a permanent family. It will also help to encourage the development of more stable families.

Children are indeed the future of our country, and it is necessary that we give them the opportunity to grow up in stable and permanent environments.

So I commend all of those families who would adopt and bring children into their homes. They are indeed what I would call the salt of the Earth, the pillars of the universe: those who are willing to share and give of themselves so that others might have a more meaningful life.

I also want to thank my intern who just joined us, Kate Perdzik, who actually wrote these comments, and the importance of the issue was captured by her, not much more than a child herself, but one who really understands the value of families taking into consideration the needs of others.

Mr. CAMP. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. HORN).

Mr. HORN. Mr. Speaker, I enthusiastically support H.R. 622, the Hope for Children Act. One of the caseworkers in my district office has adopted five children. The costs of adoptions are exorbitant, often running $40,000 to $50,000 per child. Doubling the adoption tax credit to $10,000 is a positive first step in helping families meet these costs.

Easing the financial burden of adoption makes it possible for more families to give children a loving family and a stable home, something every child deserves.

I thank the chairman, the gentleman from California (Mr. THOMAS), for this beginning. I am proud to support this important bill, and I urge my colleagues to do so as well. Vote aye for H.R. 622.

Mr. CAMP. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. ENGLISH), a distinguished member of the Committee on Ways and Means.

Mr. ENGLISH. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, it is fundamental that the family is the central institution of American society. Mr. Speaker, many families open their hearts and open their homes to children through adoption. They know that they can provide a child with a loving home, and they know that they can grow as individuals and as a couple by experiencing the love of a child.

Our enlightened social policy and tax policy should encourage this. Unfortunately, the average adoption in 1998 cost roughly $5,900, with 25 percent of adoptive parents reporting expenses of more than $10,000. That price tag prohibits many families from growing, leaving more than 118,000 foster care children waiting to be adopted.

Given the financial commitment being made by families who adopt a child, the current credit does not go far enough. The Hope for Children Act opens the doors for many families who wish to adopt children but find the cost absolutely prohibitive.

H.R. 622 increases the maximum adoption tax credit to $10,000 from $6,000 for special-needs children and $5,000 for all other adoptions, while increasing the income cap for those who claim the credit from $75,000 to $150,000. It also makes the credit permanent for all adoptions, not just special-needs children.

The bill allows the credit to apply against the AMT, so families are not unfairly pushed into the AMT by claiming this credit. This plan also increases the exclusion for employer-provided adoption assistance to $10,000 for all adoptions and makes this provision permanent.

Mr. Speaker, many families in my district and around the United States know firsthand the joy of adopting a child. We should not allow cost to stand as a barrier to all families that wish this experience, to experience it. Passing this legislation will advance the goal of providing every child with a loving home.

Mr. CAMP. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama (Mr. BACHUS).

Mr. BACHUS. Mr. Speaker, I rise today in support of the Hope for Children Act. As a member of the Hope Coalition, I would like to thank the gentleman from South Carolina (Mr. DEMINT) and the gentlewoman from Ohio (Ms. PRYCE) for their energy on this bill this year, for guiding it through the Committee on Ways and Means.

I would like to thank the members of the Committee on Ways and Means. I would also like to thank the gentleman from New York (Mr. KING), the other member of the Hope for Children Coalition, and the gentleman from Minnesota (Mr. OBERSTAR).

Mr. Bliley, as others have said, first introduced this legislation in the 106th Congress. I was the lead sponsor the next year. The gentleman from Minnesota (Mr. OBERSTAR) has always been a real driver and a real enthusiastic supporter of this legislation.

All of us, no matter what party we belong to or what political philosophy we subscribe to, we want children to have a loving and a permanent home. No children should ever be denied the chance to live with a family that will love and cherish them. This tax credit will make it possible for more families to open their homes and their hearts to a child through adoption.

The high cost of adoption is an insurmountable obstruction to many families who want to adopt a child. With this tax credit, we can help ease that financial burden, sometimes enormous, and ensure more children find a permanent, loving home.

In conclusion, Mr. Speaker, many people do not realize just how expensive adoptions are: medical bills, legal fees, travel costs. We owe it to those wanting children to ease these burdens. Passage of this bill will unquestionably make a meaningful difference in the lives of thousands of children.

One of those children is the son of my chief of staff, who Members can imagine has been very enthusiastic since he adopted Wyatt Emerson about a year and a half ago. I can tell the Members that Wyatt has made a difference in the Emerson family, and the Emerson family has made a difference in him.

Mr. CAMP. Mr. Speaker, I yield 1 minute to the gentlewoman from Virginia (Mrs. JO ANN DAVIS).

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Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I rise today in support of H.R. 622, the Hope for Children Act.

In the past quarter century, the number of children in foster care has grown much faster than the number of children adopted. Yet, despite the large number of children of adoptable age, the adoption rate is still significantly low. A primary reason for this is the costs of adoption which can require a family to spend, as my colleagues have heard, up to $30,000 to provide a child with a home.

The average American family just does not have this kind of money. The Hope for Children Act seeks to remedy this problem by increasing the adoption tax credit to $10,000. There are more people who want to adopt than there are children who are eligible for adoption.

This essential legislation will allow more children to be adopted by loving families who so desperately want them. These children deserve to be loved and deserve to be wanted. We need to help these families be joined together.

Mr. Speaker, I urge my colleagues to vote for the Hope for Children Act.

Mr. CAMP. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. CANTOR).

Mr. CANTOR. Mr. Speaker, I thank the gentleman from Michigan (Mr. CAMP) for yielding time to me.

Mr. Speaker, I rise today in strong support of the Hope for Children Act. This is an important measure that encourages adoption and provides tax relief at the same time.

One of the biggest blessings is to have someone to call mom and dad. I am in full support of this measure that would help provide loving families and parents to children who are without a permanent place to call home.

The Hope for Children Act will enable more American families to adopt, and as a Congress we should do all we can to promote adoption.

As others have said before me, my predecessor Tom Bliley was the original cosponsor of the Hope for Children Act, he worked tirelessly to garner 280 cosponsors for this legislation last year.

The Hope for Children Act was included in major tax legislation passed by the House, but unfortunately did not become law. I applaud the efforts of those who have brought this legislation to the floor, the gentleman from California (Mr. THOMAS), chairman of the Committee on Ways and Means, as well as the gentleman from Texas (Mr. ARMEY), the gentleman from South Carolina (Mr. DEMINT), the gentleman from Alabama (Mr. BACHUS), the gentleman from New York (Mr. KING), the gentlewoman from Ohio (Ms. PRYCE) and the gentleman from Minnesota (Mr. OBERSTAR).

As a cofounder of the Congressional Coalition on Adoption, Tom Bliley sponsored over one dozen different adoption bills. As chairman of the House Committee on Commerce, Mr. Bliley played a major role in the Foster Care Independence Act, the Adoption and Safe Families Act, and the Adoption Awareness Act.

In addition to promoting adoption domestically, he secured aid for displaced orphans overseas while working to enact the Hague Intercountry Adoption Act.

Tom Bliley truly stood up for children without a voice, and his leadership on adoption issues is much appreciated by a grateful Nation. His efforts have helped children in need of loving homes and families find happiness.

Mr. Speaker, today I join with my colleagues in helping more of those children in need by supporting the Hope for Children Act.

Mr. CAMP. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. PITTS).

Mr. PITTS. Mr. Speaker, few Americans realize that it can cost between $8,000 and $30,000 to adopt a child nowadays. That is a problem we should also be addressing. But until we do, American couples need help.

Too many loving families say no to adoption because they cannot afford it. Others have to take out a second mortgage. They should not have to do that.

The Hope for Children Act will extend and increase the adoption tax credit for families who adopt. This is more than a good idea, it is a necessary measure. I want to thank the gentleman from South Carolina (Mr DEMINT), my friend, for taking the lead on this measure.

I think we should also thank our former colleague, Tom Bliley, who worked so hard to advance this legislation for so many years.

Mr. Speaker, every child deserves a loving home, but we need to help adopting families overcome the financial impediments to taking a child into their home.

This is a good bill. I urge all of my colleagues to vote for it.

Mr. CAMP. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Speaker, I thank the gentleman from Michigan (Mr. CAMP), my friend, for yielding the time to me.

Mr. Speaker, all of the arguments in favor of this extraordinarily good legislation have been stated. I just want to thank the gentleman from South Carolina (Mr. DEMINT) for his sponsorship of the legislation, for working overtime to garner the number of cosponsors that he did from both sides of the aisle.

Mr. Speaker, when I look around at the speakers today, who really have been the movers and shakers, it reminds me of that famous statement out of Casablanca: Round up the usual suspects. And you have got the same key players, the gentleman from Michigan (Mr. CAMP) and the gentleman from Minnesota (Mr. OBERSTAR) and so many others, who are always there trying to advance the ball and advance the cause of adoption and to provide a loving option to a mother who may find herself in a very difficult situation.

I want to commend all of those who have made this legislation possible. The $5,000 credit certainly has had a laudable impact on adoption and I am pleased to be an original sponsor of that. This legislation now doubles the tax credit, which I think is very generous, and hopefully not the end of our efforts to help those who would like to make an adoption plan and bring a child or children into their home.

This is a great bill. I urge everyone's support for it.

Mr. CARDIN. Mr. Speaker, I yield myself the reminder of my time.

Mr. Speaker, let me just say I would urge our colleagues to support this legislation. I think it is a very important bill that moves forward the cause for adopting parents and bringing families together.

I would like to just repeat the concern that I expressed earlier in regards to special-needs children and their adoption. A report issued by the Treasury Department in October of last year pointed out that this bill might have an unintended consequence of making it actually more difficult for special-needs children to find homes.

The reason, quite frankly, Mr. Speaker, is that this bill will make it a little bit less difficult for parents to participate in international adoptions where the majority of children are now available.

We do not have many children available in this country for adoption other than special-needs children; other than family relations. And this might, in fact, make it a little bit easier for a family to go for an international adoption rather than a special-needs adoption.

Mr. Speaker, I know that is not the intent of the legislation. I know that the committee will continue to work on this, but I would just urge my colleagues, as this bill works its way through the process, we need to go back at least to the original provisions in the bill, to make it easier for families that wish to adopt special-needs children.

We have a tremendous need there. This bill presents an opportunity, and I would encourage us, as the bill works its way through Congress, to address that need.

Mr. Speaker, I yield back the balance of my time.

Mr. CAMP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentleman from Maryland (Mr. CARDIN) for his effort on this legislation, and also for his comments. As the gentleman from California (Mr. THOMAS), Chairman of the Committee on Ways and Means, mentioned, he would like to work with the gentleman in terms of finding a way to assist special-needs adoption, adoptive parents with the costs, and do it in a way that really had some connection to the adoption expenses that might actually be incurred by a family. Because, obviously, we are all here, and we heard from a number of speakers from both parties who are very much wanting to strengthen the ability of people to adopt, to strengthen families, to try to find a way to make adoption easier and more frequent, and I am hopeful that we can resolve that.

Mr. Speaker, this is a good day in the Congress. This is excellent legislation that has been worked on for more than this Congress, and really was the effort of former member and chairman Mr. Bliley to bring this increase in the adoption tax credit to the floor, obviously make it permanent, so that the planning of families and agencies can go forward in trying to find and place children into loving homes.

This is an excellent bill, and I urge its adoption.

Mr. HOLT. Mr. Speaker, every year thousands of Americans open their homes to children without permanent families in order to provide these youngsters with stable and caring upbringings. Because of this, adopted children, who once had no one to turn to, find themselves surrounded with unconditional love and devotion. Adoptive parents not only unselfishly decide to share their homes with a child but also choose to share their hearts and lives so that their children can grow in happy, nurturing surroundings.

However, adopting a child is difficult in part because the cost of adoption continues to increase. A family can spend upwards of $20,000 just to make it possible to provide children with a loving home. These families should not be financially burdened by the exorbitant costs of adoption.

Thousands of individuals want to give a child a loving home but cannot due to the huge expense. Adoption costs should not be an insurmountable obstacle for these individuals. We have a responsibility to these men and women to open the doors to adoption, not shut them. And we have an even bigger responsibility to help a child find the family he or she needs.

The Hope for Children Act exemplifies how Congress can help these families and how we can provide more children with the opportunity to live happier, successful lives.

This important legislation would increase the tax credit each adoption to $10,000 and make the process more affordable for middle-class families. Present law only provides a $5,000 tax credit per adoption and a $6,000 tax credit for the adoption of a special-needs child. The current tax credit is far below the actual cost of adopting a child. Furthermore, the Hope for Children Act would index the credit for inflation and increase the earnings limit, expanding eligibility for the tax credit. The Hope for Children Act would also make the adoption tax credit permanent law, repealing the sunset, and exempt the beneficiaries of the credit from the Alternative Minimum Tax. This will ensure that parents receive the full benefit of this credit.

Children who are without permanent families should not be penalized, and families who want to open their homes to these children should not have to struggle financially. Let us provide these families with the opportunity to open their hearts and homes to a child in need. Let us pass the Hope for Children Act.

Mr. ROEMER. Mr. Speaker, I rise in strong support of H.R. 662, the Hope for Children Act. Knowing of the importance adoption plays in the lives of American families, Congress should do more to help facilitate and promote its benefits. I am pleased that the House of Representatives-passed this bill earlier today with bipartisan and unanimous support. This action speaks to the strength of this legislation, and I hope the United States Senate moves quickly to follow the lead of the House.

Unquestionably, this legislation would tear down the financial burdens imposed on adoptive parents. These expenses can add up to $20,000 or more in a single year and continue to be the primary disincentive to middle-class families. While families who have children born to them often enjoy the fact that health insurance pays for the birth of their children, adoptive families receive no such support. H.R. 662 offsets this imbalance and makes the process a more financially viable option for middle-income parents to build families through adoption.

Mr. Speaker, few can argue that adoption does not result in moving children out of foster homes and providing the benefit of a solid home and possibilities for a bright future. The benefits of adoption exist not only with the adopted child, but with the biological mother and society as well. Adoption can help break the cycle of abortion that too often takes place with young girls having babies out of wedlock. By choosing adoption, women can feel good about themselves by making the right decision—not to have an abortion.

At the same time, adoption can help break the cycle of single parenting. More than eighty percent of all females born to single mothers under the age of 16 become teenage mothers themselves. By choosing adoption as an alternative to single parenting, these women can continue their education, develop job skills and a sense of independence, and live the rest of their lives knowing they were not forced to choose abortion over single parenting.

Mr. Speaker, this is a matter of fairness to adoptive families. H.R. 662 is good public policy and I urge my colleagues to support it.

Mr. KING. Mr. Speaker, I rise today along with my fellow 'Hope Coalition' members who joined with me in introducing the 'Hope for Children Act' (H.R. 622). I will be very proud to see H.R. 622 pass the House of Representatives with overwhelming bipartisan support.

Every child deserves a permanent, loving home and, with so many families who want to open their hearts and their homes to these children; I firmly believe we should help remove the financial barriers that may hinder this union. By extending a $10,000 tax credit to families who adopt a child, The Hope for Children Act will help to foster strong, healthy families across the nation.

The promotion of special needs adoptions is essential. Families who adopt special needs children incur significant costs after an adoption has taken place. It must be mentioned that the Hope for Children Act, as introduced, included a $10,000 flat tax credit for families who adopt children with special needs. Though this measure was eliminated in Committee, I will not stop fighting to ensure that the needs of these children and families are adequately addressed.

Across America, there are an estimated 122,000 children waiting for a family to love and care for them. but with adoption costs ranging from $8,000 to $20,000, many families can not afford this huge expense. No child should be forced to grow up without a family because of the tremendous cost of adoption.

It has been a privilege and an honor to work with the members of the 'Hope Coalition' in ensuring that this legislation passed the House of Representatives. Please be assured that I will continue to do all that I can to make sure that the Hope for Children Act becomes law.

Mr. LUCAS of Kentucky. Mr. Speaker, I rise today in support of the Hope for Children Act. This much needed legislation would help more children be placed in loving homes by easing the financial burden of adopting a child. By increasing the adoption tax credit to $10,000 for all adoptions and increasing the employer adoption assistance exclusion to $10,000, more families would be able to adopt. Adoption costs have risen over the years, costing families anywhere between $8,000 and $30,000 to adopt a child.

It is important that we pass this Hope for Children Act today because the current $5,000 tax credit for non-special needs adoptions expires this year, as well as the current $5,000 exclusion for employer-provided adoption assistance. This tax credit helps make the adoption process more affordable for middle-class families.

Helping to unite children with adoptive parents is an issue that we can all agree on. There is perhaps no greater undertaking than raising a child, nor more rewarding an experience. Thousands of children are waiting to be adopted, waiting for the day they are welcomed into a loving home where they can grow and flourish. Let's help make the dream of so many families become a reality by passing the Hope for Children Act today.

Mr. POMEROY. Mr. Speaker, I rise in support of the Hope for Children Act. As a member of this chamber and as the father of two adopted children, I want to thank Reps. DEMINT, OBERSTAR, PRYCE, KING and BACHUS and the entire Congressional Coalition on Adoption for their dedication to the well-being of our Nation's and our world's children.

It is fitting that we consider this bill less than a week after celebrating Mother's Day and so close to Father's Day. These two days have been set aside for us to thank our parents for raising us, for giving us a sense of security and independence, and for offering us their unconditional love. I would like to take this opportunity to pay tribute to all parents, who know that there is no more important, more difficult, and ultimately more rewarding undertaking than raising a child.

I was very fortunate to have been raised by loving parents in a stable and caring home. I can't help but be reminded, however, of the over 500,000 children in our Nation's foster care system, many of whom need permanent homes. Although we have made great strides in improving the child welfare system, there is no substitute for loving parents and a permanent home. For the thousands of children who wait, adoption offers the gift of hope, the gift of love, and the gift of family.

My own family was forever changed and enriched by the adoption of our two children from Korea. It is difficult for me to express how deeply grateful I am to have Kathryn and Scott in my life. As any parent can attest, the love I have for my children knows no bounds.

As many of my colleagues also know, families can spend anywhere from $8,000 to $30,000, or even more, to adopt a child. I am proud, therefore, to be a cosponsor the Hope for Children Act, which helps offset the financial impact of adoption. By raising the limit on the adoption tax credit to $10,000 and making it permanent for all adoptions, I hope that this measure will open thousands of more homes and hearts to the miracle of adoption.

I would be remiss, however, if I did not point out what I believe is one shortcoming of this legislation. All children, regardless of age, medical need, disability, race or creed deserve a family to share their love. We need to do more to encourage the adoption of special needs children, those who are hardest to place in permanent homes.

Since State foster care programs cover most of the tax qualified expenses associated with special needs adoptions, only about 15% of adoptive parents of special needs children can benefit from the credit. These parents, however, incur other substantial adoption-related costs, such as out-of-pocket medical costs, counseling services, and lost income from work. As parents, legislators and advocates, we must give all children the chance to find a family. I thank the leadership for indicating their willingness to work on this issue.

Mr. Speaker, I urge my colleagues to support the Hope for Children Act and look forward to working with them to strengthen this bill.

Mr. KIND. Mr. Speaker, I am pleased to be an original cosponsor of the Hope for Children Act and I urge all my colleagues to support this important legislation.

I have heard from many families back home in western Wisconsin of the need for an increased adoption tax credit. The Hope for Children Act seeks to ease the financial burden on many families who adopt children. It will increase the adoption tax credit from $5,000 to $10,000 for families who adopt children and make this credit permanent, which is due to expire at the end of this year. Furthermore, it will index the credit for inflation and increase the earnings limit, expanding the eligibility for the tax credit.

As a father of two sons, I understand how important it is for children to grow up in a loving and stable family environment. We must find a way to help the thousands of children who have no permanent family. I believe extending this tax credit is one of the most important ways to help these children and the families who adopt them.

Mr. Speaker, I want to commend all those families who have adopted and cared for so many children that would otherwise never have known the true meaning of a loving, caring family. I hope with this legislation we will ease the high cost of adoption for many families.

Mr. Speaker, we must pass this commonsense legislation to give our nation's needy children and loving families hope.

Mr. CRENSHAW. Mr. Speaker, as an original cosponsor of the Hope for Children Act, I rise in strong support of its passage and urge all my colleagues to vote for this important family-building bill.

Just last Sunday, children young and old took time from their daily routine to remember their mothers on Mothers' Day. These are the women who have nurtured their children, giving them life, hope, happiness, and love. In just a few weeks, we will similarly honor our fathers on Fathers' Day, remembering the men in our lives who have taught us so much about life's ups and downs, ins and outs.

But for thousands of children, there is no one to honor on these special days and nothing to celebrate. For one reason or another, they are without parents or families. Thankfully, there are thousands of men and women who want to open up their homes to these children and make them a part of their families. Adoption makes this possible.

In 1992, the last year for which total adoption statistics are available, 127,441 children were adopted in the United States. Nearly 7,000 of those children were adopted in my home state of Florida, which has the fourth largest number of adoptions in the country. Some of these children were adopted by relatives, others by total strangers. Some of them came from overseas, others from across the street. All are loved and wanted. It made no difference to the children or the parents that they don't look the same; it only mattered that they needed one another.

Regrettably, many of these important unions are kept from ever occurring because the costs of adopting can be more than a family can bear. The adoption processes can cost between $8,000 and $30,000. The adoption tax credit helps to ease this financial burden and remove this obstacle. But, without our action here today, that tax credit will expire.

Mr. Speaker, the Hope for Children Act permanently extends and raises that tax credit to $10,000. Furthermore, it raises the employer adoption assistance exclusion to $10,000. By enacting this legislation into law this year, families can take advantage of this tax credit when filling out their 2002 tax returns.

This bill is just plain good policy, Mr. Speaker. We should do all we can to encourage adoption and to make families stronger. I ask all of my colleagues to support this important bill.

Mr. LARSON of Connecticut. Mr. Speaker, I rise today to show my strong support for H.R. 622, the Hope for Children Act. I am proud to be joined by so many of my colleagues from both sides of the aisle as an original cosponsor of this important legislation that will remove some of the unnecessary financial burdens that have long plagued the adoption process. I believe that it will also pave the way for children to be raised in safe, caring environments by an adoptive family.

It is estimated that the average adoptive family can spend from $8,000 to $30,000 to adopt a child. In addition, the lack of adoptive families leaves children in an intermediate state, waiting for an average of four years for an adoptive family. The Hope for Children Act will increase the tax credit a family receives for adopting any child to $10,000, up from the current amount of only $5,000 and $6,000 for special needs children. This credit will make adoption more affordable for middle-class families. Under current law, the tax-credit will expire on December 31, 2001 for non-special needs children; however, under the Hope for Children Act, the tax credit will be permanently extended. Also, the credit would be indexed to inflation, meaning that as inflation rates rise, so would the tax credit the adopting family receives, for all families with incomes below $150,000.

In my District, I have witnessed the beneficial effects of outside funding for adoption services. In September 2000, the Catholic

Family Services of Hartford, Connecticut, was awarded $250,000 from the U.S. Department of Health and Human Services to help increase the number of Latino children placed in adoption and the number of Latino families that are licensed for adoption and foster care. The program is designed to help facilitate the moving of children out of the child welfare system and into permanent adoptive homes. This project helps those in the community help themselves and provides loving homes to children who deserve them. This has been a wonderful service to provide children with and the best way to safeguard their future.

Mr. Speaker, adoption is a very sensitive and personal matter. Adoption is an option left to couples that, often times, have endured an intense personal trauma. The least we can do is to lift some of the financial burdens brought on by the adoption process to let adoptive families focus on the most important ingredient in the process, the children. I applaud the strong commitment so many of my colleagues have made to the Hope for Children Act. It is my hope that passage of the Hope for Children Act will put children into loving and secure homes. Therefore, I urge my colleagues to join me in supporting this bill.

Mr. GILMAN. Mr. Speaker, I rise today in support of H.R. 622, the Hope For Children Act which will increase the adoption tax credit for families. I am an original cosponsor of this legislation and I commend the gentleman from South Carolina, Mr. DEMINT for his leadership on this important issue.

Today's high cost for adoptions causes many couples to dismiss adoption as an option. With thousands of children in foster care needing homes, and thousands more being put up for adoption by parents who cannot care for them, the United States needs to make adoption financially possible for more American families. A typical adoption can cost a family anywhere from $8,000 to $30,000 leading some families to take second mortgages on their homes or accumulate other serious debt. This cost leaves many children in the foster care system permanently.

H.R. 622 will help ease this financial burden so that children are quickly placed in permanent and loving homes, which will encourage the development of more stable families and help more children bypass the foster care system. Studies have shown this stability discourages children from becoming involved in crime or depending upon welfare.

This legislation will increase the adoption tax credit for families who adopt special needs children from $6,000 to $10,000. The credit for families who adopt non-special needs children is increased from $5,000 to $10,000 and extended permanently. Moreover this legislation increases the income cap at which the credit begins to phase out from $75,000 to $150,000.

As a parent of an adoptive child, I personally know that bringing a child into your home is one of the most gratifying and fulfilling things a parent can do. If we can encourage more families to adopt by making it financially possible, thousands of children will benefit. Accordingly, I urge my colleagues to support this important and timely legislation.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in support of H.R. 622, the Hope for Children Act. This much needed legislation is an important step toward providing every child a loving, permanent home.

I thank and commend my colleagues for sponsoring and moving this legislation forward. I know that they must share my passion and commitment to our nation's children. H.R. 622 responds to a very real need in the lives of some of our nation's most vulnerable children, those awaiting adoption.

Under current law, a taxpayer may deduct expenses of up to $5,000 relating to the adoption of a child, and up to $6,000 for the adoption of a "special needs" child. The credit is phased out for taxpayers with annual income above $75,000. The adoption credit for special needs children is permanent, but the credit for the adoption of other children is scheduled to expire at the end of this year. Under current law, beginning in 2002, the adoption credit could not be used to reduce tax liability under the alternative minimum tax (AMT).

This bill increases the adoption tax credit to $10,000, up from $6,000 for special-needs children and $5,000 for all other children. It also makes permanent the adoption credit for children without special needs. Under the measure, the adoption credit could be applied against alternative minimum tax liability.

Current law also permits an employee to exclude up to $5,000 in adoption expenses ($6,000 for special-needs children) from taxable income for expenses reimbursed to the employee through an employer-sponsored adoption-assistance program. This provision is also set to expire on December 31. The measure increases to $10,000 the amount that an employee may exclude from taxable income for expenses reimbursed through an employer adoption assistance program. The measure also makes permanent the adoption-assistance exclusion.

The measure increases the beginning point of the income phase-out range for both the adoption credit and the adoption-assistance program exclusion from $75,000 to $150,000.

During 1999, the most recent year for which data is available, nationally over 820,000 children went through the foster care system, and 568,000 were in the system at year's end. Of the children adopted from foster care in 1999, 48 percent waited more than one year from the time they became legally free for adoption until they were placed in an adoptive home. The mean length of time in foster care is 46 months.

In my home state of Texas, at least 17,000 children were in foster care at the end of 1998, the last year for which that data is available. This is an increase of nearly 255% from the 1990 foster care population and an overwhelming increase of 363% from 1986. During that year, the Texas foster care system served over 20,000 children.

Approximately one half of these foster children are minorities. Studies have shown that minority children wait longer to be adopted than do white children. According to the National Council for Adoption (NCFA), African American children constitute about 43 percent of the children awaiting adoption in the foster care system, Hispanics 15 percent. In Harris County, 78 percent of all foster children are minorities.

Thus, it is crucial that we do all we can to encourage adoption. However, many parents who want to open their hearts and homes to a child through adoption cannot do so because of the great expense. Adoption can cost thousands of dollars, and so the cost is the primary obstacle to bringing together loving families and children who need a home.

Today, we can take an action that will have a direct impact on the lives of children. Please join me in doing so.

Mrs. MORELLA. Mr. Speaker, I rise in strong support of the Hope for Children Act and thank Chairman THOMAS, former Congressman Bliley, and the bipartisan Hope Coalition for introducing this legislation. I have supported this legislation for several years and am proud to currently be one of 289 cosponsors.

Approximately 50,000 children are adopted nationwide each year. According to the State Department's annual report, the number of international adoptions increased approximately 13 percent from 1998 to 2000. According to Adoptions Forever, an adoption agency in Maryland, the average aggregate cost of adoption for these international orphans ranges up to $30,000, while a domestic adoption can range up to $12,000. Passing the Hope for Children Act will ease the burden of what can be an expensive obstacle to sharing your home life with a child in need.

Currently, tax credits provided for adoption of children without special needs will expire at the end of this year. The credit is currently $5,000 for children without special needs, $6,000 for children with special needs. H.R. 622 promotes adoption opportunities by preserving and expanding tax credits for those families that choose to adopt.

The Montgomery County division for child welfare provides lawyers and travel compensation for adoptive parents. Despite this coverage of general adoption payments, the division has more children with special needs than they can place. With a $10,000 tax credit, an organization like the Montgomery County division of child welfare will attract more potential adoptive families, leaving fewer special needs children without homes.

Enacting the Hope for Children Act allows us to build we must build on current successes of tax credits for adoptive families and send our support for families who adopt. Adoption allows children who otherwise would be without a nurturing home to experience childhood with a supporting family. Every family that wants to adopt should have the opportunity to adopt. As a member of the Congressional Caucus on Adoption, I encourage my colleagues to join me and the bipartisan Hope Coalition in supporting H.R. 622.

Mr. BEREUTER. Mr. Speaker, as a cosponsor of the bill, this Member wishes to add his strong support of H.R. 622, the Hope for the Children Act, and would like to commend the distinguished gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means, and the distinguished gentleman from New York (Mr. RANGEL), the ranking member of the House Committee on Ways and Means, for bringing this important legislation to the House floor today.

As you know, the high cost for adoptions causes many couples to dismiss adoption as too costly. Other families have taken second mortgages on their home or accumulated other debt. Because families spend anywhere from $8,000 to $30,000 to adopt a child, these high costs mean that many children do not get adopted and stay in the foster care system permanently.

The Hope for Children Act will ease the burden of this expense by increasing the adoption tax credit to $10,000 for all adoptions. While this credit will not completely cover the often exorbitant costs associated with adoptions, it will provide a healthy start toward ensuring more children find a loving home.

This bill will encourage the creation of more families and help more children bypass the foster care system to enter in to a permanent arrangement. This much needed stability will also mean that these children will have better, more stable home environments and that they will be less likely to become future burdens on society either through crime or welfare.

Mr. Speaker, in closing, this Member urges his colleagues to support H.R. 622.

Mr. CRANE. Mr. Speaker, I rise in strong support of the "Hope for Children Act of 2001." This important legislation continues our commitment to providing families assistance when adopting children who might otherwise be in need of a loving home. I've had many constituents tell me that the current costs of adoption can, in many cases, exceed $25,000 or even $30,000. Raising the adoption tax credit from $5,000 to $10,000 and making it permanent will go a long way toward alleviating the burden of these burdensome costs.

I truly believe that there is no greater gift that a person can give than placing a child in a loving and nurturing environment. There are many young couples today looking to adopt a child, but the costs associated with adoption prevent them from this noble mission. I do not believe that this legislation creates an artificial incentive for people to adopt. They simply want to bring a child into the world and give it all of the love and affection they have to offer. The adoption tax credit just makes it easier for people to fulfill that dream.

I have raised a household full of children. I've watched them grow and mature into fine individuals. I've been there through good times and bad. Nothing has brought me greater joy in my life than my children and I hope this bill will give people across America that same opportunity.

Mr. KNOLLENBERG. Mr. Speaker, I rise today in support of the Hope for the Children Act and I am proud to be an original cosponsor of this important legislation.

This bill will help more families provide loving homes to more children by increasing the adoption tax credit to $10,000 for all adoptions and increase the employer adoption assistance exclusion to $10,000. Because families can spend anywhere from $8,000 to $30,000 to adopt a child, this assistance is vital to ensure children quickly find a permanent, loving home. Many parents who want to open their hearts and homes to a child through adoption cannot because of the huge expense. This bill removes some of the financial obstacles to finding families for these children.

Adoption is a beautiful expression of family values, for it allows people the opportunity to extend their homes and their hearts to people in need. It is my sincere hope that passage of this legislation will encourage many more people to adopt and encourage individuals to consider adoption as an alternative when they are not ready to be parents. It is essential to raise the awareness of the benefits of adoption in our effort to provide for all children throughout the world.

Mr. POMEROY. Mr. Speaker, I rise in support of the Hope for Children Act. As a member of this Chamber, and, more importantly, as the father of two adopted children, I thank Representatives DEMINT, OBERSTAR, PRYCE, KING, and BACHUS and the entire Congressional Coalition on Adoption for their dedication to the well-being of our Nation's and our world's children.

It is fitting that we consider this bill less than a week after celebrating Mother's Day and so close to Father's Day, 2 days that have been set aside for us to thank our parents for raising us, for giving us a sense of security and independence, and for offering us their unconditional love. I would like to take this opportunity to pay tribute to all parents, who know that there is no more important, more difficult, and ultimately more rewarding undertaking than raising a child.

I was very fortunate to have been raised by a loving mother in a stable and caring home. I can't help but be reminded, however, of the over 500,000 children in our Nation's foster care system who await permanent homes. Although in recent years we have made great strides in improving the child welfare system, there is no substitute for a loving parents and a permanent home. For the thousands of children who wait, adoption offers the gift of hope, the gift of love, and the gift of family.

My own family was forever changed and enriched by the adoption of our two children from Korea. It is difficult for me to express how deeply grateful I am to have Kathryn and Scott in my life. As any parent can attest, the love I have for my children knows no bounds.

As many of my colleagues can attest, families can spend anywhere from $8,000 to $20,000, or even higher, to adopt a child. I am proud, therefore, to be a cosponsor of the Hope for Children Act, which helps offset the financial impact of adoption. By raising the limit on the adoption tax credit to $10,000 for all adoptions, and making it permanent, I hope that this measure will open thousands of more homes and hearts to the miracle of adoption.

I would be in error, however, not to point out what I believe is one shortcoming of this legislation. All children, regardless of age, medical need, disability, race or creed deserve a family to share their love. We need to do more to encourage the adoption of special needs children, those who are hardest to place in permanent homes.

Since State foster care programs cover most of the tax qualified expenses associated with special needs adoptions, only about 15 percent of adoptive parents of special needs children can benefit from the credit. These parents, however, incur other substantial adoption-related costs, such as out-of pocket medical costs, counseling services, and lost income from work. As parents, legislators and advocates, we owe all children, regardless of need, a chance to find a family. I thank the leadership for indicating their willingness to work on this issue.

Mr. Speaker, I urge my colleagues to support the Hope for Children Act and look forward to working with them to strengthen this bill.

1. Average cost of adoptions are between $8,000–$30,000, depending upon circumstances (i.e. international, special needs, etc.)

2. There are about 550,000 children in our nation's foster care system waiting to be adopted. About 120,000 of these children are special needs children, meaning they are more difficult to place because of their age, medical condition, physical or mental handicap, membership in a minority, or being part of a group of siblings waited to be adopted together.

3. The Hope for Children Act, which you cosponsored, increases and expands the adoption tax credit. In general, it:

Increases the limit on the credit for non-special needs children from $5,000 to $10,000 and makes it permanent (it would expire this year).

Increases the limit on the credit for special-needs adoptions from $6,000 to $10,000 (it is already permanent).

Increases the limit on the employer adoption assistance exclusion from $5,000 ($6,000 for special-needs adoptions) to $10,000 for all adoptions and makes it permanent.

Increases the income limit for the full credit from $75,000 to $150,000. Phases out the credit for incomes between $150,000–$190,000.

Indexes the credit for inflation.

4. While the bill as introduced makes the special-needs credit a non-qualified credit, the Chairman's mark does not. A non-qualified credit is very important to the special needs and adoption community. Only about 15% of adoptive parents of special needs children incur enough in qualified expenses to benefit from the credit, these parents incur substantial indirect costs through counseling, medical services, home improvements for disabled children, etc.

Mr. CAMP. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LATOURETTE). All time for debate has expired.

Pursuant to House Resolution 141, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CAMP. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 420, nays 0, not voting 12, as follows:

[Roll No. 124]

YEAS—420

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior

Bono
Boswell
Boucher
Boyd
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Conyers
Cooksey
Costello
Coyne
Cramer
Crane
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hutchinson
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kerns
Kildee
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—12

Borski
Brady (PA)
Condit
Cox
Cubin
Ganske
Gilman
Hunter
Kennedy (RI)
Kilpatrick
Largent
Lucas (OK)

☐ 1232

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. KENNEDY of Rhode Island. Mr. Speaker, on rollcall No. 124, I was speaking at a Liberian rally and could not make it back in time. Had I been present, I would have voted "yea."

PERSONAL EXPLANATION

Mr. GILMAN. Mr. Speaker, earlier today, I was unavoidably delayed. Accordingly, I was unable to vote on rollcall Nos. 122, 123, and 124. If I had been present I would have voted "yea" on all. I ask unanimous consent to have my statement placed in the RECORD at the appropriate point.

PROVIDING FOR CONSIDERATION OF H.R. 1, NO CHILD LEFT BEHIND ACT OF 2001

Ms. PRYCE of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 143 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 143

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1) a bill to close the achievement gap with accountability, flexibility, and choice, so that no child is left behind. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed two hours equally divided and controlled by the chairman and ranking minority member of the Committee on Education and the Workforce. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Education and the Workforce now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. No amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. STEARNS). The gentlewoman from Ohio (Ms. PRYCE) is recognized for 1 hour.

Ms. PRYCE of Ohio. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to my colleague and friend, the gentlewoman from New York (Ms. SLAUGHTER), pending which I yield myself such time as I may consume. During consideration of the resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, H.R. 143 makes in order the bill H.R. 1, the No Child Left Behind Act of 2001, under a structured rule. The rule provides 2 hours of debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and the Workforce. It makes in order only those amendments printed in the Committee on Rules report accompanying the resolution, debatable for the time specified, equally controlled by a proponent and opponent. These amendments shall not be subject to amendment or demands for a division of the question.

The Committee on Rules worked very hard to ensure that the amendments made in order reflect the variety of views in this House of Representatives on education policy. I think the result is a balanced rule that gives the House the opportunity to work its will on a variety of issues related to the education of our children. The rule waives all points of order against consideration of the bill as well as the amendments printed in the report. Finally, the rule provides for one motion to recommit with or without instructions.

Mr. Speaker, today we take a historic leap forward on behalf of our children, parents, and teachers across this great Nation. Lately, the attention of Americans has been drawn to the problems of high gas prices and sustainability of our resources. America, it is time to focus that attention on our Nation's most precious resource: our children. H.R. 1, the No Child Left Behind Act of 2001, does just that.

We understand that the future of this great Nation lies in a global economy, and H.R. 1 recognizes that investing in our children today will prepare them and our country for the challenges of tomorrow. The Committee on Education and the Workforce was assigned the arduous task of reforming our Nation's failing Federal education policy. Although there have been many bumps in the road, I am pleased to stand before my colleagues today to present a rule on a bipartisan piece of legislation that will transform the Federal role in education to ensure that no child is left behind.

During testimony in the Committee on Rules, we heard time and time again, from both Republicans and Democrats, that H.R. 1 represents the most sweeping comprehensive education legislation to be brought before the House during our tenure. It has been a long time in coming and this bill is truly historic. The education of our Nation's children is the number one concern of Americans, and H.R. 1 is the number one priority of our President.

I would like to take a moment to congratulate my colleague and good friend from the great State of Ohio (Mr. BOEHNER) for his hard work and commitment to improving educational opportunities for our children, and I would also like to congratulate and commend the ranking member of the committee, the gentleman from California (Mr. GEORGE MILLER), for his hard work and support of this bipartisan legislation.

Despite a decade of economic growth and a Federal outlay of more than $130 billion in the last 25 years, the achievement gap dividing our Nation's disadvantaged students and their peers has continued to widen. Mr. Speaker, the message is loud and clear: money alone cannot be the vehicle for change in our public schools. It is time for accountability, it is time for reform, and it is time for a commitment to our children.

We must start by determining which students are in need of additional help and which schools and school districts are in need of improvement. H.R. 1 accomplishes this task by implementing annual assessments in the core subjects of reading and math for students in grades three through eight. However, the bill also recognizes that communities know more about their children than Washington bureaucrats. H.R. 1 respects local control by allowing States to design and implement these tests and provide Federal funds to aid them in that task. It also explicitly prohibits federally sponsored national testing or curricula.

Armed with knowledge from these assessments we will be able to determine which schools are failing to educate our children, and this information will be readily available to parents in the form of an annual school performance report card. Based on these facts, H.R. 1 provides a system of accountability to ensure that students do not become trapped in chronically failing schools.

As passed out of committee, H.R. 1 provides immediate public school choice for children in schools identified as failing after just 1 year. That is public school choice. This provision will give parents the freedom to choose a better-performing public or charter school to educate their children. The bill also allows parents to seek supplemental educational services, such as tutoring, after-school services, and summer school programs for their children if they are enrolled in a school that has been identified as a failing school for more than 3 years. This measure will act as a necessary safety valve to allow students to seek outside educational support for any state-approved provider using Federal title I dollars.

Now, in exchange for these new accountability measures, the plan will dramatically enhance flexibility for local school districts, granting them the freedom to transfer up to 50 percent of the Federal education dollars they receive among an assortment of ESEA programs. This decentralized approach will allow agencies to better target resources to fit the needs of their own communities.

Mr. Speaker, since the creation of the Elementary and Secondary Education Act in 1965, numerous programs and restrictions have been piled and piled and piled upon the act, creating a bureaucratic maze of duplicative policies, all well intentioned, but amazingly inefficient. H.R. 1 will give some needed organization to this patchwork of programs by consolidating or eliminating 34 programs under ESEA and cutting the Federal education bureaucracy in half. At the same time, the bill will target effective proven methods of reading through the implementation of the President's Reading First initiative.

Mr. Speaker, we know that over 60 percent of children living in poverty are reading below the very basic level. We cannot expect these children to exceed with this handicap. At the same time, we destine these children to academic underachievement by our failure to teach them to read; we are denying them access to the world that may be opened up to them only through books. The President's Reading and Early Reading First programs will introduce a scientific-based, comprehensive approach to reading instruction and will serve to refocus education policy on this most fundamental skill.

The President's education plan, No Child Left Behind, also emphasizes two other fundamental areas of education through the establishment of math and science partnerships. The United States cannot remain a world leader without the math and science knowledge that has made us a leader in technology and scientific discovery. I am very pleased that H.R. 1 includes an initiative which will encourage States to partner with institutions of higher learning, businesses, and nonprofit math and science entities to bring enhanced math and science opportunities to local education agencies with a high need.

Mr. Speaker, the 1,000-plus pages of H.R. 1 are filled with calculated reforms that will restructure Federal education policy. It includes provisions to increase safety in our schools, promote English fluency, and improve teacher quality. It encompasses the education plan laid out by our President and provides us with the most important change in Federal education policy in over 40 years.

Mr. Speaker, every Member in this House has a vested interest in the education of our children as the Nation's most precious resource. We cannot stand idly by or be timid in fulfilling our responsibility to ensure that every child, rich or poor, white or of color, gifted or disabled have access to an education that gives them every chance to reach their full potential and exceed their goals and their parents' dreams for their future. As we debate this historic legislation, I urge my colleagues to keep the children at the forefront of their minds. I urge Members to support this rule and the historic underlying legislation.

Mr. Speaker, I reserve the balance of my time.

□ 1245

Ms. SLAUGHTER. Mr. Speaker, I thank the gentlewoman from Ohio (Ms. PRYCE) for yielding me the customary 30 minutes, and yield myself such time as I may consume.

Mr. Speaker, I oppose this rule. I oppose the process it represents, and I oppose the duplicity by which this rule came about. Nearly 150 amendments were submitted for this major legislative initiative, and only a handful have been made in order.

Furthermore, many members of the Committee on Education and the

Workforce withheld offering amendments in that committee because of assurances by the gentleman from Ohio (Mr. BOEHNER), the chairman, that they would be given an opportunity to do so on the floor. That did not happen. Cut out of the process were numerous good-faith efforts to build and improve on the underlying bill.

My colleagues relied on the good-faith assurances of the Republican leadership, and learned a hard lesson instead. This is not a tone in Washington for which so many of us had hoped. For instance, this egregious rule will block consideration of an amendment by the gentleman from New York (Mr. OWENS). The gentleman's amendment would have provided $20 billion for needed school renovation, repair, and construction. Our schools are crumbling before our eyes.

Mr. Speaker, at the basic level, surely we can all agree that schools should provide a safe and secure environment for learning and instruction with classrooms, libraries, laboratories, and other resources necessary for learning. In the same manner, the rule blocks my colleague, the gentleman from Oregon (Mr. WU), from offering an amendment to maintain a separate stream of funding for the class size reduction program.

Overcrowded classrooms remain the number one obstacles to quality education in many communities. This rule does nothing to alleviate the problem. The process for this education bill began with a lot of promise.

In recent days, the House Committee on Education and the Workforce approved, on a true bipartisan basis, a major education reform bill which will hold public schools accountable for improving children's education while offering a substantial increase in Federal funds to help them accomplish that goal.

It reflected a significant agreement between Democrats and Republicans to improve education for all children in our country regardless of their economic, social, or racial background; in other words, leaving no child behind. It provided substantial new resources, $4 billion more for elementary and secondary education for next year, compared to what the Federal Government is spending this year, in exchange for higher standards and tough accountability rules.

But then the process began to break down. Last week Congress failed to include in the budget conference the new funds for education that were called for in today's underlying bill. The disparity between education funding in the budget and education funding in this reform bill raises real questions about whether Congress is serious about improving schools.

Furthermore, this week we have come to learn that the bipartisan bill has been hijacked by extreme elements of the majority's party, elements intent on undermining the bipartisan agreement reached by the Committee on Education and the Workforce. These elements are intent on reinserting vouchers into the underlying bill, a move that would undermine public education. Moreover, efforts to block-grant Federal money, a proposal referred to as Straight A's, are underway and would also undermine the specific targeting of poor school districts that exists in Federal law.

I am at a loss to explain to my colleagues how so carefully crafted a bill has come under attack. The underlying bill was one this body could have been proud of, but its success is now in jeopardy. We must not let that happen. I urge the defeat of this rule to take care of these deficiencies.

Mr. Speaker, I reserve the balance of my time.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Delaware (Mr. CASTLE), a member of the Committee on Education and the Workforce.

Mr. CASTLE. Mr. Speaker, I thank the gentlewoman from Ohio (Ms. PRYCE) for yielding me this time. And I thank the gentleman from Ohio (Mr. BOEHNER) who worked so hard on this. It was a pleasure working with him. And I thank the gentleman from California (Mr. MCKEON), and the gentleman from Georgia (Mr. ISAKSON). I also thank the Members on the other side of the aisle, the gentleman from California (Mr. GEORGE MILLER), whose interest in education is great, as well as gentleman from Indiana (Mr. ROEMER), the gentleman from Michigan (Mr. KILDEE), and many others.

Mr. Speaker, I believe this is a good bill. I believe that President Bush deserves a tremendous amount of credit for his emphasis in terms of what he is doing in education. I will be the first to say if any one of us out of 435 had prepared this particular rule, we would have prepared it differently. This rule is a compromise rule, taking 135 amendments or so and trying to determine how we could best represent the interest of various Republican and Democrat parties in terms of bringing it to the floor.

Mr. Speaker, I personally oppose a number of things in the rule. I would have liked to have seen them out of the rule. I think there are people who would have liked to see things in the rule that are not in the rule. I understand some of the opposition to it and I will oppose, as vehemently as any Member, certain aspects of this particular rule.

Mr. Speaker, just to cite one, the amendment by the gentleman from Michigan (Mr. HOEKSTRA) and the gentleman from Massachusetts (Mr. FRANK) dealing with assessments absolutely guts the basic bill, and it is one that I would have a great deal of trouble with.

But this is a rule. It is something that we have to move forward with. It is my determination that we should pass the rule, go on to the debate on the various amendments, and let them fall where they may.

Mr. Speaker, why is this a good bill? It is a good bill because it is the first major piece of legislation in decades in this country, perhaps since the creation of the Department of Education, which essentially reevaluates the role of the Federal Government and makes a determination that we have to start at a very young age, particularly with kids in lower-income circumstances, and teach them how to read by the end of second grade. And in grades 3 through 8, we have to pay attention to how kids are doing. That is what the testing is all about, in order to give them the opportunity to determine if they are not doing as well as they should, and then providing for that opportunity.

We do have some consolidation into block grants to give flexibility. The gentleman from Ohio (Mr. BOEHNER) was very helpful in creating local flexibility so that various people who are running the local districts could make decisions in terms of how to expend money at the local level. This gives the greatest flexibility of any legislation ever coming out of Washington, D.C.

Mr. Speaker, essentially what the President and others have done, and this is a very bipartisan bill, is that they have sat down and made the decision that the ultimate goal here is to help kids with their education and where they are going. So even if you do not agree with everything that is allowed for in the rule, as I do not, I would still urge people to support the rule.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, this bill before us today reflects the culmination of a lot of work and effort by all of the members of the Committee on Education and the Workforce. I particularly want to thank the members of our committee, the gentleman from Ohio (Chairman BOEHNER), the gentleman from Michigan (Mr. KILDEE), the gentleman from Delaware (Mr. CASTLE), the gentlewoman from Hawaii (Mrs. MINK), the gentleman from Indiana (Mr. ROEMER), the gentleman from California (Mr. MCKEON), who are part of the working group. But I want to extend that thanks to every member of the committee, all of whom had to stretch to try to bring this legislation together to try to create sound educational reform and improvement along the lines that so many Members of Congress have spoken about in our various debates, in our campaigns, talking to children and parents to try to make the American education system a better place for all of our students so they can acquire the skills necessary to participate to the fullest extent in American society.

I believe that this legislation does that. It does that because of the kind of cooperation that we received. However, I must say that I am very disappointed in the rule because I am very concerned that very crucial items for debate within the discussion of the American education system, those amendments were not allowed in order: Amendments offered by Members on this side of the aisle to deal with the issues of smaller class size, to make sure that in fact we have an environment in which teachers can teach and children can learn; to have modern and safe schools; to renovate the unsafe schools and improve schools through school construction grants; to make sure that we have adequate counselors in schools so if we see violence break out in some of our campuses, even to the extent of killings through gun violence and other forms of violence, that we have people in place who can deal with these student populations, in many cases in very difficult situations; and clearly the need for full funding for IDEA.

Mr. Speaker, this is important to all of us on both sides of the aisle to make sure that funding is there. For that reason, I would ask Members to vote against this rule so that perhaps those amendments could be made in order.

Ms. PRYCE of Ohio. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. BOEHNER), my distinguished friend and chairman of the Committee on Education and the Workforce, whose hard work, along with his ranking member, the gentleman from California (Mr. GEORGE MILLER), has led us to this historic day.

Mr. BOEHNER. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, I thank the gentleman from California (Mr. DREIER) and the gentleman from Massachusetts (Mr. MOAKLEY), and members of the Committee on Rules, for their long hours last night in putting this together.

Mr. Speaker, let me also congratulate the gentleman from Massachusetts (Mr. MOAKLEY) for the portrait that was unveiled yesterday, and congratulations to him and hopefully his health continues to improve.

Let me, like my colleagues before me, thank the gentleman from California (Mr. GEORGE MILLER), my partner in this process, along with those members of the working group, the gentleman from Delaware (Mr. CASTLE), the gentleman from Georgia (Mr. ISAKSON), the gentleman from California (Mr. MCKEON), the gentleman from Colorado (Mr. SCHAFFER); and on the Democratic side of the aisle, the gentleman from Indiana (Mr. ROEMER), and the gentlewoman from Hawaii (Mrs. MINK) and the gentleman from Michigan (Mr. KILDEE) who have spent months looking across the table at each other, trying to develop a bipartisan bill that follows the path that the President outlined.

As the gentleman from California (Mr. GEORGE MILLER) pointed out, we really owe a debt of gratitude to all members of the Committee on Education and the Workforce on both sides of the aisle who had their moments of disappointment, their moments of happiness, but a willingness all of the way through the process to see us produce a bipartisan bill.

Mr. Speaker, I can say that in the 10 years that I have been here in Congress, the method in which we moved the bill through the committee and the cooperation of all of the Members was absolutely stunning. We had not one ill word said in the committee. We worked together, even when we were disagreeing, to try to produce a bill that will help children in America. I want to thank my colleagues.

As the gentlewoman from Ohio (Ms. PRYCE) pointed out, this is an historic opportunity. President Bush has made education reform his top priority, and now the House has the opportunity to deliver on the President's promise. There are four main components of this bill. Four key principles that the President outlined during the campaign and has talked about all year: holding schools accountable to American parents; providing State and local school districts with unprecedented new flexibility; giving new choices to parents and students who are trapped in failing schools; and ensuring that student instruction is based on sound, scientific research.

Mr. Speaker, H.R. 1 that we have coming before us embodies each of those principles and closely tracks with the President's education reform plan. We are on the threshold of the first serious overhaul of Federal education policy since it was created in 1965. There is a lot of discussion that we will have about this bill when we get to it. First, however, we have to pass the rule that is before us.

Mr. Speaker, I know there is some disappointment, disappointment on the Democratic side of the aisle and disappointment on the Republican side of the aisle on some amendments that were not made in order. However, we have produced a rule that is fair: fair for the Members, fair for the country, and fair for this bill. All of us know we have a very delicately balanced bill. The only way we are going to produce a solid, bipartisan bill is to keep a delicately balanced bill.

Mr. Speaker, there are amendments that Members would like to offer, but I think that we have a fair representation embodied in this rule, and I would urge my colleagues to support the rule.

Ms. SLAUGHTER. Mr. Speaker, I yield 2½ minutes to the gentleman from Michigan (Mr. KILDEE).

Mr. KILDEE. Mr. Speaker, H.R. 1 is a good bipartisan bill; but I oppose this rule for several reasons, one of which is the denial of any Democratic amendment on school construction.

Mr. Speaker, the Federal Government has spent millions and millions of dollars on State and local prisons during my time here in Congress, and virtually nothing on public school renovation and construction. About 15 years ago, a Federal judge in Flint, Michigan, my hometown, ordered the closing of our county jail, built in 1930, stating that it was unfit for human habitation. A few years later, we blew that jail up in compliance with that court order.

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That jail was newer and in better condition than many schools in my congressional district, including Homedale Elementary School in my own neighborhood which is in deplorable condition. We should really be ashamed when we spend money on prisons and find some reason not to spend money on school construction and renovation. Let us at least have the opportunity to vote on school construction. It is a very nonintrusive way to help our schools, school construction and renovation. What are we really afraid of?

We have crafted a reasonable bipartisan education bill. Let us have a reasonable rule for floor action.

Ms. PRYCE of Ohio. Mr. Speaker, I yield such time as she may consume to the distinguished gentlewoman from New Mexico (Mrs. WILSON).

Mrs. WILSON. Mr. Speaker, I wonder if the chairman of the Committee on Education and the Workforce would engage with me in a colloquy.

Mr. BOEHNER. Mr. Speaker, will the gentlewoman yield?

Mrs. WILSON. I yield to the gentleman from Ohio.

Mr. BOEHNER. I would be happy to.

Mrs. WILSON. As the gentleman from Ohio knows, I had filed an amendment with my colleague, the gentleman from Indiana (Mr. ROEMER), on public school choice. That amendment would have provided parents and children a better education through the public schools by eliminating barriers to full choice within public school systems. My amendment would have provided transportation expenses in public schools and creative funding mechanisms for charter school facilities, whether those facilities are leased or purchased.

Mr. Speaker, the gentleman from Ohio and I worked together yesterday on a version of this amendment that would be in order and that the committee could accept. That amendment would have authorized $400 million in Federal matching funds for States to level the playing field in the area of facilities funding for charter schools and traditional public schools. Charter schools often have to choose between paying their rent and paying their teachers.

Mr. BOEHNER. Yes, I am very familiar with the gentlewoman's amendment.

Mrs. WILSON. I understand the gentleman supported making this amendment in order and that it was inadvertently left out of the amendments that we will consider on this bill.

Mr. BOEHNER. The gentlewoman is correct. I strongly support public school choice and eliminating the barriers for charter schools to educate children. The lack of funding for space is one of the biggest hurdles they face. We need to create incentives for States to provide funding mechanisms for charter schools without taking funds away from public schools. The gentlewoman has been a leader in these efforts to improve public education, and particularly crafting innovative financing mechanisms for schools. I was looking forward to working with the gentlewoman from New Mexico and the gentleman from Indiana to debate that issue on the floor. Unfortunately, the amendment was not made in order.

Mrs. WILSON. Would the gentleman agree to seek to include the per-pupil facilities aid program amendment in the conference committee on H.R. 1?

Mr. BOEHNER. As the gentlewoman is aware and the gentleman from Indiana is aware, similar language is in the Senate version of this bill. I will pledge to work with the gentlewoman from New Mexico and the gentleman from Indiana when we get to conference on trying to secure this language in the final version of the bill.

Mrs. WILSON. I thank the gentleman from Ohio. I thank him for his leadership. I look forward to continuing our work together.

Mr. ROEMER. Mr. Speaker, will the gentlewoman yield?

Mrs. WILSON. I yield to the gentleman from Indiana.

Mr. ROEMER. Mr. Speaker, I thank the gentlewoman from New Mexico, someone whom I have enjoyed working with on public school choice. I just want to say that as we debate this bipartisan bill over the next several days, we are going to be dealing with issues of reform and accountability and testing. And we are going to be dealing with issues of when children do not do very well, that they have more options to get into new schools and out of failing schools. Certainly this amendment that the gentlewoman and I have worked on expands public school choice, expands options for parents to get into charter schools and magnet schools, and does it earlier than waiting 3 or 4 years for a school to fail. We have put this amendment together. It is a bipartisan amendment on the Senate side with Senator GREGG and Senator CARPER. We hope that this would be accepted in conference.

Mr. BOEHNER. I would be happy as I mentioned to the gentlewoman, if she will yield further, that we will work together in conference to try to secure this language. I share their commitment to increased public school choice and to the growing movement of charter schools that are providing help for children in very needy communities.

Mrs. WILSON. I thank my colleague from Indiana for his strong work on this and we will continue to work together. I thank the chairman for his leadership as well. I looked forward to working with him.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK of Hawaii. I thank the gentlewoman for yielding me this time.

Mr. Speaker, the opportunity to serve on the working group representing the minority was a tremendous experience. I must say that going into this, I did not expect to be able to reconcile all the various differences that we held on the majority and the minority side. It took an amazing amount of work on the part of the gentleman from Ohio (Mr. BOEHNER) and the gentleman from California (Mr. GEORGE MILLER) to put this together. In the process of reconciling many of our differences, one of the salient points that made it possible in my opinion for us to come forward with this bipartisan bill was the assurance that many of the amendments that the Democrats wanted to offer to be included in the major legislation would be given an opportunity to be debated on the floor. With that assurance, we gave up the opportunity for major debate on these items in the committee as we deliberated on the consensus bill. So I cannot begin to describe my huge disappointment that the Committee on Rules did not permit two of the most important Democratic amendments that we have been talking about for years.

Now, this is the world-renowned legislative body that everybody looks to in terms of being able to come to grips with the major issues of our times and to debate them on both sides of the aisle. We are being deprived of that opportunity by this rule which prevents the minority from presenting these two amendments having to do with school construction and class size, the two most important issues that affect almost all of our school districts.

So it is with great disappointment that I come to the floor today, in spite of all the efforts that we made in our committee, to ask the Members of this body to vote down this rule so that we may have the opportunity to offer these two important amendments.

Mr. Speaker, I rise to express disappointment that the rule for consideration of H.R. 1 does not permit me to offer an amendment to hire 100,000 additional counselors in our schools.

The amendment would have provided 100,000 resource-based staff for our public schools to help students cope with the stress and anxieties of adolescence. The amendment is similar to H.R. 466, which I introduced on February 6, 2001.

None of us will forget the roster of incidents of school violence. Only yesterday a 14 year old was convicted of second degree murder for killing a middle school teacher. What could make a seemingly typical child turn so violent?

Substantive preventative measures have their place. Security guards, metal detectors, and expelling violent students all have their place in addressing this problem. But they do nothing to address the child's anger, rage and frustration that leads him or her to commit a violent act.

My amendment would enable schools to work with children to ensure they can handle their anger and emotions without resorting to violence. Many of our children enter school with emotional, physical, and interpersonal barriers to learning. We need more school counselors in our schools, not only to help identify these troubled youths, but to work on developmental skill building. Children do not check their personal and home problems at the schoolhouse door; the problems come in with them.

Suregeon General Dr. David Satcher has said that appropriate interventions made during or prior to adolescence can direct young people away from violence toward healthy and constructive lives. The window of opportunity for effective interventions opens early and rarely, if ever, closes. Thus, prevention is the best guard against youth violence.

We have no real infrastructure of support our kids when it comes to mental health services in our schools. The most recent statistics indicate that there are 90,000 guidance counselors for approximately 41.4 million students in our public schools. That translates to 1 counselor for every 513 students. In Hawaii, we have only 1 counselor for every 525 students. In California, there is only 1 counselor for more than 1,000 students.

That is simply not enough. The Institute of Medicine of the National Academy of Sciences recommends that there be at least one counselor per 250 students, especially beginning in middle school.

With current counselors responsible for such large numbers of students, they are unable to address the students' personal needs. Instead, their role is more often administrative, scheduling, and job and college counseling. The child is forfeited for different goals.

My amendments would put 100,000 new resource staff in our schools to focus on the mental health needs of students. It authorizes $2.8 billion for fiscal year 2002. While that may seen a large sum, it is only $28,000 per counselor.

This resource staff will be hired to address the personal, family, peer level, emotional, and developmental needs of students, enabling them to detect early warning signs of troubled youth. They will improve student interaction and school safety. In a nutshell, they can help save children's lives.

The resource staff can also consult with teachers and parents about student learning, behavior, and emotional problems. they can develop and implement prevention programs and deal with substance abuse. They can set up peer mediation, and they can enhance problem solving in schools. Resource staff will provide important support services to students, and to parents and teachers on behalf of the students.

In addition, my amendment makes counselors eligible for professional development training.

If we really are serious about addressing school violence, we must address prevention and that means having the available personnel to address the mental, emotional and developmental needs of the children.

I regret that the Rules Committee did not permit me to offer this very important amendment.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 3 minutes to the distinguished gentlewoman from New Jersey (Mrs. ROUKEMA), also a member of the Committee on Education and the Workforce.

Mrs. ROUKEMA. Mr. Speaker, as a member of the committee, I rise in strong support of the rule. Actually I thought we were going to continue that spirit of bipartisanship that we had on the Committee on Education and the Workforce with the gentleman from Ohio (Mr. BOEHNER) and the gentleman from California (Mr. GEORGE MILLER). But unfortunately that seems to be dissipated here. I am very unhappy about it and I do not understand it at all, because in my assessment of the rule, it seems as though we have continued that bipartisanship and we have really focused on the issues of genuine concern to all that divided us. I am deeply disappointed to hear that the partisanship that we put aside in the committee deliberations is unfairly raising its head on this rule debate. I believe that we have considered all of the issues that genuinely were the core of the education program and that, in the tradition of our fine democracy, they are included in this rule.

For example, I was one who was against vouchers as part of this bill. I was one in the committee that led the fight against vouchers in this bill. But appropriately, since it is an issue of great interest to a core group of people on both sides of the aisle, it is in the rule and there will be a full and open debate. That is the way this democracy should be working in this House.

Now, there are other issues in the bill, of course; the flexibility in local control. Another point I should make that both in the bill and in the rule, we do put the focus on State and local control, as it should be. We are not going to let the Department of Education as bureaucrats run these schools for our children. But let me also point out, because it is very important to many Members on both sides and it seems to me that it is being misunderstood, and, that is, the question of accountability and results, and that is the accountability. This does not dictate national tests. I know that there are many that are using that against the rule and against the bill. I want to repeat, it does not dictate national tests. The funding is awarded to the States and to the schools, the local schools, for the testing as well as the corrective action.

Then I might finally just allude to my amendment on the mental health counseling which was very well included in the bill. But I guess in conclusion I have to say I am confident that the controversial measures that under this rule and these amendments that will be brought up will be defeated and that we will be consistent with reaching out on a bipartisan basis and supporting the President's vision for education reform, leaving no child behind.

As a member of the Committee I rise in support of the Rule. This is a fair Rule and this has been a fair process. This Rule continues the spirit of bipartisanship we had in the Education Committee. It allows an open debate on the important issues on which we genuinely disagree.

I commend the Education and Workforce Committee Chairman BOEHNER and Ranking Member GEORGE MILLER for their leadership, hard work, and diligence. Also, I thank Congressmen CASTLE, MCKEON, and ISAKSON for their work with key Democrats to form this compromise.

This Rule and this bill are truly examples of bipartisanship. Make no mistake—this was not an easy process. There were many hurdles along the way—and many times we all thought an impasse had been reached. But each time, the sides returned to the negotiating table and found a way to achieve a compromise. No one on either side ever lost sight of the goal—to ensure that every child, regardless of situation, in every public school in America receive a quality education.

This is the way the process is proposed to work—partisan politics have been set aside to make way for a meaningful debate on the issues that matter to America and our children. This process has not been about politics—this process has been about the education of our children. I am deeply disappointed to hear that partisanship is unfairly raising its head on The Rule debate. This Rule deserves to be adopted because if is fair and right for this debate. In the Committee we debated many of these issues. This Rule allows the whole House to genuinely debate the issues in education that in the tradition of our democracy.

For instance, in the Committee we decided against allowing vouchers to be part of this bill. Although I oppose vouchers, I agree with my colleagues that this issue deserves a genuine and legitimate debate by the whole House. This Rule allows the House to work its will. It is not just vouchers. Other issues that divide us, such as testing and accountability, will receive a fair and honest hearing through this Rule. These subjects will be fairly debated under this Rule. All Members, because of this Rule, will have the opportunity to make their case for or against these important issues. In addition to this Rule allowing us to debate the issues, it allows Members from across both sides of the aisle to have their amendments heard. The Rule strikes the appropriate balance by allowing a number of bipartisan amendments.

This Rule focuses debate on the most important and contentious issues of education reform. It is fair, it allows genuine debate, and at the end of the day the will of the House will be heard.

I am pleased that the bill before us today is bipartisan and is reflective of President Bush's vision for education reform.

Specifically: H.R. 1 provides unprecedented flexibility and local control.

It is vitally important to cut federal education regulations and provide more flexibility to states and local school districts. We should give our educators the flexibility to shape federal education programs in ways that work best for our teachers and our children not for bureaucrats at the U.S. Department of Education. Children should be put ahead of federal regulations. Washington does not know best and Congress should not serve as a national school board. While there indeed is a role for the federal government in education, we must be cautious of the Department of Education becoming a dynasty. I believe that by reversing this trend we will be well on the way to creating the best education system for our children.

Flexibility allows school districts the ability to target federal resources where they are needed the most. This will ensure that state and local officials can meet the unique needs of their students.

H.R. 1 dramatically enhances flexibility for local school districts in two ways: (1) through allowing school districts to transfer a portion of their funds among an assortment of ESEA programs as long as they demonstrate results (2) and through the consolidation of overlapping federal programs.

Very important to many of our members and this President, H.R. 1 enhances accountability and demands results.

As we deregulate federal education programs and provide more flexibility, we must also ensure that federal education programs produce real, accountable results. Too many federal education programs have failed. For example, even though the federal government has spent more than $120 billion on the Elementary and Secondary Act (ESEA) since its inception in 1965, it is not clear that ESEA has led to higher academic achievement. Federal education programs must contain mechanisms that make it possible for Congress to evaluate whether they work.

This bill provides accountability and demands results through high standards and assessments. And it provides appropriate responses to address failure. States will be required to test students in grades 3–8. It is important to emphasize that the states will develop their own standards and assessments. This bill does not dictate a national test. What the bill does is say that if you are going to accept federal education funding, then you are going to be held accountable for results. We reward states and schools that improve. Those that do not improve will undergo corrective actions.

H.R. 1 ensures that our schools are safe. An important element included here is ensuring that mental health screening and services are made available to young people. In addressing school safety, we must ensure that children with mental health needs are identified early and provided with the services they so desperately need. Many youth who may be headed toward school violence or other tragedies can be helped if we identify their early symptoms. The nation is facing a public crisis in mental health for children and adolescents. While 1 in 10 children and adolescents suffer from mental illness severe enough to cause some level of impairment, fewer than 1 in 5 of these children receive needed treatment.

I am pleased that this bill includes school-based mental health services language in addressing school safety and substance abuse.

While I am confident the controversial measures that would erode bipartisanship and move us away from the President's vision for education reform will be defeated, I am also confident that by the end of this process we will have a solid, strong education package that is good for our nation's children.

I believe in this bill. But these issues deserve full debate and this Rule grants us that debate. I urge my colleagues to vote in favor of the Rule.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. Mr. Speaker, I rise to ask my colleagues to vote no on this rule and to give every child the first-rate public education that he or she deserves. I believe, and I think most Members believe, that education is the challenge of our time. And after the early promise of a bipartisan accord on education, before getting sidetracked by a partisan tax cut bill, we are on the floor with probably the first truly bipartisan effort of the Bush administration. I congratulate the gentleman from Ohio (Mr. BOEHNER) and the gentleman from California (Mr. GEORGE MILLER) on bringing this truly bipartisan bill to fruition.

This, in our view, is real compromise. It is real bipartisan legislation. It is the product of two sides coming together for the sake of something larger. Democrats did not get everything that we wanted. Republicans did not get everything that they wanted. But both sides were able to forge agreement on more accountability, better-trained teachers, high-quality teachers, and after-school programs which we know make schools safer.

That is why Democrats are deeply disappointed with the rule that the Republicans have put forward today. This rule prevents us from offering amendments that we believe are critical to an excellent public education in the Information Age. It squelches debate on the most important issue that we know, preventing us from bringing two key amendments; to modernize public schools and help get smaller class sizes for our children.

Something clearly happened between the goodwill in committee and bringing this bill to the floor. Instead of building on what was an honest compromise in the committee, the Republican leadership has backed away from the promise of education reform and opening the door to reducing resources for after-school and other critical programs. It has opened the door to undoing school accountability, an issue where the President and all of us on the Democratic side agree. And it is revisiting the flawed voucher scheme that will not turn around failing schools, will leave children behind, and that Members of both parties have rejected.

Now, we need to improve public education for children by building new schools and repairing school buildings, something that both Democrats and Republicans have proposed. By ensuring smaller class sizes, by hiring new teachers, by providing new resources, not less, we live up to the true promise of education reform that truly would leave no child behind.

We believe with all our hearts that bipartisan amendments on building new schools, on repairing and refurbishing schools and allowing for smaller classroom size would command bipartisan majorities in this House today and next week when we take up this bill.

□ 1315

We ask Members to turn down this rule and give us a rule that will yield a real, real bipartisan education bill for the American people.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 1½ minutes to the distinguished gentleman from Indiana (Mr. SOUDER), a member of the Committee on Education and the Workforce.

Mr. SOUDER. Mr. Speaker, I support this rule, but strongly oppose this bill, reluctantly, after having worked with it for much time and even the last couple of years in committee.

The amendments being offered today are a mixed bag. Some are good and could restore this to a Republican Bush bill, but most likely they are going to be left behind in the leave-no-Democrat-behind bill and it will remain a Kennedy-Miller bill.

This bill, in my opinion, is worse than current law. Most moral concerns that many of us had and worked with were stripped out in compromises. I understood the process, but did not expect it to go so far.

I am disappointed that religious denigration discrimination amendment is not in the bill. I am disappointed that we could not get charitable choice: In fact, that was negotiated out in the Senate and there was no point in coming further on the House floor with it. It was taken out of our bill, which was in it in the past. Every concern of moral Christians that we had in trying to put protections in this bill are gone.

This bill is spending far more money than any conservative can possibly live with. The national testing is a standard that we have fought. The Republicans fought even President Clinton's State standards, yet alone Federal standards.

This bill is unacceptable to. Rush Limbaugh, to Dr. Dobson, to over 50 conservative groups in this country. It is unacceptable to Bill Bennett and Chester Finn, who are original people who are doing this. Every major conservative in this country is opposed to it, and some conservatives in Washington need to stand up and say we cannot go there.

I very much respect accountability and the principle of accountability. I am an MBA as well. I believe you need to have measures. I do not believe the problem right now is that there are not tests. I fear one national test, and inevitably this test will control not only public schools and lead to curriculum controlling, it will control homeschoolers and private schools, because once schools become punished by not meeting a standard and the parents have no escape, there will be a manipulation of that standard.

Ms. SLAUGHTER. Mr. Speaker, I yield 1½ minutes to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Speaker, I rise deeply disappointed with this rule, but strongly supportive of this bipartisan bill.

There is an old saying about partisanship being left at the water's edge with regard to foreign policy. Well, bipartisanship should not be left in the Committee on Rules when we have worked so hard for a bipartisan bill.

We have worked going back to December with meetings that many of us had, Republicans and Democrats alike, with then President-elect Bush in Austin; and we built on that negotiation and that discussion to put a bill together in our committee, working with the gentleman from Ohio (Mr. BOEHNER), the gentleman from California (Mr. MCKEON), the gentleman from Delaware (Mr. CASTLE), the gentleman from Georgia (Mr. ISAKSON), the gentleman from Colorado (Mr. SCHAFFER), and on our side, the gentleman from California (Mr. GEORGE MILLER), the gentleman from Michigan (Mr. KILDEE), and the gentlewoman from Hawaii (Mrs. MINK), we put education reform and children over bickering and politics.

We have also worked on trying to combine some very important elements, the elements of a fair locally devised test with remediation and resources to help poor children that are not passing some of those tests.

We are going to have some key votes and some key amendments coming up, and I hope that we can keep this bipartisanship together that is so fragile and delicate but so important to convincing the American people that we can do the people's work with common sense, with civility, and good will.

I have great disappointment in this rule, but urge strong support for this bipartisan underlying bill.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 1½ minutes to the distinguished gentleman from Colorado

(Mr. SCHAFFER), a member of the Committee on Education and the Workforce.

Mr. SCHAFFER. Mr. Speaker, I thank the gentlewoman for yielding me time.

Mr. Speaker, I rise to speak in favor of the rule and urge for its adoption, because the rule allows for a number of amendments that I view to be critical and important.

Our President proposed in this document his education vision for America. He also has proposed in other documents subsequent to his Presidency called Leave No Child Behind a bold education plan which represented an important balance in education reform. That balance included school choice, it included accountability, and it included flexibility.

The school choice provisions of the bill, however, have been ripped out of the legislation at the committee level and they remain outside of that legislation today. That was a painful defeat for the White House and I think for conservatives and for Republicans in general who believe that provision of the President's bill is essential and is important.

The committee also stripped out of the legislation the language dealing with flexibility known as Straight A's, or, as the President called it in his plan, Charter States. This rule allows for the opportunity for those two provisions in the President's plan to be reconsidered on the floor, and it gives all of us, Mr. Speaker, a chance to restore the President's bill to his original vision.

Absent those two core provisions of the President's plan, there really is very little left of what the President initially proposed in his plan that helped bring him to the Presidency and his plan that he brought to the Congress to leave no child behind.

This rule is important because it makes those rules in order. We have commitments from our own leadership and from our own chairmen with respect to the Straight A's provision, that that will be restored here on the floor before that bill goes on to the conference committee, and those are important elements in restoring the President's vision.

The rule is necessary, and I urge its adoption.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. TIERNEY).

Mr. TIERNEY. Mr. Speaker, today I rise in opposition to this rule. The President, on a number of occasions, has made it clear that education is supposedly his number one priority, and that is exactly how it should be. What deeply troubles me is the heavy-handed way in which the majority is preventing the full House from debating some of the most crucial elements of this concept.

While ostensibly one of the more important factors for this bill for the President and others is testing, yet this rule allows only one amendment, and that would completely strike a proposed new test. No other amendment on the validity or concept of testing would be allowed if this rule passes, not even one.

If it passes, there will be no real consideration as to whether we provide sufficient resources to schools to administer fairly and comprehensively these tests. There will be no real debate about whether or not this type of testing is even good for our students or, if it is, what is the best way to administer them.

We are going to hear a lot of reasons why it could not be done, and chief amongst them is you allowed us some amendments. Well, 28 out of 158 is hardly enough. You are going to say there is not enough time to do all of this. Well, we are going to be going home in a little while and we are not coming back tomorrow, so that does not carry any water. The fact of the matter is a good public policy debate is exactly what we need, especially on this bill, and we all ought to be here to engage in it.

One amendment that I would propose would address perhaps the biggest flaw in this debate. The bill dramatically increases the scope and frequency of standardized tests by requiring States to begin testing students each year in grades 3 through 8. That is on top of current requirements. As a result, children will sit for standardized tests by the time they reach the age of 9, and in some fourth grade classrooms in fact children still sit three times in a given year.

What clearly is unfair is the anemic funding that this bill proposes. The Congressional Budget Office says it will cost $650 million each year for States to design, administer, review and revise the tests required by H.R. 1. That is way more than is expressed in this bill, and there is no way of telling how the States intend to make up the difference, other than by depriving other important educational programs.

For this reason I submitted an amendment that would require annual appropriations to reach $600 million before those provisions could go into effect. Clearly, Mr. Speaker, it seems the majority cannot see the millions of students through the trillions in tax cuts.

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. BONIOR).

Mr. BONIOR. Mr. Speaker, I thank the gentlewoman for yielding me time.

Mr. Speaker, this bill says a lot. It could say a lot more. I rise today to argue the point that the Members of the Committee on Education and Workforce, at least on our side of the aisle, were told to keep this bill together, we are working cooperatively. When you get to the floor, you are going to have a chance to do what you want to do with amendment. You are going to be able to deal with the class size issue, you are going to be able to deal with school modernization and school construction.

Well, lo and behold, the rule comes down, and no classroom modernization amendment, no class size amendment, are made in order. Overcrowded classrooms, the fact that teachers are required to instruct so many students that children are not getting the attention they deserve, the attention they desperately need, this is a huge issue, a huge issue.

Right now in Michigan, we have some of the most qualified teachers in the country. Ninety-nine percent of our teachers in public secondary schools hold teaching certificates in their main teaching assignment. Forty-eight percent have masters degrees. Yet with all that talent and all that skill, all of that is undermined by the fact that, on average, they have bigger class sizes, these teachers in my State, bigger class sizes than they do in 44 other States.

Yet under this rule, as I suggested, we are not presented with the opportunity to go forward with the 100,000 teacher program, to put more teachers in our classrooms, reduce that size, get more discipline, more attention to those students.

A lot of folks these days talk about modern classrooms, about connecting the schools with the Internet, and that is critically important and we need to do that. But we also cannot forget that there are literally thousands of schools in this country that are in desperate need of repair; schools with broken plumbing systems, schools that were too hot in the summer and too cold in the winter, schools where children sit in rundown classrooms with broken windows and peeling paint and asbestos hanging from the ceilings. If it is an environment that none of us would choose to live in, how can we say it is an environment where our children should struggle to learn in?

Well, today, Michigan, like on the other issue of class size, we have a very bad statistic with respect to school modernization. We have the sixth highest percentage of school districts in America reporting at least one building in inadequate condition.

So, this rule denies us the opportunity, Mr. Speaker, to address those issues. They are primary issues, they are important issues, and I hope my colleagues as a result of that will vote against this rule, and hopefully the committee will go back and make them in order, so at least we can have a debate on these issues and move forward on class size and school modernization and make sure our kids have the kind of place we want them to learn in.

Ms. SLAUGHTER. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Speaker, I rise in strong opposition to this rule. In negotiations, we were pretty much assured that Democratic amendments would be included on the floor. Good Democratic amendments, such as my amendment to create safe havens at or near schools, and my amendment to bring more females into the high-tech and science workforce, should be part of today's debate, and we should be talking about school construction.

But these ideas were, obviously, inadvertently left out. Instead, Republican amendments that will destroy our bipartisan effort by taking funds from the students and the schools that need them the most are being considered.

This rule definitely fails the fair play test. Let us vote it down. Let us give the whole issue back to the House, so that some day soon we can pass a real bipartisan bill that will debate all of the issues that are important to this House in general on both sides of the aisle.

Ms. SLAUGHTER. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. MENENDEZ).

Mr. MENENDEZ. Mr. Speaker, the rule considering the No Child Left Behind Act still leaves many children behind. It fails to address national concerns, such as the desperate need to repair and modernize our schools, to reduce class sizes and to hire counselors so that our children learn in the best possible environment.

It treats limited English proficient children unfairly. With one hand the majority tries to court Hispanic voters, but in this bill it places new and undue burdens on Hispanic children.

Democrats have made this bill enormously better, but it is too bad that the Republican budget resolution would not fund many of these initiatives. The majority showed its priorities last week and decided to leave education behind.

The bill has the wrong answer on mandatory testing. At a time when the majority is quick to pass provisions ordering the National Academy of Sciences to study ergonomic standards before implementing rules and the effects of dredging the Hudson River to remove contaminants, it is remarkable that it is going to allow mandatory multiple testing of children from the third to eighth grade without allowing the National Academy of Sciences to study the proposal.

The rule we are considering today does not give us the opportunity to correct those mistakes and improve the bill. The rule shuts the door on initiatives that American people care about, while opening the door to proposals the American people have rejected.

Ms. SLAUGHTER. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. HOLT).

Mr. HOLT. Mr. Speaker, I thank the gentlewoman for yielding me time, and I rise in opposition to the rule.

Let me just give one example of how the promise to have debate on the floor has been broken.

□ 1330

Science education. Science is not just another subject, it is fundamental, like reading and math. For the past year, the National Commission on the Teaching of Math and Science, the so-called John Glenn Commission, met and made a number of recommendations. Some of those recommendations, such as one that would call for a network of national academies, training academies for science teachers around the country, were included in the report, but were not allowed for debate in the committee because, they said, we were told it would be allowed on the floor.

This is critically important. We face a crisis in science and math teaching. The title of our report says it well: before it is too late. Senator Glenn, the head of Intel, the head of State Farm insurance, a number of other leaders in industry, education and business around the country say that we need these recommendations. We should at least have a debate on them on the floor.

Ms. SLAUGHTER. Mr. Speaker, I yield 1 minute to the gentlewoman from Oregon (Ms. HOOLEY).

Ms. HOOLEY of Oregon. Mr. Speaker, I thank the gentlewoman for yielding me this time. I rise today in opposition to this rule for one particular reason: there are too many children being left behind. Time after time this year I have asked that we finally have a discussion about the Federal Government's underfunding of the Individuals with Disabilities Act.

Mr. Speaker, 26 years ago, the Federal Government made a promise to children with disabilities, their parents, their teachers and their schools, that we would pay 40 percent of the excess cost to local school districts to educate children with disabilities. I do not know about the rest of my colleagues, but I grew up in a family where when one made a promise, one kept that promise. Today seemed like the perfect opportunity to have this discussion.

As I did earlier this year in the Committee on the Budget, I proposed an amendment that would have finally made sure the government kept its promise. This time, I was joined by the gentleman from Wisconsin (Mr. KIND), who is on the Committee on Education and the Workforce. I am sad to report that we were denied even the opportunity to bring this amendment to the floor.

Once again, we are sending the message to our students that this legislation leaves no child behind, except for those with disabilities. I urge a "no" vote on the rule.

Ms. SLAUGHTER. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Speaker, I thank the gentlewoman for yielding me this time and for her extraordinary leadership on this issue.

I rise today to oppose this rule which eliminated many good amendments that should have been at least debated. For example, I submitted an amendment that would have established a formula grant program to ensure that all States could receive funding to allow them to hire additional school counselors, social workers, and psychologists. At a time when our children are dealing with suicide, substance abuse, school shootings, and other very grown-up problems, these mental health personnel are vital to the health and well-being of our students. The average student-to-counselor ratio is 1,100 to one in my State of California, although the recommended ratio is 250 to 1.

Now, as a trained clinical social worker, I know firsthand how counseling and effective treatment can reduce violent behavior. Early detection of troubled youth by mental health counselors prevents school violence. We need mental health school counselors in all of our schools. We need school construction. We need smaller class sizes. We owe this to our children. I urge a "no" vote on the rule.

Ms. SLAUGHTER. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, as a member of the Committee on Education and the Workforce, I am a proud supporter of the underlying bill, H.R. 1. I am glad to see we finally have legislation that recognizes the number one issue, the number one priority of the American people: education improvement in this country.

I am, however, extremely disappointed in the rule. I think it is shameful that the only amendment that was offered dealing with special education in this country, IDEA, is how we can better punish special education students rather than how we can help them.

A couple of days ago I offered an amendment in the Committee on Rules with the gentlewoman from Oregon (Ms. HOOLEY) that would allow a debate as to how we can increase funding on special education costs so the Federal Government lives up to our 40 percent cost share. We are only at 15 percent today. If there is one issue that is having a devastating financial impact on local school districts from district to district across the country, it is the inability of the Federal Government to live up to our responsibility, our obligation to fund special-education expenses. Our amendment would have at least allowed a discussion of that in the context of the elementary- and secondary-education bill. Because it was not made in order, I would encourage my colleagues to oppose the rule and give us a chance to discuss this important issue.

Ms. SLAUGHTER. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the chairman and ranking member for their work on this very important issue, the issue of education. I am disappointed that like the collapse of a real energy policy for the American people, we are about to verge on a collapse of this legislation.

I offered two amendments that I thought would be very important to deal with the high degree of suicide and the difficulty that our young people are having today; to provide grants to ensure that we would have local funding and assistance for drug and violence prevention, and also to reduce the risk of children; to identify health risks for our children that play on playgrounds where there is an exposure to tin, zinc, mercury and lead, that would have helped enhance the educational facilities that we have.

Finally, I think it is very important that we have additional resources for mental health services where there are those kinds of resources in the schools so that there is no stigma, and we can refer the children and their families to therapy and counseling and psychiatric health care.

As well, on this whole issue of testing, can one imagine testing a little 8-year-old all the time, focusing the teacher's resources on testing? We need to reconsider that, and we need more school construction. We could have done a better job on this bill.

Mr. Speaker, I ask opposition to the rule.

Mr. Speaker, I would like to join my colleagues in the support of education for all of our nation's children. I would like to thank and commend the work of the House Committee on Education and the Workforce in their effort to present a bipartisan bill for our consideration.

I am disappointed that the Rule for this bill does not take into consideration several points that I feel should be part of this effort to not leave any child behind. These are real problems with America's schools, but the fault is not isolated to one source, but are multiple in nature. We know that children are acting out a level of rage that challenges our ability to educate our children in a safe and nurturing environment.

The children of our nation are our country's greatest asset and should be the top priority of the Congress and the Administration. The lack of will to make critical and sometimes difficult decisions on children and education issues has damaged the ability of the United States to guarantee that the next generation will achieve a higher standard of living than their parents.

We must make sure that this bill to reform our nation's education system truly does not leave any child behind. This bill reauthorizes federal elementary and secondary education programs (including the Title I compensatory education, teacher training and bilingual education programs) for five years (through FY 2006) and includes changes to current laws intended to improve the effectiveness of public schools and hold schools accountable.

The measure reported by the Education and the Workforce Committee has provisions intended to hold public schools accountable for improving the academic achievement of their students. It requires annual testing, flexibility in spending at the local school district level, as well as a new system that would require poorly performing public schools to improve or face consequences, which could include the removal of staff or the transfer of some of their students to other public schools.

As the founder and Co-Chair of the Congressional Children's Caucus, I have a strong interest in the well being of our nation's children and would like to offer the following amendments for the committee's consideration as it prepares the rule for consideration of this historic legislation.

The Houston Independent School District (HISD) is the largest public school system in Texas and the seventh largest in the United States. Our schools are dedicated to giving every student the best possible education through an intensive core curriculum and specialized, challenging instructional and career programs. HISD is working hard to become Houstonian's K–12 school system of choice, constantly improving and refining instruction and management to make them as effective, productive, and economical as possible.

HISD has become a leader in restructuring public education, most recently by establishing unprecedented new standards that every student must meet to earn promotion from one grade to the next. HISD's balanced approach to the teaching of reading has garnered national attention, and Project CLEAR, a comprehensive initiative to align curriculum with fundamental knowledge and skills expected of all students, is contributing to a steady rise in scholastic performance. HISD is bringing its school buildings up to high standards and building 10 new schools through Rebuild 2002, a $678-million capital improvement program. In addition, HISD opened two new state-of-the art high schools that were built thanks to the creation of tax increment zones that allow HISD to derive revenue from increases in property value through redevelopment. HISD is demonstrating the utmost managerial accountability through contractual arrangements with specialists in budgeting, purchasing, payroll, personnel management, food services, and maintenance that enable the school district to devote more resources directly to the classroom.

The 18th Congressional District of Houston serves a very diverse group of young people, 52 percent are Hispanic, 34 percent are African American, 10 percent are white, nearly 3 percent are Asian/Pacific Islander, and just under one percent are Native American. The district managers 295 campuses and educational programs: twenty-nine are high schools, 34 are middle schools, 186 are elementary schools, 19 are charter schools, 9 are community-based alternative programs and 18 are combined-level or other programs.

The heart of HISD are its teachers, principals and administrators, librarians, nurses and psychologist, support staff, parents, and board members. I can assure you that the City of Houston is extremely grateful. They have performed outstandingly and deserve special recognition; unfortunately our society does not offer the greatest financial rewards to our most valued citizens—teachers. However, the President's Award for Excellence in Elementary Mathematics and Science Teaching has become an excellent symbol of professional accomplishment as an educator.

In order that we do indeed not leave any child behind, we must first consider that not all children are the same. Their differences should not however, limit their opportunity for a good education in our nation's public schools.

As long as there exist a disparity in funding among school districts within states, and a disparity of education funding K–12 among the states there will continue to be disparities in the education of disadvantaged youth especially taking into consideration the socio-economic limitations of these communities to augment the educational experience of their children. This must and should be acknowledged by the education reform legislation that we pass and send to the President's desk. We know the realities of education in the United States are that many children are left behind, not at the discretion of the teacher, school district, parent or child, but under the pressures presented by a lack of adequate funding.

We must fully fund the Individuals with Disabilities Act when it comes up for reauthorization next year, but in the mean time there are thousands of children who are denied access to assistance because of the difficult decisions school districts are forced to make in the absence of adequate funding.

Speech and language difficulties affect children of all races in our nation. When a child cannot be understood then their opportunity for a good basic education is greatly diminished.

Because of the lack of funding going into IDEA, children like Jonathan Adam Roumo, who is three year's old Houstonian with a speech delay problem. School districts across our nation struggle with the few dollars provided by the federal government to provide services with children with disabilities.

Jonathan unfortunately is being left behind by the current state of affairs in our nation's education funding. Jonathan is a bright, intelligent little boy who is inquisitive and a challenge to his mother and father because of his interest in everything about his world.

Unfortunately, Jonathan also has difficulty being understood because the muscles along his tongue are too weak and affect how he says words. The tongue is an important organ of speech in human beings and as such is critical to being understood.

The muscles along Jonathan's tongue are at a stage in development that would equate with that of a much younger child, which means that although he has the innate intelligence and stimulation in his environment to speak, his physical ability to be understood is greatly hindered.

Because his parents were concerned about Jonathan's inability to make himself understood, they educated themselves about what was available in the public school system to help Jonathan. They learned about a speech-testing program in their local school district, and saw that Jonathan was tested. Jonathan did well in all areas of the test, which established that he did not need occupational therapy or physical therapy, but he needed speech therapy.

He was enrolled into a speech program in August of 2000 and made excellent progress. Unfortunately, Jonathan's mother was told that he could not go to pre-kindergarten, where he would continue to receive help because he did not have other types of disability associated with his speech limitations. To compound this situation his parents were told that they failed to meet income requirements, which prevent Jonathan's parents from getting him the help that he needs through the public school system.

There are thousands of Jonathans in our public schools who have the potential to do very well, with only a little support in speech development. Under current law Jonathan can receive thirty minutes of speech each week, but that is not enough to make sure that this child is not left behind.

Another serious area which must be addressed is mental health resources available to children and their parents in public school. I have introduced H.R. 73, a bill requiring the Secretary of Education to conduct research on children with dyslexia in the public school system throughout our nation. Dyslexia is identifiable and treatable in children at an early age. For this reason, all children kindergarten through third grade must be given tests that measure the following knowledge skills: print; book; phonological awareness, phonics, and writing. These areas have been identified by child psychologist to be key to recognizing learning disabilities in very young children so that they may receive the proper help to insure that they are not left behind.

Further, I would offer that we should rethink what language programs should be used to accomplish. If a child with a speech impediment such as stuttering, lisp, or other delayed speech cannot be understood by a teacher or fellow students, then that child's ability to succeed in the classroom is limited. Today, we consider that child to be disabled and the rules governing the role of schools to provide proper instruction are not uniform. I would offer that if a child cannot be understood that their language barrier be addressed as early and aggressively as possible by removing all economic requirements for that child to get help through the public school system at as early an age as possible. Violence in public schools have cast a chilling shadow through the halls of education in our nation.

The reality of children's lives today are far removed from the experiences of previous generations. They are killing each other and killing themselves at alarming rates.

Currently, there are 13.7 million children in this country with a diagnosable mental health disorder, yet less than 20 percent of these children received the treatment they need. At least one in five children and adolescents has a diagnosable mental, emotional, or behavioral problem that can lead to school failure, substance abuse, violence or suicide. However, 75 to 80 percent of these children do not receive any services in the form of specialty treatment or some form of mental health intervention.

The White House and the U.S. Surgeon General have recognized that mental health needs to be a national priority in this nation's debate about comprehensive health care.

Suicide is the eighth leading cause of death in the United States, accounting for more than 1 percent of all deaths.

The National Mental Health Association reports that most people who commit suicide have a mental or emotional disorder. The most common is depression.

According to the 1999 Report of the U.S. Surgeon General, for young people 15–24 years old, suicide is the third leading cause of death behind intentional injury and homicide.

Persons under the age of 25 accounted for 15 percent of all suicides in 1997. Between 1980 and 1997, suicide rates for those 15–19 years old increased 11 percent and for those between the ages of 10–14, the suicide rates increased 99 percent since 1980.

More teenagers died from suicide than from cancer, heart disease, AIDS, birth defects, strokes, influenza and chronic lung disease combined.

Within every 1 hour and 57 minutes, a person under the age of 25 completes suicide.

Black male youth (ages 10–14) have shown the largest increase in suicide rates since 1980 compared to other youth groups by sex and ethnicity, increasing 276 percent.

Almost 12 young people between the ages of 15–24 die every day by suicide.

In a study of gay male and lesbian youth suicide, the U.S. Department of Health and Human Services found lesbian and gay youth are two to six times more likely to attempt suicide than other youth and account for up to 30 percent of all completed teen suicides.

We must also be prepared and capable of protecting children from other sources of harm that are present in their environment, such as lead, zinc chloride, tin, and mercury.

I appreciate the work done by the Committees to bring this measure before the House for consideration, but I feel that is lacking in a complete and balanced approach to meet the needs of educating all of our nation's children.

Ms. SLAUGHTER. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Speaker, I thank the gentlewoman from New York for yielding me this time.

I rise in opposition to the rule. The bipartisanship on our committee on this education bill taught us a lesson on how to get along and work in a bipartisan fashion. It is a lesson that the leadership of this House has not learned.

Here is what is wrong with this rule: it is a delicate compromise between the Democrats and the Republicans. There are many Republicans who believe that block grants called Straight A's should be included, and they will have their chance to make that argument on this floor. There are many Republicans who believe that private school vouchers should be included, and they will have their chance to make their argument on this floor. But there are many Democrats who believe that an extension of the class size reduction program ought to be included, and we will not have our chance to make that argument on this floor. There are many of us who believe that a school construction program should be added, and we will not have our chance to make that argument on this floor.

The lesson of bipartisanship that was taught by the committee has been ignored by the House majority leadership. Their rule should be rejected.

Ms. SLAUGHTER. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. PAYNE).

Mr. PAYNE. Mr. Speaker, I rise in strong opposition to the proposed rule on H.R. 1, No Child Left Behind Act. Because education is such an important issue, I feel that rules must be introduced on the floor so that all people can express their opinions in the general debate. The Committee on Rules only allowed one amendment from the Democratic side, and that is wrong.

I went before the Committee on Rules and asked that my amendment, which would keep the title I monies at a 50 percent level, be included. When title I began, 75 percent of the money was targeted for poor children. It was the Federal Government saying, we need to assist these schools where there is an imbalance in funding. The imbalance still is there; but it was reduced from 75 percent of poverty to 60 percent of poverty, to 50 percent of poverty, and now it is 40 percent of poverty. On the other hand, some of the people on the other side of the aisle say, we have a 25 percent amendment coming up at you next time.

Mr. Speaker, we are going to leave every child behind. I ask for the rejection of the rule.

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 1 minute to the gentleman from Michigan (Mr. HOEKSTRA), my distinguished colleague and a member of the Committee on Education and the Workforce.

Mr. HOEKSTRA. Mr. Speaker, I thank the gentlewoman for yielding me this time.

I would like to urge strong support for this rule. It is a fair rule. It will allow us to vote on amendments which will restore the President's plan.

The President's reform plan for education was a delicately balanced approach, providing more flexibility to the States, a program to empower parents by allowing them to make more choices in their children's education, and holding schools accountable for the results that they would deliver; a delicate balance of saying, we are going to give States more process freedom. We are no longer going to hold them accountable for the process by which they spend their money, but we are going to make sure that every child goes through and achieves the learning that we want. We are going to focus on results accountability.

This rule allows us to have a vote on restoring State flexibility, which was ripped out of the committee mark. It allows us to build on the local flexibility and parental empowerment that are so critical to the President's plan.

Ms. SLAUGHTER. Mr. Speaker, I yield 1 minute to the gentleman from Oregon (Mr. WU).

Mr. WU. Mr. Speaker, I want to commend the ranking member and the chairman for their commendable efforts at crafting a commonsense, bipartisan education bill. But I am going to ask my colleagues to vote against this rule which brings partisanship and prevents the bringing of commonsense amendments which would improve this bill.

Our efforts at keeping class size reduction as a separate source of funding, maintaining our national priority on bringing smaller class sizes to schools across this country was not permitted to be brought to the floor. Our efforts to bring school construction to the floor in order to be fully debated were not permitted to be brought to the floor. Class size reduction and school construction are two priority issues in American education; and yet we will not have a chance to discuss these bipartisan, commonsense issues. I regret that very much, and I ask my colleagues to vote against this rule.

Ms. SLAUGHTER. Mr. Speaker, I yield 30 seconds to the gentleman from Pennsylvania (Mr. FATTAH), and I know he will use it well.

Mr. FATTAH. Mr. Speaker, there is a lot of talk about accountability, holding students accountable and teachers and schools. There is one entity that is never mentioned, even though States are responsible for the certification of teachers, the setting of curriculums, the entire determination about how schools are going to be provided resources. There is nothing anywhere about trying to get States to be responsible once and for all for the education of poor children.

The Congress, in 1965, 35 years ago, passed the title I law, which we are getting ready to reauthorize, and since then, still, States have failed poor children.

I would hope that we would have a rule that would allow us to seek more accountability. I think there could be consensus between Democrats and Republicans on that point.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 30 seconds to the gentleman from Ohio (Mr. TRAFICANT), my distinguished colleague.

Mr. TRAFICANT. Mr. Speaker, I support the rule. I want to commend the gentleman from Ohio (Mr. BOEHNER) and the gentleman from California (Mr. GEORGE MILLER), but I must agree with the gentleman from Michigan (Mr. KILDEE) and the gentleman from New York (Mr. OWENS) that an America that builds prisons, but not schools, is headed in the wrong direction.

I am asking the Republican leadership to take a good look at the position of the gentleman from New York (Mr. OWENS), and when we go to conference, consider putting some construction money in for schools. But I am inclined to support the bill, and I thank the Republican Party for giving consideration to the request of the gentleman from New York.

Ms. SLAUGHTER. Mr. Speaker, I yield my remaining 1 minute to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, I thank the gentlewoman for yielding me this time.

I rise in opposition to this rule.

□ 1345

This is a rule for education, yet it is not a very smart rule, because it does not allow us to have the debate and vote on school construction and school modernization.

Mr. Speaker, all of the science tells us that children do better in smaller classes, and indeed, in smaller schools, in some cases. Children are smart. We cannot tell them that education is important to them, that it is about their self-fulfillment, about their way to earn a living and our competitiveness internationally, and yet send them to schools that are in disrepair, instead of sending them to smaller classes where they will get the attention they need and classrooms which are wired for the future.

Children are smart. They see the contradiction. If education is so important, why then is it not important to the Democrats and to the Republicans, to the Congress of the United States?

That is why I cannot understand for the life of me why an education bill would come to this floor, after all the science this Congress has paid for and told us that children need smaller classes, and this Republican Party will not even allow us the opportunity to debate that amendment on the floor.

I urge our colleagues to vote no on this very, unsmart rule on the education bill.

Ms. SLAUGHTER. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Speaker, I rise in opposition to this rule. I am disappointed that the Andrews-Saxton-Maloney-Horn amendment was not made in order.

Our amendment would have provided much-needed Federal grants to organizations so that they can teach today's youth about the Holocaust.

Unfortunately, many schools and communities around the country have not learned about the Holocaust because their schools do not have the funds or tools to each about this tragic event in world history.

There is no question: teaching children about the horror and tragedy of the Holocaust will create a generation of youth in America who are less likely to commit hate crimes, and who are more likely to mature into adults who will envision and work toward peaceful world relations.

This is exactly why the Andrews-Saxton-Maloney-Horn amendment is so important.

We need programs in our schools that teach the consequences of intolerance and hate.

In denying the House a vote on our amendment, the majority is denying our children a chance to learn about one of the most tragic events in history.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 2½ minutes to my distinguished colleague, the gentleman from Georgia (Mr. ISAKSON), who has been such an integral of this effort.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Georgia (Mr. ISAKSON) is recognized for 2½ minutes to close.

Mr. ISAKSON. Mr. Speaker, I thank the gentlewoman from Ohio for yielding time to me.

Mr. Speaker, I commend the Committee on Rules for a fair rule.

I commend the gentleman from California (Mr. GEORGE MILLER), the gentleman from Ohio (Chairman BOEHNER), and the members of our committee for a fair and open debate and a bipartisan bill.

However, Mr. Speaker, as we close this debate, if we think about our red or green vote, I want Members to look at what we are really talking about. To my left is a chart which shows that over the history of funding for public education in Title I, while the gold bars which represent money have gone up astronomically, today, the same as it was 25 years ago, reading proficiency remains at the bottom. It is time for true reform.

On the issue of building schools, they will not tell us that America's unmet need at the local level, and it is their responsibility, is $300 billion. They also will not tell us that represents 2.5 times more money than has been spent on Title I since it began.

This is not about building buildings, this is about building and changing the lives of America's most disadvantaged children. It has been said that our children are a message we send to a time we shall never see. I am proud we have a committee and I am proud we have a President that has laid it on the line.

When Members get ready to vote red, I want Members to look in the eyes of a disadvantaged poor child in Members' rural or urban districts and ask what kind of message they want to send to a time they will not see.

As a politician, I want Members to think about how much they would respect a President who brings a bill forward with accountability that will allow us to measure our progress within his term of office.

Mr. Speaker, this bill is not a promise, it is a hope. It is a hope for the future, not of buildings and inanimate objects, but of the sacred treasure of the lives of America's youngest and most disadvantaged children.

The Committee on Rules will allow competitive debate over controversial issues, and in the end I hope Members' green vote on this rule results in a green vote on this bill that leaves no child behind, and sends a message to our future that we would love for our future to see.

Mr. UDALL of Colorado. Mr. Speaker, I rise to oppose the rule for H.R. 1, the Elementary and Secondary Education Reauthorization bill. This rule prevents Democrats from offering key education priorities as amendments to the bill—including School Modernization and Class Size Reduction. In addition, I am troubled that an amendment I offered in the Rules Committee to establish a program in the Department of Education to help school districts produce "high performance" school buildings was rejected.

The amendment I offered in the Rules Committee—the "High Performance Schools Program"—takes the concept of "whole buildings" and puts it into the context of our schools. My amendment would have established a program in the Department of Education to help school districts produce "high performance" school buildings. It would provide block grants to state offices of education that would then be allocated as grants to school districts for building design and technical assistance. These grants would be available to school districts that are faced with rising elementary and secondary school enrollments, that can't afford to make major investments in construction or renovation, and that commit to work with the state agencies to produce school facilities that incorporate a "high performance" building approach.

We wouldn't dream of putting only manual typewriters in new school buildings—we would install today's computer technology. Nor should we build yesterday's "energy inefficient," non-sustainable, and less effective schools. Our kids are our country's future, and they should have the best school facilities, especially if they will cost less and benefit us all in other ways.

As the Congress begins debate on the reauthorization of the Elementary and Secondary Education Act, the important legislation that governs our nation's education priorities, I fear the House Rules Committee has missed a golden opportunity. I am especially disappointed that today—a day when Congress is focused on energy issues because of the release of the administration's energy plan—the Rules Committee chose to overlook this opportunity to take care of our children and our environment at the same time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the resolution.

There was no objection.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. SLAUGHTER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 219, nays 201, not voting 13, as follows:

[Roll No. 125]

YEAS—219

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hansen
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—201

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Blagojevich
Blumenauer
Bonior
Boswell
Boucher
Boyd
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Mollohan
Moore
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Shows
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—13

Bishop
Borski
Brady (PA)
Condit
Cubin
Ganske
Hunter
Kilpatrick
Lucas (OK)
Meeks (NY)
Moran (VA)
Thompson (MS)
Waters

□ 1409

Mr. BERMAN, Mr. HOEFFEL and Mrs. MEEK of Florida changed their vote from "yea" to "nay."

Mr. GREENWOOD changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Mr. MORAN of Virginia. Mr. Speaker, on rollcall No. 125, had I been present, I would have voted "nay."

LEGISLATIVE PROGRAM

(Mr. DOGGETT asked and was given permission to address the House for 1 minute.)

Mr. DOGGETT. Mr. Speaker, I would like to inquire about next week's schedule.

Mr. Speaker, I yield to the gentleman from California (Mr. McKEON).

Mr. McKEON. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am pleased to announce that there will be no further votes in the House for the week.

The House will next meet for legislative business on Monday, May 21 at 12:30 p.m. for morning hour and 2 p.m. for legislative business.

The House will consider a number of measures under suspension of the rules, including the following bills:

H.R. 1831, the Small Business Liability Protection Act; and

H.R. 1885, the 245(i) Extension Act of 2001.

A complete list of suspensions will be distributed to Members' offices tomorrow.

On Monday, no recorded votes are expected before 6 p.m.

On Tuesday through Thursday, the House will consider the following measures:

H.R. 1, the No Child Left Behind Act; and

H.R. 1836, the Economic Growth and Tax Relief Reconciliation Act Conference Report.

On Friday, the House will not be in session for the start of the Memorial Day district work period.

Mr. DOGGETT. Mr. Speaker, I thank the gentleman for that explanation.

If I might inquire further, many Members, of course, have travel plans for next Thursday evening, does the gentleman anticipate any event that would prevent our departing at least by 6 p.m. on Thursday?

Mr. McKEON. If the gentleman will continue to yield, we hope to get the tax conference report back by Thursday so that we can get that passed Thursday, but we do not have a guarantee of that.

Mr. DOGGETT. Of course, the conference has not been convened because the Senate has not acted. Is the gentleman saying in the event the tax reconciliation conference report, if that is not available by Thursday night, we might be facing some interference with the Memorial Day weekend?

Mr. McKEON. Our goal is to finish that up on Thursday, and we cannot guarantee that, but that is our goal.

□ 1415

Mr. DOGGETT. Mr. Speaker, backing up to Monday, does the gentleman from California (Mr. McKEON) anticipate that there will be any business other than suspensions on Monday evening?

Mr. McKEON. Mr. Speaker, if the gentleman will yield, we may start the general debate on the education bill.

Mr. DOGGETT. Mr. Speaker, it had been my understanding that was beginning on Tuesday, but there is a possibility of general debate, not amendments on Monday night?

Mr. McKEON. There would be no education votes, but there is a possibility that we would have the general debate begin.

Mr. DOGGETT. Mr. Speaker, because there is such interest in the education bill, is the gentleman from California informed as to what days we would be considering the education bill next week?

Mr. McKEON. Mr. Speaker, we hope to finish it Tuesday, but it could spill over into Wednesday.

Mr. DOGGETT. The gentleman mentioned both H.R. 1831 and H.R. 1885. Does he know on which days those are most likely to be considered?

Mr. McKEON. Mr. Speaker, those will be Monday under suspension and voted on after 6 o'clock.

Mr. DOGGETT. All right, Mr. Speaker. Then on H.R. 1 and H.R. 1836, when might they be considered?

Mr. McKEON. Mr. Speaker, H.R. 1 will be Tuesday and Wednesday and hopefully H.R. 1836 on Thursday.

NO CHILD LEFT BEHIND ACT OF 2001

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to House Resolution 143 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1.

□ 1416

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1) to close the achievement gap with accountability, flexibility, and choice, so that no child is left behind, with Mr. HASTINGS of Washington in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Ohio (Mr. BOEHNER) and the gentleman from California (Mr. GEORGE MILLER) each will control 60 minutes.

The Chair recognizes the gentleman from Ohio (Mr. BOEHNER).

Mr. BOEHNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, beginning today, we have an opportunity to make a true difference in the lives of our Nation's children, particularly our most disadvantaged children in America. This rare opportunity presents itself in the form of No Child Left Behind, President Bush's plan to improve elementary and secondary education in America.

This process began last December before President Bush technically was even President Bush. It began with a meeting in Austin, Texas when the President-elect invited Members of both parties to discuss education reform, the item at the top of his agenda.

None of us knew what to expect from that meeting, but all of us left with a sense that something extraordinary was within our grasp. It was clear that our new President had a genuine interest in the issue of education. He had a powerful desire to bring Members of all parties together on this issue here in Washington just like he had done in the State of Texas. Now, just under 6 months later, we are here today together to consider the most important change in Federal education policy in 35 years.

I want to thank my colleagues on both sides of the aisle who have worked hard on behalf of American students: The gentleman from California (Mr. McKEON), the gentleman from Georgia (Mr. ISAKSON), the gentleman from Colorado (Mr. SCHAFFER), and the gentleman from Michigan (Mr. KILDEE) and the gentlewoman from Hawaii (Mrs. MINK) and the gentleman from Indiana (Mr. ROEMER).

I particularly want to thank the gentleman from Delaware (Mr. CASTLE) on his tireless efforts on behalf of our Nation's students and the job that he has done as the subcommittee chairman on the 21st Century Subcommittee on Education Reform.

I also want to thank the gentleman from California (Mr. GEORGE MILLER) for his leadership and willingness to work in good faith for this bipartisan bill.

The measure before us gives students a chance, parents a choice, and schools a challenge to be the best in the world. After 35 years of spending without accountability, it challenges States to use Federal education dollars to deliver results for our students. Instead of relying on money and red tape, it taps into our Nation's most precious educational resource, parents.

In the hands of caring parents, information is a powerful tool for reforming our schools. Why ask States to evaluate schools annually? Because parents deserve to know how their child's school stacks up against the others. Why have a report card for States and school districts? Because parents deserve to know whether their children are being taught by qualified teachers and whether their child's school is failing and falling below expectations.

The more parents know, the more they are likely to push for meaningful change in our schools. Without the ability to measure, there is simply no way for parents to know for certain that their children are, in fact, truly learning. There is no way to know for certain which students are in danger of slipping through the cracks.

As Education Secretary Rod Paige has noted, President Bush's education plan rests on 4 pillars: accountability, local control, research-based reform, and expanded parental options.

The legislation before us meets all of the President's principles. It challenges States to set high standards for public schools, demanding accountability for results. It provides unprecedented flexibility to local districts, letting them make spending decisions instead of letting Washington make decisions for them. It triples Federal support for proven reading programs rooted in scientific research. And it provides an escape route for students trapped in chronically failing schools.

These reforms would mark the first time in a generation that Washington has returned a meaningful degree of authority to parents at the expense of the education bureaucracy. It would streamline a significant share of the Federal education regime in one swift stroke. It would provide new hope that the next generation of disadvantaged students can escape the misery of low expectations.

I am grateful to my colleagues on both sides of the aisle who have worked hard to turn the President's vision for education reform into reality. I believe we have produced a plan that is worthy, not just of the support of my Republican colleagues and my Democrat colleagues and independents, but of teachers, parents, and most of all our children.

Mr. Chairman, I reserve the balance of my time.

Mr. GEORGE MILLER of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to begin my remarks on this legislation by thanking the gentleman from Ohio (Mr. BOEHNER), the chairman of my committee, for all of his cooperation and for the honorable manner in which he dealt with every member of our committee, especially those members on our side. We recognize we are in the minority. It makes it very difficult from time to time, but the gentleman from Ohio (Mr. BOEHNER) was very candid with us, very forthcoming, and I think created an atmosphere in which we could arrive at this work product with this bipartisan conclusion.

I would also say that, as I watched him work, as he assumed the chairmanship of this committee, and as I watched him work with individual members of the committee and to deal with all of the issues that were thrown at us during the months of discussion of this legislation, and during our markup, I saw a legislator at work, and he should be very proud.

I also want to thank those who worked so very hard, the members of our committee as members of the working group: the gentleman from Michigan (Mr. KILDEE), the gentleman from Delaware (Mr. CASTLE), the gentlewoman from Hawaii (Mrs. MINK), the gentleman from California (Mr. MCKEON), the gentleman from Indiana (Mr. ROEMER), and the gentleman from Georgia (Mr. ISAKSON).

These Members and their staff spent an awful lot of time in sessions trying to iron out the differences between us to see whether or not we could come to agreement. In some cases, we were able to. In other cases, we were not, but we moved on to the other topics and finally arrived in the negotiations that led to this legislation.

I think we feel that, in fact, this legislation truly represents both, what both Members on both sides of the aisle have been saying they want with respect to the Federal role in education and to what the President has said that he wants in this legislation.

I believe that we have an opportunity with this legislation to pass a sound, bipartisan education reform bill that will benefit children. We will have an opportunity to pass a bill that achieves a consensus, a consensus, as I have said, between the education proposals and reform proposals offered by Members of Congress, both parties, and by the President.

Here are the reforms that we want and the overwhelming majority of parents and taxpayers tell us that they want and that we are attempting to achieve in this bill. We are attempting to achieve real accountability for real results; a specific plan to finally, once and for all, close the achievement gap between rich and poor and between minority and nonminority students.

It is very important because this is the intent of the Federal role in education, to equalize the effort and to close the gap between these students with respect to the results and the educational experience.

To provide for quality teachers through professional development, training and resources available to the teachers to do their jobs; significant new investments in our public school system; doubling Title I funding; increase support, respect and training for teachers; new resources to help schools that are failing; better targeting of funds to schools with high concentrations of children in poverty and to children with limited English proficiency; unprecedented flexibility at the local level to tailor education reforms to achieve the ambitious goals that we have set out in this legislation.

Today we have an opportunity to step forward, to make these changes on behalf of our Nation's school children.

This bill is not perfect. There is much more I would like to do to improve education in this country. I know there are many of my colleagues who would like to do some things in this bill differently, but I think this bill in its current form represents a major step forward. I think it would be a mistake for us to miss the opportunity to do the things we are capable of doing now because we cannot do everything right away.

The fact is that, in far too many communities in this country, particularly in our poorest communities, we have what amounts to gross educational malpractice, and that cannot stand. For too long, the educational system in this country has operated under a policy of acceptable losses. Too many children had been written off, and that cannot stand.

Hundreds of thousands of students leave school every year, in many cases with a diploma, only to find out that they have not received a quality education they need and that they ought to be entitled to. That cannot stand.

We know we can do better. Schools all over this country have succeeded in educating students from every background: poor students, black students, Hispanic students, students with limited English proficiency, students that represent American society in so many settings at so many different parts of the country, under so many different circumstances. In fact, they have been given an excellent education with excellent results. All of America's children deserve that.

In virtually every case, they have achieved these successes by doing the very things that we set out to do in this bill, setting high standards, establishing clear goals, and targeting the investments in better teaching and instructional materials.

We are saying today, on the anniversary of Brown v. Board of Education, that this is what we as a Nation want for every child in every school in every State. We want this for the children from Pittsburgh, California to Pittsburgh, Pennsylvania; for children from Portland, Maine to Portland, Oregon. I hope we can work together to fulfill that promise. We have some important work ahead of us.

The voucher provisions to be offered later in this debate in this bill would kill any chance of bipartisanship. In fact, they would likely result in bipartisan opposition to this entire bill. I know there are differences of opinion, but we believe that vouchers in any form fundamentally undermine what we are trying to accomplish to achieve real education reform throughout this country for all of our students. We will vigorously oppose those amendments.

The other significant amendments that would draw strong Democratic opposition would establish a large block grant with Federal education dollars to the States, known as Straight A's. We will talk at great length later about what we, and almost every credible group representing local educators, students and parents, think is wrong with that Straight A's proposal.

I would assert here, however, that what we have in H.R. 1 is a better alternative to Straight A's, the provision we call transferability at the local level. In fact, I think the gentleman from Ohio (Chairman BOEHNER) and I agree. When it comes to the Straight A's proposal, we have a better deal in H.R. 1.

It was not a deal that I came to these negotiations with. It is not a deal that the chairman brought to these negotiations. We both had very different views about how this could be carried out to provide for the flexibility that so many of us have heard in our districts, school districts and administrators have asked for as they deal with the education of the children that they know best.

□ 1430

But out of these negotiations, with great help from the gentleman from Indiana (Mr. ROEMER) and others, a solution came forward to provide that kind of flexibility to the local level of school decision-making in each and every one of our States.

We have the opportunity in this legislation, as I have said, to pass a sound bipartisan education reform bill that I believe will benefit all of the children of this Nation, and I look forward over the next few days to work with the gentleman from Ohio (Mr. BOEHNER) and Members on the other side of the aisle, with the members of our committee, and with the Members in the House generally to consider each and every amendment, to give it a fair hearing, and to give it our support or our opposition based on the merits and the differences that some of us have about the direction of the American education system.

As the chairman said when he started his remarks in this debate, as he did when we started our discussions in the committee, this is a debate on the merits of the education system in this country and about those proposals being put forth to reform that system, to hold that system accountable, and to get the results all of us want for all of our children. This is not about a personal political debate; this is not about attacking the motives or the integrity of any Member of Congress. Where we differ, it is on the merits.

To his credit, he kept the debate on that level in the Committee on Education and the Workforce, and for that reason we had overwhelming bipartisan support for this legislation, again, that represents the ideas on both sides of the aisle; and I would hope that this is the legislation that would emerge after we go through the markup here in the Committee of the Whole. I look forward to the continuation of the debate next week.

Mrs. LOWEY. Mr. Chairman, the desperate need to repair America's schools is not a new issue for any of us here today. Five years ago, I conducted a survey of New York City schools and discovered that one in every four schools holds classes in areas such as hallways, gyms, bathrooms, and janitors' closets. Two-thirds of these schools had substandard critical building features, such as roofs, walls, and floors. This is an outrage and a disgrace.

In response to that shocking study, I worked with the Administration to author the very first school modernization bill in 1996.

Five years later, with school enrollment skyrocketing, the need to renovate and repair our schools is even more pressing. Yet this problem is simply too big for local and state officials to handle alone. States are doing the best they can but they need federal dollars to fill in the holes. In fact, the National Education Association estimates that the unmet school modernization need in America's schools totals over $300 billion—and that's on top of what school districts and states are already spending!

Simply stated, the need for school modernization is a national problem that demands a national response. And that's why I am so disappointed that the amendment to provide school construction funds was not made in order. Frankly, my colleagues, I think this is an issue where we will pay now, or pay later. We know that students cannot learn when the walls are literally crumbling around them. If we do not provide the resources—even this targeted emergency assistance—we will continue to undermine our students and teachers as they struggle to meet standards and achieve academically.

We can spend this money now, targeted at the most urgent repairs first, providing funding to high-need school districts for critical repairs such as sealing leaky roofs and removing asbestos, or we will pay later—in lower student achievement, ever-more burdened teachers, and potentially even accident or injury in crumbling schoolrooms.

America's children need us to make the right choice now—to use the opportunity we have in this time of unprecedented prosperity to rebuild their schools and lift up the quality of their education. And, if we fail as a Congress—once again—to take action to meet our school modernization needs—we will pay later.

I urge my colleagues to join me to acknowledge the shameful physical condition of our schools and to do something about it. We cannot give our students a 21st century education in 19th century schools.

Mr. PETRI. Mr. Chairman, I would like to take a couple of minutes to speak in favor of the provision in H.R. 1 that expands and improves the Troops-to-Teachers program. Our military is a great reservoir of potential talent, particularly in the area of math and science, and this program taps into that talent by encouraging members of our Armed Forces to become teachers after they leave the military.

Many have warned of an approaching teacher shortage in this country. According to some estimates, we will have to find somewhere between 1.6 and 2.6 million new teachers merely to replace teachers scheduled to retire. The Troops-to-Teachers program has already been a great help to meet this shortfall, and I believe that it can be ever more useful in the future.

Several thousand members of the military retire each year, often at ages young enough that they are searching for new careers. We want to make it as easy as possible for these men and women to take the leadership skills and character that they have gained during their military careers and try to instill these traits in our young people.

In H.R. 1, we have improved the existing Troops to Teachers program to authorize stipends for soldiers participating in the program, and bonuses for soldiers who agree to teach in a high need school.

We have also expanded the category of soldiers eligible to participate in the program. Under current law, when a soldier completes active duty and decides to be a teacher, he or she has to go through a teacher training program that can take up to a year and a half. Because of this delay, many are discouraged from pursuing a teaching career.

H.R. 1 eliminates this roadblock by expanding eligibility so that an active duty soldier nearing retirement can participate in the program.

Mr. Chairman, this is a great program that enjoys bipartisan support, and it will bring many more qualified, excellent teachers into the profession that we so desperately need. I applaud its inclusion in H.R. 1 and I trust that in improved version of Troops-to-Teachers will be enacted this year.

Mr. GEORGE MILLER of California. Mr. Chairman, I reserve the balance of my time.

Mr. BOEHNER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. LAHOOD) having assumed the chair, Mr. HASTINGS of Washington, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1) to close the achievement gap with accountability, flexibility, and choice, so that no child is left behind, had come to no resolution thereon.

APPOINTMENT OF MEMBERS TO CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER pro tempore. Without objection, and pursuant to 22 U.S.C. 276d and clause 10 of rule I, the Chair announces the Speaker's appointment of the following Members of the House to the Canada-United States Interparliamentary Group in addition to Mr. HOUGHTON of New York, chairman, appointed on March 20, 2001:

Mr. GILMAN of New York;
Mr. DREIER of California;
Mr. SHAW of Florida;
Mr. STEARNS of Florida;
Mr. PETERSON of Minnesota;
Mr. MANZULLO of Illinois;
Mr. ENGLISH of Pennsylvania; and
Mr. SOUDER of Indiana.

There was no objection.

ADJOURNMENT TO MONDAY, MAY 21, 2001

Mr. SCHAFFER. Mr. Speaker, I ask unanimous consent that when the

House adjourns today, it adjourn to meet at 12:30 p.m. on Monday next for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. SCHAFFER. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

EXPRESSING SENSE OF CONGRESS WELCOMING PRESIDENT CHEN SHUI-BIAN OF TAIWAN TO UNITED STATES

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that the Committee on International Relations be discharged from further consideration of the concurrent resolution (H. Con. Res. 135) expressing the sense of Congress welcoming President Chen Shui-bian of Taiwan to the United States, and ask for its immediate consideration.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore (Mr. GRAVES). Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 135

Whereas for more than 50 years, a close relationship has existed between the United States and Taiwan, which has been of enormous economic, cultural, and strategic advantage to both countries;

Whereas the United States and Taiwan share common ideals and a vision for the 21st century;

Whereas freedom and democracy are the strongest foundations for peace and prosperity;

Whereas Taiwan has demonstrated an improved record on human rights and a commitment to democratic ideals of freedom of speech, freedom of the press, and free and fair elections routinely held in a multiparty system, as evidenced by the March 18, 2000, election of Chen Shui-bian as Taiwan's new president;

Whereas President Chen Shui-bian of Taiwan visited the United States on August 13, 2000, when several Members of Congress expressed interest in meeting with President Chen Shui-bian during his layover in Los Angeles, California, en route to Latin America;

Whereas the meeting with President Chen Shui-bian did not take place because of pressure from Washington and Beijing;

Whereas the Congress thereby lost the opportunity to communicate directly with President Chen Shui-bian about developments in the Asia-Pacific region and key elements of the relationship between the United States and Taiwan; and

Whereas the upcoming May 21, 2001, visit to the United States by President Chen Shui-bian of Taiwan is another significant opportunity to broaden and strengthen relations between the United States and Taiwan: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) warmly welcomes President Chen Shui-bian of Taiwan upon his visit to the United States;

(2) requests President Chen Shui-bian to communicate to the people of Taiwan the support of the Congress and of the people of the United States; and

(3) recognizes that the visit of President Chen Shui-bian to the United States is a significant step toward broadening and deepening the friendship and cooperation between the United States and Taiwan.

Mr. GILMAN. Mr. Speaker, I am pleased to support the resolution introduced by the gentleman from Colorado, Mr. SCHAFFER.

This resolution welcomes president Chen Shui-bian of Taiwan to the United States next week. President Chen is stopping in New York on his way to Central and South America. Later, he will visit Houston, Texas.

At the International Relations Committee's request, Mr. SCHAFFER has agreed to make several technical changes, and we are now pleased to waive jurisdiction and support a unanimous consent request that this measure be considered out of order.

This is an important resolution, Mr. Speaker. Taiwan is one of our nation's most important friends in the world. We share the values of democracy, human rights and free markets. President Chen deserves a warm welcome as he comes to New York City and later to Houston, Texas.

Taiwan's democracy and economy have thrived in recent years despite direct threats from the People's Republic of China. We must send a strong message to China that Taiwan and the United States stand together against such intimidation.

I thank the gentleman from Colorado for bringing this resolution before us, and I urge my colleagues to support it.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. GILMAN

Mr. GILMAN. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. GILMAN:

Strike all after the resolving clause and insert the following:

That the Congress—

(1) warmly welcomes President Chen Shui-bian of Taiwan upon his visit to the United States;

(2) requests President Chen Shui-bian to communicate to the people of Taiwan the support of the Congress and of the people of the United States; and

(3) recognizes that the visit of President Chen Shui-bian to the United States is another significant opportunity to broaden and strengthen the friendship and cooperation between the United States and Taiwan.

Mr. GILMAN (during the reading). Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The amendment in the nature of a substitute was agreed to.

The concurrent resolution, as amended, was agreed to.

AMENDMENT TO THE PREAMBLE OFFERED BY MR. GILMAN

Mr. GILMAN. Mr. Speaker, I offer an amendment to the preamble.

The Clerk read as follows:

Amendment to the preamble offered by Mr. GILMAN:

Amend the preamble to read as follows:

Whereas for more than 50 years, a close relationship has existed between the United States and Taiwan, which has been of enormous economic, cultural, and strategic advantage to both countries;

Whereas the United States and Taiwan share common ideals and a vision for the 21st century;

Whereas freedom and democracy are the strongest foundations for peace and prosperity;

Whereas Taiwan has demonstrated an improved record on human rights and a commitment to democratic ideals of freedom of speech, freedom of the press, and free and fair elections routinely held in a multiparty system, as evidenced by the March 18, 2000, election of Chen Shui-bian as Taiwan's new president; and

Whereas the upcoming May 21, 2001, visit to the United States by President Chen Shui-bian of Taiwan is another significant opportunity to broaden and strengthen the friendship and cooperation between the United States and Taiwan:

Mr. GILMAN (during the reading). Mr. Speaker, I ask unanimous consent that the amendment to the preamble be considered as read and printed in the RECORD.

The Speaker pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The amendment to the preamble was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Concurrent Resolution 135.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

SUPPORT THE MANNED SPACE FLIGHT PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. WELDON) is recognized for 5 minutes.

Mr. WELDON of Florida. Mr. Speaker, it is a pleasure for me to be able to rise today and speak in support of our Nation's manned space flight program.

Most Americans are aware of the tremendous work that is done on a daily basis by the men and women who work for the National Aeronautics and Space Administration. Many of the contractors and educators that are involved, and the people who are working in the program today, are some of the same people who have been involved with it for many years or they stand on the shoulders of those who began in the early days of the program, from Mercury to Gemini, Apollo to Sky Lab, the Shuttle program, and now the new International Space Station currently orbiting the Earth today, with a crew of three, hopefully someday soon to be able to grow to a crew of six.

The space program, in many ways, has been emblematic in the United States of the technological prowess and our expertise in science; but it is more than that, I think, for America's culture. I think burning in the heart of every American is the pioneer spirit, the pioneer spirit that settled this Nation, the pioneer spirit that caused many of our ancestors to come to the United States to try to carve out a better way of life. But, I really think it is something that burns in the hearts and minds of all human beings everywhere; to explore the unknown, or, to go to a new place. And while there are many places on this planet we call our home, planet Earth, that remain to be explored, areas like Antarctica and the bottoms of our oceans, truly the realm of outerspace is the limitless area of exploration.

In many ways today, we are in our first baby steps in these programs, like the space station program, where we are just learning the basics of how to live and do business and to operate in the environment of space. I think it is something that we must do and we must continue to do. I believe that were we, as Americans, to abandon our space program, to abandon manned space flight would be to turn our back on the very essence of what makes us Americans and our desire to research the unknown and discover new places.

I talk to teachers all over this country; and they tell me over and over again, when they are dealing with their students and they are trying to motivate them and encourage them to study areas of math and science, and I think my colleague from Texas, who was a teacher, will speak later and verify this from his own experience as a teacher, there is nothing that excites our kids more to study in these critical areas of math and science than our space program. This is an area where the United States needs to be doing more.

When I travel around my congressional district, the Space Coast of Florida, the Treasure Coast, I hear over and over again from businessmen, people who are trying to start new companies, that one of the most difficult things they face is to find people who are properly trained in engineering or sciences; that we are just not turning out enough of them. So it is critical that we keep our young people motivated. And the teachers all over America tell us that one of the things that motivates them the most to studying in the realm of the math and science fields is the space program.

They tell me that they can actually take the material that they are being taught in the classroom and apply that to how we go about the process of exploring space and living in space; and, furthermore, that that in turn can help us raise up a new generation of scientists and engineers that will help us to explore the unknown.

Finally, let me additionally say another good reason we need to be in space is just the whole realm of spinoffs. Most Americans are not familiar with the fact that much of the technology involving pacemakers and prosthetic devices, like prosthetic hips, the material science involved in that are direct spinoffs from our space program. Indeed, there is a company in my congressional district that is developing a product that could cause every air-conditioning unit in the United States to run 15 percent more efficiently, which is a direct spinoff from our space program.

I have actually been told if this product proves to be as successful as it is anticipated to be that that improvement in efficiency in the air-conditioning units in homes and businesses all across America would more than save enough money to pay for our entire space program, from its very beginnings from the early days of Mercury right through to the present.

So there is a lot going on in space, there is a lot of future there, and I believe every American supports what our men and women are doing in the space program. I rise today to congratulate all those working in this field and encourage all of my colleagues in the House to continue to support our manned space flight program.

REAFFIRM COMMITMENT TO SPACE EXPLORATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. LAMPSON) is recognized for 5 minutes.

Mr. LAMPSON. Mr. Speaker, I want to first compliment the gentleman from Florida (Mr. WELDON) for the comments he just made, and I want to talk also about space.

Obviously, some of us are significantly dedicated to this issue in this Congress and in this country of ours. The work the gentleman has done and the work I have the honor to be able to participate in is most appreciated, and that has to be infectious and carry over to every Member of this House of Representatives and our Senate to move forward with this.

In starting, I want to talk first about a little girl whose name is Keely Woodruff. She is a little beyond this now, but when she came to me a couple of years ago, at 6 years old, she was having in excess of 50 epileptic seizures a day. This little girl had been to the emergency room so many times that her parents could not even count them. She had the developmental age of about 2½ and did not have much to live for in her life.

Interestingly enough, her doctor found a company in Clear Lake, Texas, in Houston, Texas, called Cyberonics; and Cyberonics had developed and markets today a takeoff on one of those spinoffs from space, a spinoff from a heart pacemaker called a vagus nerve stimulator. This little device was implanted under Keely's skin, with a little wire run up to the vagus nerve in her brain which began to control the impulses in her brain, and it changed her life. She has now set out on normalcy within that life of hers.

□ 1445

What a magnificent thing space did for Keely Woodruff. She had no idea what space even was.

Mr. Speaker, all of that got started 40 years ago when John Kennedy stood here in this room and told this body, "With the approval of this Congress, we have undertaken in the past year a great new effort in outer space. Our aim is not simply to be the first on the moon, any more than Charles Lindbergh's real aim was to be the first in Paris. His aim was to develop the techniques of our own country and other countries in the field of air and the atmosphere, and our objective in making this effort, which we hope will place one of our citizens on the moon is to develop in a new frontier of science, commerce and cooperation, the position of the United States and the Free World. This Nation belongs among the first to explore it, and among the first, if not the first, we shall be."

John Kennedy later challenged this country by saying that we would be able to send a man to the moon and bring him home safely within 10 years from the time he challenged us. And our country rose magnificently to that challenge, and we created a whole new world in the conveniences that we receive, our ability today to communicate instantly from anywhere we stand around the world, and medical advances that cannot be compared to any other time in our world.

What a magnificent legacy he left us. Today we have satellites that spin above our atmosphere around the Earth. We have the International Space Station that the gentleman from Florida (Mr. WELDON) spoke of, but today that dream is somewhat clouded.

Mr. Speaker, I want to challenge my colleagues today that it is time for us to change that vision back to what our country shared in the 1960s and the 1970s through the Apollo program, when our commitment budgetarily was 4 percent of the budget to go into space. And my colleagues in the House today, we are doing much more in space than we were doing then, but we are doing it with six-tenths of 1 percent of our budget.

The commitment that we made to change the world is not as strong today as it was 40 years ago. Something is wrong there. We have to change that lack of commitment back into the vision that can make the difference for the little girls that are going to follow, like Keely Woodruff, who might need the advance to save their life. Instead of it being a vagus nerve stimulator, what else might it be able to be to change that life?

If we fail to enact that vision that we planned at the International Space Station, to have seven scientists up there, to have a vehicle that can return them safely if there needs to be, like a crew return vehicle which we have begun to work on, if we fail to make the commitment, even to find the extra $300 million that we have asked for in this Congress, then something is wrong.

Then that is our challenge, colleagues, and ladies and gentlemen of this country. It is time to reaffirm our commitment and to go forward and see our dream accomplished in space.

SCIENCE IS WHAT SPACE EXPLORATION IS ALL ABOUT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I am delighted this afternoon, Mr. Speaker, to be able to join my colleagues to remind us of the important challenge that this Nation accepted some 40 years ago when, under the vision of President John F. Kennedy, we said to the world that we would not be the stepchild of the Soviet Union.

Mr. Speaker, I am delighted that we were courageous enough to stand up and be counted, to value science, space exploration, to challenge the minds of Americans to begin to develop a great love and affection for the disciplines of engineering, math and science. Over the years we have created a new world, a world that has been filled with the excitement of space exploration and new heroes. We can tell by the lines that stood for the movies which captured the essence of what space was all about. We can tell by the stars in the eyes of young children who are delighted after they have visited the various space centers, and I might say particularly the Johnson Space Center in Houston, Texas.

The gentleman from Texas (Mr. LAMPSON) and the gentleman from Florida (Mr. WELDON) and myself, and many others, have the privilege of serving on the Subcommittee on Space and Aeronautics; but the greatest privilege I have is going back to my district and going to elementary schools and telling a child, "Yes, you can." That is, you can be an astronaut, an engineer. You can emphasize the skills that come about through studying science, and you can be someone.

Mr. Speaker, there are choices that we have to make in this Congress. When I came to Congress from an inner city district, people were watching and wondering: Would she choose housing over space; would she choose education over space? She has to do that.

I was able to turn around the concept of what space exploration and science is all about. It is about all of America. It is about all of our investment. It is about saying to each and every one that there is a return on the investment in science and exploration. There is a return on the investment of knowing how to do the sciences in space, to determine whether we can save lives of those afflicted with diabetes and HIV/AIDS and heart disease and cancer. Out of that came a sense of appreciation.

Mr. Speaker, having the privilege of learning myself and being able to bring to the Space Center people from around the world, I remember hosting the European Union because it was an asset in our community, and being part of the EU and the parliamentarian exchange. I insisted that they visit the Space Center, and that was the one of the very special parts of their trip. We took about 40 members of the European Union to Johnson Space Center. How privileged they thought they were. I went with President Rollins of Ghana, who is a pilot. He flew in the simulated spaceship, and began to think about what kind of space exploration could occur in Africa, on the continent of Africa.

I have a more personal note. First of all, I am delighted to be able to salute those constituents that have stayed steady on the forefront, insisting that space exploration and human space shuttle is for everyone. But let me pay tribute to a neighbor and friend, Ron McNair, and I guess it was that time when that tragedy occurred that we began to understand that you do not take space exploration for granted, and that is why I am such a strong advocate for safety and for the dollars.

Mr. Speaker, I look forward to joining my colleagues and insisting on an added amount of dollars to ensure that we can do science in space; that the module gets completed, even though we are looking to the Italians; that seven people can be in space; and that, God forbid, we do not even think about an unsafe journey for the men and women who have offered themselves on behalf of this Nation.

This is a tribute to the many men and women and all those who have gone before us, and I am proud to stand here as a member of the Committee on Science and join the gentleman from Texas (Mr. LAMPSON) to pay this tribute, but also to say to America, we have choices to make. We are fighting about education dollars, health dollars, but I believe we can invest in America's future by continuing our space exploration and making sure that the dollars are well spent. Less for tax cut, and more for investment. If we do that, we will get the kind of return that we need to have.

Mr. Speaker, I look forward to working with Senate in getting more dollars to ensure that we have the kind of human space flight program, the unmanned program, the science program, the Earth program, and we begin to develop successful stories and successful ventures for this country and this world.

COMPREHENSIVE ELECTION REFORM LEGISLATION NEEDED

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentlewoman from California (Ms. WATERS) is recognized for 60 minutes as the designee of the minority leader.

Ms. WATERS. Mr. Speaker, I rise to open a discussion on election reform.

Mr. Speaker and colleagues, as chair of the Democratic Caucus Special Committee on Election Reform, I stand before Congress today to urge this body to respond to the unrelenting public outcry for comprehensive election reform legislation.

Election reform is an issue that transcends all partisan politics. The right to vote is the very cornerstone of our democracy. Earlier this year I was honored to be appointed by the gentleman from Missouri (Mr. GEPHARDT) House minority leader, to chair the U.S. House of Representatives Democratic Caucus Special Committee on Election Reform. I am very pleased to be joined on that committee by a prestigious group of representatives, including the ranking members of the Committee on House Administration and the Committee on the Judiciary. As a matter of fact, many of those on that committee may serve as speakers here today.

The goal of our committee is to ensure the integrity of the election process while increasing voter confidence and participation. While the Florida experience is still fresh in our mind, this committee has begun a thorough review of nationwide voting practices and election laws in an effort to restore the confidence of the American people.

We anticipate that our committee will propose legislation designed to serve our goals, identify key areas where uniform national standards may be appropriate, and make recommendations to Congress on the implementation of changes at the State and local levels.

On April 2, 2001, we held our first hearing in Philadelphia, the cradle of American democracy, and we learned firsthand from Philadelphia voters that when their names were not found on precinct rosters, they were forced to have to travel to police stations to see a judge to determine if they could vote.

Many voters confronted with this form of provisional voting ended up not voting at all, because they were intimidated by the idea of having to go to a police station or because it was just a logistical nightmare.

At our second hearing in San Antonio, Texas on April 20, we heard testimony from registered voter Mrs. Carmen Martinez who was denied her right to vote in the November elections because her name had been erroneously purged from state voter polls. The Texas Secretary of State who also testified explained that Texas' practice of purging voter rolls resulted in 750,000 voters removed from the polls last year. In Texas names are purged from voter rolls as a result of confirmation notices mailed by county registrars which are returned as undeliverable or indicating a return of address.

However, Mrs. Martinez explained that she had never lived at any other address since the day she registered to vote.

On Saturday our committee will travel to Chicago, Illinois, where more ballots were discarded in the last election than in any other major city in the country. A hand-examination of the 123,000 discarded ballots found that the number one reason for the uncounted ballots was faulty ballot punches.

We recognize that in many States they are indeed in the process of approving reforms to their election systems. Most of these reforms relate to modernizing outdated voting equipment and machinery. The committee applauds these efforts to upgrade from punch card or lever voting systems to touch screen or optical scan systems, and we support these reforms.

□ 1500

But technological advances in voting equipment alone will not solve all of the problems of our electoral process. The committee intends to thoroughly examine issues relating to poll worker recruitment and training, national holidays or time off for voting, uniform voting standards, absentee voting, and standardized recount and vote certification procedures. Particular attention needs to be focused on issues relating to voter disenfranchisement, like the purging of voter rolls, voter identification requirements, provisional balloting, voter education, ballot design, sensitivity to poorly educated voters, and voters with disabilities, voting rights and voter intimidation issues. These issues have a disproportionate effect on voters in minority communities. We are monitoring civil rights lawsuits that have been filed in California, Florida, Illinois and St. Louis among others involving many of these issues.

Equally important is the disenfranchisement of overseas military personnel. Congress is uniquely situated to implement uniform standards to ensure that American men and women serving overseas have their voices heard in our elections. Similar reforms must be adopted for other U.S. citizens living abroad. Congress must indeed take the lead role in restoring voter confidence in our election system and increasing voter participation.

Given the resources available to Congress and the studies being developed by other organizations and commissions, Congress is in the best position to identify key areas where uniform, national standards may very well be appropriate. We need to pass legislation and propose recommendations for changes at the State and local levels to ensure that every vote is indeed counted. As chair of this committee, I will do everything in my power to see that we accomplish these goals on behalf of the American people.

Mr. Speaker, I know that just as I and the Members who serve on this committee are concerned about voter reform, we have members in the Senate who are very much concerned and they too are working, holding hearings and putting together legislation. Just this morning, the Congressional Black Caucus met with many members of the United States Senate. At that meeting, we heard from Senator DODD about legislation that he is proposing. We also heard more about the legislation that is being proposed by the gentleman from Michigan (Mr. CONYERS). And we know that we have many other Members, even some of the Members who serve on our special committee, such as the gentleman from Maryland (Mr. HOYER) and the gentleman from North Carolina (Mr. PRICE) and also the gentlewoman from Illinois (Ms. SCHAKOWSKY), all who have introduced legislation. So we have many pieces of legislation that are being introduced. I think our committee will be able to examine this legislation and we will be able to give input and recommendation to those who will end up being the final persons who will present legislation, both in this body and in the other body, to come up with legislation that can indeed carry us into election reform.

We are concerned, however. There is no money in the budget for election reform. And we are surprised about that. We had talked at length to representatives of this administration about election reform and we had been told that it was important to the President and that it was important to even the Republican Conference. But we have not been able to get any commitments for the resources that are necessary to help some of these jurisdictions who have little or no money to deal with just the simple problems of replacing punch card systems and getting rid of machines that do not work.

We will continue to try to encourage the President and Members on the other side of the aisle to get involved in this issue, to help us get the resources that we need in order to make reform a reality.

Mr. Speaker, I yield to the gentlewoman from Illinois (Ms. SCHAKOWSKY) to share with us the important work that she is doing on provisional balloting in the election process.

Ms. SCHAKOWSKY. I thank the gentlewoman from California not only for yielding but for her steadfast leadership on this very important issue of election reform. As chairperson of the Democratic Caucus Special Committee on Election Reform, she is working to ensure that citizens across the Nation are aware of the serious effort that is going on to reform our system and guaranteeing that in the future, no eligible voter will ever be turned away again, shut out or discriminated against on election day.

This Saturday, the committee will hold its next hearing in Chicago. Hundreds of voters will have the opportunity to tell us their experiences about how we can improve the system. Chicago, a large part of which I have in my district, had the most error-ridden Presidential election last fall of any major U.S. city, with 123,000 uncounted ballots in Cook County.

That is why the work of this committee is so important. We can learn from voters across the country and from local election officials and experts how we can reform our election system. What the 2000 election has taught us is that many problems exist and that without serious Federal legislative steps, we are destined for another Florida fiasco with the election decided by the judicial branch and not the electorate.

Florida could have happened anywhere. As it turns out, it certainly could have happened in Chicago given all the problems that we had. On election day around the country, voters were turned away from the polling place. They were unfairly targeted. They were not allowed to fully exercise their constitutional right during the election.

This past election taught us a very important lesson. Voters were penalized for no fault of their own. That is why I believe, as I believe the gentlewoman does, that Congress can play a role in reforming current law. One of the ways that it can do it is with provisional voting legislation. It is important that one standard exist nationwide that would guarantee that no registered voter is turned away at the polls.

When we talk about national involvement in elections, which is largely a matter of local jurisdictions, we are not talking about muddling in their business. What we are talking about is setting standards that will guarantee the right of every citizen and the details left to the local jurisdiction. But this provisional voting issue is one where we can play a role in setting the standard. Passing legislation like, for example, my Provisional Voting Rights Act of 2001, H.R. 1004, registered voters can feel confident if their name does not appear on the registration list, they will be permitted to vote. They would not have to go, as they do in some places, we heard in Philadelphia, to a police station, or leaving the polling place in order to get their provisional ballot.

During the committee's hearing in Philadelphia, we heard testimony from Juan Ramos, founder of the Delaware Valley Voter Registration Education Project and Petricio Morales, an ordinary voter, who testified that voters had to travel to the police station to see a judge to determine whether they are eligible to vote. Voters then had to travel all the way back to the polling place to cast their vote. Many voters who are confronted with that process either decide not to vote because they feel intimidated or because of time constraints or just plain inconvenience.

In Cook County, if your name does not appear in the right place, then you are just simply prohibited from voting altogether. You can vote by affidavit under certain limited conditions but there are many instances where even though you may be a registered voter, you cannot vote on election day.

We have to change that. Voters should be given a provisional ballot after affirming their right before an election official right there at the polling place. They can vote immediately and feel confident that if it is certified that day that they are eligible, that that vote will count. If our goal is to ensure that more voter participation occurs, we should take steps to ensure that this is achieved. And reforming provisional voting is a step in that direction.

Actually in the legislation that I have, if they cannot show that this person is not eligible to vote, then the person would be able to vote, exercising their right as a citizen of the United States. I am certain that we will hear more during our committee's hearings in Chicago on Saturday and across the country as the committee continues to highlight the importance of election reform in subsequent hearings. I look forward to that. I once again congratulate my colleague from California on a job well done.

Ms. WATERS. Mr. Speaker, I sincerely thank the gentlewoman from Chicago for all of the work that she has done on election reform. She has been at every meeting. She has traveled with us both to Texas and to Pennsylvania and, of course, she is hosting us in Chicago this weekend. She is giving priority time to this issue. And it is because of the kind of work that she is doing, we are going to be able to help set some standards on issues such as provisional balloting.

Now it is my great pleasure to yield to the gentleman from North Carolina to deal with the bill and some issues that he has been working with on election reform. I thank him for all of the time and attention that he has given to us as we have tried to put together this committee and gather the information that we need to make the recommendations to this House.

Mr. PRICE of North Carolina. I thank my colleague for yielding. I want to underscore what others have said, that the gentlewoman from California (Ms. WATERS) has done a wonderful job in pulling this committee together and in taking us all over the country to examine voting practices and possible reforms in various communities. I think we are going to have some very significant results in a relatively short period of time.

Everyone in the country, of course, knows about the travesty that occurred in Florida last fall. But what we have learned is that unfortunately, it is not that unusual for people to have their votes not counted accurately, to find that somehow their name has mysteriously dropped off the rolls when they go to vote on election day. There is a range of problems and challenges that we need to deal with to make our democracy work as it needs to work. Certainly the right to vote and to have your vote counted is fundamental to democracy.

My particular focus today is going to be on voting equipment, because we know that we need modern equipment to have votes cast accurately and counted accurately and unfortunately there is a great disparity in this country in the kind of equipment that people are using and the kind of equipment that local communities have access to. All too often, there is a correlation between the worst, worn-out, inaccurate equipment and the economic level of that neighborhood and that precinct and that community.

That simply is unacceptable. It is unacceptable for any community to have worn-out, inaccurate equipment but particularly for it to be concentrated in lower-income areas, minority areas, that is just simply unacceptable. We should not stand for it for another election. Before the 2002 election occurs, we must move on this problem.

It is sort of like the situation we face when we find a neighborhood built on top of a toxic waste dump. How do we respond? We respond to that emergency by buying out those homes to protect the people who live there. When a flood wipes out a community like happened in eastern North Carolina not too long ago, we respond by buying out property to protect the residents and help them find safe places to live.

□ 1515

Well, I think error-prone voting equipment is no less an emergency. It is an emergency that threatens our democracy, and we need an immediate response. And it is going to take some money. It is going to take some money to upgrade voting technology from error-prone punch-card systems to reliable machines. But we cannot afford not to do anything, and here too I think a buyout is warranted, a buyout of these machines, so that new, accurate machines can be in place by the 2002 election.

Just look at what error-prone voting machinery does to our democracy. It is impossible to say every vote counts, when a study done by Caltech and MIT revealed that the spoilage rate for punch cards from 1988 to 2000 was 2.9 percent, or as many as 986,000 votes in the year 2000 alone.

In Florida last year, the spoilage rate for punch cards was 3.9 percent. In Fulton County, Georgia, the punch-card spoilage rate reached 6.25 percent. In Cook County, Illinois, it was 5 percent during the last election. That amounts to 120,000 ballots.

Now, we have seen some encouraging efforts in cities and counties and States to get rid of this error-prone equipment. In 1996, the City of Detroit used punch-card machines and 3.1 percent of its ballots were spoiled. In 2000, after the city moved to an optical scan system, which warns voters of errors and allows them to correct mistakes, the rate fell to 1.1 percent.

In the States, Georgia recently passed legislation requiring uniform election equipment throughout the State by 2004, and the State is going to conduct a pilot project to test electronic touch screen voting equipment in the 2001 municipal elections.

Maryland passed legislation to require the State Board of Elections to select and certify a new voting system to be used by all counties in the State. And, as we have recently heard, in Florida, the legislature passed sweeping election reform, including $24 million for new voting systems. Florida has banned punch-card machines, thank goodness, and it requires counties now to use electronic or precinct-based optical scan equipment in the 2002 elections.

Perhaps I ought to point out in discussing the possible avenues for reform that we are not necessarily finding that high-tech is always better. In fact, some of the answers to our problems might be described as low-tech.

For example, these precinct-based optical scan machines which have been turned to in so many areas are not as complex or advanced or certainly as expensive as touch screen machines or proposed Internet voting. But the fundamental question is not how fancy or how expensive or how complicated the machinery is, but rather does it work? Does it enable you to cast your vote in a straightforward way, and does it count that vote accurately? There may be many different technologies that lend themselves to our reform efforts.

The U.S. election system comprises 200,000 polling places, 7,000 jurisdictions, 1.4 million poll workers and 700,000 voting machines, so it is not a simple system and there are not simple solutions. But Congress needs to be an active and constructive partner if we are going to have a successful and meaningful election reform, and there is no better time to act than now.

There are several proposals in the Congress to help States and counties and cities get the technology they need to run accurate elections. A bill I introduced with the gentleman from Maryland (Mr. HOYER) and the gentleman from California (Mr. HORN) would make grants available to any jurisdiction that used a punch-card voting system in the last election. We want to see them get new equipment in place by 2002, and we are going to push for Federal funding to make that buyout happen, to get those inaccurate, worn-out machines off line and bring on more accurate systems.

I am disappointed that the President and our Republican friends have failed to include one dollar for election reform in their budget, but that must not stop us. This Congress must meet the challenge of restoring faith in our democracy.

I thank my colleague from California for her leadership in making this happen, and I pledge my continued support, my continued work, to make meaningful election reform a front-burner item before even the first session of this Congress goes home.

Ms. WATERS. I thank the gentleman from North Carolina for all of the time and attention he has given to the efforts of this committee. It is because of his diligent work and his efforts that we are going to be successful in helping to reform the election systems of this country.

Mr. Speaker, I yield to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Speaker, I thank my colleague from California and join everyone that preceded me in praise of her efforts and the leadership that she has demonstrated in making sure that this committee meets its charge.

Mr. Speaker, if one thinks in terms of the greatest and most precious right that any American citizen would have, and that is the right to vote, it is the great equalizer. One vote counts just as much as any other. The vote of the President of the United States is no more important and is given no more weight than the vote of someone who is 18 years old and happens to be a senior in high school and casting their vote for the first time. It empowers us. It empowers the people of the greatest democracy known in all of history, and therein lies our problem, and that is the exercise of that right.

Now, we all know that we have laws at the State and Federal level that protect the right to vote. It guarantees the right to vote. We have the Constitution of the United States, the Supreme Court of the land, that, again, will guarantee us the right to vote. But it is only guaranteeing the right to vote.

What thwarts, what frustrates, what impedes the citizen's right to vote, regardless of the constitutional guarantee or the laws that we have on the books? Well, believe it or not, it is something as simple as a machine that malfunctions, something a little more complicated by not keeping an accurate voter list.

In the past though, and this is so important, and I think we are forgetting the lessons that history should have taught us, when I was growing up in the State of Texas the greatest evil to the right to vote was the poll tax. It kept people from being able to exercise that precious right. The poll tax at one time was about $1. It went up to about $2. My father, who served in this Chamber for 37 years, the first bill he introduced upon being sworn in was to abolish the poll tax, and eventually it was.

But then there was something else, literacy tests. Anything that could keep the citizens of the United States from exercising their right to vote.

Well, we have made great progress. We do not have literacy tests any more, we do not have the poll tax any more. But what comes in its place today? Either through intention or through neglect, other things are now posing as great a risk to the disenfranchisement of the citizens as in the past, where once, because of gender or color, people were denied the right to vote, and once, because they did not have the amount of dollars to pay for the poll tax or could not pass some made up literacy test, were denied the right to vote. That was a travesty, as I said, and we corrected it.

But we are back there. That is the tragedy of what was demonstrated in Florida, is that we may still be there. It is more subtle. Like I said, maybe it is by some intentional act, or it could be simply by negligence.

What do I mean by that? Well, today we have voting equipment that simply does not work. I mean, it simply does not work. It does not do its intended job.

We have inaccurate voter lists, so that when people go to vote, they are not on the list and they are denied the right to vote, even though they truly are registered. Because of some mistake, lack of funds, technology, they are just not on the list.

Confusing ballot design. There are many. I will tell you right now, if you look at certain ballots, you will be confused. I know that when I go to vote, I assume it is going to be somewhat of a simple ballot. I hate to admit, but in a recent City Council election in San Antonio, when I went to vote earlier, I looked at that thing and I was too embarrassed to ask for instructions. A lot of people feel that way. I think I was more embarrassed than the average citizen, because I am a Member of Congress. But the point is, if I felt somewhat intimidated, if I was confused, think of the average citizen going to the polling place.

In Texas, we do have provisional ballots in voting. If your name is not on the list, you might be able to swear, if you have an educated, trained, skilled poll worker that knows the law. However, that is denied many voters, because we do not have trained and educated poll workers. They are not paid enough, they are not trained, they are not educated in the election law, that which they are there to administer.

It sounds outrageous, but there is no one right now that can hear my voice, no matter where you live, that is not experiencing this problem. You just do not know about it. You have not looked into it.

That is what this committee is doing. We are going throughout the United States and holding hearings in different locations, Philadelphia, San Antonio; it will be Chicago next. And what are we learning? We are learning quite a bit.

I will tell you what I learned in San Antonio, my own backyard. We have the problems as Florida. We have overvotes. We never knew that they were invalidating individuals' votes until we looked at it in the context of the Florida experience. And then I have got my election officials saying, well, Congressman, this is nothing new. We always have these votes. We just toss them out. They do not count.

See, you have to ask yourself, why do we have these? It might be ballot design or the equipment itself, improper instruction, the lack of voter education. Again, the polling worker in San Antonio, I found out in a city where you have more than 60 percent

Hispanic population that we did not have bilingual poll workers in many of those parts of the community, where it is not 60 percent Hispanic, it is 85 and 90 percent Hispanic. So it is my own backyard. And I am willing to admit to it, that out of ignorance, I never got involved. Out of ignorance, I never did anything.

The tragedy of Florida is not what happened in Florida. In and of itself, it is a tragedy. The real tragedy is if we do not learn a lesson and do something.

So this committee is going to do something. We are going to identify the problems. We are going to make recommendations. We will come up with legislation that will address many of these problems.

But do not get us wrong. Part of our job is to be a clearinghouse for not just the problems, but for the ideas and the solutions and the remedies. And we will look to the States and the local authorities to come up with their own solutions, those that custom fit their particular problem. We want to give the States and the localities that opportunity, because that is what we do here in Congress.

We do not want a Federal fix for every problem. However, if action is not taken that addresses the inequities and the injustices of people not being able to vote, then it is our duty, as Federal officials, to step in and not only give direction, but basically do it on our own.

I do not think it will come to that. I think we will make certain suggestions. Many States and localities are already incorporating and enacting laws. If there is a shortcoming, we will say, how can we help?

You have already heard one of my colleagues. We have legislation, it has already been introduced, about assisting localities in the purchase of the latest technology, which is really important. But they will make the decision on what best suits their situation. But we are there to help.

It is so important. I guess there is no way to explain it. How can we guarantee the right to vote to the citizen? How can we teach the children in our classrooms how great our country is, and then we say, voter participation is decreasing. Get out there and vote. Every year, every election, I am out there with some sort of public service announcement, begging my constituents to please get out there, to register and vote.

Now they are going to take me up on that. They go and attempt to exercise that right, and they are not able to. Therein lies the real problem. I do not think the problem is that we do not have enough laws guaranteeing the right, we just do not have the mechanism to translate the right into reality, and that is our charge.

Madam Chairman, I think I am going to end where I started. I am going to thank you for the leadership you provided us. It is a great honor to serve on this committee, and I think many, many people are going to be quite impressed with the end product.

We have heard that this is not an issue that is way at the top of the list as far as the American public or the United States Congress is concerned, and that is wrong, because then what we have done is we have compounded the tragedy of Florida. We did not learn a lesson, we did not make a situation better, we did not cure a problem.

□ 1530

Should we fail to do that, I think we have failed in our duty and responsibility; but more importantly, we have failed the American people. They have a right to vote, but they also have a right to make sure that that vote is counted. What good is a right if one cannot exercise it.

Again, I thank the gentlewoman very much.

Ms. WATERS. Mr. Speaker, I would like to thank the gentleman from Texas, not only for his participation here today, but for his participation on this very special committee. He has been at every meeting, and I want my colleagues to know that he rolled out the red carpet for us in San Antonio where we had an excellent hearing and we learned an awful lot about purging and had testimony from Mrs. Carmen Martinez, who told us about what happened to her there.

Mr. Speaker, I would like to yield to the gentleman from Maryland as much time as he may consume. While the gentleman is coming to the microphone, I would like to say that we are so happy to have him on this committee. He has contributed tremendously to our work already; not only has he been involved with us as we have traveled, but he has been to all of the meetings that we hold every Tuesday, and he has been working very hard, trying to bridge the gap between this side of the aisle and that side of the aisle, to come up with legislation that will move us forward in reform. I thank the gentleman so very much for all that he has done.

Mr. HOYER. Mr. Speaker, I thank the gentlewoman for her comments. I want to also thank her for the extraordinary efforts that she is making to ensure that not only in America will every citizen have the right to vote and be welcomed and encouraged in exercising that right, but will also have his vote counted correctly.

When the minority leader, the gentleman from Missouri (Mr. GEPHARDT), was discussing who should chair a committee that would look at election reforms, the problems that were brought to light in the last election, we had some discussions. He suggested the gentlewoman from California (Ms. WATERS), and the reason he did so is because he knew and I knew and her colleagues knew that the gentlewoman is one of the strongest, most courageous voices that we have on this floor, a voice much like the voice of the gentleman from Texas's father who, in his time, was a giant in speaking out for those who were disenfranchised by operation of law. No less should we speak out for those who might be disenfranchised by either negligence or the misoperation of technology.

So I thank the gentlewoman for her leadership, for her hard work on this effort; and I am confident that we are going to pass legislation in this Congress. This is the civil rights issue of the 107th Congress. There is no more basic right in democracy than the right to vote. When we do pass legislation, it will be largely attributable to her hard work and efforts in making sure that everybody in the Nation is focused on this issue.

Mr. Speaker, I want to speak for a few minutes on one element that is key to reform: better voting technologies, the nuts and bolts of the election infrastructure. Now, as I begin this, I want to make it again clear that the technology issue comes in only after we have ensured and facilitated a voter getting to the technology. If the voter never gets to the technology, it is irrelevant.

So the most important thing we need to make sure of is that every voter is able to register; that they have their registration accurately recorded; that it is transmitted accurately to a polling place; that the election officials receive the voter and accurately check to make sure that voter is registered; and that there is, if there is a failure to communicate from the recipient of the registration and the polling place, a way in which a provisional ballot can be cast, so that that voter is not turned away, is not told no, your democracy is not open to you today, not because of your failure, but because we failed to transmit information properly. So what we are going to do is allow you to vote and then we will take a day or two to make sure that you, as you have said, were registered to vote and a legal voter.

None of us on this floor wants to facilitate voting by people who are not eligible to vote. But equally, I hope, there is nobody on this floor who wants to prevent an eligible voter from casting a vote. We found in Florida that people who got to the polls voted, thought they had voted correctly, left, and found that, lo and behold, their votes were not counted. We further found that this was not a Florida problem. It was Florida that we focused on, it was Florida that we learned from, but we quickly were informed by others around the country that it was not a Florida problem.

It was a problem in jurisdictions north, east, south and west, in Maryland, in California, in Texas, and New

Jersey, the four jurisdictions represented on the floor right now. So we focused on the fact that we need to make sure that that voter, when they exercise their franchise, has it counted and has it counted accurately. Better voting technology is the nuts and bolts of election infrastructure.

When I say nuts and bolts, I mean that quite literally. Over the past 2 days, the Committee on House Administration, of which I am the ranking Democratic member, has learned from the manufacturers that actually build the sophisticated, durable equipment that Americans use to exercise their right of franchise, equipment used not only by Americans, by the way, but voters all over the world, many of whom have struggled to attain the right to vote and will retain it only if their nations' democracies are conducted honestly. While we have a long history and are not at risk, we are at risk of retaining the confidence of our people that their votes will be accurately counted when their voices are raised to participate in democracy.

For that reason, it is not an exaggeration, I think, to say that the voting machine manufacturers build the tools that make democracies all over the world live up to their names. They produce what I will call the "voting veins of democracy." And how well those veins carry votes forward to an accurate count can be the difference between a democracy whose heart pumps strongly and faithfully and a system that does not enjoy the confidence of its citizens.

Over the past 2 days, 13 vendors have displayed the newest technology available in the voting machine industry in the Committee on House Administration room. Members of Congress, their staffs, the media, and the general public have had the opportunity to test the machines and to ask questions. I saw the full range of what the voting technology industry is developing, including Optiscan equipment and Direct Read Equipment, so-called DRE, computer touch-screen equipment. I also learned and other Members and staff learned about sophisticated software and hardware to ensure that voting is accessible to all Americans, and "all" needs to be underlined, that votes are counted accurately and completely, and that voters have a chance to correct mismarked ballots before they are cast.

That is so critically important, Madam Speaker, as the gentlewoman well knows. What we have found is a system that counts at the precinct level is much more accurate than a system that counts at a central location after the voter has left, where there is no opportunity to tell the voter, you forgot to vote, you overvoted, you made a mistake, do you want to try to correct your ballot. People make mistakes, but we should not subject them to the vagaries of the possibility of making a mistake when we have technology that can say to them, either you did not vote for President, do you want to; you do not have to, we are not forcing you to, but do you want to? Did you forget this? Or, hey, you voted for two people for President and that will not be counted. Do you want to correct it? Give them that opportunity so they can ensure the fact that they have exercised their franchise correctly.

We also learned about sophisticated software and hardware devices to ensure that voting is accessible to those with disabilities, to those who are even quadriplegic and cannot use hands or feet, to those who are blind, to those who have other impairments. We can fully make accessible the voting system to them and provide for the secrecy of their ballot as well. That technology is available. We need to pursue it.

What I did not see on display, I am happy to say, is the latest in punch card technology. Why? Because almost everybody has concluded that punch cards have seen their day and ought to be on their way. The fact of the matter is, Florida, with only two dissenting votes, has mandated the abolition of the use of punch cards in their State. Only two dissenting votes, unanimous in the Senate and two in the House. They came up with money, and the President's brother, Governor Jeb Bush, signed the bill and they are proceeding to do that. I am hopeful that President Bush will follow the lead of his brother, Governor Bush, and help us take that same path.

Any industry operating at the cutting edge can teach us a lot about the future of technology. What I have learned from the voting technology industry in the past 2 days is that there is no future for that punch card. Inventors may yet devise a better mousetrap. What they will not devise, however, is a better punch card.

The punch card will soon be obsolete. I look forward to the day when it will be on display downtown in the Smithsonian and not in the voting precinct. We may talk about those days between November 8 and December 12 when we were mesmerized by the 537 votes, or the 219 votes, or the five votes that would make a difference in counting these punch cards, and whether or not they would make a difference in Florida's electoral votes. We are beyond that, and it is not the purpose of anybody on this floor to look back. It is, however, to learn from that history and not see it repeated.

I have also learned that taking advantage of the latest, most reliable and accessible technology represented in that room, in the Committee on House Administration room, that voting technology will not be cheap. Now, relatively speaking, in my opinion, it will not be extraordinarily expensive either, and it is worth the price. But the average DRE machine runs about $4,500. That is a touch-screen machine or some other computer technology. The average Optiscan technology where one fills out the ballot as if one is taking a test, and take a number 2 pencil or something else and connect the dots, or connect the line, and then put it into the counting machine and have it scanned optically, from which it gets its name. If you have not voted correctly, if you have overvoted, it simply kicks it out, and says, you have made a mistake, you get it back and you can correct it. But that costs about $5,000 to $6,000.

While communities should be expected to help pay for much of the cost of these machines, we in Congress have an obligation to foot the bill. For over 200 years, States and localities have been conducting elections, and during those 200-plus years, they have had Federal officials running on their ballots, and they have paid the full price. We, in effect, have gotten a free lunch. It is appropriate that we at the Federal level, as State and local governments do, participate in partnership in ensuring the accurate, accessible elections of our officials. After all, we in Congress are elected on the machines that are now in use, including the punch card devices that were used in 72,000 of the 200,000 voting precincts last year.

We in Congress will be elected on the new machines that start entering service in the months ahead, I hope by 2002. It is therefore, Madam Speaker, appropriate that we help with guidelines and encouragement to local subdivisions to run these elections as best they possibly can, in this, probably the most technologically proficient Nation on the face of the Earth. Surely, surely, we can, we must. It is our sacred obligation to ensure that this Nation, a beacon of democracy for all the world, is as good a democracy as the world thinks it is and as we know it to be.

□ 1545

I might say, I also look forward to joining the gentlewoman on Saturday when we go to Chicago where we will hear from voters and those who administer elections as to how best we can make the system work.

I thank the gentlewoman for her leadership.

Ms. WATERS. I thank the gentleman from Maryland so very much for all of the work that he has put into this issue of election reform. I thank him for the attention he has paid to the committee, and I thank him for the work that he is doing to come up with legislation dealing with this technology.

Mr. Speaker, I ask the gentleman from Texas and the gentleman from Maryland to join me as we close out in a colloquy just reinforcing how important this issue is.

I would just like to say to the gentleman from Texas, I was listening to him as he talked about the work of his father, a man that I loved dearly and paid a lot of attention to, and hope to follow in his footsteps, by the way.

I thought about the work that I have done here, the issues I have been involved in: women's issues, women's health issues, criminal justice issues, AIDS issues, foreign affairs issues, et cetera. But I think that this work that we are doing on election reform may be the most important work that I will do in my entire career here in the Congress of the United States.

Do Members feel that this work holds that kind of priority, I ask the gentleman?

Mr. GONZALEZ. Mr. Speaker, I think our colleague, the gentleman from Maryland, said it, that it really is almost a sacred duty because it is a sacred trust. Nothing rises to the level of the importance of this issue.

People sometimes think we are given to hyperbole and exaggeration, but we really are talking about the fundamentals of a democracy, the absolute right of the public to be masters of their own destiny. It is the right to vote.

Again, this is not a Republican or a Democratic issue. That is the beauty of it, too. It transcends party lines, philosophies, everything; station in left. This is basically the common thread, more or less, that our citizenry really holds in common.

So I agree with the gentlewoman, I do not think there is going to be anything more important that I will ever work on. I am the lucky one. I have only been here 3 years. I am lucky to have this opportunity.

But truly in relation to all the wonderful leaders who have preceded us, and we are thinking about the Civil Rights Act and so on, what we are talking about is really giving life to those laws, and life and meaning to the Constitution. So we are privileged, but by the same token, I think it is a tremendous responsibility. We cannot fail.

Ms. WATERS. Mr. Speaker, as I work with the committee members and as I listen to all that has been said here today, and as I stand here as an African American woman, and to my right I have a gentleman representing Texas of Hispanic descent, and I have here on my left the gentleman from Maryland, a Caucasian gentleman, we are really the rainbow of America on this issue.

I think that all Americans, no matter where we are in this country, no matter what our backgrounds are, all Americans care about this cornerstone of democracy.

Would the gentleman say this is a very central issue?

Mr. HOYER. I think the gentlewoman is absolutely right. The polls reflect that. The polls reflect overwhelmingly that Americans expect us to fix the problem of which they were made aware last November and December.

They were shocked to learn that many absentee ballots and overseas ballots were never counted in the course of running the elections. It was just expected by election officials if they were not going to make a difference, they would not be counted. I was chagrined. I may not have been shocked, but I was certainly chagrined to hear that.

I am a white male, who from the very start of this nation everybody presumed would vote. Margaret Brent was the first woman lawyer. She came from Maryland. She was on the Governor's Council. Governor Calvert died, and she asked for a vote. She was denied that vote.

It is incredible to me that we have had to amend the Constitution on a number of occasions in this connection. Thomas Jefferson intoned words that all of us recite, that all men, presumably but not necessarily meaning women as well, were endowed by their Creator with certain inalienable rights, and among these are life, liberty, and the pursuit of happiness.

Clearly it was the concept of so many of us that that meant all of us, but clearly, it did not mean all of us. It was not until a great civil war and the Thirteenth Amendment that we ensured that, at least legally, African Americans could not be discriminated against.

But we know as a result of poll taxes and literacy tests and the imposition of devices to intimidate people from registering and coming to vote that that was honored more in the breach than it was in the adherence.

We know that immigrants, nonwhite Caucasian Americans, had difficulty, for which the father of the gentleman from Texas (Mr. GONZALEZ) was a giant in saying, that is not right.

We did not add women, and an African American woman, or African Americans, men at least, could vote before women could vote. It was incredible that in the enlightened democracy of America in 1914 and 1918 women could not vote. We had to pass a constitutional amendment which said that we are not going to discriminate on the basis of gender.

It was not until 1965, as the gentlewoman knows, when we passed the Voting Rights Act that we said, we cannot have poll taxes, we cannot have literacy taxes, we cannot preclude, and the Federal government is going to step in and ensure that every American has access to the polling place? Why? Because it is central.

Then we had another constitutional amendment and said that if one is old enough to go overseas and fight to defend democracy, one is old enough to vote at 18. We amended the Constitution again. So this has been an ongoing process of ensuring that our democracy is participated in by every citizen, not just a select few.

This effort is about that objective. Again, I think the gentlewoman is correct, it is a critically important objective.

Ms. WATERS. Mr. Speaker, I thank the gentlemen for participating with me today. They have both stated so clearly and in so many ways that something is wrong with the system and we perhaps fell asleep at the wheel, and we allowed the infrastructure to kind of fall apart.

Many of us thought with the 1965 Voting Rights Act that we had gotten rid of all of the problems. Little did we know that we would reach a time when we could not recruit polling place workers. Little did we know that we would have a system that did not train them so they would know what to do when a provisional ballot was needed. Little did we ever dream that we would find ourselves at a time when there is a polling place with almost 100 percent Latino voters and no one to do translation, or to make sure that they have access to that vote and to that ballot.

I want Members to know how proud I am to serve here in the Congress of the United States, and to serve with Members who care so much that they make this their priority work.

I want Members to know how proud I am to be able to do the kind of work my ancestors would certainly have me do, and I am so proud that I have been given this opportunity, and that the people who have joined with me appointed to this committee are working very hard.

Yes, we have been to Texas, we have been to Pennsylvania, and we are on our way to Chicago, a place that really does need us. It has needed us for a long time. We are on our way there to find out what we can do to strengthen the system. But we will be going to many other places.

Let me conclude by saying, as a Californian, a suit has been filed in California by the ACLU because, as sophisticated as we are supposed to be, guess what, we rank right up there with some of the other States like Illinois where votes are thrown out, not counted, because of overvoting and other problems in the system.

So hopefully both Members will be able to join me in California as we take a look at this suit and see what we can do.

Mr. REYES. Mr. Speaker, as Chairman of the Congressional Hispanic Caucus, I am committed to building on the success of growing Latino voter turnout by working with my colleagues to achieve meaningful election reform before the 2002 elections.

The 2000 presidential election has brought long overdue attention to the need to overhaul our country's election procedures and provide resources that will ensure we have accurate elections. Central to these efforts must be the protection of each citizen's ability to freely exercise his or her right to vote.

Throughout our nation's history, expansion of the right to vote has been a struggle, and it is a struggle that continues to this day. The glare of media coverage, caused by the closest presidential election of our time, exposed voting irregularities that have long been ignored all across the country, not just in Florida.

Numerous legislative proposals have been introduced in this Congress to address election reform, and I believe it is encouraging to see that so many members are making this a priority. While there are about a dozen different bills, they also share many similarities. It is clear that based on the proposals we have seen so far, we need to move toward establishing a new elections body that will be charged with distributing grants to local election authorities for modernizing voting procedures and providing incentives to voting machine manufacturers to improve their equipment and invest in research and development.

In order to gain useful knowledge necessary for the effective modernization of our voting system, a study will need to be conducted of voting irregularities in the 2000 election and of flaws in our voting system in general.

As we chart our way through these various reforms, which coincide with another upcoming round of redistricting, the significance of minority representation is going to be greater than ever. Where necessary, we must be prepared to reaffirm support for, and strengthen, the provisions of the Voting Rights Act and National Voter Registration Act that protect minority representation and bilingual elections services.

The problems facing the integrity of our elections fall into two broad categories: (1) logistical challenges, and (2) barriers to voter turnout.

There are three main logistical problems prevalent in the process of running elections. First, local election boards are typically underfunded. As a result, counties are unable to replace antiquated voting machines. The punch-card ballots made infamous by the Florida recount are used by about one third of voters. Replacing them all with a more reliable system will be a costly, though certainly worthwhile investment.

Second, there is a shortage of adequately trained staff to respond in a timely and professional manner to voters' questions about absentee voting, their registration status, polling place locations and other concerns. On election day itself, many polling places open late, are not open long enough or lack polling place workers who are adequately trained, further causing delays, confusion and the disenfranchisement of voters. In particular, there is a lack of bilingual staff who are able to help voters who face a language barrier at the polls.

Third, polling place access is an extremely important logistical issue, and is not always directly related to funding. Every polling place should be easily accessible and in safe, familiar locations that are easy for residents to find.

The most troubling obstacle to fair elections is voter suppression, which is aimed almost exclusively at minorities. Unfortunately, such tactics are prevalent across the country and not only targeted against African-American voters. The practice of placing so-called security guards, or volunteers in clothing that resemble uniforms, at polling places has been used to intimidate Latino voters in past elections. The use of misleading radio broadcasts or other means to confuse minority voters about their polling place location is another tactic employed to keep down minority turnout. First-time voters, such as newly naturalized citizens, many of whom are Latino, are particularly susceptible to confusion about the voting process, especially because relatively less, if any, election information is provided in Spanish.

In response, state and county governments must be spurred to pro-actively prevent voter suppression in heavily minority precincts. To ensure smoother elections, there needs to be greater investment and attention in such precincts to ensure appropriate staffing levels and training, equipment, polling place site selection, and education campaigns.

We will need to consider ways of enhancing the enforcement of existing laws that punish voter intimidation and implement new or stronger penalties where necessary. We should also consider expanding the scope of such efforts to include more passive forms of voter suppression, such as the withholding of assistance and information to voters might prevent them from voting. For example, there have been many accounts of polling place workers refusing to allow voters the right to a provisional ballot, a right that was expanded under the 1993 National Voter Registration Act.

A final obstacle to voter turnout relates to the maintenance of voter registration rolls, which must be considerably improved. Latino voters have experienced problems with getting on the rolls in the first place and then later being purged from them. The problem with getting on the rolls is related to problems with voter registration. Voter registration forms have been rejected for arbitrary reasons, such as being filled out with the wrong color ink, and during the most recent election, there were reports from Florida of Latinos who had registered but whose names did not appear on the rolls and were therefore barred from voting.

The other side of the voter roll problem is when legitimate names are purged. In a number of states, voters are purged from the voter rolls if they do not vote in every presidential election or a set number of elections within a certain amount of time. Requiring voters to re-register if they happen to miss an election, or else risk being ineligible to vote in a subsequent election, is just another barrier to voting.

I will be working with my colleagues in the Congressional Hispanic Caucus to press for increased funding of election boards; promote voter participation through national legislative and educational efforts; and monitor existing voter protections, especially the 1975 and 1992 amendments to the Voting Rights Act which protect language minority groups and require bilingual services.

Voting is a hard-won right that should not be a struggle for minorities in every election. In addition to empowering minority citizens about their rights as voters, we can also make considerable progress toward improving the way we run and monitor elections, making them as easy and convenient for minority voters as they already are in so many affluent and predominantly white precincts. In the Latino community, we often say su voto es su voz—your vote is your voice. We must ensure that we take the necessary steps to ensure that the voices of all voters are heard.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise because we must continue to address the overwhelming evidence of grave voting irregularities and voting rights violations in the recent presidential election in what was the closest and most contested presidential election in the history of our great nation.

It is imperative that Congress continues to engage in a serious review and comprehensive reform of our election process in this nation. The disenfranchisement of voters in the federal electoral process remains a chilling threat to the integrity of our democratic system in America.

Mr. Speaker, The right to vote, and to fully exercise that vote, is a vital component of our collective preservation. On November 7th, 2000, only a fraction of Americans were able to exercise their right to vote and have those votes counted, while thousands, and perhaps even millions of voters were denied this constitutional right as guaranteed by the Fifteenth Amendment.

It is horrifying to me that such systemic mistakes were made in this election. But beyond these mistakes, there have been serious allegations of violations of the Sections 2 and 5 of the Voter Rights Act of 1965, 42 U.S.C. sec. 1973, which mandates the obligation and responsibility of the Congress to provide appropriate implementation of the guarantees of the Fifteenth Amendment to the Constitution, which states "the fundamental principle that the right to vote shall not be denied or abridged by the States or the Federal Government on account of race or color." Yet we know today, that such violations of fundamental voting rights did occur during the November 7th elections throughout the nation. These irregularities also raise potential violations of several provisions of the National Voter Registration Act of 1993, 42 U.S.C. sec. 1973gg–5(a) which affirms the right of every U.S. citizen to cast a ballot and have that ballot be counted. We must address this today.

The need for election reform is the challenge of all Americans. President Bush himself recognized this urgency, telling members of Congress: "This is America. Everyone deserves the right to vote." Congress was reaffirmed of President Bush's commitment to the protection of the right to vote when the President's spokesman later assured members of Congress that the "President wants to make certain that one of the focuses of attention this year is electoral reform." A letter recently sent to President Bush by virtually every House Democrat, called on the administration fulfill this promise by providing "essential guidance and leadership on a national problem", yet today, half a year after the election, we are still without such leadership. So I call on the Attorney General of the United States to begin a full investigation of all alleged voting improprieties. We must clear the air.

So what can be done to remedy these problems for the future? According to a recent Washington Post article by David Broder, since the 2000 presidential election more than

1,500 election reform bills have been introduced in state legislatures around this nation. The American Civil Liberties Union and other organizations have been filing suits in California and in other states demanding that uniform methods of casting and counting ballots be put in place. I applaud these efforts and I believe that outdated technology is a large part of the problem.

We also need a greater awareness of how our voting system works. We need better and more uniform standards, better enforcement, better education, greater and more convenient access to voting places, and a generally easier and more user-friendly electoral process.

To begin to address these problems, I have introduced several important pieces of legislation. I've recently introduced H.R. 934, a bill that would establish National Election Day on the 2nd Tuesday of November, in presidential election years, as a legal public holiday in order to substantially resolve the serious problem of the lack of time for people to vote or participate in the federal election process, due to employment commitments.

This bill would merely federalize what some states have done with great success so that employees in the private sector will be able to exercise their constitutional right to vote or take part in the electoral process as election volunteers with no restraints.

I've also introduced H.R. 60, the Secure Democracy for All Americans Act, which would establish a five member commission and provide funding necessary to perform a study into federal, state, and local voting procedures in order to produce a report and make recommendations for appropriate legislation and administrative actions. This legislation is greatly needed.

In addition, I've recently founded the bipartisan Congressional Election Reform Caucus, which was established to enable all members of Congress to engage in a serious review and dialogue of the election process in this nation as a recognition of the disenfranchisement of voters because of voter confusion, poor voter machinery and work commitments.

I have also drafted legislation that provides for much needed "provisional ballots" so that people erroneously "purged" or dropped from the voting rolls can register at the polls, vote, and have that vote counted. I am also introducing legislation that would create a uniform voter "purging" requirement, because too many states and localities have confusing and conflicting standards of how long you may remain inactive as a voter before your name is purged from the voting rolls. With my legislation, you would have a single uniform 10 years from the time you last voted until you are purged from the rolls. This makes good sense.

I would also like to commend Congressman CUMMINGS for today introducing electoral reform legislation, and for the commitment to this issue by the Congressional Black Caucus and by the many other members of this Congress who believe in this legislation.

These bills affirm our constitutional right, as citizens of this democracy, to vote and have that vote counted, because if our votes are not counted, our voices are not heard. I hope that in the months to come, our voices will come together in support of common-sense solutions and reform, and bring us closer towards our goal of equal access and equal justice under the law.

GENERAL LEAVE

Ms. WATERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore (Mr. BALLENGER). Is there objection to the request of the gentlewoman from California?

There was no objection.

A NEW ERA OF DEFENSE PARTNERSHIP BETWEEN THE UNITED STATES AND INDIA IS ON THE HORIZON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I believe that a new era of a defense partnership between the United States and India is on the horizon. I come to the House floor this evening to discuss the potential for stronger defense ties between these two nations.

This relationship between the United States and India makes sense, and it is time that the world's two greatest democracies come together as natural allies. Ultimately, Mr. Speaker, I would like to see India and the U.S. form a stable defense alliance. Such an alliance would help secure our national security and those of our allies while isolating nations such as China, which pose a threat to India and other Asian democracies.

Assistant Secretary of State Richard Armitage, who called on New Delhi in a visit last weekend, said that he was very pleased with the warm support and cooperation extended by the Indian government on various matters, including defense and military cooperation. Bridging a new defense relationship with India would be remarkable, given the history of this nation's ties with the United States in the past.

During the Cold War, India unofficially joined hands with Russia in the non-alignment movement. This created tense relations between the United States and India, and ultimately the U.S. viewed India negatively. However, the Cold War is over. We have no reason to view India as a threat.

In fact, India and the United States have many similar democratic interests, and as a result, both countries could work together and work together well against the threat from a military buildup in China or from rogue nations in Asia that threaten American interests.

Mr. Speaker, Americans are still reeling from the incident last month when Chinese authorities detained a U.S. plane and military personnel. This incident and others exacerbate the difference between our democratic system and China's Communist regime. It highlights the need to have India, a stable democracy for over 50 years, as an ally in the region.

It was well documented that the Chinese have transferred missile technologies to rogue nations. The Chinese premier has reaffirmed this during a recent visit to Pakistan, during which he disclosed his commitment to helping Pakistan develop its military.

Threats to U.S. security loom large in Asia. Pakistan is politically unstable, is full of terrorism, as is documented in the U.S. annual terrorism report, and is moving further away from a return to civilian government.

The central Asia region is brewing with the extensive Osama bin Laden networks, which hold another comprehensive threat to U.S. security and regional interests. We do not need to look back too far, just to last year, to remember the tragic incident of the USS Cole.

U.S.-India defense relationships have increased under the Bush administration. This was clearly evidenced in external affairs minister Jaswant Singh's visit to Washington last month when President Bush, Secretary Powell, Secretary Rumsfeld, and national security adviser Condoleeza Rice made commitments to build on our relationship and to increase cooperation on defense and military matters bilaterally.

This is evidenced in the prompt scheduling of the U.S. Joint Chiefs chairman General Henry H. Sheldon's visit to India later this month to discuss high-level military issues between the two nations.

If a U.S.-India defense relationship can be nurtured, I believe it will improve bilateral, commercial, and trade ties and expand our existing investment commitments.

In order for us to do this in a substantial way, we must first remove all remaining sanctions on India. Many American and Indian scholars, as well as officials from the Department of State, have now acknowledged that the sanctions have done more harm to American companies doing business in India than to India itself, and removal of the sanctions will allow us to engage in a more comprehensive relationship with India.

Mr. Speaker, collaboration between the United States and India is moving both countries in a positive direction. As two great democracies, the United States and India are natural allies, and a strong defense relationship is the next logical step in our foreign policy.

1600

BUSH ENERGY POLICY

The SPEAKER pro tempore (Mr. BALLENGER). Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. McINNIS) is recognized for 60 minutes as the designee of the majority leader.

Mr. McINNIS. Mr. Speaker, I yield to the gentleman from Utah (Mr. HANSEN), Chairman of the Committee on Resources.

Mr. HANSEN. Mr. Speaker, I thank the gentleman from Colorado (Mr. McINNIS) for yielding to me.

Folks in America, of course, Mr. Speaker, realize that today the Vice President of the United States was able to come up with an energy policy that makes an awful lot of sense, and tonight myself and some of my colleagues from the Committee on Resources would like the opportunity to discuss that issue.

It never ceases to amaze me when some of my colleagues or environmentalists lash out at big oil as if it were some diabolical archenemy lurking in the shadows ready to pounce.

It is amusing to watch them stage press conferences to make big oil some sort of bogeyman for environmental problems and for our current energy crisis, and afterwards step into their energy-consuming SUVs or gasoline-powered cars and drive over asphalt-paved roads in their nicely lit, air-conditioned homes which were built and furnished with hundreds of products derived from chemicals, plastics, and other materials because of petroleum.

It reminds me of the story of school children raised in the city, being asked where milk comes from, and having them respond and say well, it comes from the store.

Somehow, I think we are all missing an important step: the production phase. The oil has to come from somewhere. The energy we all consume, the lights in this building to keep the cameras functioning, has to come from somewhere.

As our economy grows, we have children and grandchildren and they grow up, receive educations, get married, get jobs, raise families. Where are they going to get the energy that sustains life, warms their homes, and transports their children to school? Where are we going to get our energy and what are we going to do about the current building energy crisis?

Many of my environmental friends say that we really do not need to focus on production of more oil or energy sources because of various environmental concerns. Usually urban dwellers, these individuals assert that conservation is the answer.

Harkening back to the days of Jimmy Carter, when we were told just to turn our thermostats down and put on a sweater, I do not believe that we can conserve our way out of this situation. It did not work in Jimmy Carter's day, and with even more demands today it certainly will not be the only answer.

Yes, we can and should do all we can to not be wasteful in our homes and at work. We should all turn off lights that we are not using, install more fuel-efficient heating and cooling systems, and encourage the development of alternative fuels and more fuel-efficient vehicles.

But is the answer to our current crisis for all to rush out and purchase hybrid gas-electric vehicles that are small, underpowered, and fail to meet even the most basic transportation hauling requirements of the typical American family, let alone thinking about buying one of these vehicles to pull our boat down to our favorite lake, camping trailer to our favorite campground?

It would probably pull the bumper right off the car while sitting in the driveway. We are not there yet, and we have a long ways to go.

Those of us from the West know all too well the hurt that the lack of energy and increase in oil and gas prices is causing our economies. We in the West often have to travel dozens of miles and hours at a time just to commute across long distances between our communities.

In the First District of Utah that I represent, it would take nearly 7 hours, traveling at the legal speed limit from between 65 to 75 miles per hour, to travel from the northern border of Utah to the southern border, a distance of over 400 miles.

Often, our communities are spread across vast distances, and the only viable option for transportation has to be using motor vehicles. The skyrocketing price of fuel has hit them especially hard. They do not have the option, as urban dwellers in the East may have, to take mass transit or ride a bicycle to work.

For the sake of our quality of our life, our jobs, our economy, we have to begin to really address the energy problem that we are facing in this country.

Much of what we are facing in this country, I believe, could have been prevented or mitigated significantly if the previous administration had not been, to use the words of former Secretary Bill Richardson, asleep at the wheel on energy policy.

Over the last 8 years, I watched as the previous administration basically took their marching orders from the extreme environmentalist lobby, and whether it was through executive order or by promulgating new regulations, locked up millions of acres of public lands to any reasonable energy development.

Mr. Speaker, I watched with concern as the Clinton administration let our Nation drift from less than 33 percent dependence on foreign oil when he took office to more than 50 percent today. I believe the figure is 57 percent.

President Bush has taken over the reins of government and has been left one messy problem to clean up regarding energy.

For 8 years, all we got was poll-driven photo-ops, like the infamous release of millions of gallons of water to float a kayak down the Connecticut River in order to provide a nice picture of Vice President Gore in his election efforts. All we got was President Clinton dispatching then-Secretary Richardson to the OPEC masters to literally get on his knees and beg and beg them not to raise oil prices.

America deserves better, and I am glad that President George Bush has made development and implementation of a coherent and comprehensive long-term strategy on energy as one of his very top priorities.

I just met with President Bush this week, and I know that President Bush and Vice President CHENEY understand the complexities of this issue. They are committed to working with Congress to come up with the tools that are needed to fix the problem. But there is no easy fix.

We must all recognize that natural resources are to be actively managed and wisely employed to advance the human condition.

We must have a policy that balances competing goods of environmental preservation or restoration, while ensuring public access and outdoor recreation to our public lands.

America needs balanced conservatism that recognizes man's role as God's steward, not the extreme environmentalist view that it too often views as the problem.

Just like the urban school child who may think that milk comes from a carton and not a cow, we as Americans need to look beyond the overinflated rhetoric of extreme environmentalist alarms that the Earth is in the balance, and educate ourselves on where our energy comes from and what the options are for our future.

We need to separate facts from assertion and science from political dogma. Mr. Speaker, I look forward to working with this administration as chairman of the Committee on Resources to do our part.

We all have been affected by rising energy prices, not just California. Wyoming Governor Jim Geringer recently recounted to the House Committee on Resources the story of a distraught elderly woman who called a Wyoming county commissioner in tears because her natural gas bill to heat her modest home was $500 a month and her Social Security check, which she relied on to provide medicine and food, was only $600.

The crisis is hurting the elderly, the poor, farmers, and small business owners. Small family farmers, who are our Nation's real endangered species, are feeling the crunch of huge increases in diesel fuel to power their tractors. The fertilizer they use, which is a petroleum-derived product, has skyrocketed even as commodity prices have remained low or fallen.

It will be a miracle if many more of them hang on and survive in the next few months.

What about the trucking industry? We all benefit from a strong and robust trucking industry. The fresh food and produce we buy at our local supermarkets is made possible only because of truckers. If they were to shut down for even 1 week, our Nation would be in a lot of distress. Their costs for fuel have skyrocketed, along with everyone else.

What is the effect? Who pays for all of these increased costs? In the short term, the truckers and farmers must pay these large costs, and it is hurting them big time. In the long run, we all pay for these increased costs.

Petroleum products make up such a large percentage of everyday life, so many things we totally take for granted, so that it will not take long until we see these negative effects.

We must take action. We must do it today, Mr. Speaker. Vice President CHENEY's energy task force report points the way to a long-term solution to our energy crisis that includes conservation but goes further to include more research into clean, renewable energy sources and increased production of hydropower, nuclear energy, gas, oil and coal.

I am sure Congress will follow this plan closely this summer in preparing a package that provides reliable, affordable, and environmentally-clean energy for decades to come, while maintaining consumer choices in our standard of living.

Right now our Nation's energy problems have taken on an urgency we have not seen for almost 30 years. For the first time in memory, demand for electricity in the West this summer is expected to exceed maximum output. Demand could exceed supply by as much as 7,000 megawatts during parts of June, July, and August.

The production strain on the power grid will be so great that several hot days or a power plant failure could trigger outages that would cascade like dominoes through the West.

Shortages are coupled with soaring prices. Gasoline is already over $2.70 a gallon in some parts of California. We have all heard predictions of $3 a gallon in California and the Midwest before the summer is out.

Al Gore's book, Earth in the Balance, called for those higher gas prices, which may explain one reason why the previous administration did nothing to forestall this crisis.

Natural gas prices jumped sharply this winter and will jump again this summer when natural gas is used at its annual peak. These prices have already driven up the costs of goods, services, and housing across the country.

Skyrocketing prices threaten small business. They threaten the health of the ill and the elderly who must choose between livable temperatures or buying food. Low-income families, anxious to keep infants and small children comfortable, have already tapped out most State and local emergency assistance programs.

The crisis did not happen overnight. It took us a lot of years to get there. It has been 20 years since a large refinery was built in the U.S. and more than 10 years since a power plant was built in California, even as the population there continued to increase dramatically.

We have neglected energy production and infrastructure. We are producing 30 percent less oil now than 30 years ago. Natural gas development on public lands is down by 14 percent, and we need at least 38,000 miles of pipeline to deliver the natural gas we need.

Our new economy runs almost entirely on electricity. Yet, according to the Edison Electric Institute, investment in our transmission system has declined by 15 percent a year since 1990, while use has jumped 400 percent in the last 4 years alone.

Our transmission grids across the country need repair, updating, and expansion. The Bonneville Power Administration provides affordable power to hundreds of towns and western cities. But Bonneville Power has not added new transmission lines in the system in 14 years, and much of its grid is 30 years old.

Bringing the system up to an adequate capacity will cost an estimated $775 million. The strategy in the Bush energy plan is both comprehensive and long term.

The Bush administration recognizes that hasty, short-term fixes threaten both our economy and environment. Decisions made in a crisis prompt us to waive environmental regulations.

In the late 1970s and 1980s, after a profound energy price shock, the Federal Government established the Energy Mobilization Board to override Federal, State, and local environmental laws that got in the way of energy production. Right now, Clean Air Act limits are being waived in California in a rush to avert a large disaster. By focusing on diverse long-term solutions, the Bush energy plan avoids these kinds of choices in the future.

Short-term fixes also threaten our economy. Upgrading and expanding our infrastructure requires investment money. Yet utility companies are reporting that Wall Street is alarmed by talk of price caps in California.

They are understandably hesitant to invest in companies that could be impacted by these price caps. We desperately need to invest in our Nation's energy infrastructure, fully and with confidence. We must avoid short-term fixes that pose long-term threats to our economy and environment.

The Bush energy plan calls for prudent streamlining of the process for licensing new nuclear plants and the recycling of hydropower plants.

Mr. Speaker, I am a big fan of nuclear power. Regardless of what the American public has been led to believe by the likes of the Hollywood bunch or antinuclear activists, new technologies and nuclear power have made it the most safe, affordable, and environmentally friendly form of energy.

New technology for reprocessing spent fuel rods exists and is improving. Nuclear power accounts for only 20 percent of the U.S. power supply. Yet in Europe, it is 35 percent. In France alone, it is 70 percent. This energy is clean, economical, and safe.

We have not had a new nuclear reactor built in this country in more than 20 years. It is time we stop letting inflammatory rhetoric and fear tactics of uninformed special interest groups stand between us and one of the best energy sources we have.

We must reduce the time and costs of relicensing hydroelectric plants. The previous administration created a battery of new Federal dam regulations aimed at wiping out hydropower.

Recent events have proven the previous administration to be foolish in this regard, but those regulations still stand today, and we have to do something about them. Because of them, towns and cities that own dams must spend years and millions of dollars to relicense their dams and meet several dozen new, stringent environmental requirements. One of those dams is the Cushman Dam owned by the city of Takoma, Washington.

This dam generates enough power to light 25,000 homes for a year. The previous administration would not let the city relicense its dam unless it met several dozen new environmental requirements that will cost tens of millions of dollars. That city is now fighting in court for the very survival of the primary power source.

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In Utah and Arizona, Lake Powell produces tremendous amounts of clean hydropower. Yet, extreme environmental groups like the Sierra Club are advocating working toward decommissioning the dam and draining the lake, all to let a river run through it. Yet, to make up for the lost electricity, it would take at least five coal-fired generating plants.

Sometimes we are not too smart on how we approach complex problems. Hydropower is clean and renewable, and we must do more, not less, in that area. We need to maximize power generation of Federal Bureau of Reclamation dams, even as the previous administration put regulations in place that placed power generation at the very bottom of a long list of other priorities.

The Bush energy plan calls for opening a small percentage of the Arctic

National Wildlife Refuge for oil exploration and development. I totally support it.

Despite the doomsday slick commercials one sees on TV by some groups, I know it can be done in an environmentally sensitive manner. The vast majority of the refuge would remain off limits to oil production.

Current estimates suggest the oil we can gently distract from ANWR would replace Iraqi oil imports for the next 58 years. That is not just a 6 months of oil, as some special interest groups would have us believe. We are talking about replacing the oil we receive from one of the most hostile foreign governments.

Oil development on the coastal plain of ANWR will only impact 2,000 acres of 19.6 million acres. It would provide an estimated 735,000 well-paying jobs.

We have new technology to tap oil and gas in a way that protects the Arctic tundra and nearby wildlife.

ANWR is not only rich in oil but is rich in natural gas.

Mr. Speaker, in October of 1996, then-President Clinton announced that he had created the Grand Staircase Escalante National Monument, and with one fell swoop of his mighty pen, and without so much as a scintilla of input from any elected official from the State of Utah, locked up a million acres of public lands from future coal or energy development.

That is my home. I know a lot about southern Utah. I have lived there all of my life. I can tell my colleagues, Mr. Speaker, we locked up a trillion tons of low-sulfur coal that could be used and done in an environmentally sound way.

Mr. Speaker, President Clinton had made the statement when he announced it, he said "We can't have mines everywhere." No. Mr. Clinton is right. We cannot have mines just anywhere, just where it is there. Just like Willy Sutton was quoted as saying, when asked why he robbed so many banks, he said "because that's where the money is". The reason we have mines in places is because that is where the ore is.

By locking up the Grand Staircase, our Nation has lost a mammoth reserve of high-Btu, low-sulphur coal that could power hundreds of cities in this country for centuries to come. The impact on the surface of the site would be almost negligible.

In conclusion, let me just say the future is bright. I know Americans know how to handle a problem when they see it coming, but they want somebody who will give them some direction. American people are bright, and they are patriotic.

As President Bush and Vice President CHENEY said, we have got a plan for you; we can make it work. I think the American people will realize we all have to sacrifice a little bit; but in the long run, we will be better off. It is the people who never have a plan, who are asleep at the switch, who are the ones, who have given us trouble at this time.

Now is the time for America to say here is a good plan, let us get behind it, and let us follow it.

ENERGY CONSERVATION

Mr. McINNIS. Mr. Speaker, let me tell my colleagues, in my opinion, the biggest problem we have got out there is not so much the immediate energy crisis that we now face, it is the fact of our dependency upon foreign countries for our energy needs.

Right now, today, as we speak, 60 percent of our energy requirements come from foreign countries. We cannot afford for the future of this country, for future generations, for planning the future progress of this country to continue to increase our dependency or, in fact, to continue to have our dependency at a 60 percent rate. It puts this country in high danger of energy espionage or energy blackmail.

We cannot continue that path of going down that direction because the direction or the result of where that leads us is not good for future generations.

There are two separate ways, two methods to address our dependency on foreign oil. One of those methods, of course, as we have heard from the gentleman from Utah (Mr. HANSEN), the previous speaker, is more exploration. We have got to find more of our own energy resources.

But the second one, and this was highlighted today and it has been highlighted again and again and again, is conservation. Conservation is something that everybody in America can practice this minute, this hour.

Those of us on this floor, those of us across this country, as we hear these comments, we can begin to conserve energy. We can begin to become less dependent on foreign oil by exercising a little individual responsibility ourselves.

I will give my colleagues an example. Right now our latest census, I think, showed our population at about 282 million people. Can one imagine how much energy we would save if 282 million people that were using lights turned off the light as they left the room. Think of the instant savings in electricity.

If we had 282 million people who combined trips to the grocery store every week, every Sunday, if these 282 million people took a look and said, all right, we ought to have our groceries. Here is what we need this week. Let us go to the grocery store once instead of three times, or let us go twice instead of three times.

Now, obviously we do not have a clear factor of 282 million people because we have young people and there are people that do not drive, et cetera. But my colleagues understand the point.

Imagine how much water we could save, how much energy on water heaters we could save if, instead of running the garbage disposal with hot water, we ran our garbage disposal with cold water, if these millions and millions of people ran that garbage disposal for 20 seconds, which really in most cases is adequate to dispose of the garbage that one has, instead of continuing to allow the water and the electricity generating, running the garbage disposal to run for 60 seconds or 70 seconds.

We can conserve as the citizens of this country. We can contribute to help alleviate this problem. I have got a couple of examples. Now I am not going to go through all of these because I have several of my colleagues that I think have very important points to offer. But there are some key conservation areas that I am asking those of you who are hearing me, who are listening to go ahead and deploy yourself this evening in your own home. Set an example in your own home.

The best thing you can do when you go home this evening, most of us use ceiling fans for cooling in the summer. In the summer, make sure your fans are running in a clockwise direction. Clockwise. Because that is what pulls the cool air off the floor.

So when you go home this evening, look at your ceiling fan. Most ceiling fans will run both directions. I would guess that many of you today, when you go home, will find out that your fan is actually going counter-clockwise. If you move it, simply one flick of the switch to clockwise, you have done something today to help conserve energy in this country.

Many of you own automobiles. I would bet most of you who own an automobile have not read your owner's manual; or maybe when you purchased the car, in my particular case, several years ago, you read the owner's manual then, but you have not looked at it since.

Take a look at your local newspaper. Your local quick lube. They say change your oil every 3,000 miles. Do you know what the experts say, that major automobile company that designed your automobile, that were in charge of the manufacture of your automobile? More likely than not, you are not required to change your oil every 3,000 miles. In fact, if you look at your owner's manual tonight on your way home from work, I will bet you it says in your owner's manual change the oil every 5,000 miles or every 6,000 miles.

Do you know that, if we could get people to change their oil when the owner's manual tells them to change their oil instead of changing their oil when the marketing enterprises out there, the quick lubes tell you to change your oil, we could save a minimum, a minimum in this country of 11 million barrels of oil a day. We could start today.

There are a number of different things. Do you know how much energy we could save if people simply closed the refrigerator after they walked away from it, if people shut off the air conditioner when they were not going to be home?

A lot of us want to help get this country out of this problem. A lot of us in our hearts, we do not have it in our hearts to waste energy. We have it in our heart to be good citizens, and good citizens help conserve energy.

Let me just summarize it like this. I have had a number of constituents who have said to me, gosh, it is going to take a while for us to get electrical generation in place ready to go. It is going to take a while for us to find additional energy resources so that we can lessen our dependency on foreign oil. What can we do in the meantime?

Again, let me repeat to all of my colleagues, as we leave these Chambers, we can help immediately by turning out lights, by not changing that oil every 3,000 miles, by making sure that the direction of the ceiling fan is going as it should go.

I myself this morning, as I walked into my office, it is routine for me when I get to my office to turn on all the lights in my office. But for the first 2 hours I am in my own office in the morning, I sit at one location in my office; and I read newspapers. I only need one light. I do not need six lights. This morning in my office, I only had one light on, not six lights. The rest of my colleagues can do that as well.

So my contribution to these comments this afternoon is let us all contribute today to conservation. That is exactly what the Republican plan calls for. That is exactly what our President and our Vice President have said.

Again, we need two elements to lessen our dependency on foreign oil. We need to look for other energy resources. There is no question about it. We need to do it in an environmentally clean and safe manner. But we also need to conserve. If we combine those two elements, this country will, I think in a modest period of time, fairly quickly move out of this energy crisis, and we will be secure with energy for the future generations. That is what is critical.

ENERGY SHORTAGE MAY BE MOST SERIOUS PROBLEM FACED IN YEARS

The SPEAKER pro tempore (Mr. BALLENGER). Under the Speaker's announced policy of January 3, 2001, the gentleman from Pennsylvania (Mr. PETERSON) is recognized for 31 minutes, the remainder of the leadership hour.

Mr. PETERSON of Pennsylvania. Mr. Speaker, the problem facing this country, an energy shortage, may be the most serious problem we have faced in years. The California brownouts are only a symptom of a huge energy shortage that is prevalent in this country.

Ten dollar oil and a dollar per gallon gas lulled this country into a comfort zone that all is well with energy availability.

The Clinton-Gore administration, unfortunately, had no energy policy. The Clinton-Gore administration sold that conservation, and conservation is appropriate, and renewables would gradually replace fossil fuels. Yet, they supported new difficult regulations that made it almost impossible to realize this hydro, the most prevalent of renewables.

The Clinton-Gore administration sold that conservation renewables would gradually replace fossil fuels. Yet their regulations and policies did not support the relicensing of hydro, the most prevalent renewable source. They certainly did not propose the renewal or to make it easy to renew the operating license of existing safe nuclear plants. In fact, in reality, the Clinton-Gore administration started phasing out fossil fuel production before there was a replacement available.

So today we have a shortage of almost all kinds of energy. When one looks at how we make electricity today, 52 percent of our electricity comes from coal; 20 percent comes from nuclear, but most of those plants need to be relicensed and many felt it would be unable to relicense them in the last administration; 7 percent comes from hydro, and many feel it is going to be very difficult under the last administration's rules and regulations to relicense hydro, the most available renewable energy we have and the cleanest. Natural gas currently powers 16 percent of electric generation; oil, 3 percent; other renewables, 2 percent.

Now, we need to continue on the other renewables. We need to continue with solar and wind and geothermal. But if we double it, it will only produce 4 percent of our electricity. If we triple it, it will only produce 6 percent of our electricity.

□ 1630

In the next 20 years America's demand for oil will increase by 33 percent according to the Energy Information Institute. We are increasingly dependent, as we have already heard, on foreign governments for our oil. Back in 1973, when we were in crisis, we imported just 36 percent of our oil from overseas. Today we are somewhere between 58 and 60 percent. The number of U.S. refineries has been cut in half since 1980. A few have expanded, but no new ones have been built.

Then we come to natural gas. Consumer prices for natural gas have spiked this year. Home heating costs have doubled. I know industries who use a lot of gas who had their rates double, triple, and quadruple. America's demand for natural gas is expected to rise even more dramatically than oil. According to the Department of Energy, by the year 2020 we will consume 62 percent more natural gas than we do today.

In fact, one of my fears, one of my personal fears that I have been observing for the last couple of years is the amount of gas we have allocated to generation, because it is the quickest to build and it is the cleanest fuel we can burn to make electricity. The amount we have allocated to generation is greater than the amount that is being predicted to come into the system.

What happens when we use more than we have? The prices are going to escalate. It is the one fuel that worries me because it is what most American seniors use to heat their homes. It is what most American businesses have as the fuel that runs their business. Our hospitals and our schools and our universities, most of them use natural gas. If natural gas prices spike excessively again this year, we will have a huge heavy load placed on business, we will harm the economy, and we will force seniors to not be able to live in their homes.

Right now an estimated 40 percent of potential gas supplies in the United States are on Federal lands that are either closed to exploration or limited by severe restrictions. When we look at the map, the whole California coastline is closed, the whole eastern coastline of this country is closed, all of the area around Florida is closed; and yet other countries drill all around their shorelines and use natural gas as their heat. I guess Norway is one of the best at it.

Even if we find supplies of gas, moving it to market will require an additional 38,000 miles of pipeline and 255,000 miles of transmission line at huge costs.

Electricity, hydroelectric power generation, as I said earlier, is expected to fall sharply because of relicensing. Coal has historically been America's one source for affordable electricity. It currently powers half of America's electricity generators. Our Nation has enough coal to keep those plants running for 250 years. In fact, we have 40 percent of the world's coal, and we have 2 percent of the world's oil. It seems to me that coal should not be in a phase-out mode, as it has been with the past administration. We must use clean coal technologies to ensure this country's future for energy in the future.

Coal generators have already been required to make broad reductions in emissions. The Bush administration supports these efforts and will back it up with greater incentives for investments in clean coal technology. President Bush made the right decision not to impose new Federal mandates on the emissions of carbon dioxide. That is the same gas we breathe out when we breathe. There are those who have criticized him for that. If he had allowed those regulations to come into place, coal use in this country would have come to a screeching stop because there is no replacement for it.

If America is to continue to have reliable electricity over the next 20 years, coal must play a continued role. If coal does not play a major role, from my point of view, this country will have very high energy prices and this country will face an economic recession. Nuclear power and hydroelectric face uncertain futures due to past policies. Hopefully, they will not under this new administration.

I am encouraged by the recommendation of the energy plan to increase our domestic energy supply by utilizing our public lands in a reasonable manner. Our Nation's public lands could and should play a role in sustainable energy policy. Thanks to so many new incredible developments in energy research, exploration and technology over the last 20 years, we can confidently explore for oil and gas and coal on our public lands in an environmentally-sound manner without leaving anything other than a small footprint.

The Federal Government owns one-third of this country; yet there are those who are opposed to use of public lands for energy production. One-third of America is owned by the Federal Government, and when we add State and local governments, somewhere between 45 and 50 percent of this country is owned by government. If all that land is going to be locked up to resource use, this country does not have an economic future.

Yes, ANWR is one of the areas where there is lots of discussion. The Energy Department says the coastal plain of ANWR is the largest unexplored potentially productive onshore basin for oil and gas in the United States. ANWR could contain enough oil to offset all Iraq imports for the next 46 years. Oil production in Alaska's Arctic occurs under the world's best environmental standards. Many of the countries we rely on for oil have little or no environmental regulations.

Oil development is strongly supported by the Eskimo people who actually live on the north slope of Alaska and by 75 percent of all Alaskans. Exploration would be done using 21st century technology, supercomputers, ice roads that melt in the spring, and directional drilling. Only 3 square miles of the coastal plain of the 30,600 square miles of ANWR would be affected. Only 3 square miles. That would leave 30,597 square miles untouched.

I certainly think for the future of this country, having a strong energy source, and none of these are a silver bullet, none of these solve the problem; but we need them all. It is the equivalent of building an airport one-fifth the size of Dulles in the State of South Carolina. The caribou herd in and near the Prudhoe Bay oil field is five times larger than when development began. All other wildlife species are healthy, no endangered species. Contrary to the myth the environmental extremists created, there is no north slope oil being exported. None has been since May 2000. When it was exported, no more than 5 percent was sold abroad. This is less than exported by the West Coast of the United States.

We barely think about the plight of the American farmer, but agriculture is paying huge costs because of energy. The cost of fertilizer has risen. In fact, some fertilizer plants have actually gone out of business. Some fertilizer plants sold their gas this year because they could make more money in selling the gas than producing the fertilizer.

We have not built a refinery in this country since 1976. In fact, 36 U.S. refineries have closed since 1992. We have not built a nuclear reactor in 20 years. California has not built a power plant of any sort in 10 years. According to Edison Electric Institute, our investment in our electricity infrastructure has dropped 15 percent since 1990; yet use of that system has jumped 400 percent in just the last 4 years. Most of the new plants built in this country are being fueled by natural gas, but we need to have the natural gas to run them.

The future of America depends on an energy policy. I have strong faith in the Bush administration and their proposal to take us where we need to be. There should be debate. Conservation should lead the road. We all need to get into the conservation business. We must use our energy wisely, but we must have a strong source of energy so that we have choices and people have options.

Mr. Speaker, I yield back my time.

ENERGY CRISIS IN CALIFORNIA

The SPEAKER pro tempore (Mrs. BIGGERT). Under the Speaker's announced policy of January 3, 2001, the gentleman from California (Mr. CALVERT) is recognized for the remainder of the leadership hour, 21 minutes.

Mr. CALVERT. Madam Speaker, I am obviously from California, and I would like to talk about some of the problems that we have in California. They are obviously well publicized. Some of the things people talk about are true, and certainly some things are not true.

First, I would like to congratulate my home State of California. No State uses less electricity per capita than the people in the State of California. I think many people may find that as a surprise, but that is the truth. No State uses less electricity per capita than the State of California.

No State uses more renewable energy than any State other than California. California has been a leader on wind. Right in my own county, Riverside County, in the Banning Pass, if any of my colleagues have been to Palm Springs, they can drive down the I-10 freeway and see row upon row upon row of wind machines that supply needed peaking electricity to Southern California.

No State uses more solar power than the State of California. We have really invested a significant amount of money in California into solar research and the utilization of solar power.

No State uses more geothermal than the State of California. Really, the geothermal industry started in Imperial County, California. If my colleagues go down into Imperial County near the Salton Sea in the beautiful State of California, they can see these huge geothermal plants that were developed to produce electricity.

All of that in California. People in California doing the best they can to conserve electricity, to use renewable energy in California. But today we know that that is still not enough.

Now, there have been reports that California has not built a power plant in 10 years. That is not true. I do not want to correct some of my friends, but we have built power plants in California in the last 10 years. Not large power plants. Certainly there have been power plants built outside of California that import power into California.

I congratulate Los Angeles, the Department of Water and Power, who gets a significant amount of their electricity, the City of Los Angeles, a significant amount of their electricity from the State of Utah using coal, the clean coal that the gentleman from Utah (Mr. HANSEN) talked about. And I congratulate Mayor Riordan who now is in negotiation with the people in Utah to develop additional plants, one plant that was discussed as large as 3,500 megawatts in the State of Utah, to transmit power into Los Angeles for future demand. That is necessary along with plants being built in California.

Certainly natural gas has been talked about. It is the preferred fuel source in California. But we have a problem in California, in not being able to get enough gas into the State of California because of all of these gas turbine plants that are being built. There have been a lot built of late and a lot more coming online. And we are happy to have them, but we do not have enough natural gas distribution coming into the State of California, which is adding to the increased price of natural gas within our State. So we have an infrastructure problem, not just with gas pipelines coming into California, but with the infrastructure around refineries. Refineries have been talked about. We have far less refining capability in California than we used to have.

California is well known because we have a lot of people, 35 million people. We certainly have a significant number of them living in the L.A. Basin and we have air quality issues. We have done a great job of cleaning up the air in Los Angeles. Doing that we have come up with our own fuel standards in California. We have lower sulfur than any other State in the Union, 15 parts per million or less in gasoline. California was the first State to do that. The U.S. EPA has now required the rest of the States to meet that standard, but California did it first.

Now, one of the unintended consequences of that is many of the refineries did not have enough capital so they went out of business rather than spending the money to upgrade that refinery to meet the new environmental standard. That was an unintended consequence. We do not have enough refineries, so even if we have additional oil, or the price of oil goes down, we cannot get enough petroleum products through a limited number of refineries. So we need to get incentives to build additional refineries to build the clean type of gasoline we need in California and throughout the country.

By the way, one of the problems my people in California, the people that drive every day have in California, is we have a stranded market in essence on gasoline because we have a different kind of gas standard than any other State in the Union. So we cannot import gasoline from anywhere. We have to produce all the gasoline that we make in our State for our drivers.

With respect to the Speaker, I will not get into the issue of oxidates today, but nevertheless to say that we in California will always produce clean gasoline; but we want to make sure we produce it economically and at the best cost available to the people of the State of California.

We do have a crisis in California. We have a crisis throughout this country on energy, and I am so pleased that we now have a President who will address it and a Vice President who took upon himself the time, and certainly in this last 100 days there have been a lot of pressures on this new administration, to recognize this problem that has been neglected for too long.

□ 1645

Now as we proceed with a long-term solution, and we did not get here overnight, certainly in California's case it took many years to get to the point that we are at today, but we finally will see a solution to the problem. I say to my friends and constituents, be patient. I know it is difficult. I filled up my car last week and it cost $35. No one should tolerate blackouts and these kinds of cost increases, but we have done it to ourselves. But we can get out of it because we have a policy that in the next number of years will bring us down the road to better energy independence, both with electricity and fuel.

Madam Speaker, I yield back the balance of my time for my colleagues.

PRESIDENT BUSH'S ENERGY POLICY

The SPEAKER pro tempore (Mrs. BIGGERT). Under the Speaker's announced policy of January 3, 2001, the gentleman from Idaho (Mr. SIMPSON) is recognized for the remainder of the leadership hour, 14 minutes.

Mr. SIMPSON. Madam Speaker, I would like to talk about the energy policy released today by the administration.

Madam Speaker, for the last several years we have had a strong economy, primarily because we have had affordable and reliable sources of energy; but now we are in an energy crisis which threatens our economic future and our national security.

The President and Vice President have come together and put together a plan, and today they released their national energy policy, which I would encourage every Member and every individual in America to get a copy of and read it through. It is a comprehensive plan. The President recognizes the problem. He is concerned about the effects that high energy prices, both in gasoline and in electricity, will have on the American people and on our economy. We have a bold, new approach to addressing the energy policy in this country.

We need reliable, affordable, and clean energy increases. We need improved infrastructure. We cannot meet tomorrow's challenges with yesterday's technologies. We need new technologies to meet the demands. Some people will say those technologies are not here yet. I will say, Madam Speaker, that Americans are second to none in their ability to solve problems when they set their minds to it. We are the most technologically advanced Nation on Earth. If we set our minds to solving a problem, we can do it.

The President's leadership comes at a very critical time, but we must act now if we are going to have a comprehensive plan to address the energy crisis which will be with us for several years if we do not act. If anyone questions whether there is a serious energy shortage in this country, let me just give a few statistics.

Over the next 20 years, U.S. oil consumption will rise by 33 percent. Over the next 20 years, U.S. natural gas consumption will rise by over 50 percent. Over the next 20 years, U.S. electricity consumption will rise by 45 percent. Since 1992, oil production is down 17 percent in this country, while consumption is up 14 percent. In 1993, we were reliant on foreign oil for 35 percent of our demands. That was during the oil crisis that we had in 1973.

We said at that time we needed to become less dependent on foreign oil because our economy was subject to the whims of those countries in OPEC. Instead of becoming less reliant on foreign oil, we are now nearly 60 percent reliant on foreign oil for our oil needs. The U.S. spends roughly $300 million a day, or about $100 billion a year on foreign oil.

It is obvious that the demands for energy in the future are going to increase in this country. So what have we done in the way of supply? In 1990, U.S. jobs in exploration and production of oil and gas were 405,000 in the United States. In 1999, 10 years later, U.S. jobs in exploration and production of oil and gas were 293,000, down 27 percent. In 1990, in the United States, U.S. oil rigs, we had 657 of them in the United States. In the year 2000, working U.S. oil rigs, 153; a 77 percent decline. Thirty-six oil refineries have closed since 1992, and we have not built a new oil refinery since 1976.

The previous administration had no, I repeat, had no long-term energy policy. It seems the energy policy of the past administration was to shut down exploration as we became more reliant on foreign oil, to shut down refineries, to shut down research on clean coal and finding new sources of coal, to shut down nuclear research. It seems that you could sum up the past administration's energy policy as the "Do not worry, be happy," energy policy.

As I said, we have in this country a supply and demand problem, and that is essentially what the energy crisis is, a supply and demand problem.

Let me summarize what President Bush's energy plan does. It is 105 specific recommendations. Forty-two of those recommendations are targeted at conservation. Much has been said by our opponents that the President does not rely heavily enough on conservation. Forty-two of the recommendations are targeted at conservation; 35 recommendations are targeted at energy supply; 25 of the recommendations are targeted at increased energy security; 12 of the recommendations can be done through executive order; 73 of the recommendations are directives to Federal agencies; 20 of the recommendations will require action by this Congress.

Briefly, let me go through the major portions of his recommendations.

First, conservation. He wants to expand government support for programs for conservation, improved energy efficiency for appliances, improved conservation efforts in Federal buildings, and support new fuel-efficient technology for vehicles, buses, transit and other transportations.

In the area of renewable and alternative energies, he wants renewed focus on renewable and alternative energy, reduced delays in geothermal leasing processes, help for communities that want to use renewable energy, so that they can do so; extend and expand wind and biomass tax credits; a new 15 percent tax credit for residential solar energy. He wants to put $1.2 billion in ANWR proceeds to renewable research, a new tax credit for the purchase of new hybrid or fuel cell vehicles, expand research on hydrogen and fusion energy. It sounds to me like he has concentrated much of his effort on conservation and renewable and alternative energy sources.

In clean-coal technology, President Bush wants to invest $2 billion over the next 10 years in new clean-coal technologies.

In the area of oil and natural gas, he wants to review the impediments to oil and gas leasing on Federal lands; review regulations on outer Continental Shelf energy development; consider additional leases in the national petroleum reserve in Alaska, and work with Congress to look at the possibility of leasing portions of ANWR which were set aside specifically to look for new energy sources, oil and gas, to work with Congress to look at making some leases in those areas of ANWR for oil and gas exploration.

In the area of nuclear energy, he wants to streamline the relicensing of existing nuclear power plants. There are many nuclear power plants that will be up for relicensing in the near future, which may not ask for relicensing because of the cost and time delays necessary to relicense these plants.

Madam Speaker, nuclear energy is truly one of the cleanest and environmentally friendly forms of energy that we can have. With the technologies that are being developed today at the INEEL in Idaho and in Madam Speaker's district in Chicago, they are developing technologies which are reducing the amount of waste that comes from nuclear power plants. If we continue down this road, energy in the United States will be produced, I believe, largely by environmentally friendly nuclear energy.

In the area of hydropower, the administration recognizes the clean air benefits of hydropower. It also has some problems. It dams up rivers, and that causes problems with fish, as we are seeing in the Pacific Northwest. But hydropower in the Pacific Northwest is very important. Eighty-one percent of the Nation's renewable electricity comes from hydropower. Hydropower supplies approximately 70 percent of the electricity in the Pacific Northwest. The administration supports reform of the relicensing process for hydroplants.

Today in Idaho we have a series of dams in the Hell's Canyon complex which have been there for some 30 years. I can understand the length of time it would take to license a new dam. If you have a free-flowing river and you suggest putting a dam in there, you would do substantial environmental studies to see the impacts that dam would have on the environment and the species and so forth. Those dams have been there for 30 years. We are trying to get them relicensed. Idaho Power is. It has taken over 10 years to relicense those dams, and millions and millions of dollars. And the people that are going to pay those dollars are the ratepayers. We need to streamline this relicensing process not only for dams but for transmission lines, for transmission pipelines, for oil and natural gas and other things.

Some people will say that this policy concentrates too much in one area and not enough in another area. I will tell you there are no silver bullets. We cannot conserve our way out of this problem. We cannot find enough oil or natural gas to get ourselves out of this problem. Nuclear power will not do it. It takes a combination of all of the efforts that we can bring to bear on this problem.

Conservation, renewable new sources of energy, new technologies, clean coal, new exploration, and nuclear energy, those are the things that are going to be necessary if we are going to address this energy crisis in the long term. And if we do not address this energy crisis in the long term, it will be back to visit us again.

Madam Speaker, I am glad that we have a President that recognizes the importance of reliable, affordable energy and the impact that it has on our economy, and I look forward to working with him to enact this policy.

CORRECTION OF PROCEEDINGS OF MAY 16, 2001, PAGE H2247

Ms. JACKSON-LEE of Texas. Mr. Chairman, I ask unanimous consent to speak out of order for 1 minute.

The CHAIRMAN pro tempore (Mr. SIMPSON). Is there objection?

Mr. FOLEY. Mr. Chairman, reserving the right to object.

The CHAIRMAN pro tempore. The gentleman from Florida (Mr. FOLEY) reserves the right to object.

Mr. FOLEY. I do, but I would like to hear the pending request from the gentlewoman.

Ms. JACKSON-LEE of Texas. I thank the Chairman very much.

First, let me thank the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS), they know that I tried to get an amendment in dealing with the human rights violations of Ethiopia. All I expect to do today is to indicate that thousands of students have been detained and they have been released, but——

Mr. FOLEY. I object.

The CHAIRMAN pro tempore. The gentleman from Florida (Mr. FOLEY) objects.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. KILPATRICK (at the request of Mr. GEPHARDT) for today on account of business in the district.

Mr. GANSKE (at the request of Mr. ARMEY) for today on account of traveling with the President.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BENTSEN) to revise and extend their remarks and include extraneous material:)

Ms. NORTON, for 5 minutes, today.

Mr. SCHIFF, for 5 minutes, today.

Mr. LAMPSON, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mr. LANGEVIN, for 5 minutes, today.

Mr. ENGEL, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mr. BENTSEN, for 5 minutes, today.

ADJOURNMENT

Mr. SIMPSON. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 57 minutes p.m.), under its previous order, the House adjourned until Monday, May 21, 2001, at 12:30 p.m., for morning hour debates.

OATH OF OFFICE MEMBERS, RESIDENT COMMISSIONER, AND DELEGATES

The oath of office required by the sixth article of the Constitution of the United States, and as provided by section 2 of the act of May 13, 1884 (23 Stat. 22), to be administered to Members, Resident Commissioner, and Delegates of the House of Representatives, the text of which is carried in 5 U.S.C. 3331:

> I, AB, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God.

has been subscribed to in person and filed in duplicate with the Clerk of the House of Representatives by the following Member of the 107th Congress, pursuant to the provisions of 2 U.S.C. 25:

Honorable BILL SHUSTER, Ninth Pennsylvania.

OATH FOR ACCESS TO CLASSIFIED INFORMATION

Under clause 13 of rule XXIII, the following Members executed the oath for access to classified information:

Neil Abercrombie, Aníbal Acevedo-Vilá, Gary L. Ackerman, Robert B. Aderholt, W. Todd Akin, Thomas H. Allen, Robert E. Andrews, Richard K. Armey, Joe Baca, Spencer Bachus, Brian Baird, Richard H. Baker, John Elias Baldacci, Tammy Baldwin, Cass Ballenger, James A. Barcia, Bob Barr, Roscoe G. Bartlett, Joe Barton, Charles F. Bass, Ken Bentsen, Doug Bereuter, Shelley Berkley, Howard L. Berman, Marion Berry, Judy Biggert, Michael Bilirakis, Sanford D. Bishop, Jr., Rod R. Blagojevich, Earl Blumenauer, Roy Blunt, Sherwood L. Boehlert, John A. Boehner, Henry Bonilla, David E. Bonior, Mary Bono, Robert A. Borski, Leonard L. Boswell, Rick Boucher, Allen Boyd, Kevin Brady, Robert A. Brady, Corrine Brown, Sherrod Brown, Henry E. Brown, Jr., Ed Bryant, Richard Burr, Dan Burton, Steve Buyer, Sonny Callahan, Ken Calvert, Dave Camp, Chris Cannon, Eric Cantor, Shelley Moore Capito, Lois Capps, Michael E. Capuano, Benjamin L. Cardin, Brad Carson, Julia Carson, Michael N. Castle, Steve Chabot, Saxby Chambliss, Donna M. Christensen, Wm. Lacy Clay, Eva M. Clayton, Bob Clement, James E. Clyburn, Howard Coble, Mac Collins, Larry Combest, Gary A. Condit, John Cooksey, Jerry F. Costello, Christopher Cox, William J. Coyne, Robert E. (Bud) Cramer, Jr., Philip M. Crane, Ander Crenshaw, Joseph Crowley, Barbara Cubin, John A. Culberson, Elijah E. Cummings, Randy "Duke" Cunningham, Danny K. Davis, Jim Davis, Jo Ann Davis, Susan A. Davis, Tom M. Davis, Nathan Deal, Peter A. DeFazio, Diana DeGette, William D. Delahunt, Rosa L. DeLauro, Tom DeLay, Jim DeMint, Peter Deutsch, Lincoln Diaz-Balart, Norman D. Dicks, John D. Dingell, Lloyd Doggett, Calvin M. Dooley, John T. Doolittle, Michael F. Doyle, David Dreier, John J. Duncan, Jr., Jennifer Dunn, Chet Edwards, Vernon J. Ehlers, Robert L. Ehrlich, Jr., Jo Ann Emerson, Eliot L. Engel, Phil English, Anna G. Eshoo, Bob Etheridge, Lane Evans, Terry Everett, Eni F.H. Faleomavaega, Sam Farr, Chaka Fattah, Mike Ferguson, Bob Filner, Jeff Flake, Ernie Fletcher, Mark Foley, Harold E. Ford, Jr., Vito Fossella, Barney Frank, Rodney P. Frelinghuysen, Martin Frost, Elton Gallegly, Greg Ganske, George W. Gekas, Richard A. Gephardt, Jim Gibbons, Wayne T. Gilchrest, Paul E. Gillmor, Benjamin A. Gilman, Charles A. Gonzalez, Virgil H. Goode, Jr., Bob Goodlatte, Bart Gordon, Porter J. Goss, Lindsey O. Graham, Kay Granger, Sam Graves, Gene Green, Mark Green, James C. Greenwood, Felix J. Grucci, Jr., Gil Gutknecht, Ralph M. Hall, Tony P. Hall, James V. Hansen, Jane Harman, Melissa A. Hart, J. Dennis Hastert, Alcee L. Hastings, Doc Hastings, Robin Hayes, J. D. Hayworth, Joel Hefley, Wally Herger, Baron P. Hill, Van Hilleary, Earl F. Hilliard, Maurice D. Hinchey, David L. Hobson, Joseph M. Hoeffel, Peter Hoekstra, Tim Holden, Rush D. Holt, Michael M. Honda, Darlene Hooley, Stephen Horn, John N. Hostettler, Amo Houghton, Steny H. Hoyer, Kenny C. Hulshof, Duncan Hunter, Asa Hutchinson, Henry J. Hyde, Jay Inslee, Johnny Isakson, Steve Israel, Darrell E. Issa, Ernest J. Istook, Jr., Jesse L. Jackson, Jr., Sheila Jackson-Lee, William J. Jefferson, William L. Jenkins, Christopher John, Eddie Bernice Johnson, Nancy L. Johnson, Sam Johnson, Timothy V. Johnson, Stephanie Tubbs Jones, Walter B. Jones, Paul E. Kanjorski, Marcy Kaptur, Ric Keller, Sue W. Kelly, Mark R. Kennedy, Patrick J. Kennedy, Brian D. Kerns, Dale E. Kildee, Carolyn C. Kilpatrick, Ron Kind, Peter T. King, Jack Kingston, Mark Steven Kirk, Gerald D. Kleczka, Joe Knollenberg, Jim Kolbe, Dennis J. Kucinich, John J. LaFalce, Ray LaHood, Nick Lampson, James R. Langevin, Tom Lantos, Steve Largent, Rick Larsen, John B. Larson, Tom Latham, Steven C. LaTourette, James A. Leach, Barbara Lee, Sander M. Levin, Jerry Lewis, John Lewis, Ron Lewis, John Linder, William O. Lipinski, Frank A. LoBiondo, Zoe Lofgren, Nita M. Lowey, Frank D. Lucas, Ken Lucas, Bill Luther, Carolyn B. Maloney, James H. Maloney, Donald A. Manzullo, Edward J. Markey, Frank Mascara, Jim Matheson, Robert T. Matsui, Carolyn McCarthy, Karen McCarthy, Betty McCollum, Jim McCrery, John M. McHugh, Scott McInnis, Mike McIntyre, Howard P. McKeon, Cynthia A. McKinney, Michael R. McNulty, Martin T. Meehan, Carrie P. Meek, Gregory W. Meeks, Robert Menendez, John L. Mica, Juanita Millender-McDonald, Dan Miller, Gary G. Miller, Patsy T. Mink, John Joseph Moakley, Alan B. Mollohan, Dennis Moore, James P. Moran, Jerry Moran, Constance A. Morella, John P. Murtha, Sue Wilkins Myrick, Jerrold Nadler, Grace F. Napolitano, Richard E. Neal, George R. Nethercutt, Jr., Robert W. Ney, Anne M. Northup, Eleanor Holmes Norton, Charlie Norwood, Jim Nussle, James L. Oberstar, David R. Obey, John W. Olver, Solomon P. Ortiz, Tom Osborne, Doug Ose, C.L. Otter, Major R. Owens, Michael G. Oxley, Frank Pallone, Jr., Bill Pascrell, Jr., Ed Pastor, Ron Paul, Nancy Pelosi, Mike Pence, Collin C. Peterson, John E. Peterson, Thomas E. Petri, David D. Phelps, Charles W. Pickering, Joseph R. Pitts, Todd Russell Platts, Richard W. Pombo, Earl Pomeroy, Rob Portman, David E. Price, Deborah Pryce, Adam H. Putnam, Jack Quinn, George Radanovich, Nick J. Rahall, II, Jim Ramstad, Charles B. Rangel, Ralph Regula, Dennis R. Rehberg, Silvestre Reyes, Thomas M. Reynolds, Bob Riley, Lynn N. Rivers, Ciro D. Rodriguez, Tim Roemer, Harold Rogers, Mike Rogers, Dana Rohrabacher, Ileana Ros-Lehtinen, Mike Ross, Steven R. Rothman, Marge Roukema, Edward R. Royce, Bobby L. Rush, Paul Ryan, Jim Ryun, Martin Olav Sabo, Loretta Sanchez, Bernard Sanders, Max Sandlin, Tom Sawyer, Jim Saxton, Joe Scarborough, Bob Schaffer, Janice D. Schakowsky, Adam B. Schiff, Edward L. Schrock, Robert C. Scott, F. James Sensenbrenner, Jr., José E. Serrano, Pete Sessions, John B. Shadegg, E. Clay Shaw, Jr., Christopher Shays, Brad Sherman, Don Sherwood, John Shimkus, Ronnie Shows, Rob Simmons, Michael K. Simpson, Norman Sisisky, Joe Skeen, Ike Skelton, Louise McIntosh Slaughter, Adam Smith, Christopher H. Smith, Lamar S. Smith, Nick Smith, Vic Snyder, Mark E. Souder, Floyd Spence, John N. Spratt, Jr., Cliff Stearns, Charles W. Stenholm, Ted Strickland, Bob Stump, Bart Stupak, John E. Sununu, John E. Sweeney, Thomas G. Tancredo, John S. Tanner, Ellen O. Tauscher, W.J. (Billy) Tauzin, Charles H. Taylor, Gene Taylor, Lee Terry, William M. Thomas, Bennie G. Thompson, Mike Thompson, Mac Thornberry, John R. Thune, Karen L. Thurman, Todd Tiahrt, Patrick J. Tiberi, John F. Tierney, Patrick J. Toomey, James A. Traficant, Jr., Jim Turner, Mark Udall, Robert A. Underwood, Fred Upton, Nydia M. Velázquez, Peter J. Visclosky, David Vitter, Greg Walden, James T. Walsh, Zach Wamp, Maxine Waters, Wes Watkins, Melvin L. Watt, J.C. Watts, Jr., Henry A. Waxman, Anthony D. Weiner, Curt Weldon, Dave Weldon, Jerry Weller, Robert Wexler, Ed Whitfield, Roger F. Wicker, Heather Wilson, Frank R. Wolf, Lynn C. Woolsey, Albert Russell Wynn, C.W. Bill Young, Don Young.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

1965. A letter from the the Director, the Office of Management and Budget, transmitting the cumulative report on rescissions and deferrals of budget authority as of May 1, 2001, pursuant to 2 U.S.C. 685(e); (H. Doc. No. 107–72); to the Committee on Appropriations and ordered to be printed.

1966. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report involving U.S. exports to Venezuela, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Financial Services.

1967. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Changes in Flood Elevation Determinations [Docket No. FEMA–7320] received May 15, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

1968. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Changes in Flood Elevation Determinations [Docket No. FEMA–D–7503] received May 15, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

1969. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—National Flood Insurance Program (NFIP); Letter of Map Revision and Letter of Map Revision Based on Fill Requests (RIN: 3067–AD13) received May 15, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

1970. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Suspension of Community Eligibility [Docket No. FEMA–7761] received May 15, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

1971. A letter from the Acting Chairman, National Credit Union Administration, transmitting notification that the Administration is establishing and adjusting schedules of compensation; to the Committee on Financial Services.

1972. A letter from the Regulations Coordinator, Department of Health and Human Services, transmitting the Department's final rule—Runaway and Homeless Youth Program (RIN: 0970–AC04) received May 15, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

1973. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Final Effective Date Modification for the Determination of Nonattainment as of November 15, 1996, and Reclassification of the St. Louis Ozone Nonattainment Area; States of Missouri and Illinois [FRL–6980–7] received May 11, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1974. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; State of Missouri [MO 121-1121; FRL-6980-8] received May 11, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1975. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Delaware; Nitrogen Oxides Budget Trading Program [DE 054-1031a; FRL-6981-4] received May 11, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1976. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Determination of Attainment of the NAAQS for PM-10 in the Weirton, West Virginia Nonattainment Area [WV057-6016; FRL-6979-8] received May 11, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1977. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting presidential certification and a memorandum of justification to permit U.S. contributions to the International Fund for Ireland with FY 2000 and 2001 Funds; to the Committee on International Relations.

1978. A letter from the Deputy Associate Administrator, Office of Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Electronic and Information Technology Accessibility [FAC 97-27; FAR Case 1999-607] (RIN: 9000-AI69) received May 1, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

1979. A letter from the Director, Selective Service System, transmitting the Performance Measurement Plan for FY 2002; to the Committee on Government Reform.

1980. A letter from the Director, Selective Service System, transmitting the FY 2000 Performance Report; to the Committee on Government Reform.

1981. A letter from the Secretary, Department of the Interior, transmitting the Department's report on the administration of the Marine Mammal Protection Act of 1972, pursuant to 16 U.S.C. 1373(f); to the Committee on Resources.

1982. A letter from the Acting Director, Office of Surface Mining, Department of the Interior, transmitting the Department's final rule—North Dakota Regulatory Program [ND-040-FOR; North Dakota State Program Amendment XXIX] received May 14, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1983. A letter from the Acting Assistant Administrator for Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Northeastern United States; Final 2001 Specifications for the Atlantic Bluefish Fishery; Regulatory Amendment [Docket No. 010208032-1109-02; I.D. 121200L] (RIN: 0648-AM47) received May 14, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1984. A letter from the Acting Assistant Administrator for Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Northeastern United States; Spiny Dogfish Fishery; 2001 Specifications [Docket No. 010319071-1103-02; I.D. 030101H] (RIN: 0648-AN71) received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1985. A letter from the Director, Federal Emergency Management Agency, transmitting notification that funding under title V of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, will exceed $5 million for the response to the emergency declared on January 24, 2001 as a result of snow which severely impacted the State of Wisconsin on December 11-31, 2000, pursuant to 42 U.S.C. 5193; to the Committee on Transportation and Infrastructure.

1986. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Pratt and Whitney PW4000 Series Turbofan Engines [Docket No. 2001-NE-09; Amendment 39-12212; AD 2001-08-52] (RIN: 2120-AA64) received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1987. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Dornier Model 328-300 Series Airplanes Equipped with Motive Flow Check Valves Having Part Number 106-0007-01 [Docket No. 2001-NM-45-AD; Amendment 39-12209; AD 2001-09-04] (RIN: 2120-AA64) received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1988. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A330 and A340 Series Airplanes [Docket No. 2000-NM-352-AD; Amendment 39-12214; AD 2001-09-09] (RIN: 2120-AA64) received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1989. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Sikorsky Aircraft Corporation Model S-76A Helicopters [Docket No. 2000-SW-40-AD; Amendment 39-12216; AD 94-14-20 R1] (RIN: 2120-AA64) received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1990. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 707 and 720 Series Airplanes [Docket No. 2001-NM-42-AD; Amendment 39-12179; AD 2001-08-02] (RIN: 2120-AA64) received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1991. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Gulfstream Model G-1159, G-1159A, G-1159B, G-IV and G-V Series Airplanes [Docket No. 2001-NM-83-AD; Amendment 39-12191; AD 2001-08-13] (RIN: 2120-AA64) received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1992. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC-8 Series Airplanes [Docket No. 99-NM-275-AD; Amendment 39-12196; AD 2001-08-19] (RIN: 2120-AA64) received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1993. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC-8 Series Airplanes [Docket No. 99-NM-274-AD; Amendment 39-12195; AD 2001-08-18] (RIN: 2120-AA64) received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1994. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC-8 Series Airplanes [Docket No. 99-NM-273-AD; Amendment 39-12194; AD 2001-08-17] (RIN: 2120-AA64) received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1995. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A340 Series Airplanes Equipped with CFM International CFM56-5C Engines [Docket No. 2000-NM-180-AD; Amendment 39-12189; AD 2001-08-12] (RIN: 2120-AA64) received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1996. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 777-200 Series Airplanes [Docket No. 2001-NM-73-AD; Amendment 39-12180; AD 2001-08-03] (RIN: 2120-AA64) received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1997. A letter from the Regulations Officer, FHA, Department of Transportation, transmitting the Department's final rule—Federal-Aid Project Agreement [FHWA Docket No. 2000-7426] (RIN: 2125-AE77) received May 14, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1998. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 757-200, and -300 Series Airplanes [Docket No. 99-NM-124-AD; Amendment 39-12206; AD 2001-09-01] (RIN: 2120-AA64) received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1999. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; JanAero Devices 14D11 and 23D04 Series Fuel Regulator and Shutoff Valves [Docket No. 2001-CE-02-AD; Amendment 39-12178; AD 2001-08-01] (RIN: 2120-AA64) received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2000. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A300 B4-620, A310-203, A310-221, and A310-222 Series Airplanes (RIN: 2120-AA64) received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2001. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; MD Helicopters Inc. Model MD-900 Helicopters [Docket No. 2000-SW-15-AD; Amendment 39-12175; AD 2001-07-09] (RIN: 2120-AA64) received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2002. A letter from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans' Affairs, transmitting the Department's final rule—U.S. Flags for Burials of Certain Members of the Selected Reserve (RIN: 2900–AK56) received May 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. GEKAS (for himself, Mr. SENSENBRENNER, Mr. KING, and Ms. ROS-LEHTINEN):

H.R. 1885. A bill to expand the class of beneficiaries who may apply for adjustment of status under section 245(i) of the Immigration and Nationality Act by extending the deadline for classification petition and labor certification filings, and for other purposes; to the Committee on the Judiciary.

By Mr. COBLE:

H.R. 1886. A bill to amend title 35, United States Code, to provide for appeals by third parties in certain patent reexamination proceedings; to the Committee on the Judiciary.

By Mrs. MORELLA (for herself, Mr. TOM DAVIS of Virginia, Mr. HOYER, Mr. MORAN of Virginia, Mr. PLATTS, and Mrs. MINK of Hawaii):

H.R. 1887. A bill to amend the Law Enforcement Pay Equity Act of 2000 to permit certain annuitants of the retirement programs of the United States Park Police and United States Secret Service Uniformed Division to receive the adjustments in pension benefits to which such annuitants would otherwise be entitled as a result of the conversion of members of the United States Park Police and United States Secret Service Uniformed Division to a new salary schedule under the amendments made by such Act; to the Committee on Government Reform.

By Mr. ANDREWS:

H.R. 1888. A bill to eliminate corporate welfare; to the Committee on Ways and Means, and in addition to the Committees on Resources, Agriculture, Energy and Commerce, Transportation and Infrastructure, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BARCIA (for himself and Mr. WU):

H.R. 1889. A bill to improve the utilization of educational technologies in elementary and secondary education by creating an educational technology extension service; to the Committee on Science, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ISTOOK (for himself, Mr. CUNNINGHAM, Mr. MILLER of Florida, Mrs. NORTHUP, and Mr. WICKER):

H.R. 1890. A bill to amend the National Labor Relations Act to provide for inflation adjustments to the mandatory jurisdiction thresholds of the National Labor Relations Board; to the Committee on Education and the Workforce.

By Mr. BRYANT (for himself and Mr. GORDON):

H.R. 1891. A bill to amend section 211 of the Clean Air Act to eliminate the phase-in period for the reduction of sulfur content in diesel fuel; to the Committee on Energy and Commerce.

By Mr. CALVERT (for himself, Mr. ISSA, Ms. WOOLSEY, Ms. LOFGREN, Mr. FRANK, Mr. SMITH of New Jersey, Mr. TERRY, Mr. KUCINICH, Mr. CANNON, Ms. ROYBAL-ALLARD, Mrs. CLAYTON, Mr. LEWIS of California, and Mr. CRANE):

H.R. 1892. A bill to amend the Immigration and Nationality Act to provide for the acceptance of an affidavit of support from another eligible sponsor if the original sponsor has died and the Attorney General has determined for humanitarian reasons that the original sponsor's classification petition should not be revoked; to the Committee on the Judiciary.

By Mrs. CLAYTON (for herself and Ms. CARSON of Indiana):

H.R. 1893. A bill to direct the Secretary of Education to conduct a study of the relative value of General Equivalency Diplomas and a review of policies and procedures to determine how the Department of Education can better serve the Nation's educational needs, and for other purposes; to the Committee on Education and the Workforce.

By Mrs. CLAYTON (for herself, Mrs. EMERSON, Mr. PAYNE, Mr. BEREUTER, Ms. KAPTUR, Mr. LEACH, Ms. PELOSI, Mr. OSBORNE, Ms. ROYBAL-ALLARD, Mr. GILMAN, Mr. SERRANO, Mr. BOEHLERT, Mr. BISHOP, Mrs. MORELLA, Mr. BALDACCI, Mr. HOUGHTON, and Mr. HASTINGS of Florida):

H.R. 1894. A bill to supplement current activities in the exchange of agricultural and farming expertise by establishing a grant program to support bilateral exchange programs whereby African American and other American farmers share technical knowledge with African and Caribbean Basin farmers regarding maximization of crop yields, use of risk management tools, expansion of agricultural trade, use of new financial instruments to increase access to credit, and other ways to improve farming methods, and for other purposes; to the Committee on Agriculture, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. COLLINS (for himself, Mr. CARDIN, Mr. UDALL of Colorado, Mr. SAM JOHNSON of Texas, Mr. BLUNT, Mr. RAMSTAD, Mr. HORN, Mr. SHOWS, and Mr. MILLER of Florida):

H.R. 1895. A bill to amend the Internal Revenue Code of 1986 to establish a 2-year recovery period for depreciation of computers and peripheral equipment used in manufacturing; to the Committee on Ways and Means.

By Mr. DOOLEY of California:

H.R. 1896. A bill to provide assistance to States to expand and establish drug abuse treatment programs to enable such programs to provide services to individuals who voluntarily seek treatment for drug abuse; to the Committee on Energy and Commerce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ENGEL (for himself, Mrs. BONO, and Mrs. MCCARTHY of New York):

H.R. 1897. A bill to amend the Public Health Service Act and the Internal Revenue Code to help solve the worsening shortage of registered nurses in hospitals and continuing care settings, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FLAKE:

H.R. 1898. A bill to amend the Arms Export Control Act to update the export licensing requirements under that Act, and for other purposes; to the Committee on International Relations.

By Mr. GILLMOR (for himself, Mr. BEREUTER, Mrs. JONES of Ohio, and Mr. NEY):

H.R. 1899. A bill to amend the Federal Deposit Insurance Act with respect to municipal deposits; to the Committee on Financial Services.

By Mr. GREENWOOD (for himself and Mr. SCOTT):

H.R. 1900. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide quality prevention programs and accountability programs relating to juvenile delinquency, and for other purposes; to the Committee on Education and the Workforce.

By Mr. KIND:

H.R. 1901. A bill to modify the manner in which the wage index adjustment to payments under the Medicare Program to hospitals for inpatient hospital services is calculated; to the Committee on Ways and Means.

By Mr. LANGEVIN (for himself, Mr. KENNEDY of Rhode Island, and Mr. FRANK):

H.R. 1902. A bill to amend the Fair Labor Standards Act of 1938 to prohibit forced overtime hours for certain health care employees who provide care to patients; to the Committee on Education and the Workforce.

By Mr. LANGEVIN (for himself, Mr. LANTOS, and Mr. BRADY of Pennsylvania):

H.R. 1903. A bill to establish a demonstration grant program to assist States in providing subsidies for group health insurance premiums for low-income, Medicaid-eligible individuals; to the Committee on Energy and Commerce.

By Ms. LOFGREN (for herself and Mr. CANNON):

H.R. 1904. A bill to establish an Office of Children's Services within the Department of Justice to coordinate and implement Government actions involving unaccompanied alien children, and for other purposes; to the Committee on the Judiciary.

By Mr. MALONEY of Connecticut:

H.R. 1905. A bill to amend title XVIII of the Social Security Act to assure access of Medicare beneficiaries to prescription drug coverage through the NICE drug benefit program; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. MINK of Hawaii (for herself and Mr. ABERCROMBIE):

H.R. 1906. A bill to amend the Act that established the Pu'uhonua O Honaunau National Historical Park to expand the boundaries of that park; to the Committee on Resources.

By Ms. NORTON (for herself, Mr. ACEVEDO-VILA, Mr. BACA, Mr. BISHOP, Ms. BROWN of Florida, Ms. CARSON of Indiana, Mrs. CHRISTENSEN, Mr. CLAY, Mrs. CLAYTON, Mr. CLYBURN, Mr.

Cummings, Mr. Davis of Illinois, Mr. Fattah, Mr. Ford, Mr. Hastings of Florida, Mr. Hilliard, Mr. Jackson of Illinois, Ms. Jackson-Lee of Texas, Mr. Jefferson, Ms. Eddie Bernice Johnson of Texas, Ms. Kilpatrick, Ms. Lee, Mr. Lewis of Georgia, Ms. McKinney, Mrs. Meek of Florida, Mr. Meeks of New York, Mr. Menendez, Ms. Millender-McDonald, Mr. Owens, Mr. Payne, Mr. Rangel, Mr. Rush, Mr. Scott, Mr. Thompson of Mississippi, Mr. Towns, Mrs. Jones of Ohio, Mr. Underwood, Ms. Waters, Mr. Watt of North Carolina, and Mr. Wynn):

H.R. 1907. A bill to amend title 23, United States Code, to require States to adopt and enforce standards that prohibit the use of racial profiling in the enforcement of State laws regulating the use of Federal-aid highways, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. NUSSLE (for himself, Mr. Pomeroy, and Mr. Ramstad):

H.R. 1908. A bill to amend the Internal Revenue Code of 1986 to clarify the exemption from tax for small property and casualty insurance companies; to the Committee on Ways and Means.

By Mr. RANGEL (for himself, Mr. Cardin, Mr. Coyne, Mr. McNulty, Mrs. Thurman, and Mr. Stark):

H.R. 1909. A bill to amend part B of title IV of the Social Security Act to create a grant program to promote joint activities among Federal, State, and local public child welfare and alcohol and drug abuse prevention and treatment agencies; to the Committee on Ways and Means.

By Mr. SAXTON:

H.R. 1910. A bill to deny Federal public benefits to individuals who were participants in Nazi persecution; to the Committee on the Judiciary, and in addition to the Committee on Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SAXTON (for himself, Mr. Moran of Kansas, Mr. Andrews, Mr. LoBiondo, and Mr. King):

H.R. 1911. A bill to establish a demonstration project to provide for Medicare reimbursement for health care services provided to certain Medicare-eligible veterans in selected facilities of the Department of Veterans Affairs; to the Committee on Ways and Means, and in addition to the Committees on Veterans' Affairs, and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SIMMONS:

H.R. 1912. A bill to amend the Individuals with Disabilities Education Act to provide full funding for assistance for education of all children with disabilities; to the Committee on Education and the Workforce.

By Mr. SKEEN:

H.R. 1913. A bill to require the valuation of nontribal interest ownership of subsurface rights within the boundaries of the Acoma Indian Reservation, and for other purposes; to the Committee on Resources.

By Mr. SMITH of Michigan (for himself and Ms. Baldwin):

H.R. 1914. A bill to extend for 4 additional months the period for which chapter 12 of title 11 of the United States Code is reenacted; to the Committee on the Judiciary.

By Mr. SMITH of Michigan:

H.R. 1915. A bill to amend the Internal Revenue Code of 1986 to suspend for six months the 4.3 cent increase in motor fuel taxes enacted in 1993; to the Committee on Ways and Means.

By Mr. WAMP (for himself and Mr. Stupak):

H.R. 1916. A bill to provide for the establishment, use, and enforcement of a consistent and comprehensive system for labeling violent content in audio and visual media products; to the Committee on Energy and Commerce.

By Mr. LANGEVIN (for himself, Mr. Frank, and Mr. Wexler):

H.J. Res. 49. A joint resolution requiring a study and report on reducing discriminatory pricing of health services for the uninsured to improve access to needed health care services; to the Committee on Energy and Commerce.

By Mr. SUNUNU (for himself, Mr. Bass, Mr. Baldacci, and Mr. Allen):

H. Con. Res. 137. Concurrent resolution honoring the 129 sailors and civilians lost aboard the U.S.S. Thresher on April 10, 1963, and urging the Secretary of the Army to erect a memorial to this tragedy in Arlington National Cemetery; to the Committee on Armed Services, and in addition to the Committee on Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. OSE:

H. Con. Res. 138. Concurrent resolution supporting the goals and ideas of National Community Residential Care Month; to the Committee on Government Reform.

By Mr. JONES of North Carolina:

H. Res. 144. A resolution expressing the sense of the House of Representatives that bonuses for managerial personnel of the United States Postal Service should not be awarded in any year in which the Postal Service anticipates that it will operate at a deficit or in which a general increase in postal rates has been requested, has gone into effect, or is likely to become effective; to the Committee on Government Reform.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 13: Mr. Shaw, Ms. McKinney, Mr. Lewis of Kentucky, Mr. DeFazio, and Mr. Herger.

H.R. 31: Mr. Flake.

H.R. 94: Mrs. Christensen.

H.R. 144: Mr. Abercrombie.

H.R. 157: Mr. Visclosky.

H.R. 168: Mr. Terry.

H.R. 192: Mr. Shadegg.

H.R. 214: Mrs. Christensen.

H.R. 239: Mrs. Maloney of New York, Mr. Leach, Mrs. Biggert, Mr. Weldon of Pennsylvania, Mr. Rohrabacher, Mrs. Capps, and Ms. DeGette.

H.R. 296: Mr. Barrett.

H.R. 300: Mr. Terry.

H.R. 326: Mr. Brown of Ohio and Mr. Strickland.

H.R. 396: Mr. Murtha.

H.R. 425: Mr. Frank.

H.R. 436: Mr. Schiff.

H.R. 460: Ms. Woolsey.

H.R. 476: Mr. Hostettler.

H.R. 477: Mr. Langevin, Mr. Bonior, and Mr. Ferguson.

H.R. 518: Mr. Hobson.

H.R. 526: Mrs. Napolitano and Mr. Mascara.

H.R. 527: Mr. Linder, Mr. Tiahrt, and Mr. Bachus.

H.R. 572: Mr. Weldon of Florida and Mr. Smith of New Jersey.

H.R. 598: Mr. Crowley and Mr. Gutierrez.

H.R. 606: Mr. Larsen of Washington and Mr. Ortiz.

H.R. 610: Mr. Johnson of Illinois.

H.R. 638: Mrs. Maloney of New York.

H.R. 677: Mr. Visclosky and Mr. McHugh.

H.R. 687: Mr. Murtha.

H.R. 690: Mr. Pallone.

H.R. 716: Mr. Thompson of Mississippi and Mr. Cantor.

H.R. 718: Ms. Jackson-Lee of Texas.

H.R. 746: Mr. Goodlatte and Ms. Carson of Indiana.

H.R. 781: Mr. Brady of Pennsylvania, Mr. Condit, Mr. Ackerman, Mr. Thompson of Mississippi, Mr. Smith of Washington, Mr. Neal of Massachusetts, Mr. Rahall, Mr. Skelton and Mr. LaFalce.

H.R. 794: Mr. Barcia, Mr. Thornberry, Mr. Cramer, and Mr. Hinojosa.

H.R. 808: Mr. Weldon of Pennsylvania, Mr. Boehlert, Mr. Honda, Mr. Bentsen, Mr. Udall of New Mexico, Mr. Ehrlich, Ms. Pelosi, Mr. Thompson of California, Mr. Tanner, Mr. Platts, and Mr. Hinojosa.

H.R. 822: Mrs. McCarthy of New York.

H.R. 826: Mr. Green of Wisconsin, Mr. McHugh, and Mr. Graham.

H.R. 830: Mr. Largent, Mr. Faleomavaega, Ms. Sanchez, and Mr. Schrock.

H.R. 848: Mr. Coyne, Mrs. Napolitano, Ms. Norton, Mr. Dooley of California, Mr. Hinojosa, Mr. Waxman, Mr. Price of North Carolina, Mr. Turner, and Mr. George Miller of California.

H.R. 876: Mr. Jefferson and Mr. Sherman.

H.R. 902: Mr. Smith of Washington, Mr. Cantor, and Mr. Strickland.

H.R. 909: Mr. Watkins.

H.R. 912: Ms. Dunn and Mr. Rohrabacher.

H.R. 914: Mr. Bartlett of Maryland.

H.R. 917: Mrs. McCarthy of New York.

H.R. 921: Mr. Kolbe and Mrs. Christensen.

H.R. 951: Mr. Baker, Mr. Carson of Oklahoma, Mr. Cramer, Mr. Towns, Mr. Schrock, Mrs. Wilson, Mr. Otter, Mr. Crane, Mr. Wolf, and Mrs. Myrick.

H.R. 968: Mr. King, Mr. Honda, Mr. Callahan, Mr. Camp, and Mr. Goodlatte.

H.R. 975: Mr. Oberstar, Mrs. Maloney of New York, Mrs. Christensen, and Mr. Sweeney.

H.R. 990: Mrs. Clayton, Mr. Kildee, Mr. Platts, Mr. LaTourette, and Mr. Kolbe.

H.R. 1004: Mr. McGovern and Mr. Hastings of Florida.

H.R. 1011: Mr. Clement, Mr. Skeen, and Mr. Baldacci.

H.R. 1012: Mrs. Jo Ann Davis of Virginia, Mr. Upton, Mr. McGovern, and Mr. Pascrell.

H.R. 1013: Mr. Frost.

H.R. 1020: Mr. Lucas of Oklahoma, Mr. Johnson of Illinois, Mr. Schaffer, Mr. Snyder, Mr. Costello, Mr. Kennedy of Minnesota, Mr. Bereuter, Mr. Boswell, Mr. Hutchinson, Mr. McIntyre, Mr. LoBiondo, Mr. Hoeffel, and Mr. Thompson of California.

H.R. 1041: Mr. Platts, Mrs. Johnson of Connecticut, and Mr. Greenwood.

H.R. 1052: Mr. Waxman.

H.R. 1055: Mr. Kucinich.

H.R. 1056: Mr. Kucinich.

H.R. 1057: Mr. Kucinich.

H.R. 1058: Mr. Kucinich.

H.R. 1059: Mr. Kucinich.

H.R. 1060: Ms. Sanchez, Mrs. Clayton, and Mr. Kucinich.

H.R. 1061: Mr. Kucinich.

H.R. 1097: Mr. Boswell.

H.R. 1102: Mr. Watts of Oklahoma, Mr. Chambliss, Mr. Bachus, Mr. Isakson, Mr. Norwood, Mr. Callahan, and Mr. Spratt.

H.R. 1110: Mr. Largent and Mr. Turner.

H.R. 1143: Mr. Olver, Mr. Crowley, Mr. Moran of Virginia, Mr. Hastings of Florida, and Mr. Smith of Washington.

H.R. 1192: Mr. Boswell.

H.R. 1198: Mr. Davis of Illinois, Mrs. Mink of Hawaii, Mr. Towns, Ms. McKinney, Mr. Stark, and Mr. Wu.

H.R. 1214: Mrs. Johnson of Connecticut and Mr. Cramer.

H.R. 1266: Mr. Price of North Carolina.

H.R. 1273: Mr. McInnis, Mr. Rogers of Kentucky, and Mr. Weldon of Florida.

H.R. 1296: Mr. Sanders, Mr. Reyes, Mr. Bentsen, Mr. Edwards, Mrs. Morella, and Mr. John.

H.R. 1304: Mr. Radanovich and Mr. Filner.

H.R. 1305: Mr. Cramer, Mr. Hilliard, Mr. Young of Alaska, and Mr. Whitfield.

H.R. 1329: Mr, Gordon.

H.R. 1344: Mr. Capuano and Mr. Thompson of California.

H.R. 1354: Mr. Evans and Mrs. Mink of Hawaii.

H.R. 1363: Mr. Kennedy of Rhode Island.

H.R. 1366: Mr. McKeon, Mr. Gallegly, and Mr. Pombo.

H.R. 1367: Mr. Hayes.

H.R. 1383: Ms. Woolsey, Mr. George Miller of California, Mr. Largent, Mr. Putnam, Mr. Honda, Mrs. Wilson, Ms. Slaughter, Ms. Pelosi, Ms. Roybal-Allard, Mr. Smith of Washington, Mr. Inslee, Ms. Brown of Florida, Mr. Baca, Mr. Nethercutt, Mr. Dingell, Mr. Rangel, Ms. Kilpatrick, Mr. Matheson, Mr. Barrett, Mr. Blumenauer, Mr. Rahall, Mr. Matsui, Mr. Tierney, Mr. Sandlin, Mr. Sherman, Mr. Larsen of Washington, Mr. Hinojosa, Ms. Norton, Ms. Solis, Mr. Gonzalez, Mr. Baird, and Mr. Filner.

H.R. 1411: Mr. Ramstad.

H.R. 1436: Ms. Kilpatrick, Mr. Foley, Ms. Woosley, Mr. Sawyer, Ms. McCarthy of Missouri, Mr. Waxman, Mr. Owens, Mr. Boucher, Mr. Crowley, Mrs. Thurman, Mr. Cooksey, Mr. Moran of Virginia, Mrs. Tauscher, Mr. Lipinski, Mr. Evans, Ms. Baldwin, Mrs. Morella, Mr. Strickland, Mr. Kucinich, Ms. Norton, Mrs. Davis of California, Mr. King, Ms. McCollum, and Mr. Baird.

H.R. 1466: Mr. Tiberi, Mr. Fossella, and Mr. Tiahrt.

H.R. 1490: Mr. Rahall, Mr. Moran of Virginia, Mr. Allen, Mrs. McCarthy of New York, Mr. Hilleary, Mr. Tierney, and Mr. Olver.

H.R. 1494: Mr. LaFalce.

H.R. 1504: Mrs. Tauscher, Mr. Frost, and Mr. Kirk.

H.R. 1506: Mr. Boucher.

H.R. 1507: Mr. Blunt, Mr. Maloney of Connecticut, Mr. Baldacci, Mr. Gutknecht, Mr. Hutchinson, and Mr. Shadegg.

H.R. 1509: Mr. Brown of Ohio and Ms. Rivers.

H.R. 1536: Ms. Harman, Mr. Clement, Ms. Solis, and Mr. Strickland.

H.R. 1581: Mr. Crane, Mr. Mica, and Mr. Abercrombie.

H.R. 1585: Mrs. Thurman, Mr. Frost, Mr. Clyburn, Ms. Carson of Indiana and Ms. Roybal-Allard.

H.R. 1587: Mr. Bonior, Mr. Acevedo-Vilá, Mr. Costello, and Ms. Harman.

H.R. 1594: Ms. McCollum, Mr. Udall of Colorado, and Mr. Olver.

H.R. 1596: Mrs. Clayton, Mr. Terry, Mr. Kolbe, Mrs. Mink of Hawaii, Mr. Shows, and Mrs. Tauscher.

H.R. 1598: Ms. Eshoo, Mr. Greenwood, and Mr. Kucinich.

H.R. 1600: Mr. Cardin.

H.R. 1601: Mr. Udall of Colorado and Mrs. Cubin.

H.R. 1605: Mrs. Thurman and Mr. Deutsch.

H.R. 1613: Mr. Watt of North Carolina, Mr. Schiff, and Mr. LoBiondo.

H.R. 1620: Ms. Harman and Mr. Andrews.

H.R. 1621: Mr. Lantos.

H.R. 1626: Mrs. Thurman.

H.R. 1642: Mr. Owens, Mr. Brown of Ohio, Mr. Oberstar, Mr. Lewis of Georgia, Mr. Brady of Pennsylvania, Mr. Costello, Mr. Moran of Virginia, Mr. Cummings, Mr. Tierney, Ms. Rivers, and Mr. Hinojosa.

H.R. 1644: Mr. Bryant, Mr. LaFalce, Mr. Hilleary, Mr. Schaffer, Mr. Barton of Texas, Mr. Barr of Georgia, and Mr. Goodlatte.

H.R. 1650: Mr. Jackson of Illinois.

H.R. 1663: Mr. McNulty, Mr. Frank, and Mr. McGovern.

H.R. 1667: Mr. Bonior, Mr. Kildee, and Mr. Conyers.

H.R. 1690: Mr. Hastings of Florida, Ms. Brown of Florida, and Mr. Wynn.

H.R. 1699: Mr. Baker, Mr. Brown of South Carolina, Mr. Cooksey, Mr. DeFazio, Mr. Gilchrest, Mr. Holden, Mr. Kirk, Mr. McGovern, Mr. Simmons, Mr. Tauzin, Mr. Barcia, Mr. Clement, Mr. Crenshaw, Mr. Dicks, Mr. Green of Texas, Mr. Hostettler, Mr. Lipinski, Mr. McIntyre, and Mr. Stupak.

H.R. 1707: Mr. Radanovich.

H.R. 1718: Mr. English, Mr. Shimkus, Mr. McNulty, Ms. DeLauro, and Mr. Leach.

H.R. 1723: Mr. Price of North Carolina, Mr. Grucci, Mr. Deutsch, and Mr. Evans.

H.R. 1734: Mr. Boehlert and Mrs. Cubin.

H.R. 1735: Mr. Radanovich, Mr. Green of Texas, Mr. Rush, and Mr. Shimkus.

H.R. 1760: Mr. Frank and Mr. Bonior.

H.R. 1765: Mr. Blunt.

H.R. 1780: Mr. Rehberg, Mr. Frank, Mr. English, Mr. Green of Wisconsin, Mr. King, Mr. Smith of Michigan, Mr. Ballenger, Mr. McNulty, and Mr. Bonior.

H.R. 1804: Mr. Rush.

H.R. 1806: Mrs. Clayton, Mr. Kucinich, Mr. McDermott, Mr. Serrano, and Mr. Borski.

H.R. 1831: Mr. Green of Texas, Mr. Hall of Texas, Mr. Burr of North Carolina, Mr. Upton, and Mr. Luther.

H.R. 1835: Ms. Dunn and Mr. McNulty.

H.R. 1842: Mr. Kennedy of Rhode Island and Mr. Hinchey.

H.R. 1878: Mr. Obey and Ms. Baldwin.

H. Con. Res. 42: Mr. Moore and Mr. Holt.

H. Con. Res. 45: Mr. Andrews and Mr. Crowley.

H. Con. Res. 56: Mr. Platts, Ms. Hart, Mr. Reyes, Mr. Ryun of Kansas, Mr. Nethercutt, Mr. Clement, Mr. Goodlatte, and Ms. Carson of Indiana.

H. Con. Res. 109: Mr. English, Mr. Spence, Mrs. Thurman, Mrs. Jo Ann Davis of Virginia, Mr. Green of Texas, Mr. McGovern, Mr. King, Mr. Abercrombie, Mr. McHugh, Mr. Goodlatte, and Ms. Harman.

H. Con. Res. 116: Mr. Smith of Michigan and Mr. Bonior.

H. Con. Res. 135: Mr. Wynn and Mr. Lampson.

H. Res. 97: Mr. Nadler.

H. Res. 114: Mr. Wolf, Mr. Lantos, Mr. Souder, Ms. Granger, and Mr. Buyer.

H. Res. 117: Mr. Ackerman and Mr. Capuano.

H. Res. 125: Mr. McGovern, Mr. Wynn, Mr. Cummings, and Mr. Blumenauer.

H. Res. 139: Mrs. Jones of Ohio, Mr. Frank, Mr. Olver, and Mr. Watt of North Carolina.

SENATE—*Thursday, May 17, 2001*

The Senate met at 9 a.m. and was called to order by the Honorable MIKE CRAPO, a Senator from the State of Idaho.

The PRESIDING OFFICER. Today's prayer will be offered by our guest Chaplain, the Reverend Daniel H. Miller, Moss Bluff Assembly of God, Moss Bluff, LA.

PRAYER

The guest Chaplain offered the following prayer:

Eternal God, blessed are You Lord, King of the Universe. We humbly ask for forgiveness for our sins as individuals and as a nation. We thank You for Your blessings, love, and mercy for each of us. We are reminded of our great heritage as one nation under God and thank You for Your blessings on America. We thank You for all of our governmental officials at every level, and we depend on You, O mighty God, for guidance and direction.

Father, I ask Your Holy Spirit, Great Counselor, to direct each Member of this Senate today, each man and each woman, as they see Your divine will, wisdom, and perspective on the issues we have before us as a nation. As Daniel of old prayed, "Blessed be the name of God forever and ever; for wisdom and might are His." We rejoice in the Senators who seek to be right with You so they will know what is right for our Nation.

Lord, the days we live in are challenging to every individual's faith. Help us to look beyond merely the secular realm. I pray that the secularity would not replace spirituality. Give us humble mindedness in place of humanistic materialism.

Now on this day, O Lord, we come to You on behalf of our Nation asking for divine wisdom for every person in this Senate Chamber. Grant them wisdom and courage to face the challenges of this hour. Even though You have given us incredible intelligence, we cannot hope to find the way without Your help, O Lord. Grant us now a brilliant clarity of mind, a rich sweetness of spirit, and a compassionate peace in our souls for the challenges we must face together for the good of these United States of America. In the precious name of Jesus we pray. Amen.

PLEDGE OF ALLEGIANCE

The Honorable MIKE CRAPO led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The assistant legislative clerk read the following letter:

> U.S. SENATE,
> PRESIDENT PRO TEMPORE,
> *Washington, DC, May 17, 2001.*
>
> *To the Senate:*
>
> Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable MIKE CRAPO, a Senator from the State of Idaho, to perform the duties of the Chair.
>
> STROM THURMOND,
> *President pro tempore.*

Mr. CRAPO thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Alaska.

THANKING THE GUEST CHAPLAIN

Mr. STEVENS. Mr. President, for the leader we thank the visiting Chaplain for his prayer.

SCHEDULE

Mr. STEVENS. Today the Senate will begin final remarks on the Dayton amendment with regard to IDEA, with a vote to occur momentarily. There will then be brief remarks and a vote on the Voinovich amendment on Head Start. Therefore, Senators may expect two votes at approximately 9:05 a.m. Under the order, Senator BYRD will be recognized for up to 30 minutes following these votes. The Senate will then begin the 20 hours of consideration of the reconciliation bill. Senators may expect votes throughout the day and into this evening in an effort to use a significant amount of the time on the reconciliation bill. A vote on final passage is expected no later than Monday night.

I thank my colleagues for their attention. I yield the floor.

BETTER EDUCATION FOR STUDENTS AND TEACHERS ACT

The ACTING PRESIDENT pro tempore. The Senate will now resume consideration of S. 1, which the clerk will report.

The assistant legislative clerk read as follows:

> A bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965.

Pending:

Jeffords amendment No. 358, in the nature of a substitute.

Kennedy (for Dodd) amendment No. 382 (to amendment No. 358), to remove the 21st century community learning center program from the list of programs covered by performance agreements.

Biden amendment No. 386 (to amendment No. 358), to establish school-based partnerships between local law enforcement agencies and local school systems, by providing school resource officers who operate in and around elementary and secondary schools.

Voinovich amendment No. 389 (to amendment No. 358), to modify provisions relating to State applications and plans and school improvement to provide for the input of the Governor of the State involved.

Leahy (for Hatch) amendment No. 424 (to amendment No. 358), to provide for the establishment of additional Boys and Girls Clubs of America.

Helms amendment No. 574 (to amendment No. 358), to prohibit the use of Federal funds by any State or local educational agency or school that discriminates against the Boy Scouts of America in providing equal access to school premises or facilities.

Helms amendment No. 648 (to amendment No. 574), in the nature of a substitute.

Dorgan amendment No. 640 (to amendment No. 358), expressing the sense of the Senate that there should be established a joint committee of the Senate and House of Representatives to investigate the rapidly increasing energy prices across the country and to determine what is causing the increases.

Wellstone/Feingold amendment No. 465 (to amendment No. 358), to improve the provisions relating to assessment completion bonuses.

Voinovich amendment No. 443 (to amendment No. 358), to amend the Higher Education Act of 1965 to extend loan forgiveness for certain loans to Head Start teachers.

Dayton modified amendment No. 622 (to amendment No. 358), to amend the Individuals with Disabilities Education Act to fully fund 40 percent of the average per pupil expenditure for programs under part B of such Act.

Hutchinson modified amendment No. 555 (to amendment No. 358), to express the sense of the Senate regarding the Department of Education program to promote access of Armed Forces recruiters to student directory information.

Bond modified amendment No. 476 (to amendment No. 358), to strengthen early childhood parent education programs.

Feinstein modified amendment No. 369 (to amendment No. 358), to specify the purposes for which funds provided under subpart 1 of part A of title I may be used.

AMENDMENT NO. 622

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Mr. KENNEDY. As I understand it, we have 3 minutes; is that correct?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. KENNEDY. I would like to reserve 30 seconds of the time and have 2 and a half minutes for the Senator from Minnesota.

The ACTING PRESIDENT pro tempore. Each side has 1 and a half minutes.

Mr. KENNEDY. I would like to then give 1 minute of my time to the Senator from Minnesota.

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be 3 minutes of explanation prior to the vote on or in relation to the Dayton amendment No. 622.

The Senator from Minnesota.

Mr. DAYTON. I thank the Chair.

I thank the Senator from Massachusetts who long before I came to this body was championing the cause of American schoolchildren, and also his colleague, the chairman of the committee, the Senator from Vermont, and the Senators from Iowa and Nebraska, who coauthored the earlier IDEA amendment. I just want to take their excellent idea and make it even better.

My amendment would accelerate their timetable and mandate 40-percent Federal funding for the cost of special education in 2 years instead of waiting for 6 years. Why? Because this promise was made 25 years ago when the Federal mandates under IDEA were enacted.

Congress then promised the State and local school districts that the Federal Government would pay for 40 percent of their costs. A quarter century later, Federal funding for special education costs average 12 percent nationwide, only 9 percent in my home state of Minnesota. That broken promise affects every schoolchild and every school in Minnesota and, I expect, our entire country. Since every school must provide special education services to every child who needs them, those missing dollars must, in Minnesota, be taken away from other funding for regular education programs. Every student in Minnesota gets shortchanged because the Federal Government has not kept its promise.

Now, I'm told that I may be asked: Where will this money come from? Well, Mr. President, I'm a brand new Senator, and this is my very first amendment to come up for a vote on the Senate floor. So, I'll admit my ignorance. But, I cannot for the life of me, figure out how, in a budget which projects a $5.6 trillion surplus during the next ten years—$2.1 trillion for so-called discretionary spending—there isn't enough money for special education.

Later today, I'm told, we'll be voting on a $1.35 trillion tax cut. Where will that money come from? From the American taxpayers, obviously. So, I'm willing to ask the American Taxpayer, are you willing to share this surplus with American's neediest children? I'm confident that, in Minnesota, the answer would be an overwhelming "Yes." Yes, there is enough money available to us for tax reduction and funding for special education.

To the Members of the Senate today, and to the House and Senate conferees: Can't you find room in your hearts and in your budget to fulfill a twenty-five year broken promise to the children of America with disabilities and with special needs. And to the dedicated teachers who devote their lives to reaching and teaching them.

We have the money to fund this commitment. This is not a budget decision. This is a values decision. This is a priorities decision.

If we aren't willing to finally fulfill a twenty-five year broken promise to America's school children with a small part of a $5.6 trillion surplus, then we have no one to blame, but ourselves.

Mr. President, I urge adoption of my amendment.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. DAYTON. I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I regret that I will have to oppose the amendment by Senator DAYTON. I agree with the intent—to fully fund IDEA as quickly as possible—but it does it too quickly and undermines the Hagel-Harkin amendment that was already passed on this bill. The Hagel-Harkin amendment provides the full funding in 6 years. That is a reasonable yet ambitious timeframe, and it has bipartisan support.

I commend Senator DAYTON for his dedication to provide full funding, but I don't think it can be done in 2 years, so I will oppose the amendment in order to preserve the bipartisan commitment to fully fund IDEA in 6 years as passed in the Hagel-Harkin amendment.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

The Senator from Vermont.

Mr. JEFFORDS. Mr. President, the Senator from Minnesota returns us to a very important issue that we discussed at some length at the outset of the bill before us. Like the Hagel-Harkin amendment which was adopted and incorporated as part of the pending substitute, the amendment would convert the Individuals with Disabilities Education Act to a mandatory spending program.

Unlike the amendment we adopted 2 weeks ago, the Dayton amendment would provide for full funding of IDEA in 2 years. While I fully support that goal, I believe it is too ambitious a timetable.

As we have seen in vote after vote over the past 2 weeks, the Senate believes there are several important funding priorities in education ahead. Neither the budget we adopted nor any budget we are likely to adopt in the future can accommodate the increase the Senator seeks. Yet at the same time we need to fulfill our commitment to fully fund IDEA, we also need to meet our obligation under title I for teacher training, recruitment, and retention, for afterschool care, early education, and a host of other priorities.

So while I support the goal, I think the path taken by the Hagel-Harkin amendment is more reasonable and still very ambitious. I believe we can keep it, and I urge my colleagues to vote against the Dayton amendment.

I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Georgia (Mr. CLELAND) is necessarily absent.

The ACTING PRESIDENT pro tempore. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 34, nays 65, as follows:

[Rollcall Vote No. 110 Leg.]

YEAS—34

Akaka
Baucus
Bayh
Boxer
Breaux
Cantwell
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feinstein
Hollings
Inouye
Johnson
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Stabenow
Torricelli
Wellstone

NAYS—65

Allard
Allen
Bennett
Biden
Bingaman
Bond
Brownback
Bunning
Burns
Byrd
Campbell
Carnahan
Carper
Chafee
Cochran
Collins
Craig
Crapo
DeWine
Domenici
Ensign
Enzi
Feingold
Fitzgerald
Frist
Graham
Gramm
Grassley
Gregg
Hagel
Harkin
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kennedy
Kerry
Kohl
Kyl
Landrieu
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Voinovich
Warner
Wyden

NOT VOTING—1

Cleland

The amendment (No. 622) was rejected.

Mr. KENNEDY. Could we have order, Mr. President? We have another amendment now that we intend to vote on. There is a brief moment or two of explanation, and I think the Members should have the opportunity to listen to the proponents of it. Could we have order?

The ACTING PRESIDENT pro tempore. The Senate will be in order. Senators please take their conversations off the floor.

AMENDMENT NO. 443

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be 3 minutes for explanation prior to a vote on or in relation to the Voinovich amendment No. 443.

The Senator from Ohio.

Mr. VOINOVICH. Mr. President, according to the experts, focusing on the earliest years of a child's life can make the greatest difference in that child's development and learning. One program we all know that makes a difference is Head Start.

In my State, we think so much of Head Start, that when I left office as Governor, Ohio was the only State in the Nation where every eligible child whose parents wanted them to be in the program had a slot open to them.

Unfortunately, Head Start programs typically have a hard time recruiting teachers with a bachelor's or a master's degree generally because of the pay differential between Head Start teachers and elementary and secondary school teachers.

For example, in Ohio today, only 11.3 percent of Head Start teachers have a bachelor's degree. Nationally, it is 22 percent. That needs to change.

The amendment Senator FEINSTEIN and I have offered is designed to encourage college students working on a bachelor's or a master's degree to become a Head Start teacher.

In exchange for a 5-year teaching commitment in a qualified Head Start program, a college graduate with a bachelor's degree or a master's degree could have up to $5,000 of their Federal student loan waived.

President Bush has pledged to improve the cognitive components of Head Start, and to do that, we have to have better teachers.

Hopefully, the $5,000 incentive in our amendment will help us reach the President's goal of no child left behind.

I urge my colleagues to support our amendment.

I yield the remainder of my time to the Senator from California.

The ACTING PRESIDENT pro tempore. The Senator from California is recognized.

Mrs. FEINSTEIN. Mr. President, I am pleased to co-sponsor this amendment with Senators VOINOVICH, BAUCUS, COCHRAN, LANDRIEU, MURRAY, and CORZINE.

This amendment is simple. We are merely trying to expand the current Federal loan forgiveness program to include Head Start teachers. Elementary and secondary school teachers currently benefit under the Federal loan forgiveness program. We think that Head Start teachers should be afforded the same opportunity.

In exchange for 5 years of teaching, Head Start teachers could have up to $5,000 of their Federal student loans forgiven. By offering Head Start teachers the same loan forgiveness benefit, I believe, we will encourage more college graduates to enter the field.

New educational requirements were included in the 1998 reauthorization of the Head Start Program. By 2003, 50 percent of Head Start teachers will be required to have an associate or 2-year degree, a bachelor's, or an advanced degree.

How can we ask low-paid Head Start teachers to go back to school to finish their bachelor's degree or college students to enter the field if we cannot even offer them the same loan forgiveness already afforded to elementary and secondary school teachers?

Head Start is one of the most important Federal programs because it has the potential to reach children early in their formative years when their cognitive skills are just developing.

I believe we must continue to improve the cognitive learning aspects of the Head Start program so that children leave the program able to count to ten, to recognize sizes and colors, and to recite the alphabet. To ensure cognitive learning, we must continue to raise the standards for Head Start teachers.

Offering Head Start teachers similar compensation for their educational achievements and expenses afforded to other teachers is one step to encouraging collage graduates to become Head Start teachers.

I urge my colleagues to support this amendment.

Mr. BAYH. Mr. President, I rise today to applaud the Senator from Ohio for his recognition of the need to provide incentives to attract individuals to the worthy cause of teaching in the critical early years of learning. As Senator KENNEDY has already noted, we have over 100 amendments filed to this legislation which are not germane. While I support many of these amendments, including the Voinovich amendment on loan forgiveness for Head Start teachers, I think that it is important that the Senate stay focused on the reauthorization of the Elementary and Secondary Education Act. I look forward to debating and supporting the Senator from Ohio during the debate on the reauthorization of the Head Start Program. However, today I will lend my support to Senator KENNEDY's efforts to keep this education bill from languishing under the load of nongermane amendments.

The ACTING PRESIDENT pro tempore. The Senator's time has expired. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I am going to support this amendment as an amendment on the reauthorization of the Head Start bill. Currently, we are providing loan forgiveness now for elementary and secondary teachers when they go into underserved areas. We also had an offset on that. This amendment does not have an offset. We ought to have an offset. It ought to be on the Head Start bill.

Also, we are trying to keep only germane amendments in this bill. This is not germane. We have 100 amendments which are not germane, many of which I will agree with. But on this particular occasion, I hope this will not be accepted.

The ACTING PRESIDENT pro tempore. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I agree with the statement just made by my friend from Massachusetts.

Senator VOINOVICH has been a leader—both as Governor and as a Senator—in recognizing the critical need to improve the quality of the care and education we provide to our youngest children. The amendment he offers with Senator FEINSTEIN would address this vital issue.

My colleagues are absolutely correct that the key to a child's achievement in elementary school is found in the years prior to going to school, especially at ages 3 and 4.

But as I mentioned 2 days ago during the debate on another amendment, I have agreed to oppose amendments to this bill that are not directly relevant, and, therefore, I must reluctantly oppose Senator VOINOVICH's amendment.

Mr. KENNEDY. Mr. President, have the yeas and nays been ordered on the amendment?

The ACTING PRESIDENT pro tempore. The yeas and nays have been ordered.

The question is on agreeing to amendment No. 443.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 76, nays 24, as follows:

[Rollcall Vote No. 111 Leg.]

YEAS—76

Akaka
Allard
Allen
Baucus
Bennett
Biden
Bingaman
Boxer
Breaux
Brownback
Bunning
Burns
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Cochran
Conrad
Corzine
Daschle
Dayton
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Feinstein
Fitzgerald
Graham
Gramm
Grassley
Harkin
Hatch
Hollings
Hutchison
Inhofe
Inouye
Johnson
Kerry
Kohl
Landrieu
Leahy
Levin
Lincoln
Lugar
McCain
McConnell
Mikulski
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Reed
Reid
Roberts
Rockefeller
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stabenow

Stevens
Thompson
Torricelli
Voinovich
Warner
Wellstone

NAYS—24

Bayh
Bond
Byrd
Campbell
Collins
Craig
Crapo
Ensign
Enzi
Feingold
Frist
Gregg
Hagel
Helms
Hutchinson
Jeffords
Kennedy
Kyl
Lieberman
Lott
Nickles
Thomas
Thurmond
Wyden

The amendment (No. 443) was agreed to.

RESTORING EARNINGS TO LIFT INDIVIDUALS AND EMPOWER FAMILIES (RELIEF) ACT OF 2002

The PRESIDING OFFICER (Mr. ALLEN). Under the previous order, the Senate will proceed to the consideration of H.R. 1836, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1836) to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002.

The PRESIDING OFFICER. Under the previous order, the Senator from West Virginia, Mr. BYRD, is recognized to speak for up to 30 minutes, with the time not being charged to the reconciliation bill.

Mr. KENNEDY. Mr. President, may we have order so the Senator from West Virginia can be heard. This is an enormously important issue and the Senator has thought long and hard about it. The Senator is entitled to be heard.

The PRESIDING OFFICER. The Senate will be in order. Senators will take their conversations off the floor.

The Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the very distinguished Senator from Massachusetts for his thoughtfulness, his consideration. I thank the Chair. I also thank those Senators who are listening, even though they may not be in this Chamber. I thank the majority leader for arranging for me to have this time without its being charged against the time on the reconciliation bill.

Mr. President, the day before yesterday, Americans turned on their television sets to see live coverage of a runaway freight train traveling through northwestern Ohio. I saw it. Many of you saw it. Nobody was at the controls and officials were failing in their attempts to stop the train. To make matters worse, the train was carrying toxic chemicals. News stations were bracing for disaster. The safety mechanisms put into place to prevent such a scenario were not working. Local and emergency personnel were left simply to block highway intersections, to issue warnings, and to let the runaway train rumble through, endangering the environment, endangering the infrastructure of whatever cities or small towns happened to be in the way, and endangering the lives of citizens.

Mr. President, the Senate, today, faces its own runaway train. These tax cuts have been on the fast track since they were first proposed in the snows of New Hampshire during last year's campaign. A budget resolution was rushed through this body to authorize this tax cut bill, bypassing the Budget Committee, and without the benefit of the President's detailed budget, or any analysis from the Joint Tax Committee, or the Congressional Budget Office. Senate Democrats were then excluded from the conference committee to further expedite the process.

Mr. President, I was talking with one of our new Members about the concurrent resolution on the budget, and about the fact that the members of the Budget Committee representing the minority were excluded. This was a relatively new Member in this Senate. He said, "I was disturbed by that." But he said, "The Democrats did it when they were in power. That is what they tell me."

Mr. President, not a word by those who say that was done by the Democrats when they were in control—not a word—is true. The Democrats, when they were in control, never excluded the then minority from the conferences or from the committees with respect to the budget. I was majority leader and it was not in my makeup; it would be totally alien to me to exclude the minority, when I stand up so many times, as I have over the years, to say that the Senate is the protector of minorities, the Senate protects the minority's rights.

I have read about those tales told by some Senators—often, the aides of the minority—who are presently in the minority who said: Well, BYRD did this; BYRD did this. Those Members were not even in the Senate when BYRD was majority leader. They were not here. Three-fifths of the Senate makeup today were not here when Byrd was majority leader, were not here when Senator Mansfield was majority leader, were not here when Lyndon Johnson was majority leader. So much for that.

The safety mechanisms that the Senate put into place to prevent such a reconciliation disaster have been disabled, and there seems little anyone can do but issue warnings, and watch the train rumble through, endangering our Nation's infrastructure investments and our Nation's fiscal soundness.

The tax cuts that are involved here—and let me say parenthetically that I like to vote for tax cuts. Over the 55 years I have been in public office, I have voted for a several tax cuts, and it is always a great pleasure to do that.

Let me say this. I respect every Senator in this body, no matter if he disagrees with me, no matter if he votes for this tax cut. I respect his or her decision on that matter. I found when I was majority leader, that the Senator who hurt me today by his vote saved me tomorrow. I say what I say today with great respect.

I am not against all tax cuts, but I am against this one, this colossal tax cut that is based on projections over 10 years away when we cannot even project the economy 1 year away or 6 months away. It is like the weather. These things are really unpredictable.

This is a tax cut that threatens to ignite an explosion in the national debt and blow up the economy as resources are squandered and long-term problems are ignored.

Mr. President, a few days ago, the Senate passed the FY 2002 budget resolution, and even before Senators had voted, there was little reason to believe that this body would abide by the revenue levels set forth in that budget resolution. Senators were openly talking about how tax cuts would exceed those authorized in the budget resolution.

In other words, Mr. President, that budget resolution was a sham. Its primary purpose was to authorize a reconciliation bill by which this body would pass a massive tax cut bill that could not be passed as a free standing bill. This $1.35 trillion tax cut could not be passed in this Senate as a freestanding bill.

Section 103 of the FY 2002 budget resolution allows the Republican leadership to bring this massive $1.35 trillion tax cut bill to the floor as a reconciliation bill. And why is it so important to that leadership? Because section 103 permits the Republican leadership to bring the tax cut bill to the floor with, at most, 20 hours of debate. And reconciliation allows time to be yielded back on a nondebatable motion. Section 103 makes sure that the bill cannot be filibustered. So section 103 makes sure that 51 votes will be enough to pass the tax cut bill.

In other words, Mr. President, the most important feature of the budget resolution for the Republican leadership was the provision that allows the leadership to muzzle debate on a bill that will change the fiscal landscape of this Nation for a generation and by so doing, to thwart the will of the minority in this Senate.

Under our Constitution, under our Senate rules and precedents, under our laws, it is the Senate that is supposed to ensure that complex bills have a thorough debate. The people are entitled to that. Yet, this tax bill will not get the debate that it so richly deserves. In all likelihood, it will be passed before midnight of this black day.

Under the Congressional Budget Act, reconciliation bills are limited to 20 hours of debate. The 20 hours can be reduced by a nondebatable motion. We have a $5.6 trillion gross debt, $20,062 for every man, woman, boy, and girl in this country; to put it another way, it represents $929 for every man, woman, boy, and girl in the world; $929 for every man, woman, boy, and girl in the world! The budget resolution and this $1.35 trillion tax bill will result in an increase in that gross debt to $6.7 trillion in 2011, or over $22,000 per person in this country.

Was that budget resolution a disciplined plan for tax policy? No. It squandered potential surpluses on a $1.35 trillion tax cut that is conveniently drafted to have exploding costs in the outyears.

I probably will not be here. Many of us will not be here when that time comes in the outyears. Some Senators will be defeated—mark my word—because of the votes they will cast on this bill.

Over 61 percent of the revenue losses contained in the tax cut bill will come in the second 5 years of the 10-year plan. Tax reductions grow from $10 billion in fiscal year 2001 to $186 billion in fiscal year 2011. The Center on Budget and Policy Priorities estimates that in the second 10 years—get this—in the second 10 years, from 2012 to 2021, the key years when Social Security will be in jeopardy—hear me now, you elderly citizens; hear me, you young people whose parents will become elderly, who may be already elderly and when you, too, will become elderly, if God blesses you to live long enough—the key years when Social Security and Medicare will be in jeopardy, the revenue losses will total $4.1 trillion.

How long does it take to count a trillion dollars at the rate of $1 per second? Thirty-two thousand years!

This is a bear trap. This bill could just get 10 hours of debate. If the majority wishes to yield back its time, the minority will have 10 hours. It is that plain and simple. So why do we have a reconciliation bill process that limits debate? What was the common good that warranted our sacrificing our tradition of full debate in this Senate?

I helped to craft the Congressional Budget Act of 1974. I can assure Senators that the authors of that act did not intend the reconciliation process to be used for a large tax cut. That was called the Budget Reform Act of 1974. Well, if it was called, as it was, the Budget Reform Act, surely it did not intend to be used to pass colossal tax cuts.

The intent in creating the House and Senate Budget Committees, the Congressional Budget Office, and the budget and reconciliation process was to assert Congress' prerogatives in the budget process. The Constitution vests in the Congress the power over the purse. That is a power for which our English forbears fought and spilled their blood at the point of the sword, to wrest from tyrannical monarchies the power of the purse and place it in the hands of the people's elected representatives in the House of Commons.

Yet, in the recent years before the passage of this Budget Act—I was here. I was here. I didn't just read about it; I was here; Senator KENNEDY was here; a few other Senators were here—in the recent years before the passage of the Budget Act, the power of the purse was being usurped more and more by the executive branch. There were deferrals of appropriations; there were rescissions of appropriations. Made by whom? The Chief Executive. And so Congress got its belly full of that and passed the reconciliation process. The Budget Reform Act was established.

The reconciliation process was established as a mechanism to make sure that the goals set out in the budget resolution were implemented through the spending and tax bills that followed. It allowed the Congress to establish enforceable reconciliation instructions on the authorizing committees so that both spending and revenue targets would be achieved. The reconciliation bill was intended to be a tool to reconcile any differences between those goals and the final bill. Most importantly, reconciliation provided a tool to deal with persistent budget deficits.

As a deficit-fighting tool, reconciliation has proved to be quite effective. Since 1980, reconciliation bills have been passed and signed into law 14 times, resulting in trillions of dollars of savings.

Regrettably, in recent years the Senate Republican leadership has chosen to take a course that has fostered political polarization. In 1999, a reconciliation bill was used to consider a $792 billion omnibus tax cut, targeted to the wealthy, that would have slowed the progress on reducing the debt. It was vetoed. In 2000, the reconciliation process was again used for huge tax cuts and, again, the bill was vetoed.

The desire to limit the rights of Senators—and when we limit the rights of a Senator in the chair or the Senator from Massachusetts or the Senator from Georgia or the Senator from New Jersey or the Senator from Nevada or other Senators—we limit the rights of the people they represent. Limit my rights in this body and you limit 1.8 million West Virginians' rights in this body.

In both 1999 and 2000, the appropriations process ended with large omnibus appropriations conference reports that were unamendable and contained bills and issues that had never been before the Senate.

What are we doing to the Senate process? What are we doing to the legislative process? What are we doing to the rules and precedents of the Senate? We are ignoring them. We are making them irrelevant.

In the Consolidated Appropriations Act for fiscal year 2000, five appropriations bills were included, along with numerous non-appropriations bills such as a State Department Authorization bill, arms control compliance legislation, and Superfund recycling rules. Last year, three bills were included in the Consolidated Appropriations Act for Fiscal Year 2001 along with Medicare and Medicaid reforms and new tax legislation establishing new tax expenditures. One of those Appropriations bills, the Treasury/General Government Appropriations Bill had never been taken up in this Senate.

Now this is no way for the Senate to take care of the Nation's business. We should do better. All of us, majority and minority alike, should seek to protect the institution of the Senate. This Senate is going to be here long after the Presiding Officer has served his tenure here. The Senate will be here long after the Senator from West Virginia has been forgotten. This Senate will be here, it will stand. We should remember that the Senate is for the people, all the people, the people who are yet unborn. We hold their rights in our hand. We should not bend our rules to promote the partisan political goals of the moment.

In the 107th Congress, this Congress, we should insist on our rights as Senators for a full debate. Last year we took direct action to address the issue of omnibus appropriations containing matters that had not been before the Senate by reasserting rule XXVIII. I thank the majority leader and the minority leader and Senator STEVENS for joining with me in reasserting, reinstituting, rule XXVIII last year.

This year the Senate approved my amendment to the budget resolution to extend debate on the reconciliation bill to 50 hours and to limit the so-called vote-aramas by ensuring that amendments were printed in the CONGRESSIONAL RECORD for all Senators to see. Sadly, my amendment was dropped during the closed-door conference between the two Houses. Senators should have an opportunity at length to debate and to amend the tax cut legislation.

Why is the Republican leadership insisting on using the reconciliation process for tax cut legislation? What are they afraid of? The Republican leadership did not hide behind a reconciliation bill for President Reagan's tax cut. Senator Howard Baker was the majority leader at that time. They didn't hide behind a reconciliation. They brought it up as a freestanding bill.

In 1981, President Reagan sent to Congress a large tax cut proposal and numerous proposals to cut spending. The Congress used the reconciliation process, the Omnibus Budget Reconciliation Act of 1981, to debate the spending cuts. The tax cuts, however, were fully debated as a freestanding bill, the Economic Recovery Tax Act, without depending on reconciliation. There were 118 amendments debated over 12 days. What a difference.

The American people elect their representatives to come to Washington to debate the issues that affect their daily lives. They did not elect Senators to be rubberstamped. That is why I say to every Senator, every new Senator: Remember one thing. You don't serve under any President. You serve with the President.

I have served with 11 of them, counting the current one. The Senate is not a quivering body of humble subjects who must obey. They only must obey the people who send them here. We should not short circuit debate on a bill that will hit home in the pocketbook for decades to come.

In the Federalist No. 10—there were 85 Federalist Papers, I urge Senators to read these Federalist Papers again. Let me read from the Federalist No. 10 by Madison. Listen to what he said and apply it to today's Senate:

> Complaints are every where heard from our most considerate and virtuous citizens, equally the friends of public and private faith, and of public and personal liberty; that our governments are too unstable; that the public good is disregarded in the conflicts of the rival parties; and that measures are too often decided, not according to the rule of justice, and the rights of the minor party; but by the superior force of an interested and over-bearing majority.

That was James Madison speaking, and it sounds as if it were written only yesterday.

After 6 years of divided government, President Bush promised that he would be a unifier. The President has said that he wants bipartisanship. He has said that he has faith in his plan. If those statements are true there is no need to hide behind the iron wall of reconciliation. Webster defines reconciliation as a restoration of friendship or harmony. Let us not use the reconciliation process to divide and polarize this Congress. Now is the time to hear all the voices and build consensus among ourselves and among our people. The American people expect and deserve a full debate.

How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 2 minutes 45 seconds.

Mr. BYRD. Mr. President, if this tax cut is such a good idea, why don't we take the time to debate it? Why don't we debate these tax cuts at length, if this is such a good idea?

I say to you, Senators, your votes are going to have consequences. We don't even know yet what the review of the military services and the Defense Department will cost. We don't yet know the cost. That is still out there to be heard from. We don't have an energy policy in this country. We haven't done anything to shore up Social Security. We have crumbling schools. We have dangerous highways. We have unsafe airports. Our people don't have pure drinking water in many of the rural areas.

Now is the opportunity for us to do something about those things. What are we going to tell our old people, our senior citizens?

This is a red letter day for the American people. Here is the calendar. I will say it is a black day. I remember Black Tuesday, October 29, 1929, which marked the beginning of the Great Depression—Black Tuesday.

This is Black Thursday, May 17, 2001. Remember it—Black Thursday. This is a Black Thursday for the American people, a day on which we will have squandered the unalienable right of our elderly citizens to the pursuit of happiness mentioned in our Declaration of Independence.

We will have squandered the unalienable right of our elderly citizens to the pursuit of happiness by bartering it for a mess of tax pottage.

Mr. President, when Aaron Burr in 1805 addressed the Senate before his departure through the Senate doors of the old Chamber for the last time, he uttered these prophetic words:

> This House is a sanctuary; a citadel of law, of order, and of liberty; and it is here—it is here, in this exalted refuge; here, if anywhere, will resistance be made to the storms of political phrensy and the silent arts of corruption; and if the Constitution be destined ever to perish by the sacrilegious hands of the demagogue or the usurper, which God avert, its expiring agonies will be witnessed on this floor.

Mr. President, we are witnessing the demise of the U.S. Senate as our forefathers knew it and as I knew it when I came to this body. We are witnessing the demise on this day—Black Thursday—and in these times. Burr's prophetic words are being borne out before our very eyes. History will not be kind to us, nor will our children and grandchildren rise up to call us blessed.

Remember, my colleagues, May 17, 2001—Black Thursday!

I yield the floor.

The PRESIDING OFFICER. I thank the Senator from West Virginia. Who yields time on the pending bill? The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ENSIGN). Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, there is, at the desk, a committee amendment. I ask unanimous consent that it be adopted, the motion to reconsider be laid upon the table, it be considered original text for the purpose of further amendments, and all points of order be considered preserved.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment (No. 650), in the nature of a substitute, was agreed to.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted and Proposed.")

Mr. GRASSLEY. Mr. President, we will start consideration right now, and there will be up to 20 hours of debate and action on the bill that is before us under the reconciliation provisions of the Budget Act on what will be the largest tax cut that has been given to the American people in the past 20 years. In this process, we are going to take a considerable and substantial sting out of the Federal tax bite. This is the third-largest tax reduction in the last 50 years, to put it in some other perspective as well.

Before I get to the issues that are before us, I will say a little bit about the process of putting this legislation together.

I know we are all going to be thinking about what kind of tax bill we have, how much taxes are going to be reduced, the fairness of it all, and the equity of it all. But I would like to have my colleagues spend a little bit of time thinking in terms of how we got here.

First of all, almost 12 months ago, the President of the United States gave a speech saying that one of the foundations of his campaign was going to be a very substantial tax reduction because taxes have reached the highest point they have ever been in the peacetime history of the United States.

He campaigned on that and did not back off one iota when pundits made fun of it, when economists maybe took exception to it. It was very well thought out and intellectually honest. He pursued full steam ahead through the highs and lows of the campaign—through times when you might be depressed with the campaign going against you, through times when you were on a high in the campaign, and right through that campaign—through the election, through the period of time when there was some sort of question as to who might be the next President because of what was going on in Florida and the counting of ballots, and from the time he was announced the winner to the time he gave his inaugural address on the day of swearing in.

So we are here today because we have a President who wants to make a difference, a difference for the taxpayers in this country, a difference for the economic advancement of our people, the creation of jobs, and the encouragement of investment.

Without this Presidential leadership, we would have tax bills before the Congress this year but they would not be as substantial as what we now have before us. For the President of the United States, it is not substantial enough because, as we know, he proposed almost 20, 25 percent more than we are dealing with. Here again, the President must accept the will of the people expressed through the Congress. There was a compromise, a necessary bipartisan compromise on a level somewhat less than what the President proposed, but the $1.35 trillion we are dealing with in this bill.

The bill we have before us is a product of the process: The Presidential election, the extremely important leadership of a President who is committed to principle and performing in office what he said he would do during the campaign—and that is a rarity in politics, but this President is doing it—and the legislative process in the Congress.

Compromise is always necessary in any Congress, whether it is overwhelmingly controlled by one party or the other party or whether it is evenly divided, as it is now in the Senate—absolutely evenly divided, 50 Democrats/50 Republicans—or in an almost evenly divided House of Representatives with the Republicans being the clear majority.

Process is pretty important. I want people to think of this process as we debate very controversial amendments over the next 2 days. The Senate Finance Committee is kind of a microcosm of the entire Senate, and perhaps people will think of the hard work Senator BAUCUS and I, and my colleagues on the Republican side and almost half of the Democrats, have put into crafting this legislation. It didn't happen in one 10-hour meeting on Tuesday, when we considered all the amendments that were in dispute, about the product Senator BAUCUS and I put together. It didn't happen in 10 hours. It happened over a long period, starting about mid-January. I will refer to some of the substantial things that happened to get us where we are today from where we were last January.

That is not to detract from what I said about the President of the United States contributing greatly to where we are today as well, maybe not in the specifics of the bill but the overall questions—are taxes too high, and should they be reduced—the President winning on the process that they should be reduced, and now going through the process of actually giving the American working men and women the tax relief they deserve.

People will get tired of my saying it, but this is a bipartisan tax bill. My friend Senator MAX BAUCUS, ranking Democrat on the Finance Committee, worked with me to put together a package of tax cuts that would receive solid support on both sides of the aisle. We knew this would not be easy, getting the people's business done, unless it was a bipartisan product. That, again, is a reality of a 50/50 Senate.

This bill came together after the Senator from Montana and I heard from our respective caucus members about their priorities. You don't put together the biggest tax cut in two decades without considering all points of view. As we start this debate now, it is not just Senator BAUCUS and Senator GRASSLEY who are at the table—where maybe that was the situation from time to time over the last several months—every Senator, all 100, is at the table as we now consider the product of the Finance Committee and its bipartisan cooperation. That is the nature of the Senate.

We talked to our members about their priorities, and then we put this product together. Two days ago, our efforts yielded the results we hoped for when we started out 4 months. ago. This bill was approved by the Senate Finance Committee by a 14–6 margin, a clear demonstration of solid bipartisan support.

I hope the work that has gone into this product over the last 4 months is respected. Even though Members might not agree with it, could they do better? Each time people are down here casting a vote—and they are going to vote yes or no—I ask my colleagues, particularly on the Republican side, to think in terms not that they like everything that is in here but could they have done better. If they can't do better, I hope they will show respect for the bipartisan approach we used.

More importantly, I hope they will respect the transparency that has been the hallmark of the Finance Committee's work throughout the first 4 months and the communication that has gone into this by individual Members communicating with others to say, "What do you think about tax legislation," to get specific points of view from specific Members and, most importantly, the people on this committee as well as others outside the committee.

It was not easy to arrive at a final agreement. Among the Finance Committee's 20 members, there were many opinions on what is important. In the end, no one got everything he or she wanted, including this chairman. Most of us got something we can support. We got a bill that will reduce taxes, will bring about tax relief for American working men and women in a meaningful way, in a way that taxpayers are going to notice and notice soon—by this summer—and they then will see it in fatter wallets.

I am very pleased Senator BAUCUS and I and other members of the Senate Finance Committee have been able to put together this truly bipartisan package. It is a testament to the Finance Committee that within 1 week after the budget resolution was passed, we now are on the Senate floor to vote on comprehensive tax relief for everyone who pays income taxes in America. I hope the Senate will express—not to me, not to Senator BAUCUS, but to other members of the committee—the cooperativeness and the spirit of cooperation that was evident throughout that process Tuesday. I want Members to know that I am proud of the Finance Committee in this process as well as the substance of this legislation.

Now I will turn to what is in the bill. The heart of the bill is across-the-board tax cuts in individual income tax rates.

Again, a little bit about the process: Senator BAUCUS and I have met at least weekly for a long period of time since January. I met with individual members of the committee in their office—not in my office, in their offices—throughout the month of January and February, both Republicans and Democrats. I have had my staff meet with other staff on an ongoing basis, but very intensively, during and since the Easter break.

I have also had an opportunity to visit with Members outside of my caucus and also Democrat Members outside of the committee as well. And you always wonder when you go down this process—it takes over 3 or 4 months—whether it is time well spent. I wondered, as I would go to the next meeting, whether it was really worth my time.

Let me say, in looking back to all the time I have put in on this, and I think of my background as a farmer; you put the seed in the ground, as we are doing in Iowa, to grow the biggest corn crop that any State produces—because we are No. 1—and for the first period of time before it emerges above the ground, three-fourths of that growth that first month is below the ground. You don't see it unless you dig in there with your fingers and inspect it.

And so Senator BAUCUS and I sowed that seed in January and that seed sprouted. I know now it sprouted; I didn't know then that it would sprout. It sprouted for those days between the middle of January and last Friday at 1:30, when we finally had an agreement.

So I conclude that whatever time I spent on this—and I am going to conclude for Senator BAUCUS, and maybe I should not do that—and whatever time he spent on that process was time well spent. Even though we are going to have honest disagreements, I hope we can be cordial and polite in this process of debate. I will have to remind myself of that from time to time as well.

Now to the process. The heart of this bill, as I said, is across-the-board tax cuts of individual income tax rates. This bill creates a new 10-percent rate that will apply retroactively to the beginning of this year. This new low rate will apply to income that is currently taxed at a 15-percent rate. So people who are hit first by the 15-percent rate now can already count going back to January 1 this year, that on their first dollars made they are not going to pay 15 percent; they are going to pay 10 percent. It will give immediate tax cuts to millions of American taxpayers and provide an immediate stimulus to the economy.

For married persons, the upper end of the 15-percent rate bracket will be expanded to include income currently taxed at the 28-percent rate. So for those people being taxed at 28 percent, they are going to see more of their income taxed at the 15-percent rate. The current 28-percent rate will drop to 25 percent. The current 31-percent rate will fall to 28 percent. The existing 36-percent and 39.6-percent rates will be lowered to 33 and 36, respectively.

This legislation also includes immediate death tax relief and its eventual repeal.

This bill expands the child credit and earned-income credit, enhances pension protection and incentives to save, and creates over $30 billion in educational incentives—full deductibility of interest on student loans, deductibility on college tuition, and on educational savings accounts. It provides marriage penalty relief and relief from the individual alternative minimum tax.

Everyone in America will share in this tax cut. It is across-the-board relief for those who pay income taxes. That means that this tax cut will flow to every wallet on every Main Street in America. Over 100 million individuals and families will have their tax relief; 14 million elderly individuals will receive tax reduction, resulting in 12 million paying less tax on Social Security benefits; over 40 million couples will benefit from the marriage penalty relief; 3 million couples will no longer itemize deductions as a result of the standard deduction increase; 9 million individuals and families will benefit from the increased individual retirement account contribution limits from $2,000 to $5,000; 30 million families will benefit from the increased child credit.

This is a tax bill for everyone, regardless of income level, size of family, your age, your marital status. I will give you a few examples of what we expect next year.

A married couple with two children and $15,000 in income will pay no income tax because we expanded the earned-income credit and per-child credit. This family will receive an additional $1,000 from the Government. A married couple with two children and a $90,000 income will receive an additional tax reduction of $1,050. A couple, age 65, married and filing jointly, with a $30,000 income, will have a $600 reduction. A single mom with one child and a $25,000 income will receive a tax cut of $400.

Keep in mind, these examples are for the year 2002, which is just the beginning of these tax savings. The tax rate cuts, child credits, and other benefits will greatly increase as they are phased in over the next several years.

I know most of us in this Senate also have personal stories about what this tax relief for working men and women will do for those same people back home. I will tell you about some of the people in Iowa and what this tax cut will mean for them.

Maurice Colby, Vinton, IA, retired after processing waste water for the Navy for 28 years. He works part time for his neighbor, a family farmer, during planting season. I will bet he works there during harvesting season as well. He does that to earn extra money.

As retirees, Mr. Colby and his wife worry about expenses. Their total tax bite is tough, especially when heating fuel and high gasoline prices are considered. The Colbys usually take a driving vacation most summers but not this year. Mr. Colby said this to me: "It's time for relief. It has been a long time."

Ronald Harless, 76, and his wife Jean, 72, of West Des Moines, are retirees on a fixed income. Mr. Harless worked as a printer making telephone books. Mrs. Harless was an office worker. Mr. Harless says he lived frugally and saved his money for retirement. Despite a series of heart surgeries, he has never used the Veterans' Administration's health services, even though he is a Navy veteran who landed at Normandy during World War II.

Mr. Harless says he paid taxes all of his life, has never been a drain on the taxpayers and wants to keep it that way. Mr. Harless of West Des Moines, IA, wants to support himself and stay out of the taxpayer-funded nursing homes as long as he can. However, he says he and his wife are, in their words, "barely getting along" on their retirement income and, hence, would welcome the tax provisions of this bill to give them some needed relief.

Joseph McBride, Jr., of Fort Dodge, IA, works in sales and marketing for a food service company. His wife is a registered nurse. They have four children, ages 14, 12, 10, and 8. Mr. McBride says he would welcome a tax cut because he would like to have more money in his pocket to secure his children's future.

He is very interested in saving money for his children's college tuition and will see that increase from $500 up to $2,000. The tax cut will be very beneficial.

He also wants to put a little extra money in the local economy. Fort Dodge's economy is not as good as he would like, and he wants to do his part to help it get better.

Another concern is energy costs. Mr. McBride in Fort Dodge says he remembers the recession and gas shortages during the Presidency of Mr. Carter. Mr. McBride said he paid more money in taxes last year than he ever has. Mr. McBride is right; he did pay more taxes last year than he ever has. That is because the Federal Government's collection of individual income taxes is now at its highest level in history.

As I have said many times, today's tax surplus in our Federal Treasury is caused by excess collections of individual taxes.

During the height of World War II, the tax collection from individuals was 9.4 percent of gross domestic product. Today income tax collection from individuals is an astounding 10.2 percent of GDP, nearly a full percentage point above World War II. More importantly, not just a little bit above World War II, but we have seen a 50-percent increase in individual tax collections in the last 6 years, from about just a little over 7 percent of gross national product to 10.2 percent now.

I might have a chart during the debate, but I can show where the revenues into the Treasury from the estate tax have been about level for the last decade. Corporate taxes have been level for the last decade. Taxes from fees and services have been about level. But we see a great spike in the individual income taxes coming into the Federal Treasury in the last 6 or 7 years.

It is beyond belief in a time of unprecedented peace and prosperity that individual tax collections exceed the level required to defend the entire world, which is what the United States did 56 years ago. That is why we must move decisively to give working men and women this tax relief. We must not keep the money in Washington where there is a tendency for it to burn a hole in the pockets of Members of Congress to a point where they have to spend it.

This will help in several ways. It will not build up Government spending to a level that is unsustainable so that if we ever go into a recession, income goes down but spending does not go down, and then we again have a deficit.

Also, since the Federal Government does not create wealth—it only provides an environment for working men and women of America to create wealth—we move the money from Washington back to the individual taxpayers of America, and there it is going to turn over many more times, because of the freedom of the marketplace, than it will if it is left in the Federal Treasury. There is a political decision of what ought to be done with it. There is a lot of efficiency with a political decision, but it does not have the potential for economic growth that it will have if my constituents in Iowa spend it and/or invest it.

Too often Members of Congress think this is not the people's money; this is the Government's money. It is the taxpayers' money, and Washington has simply collected too much of it, particularly too much from the income tax. There has been a 50-percent increase of gross national product over the last 6 years. So we are going to return this money. It is even wrong for me to say that because there is some implication that it is my money. We are going to let the American people keep more of the money they earn by passing this tax bill.

Over the next few days, we are going to hear a lot of talk about population demographics and about how this tax relief for American men and women is going to compromise our national priorities.

Let me set the record straight at the very beginning. This tax relief for American working men and women in no way endangers our national priorities. The President has said that. I have said it. It is a fact. A majority of the Congress said that when they adopted our budget last week. We are here because a majority of the Congress, and a bipartisan majority of the Congress, said we ought to put more money in the pockets of working men and women than into the Federal Treasury.

The budget resolution did that. It did it through a blueprint for how the Government will fund its priorities. That blueprint provides record levels of funding for education, prescription drugs, and defense. I want to make very clear that we pay down every dollar that is possible to pay down on the national debt over the 10 years of this budget resolution.

That blueprint also says we have more than enough surplus to enact the tax relief for working men and women that is before us in this bill today. In fact, the bill before us refunds only 24 cents of each dollar of projected surplus.

How many people who are listening now or who will read this in the paper are going to say: How come you can't do better than that? The only answer I can give them is, it is part of the process of compromise by which we work in a bipartisan way to do the people's business.

Twenty-four cents out of each dollar is hardly what I would call a risky tax measure. We are going to hear this from a lot of our colleagues: Risky, risky. We are going to hear people say that the projections in the budget for the next 10 years are so uncertain that we should not be giving a tax cut. This caution by my colleagues is perfectly legitimate. We ought to always be cautious on almost every public policy decision we make. But check with those same Members to see that when they want to spend more money, do they worry about whether the budget projections are accurate for the next 10 years? No, it is only when we want to let the American people keep their hard-earned money that this issue arises.

For those who want to use the word "risky," those who want to say the projections could change and want us to be cautious, the only thing I ask—it is perfectly legitimate for them to say that, but as they are talking about a new spending program that is going to spend out over the next 10 years, I encourage that same caution before people vote on that issue.

This is a responsible tax cut. We are at the highest level of individual taxation in history. It is a time to end that.

Let's also get another thing straight. This bill in no way touches the Social Security or Medicare trust fund. This is a bipartisan tax bill that represents the best thinking from both sides of the aisle. It is a victory for the process of the Senate. The problem we now face is that some people around here preach bipartisanship but then turn around and attack the bipartisan compromise reflected in this bill. They will work to obstruct this bill's enactment, and they will demean the great efforts and political risks that Republicans and Democrats alike take to reach this bipartisan agreement.

I imagine we are going to see plenty of this sort of thing on the Senate floor over the next few days. I don't think it will work because today we are about doing the President's business. This bill only contains tax relief for individuals. It is not larded with favors for special interests. You cannot draft bipartisan legislation such as that very easily. I think there is some purity of cause and purity, consequently, of content.

This bill before the Senate is a historic opportunity to prove we can join together, on a bipartisan basis, as common Senators, with a common purpose, to relieve a heavy burden from the people who sent us here. The Finance Committee has shown this can be done. Our committee has done what the Constitution and the rules of the Senate require. We have led the way. I am very proud of our Members and their efforts.

I urge all Senators to be vigilant in our deliberations, circumspect in rhetoric. The relief ordered by this bill is too needed by too many to be demagogued by the few. America is watching. America is waiting. What America is going to see over the next 3 or 4 days in this Senate is a product of a process that started about the second or third week of January when the Senator from Montana, then for a short period of time chairman of this committee, as the Democrats controlled this body for 17 days back then, said: I would like to meet with you and talk with you about the functioning of the committee.

That was an hour and a half discussion. But some important few words were said by Senator BAUCUS on that day, which were that we could have a bipartisan tax bill if we worked at it. I thank Senator BAUCUS for that suggestion. I thank Senator BAUCUS for spending so many hours with me since then to make it happen. Most importantly, I thank him for his handshake at 1:30 last Friday when we had an agreement.

I thank the Senator.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. The Senator from Montana has graciously agreed to let me make a short statement, and I ask for recognition.

The PRESIDING OFFICER. The Senator is recognized.

(The remarks of Mr. STEVENS are located in today's RECORD under "Morning Business.")

Mr. BAUCUS. Mr. President, I ask unanimous consent that the clerks at the desk, with legislative counsel's assistance if needed, be authorized to correct the drafting of any Members' amendment that may be affected by changes in the committee amendment which the Senate just adopted.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I rise to enthusiastically support the committee bill. This has not been an easy bill to write. These have been tough negotiations, a lot of give and take, as almost always is the case in any matter of significant consequence. The same is certainly true now.

I might say the Senator from Iowa and I, along with other members of the committee, had many meetings. We took a lot of time to get comfortable with the various provisions of the bill, just to understand what they are. There was a lot of to and fro, but I might say it was all done in good faith.

This is not easy. When there are so many moving parts and it is so complicated, by definition, people have to act professionally in order to get something accomplished and that is what happened. I have the highest respect for the chairman of the committee, who has done a yeoman's job, as well as the other members of the committee who worked hard to make this a workable bill.

As we all know, when all is said and done, we must have a balanced compromise. We have to reach some agreement because we all cannot have our way in the constitutional way we as a country organize ourselves. We have to have some organization. That is basically majority rule.

Let me explain why I think this is a good bill. In the first place, I believe this is a significant improvement, from my perspective, over the bills that were proposed by the President and passed by the Congress. Most significantly, the committee bill provides a much better distribution of tax cuts. That is a matter that I think is lost upon a lot of people. The committee mark has a better, more progressive distribution of the tax cut than either the bill suggested by the President or by the House. In fact, this might raise some eyebrows. According to the Joint Tax Committee analysis, the committee we all look to as the best independent analysis, the bill before us today will make the tax system more progressive than under current law—not only compared with the President's proposal, not only compared with the bill that passed the House, all the various bills that passed the House, but also compared to current law; that is, this bill is more fair in the distribution of tax cuts to payers of income taxes than current law.

That is not to say this bill is better than the President's. I would not ask Senators to vote for a bill just because it is better than it could have been. Instead, I believe the standard we should apply on a tax bill is whether on its merits, taking everything into consideration, the bill makes positive changes that improve our tax system and are better for most Americans. By that standard, I suggest this bill passes with flying colors.

Let me explain why. First, we create a new 10-percent bracket. This is the single biggest piece of the bill—$438 billion over 10 years, by far the single largest component. There is a new 10-percent tax bracket which has the effect of benefitting every single American who pays income taxes. Most of the benefit goes to low- and middle-income taxpayers. In fact, about 75 percent of the benefit goes to people who earn less than $75,000 a year. Let me repeat that statement. Seventy-five percent of the benefit under the 10-percent bracket, the new bracket, goes to people who earn less than $75,000 a year.

One other thing. Unlike most of the other tax cuts in the bill, this one takes effect immediately—better yet, retroactively to the first of the year. This will not only help average taxpayers but it also provides an economic stimulus because it puts more money in the hands of consumers.

We also expand the tax credit for families with children from $500 to $1,000 per child. And we do more. We increase the amount of the credit that is partly refundable so lower income families can benefit from the credit as well. We do this along the lines suggested by Senators SNOWE, LINCOLN, KERRY, JEFFORDS, and BREAUX. It is a very important new contribution that they have authored. It is a good idea of theirs. I commend particularly Senator SNOWE, who is the lead sponsor of the group to get more refundability under the child tax credit.

This is a big improvement over the current law. Why? Because it means we will increase the tax credit for 16 million more children, I might say, compared with the President's bill; that is, this bill provides a benefit to 16 million more American children than the proposal of the President and the House.

But that is not all we do for lower income working families. We make important reforms that expand and simplify the earned-income tax credit so it is available to many more low-income working families than it is today. In fact, the bill contains the most significant expansion of the EITC, earned-income tax credit, in many years. We also simplify the EITC—make it much easier for eligible families to qualify. These are huge simplification provisions.

And there is more. We create new incentives for education. For example, we help parents set money aside for their children's future education. We encourage employers to help their employees attend classes and earn degrees, and we help college students pay off their student loans—a big improvement.

Because of the leadership of Senator TORRICELLI and Senator SCHUMER, we create a new provision in the Tax Code that allows a deduction for college tuition payments. Many American families have a hard time meeting their children's higher education expenses. This provision is of significant help. It is not a total solution, but it goes a long way toward helping families provide for their children's higher education. All in all, I think it is an education tax incentive package of which we can all be proud.

There is more. We include a pension tax incentive package that has strong bipartisan support in the Senate. We all know the problem. Our personal savings rate is at rock bottom, having gone from 11 percent of GDP 30 years ago to zero or even negative savings today, meaning, among other things, that people are not putting enough money away for their retirement, thereby increasing the potential burden on Social Security.

The pension provisions of the bill will help address this problem, taking another step forward to addressing the baby boomer problem that we know is coming in about 10 years.

We make it easier for workers to take their pension plans with them when they change jobs. We strengthen pension security and enforcement. We enhance pension fairness for women. We increase the contribution limits for IRAs and 401(k)s so people can put more money into them.

On top of that, we create two new incentives that will dramatically expand pension coverage for lower income workers. One helps small businesses establish pensions for their employees. It is very hard today for small businesses to set up pension plans for their employees, much more difficult than it is for big business. In this bill, we help them do that.

The other incentive is a new matching plan to help employees save their own money for retirement—again, an incentive to help employers match their contribution.

We reduce the marriage penalty. We address the estate tax. These are not Republican priorities; they are not Democratic priorities. They are bipartisan priorities, important to virtually every single Member of the Senate.

Those are the main provisions of the bill. Putting them all together, I believe the bill represents a very significant improvement over current law. That is the standard I think we should use. Is it perfect? No. Of course, it is not. Is it the bill that I would write, that any Senator would write? Of course not.

That is not really the question. That is not the basic point. Rather, taken as a whole, does this bill represent a significant improvement over current law? I think it clearly does.

At this point, I will address some of the key arguments that have been made against the bill. First, the process.

Some will say that we should not be railroading this bill through the Senate on a reconciliation fast track which limits debate and amendment. I agree. To my mind, it is unnecessary, it is inappropriate, to use reconciliation instructions for a tax cut.

I very much agree with the statements made earlier today by the senior Senator from West Virginia, Mr. BYRD. I believe he is right. He argued for a process that is much more open, that is more expansive, so that tax bills have a lot more time in this Chamber, and many more opportunities for amendment.

I remind my colleagues, President Reagan's tax cut in 1981 was not under reconciliation. it was not under this constrained process; rather, it was outside reconciliation. The bill was considered here for 2 weeks. There were hundreds of amendments. That is democracy.

I might say—it is a bit of a stretch here, but I think it is an important point—Thomas Jefferson once said: A country is only as strong as that bond and that nexus between the people and the people's representatives. Representatives cannot do it alone. People cannot do it alone. But it is that bond between the people and the people's representatives which, by and large, determines the strength of a country.

If we rush a tax bill through too quickly—one of the most important bills that is going to be before this body perhaps in several years—clearly, we need that process, that bond to work. And for it to work, we have to have the opportunity to offer many amendments, to debate them very thoroughly, to get the people engaged in what we are doing.

By rushing this through, people do not know what is in this bill. There are problems as a consequence of that, but the deeper problem is people become disconnected from the process, and they care less about what we are doing because they do not know what we are doing, and they do not know how we got to where we are. They are going to start to become more cynical, less engaged. That is not good.

And just as we all know in running for office, you cannot satisfy—I think as President Lincoln said—all the people all the time, but we do the very best we can. We want to fully engage people so they are more involved in getting a better product, but also because in engaging people, they understand the reasons for what we are doing much more clearly.

That is fundamentally why I think this tax bill should not be in reconciliation but, rather, should be in an expanded process. That is why I voted and spoke against, I might add, the amendment of the good Senator from New Mexico some while ago to add reconciliation instructions to the budget resolution. It is really not good Government.

Despite our best efforts, I must say, though, that dye has been cast. That decision has been made. So we have to work within the process that the Senate has chosen to employ. We have to work with what is given to us. We have to play the hand that is dealt. And that hand, unfortunately, means reconciliation for the tax bill.

In any event, I might say, the chairman of the Finance Committee, Senator GRASSLEY, has provided, I think, the best process possible under these circumstances. He has been totally open. He has been totally bipartisan. He has been equally fair. In light of the fact that I oppose the process, it should not compel us to oppose the bill.

Let me turn to the substantive criticism of the bill. One criticism is the tax cuts are back-loaded. The bill does, in fact, cut taxes more in later years than in earlier years. That is true. In large part, this is because of the constraints of the budget resolution. But there are several points to keep in mind.

First, the bill is significantly less back-loaded than the President's plan. I do not have the chart here. I think I will ask to have that chart put up. But the point is, the bill is significantly less back-loaded than the President's plan. That means these tax cuts come earlier, and the bill costs 36 percent less in the last year, in 2011, than in the President's plan.

That is significant. Yes, there is still some back-loading. Yes, back-loading is a problem we should address. But the point is, we cannot let perfection be the enemy of the good. This is better than the President's proposal.

As the chart shows—this is in the last year of the bill we are now considering, the last year being 2011—the administration's bill, which is similar to the House-passed bills, would cut taxes close to $300 billion in that last year. The bill before the Senate, which is shown in the blue on the right, indicates it is about half, a little more than half, about $186 billion, cut in the last year. So it is an example of less back-loading than the President's.

I will show you another chart as well. This chart shows over the 10-year period of the bill—it is hard to see; I apologize; I am not the best color-contrast guy in the world in putting this chart together—the red line going up is the administration's proposal, which shows that each year the tax cuts in the President's bill are greater. That is the red line that slopes upwards.

It is hard to see, but the blue line that is underneath it shows, particularly beginning in the year 2004, the cuts in later years are much less.

You will also notice that the blue line, though it is not really horizontal, is much more horizontal than the red line, again, showing that although there is some back-loading, there is much less back-loading in this bill.

In addition, the most significant back-loading problem comes from repealing the estate tax in the year 2011. For that, and other reasons, I hope we can replace repeal of the estate tax with reform of estate tax.

Third—and this is in explaining why there is this back-loading problem—under the Byrd rule, provisions that lose revenue during the second 10 years must be sunset; that is, they must be terminated.

So if we do that—and this bill does do that—we can assure that the changes that are scheduled to be made in later years can be reexamined—and must be reexamined—down the road, in light of future budgets and future priorities.

Another argument that has been made against the bill is that it is unfair. Critics say that too much of the tax cut goes to people at the upper end of the income scale.

I might say, both sides bring passion to this argument. Critics of the bill rail against cutting taxes for millionaires. On the other hand, there are those for whom the top rate of 33 percent, down from 39.6, is a holy grail.

Let's step back for a minute and just look at the facts.

First, our Nation does have a progressive Federal income tax system. According to the Joint Committee on Taxation, the top 10 percent of taxpayers today pay about 70 percent of all Federal income taxes. The top 1 percent pay about 36 percent of all Federal income taxes. Our tax system is, therefore, very progressive today. In fact, essentially in each of the years since 1993 up through today it has consistently been more and more progressive.

Given this progressive system, a tax cut that applies across all income classes is, by definition, going to result in a larger tax cut for upper income Americans because they pay more taxes. That is just simple mathematics. That, in part, is what happens under this bill. We cut taxes across all income groups, so everyone who pays income tax today benefits, and those who pay a large amount of income taxes do, in fact, receive a larger benefit—larger, I might add, than I would prefer.

But remember, the bill does more than just cut income taxes. On that distribution point, let's take taxpayers with incomes of $25,000 or less, taxpayers with incomes of $50,000 or less, taxpayers with incomes of $75,000 or less, and taxpayers with incomes of $100,000 or less. In each of those categories, the percentage of tax reductions under the committee bill is much greater than under the administration's bill. And they vary; on average it is about 12 to 10 percent greater. Contrast that with taxpayers with incomes of $100,000 to $200,000, and taxpayers over $200,000. In both of those categories, the proportion of benefits under the committee bill is less for those taxpayers than under the President's plan.

Again, to make the basic point: This bill is more progressive because it shifts tax cuts in a greater proportion to those Americans with incomes under $100,000. What it does is slightly decrease the proportion of tax cuts for higher income Americans compared with the President's and/or the House bill. This bill makes the tax system more progressive.

We have also tried to cut taxes for people whose primary tax burden is not income taxes but payroll taxes. After all, about 80 percent of Americans pay more in payroll taxes than income taxes. Our bill doesn't leave these people out; it brings them in.

These are the provisions that accomplish this: We expand and simplify the earned-income credit which may be the best program ever created to help low-income working families. We double the child credit and make it partly refundable, covering 16 million more children. We create new incentives to help low-income savers save for retirement.

I have mentioned a lot of the provisions. So what is the practical effect? Take a married couple with two children earning $15,000. Under the President's proposal, they wouldn't get any tax cut at all. Once our bill is fully in effect, they will get a tax cut of $1,152, very significant for lower income Americans with kids.

Putting it all together, I believe the bill we are considering today is one of the best bills ever written for lower and middle income families. I will say it again: This bill is one of the best ever written for lower and middle income families. So when we talk about fairness, let's keep our eye on the ball.

Does this bill give wealthy people a tax cut? Yes, it does. But that is not the only question we should ask. There are other questions that might be more important. For example, does the bill help those who are struggling to feed their families and to pay their bills? Yes, it does. Does it help the single mom, the construction worker, the two-earner couple trying to put money away for their children's education? Yes, it does, and it helps them a lot.

So with respect, I suggest to those who say the bill is unfair, just step back a bit, take a look at the whole picture. If they do, I am confident that many, not all, will conclude that the bill deserves their strong support.

As I said at the beginning, this is not a perfect bill, but it is balanced. It is bipartisan. It is good for taxpayers. It is good for working families. It is good for the economy, and it is good for the country.

I urge Senators to support the bill.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. Mr. President, I yield to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank the chairman and the ranking member for the way they have conducted the business of the Finance Committee. It has been, within the Finance Committee, a fair process. I publicly commend them for it. The chairman and the ranking member have both reached out to Members. They have visited us. They have asked us for our opinions. We didn't necessarily agree, but they certainly listened.

The markup itself was a model of fairness. I salute the chairman for the way he conducted the markup. I was saying to my wife I don't remember a more fair markup in terms of the way it was handled. I thank the chairman for that as well.

With that said, I strongly disagree with this proposal. It is a profound mistake for the country. It is a profound mistake because it is part of a larger budget package that threatens our economic security.

This tax cut is part of a budget proposal that has concealed more than it has revealed. This is part of a budget proposal that is not the real budget. As a result, it misleads Members and it misleads the American people. Ultimately, it leads us into a fiscal trap that will be a trap for all of us.

When I say this budget—of which this tax cut is one part—conceals more than it reveals, I mean by that, whole chunks of Federal spending that we all know are going to occur have been left out. The President is about to propose a major defense buildup. It is not in this budget. The President has said education is the No. 1 priority, but there is no new money for education in the budget. The President has said we must strengthen Social Security for the future, but there is no money in this budget for that purpose.

The reason those things have been left out is quite clear: If they were included, what one finds is that the budget, with this size tax cut, would not add up. What one finds is that when you put in the funding for education, if we really believe that is the top priority and we fund it as we have voted; if we follow the President's proposal for a major defense buildup and put that money in the budget; if we follow the President's suggestion to strengthen Social Security and put that money in the budget, and we put it all in one place where people can see whether it adds up or it does not, what one sees is that it simply does not.

The result is a massive raid on the Medicare trust fund and the Social Security trust fund, and that will create serious problems for this country going forward.

The New York Times said it well in an editorial on May 12. They commended the chairman and ranking member for improvements they have made in the bill over what the President proposed, but their conclusion was:

> But over all it amounts to another gross abdication of fiscal responsibility.

I believe that is true. This bill, in the larger budget context, is a gross abdication of fiscal responsibility.

Part of the problem is that all of this is based on a forecast that even the forecasters warn us is uncertain. Those who did the forecast, the Congressional Budget Office, have said to us: You have to understand, this is a 10-year projection. Looking back at our previous forecasts, we can tell you there is enormous variance. In fact, over the last 10 years they have been off by an average of 100 percent a year. That is how far off they have been in their previous forecasts.

Some people want to believe this projection is cast in concrete. It is not. It is built on quicksand. That threatens the economic security of our country.

Those who made the forecast prepared this chart. It shows in the fifth year we could have anywhere from a $50-billion deficit to more than a trillion-dollar surplus. That is the variance they project, looking back at their previous forecasts and seeing how far off they were. Then they projected those variances to this projection. They warned us in an entire chapter of their forecast how uncertain any 10-year projection is. That is the backdrop for what we do here over the next several days.

To me, it counsels caution. It counsels caution on spending, on tax cuts. Let's not bet the farm that any 10-year forecast is going to come true. No company would do it; no private concern would do it; no American family would do it; but we are about to do it here in the Congress.

The second critical fact people need to know: The Senator from Iowa said we are paying down all the debt there is to pay down. That is just one part of debt. He is talking about the publicly-held debt. The publicly-held debt, as we meet here today, is $3.4 trillion. Unfortunately, that is not the total debt of our country because in addition to that publicly-held debt—that is debt held by the public—we also have debt that the general fund of the United States owes to the trust funds of the United States. That debt is every bit as much debt as the debt held by the public. That has the same legal claim on the assets of our country as the publicly-held debt.

What has been missing from this debate is that the debt held in Government accounts, the debt owed by the general fund of the United States to the trust funds, is going to increase. It is going to increase from about $2 trillion in 2000 to nearly $6 trillion during this same period. In fact, when one puts the two together—the publicly-held debt and the debt to the trust funds of the United States—what one learns is the overall debt, the gross debt of our country, is not going down; it is going up. The gross debt of our country is going from $5.6 trillion today—that is a combination of the publicly-held debt and the debt owed to the trust funds of our country, which is $5.6 trillion today—to $6.7 trillion at the end of this 10-year period of this tax cut. That is the hard reality. The debt of our country is not going down; the debt of our country is going up.

When they described this as fiscally irresponsible, the New York Times made the case that this tax bill is badly backloaded. That means the true cost is hidden in the first 10 years. The cost explodes in the second 10 years because many of the provisions don't take effect until late in the decade, so their full cost is masked. The cost in the first 10 years is $1.35 trillion, as advertised. But that is the tip of the iceberg because the cost in the second 10 years goes up to nearly $4 trillion, right at the time the baby boomers are retiring, at the time the number of people eligible for Social Security and Medicare will double. This ticking timebomb is put right in the middle of that demographic timebomb.

As the Comptroller General has warned us, we are headed for a circumstance we have never seen in our Nation's history, a circumstance in which the number of people eligible for Medicare and Social Security will double, and double in very short order. That changes the budget circumstance of our country very dramatically: In this decade, we enjoy substantial surpluses; in the next decade, we face massive deficits.

What I proposed, what colleagues on this side of the aisle favored, was to take a substantial part of these surpluses now, reduce the size of the tax cut, cut it about in half, and use that money to prepare for what is to come, to reduce this long-term debt. That would be a wiser course, a more fiscally responsible course, a more conservative course.

The back loading is in page after page of the tax bill before us. The marriage penalty and standard deduction provisions don't take effect until 2006 to 2011. The marriage penalty, 15-percent bracket, doesn't take effect—I am told that may have been changed overnight. There are so many changes, and that is one reason some of us thought we ought to at least wait a couple of days to know what we are amending. I am a member of the Finance Committee, and I just learned this morning that apparently this is being moved up a year. It doesn't take away the point that it is backloaded.

The indexation of the 10-percent bracket doesn't take effect until 2007. The final rate cut in the upper brackets takes effect in 2007. The pushback on the Pease limit on itemized deductions doesn't take effect until 2009. Repealing the phaseout of personal exemptions takes effect in 2009. The full phase-in of IRA contribution limits doesn't take effect until 2011. The full phase-in of the child credit doesn't take effect until 2011. The repeal of the estate tax doesn't take effect until 2011. This is totally backloaded. That means the total cost is hidden from view in this 10-year period.

The Philadelphia Inquirer looked at this plan and wrote this editorial entitled "Tax Slashers At Work. Once started, they can't seem to stop." They made this observation about the Finance Committee:

> Like 20 frat brothers trying to cram themselves into a Volkswagen, U.S. Senators are overstuffing their tax bill.

They pointed out:

> Remember the outrage over the marriage penalty that affects many two-income couples? The Senate bill would only start to address this problem five years from now. By that time, the Bush Presidency—and a lot of marriages—may be over.

Mr. President, I am told this may have been moved up and it may not take effect for 4 years instead of 5. I have not seen the details. It doesn't take away from the point that it is backloaded. The Philadelphia Inquirer said:

> With other tax breaks, the bill does the opposite trick: providing tax relief right away, then supposedly ending it a few years down the road. A tax break for college tuition is slated to die after 2005. Relief for some of those hit by the alternative minimum tax would end after 2006.

Their commentary was:

> Sure, Congress is really going to let a popular tax break for the upper middle class die in an election.

The Philadelphia Inquirer says:

> That is dishonest and cynical.

They go on to point out:

> Another slow phase-in is the repeal of the estate tax over 10 years. If Congress weren't so intent on being generous to billionaires, it could afford to get more relief sooner to the parties sometimes genuinely injured by the inheritance tax: family farms and small businesses.

Unfortunately, much of what the Philadelphia Inquirer says is exactly right. Here is the marriage penalty relief delayed under the bill that came out of the committee until 2006. No relief for those married couples who suffer the penalty of the Tax Code that is imposed on some who are married. There was no relief—nothing—for the first 5 years. Then it is phased in. That is the kind of back loading the Philadelphia Inquirer was talking about.

Then they talked about sunsetting some provisions. Alternative minimum tax relief is one of them. The alternative minimum tax is something that will affect a dramatically increased number of taxpayers under this proposal. Currently in this country, only 1½ million taxpayers are affected by the alternative minimum tax. But under this bill, by the end of the period, nearly 40 million people will be caught up in the alternative minimum tax.

Boy, are they in for a surprise. They thought they were getting a tax cut. Nearly one in every four taxpayers in America is going to be caught up in the alternative minimum tax—a complex calculation designed to keep the super-rich from getting by without paying any taxes, because they used excess depreciation, excess deductions, excess exclusions. They were getting, in cumulative total, unfair benefits. That only applies to 1½ million people today.

Under the tax bill that is before us, that is going to mushroom to nearly 40 million people. Does anybody really believe we are going to allow this to happen? I do not. It should not happen. It does happen under this bill, and it is another reason I believe it is misleading.

What does this bill do in terms of addressing that issue? It offers some help initially, but then it ends it later in this decade. It is going to stop providing that additional assistance for the alternative minimum tax right at the time the number of people affected by it explodes.

This does not pass any kind of test. It does not pass a credibility test. It does not pass a fiscal responsibility test. It does not pass a fairness test. It does not pass any kind of test. But that is what is right in the guts of this bill before us.

It does not stop there because with the estate tax, it is the same thing. They hide the true cost because they put off its elimination until the 10th year. That is when they eliminate the estate tax, and then the cost explodes, but they do not capture that explosion because they do not put it in this bill. That is why the New York Times says this is fiscally irresponsible. And they are right. It does not pass the fiscal responsibility test.

That is what happens to the estate tax. Under the bill from 2002 to 2011, it costs $145 billion. But what happens in the second decade that is right beyond what is captured in this bill? The cost explodes to $790 billion, right at the time the baby boomers start to retire, right at the time the Federal Government has new responsibilities and obligations that are going to be very costly to meet. And we are going to give a $790 billion cut to the wealthiest 2 percent? Is that fair? We are going to shift that obligation on to all the American people and off the wealthiest 2 percent? It does not strike me as very fair.

That is not the only thing that is unfair about this bill. This bill says to the bottom 20 percent of the American people: You get 1 percent of the benefits. Those who have the lowest income in this country, the lowest 20 percent, we say to you: You get 1 percent of the benefits. The top 20 percent, the wealthiest 20 percent, we say: You get 70 percent of the benefits. That does not strike me as fair.

I know our Republican friends will say the wealthy people pay more in taxes. They do. That is certainly true. But this bill gives 33 percent of the benefits to the wealthiest 1 percent, the wealthiest 1 percent who, on average, in this country earn $1.1 million a year. I am glad they do. I hope very much that every American has the chance at some point in their life to receive $1.1 million a year in income. That is terrific.

That is one of the great things about the American dream. You can start with nothing in this country and you can become a person of means and do great things. You can help people through your own private resources. You can help your family. I am all for that.

When it comes to the people's money—we have heard a lot about this, the people's money, let's give it back to the people: To which people are we giving it back? We are giving 70 percent to the wealthiest 20 percent. We are giving 33 percent to the wealthiest 1 percent. Is that really fair? I do not think so. I can tell you, the wealthiest 1 percent do not pay 33 percent of the taxes; they pay about 20 percent of the taxes.

Our friends on the other side want to talk about only income taxes, but people do not pay just income taxes. They also pay payroll taxes. And the truth is, the fact is, 80 percent of the people in this country pay more in payroll taxes than they pay in income taxes. Yet this is just an income tax cut, and it is heavily weighted to the wealthiest among us, and it is not fair.

There has been a lot of talk that it is more fair than what President Bush proposed, and that is true; it is modestly better than what the President proposed. The President gave 72 percent of the benefits to the top 20 percent. This bill gives 70 percent of the benefits to the top 20 percent. I guess we can say it is better than what the President proposed, but the larger truth is, it is not much better, and it is still not fair.

I do not think there is anything that shows the unfairness of this proposal better than what happens to rate reduction at the various tax brackets.

In our country, we currently have a 15-percent bracket. Those are couples who earn up to $45,000 in taxable income. That means they are earning $60,000 or $65,000 a year in gross income. Then we have a 28-percent bracket, a 31-percent bracket, a 33-percent bracket, and we have a 39.6-percent bracket.

All of these brackets will be benefited by a new 10-percent rate. The new 10-percent rate simply says that a couple on their first $12,000 of income will be taxed at a rate of 10 percent. That is on their first $12,000. So everybody's first $12,000—everybody's—will be taxed at a rate of 10 percent instead of 15 percent, as current law provides. That is a benefit to every single tax bracket because everybody's first $12,000 will be taxed at a lower level.

Interestingly enough, this bill also provides rate relief to the various brackets. It gives a 3.6 percentage rate reduction to those who are in the 39.6-percent bracket. In other words, the biggest percentage reduction goes to the wealthiest group, and each of the other brackets gets 3 percentage points of rate relief. Those in the 33-percent bracket, 31-percent bracket, 28-percent bracket, they get 3 percentage points of rate relief, or about 10 percent of their overall tax burden.

What happens to those in the 15-percent rate bracket? They get no rate relief. They get none. Everybody else, every other bracket gets rate relief, but not the people in the 15-percent bracket. Is that fair? I do not think so.

How many people are in that 15-percent rate bracket? This is where the real unfairness of this bill is revealed because that is where 70 percent of the American taxpayers are. They get no rate relief. That is where 69 percent of the small businesses are. They get no rate relief. All of the talk that we are going to give marginal rate relief because it is the key to encourage savings and investment, but it only applies to the top rates. It does not apply to the 15-percent rate because this bill does not give them rate relief. It does not give the 70 percent of the American taxpayers rate relief. It does not give the 67 percent of small businesses rate relief. It reserves rate relief for those in the highest brackets.

There is something wrong with this bill, and what is wrong is it is not fair.

This bill has been sold repeatedly as an economic stimulus bill, one that can provide some lift to our economy in this period of weakness. That is an interesting theory and one I support. I believe we ought to give economic stimulus in this year, and we passed it in the Senate. We voted for $85 billion in tax relief in the year 2001. What is in this bill is not the $85 billion for which we voted. Oh, no, the stimulus in this package, this $1.350 trillion tax cut, is $10 billion. There is almost no stimulus out of this big package for this year.

For those who told people we are going to stimulate the economy by giving people money back in their pocket this year, this bill doesn't do it. We voted for $85 billion of stimulus this year in the Senate by an overwhelming vote. That is not what is in this bill. They cut that back down to $10 billion in relief this year.

I go back in history and look at the record. We had the same theory at work in the 1980s. That theory was we could have massive tax cuts, we could have massive buildup in the defense spending, and it would all add up. It did not add up. The result was an explosion in debt and deficits. We quadrupled the national debt, saw a dramatic increase in budget deficits, and under President Bush it got totally out of hand. We had a budget deficit of $290 billion the last year of his administration, and in 1993 we passed a package that raised income taxes on the wealthiest 1 percent and cut spending.

That package brought us back to balance. That brought us back to fiscal sanity. That brought us back to getting our fiscal house in order. That kicked off the longest economic expansion in our Nation's history.

We are about to go back to this theory. We could have a massive tax cut, coupled with a massive buildup in defense expenditure, and somehow it will add up.

History tells a great deal. This chart shows the trends in spending and revenues from 1980 to the year 2000, a 20-year snapshot. The red line is the total outlays, the blue line is the total revenues. We can see what happened the last time we had this theory at work. In 1981, a massive tax cut was passed, massive increase in defense expenditure, as this President is proposing. That is what happened to the expenditure line. It went up. Here is what happened to the revenue line with the massive tax cut: It went down. The deficits that were already too large exploded; the national debt exploded. It was only in 1993 when we passed a plan to reverse these lines, to reduce outlays, to increase revenues, that we were able to balance the budget and start reducing the national debt, that we were able to get our fiscal house in order and to put our country on a course to strong economic growth—the greatest, strongest, economic growth in our Nation's history.

And now we are going to retest the theory that was tried in 1981: a massive tax cut combined with massive increase in defense expenditure.

I pray we don't have the same result. Back in the 1980s, we had time to recover. But now we don't. We had time to recover in the 1980s because the baby boom generation was still relatively young. But now the baby boom generation is aging and they will retire in this next decade. Then everything changes. These surpluses turn to deficits. That is what, to me, counsels caution, that counsels a smaller tax cut, one that is more fairly distributed, one that passes the fiscal responsibility test, one that passes the fairness test, one that does not put America in jeopardy of exploding this debt.

Here is where we are on the growth of Federal debt. In 1980, we had a gross Federal debt of $909 billion. Today, as I said earlier, we are up to $5.6 trillion. Under this plan, the debt is going to continue to go up. It will go up to $6.7 trillion. I believe that is a mistake. At this time of surplus we ought to devote more of these resources to debt reduction. We ought to have a tax plan that is smaller, that takes the difference and puts it into strengthening our future economic position by reducing debt now when we have the opportunity, when we have the chance.

I believe the tax bill before the Senate flunks every test. It flunks the fiscal responsibility test because it is badly backloaded and because the national debt will grow. It flunks the fairness test because it gives the overwhelming part of the benefit to the wealthiest among us. I can't justify it. I don't think it is fair.

We are going to vote on this, perhaps on Monday, maybe as late as Tuesday. This is going to be a defining vote. It is an important vote. It will make a real difference to the future of this country. I regret very much the budget resolution passed by a slim vote in the Senate, 53–47, that put this scenario in place. But it did pass. That is where we are.

The great thing about our country is we are a democracy. We decide by votes. The votes of the elected Representatives of the people have decided this will be the course we pursue. I believe this bill is a profound mistake, that it would be far wiser to reduce the size of the tax cut initially, by about half as much as what is proposed, maybe a little more than half, and then wait to see how events unfold.

This is an uncertain time. We can see it in the markets; we can see it in unemployment; we can see it in productivity growth not being as strong as we have previously seen. All of that, to me, counsels caution.

I hope my colleagues seriously consider opposing this plan. I think it is a risky plan, that it is a dangerous plan. Does that mean it wouldn't work out under any circumstances? No. I think we have to be very direct and very clear. It may work out just fine. It may. Things may turn around. Things may improve. We may have more revenue than we are anticipating and that this tax cut is fully justified—not the fairness of it, but the amount of it.

No one can know that. No one can know what the next 10 years hold. We ought to be more cautious. We ought to be more conservative. We ought to reserve more of this forecasted surplus for debt reduction. We ought to reserve more of it to strengthen Social Security for the future. We ought to prepare for the baby boom generation. Then if things work out as forecasted, or if they are better than forecasted, which we all hope will be the case, we can have a tax cut of this size, maybe even bigger. But we shouldn't lock it in now based on an uncertain forecast at a time when the economy is shaky. And we ought not to put in place a tax cut that doesn't give a lift to this economy when it is weak.

We ought to provide stimulus now. We can afford to provide a $85 billion tax cut this year and get that money into the pockets of the American people now to strengthen the economy. That is not what this bill does. That is what we voted for in the Senate, but that is not what this bill does. Only $10 billion of this tax cut is effective this year, the year we are in, the time when we know we have economic weakness.

I thank my colleagues for this time. I say to the chairman of the committee, thank you for the fairness with which you have conducted the debate. That is the strength of America. We have different points of view. That doesn't mean we don't respect each other. I have great respect for the Senator from Iowa. I work with him frequently. I have great respect for the Senator from Montana. We work together frequently. But on this question we have a principled and profound difference. The great thing about America is we have a chance to express those differences and to vote on them. When we are done, when that is finished, we will go on and again work together on measures that are important to our country and to our individual States.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I will take the opportunity to address some of the issues the Senator from North Dakota addressed. I accept his graciousness about how we have run this process, and also confirm that on many things we work together—and I think of two: agriculture and rural health care. Those are two very important issues for our constituents.

The Senator from North Dakota has heard me speak on this point, and I mentioned it in my opening remarks. We did hear him say, as one Member who will probably say this several times today and throughout this debate, that this is a very risky road we are going down. There again, I think that caution is the responsibility of every Member of this Senate. I do not regret that he makes that caution.

On the other hand, we also appropriate a lot of money. We pass a lot of programs that obligate this Congress and the taxpayers of this country to pay a lot of money several years down the road based on the same Congressional Budget Office projections of what the future income of this Treasury is going to be.

All I would say is, if it is risky to consider this when we have tax cuts, then we ought to use the same adjectives and implore the Senate of the United States to use the same caution as we are adopting other programs down the road.

We never hear that. It is OK to pass spending bills and not worry about what the future holds; can we meet those obligations? But if we incur obligations letting the people of the country keep their tax money and decisions relating to them, then obviously that is an entirely different story and we hear the word "risky" used.

Another point of contention with the Senator from North Dakota deals not with the statistic he used, or not with the point he is trying to make, but when he says 2 percent of the wealthiest Americans are going to benefit by the repeal of the death tax—this is such a complicated issue to deal with, who benefits from the death tax. Our own nonpartisan Joint Tax Committee does not even figure estate tax and who benefits and who loses in the distribution tables they put out. That is because, for the death tax, the person who benefits has died. So it is ridiculous to talk about the death tax benefiting 2 percent of the most wealthy in America, because the people who made the money are gone from the face of this Earth.

There is an assumption here that may be partly correct—but I bet you would never prove if it were correct—that the people who inherit from the person who died happen to be wealthy. There is some effort by some think tanks in this town to figure that equation into the distribution tables of whether we are benefiting the wealthy or the not so well off. I think it is intellectually dishonest—the Senator is not intellectually dishonest, but the people who do this figuring. If our own professional people who are nonpolitical can't do it, why should we listen to some think tank that is politically oriented to make that judgment for us? It is wrong. You cannot trace the money.

One other thing I ask the Senator from North Dakota to consider is that his picture of America, of the rich and the poor, just does not exist. Dividing America into the rich and the poor, as if somehow you are born poor and you stay poor all your life; you are born rich and you stay rich all your life—that America does not exist. It is a never-never land.

Mr. President, 150 years ago the French nobleman, De Tocqueville, who came to our country to study democracy—he was here about 3 years and wrote a lot about it—wrote:

> The rich are constantly becoming poor. The rich daily rise out of the crowd and constantly returneth thither.

That was 150 years ago, and it has not changed now. All you have to do is look at the University of Michigan studies on this point and you will find economic status in this country is always transient. We do not have two distinct, unchanging groups in America, the rich and the poor. These are generally, as was in these graphs divided here—you know, the lowest income one-fifth, the next highest income one-fifth, the middle income one-fifth, and then the next highest income fifth, and then the very wealthy fifth, 20 percent.

Only one-half of 1 percent of the American people—year after year—are in the lowest one-fifth. So when he talks over here on the lowest 20 percent benefiting in so minuscule a fashion from this tax bill, he could be talking about one-half of 1 percent of the people. The people who are in that bottom one-fifth today, most of them in 1 year are going to be in other levels of income, who are going to benefit from our tax bill. Only one-half of 1 percent, I want to repeat, are in the lowest one-fifth year after year.

One-third of the lowest one-fifth rise to the second, third, fourth, or fifth quintile by next year—just 1 year away from being in that lowest 20 percent. Mr. President, 80 percent move out of the bottom one-fifth—80 percent of the bottom one-fifth move to the middle class and above, and 30 percent of those people who were in that lowest one-fifth rise to the highest one-fifth; in other words, the wealthiest one-fifth in America.

This is America. That is what America is all about, the ability to move up as you use your talents.

The other end of the scale is probably even more surprising. If you take the very wealthiest one-fifth of America at any one time, the rich do not always stay rich.

That is another way of saying what De Tocqueville said 150 years ago: If you take the top 1 percent of Americans, 10 years later more than one-half had dropped out of the top 1 percent and also dropped out of even the top one-fifth.

So what we have here is an America that has always existed, never an America of people who were always poor, and never an America of people who were always rich, but people who were moving up the economic ladder, and some who had the misfortune of moving down the economic ladder even if they were at one time in the top 1 percent of the most wealthy.

So when you see a chart that says the lowest one-fifth and the top one-fifth, remember, that is today; tomorrow, that picture will not be the same. As people move up that ladder, they are going to benefit from the tax reduction regardless of the fact that there is a lot in this bill for the lowest income people.

We have a very dynamic society, an America that is ever-changing, an

America where the poor, except for one-half of 1 percent, are much better off at various times in their life. Then, for those who are very fortunate to be born in wealth or to grow wealthy, very few of them always stay wealthy.

So I hope these things are taken into consideration as we hear about the "winners" and the "losers" because with this tax bill there are not any losers. Everybody is a winner.

I yield the floor.

Mr. President, I yield the Senator from Oklahoma whatever time he wants to consume.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. First, I compliment my friend and colleague from Iowa for the comments he just made, but also for his management of the bill, as well as Senator BAUCUS from Montana.

They have worked well together to produce a good product.

I was disappointed to hear the comments made by my friend and colleague from North Dakota criticizing the bill. I happen to disagree with many of the statements he made about this bill benefiting the rich and wealthy, and so on. I just disagree with it. He is entitled to his own opinion; he is not entitled to his own facts.

I want to talk a little bit about the facts and talk a little bit about what is in this bill because I think it has been mischaracterized in this Chamber. I think it is important that we know what is in the bill.

Again, I compliment Senator GRASSLEY and Senator BAUCUS for bringing us this bill today. I think this bill is a giant step in the right direction. It is not perfect. Maybe it can be made better. But I think it is important that we look a little bit at the facts. I believe the facts will show that this bill does not just benefit the wealthy. I think it is a fair tax cut and weighted very much toward low-income people.

I want to speak a little bit about the statement that this is a repetition of the Reagan tax cut, and are we going to see deficits as a result of this because that is what we saw when Ronald Reagan cut taxes in 1980?

I came to this body on January 3, 1981, but I looked at the record. In 1980, total revenues to the Federal Government were $517 billion. Ten years later, total revenues to the Federal Government were double that amount: $1.032 trillion—almost exactly double. So if Ronald Reagan had these massive tax cuts, revenues to the Federal Government doubled in that 10-year period of time. He was President 8 years of that time. Certainly, you could say he was responsible for that.

The fact is, spending grew fast, so revenues grew, and grew rather substantially, doubling in that 10-year period of time. The problem was, spending grew faster. Maybe we should blame Ronald Reagan; maybe we should blame the Democrats and the Republicans who were running Congress; there is plenty of fault to go around. My point is: Revenues grew.

What Ronald Reagan did was, he made a significant reduction in rates, but revenues continued to grow. He reduced the maximum rate from 70 percent to 28 percent. He had broad bipartisan support for those tax bills, I might mention. The first bill brought it down from 70 to 50 percent, and a couple years later we passed another bill that brought the rate from 50 percent to 28 percent. I remember Senator Bradley was supportive of that bill. My point is: we brought rates down but revenues continued to grow.

I think that is also evidenced by the fact that when we reduced rates in 1997, when we reduced the capital gains rate from 28 percent to 20 percent, revenues grew.

So some people react: Wait a minute, you can't cut rates when you reduce revenues. I disagree with that. We reduced the capital gains rate and revenues have grown substantially.

I want to talk a little bit about the bill before us. Does it benefit primarily the wealthy? I think not. I think it is weighted way toward the low-income groups. I will just give you a couple facts. The facts are that we take the 15-percent bracket, the people who make $12,000 or less adjusted gross income, and they pay 10 percent. That is a reduction of 33 percent. That is not stretched out over 7 years but retroactive to January 1. That is today. That is real. That is $600 per family for every family who pays taxes. That will make a difference. That is weighted toward the low income. People who make $12,000 or less get the full $600.

People who make $1 million, they get the same $600. Percentagewise, that is going to eliminate a lot of people's tax liability, period. Millions of people will pay no income tax as a result of that change. That change is made immediately, retroactive.

I heard my colleague say there are only $10 billion of outlays or scoring for this fiscal year and that we only have a few months left in this fiscal year. But as a result of the changes we are making, a lot of people will get refunds that will have smaller withholding for the last couple months of this fiscal year; they will get a refund in April of next year. They are going to get a tax cut. It will be a tax cut for taxpayers.

What about the rest of the brackets? The rest of the brackets do not get anything as far as a rate change. All the brackets get a 1-point reduction in the rate change effective January of next year. If you figure percentagewise, that is a much greater percentage reduction in taxes for the lower income brackets than it is for the higher income brackets. Again, I think some people are trying to score points and have political class warfare, but that is ridiculous. And that does not even count the other changes that are made in the tax bill.

We have the $500 tax credit per child which is made refundable, against my advice. I do not think that is good tax policy, but it is in this bill. So if anyone is saying we are benefiting the wealthy, there is a $500 tax credit that is refundable. Under this bill, we are giving people money back who did not even pay taxes. That certainly is weighted toward the low-income people.

How can someone say we are not even benefiting this one group? That is just not right. Or that this tax bill benefits the wealthy? That is just not right. I was one of the principal sponsors of the $500 tax credit per child that we passed in 1997. That did give people tax credits. It reduced their tax liability when having kids. If they have four kids, that is $2,000 more they get to keep this year as a result of what we passed in 1997. We expand that now to make that $1,000 per child. We phase that in. The first $100 is effective immediately. So if a family has four kids, that would be four times $600. That would be $2,400 they would get to keep this year, that they would have reduced in their taxes. Most of it would show up in a large refund for next year. But that is a tax cut benefiting primarily low-income people. Higher income people do not get that. So I just wish people would be factual.

Let's take, again, the upper income group. All the upper income rates get a 1-point reduction effective January of 2002—next year. When do they get another reduction under this bill? Not until 2005. So the low-income people who make $12,000 or less adjusted gross income get a 33-percent reduction effective immediately, but those in the higher income are going to have to wait another 3 years—until the year 2005—for another reduction. They get 1 point in 2002—next year, in January—and then they have to wait another 3 years to get another point. I think that is way too slow. Then they have to wait until the year 2007 to get 1 more point for all the rates. I think we are way too timid in getting the rates effective.

Then some people still criticize the bill, saying the upper income is really benefiting. That is hogwash. How does that compare to the tax increase that passed in 1993? Did we phase in the tax increase that passed in 1993 and President Clinton signed? We had a tie vote. Vice President Gore broke the tie twice in the Senate. Did we phase that in when we took the maximum rate from 31 percent to 39.6 percent? No. It was not phased in. It was made retroactive to January 1, 1993.

Was that the only increase we did on upper income people? No. In addition to that, we said there won't be a cap on

Medicare taxes, so an individual pays 1.45 percent of payroll on all payroll now. It used to be capped at the Social Security base. At that time it was—last year it was $75,000. Now that goes up.

So you pay 1.45 percent of Medicare on all income and actually your employer does it, too, so in effect that was a 2.9-percent increase on top of the 39.6. So President Clinton increased the maximum tax rate from 31 percent to 39.6 to actually 42.5 percent. The package we have before us today will reduce that by one point next year. President Clinton raised the rate from 31 percent to 42.5 percent. This bill is going to reduce it from 42.5 percent to 41.5 percent, still over 33 percent higher than it was in 1993.

When it is all said and done, it is still 20-some-odd percent higher than it was in 1993. The bill we have before us phases it down over 6 years to 36 percent. Maybe it must be higher for some individuals. I don't know. How much do you want the Government to pay? How big a percent should the top 1 percent pay? They now pay 35.9 percent of all income taxes, and evidently some people think it should be 50 percent or more. Is that good policy? I don't think so.

Then they say: You had a tax cut. If they pay 100 percent of the taxes, and you give a tax cut, I guess they get 100 percent of the tax cut, and that would be wrong.

That same rhetoric is employed on the death tax. We have increased the exemptions over the years and, therefore, only the top 2 percent pay the death tax. Therefore, if you cut the death tax, you are really benefiting the wealthy. What is right about the Federal Government taking over half of what somebody has worked their entire life for and they want to pass on to their kids? What is right about the Government saying, we want 60 percent of it; we want 55 percent of it? That is present law. Only the top 1 percent does or only the top 5 percent. So who cares? Our job in the tax policy is to redistribute wealth. We want to rob Peter to pay Paul. We have a lot more Pauls. We are going to make them happy. We are going to take Peter's money and give it to lots of people.

Some people think the primary purpose of the Tax Code is to redistribute income so we have all these distributional charts. We have to make sure this percentile gets their fair share of the money. They didn't pay their fair share of the taxes, but we want to make sure they get their fair share of the money. We don't do that with spending programs. Some people are trying to turn the Tax Code into aid for families with dependent children. I disagree. We should not use the Tax Code for spending purposes.

The Tax Code should be fair and equitable. There is nothing right about somebody working their entire life and building up a business, a farm, a ranch, or a company of some kind and they die and all of a sudden the Government says: Hey, we want half. Move over. We don't care if you have to sell the company. We don't care if it bankrupts the company. We want half. The Government is entitled to take half.

I think that is absolutely, fundamentally wrong.

What we are trying to do eventually in this bill is repeal the taxable event on death and say the taxable event would be when somebody sells the property. If they inherit the property and they don't sell, they continue operating the farm, the business, whatever, as long as they are operating it, fine. If they sell it, then they pay tax, and the tax will be at the capital gains rate. It won't be at 55 percent. It won't be at 60 percent.

Somebody said, we don't have the death tax rate at 60 percent. Yes, we do. If you have a taxable estate on death between 10 million and 17 million, the taxable rate is 60 percent. We get rid of that 5 percent kicker right off the bat. That is one of the things we should do in this bill. We ought to get the death tax down. We ought to get marginal rates down. Marginal rates are too high. So we have gradually reduced them. I think we are way too gradual in reducing them. But for some people to say, wait a minute, we are doing too much for this group because we are really benefiting them, when all they get under this bill, all they get if this bill was law, and this is all we passed for the next 3 years, all the wealthy would get would be basically a 1 percentage point reduction next January in their rate, from 39.6 to 38.6, or correspondingly the other rates, 28 to 27, and that would be it until the year 2005. I think that is pretty pathetic. We can do better. I hope we will do better.

For some people to say that really benefits the wealthy just because a few years ago we raised your rate from 31 percent to 42.5 percent, forget about that. To reduce it by 1 percentage point, when you increased it 11.5 percent—11½ points, not percent, 11½ points—now we are going to give you a great big 1 point reduction, give you one-tenth of that back in 4 years, that is a massive tax cut? I beg to differ with you.

If we passed the Bush tax plan as it is, it is still much higher than it was under President Clinton.

I make these points. I think people need to look at the tax legislation in total. They need to look at the tax credit, the refundability of the tax credit, maybe the wisdom of that. I think that should be considered. We finally start making some real inroads on marriage penalty relief. I wish we did more, and I wish we did it earlier. But, unfortunately, some people reduce the size of this tax bill.

Some people say: Wait a minute, why can't you do marriage penalty more immediately? Because some people voted on the budget resolution to reduce the size of this package from 1.6 trillion to 1.35. OK, they won. So now we have the budget resolution, and we are doing the best job we can with 1.35. We should work to pass the best bill we can with 1.35. If we had the 1.6, maybe we could do more with the marriage penalty. Maybe we could do more with the rates; we could accelerate more the rates. But we didn't win on the budget.

A lot of rhetoric I have heard says: I want to redo the budget, fighting the budget battle. The budget battle, you lost that one. Now we are fighting the tax battle: Should we have a tax cut or not? Should we eliminate the death tax or not? Should we cut rates any? Is a 1 point reduction in the next 4 years too much for all income brackets? I don't think so.

Let me refer a little bit on this. We didn't cut the 15-percent rate. I mentioned in the Finance Committee, I would be happy to consider alternatives. Right now, we have weighted a lot of the tax cut. You have different rates. You have a zero rate which we are expanding substantially. We have the 15-percent rate, the 28-percent rate, 31-percent rate, 33, 39.6. We have reduced all those rates. Somebody said: You didn't reduce the 15-percent rate. What you did is you took a chunk of it out and made it 10 percent.

There is another way of doing it. We could reduce the 15-percent rate, take that same amount of money, we took half the tax cut. By adjusting that, putting in the new 10-percent rate, we could reduce the 15-percent rate to 13.5. That would be a 10-percent reduction in the 15-percent rate and probably do that for the same amount of money we did by creating the 10 percent.

We would cut rates for everybody in the 15-percent bracket. That might be a better tax policy than going to 10 percent. I am willing to consider that.

In other words, there are different ways of doing this. It might come out the same dollarwise for the total bill, and it is more equitable. There are some things we can do.

This bill is not perfect. But to slam it and say we are not doing anything over here and ignoring the child credit, to ignore the fact that we are expanding the 15-percent bracket substantially for married couples, which means a lot of married couples will be paying 15 percent instead of 28 percent, almost a reduction of one-half on a lot of their income—that is a big change—to ignore those kinds of things would be a mistake.

I urge my colleagues to support this package. I hope we don't have a lot of amendments. It has been pretty well balanced, if you want to look at it like that, from a political perspective. I hope we can improve the bill as we go forward. I hope we don't engage in a lot of class warfare rhetoric nonsense. It seems that that has been coming out lately. I don't think it is justified. It is not becoming to the Senate.

Taxpayers are entitled to tax relief. They haven't had it for the last couple years. Congress passed, in 1999, tax relief. President Clinton vetoed it. Congress passed a couple bills last year to eliminate the death tax and eliminate the marriage penalty. President Clinton vetoed them. Taxpayers are overdue in getting relief. It is time we give them some relief. This bill is the first good news the taxpayers have had, certainly since 1997, and the first significant, real relief they have had in decades.

I am very hopeful and pleased that we will put this on the President's desk, hopefully, by next Friday.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, the great thing about our country is we can have honest differences of opinion, and we do. The Senator from Oklahoma says he is against redistributing income through the Tax Code. That is exactly what this bill does. Only this redistributes it up.

We have a circumstance in which the wealthiest 1 percent are getting a greater share of the tax reduction provided in this bill than they pay in Federal taxes. Now the Senator wants to talk just about income taxes. People don't only pay income taxes; they pay income taxes, payroll taxes, and other taxes. The wealthiest 1 percent don't pay 33 percent of Federal taxes—they don't. They pay 23 percent to 26 percent in Federal taxes, but they get 33 percent of the benefit in this plan. That is not fair. It is not fair.

The Senator talks about the estate tax. The fact is, the estate tax is paid by the wealthiest 2 percent of the estates in America. We agree there is a problem with the current estate tax because it bites at much too low a level—$675,000 for an individual, $1.3 million for a couple—before you start paying any tax. That is too low given what has happened to the value of financial assets, real estate and other assets.

I have supported increasing the estate tax to $5 million for an individual, $10 million for a couple, but eliminating the estate tax is fiscally irresponsible given the cost the Federal Government is going to face when the baby boomers retire. It costs $750 billion the second 10 years. From where is the money going to come? The Senator from Oklahoma is going to shift that burden on to everybody else.

The tax policy is fundamentally a question of, what is the fairest way of distributing the burden in society? What is the fairest way? The Senator from Oklahoma apparently has a difference with this Senator, at least on what is fair. I don't think it is fair to take the people's money and give 33 percent of the benefit of this tax cut to the wealthiest 1 percent. I don't think that is fair. I don't think it demeans the Senate one bit to have that debate. I think it is exactly the debate the people of this country, who sent us here, expect us to have. What is the fiscally responsible thing to do? What is the fair thing to do? That is exactly what we ought to be debating.

We also have a difference on what the historical record is. The Senator goes back to the 1980s and talks about a doubling of tax receipts. But I think that is misleading because it doesn't take account of inflation. The way to best compare what happened to revenue and expenditure in different historical periods is by looking at revenue as a percentage of gross domestic product and outlays as a percentage of gross domestic product. When you do that, it is very clear what happened in the 1980s. The spending went up with the big defense buildup the President proposed and Congress enacted. The spending went up as a percentage of GDP. The revenue went down sharply as a percentage of GDP. That opened up this massive chasm, which was deficit. The yearly difference between what we took in and what we spent multiplied the debt. The debt quadrupled, putting this country in a deep hole. And the same folks who designed that package are coming back with the one we see today.

The question is, what is the fiscally responsible thing to do? I don't believe it is responsible to pass this package. I don't think it is a fair thing to do, either.

I rise to offer an amendment to deal with one of the issues that I think is most unfair in terms of the bill that is before us. Every Senator has talked about the need to fix the marriage penalty. Indeed, we should fix it because some couples pay more taxes simply because they are married. That is not right. That is not fair. I think we all agree with those propositions. But this bill doesn't do anything about it for 4 years. There is no marriage penalty relief in this bill for this year. There is no marriage penalty relief in this bill for next year. There is no marriage penalty relief in this bill for the year thereafter. There is no marriage penalty relief for 4 years. I don't think we can leave this legislation without addressing the marriage penalty now.

The amendment I am offering would simply say, let's put in place those elements of this legislation that address the marriage penalty now. Let's do it this year. Let's put it in place immediately. I believe marriage penalty relief should begin as soon as possible—not 4 years from now, not 5 years from now, but now.

Under my amendment, the two key components of this legislation dealing with the marriage penalty would be put into place immediately: One, the standard deduction for married couples would double the deduction for single individuals; two, the top income limit in the 15-percent bracket for married couples would be double the limit for single individuals. This does not solve the marriage penalty, but they are the provisions that are in this bill. These are the provisions in this bill that do not take effect for 4 years. I am simply saying let's move them up and have them take effect immediately.

By providing marriage penalty relief more quickly, we are helping middle-class Americans, strengthening families, and removing tax disadvantages to marriage. I think we can all agree on that. We also help simplify tax filing for the many families who will no longer have to itemize their deductions. We are improving the fairness of the package.

The bottom line is, without this fix, a couple who got married last year will have to wait until their eighth wedding anniversary to get full marriage penalty relief. I don't believe that is right or fair. We can do better. This amendment is an attempt to do that.

My amendment is paid for by delaying the rate reductions for the top two brackets, so that the rates will drop to 35 percent and 38 percent in 2009, and to 33 and 36 percent in 2010. In essence, we are saying, put marriage penalty relief as a top priority.

AMENDMENT NO. 654

Mr. CONRAD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD], for himself and Mr. JOHNSON, proposes an amendment numbered 654.

Mr. CONRAD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To accelerate the elimination of the marriage penalty in the standard deduction and 15-percent bracket and to modify the reduction in the marginal rate of tax)

On page 9, strike all after line 11 and before line 15 and insert the following:

"In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:			
	28%	31%	36%	39.6%
2002, 2003, and 2004.	27%	30%	36%	39.6%
2005 and 2006 ..	26%	29%	36%	39.6%
2007 and 2008 ..	25%	28%	36%	39.6%
2009	25%	28%	35%	38%
2010 and thereafter.	25%	28%	33%	36%

"(3) ADJUSTMENT OF TABLES.—The Secretary shall adjust the tables prescribed under subsection (f) to carry out this subsection, and in any fiscal year in which such adjustment results in an on-budget surplus smaller than the medicare HI trust fund surplus, the Secretary shall further adjust such tables to ensure that in such fiscal year the on-budget surplus is not less than such account.".

Beginning on page 19, strike line 8 and all that follows through page 20, line 12, and insert the following:

(1) by striking "$5,000" in subparagraph (A) and inserting "twice the dollar amount in effect under subparagraph (C) for the taxable year";

(2) by adding "or" at the end of subparagraph (B);

(3) by striking "in the case of" and all that follows in subparagraph (C) and inserting "in any other case."; and

(4) by striking subparagraph (D).

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(6), as amended by section 103(b), is amended by striking "(other than with" and all that follows through "shall be applied" and inserting "(other than with respect to sections 63(c)(4) and 151(d)(3)(A)) shall be applied".

(2) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

"The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).".

(c) EFFECTIVE DATE.—The amendments made by

Beginning on page 20, strike line 21 and all that follows through page 22, line 4, and insert the following:

"(8) ELIMINATION OF MARRIAGE PENALTY IN 15-PERCENT BRACKET.—

"(A) IN GENERAL.—With respect to taxable years beginning after December 31, 2001, in prescribing the tables under paragraph (1)—

"(i) the maximum taxable income in the 15-percent rate bracket in the table contained in subsection (a) (and the minimum taxable income in the next higher taxable income bracket in such table) shall be twice the maximum taxable income in the 15-percent rate bracket in the table contained in subsection (c) (after any other adjustment under this subsection), and

"(ii) the comparable taxable income amounts in the table contained in subsection (d) shall be ½ of the amounts determined under clause (i).

"(B) ROUNDING.—If any amount determined under subparagraph (A)(i) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.".

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. The Senator can offer an amendment in his own right.

The PRESIDING OFFICER. The Senator from North Dakota controls 1 hour on the amendment.

The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I say to the managers I have no desire to take an hour on this amendment, considering the other amendments Senators desire to offer. I am prepared to go to a vote very quickly on this amendment. Perhaps others want to speak. I understand that.

I ask unanimous consent that Senator JOHNSON be shown as an original cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, perhaps others would like to speak. I am happy to work with the manager in whatever way he thinks is most appropriate in order to move things along. If the manager on our side wants to delay consideration and have other amendments considered or have others speak on other subjects, that is fine with me.

Mr. BAUCUS. Mr. President, as the Senator from North Dakota knows, we are trying to negotiate out a sequence and order of amendments. I very much appreciate the graciousness of the Senator from North Dakota. At this point, since I do not know what the Senator from Texas, who has an amendment on the subject, desires, I suggest that the Senator proceed with his amendment, and that after a reasonable period of time we will be in a much better position to know about how to sequence this. I urge the Senator to proceed.

Mr. CONRAD. I thank the Senator very much. I have made my initial remarks. I see the Senator from South Dakota, Mr. JOHNSON, now in the Chamber. He is an original cosponsor of the amendment. I think he would like time to speak on the amendment as well.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. JOHNSON. Mr. President, I thank my colleague from North Dakota. I will be very brief.

I applaud the work Senator CONRAD has done on the marriage penalty amendment by accelerating the marriage penalty relief to begin immediately. One of the great disappointments of the pending legislation is that the marriage penalty is not phased out until beginning the year 2005.

There are many of us who thought this was going to be one of the high-priority items we would be taking up in a tax cut bill, and yet we find nothing happens relative to getting rid of the marriage penalty for half a decade.

The offset Senator CONRAD has proposed is a delay in the phase-in of the marginal tax rates for the top two brackets, the 39.6 and 36-percent brackets. Those are families who are making roughly $300,000 a year for the 39.6-percent bracket and about $161,000 for the 36-percent bracket. This would be delayed. They would ultimately get the bracket reduction, the same as was initially proposed.

The question is, who has to wait? The people with the marriage penalty or the highest tax bracket? Somebody has to wait to fit into the tax plan, and it seems to me we ought to accelerate the marriage penalty, which benefits everyone who is married, regardless of what their income might be, and move forward with that.

Again, under this amendment, we will allow the phased-down reductions of those two top tax brackets just as was in the original bill. It is not a matter of eliminating bracket reduction, but it is a matter of having to choose, having to make a decision. We have to decide right here and now whose tax relief ought to come first. Should it be people who are, under Federal policy, being penalized for their marital status, or should the highest income people in America get their relief first and people who are being penalized for being married have to wait? To me, that is an easy decision. To me, public policy ought to encourage family stability. Public policy ought to encourage marriage, not discourage it, and in the course of trying to come up with a more equitable Tax Code, it ought to be among the very first items we address.

To delay tax relief on the marriage penalty in order to continue to quickly reduce the tax brackets on the wealthiest upper percentiles of the American public does not make a lot of sense to me.

This change would be a great benefit to married families all across South Dakota. It would affect, by slowing down the phase-in, fewer than 3 percent of the citizens of my State, but in exchange for that, they would get their marriage penalty relieved as well regardless of income levels.

This is a sensible, commonsense amendment being offered by Senator CONRAD. It does nothing to the overall scope of the tax cut. It does nothing to eliminate the reductions in brackets for the top income tax brackets, but it does say, with an exclamation point, right here and now that we will make elimination of the marriage tax penalty immediately one of our priorities. We should not be phasing it in over the course of 5 years simply to allow the immediate reduction of tax payments by the wealthiest upper percentiles in America. That is the tradeoff. That is the balance and choice we have to make.

I applaud Senator CONRAD for his work on this amendment and hope my colleagues on both sides of the aisle will support the immediate elimination of the marriage penalty. I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield to the Senator from Colorado what time he might consume.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ALLARD. If I may have 15 minutes.

Mr. GRASSLEY. I yield 15 minutes.

Mr. ALLARD. Mr. President, first I commend Chairman GRASSLEY for his hard work in putting this tax bill together. He has done a great job as chairman of the Finance Committee, and we all appreciate how quickly he was able to get this tax cut out of his committee. He has provided critical leadership in the battle to provide tax relief to the American people.

I reiterate, as I have time and again, the budget surplus is the people's surplus, it is not the Government's surplus, and it is time to refund a portion of this surplus to the people who pay the bills. They are being overtaxed, and they deserve a refund.

This bill provides that refund in the form of lower income tax rates. It repeals the death tax. There is an increase in the child tax credit. There is relief on the marriage penalty provisions and tax relief for education expenses. That is a good start. I am one of those Senators who thinks there could be more done and should be more done as far as the size of the tax cut, but this is a good start.

My hope is that we can continue to improve this bill in the Senate and in conference, and that we can work for more tax cuts in a second tax bill later this year.

I have two concerns with this bill. First, the bill does not cut the income tax rates far enough. There should be no higher rate, in my view, than 33 percent. All of the tax brackets should be lowered so that we have only four rates: 10 percent, 15 percent, 25 percent, and then the final level would be the 33 percent.

In my view, no one should pay more than a third of their income in Federal income taxes. This is what the President and the House have proposed, and I am hopeful we can move to that in the conference.

The second concern I have is that this bill contains no reduction in the capital gains tax rate. I will, therefore, be offering an amendment to add this tax cut to the bill. My amendment will reduce the top capital gains rate from 20 percent to 15 percent with those in the lower brackets paying only a 7-percent rate on capital gains.

I have two versions of this amendment. One is a permanent rate cut. The other is a 2-year rate cut that should clearly raise revenue even under the Joint Tax Committee scoring.

I cannot understand why we do not have a capital gains cut in this bill. Both parties have come together in support of immediate tax relief to stimulate the economy, and, in my view, there is no tax that could do more to stimulate the economy than a further reduction in the capital gains rate if we could cut that further. If we want to pull the economy out of its slump, if we want to revive the stock market, if we want to return to full economic growth, we should cut the capital gains tax.

The greatest irony is we could cut this tax with no loss of revenue. In fact, a capital gains tax cut will actually raise revenue. This occurs for three reasons. First, a reduction in the tax on capital gains will, purely and simply, increase economic growth. Second, it will increase the value of capital assets held by taxpayers. Three, when the tax is cut, people will sell more capital assets. We open up the gates of commerce.

Remember, the capital gains tax is a voluntary tax. It is only paid when the assets are sold and investors are much more willing to sell capital assets when the tax rate is lower. This is not a theory. It has been proven time and again by history. Let me reflect on a few of those historical moments.

In 1997, we reduced the capital gains tax from 28 percent to 20 percent, and many of you, I think, in this Chamber will recall the debate over whether this would raise or lower revenues. We now have the answer. Revenue from capital gains increased dramatically after the tax rate cut. In fact, in just the 4 years since the rate cut, 1997 through 2000, the Government has received $200 billion more capital gains revenue than forecast before the tax rate. I repeat, $200 million in added revenue in just 4 years.

I call my colleagues' attention to this chart. I have placed a copy on each Member's desk. The chart shows for the years 1997, 1998, 1999, and 2000 the orange-yellow bars, what would have been the projected revenue from capital gains if we had not reduced the capital gains rate. The amount of growth that has occurred during this same period is phenomenal. This reflects the increase in capital gains revenue, and this projected what it would have been if we had not cut capital gains. It is substantial. It is $200 billion in added revenue in 4 years.

Each time we have cut the capital gains tax rate, revenues have gone up. This happened after the 1978 cut from 40 percent to 28 percent. It happened again in 1981 when the rate was cut from 28 percent to 20 percent.

By contrast, after the 1986 tax increase, revenues actually declined.

Then finally in 1997, after the most recent reduction in the tax rate, we experienced a huge capital gains revenue increase.

This added revenue has been a big factor in the budget surpluses of recent years. In fact, this $200 billion of added revenue exceeds the entire non-Social Security surplus since 1997.

I refer my colleagues specifically to the four years since the 1997 rate cut from 28 percent to 20 percent. In each year you can see the revenue that was forecast before the rate cut, and then next to it the revenue that we actually received.

The revenues are virtually double the forecast after the rate cut—as I noted, $200 billion in new money in just 4 years.

The increase in revenues should make this tax cut an easy sell, but that is not the main reason that we should cut the tax.

The main reason is that this tax cut immediately increase savings, capital investment, and stock values.

All of this is pointed out in Monday's Wall Street Journal op-ed by Arthur Laffer, Lawrence Kudlow, and Stephen Moore.

At this time I ask unanimous consent that this Journal article be printed in the RECORD at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. ALLARD. Let me just quote from the final paragraph of this article:

> The last capital-gains cut in Washington led to higher productivity and capital investment, a spectacular surge in stock values, and a new age of federal surpluses. Isn't that exactly what is meant by a fiscal stimulus?

That is what is meant by fiscal stimulus. We should add this provision to our tax bill for the simple reason that it will get this economy moving again.

The American people are overtaxed.

Tax Freedom Day was May 3, this year. This is the latest it has ever been.

This means that average American families will work the first 123 days of the year to pay the combined tax bill from all levels of government—Federal, State, and local.

It is time for a tax cut.

We frequently discuss the budget surplus, but I believe that it is more accurate to refer to it as the tax surplus. The tax surplus represents an overpayment by taxpayers and should be refunded to those who overpaid.

Tax cuts will benefit all Americans by making the economy stronger. Low taxes reward work, saving, and investment. Low taxes provide the fuel for our economy to create new jobs and raise our standard of living.

Allowing people to keep their own money simply makes the most sense. People are in a better position than the government to know what they need. I believe in the people's priorities, not Washington's priorities.

This tax cut is real money that can be used for the downpayment on a home, college tuition, or a family vacation.

While I want to add a capital gains tax cut, I know that this tax bill contains many important provisions.

All taxpayers will get immediate relief when the 15 percent rate is lowered to 10 percent on a significant portion of income.

The tax bill also increases the child tax credit, provides tax relief for education expenses, and eliminates the death tax.

I am particularly pleased to support repeal of the death tax. It is the one tax cut issue that comes up consistently.

The United States retains among the highest estate taxes in the world, and top estate tax rates can reach over 55 percent. This is money that was already taxed when it was earned.

The estate tax can destroy a family business. This is the most disturbing aspect of the tax. No American family should lose its business because of the estate tax or death tax.

Similarly, more and more large ranches and farms are facing the prospect of break-up and sale to developers in order to pay the estate tax.

Americans are spending more than ever on taxes. In fact, we now pay more in taxes than we do for food, shelter, and clothing combined. Since when did the Federal Government become more important than life's essentials?

It is time to reverse this trend by cutting taxes across the board. Low taxes will help our economy and will also help America's families.

I ask my colleagues to support my amendment to reduce the capital gains rate to 15 percent.

This addition will make the bill even stronger than it is now.

Adding this will stimulate the economy, increase saving and investment, and boost Federal revenues.

We should not let this opportunity pass without adding the tax cut that will do the most to restore the prosperous 4 percent to 5 percent economic growth that we experienced in the late 1990's.

There is no reason why our economy cannot sustain high levels of economic growth.

This is in fact the best way to ensure that we can continue tax relief, pay off the national debt, improve education opportunities, and finance the Social Security and Medicare commitments that have been made to the baby boom generation.

We need a strong and vibrant economy to fully achieve our goals and realize our dreams for all Americans.

A capital gains tax cut will help us to quickly restore that strong economy.

I ask for the support of my colleagues as we move to cut the capital gains tax rate.

EXHIBIT 1

[From The Wall Street Journal, May 14, 2001]

REAL RELIEF: A CAPITAL-GAINS TAX CUT

(By Arthur Laffer, Lawrence Kudlow, and Stephen Moore)

The budget deal reached last week between the White House and Congress calls for a $100 billion tax-cut stimulus in 2001–02. Yet to be decided is the nature of those cuts. Congress, increasingly jittery about the sagging economy, will likely seek rate cuts that offer growth-enhancing tax relief quickly.

That makes a lot of sense. What doesn't is the tax-rebate plan that many in Congress wish to enact. The tax rebate is intended to send checks out to American workers to stimulate consumer spending. But more spending is not what the economy needs most now.

PERSONAL SAVINGS

This has always been an investment-led downturn, not a consumer slump. The huge federal tax overpayments have badly drained personal savings and undermined capital investment and risk-taking. The one tax cut that would immediately boost savings, capital investment and stock values is a reduction in the capital-gains tax.

Consider what has happened to Americans' wealth over the past several months. The Federal Reserve Board reported that Americans lost nearly $2 trillion in wealth in just the last quarter of 2000 as a result of the stock-market decline. This is the equivalent of a $20,000 evisceration in wealth and capital for each household in America. It is the lack of capital formation that poses such a tall barrier to resuming the prosperous 4% to 5% growth of the late 1990s.

Oddly enough, a capital-gains cut is not now part of the Bush tax plan or the congressional agenda. It should be. The capital-gains cut has the added political attraction that it is self-financing and, properly scored, would actually increase revenues.

The best course would be a permanent reduction in the capital-gains tax from 20% to about 15%. But if the rules of the budget agreement only allow a stimulus tax cut through 2002, Congress should still cut the capital-gains tax for the next two years. (We doubt any Congress would be foolhardy enough to raise the rate again, mortally wounding the economy just before the next elections.)

Any capital-gains cut would instantly be capitalized into the value of stocks. Stock values are determined by the discounted present value of the after-tax rate of return on the asset. So, capital-gains tax relief would immediately raise investment return and lower capital costs. This isn't just speculation. The past two capital-gains tax rate cuts—in 1981 and in 1987—were both followed by riptide gains in the stock market and the economy.

Reducing this tax will encourage investors to unlock cumulative gains of the past, liberating capital and freeing these funds to be reinvested in more future-oriented, entrepreneurial, growth-generating enterprises. In particular, it would spur venture-capital investment, which rocketed upward after the 1997 rate cut but has recently sagged badly. This pool of high-risk investment capital is essential to finance technological innovation, itself vital to productivity advances that will increase real wages and expand the economy's growth potential.

Moreover, this growth effect would be multiplied if the arbitrary one-year holding period for the long-term capital-gains tax rate were eliminated entirely.

Skeptics will accuse us of "voodoo economics" when we say that a capital-gains tax cut will raise revenue. But those skeptics—Dick Gephardt and Tom Daschle, in particular—are just as wrong now as they were back in 1997 when the capital-gains rate was chopped to 20% from 28%. Congressional Budget Office data confirms a stunning gain in tax revenues from the lower capital-gains tax rate. Receipts more than doubled to $118 billion in 2000 from $54 billion in 1996.

In fact, revenues generated after the 1997 cut, compared with revenues predicted at the time, tell an amazing story. Before the tax rate was cut to 20% from 28%, the Joint Committee on Taxation predicted that we would collect $209 billion from 1997 to 2000 from capital-gains payments. Instead, the capital-gains tax raised $372 billion over this period. In other words, the lower tax rate yielded 80% more revenue over the four-year period than was projected if the rate had remained at 28%—a $166 billion windfall. In fact, the capital-gains tax cut was a contributor to the big and unexpected budget surpluses that emerged in the late 1990s.

We aren't suggesting this capital-gains cut as a substitute for the George W. Bush's tax-cut plan. It's imperative that the White House stick to its guns on its planned reduction of the top tax rate to 33%, down from 39.6% today. The income-tax rate cuts are desirable because they will increase individual and small-business incentives that will raise the long-term growth potential and investment attractiveness of the U.S. economy.

RATE CUTS

But the income-tax rate cuts in the president's plan are far too backloaded (the top rate would only fall to 38% in 2002) to provide much juice for the economy right now. In fact, if the capital-gains cut raises more revenues, as expected, then it will help finance the Bush income-tax rate reduction plan.

The last capital-gains cut in Washington led to higher productivity and capital investment, a spectacular surge in stock values, and a new age of federal surpluses. Isn't that exactly what is meant by a fiscal stimulus?

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I yield myself such time as I may consume.

My purpose for rising is to discuss the amendment before the Senate, an amendment from the distinguished Senator from North Dakota, Mr. CONRAD.

Mr. REID. Will the Senator yield?

Mr. GRASSLEY. I yield.

Mr. REID. Just so the managers of the bill understand, Senator ROCKEFELLER indicated a willingness to speak on the bill itself. He will be over in 10 or 15 minutes.

Mr. GRASSLEY. We will do everything we can to accommodate Members of both parties. That is perfectly legitimate, particularly considering the fact that Senator ROCKEFELLER has many amendments to the bill and has strong feelings about the bill, and we have a responsibility to let the American people hear that point of view.

I think, in visiting about the marriage penalty, it is good to talk about tax relief for married families in the mark that goes beyond just the marriage penalty. The bill provides specific relief for married families. This is at all income levels. First, we expand the earned-income credit. That is a program for married families with children. The phasing in of the earned-income credit, which targets assistance to low-income families, is expanded in our legislation by $3,000.

I want to give Senator JEFFORDS from Vermont the credit for working so hard on this provision. He believes very strongly in a tax bill being equitable between different income levels. He tailored it so this relief happens immediately. This is not one of the portions of the bill that phases in. The next tax year, this provision of $3,000 earned-income credit will take effect. So we are providing, in this section, something that is of immediate impact. In addition to Senator JEFFORDS, I should give appropriate credit to Senator SNOWE from Maine and Senator LINCOLN from Arkansas for this provision as well.

We are providing part of our relief for married families right away. I might add, it is a hallmark of this bill that the benefits provided to low-income families are immediate, while benefits to other income levels are phased in, as you have been told so many times over the course of this debate thus far. The income tax relief for married families is phased in over 4 years and completed in the year 2008. It provides for doubling of the standard deduction for those married filing jointly, and it makes the 15-percent rate bracket for married filing jointly two times that of someone filing single.

Income tax relief is provided for both one-earner and two-earner families. For those who want to start providing targeted income tax relief for married families earlier, where were these folks a few weeks ago when we were debating the size of the tax cut, particularly during the period on the budget? What happened when we went from $1.6 trillion down to $1.35 trillion—that was a desire more from the other side of the aisle than just a few on this side of the aisle. That is what makes it difficult to squeeze all these different, very important tax equity provisions into this bill. So anybody who complains about having to phase some of these things in more slowly, they could have taken hold much more quickly if we were dealing with a $1.6 trillion package rather than a $1.35 trillion package. The phase-in of the marriage relief reflects the realities of a budget resolution, then, that is down about $300 billion.

I think, also, there is a certain amount of intellectual questioning that is legitimate in this process of a well-tailored bipartisan bill out of the Senate Finance Committee, that the Senate Finance Committee had to fit into a $1.35 trillion package, and then complaining about the phase-in being so slow.

Somehow, I doubt my colleagues who mention these things would join me in offering an amendment that would increase the tax reduction by the amount necessary to provide immediate tax relief on the marriage penalty.

So we get back to something that is a familiar part of this debate today, and will be until we get done on Monday, and that is this bill is balanced. It is balanced in fairness and equity. It is also balanced in a political way. This is a bipartisan bill.

I hope when this amendment comes up, we have strong bipartisan opposition to changing a very carefully crafted portion of the bill, the marriage penalty.

The bill also provides immediate tax reduction for all marginal tax rates as a means of helping to strengthen our economy and balances that with good tax policy of supporting the institution of marriage. If the economy is not strong, everyone, whether it is families, children, the elderly, or other groups of Americans, suffers.

The economy comes first, although I will say again, we do provide benefits for low-income married people with children right now. This is a figleaf amendment to cover up the fact that many people did not answer the call when the Senate was considering marriage penalty relief last year. This amendment harms our efforts to strengthen the economy. That is why I am urging its defeat.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I would like to hear an explanation of how it harms the economy of the country to address the marriage penalty this year rather than wait 4 years. How is that? How does that hurt the country? How does it hurt the country to address the marriage penalty now instead of waiting 4 years?

Just the opposite is true. It strengthens the country to address the marriage penalty now and not wait 4 years. The fact is, on this side I offered a budget plan that had half as big a tax cut, but it dealt with the marriage penalty. In fact, it had more money to address marriage penalty than is in this bill. So it is not a question of since you supported a smaller tax cut that you were then preventing addressing the marriage penalty. There are other choices to be made.

How much you provide at the top end of the income spectrum is a key issue. Here is the problem with this bill. The top 1 percent get twice as much of the benefits as the bottom 60 percent. That is the problem with this bill. If you didn't design the tax proposal in this way, you would have no problem doing what I am doing with this amendment, which is to provide marriage penalty relief starting now, not waiting, as the legislation before us does, for 4 years to do anything. The problem they have is summed up very well in this chart. The top 1 percent get 33.5 percent of the benefit of this bill. The bottom 60 percent get 15 percent of the benefit. So the top 1 percent, people on average who earn in this country $1.1 million a year—and that is great; I am all for them. I am pleased they are successful. It is a great thing about America. But when we are talking about taking the people's money and giving it back to people, I am not for taking the people's money and giving a third of it to people who are on average earning $1.1 million. That doesn't strike me as fair. That doesn't strike me as equitable. That doesn't strike me as balanced. That doesn't strike me as the way to strengthen the economy.

In this amendment I say let's address the marriage penalty beginning now. We do not have to wait 4 years to begin to address the marriage penalty. The marriage penalty is not right. It is hurting those who are in a circumstance in which the Tax Code penalizes them for being married. That is not right. Nobody supports that. I do not suggest anybody does.

The Senator from Iowa said some of us on the other side last year did not support a proposal on marriage penalty. You bet we did not support that because it did not solve the marriage penalty. It dealt with three of the provisions in the code that create marriage penalty, that impose a marriage penalty. There are over 60 provisions in the code that impose marriage penalty. On our side, we proposed giving taxpayers a choice. They could file as individuals, they could file as a couple, whichever benefited them the most. That is the only way to solve all of the 60 places in the Tax Code that impose a marriage penalty. That was not accepted. It was not passed.

In this bill, we have a different approach. It is a useful approach. It helps. But it is delayed. It is deferred. It is drawn out. What we are saying is: Look, let's address the marriage penalty now. Let's not wait 4 years before we start. And let's not wait until 2008 to fully phase it in. Let's start dealing with the marriage penalty now. I think that is fair and it does no harm to the country. It strengthens the country to do so.

I thank the Chair and yield the floor.

Mr. GRASSLEY. Mr. President, I yield myself such time as I consume.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. This legislation is a commonsense approach. Politically, it is bipartisan. In order to get anything through the Senate, you have to have that commonsense approach, something where we produce legislation that will get at least 51 votes. We have legislation here that will get a lot more than 51 votes. So the common sense is that there is a balance here: One, politically it is bipartisan. The other one is that it is balanced between short-term stimulus, immediate help for lower income tax rates, and helping those at the outer income. In the outer years, that is phased in to lower the top marginal tax rate.

The Senator's marriage penalty amendment upsets the balance that we have in this bill between short-term, immediate help and the long-term stimulus to the economy. This bill is balanced between a short-term stimulus of $100 billion and then the changes in the higher marginal tax rates which will have a long-term impact on the economy. He pays for his amendment by damaging the balance we have in this bill between short-term stimulus and long-term stimulus because, even though these rates are phased in over the next few years, by reducing the marginal tax rates, we have economic studies that show people will change their investment habits based upon the prospects and known changes of tax law. Even though the money is not in the pockets of the taxpayers, we know there is going to be changes of investment and spending habits, based upon the prospects of the marginal tax rates coming down that are going to be a long-term benefit to this economy—creating jobs, keeping inflation down, and strengthening the economy.

I plead with my colleagues, as they consider this legislation—it is fair to look at the equity of the bill, but the equity is between long-term stimulus, short-term stimulus, between partisanship or bipartisan. We have a balance through bipartisanship, and we have a balance between long-term stimulus and short-term stimulus.

So what is wrong with the amendment by the Senator from North Dakota? It isn't that he wants to do more about the marriage penalty. We all would. But this is a carefully crafted compromise, both for the political need to get a bill through and for the good of the economy. And we try to be fair in the process. That is why it upsets this very delicate balance.

We should keep our eye on the ball, and keeping your eye on the ball means: Where do we want to go? We want to be fair and equitable. We want short-term stimulus. We want long-term improvement to the economy. This bill does all that.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, when my colleague, who I respect and admire and like and work with frequently, makes these points, I just profoundly disagree. I do not think this is a balanced package. I showed the chart as to why I do not think this is balanced. He is talking about upsetting the balance. This is not my idea of balance. The top 1 percent get 33 percent of the benefits, and the bottom 60 percent get 15 percent of the benefits. Half as much for the bottom 60 percent as the top 1 percent? And this is called a carefully crafted balance?

Looking at it a different way, the bottom 20 percent get 1 percent of the benefits, the top 20 percent get 70 percent of the benefits. And this is a carefully crafted balance? There is no balance. The top 1 percent get 33 percent of the benefits, twice as much as the bottom 60 percent.

When we look at rate reduction, it is very interesting. These are the rates that are in the current code: For the 15-percent rate, they do not get any rate reduction, none, zip. Interestingly enough, that is where the vast majority of the American taxpayers are. That is where 70 percent of the American taxpayers are. They get no rate reduction.

For the 28 percent, they get 3 points, about a 10 percent on rate reduction; the same is true at 31 percent; the same is true at 36 percent.

The very top, the very wealthiest who pay a rate of 39.6 percent, get the biggest rate reduction of all, but the bottom rate, where 70 percent of the American taxpayers are, gets nothing.

They call this balanced? I do not see any balance. They call this fair, carefully calibrated? Carefully calibrated if you are at the top. But if you are one of the 70 percent of the American people who are down here in the 15-percent bracket, you get no rate relief.

It does not seem carefully calibrated to me. It does not seem fair to me. It does not seem balanced to me. When there are five rates in the current Tax Code and only one rate gets no rate relief, and it just happens to be the rate where 70 percent of the American taxpayers are, that does not strike me as balanced. And the biggest rate reduction going to the very top bracket does not seem balanced to me.

I do not think it is going to seem balanced to the American people when they have a chance to review it. I do not think it is going to seem balanced to them when they have a chance to find out the details.

I do not think the 70 percent of the American people who find out they get no rate relief are going to think they have been treated very fairly. This thing is weighted to the very top, the very wealthiest among us. That is what this is. It is not balanced. It is not fair.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I have two charts as well. I am not sure I enjoy this battle of the charts.

Mr. REID. I say to Senator GRASSLEY——

Mr. GRASSLEY. Yes.

Mr. REID. I wonder if the Senator would like to enter into this unanimous consent agreement?

Mr. GRASSLEY. I yield to the Senator from Nevada.

Mr. REID. Mr. President, I ask unanimous consent that the pending Conrad amendment be temporarily set aside following the remarks of the Senator from West Virginia, and that Senator HUTCHISON be recognized in order to offer an amendment relating to the marriage tax penalty. I further ask consent that there be a total of 2 hours equally divided in the usual form for debate on both amendments concurrently. I further ask consent that following the use or yielding back of time the Senate proceed to a vote in relation to the Conrad amendment, to be followed by a vote in relation to the Hutchison amendment, with no amendments in order to the amendments prior to the votes.

I would say that the Senator from West Virginia has asked for 10 minutes.

The PRESIDING OFFICER. Is there an objection?

As a Senator from the State of Kentucky, I object.

Objection is heard.

Mrs. HUTCHISON addressed the Chair.

Mr. REID. The Senator from Iowa has the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. The charts behind me contradict what the President——

Mrs. HUTCHISON. Will the Senator yield?

Mr. GRASSLEY. Yes.

Mrs. HUTCHISON. I want to ask about the process. I am able to do whatever I need to do, but I am not sure what the previous objection was regarding. So I do not know if it was to the offering of my amendment after Senator CONRAD's amendment, and then the votes, or if it was to the 10 minutes for the Senator from West Virginia. But if we could clarify it, then I would be able to plan, if the Senator from Iowa would help me clarify this situation.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, we could resolve this very quickly if the Senator from Iowa would allow us to go into a very brief quorum call.

Mr. GRASSLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I renew my unanimous consent request that I propounded before the quorum call.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Iowa.

Mr. GRASSLEY. Mr. President, there may be honest differences of opinion between the Senator from North Dakota and I, but when he makes the claim that this tax bill is not fair, I refer to the chart behind me.

When our legislation is passed, this bill will make the income tax system more progressive. We have heard the other side say that the upper income gets more out of the tax cuts. First, the people paying the taxes will get more tax reductions. But after this bill is enacted, the wealthy will be paying more of the taxes than they are paying now.

As we can see specifically, where the Senator from North Dakota said that the top group would be getting 33 percent of the benefit, take into consideration that they are paying 35.9 percent of the total taxes today.

I have a second chart. This chart shows that the tax relief share is greatest in families earning less than $50,000.

It is all because of our bill. More than half of the $750 billion that we have in rate cuts in this bill go to the new 10-percent rate. We can see here that we have very carefully tried to craft a bill that is progressive and retains the progressiveness of the present tax system.

About the President's proposal, we are not dealing with the President's proposal on the floor today, as the President would like to have it. With the reality of the makeup of the Congress, it never will be. But let's just say that we were debating today the President's proposal that he announced in the campaign and behind which he still stands as his policy. If it were carried out, the top income people in America would be paying a higher percentage of the total income tax take of the Federal Treasury than they do today. So I don't want to hear anybody talk about the progressiveness of our tax system being diluted at all because of either this bill or the President's bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, the Senator from Iowa put up some very interesting charts.

The one he has there now says: Tax Relief Act Makes Tax Code More Progressive. Then under that it says: First Year Tax Relief.

This isn't a 1-year bill. This is a 10-year bill. That is the problem.

I displayed a chart earlier about all the measures that are phased in, all the things that come in later on, that benefit the wealthiest people in our country. He puts up a chart that talks about the first-year tax relief. That is not a fair measurement of what this bill does. That is what is wrong with the analysis.

This is what the bill does over the 10 years. It gives 70 percent of the benefits to the top 20 percent, and gives 1 percent of the benefits to the bottom 20 percent. It gives 33 percent of the benefits to the top 1 percent, twice as much as the bottom 60 percent receive. There is no way of disputing this. This is what the bill does. That is exactly what it does. I am not putting up a chart that just has the first year. This is not a 1-year bill.

The fact is, this bill is heavily weighted to the highest income people in the country. That is a fact. The chairman of the committee showed a previous chart that talked about how much people pay in income taxes. There is something missing from that chart, too. What is missing is payroll taxes.

The fact is, 80 percent of the taxpayers of this country pay more in payroll taxes than they pay in income taxes. Our friends on the other side just want to talk about income taxes. They want to forget about the fact that 80 percent of the people pay more in payroll taxes. It is when you put the full picture in front of people that you see the results and the unfairness of this proposal. That is what reveals the top 1 percent get 33 percent of the benefit but only pay 20 percent of Federal taxes. That is when you include the estate taxes, the payroll taxes, the income taxes. But they don't want to talk about all the taxes people pay. They just want to talk about income taxes because that is the only thing that is being cut here—income taxes.

If we were going to be fair, we would be talking about all the taxes people pay. When we look at all the taxes people pay, we find this tax cut measure: 33 percent of the benefit goes to the wealthiest 1 percent and the bottom 60 percent only get 15 percent of the benefit. They justify it saying, the top 1 percent pay more income taxes. Yes, they do. Absolutely, I will stipulate to that. They do pay more income taxes. But they don't pay 33 percent or 35 percent of all Federal taxes. No. They pay about 20 percent of all Federal taxes. Yet they are getting 33 percent of the benefit here. It is not fair.

That is why it flunks the fairness test. That is why it ought to be opposed. That is why we ought to defeat this, make it go back to committee and come out with something that is more fair to the American taxpayer.

I represent a State where half the people make less than $20,000 a year. They aren't going to get any benefit. They are not going to get any rate reduction—none, zero. Are they going to be surprised. The alternative minimum tax that currently affects 1.5 million people, when this gets in place, it will affect nearly 40 million people. Boy, are they going to be in for a big surprise.

I don't think this passes the fairness test.

I yield the floor.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, in the State this Senator represents, we are of moderate means. We can't afford a lot of charts. So when Senator BYRD and this Senator come to the floor, we don't usually use charts. We use whatever words we have.

I don't mean to make any big point of that. But sometimes I think charts are helpful; sometimes I think they are not. I will say this. I agree with the Senator from North Dakota that the bill is not fair. I voted for all the amendments which were defeated, but I do think the chairman of the Finance Committee, Senator GRASSLEY from the State of Iowa, was very fair in the way he conducted the hearing. I didn't agree with the result, but I thought his personal demeanor and the way he handled himself in the general disposition of the tax bill—that the Senator himself was personally very fair, and I respect that. I wanted to so say.

I am baffled, also, by what the fairness concept is. One of the things that amazes me—and I am here to talk for the marriage penalty, and I will—but when they talk about the rich, this is sort of a mantra: If the rich make a lot of money, then they should get a tax credit because they did make a lot of money, which goes somehow on the idea that they really struggled their way through life and stock options and other things didn't help them.

The point, of course, is that during these last years, the pretax income of the very wealthy has been so enormous that, obviously, they have paid more taxes. But the reason is that their pretax income was so much higher. Even after they did pay their taxes, their resulting net income was much higher than it had been previously. I think that is a very important point.

I think another important point to be made, before I get to Senator CONRAD's amendment, is that one of the things that, it seems to me, people have not focused on either in the press or, as I find it, in general conversation, is that once the Senate and the Congress, with the encouragement of the President, cut taxes to the extent that I believe we may, that is revenue forgone, not for a period of 10 years but probably 10, 15, or 20 years.

There was a time when you could come in and say, well, we are at a certain crisis and, for a certain reason, we have to raise taxes. I think those times have passed. The American people are not going to stand for it if we lower their taxes and then come back in 3 years, as we did after a year and a half with the balanced budget amendment with the hospitals and other health care facilities, and say we made a mistake; we want to change the rules. The American people won't stand for that, nor should they.

If we want to take a stand, now is the time we need to do that. The stand should be for fairness, and this bill doesn't meet any of those tests that I can find. I look upon the future of the country and upon the future of my State, West Virginia, and I worry about whether or not we are all going to make this. I think we are going to be back in very substantial double-digit deficits—triple digit, quadruple digit, multiple digit. I also think that the markets are going to take a very bad signal from this. They are going to think Congress has acted, as we are acting, in a very hasty manner. The Joint Tax Committee hasn't even scored a lot of the costs of this bill, even as we discuss this matter.

The 20 hours is running, and we are going to vote on Monday, I presume. We really don't know what we are voting on. Very few Senators outside of the Finance Committee, and maybe not many on that committee, are enable to tell you that. So we have our votes and we think we are making substantial points, but most of this is flowing underneath the radar screen, under our feet, and the cost of it is going to be enormous.

I fear for that because eviscerating the Federal budget may be attractive if one wants to diminish the size and role of Government in America, but there are, after all, some things the private sector cannot do and there are things the public sector does have to do—in Medicare, health care, FAA, FBI, and border control; all kinds of programs are a part of that.

The Presiding Officer wants to see a third airport built in the State of Illinois. I happen to share his view. I also happen to share the view that there should be another runway built at O'Hare. Neither the Presiding Officer nor I are going to see that happen, unless there is money to make it happen.

So having divested myself of those particular thoughts, I want to say that I strongly support the Conrad amendment and I think we need marriage penalty relief now.

The proposal the Senator is making would make the marriage penalty available to couples in 2002. The way we did it in the Finance Committee was to make it available in 2006 and then, because of certain problems of scoring, et cetera, it was brought back to 2005. The point is, we are playing a budget gimmick and we are withholding something which people all over this country—couples—think they absolutely are going to have as soon as this bill passes, if indeed it does.

So, in a sense, we are misleading them. We are grossly distorting what we have said to them, and they don't know it. It is only on occasions such as this when one has a chance to say it, but it is not usually reported because it is not considered newsworthy. But it will be very newsworthy to the American people when they discover they do not get marriage penalty tax relief until the year 2005. That is wrong.

On the other hand, we can change it by simply saying we will take the two top tax brackets and put those off a little bit and make it available in the year 2002. That is what we promised we would do. That is what we campaigned on. That is what we discussed we would do, and we ought to do that. That is what the Conrad amendment, in fact, does—charts or no charts. It does that. I think that is right and fair.

I think the amendment is fiscally responsible because it is paid for; it is offset by delaying the reductions in the two top tax brackets. So we are leveling with the American people, but we are also doing something that they expect to happen. They know gasoline prices are going up and we are not doing anything about that. We told them we were going to give them marriage penalty relief, and we are not going to do that. Through this amendment, we can do that. I think it is something we should proceed to expeditiously, so that if we take our word to the American people about 2002 and marriage penalty tax relief, and doing it in a very good manner, then it would seem to me one would vote yes. If one values that less than the so-called sanctity of the two top tax brackets, then I suppose one would vote no. I intend to vote yes. I think it is a rather easy decision.

I thank the Presiding Officer, and I yield the floor.

The PRESIDING OFFICER (Mr. FITZGERALD). The Senator from North Dakota.

Mr. CONRAD. Mr. President, I yield 5 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. NELSON of Florida. Mr. President, I compliment the Senator from West Virginia for his insight and tell him that apparently there is a lot of similarity in the thinking of the people of West Virginia and the thinking of the people of Florida. Indeed, they take for granted that if we are saying we are going to eliminate the marriage penalty so that it doesn't penalize married people, so that it promotes family—that if they take for granted that we are going to do that, they expect to have that tax benefit immediately instead of having to wait 5 years into the future.

It is common sense to me, if we have made this promise to the people of America, and I have made this promise to the people of Florida, that we should have that tax benefit—in other words, that you are not penalized in the Tax Code if you are married—instituted immediately.

I thank the distinguished Senator from West Virginia for his comments.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, this is clearly a very important debate, and we very much want to reduce taxes for the American people. We want to do it fairly. Different Senators have a different perception of what fair is. It generally reflects their States. States are different. For some, it reflects different ideological points of view. It is America. We all have different points of view, and we are all trying to do the best we can.

There is an old saying about statistics: Anybody can do what they want with statistics. When Senators are arguing their points, they are going to find facts and figures and use statistics that make their case better, the basic problem being in most cases Senators do not give the full picture because, correctly, they are advocating their point of view.

That must be very frustrating to the American public. Who is right? Somebody makes one set of claims; somebody else makes another set of claims. The tax legislation is confusing enough as it is, but when people hear different sets of numbers, they seem to be juxtaposed to one another. Who is right? It is basically, for the reasons I indicated, because Senators tend to choose statistics that make their case, but are not broad brush and do not give a fair picture.

I begin with complimenting the Senator from North Dakota. I do not know anybody in this body who has a greater command of the budget, the effects the different proposals in the budget have on the American economy, tax distribution, and all the components that go into a budget. He has charted us out in many respects, particularly in our conference luncheons on Tuesdays. We saw a lot of good charts. They are very informative. It pretty much helps the debate. It is very hard for people to hear statistics, and it is a little easier if they see charts, particularly if they can see not just a bunch of numbers but a graph which shows trends. The Senator from North Dakota has done a super job in helping to educate this body, and particularly the American public.

I want to point out a little broader picture of the lay of the land. Basically, the statistics presented by the Senator from North Dakota about the distributional effect of the bill before us, particularly the top 1 percent—and his argument that the bill gives a greater proportion of benefits to the most wealthy compared with current law—is accurate if you include estate tax provisions. But there are lots of analyses that show it is not accurate if you do not those provisions.

Most Senators do want to include Federal estate tax reform and/or repeal. That is a fact. I know the Senator from North Dakota does.

Let me talk about the Joint Tax Committee analysis. They are the group we look to for honesty and integrity in this process. Unfortunately, they only do analyses for 5 years. They rank income categories according to groups. Their analysis is a little different than the so-called Citizens for Tax Justice, a privately funded organization, which tends to do analyses in quintiles, rather than income brackets, like the Joint Tax Committee.

According to the Joint Tax Committee, taxpayers with incomes of $200,000 or more—that is the top 4 or 5 percent of taxpayers—do not receive 33.5 percent of the benefits of this bill, as my good friend from North Dakota says. Instead, they will receive 22.5 percent of the benefits of the bill. Those are taxpayers who pay about 32 percent of all Federal taxes, not just income taxes.

In fact, if you use the same analysis used by my good friend from North Dakota, the top 1 percent of taxpayers pay 26 percent of all Federal taxes and would receive 19 percent of the tax cuts in the bill if you take out the estate tax provisions.

We have to be honest with ourselves: Are we or are we not going to include estate tax provisions? Those making the case that the distributional effect helps upper income Americans more, are not saying they prefer that because they favor Federal estate tax reform and/or repeal.

I am pointing out that when you include Federal estate tax, the analysis is more accurate, but almost every Senator wants to include estate tax reform and/or repeal. The results work out that way because clearly the most wealthy Americans get the benefit of estate tax reform and/or repeal.

In summation, the top 1 percent of taxpayers, according to the analysis by the Citizens for Tax Justice, are those with incomes of $373,000 or greater, and the argument is these taxpayers receive 33 percent of the benefits of the bill.

If you look again, more deeply at the argument, the analysis presented includes estimates of the distribution of the estate tax provisions of the bill. Again, both parties, and nearly every Member of this body, support estate tax reform and/or repeal, and no matter how you do estate tax reform, nearly all the benefits go to the wealthiest Americans, and that is why there is that result.

If I were writing this bill, it would be different. But I wanted to make it clear that the statistics—if we are honest with ourselves, we have to indicate whether or not we are for estate tax reform and/or repeal, and if we are—and most Senators are—then the statistics tend to have the result that people who also want estate tax reform complain about.

I hope that clarifies things a bit, so we at least know what we are doing. I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

AMENDMENT NO. 659

Mrs. HUTCHISON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for herself and Mr. BROWNBACK, proposes an amendment numbered 659.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To begin the phase-in of the elimination of the marriage penalty in the standard deduction in 2002 and to offset the revenue loss)

On page 19, beginning with line 21, strike all through the matter preceding line 1 on page 20, and insert:

"(7) APPLICABLE PERCENTAGE.—For purposes of paragraph (2), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in calendar year—	The applicable percentage is—
2002	170
2003	175
2004	180
2005	185
2006	190
2007	195
2008 and thereafter	200.".

On page 20, line 14, strike "2005" and insert "2001".

On page 29, line 4, strike "$2,000" and insert "the applicable amount".

On page 29, line 7, strike "$2,000" and insert "the applicable amount (as defined in section 530(b)(6))".

On page 29, between lines 7 and 8, insert:

(3) APPLICABLE AMOUNT.—Section 530(b) is amended by adding at the end the following:

"(6) APPLICABLE AMOUNT.—The applicable amount shall be determined in accordance with the following table:

"In the case of taxable years beginning in calendar year—	The applicable amount is—
2002 or 2003	$500
2004 or 2005	$750
2006 or 2007	$1,000
2008 or 2009	$1,500
2010 and thereafter	$2,000.".

On page 35, strike lines 21 through 23, and insert:

(h) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(2) SUBSECTION (c).—The amendments made by subsection (c) shall apply to taxable years beginning after December 31, 2005.

Strike section 412 and insert:

SEC. 412. INCREASE IN INCOME LIMITATION ON STUDENT LOAN INTEREST DEDUCTION.

(a) INCREASE IN INCOME LIMITATION.—Section 221(b)(2)(B) (relating to amount of reduction) is amended by striking clauses (i) and (ii) and inserting the following:

"(i) the excess of—

"(I) the taxpayer's modified adjusted gross income for such taxable year, over

"(II) $50,000 ($100,000 in the case of a joint return), bears to

"(ii) $15,000 ($30,000 in the case of a joint return).".

(b) CONFORMING AMENDMENT.—Section 221(g)(1) is amended by striking "$40,000 and $60,000 amounts" and inserting "$50,000 and $100,000 amounts".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 2001.

On page 53, line 12, strike "$3,000" and insert "$2,000 ($1,500 in the case of 2002)".

On page 53, line 21, after "$5,000" insert "($3,000 in the case of 2004.)"

On page 311, line 10, strike "$49,000" and insert "$48,000".

On page 311, line 16, strike "$35,750" and insert "$35,250".

Mrs. HUTCHISON. Mr. President, first, I respect the distinguished chairman, Senator GRASSLEY, and his ranking member, Senator BAUCUS, for crafting the tax reduction bill. I know and understand in order to get a complicated and very important bill through a committee that is evenly divided, many compromises must be made. I know Senator GRASSLEY would not have written the bill exactly this way, nor would Senator BAUCUS, had they been able to write it by themselves.

It is with great respect I offer my amendment that somewhat changes the order of the bill, although it is not a huge deviation.

Looking at their timetable, I realize how difficult it was for them to say which tax relief comes in the early years and which comes in the later years. When I decided I wanted to try to move the marriage penalty up, it was hard to find something to trade. It was hard to find the offset. Everything in the early years is a very important tax cut and it represents very important tax relief for every American family.

I agree with Senator CONRAD, we should bring the marriage penalty up earlier, but I disagree with his offset. I think the cut in the tax rates for every working American is the very highest priority. I am going to offer an amendment that would bring the marriage penalty relief up to 2002, rather than beginning in 2006 as in the underlying bill. My offsets are the deductions for some of the education expenses being streamlined over a longer period of time.

In the bill before the Senate, the marriage penalty relief starts in 2006 and ends in 2010; my marriage penalty standard deduction doubling starts in 2002 and ends in 2008. It is fully effective in 2008. We have the full doubling of the standard deduction by 2008, starting in 2002. In order to achieve that, it was necessary to streamline the phasing in period of the education IRA and the education expenses that have the added deduction. The deduction maximum for the education expenses under my bill in 2002, would be $1,500; 2003, $2,000; 2004, $3,000; and in 2005, $5,000. Under the underlying bill, all of the deductions end in 2005. My amendment does the same.

There would be a phasing in difference and it does chip away at the phase-in of the deduction for education expenses. The tradeoff is we double the standard deduction, starting immediately in the 2002 year.

These are tough choices. There is no doubt about it. I understand that. I have been working on marriage penalty relief for the last 4 years. We have passed it in the Senate twice, but it was vetoed by President Clinton.

Today we have a chance to finally begin the process of relieving the marriage penalty.

The marriage penalty came about as an accident. Congress doesn't mean to tax married people more than two single people living together individually would be taxed. But it did happen that the Tax Code has evolved so that there is not a doubling of the standard deduction when two people who are single get married; there is not a doubling of the 15-percent bracket or the 28-percent bracket or the 33-percent bracket or the 39.6-percent bracket or any other bracket. There is no doubling.

In the underlying bill, the relief for the 15-percent bracket, the full doubling, which gives every working American that doubling capability, is there. The doubling of the standard deduction is there. But it doesn't start until 2006.

I am trying to double the standard deduction beginning in 2002, to at least start the relief from the marriage penalty tax.

Fifty million couples in this country are affected by the marriage penalty. We received a census report in the last 10 years, and we see a dramatic 77-percent rise in the number of single people who are living together, unmarried. I am not trying to tell anybody how to live. But I think the marriage penalty has something to do with that. I have had people tell me they are delaying getting married until we fix the marriage penalty. Whether or not that should be a factor is not for us to judge, but nevertheless we should not have a Tax Code that penalizes people who get married.

Generally, people who get married need more help, not less, because their expenses are more. They may have to have a house on which they want to make a downpayment, whereas before they lived in an apartment. They may need another car. There are any number of added expenses. Of course, if the couple starts having children, we know there are more expenses.

We want to encourage the family. It is the stability in this country that gives people the infrastructure they need to get through life. We want to encourage that. We certainly don't want to do something in government policy that discourages families.

I understand how hard it was for the committee to make the tough choices, but I address the marriage penalty relief earlier in the bill. Although I like all of the education deductions, I phase them in at a slower rate in order to move the doubling of the standard deduction up to the front.

I think the significant tax relief that the American people are going to get from this bill is a tribute to those who wrote it and to the President of the United States, who made it his priority. I think it is very important we give tax relief. I am so pleased we are giving tax relief in the form of a tax bracket reduction for every single working American. That is why I could not go along with Senator CONRAD's approach to doubling the standard deduction and relieving the marriage penalty in lieu of the rate cuts. Single people get the rate cut and married people get the rate cut and that is the way it should be. Everyone should get the biggest tax relief, and that will come from the rate cuts. So I would not put the marriage penalty in front of the rate cuts. But I do put it right after the rate cuts, which is why I have chosen to go a different route from Senator CONRAD.

I am very proud that we will be giving a rate reduction to every single working American. I am proud that we are going to take away the onerous burden of the death tax so a family-owned business or a family-owned farm or family-owned ranch will not have to be sold, putting all the people who work for that family-owned business out of work, because passing our family businesses from generation to generation will keep small business strong.

It is small business that is the economic engine of America. It is not big international conglomerates that are the economic engine of America. I want to preserve our family-owned businesses and farms and ranches as much as we can. The elimination of the death tax is the best way to preserve family-owned businesses and farms and ranches. All the people who work for those family-owned businesses should have job stability and not worry about being taken over by some big international conglomerate that is going to eliminate their jobs. I certainly favor the elimination of the death tax.

Doubling the child tax credit is another facet of this bill that I support fully. Everyone who has children knows how expensive it is to do for them all the things that you want to do, that would give them a better chance: The music lessons, the dancing lessons, the clothes, the soccer uniforms, the baseball uniforms—all the things you want to give them so they learn team spirit and sportsmanship, seeing what talent they might have and nurturing that. All those things cost money. We know that. We want to give relief through the child tax credit.

The bottom line is this is really a good bill. It is a good bill because it gives tax relief to every working American: Single, married, parents, not. It gives relief to every working American, and it promotes job stability. That is important.

My amendment is not meant to in any way say the committee did not do its job. The committee did a great job. I just want to make it a little better. I hope we can bring the marriage penalty up and streamline the education deductions and thereby add more relief from the marriage penalty and try to increase the capability for those in our country who have chosen not to get married because they really need that extra $1,400 a year that they get.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, first of all I thank the Senator from Texas for supporting the fundamental idea of moving up marriage penalty relief. I would just differentiate our proposals in this way.

The proposal I am offering would give the full marriage penalty relief starting immediately. The Senator from Texas would provide the relief starting immediately but phase it in over an extended period of time; we would not get the full phase-in until 2008. That would just be on one of the provisions dealing with marriage penalty. As I understand it, she does not deal with the other provisions at all.

In addition, there is a difference in the pay-for. The pay-for on our side is to ask those at the highest income levels, the highest tax brackets, to simply have their tax cut deferred for a number of years. We get to the same level over the period of the 10 years in tax rates, tax brackets. We ask the fewer than 1 percent of the people who are in the very top tax bracket and the approximately 2 percent of the people who are in the next tax bracket to defer additional reductions so we can provide marriage penalty relief starting immediately.

The Senator from Texas has a totally different pay-for. She goes after student loan money; she goes after the education IRA money; she goes after the alternative minimum tax money. I do not think that is the way we want to pay for this. I don't think we want to pay for moving up marriage penalty relief by going after the student loan interest money. I don't think we want to pay for marriage penalty relief by going after the education IRA money that allows people to save for the education of their children. I don't think we want to go after the alternative minimum tax money that we already know is totally inadequate in this bill, and under this bill we are going to go from 1.5 million people being affected by the alternative minimum tax to nearly 40 million people, nearly 1 in every 4 taxpayers who think they are going to get a tax cut and are in for a big surprise: They are going to get a tax increase under this bill.

I hope Members will look very carefully at the fundamental differences between what I am offering to speed up marriage penalty relief—do it immediately, do it now—versus what the Senator from Texas is proposing, which is to start now but to dribble it out until the year 2008.

Is the Senator from Michigan seeking time?

I yield 5 minutes to the Senator from Michigan. Then I announce my intention to yield 10 minutes or whatever he will consume to the Senator from North Dakota.

Ms. STABENOW. I thank the Senator.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Mr. President, I commend our Democratic leader from North Dakota, Senator CONRAD, for his outstanding advocacy for fairness in this tax bill, for fiscal responsibility, for really coming to the heart of the issue before us, and that is: How do we make sure the bulk of the tax relief in this bill goes to hard-working middle-class families, goes to the people who are working hard every day and need the relief in order to be able to translate that into more opportunities to put money into those items that are important for their families? How do we make this more fair for the majority of Americans?

I rise as someone who was a Member of the House of Representatives for 4 years, who supported the elimination of what is called the marriage tax penalty. I was a cosponsor of the Republican bill in the House of Representatives and voted consistently to eliminate this penalty for reasons that have been raised by colleagues on both sides of the aisle. It makes no sense whatsoever for us to tell a married couple that they will somehow be penalized under the Tax Code for being married. That makes no sense. It affects over 25 million couples in this country.

At a time when we are saying an important value for our country is to be supporting marriage and family, and to make sure we are giving every opportunity for couples to succeed and families to succeed, it is crazy, in my opinion, and makes no sense whatsoever, to have this provision in place. It should have been done away with a long time ago.

My colleague from North Dakota is saying it is time to do it right away. By 2002 we need to fully provide relief for couples. We ought to say it is time to end it. It is past time to end it. We ought not say to them we are going to phase it in over several years, but we are going to place families and couples as a top priority and end this penalty now.

I think it is fair to say to the fewer than 3 percent of the taxpayers at the highest levels, we are going to ask you to delay full tax relief for yourself, those who have done extremely well. We want them to do well, but certainly those who are best able to wait awhile for a delay in their full tax relief, we are going to ask them, the fewer than 3 percent: Delay, in order for over 25 million couples in this country to receive the relief that is long overdue. It is an issue of fairness.

I believe that when we look at what we are talking about in terms of the number of people who would benefit by this amendment, and those who are asking for a small delay, it is a question of fairness.

I also say to my colleague from Texas on the other side of the aisle, who spoke so eloquently, while I share her desire to eliminate the marriage tax penalty, I am very concerned about the tradeoff that she is suggesting we make because another important value for all of us, and for our families, is the ability to educate our children, to be able to send them to college. I am very concerned about trading off the marriage tax penalty and paying for it through a lessening of student loan interest deductions or the education IRA because, again, this is about how do we best support families who are having to make tough choices every day.

Let's not penalize them for being married. Let's make sure they have every opportunity under the Tax Code to be able to send their children to college, to job training, to be able to give their children every opportunity to succeed, and to be educated adults.

So that tradeoff does not make sense. What does make sense is eliminating the marriage tax penalty now. We can do that next year. We need to do that now. Families have waited long enough. Couples have waited long enough. It seems reasonable to ask for a small delay for less than 3 percent of the taxpayers in order to allow the majority of couples in this country to be able to get the relief that is long overdue.

Mr. President, I yield back any time I have remaining.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I yield 10 minutes to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I thank my colleague for the time.

This issue, as it has been described, is about the marriage tax penalty. There cannot be anyone left in the Senate who does not understand this issue. We have debated it and debated it and debated it. Everyone stands up, almost automatically, in the Senate, and says: I am for getting rid of the marriage tax penalty. Count me in. I want to vote for getting rid of the marriage tax penalty.

We have a tax bill that has now been brought to the floor of the Senate, and it says: Do you know what. We have written a bill that gets rid of the marriage tax penalty. It is similar to an employee being called into an office and the employer says: Good news. Do you know what. We are giving you a raise.

Then the employee says: When does this raise start?

The employer says: 5 years from now. But we aren't going to give it to you all at once. We'll phase it in. It starts in 5 years, and it takes 8 years to get the full amount.

Look, if we want to get rid of the marriage tax penalty as we have advertised for so many years, why would we not decide that as a part of this tax bill we are going to give real tax relief right now to middle-income taxpayers who are paying a marriage tax penalty? Why would we wait some 5 years?

I ask the Senator from North Dakota, Mr. CONRAD, in his proposal in which he says, let's make the marriage tax relief available now—and, incidentally, that is tax relief that principally affects middle-income taxpayers who have a penalty under the marriage tax—let me ask him how he would pay for moving up that tax relief so it becomes effective next year, almost immediately.

How does the Senator pay for his amendment?

Mr. CONRAD. The pay-for in my amendment is to delay the rate cuts for the top two rates, the 39.6-percent rate and the 36-percent rate.

As the Senator knows, there are about 3 percent of the American people who are in those very top rates. We still give them the full rate reduction included in this legislation; we just delay it so that we can affect a significant number of people who are in the marriage penalty situation. As you know, there are 50 million couples who have filed a joint return for the most recent year for which the full details are available, and 25 million of them experienced the marriage penalty. That is 25 million couples. That is 50 million people.

The legislation I am offering says: Let's allow those people to have relief from the marriage penalty and do so immediately, and have the full benefits of this legislation that addresses the marriage penalty effective in the next year.

Mr. DORGAN. If I might ask an additional question, Mr. President, my understanding is that the beginning of tax relief for the top 1 percent of the income earners in this country starts immediately, but the beginning of trying to deal with the marriage tax penalty starts about 5 years from now. Is that correct?

Mr. CONRAD. Yes. Actually, overnight they changed it. It was not going to take affect for 5 years. In other words, this chart says, marriage penalty relief for middle-income taxpayers was going to be delayed until 2006; it did not do anything for 5 years. Now it has been changed and moved up 1 year. So it does not do anything for 4 years in terms of marriage penalty relief.

What we are saying is, let's do it next year. Let's make it a priority.

Mr. DORGAN. One additional question.

When will the marriage tax relief be fully effective?

Mr. CONRAD. Under the bill that is before us, not until 2008. Under my proposal, there would not be any phase-in. We would do it all the first year.

Mr. DORGAN. I know my colleague has studied economics. I have studied economics and actually taught a little economics but was able to overcome that experience.

When you study economics, you will learn about John Maynard Keynes' saying: In the long run, we're all dead. Right. So it is interesting this tax bill says: Look, here is what we are going to do. We are going to get rid of the marriage tax penalty, and we are going to do this and that and the other thing; and then you look at the fine print and find out that for the marriage tax penalty, they do not start getting rid of it until 2004 or 2005. I guess you say now it has been altered. It does not complete until 2008.

So we are really talking about the long run, aren't we? But, yes, if you happen to be earning $10 million a year in income, you are going to get immediate tax relief by a rate reduction right at the start. Right at the get-go, right at the starting line, you at the top are going to get a rate reduction. But there is not enough money to provide relief for the marriage tax penalty right away, so that is deferred 4 years, 6 years, 8 years, or, as Keynes would say, in the long run.

One wonders if there is not a short run and a priority that allows us to say, look, the hard working families who are paying a marriage tax penalty, shouldn't they be moved right to the front of the line.

Almost everyone jumps up instantly around here the minute you mention the marriage tax penalty and say: I am for getting rid of it. Count me in. I want to vote right now—except this tax bill does not do that.

Remember, John Mitchell once said: Don't listen to what we say. Just watch what we do. That might be good advice for this marriage tax issue as well. People say: We are going to get rid of the marriage tax penalty. Not now we aren't, not unless we adopt this amendment offered by Senator CONRAD.

Of course we ought to adopt this amendment. Of course this is the right priority. Senator CONRAD is not saying everyone should not get a tax cut. He is not saying the top rates should not get a tax cut. That is not what he is saying at all. He is saying, the priority ought to be to provide marriage tax penalty relief now—not in 2004 or 2005, not in 2008, but now, for the American people.

That makes eminent good sense to me. He is not suggesting that further rate reductions should not occur at the top level. He is not suggesting we defer tax relief for anyone else up or down the chain. He is simply saying, use, as a priority, the money that he has in his amendment to provide marriage tax penalty relief now.

If everyone in the Senate is true to the votes they have cast in the last 3 or 4 years on this subject, Senator CONRAD will receive 100 votes for this amendment. If so, I will congratulate him and say: Well done. I hope when the vote is cast, we will have people voting the way they have voted in the past 3 or 4 years on this issue to say: Let's provide marriage tax penalty rate relief right now.

Mr. CONRAD. I think it is important to point out the differences between my amendment and the amendment of the Senator from Texas. As you know, in terms of marriage penalty relief, there are two provisions. One is to double the standard deduction for a married couple from what is provided single taxpayers. The second is to deal with the fix on the 15-percent bracket so that we also are providing relief that way.

The Senator from Texas would start the standard deduction relief in 2002, which is more quickly than what is provided for in the underlying legislation, but she would then string it out to 2008. Her amendment does nothing to speed up the fix on the 15-percent bracket. There is no improvement there.

My amendment takes both provisions that are designed to deal with the marriage penalty and puts them into place next year and pays for it by deferring the reductions for the very top brackets, the top 3 percent of earners in the country. They get their full relief, but it is delayed so that we can give relief to 25 million couples—50 million people—who are affected by the marriage penalty.

Mr. DORGAN. Mr. President, the reason I mentioned that everyone in the Senate supports this, no one stands up in the Senate these days and says: I think it is perfectly appropriate for us to have a penalty in the Tax Code for married couples. I don't know of anyone who supports that. The question remaining for the Senate is, Shall we fix that now or shall we wait until later? Senator CONRAD says: Let's fix it now. Let's make adjustments to this proposal that is on the floor. If we all agree that the marriage tax penalty should be fixed, the Senator says, let's fix it now rather than much later.

That makes sense to me. I am pleased he offered the amendment. I will be pleased to vote for it. I hope every one of my colleagues will do the same.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I find it a little bit interesting. I will be very brief.

Mrs. HUTCHISON. Mr. President, parliamentary inquiry: How much time does my side have remaining?

The PRESIDING OFFICER. Forty-three minutes, 19 seconds.

Mr. NICKLES. I find it very interesting that a couple of the proponents on the Democrat side are saying, let's repeal the marriage penalty relief, when they had a chance to do that last year on July 21 and they voted no. The Senate passed, by a vote of 60-34, a bill to eliminate the marriage penalty. We did basically the proposal that my friend and colleague, Senator CONRAD, is promoting. We passed it. Unfortunately, President Clinton vetoed it.

It is interesting to note—and I will insert in the RECORD the vote on that—but the Senator from North Dakota voted no last year on July 21.

Mr. CONRAD. Will the Senator yield?

Mr. NICKLES. I am happy to yield.

Mr. CONRAD. The Senator from North Dakota voted against that proposal because it didn't fix the marriage penalty. We had an alternative proposal that gave couples the choice. The only way to eliminate the marriage penalty——

Mr. NICKLES. Mr. President, I have control of the time. The Senator can make a point, not a speech.

Mr. CONRAD. If I may conclude, the only way to eliminate all of the 60 places the Tax Code imposes the marriage penalty is to give couples a choice. That is what I supported.

Mr. NICKLES. Mr. President, to correct my colleague, the amendment he has proposed, today doesn't fix it for every category. It does what we did last year, in that we expanded the 15-percent bracket. We doubled the deduction.

My point is, there is a real inconsistency between the arguments made on the floor today and the amendment they propose on the floor today and the position they took last year.

Last year we had a chance to eliminate the marriage penalty and my colleagues voted no. Now they are proposing basically the same amendment we passed and sent to the President. They are trying to put it on this bill. They had a chance to pass it last year and have it become law. That is my point. I wish they would have had this position last year.

One other final comment: I wish we could do more on the marriage penalty in this bill today. And we could have, if we had $1.6 trillion to work with. The same colleagues who say we want to do more on the marriage penalty were the same ones saying we want less of a tax cut. Now they are saying, we want to get rid of the marriage penalty. But last year, unfortunately, they voted in opposition to repeal the marriage penalty.

I ask unanimous consent to print the material to which I referred.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ROLLCALL VOTE NO. 226, JULY 21, 2000
(H.R. 4810 Conference Report)

YEAS—60

Abraham
Allard
Ashcroft
Bennett
Biden
Bond
Brownback
Bunning
Burns
Byrd
Campbell
Chafee, L.
Cleland
Cochran
Collins
Craig
Crapo
DeWine
Domenici
Enzi
Feinstein
Fitzgerald
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kohl
Kyl
Landrieu
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Roberts
Roth
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Torricelli
Warner

NAYS—34

Akaka
Baucus
Bayh
Bingaman
Breaux
Bryan
Conrad
Daschle
Dodd
Dorgan
Durbin
Edwards
Feingold
Graham
Harkin
Hollings
Johnson
Kennedy
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Moynihan
Reed
Reid
Robb
Rockefeller
Sarbanes
Schumer
Voinovich
Wellstone
Wyden

NOT VOTING—5

Boxer
Inouye
Kerrey
Kerry
Murray

Mr. NICKLES. I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I will make some general comments to help put this debate in context.

First of all, under this bill, who are the winners and who don't win quite so much? Under this bill, the big winners are married couples with kids. By far, they receive a greater share of the benefits of this bill, not only absolutely but proportionately.

Who does not do quite so well? Singles. Single taxpayers do not do nearly as well in receiving benefits under this bill. Who else does not do quite so well under this bill? The elderly. The elderly do not do quite as well compared with married couples under this bill. Who else? Students. Students do not do quite so well compared with married couples under this bill.

In the broad brush of things, the bill already gives very significant tax relief, in fact, disproportionate tax relief, to married couples already.

We on the floor can decide to do still more. But if we do, it is at the expense of others. The others will necessarily be those nonmarried. Who are the nonmarrieds by definition? They are singles. And some of them are elderly and some are students. So it will be a shift away from people already not receiving nearly as many benefits absolutely and proportionately as married couples. That is a decision we can make here. Life is full of decisions. But that is the effect of what these amendments do.

I mention one group: students. The amendment offered by the Senator from Texas will cut education to help married couples even more. These are important provisions. Let me mention what they are: expansion of education savings accounts, increasing contributions from $500 to $2,000 and also permitting withdrawal of funds for K-12 expenses; that is, kindergarten through high school, elementary and secondary expenses. That would be delayed under the amendment offered by the Senator from Texas.

What else? The bill already eliminates the 60-month limit on deductibility of student loan interest. That is a big benefit for students. Students graduate from college, most have student loans. I have forgotten the figure. The average student loan is in the neighborhood of $15,000. It is not right that we cut off interest deductibility on those loans after 60 months. This bill says, OK, we are going to eliminate that 60 months. You can deduct the interest on student loans after 60 months. That is in the bill.

The Senator from Texas, in order to pay for more relief to married couples, eliminates that 60-month deletion. It is still current law, up to 60 months.

In addition, the amendment offered by the Senator from Texas would reduce significantly the above-the-line deduction for college tuition expenses of up to $3,000 in 2002 and 2003, and under the bill, above the line. She would limit it also for 2004 and 2005.

I think for the purposes of the Senate, it is important to know that the bill, as I said, doesn't give a lot of help to students. It is fair to married couples already. I don't think it is a good idea to take even more away from students in education expenses generally and shift it over to married couples.

I might also add, generally, there have been comments about this bill. People take potshots at the provisions of the bill dealing with solving the marriage penalty. Let me remind all of us again that this is the context of what is going on here, so we don't get wrapped around the axle and forget the bigger picture.

Currently, more taxpayers today receive a marriage bonus than are inflicted a marriage penalty. Many more American taxpayers get a benefit under the tax law on account of being married than they receive a penalty on account of being married. What am I saying? American taxpayers, as couples, where the income of one spouse is, say, at least 60 percent of the income of the other spouse, receive a bonus because their incomes are combined. That automatically gives them a bonus compared to filing separately.

The couples who receive a penalty today—not always—tend to be couples where one spouse earns approximately the same income, within about 20 or 30 percent.

There is a marriage penalty, no doubt about it. We should do all we can to fix it, and we will. We are moving in that direction. But as we move in that direction, I remind my colleagues that we can't do everything at the same time. We know that is an impossibility. We have a limit here of about $1.35 trillion over 11 years. That is a limit. We would like to repeal the marriage penalty. We would like to give all the money back to the taxpayers so taxpayers don't have to pay income taxes. We want to have everything.

But life is choices. We in the committee, working together, have made choices that are a tradeoff of different requests by Senators telling us what they want in this bill. If you put that together, we have tried to fashion a marriage penalty provision that is geared toward middle-income taxpayers. That is why the provision is doubling the standard deduction for married couples and also doubling the 15-percent bracket amount for married couples. We could have done more. We could have gone to upper brackets, more wealthy Americans. We wanted the distribution to be fairer to low- and middle-income Americans. That is why this is in the bill.

I urge Senators to remember we can't just take these amendments in isolation. They are in context. They are in the context of the bill, of larger issues and of choices we have to make today, knowing that tomorrow, next month, in future years, we will make other choices and we will be able to make up for what we may not have done today. We will do what the American people want on the basis of trying to put these pieces together in a reasonable manner.

This provision also has been sharply criticized by Senators who say it takes effect later, not right away. It has been ridiculed by those saying: "Now you have it, now you don't have it"; it's a shell game. Those Senators conveniently don't point out other provisions in the bill that do take effect right away, which they support and which are expensive. They make it more difficult for everything in this bill.

One is the creation of a 10-percent bracket, which is effective retroactively, I might add, to January 1 of this year. That in and of itself costs about $425 billion. That is not small change. That is immediate tax relief. A large percentage of the taxpayers who are in the 15-percent bracket will get that benefit. It is effective now and it helps the distribution for middle and lower income Americans. It is a very positive provision, which I know the Senators who complained about the delay of the marriage penalty really like—this 10 percent. They don't talk about it. You have to look at the whole bill and, I might add, too, the distributional effect of this bill is better significantly than the House-passed bill.

It is better significantly than the proposals offered by the President.

I believe when you add it all together, it is a bill that we can—a lot of us but not all—support. The marriage penalty provision is not perfect. I wish it were made effective earlier. I wish it could apply to all the marriage penalty provisions that are currently in the code, and they number about 65. This only deals with about 3 or 4 of them. The EITC provision I know the Senator from North Dakota likes. That is really good. But we don't deal with the other roughly 58 marriage penalties in the code, which have a little less effect because we don't have the money to eliminate them. They are a little less politically demanding than the ones with which we dealt with in this bill.

I respect my colleagues for their amendments. I remind them there is already a disproportionate relief for married couples in this bill, compared with singles, elderly, and students. I don't know if we want to make that worse.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Mr. President, for those who made inquiries to both Cloakrooms as to when we are going to vote, the Senator from Montana, the manager of the bill, spoke on the time allotted. Senator CONRAD has 16 minutes left on his side and Senator HUTCHISON has 40 minutes left. If all time is used without the managers using more time off the bill, we would vote at approximately 4:50 or 4:55. Just so people know that.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. I yield 20 minutes to the Senator from New Mexico off the bill.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I thank Senator GRASSLEY. First, I want to take a couple of minutes on history. Some Senators, clearly led by Senator BYRD, have spoken to the issue of should we be reducing taxes in a reconciliation bill. I want to remind everyone that Congress passed, in 1974, a new law which had to do with the congressional budget process. I want to quote from it and tell you three historical events which would indicate that we are doing what we have done on a number of occasions with reference to the Budget Act and reconciliation instructions that apply to taxes.

First of all, 1 week ago today, exactly, this body of Senators adopted a fiscal year 2002 budget resolution. Now, as in many things, all Senators didn't agree. But that resolution, with an instruction to reduce taxes by a total of $1.25 trillion over 10 years, with $100 billion available for the first 2 years to be spent by the Committee on Tax Relief has to do with stimulating the economy for a total of $1.35 trillion over 11 years. Within 1 week, the Committee on Finance—again in a bipartisan manner—I might say to the Senate, you might recall that the budget resolution, with an instruction on the taxes, passed the senate with 15 Democrats voting along with all Republicans, except 2. So it was a very bipartisan instruction to reduce taxes.

Within 1 week, the Committee on Finance has complied with this reconciliation instruction and has presented to the full Senate a bill that reduces revenues or increases outlays for a total of $1.347 trillion over the next 11 years. Remarkably good work. Obviously, when you set these kinds of annual and multiyear mandates with reference to taxes, you can't do everything you want, and you can't do every one as clean as you would like. But the policies included in this bill will be discussed shortly.

Let me first talk about the criticism we should not be using reconciliation, that is, the fast-track procedures permitted under law, for tax reductions.

First, I want to read the Budget Act of 1974:

> Inclusion of Reconciliation Directives in Concurrent Resolutions on the Budget.—A concurrent resolution on the budget for any fiscal year, to the extent necessary to effectuate the provisions and requirements of such resolution shall—(1) specify the total amount by which revenues are to be changed and direct that the committees having jurisdiction do determine and recommend changes—

To accomplish that—

Continuing to read:

> and resolutions to accomplish a change of such amount to comply with the policies of the resolution.

I note this section of the act says "changes." It does not say that the only thing reconciliation can be used for is to raise taxes, nor does it say the only thing it can be used for is to cut taxes. It simply says "effectuate" the policies of the underlying resolution.

Over time, yes, we were faced with deficits and used reconciliation for tax increase instructions and for spending cut instructions, but times have changed, and since fiscal year 1997, budget resolutions have passed the Senate that have considered tax reconciliation bills on three separate occasions. One was signed by President Clinton, one was vetoed by President Clinton, and one was never presented to him because he said he would veto it. But the Senate and the Congress, after a conference, actually passed tax bills that were the result of an instruction in a budget resolution that such be done to carry out the policies of the budget resolution.

There are some who say they wish it were not so. I do not know if I am prepared to debate that today. All I am prepared to say is those who criticize it should know it has its genesis in this Budget Act which was passed by all Senators, except one, voting for it years ago. I have read the operative language, and I am absolutely comfortable with the fact that we have not in any way exceeded what the Senate of the United States has heretofore indicated can be done in a budget resolution regarding reduction of taxes by an instruction.

In the FY 1997 budget debate, on a rollcall vote, the Senate established the precedent for including tax cut reconciliation instructions in a budget resolution under expedited procedures of the Budget Act.

That year the Congress presented the President with a $122.5 billion six-year tax cut reconciliation bill. The President vetoed that reconciliation bill.

In the FY 1998 budget debate, the Congress adopted instructions for a tax cut reconciliation bill for $85 billion over a 5-year period. The Finance Committee and the Congress complied with the instruction. The President signed that tax cut reconciliation bill.

In the FY 1999 budget debate there were no reconciliation instructions.

In the FY 2000 budget debate, a 10-year reconciliation tax cut of $778 billion was included in the budget resolution. The Finance Committee and the Congress once again complied with the instruction, and the President vetoed that tax cut reconciliation bill.

Finally in last year's budget debate the budget resolution permitted two separate tax cut reconciliation bills. The Senate considered and passed the first tax cut reconciliation bill, but it was never presented to the President. The second tax cut reconciliation bill was never considered.

The bottom line—there is nothing untoward about a tax cut reconciliation bill. There is nothing unprecedented about a tax cut reconciliation bill. Indeed, I believe the Budget Act is working as it should—it permits Congress to work its will and to implement its fiscal policy once it adopts a budget resolution.

What is unprecedented is a budget surplus estimate of $5.6 trillion over the next decade.

Even when with the tax reductions included in this bill, total taxes will still grow annually nearly 4.3 percent over the next decade. Total taxes will still increase from $2.135 trillion today to over $3.256 trillion in FY 2011. We will collect over $26.6 trillion in taxes these next 10 years even with the tax cuts included in this reconciliation bill.

Federal revenues as a percentage of the size of the economy, will only modestly be reduced from its historic high today of 20.7 percent to 19.2 percent in 2011.

Finally, all tax provisions are fully phased in by 2011. Those who come here to the floor and suggest somehow the tax cuts are going to explode over the next 10 years after 2011, are misleading.

When fully phased in 2011—everything—the tax reductions in 2011 will be about $185 billion in that year. Number games can be easily played.

Yes, extending the fully phased in tax cuts in this bill over the period 2011–2022—20 years from now—could mean $2 trillion in tax cuts beyond the $1.350 trillion in this bill. That is not an explosion, that is simple arithmetic.

I want to quickly go through what is in this bill as I see it. I compliment the Republicans and the Democrats who got it through committee and are in the Chamber defending it.

First, retroactive to January 1, 2001, it creates a new 10-percent bracket for the first $12,000 of adjusted gross income for couples.

It reduces all marginal rates effective January 2, 2002. The top rate is reduced to 36 percent by 2007. For those who think that is done quickly and costs an enormous amount in the early years, it is not so.

It doubles the child tax credit from $500 to $1,000 over 10 years and makes the child credit generously refundable. I repeat, it makes the child credit generously refundable.

There were many in our respective States who heard the first tax proposals, and they did not have any refundability for the tax credit and indicated that for poor States and populations in poor States, it might be better if we had refundability. However that occurred, I thank the committee in behalf of my State. It is important we have that.

We are debating marriage penalty relief, whether we should do more or change it, but it sets a standard deduction for couples at two times the single level. It sets the 15-percent bracket for couples at two times the single level.

Incidentally, it also increases the EITC, earned-income tax credit. Some thought over time that was not a good approach to tax law, but it has been increased all the way up, in some instances, to as high as $35,000. It includes, with which everybody should be pleased, a $33 billion educational tax relief that is spread throughout this bill, and it reduces the estate tax over time, not immediately but it increases the exemptions rather quickly in increments of a million dollars, and over a full 2011 cycle it will eliminate the tax; it will impose a capital gains tax of sorts on the beneficiaries of large estates.

I single out Senator KYL of Arizona for his complete commitment and dedication to changing this estate tax. I can see as a member of the committee where Senator KYL has had a very big impact on the committee.

The next item is IRA tax relief. Everybody has become familiar with pensions and IRAs. It includes a $40 billion increase in the tax reductions that can occur by changes in pensions and IRA relief. It is a pretty good law.

It changes the alternative minimum exemption by $2,000 single and $4,000 joint. It obviously does not do the entire alternative minimum adjustment necessary, but it does more than many people thought because, indeed, it does not affect any more people and starts changing a little bit with reference to the alternative minimum as it applies to others rather than those who would have been affected by this legislation.

In essence, it makes the Tax Code more progressive. That is difficult for some to believe in a tax package that also reduces marginal rates from top to bottom. Every marginal rate will be reduced. It makes the Tax Code more progressive. Wealthy taxpayers will pay a larger share of the income tax than they do now.

Whoever wants to argue about whether the top levels should have had a marginal rate cut, the entire package is more progressive, and when you are finished and add up the income tax, the higher tax payers will pay a bigger percentage now than they were paying before the marginal rates were reduced.

I close by talking about my State. I have done my best, with the best people I have, to give a rough estimate of what happens to people in New Mexico with this bill.

First, every New Mexico taxpayer gets a tax cut. In our little State, 539,000 families filed returns; 113,000 small businesses; 534,000 children will be eligible for the child tax credit. That has been doubled and made refundable over time; 304,000 couples in New Mexico who file jointly will benefit over time from the marriage penalty relief, and 179,000 families claimed the earned-income credit. With the expansion of the family earnings up to $35,100, they will be able to claim this credit. It is a major help to the families in New Mexico who are not in the high brackets, and since we have so many in the middle- and low-income brackets, this bill, because of the bipartisan nature of it, as I see it, has taken a giant step to be helpful to them.

I close by saying it was not too long ago that a new President was sworn in and went to the White House. He said: I am going to try to keep my campaign commitments. One of his commitments was he was going to reduce taxes. He was talking about a dollar number of $1.6 trillion. Some people think that was over 11 years, some over 10 years. Some think it was really $1.3 trillion adjusted for something.

In any event, I say, Mr. President—not the Presiding Officer, but President Bush down the road on Pennsylvania Avenue—when this finally becomes law, and it will not be too long when the House and Senate get this bill and do their final work, you can look at the American people and say: Here is another commitment made, a commitment that I achieved. With the help of Congress, and in this case bipartisan out of committee, hopefully bipartisan when we pass it, we have said to the President: We agree with you. The commitment to give back some of this enormous surplus to the American people so that it is not on the table to spend but, rather, it is committed back to their pockets, to their pocketbooks, to their checking accounts, that will have been achieved.

I believe there will be plenty of money to pay down the debt in about as rapid a fashion as we can, and I believe there will be about a $500 billion to $600 billion contingency fund over this decade that can still be used in addition to what we plan for tax cuts and what we plan for the appropriations process.

For those who had in mind large new programs for the Federal Government and had their eye on this surplus, what we are saying is we are not going to wait to deal tax relief at the bottom of the deck of cards.

We are going to deal, then, right upfront. We will say to people who pay: This Government receives more than it needs; we will give it back to you over time. That means it won't be there on the table, as we look at budgets, to spend on just anything because we will have spent it on a very good purpose; that is, we will have given it back to the American people to spend, for them to plan, for them to use.

It is a pretty good conclusion to a very difficult budget process which took many hours and a lot of energy. For this Senator, as chairman, it was difficult. We had to do some difficult things that I wouldn't like to do every year.

I hope we get bipartisan support for this use of the surplus. I think it is an appropriate use. We come back down to reality, with a big surplus plan expected. What should we do with it? Let it sit around to spend on making government bigger or should we first give some back? We have adopted as a policy giving back some of it, yet leaving enough for the realistic approach to government and growth in government that might be needed.

I close by saying that the same President who made that proposal has had the best people in the country work with our Vice President to produce a real effort to place before the American people a practical, realistic proposal with reference to our energy future—I should not say of America, I should say to the people of America. A realistic energy proposal is the next thing the President has on the table. I predict to all those who are critical upfront, realism will set in, in the next couple of months, and something similar to what the President asked for in his realistic energy approach will be on the floor. Members will be saying: Mr. President, you made a commitment to make America energy sufficient with reference to electricity in the future, and also sought to conserve and make us as independent as possible in the area of refined products from crude oil. I believe we will be saying: Congratulations, Mr. President.

The second big commitment accomplished. Unless there is a real, realistic, practical alternative that is not something like price controls on everything in the area of gasoline refined products and the like, which will do nothing but share the shortages, we will be right back in the muddle. We will do something that will do credit to this new leader and do credit to ourselves as Americans who have to get something done.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I ask for 4 minutes.

Mr. REID. Senator CONRAD is yielded 4 minutes off the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, in response to the Senator from New Mexico, I don't think the choices he has presented are the full choices before the American people and before the Congress.

The Senator from New Mexico refers to the choice of either giving the tax cut back to the American people or the money being spent here. I don't think those are the choices. Those are two of the choices. There is a third choice. The third choice is to pay down more of the people's debt. When we refer to the people's money, that is exactly right. This is the people's money. I think everybody here is acutely aware of that.

We have, fundamentally, three choices. One is tax cuts, and certainly that ought to be part of what we do. The second choice is spending. I think most people on both sides of the aisle say we need to increase spending on education and national defense. The third choice is how much do we use to pay down our debt.

The President says we should only pay down $3 trillion of the $3.4 trillion publicly held debt we currently have. There is another debt that the President is not dealing with and that we are not dealing with. That is the gross debt of the United States. That is the combination of the publicly held debt and the debt owed to the trust funds of the United States. The gross debt of the United States is not going down; it is going up. As we sit here today facing a debt of $5.6 trillion, at the end of the 10-year-period the gross debt of the United States will be $6.7 trillion. We are not paying off the national debt around here, not by a long shot. The national debt is increasing. Interestingly, it is increasing by about the amount of the tax cut we are providing.

I yield 4 minutes to the very distinguished Senator from New York, Mr. SCHUMER, who has a great commitment to the education issues that are in part addressed by the Senator from Texas.

Mr. SCHUMER. I thank my colleague for yielding.

First, I fully support his amendment. If we are going to expand the marriage penalty and do it, we are going to have to take the money from somewhere. The contrast between the amendment of the Senator from North Dakota and the amendment of the Senator from Texas is the philosophical difference in this debate.

The bottom line is simple: The amendment of the Senator from Texas robs Peter to pay Paul. It says: You want to expand the marriage penalty? Don't make it any easier to help middle-class people send their kid to college. Do the American people want us to make that choice?

I later will have an amendment to increase the deductibility of tuition. There has been a good start in the bill from my colleague and friend from New Jersey. We will seek to expand it. It has been a passion of mine for 2 years to get this done. As I go around my State and around our country, I find person after person saying: we can't afford to send our kid to college, or, more likely, we are sending him to a junior college rather than the college he or she deserves because tuition is so expensive. I will talk more about that later.

Make no mistake about it, the amendment of the Senator from Texas makes it far harder for people to send their kids to college. In fact, after she gets done with it, because she takes the money out of the education portion of this bill, the tuition deductibility level is only $1,500. With all due respect, that is not worth the paper on which it is written. Already in the law is a tax credit, the lifetime learning credit that adds a $2,000 tax credit by 2003. There is not a single person in this country who prefers a $1,500 deduction to a $2,000 credit. There is nothing left. In effect, the Senator from Texas eviscerates tuition deductibility. We all know how important and how vital it is to the future of this country.

Why, when the top 1 percent are getting 33 percent of the benefits, does the Senator from Texas want to expand the marriage penalty? Why doesn't she touch that, instead of taking the small amount we have in this bill to help the middle class pay tuition? That is an example, in my judgment, of what is wrong with the thinking of some in this body: First, give the rich their cut, and then let the middle class fight over the crumbs. It should be the opposite. Someone making $50,000 or $60,000 is in far more need of help than someone making $350,000 or $3.5 million. I don't believe in class warfare. To be people who make a lot of money, God bless them. But when you have a limited pie and you say you want to expand the marriage deduction, help remove the marriage penalty, why in God's name do you take it from one of the few things that benefits the middle class in this bill?

The President gets up and talks about the family making $50,000. I would bet my bottom dollar, if you asked the family making $50,000 if they would prefer a small rate decrease or would they prefer to make the tuition deductible, 90 percent of them would choose the latter.

What is going on in this bill? We are talking about the middle class but then we are not helping them. The amendment of the Senator from Texas is indicative of that malady which transcends this whole debate.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I yield 5 minutes to the Senator from New Jersey. The Senator from New Jersey has been very active on these education issues. I think he has been critically interested in providing incentives for parents paying for college. I yield 5 minutes to him.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 5 minutes.

Mr. TORRICELLI. Mr. President, I thank the Senator for his kind remarks and join Senator SCHUMER in what is an important moment in this debate. Indeed, I believe this moment defines whether or not there is a chance for this tax legislation to genuinely be bipartisan.

In the Finance Committee, Democrats joined with Republicans to attempt to moderate the tax reduction, to assure it was affordable, would protect the surplus, but would also make a difference, having revenue for prescription drugs and education.

Within the committee a balance was achieved that, while rates were being reduced for taxpayers, there were other objectives also being met. The amendment offered by Senator HUTCHISON is a threat to that balance. It raises the question about whether or not bipartisan tax reduction can survive in the Senate. Like Senator HUTCHISON, I would like to see the marriage penalty eliminated. Indeed, in a variety of ways, through considerable means, over a period of a decade this legislation deals with the marriage penalty. It simply was not possible to eliminate the marriage penalty immediately any more than it was possible to lower rates immediately or deal with the inheritance tax immediately. This is a decade-long process of reducing the tax burdens on Americans.

We do that to married couples as we have done it in other means. But part of this plan was that, as we reduced taxation on many Americans, we would look specifically at the issue of education. There isn't a Member of this Senate who has not come to this floor and argued that the future of the Nation depends upon our investment in education, the quality of education. The simple truth is, a college education for middle-income Americans is increasingly out of reach. The average student graduating from an American university owes $20,000 on the day he or she graduates. It is affecting the quality of their lives, their career choices. Middle-income parents, wanting to do the best for their children, are taking second mortgages on their homes, postponing retirement, putting themselves into financial jeopardy, anything to get their child a college education.

Among the many balances in this bill is a provision upon which I insisted in the committee, a fight Senator SCHUMER has led for several years on the floor, the deductibility of college tuition from income taxes. Under this legislation, it will rise to $5,000 during the decade. For many students, that makes all the difference. We will eliminate the marriage penalty, but we can both eliminate the marriage penalty and get deductibility of college tuition under this plan.

Finally, there is the question of education savings accounts. Ever since I came to the Senate, for many years, with Senator Coverdell, I led the fight for education savings accounts. More than two-thirds of this Senate has voted for education savings accounts to allow parents to put aside their own money for their own child for public or private education. In large measure, through the amendment of Senator HUTCHISON—well intentioned though it may be—we lose the sum and substance of education savings accounts by the reductions of the amounts available. I hope not only these education provisions can be retained but the bipartisan nature of the bill can be retained.

I yield the floor.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Kansas.

Mr. BROWNBACK. Mr. President, I ask to speak on the bill for 15 minutes, off the time of the Senator from Texas.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWNBACK. Mr. President, I rise in strong support of the Baucus-Grassley tax bill. I say to my colleagues from Iowa and Montana, thank you for bringing the bill here on the floor. This is a great day. This is a great debate. I appreciate what you are doing putting this forward.

I also want to say thanks for including a great number of provisions that work on the marriage penalty. We have been pushing for several years now to get rid of this ridiculous marriage penalty, the tax you pay for the privilege of being married. Marriage Penalty tax relief has been a long time coming, and with this bill, we can actually do something about it.

I am delighted to hear as well from my colleague from Iowa that last night they added an additional year in which the marriage penalty relief would be in effect. That is a very positive step. It is a good thing.

What we are seeking to do with this amendment, and I join my colleague from Texas, Senator HUTCHISON from Texas, in this amendment, is to speed up that marriage penalty relief, making it fuller because the marriage penalty is at several places within the Tax Code. It still remains, even after this bill. We need to take care of those places, and this amendment is a positive step toward this.

Tax relief is long overdue for the American taxpayer. We are at record high levels of tax collection during one of the longest eras of peace ever known in America. Does that make sense? It is unreasonable for the Federal Government to continue collecting taxes from hard-working Americans at a rate that rivals wartime rates of tax collection. Americans deserve relief.

However, I think some of the tax relief in this proposal is delayed too long, specifically that of the marriage penalty tax relief. Almost half of America's working families experience the ill-effects of the marriage penalty tax. In my State alone, 260,000 married couples experience this penalty. To put the burden of the marriage penalty tax in some perspective, every one of us knows somebody who is being forced to pay, on average—this is on average—about an additional $1,500 of taxes every year simply for being married.

Requiring Americans to pay more in taxes for being married defies common sense. Families are the bedrock of a Civil society. Between carpools to soccer games and putting food on the table, American families do not need this added tax burden.

Marriage tax penalty relief needs to be one of the first priorities in this bill. Making Americans wait until the year 2005 to receive a break from this onerous burden of the marriage penalty is unnecessary. We clearly have the resources to provide the American people with much needed marriage penalty relief sooner rather than later.

At a minimum, we should eliminate the marriage penalty in the standard deduction sooner rather than later. I believe with some adjustments in the tax bill we can provide marriage penalty relief next year rather than making America's families wait until 2005 for the Federal Government to recognize the negative effects of the tax we place on the institution of marriage and the people who are married. America's families deserve a break from the marriage penalty.

Alleviation of the marriage penalty tax will allow married couples greater freedom to raise the quality of life for their families. Freedom will mean different things for different couples, of course. For some it may mean the ability to make a downpayment on a home. For others it may mean an investment in their children's education. The options are as numerous as the people of our great Nation. Married Americans deserve to be free from this unjust penalty.

Make no mistake about it, however, those who will benefit the most from the correction of the marriage penalty are children. Study after study has shown that children do best when they grow up in a stable home, raised by two parents who are committed to each other through marriage. Newlyweds face enough challenges without paying punitive damages in the form of a marriage tax. The last thing the Federal Government should do is penalize the institution that is the clear bedrock of a civil society.

The amendment I am cosponsing along with my good friend, colleague, and fellow warrior of the past 5 years, Senator HUTCHISON of Texas would eliminate the marriage penalty in the standard deduction effective in the year 2002, rather than later in 2006 and would be offset by small modifications in other areas of the bill.

I am hopeful that this amendment will receive the full support of the Senate and be included in the conference report that we will hopefully send to the President before the Memorial Day Recess.

Our amendment recognizes the need to provide American families with relief from the marriage penalty and the need to do it now, rather than 5 years from now. For our children, for strong marriages, for almost half of America's working families, I urge my colleagues to support this important provision.

I understand, along with everybody else, the number of tradeoffs involved to get this done. I think that if we were to ask the American public to prioritize the tax cuts and the tax relief we are putting forward, they would clearly say, we need tax relief to stimulate the economy, and we need tax fairness, particularly in the area of the marriage penalty tax.

I point out to my colleagues a number of surveys that have been done showing that 70 percent of the American public support eliminating the marriage penalty tax. They are aware of this tax. I now have people who come up to me and tell me, for example: My marriage penalty this year was $1,478—that their accountants calculate their marriage penalty they are going to be paying on a yearly basis. People are aware of it. They know it is there. They know it is not fair.

We have been telling them for years we are going to do away with it, that we are going to get it out of there. I think the Finance Committee has done a good job on starting to address this, but it is phased in awfully late.

This amendment, I think, does something the American public would widely support. In looking at the tax cuts, they would say this should be one of the top ones that we need for fairness and for the future of a civil society.

So I urge my colleagues to support the Hutchison amendment when the vote comes up in this Chamber.

With that, Mr. President, I yield the floor and yield back the time to Senator HUTCHISON that may be remaining on the 15 minutes.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. Mr. President, maybe we are ready to vote. Have the Senators used their time?

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I will be brief and close on my amendment, after which I understand we can go ahead and have the vote.

I understand what the committee did. I understand how the committee had to accommodate so many interests. I do not eliminate the deductions for the education expenses; I just draw them out over a longer period.

I had to find someplace to offset the cost of moving the marriage penalty to the top. Phasing in the deductions for the education expenses was the only thing I could find that would be a viable alternative. Because I think the tax rate cuts are so important, I did not want to upset that balance. That is why I cannot support Senator CONRAD's amendment. But I certainly intend to try to continue to look for offsets.

Frankly, I am going to offer it without offsets if this is not adopted because I think moving the marriage penalty up is every bit as important as rate reduction and death tax relief and doubling the child tax credit.

We are trying to give relief to American families. How much more do we need to be told than that the census shows us that 77 percent more people are living together unmarried than there were 10 years ago? I think we should value marriage, and I think we should encourage it. I certainly do not think we should have policies that discourage it. So I am going to do everything I can to move it up and make it the top priority that I think it is. That is what my amendment does.

I ask the support of my colleagues. I think this is a warranted priority: Eliminating the marriage penalty in this country. It is essential that we do so.

Thank you, Mr. President. I yield the floor.

Mr. CONRAD. Does the Senator yield back her time?

Mrs. HUTCHISON. Mr. President, I yield back my time.

Mr. GRASSLEY. Which is the first amendment we vote on, Mr. President?

The PRESIDING OFFICER. The Senator from North Dakota still has 7 minutes.

Mr. CONRAD. I will try to take the same amount of time the Senator from Texas just took to conclude. If the Presiding Officer could inform me when I have used the same amount of time that the Senator from Texas just used so it is fair, I will yield back the remainder of my time.

The PRESIDING OFFICER. The Senator will have 3 minutes.

Mr. CONRAD. I thank the Presiding Officer, and I thank my colleague from Texas, who is a respected colleague.

Let me just say we agree that the marriage penalty relief ought to be moved up. We strongly agree on that proposition. Mine does it faster than the offering of the Senator from Texas. Mine deals with both elements of marriage penalty relief that are in the bill, both the standard deduction—doubling it for couples over what is provided a single individual—and also providing a fix on the 15-percent bracket.

The Senator from Texas starts hers earlier than the underlying bill but does not complete the phase-in until the year 2008 on the standard deduction. And she does not speed up the fix on the 15-percent bracket at all over what is in the current bill. My amendment would provide that relief next year as well.

In addition, we have a different way of paying for it. I ask those in the very top rates—the 3 percent who are in the top two rates—to defer so that we can give this relief immediately.

That seems to me to be a fair way to proceed. It seems to me to be the priority of the American people. We have 50 million people who are affected by the marriage penalty. Under the current bill, nothing is done, nothing for 4 years. Then it is phased in, and it is not completed until 2008.

My amendment says, if we say it is a priority, let's make it a priority. Let's put in place marriage penalty relief next year. Let's do the job.

I hope very much my colleagues will give close consideration. We do not change where the rates ultimately wind up. We do delay the reduction for the top rates, the two top rates that affect only 3 percent of America's taxpayers, so that we can give 50 million people relief from the marriage penalty now, something I think every Senator in this Chamber has spoken for at one time or another.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Thirty seconds.

Mr. CONRAD. Mr. President, I am happy to yield back that time.

Mr. President, I ask unanimous consent that Senator KENNEDY be added as an original cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the Conrad amendment No. 654.

The clerk will call the roll.

The result was announced—yeas 44, nays 56, as follows:

[Rollcall Vote No. 112 Leg.]

YEAS—44

Akaka
Bayh
Biden
Bingaman
Boxer
Byrd
Cantwell
Carnahan
Chafee
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Harkin
Hollings
Inouye
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
McCain
Mikulski
Murray
Nelson (FL)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Stabenow
Wellstone
Wyden

NAYS—56

Allard
Allen
Baucus
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Carper
Cleland
Cochran
Collins
Craig
Crapo
DeWine
Domenici
Ensign
Enzi
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kyl
Lincoln
Lott
Lugar
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner

The amendment (No. 654) was rejected.

Mr. GRASSLEY. I move to reconsider the vote.

Mr. BROWNBACK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 659

The PRESIDING OFFICER (Mr. SMITH of Oregon). Under the previous order, the question is on agreeing to amendment No. 659.

Mr. BREAUX. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 27, nays 73, as follows:

[Rollcall Vote No. 113 Leg.]

YEAS—27

Allard
Bennett
Brownback
Bunning
Burns
Campbell
Carnahan
Cochran
Domenici
Enzi
Fitzgerald
Frist
Gramm
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Kyl
Landrieu
Murkowski
Roberts
Santorum
Shelby
Smith (NH)
Thomas
Thurmond

NAYS—73

Akaka
Allen
Baucus
Bayh
Biden
Bingaman
Bond
Boxer
Breaux
Byrd
Cantwell
Carper
Chafee
Cleland
Clinton
Collins
Conrad
Corzine
Craig
Crapo
Daschle
Dayton
DeWine
Dodd
Dorgan
Durbin
Edwards
Ensign
Feingold
Feinstein
Graham
Grassley
Gregg
Hagel
Harkin
Hollings
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
McCain
McConnell
Mikulski
Miller
Murray
Nelson (FL)
Nelson (NE)
Nickles
Reed
Reid
Rockefeller
Sarbanes
Schumer
Sessions
Smith (OR)
Snowe
Specter
Stabenow
Stevens
Thompson
Torricelli
Voinovich
Warner
Wellstone
Wyden

The amendment (No. 659) was rejected.

Mr. GRASSLEY. I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I am deeply concerned with that anomaly in the tax code known as the "marriage penalty."

However, I opposed the Hutchison amendment No. 659 because it would accelerate the marriage penalty relief in this bill at the expense of those education provisions that would benefit students who borrow money to attend college. In particular, the Hutchison amendment would eliminate the provision that would allow student loan interest to be deductible 60 months after graduation.

While I support marriage penalty relief, I do not believe that it should be provided at the expense of these education tax benefits.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. On behalf of Senator BAUCUS, I ask unanimous consent that the time go now to Senator SCHUMER. His time will begin charging against his amendment, which he will offer before he completes the hour.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

The Senator from New York is recognized.

AMENDMENT NO. 669

Mr. SCHUMER. Mr. President, how much time do I have?

The PRESIDING OFFICER. One hour.

Mr. SCHUMER. One hour. Thank you, Mr. President.

Mr. President, first, I ask unanimous consent that the following Senators be added as cosponsors: Senators LIEBERMAN, BIDEN, BAYH, and CLINTON.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHUMER. I thank the Chair.

The amendment I am about to offer is one of the most significant that we can debate in this tax bill. As you know, Mr. President, since I have come here, I have felt it extremely important that we help middle-class people with the biggest financial nut they face, barring ill-health in their families, and that is paying tuition. The cost of tuition has skyrocketed. Family income has not kept up. Often in our tax proposals we help the very poor with their college tuition, as we should. And the wealthy do not need much help in terms of paying tuition. If you are making a half million dollars, you can afford that $10,000, $20,000, $30,000. But if you are solidly into the middle class, if you are making $40,000 or $50,000 or $60,000 or $70,000, that tuition bill is almost impossible to pay.

As a result, three things happen: First, all families struggle. Second, many students do not go to the college that their records would allow them to extend. Some do not go to college at all simply because financially it is so expensive. The number of New Yorkers who have told me that they are going to junior college because they can afford it, as opposed to a 4-year school in a specialty they very much want to achieve, is enormous. And, third, what happens is that America is greatly deprived of our greatest resource: the minds of our young people.

So it has been my contention, along with many of my colleagues, including the Presiding Officer, the Senator from Maine, the Senator from Illinois, and the Senator from Georgia—the Senator from Delaware has been our leader in this—that college tuition, or a large chunk of it, if not all of it, should be made tax deductible; that if a family is making a sacrifice to send their child to school, then Uncle Sam ought not to take a cut; that it is every bit as important for Government to encourage that activity through a deduction as it is owning a home or other activities for which we give deductions.

For 2½ years we have been pushing this. Now the opportunity is nigh to make it happen.

I thank my colleague from New Jersey, Senator TORRICELLI. He and I have talked about this issue at length. He has been able to get a first start into the bill of up to $5,000. That $5,000, yes, is a start. It does not meet the bills of most people, but it is a good start. I am appreciative of his efforts and of him joining the crusade in which many of us have been involved. But it simply is not enough.

So what we propose today is to make $12,000 deductible for each person—for a single person $65,000, for a couple $130,000. It goes well up into the middle class. The very people who come to us and say the Government never gives them a break, the Government never cares about what they need, are now going to get the best thing they could imagine.

We have not touched the rate cut in our offset because I know so many feel strongly about it. But my guess is, if you ask the average family in America making $50,000, $60,000, $70,000, would they rather have the rate cut of a few percent or would they want to make college tuition tax deductible, 90 percent would say the latter. So the time is nigh to do this.

This chart shows it all. Since 1980, college tuition has gone up over 300 percent in its cost. Health care, which is always used as the area where prices have gone up so much, has only gone up a little more than 250 percent. Of course the Consumer Price Index lags way behind.

So this vote presents us with the opportunity. This bipartisan idea, which I hope will stay a bipartisan amendment—because this issue should not be a party issue; this issue should not deal with how much of a tax cut, but simply is, should we give it to the middle class in the place where they need it most—is on the table.

I know there are a lot of considerations, but very simply this is vital to families. It is also vital to America. The bottom line is simple: That is, here in America we need to educate our people as best we can. If we continue to have young person after young person not go to college or not go to the college that they desire, we will be hurting our opportunity to stay the leading country in the world because our education system is more important than just about anything else that we can do in this country.

So, Mr. President, I will have a lot more to say, but I know there are some of my colleagues who wish to speak.

I would like, if no one on the other side wishes time on this amendment, to yield 4 minutes to the Senator from Indiana, who has been a sponsor for a very long period of time and has worked diligently on this effort.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. BAYH. Mr. President, I salute our colleague, Senator SCHUMER from New York, for his tenacious support of this very worthy endeavor. I say to the Senator, I would particularly like to congratulate you for the bipartisan nature of the support you have gathered for this very worthy undertaking.

With Senator SMITH, Senator SNOWE, and others on the other side of the aisle, it is a cause that every American, regardless of party, can support.

I rise in support of the Schumer amendment because it is good for the taxpayers of America, it is good for the children of America and their education, it is good for America's economy, and it is true to our values.

It is good for the taxpayers of America because, in my State and in yours and others, one of the most pressing needs that American families face, after paying the mortgage and saving for retirement, is putting money away for the cost of a college education. The cost of that education has been rising faster than the rate of inflation now for many years, far outstripping the ability of many Americans, particularly those in the middle class, to afford it. So this tax cut will be good for American taxpayers and families because it helps them in a very significant way—$12,000 when fully phased in—in alleviating the tax burden each and every year.

It is good for America's students because a college education today is no longer a luxury. It is a necessity to have many of the good paying jobs in areas involving information technology, communication technology, biotechnology, and the other rapidly growing parts of our economy. Those with a college degree earn substantially more than those without.

This is good for America's children and America's students. It is also important for the long-term health of our economy. America's competitive advantage lies in those areas that require greater degrees of knowledge, expertise, and learning. So as we enable our children to do better, we also empower our economy to do better.

Finally, this effort, thanks to Senator SCHUMER, is true to America's values. We are saying to the families of New York and Indiana and Oregon, and the other 47 States, that if your children work hard, if they dream the dream of a college education, we will stand by them. If you want to work hard and be self-sufficient, get a good job, we will help to make that dream become a reality. There is no more important American value than that.

In conclusion, I again salute my colleague, Senator SCHUMER. This tax cut is good for taxpayers. It is good for our children and their education. It is good for America's economy, and it is true to our values.

I ask my colleagues to support this very worthy endeavor. I yield the remainder of my time back to my colleague and friend, the Senator from New York.

The PRESIDING OFFICER. Who yields time to the Senator from Illinois? The Senator from Illinois seeks recognition.

Mr. SCHUMER. Mr. President, on behalf of the Senator from Montana, I yield 5 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I supported this effort from the beginning. I believe that when you ask American families about tax cuts, their highest single priority is this amendment.

This is a rather substantial proposal in reference to cutting the taxes of America's families. I am sure there are some very important and popular provisions in here, but when we literally ask families, if we could do one thing in the Tax Code to help you and your family in the future, what would it be, it is this amendment, this amendment which would allow families to deduct the expenses of a college education.

We all know the problem. Some of the brightest young people in America either have to delay their education or change their plans because they literally cannot afford the cost of higher education or they find themselves in a position where they graduate from college with an extraordinarily high debt. With that student loan debt, a lot of choices in life are already made for them. They may not be able to become a teacher, which could have been their life's dream, because instead they have to make more money to pay off the college loan. They may not be able to become a nurse or a doctor, or whatever, because of the expense of education.

What the bipartisan Schumer amendment does, which I am happy to support, is address this problem and give to American families the ability to deal with the cost of higher education.

Ask yourself: How important would it be? When a young child is born into a family, a new baby, it is usually kind of a rite of passage that you say to the new parent: How is mom? How is the baby? Is the baby sleeping at night? Have you thought about the cost of college education? Those are natural questions because people seem to think, as they should, this is a major obstacle to the success of my child. I better be thinking ahead. Is it reasonable to ask that question?

Let me give an example in my State of Illinois. In a 20-year period, the rough period between the birth of a child and their heading to college, in Illinois, between 1980 and the year 2000, the average tuition and fees at college went up 395 percent at public universities, 344 percent at private 4-year institutions, and 236 percent at community colleges. So asking the new parents about how they are going to pay for their kid's college education is not an unreasonable question. It is going to be substantial. If they want their kids to have a chance, they ought to think ahead.

The Schumer amendment thinks ahead. It says: We are going to give you the opportunity to deduct up to $12,000 of the cost of a college education. It also provides a tax credit, I believe, for the payment of interest on student loans, so if you have a loan and you are paying on it, you can deduct up to $1,000, which doubles the amount in the bill.

What the Senator's amendment does is help families realize the American dream. Could there be a better investment for the 21st century than to help families pay for the cost of college education? We know that kids who get a college education are going to make more money in life, probably realize their dreams. We have census statistics that suggest that the value of a college diploma means a 76-percent increase over a high school diploma in the amount of money one is likely to earn. So a young child who is thinking about where they want to go with their future understands it is important to go to college; it is expensive to go to college; but it creates great opportunities as well.

We have done a lot at the Federal level over the last several years to provide a helping hand. We passed a proposal of President Clinton's which was enacted as part of the Taxpayer Relief Act of 1997 to establish HOPE scholarships, lifetime learning tax credits, and these help to pay, but the Schumer amendment goes to the heart of it. It says: You get to make the choice where your son or daughter goes to college, working with them, the best school they can get into, and we will help you pay by making the tuition tax deductible.

It is targeted to working families. It starts to phase out for joint filers with a taxable income of over $105,000. I don't think that is an unreasonable level to be speaking of because if you had, for example, two public schoolteachers in the city of Chicago or in the State of Illinois, their combined income as mother and father might be in that range of $105,000. They are not wealthy people. If their son or daughter is going to a university that costs $20,000 or $25,000 a year, it is a great sacrifice on them and certainly on the children, once they have graduated. The value of this deduction, which can be up to $3,360, depending on the taxpayer's tax bracket, is significant and meaningful. This is available to taxpayers, their spouses, and their dependents.

I am going to yield back my time by urging my colleagues on the Republican side of the aisle to join us, as some already have, to show good, strong, bipartisan support. And if they value, as we do, education in America, if they value the needs of American families to pursue that education, supporting the Schumer amendment is a good vote.

Mr. SCHUMER. Mr. President, I ask unanimous consent to add Senators TORRICELLI and STABENOW as cosponsors of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHUMER. I yield 5 minutes to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Ms. STABENOW. Mr. President, I thank my colleague from New York on behalf of the families of Michigan for his leadership on this critical issue. This amendment goes to the heart of what is driving the economy and what is good for our families.

On the one hand, as a member of the Senate Budget Committee, I had the opportunity in numerous hearings to hear over and over again from Chairman Greenspan and our own Congressional Budget Office that what is driving this economy is increased labor productivity. Increased labor productivity is a combination of new innovations and technology and a skilled workforce that can work in this new economy, a skilled workforce that allows the productivity to increase in our economy.

Everyone has told us that to keep the economy going, to keep our jobs, to keep the improvements in the quality of life we have seen in recent years, we have to maintain this increased labor productivity. That means education. That is why this is such an important amendment.

I also speak as a parent. I have a son who recently graduated from college, and I am sure I own one of the buildings at that university. I have a daughter in college now. I can speak as a parent, as one who understands the cost we go through —we want our children to have the very best—and the challenges that face parents as we look at making sure our children are able to have the very best higher education.

This particular amendment, by allowing up to $12,000 in deductibility of college tuition, is very important to allow families to give their children the American dream that we all have for our children.

We know that in today's world you have to go beyond high school to some kind of higher education if you are going to be successful. We also know that we will continue to learn throughout our lives and that part of what we are doing is encouraging young people to learn to love to learn, so that they can continue beyond not only 4 years but possibly at some other point coming back in life.

We have older workers who are now coming back and changing careers, developing new skills, and going into new parts of the economy. The question of access to higher education is important to all of our families, and it is particularly important to where we are as a country and how we need to move in terms of the challenges in a new world economy.

I hope we will have the opportunity to give every child who is starting kindergarten, every child in preschool, every child going into high school the ability to work hard and make the grades, and that we are going to make sure they have the opportunity to go on to college to be the best they can be. This amendment gives the tools to parents to help make that happen. It is important, it is long overdue, and I urge my colleagues to support the Schumer amendment. I am extremely pleased to be a cosponsor.

I yield back my time, Mr. President.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, how much time does the Senator from Illinois want?

Mr. FITZGERALD. I thank my friend and colleague.

Mr. President, I have an amendment——

Mr. SCHUMER. Will the Senator from Illinois yield?

Mr. FITZGERALD. Yes.

AMENDMENT NO. 669

Mr. SCHUMER. Mr. President, I ask that our amendment, which was debated, be reported before the Senator puts his amendment forward.

The PRESIDING OFFICER (Mr. SESSIONS). The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. SCHUMER], for himself and Mr. BIDEN, Mr. BAYH, Mr. LIEBERMAN, Mr. DURBIN, Mr. TORRICELLI, Mrs. CLINTON, Mr. DASCHLE, and Ms. STABENOW, proposes an amendment numbered 669.

Mr. SCHUMER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To increase the deduction for higher education expenses for certain taxpayers and to increase the tax credit for student loan interest)

On page 54, between lines 4 and 5, insert the following:

"(C) 2006 THROUGH 2011.—

"(i) IN GENERAL.—In the case of a taxable year beginning in 2006, 2007, 2008, 2009, 2010, or 2011, the applicable dollar amount shall be equal to the applicable dollar amount determined in the table contained in clause (ii), reduced (but not below zero) by the amount determined under clause (iii).

"(ii) APPLICABLE DOLLAR AMOUNT.—

"Taxable year beginning in:	**Applicable dollar amount:**
2006	$10,000
2007	10,000
2008	12,000
2009	12,000
2010	12,000
2011	12,000.

"(iii) AMOUNT OF REDUCTION.—The amount determined under this clause for any taxable year is the amount which bears the same ratio to the applicable dollar amount determined in the table contained in clause (ii) for such taxable year as—

"(I) the excess of—

"(aa) the taxpayer's adjusted gross income for such taxable year, over

"(bb) $65,000 ($90,000 in the case of return filed by a head of household (as defined in section 2(b)), and $130,000 in the case of a joint return), bears to

"(II) $10,000 ($20,000 in the case of a joint return).

On page 59, line 3, strike "$500" and insert "$1,000".

Beginning on page 64, line 21, strike all through page 66, before line 2, and insert the following:

(a) MAXIMUM RATE OF TAX REDUCED TO 53 PERCENT.—The table contained in section 2001(c)(1) is amended by striking the two highest brackets and inserting the following:

"Over $2,500,000 .... $1,025,800, plus 53% of the excess over $2,500,000.".

(b) REPEAL OF PHASEOUT OF GRADUATED RATES.—Subsection (c) of section 2001 is amended by striking paragraph (2).

On page 68, strike lines 1 through 3.

The PRESIDING OFFICER. The Senator from Illinois.

AMENDMENT NO. 670

Mr. FITZGERALD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. FITZGERALD], for himself, Mr. SCHUMER, Mr. JEFFORDS, Mrs. CLINTON, Mr. MCCAIN, Mr. TORRICELLI, Mr. DOMENICI, and Mr. ALLEN, proposes an amendment numbered 670.

Mr. FITZGERALD. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide that no Federal income tax shall be imposed on amounts received by victims of the Nazi regime or their heirs or estates, and for other purposes)

At the end of subtitle A of title VIII, add the following:

SEC. . NO FEDERAL INCOME TAX ON RESTITUTION RECEIVED BY VICTIMS OF THE NAZI REGIME OR THEIR HEIRS OR ESTATES.

(a) IN GENERAL.—For purposes of the Internal Revenue Code of 1986, any excludable restitution payments received by an eligible individual (or the individual's heirs or estate)—

(1) shall not be included in gross income; and

(2) shall not be taken into account for purposes of applying any provision of such Code which takes into account excludable income in computing adjusted gross income, including section 86 of such Code (relating to taxation of Social Security benefits).

For purposes of such Code, the basis of any property received by an eligible individual (or the individual's heirs or estate) as part of an excludable restitution payment shall be the fair market value of such property as of the time of the receipt.

(b) COORDINATION WITH FEDERAL MEANS-TESTED PROGRAMS.—

(1) IN GENERAL.—Any excludable restitution payment shall be disregarded in determining eligibility for, and the amount of benefits or services to be provided under, any Federal or federally assisted program which provides benefits or service based, in whole or in part, on need.

(2) PROHIBITION AGAINST RECOVERY OF VALUE OF EXCESSIVE BENEFITS OR SERVICES.—No officer, agency, or instrumentality of any government may attempt to recover the value of excessive benefits or services provided under a program described in subsection (a) before January 1, 2000, by reason of any failure to take account of excludable restitution payments received before such date.

(3) NOTICE REQUIRED.—Any agency of government that has taken into account excludable restitution payments in determining eligibility for a program described in subsection (a) before January 1, 2000, shall make a good faith effort to notify any individual who may have been denied eligibility for benefits or services under the program of the potential eligibility of the individual for such benefits or services.

(4) COORDINATION WITH 1994 ACT.—Nothing in this Act shall be construed to override any right or requirement under "An Act to require certain payments made to victims of Nazi persecution to be disregarded in determining eligibility for and the amount of benefits or services based on need", approved August 1, 1994 (Public Law 103-286; 42 U.S.C. 1437a note), and nothing in that Act shall be construed to override any right or requirement under this Act.

(c) ELIGIBLE INDIVIDUAL.—For purposes of this section, the term "eligible individual" means a person who was persecuted for racial or religious reasons by Nazi Germany, any other Axis regime, or any other Nazi-controlled or Nazi-allied country.

(d) EXCLUDABLE RESTITUTION PAYMENT.—For purposes of this section, the term "excludable restitution payment" means any payment or distribution to an individual (or the individual's heirs or estate) which—

(1) is payable by reason of the individual's status as an eligible individual, including any amount payable by any foreign country, the United States of America, or any other foreign or domestic entity, or a fund established by any such country or entity, any amount payable as a result of a final resolution of a legal action, and any amount payable under a law providing for payments or restitution of property;

(2) constitutes the direct or indirect return of, or compensation or reparation for, assets stolen or hidden from, or otherwise lost to, the individual before, during, or immediately after World War II by reason of the individual's status as an eligible individual, including any proceeds of insurance under policies issued on eligible individuals by European insurance companies immediately before and during World War II; or

(3) consists of interest which is payable as part of any payment or distribution described in paragraph (1) or (2).

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—This section shall apply to any amount received on or after January 1, 2000.

(2) NO INFERENCE.—Nothing in this Act shall be construed to create any inference with respect to the proper tax treatment of any amount received before January 1, 2000.

Mr. FITZGERALD. Mr. President, I thank my colleagues, Senator SCHUMER and Senator CLINTON, both of whom are here, and Senators TORRICELLI, BINGAMAN, DOMENICI, JEFFORDS, MCCAIN, and ALLEN, who are cosponsors of this amendment.

This amendment simply seeks to ensure that any reparations received by victims of the Holocaust—reparations or settlement payments received by those victims not be subject to Federal income taxes.

Actually, our tax law provides that if money is stolen from somebody, or if property is stolen from somebody, and that is later recovered, that person should not have to pay income tax on getting their own money back. However, there have been a number of conflicting revenue rulings in this area, and the victims of the Holocaust, which occurred at the hands of the Nazis in the 1930s and 1940s, are concerned that the reparations they are receiving from a variety of settlement funds, from banks and insurance companies in Germany, Switzerland, and elsewhere—that under the current revenue rulings of the IRS, there might be some confusion as to whether those settlement payments are taxable income.

This amendment simply seeks to ensure that the IRS would not treat as taxable income any Holocaust reparations or payments. The Joint Tax Committee scored this amendment as costing $31 million over the next 10 years. It is a very small amount.

There are 100,000 survivors of the Holocaust in the United States, approximately 10,000 of them from my State of Illinois. The average age of Holocaust survivors is over 80 years. Recently—just a few weeks ago—I had the opportunity to be at a Holocaust memorial service in Skokie, IL. Skokie is a village to which a large number of Holocaust refugees and survivors of the Holocaust came after World War II, and they kept coming well into the late 1950s. After appearing at that ceremony, I had the opportunity to meet many individuals who were, in fact, Holocaust survivors. I heard from their own mouths the stories of the horrors they endured at the hands of the Nazis. I saw several of the survivors with the tattoos that the SS agents had put on their arms.

One woman told me she went into one of those concentration camps—I believe it was at Auschwitz—with both her parents and also with her younger brothers and sisters. As soon as she got into that camp, the Nazis killed her parents and subsequently killed her younger brothers and sisters. They kept her alive because she was a teenager and they believed that they could put her to work. Obviously, all of the assets of her family and tens of thousands, millions of others like hers were confiscated by the Nazis.

There are several settlement funds that have been created to finally, 56 years after the end of World War II, pay some modest compensation to these families and Holocaust survivors and their heirs for all the sufferings they endured. In fact, the compensation is really just the return of their own money or property that rightly belonged to them.

I hope we can adopt this amendment. It has the support of the administration, I am told. The previous administration also supported this measure. It was included in tax bills that were passed in the last session of Congress. Unfortunately, those overall tax bills were vetoed for other reasons. I would appreciate the support of all of my colleagues, and I certainly appreciate the willingness of Senator GRASSLEY and Senator BAUCUS to work with us as we try to find a possible means of replacing that slight $31 million in tax revenue that would be lost over the next 10 years.

Mr. President, again, I thank my colleagues. I am going to add, at this point, Senator GORDON SMITH as a cosponsor to the amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Before the Senator yields, I would like to say a word on his amendment. I think it is an excellent amendment. As the Senator knows, I had a similar amendment. There are slight differences, which I hope we work out when the time comes. This amendment is important, and I thank the Senator for his leadership in making this happen. As he said, to tax these payments which are but small compensation for the suffering endured by the few survivors of the Holocaust would be inhumane. The Senator is exactly right to make sure that they are tax free.

Mr. FITZGERALD. I thank my colleague in New York. I agree with him. I think it would be beneath the dignity of this great country to actually assess a Federal income tax on those payments of compensation to the victims of the Holocaust.

I thank the Senator. Both of my colleagues from New York have been very helpful.

There is one other point I want to make.

This bill also would ensure that payments received by Holocaust survivors not be counted in any calculation for eligibility for any of our Federal programs such as Medicaid. We would not want someone tossed out of a nursing home because they were receiving one of these payments. That is one of the benefits of this bill.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I tell the Senator from Illinois that I appreciate his good efforts to address an injustice. This injustice is regarding the victims of the Holocaust. I pledge to work with him on this amendment. I ask that he temporarily set aside the amendment to give us time to consider exactly how to do this.

Mr. FITZGERALD. Mr. President, I will be happy to do that. I have been working with Senator GRASSLEY and

Senator BAUCUS. I look forward to working with them into the evening. I appreciate their efforts to accommodate this amendment.

Mr. GRASSLEY. I yield the floor.

The PRESIDING OFFICER. Without objection, the amendment is set aside.

The Senator from New York.

AMENDMENT NO. 669

Mr. SCHUMER. Mr. President, I yield 5 minutes to the Senator from New Jersey. As I mentioned earlier in my remarks, our long crusade to get college tuition made deductible took a giant step forward with his work on the Finance Committee to get the first step, the $5,000, in the bill. That has made it possible for us to offer this amendment as well.

I salute him for the great work he has done, and I yield him 5 minutes.

Mr. TORRICELLI. Mr. President, I thank the Senator from New York for his very gracious comments and for the place in which we find ourselves at this moment. The long fight to allow parents and students to deduct the cost of college tuition is now at a critical moment.

It is not a usual moment in the life of the Senate when a Senator arises with the intent of having his own work replaced by a colleague's. That is exactly where I find myself.

The Finance Committee, with the considerable help of Senator GRASSLEY and Senator BAUCUS, has brought to the Senate Chamber for the first time the deductibility of college tuition from income taxes.

Senator SCHUMER has built upon this work by expanding our $5,000 deduction to a full $12,000. It is, in my estimation, a more realistic approximation of the financial burden before American families. I therefore support the Schumer amendment.

American families are mortgaging their futures. Parents are literally taking second mortgages on their homes. Families are postponing retirement. They are using retirement savings. They are borrowing against inheritance. They are doing anything and everything to get a college education for their child. Students themselves are working night jobs and borrowing endlessly to get themselves a college education.

The average student graduating from an American university, on the day they graduate, owes $20,000. It is not uncommon for a business student, a law student, or a medical student to owe $50,000, $100,000, or $200,000. It is an enormous tragedy.

The options in life that many of us enjoyed that allowed us to go into public service are not available to American students. If you come out of college owing $20,000, $50,000, $100,000, your chance to be a schoolteacher, your chance to run for public office, your chance to go into the Peace Corps, your chance to go into an American city or a small town and make a difference in American life is lost before your career begins. You begin life under a mountain of debt.

It may not be in our reach to eliminate that problem today, but we have a chance to reduce it. Over the years, from Stafford loans to HOPE scholarships to student loans, again and again, every time there was a chance to reduce this financial burden and help American education, we have risen to the occasion, and that is where we are again tonight. With this amendment, we can make fully deductible $12,000 worth of college tuition.

I will concede this is a national problem, but in my State of New Jersey, as in some other States, it is particularly acute. My State exports more students to colleges in other States than any other State in the Union per capita. We do not have a huge State university. The middle-class families of New Jersey are having to face, with no choice and through no fault of their own, massive private tuition costs.

It is the deciding point about whether or not these families can keep their families in the middle class, and they are holding on by their fingertips, knowing that if they cannot pay these tuitions, they may be the first generation in American history whose kids will be less educated, have less of a financial future, less of a quality of life than they have. And Americans do not give that up easily. That is why this mountain of debt. That is why the frustration. But that is also why I stand here tonight.

We have a chance to fight back. In the last decade, the cost of a college education has risen by 40 percent. There is no end in sight. In a free economy, with free institutions, there is no way to legislate to control that cost or stop it, nor am I proposing we do so. We simply have to allow families to fight back, and it has to be more than loans. We have to offer more than debt. We have to let families help meet this cost.

I am very grateful to Senator GRASSLEY and Senator BAUCUS. Without their support, we would not even be having this debate, Senator SCHUMER would not be able to offer this amendment. The committee took a stand, and I am proud of every member of the Finance Committee for doing so. But now we can take a good provision and we can make it better.

I urge my colleagues to support the amendment. I think it is a vote in which we can all take great pride. I thank the Senator from New York for yielding me the time.

Mr. SCHUMER. I thank the Senator from New Jersey.

I ask unanimous consent that Senators DURBIN and DAYTON be added as cosponsors to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHUMER. Mr. President, how much time has our side consumed?

The PRESIDING OFFICER. The Senator has consumed 28 minutes.

Mr. SCHUMER. Mr. President, I ask the Senator from Iowa, do the opponents of this amendment intend to use all of their hour?

Mr. GRASSLEY. Probably not, but we are going to use some time; yes.

Mr. SCHUMER. Maybe we can begin now. Does the Senator from New York, my friend and colleague, wish to speak now?

Mrs. CLINTON. I will be happy to speak now.

Mr. SCHUMER. I call on my colleague, the Senator from New York, who has been a leader on this issue and has worked with me side by side to make college tuition deductibility a reality. I yield to her 5 minutes.

The PRESIDING OFFICER. The Senator from New York.

Mrs. CLINTON. I thank the Chair.

Mr. President, I rise in support of this amendment which has been a passion of my senior Senator from New York. It arises out of the real-world experiences he and I have every day in New York where we meet parent after parent who is troubled by the rising costs of college tuition and other expenses associated with going to college.

I wish we would all recognize that going to college has become not just a luxury, but in many respects a necessity. There are so many jobs today which are on the leading edge of the economy that require the advanced education that can only come in a higher education setting.

The fastest growing occupations, all of them in the field of technology, require at least a bachelor's degree, and they pay much higher than average for full-time workers. The Senator has recognized that we have to do more to make college affordable for our families.

The saddest statistic I am aware of is as hard as it is to believe after all the work this body has done over the last years to make college more affordable, with the HOPE scholarships, with increasing Pell grants for worthy students, with the life-long learning tax credit, with all of that work, there are still so many children whose families cannot afford to send them to college or for whom the college tuition stretch is so great it requires mortgaging homes, it requires tremendous sacrifice from many working and middle-class families, and it often leads to a student having to drop out because the dollars just don't keep coming and there is not enough financial support.

In New York, for example, more than 80 percent of New York students go on to some form of higher education. Nearly 1 million students attend college in New York, yet not that many finish. And the No. 1 reason given is financial hardship. The combination of the debt load that so many of our youngsters and their families have to carry, and the fact that sometimes that credit is just not available, makes the dream of college just beyond the reach of too many of our children and their families.

As we debate this overall tax bill, which has many features that are not, in my view, going to make us richer and stronger and smarter, I hope we will try to support this amendment which I think will do all of those. I think this amendment, Senator Schumer's college opportunity tax credit, is the single most important amendment we could pass in this entire debate. It not only will provide much needed financing, it will send a clear message that we in this Chamber have heard the students, the parents, the families, the businesses, and the colleges of America, we have heard their requests and we try to help make college affordable for all Americans.

The college challenge now of paying has become absolutely out of reach because average tuition has doubled in the last 20 years. Family incomes and financial aid have not doubled in a comparable period. It is time to give families in New York, families across America, the kind of tax cut they can really count on and that will mean something for everybody—the people who are the bulk of the taxpayers in this country. This amendment, when fully phased in, will give families a tax deduction of up to $12,000 in tuition costs, which will provide as much as $3,360 in tax relief.

I commend my colleague, my senior Senator, for his passion, his work, his persistence. I hope that work will finally culminate in a positive outcome today and we will pass the college opportunity tax cut, the kind of sensible, affordable tax cut that makes sense for America's families and especially for the young people for whom we, after all, have to think most clearly about trying to create a better future. There is no better investment we can make. I commend my colleague and thank him for his work on this critically important amendment.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume.

Mr. NICKLES. Will the Senator yield?

Mr. GRASSLEY. I yield whatever time the Senator wants.

Mr. NICKLES. I am trying to get a copy of the amendment. Has the amendment been sent to the desk?

The PRESIDING OFFICER. Yes.

Mr. GRASSLEY. Mr. President, I know the Senator from New York wants to help people who need it. We all understand the importance of education. I go back to my opening statement and refer to the process by which this bill was brought about and the balance that is in it.

I know the Senator from New York doesn't mean to be selfish. And I don't mean "selfish" for the college students he is trying to help, but the Senator is somewhat selfish in what we can do in one bill. For instance, he wants me to consider his point of view in spending more for college tuition. This may even be bipartisan; I don't know whether it will end up partisan or bipartisan. But either way, the Senator is asking us to consider his point of view being presented before the Senate while trying to undo a very carefully crafted, bipartisan compromise that was worked out between people such as Senator KYL on the one hand and Senator LINCOLN on the other dealing with the estate tax.

Maybe if you think the super rich in New York don't need anything done about the estate tax, that is perfectly legitimate. Maybe that is not being selfish, if you think about the small businesspeople of America who live moderately throughout their entire working career because they have to pour everything back into the business and they want to leave it to their kids, and we are raising the threshold, raising the unified credit so that doesn't have to happen, and this isn't even talking about doing away with the estate tax 10 years from now. We are only talking about raising unified credit and preserving the small businesses and the small farms, or you might say large businesses and large farms that are affected by it, but you are taking away from that to do what you want.

It is carefully crafted politically. It is crafted to look at as many interests as we can.

What is ludicrous about the approach is that for the last 2 months during the budget debate the Senator was one who was voting we should not have a $1.6 trillion tax cut, should not have a $1.35 trillion tax cut. I don't know about the $950 billion bill that the Democrats put in, but 12 months ago people of the Senator's party didn't want any tax cuts at all. I hope Members are thanking President Bush that he ran on a program to cut taxes and got elected and he is performing in office the way he ran the campaign, keeping his campaign promise. We wouldn't even have a tax bill before us so that you could do what you want to do for your college students.

I wonder if the Senator has thought this through? We have Senator LINCOLN on your side, working with Senator KYL, for a very carefully crafted provision that is in this bill that, quite frankly, was a major problem for your ranking member, Senator BAUCUS. He didn't want to do as much as I wanted to do in this area or Senator KYL or Senator LINCOLN. But, as a matter of compromise, he went along with this so we could have a bill, a bipartisan bill, and make the process of bipartisanship work.

I am a little frustrated about the process. I am not even talking about the merits of your bill. I want to deal with the merits. I wonder if the Senator has thought about the condition in which you put Senator LINCOLN and Senator KYL, how you can intellectually approach this sort of a deal on a $1.3 trillion tax cut, and the Senator didn't even want any tax cuts.

Mr. SCHUMER. Will the Senator yield?

Mr. GRASSLEY. I yield because I need some answers.

Mr. SCHUMER. I thank the Senator. I would like to answer, since my name was used repeatedly.

First I want to say this. I have great respect for the Senator. I even share his frustration. It is not very easy to put together a tax bill. But I am sort of aghast at his implication, that because, however carefully the 20 members of the Finance Committee put together a compromise, which was supported—I would not call this bipartisan. As great respect as I have for Senator BAUCUS, it was not Democrats and Republicans coming together and meeting in the middle.

Mr. GRASSLEY. How many Democrats do you have to have to be bipartisan?

Mr. SCHUMER. I would say it should be a lot more than four or five, to answer the Senator's question.

If you look at the reconciliation vote, it was four or five. That is not bipartisan in my judgment.

I respect each Senator's right to make their decision. They come from different States.

But what I am aghast at is the implication of my good friend from Iowa that anyone who offers an amendment to the grand creation that he has put together has either not thought it through or is derelict in their duty.

Just the opposite, good sir. I am doing my duty to the people of New York by doing what they think is right. I daresay if they were asked should the estate tax, only on estates of over $3 million, get a smaller reduction so the families who are making $100,000 and $80,000 and $120,000 and $50,000 and $60,000 can get a break on tuition, my guess is, good sir, that 90 percent of the people of New York—and I would guess, although I do not want to second-guess the Senator from Iowa—but my guess is the people from his State would support this amendment.

Mr. GRASSLEY. Do you mind if I reclaim my time?

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. GRASSLEY. You told me you feel very strongly about it and you told me you thought this through and you are willing to present your view, regardless of the compromises on the other portions of the bill. You have every right to do that.

Mr. SCHUMER. I appreciate that.

Mr. GRASSLEY. I accept that.

Mr. SCHUMER. Will the Senator yield for a question?

Mr. GRASSLEY. I will yield for a question. I am not sure I will answer it.

Mr. SCHUMER. OK. My question is, Does he think his grand compromise is beyond improvement? Is it perfection itself?

Mr. GRASSLEY. I do not think it is perfect.

Mr. SCHUMER. All I can say to my good friend, CHARLES S. GRASSLEY, from CHARLES S. SCHUMER, is I am trying to make your wonderful compromise a little bit better.

Mr. GRASSLEY. I hope you respect my right, that we have worked hard to put this together and I want to protect it as much as I can.

Mr. SCHUMER. I sure do.

Mr. GRASSLEY. Not because of the substance of the bill as much as the process by which this has come together and what that says about the Senate's workings and the bipartisanship that is necessary to getting it done around here.

Mr. SCHUMER. If the Senator will yield, and I am glad we are having a debate, in all respect I think there are a lot of us in this Chamber who are not enamored with this process.

Let me give you my little example. I received great help from the Joint Tax Committee. But they frenetically rushed in the last few hours to get me estimates and put together the bill.

We are trying to debate this most significant tax legislation in 2 days, with 20 hours of debate. I was here, it was my first year, for Gramm-Latta. There were heated debates, but there was no effort to cut off amendments. There was no effort to stretch—one of the reasons our amendment is crafted as it is, good sir, is because the reconciliation process that was used does not allow many other amendments.

I am not enamored with this process. I respect bipartisan compromise. I think, in good faith, the Senator from Iowa has taken some flak from his side. My friend, the Senator from Montana, for whom I have enormous respect and do not begrudge him one iota for his views and what he has done, has taken a good deal of flak from his side. I respect that. I try to come up with bipartisan compromises whenever I can.

But I have to tell you I do not respect the process here. It is a rushed process. It is a hurried process. It is a process that does not allow deliberation. It is a process that is not the Senate at its finest.

So, yes, it is nice to have a bipartisan compromise. But if that bipartisan compromise is worth much——

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. SCHUMER. If I can just finish?

Mr. GRASSLEY. I think we have had discussion enough on this.

Mr. SCHUMER. Okay. I thank the Senator.

Mr. GRASSLEY. Does the Senator from Montana want me to yield for a minute?

Mr. BAUCUS addressed the Chair.

Mr. GRASSLEY. I yield some time off my time to Senator BAUCUS.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, this is not an easy matter, of course. We want every child to have the opportunity to attend college, to get a higher education. That is a given. It is particularly important in these days, as the economy gets more and more complex, the world economy more globalized. I think the major advantage we have in the United States of America is our education system. When we talk about value-added, it is knowledge-based, value-added America through education that is going to give us the competitive advantage compared to other countries around the world. Education is key. It is Head Start. It is pre-head Start. It is all that goes into children, from the instant they are born, creating a family environment and community environment to help kids be excited about life—not be put down, but excited—Head Start, kindergarten, all the way through elementary, secondary and, of course, higher education. That is a given.

We are doing what we can to help make that happen. Rome was not built in a day, but we are doing all we can to help make that happen.

I might have a couple or three points here. One, I would like to remind Senators what we provide for in this bill that helps kids get a better education. There are the provisions which help elementary and secondary students. The amendment offered by my good friend from New York is directed more toward higher education.

Let me just go through what we have for education. Essentially, it is about $35 billion in this bill, over 10 years, for education. About $11 billion of that is for higher ed; it is to add something new in this legislation which has not existed in prior law. What is that? That is to provide a deduction for college tuition. In the bill it starts at lower amounts, $2,000 or $3,000, and gets up to a $10,000 deduction for tuition for education. That is new. We have never done that before in the U.S. Congress. That is new in America. That is in this bill. It is a start.

Is it everything? No. It is clear tuition in some colleges is a lot more than that, but it is a start. It will help students get a break when they go to college and other loans are available. In fact, this bill, I remind my good friend from New York, actually deletes the limitation on interest deduction for student loans so students will always have their interest deduction on student loans.

Does that solve all the problems? No. It is a help, it is a start. We know in life there are no free lunches. There are none. We have to work sometimes in life for what we want to attain. We can't just give gifts to everybody. We want to help. We want to help kids go to college, do the very best we can to create conditions to make that possible. In addition, private institutions have availability for prepaid tuition programs. That has not been available in the past.

I mentioned the modification of the student interest deduction; that is, the limitation is eliminated. IRAs, for education IRAs, that is expanded from a $500 contribution to $2,000. There are several other provisions in here which will help education. They total, as I said, about $35 billion over 10 years. It is $10 billion, the program suggested by my good friend from New York.

I join in the frustration of my good friend from New York at the difficulty in getting amendments scored by Joint Tax. Why do we face that? It is because this bill is being rushed. There is no doubt about it. Because this bill is being rushed, we are bound to make mistakes. We are bound to not have the information we should have. That is very unfortunate.

I personally believe we should not be working on a tax bill in the context of reconciliation which has very constricting limits on debate and amendments. But we are. I had hoped we would not be on this bill until Monday of this week. But others with so-called pay grades higher than mine had a different view than mine and we are here now. We have to deal with what we have. That is unfortunate, but that is where we are.

I would like to have a lot more in here for education. I have a soft spot for education. I think most of us have a soft spot for education. But we cannot do it all at once. I wish we could, but we cannot. But we have a terrific—just think of it—start with the deduction of college tuition provided for in this Senate bill of up to $5,000. That is not small change. Mr. President, $5,000 toward tuition is a start. Students can make up the difference in various other ways, either through families or jobs or scholarships. There are ways to get things done, and certainly $5,000 is going to help a lot.

But I want to make a point to my good friend from New York. He does have a very good point: Gee, this so-called grand compromise, this grand perfect bill, and so forth, can be made better. Of course it can. I would like it to be made better.

I know my good friend from New York and other Senators realize that all things are not equal. And what is a little bit different here is that there happens to be a different body down thataway. That other body down the hall has a different view on this tax proposal. They are going to want to change this dramatically in conference. This tax bill is going to change dramatically in a direction, I might suppose, that is contrary to the wishes of the Senator from New York.

So what I am trying to do, in getting a package together—and working with the chairman of the committee, for whom, I might add, I have the utmost respect—is to get an agreement that is better than what would otherwise pass in this Chamber, because if we did not have this bipartisan compromise, I guarantee you we would have a tax bill in this Chamber which would be much less to the liking of the Senator from New York and virtually every one of my colleagues on my side of the aisle.

But now we can go to conference in a better position and come back with a result which is better than it otherwise might be. Were it not for that context, I would probably be here arguing, yes, we should change this; we should add more for tuition deduction; we should do that. But there is no free lunch here. We have to deal with the deck we were dealt. In that context, it is a better bill from the perspective of the Senator from New York, so we can go to conference and come back with a result that is better than it otherwise would be for the Senator from New York and for other Senators. That is really where we are.

So for all those reasons—and basically it is the last reason—I have the utmost respect, I must say, for my very good friend from New York. New York has two super Senators, and one of them is Senator SCHUMER. The other is Senator CLINTON. I must say I don't know of a Senator around here for whom I have a higher regard than Senator SCHUMER; I might say Senator CLINTON, but certainly Senator SCHUMER from New York. He is on the right track. I have the utmost respect for him, but I cannot support his amendment because I want and I believe, in the end, when the conference report comes back through this process, we can come up with a better product.

The PRESIDING OFFICER (Mr. ENSIGN). The Senator from Iowa.

Mr. GRASSLEY. I yield such time as he might want to the Senator from Arizona.

What time does the Senator wish to have?

Mr. KYL. Ten minutes.

The PRESIDING OFFICER. The Senator from Arizona is recognized for 10 minutes.

Mr. KYL. Mr. President, let me first echo what the Senator from Montana has just been saying with respect to support for education. As he noted, this bill already has substantial benefits for education.

Unfortunately, the amendment of the Senator from New York, in order to provide the money for those benefits, has to get money from someplace else in the bill. It is called an offset.

What I want to talk about is the offset here because in order to try to help education, he is pitting one group against the other. The group that would be the big loser here is all the small businesses, all the entrepreneurs, the small family farmers, and the others who were looking forward to some death tax relief, to a reduction in the rates of the estate tax. That would be gone under this amendment.

All of the rate relief that was provided for in this bill would be eliminated. So instead of the rates going from 60 percent, which is the effective death tax relief rate, down to 45 percent under the bill here—which is still far too high—this would take all of that and put it back up to the effective 60-percent rate.

It is morally wrong. I think everybody on the committee who voted for the bill agrees that it is morally wrong for the U.S. Government to take more than half in any tax. And I don't think we have another tax that taxes people at the rate of 50 percent. This would be the highest rate in the world except, I believe, for the country of Japan.

Most Americans believe it is morally wrong to take more than half of all of the assets that somebody has saved in their life, assets that could be passed on to their children. The American dream in this country has always been to leave the next generation better off than your generation, to do a little bit to pass on for the next generation. Especially that has been true of the small entrepreneurs, more than half of whom are women in the United States of America.

That is why in the committee we decided to use some of the tax relief available for us to reduce the rate that estates were charged. What this amendment by the Senator from New York would do is wipe out all of that rate relief for which we provided. That is an unfair tradeoff. It is an improper tradeoff. Regardless of how much more someone might want to do for more education, it should not be paid for in this way.

Mr. SCHUMER. Will the Senator yield for a question?

Mr. KYL. I am happy to yield.

Mr. SCHUMER. Does the Senator know or dispute the fact that the only people who would be hurt by this amendment are those with estates worth over $3 million, where the rate will no longer be 55 percent but 53 percent?

Mr. KYL. The Senator does dispute that because as the Senator from New York should be aware, under the relief in the tax bill that is before us right now, the exemption he is speaking of, or the unified credit, does not take full effect until the final year of the legislation. So it is not true what the Senator from New York has just said. The rate relief provided in this bill currently before us takes the rate from the current level down to 45 percent.

It does that over a period of time. We do not even do that immediately, nor does the unified credit lock into effect immediately.

Mr. SCHUMER. But does the Senator dispute the top rate is only paid by estates worth over $3 million?

Mr. KYL. The top rate——

Mr. SCHUMER. We only change the top rate in our amendment.

Mr. KYL. The Senator from New York has decided to pay for the benefit in his amendment by taking the top rate, which is an effective rate of 60 percent, and leaving it right there.

Is the Senator from Arizona incorrect in what the Senator from New York just said?

Mr. SCHUMER. Yes. We do not leave it there. We reduce it from 55 percent to 53 percent. But the only people affected are those with estates worth over $3 million.

Mr. KYL. I stand corrected—from 55 percent to 53 percent. So we are still taking more than half. More than half of the value of the estate is going to be taken by the U.S. Government rather than passed on to the heirs. I stand corrected. It is not 55 percent; it is 53 percent. But because of the bubble effect, I am sure the Senator from New York would agree that the effective rate is closer to 60 percent, the result of which is that the rate relief that we have provided people—which caused a lot of people to vote for this bill—will be wiped out if this amendment is adopted.

Death tax or estate tax relief is very popular in this country. In one poll, it is supported by 89 percent of the people. A Gallup poll last year had one of the lowest percentages of support I have seen: 60 percent. In that poll, over three-fourths of the people acknowledged they would not even benefit from the relief but they understood it to be fair. Anytime more than half of your assets are being taken by the Government, Americans understand that is unfair. Even if they are not going to benefit from the relief, they realize there should be some relief from that.

Let me note a couple of the studies that demonstrate the pernicious effect of the rates as they exist today and why we decided to bring them down in this bill.

A February 2000 study by the National Association of Women-Owned Businesses, the Independent Women's Forum, and the Center for the Study of Taxation found that the death tax costs female entrepreneurs nearly $60,000 on death tax planning, money obviously they could be using in their own businesses. They report that 39 jobs were lost per business due to the cost of death tax planning over the last 5 years and that the cost of death tax planning will prevent the creation of 103 new jobs per business in the next 5 years.

There is study after study after study that demonstrates the effect, not only in the macroeconomic sense in terms of gross national product lost, capital formation reduced, and the like, and jobs lost, but the effect for the average small business which, as I pointed out, is a woman-owned business in this country. That is why groups as diverse as the National Federation for Independent Businesses, the Hispanic Chamber of Commerce, the National Black Chamber of Commerce, the National Association of Women-Owned Businesses, and the National Association of Neighborhoods—and on and on and on—50-some organizations have all joined in urging the Congress to enact death tax relief.

Mr. SCHUMER. Will the Senator yield for a question?

Mr. KYL. The Senator from Arizona might need to ask for a little more time.

Mr. SCHUMER. Mr. President, I will be happy to yield a couple minutes of my time.

Mr. KYL. I yield to the Senator from New York.

Mr. SCHUMER. Does the Senator dispute that our amendment continues the repeal of the estate tax in the exact time as the committee bill, in the year 2011, and that the only thing affected in our amendment—we can read a long list of everyone who is for repeal of the estate tax; that is not affected—the only thing that is affected is estates of over $3 million whose top rate goes down not from 55 to 45, but 55 to 53? With that change alone, we make college tuition up to $12,000 tax deductible.

Mr. KYL. I will not yield to the Senator to give a speech.

Mr. SCHUMER. Does the Senator dispute that?

Mr. KYL. I am fully aware of the effect of the Senator's amendment. Let me ask the Senator this question, if he would like to respond to my question. The Senator asked if I was aware that his amendment did not affect the repeal of the estate tax in the final year of this bill. I am aware of that. Does the Senator from New York agree with me that the estate tax repeal should be permanent and should not terminate at 9 months? Would the Senator from New York support the Senator from Arizona in attempting to make permanent the repeal of the estate tax?

Mr. SCHUMER. The Senator from Arizona is well aware of my record. I voted against that. But that is not this amendment.

Mr. KYL. I reclaim my time. The point the Senator from New York was trying to make was that his amendment didn't affect the repeal of the estate tax. That is true. The repeal of the estate tax is only in existence for 9 months because of Senators such as the Senator from New York who won't agree to make it permanent. So the relief is very tenuous here for people, and that is why I am fighting very hard to retain the rate relief. The repeal of the estate tax is going to go away 9 months after it goes into effect, which is in the 10th year of this bill. That is why we need the rate relief that is built into the bill, and that is what is taken away by the amendment of the Senator from New York.

I am happy to yield.

Mr. SCHUMER. I thank the Senator.

The PRESIDING OFFICER. The Chair will remind both Senators to address each other through the Chair.

Mr. SCHUMER. I thank the Chair.

I will simply say to my good friend from Arizona, with whom I have worked on many issues and who is a fine man of great integrity, that my vote is not needed for repeal. Very simply, I say to the Senator, the reason they didn't put repeal in the bill had nothing to do with the Senator from New York or the 45 Senators who have not been part of this process. The reason they didn't put it in is it is so darned expensive that they wouldn't have been able to do all the other things. So that is a bugaboo. That is not a fair characterization.

Again, whether you are for or against repeal of this estate tax has nothing to do with this amendment. What has to do with this amendment is whether you believe that estates of over $3 million should get less of a reduction, although still a reduction, so that families making $40,000, $50,000, $60,000, $70,000 can get some break in paying college tuition. That is what the amendment does.

Does the Senator disagree about the amendment, regardless of my view or anyone else's view of whether the estate tax should be repealed?

Mr. KYL. Mr. President, reclaiming my time, it is evident that the Senator from New York does not want to see a permanent repeal of the estate tax. He does not want to see a reduction in the rates except by 2 points, from 55 to 53. He apparently agrees with me that because of the bubble effect, the effective rate is closer to 60 percent. As a result of his amendment, and as a result of his opposition to making the repeal of the estate tax permanent, albeit with other Senators as well—I am not suggesting that my friend from New York is the only one who may oppose that—opposing that and then also wiping out the rate relief that we are providing here leaves very thin any opportunity for us to go back to the American people and say we have done anything meaningful with respect to death tax relief. Yet that, according to public opinion surveys, is among the most popular of the features of the bill which we passed out of committee and which is on the floor.

That is why I say to my good friend from New York, as laudable as it is for the Federal Government to assist families sending their kids for education—Heaven knows, I could have used some of that assistance a few years ago—as laudable as that is, we need to recognize, No. 1, that the bill already has education relief in it, and, No. 2, if we take out this rate relief, we are effectively gutting the bill's effective help for people with respect to the estate tax because of the fact that the 53-percent rate would still be in existence and that that rate, because of the bubble effect, is actually closer to 60 percent.

The PRESIDING OFFICER. The time yielded to the Senator from Arizona has expired.

Who yields time?

Mr. SCHUMER. Mr. President, I will yield to my friend from Delaware next, but I just make one point to my friend from Arizona. This is on my time.

This bill is about choices. No one wants anyone to pay any taxes on anything. The reason the estate tax repeal is lower on my list than helping middle-class families with college tuition is, it is my judgment—and we will see the judgment of every Senator in this Chamber—that a family making $50,000 and paying $10,000 or $15,000 in tuition deserves relief more quickly than an estate that is worth over $3 million. In an ideal world, we would do both.

But I don't think the Senator from Arizona is correct. The reason the committee did not put the estate tax in had nothing to do with opposition. They have the votes to pass this. They could have put it in the bill and had the votes to pass it. But they made some choices. They wanted rate reduction and marriage penalty and other things before they wanted the estate tax, having nothing to do with the 45 of us or so who are against the estate tax. But they had to say they were repealing it, so they went through the sham of doing it in 2011.

I repeat to my friend: Choices, choices, choices. Do you believe the family making $50,000 deserves help with tuition before the estate over $3 million gets a rate drop bigger than the one I am proposing? That is what this is all about. This is not a debate on the estate tax. It is not a debate on the estate tax because most of the folks on the side of the Senator from Arizona didn't want to do it because it cost so much and went to so few people.

With that, I yield 10 minutes to the Senator from Delaware.

Mr. BIDEN. Mr. President, I have been standing here for a long while.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. BIDEN. Mr. President, I wanted to make a statement before I yield.

The PRESIDING OFFICER. The Senator from Delaware has been yielded time.

Mr. KYL. I have a question for the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. My understanding was the Senator from New York was willing to yield time to me for the time he took on my time. What I am asking is, is there a minute of time that my friend from New York took that was in fact included in my time?

The PRESIDING OFFICER. The time was charged to the Senator from New York. So the Senator from Arizona did in fact have the full 10 minutes.

Mr. KYL. I thank the Chair.

Mr. BIDEN. Mr. President, I would be happy to yield, if he wants.

I find this the single most fascinating debate I have been involved in in 28 years. I sincerely do. It is not a joke. I am not being facetious. I find this absolutely fascinating.

This isn't just about choices. This is about values. My friend from Arizona says "morality." Give me a break. Morality? This is about values. This is about what you value. Is it of a higher value to you to make sure that the fewer than one-tenth of 1 percent of the people in America, numbering literally in the thousands, who will have to pay an estate tax over $3 million—the first 3, no tax—will have their rate dropped from 55 to 53 instead of 55 to 50—is that of greater value and moral content than paying for tens of thousands of Americans, sitting in this gallery, listening to this debate, being able to send their kid to school?

Talk about morals. Talk about morality. Talk about values. You have just summarized the fundamental difference between that side and this side. This is about values. I have never had it so starkly and honestly stated on this floor. This is about values: What do we value as Americans? Given the fact we just received a beautiful speech from both the managers of the bill about how we can't do everything; it has to be done gradually, my Lord, values, values, values, values.

I will tell you what my values are. My values come from the middle-class family in which I was raised. There are three things a parent can give a child: They can give them faith, they can give the child an education, and they can give the child character. We want to talk about values. Is it better that I see to it that if I am lucky enough to have a $4 million estate left, that on $1 million of that, I leave to my heirs several thousands dollars less than they would otherwise get because they won the genetic pool or that somebody in the State of Nevada, or in Delaware, or New York is busting their neck working two jobs, both parents trying to send their kids to school and can't get them to college.

Tell me about values. Where I come from, that is an easy call. That is not even close. It would be viewed by most where I come from as immoral to give the kid who won the genetic pool $3,000 more than the million they already get and to allow the person who is working two or three jobs in one family to not be able to send their kid to school.

I am glad my friend raised it in moral terms. I didn't quite think of it that way before.

Look, let's talk about the morality of what we are considering here—whether it is immoral to charge someone over 50 percent after they are dead so their heirs will receive $10,920,000 instead of $14,110,000, or whatever the numbers would come out to.

Everybody in this Chamber acknowledges what my friend from New York has been saying. College tuition is skyrocketing beyond the means of most of us. When we talk about the minimum wage and say that kids should work their way through college—I worked; they flirted with me about football scholarships, a grant in aid, and I got a job making a dollar an hour. Guess what. The tuition for the whole year was $800. A dollar an hour helped. It is true. The staff looks at me as if I am a fossil. We are paying now $5, $5.50. We can raise the minimum wage to $6. Tell me how many hours you would have to work to pay at a State university such as mine, where room and board and tuition is somewhere around $17,000.

At the University of Iowa, it is $10,000 or more. Tell me how many hours you would work for that. Tell me how you can work your way through school today. You just work your way through school. How many families do you men and women know—maybe I lived in a different neighborhood, came from a different place—who both work and some have two jobs? How many do you know? I know lots of such people. Lots of people. Talk about values. Look, everything is relevant. The question here is, What do you value the most?

I would like to point out another thing, without going into all the statistics. There are a couple of points I want to make to you. By the time this kicks in—the Schumer-Biden amendment—it makes $3,000 of college tuition and fees tax deductible.

Let's talk about what this giant tax bill is going to do for middle-class families, OK. When all is said and done, if we don't put anything in here at all, nothing at all about tuition—let's talk about what helps the people making up to $120,000 in joint income—you are going to get $1,400 back when it kicks back. OK, that is great. I am all for that. Guess how much you get back by the time ours kicks in for your tuition. It is $3,306. Our tuition tax proposal is bigger than the whole tax cut you get. Come on.

We all stand here and say, because most of us come from middle-class roots, middle-class backgrounds, we care about the middle class. No matter how you cut this, in terms of raw dollars, in terms of what you value, in terms of education, this is a bigger bump for the average middle-class family with a kid in school or somebody trying to put themselves through school than the entire tax break you get.

I don't know where you guys live. I don't know where you live. Quite frankly, I thought it was brilliant of my friend from New York. He and I have been doing this for over 2 years in our different capacities. He said, OK, we have to find an offset because of the stupid process we have. He put in the least innocuous offset you could find. If this would offend you, my Lord—this goes to permanent 11 years out. We are slowing up 3 percent to give tens of thousands of Americans a chance to send their kids to school.

This is not the place I joined 28 years ago. Do we have our values upside down? Do we have our priorities backwards? It is similar to my saying, you know, the guy who lives in that $4 million estate down there, because the county has raised the sewer fees and because he has seven bathrooms, he is going to end up paying $120 a year more, so we should give him relief. The guy living in the place where he has a two-bedroom bungalow, trying to figure out how to pay the electric costs and the heat because of the energy prices going up, we will rip our hair out to decide whether or not, my God, do we continue this relief we have for people——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BIDEN. May I have 2 more minutes?

Mr. SCHUMER. I can yield the Senator 1 more minute.

Mr. BIDEN. I thank the Senator.

Mr. President, the bottom line is that this is a vote about values. This is a way to define, very simply, what you value most. If you value giving 5-percent relief to people with estates over $3 million, instead of 3 percent, more than you value allowing tens of thousands of Americans to get up to $3,300 in relief on their taxes, which can be to do everything from paying tuition to paying the light bill, middle-class families, then vote against us.

Make no mistake about it. My friend from Arizona is right. This is a moral question. This is about value. I know where I stand. I am interested to see where the Senate stands.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. Mr. President, while I am waiting to yield some time to Senator NICKLES, there is a certain unfairness about the death tax that I will present to my colleagues for consideration. Based on the recent speeches, though, I am not sure it is going to make much difference.

You can have two people who, throughout a lifetime, make the same amount of money. They are all taxed when they make it at the income tax levels. You can have this family over here living very conservatively, moderately—you might even say miserly—and leave a big estate. You can also have this family over here that spends their money as quickly as they get it, buying a big boat, a big camper, partying every night, womanizing every night, not leaving one penny to their heirs.

This family has been taxed once throughout their lifetime on that money. This family over here has been taxed exactly the same way when it was made, and then, just because they were very careful how they lived, they are going to be taxed again when they die. What is the fairness about that sort of taxation?

We ought to reward thrift. We ought to discourage this sort of activity over here where people are living for today and forgetting about tomorrow and reward the people who look to the future and are concerned about their children and grandchildren. It seems to me there ought to be some reward for that.

As long as I have been in Congress, my belief is that no American family should be forced to pay up to 60 percent of their savings, their business, or their family farm in taxes when they die. No taxpayer should be visited by the undertaker and the tax collector at the same time. No tax should be greater than 50 percent.

I have heard from hundreds of American taxpayers saying that all their lives they had saved for their children and grandchildren's college education. They have worked overtime and saved all their money, and now the death tax is going to take over 50 percent of their savings that was going to pay for other college tuition for relatives.

Remember that the 50-percent tax rate starts at $2 million. You can pay a lot of college education on that kind of savings.

Let our American taxpayers keep their savings and pay their grandchildren's tuition. Do not steal the American dream from these families that have lived conservatively and worked just as hard as other people who leave nothing and pay taxes once.

Remember, a $3 million estate will pay the Government in death taxes over $1 million. That will pay a lot of tuition as well.

This amendment will control the lives of Americans by only reducing the death tax to 53 percent. Let American parents and grandparents keep their savings. No tax should be greater than 50 percent.

Once again, how much tax is too much for people who want to tax income and estates at a higher rate? It is obvious Senator SCHUMER thinks that 53 percent on the estate of these people who have not spent all their money and who save it is legitimate. I do not happen to think so.

I do not understand how a person who talks about fairness can say that a family who has had good income throughout their lives and has not saved one penny should only be taxed once, and another family that has the same income and paid the same income tax on it as this other family, but because they wanted to live carefully, moderately, miserly, and save their money for whatever they wanted to save it for, they should be taxed again. There ought to be some reward for not living just for today and forgetting about tomorrow. I will vote no on this amendment, and I urge my colleagues to do the same.

I need to tell my colleagues that I have received hundreds of phone calls and letters from people who are particularly in the World War II generation. Only this morning we were reminded by Senator STEVENS that these World War II veterans are dying by the thousands every day, and they cannot wait 10 years for death tax reform.

They tell me they have been morally responsible citizens, and they are angry that the last 40 or 50 years of their savings, having lived carefully and having worked hard, will be stolen. They are angry that the Federal Government will not let them educate their children and grandchildren so they are not forced for yet another generation working 60 hours a week. The World War II generation wants to help their grandchildren stay in the middle class without mountains of debt.

Mr. SCHUMER. Will the Senator yield?

Mr. GRASSLEY. College education is a good goal, but let the American taxpayers make their own decisions. No tax should be greater than 50 percent. I yield the floor.

Mr. SCHUMER. Will the Senator yield for a question?

Mr. GRASSLEY. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SCHUMER. I yield myself 30 seconds. That was a very good speech, and I believe it, too. The number of estates in the Senator's State of Iowa that paid an estate tax of more than $5 million—we are debating $3 million, so this is probably a little low—is 23. That speech was given for approximately 35 families a year in Iowa, the very wealthiest, instead of the tens of thousands of grandparents of World War II veterans, such as my father, who have to struggle to put their kids and grandkids through college. Thirty families in Iowa, estate tax reduction; tens of thousands, college tuition reduction. Choices.

We would all like to reduce every tax. Which do you choose?

I yield 4 minutes to my friend from North Dakota.

Mr. DORGAN. Mr. President, we have every right to come to this Chamber and change this tax bill. It was written in the Finance Committee. We as Members of the Senate have a right to say we have better ideas.

I will talk about this so-called death tax. The term "death tax" was created by a Republican pollster. It is a wonderful moniker for the estate tax. Mr. President, I am going to give my colleagues a chance to vote on something that solves all their problems.

Talk about family farms and small businesses, I am going to offer an amendment that repeals the estate tax for all family farms and all family businesses regardless of size as long as they are passed along to descendants and continue to operate as an enterprise. Total repeal. My amendment also would increase the general unified estate credit that is available to everyone to $8 million for a husband and wife; $4 million each.

The only estates we are talking about will be over $8 million. And if one comes out and talks about family farms and family businesses. It does not apply. They are already repealed.

The question before my colleagues now is the amendment offered by Senator SCHUMER, and it is about choices. Regrettably, it is about selfish choices. It is about choosing to allow families to deduct tuition expenses for their children versus a choice that was made in the Finance Committee to repeal the estate tax and reduce the rate. They said, no, holding on to that repeal is more important than providing the full tuition deduction.

Look, there are a lot of families in this country who scrape and struggle trying to figure out how to send their kids to college. It may not be true with some Members of the Senate, but it is true with almost every family in this country. They are struggling to figure out how to send their kid to college. What do they mortgage? Often they mortgage everything they have to find the money to send their kid to school because they are not going to say no to a kid who deserves the opportunity to get a higher education.

What Senator SCHUMER says, what I say, and what my colleagues say is the value of deciding that we ought to allow the deduction for college tuition is something that enhances our children; it invests in our future. It is the right choice, not the selfish choice.

He is weighing it against the issue of a top rate reduction in the estate tax for only the wealthiest estates in the country.

Guess what. We have people who stand in this Chamber and say: If you want to know whose side I am on, count me in on the side of the people with the largest estates in America, and do not count me as standing with the folks who are struggling to scrape money together to find a way to send their kids to school.

Yes, this is about choices. It is about for whom you stand. Whose side are you on? No, that is not class warfare. We have already chosen what class here. The Finance Committee chose the class way up here with assets where they do not have to worry about where they get the money. That money was banked years ago to send their kids to the best colleges in the world. And God bless them, good for them.

Senator SCHUMER says—and I say, too—there are millions of families out there who do not have the resources. They worked hard, struggled hard, and they want a good education for their family, too. They want a good education for their kids. They want an opportunity for their children.

One way to help them provide that opportunity is to allow them to deduct the cost of their tuition expense of sending their children to college. Gosh, I do not understand sometimes, I guess, when people say: We have written this bill. This is our choice. We do not appreciate you coming up here requiring us to make votes on tough choices.

That is exactly what politics is. That is what this process is about.

I say to the Finance Committee: You made the wrong choice. We have a right to ask the Senate to make the right choice on behalf of America's families and on behalf of America's children.

This is not going to stop. We have a lot of amendments. A number of people have amendments. I have amendments that I think will dramatically improve this bill. This amendment is among the most important amendments on which we will vote. I hope we have a strong vote in support of the Schumer amendment.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. How much time remains?

The PRESIDING OFFICER. There are 7 minutes for the sponsor, and the opponent has 22 minutes.

Mr. DORGAN. Will we be expecting a vote at the conclusion of the time on this amendment?

The PRESIDING OFFICER. That would be anticipated.

Mr. BAUCUS. I don't know. Perhaps the Senator from Nevada and others know what the leadership's view is on the timing of the vote of the next amendment. Perhaps the Senator from Nevada can shed some light.

Mr. REID. I was going to wait until the time expires to ask the same question. We would like to have a vote. Senator BYRD indicates he does not want the votes stacked. We would like to vote and move on.

Mr. DORGAN. Further parliamentary inquiry: Have the yeas and nays been ordered on the amendment?

The PRESIDING OFFICER. They have not been ordered.

Mr. SCHUMER. Mr. President, I ask that the yeas and nays be ordered.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second. The yeas and nays are ordered.

Mr. NICKLES. Mr. President, I thank my colleagues and urge strong opposition to this amendment. It guts the effort to reduce the so-called estate tax, the tax on death. Some people say let's see if we cannot do more for providing for interest deductibility on student loans. I am happy to do it. But this is not the way to pay for it. Maybe we can do it without an offset. Maybe we can find another offset. I am happy to try to find a different offset—or maybe no offset altogether.

Why do we do this? We are at $1.35 trillion. I guess the cost is $11 billion or $12 billion. Maybe we can add to the cost of the bill—that is one way—or find an offset. I can think of things in the bill that are not quite as meritorious as an estate tax deduction. I believe it is unconscionable we will take over half of somebody's estate because they die.

In many cases, in an estate there is a business or operation and someone wants to continue operations, and we will say: We don't care; we want half of it. Somebody died but give the Federal Government half.

The bill we have is rather timid in what it does. I remember the former Senator from Illinois, Carole Moseley-Braun, agreed we should not have a death tax exceeding the maximum tax rate on personal income tax, which is 39.6. We didn't even do that in this bill. We didn't even do that. President Clinton said maybe we shouldn't have death taxes exceeding the personal income tax rate. For all the talk about the grand estate tax reduction and all the benefits, all we do is, the tax presently starts at 60 percent and we get it to 45 percent, and then for a grand 9-month period we get it repealed.

But my colleague's amendment says let's stop and keep the tax at 53 percent. As soon as you have a taxable estate, it is taxed at 53 percent. There will be no tax once you reach that $2 million exemption; the Federal Government gets half.

Let's just assume you have a restaurant in New York City and that restaurant is worth $5 million and somebody passes it on, maybe to a third generation, and the grandson wants to continue operating the restaurant worth $5 million. Uncle Sam says, no, we want half.

I think that is wrong. I urge my colleagues to vote against this amendment when and if we get to a vote on it. I urge Members to vote no because the pay-for is wrong. We can perhaps work together to find another vehicle or another way to pay for it. It is not that expensive an amendment. The effect of the amendment is to gut the estate tax reform we have in this bill. It guts it. This is a whole lot of the bipartisanship we have, where we have Democrats and Republicans who have come together to say let's reduce the estate tax.

Mr. SCHUMER. Will the Senator yield?

Mr. NICKLES. I will yield in a moment.

Mr. SCHUMER. I appreciate that.

Mr. NICKLES. Last year we passed a bipartisan bill, with 59 votes in the Senate, to repeal the death tax. This amendment says let's not do that; stop at 53 percent; the Government is entitled to take over half.

I think this is a terrible pay-for. It is a terrible offset. It is class warfare rhetoric at its worst. It is not the way to do it or to pay for it. My colleague from New York would work with us, like our colleague from New Jersey. Let's work together, and maybe we can figure out a way to do this to expand the interest deduction for all Americans. I am happy to work with our colleagues to do that. I think you will find bipartisan support for doing it. But not at the expense of gutting the reduction we have in one of the most unfair taxes on the books, the so-called death tax.

It is absolutely unconscionable we will tell people who are farming that their farm or ranch happens to be worth $3 or $4 or $5 million and the Federal Government is entitled to take half. I think it is wrong.

I urge my colleagues, because somebody asked for the yeas and nays on the Schumer amendment, vote it down. Then we can come back. I will be happy to support an amendment that will increase the interest deduction and have a different pay-for than what is in here. The way this amendment is paid for is grossly unfair to millions of small businesses all across the country that are trying to build and pass on their business to their kids. This amendment is unfair, and it should be defeated. Let's find a different pay-for or offset it in a different way, in a different manner, not in the manner proposed by my colleague from New York.

I will be happy to yield.

Mr. SCHUMER. I thank the Senator. I appreciate our difference of opinion.

My question to my friend from Oklahoma is this: Since the framers of the bill who are largely from his side chose not to repeal the so-called death tax until 2011, how the heck—and his main speech was aimed at repeal, the restaurant in New York City, et cetera. Whether we tax at 45 percent or at 55 percent, they are going to have to do something bad for their business when the estate occurs.

How the heck does reducing that top rate on estates over $3 million, instead of from 55 to 45, but from 55 to 53, while we keep the same date of repeal as the framers of this compromise chose—how the heck does it gut the estate tax?

One other question: In the State of Oklahoma, the number of estates that would be affected on an annual basis—I don't know the exact number. I know the numbers that are valued over $5 million. This would be over $3 million. Affected by this amendment for estates over $5 million, there are 28. That is it.

Mr. NICKLES. Is the Senator on my time or your time?

Mr. SCHUMER. Your time.

Mr. NICKLES. Then I will answer. My colleague could not be more wrong. The Senator does not understand the essence of estate if you think there are only 28 Oklahomans who have estates over $5 million. There are millions of estates, millions of estates in this country right now, that are effectively wasting a lot of time, energy, and resources to avoid paying this unfair, punitive tax. There are probably millions in your home State, millions in your State alone.

Let me give an example. I used to own and operate a small business. It wasn't in this valuation, but it comes out on occasion when someone suffers a death and finds Uncle Sam wants a third or half. You don't want to have that happen again. You go to great lengths to make sure it doesn't happen again. So if you think this only applies to a few, you are sadly mistaken—absolutely mistaken.

There is more energy and effort used in spending to avoid this tax than probably any other tax in America because it is unfair. I was third generation in the company I managed, Nickles Machine Corporation. I managed it for several years and am proud of it. I had nephews managing until recently. It is difficult to pass on a business to succeeding generations if Government comes in and takes half every time one person in a generation passes away. It is next to impossible.

To think we have calculated that there are only so many taxable estates misses the whole point. There are millions of businesses, farms, ranches, and so on, where people are working aggressively to build, maybe get in that category, maybe they are not. But they do not want to be caught. They do not want to be stuck. They do not want their children to have to sell to pay taxes to the Federal Government.

Mr. SCHUMER. Will the Senator yield?

Mr. NICKLES. I am happy to yield.

Mr. SCHUMER. I just asked a different hypothetical. The 28 is a number per year—obviously there would be some more; it is hard to believe it would be millions in the State of Oklahoma, when there are only 28 a year. My question is a different question.

I sympathize with what the Senator says, in terms of people having to sell a business to pay for the tax. That is a different issue. That deals with repeal.

Our amendment does not address repeal. It simply says, instead of lowering the rate from the top rate, which is for estates over $3 million, from 55 percent to 45 percent, we lower it from 55 percent to 53 percent, still a lowering, because we have to make choices. We would rather help the family making $80,000 send their kids to college.

How does the tax change deal with that?

Mr. NICKLES. I will reclaim my time. I am not waiting for my colleague to make a speech. I think it is absurd for someone to say: We are just going to reduce the rate to 53 percent; we are going to reduce the tax 2 percent for the upper end estates and, oh, sure, at end of that time we are going to repeal it. I don't think so. I don't think that is credible.

For someone to suggest we are still really for repeal but we are going to keep the rate at 53 percent, I do not think is credible. It is not going to happen.

Back to this idea of how many estates, you might say in 1 year there were 28 taxable estates above $5 million, but I tell you there are thousands of estates that are subjected to this tax that are trying to avoid this tax, trying to minimize this tax; thousands in my State, millions in your State—millions? Surely a million. There are thousands in Northern Virginia. You don't have to go very far. You are talking about taxable estates around this area, if you look at high priced neighborhoods where the Government comes in: Oh, the Government is entitled to take half of that house or half of that property or half of that business because somebody passes away? What right does Government have to get 53 percent of somebody's estate? It is just absurd. It should be unconscionable.

I go back to our friend, who is not the most conservative Senator with whom we had the pleasure of serving, the Senator from Illinois, Carol Moseley-Braun. We agreed we should not tax estates more than we have on personal income tax. I believe President Clinton said the same thing. That rate is 39.6. The amendment of my colleague from New York says, let's keep it at 53. And 53 is too high. I urge my colleagues, if you think the amendment is laudable for the deduction of student loan interest, I may well agree with you but not at this offset, not to gut the estate tax, not when the estate tax is one of the pillars of this bill, both for this President and this Congress and the past Congress.

So let's not gut the bill. Let's find another way. Again, we are going to find out if people want to legislate or people want to try to defeat the bill. I urge my colleagues, work with some of us who want to see a bill enacted and signed into law. We will work to find a way to have greater student loan deductibility. We can do that. We can do it with 60 votes. And you will not have half the Senate going berserk.

But I tell you this amendment, to gut the estate tax reduction, will not finally be successful. We are going to figure out a way to have a significant reduction in estate taxes. That is part of what a lot of us have been working on for decades. It is what we passed last year. We are going to get it done this year.

I urge my colleagues, let's find another offset. If we have to, let's defeat the Schumer amendment and then we can come back and do something more on student loan deductions without gutting the estate tax deduction we have in the present bill.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SCHUMER. How much time is there on each side, Mr. President?

The PRESIDING OFFICER. Nine and a half minutes on this side and about 7 minutes on the Senator's side.

Mr. SCHUMER. Does the proponent of the amendment have the right to conclude?

The PRESIDING OFFICER. There is no such right.

Mr. SCHUMER. I would like to conclude.

Mr. BAUCUS. The Senator can ask unanimous consent that he have the last statement, whatever he wants to do.

Mr. SCHUMER. I ask unanimous consent I have the last word on this amendment, at least until the vote.

The PRESIDING OFFICER. Is there objection?

Mr. NICKLES. Reserving the right to object, what was the request?

The PRESIDING OFFICER. The Senator will restate his request.

Mr. SCHUMER. I simply asked—there are 9 minutes left on the opponents' side, 7 minutes for the proponent—unanimous consent I have the right to conclude.

Mr. NICKLES. I object.

The PRESIDING OFFICER. Objection is heard. Who yields time? Who yields to the Senator from New Hampshire?

Mr. GRASSLEY. I yield to the Senator from New Hampshire whatever time he might want right now.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I ask unanimous consent to set aside this amendment, reserving the time in its present position, so I may call up my amendment and speak to it for 5 minutes and ask for the yeas and nays.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Reserving the right to object, I want the time to run on the amendment that is now here. We want to be able to vote now.

If the Senator from New Hampshire wants to set this aside and offer his amendment for 5 minutes and have the time count off those who oppose the Schumer amendment, that is fine. But otherwise I object.

Mr. GREGG. I withdraw my request. I don't want to prejudice either side as to their time, 9 minutes and 7 minutes that I know is going to be consumed with brilliance.

Mr. GRASSLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, the request is withdrawn.

Mr. GRASSLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceed to call the roll.

Mr. REID. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. GREGG. I object.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk continued the call of the roll.

Mr. REID. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. GREGG. I object.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk continued the call of the roll.

Mr. REID. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

Mr. GREGG. I object.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk continued the call of the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the pending amendment by Senator SCHUMER be laid aside and that a vote occur in relation to the amendment at 7:45 p.m. with no second-degree amendment in order prior to the vote. I further ask unanimous consent that the amendment be laid aside following the 5 minutes for Senator SCHUMER in order for Senator GREGG to offer an amendment and, following that time, the Gregg amendment be laid aside and Senator CARNAHAN be recognized to offer her amendment.

Mr. REID. Reserving the right to object, I think we have agreement, but in speaking to my friend from Oklahoma, it is my understanding that Senator SCHUMER's 5 minutes would be at 7:40, 5 minutes before the vote, the same amount of time.

Mr. NICKLES. I would ask that both sides would have 5 minutes prior to the vote.

Mr. REID. No problem.

Mr. KERRY. Reserving the right to object, may I ask: Is the Carnahan amendment under any kind of time agreement at this point? I ask the Senator from Iowa.

Mr. GRASSLEY. Under the rules, it would be 1 hour on each side on the Carnahan amendment.

Mr. REID. Mr. President, reserving the right to object, I didn't mean to interfere. Did the Senator from Massachusetts finish his reservation?

Mr. KERRY. The question has been answered.

Mr. REID. Mr. President, one thing that we want to accomplish, if Senator GREGG lays down his amendment, I hope we don't need his consent every time someone wants to offer an amendment. I don't think that is the intent of the Senator from New Hampshire.

Mr. GREGG. Mr. President, as I understand it, reserving the right to object, my amendment would then be the pending amendment. At some time I would have the right to return to my 2 hours of debate on the amendment, but I would not ask for consent for people to set it aside.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Reserving the right to object, I don't think that is a tenable position for the committee to be in because any time we want to go to another amendment, the Senator from New Hampshire would have the right to object. I think it is all right, if we can agree to an agreement that the amendment of the Senator from New Hampshire could be next but not that it be laid aside in a manner where he could object to any subsequent amendment that might be offered.

Mr. GREGG. If the Senator would allow me to suggest, the way to resolve this would be to amend the unanimous consent request so that we could return to my amendment at some point during the furtherance of debate for a period of an hour equally divided, and then I would waive my rights that the Senator wishes to have waived.

(Mr. ALLEN assumed the chair.)

Mr. REID. Mr. President, speaking for someone who is not managing the bill, and with the consent of Senator BAUCUS, if the Republicans want to make that as one of their amendments, that would be fine. We have no problem with that. We believe the two managers should be managing the bill. If your side agrees you should be one of the next amendments, we have no problem with that.

Mr. BAUCUS. Reserving the right to object, Mr. President, if the Senator wants his amendment to be the next amendment under consent, that would be fine but not to be laid aside, which puts the Senator in the position to be able to object any time another amendment might arise.

Mr. REID. Reserving the right to object, we have no objection if the Senator wants a vote prior to the Carnahan amendment The Republicans have a right to be next.

Mr. GREGG. I would like to get it in the queue, and I would like to be recognized for an hour at some point, and I don't have to have the preferential status in order to accomplish that. I would be willing to work out a way to accomplish that.

Mr. NICKLES. Mr. President, I think we can agree to this and have the agreement be that the manager of the bill, Senator GRASSLEY, will determine in which order the amendment will be considered.

Mr. BAUCUS. Mr. President, reserving the right to object, I will object if the effect of the consent is that an objection can be raised to laying aside the Senator's amendment whenever a subsequent amendment might be offered.

Mr. NICKLES. Mr. President, might I suggest that the amendment be laid aside subject to recall by the manager of the bill, Senator GRASSLEY.

Mr. BAUCUS. Reserving the right to object.

Mr. NICKLES. Subject to the discretion of the two managers.

Mr. BAUCUS. Subject to the discretion of the two managers.

Mr. GREGG. We will have an opportunity to debate the amendment at some point?

Mr. BAUCUS. At some point, yes. Mr. President, reserving the right to object again, the Senator well knows the clock is ticking. He may not have the time to debate his amendment if he is at the end when the clock has finally ticked down.

Mr. GREGG. That is, quite obviously, my concern.

Mr. BAUCUS. Mr. President, I do not object, with the understanding that if the Senator wishes to bring up his amendment, it is in consultation with the Senator from Iowa as well as myself.

Mr. REID. Mr. President, if I could, I think it is the intention of everyone here that you would be one of the next Republican amendments in order.

Mr. GREGG. I take that representation from the Democratic leader that I would be the next Republican amendment in order, or one of them. Recognizing his credibility on that point, I will accept that.

The PRESIDING OFFICER. Is there objection to the request as modified?

Without objection, it is so ordered.

AMENDMENT NO. 656

Mr. GREGG. Mr. President, I send up my amendment No. 656.

The PRESIDING OFFICER. The clerk will report.

The senior assistant bill clerk read as follows:

> The Senator from New Hampshire [Mr. GREGG], for himself, Mr. ENSIGN, Mr. ALLARD, Mr. KYL, Mr. BUNNING, and Mr. ALLEN, proposes an amendment numbered 656.

Mr. GREGG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide a temporary reduction in the maximum capital gains rate from 20 percent to 15 percent)

At the end of subtitle A of title VIII, add the following:

SEC.   . TEMPORARY REDUCTION IN CAPITAL GAINS RATE.

(a) REDUCTION IN MAXIMUM RATE.—The following sections are each amended by striking "20 percent" and inserting "15 percent":

(1) Section 1(h)(1)(C).

(2) Section 55(b)(3)(C).

(3) Section 1445(e)(1).

(4) The second sentence of section 7518(g)(6)(A).

(5) The second sentence of section 607(h)(6)(A) of the Merchant Marine Act, 1936.

(b) TRANSITION RULES FOR TAXABLE YEARS WHICH INCLUDE JUNE 1, 2001.—For purposes of applying section 1(h) of the Internal Revenue Code of 1986 in the case of a taxable year which includes June 1, 2001—

(1) The amount of tax determined under subparagraph (B) of section 1(h)(1) of such Code shall be the sum of—

(A) 10 percent of the lesser of—

(i) the net capital gain taking into account only gain or loss properly taken into account for the portion of the taxable year on or after such date (determined without regard to collectibles gain or loss, gain described in section (1)(h)(6)(A)(i) of such Code, and section 1202 gain), or

(ii) the amount on which a tax is determined under such subparagraph (without regard to this subsection), plus

(B) 10 percent of the excess (if any) of—

(i) the amount on which a tax is determined under such subparagraph (without regard to this subsection), over

(ii) the amount on which a tax is determined under subparagraph (A).

(2) The amount of tax determined under subparagraph (C) of section (1)(h)(1) of such Code shall be the sum of—

(A) 15 percent of the lesser of—

(i) the excess (if any) of the amount of net capital gain determined under subparagraph (A)(i) of paragraph (1) of this subsection over the amount on which a tax is determined under subparagraph (A) of paragraph (1) of this subsection, or

(ii) the amount on which a tax is determined under such subparagraph (C) (without regard to this subsection), plus

(B) 20 percent of the excess (if any) of—

(i) the amount on which a tax is determined under such subparagraph (C) (without regard to this subsection), over

(ii) the amount on which a tax is determined under subparagraph (A) of this paragraph.

(3) For purposes of applying section 55(b)(3) of such Code, rules similar to the rules of paragraphs (1) and (2) of this subsection shall apply.

(4) In applying this subsection with respect to any pass-thru entity, the determination of when gains and loss are properly taken into account shall be made at the entity level.

(5) Terms used in this subsection which are also used in section 1(h) of such Code shall have the respective meanings that such terms have in such section.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to sales or exchanges made—

(A) on or after June 1, 2001, and

(B) in taxable years beginning before January 1, 2004.

(2) WITHHOLDING.—The amendment made by subsection (a)(3) shall apply to amounts paid on or after June 1, 2001.

Mr. GREGG. Mr. President, I offer this amendment on behalf of myself, Senators ENSIGN, ALLARD, KYL, and BUNNING.

This amendment is a capital gains cut over a 2½-year period. I think there has been a great deal of discussion about the stimulus effect of this tax cut and whether or not this economy, which is beginning to slow, is going to be effectively boosted by the economic activity that will be generated by this tax cut.

Clearly, the frontloading of the $85 billion in tax cut assistance into this year is going to be a very positive event. But a capital gains cut has been shown historically to be the most positive unlocker of the economic vitality and energy of the American economy. A capital gains cut frees up the capital of the marketplace that is being locked down because of people concerned about the cost of selling their assets—it frees up that capital to be reinvested in the marketplace and to multiply the economic activity of the country, and to create energy and therefore prosperity in the markets and in our country.

This sunsets effective December 31, 2003. The reason this is a 2½-year capital gains rate cut, from 20 percent to 15 percent, is because a 2½-year rate cut actually generates positive income to the Treasury. For those 2½ years, money will actually be flowing into the Treasury in a positive way. It is not a tax loser. It is not a revenue loser during that period.

In fact, historically, there is very strong evidence—specific evidence—that a capital gains cut is never a revenue loser for the Treasury and, in fact, always generates so much more economic activity than it does in lost revenue that the additional economic activity has historically generated more tax revenues than the revenues that might have been lost as a result of the rate cut.

So cutting the capital gains rate is a double winner. It will energize significant economic activity in the marketplace. Therefore, by unlocking assets that have been held down because people have been concerned about having to pay extraordinary taxes to free them up, it will allow people to then take those moneys and reinvest them into the economy, which means you will have more capital out there, more activity, more jobs, and more prosperity.

Secondly, it is a winner because it energizes revenue into the Federal Treasury. Therefore, it is positive for us as a Government because we will have those revenues to be used in order to benefit the citizenry through other activity of the Government, whether it happens to be other tax cuts which we can put in place, or ideas such as the one the Senator from New York is trying to pass at this time.

So this concept of a capital gains cut makes a great deal of sense, and the reason we have put it under a short timeframe, under a sunsetted provision, is to accomplish it in a way that absolutely guarantees that people are going to take advantage of this opportunity quickly. And that will immediately generate economic activity within the American economy.

So I appreciate the support of my fellow Senators, Senators ENSIGN, ALLARD, KYL, and BUNNING on this point. I understand we are going to be able to come back to this issue and debate it at some length.

At this time, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. GREGG. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. BAUCUS. Mr. President, I don't see any Senators who want to speak. We have an order that there will be a vote at 7:45.

Mr. GREGG. Will the Senator from Montana yield so I might add an additional cosponsor?

Mr. BAUCUS. Yes.

Mr. GREGG. I ask unanimous consent that Senator ALLEN be added as a cosponsor of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, the Senator from Missouri is on her way. She was just notified. She is in the order to offer the next amendment. In fairness and in an effort to move this along, I ask unanimous consent that the time during the quorum call run against her amendment, and I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered. The time will be so charged. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, my fellow Senator from the State of Nevada wishes to speak on Senator GREGG's time, so the time is not running against Senator CARNAHAN.

The PRESIDING OFFICER. The Senator from Nevada, Mr. ENSIGN.

Mr. ENSIGN. Mr. President, I rise in strong support of the amendment offered by Senator GREGG to cut the capital gains tax rate from 20 percent to 15 percent. I truly believe of all of the economic stimulus that needs to happen through a tax cut, there is none more important that we can do as a Senate than to cut the capital gains tax rate from 20 percent to 15 percent and the lower rate from 10 percent to 8 percent.

If any of our colleagues had read the Wall Street Journal this Monday, not only was there an excellent op-ed by several authors that illustrated how much revenue would be produced if we cut the rates at which capital gains are taxed, but also on the front page of the Wall Street Journal there was an article talking about the various States whose revenues are going to have serious shortfalls, including the State of California, simply because of the problems in the stock market.

The State of California probably is going to suffer worse than any other State because many of the high-tech companies in these States are paying in stock options. When those stock options are exercised, their employees actually pay ordinary income taxes. Those income taxes also usually have a State income tax, as is the case in California, and because the stock market has been depressed for the past 6 months, and it looks like for quite a bit of this year, none of these stock options is worth anything, so the employees cannot exercise the stock options. Therefore, States such as California are having serious budget shortfalls.

Not only to stimulate the economy is a capital gains tax rate reduction absolutely necessary, but it is also important to many of the States' budgets, including the Presiding Officer's home State, the State of Virginia, which has a similar problem. We can help State budgets not suffer serious shortfalls this year by cutting the rate on which capital gains are taxed.

I truly believe it is going to be an incredibly important tax cut for us to enact. Over 10 years it only scores, as far as what it will cost the Federal Government, about $10 billion, and I believe, with all deference to the Joint Tax Committee, the bean counters over there who actually score these various provisions, historically if one looks at the economic activity that happens with a capital gains tax rate reduction, that $10 billion it says is going to cost the Treasury, it is going to actually produce more revenue over the next 10 years than it costs the Treasury.

Cutting the rate at which capital gains are taxed is one of the most important things in the short term and in the long term. It makes no sense at all to even have a capital gains tax, and the least we can do is to cut the rate. Most industrialized countries around the world do not tax capital because they understand this simple formula, and I talk to high school students about this all the time. In order to have employees, there first have to be employers. Most people in America understand that. I am not sure how many in Congress do but most of the people in America get that.

In order to have employers, there first has to be capital. To tax the formation of capital hurts the ability to have employers, which hurts employees, thus hurting jobs in America or wherever capital is taxed. That is the reason we should someday eliminate the capital gains tax, but for sure we should at least decrease the rate to incentively get people to invest.

Investing creates jobs, and that is really what it is all about. If we want to stimulate the economy, this is the best thing to do.

I yield the floor and ask other Senators to support this critical amendment.

The PRESIDING OFFICER. I thank the Senator from Nevada.

The Senator from Nevada, Mr. REID.

Mr. REID. Senator CARNAHAN is now here and ready to proceed. Mr. President, I say to Senator CARNAHAN, at 7:35 p.m. the Parliamentarian will, if the Senator is still speaking, interrupt her because pursuant to the order there are 10 minutes prior to the 7:45 p.m. vote. The Senator has her hour.

The PRESIDING OFFICER. The Senator from Missouri, Mrs. CARNAHAN.

AMENDMENT NO. 674

Mrs. CARNAHAN. I thank the Chair.

Mr. President, Americans have clearly expressed that they want a tax cut, and I favor a tax cut as do all Democrats but one that benefits all Americans.

The focus of this tax cut debate has been on marginal rates, which are the tax rates paid on the final dollar of an individual or family's income.

One of the best provisions of the President's proposal and the tax cut constructed by the Finance Committee is the creation of a new 10-percent marginal rate that covers taxable income up to $12,000 for couples. All incometax payers receive a $600 tax cut from this change in the law, whether they make $50,000 or $500,000.

I come to the Senate Chamber this evening, however, to correct a serious inequity in the bill before us. This bill contains a marginal rate cut for each group of income taxpayers but one: couples who have taxable income between $12,000 and $45,000. This omission is so glaring that it is worth reviewing precisely what this bill would do.

Couples with taxable income between $45,000 and $109,000 would get a marginal tax rate cut of 3 percent.

Couples with taxable income between $109,000 and $167,000 would get a marginal tax rate cut of 3 percent.

Couples with a taxable income between $167,000 and $297,000 would get a marginal tax rate cut of 3 percent.

Couples with a taxable income of over $297,000 would get a marginal tax rate cut of 3.6 percent.

But couples with a taxable income between $12,000 and $45,000 would get absolutely no rate cut for the final dollars of income earned.

Who are these families who are singled out for virtually no tax cut in this bill? They have gross incomes of between $30,000 and $65,000. This is the heart of the American middle class. They are Americans who are working the late night shift at the factories, they are cops on the beat, and they are American moms and dads working two jobs to send their kids to college. They are family farmers waking up early to tend their chores.

Mr. President, 72 million American taxpayers pay a 15-percent tax on their last dollar of income; 1.7 million Missouri taxpayers fall into this category. This is 44 percent of all Missouri taxpayers. These are the folks who work hard, play by the rules, struggle to make ends meet, but then get left out when it is time to get relief. They do not have high-priced lobbyists or groups running television commercials on their behalf. Why is it that they are passed over to give such large tax cuts to couples with taxable income over $300,000? This is the forgotten American middle class.

The amendment I propose tonight on behalf of Senator DASCHLE and many of my colleagues would correct this oversight by cutting the 15 percent rate to 14 percent. This can be accomplished and still cut every other rate by 1 percent.

The top 1 percent of American taxpayers would still receive substantial tax relief under this amendment. On average, our wealthiest taxpayers would still receive a rate cut of $9,000. But by adjusting the 15 percent bracket, we would be providing middle-class families $332 in tax relief in addition to the $600 cut from the creation of the 10-percent bracket.

Mr. President, Americans expect tax relief, but they also expect fundamental fairness. My amendment would make this bill fairer. I commend it to the Senate.

I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mrs. CARNAHAN], for herself and Mr. DASCHLE, proposes an amendment numbered 674.

Mrs. CARNAHAN. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 9, strike lines 5 through 12 and insert the following:

"(2) REDUCTIONS IN RATES AFTER 2001.—

"(A) IN GENERAL.—Each rate of tax (other than the 10 percent rate) in the tables under subsections (a), (b), (c), (d), and (e) shall be reduced by 1 percentage point for taxable years beginning during a calendar year after the trigger year.

"(B) TRIGGER YEAR.—For purposes of subparagraph (A), the trigger year is—

"(i) 2002, in the case of the 15 percent rate,

"(ii) 2003, in the case of the 28 percent rate,

"(iii) 2004, in the case of the 31 percent rate,

"(iv) 2005, in the case of the 36 percent rate, and

"(v) 2006, in the case of the 39.6 percent rate.

"(3) ADJUSTMENT OF TABLES.—The Secretary".

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, the main point I make is those who say this bill does not give any relief to those in the 15-percent bracket have not read the bill: That is, the argument that the 15-percent statutory rate should be reduced to 14 percent; otherwise nobody in the 15-percent bracket benefits. They say the taxpayers in the 15-percent rate bracket are shorted because the statutory rate itself is not reduced as in this amendment from 15 to 14 percent. This argument fails to take into consideration the benefits in this bill that are given to the 15-percent taxpayers.

Simple math will show how wrong they are. This 1-percent decrease in the 15-percent rate is less than a 7-percent reduction of the rate itself. It is simple. Just divide 1 percent by 15 percent and come up with the 7-percent reduction I stated.

In contrast, and to show there is a reduction in taxes for people in the 15-percent rate, the Joint Tax Committee of the Congress—remember, these are the professionals who are nonpartisan; they are advising Republicans and Democrats alike—say the bill before the Senate provides between 9 percent for some in the 15-percent bracket and 33 percent of relief for the 15-percent bracket taxpayer.

It happens that taxpayers in the lower end of the 15-percent bracket received the greatest reduction. That would be 33 percent; those at the upper end received the 9-percent reduction.

Of course, this relief is created by the various benefits in the bill targeted toward taxpayers falling within the 15-percent rate bracket. Look at the choice. The amendment on the other side provides a 7-percent decrease. Our bill provides 9 percent to 33 percent of relief.

This ought to seem like a very simple decision unless you take the position that we can still do more. Their amendment provides a mere thimbleful of tax relief for 15-percent taxpayers. Their amendment creates a smokescreen to try to fool these Americans into believing they are getting substantial tax relief.

Under our across-the-board tax relief package, everyone gets substantial tax relief. No one is left behind. The average benefit is a 9-percent reduction in tax burdens. Those at the lower end income levels get far more than 9 percent. Senator BAUCUS has said 75 percent of the benefits go to taxpayers making less than $75,000. These are reasons why I hope Members will vote against this amendment.

I suggest the absence of a quorum and ask the time be applied equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I yield myself such time as I may consume from the bill.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I will address another matter while we are waiting for Senator SCHUMER and Senator NICKLES to speak with respect to the Schumer amendment. That will begin in about 8 minutes. I will make remarks about another part of this bill, the provisions of the bill comprising title XI, the pension provisions.

First, some background. The American people, we all know, have many wonderful qualities but one of them, unfortunately, is not personal savings. People in other countries save more personally than do Americans. It is a concern many Members have. A lot of Members want to use the Code to encourage personal savings, and many provisions do so. During the last 20 years, personal savings rates in our country have consistently declined from a peak of under 11 percent of gross domestic product in the 1970s and the 1980s to zero or negative today.

Why does this matter? A low savings rate means people are not putting their own money away for retirement. Social Security is helpful. We have other private savings provisions such as IRA accounts which are helpful, but the third leg of the retirement stool is pensions. The more people have in pensions that they can rely on for retirement, the more it will help. That means, importantly, less dependency on Social Security, which many Americans are too dependent upon.

Sixteen percent of today's retirees rely exclusively on Social Security benefits for their retirement income. Two-thirds of all retirees today rely on Social Security for over one-half of their retirement income, yet Social Security only replaces an average of 40 percent of a worker's income because the program was never designed to be a retiree's sole source of support. Retirees continue to rely so heavily on Social Security there will still be far too many Americans spending their retirement years one step away from poverty.

On top of that, a low savings rate means less capital is available for new investment.

America will continue to grow more if we have capital available for investment. That is not only physical capital, it is human capital. Increased capital for investment is an essential element to our international competitiveness. Particularly now, at a critical time, where economic growth is slowing down a bit, something we want desperately to turn around, helping more Americans to save for their retirement would be a long-term economic stimulus for our country.

Mr. President, I will have further remarks. I understand the minority leader is on the floor now and would like to speak on the amendment offered by the good Senator from Missouri. So I yield the floor.

The PRESIDING OFFICER. The Democratic leader, Mr. DASCHLE.

Mr. DASCHLE. I thank the ranking member for yielding. Let me inquire of the Chair how much time remains under the unanimous consent agreement?

The PRESIDING OFFICER. The Senator from Missouri has 51 minutes remaining on her amendment. However, the amendment will be set aside at 7:35 for the Schumer amendment.

Mr. DASCHLE. I thank the Chair.

Mr. REID. Mr. President, if the Senator from South Dakota, the leader, wishes 10 minutes or so I am sure we can put the vote off for however much time the Senator needs.

Mr. DASCHLE. I thank my dear friend for his willingness to accommodate. I think others have probably made decisions with regard to schedule. I do not want to adversely affect their schedules. I will accommodate the unanimous consent agreement and just take a couple of minutes now. We can come back to the debate following the vote on the Schumer amendment.

Mr. President, I do not know if this chart has been used so far in the debate, but this chart really says it all. There are 72 million middle-class taxpayers who have been skipped over in this bill. Of all the problems many of us have with regard to this particular bill other than its overall size, I think it is this.

There is no rate cut for those who fall in the income brackets of most Americans. I know in South Dakota this represents about 90 percent of the people in my State. From $12,000 to $45,000 net, $12,000 to $65,000 gross, there is no rate cut. There is a rate cut in the sense we establish a new rate, cut from 15 percent to 10 percent, and that 10 percent goes into effect. But it is for all of these different categories, the different rates that we have in our income tax schedule today.

Everybody gets the value of that new 10 percent rate. The only people who do not get anything beyond that are those who fall in this income category, $12,000 to $45,000. That is the largest single group of income taxpayers in the country.

I applaud the distinguished Senator from Missouri for her amendment and thank her for offering it because I think she provides the fix for what is one of the most glaring inequities in the entire tax bill that is before us. What she simply says is, let's give those who fall into this rate a tax cut like everybody else. Let's reduce their taxes from 15 percent to 14 percent. And to pay for it we will accommodate all of the other cuts as well. But we will reduce all of those rates by 1 percent. We will reduce the top rate by 1 percent, we will reduce the second rate by 1 percent, the third and fourth rate by 1 percent, but everybody then gets a rate cut of 1 percent.

I think it was President Bush who said there ought to be no winners and losers here. You have real losers under this bill as it is currently written.

What we are trying to say is, if you really mean what you say about not having winners and losers, why in the world would you leave out the 15-percent rate taxpayers? The Senator from Missouri makes an excellent point. I think, on a bipartisan basis, overwhelmingly, Republicans and Democrats would want to fix this Achilles' heel in the bill.

There is a lot of fixing that needs to be done. But if you are going to start at the top, at least you would want to say we cannot accept this. We cannot tell 72 million Americans they are not going to get a rate cut like everybody else. We are not going to say to 72 million Americans, you get zero rate cut, but when you are up here you get a 3 or maybe even a 4 or 5 percent rate cut, if some of our colleagues have their way. How does that make sense?

That is really the essence of the whole approach to this amendment. I know my time has expired. I yield the floor for now.

AMENDMENT NO. 669

The PRESIDING OFFICER. I advise the Senate that under the previous order, there are 5 minutes reserved to each side for final remarks on the Schumer amendment.

Who yields time?

Mr. BAUCUS. I ask the Chair, under the consent agreement, is there any provision as to whether the Senator from New York or the Senator from Oklahoma go first?

The PRESIDING OFFICER. There is none, I say to the Senator from Montana.

Mr. BAUCUS. I yield the floor.

The PRESIDING OFFICER. The Senator from New York, Mr. SCHUMER.

Mr. SCHUMER. Mr. President, I thank my colleagues for what was an excellent and spirited debate.

This amendment is simple. Let's reiterate just what it does. It allows all families whose incomes go up to $130,000 to deduct up to $12,000 of their tuition costs. It is revenue neutral because it takes an offset from the highest rate of the estate tax, which under the bill goes down from 55 percent to 45 percent and instead makes it go from 55 percent to 53 percent.

My colleagues, I make two points here. First, this is desperately needed by middle class families. American families who make $40,000 or $50,000 or $60,000 are up late at night, talking about how they are going to pay for their kid's college. They know college education is essential to their kid's future. Yet they do not know how they are going to pay for it.

As a result of the high cost of tuition, which is escalating quicker than any cost in America, millions of young American men and women do not go to college who could, or they go to the junior college instead of the 4-year college for which they are qualified. They downgrade. That hurts them, that hurts their families, and that hurts America.

I haven't heard much debate on the other side about this being a bad idea. In fact, the Senator from Oklahoma and the Senator from Arizona had the good grace to say it is a good idea. But they say it destroys the estate tax.

Hogwash. All it does is this: It keeps the same date for the repeal of the estate tax as in the bill, 2011. If the people on the other side were so eager to get the estate tax taken down, they could have done it earlier. They did not. We leave that decision to them.

All it does, very simply, is lower the top rate, which is paid only by estates of $3 million. In every one of our States, with perhaps the exception of mine and California, there is no more than a handful of people who are affected—in mine it is a little more than a handful each year—and it lowers their rate. We are not raising any rate. But it doesn't lower it as much as was done in the bill.

This is an issue of choice. It is not a choice whether or not to repeal the estate tax. Anyone who says that is misstating this amendment, probably by design. It is, rather, a choice of who needs more help. The heir of an estate worth at least $3 million—and it has nothing to do with whether you can sell the business or not because whether you tax it at 45 percent, 53 percent, or 55 percent, that is such a high rate that you will have to sell the business at one rate as well as the other. But it says to that estate, only over $3 million, a handful in each State, that your tax reduction is not going to be quite as great as in the proposal.

Choice. Who do you stand with, my colleagues? The middle class family who gets very little relief on the rate, who has to pay $10,000 or $15,000 for their children's college education or the estate worth more than $3 million in terms of getting a greater reduction rather than a lesser reduction?

It is a choice. With whom are you standing? It is not a debate on eliminating the estate tax. That is the only argument we heard from the other side—with good reason. Because when they debate the amendment, there is no good argument.

Repeal of the estate tax is popular. It is done in the bill. Making college tuition tax deductible is also popular. A portion of it is done in the bill but a rather small portion. This amendment makes college tuition deductible for middle-class families.

In conclusion, I say to my colleagues in this Chamber, we tend to do a lot for the rich. They have influence, and they run businesses, and those are important for America. We also do a lot for the poor, maybe not enough in some of our opinions, but we do a lot because they need help.

The people we do virtually nothing for—or too little for—are the people who make $40,000, $50,000, $60,000, $70,000. They do not ask for much. But the one thing they are asking us for is not even a 3-percent or 4-percent reduction in their tax rate. They are asking us to help them put their kids through college. The choice is every one of ours. We can do that right now.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Iowa.

Mr. GRASSLEY. I will yield myself such time as I consume, and the remainder of the time I will yield to the Senator from Arizona.

The Schumer amendment, as I said so many times, fractures the spirit of the bipartisan compromise that occurred in the Senate Finance Committee, which is the reason we can be here doing things in the tradition of the Finance Committee in a bipartisan way.

Of course, Senator SCHUMER has no interest in this bipartisan agreement. It is curious that Senator SCHUMER would want to work so hard in offering an amendment to improve, in his mind, a bill he is going to end up voting against.

Senator SCHUMER's amendment guarantees that the Federal Government gets to take over 50 percent of the assets a parent wants to pass on to a child. That does not sound like taxation; that sounds like confiscation to me.

Senator SCHUMER claims that his amendment improves the education components in this bill, but in fact the bill's underlying education provisions are sound. Student loan interest deduction, prepaid tuition plans, employer-provided educational assistance, an increase in the education IRA—these are all important measures that will improve access to education.

Senator SCHUMER's amendment will undo a very delicate compromise upon which these provisions rest. It is unwise, it is destructive, and it also should be defeated.

I yield to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona has 2 minutes, 50 seconds.

Mr. KYL. Thank you, Mr. President.

Let me correct a couple things the Senator from New York said earlier. To be accurate, the Senator from New York said his rate kicked in for estates of $3 million. The truth is that according to section 2001 of the IRS Code, his amendment would affect the estates if they were one penny over $2.5 million.

The committee had testimony from a variety of witnesses to talk about what $2.5 million was. A grocer from Duncan, OK, talked about why the independent grocers support the rate relief in our bill—because it takes over $3 million just to put together the average-size grocery store. So when he dies, that estate is going to be denied relief because of the amendment of the Senator from New York.

There is already, as we said before, $33 billion in this bill. By the way, I was in error because I said it was $10 or $11 billion. There is already $33 billion of relief for education in the bill. This amendment would add an additional $37 billion.

We do not need to pit one group against the other. In fact, the bill is delicately balanced because we have relief for education and for those small businessmen and farms that would benefit from the rate reduction we provide for in the estate tax.

The bottomline here is, we are not just talking about 32 such estates or some number such as that. In my own State of Arizona, according to the Internal Revenue Service statistics for 1998, there are over 250 estates that would be adversely affected by this. In the State of New York, I counted up over 900. The number may be quite a bit higher than that.

So we are talking about a significant number of estates that are over $2.5 million that would be denied the rate relief because of the amendment of the Senator from New York.

The bottomline is this: We tried to put a bill together that was fair. Most Americans believe that nobody should have to pay more than 50 percent in a tax rate. In fact, if you ask them, most of them say the highest rate anybody should pay is 25 percent. We tried to bring the estate tax—the highest rate of which, because of a bubble effect, is at about 60 percent—down to 45 percent. That is at least below 50 percent.

No, the Senator from New York says we can't give that kind of relief; we are going to hold the rate at 53 percent.

It is all about fairness. I urge my colleagues to vote against the Schumer amendment, to follow the advice of the committee, which gives relief both for education and for these small businesses that would get modest rate relief under our bill. If we do that, then I think we will be fair to everybody. If we do not do that, we are hurting one group of Americans in order to try to help a different group of Americans. That is not what this bill is all about. That is not what we should be all about.

I urge my Senate colleagues to reject the amendment.

The PRESIDING OFFICER. All time has expired.

The question now is on agreeing to the Schumer amendment No. 669. The yeas and nays have been ordered.

The clerk will please call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kentucky (Mr. BUNNING) is necessarily absent.

Mr. REID. I announce that the Senator from Wisconsin (Mr. KOHL) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 43, nays 55, as follows:

[Rollcall Vote No. 114 Leg.]

YEAS—43

Akaka
Bayh
Biden
Bingaman
Boxer
Breaux
Byrd
Cantwell
Carnahan
Carper
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Harkin
Hollings
Inouye
Johnson
Kennedy
Kerry
Leahy
Levin
Lieberman
Mikulski
Murray
Nelson (FL)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Snowe
Stabenow
Torricelli
Wellstone

NAYS—55

Allard
Allen
Baucus
Bennett
Bond
Brownback
Burns
Campbell
Chafee
Cleland
Cochran
Collins
Craig
Crapo
DeWine
Domenici
Ensign
Enzi
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kyl
Landrieu
Lincoln
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Specter
Stevens
Thomas
Thompson
Thurmond
Voinovich
Warner
Wyden

NOT VOTING—2

Bunning
Kohl

The amendment (No. 669) was rejected.

Mr. GRASSLEY. I move to reconsider the vote.

Mr. GRAMM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, Senator DASCHLE, Senator REID, Senator NICKLES, the managers, and I have been working to try to come up with an agreed to process to complete action for tonight and complete action on this legislation by the close of business on Monday. I think we have come to an agreement on a very fair proposal.

I ask unanimous consent that when the Senate resumes consideration of the reconciliation bill at 9:30 on Monday, there be 6 hours equally divided for amendment debate and 2 hours equally divided between each leader or designee for general debate and closing remarks. I further ask consent all remaining first-degree amendments be limited to 1 hour instead of the 2 we had been having, and second-degree amendments be limited to 30 minutes. I further ask consent that a vote occur in relation to the Carnahan amendment beginning at 6 p.m. on Monday, that no second-degree amendments be in order, and there be 2 minutes for explanation prior to the vote. I further ask consent when the Senate resumes consideration of the bill on Monday, the Senate immediately resume consideration of the Gregg amendment numbered 656.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. It is my understanding that amendment and the rest of the amendments will have 1 hour rather than the regular half hour.

Mr. LOTT. That is right, one; so there will be 30 minutes on each side. The 1 hour is equally divided. I also note that we will continue tonight—but with this agreement, the vote we just had would be the final vote—and we go to the following amendments: Collins for 30 minutes; Carnahan for 20 minutes; Rockefeller for 30 minutes; Bayh for 30 minutes; and Harkin for 30 minutes, if they wish to come and offer their amendments.

The PRESIDING OFFICER. Is there objection?

Mr. DASCHLE. Reserving the right to object, Senator LANDRIEU would like to be added to those offering an amendment tonight.

Mr. LOTT. Senator HATCH has an amendment to do tonight.

Mr. HATCH. Next, if I can, on tax credit. I will wait until Monday.

Mr. DASCHLE. Mr. President, is it the understanding of the Chair the amendments would be laid aside as they are offered, then, on Monday, and tonight, and that the votes happen in the sequence in which they were offered, tonight and Monday?

Mr. LOTT. Mr. President, I believe that is the intent; they would be laid aside and voted in sequence in the order they are offered. And Senator LANDRIEU is added to the list for tonight, 30 minutes.

Mr. DASCHLE. If the majority leader could repeat the list.

Mr. LOTT. After we get this agreement, we can continue tonight. The amendments we have arranged tonight are Collins, 30 minutes; Carnahan, 20 minutes; Rockefeller for 30 minutes; Bayh for 30 minutes; Harkin for 30 minutes; Landrieu for 30 minutes; and Senator GRAHAM tonight also for 30 minutes after Senator LANDRIEU.

I ask unanimous consent Senator HATCH be the next Republican amendment on Monday after the Gregg amendment. So it is the Gregg amendment, a Democrat amendment, and then Senator HATCH.

Mr. WELLSTONE. Reserving the right to object, I wonder if I could be locked in.

Mr. DASCHLE. I was going to ask consent that Senator WELLSTONE follow the Gregg amendment on Monday.

Mr. LOTT. So I amend the agreement, and I am sure we will get all this straight momentarily, that the Wellstone amendment comes after the Gregg amendment, and that is followed by Hatch on Monday.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Reserving the right to object, if we are listing amendments, I would like to be on the list for an amendment before we complete action on the bill, with 30 minutes.

Mr. DASCHLE. I ask that we amend the request to include Senator BYRD and Senator DODD.

Mr. LOTT. I certainly amend the request to that extent. Let me say to all of our colleagues, we are not closing up shop. Members will have an opportunity to offer these amendments Monday at a time that hopefully will be convenient. Senator BYRD will be added to the list, I believe, after Senator HATCH, if that is what he is asking, but I don't think Members will be excluded if they are not on the list now.

Are the managers around?

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. I know we will not be excluded, but I want to make sure I have 30 minutes.

Mr. LOTT. You have it.

Mr. DODD. Reserving the right to object, I ask for 30 minutes on Monday.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. LOTT. Mr. President, if we could get this agreement entered into, we have additional time that Senators have, thankfully, agreed to for tonight.

Let's get the manager and look at the time and get with the Senators and get this order lined up. I know Senator BAUCUS and Senator GRASSLEY will find a way to accommodate the Senators who want to offer amendments. We need to have some flow in terms of getting amendments on this side among the others. If we get this agreement, we will ask Senator REID and Senator NICKLES to work with these other Senators to make sure Senators are on the list.

The PRESIDING OFFICER. Is there objection?

Mr. DORGAN. Reserving the right to object, I observe to the majority leader the reason for the anxiety is we are bringing this bill to the floor under reconciliation. As the majority leader knows, reconciliation limits the amount of time for debate. So there are many people on this side of the aisle who have amendments and want to have the amendments offered and debated. I think that is why hands are being raised requesting time. If this were not brought under reconciliation we would not have to do that. Every Senator would have the right to offer an amendment and the right to have it debated. I ask I be put in the lineup for Monday for 30 minutes.

Mr. LOTT. Mr. President, I want to make sure we have this list lined up. I would like to have the managers work with us on this. I feel uncomfortable trying to arrange all the amendments. But a request has been made we put Senator DORGAN on that list for Monday. I think we need to see if there is a Republican amendment to come after Senator BYRD before Senator DORGAN. We will continue to alternate.

Senator DODD, we will accept him now and be done with it. Senator DODD will be on the list.

Mr. GRAHAM. I request 30 minutes on Monday.

Mr. LOTT. I believe your request was for tonight.

Mr. GRAHAM. Tonight, and I also ask for 30 minutes on Monday.

Mr. KERRY. Reserving the right to object, before colleagues get a second bite of the apple, some Members would like a first. I ask unanimous consent to be added to the order. I think it would be fair for colleagues who have not had a first bite, before others get second bites of the apple.

Mr. DASCHLE. For the information of Democratic Senators the order Monday includes Senators WELLSTONE, BYRD, DODD, DORGAN, and KERRY.

The PRESIDING OFFICER. The Chair advises the Parliamentarian has Senator GRAHAM today and Monday.

Mr. DORGAN. Mr. President, might I inquire, the list that was just read, are those 30-minute amendments?

Mr. DASCHLE. That is correct.

Mr. LOTT. It is 30 unless you would like to have less.

Ms. LANDRIEU. Could the majority leader clarify the order for us tonight?

Mr. LOTT. Senators COLLINS, CARNAHAN, ROCKEFELLER, BAYH, HARKIN, LANDRIEU, and GRAHAM if offered.

The PRESIDING OFFICER. Is there objection to the order as modified?

Without objection, it is so ordered.

Mr. LOTT. In light of that agreement, then, as enjoyable as it was——

Mr. DASCHLE. Will the majority leader yield?

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Senator GRAHAM was kind enough not to demand that he be put into the list on Monday. He would like to have the opportunity to offer two tonight. I assume if he is willing to wait, he can offer both of them back to back. He is the last in order.

Mr. LOTT. I don't see any problem with that. That will be fine. And I would like the managers to come back and take it from here.

The PRESIDING OFFICER. Without objection, it is so ordered.

The majority leader.

Mr. LOTT. In light of this agreement, there will be no further votes this evening. There will be 8 hours remaining for debate on the reconciliation bill during Monday's session. A series of votes is anticipated at 6 p.m. on Monday. The last in the series will be final passage. Senators should make their plans accordingly.

I thank all for their cooperation.

The PRESIDING OFFICER. Under the previous order, the pending amendment is set aside and the Senator from Maine is recognized.

AMENDMENT NO. 675

Ms. COLLINS. Mr. President, on behalf of myself and Senator WARNER, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maine [Ms. COLLINS] for herself and Mr. WARNER, Mr. COCHRAN, Ms. LANDRIEU, Mr. ALLEN, Mr. SMITH of Oregon, Mr. HARKIN, Ms. MIKULSKI, Mr. REED, and Mr. HUTCHINSON, proposes an amendment numbered 675.

Ms. COLLINS. I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title IV, add the following:

Subtitle E—Miscellaneous Education Provisions

SEC. 441. SHORT TITLE.

This subtitle may be cited as the "Teacher Relief Act of 2001".

SEC. 442. ABOVE-THE-LINE DEDUCTION FOR QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) DEDUCTION ALLOWED.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals), as amended by section 431(a), is amended by redesignating section 223 as section 224 and by inserting after section 222 the following new section:

"SEC. 223. QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.

"(a) Allowance of Deduction.—In the case of an eligible educator, there shall be allowed as a deduction an amount equal to the qualified professional development expenses paid or incurred by the taxpayer during the taxable year.

"(b) Maximum Deduction.—The deduction allowed under subsection (a) for any taxable year shall not exceed $500.

"(c) Qualified Professional Development Expenses of Eligible Educators.—For purposes of this section—

"(1) Qualified professional development expenses.—

"(A) In general.—The term 'qualified professional development expenses' means expenses for tuition, fees, books, supplies, equipment, and transportation required for the enrollment or attendance of an individual in a qualified course of instruction.

"(B) Qualified course of instruction.—The term 'qualified course of instruction' means a course of instruction which—

"(i) is—

"(I) directly related to the curriculum and academic subjects in which an eligible educator provides instruction,

"(II) designed to enhance the ability of an eligible educator to understand and use State standards for the academic subjects in which such educator provides instruction,

"(III) designed to provide instruction in how to teach children with different learning styles, particularly children with disabilities and children with special learning needs (including children who are gifted and talented), or

"(IV) designed to provide instruction in how best to discipline children in the classroom and identify early and appropriate interventions to help children described in subclause (III) to learn,

"(ii) is tied to—

"(I) challenging State or local content standards and student performance standards, or

"(II) strategies and programs that demonstrate effectiveness in increasing student academic achievement and student performance, or substantially increasing the knowledge and teaching skills of an eligible educator,

"(iii) is of sufficient intensity and duration to have a positive and lasting impact on the performance of an eligible educator in the classroom (which shall not include 1-day or short-term workshops and conferences), except that this clause shall not apply to an activity if such activity is 1 component described in a long-term comprehensive professional development plan established by an eligible educator and the educator's supervisor based upon an assessment of the needs of the educator, the students of the educator, and the local educational agency involved, and

"(iv) is part of a program of professional development which is approved and certified by the appropriate local educational agency as furthering the goals of the preceding clauses.

"(C) Local educational agency.—The term 'local educational agency' has the meaning given such term by section 14101 of the Elementary and Secondary Education Act of 1965, as in effect on the date of the enactment of this section.

"(2) Eligible educator.—

"(A) In general.—The term 'eligible educator' means an individual who is a kindergarten through grade 12 teacher, instructor, counselor, principal, or aide in an elementary or secondary school for at least 900 hours during a school year.

"(B) Elementary or secondary school.—The terms 'elementary school' and 'secondary school' have the meanings given such terms by section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), as so in effect.

"(d) Denial of Double Benefit.—

"(1) In general.—No other deduction or credit shall be allowed under this chapter for any amount taken into account for which a deduction is allowed under this section.

"(2) Coordination with exclusions.—A deduction shall be allowed under subsection (a) for qualified professional development expenses only to the extent the amount of such expenses exceeds the amount excludable under section 135, 529(c)(1), or 530(d)(2) for the taxable year.".

(b) Deduction Allowed in Computing Adjusted Gross Income.—Section 62(a), as amended by section 431(b), is amended by inserting after paragraph (18) the following new paragraph:

"(19) Qualified professional development expenses.—The deduction allowed by section 223.".

(c) Conforming Amendments.—

(1) Sections 86(b)(2), 135(c)(4), 137(b)(3), and 219(g)(3) are each amended by inserting "223," after "221,".

(2) Section 221(b)(2)(C) is amended by inserting "223," before "911".

(3) Section 469(i)(3)(E) is amended by striking "and 221" and inserting ", 221, and 223".

(4) The table of sections for part VII of subchapter B of chapter 1, as amended by section 431(c), is amended by striking the item relating to section 223 and inserting the following new items:

"Sec. 223. Qualified professional development expenses.
"Sec. 224. Cross reference.".

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 442. CREDIT TO ELEMENTARY AND SECONDARY SCHOOL TEACHERS WHO PROVIDE CLASSROOM MATERIALS.

(a) In General.—Subpart B of part IV of subchapter A of chapter 1 (relating to other credits) is amended by adding at the end the following new section:

"SEC. 30B. CREDIT TO ELEMENTARY AND SECONDARY SCHOOL TEACHERS WHO PROVIDE CLASSROOM MATERIALS.

"(a) Allowance of Credit.—In the case of an eligible educator, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the qualified elementary and secondary education expenses which are paid or incurred by the taxpayer during such taxable year.

"(b) Maximum Credit.—The credit allowed by subsection (a) for any taxable year shall not exceed $250.

"(c) Definitions.—

"(1) Eligible educator.—The term 'eligible educator' has the same meaning given such term in section 223(c).

"(2) Qualified elementary and secondary education expenses.—The term 'qualified elementary and secondary education expenses' means expenses for books, supplies (other than nonathletic supplies for courses of instruction in health or physical education), computer equipment (including related software and services) and other equipment, and supplementary materials used by an eligible educator in the classroom.

"(3) Elementary or secondary school.—The term 'elementary or secondary school' means any school which provides elementary education or secondary education (through grade 12), as determined under State law.

"(d) Special Rules.—

"(1) Denial of double benefit.—No deduction shall be allowed under this chapter for any expense for which credit is allowed under this section.

"(2) Application with other credits.—The credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(A) the regular tax for the taxable year, reduced by the sum of the credits allowable under subpart A and the preceding sections of this subpart, over

"(B) the tentative minimum tax for the taxable year.

"(e) Election To Have Credit Not Apply.—A taxpayer may elect to have this section not apply for any taxable year.".

(b) Clerical Amendment.—The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

"Sec. 30B. Credit to elementary and secondary school teachers who provide classroom materials.".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

Ms. COLLINS. Mr. President, I also take this opportunity to ask that the yeas and nays be ordered on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Ms. COLLINS. Mr. President, may I have order, please?

The PRESIDING OFFICER. The Senate will please come to order.

Ms. COLLINS. Mr. President, I rise this evening with my good friend, the distinguished senior Senator from Virginia, Mr. WARNER, to offer an amendment providing tax relief to our Nation's teachers. We are very pleased to be joined by several cosponsors including Senators COCHRAN, LANDRIEU, ALLEN, HARKIN, REED, GORDON SMITH, MIKULSKI, HUTCHINSON, and DODD.

It would be difficult to script a more appropriate time for us to offer this important amendment. We stand now at the intersection of two debates, one on a bill to modernize and reauthorize the law that will define the Federal Government's role over the next 7 years in educating our Nation's children, the other a landmark tax relief bill of which we are beginning consideration today.

Our amendment joins some of the best elements of each. It is good both for tax policy and for education policy. In the midst of the education and tax debates, we are asking our colleagues in the Senate now to overlook the selfless efforts of teachers and the financial sacrifices they make to improve their instructional skills and the classrooms in which they teach.

Senator WARNER deserves enormous credit for focusing the Senate's attention, through a sense-of-the-Senate resolution to the education bill, on the need to provide tax relief for our teachers.

Our teachers serve such a critical role in the education and the development of our children. This amendment, the amendment Senator WARNER offered to the education bill, expressed the sense of the Senate that the Congress should pass legislation providing teachers with tax relief in recognition of the many out-of-pocket, unreimbursed expenses they incur to improve the education of our children.

The amendment we offer tonight is the legislation Senator WARNER's sense-of-the-Senate resolution contemplated, and which I was proud to cosponsor. It earlier passed by a vote of 95–3.

Our proposal is targeted to support the expenditures of teachers who strive for excellence beyond the constraints of what their schools can provide. Our amendment enjoys the bipartisan support of several of our colleagues, as well as the endorsement of the National Education Association and the American Association of School Administrators.

Let me briefly describe the provisions of our amendment. First, it would allow teachers, teacher's aides, principals, and counselors to take an above-the-line tax deduction for their professional development expenses.

Second, the bill would grant educators a tax credit of up to $250 for books, supplies, and equipment they purchase for their students. The tax credit would be established at 50 percent of such expenditures, so for every dollar in supplies a teacher spent, the teacher would receive 50 cents of tax relief.

According to a study by the National Education Association, the average public school teacher spends more than $400 annually on classroom materials. This sacrifice is typical of the dedication of so many of our teachers to their students. Oftentimes, teachers in Maine and throughout the country spend their own money, even though they are paid very limited salaries, because they want to improve the classroom experience for their students.

Recently I met with one such teacher, Idella Harter, the president of the Maine Education Association. She told me of the many books, supplies, rewards for student behavior, and other materials she just routinely purchases for her classrooms. One year, Idella Harter decided to save all of her receipts for these purchases. She started adding up the total, and she was startled to discover that it exceeded $1,000. At that point, she decided to stop counting. But it is indicative of the kind of selfless financial sacrifice so many of our teachers make.

Idella Harter is not alone. Maureen Marshall, who serves in my office as my education policy adviser, taught public schools for 8 years in Hawaii and Virginia. In her first year as a teacher, she spent well over $1,000 of her own money on educational software, books, pocket charts, and other materials. Yet because of her tax situation, she could not deduct these expenses from her taxable income.

When we help our Nation's teachers, the ultimate beneficiaries are their students. Other than an involved parent, a well-qualified teacher is the single most critical element to predict a student's success. Educational researchers have demonstrated time and again the close relationship between highly qualified teachers and successful students.

Moreover, educators themselves understand just how important professional development is to maintaining and extending their levels of competence. When I meet with teachers from Maine, they repeatedly tell me of their need for more professional development. Yet there is a scarcity of financial support for this worthy pursuit.

I greatly admire the many educators who have voluntarily reached deep into their pockets to pay for additional training and course work for themselves, and also to finance additional supplies and materials for their students. By enacting these modest changes to our Tax Code, we can encourage educators to continue to take the formal course work in the subject matter which they teach and to avail themselves of other professional development opportunities.

The relief that our Tax Code now provides to teachers is simply not sufficient. By and large, most teachers do not benefit from the current provisions that allow for limited deductibility of professional development and classroom expenses. A new report by the American Federation of Teachers places the average national teacher's salary at about $42,000. In Maine, the average yearly starting salary for a public school teacher is just a little over $23,000. Yet these teachers, out of their own generosity, are reaching deep into their pockets to improve their teaching.

Now, under the current law, the problem is that teachers do not reach a sufficient level to be able to deduct the costs of their professional development and classroom supplies.

By allowing teachers to take the above-the-line deduction for professional development expenses and a credit for classroom expenses paid out of pocket, our amendment takes a fair, progressive approach that will provide a modicum of relief to our Nation's schoolteachers.

I should note that most of our colleagues have already voted for very similar legislation. Last year, Senator KYL, Senator Coverdell, and I offered a similar amendment to the Affordable Education Act, which was adopted unanimously.

President Bush has eloquently stated:

> Teachers sometimes lead with their hearts and pay with their wallets.

Our amendment makes it a priority to reimburse educators for just a small part of what they invest in the futures of our children.

I hope our colleagues will join us in support of this important legislation. The NEA says it well:

> Teacher quality is the single most critical factor in maximizing student achievement. Ongoing professional development is essential to assure that teachers stay up to date on the skills and knowledge necessary to prepare students for the challenges of the 21st century.

Thank you. Mr. President.

I would like to recognize the leadership of the senior Senator from Virginia whom, I believe, will be speaking next in favor of our amendment.

The PRESIDING OFFICER. I thank the Senator from Maine.

The senior Senator from Virginia, Mr. WARNER.

Mr. WARNER. Mr. President, there are moments in your Senate career you shall not forget, and this is one, when I am privileged to join with our distinguished junior Senator from Maine. She pioneered this effort. And let no one be mistaken about that fact. I think Senator JEFFORDS and Senator KYL and others have also been at the early stages of this issue, some years more ago.

I joined them last year. We recognized we had two bills, and the time came for a consensus to elect a leader. The unanimous choice was the junior Senator from Maine. I am, as we say in the military, one step behind her dutifully following. But together we have crafted an amendment that every Senator in his or her heart and conscience can accept. I am optimistic that this will become law.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the National Education Association. While addressed to me, it really is addressed to both of us.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL EDUCATION ASSOCIATION,
Washington, DC, May 16, 2001.

Senator JOHN WARNER,
U.S. Senate,
Washington, DC.

DEAR SENATOR WARNER: On behalf of the National Education Association's (NEA) 2.6 million members, we would like to express our support for your amendment to the Senate tax bill to provide tax benefits for educators' professional development and classroom supply expenses.

As you know, teacher quality is the single most critical factor in maximizing student achievement. Ongoing professional development is essential to ensure that teachers stay up-to-date on the skills and knowledge necessary to prepare students for the challenges of the 21st century. Your proposed tax deduction for professional development expenses will make a critical difference in helping educators access quality training.

> We are also very pleased that your amendment would provide a tax credit for educators who reach into their own pockets to pay for necessary classroom materials, including books, pencils, paper, and art supplies. A 1996 NEA study found that the average K–12 teacher spent over $400 a year out of personal funds for classroom supplies. For teachers earning modest salaries, the purchase of classroom supplies represents a considerable expense for which they often must sacrifice other personal needs.
>
> We thank you for your leadership in introducing this important amendment and look forward to continuing to work with you to support our nation's educators.
>
> Sincerely,
>
> MARY ELIZABETH TEASLEY,
> *Director of Government Relations.*

Mr. WARNER. The letter, in part, states:

> On behalf of the National Education Association's (NEA) 2.6 million [teachers], we would like to express our support for your amendment to the Senate tax bill to provide tax benefits for educators' professional development and classroom supply expenses.

Our great President sent to the Congress the message—which is the title of his education reform blueprint—"No Child is Left Behind." We cannot hope to achieve the goals in this guide, and the goals across our Nation, which every town, village, and city wish to have to improve education, leaving no child behind, if we leave our teachers behind. We will not leave any child behind if we do not leave teachers behind. That is the point. You cannot have one without the other. They go hand in hand.

I stopped to think how hard we work on our individual careers. Yes, we work on our careers. But teachers work to create—to create—the possibilities for others, the younger generation, to develop those careers.

My colleague from Maine has, in great detail, gone into the various parts of this bill, our President, on page 13 of his education reform blueprint, has a provision which says as follows:

> . . . provides tax deductions for teachers. Teachers will be able to make tax deductions of up to $400 to help defray the costs associated with out-of-pocket classroom expenses such as books, school supplies, professional enrichment programs, and other training.

We accepted that challenge of our President in this bill. We not only accepted it; we listened carefully to the teachers association, and we have enhanced it in a modest way. We have enhanced the goals set out by our President and the same goals that are really in the hearts and minds of our people all across America today.

So I am honored to join with my distinguished colleague.

Mr. President, just last week, on May 8, 2001, the Senate overwhelmingly adopted amendment that I offered with Senator COLLINS to the education bill. This amendment, which passed by a vote of 95–3, stated:

> The Senate should pass legislation providing elementary and secondary level educators with additional tax relief in recognition of the many out of pocket, unreimbursed expenses educators incur to improve the education of our Nation's student.

I note that both the chairman and ranking member of the Finance Committee supported this sense-of-the-Senate amendment.

Senator COLLINS and I have pursued the goal of providing much needed tax relief for our teachers for sometime. However, despite sharing the same goal, in the past, we each have had our own bill and each had our own approach towards achieving this shared goal.

Senator COLLINS has truly been a leader on the issue of tax relief for teachers. I commend her for her work in highlighting this issue and for her tireless efforts to improve education in this country.

I am so glad that Senator COLLINS and I had the opportunity to sit down and discuss teacher tax relief legislation in greater detail. As a result of these discussions, we have joined forces and agreed on an approach to achieve our shared goal.

Today, I am honored to be joining with Senator COLLINS in offering the teacher tax relief amendment to the tax bill currently before the Senate.

This Collins-Warner amendment is cosponsored by a bipartisan group of Senators, including Senators LANDRIEU, COCHRAN, ALLEN, HARKIN, GORDON SMITH, MIKULSKI, REED and HUTCHINSON of Arkansas. The National Education Association has also endorsed this amendment.

The Collins-Warner teacher tax relief amendment has two components.

First, the legislation provides a maximum $250 tax credit to teachers for classroom supplies. This credit recognizes that our teachers dip into their own pocket in significant amounts to bring supplies into the classroom to better the education of our children.

Second, this legislation provides a maximum $500 above the line deduction for professional development costs that teachers incur. This deduction will particularly help low-income school districts that typically do not have the finances to pay for professional development costs for their teachers.

Mr. President, our teachers in this country are overworked, underpaid, and all too often under-appreciated.

In addition to these factors, our teachers expend significant money out of their own pocket to better the education of our children. Most typically, our teachers are spending significant amounts of money out of their own pocket on: classroom expenses—such as books, supplies, pens, paper, and computer equipment; and professional development costs—such as tuition, fees, books, and supplies associated with courses that help our teachers become even better instructors.

These out of pocket costs place lasting financial burdens on our teachers. This is one reason our teachers are leaving the profession. Little wonder that our country is in the midst of a teacher shortage.

Estimate are that 2.4 million new teachers will be needed by 2009 because of teacher attrition, teacher retirement and increased student enrollment.

While the primary responsibility rests with the states, I believe the federal government can and should play a role in helping to alleviate the nation's teaching shortage.

On a Federal level, we can encourage individuals to enter the teaching profession and remain in the profession by providing tax relief to teachers for the costs that they incur as part of the profession. This incentive will help financially strapped urban and rural school systems as they recruit new teachers and struggle to keep those teachers that are currently in the system.

Our teachers have made a personal commitment to educate the next generation and to strengthen America. While many people spend their lives building careers, our teachers spend their careers building lives.

The teacher tax relief amendment goes a long way towards providing our teachers with the recognition they deserve by providing teachers with important and much needed tax relief.

At this point in time, I think I should yield the floor for purposes of such other remarks as other Senators may wish to make.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, I wish to thank the Senator from Virginia for his usual eloquent and gracious remarks. He is a terrific Senator with whom to work. The people of Virginia are very fortunate to have him representing them. He has also been an extremely strong advocate for education his entire time in the Senate. It has been a pleasure to work with him.

Mr. President, I ask unanimous consent that the Senator from Rhode Island, JACK REED, another very strong advocate for education, be added as a cosponsor of our amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I thank my distinguished colleague for her very thoughtful remarks. She is a pillar today in this Senate, and she will always be a pillar of strength and wisdom in this institution.

Now, Mr. President, we will be anxious to hear from the managers of the bill.

I note, again, that both managers voted for the Warner-Collins sense-of-the-Senate amendment on the education bill endorsing this concept. I will quote again the amendment for the benefit of the managers. The amendment was adopted on May 8, 2001. The amendment passed by a vote of 95–3. And I quote it:

The Senate should pass legislation providing elementary and secondary level educators with additional tax relief in recognition of the many out of pocket, unreimbursed expenses educators incur to improve the education of our Nation's students.

Mr. President, it is remarkable, as I travel about our State, the great State of Virginia; you cannot go to a school, and particularly the elementary schools, without hearing of teachers, although they will not tell you, who reach into their own pockets and take out their funds—after paying taxes—and quietly buy, here or there, various necessities which they, in their judgment, believe are necessary to enable them and their students to learn. I wish to emphasize, it is voluntary.

The PRESIDING OFFICER. The Chair will advise, with great trepidation, the time of the senior Senator from Virginia has expired.

Mr. WARNER. I appreciate my junior colleague, the Presiding Officer, advising me, but if I could have 15 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Without hesitation, if you asked the question, they will then say: "Yes, but I do it voluntarily out of the goodness of my heart." And they will say: "Look at the walls, Senator. Look at the drawers. Look at the desks." And they can point to object after object they have purchased with their own funds—after taxes.

I thank the Chair and yield the floor.

Ms. COLLINS. Mr. President, will the Senator yield very quickly for a unanimous consent request?

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, I ask unanimous consent that the Senator from Connecticut, Mr. DODD, also be added as a cosponsor of our amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Montana.

Mr. BAUCUS. Mr. President, it is with great reluctance that I feel constrained to say a few words, urging my colleagues, as meritorious as this is and as wonderful as the Senator from Maine is in representing her State, that this is just regrettably not good policy.

I appreciate the remarks of my good friend from Virginia pointing out the sense-of-the-Senate resolution. I think Senators tend to vote for sense-of-the-Senate resolutions because that is our sense, that it would be a good idea. But when, as the Senator well knows, we have to decide what is within the parameters of how much we can spend and when it comes down to crafting something that is particular and specific, that is where the rubber meets the road and we have to decide whether the specific idea is really good tax policy or not.

There is a lot of money here for education generally. It is about $35 billion, for higher ed and elementary and secondary ed. I am not going to list it all. I know that it doesn't directly help teachers.

Teachers, I might say, in my State are probably some of the lowest paid teachers in the Nation. I might add to my good friend from Maine, I am afraid that some teachers are going to leave Montana to seek a better salary in other States. We are in a tough spot. If I didn't have the responsibility of managing this bill, I could very well support this. But I feel a responsibility to say a few words about it.

First, it singles out for credit one group and one group only. If we start going down this road, then we are going to offer credits for expenses for every meritorious public service profession that exists. I know many teachers dig into their pockets to help their students. It is just awful, the things they have to go through to help their students. We don't begin to pay our teachers nearly enough, in my judgment. Given all that, I just don't know if it is wise to single out teachers as opposed to other professions.

Second, the responsibility for teachers' salaries really is the school districts in the States. We are helping school districts tremendously in many ways by giving more IDEA money, more ESEA money, title I money, and all of these different categories that allow school districts to then spend more money in salaries for teachers. Districts will have a lot more money in total, so in addition to what they raise with property taxes, these programs will provide a lot of relief to the school districts.

Third, this provision adds more complexity to the code. If there is anything we hear, it is that people want simplicity. They don't want more complexity. I know that doesn't sell very well when you are standing in front of schoolteachers or the NEA. We want to give a lot more to our teachers. Believe me, I am one of the strongest advocates in the State of Montana to give more money to our teachers.

We should not be helping school districts in this way with responsibilities that are theirs when we have a better way, by giving more dollars to the other programs that I mentioned: IDEA, ESEA, and title I, et cetera. I wish we could support this, but as much as we would like to help, this is not a good policy to adopt.

Mr. WARNER. Will the Senator yield for a question?

Mr. BAUCUS. I am glad to yield.

Mr. WARNER. I have served for many years with the distinguished Senator from Montana on the Environment and Public Works Committee and other avenues in the Senate. I know him well and the strength of his voice. But as he addressed the Senate tonight, I see pain in his heart.

When he said there is no policy, I refer the Senator—of course, I realize he doesn't know every provision in the Federal Tax Code; this is awesome; I wish we had some provisions in here to simplify this—to page 47, section 62. The subsection is (a), which covers adjusted gross income defined, and I read (b), certain expenses of performing artists. The deductions allowed by section 162, which consist of expenses paid or incurred by qualified performing artists in connection with the performances by him—and I presume "her" although it is not written—of services in the performing arts as an employee.

There it is. There is tax policy. My distinguished colleague said there is no policy. Here is the policy, given to artists. Somehow, having some modest familiarity with performing artists, I take note that their salaries are somewhat larger than those who are down at the very foundation of our Nation, educating our young people.

Mr. BAUCUS. I was going to ask the Senator a question. He asked me a question.

Mr. WARNER. I think I have answered it, but you may go right ahead, sir.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I would like to answer that question. I didn't say that there is no policy. Those were not the words I used. I did say, though, that I don't think we should start going down this road, which basically implies that, whether the provision you mentioned is meritorious or not, I don't know if it is wise to keep going down that road.

I want to share a line that kind of struck me about this whole subject. When my wife and I got married about 18 years ago, we went on a honeymoon. On the honeymoon, we stopped off on the first night at a bed and breakfast. The next morning we were sitting down and having breakfast, and the lady who ran the bed and breakfast was serving breakfast. She knew, for some reason, I was in the Senate. I did not broadcast that. I did not, frankly, want her to know that. I was on a honeymoon with my bride. And this lady walked up to me right away after she served us part of the breakfast and she started insisting that the red dress she was wearing should be tax deductible because it wasn't fair.

Here I am on my honeymoon, and I couldn't get away from it. I thought, first of all, it is in poor taste to be asking for that, but, second, it is clear that some people, with the jobs they have, need legitimate expense deductions for the expenses they have. She is not entitled, this lady, to a deduction for the dress she wears.

We have to draw lines. We have to make choices. I think this is not a road we want to continue going down. We do not want to further complicate the code with even more complexities.

The Senator is right, it is with a heavy heart that I must stand up and say I don't think this is good tax policy. Even with a heavy heart, I think this is not the wise way to go. There are better ways to accomplish the objective the Senator is so correctly seeking.

Mr. WARNER. I thank my colleague for his very courteous reply.

Mr. DODD. Mr. President, is there any time remaining?

Mr. BAUCUS. How much time do we have remaining?

The PRESIDING OFFICER. The opposition has 6 minutes 18 seconds.

Mr. BAUCUS. I yield whatever time the Senator needs.

Mr. DODD. I thank the distinguished ranking member of the Finance Committee. I commend our colleague from Maine. I know my friend from Montana will appreciate these remarks. I also thank my friend from Virginia who, once again, has enlightened us with a little history on the importance of a provision such as this.

From a personal standpoint, we all have personal stories. My older sister Carol is a teacher, has been for 35 years. She has taught over the last 15 years or so in the public schools of Connecticut. I was telling my friend from Maine, the author of the amendment, who is so committed to education, almost on a yearly basis I go with my sister to literally buy from Home Depot and other places the planks to make the little bookcases in her classroom, literally buy pencils, paper, and other items.

I say this coming from the most affluent State in the country on a per capita income basis. She teaches in the city of Hartford which has had serious problems. They do not have the resources, and she goes and buys them out of her own pocket each year.

This is not some abstract idea. I have literally gone with her to do this. I was shocked when I first discovered it. I couldn't believe she was actually doing it. I thought there must be some pool of resources that would allow for the accommodation of things such as pencils and boards and toilet paper, literally, for classrooms in a public school in the United States of America. I was stunned to discover she literally dipped into her own pocket each year to buy the supplies.

Mr. BAUCUS. May I reclaim some of my time?

Mr. DODD. This is a modest amendment. We can't do enough with the ESEA bill. I wish we could to make up the difference. This small little piece, when we so value education and those who commit themselves to this, to say there is a small line here for $250, that we are going to provide some relief to you for doing what you are doing, for those reasons I am a cosponsor and applaud my friend from Maine and my friend from Virginia for their eloquence and their support of this modest proposal.

(Mr. ENZI assumed the Chair.)

Mr. BAUCUS. Mr. President, I have such reactions when I hear my friends from Connecticut speak. There is no greater champion for kids than the Senator. I am surprised he doesn't have a kids tie on because often he does wear one.

A couple points. Connecticut is one of the highest per capita income States in America. My response is, let them try to pay teachers a little bit more.

Mr. DODD. No argument there.

Mr. BAUCUS. I am sure teachers agree with that. Another point, Mr. President, is that teachers can, today, deduct unreimbursed expenses. It is in the law today. Just as any employee, they can deduct unreimbursed expenses. They can deduct them. If it were your sister buying supplies, she can deduct all that. It is already deductible today, as my good friend from Virginia mentioned, as professional expenses. We are not talking about another deduction but adding a credit. It is something in addition to what teachers can already do. They can deduct their professional expenses today, buying paper, and so forth. It is true they don't have the world's highest tax bracket, so the value of the deduction isn't as much as it otherwise might be, but it helps a lot.

I think we should keep the policy of deducting unreimbursed expenses, but let's not, on top of that, add a credit. I think we should just hold the line.

Mr. WARNER. I ask unanimous consent that we may have a minute and a half so our colleague from Maine can wrap up.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Maine.

Ms. COLLINS. Mr. President, I want to respond to the legitimate point the Senator from Montana has raised. It is true teachers can deduct unreimbursed expenses—theoretically.

The problem is, most teachers don't make enough money to itemize. So most of them do not get the benefit of the itemized deduction that would allow them to write off unreimbursed expenses.

In addition, even those who itemize have to reach a 2-percent floor of their income in order to claim the deduction. So for the vast majority of our Nation's teachers, these are unreimbursed expenses for which there is no tax deduction at all.

We have to remember that we are talking about teachers who are not well paid. I agree with the Senator from Montana that we should pay our teachers better. But we in the Senate can take a modest step by adopting this proposal to help our teachers who reach deep into their pockets to pay for classroom supplies and paper materials and pay for course work. Can't we take the small step to say thank you for their investment in our Nation's children? I think we can, Mr. President. I hope the Senate will adopt this amendment.

Mr. WARNER. Mr. President, we yield on that. I commend my distinguished colleague from Maine.

The PRESIDING OFFICER. The Senator from Montana has 2 minutes remaining.

Mr. BAUCUS. I yield back the remainder of my time.

The PRESIDING OFFICER. Under the previous order, the Senator from Missouri is to be recognized.

The Chair recognizes the Democratic leader.

AMENDMENT NO. 674

Mr. DASCHLE. On behalf of the Senator from Missouri, I will not take the full amount of time because I know the Senator from West Virginia wants to offer his amendment. We didn't have as much of an opportunity as I had hoped earlier to talk about the Carnahan amendment. Let me again compliment the Senator from Missouri for her effort in calling attention to one of the major concerns we have with the pending legislation.

The pending legislation, of course, purports to provide tax relief to all Americans. But there is a glaring exception to the equity with which they attempt to provide that tax relief. That exception refers to the fact of all the different tax rates and the reductions within those rates.

The one that is entirely left out is that 15-percent rate affecting 72 million taxpayers. The largest percentage of income-tax payers in the country pay at the 15-percent rate—72 million taxpayers pay the remaining 15-percent rate. Yet this bill completely skips over any rate reduction for those who fall in that category. There is a 3-percent rate reduction for those at the very top. There are rate reductions for those at every other level. But the rate reduction for those who fall in the remaining 15-percent class has been omitted.

Now, what the bill does do, of course, is to provide a new rate of 10 percent for that income below $12,000. But everybody is entitled, across the board, to the benefits of that new rate of 10 percent, and so those income levels, at $109,000, $166,000, and $297,000 all benefit from the 10-percent rate cut, as does the 15 percent. But over and above that, those income levels beyond the 15-percent rate cut, beyond $65,000 gross, or $45,000 net, they all get substantial additional reductions in their rates.

But this bill leaves out the 72 million taxpayers who pay at the 15-percent rate.

Senator CARNAHAN's amendment says we think everybody ought to have a rate cut. So Senator CARNAHAN would reduce the 15-percent rate to 14 percent. It would provide for a rate cut, then, in every classification of income-tax payer. The way she pays for it is simply to provide for a 1-percent rate cut in all the other classifications. So those making incomes at levels above $297,000 would get a 1-percent rate cut; those making incomes at $166,000 would get a rate cut of 1 percent; those making incomes of $109,000 would get a rate cut of 1 percent; and those making incomes of $45,000 would get a rate cut as well.

I can recall hearing vividly the President say there should not be winners and losers as we cut taxes, that everybody ought to get a tax cut. Well, if he holds that philosophy, it would be hard for him to support this bill because this bill does create winners and losers. If you fall in that 15-percent rate cut—if you are one of those 72 million taxpayers who fit into that income level between $12,000 and $45,000 net, you don't get a rate cut. They don't want you to know that, apparently, because there hasn't been much discussion about it. But that rate was omitted. I don't know why it was omitted. I can't understand how anybody could argue that it should be omitted. But it was omitted. So you are left out; you have no opportunity to benefit.

So I am really hopeful, Mr. President, that we can solve that problem. The only way I know to solve the problem is to address the issue as Senator CARNAHAN would address it—providing that the rate cut go from 15 percent to 14 percent. One half of all South Dakotans fit into this category. I would guess that between 40–50 percent of just about all of our constituents fall into this category. We know that 72 million taxpayers fall into this category. It is so critical, it seems to me, in the interest of fairness. It is critical in the interest of attempting to provide the help to those middle-class working families who probably need it as much as anybody in the upper income scales to provide them some relief as well. That is what this amendment does. Let's give them that benefit of the new 10-percent bracket like all other rates are provided, but let's do what we are doing for all other rates as well, by providing them with at least some reduction. One percent may not be much to some, but 1 percent is a whole lot better than absolutely nothing, which is what they get in this bill. That is what the amendment does.

In the interest of time, I will yield the floor. I just hope people will take this into account, and, at the appropriate time on Monday, support the Carnahan amendment.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Chair recognizes the Senator from West Virginia.

AMENDMENT NO. 679

Mr. ROCKEFELLER. Mr. President, I have an amendment that I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. ROCKEFELLER], for himself, Mr. GRAHAM, Mr. WELLSTONE, Mr. KENNEDY, Mr. HARKIN, Mr. JOHNSON, MR. KERRY, Mrs. CLINTON, Mr. DAYTON, and Ms. STABENOW, proposes an amendment numbered 679.

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To delay the reduction of the top income tax rate for individuals until a real Medicare prescription drug benefit is enacted)

On page 9, between lines 14 and 15, insert the following:

"(4) DELAY OF TOP RATE REDUCTION.—

"(A) IN GENERAL.—Notwithstanding paragraph (2), with respect to a calendar year, no percentage described in that paragraph shall be substituted for 39.6 percent until the requirement of subparagraph (B) is met.

"(B) MEDICARE OUTPATIENT PRESCRIPTION DRUG BENEFIT ENACTED.—Legislation is enacted that adds an outpatient prescription drug benefit to the medicare program established under title XVIII of the Social Security Act, without using funds generated from any surpluses in any trust fund established under the Social Security Act, that is—

"(i) voluntary,

"(ii) accessible to all medicare beneficiaries,

"(iii) designed to assist medicare beneficiaries with the high cost of prescription drugs, protect them from excessive out of pocket costs, and give them bargaining power in the marketplace,

"(iv), affordable to all medicare beneficiaries and the medicare program,

"(v) administered using private sector entities and competitive purchasing techniques, and

"(vi) consistent with broader reform of the medicare program.".

Mr. ROCKEFELLER. Mr. President, this is an amendment regarding Medicare prescription drug benefits. Senators GRAHAM of Florida, WELLSTONE, KENNEDY, HARKIN, JOHNSON, KERRY, CLINTON, DAYTON, and STABENOW are all listed as cosponsors, and I am sure there will be more.

The amendment is an extraordinarily serious amendment. It was the amendment in the Finance Committee which got the second most votes of any of the amendments we did, and which I think should have passed.

This amendment takes the top rate reduction of our income tax as proposed under the compromise bill and makes it contingent upon the passage of a prescription drug bill, a prescription drug benefit that would, in fact, be voluntary, accessible, affordable. This amendment, therefore, is in the most immediate terms about priorities. It is a classic choice that Senators are going to have to make that will say a lot to the American people.

It is clearly saying the Medicare prescription drug benefit that every single political person on this Hill and those at the other end of the avenue who promised to the American people is just as important as a tax reduction for the wealthiest of our people.

This amendment does not preclude the tax cut—I wish that to be clear—but, rather, shifts the debate back to the promise we have made and about which we have been very firm and talked about endlessly at hearings and years of fora.

The amendment basically says the reduction in the top tax rate will not go into effect until and unless an accessible, comprehensive, universal prescription drug benefit is enacted. A vote for this amendment is not a vote against the tax cut. It is a vote in favor of the prescription drug amendment. The doing of the one does not preclude the doing of the other. It is just that you have to do the prescription drug benefit to get to the top rate.

A vote in support of this amendment says you believe it is just as important that all Medicare beneficiaries who suffer all over this country in various ways and various forms against the devastating and ever-growing cost of prescription drugs, some of whom have to make terrible choices in their lives about this, that their plight is as important as those who are the wealthiest among us getting their top tax rate reduction.

A vote in support of this amendment says you believe the drug benefits should take precedence over a tax cut. It does not say you cannot have a tax cut; it just says it should take precedence over a tax cut with a prescription drug benefit and you do not think seniors should be forced to make the choices they do now.

We have made some progress. The budget resolution, thanks to the leadership of the Senator from the State of Iowa, the chairman of the Finance Committee, explicitly rejects President Bush's prescription drug benefit as being insufficient and accepts the principle that a prescription drug benefit should be available to all beneficiaries universally—not national in that sense, not nationalize, not socialize, just universal; everybody.

It says that 39 million Americans who are Medicare beneficiaries and those who are disabled should have this benefit. It is a proposal that provides a premium subsidy to all Medicare beneficiaries, a proposal that ensures true catastrophic coverage against drug costs, a proposal that incorporates a new benefit into the Medicare Program. So it is just as reliable as all of the other benefits in the Medicare Program, a proposal that does not completely rely on private insurance because private insurance has failed Medicare beneficiaries in terms of delivering that benefit.

I will close with this because there is little time and others want to speak. One group, which is bipartisan, says:

> We agree with you we cannot enact a tax break for the wealthiest Americans. We should be sure our vulnerable citizens receive the lifesaving drugs they must have.

This is an absolutely classic choice that Americans need to make about prescription drugs. We are doing it on their behalf in this amendment.

I hope my colleagues will support this amendment, and I hope there are other colleagues in the Chamber at this time who will speak for this amendment.

I yield to the Senator from Florida.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oklahoma.

AMENDMENT NO. 674

Mr. NICKLES. Mr. President, I yield myself 5 minutes to speak in opposition to the Carnahan amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, we heard the minority leader say there are 72 million people who do not get anything out of the bill; they do not get a rate reduction because we do not reduce the 15-percent bracket.

There are different ways of cutting taxes. The way we have done it is to put in a significant percentage of income. People were saying 15 percent. We said we are going to tax that at 10 percent. The net result is we cut everybody's individual taxes. If they make up to $12,000 as an individual, they get a tax cut of $300. If it is a couple, they get a tax cut of $600. That boils down to an across-the-board cut, if you want to look at that, for people who are in the 10-percent bracket; if they are married, it is a 10-percent tax cut.

You can do that one of two ways. You could say let's reduce the 15-percent bracket to 13.5 percent. I have suggested that. It might make that simpler policy. That way we can say we reduced every bracket a similar amount. But the other brackets we reduced by 1 point. I suggested 1.5 points. In other words, reduce the 15-percent bracket 10 percent so we can say we reduced every bracket by the same amount. I will be happy to reduce upper brackets by 10 percent. We do not do that, certainly not retroactively.

For people to assume we are not helping the lower or middle income is not factually correct. The rate reduction we have in the bill reported out of the Finance Committee exceeds 1 percent. It exceeds what we have done in every other bracket. It exceeds it for a couple reasons. One, it is retroactive to January 1 of this year. All other rates have to wait until January 1 of next year and get a 1-point reduction.

On the least income rate, we give them a 33-percent reduction on their first taxable income of $12,000. That is a $600 savings, and that is over a 1-percent reduction for everybody who is in the 15-percent bracket going all the way up to $44,000, $45,000 for a joint couple.

My point is there are different ways of doing it. For people to demagog and say they do not get a rate reduction, well, they get a bigger tax cut by the way we have done it.

If you want to change the way we have done it and say for the 15-percent bracket we reduce it to 14 or 13.5, we could easily do that. It ignores that we give a $500 tax credit per child, which benefits that income category substantially, and ignores the fact the income tax credit is refundable over my recommendation.

There is a lot of tax policy direction. I believe about $450 billion of the entire rate reduction, which is only $850-some billion, is directed on this 10-percent bracket, on the lowest income. For people to make this allegation that 72 million people are ignored is hogwash. That is not correct. We could redo it by rate reduction, we could redo it in any number of different ways, but this group gets the biggest percentage of reduction of anybody in this tax bill. Upper income people, anybody else at a 28-percent rate, 31-percent rate, 33-percent rate, 36-percent rate, 39-percent rate, get a 1 point reduction for 4 years. We are giving a great percent or point reduction for low income retroactive to January 1 of this year.

I urge my colleagues to vote no on the Carnahan amendment.

Mr. GRAHAM. Will the Senator yield?

Mr. NICKLES. I am happy to yield.

Mr. GRAHAM. I obviously was mistaken. I did not realize the people at the higher income brackets did not also get the benefit of the $600 reduction which comes by inserting the 10-percent bracket at the commencement of the tax table.

Mr. NICKLES. I never said they didn't.

Mr. GRAHAM. People in the 39.6-percent bracket, do they get the same tax reduction as the people in the 10-percent bracket in dollar terms?

Mr. NICKLES. To answer my colleague's question, yes, the $600 applies to all taxpayers. The percent reduction did not happen for upper income taxpayers. The fact is they only get 1 point reduction in taxes in the first 4 years of this bill, and that is January 1 of next year. Percentagewise, lowest income people get a 33-percent reduction retroactive back to this year.

My point is you can do taxes different ways. Maybe a better way is to take the 15-percent rate and make it 14 percent, not to do it in addition to the 10-percent rate.

So if colleagues want to change the policy we have, not do the 10-percent rate, and move the 15-percent rate to a 14-percent rate, if they like that, I am happy, but they do not get as significant a reduction as provided in the bill before the Senate.

Mr. GRAHAM. Will the Senator yield?

Mr. NICKLES. There are only 20 minutes on the amendment. We have 10, and I know I have used 8, so I reserve the remainder of my time.

Mr. GRAHAM. At the appropriate time, I will ask a question about what is the logic behind giving a 1-percent cut to the people at the 39.6-percent bracket but not any cut at all to the people in the 15-percent bracket, but I cannot at this time.

AMENDMENT NO. 679

Mr. ROCKEFELLER. I yield 4 minutes to the Senator from the State of Florida.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. There are a lot of ways in which we can determine what our real priorities are. One of those is not what we say. I imagine virtually every Member of this Senate at some point has said they favor a comprehensive prescription drug benefit for older Americans.

What really counts is not what we say because we can say all things to all people. What really counts is things such as how do we spend our money—that is a true indicator of one's priorities—or how do we spend our time—that is a true indicator of one's priority—or what things we do first.

We had a period when we lived by the slogan "Social Security first." We were supposed to fix Social Security to deal with that big wave of baby boomers as our first priority. We obviously didn't accept that because we didn't deal with that, and we are not dealing with it tonight.

What we are saying is our first priority is to cut the tax rates for the wealthiest among us. The people who earn the largest amount of income in our society are about to get somewhere in the nature of 30 percent of this $1.35 trillion tax cut.

We are saying with this amendment there is another thing that needs to be first. That is to be faithful to our commitment to provide a prescription medication benefit to our older Americans. This is the opportunity to express the sincerity of that commitment.

I urge my colleagues to vote for this amendment. We have been talking about it for years and years and years. Mr. President, 2001 is the time to deliver a prescription drug benefit for older Americans.

We have learned a number of things during the years we have debated this issue. We know prescription drugs are often the best, sometimes the only, way to treat many of the diseases faced by the elderly. To deny these drugs is essentially to sign a death warrant.

We have also learned that many Medicare beneficiaries have no access to any prescription drug benefit, that many others are finding the benefits they have to be inadequate, unstable, and evaporate. We have learned the majority of seniors are faced with a difficult choice of paying extremely high prices at the retail outlets or forgoing medically necessary prescription drugs. We have learned those who are able to purchase medicines are seeing an ever-increasing share of their fixed incomes going toward drugs as prices continue to increase. We saw it last year for many of the most significant drugs for older Americans. That increase was in the range of 15 to 20 percent.

The time is long overdue for the Senate to say first things first. And first is going to be to prepare our older citizens for a life of quality and dignity and affordability. The most fundamental step we can take to achieve that goal is to include prescription drugs as a basic benefit under the Medicare program available to all beneficiaries. Over 40 million Medicare beneficiaries should not have to continue to wait for Congress, to wait for Congress to get around to recognizing the importance of something as basic as their health care and the central role of prescription drugs in protecting their health.

I hope my colleagues will join me in supporting this amendment and saying first things first, prescription drugs for older Americans are of equal importance to reducing the tax on the most wealthy of our citizens.

The PRESIDING OFFICER. Who yields time?

Mr. ROCKEFELLER. If I might ask the Presiding Officer how much time remains.

The PRESIDING OFFICER. Four minutes 52 seconds. The other side has 15 minutes.

Mr. ROCKEFELLER. Mr. President, the Senator from West Virginia is happy to yield 4 minutes to the junior Senator from the State of Michigan.

Ms. STABENOW. Mr. President, I thank my colleague from West Virginia. I appreciate his strong and consistent leadership on this critical issue. Thank you for proposing this amendment. I am proud to be a cosponsor and proud to join with our Senator from Florida, Mr. GRAHAM, to talk this evening about what is the most urgent, critical issue facing our seniors and many of our families.

I wish we had the same sense of urgency about updating Medicare to cover modern medicine, which is prescription drugs, as we do with the sense of urgency about the underlying tax bill.

I support tax cuts. I consistently supported tax cuts. But I know this, when we set the priorities for our country, just like when we set the priorities in our own family, if we need to ask the top 1 percent of the wage earners of this country to be able to wait just a little bit until we can modernize Medicare for our seniors, I think that is a fair request. I think it is fair and reasonable for us to be placing a sense of urgency on the senior citizen who is going to get up tomorrow morning, sit down at the breakfast table and decide, do I eat today or do I get my medicine; the seniors who are going to decide tomorrow whether or not to cut their pills in half so they stretch a little bit longer or whether they are going to take them every other week.

I have had doctors approach me, greatly concerned because they have elderly patients who are trying to self-regulate so they can last just a little bit longer with their medications because they know they are not going to be able to afford to buy that prescription.

I guess each and every one of us have spoken about this issue and certainly we have had people in our States speaking to us. I only wish we would have the same sense of urgency about this issue as the campaign television commercials of last year. Many of us talked about this, on both sides of the aisle, on both sides of the building. We have talked and talked about this issue. We know we have to address it. We have that opportunity tonight through this amendment. I urge my colleagues on both sides of the aisle to do just that.

This is a question simply of priorities. This does not change the tax cut other than to ask less than 1 percent of the population to defer until we can update prescription drug coverage under Medicare. This does not change the tax cut for any of the taxpayers, but it asks one group of taxpayers if they can wait just a little bit in order for our seniors, who have been waiting so long, to be able to have us address what is their most pressing issue.

I commend my colleague again. I cannot think of anything more important, in terms of addressing priorities of our country, than to keep the full promise of Medicare that was made over 35 years ago.

We said at that time that we would provide health care for anyone over age 65 or the disabled. If we do not update this system to cover prescription drug coverage, we are not keeping the promise.

I encourage my colleagues to support this important amendment, and I will yield any remaining time.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I am going to address the Rockefeller amendment that is before us, and I think I can speak to what the Senator from Michigan, the Senator from Florida, and the Senator from West Virginia have raised as legitimate concerns.

I will start over here with the Senator from Michigan. There is as much urgency about taxes as there is prescription drugs and Medicare. We probably haven't had as many hearings this year on Medicare and prescription drugs as we have taxes, but over the last 12 months we have had a lot more hearings in the Senate Finance Committee on Medicare and prescription drugs than we have on taxes.

The reason we are having taxes up before prescription drugs is simply that the Tax Code was written in 1916 and there have been a lot of changes to it since then. For the most part, it is a matter of just changing a few words here or there. On the other hand, I have to admit it is complicated by adding a lot of new language. But when you are dealing with the legislation we are dealing with on this tax bill, it is not a complicated item to change the Tax Code to some extent. Maybe a little bit on the estate tax provisions we have here, but otherwise it is a matter of fine-tuning.

When it comes to prescription drugs, we are writing a whole new program. The Democrat staff and Republican staff are working on it right now. They are charged from Senator BAUCUS and me that we want to bring this up by the latter half of July. My staff tells me that it is quite a job for them to do that. I am convinced they will meet that deadline.

So it is a matter of doing what we can do now and taking the necessary time to do what is new and to do it right. That is our commitment, to doing it right.

There is not a greater urgency in my committee for taxes over prescription drugs. It is just a case of when you can get each done. That is true of a lot of other things we are going to be dealing with as well, trade and Social Security.

In the case of being all things to all people, in Iowa you can't be all things to all people. I don't know about Florida. But if I were speaking about all those things you said, the people of Iowa would know I was not telling the truth. Maybe there is something about me; I can't cover up very well. But I have been telling people in Iowa that we are going to have prescription drugs legislation when we hope to get it out of the committee. I have even suggested there are some people in my party who maybe would rather not do anything, put it over to next year, get an election year, get it all caught up—we want to do that on the floor of this Senate this October or November and get it out of the way so it doesn't come into the election cycle.

The other thing is resources are part of what the Senator from Florida is talking about and the Senator from West Virginia is talking about. Remember, we are not very far apart on the resources, at least in the budget resolution. My colleague supported and offered—I don't know whether he offered it, but you at least spoke for a $311 billion pot of money that is put aside for Medicare. My amendment was

$300 billion. My amendment carried; yours did not carry. It wasn't because the $11 billion one carried or the other did not carry, it was where the source of money was. Mine was from the contingency; yours was from some reduction of the taxes. But you cannot say the resources are not set aside.

Is that enough? I don't know. But it is what we have set aside—$11 billion separate from what you thought was enough from what I thought was enough. Frankly, we don't know. It depends on how good you want to do it. If you want to do it the way most of the bills are introduced to make sure there is no less than a 50-percent subsidy, it is very expensive. But if you start it with the idea you are going to have universal access and in the universal access have some ability to pay, there is no reason why you have to have free pharmaceuticals. You ought to have it based on the ability to pay. We will start it with the amount of money we can and start at the bottom of the economic ladder and move up and cover as many people as we can and do it in a way that brings the forces of the marketplace in, some bulk purchasing.

There are probably a lot of things I can tell you that ought to be brought into the program to make it so we can provide more prescription drugs at a lower level of cost, both to the taxpayers and to the consumer as well. But we are involved in this. So I think we do not need, either from the standpoint of legislative priorities, from the standpoint of the resources that are set aside, or a commitment on the part of both political parties—maybe not everybody in both political parties—but the commitment of people in political parties to get this job done.

I want to make sure everybody understands you do not have to adopt Senator ROCKEFELLER's amendment to make sure prescription drugs are going to get the attention that the last election brought to it. The economics of it are enough, but let's say the ultimate is when both political parties are campaigning on something, it is an issue in the campaign, that that is a commitment to getting something done.

So I ask rejection of the Rockefeller amendment based upon what is a commitment on the part of many people in this Congress to move ahead on this issue.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, how much time remains?

The PRESIDING OFFICER. The proponents have 1 minute, the opposition has 8 minutes.

Mr. BAUCUS. Mr. President, there are parts of this job that are not fun, and one of them is standing up and saying: I cannot agree with my good friend from West Virginia. Believe me, he is a good friend. There is no stronger advocate for seniors and prescription drug benefits than Senator ROCKEFELLER.

In many respects, we are here because of a man named Brian Schweitzer. Who is Brian Schweitzer? Brian Schweitzer is a man from the State of Montana who ran for the Senate. He mobilized this Nation, or at least got this Nation to realize that we need to provide a prescription drug benefit under Medicare.

He took busloads of seniors to Canada, where seniors could buy prescription drugs for much less than they cost in the United States. He took busloads of seniors to Mexico, where seniors bought drugs for much less than they could buy the same drugs, manufactured by the same drug companies, in the United States. He basically started a kind of popular "prairie fire" for the right reasons.

As a consequence, this issue probably was a major component in about five Senate elections this last year. It could have been determinative in a couple, but it was certainly a major issue. And for good reason.

Last year, the 50 most popular prescription drugs used by seniors rose by twice the rate of inflation. Fifteen of those 50 drugs increased by three times the rate of inflation, and eleven of the 50 most popular drugs used by seniors increased by three times the rate of inflation. Utilization—a fancy term for "use"—is increasing. Costs are increasing.

We all know that if we were to write a Medicare bill today—not as we did in 1965—we would include outpatient drug coverage under Medicare. That is a given. We also know that it is a very expensive proposition. We have to write a prescription drug benefit bill that is fair, that makes sense, that is responsible, and that helps seniors.

Let's take a drug that is very popular among seniors, Prilosec. Prilosec is a prescription drug that relieves ulcers and similar gastrointestinal illnesses. The out-of-pocket expense for Prilosec is about $1,400 a year. The average Social Security benefits are $10,000 a year. So that means that more than 10 percent of Social Security benefits would go toward buying Prilosec for a senior with an ulcer.

And we know that seniors take a lot more prescriptions than Prilosec, which helps them so much. We all know the importance of prescription drug therapies. That is a given. I do not think anybody disagrees with that in this Chamber.

The real question is, how do we design a benefit, and when? I tell you, I will work as hard as I can to get a prescription drug benefit passed this year, working with my good friend from Iowa, Senator GRASSLEY. But I do not think it is wise to condition the enactment of major legislation upon other legislation. In fact, I believe it is unconstitutional. The Supreme Court has ruled that you cannot condition enactment of legislation upon a contingency. It is unconstitutional. It would not stand constitutional scrutiny.

Although the constitutional issue is one reason, the second reason I speak in opposition to this amendment is a public policy reason. It does not make sense to condition passage of one major bill upon passage of another major bill. We should take up issues as they come up, one at a time. It is perhaps a bit simplistic, but you take each event as it comes. We cannot condition hour 6 against hour 8 or 11, and so forth. It cannot be done.

So I say to my very good friend from West Virginia—I mean, he bleeds for these issues, and correctly so, because it is the right thing to do. But there is a time and place for everything. One can question, what is the right time? The right place? There is a proper time and place. According to Ecclesiastics, there is a time and place for everything.

I urge us to resist the Siren song of contingency and, rather, to take up the issue of prescription drugs when the time comes—and that time is after the passage of this tax legislation, which I suspect will pass.

In relation to the conference report, I am not sure the conference report is going to be agreed to. That is a very real concern that I have. But certainly in the next three months or so, we can sit down and work hard to get a prescription drug benefit, a universal benefit, along the principles we all know we need and want, passed this year. And we can do it.

Let's do that, and pledge to do that. But I do not think it is wise public policy to condition passage of one major piece of legislation on another. Besides, I believe it is unconstitutional. So why are we are going to do something that is going to be ruled unconstitutional? Let's just do our tax business now and then get the prescription drug business done. Let's aim for it.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I have a minute remaining.

I would simply say, I think the point is that the words that have been spoken are good and encouraging. There is a time and a place for everything, but there is not necessarily the money for everything. It is this Senator's view—and I think anybody who does the mathematics of this bill, much less the tax cut bills which will come later on—we will be depleting the revenue available for us to spend on anything. There will simply not be the money to pass a prescription drug benefit in July or in August or at any time unless we adopt this amendment. The money will not be there. You have to have the $300 or $311 billion, and it will not be there.

I strongly, therefore, for 39 million Medicare beneficiaries and for those who are disabled and on a voluntary basis want to make use of this, urge my colleagues to adopt this amendment. Because if they do not, there will not be a prescription drug benefit.

I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

The manager has a minute and a half.

Mr. GRASSLEY. Can we reserve our time, Mr. President?

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 685

The PRESIDING OFFICER. Under the previous agreement, the Senator from Indiana is recognized and is in control of time for 15 minutes.

Mr. BAYH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Indiana [Mr. Bayh] for Ms. Snowe, for herself, Mr. Bayh, Mr. Chafee, Ms. Landrieu, Mrs. Feinstein, Ms. Collins, Ms. Stabenow, Mr. Jeffords, Mr. Kohl, Mr. Carper, Mr. Nelson of Florida, and Mrs. Clinton, proposes an amendment numbered 685.

Mr. BAYH. I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To preserve and protect the surpluses by providing a trigger to delay tax reductions and mandatory spending increases and limit discretionary spending if certain deficit targets are not met over the next 10 years)

At the appropriate place, insert the following:

SEC. . ENSURING DEBT REDUCTION.

(a) Trigger.—

(1) In general.—Notwithstanding any other provision of this Act or any other law, the effective date of a provision of law described in paragraph (2) shall be delayed as provided in paragraph (3).

(2) Provision described.—A provision of law described in this paragraph is—

(A) a provision of this Act that takes effect in fiscal year 2005 or 2007 and results in a revenue reduction; or

(B) a provision of law that—

(i) is enacted after the date of enactment of this Act; and

(ii) takes effect in fiscal year 2005 or 2007 and causes increased outlays through mandatory spending.

(3) Delay.—If, on September 30 of 2004 and 2006, the Secretary of the Treasury determines that the limit on the debt held by the public in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 will be exceeded in the fiscal year beginning October 1 of the following year, the effective date of any a provision of law described in paragraph (2) that takes effect during that fiscal year shall be delayed by 1 calendar year.

(4) Discretionary spending limitation.—Notwithstanding any other provision of law, in any fiscal year subject to the delay provisions of paragraph (3), the amount of discretionary spending in each discretionary spending account shall be the level provided for that account in the preceding fiscal year plus an adjustment for inflation.

(5) Reports to Congress.—On July 1 and September 5 of 2003 and 2005, the Secretary of the Treasury shall report to Congress the estimated amount of the debt held by the public for the fiscal year beginning on October 1 of that year.

(6) Congressional Action.—

(A) Trigger.—

(i) Modification.—In fiscal year 2005 or 2007, if the level of debt held by the public for that fiscal year would be below the level of debt held by the public for that fiscal year in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 due to the provisions of paragraph (3) and (4), any Member of Congress may move to proceed to a bill that would make changes in law to increase discretionary spending and direct spending and increase revenues (proportionately) in a manner that would increase the debt held by the public for that fiscal year to a level not exceeding the level provided in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985. The motion to proceed shall be voted on at the end of 4 hours of debate. A bill considered under this clause shall be considered as provided in section 310(e) of the Congressional Budget Act of 1974 (2 U.S.C. 641(e)). Any amendment offered to the bill shall maintain the proportionality requirement.

(ii) Waiver.—The delay and limitation provided in paragraphs (3) and (4) may be disapproved by a joint resolution. A joint resolution considered under this clause shall not be advanced to third reading in either House unless a motion to proceed to third reading is agreed to by three-fifths of the Members, duly chosen and sworn.

(B) Other fiscal years.—

(i) In general.—In fiscal year 2003, 2005, 2007, 2008, 2009, or 2010, if the level of debt held by the public for that fiscal year would exceed the level of debt held by the public for that fiscal year in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985, any Member of Congress may move to proceed to a bill that would defer changes in law that take effect in that fiscal year that would increase direct spending and decrease revenues and freeze the amount of discretionary spending in each discretionary spending account for that fiscal year at the level provided for that account in the preceding fiscal year plus an adjustment for inflation (all proportionately) in a manner that would reduce the debt held by the public for that fiscal year to a level not exceeding the level provided in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985. The motion to proceed shall be voted on at the end of 4 hours of debate. Any amendment offered to the bill shall either defer effective dates or freeze discretionary spending and maintain the proportionality requirement.

(ii) Consideration of legislation.—A bill considered under clause (i) shall be considered as provided in section 310(e) of the Congressional Budget Act of 1974 (2 U.S.C. 641(e)).

(b) Public Debt Targets.—The Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in section 250(c)(1), by inserting "' debt held by the public'" after "outlays',"; and

(2) by inserting after section 253 the following:

"SEC. 253A. DEBT HELD BY THE PUBLIC LIMIT.

"(a) Limit.—The debt held by the public shall not exceed—

"(1) for fiscal year 2002, $2,955,000,000,000;

"(2) for fiscal year 2003, $2,747,000,000,000;

"(3) for fiscal year 2004, $2,524,000,000,000;

"(4) for fiscal year 2005, $2,279,000,000,000;

"(5) for fiscal year 2006, $2,011,000,000,000;

"(6) for fiscal year 2007, $1,724,000,000,000;

"(7) for fiscal year 2008, $1,418,000,000,000;

"(8) for fiscal year 2009, $1,089,000,000,000; and

"(9) for fiscal year 2010, $878,000,000,000.

"(b) Adjustments to Debt Targets for Inability to Redeem.—

"(1) In general.—The debt held by the public targets may be adjusted in a specific fiscal year if the Secretary of the Treasury certifies that the target cannot be reached because the Department of the Treasury will be unable to redeem a sufficient amount of securities from holders of Federal debt to achieve the target.

"(2) Certification.—The certification shall—

"(A) be transmitted by the President to Congress;

"(B) outline the specific reasons that the targets cannot be achieved and the estimated amount of excess reserves that will accumulate due to an inability of the Treasury to redeem Federal debt; and

"(C) not be the result of a lack of surplus revenues being available to redeem debt held by the public.

"(3) Congressional action.—The adjustment provided in this subsection may be disapproved by a joint resolution. A joint resolution considered under this paragraph shall not be advanced to third reading in either House unless a motion to proceed to third reading is agreed to by a majority of the whole body.".

(c) Congressional Budget Process.—

(1) Point of order.—Section 301 of the Congressional Budget Act of 1974 is amended by adding at the end the following:

"(j) Debt Held by the Public Point of Order.—It shall not be in order in the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would—

"(1) increase the limit on the debt held by the public in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985; or

"(2) provide additional borrowing authority that would result in the limit on the debt held by the public in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 being exceeded.".

(2) Supermajority waiver and appeal.—Subsections (c)(1) and (d)(2) of section 904 of the Congressional Budget Act of 1974 are amended by striking "305(b)(2)," and inserting "301(j), 305(b)(2),".

(3) Additional amendments to the budget act.—The Congressional Budget Act of 1974 is amended—

(A) in section 3, by adding at the end the following:

"(11)(A) The term 'debt held by the public' means the outstanding face amount of all debt obligations issued by the United States Government that are held by outside investors, including individuals, corporations, State or local governments, foreign governments, and the Federal Reserve System.

"(B) For the purpose of this paragraph, the term 'face amount', for any month, of any debt obligation issued on a discount basis that is not redeemable before maturity at the option of the holder of the obligation is an amount equal to the sum of—

"(i) the original issue price of the obligation; plus "(ii) the portion of the discount on the obligation attributable to periods before the beginning of such month.";

(B) in section 301(a) by—

(i) redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectfully; and

(ii) inserting after paragraph (5) the following:

"(6) the debt held by the public; and"; and

(C) in section 310(a) by—

(i) striking "or" at the end of paragraph (3);

(ii) by redesignating paragraph (4) as paragraph (5); and

(iii) inserting the following new paragraph;

"(4) specify the amounts by which the statutory limit on the debt held by the public is to be changed and direct the committee having jurisdiction to recommend such change; or".

Mr. BAYH. Mr. President, I also ask unanimous consent that I be permitted to modify my amendment prior to the vote in relation to the amendment on Monday. Let me assure the managers that this modification will not substantially change the effect of the amendment. It is to make some minor technical corrections to the current draft.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. BAYH. Mr. President, I yield the floor to my colleague from the great State of Maine and, in doing so, would like to thank her for her courage and steadfast support of this amendment. Without her support, we would not be where we are today.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. Mr. President, I thank the Senator from Indiana for his leadership on an issue in which we share a mutual goal that we wish to advance and address in this Congress with respect to this legislation. I thank him for his commitment and persistence in bringing this to the attention of our colleagues in the Senate and in the Congress.

Mr. President, the amendment we are offering today in conjunction with our colleagues is on a bipartisan basis. In fact, Senator BAYH and I have worked together since early March in addressing this issue, in which 11 of our colleagues have offered this legislation with us, to address the potential for ensuring that surplus projections are realized over the next 10 years with respect to this tax package, as well as all the other spending proposals that will be considered by this Congress and future Congresses.

This legislation really came to us as a result of Chairman Greenspan's testimony back in January before the Senate Budget Committee. I think all of us understand—and Senator BAYH and I have had many conversations in this respect—that we want to ensure that our hard-fought effort to eliminate deficits and buying down the debt is not undone because our current surplus projections do not materialize in the future.

That is why this amendment specifically will establish a trigger, based on the recommendations that were proposed by Chairman Greenspan, that links the tax cuts and spending increases to actual fiscal outcomes over the next 10 years.

The bottomline is, it is absolutely imperative that we make tax relief and spending increases work, not only for American families but also for the future well-being of this country.

We have a projection of $5.6 trillion in surpluses over the next 10 years. Those are projections that have been made by the Congressional Budget Office. We have an obligation to be responsible stewards of that surplus so we can address a variety of pressing national needs.

We are setting aside money for prescription drugs, an issue just mentioned in this Chamber. We are setting aside money for education which we are also concurrently debating in the Senate. We are also setting aside money to bring down the debt over the next 10 years so we can reduce the debt and, indeed, eliminate the national debt. We are also setting aside all the surpluses that belong to the Social Security as well as the Medicare trust funds. We also understand that these burgeoning surpluses are predicated on certain assumptions upon which the tax cuts as well as our spending policies are being developed. We have no idea whether or not these surpluses are going to materialize over the next 10 years.

While undoubtedly these projections are predicated on some very sound assumptions and the best available economic and budgetary estimates, the fact is they just happen to be estimates. Indeed, if the past is prologue, there is a 50-percent chance that CBO's projection of a surplus over the next 5 years will actually miss the mark by more than 1.8 percent of the GDP. That is $245 billion in the fifth year alone, with an estimated on-budget surplus in 2006 of over $276 billion which includes a surplus in the Medicare trust fund of $44 billion. The impact of such an error would be disastrous as Congress would be forced to dip into the Medicare surplus in that year alone, even absent any changes in tax and spending policies.

It also bears noting, as it shows on this chart I have behind me of the 10-year projection, nearly two-thirds of the projected surplus will not accrue until after the fifth year. In fact, only $2 trillion, or 36 percent of the surplus, will accrue over the coming 5 years, while 64 percent of the surplus will materialize in the final 5 years. So if surpluses prove to be substantially lower in the fifth year alone, the impact on subsequent years will likewise be substantial.

Any long-term cuts in spending policies premised on the higher estimates could quickly force us to use our Social Security surpluses, put our budget back in the red, or use Medicare surpluses, all of which are not options available to this Congress or future Congresses.

That is why we came to this point in terms of developing a trigger mechanism: How best do we address this problem in a most prudent fashion. That is why I commend the Senator from Indiana and the Senator from Michigan, who is here, an ardent supporter of making sure we adhere to these surpluses and these projections over the next 10 years, as any State in the country has to do with their constitutional amendments to balance the budget.

In fact, many of us have been ardent supporters of a constitutional amendment to balance the budget. We did so and thought so because we knew we had to adhere to a bottomline. So our principle is very simple. We are saying that in the years 2004 and 2006, we will have to take a window, we will have to look at whether or not we are adhering to our debt reduction goals.

In the event the Secretary of the Treasury indicates that we will not meet those goals in the years 2005 and 2007, then Congress obviously will have to take immediate action to cut back, to stop the next phase of the tax cut or the next phase of spending increases over the rate of inflation.

We have laid out the debt targets. They are laid out in this amendment, according to the Congressional Budget Office economic outlook. We make sure we have the ability to respond to the Secretary of the Treasury's report that will be made initially in July and then immediately after Labor Day on the status of our progress towards achieving this debt reduction goal for the year. If the Secretary reports that the goal will not be met, Congress will then know, very clearly, that steps must be taken to get us back on track.

As I said, if the debt targets are not met in the years 2005 and 2007, the scheduled phase-in of the new tax cuts and the mandatory spending, which is additional mandatory spending, new phased-in discretionary spending above the rate of inflation will be delayed for 1 year or until the target is met in future years.

In all of the other years in this 10-year window, we will have what is called the midcourse correction review. Again, it will give us the opportunity to analyze our progress made towards debt reduction, ensuring that we are still on track each and every year for the specified targets that will be laid out in this amendment, the ones that have been established in the Congressional Budget Office report for each and every year.

In the event that any Member of the House or Senate chooses to raise a privileged motion to address the spending for the next year or mandatory spending or the new tax cuts, they will have a privileged resolution on the floor of the House for consideration. And amendments can be offered to adjust, during the course of the mid-course correction review, the tax cut and spending that would be adjusted. Any subsequent amendment of that kind would have to be proportionate so that it could not be adjusted just from the tax cut side of the equation or just from spending alone.

We think this is an effective mechanism because it gives us an opportunity to be able to analyze, as any business does in this country, any family does, any State that has to abide by its constitutional requirements to balance the budget, as to whether or not we are proceeding on track with the surpluses, with these projections, and with the debt reduction. It will give us the opportunity in 2 of the years over the next 10 years for an automatic trigger in which we will have the opportunity to respond to the next phase-in of a tax cut or new spending policies.

It is not a retroactive tax increase, as many have said. We are not going to be doing anything retroactive either with respect to spending or with tax cuts. It would all be prospective. It gives us an ability to look forward to make sure we are being prudent so we do not repeat the past with respect to deficits in accruing the kind of national debt that has been a burden to this country.

As I said, I hope my colleagues who worked so hard over the years for the passage of a constitutional amendment to balance the budget will see this as an effort to maintain similar fiscal responsibility. We cannot afford to see the hard work that went into reaching the desired goal of balancing the budget that we have made a reality today be undone by the adoption of either tax or spending policies that are allowed to move forward unchecked.

For those who believe that the assumptions on which this budget and this specific tax bill are based are sound, the trigger poses no threat as it would never be turned on.

May I ask the Senator for additional time?

Mr. BAYH. Yes, absolutely.

The PRESIDING OFFICER. Is the Senator asking to use Senator Bayh's time? The Senator's 10 minutes allotted from the Senator from Indiana have expired.

Mr. GRASSLEY. If we want to speak and raise any questions, that is the only time we have.

The PRESIDING OFFICER. The Senator from Indiana may yield time.

Mr. BAYH. I am happy to yield time to my colleague from Maine.

Ms. SNOWE. I appreciate the time of the Senator from Indiana. I will defer and wait towards the end. I thank the Senator.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. BAYH. Mr. President, I again thank my colleague from Maine who so eloquently outlined the case for this amendment. I am grateful to her and others on her side of the aisle who have joined with us in this cause. It is truly a bipartisan effort in an institution that all too often is characterized by too much partisanship and divisiveness.

I thank my colleague, Senator STABENOW from Michigan, from whom we will hear in a few moments, who has been a steadfast supporter of fiscal responsibility in this effort.

I also echo what Senator SNOWE mentioned, that Alan Greenspan, Chairman of the Federal Reserve, endorses this approach. The Concord Coalition, one of the foremost institutions dedicated to fiscal responsibility and rectitude, endorses this initiative. The Progressive Policy Institute, also dedicated to sound economic policies and fiscal policies, endorses this approach.

I rise because I support tax cuts. I rise because I support tax cuts that are fiscally responsible, that do not put our Nation on a path to return to the days of debt and deficit from which we have so recently extricated ourselves.

I support tax cuts that accommodate our other important priorities, especially Social Security and Medicare, ensuring that our Nation will keep that commitment to our parents and our commitment to our children that we will fulfill our own obligations in supporting the retirement system of our parents and grandparents.

I support tax cuts that honor our Nation's most cherished enduring values: thrift, personal responsibility, self-reliance, and not asking our children to pay the bills that we today incur, but, instead, taking care of our own obligations.

That is why I, along with my colleagues on both sides of the aisle, am honored to support this amendment. This amendment will put tax cuts—meaningful tax cuts—for the American people into place immediately and irrevocably. It will pay down the debt more rapidly than the approach suggested by the administration and the one reported from the committee. This amendment dedicates the surpluses in Social Security and Medicare trust funds to the cause of debt reduction, thereby not only paying down the Nation's debt more rapidly, but ensuring the integrity and solvency of Social Security and Medicare.

This amendment will strengthen our economy by paying down the debt more rapidly, to keep interest rates low, investment and productivity growth high, perpetuating the virtuous cycle of the last several years that has seen unprecedented economic expansion across our country—22 million new jobs and 2 million new businesses.

I have supported tax cuts throughout my career, first as Governor, signing the largest tax cut in the history of our State; and I have previously supported tax cuts in this body. Indeed, I can support the tax cuts before us. I speak not only for myself but for many Americans when I say the uncertainty inherent in 10-year projections disturbs me because it raises a very real and present danger of returning to sizable debts and deficits.

This would be a great problem for our country. It is something I believe we must address in a responsible way if we are going to have tax cuts that truly serve all of the priorities of the American people. The approach we have suggested is a commonsense approach. In the early years, when the surpluses are most reliable, the tax cut will go into effect immediately and be irrevocable. In future years, we will ensure the surplus that makes the tax cuts possible actually materializes, and that we don't dip into Social Security or Medicare, jeopardizing those systems, to make the tax cut possible. That needs to be our top priority.

Again, we need to remind ourselves of the inherent uncertainty in 10-year projections. As the Secretary of the Treasury, Mr. O'Neill, suggested, 10-year projections "aren't worth the paper they are written on." And they are not. We owe it to the American people to take prudent steps to ensure the actions we take today, in fact, lead to the results that we promise tomorrow.

Finally, two brief observations. Let me counter some of the criticisms offered with regard to our approach. First, the issue of uncertainty. In fact, a trigger amendment in the tax cut creates greater certainty. It creates greater certainty in the bond market by ensuring that interest rates can be low because the debt will actually be paid down and deficits will not return.

There was a headline in the Wall Street Journal Friday saying that interest rates were beginning to rise because of concern that we might return as a nation to the time of deficits again. The trigger creates greater certainty by ensuring that we do not return to deficits and thereby reassures the bond market. It also ensures that we won't have future tax increases—one of the greatest causes of uncertainty that we can have.

Following the tax cut of 1981, we had six separate tax increases in this country for the American people. That is real uncertainty. A trigger amendment will avoid that. As my colleague from Maine suggested, there is nothing in the trigger amendment that will lead to a tax increase. On the contrary, the phases of the tax cut that go into effect, because we can afford them, will be irrevocable. There is nothing that will repeal any tax cuts that have been put into place in this trigger amendment. On the contrary, it merely delays future phases of tax cuts until the surpluses that make them possible arrive.

The only counterargument to that would be to suggest that we dip into Social Security and Medicare to pay for tax cuts—something I am sure the majority of my colleagues do not support.

This will not go into effect should we run the risk of entering a recession. First of all, the greatest risk of deficits and a return to debt is not that we have a significant recession, but that estimates are merely wrong and the errors compounded over a 10-year period lead to a sizable error in our projections. For example, a mere four-tenths of 1 percent difference in GDP and productivity growth would lead to a trillion-dollar difference in the surplus estimates, running a real risk of returning to deficits and increasing the national debt.

In case we do face the prospect of a recession, we have included a provision that would waive the trigger in the event the blue-chip forecast of the most prominent private sector economists predicts 4 consecutive months where the growth rate in this country will slow to an unacceptable level.

Finally, regarding criticisms, let me say that this does not favor spending at the expense of tax cuts. On the contrary, as my colleague from Maine so ably pointed out, spending increases are held to the rate of inflation—half the rate of spending increases contained in the budget bill voted on last week, and much lower than rates in increased spending in recent years. If this had been the fact, spending would be much lower than today.

Let me conclude by saying this. Let us go forward and enact significant tax relief for the American people. Let us enact this tax relief in a way that is fiscally responsible and would hold sure that our children and grandchildren do not live to rue the day of unintended errors that we made that could have been avoided. Let us enact these tax cuts in ways to preserve Social Security and Medicare. Let us enact these tax cuts in ways that will be true to the enduring values of self-reliance and self-sufficiency that have always made our Nation great.

Finally, let me say we must learn the lesson of history. The last time this Chamber was called upon to make decisions of this magnitude, we, frankly, didn't do a very good job. The decisions that were made and the votes that were cast led to the largest deficits in the history of our country, the largest increase in the national debt in the history of our country, to a lower rate of economic growth and a lower standard of living for the American people. Let that not happen again.

This amendment and the fiscal responsibility that it will bring to these tax cuts will ensure that all of the elements of prosperity for the American people will be put into law and that, it seems to me, is our responsibility.

I will now be pleased to yield to my colleague and friend from the great State of Michigan, Senator STABENOW, who has been a steadfast supporter of this effort. She is new to this body, but she is already making a tremendous impact.

Ms. STABENOW. Mr. President, I thank my colleagues, Senator BAYH and Senator SNOWE, for their leadership on this important issue. We joined together back in the beginning of March with colleagues on both sides of the aisle to come together and lay out the concept that had been presented in the Budget Committee by Chairman Alan Greenspan. Both Senator SNOWE and I have the opportunity to serve on that committee, and we heard the chairman talking about the need to, in some way, phase in tax cuts as we continued to pay down the debt. He cautioned us that we should maintain our focus on paying down the debt and fiscal responsibility and, if we did it right, we could do both; we could pay down our debt, we could protect Social Security and Medicare by doing it, and we could provide meaningful tax relief.

After listening to him and being a part of that process, I was pleased to join with my colleagues in working to put together an approach that puts into place the guarantees for fiscal responsibility, protecting Social Security and Medicare, and ensuring that we maintain the track we are on economically as a country, which has brought us to this wonderful time of low interest rates, low unemployment, opportunity for our workers, our small businesses, our farmers, and all of our families who have benefited from the last 8 years of prosperity.

As Senator BAYH was speaking about not returning to the past, I thought about when I was in Michigan as a State legislator in the time of the 1980s and we went through some extremely difficult times. Michigan is one of those States where if someone sneezes across the country, we get a big cold, because the fact is, we had high unemployment, high interest rates, and deficits at the State as well as the national level. Many tough decisions were made to get us to this point.

I was honored in 1997 to be in the U.S. House of Representatives and cast a vote to balance the budget. I know there were those who came before me who had to make very difficult decisions to get us to that point.

I believe it is my responsibility and urge all of us to join together in accepting the responsibility of maintaining the fiscal course we are on—fiscal responsibility and guaranteeing that we do not use the Medicare and Social Security trust funds for either spending or tax cuts.

This particular proposal will put in place the mechanisms to guarantee that does not happen. The tax cuts proceed, the phase-ins proceed unless we find we are dipping into Medicare and Social Security to pay for them or for spending. We are saying it does not matter what Social Security and Medicare are used for; if it is not for Medicare or Social Security, it is not OK.

This trigger puts in place the mechanism to guarantee we continue to pay down our debt, that we are, in fact, keeping the promise of Medicare and Social Security, and that we are providing tax relief in a responsible way.

I am very proud to have joined my colleagues. I joined Senators today in voting for tax relief. I have in the past throughout my time of public service, and I intend to do that again, but I also intend to make sure that whatever I am doing in terms of my votes, I keep first and foremost the value of fiscal responsibility at the forefront and that I am keeping the promise of Medicare and Social Security as we do that.

If, in fact, we do not take the time to pay down our national debt, about which we have all been talking for so many years, if we do not take this time to eliminate as much of that debt as possible so that our children do not have to bear that burden in the future, then when will we? If we do not do it during this opportunity of fiscal surpluses, when will we?

I urge my colleagues to join us. The bipartisan amendment that is before us is one that I hope we will enact.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Montana.

Mr. BAUCUS. Mr. President, we do not have a lot of time, so I cannot go into great detail. I believe we have 5 minutes; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. BAUCUS. Mr. President, with all due respect to my very good friends, this is an uncertainty layered upon an uncertainty. The uncertainty is whether the surplus target will be met. The uncertainty layered on top of the uncertainty is whether the trigger will be pulled.

We cannot legislate certainty. We can only exercise good judgment. We, as a Congress, in these next years, have to decide what to do according to the circumstances at the time and exercise good judgment as to what we should do.

Unfortunately, nobody has discussed the substance of this amendment. It is because we are in this time constraint where everything is rushed, and we are in message amendment time. Nobody has looked at the substance. There have been no hearings on this.

Let me tell you what this thing does. I am all in favor of the intent, but if this is enacted, we are making a mockery of the Congress—a mockery. First, you cannot and should not limit public debt management. The Treasury Secretary has to have discretion in debt management. Right off the top, we are tying the hands of the Treasury Secretary, for whatever reason he or she may want to borrow more, sell more securities, sell more bonds for domestic reasons or for international reasons.

Secretary Rubin has said consistently that we should not tie debt management to fiscal policy. You should not do it. It is wrong.

I understand why the Senator from Indiana is offering this amendment, and I understand why the Senator from Maine is offering the amendment.

Let me talk about the uncertainties in this amendment. I do not know if Senators know what is in the amendment. This amendment essentially provides—I will summarize it—scheduled debt reduction targets, in even numbered years, and the Treasury Secretary will certify whether these targets are being met.

If they are not being met, then what happens? What is triggered is that reductions in taxes are automatically stopped, the growth rates for discretionary spending are automatically held at the rate of inflation, and entitlement spending increases are automatically stopped.

What about a Medicare drug benefit? I heard that entitlement increases will be stopped. No, I will stand corrected because I see the Senator from Indiana shaking his head. But the way it is drafted, new entitlement spending, as I understand it, is included in the trigger. But I stand to be corrected if that is not the case, but that is how I read this amendment now.

What happens in odd-numbered years? Things are not automatic. But any Member can stand up in this Chamber and say the targets have not been met and set a trigger process in motion. Boy, is that uncertainty.

Do we really want to tie our hands like that? Do we want to limit our discretion in future years as to what is best by putting this automatic provision in the law? Do we want to tie the hands of our Treasury Secretary in debt management? Do we really want to do that? What are other countries going to think watching us do this?

Talk about the steepness of the yield curve. Why is the yield curve steep? It is steep because the bond market today believes in the outyears that interest rates are going to rise. Why? Because the Federal Reserve has just lowered interest rates by 50 basis points. And because this tax cut is going to pass. The market thinks there is going to be growth because of the stimulus of this tax cut and because of the lowering of short-term interest rates. As a result, the market believes there will be inflation in the outyears; therefore, long-term interest rates are going to be higher. That is what is going on.

And I will tell you something else. The markets will not believe a trigger which is not real. This is not real. This is a message amendment. It is a message amendment. It is not real legislation. We should not be standing here—I am getting tired of message amendments, Mr. President. I want to legislate. I do not want to give messages. I want to legislate, and this is a message amendment. It is not legislation, serious legislation. I believe we should not adopt it.

Mr. GRASSLEY. Mr President, Senators BAYH and SNOWE have a sincere concern over the long-term fiscal situation of the country.

The fiscal discipline of the country's budget is important. I share that goal—fiscal discipline first. The budget approved by a bipartisan majority of the Congress meets the test of fiscal discipline.

The trigger is unwise because it undermines the long-term stimulative effect of the tax cut. It makes the tax cut uncertain.

The trigger is unnecessary because the pattern of the tax cut follows the pattern of the projected surplus.

The lion's share of the revenue loss occurs after 5 years.

Finally, if things go south on the projections, you can be sure Congress will raise taxes:

Over the last 20 years we have raised taxes in 1982, 1984, 1990, and 1993. Only twice has Congress pushed through a tax cut that became law—1981 and 1997.

Conditional tax cuts are not desirable—they do not stimulate workers, investors, and businesses behavior. Let us have certainty in tax relief. The American people, who are taxed at record post war levels, deserve no less.

The PRESIDING OFFICER. All time has expired.

Under the previous order, the Senator from Iowa, Mr. HARKIN, is to be recognized.

The Senator from Maine.

Ms. SNOWE. Mr. President, I ask unanimous consent for an additional 10 minutes on this amendment.

The PRESIDING OFFICER. Is there objection?

Mr. BAUCUS. Mr. President, I do not think I can agree to that unless there is an equal opportunity to respond.

Ms. SNOWE. If there is no objection.

Mr. BAUCUS. Also, we have a lot of other amendments lined up this evening, and I do not know whether those Senators really want to move to their amendments or not. There was a time agreement. I see Senator LANDRIEU is here. Senator LANDRIEU may want to offer her amendment at this time.

Ms. LANDRIEU. Mr. President, I do intend to offer my amendment, but I will be happy to wait for a few moments, so I have no objection.

The PRESIDING OFFICER. The Senator in the Chair has some concern about extending the evening considerably longer. There are about 2 hours of debate remaining.

Mr. BAUCUS. Mr. President, I ask consent that 5 additional minutes be evenly divided on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. SNOWE. I thank the Senator from Louisiana for her consideration.

I address several of the issues raised by the ranking member, Senator BAUCUS, with respect to this trigger mechanism. I think they are important issues. I remember so often during my 16 years in the House of Representatives where we had to have a vote every year to raise the debt ceiling before we could move further in additional spending. I can also recall the number of times that was postponed.

I am not suggesting that is what we should do. The Secretary of the Treasury has considerable flexibility. In fact, we have these established debt reduction targets, ones that come out from the CBO. They are targets to be adhered to by the Secretary of the Treasury and give the flexibility to reduce further debt and be able to redeem that debt and also, in the mid-course correction, it gives Members the ability to raise the issues. But it would be upon a vote of the House and the Senate before any other changes could occur.

This does provide a measure of certainty that is very critical to ensure we stay on track. That is what a balanced budget is all about. We make the adjustments each and every year. I hope we intend to make those adjustments each and every year in the event our debt reductions are not met. That is what this trigger is all about.

Mr. President, the bottomline is that we need to make tax relief and spending increases work—not only for American families, but for the future economic health and well-being of this nation. With a $5.6-trillion surplus projected by CBO for the next ten years, we have an obligation to be responsible stewards of that surplus, so that we can seize the opportunity to address a variety of pressing national needs like buying-down the debt, increasing funding for shared priorities like education and health care, and providing meaningful tax relief as this tax bill provides.

At the same time, we need to be sure that the burgeoning surplus assumptions on which our tax cut and spending decisions are made actually materialize—not disappear as quickly as they materialized. Because while the projected surplus is undoubtedly based on the best available economic and budget estimates, they are still just that—estimates.

Indeed, if past is prologue, there is a 50-percent chance that CBO's projection of the surplus only five years from now will miss the actual mark by more than 1.8 percent of GDP—that's $245 billion in the fifth year alone. With an estimated on-budget surplus in 2006 of only $267 billion—which includes a surplus in the Medicare HI Trust Fund of $44 billion—the impact of such an error would be disastrous, as Congress would be forced to dip into the Medicare surplus in that year alone, even absent any changes in tax or spending policies today.

It also bears noting that for the ten-year projections, nearly two-thirds of the projected surplus will not accrue until after the fifth year. In fact, only $2 trillion—or 36 percent—of the surplus will accrue over the coming five years, while 64 percent—or $3.6 trillion—will materialize in the final five years. If surpluses prove to be substantially lower in the fifth year alone, the impact on subsequent years would likewise be substantial—and any long-term tax cuts and spending increases premised on the higher estimates could quickly force us to use Social Security surplus or even put the budget back "in the red."

Given CBO's acknowledged potential for error—and the devastating impact it would have on our surpluses—I believe we should follow the advice that Federal Reserve Chairman Alan Greenspan gave the Budget Committee on January 25. Specifically, Chairman Greenspan stated:

> In recognition of the uncertainties in the economic and budget outlook, it is important that any long-term tax plan, or spending initiative for that matter, be phased in. Conceivably, it could include provisions that, in some way, would limit surplus-reducing actions if specified targets for the budget surplus and federal debt were not satisfied.

In fact, in response to Chairman Greenspan's recommendation, I joined Senator BAYH, Senator TORRICELLI, and eight other bipartisan colleagues in crafting and introducing a bipartisan resolution that outlined the principles of a "trigger" mechanism that would be based on Chairman Greenspan's advice.

Specifically, our principles included the fact that, pursuant to Chairman Greenspan's advice, tax cuts and spending increases adopted during the 107th Congress should include a trigger mechanism that links the phase-in of these proposals to actual fiscal outcomes. Furthermore, we stated that the trigger should outline specific legislative or automatic actions that shall be taken if specific levels of public debt reduction are not achieved, and should only be applied prospectively—not repeal or cancel any previously implemented portion of a tax cut or spending increase.

Mr. President, the amendment we are offering today turns those bipartisan principles into an actual legislative mechanism. Specifically, it creates an automatic trigger mechanism that links the phase-in of new tax cuts and new spending to debt reduction goals in 2004 and 2006. In addition, it includes a "Mid-Course Correction" mechanism that ensures the Congress has both an incentive—and an expedited means—to get back on track during all other years in which the debt reduction targets are missed.

First, the amendment lays out debt targets that must be achieved at the close of upcoming fiscal years. These targets—which are taken directly from CBO's "Budget and Economic Outlook" report issued in January—assume that the Social Security and Medicare HI Trust Fund surpluses are used for debt reduction.

Besides laying out debt targets for the end of each fiscal year, it also requires that the Secretary of the Treasury make additional reports to the Congress—on both July 1 and the first Tuesday after Labor Day (when Congress returns from the August recess)—on the status of our progress toward achieving the debt reduction goal for the year. If the Secretary of the Treasury reports that the goal will not be met, Congress will know that steps must be taken to get back on track.

Next, the amendment creates the automatic "trigger" that links the phase-in of tax cuts, mandatory spending, and discretionary spending to the achievement of the debt reduction goals in 2004 and 2006.

If the debt targets are not met, then—at the start of the following fiscal year (2005 or 2007)—the scheduled phase-in of tax cuts would be delayed for one year, or until the target is met in a future year. Of importance, this tax trigger—if implemented—would in no way lead to a tax increase. Rather, it would simply delay the next scheduled phase-in of any tax cuts that included a phase-in during those years.

In the same manner, the phase-in of new mandatory spending programs would be delayed, with no impact on any provision that had already been implemented.

[Of note, based on the package before us, the tax cuts that would be affected by the trigger would include the phase-in of marginal rate reductions (2005 and 2007); the per child tax credit (2007); marriage penalty relief (2007); and estate tax rate relief (2007). Because no new mandatory spending programs have been enacted this year, there would be no impact on such programs—at least at this time.]

In addition, the trigger would hold discretionary spending at the level of the previous year, adjusted for no more than the rate of inflation.

Why allow for growth with inflation? Put simply, these programs—which include education, defense, and health—are funded on an annual basis. In contrast, mandatory spending—such as the Social Security and Medicare programs—is not controlled on an annual basis and can fluctuate from year-to-year depending on how many individuals are eligible for the program, the rate of inflation, and other factors. When considering the critical importance of many discretionary spending programs, we should ensure that these programs are treated no worse than mandatory spending. By simply allowing them to grow with inflation, we are at least ensuring that the benefit of these programs is not eroded simply due to a rise in the cost of living.

Ultimatley, if the combined impact of stopping the phase-in of tax cuts and mandatory spending, and of holding discretionary spending to the rate of inflation, is more than is necessary for meeting the debt reduction goal, the impact can be mitigated through the consideration of legislation that would lessen the impact. To ensure that tax cuts and spending are treated equally, such legislation must increase tax cuts and overall spending in a proportionate manner, and any amendments to the legislation must maintain this balance.

The amendment also includes a "Mid-Course Correction" mechanism that would be available to the Congress in all other years that the debt reduction targets are not met.

Specifically, if the debt reduction target is not met at the end of a fiscal year—or the Treasury Secretary reports in July or September that the debt reduction target will likely not be met—any member of the House or Senate would have the ability to call up privileged legislation that would immediately block all scheduled phase-ins of tax cuts and new mandatory spending for the coming year, and hold overall discretionary spending at the rate of inflation over the previous year's funding level. During the floor consideration of the legislation, amendments could be offered to adjust the impact of the Mid-Course Correction legislation if it would generate more savings than are necessary, but such amendments must affect tax cuts and overall spending in a proportionate manner.

Ultimately, it will be up to the Congress and the President to decide if Mid-Course Correction legislation will be passed and enacted—and it will also be on their shoulders to explain why they did not act in the face of debt reduction targets not being achieved. Ultimately, if Congress continually ignores violations of the debt reduction targets during these years, the automatic "trigger" in years 2005 and 2007 will almost inevitably be enforced.

As with the Mid-Course Correction, this amendment also allows provides for the consideration of privileged legislation that would make adjustments to the automatic trigger if its impact would be more severe than is necessary. In the same manner, amendments to adjust the trigger's impact would need to ensure that a proportionate balance is retained between tax cuts and spending.

In response to concerns that a trigger may actually lead to tax cuts and spending being turned off at the "wrong time"—such as during an economic downturn or national emergency—the amendment would allow the House and Senate to waive the trigger with a three-fifths vote at any time, just as the requirements of the Balanced Budget Amendment would have been waived with a supermajority vote. And if we are actually in the throes of a recession or a declaration of war is in effect, the trigger would be waived with a mere majority vote—a margin that would be easily attainable.

Finally, in deference to the fact that there are legitimate differences of opinion about how quickly the publicly held debt can be redeemed, the amendment allows the debt targets to be adjusted in a given year if the Secretary of the Treasury certifies that the target cannot be reached because the Department of the Treasury will be unable to redeem a sufficient amount of securities from holders of federal debt to achieve the target.

Of note, such certification—which must be transmitted by the President to the Congress—must outline the specific reasons that the targets cannot be achieved, and the estimated amount of "excess reserves" that will accumulate due to an inability of the Treasury to redeem federal debt. Under no circumstances would such a waiver be allowed if the reason for the shortfall is simply a lack of surplus revenues being available to redeem federal debt. And to ensure that "checks and balances" are maintained, Congress can override the decision of the Secretary of the Treasury with a majority vote.

Mr. President, just as the tax bill is the type of "insurance" that Chairman Greenspan recommended to lessen the impact of an economic downturn, I believe this amendment would serve as a critically needed "insurance plan" within this tax bill and in subsequent spending legislation. While I believe the surplus estimates on which our budget and this tax bill are based are sound, we simply cannot take the chance that our estimates will prove to be wrong or that future Congresses will over-utilize the surplus and imperil debt reduction.

Furthermore, I would hope that my colleagues who worked so hard over the years for the passage of a constitutional amendment to balance the budget would see this as a similar effort to maintain fiscal responsibility. We simply cannot afford to see the hard work that went into making the desired goal of the Balanced Budget Amendment a reality today be undone by the adoption of tax or spending policies that are allowed to move forward un-checked.

Ironically, for those who believe that the assumptions on which the budget and this tax bill are based are sound, the trigger poses no threat as it would never be turned on. Likewise, for those who are concerned about the assumptions, there is every reason to support the trigger as it would serve as a strong line of fiscal defense if today's surplus estimates prove to be tomorrow's "pipe dream."

Nevertheless, I'm sure that some of my colleagues will simply argue that triggers are doomed to failure, and cite the Gramm-Rudman-Hollings deficit control mechanism as a case in point. I would argue that although some may dispute the value of the trigger, arguing that Gramm-Rudman-Hollings may not have been successful at reigning in deficits, it did serve as a strong incentive for Congress to control spending. In fact, discretionary spending grew at an average annual rate of eight percent leading up to Gramm-Rudman-Hollings, and only two percent in the five years after.

The bottom line is that I can't think of any event that has ever had such a profound impact on congressional spending—short of the watershed Congressional elections of 1994—and I believe that this trigger could have the same profound impact both tax cuts and spending during the coming 10 years.

Mr. President, this amendment is just the type of fiscally responsible proposal that I believe the American people are hoping we in the Congress will embrace as we pursue tax cuts and spending increases in the months ahead, and I urge my colleagues to support it accordingly.

Mr. BAUCUS. I have stated my reasons why I think this is not a good idea. I stand by what I said, on the entitlements, which is an additional reason why the provision isn't firm, to say the least. It is more than infirm; it is beyond infirmity.

I urge that the Senate not approve it. I yield back the balance of my time.

The PRESIDING OFFICER. Under the previous order, the Senator from Louisiana is recognized for 15 minutes.

AMENDMENT NO. 686

Ms. LANDRIEU. Mr. President, let me begin by sending an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Louisiana [Ms. LANDRIEU], for herself and Mr. CRAIG, and Mrs. LINCOLN, proposes an amendment numbered 686.

Ms. LANDRIEU. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 18, between lines 14 and 15, insert the following:

SEC. 202. EXPANSION OF ADOPTION CREDIT AND ADOPTION ASSISTANCE PROGRAMS.

(a) IN GENERAL.—

(1) ADOPTION CREDIT.—Section 23(a)(1) (relating to allowance of credit) is amended to read as follows:

"(1) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter—

"(A) in the case of an adoption of a child other than a child with special needs, the amount of the qualified adoption expenses paid or incurred by the taxpayer, and

"(B) in the case of an adoption of a child with special needs, $10,000.".

(2) ADOPTION ASSISTANCE PROGRAMS.—Section 137(a) (relating to adoption assistance programs) is amended to read as follows:

"(a) IN GENERAL.—Gross income of an employee does not include amounts paid or expenses incurred by the employer for adoption expenses in connection with the adoption of a child by an employee if such amounts are furnished pursuant to an adoption assistance program. The amount of the exclusion shall be—

"(1) in the case of an adoption of a child other than a child with special needs, the amount of the qualified adoption expenses paid or incurred by the taxpayer, and

"(2) in the case of an adoption of a child with special needs, $10,000.".

(b) DOLLAR LIMITATIONS.—

(1) DOLLAR AMOUNT OF ALLOWED EXPENSES.—

(A) ADOPTION EXPENSES.—Section 23(b)(1) (relating to allowance of credit) is amended—

(i) by striking "$5,000" and inserting "$10,000",

(ii) by striking "($6,000, in the case of a child with special needs)", and

(iii) by striking "subsection (a)" and inserting "subsection (a)(1)(A)".

(B) ADOPTION ASSISTANCE PROGRAMS.—Section 137(b)(1) (relating to dollar limitations for adoption assistance programs) is amended—

(i) by striking "$5,000" and inserting "$10,000", and

(ii) by striking "($6,000, in the case of a child with special needs)", and

(iii) by striking "subsection (a)" and inserting "subsection (a)(1)".

(2) PHASE-OUT LIMITATION.—

(A) ADOPTION EXPENSES.—Clause (i) of section 23(b)(2)(A) (relating to income limitation) is amended by striking "$75,000" and inserting "$150,000".

(B) ADOPTION ASSISTANCE PROGRAMS.—Section 137(b)(2)(A) (relating to income limitation) is amended by striking "$75,000" and inserting "$150,000".

(c) YEAR CREDIT ALLOWED.—Section 23(a)(2) (relating to year credit allowed) is amended by adding at the end the following new flush sentence:

"In the case of the adoption of a child with special needs, the credit allowed under paragraph (1) shall be allowed for the taxable year in which the adoption becomes final.".

(d) REPEAL OF SUNSET PROVISIONS.—

(1) CHILDREN WITHOUT SPECIAL NEEDS.—Paragraph (2) of section 23(d) (relating to definition of eligible child) is amended to read as follows:

"(2) ELIGIBLE CHILD.—The term 'eligible child' means any individual who—

"(A) has not attained age 18, or

"(B) is physically or mentally incapable of caring for himself.".

(2) ADOPTION ASSISTANCE PROGRAMS.—Section 137 (relating to adoption assistance programs) is amended by striking subsection (f).

(e) ADJUSTMENT OF DOLLAR AND INCOME LIMITATIONS FOR INFLATION.—

(1) ADOPTION CREDIT.—Section 23 (relating to adoption expenses) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) ADJUSTMENTS FOR INFLATION.—In the case of a taxable year beginning after December 31, 2002, each of the dollar amounts in subsection (a)(1)(B) and paragraphs (1) and (2)(A)(i) of subsection (b) shall be increased by an amount equal to—

"(1) such dollar amount, multiplied by

"(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2001' for 'calendar year 1992' in subparagraph (B) thereof.".

(2) ADOPTION ASSISTANCE PROGRAMS.—Section 137 (relating to adoption assistance programs), as amended by subsection (d), is amended by adding at the end the following new subsection:

"(f) ADJUSTMENTS FOR INFLATION.—In the case of a taxable year beginning after December 31, 2002, each of the dollar amounts in subsection (a)(2) and paragraphs (1) and (2)(A) of subsection (b) shall be increased by an amount equal to—

"(1) such dollar amount, multiplied by

"(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2001' for 'calendar year 1992' in subparagraph (B) thereof.".

(f) LIMITATION BASED ON AMOUNT OF TAX.—

(1) IN GENERAL.—Section 23(c) (relating to carryforwards of unused credit) is amended by striking "the limitation imposed" and all that follows through "1400C)" and inserting "the applicable tax limitation".

(2) APPLICABLE TAX LIMITATION.—Section 23(d) (relating to definitions) is amended by adding at the end the following new paragraph:

"(4) APPLICABLE TAX LIMITATION.—The term 'applicable tax limitation' means the sum of—

"(A) the taxpayer's regular tax liability for the taxable year, reduced (but not below zero) by the sum of the credits allowed by sections 21, 22, 24 (other than the amount of the increase under subsection (d) thereof), 25, and 25A, and

"(B) the tax imposed by section 55 for such taxable year.".

(3) CONFORMING AMENDMENTS.—

(A) Section 26(a) (relating to limitation based on amount of tax) is amended by inserting "(other than section 23)" after "allowed by this subpart".

(B) Section 53(b)(1) (relating to minimum tax credit) is amended by inserting "reduced by the aggregate amount taken into account under section 23(d)(3)(B) for all such prior taxable years," after "1986,".

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

Ms. LANDRIEU. Mr. President, the amendment I propose has to do with the adoption tax credit. Before I get into the specifics of that amendment, I will make some general remarks about the previous amendment briefly, about the overall bill, and a few other points before I get into specifics of this amendment.

Let me congratulate my colleagues from Maine, Indiana, and Michigan, Senators SNOWE, BAYH, and STABENOW, for offering their amendment, which I am proud to be a cosponsor of, the trigger mechanism just presented to this body and explained so beautifully.

I want to add my voice to say that I intend to support that amendment. I think it will bring discipline to this process, it will bring some more certainty, and it will help us to stay the course of fiscal discipline which has served this country and this economy so well over the last 8 years.

To reiterate, it is not just giving us a caution about the tax cuts, but it is cautioning us about spending too much. I think that is a very good balance. The mechanisms have been worked out. Chairman Greenspan has indicated support of this concept. That debate will be left for another day, with more debate on Monday. I express my support.

Second, I express my compliments to the Senator from Iowa and the Senator from Montana for the way they have handled the debate. I especially appreciate the way the chairman has been open to listening to different ideas, to considering all as thoughtfully and as seriously as he could, given there would literally be 100 ways to write this bill. But we can only have one bill and all 100 Members have to have some input into shaping it. We could all write it our special way, but the fact is this body and our democracy mandates we do this together. It is not a simple process. I thank the chairman for his patience and the ranking member for his graciousness in listening to me on many issues, particularly this amendment.

Since I am not going to speak very long, I make a public comment and compliment also my colleague from North Dakota, Senator CONRAD, a member of the Finance Committee. He has been a tremendous leader in this whole debate. Although Members may disagree with some of his positions, I think he has gained such respect in this debate, explaining these very complicated matters in ways people in my State, most certainly, have expressed to me, and I appreciate his efforts. I thank him publicly tonight for his hard work and dedication.

The amendment I send to the desk tonight is a very important amendment. This underlying tax reduction bill has some very good provisions in it. I mention a few. The refundability of the child tax credit and the doubling of the child tax credit is very important to the people of Louisiana and to many working families around the Nation.

Marriage penalty relief is something I have supported, along with Members on both sides of the aisle. It is time that we make adjustments to this particular problem in the Tax Code.

I also am pleased to see the estate tax reform and repeal as a part of this tax package. And particularly for Louisiana and for so many States, the college savings plan withdrawals, making them tax free, gives a lot of hope and encouragement to help people in Louisiana and all through this Nation begin early to set aside money for their children's education. A good, solid education through college is an excellent way to give the foundation for someone's success in life. In this new global economy with new technologies and the importance of skills, having a good, solid education is important. We have been debating many different aspects of education. I think the college savings plan is a very good feature in this bill.

There are some serious problems with it. It is backloaded. I wish the 15-percent tax bracket could have been reduced and addressed. There is a smaller amount of stimulus than I think is wise, given the slowdown in the economy. I will make a decision about how I am going to vote on this bill, based on the pros and cons, on Monday when we have the final vote. But I want to suggest tonight that there is one amendment that really should be added. It should be included. It is somewhat glaring that it is not. The chairman knows this, and the ranking member. The amendment I am speaking about is the renewal and doubling extension and fixing of the adoption tax credit, a tax credit that has been so broadly accepted and enthusiastically supported by many Members of this body.

Just today, in fact, over 300 Members of the House of Representatives voted affirmatively for the Hope for Children tax credit relief. I offer this amendment on behalf of myself and the Senator from Idaho, Mr. CRAIG. There are a number of other cosponsors. I would like to mention Mrs. CLINTON, the Senator from New York, and others who have supported this particular provision.

This amendment would extend the $5,000 tax credit, doubling it to $10,000. One of the things we must remember is, if we do not fix this tax credit now, it expires, not next year, not 2 years from now, as some of the other tax measures we are speaking about, but it expires in December of this year. So in 7 months this tax credit that has done so much good for people in this country is set to expire.

The other reason to support it is there is overwhelmingly enthusiastic bipartisan support for it.

The third really good reason is that it is so cost effective. It is such a small amount of money relative to the overall package that I am certain we can find a way, if we find the will to include this in this package.

There were over 125,000 children adopted last year; 15,000 children came to this country from another place in the world. Those places were quite grim. I have been to many of them. Some of these children were taken off hospital floors. Some of these children were found starving. Some of these children were found sick. Some of these children were found with an inability to walk, some could not see, some could not hear. But a family, a mother, a father in this country said: I will take that child, at great expense, and I will raise that child and do something good for the world and do something good for our family and do something wonderful for this child.

There were over 100,000 children who were adopted by American families. Some of these children were healthy. All of these children were beautiful. All children are beautiful and should be loved and cared for and nurtured.

Some of these children have great and special needs. I have seen children who have been adopted who have no limbs, who cannot see. Children have been adopted who have a very short lifespan. But because the heart of people is so great and their generosity so tremendous, homes and hearts have been opened, families have been built, children have been given hope, and parents who were desperate for children and could not have them have had their dreams come to reality.

The least we can do in this body, as we debate this $1.35 trillion tax cut, is to add one-third of 1 percent to make this tax credit real, to extend it so it does not just go away, and to double it so it really can help as these expenses rise, and to fix it so it works for children who are being adopted out of foster care.

I know my time is coming to an end. I say in closing, there are today 500,000 children—a half a million children—who have been removed from their homes because of abuse and neglect. There are 100,000 of those 500,000 whose parental rights have been terminated. If we don't work a little harder and a little better to fix our court system, to support our social workers, to give our judges the support they need, and to help where we can—and this is one way to build in our Tax Code an incentive to help some of these children get adopted and to help parents bear the tremendous expenses associated—I think we will be making a grave mistake and missing a wonderful opportunity.

I urge Members of this body to consider this carefully. It doesn't cost a lot. It will bring a great deal of joy and hope and happiness to children and families everywhere. It is something we can do, and as Mr. GRAMM, the Senator from Texas, said when we discussed this last year, it really is a shame that this tax cut is scored in a way that costs us, because if you think about it, this is a great savings to the taxpayer, because when children are adopted out of foster care, or when children are adopted who are for some reason not wanted, or their families want them but they cannot raise them so someone else takes that child and raises that child and nurtures that child, I promise you there is $100,000 or more savings to the taxpayer by the little $10,000 we give in the credit.

We save hundreds of thousands of dollars because these children do not end up in special education or in the hospital or in jail or in a mental health ward. Why? Because they have parents to love them and care for them. So while the committee has given me a score on my tax credit, I have argued, and I think I could be supported in a court of law, this tax credit is a great savings to this Government. For every child we can get adopted, we don't have to pick up the expenses for them. I think it is what God wants us to do. I am positive it is the right thing to do. I thank my colleagues for giving me this time to offer it. I hope we can find a way to do this.

I yield my time.

Mr. CRAIG. Mr. President, I am glad to join my colleague and cochair of the Congressional Coalition on Adoption, Senator LANDRIEU, in offering this amendment to the tax relief bill.

Our amendment will renew two expiring provisions of the Tax Code that are critically important to American families: the adoption tax credit and the exclusion for employer-provided adoption benefits. It will also modernize and improve these provisions, in response to what we have learned families really need and want in this area.

Not a week goes by that I don't get a call, or an e-mail, or a visit from someone telling me what a help the adoption tax credit is to them, and how important it is for Congress to renew it. As my colleagues all know, this credit was added to the Tax Code in 1996, following years of effort. The idea was to allow families to keep a little more of their own hard-earned money to help absorb the extraordinary costs of adoption.

Since these adoption tax benefits have gone into effect, tens of thousands of families have claimed it. More important, that means tens of thousands of children have, in part because of this tax credit, found loving, permanent adoptive homes.

Yet there are many, many children still waiting for that happy outcome—more than 100,000 in America, and more around the world, and the adoption tax credit will expire at the end of this year. Furthermore, in looking at how the credit has worked since 1996, we have discovered that not all families are equally able to use the tax credit to help them cope with the true costs of adoption.

That is why at the beginning of this Congress, we introduced S. 148, the Hope For Children Act, to extend and improve the tax credit so that it can continue to help Americans form families through adoption. That bill is cosponsored by seventeen of our colleagues, representing a wide political and geographic spectrum; the House of Representatives unanimously passed their version of the bill earlier today; and the bill has won the support of all segments of the adoption community. It is this bill, the Hope For Children Act, that is reflected in the amendment we are offering today.

There are families who are sitting at the kitchen table today, trying to figure out if they can afford to open their hearts and homes to a child through adoption. Let us send a strong message of hope to those families, and to the thousands of waiting children, by passing this amendment.

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa.

Mr. GRASSLEY. Mr. President, adoption is the right thing, at least as opposed to foster care. As I have been working on adoption issues for a long period of time, there is one thing I hear from kids who have been floating from one foster home to another, who have been in the system for a long period of time. What they want is a mom and a dad. What they really are saying is they want some permanency.

One of the greatest sins of governmental policy is in the adoption and foster care area, where people grow all the way through their teenage years and get to be 18 and are adults and never have a mom and a dad.

Every child has a right to grow up in a safe and loving home. I hope my work on the Adoption and Safe Families Act, which succeeded in shortening the time lines for children in foster care, is a major effort towards this goal that we all seek.

Included in the Adoption and Safe Family Act was a provision I authored to break down barriers when a family living in one jurisdiction wants to adopt a child in another jurisdiction.

I compliment Senator LANDRIEU. She has been steadfast in her advocacy for adoption. Senator CRAIG has joined her to make adoption tax incentives a very strong bipartisan objective. I have been pleased to join these two distinguished Senators in the past on efforts they have made in this direction. I don't know what the future holds exactly, but I promised the Senator from Louisiana I would work with her and Senator CRAIG on their amendment and see what, if anything, we can do. We will have the weekend and Monday to work on that. Hopefully, we can accommodate in some way.

Ms. LANDRIEU. Thank you, Mr. Chairman.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I very much appreciate the comments of both the Senator from Louisiana and the Senator from Iowa. This is a very fine amendment for lots of reasons, as has already been articulated here. I think we can find a way to get this done. I compliment the Senators.

We know lots of families who would love to adopt a child. How wonderful it is for the families to be able to adopt a child. It means a great deal for the parents to have those children. So many people want to have children and just cannot. I thank the Senator for what she is doing.

Ms. LANDRIEU. I thank the Senator very much.

The PRESIDING OFFICER (Mr. GRASSLEY). I thank the Senator.

The Senator from Florida, Mr. GRAHAM, is the next Senator to be recognized to offer an amendment.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. If the Senator from Florida will withhold, the Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I would just like to say that on an earlier amendment I got a little carried away in being critical of it. In fact, I even suggested the amendment was more of a message amendment. I do recognize that, frankly, it was a very good-faith effort to meet a real concern; namely, whether we can meet our fiscal responsibilities as we look to see whether these budget surpluses materialize or not.

I do still think the amendment is not a good one, but not because it is not well intended. It is very well intended. The authors have worked very long and hard to try to figure out a way to make it work. But I think it is too complicated. It is more in the nature of a Rube Goldberg solution. But it is very well intended.

I compliment the Senators who offered that amendment and tell them I respect their effort efforts. I just apologize to those Senators if they took personal offense at my earlier comments.

The PRESIDING OFFICER (Mr. HUTCHINSON). The Senator from Florida.

Mr. GRAHAM. Mr. President, I request that I be notified when I have used 3 minutes of my time.

The PRESIDING OFFICER. The Chair will do so.

AMENDMENT NO. 687

Mr. GRAHAM. Mr. President, this is the first of two amendments I will offer this evening. This amendment goes to the basic structure of the kind of approach Congress should take to reducing our Nation's taxes. I support a significant tax bill. I do not support the bill that is before us this evening.

The second amendment I will offer will go to one of the reasons I do not support the bill, a specific defect which I think is illustrative of other defects within this legislation.

The amendment we offer first raises two basic questions: Should we have a single tax bill that will absorb all of the funds which this Congress has determined are appropriate to allocate to tax cuts for the next 11 years? And are we so prophetic that we can decide in May of 2001 what our total tax policy should be through the year 2011?

As smart as we might be, I do not think we can meet that test.

So I, with my colleague, Senator CORZINE, will argue that we should have a series of tax bills: A bill today, yes—a pause, a time for reflection, a time for examination of our economic circumstances, a time to reevaluate our surplus for the future—and then a thoughtful determination as to whether, for what purpose, and in what amount we should have a second tax bill.

Why is this approach of one-at-a-time, rather than one, period, a more appropriate direction? First, there is the unreliability of an 11-year projection of surpluses. That issue has been discussed at length in several other contexts today. Second, there will be needs, some seen and some unforeseen, which will emerge in the next 11 years, that will justify tax cuts. But if we have already committed all of the resources available for that purpose, we will not be able to attend to those.

One of those needs we have learned about in the last few hours, as the President and the Vice President have announced a new energy strategy for America, much of which is based upon tax reductions in order to create incentives for Americans in various enterprises to act in ways that will be advantageous to the Nation.

And third, one-at-a-time gives us greater assurance that we will not drift into deficits, that we will not repeat in 2001 what we did in 1981.

The PRESIDING OFFICER. The Senator has used 3 minutes.

Mr. GRAHAM. Mr. President, with that introduction, I would like to turn to my colleague and partner in this effort to discuss, if we have a series of tax bills, what should the first tax bill, the tax bill of May 2001 encompass.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. CORZINE. Mr. President, I rise to support my friend and colleague, the senior Senator from Florida.

I very much agree and concur that we would be better served by a series of tax cuts that would provide for understanding where we are in the economy. As we move along in this process, we could fit circumstances much more effectively into that process.

I have some trouble with the overall tax program we are considering. I have trouble with the issues with regard to how this is formulated for debate. I compliment Senator BYRD for his truly remarkable comments this morning with regard to reconciliation.

That said, there is trouble with the size, trouble with the structure and distribution, but maybe most importantly, as Senator GRAHAM and I are addressing, trouble with the timing.

This tax structure we are about to vote on does too little at a time when we have real needs in a weakening, slowing, and, I think, very fragile economy. Seventy percent of this tax cut comes in the second 5 years, the outyears, and only $10 billion in the current year, and that is in a $10 trillion economy. It is one-tenth of 1 percent. It is like throwing a coin in an ocean. It will have little, if any, significant impact on the current state of our economy.

There are real reasons to believe that there is a need for the current stimulus. With the actions and words of the Federal Reserve just this week, with a remarkable additional 50-basis-point cut in interest rates, that is five times this year, with a total 250-basis-point cut, because of their serious concern. And their concern is demonstrated not only by what they have done but by their words when they have reviewed current economic conditions—seeing a decline in employment, a rise in the unemployment rate, weakness in productivity numbers, which have been so much a part of suggestion that we have this great surplus.

There has been a real undermining of one of the major sectors of our economy in technology, but also it has moved very substantially into our manufacturing sector. And there are concerns about overseas economic growth, which will have a very important impact on our external accounts. There are many signs in our economy that give one great pause for concern about the fragility of our economy and its direction. We need a stimulus now.

I think the program that the senior Senator from Florida has talked about in the Finance Committee, and we have discussed in this Chamber for now 2 months, is an insurance policy that is fundamental to working hand in hand with the Federal Reserve to make sure we have a strong economy going forward.

Those rising tides do lift all boats. A strong economy is the best way to make sure all Americans benefit from our fiscal policy and how we manage our economic affairs.

So I stand strongly in support of the approach Senator GRAHAM will outline.

Thank you very much, Mr. President.

Mr. GRAHAM. Mr. President, how much time remains?

The PRESIDING OFFICER. Seven and a half minutes remain.

Mr. GRAHAM. Mr. President, I will briefly outline the plan that the Senator from New Jersey and I have developed which we think meets the test of an economic insurance policy. We underscore the words "insurance policy."

No one, frankly, knows what is over the horizon for the American economy. As the Senator from New Jersey just outlined, there are enough signs of concern, signs that would raise apprehension, that a prudent family would say this is a time to buy an insurance policy that will protect us, that will begin to shift the risk, to the degree possible, of a possible economic decline. We are suggesting what the elements and the specifics of that economic insurance policy should be.

We think it needs to be immediate. We are proposing that our bill take effect as of January 1, 2001, and that the benefits in this calendar year would be fully available in this calendar year.

Second, it needs to be frontloaded. One of my criticisms of the bill before us, which talks about being an economic stimulus bill, is that the total amount of tax relief that will be distributed in the form of marginal rate reductions in this fiscal year 2001 is less than $10 billion, in an economy approaching $8 trillion—in my judgment, a clearly inadequate commitment if we are serious about buying an economic insurance policy.

We think it needs to be a substantial commitment. We have suggested that the substantial commitment would be in the range of $60 billion in the year 2001 and in every year into the future.

Economic experts from some of the most prestigious governmental and nongovernmental agencies in the country have told us they believe that a $60 billion stimulus this year would increase gross domestic product by between one-half and three-quarters of 1 percent, everything else being unaffected. We think that is a significant amount of economic growth at a time when that growth has substantially declined.

We believe this should be placed in the hands of those Americans most likely to spend it. So we build upon a concept that is in the President's budget or the President's tax bill, and that is the addition of a 10-percent rate. But we alter the President's proposal in two critical regards. First, his 10-percent rate doesn't go fully into effect until the year 2006. Ours is fully in effect as of January 2001.

Second, his 10-percent rate covers the first $6,000 of taxable income for a single person; $12,000 for a married couple. We would increase those numbers to $9,500 for a single American, and $19,000 for a family.

What would that mean for an American family, every American family that is earning $19,000 or more up to the richest American in the country? It would mean a $950 savings in their income tax. We think that is a significant amount of money, $35 every biweekly pay period, $35 that would be going into the pocket of that American family to buy clothes for their children, to make a downpayment on a refrigerator, all of the things they might want to use that money for, which is exactly what we need them to do in order to stimulate a demand starved economic decline.

We also believe this plan needs to be simple. Complexity works against being able to get these funds into the hands of the Americans quickly enough to make a difference. We believe the critical quarters are going to be the last quarter of this fiscal year and the first quarter of 2002. That is the last 6 months of calendar 2001. That is the 6-month period we need to impact. That is the 6-month period in which we will be putting $60 billion into the pockets of American families. We think that is a true economic insurance policy.

If you believe the principle of let's go one step at a time in prudently shaping our tax policy, as opposed to feeling that we have to throw a 100-yard-pass tax bill tonight that will govern us for the next 11 years and that the prudent first tax bill should be one that would relate to the primary challenge facing Americans today, which is the concern of a declining economy, an economy that might drift into a recession or a recession which could be deep and prolonged, then we have the opportunity today in this tax bill to play a positive role to ensure against those negative events.

I urge the amendment be adopted, and I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The senior assistant bill clerk read as follows:

The Senator from Florida [Mr. GRAHAM], for himself, Mr. CORZINE, and Mr. DAYTON, proposes an amendment numbered 687.

Mr. GRAHAM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide for a substitute amendment which amends the Internal Revenue Code of 1986 to provide for a 10-percent income tax rate bracket)

Strike all after the first word and insert the following:

1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the "Economic Insurance Tax Cut of 2001".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) SECTION 15 NOT TO APPLY.—No amendment made by this Act shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

SEC. 2. 10-PERCENT INCOME TAX RATE BRACKET FOR INDIVIDUALS.

(a) RATES FOR 2001.—Section 1 (relating to tax imposed) is amended by striking subsections (a) through (d) and inserting the following:

"(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—There is hereby imposed on the taxable income of—

"(1) every married individual (as defined in section 7703) who makes a single return jointly with his spouse under section 6013, and

"(2) every surviving spouse (as defined in section 2(a)),

a tax determined in accordance with the following table:

"If taxable income is:	The tax is:
Not over $19,000	10% of taxable income.
Over $19,000 but not over $45,200.	$1,900, plus 15% of the excess over $19,000.
Over $45,200 but not over $109,250.	$5,830, plus 28% of the excess over $45,200.
Over $109,250 but not over $166,500.	$23,764, plus 31% of the excess over $109,250.
Over $166,500 but not over $297,350.	$41,511.50, plus 36% of the excess over $166,500.
Over $297,350	$88,617.50, plus 39.6% of the excess over $297,350.

"(b) HEADS OF HOUSEHOLDS.—There is hereby imposed on the taxable income of every head of a household (as defined in section 2(b)) a tax determined in accordance with the following table:

"If taxable income is:	The tax is:
Not over $14,250	10% of taxable income.
Over $14,250 but not over $36,250.	$1,425, plus 15% of the excess over $14,250.
Over $36,250 but not over $93,650.	$4,725, plus 28% of the excess over $36,250.
Over $93,650 but not over $151,650.	$20,797, plus 31% of the excess over $93,650.
Over $151,650 but not over $297,350.	$38,777, plus 36% of the excess over $151,650.
Over $297,350	$91,229, plus 39.6% of the excess over $297,350.

"(c) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS).—There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 7703) a tax determined in accordance with the following table:

"If taxable income is:	The tax is:
Not over $9,500	10% of taxable income.
Over $9,500 but not over $27,050.	$950, plus 15% of the excess over $9,500.
Over $27,050 but not over $65,550.	$3,582.50, plus 28% of the excess over $27,050.
Over $65,550 but not over $136,750.	$14,362.50, plus 31% of the excess over $65,550.
Over $136,750 but not over $297,350.	$36,434.50, plus 36% of the excess over $136,750.
Over $297,350	$94,250.50, plus 39.6% of the excess over $297,350.

"(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—There is hereby imposed on the taxable income of every married individual (as defined in section 7703) who does not make a single return jointly with his spouse under section 6013, a tax determined in accordance with the following table:

"If taxable income is:	The tax is:
Not over $9,500	10% of taxable income.
Over $9,500 but not over $22,600.	$950, plus 15% of the excess over $9,500.
Over $22,600 but not over $54,625.	$2,915, plus 28% of the excess over $22,600.
Over $54,625 but not over $83,250.	$11,882, plus 31% of the excess over $54,625.
Over $83,250 but not over $148,675.	$20,755.75, plus 36% of the excess over $83,250.
Over $148,675	$44,308.75, plus 39.6% of the excess over $148,675.".

(b) INFLATION ADJUSTMENT TO APPLY IN DETERMINING RATES FOR 2002.—Subsection (f) of section 1 is amended—

(1) by striking "1993" in paragraph (1) and inserting "2001",

(2) by striking "1992" in paragraph (3)(B) and inserting "2000", and

(3) by striking paragraph (7).

(c) CONFORMING AMENDMENTS.—

(1) The following provisions are each amended by striking "1992" and inserting "2000" each place it appears:

(A) Section 25A(h).
(B) Section 32(j)(1)(B).
(C) Section 41(e)(5)(C).
(D) Section 42(h)(3)(H)(i)(II).
(E) Section 59(j)(2)(B).
(F) Section 63(c)(4)(B).
(G) Section 68(b)(2)(B).
(H) Section 132(f)(6)(A)(ii).
(I) Section 135(b)(2)(B)(ii).

(J) Section 146(d)(2)(B).
(K) Section 151(d)(4).
(L) Section 220(g)(2).
(M) Section 221(g)(1)(B).
(N) Section 512(d)(2)(B).
(O) Section 513(h)(2)(C)(ii).
(P) Section 685(c)(3)(B).
(Q) Section 877(a)(2).
(R) Section 911(b)(2)(D)(ii)(II).
(S) Section 2032A(a)(3)(B).
(T) Section 2503(b)(2)(B).
(U) Section 2631(c)(2).
(V) Section 4001(e)(1)(B).
(W) Section 4261(e)(4)(A)(ii).
(X) Section 6039F(d).
(Y) Section 6323(i)(4)(B).
(Z) Section 6334(g)(1)(B).
(AA) Section 6601(j)(3)(B).
(BB) Section 7430(c)(1).

(2) Subclause (II) of section 42(h)(6)(G)(i) is amended by striking "1987" and inserting "2000".

(d) ADDITIONAL CONFORMING AMENDMENTS.—

(1) Section 1(g)(7)(B)(ii)(II) is amended by striking "15 percent" and inserting "10 percent".

(2) Section 1(h) is amended by striking paragraph (13).

(3) Section 3402(p)(1)(B) is amended by striking "7, 15, 28, or 31 percent" and inserting "5, 10, 15, 28, or 31 percent".

(4) Section 3402(p)(2) is amended by striking "15 percent" and inserting "10 percent".

(e) DETERMINATION OF WITHHOLDING TABLES.—Section 3402(a) (relating to requirement of withholding) is amended by adding at the following new paragraph:

"(3) CHANGES MADE BY SECTION 2 OF THE ECONOMIC INSURANCE TAX CUT OF 2001.—Notwithstanding the provisions of this subsection, the Secretary shall modify the tables and procedures under paragraph (1) through the reduction of the amount of withholding required with respect to taxable years beginning in calendar year 2001 to reflect the effective date of the amendments made by section 2 of the Economic Insurance Tax Cut of 2001, and such modification shall take effect on the first day of the first month beginning after the date of the enactment of such Act."

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) AMENDMENTS TO WITHHOLDING PROVISIONS.—The amendments made by paragraphs (3) and (4) of subsection (d) shall apply to amounts paid after December 31, 2000.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I wonder if I could reserve the time on this amendment. The Senator had another amendment he was going to offer.

Mr. GRAHAM. Yes.

Mr. GRASSLEY. Would the Senator proceed to that right away.

AMENDMENT NO. 688

Mr. GRAHAM. Mr. President, the second amendment I have is not of the broad sweep of the amendment we have just been discussing, but it points out, maybe as a metaphor, some of the problems in this legislation. This bill proposes to repeal the estate tax in the year 2011. That same proposal was made by President Bush with a big difference.

The estate tax is a shared source of income. The States get approximately 20 percent of the estate tax which is collected at the Federal level; 80 percent stays in the National Treasury. What President Bush had suggested was that there be an equal phase-out of the State share and of the Federal share. That is not what is in the bill before us tonight, unfortunately.

What we have before us tonight is a bill which would say that beginning January 1, 2002, just a little more than 7 months from now, the State share would be cut in half. Then it says that there will be gradual further reductions and then January 1, 2005, the State share would be zero.

The Federal share, on the other hand, continues in effect until the year 2011. So effectively, what we are saying, with apparently no consultation with our brethren in the States, is that they are going to take the hit first because we are the ones who decide who has to carry the burden first. I think that is egregiously unfair in our Federalist system. It also is going to put States in this position.

I was talking earlier today with the former Governor of Ohio, our colleague, Senator VOINOVICH. Ohio is one of a number of States which has a biennial budget; that is, they develop a budget, and it lasts for 24 months. They will be starting their next 24-month period on July 1 of this year.

What we are going to say is they are going to build a 2-year budget predicated on receiving their share of the Federal estate tax. They are going to find that 6 months into a 24-month period half of that money has evaporated because we have elected to make them our friends and fellow colleagues in this wonderful Federal system. We have made them have their share of the estate tax cut occur, in this case, 10 years before the Federal share of reduction really begins to kick in and totally 6 years before the Federal reduction becomes fact.

What policy rationale can there be for us to treat the 50 States in the way that this bill purports to do?

The amendment I have offered will get to exactly the same destination. The estate tax will be repealed. There will be zero income for the States. There will be zero income for the Federal Government because there won't be any tax to produce any income. But it does what the President has suggested—that we do it fairly; that both sides of this partnership, both husband and wife, share equally and proportionately in the decline of their revenue.

There are many of us who pride ourselves on being Jeffersonian Federalists. We believe in local government. We vote to send more responsibilities down to local governments. We are about to change our labels. We are becoming situational Federalists. We want the States to have more local control when it is to our benefit. But now that we have this opportunity to essentially raid their income, because they are not going to be up here voting, other than those of us who represent our constituents in the States—of course, the U.S. Senate was peculiarly established to be the representatives of the interests of States, so we ought not to be the body leading this way. We should not be the body fighting the recommendation of President Bush to be fair and equitable. We should be the body which is expressing its recognition of the importance of the States and the relationship with the National Government.

This proposal, in my judgment, goes 180 degrees in the opposite direction. So my amendment is simple. It says, yes, we are going to repeal the estate tax; yes, we are going to do it in the same number of years as has been suggested; but we are going to treat both sides of this partnership—the States and the Federal Government—equally and proportionately as we do so.

I urge adoption of this amendment.

Mr. President, I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM] proposes an amendment numbered 688.

Mr. GRAHAM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide a reduction in State estate tax revenues in proportion to the reduction in Federal estate tax revenues)

Beginning on page 64, line 17, strike all through page 66, before line 2, and insert:

Subtitle B—Reduction of Gift Tax Rate

SEC. 511. REDUCTION OF GIFT TAX RATE AFTER REPEAL.

On page 66, line 2, strike "(d)" and insert "(a)".

On page 67, line 1, strike "(e)" and insert "(b)".

Beginning on page 67, line 12, strike all through page 68, line 6, and insert:

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to gifts made after December 31, 2010.

On page 68, strike the table between lines 14 and 15, and insert:

"In the case of estates of decedents dying during:	**The applicable exclusion amount is:**
2002 and 2003	$1,000,000
2004, 2005, and 2006	$2,000,000
2007, 2008, 2009, and 2010	$3,000,000.".

Beginning on page 70, line 20, strike all through page 79, line 6.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, the State death tax credit is one of the last vestiges of revenue sharing. The State has a luxury of not having an estate tax and just waiting for a portion of the Federal estate tax to be allocated to the State treasury.

What we have tried to do in this mark is, in a fair way, allow the States to review the concerns of their citizens, and if they want to have their own death tax, then any tax paid to the States will be fully deductible on the final return. This will be phased in over the next 5 years, and it will be phased in over the next 5 years until repealed. In fact, the tax money will be paid out over the next 7 years.

The States will have plenty of time for their legislatures to meet and decide on a State-by-State level if they want to maintain the death tax.

Unlike the House amendment by Congressman RANGEL, we did not repeal the credit immediately. But if the Federal Government does not collect the money, it is not ours to share. State death tax credit current law states up to $2.5 million. The rate is 8 percent. Total tax is $146,800. Our relief act before us—the act of 2001—is identical. The top rate of 16 percent is only collected on estates over $10 million. The number of Florida estates, for example, over $10 million is 126. The number of Iowa estates over $10 million is 22.

In addition, at the expense of the American taxpayers, the Senator from Florida is taking care of State governments. He postpones the unified credit increase for years. The act before us gives a $3 million credit by the year 2005. The Senator postpones $3 million until the year 2007, and he never reaches $3.5 million or $4 million at the expense of the American taxpayers.

So I think it is very important that we take a good look at this. Again, I want to remind everybody that we have tried to—in this estate tax provision of this bill, the phasing out of the estate tax is a controversial issue, even with those of us who have agreed to this bipartisan agreement. But what is not controversial is the way in which this bipartisan portion of our overall legislation, the estate tax provision, was worked out—very carefully, in a nonemotional, nonpolitical way, between Senator LINCOLN on the one hand—she is a Democrat—and Senator KYL on the other hand, being a Republican—working these things out. And except for those who do not believe there should be any total repeal of the estate tax, even in the year 2001, this was a well-accepted compromise that is in this mark.

Obviously, this provision by the Senator from Florida detracts from that. That is why we ask that it be defeated when we vote on it Monday.

I yield the floor.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. How much time remains?

The PRESIDING OFFICER. Nine minutes, 20 seconds.

Mr. GRAHAM. Parliamentary inquiry: If we do not use all of our time this evening, will we have any of that time available on Monday prior to the actual consideration of these amendments or do we use it or lose it without using it tonight?

The PRESIDING OFFICER. Under the unanimous consent agreement, there is no provision for additional time. However, there is time for debate on the bill.

Mr. GRAHAM. So the answer is, if we don't use the time available tonight, it will not be carried over until Monday.

The PRESIDING OFFICER. The Senator is correct.

Mr. GRAHAM. That is not a threat to use all 9 minutes but a small sliver.

The PRESIDING OFFICER. The Senator has that right.

Mr. GRAHAM. Mr. President, I have great regard for Senator GRASSLEY. I know how hard he has worked on this bill, as he has on other issues. As he said earlier tonight, he is prepared to work on issues such as prescription drugs for Medicare. I appreciate that, and I have enjoyed the many times we have been colleagues to achieve public policy objectives.

I just say I think this is one of those issues on which maybe we have to agree to disagree. This is not a new relationship. Since 1924, the States have been participating with the Federal Government in the estate tax, and 35 States have no other estate tax than the share they get through their participation in the Federal tax. In fact, in my State, it is in the State constitution that the only estate tax that can be collected is that which comes as a State credit on the Federal estate tax.

So while it might appear to be easy for the States as we are repealing the estate tax, it is obviously not going to be easy and for some States virtually impossible.

I go back to the example Senator VOINOVICH gave to me earlier today of his own State, which is a binding budget situation. They had written their budget, or are about to, for 24 months beginning July 1 of this year, and now they are going to lose approximately half—we do not have the exact State-by-State numbers, but a significant percentage of this source of revenue. That is a very difficult fiscal position for us to put our friends and colleagues in the 50 States in and I think unnecessarily.

President Bush had recommended this reduction be done proportionately. I, frankly, assumed it was being done proportionately until someone pointed out that we were deviating from what the President had recommended. I believe this is kind of a "gotcha" approach to the States as they are so deep into already committing themselves for at least 1 and maybe 2 fiscal years. In the case of my State, our legislature finished its business on May 4 or 5, with the budget to go into effect on the first of July. It has in it approximately $775 million as our State's share of the estate tax. Almost half of that is going to evaporate as of the first of January, halfway through the fiscal year.

The irony of this is that we talk about we want to do something for the American taxpayer. The American taxpayer pays taxes at all levels of government. If we take a substantial share of this source of revenue away from the States in a precipitous move for which they have been unable to plan, what are the States going to do? Are they going to have to raise property taxes to fill the gap? Are they going to have to raise sales taxes to fill the gap? Are they going to have to find some other source of revenue or begin well into their fiscal year to make significant cuts in services? And what is the service that States provide?

For my State and most States, half or more of the total State revenue is spent on one function. What is that function? We ought to know it well because we just spent the last 2 weeks talking about how committed we were to it. What is the function? Education. That is what States do with over half of their money.

If we think it is important for us to spend 2 weeks debating the 7 percent of public education which is financed from Washington, we certainly deserve to spend some time discussing the approximately 55 percent of education which is paid by the States. The balance between the Federal 7 and the State's 55 is what is paid at the local level, largely through property taxes.

We seem to be, at least in the amount of attention that is being given to this, indifferent to what we are doing to our American taxpayers in terms of their State responsibilities and what we are doing to American education by destabilizing the primary source of financing for American education, which is the 50 States.

Mr. President, hoping that I have not used all of the 9 minutes, I will conclude by saying I think this is going to be a test of whether we really are serious, committed Federalists and think that respect and dignity across levels of government is an important part of the oil that makes this very intricate Federal system work and that indifference, bordering on rudeness, toward the States is what could cause it to begin to grind the gears.

I believe the adoption of this amendment, which is the proposal made by President Bush, which is a proposal that gets to exactly the same destination as the advocates of repeal of the estate tax would do but do it in a fair and equitable manner as between our 50 States and our Federal Government, is an extremely important statement of our commitment to federalism. I urge the adoption of this amendment when it comes for a vote on Monday.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I will take a couple minutes, and then I believe we are done.

To respond in a short fashion to what the Senator from Florida said, we have 14 States that have a separate inheritance tax. In addition, the tax due to the State will continue to be paid through the year 2007.

The repeal basically happens because we increase the unified credit so rapidly, and this is a direct result of the American taxpayers having spoken by the thousands that they want immediate relief.

The President of the United States in his proposal did his death tax repeal with $260 billion. The bill before us does it with $145 billion.

The President does not increase the unified credit. So, yes, his plan is a proportionate reduction, but the Senate and the taxpayers wanted immediate relief, and that is why we end up where we are.

Obviously, there are problems for some Senators. I respect their objection, but we did it in the best way we could in a compromising fashion, trying to do as much as we could with a lesser amount of money than what the President was trying to do in his tax program, and do it in a bipartisan fashion.

As we end this evening's debate, and we will continue it Monday with votes well into Monday evening to finish this bill, I hope I can speak for people who have wanted to see a tax bill passed, and that includes Senator BAUCUS and me, that we have defeated amendments that have come before this body to change this legislation.

If we had taken the second alternative of bringing this bill before this body, that second alternative would have been, perhaps—if we had been fortunate—a Republican-only measure that would have been voted on in committee 10–10. I believe a lot of the amendments we defeated today would have been adopted.

We brought a bipartisan bill out of committee 14–6. We have had quite a few bipartisan votes today. I hope people who are reflecting upon what they want in a tax bill, if they have what they want without the bipartisan cooperation—when I say "what they want," again I remind everybody this is a work of compromise—more importantly, bipartisan compromise—so nobody has really gotten what they want. But I know there is more of an urgency on my side for the reduction of marginal rates than there is maybe on the other side.

It could be that people on my side do not like the 36 percent that I agreed to with Senator BAUCUS, but looking at some of these votes, and particularly how hard Senator BAUCUS was working to make sure this bipartisan position won, without that, some of these amendments, and maybe a lot of others, would have been adopted.

I say that because there is Friday, Saturday, and Sunday to think about this before we adopt a final bill, and then there is Tuesday and Wednesday—and maybe not even that much time—to work on a conference report with which Senator BAUCUS is going to be involved. We have to think in terms of what is possible to get through here when it comes out of conference.

I don't really know how to end this except to say that we worked hard for 4 months to get where we are. I hope people realize what we have put together has been sustained. We ought to think about that as people who may not be totally satisfied with what we are going to pass in the Senate try to use the rest of the process to gain something that is not doable in the final analysis.

I would like to have everybody think between now and when that conference committee has to end sometime not too far down in the future, to be a little bit realistic. I think I have been realistic. I think Senator BAUCUS has been realistic or we wouldn't be here in the first place. For sure, we wouldn't be here sustaining this mark the way we have.

I ask my colleagues, particularly on my side of the aisle, to think of this for the next few days.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I urge the Senate to heed the wise words of the chairman of the committee. They were important. That is, in the final analysis, this will come down to whether there are 51 votes to adopt the conference report. This is an evenly divided Senate, 50/50, for all intents and purposes. I am sure the Vice President can break the tie, but it is basically 50/50 and it comes down to whether there are 50 or 51 votes.

I do believe very strongly that the bill we are working on today is a very significant improvement from my point over what we otherwise would be passing in this body and that it is a bill very similar to that offered by the President and passed by the House.

This bill before the Senate today is much better in terms of distribution, child tax credit, refundability, more for education, tuition deduction provided for, a whole host of provisions. It is a lot better from my point of view and the point of view of the vast majority of Members of this side.

I urge Members, as our very wise chairman has said, to think about this over the next several days, because when we do come back from conference, the conferees are going to have to come up with the result, to sustain not only in the House, which is very easy, but to sustain in the Senate, which is more difficult.

I urge the conferees and I urge Senators to be prudent, wise, and to remember there must be 51 votes in the Senate to adopt a conference report. I commend the chairman of our committee, but particularly Members on my side of the aisle who have offered amendments. There have been good amendments, very well intended, and I wish I could have ordered more of them. I could not, in the view to get a better bill for all Senators, Democrats and Republicans.

I think it is important for all Senators to vote for a tax cut that they think is better than otherwise we would be facing. Some Senators are not going to vote for a tax vote that the conferees will bring back. It will not happen. But I think it is my responsibility to bring back a conference report for which some Senators on my side of the aisle can vote. It is my hope we can bring back a conference report that does have the support not only of 51 Senators but significantly more than 51 Senators so it truly is bipartisan. That very much depends on the conferees.

I thank my good friend from Iowa who has been so decent and straightforward and honest as the day is long, a very wonderful person. We have more miles to travel, and my expectation is we will travel those in the same spirit of cooperation.

I see my good friend from New Jersey standing ready to leave. I say to my good friend from New Jersey, I appreciate his efforts, particularly on the stimulus amendment. There will be another day when we can adopt very good amendments as proposed by my friends from Florida as well as New Jersey.

MORNING BUSINESS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that there now be a period of morning business with Senators permitted to speak up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

WORLD WAR II MEMORIAL

Mr. STEVENS. Mr. President, in the early part of the Eisenhower years, I joined that administration and later came to Washington and then met a whole series of World War II veterans. We talked and dreamed then of a memorial to a war in which we had just been. Fourteen years ago, the World War II memorial was conceived and the process started, to have it built here in Washington, DC. Eight years ago, the Congress authorized this memorial; 6 years ago the first of 22 public hearings on the site and design of the memorial commenced.

Construction was scheduled to start last month, but the memorial is now bogged down in legal and procedural issues.

Of the 16 million men and women who served in World War II, only 5 million are alive today. We are now losing veterans of the greatest generation at the rate of 1,100 veterans a day. I questioned that, but we checked it; 1,100 veterans of World War II are passing away each day. By the year 2004, there will be less than 4 million of us.

In my home State of Alaska, in the last 10 years, we lost one-third of the veterans whom I had known and worked with so long.

The site design of our memorial has been endorsed by the Historic Preservation Officer of the District of Columbia, it has received four endorsements of the District of Columbia's Preservation Review Board, and five approvals each from the Committee on Fine Arts and the National Capital Planning Commission.

The memorial is governed by the Commemorative Works Act of 1986. That act gave the final site and design approval to the Commission on Fine Arts and the National Capital Planning Commission and the Secretary of the Interior.

Eight sites were considered for the memorial. In 1998, the design was approved by the Commission on Fine Arts and the National Capital Planning Commission and the site selection was reaffirmed. In 1998, the National Park Service, in accordance with the National Environmental Policy Act, completed an environmental assessment and issued a finding of no significant impact. In the year 2000, the final design was approved by the Commission on Fine Arts and the National Capital Planning Commission, and on November 11 of last year, the year 2000, a ceremonial groundbreaking took place for this memorial.

More than 500,000 Americans have sent donations to the fundraising campaign, 48 State legislatures have done the same thing, 1,100 schools and more than 450 veterans groups, who represent 11 million veterans.

Even though all the procedural steps have been taken, the memorial has now been delayed because of a procedural issue involving the National Capital Planning Commission. The National Capital Planning Commission decision of 2 years ago of including a World War II memorial has been placed in question because the former National Capital Planning Commission chairman continued to serve after the expiration of his term. The legislation that would originally establish this commission permitted members to serve until replaced, but when that law was amended, inadvertently the language allowing continuous service fell out with no explanation. That created a technicality that has forced a review now, again, by the National Capital Planning Commission.

This memorial has been through 22 public hearings, it has complied with every applicable law, and this technicality regarding the National Capital Planning Commission Board should not penalize the millions of veterans who served our country honorably when asked to do so. They want to see this memorial.

I congratulate the House of Representatives, particularly Congressman Stump, for sending this legislation to the Senate. I thank all who have been very considerate in trying to work out the problems relating to it. I believe I am joined by all the veterans of World War II who serve in this body in urging that the House bill be enacted and sent to the President for his signature immediately.

For many of us, this year marks the 55th year since we left the military service. We were in World War II and returned home.

We want to see this memorial finished while a significant number of our comrades are still alive. We want to be there when this memorial is opened.

Memorial Day for 2001 is just 1 week from next Monday. The veterans of this Nation intended to celebrate the initiation of this memorial on that day. They will not be able to do so unless the bill gets to the President in time to sign it. This is more than a dream of our veterans; it is a demand on our country. I urge no Senator stand in the way of the prompt enactment of this bill.

REQUEST FOR ABSENCE FROM THE SENATE

Mr. STEVENS. Mr. President, I ask unanimous consent that I be excused from the voting in the Senate until 6:30 p.m. next Tuesday, commencing at the adjournment today.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF JUSTICE NOMINATIONS

Mr. LEAHY. Mr. President, I come to the Senate to report on the progress the Judiciary Committee is making with respect to a number of administration nominations to the Department of Justice.

Over the last several weeks, I have been working to reach an understanding on how this committee will handle nominations. A number of procedural and substantive issues have been raised in these regards for both Executive and Judicial Branch nominations. The Democratic members have sought to work out arrangements and understandings so that all members of the committee would know what our rules are, know what our practices and procedures will be, and understand how this committee will approach our important responsibilities with respect to nominations.

Over the last 2 weeks the chairman's insistence that the committee proceed with nominations before those practices and procedures had been agreed upon has lead to public reference to outstanding issues that we should have resolved first. I always regret when we are not able to work out matters through reason and cooperation. I do not believe it was appropriate for Republican members of this committee to deride Democratic members as acting "irresponsibly" or "despicably" or "in breach of their constitutional duties." I know that it was not helpful.

Nonetheless, I was proud of the Democratic members of this committee when we jointly sent our May 4 letter to the chairman and provided a way out of the impasse in spite of the name calling. A few days later the chairman responded with language that reflected our respectful tone and for which I thank him.

While I disagree with much of what the chairman argues and asserts in his letter, I appreciate that he has now indicated that with respect to judicial nominations, he "intends to be fully respectful of [Democratic Senators'] views and will assist in any way to ensure that you and our other Senate colleagues receive real, meaningful consultation by the White House on judicial nominees." I appreciate that in his letter he writes that he "respect[s our] views and efforts in ensuring [we] will be appropriately consulted in a meaningful manner on nominees to vacancies in [our] home states."

For the last several weeks, we have also been seeking to resolve concerns about how this committee handles certain confidential information about nominations, information that may reflect on their fitness for office, and may be relevant to how Senators in this committee vote on reporting nominations to the Senate, as well as how Senators vote on confirmations. Those concerns have also been pending for several weeks now without resolution. Those concerns are what prompted our request for an executive session in accordance with Rule 26.5 of the Standing Rules of the Senate so that we could fully discuss these very important matters in accordance with the confidentiality rules that bind us.

Those concerns made it inappropriate to proceed on certain matters over the last few weeks. Although our Republican colleagues knew about our concerns, they nonetheless berated us without any acknowledgment that those open issues, which affect executive as well as judicial nominations, were still unresolved. That, too, was most unfortunate.

Over the last several days I have also reached out to the Bush administration to work with us on ways to resolve these concerns. Those outreach efforts may provide the opportunity to reach a mutually acceptable resolution of these matters. I hope so.

In light of the cooperation we began receiving from the administration last week, we were able to proceed to report and confirm Larry Thompson to be the Deputy Attorney General at the Department of Justice and Dan Bryant to be the Assistant Attorney General for the Office of Legislative Affairs. I understand that they were sworn in last Friday and, again, congratulate them and their families.

I have spoken to Attorney General Ashcroft about the staffing needs of the Department of Justice and assured him that I will do my part. For those with short memories, I note that Attorney General Ashcroft was confirmed 6 weeks before Attorney General Reno's confirmation in the last administration and the Deputy Attorney General was confirmed 3 weeks before his counterpart in the last administration. Assistant Attorney General Bryant was confirmed 7 weeks before his counterpart in the previous administration.

The committee is moving expeditiously on the administration's nominations to the Department of Justice. Indeed, we are ahead of the confirmations schedule of the Clinton administration for each and every nominee confirmed to date.

The Clinton administration's Assistant Attorney General to head the Criminal Division was not confirmed until November. The committee proceeded to consider the Chertoff nomination this week, after a hearing last week. That is extremely expeditious. Indeed, in spite of Mr. Chertoff's role as the lead counsel to the Republicans in the Whitewater investigation, an extremely partisan effort, we are moving ahead. Mr. Chertoff explained at his hearing that he understands the role of the head of the Criminal Division and will carry out those functions without regard to politics or partisanship. I believe him and look forward to working with him.

The Assistant Attorney General to head the Office for Policy Development in the last administration was not confirmed until August, 95 days after her nomination. Professor Dinh did not return his responses to written questions until this Tuesday. He was precipitously placed on the committee agenda last week. Once his responses were in, he was considered and reported out this week, months ahead of his counterpart in the last administration.

While we consider the current nominations, the many dedicated employees at the Department of Justice continue to work, do their jobs, and serve the public. Many of the comments made over the last several weeks disparage their fine work and commitment. I see no evidence that the Department is "floundering" or that the dedicated public servants who staff the Department and the United States Attorneys' offices around the country have stopped doing their jobs.

The chairman has noticed another hearing for Department of Justice nominees next week, although he has yet to specify who will be included at that hearing, which is less than a week away. Democrats on the committee are continuing to work expeditiously and cooperatively to consider, report and confirm the vast majority of the President's nominations to the Department of Justice.

CONGRESSIONAL BUDGET ACT COMPLIANCE

Mr. DOMENICI. Mr. President, pursuant to section 313(c) of the Congressional Budget Act of 1974, I submit for the RECORD a list of material in S. 896 considered to be extraneous under subsections (b)(1)(A), (b)(1)(B), and (b)(1)(E) of section 313. The inclusion or exclusion of material on the following list does not constitute a determination of extraneousness by the Presiding Officer of the Senate.

To the best of my knowledge, S. 896, the Restoring Earnings to Lift Individuals and Empower Families (RELIEF) Reconciliation Act of 2001, contains no material considered to be extraneous under subsections (b)(1)(A), (b)(1)(B), and (b)(1)(E) of section 313 of the Congressional Budget Act of 1974.

PROJECT SAFE NEIGHBORHOODS

Mr. LEVIN. Mr. President, in a speech in Philadelphia on Monday, President Bush spoke out about gun violence in this country. Citing alarming statistics about the number of Americans killed and injured by handguns each year, he stated that "this is unacceptable in America. It's just unacceptable, and we're going to do something about it." The President emphasized that "we're going to reduce gun violence in America, and those who commit crimes with guns will find a determined adversary in my administration." I commend the President for his commitment to helping eliminate gun violence.

In his speech, the President introduced "Project Safe Neighborhoods," an initiative to combat gun violence. The main focus of this initiative is on the increased enforcement of existing gun laws and more vigorous prosecution of crimes committed with handguns. The President plans to devote $550 million in funding to this initiative over the next 2 years. The majority of the funding will be dedicated to hiring new Federal and State prosecutors to focus on gun crimes, updating State criminal record systems, improving Federal ballistics testing that trace illegal guns and developing regional task forces of Federal, State and local law enforcement agencies to catch and prosecute criminals in gun cases.

Although there is often disagreement about the best approach to ending gun violence, we can all agree that enforcement of our gun laws and prosecution of people who use guns illegally are essential elements to any successful approach. Since 1993, increased law enforcement and prosecution efforts have resulted in a 16 percent increase in the number of gun cases filed and a 41 percent increase in the number of offenders sentenced to more than 5 years in prison. These increases in enforcement efforts enjoy broad bipartisan support. I commend the President for building upon this consensus by taking another step toward ensuring that gun criminals are prosecuted to the fullest extent of the law.

While I agree with the aims of the President's initiative, I believe that it is not enough. We must also make it harder for criminals to get guns in the first place, by closing the gun show loophole that allows the purchase of handguns without a background check. Although he stated during the presidential campaign that he supported closing the gun show loophole, President Bush did not mention it in his speech on Monday. The President expressed that "Project Safe Neighborhoods is one step, an important step" toward making domestic tranquility a reality. I hope that the President will take the next, necessary step toward protecting the citizens of this country by supporting efforts to close the gun show loophole.

SUBMITTING CHANGES TO COMMITTEE ALLOCATIONS, FUNCTIONAL LEVELS, AND BUDGETARY AGGREGATES

Mr. DOMENICI. Mr. President, section 310(c)(2) of the Congressional Budget Act, as amended, provides the Chairman of the Senate Budget Committee with authority to revise committee allocations, functional levels, and budgetary aggregates for a reconciliation bill which fulfills an instruction with respect to both outlays and revenues. The Chairman's authority under 310(c) may be exercised if the following conditions have been satisfied:

1. The Committee on Finance reports a bill which changes the mix of the instructed revenue and outlay changes by not more than 20 percent of the sum of the components of the instruction, and

2. The Committee on Finance still complies with the overall reconciliation instruction.

I find that S. 896, as reported, satisfies the two conditions above and, pursuant to my authority under section 310(c), I hereby submit revisions to H. Con. Res. 83, the 2002 Budget Resolution. The attached tables show the current 2002 Budget Resolution figures as well as the revised committee allocations, functional levels, and budgetary aggregates, and I ask unanimous consent to have them printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002 - H. CON. RES. 83
CONFERENCE AGREEMENT

SECTION 101 (in billions)

(1)(A) Revenues (on-budget)

FY 2001	1630.462
FY 2002	1638.202
FY 2003	1706.044
FY 2004	1780.310
FY 2005	1852.646
FY 2006	1901.304
FY 2007	1994.674
FY 2008	2089.726
FY 2009	2193.954
FY 2010	2318.055
FY 2011	2436.550

(1)(B) Changes in Federal Revenues

FY 2001	0.000
FY 2002	-65.286
FY 2003	-76.067
FY 2004	-84.025
FY 2005	-97.124
FY 2006	-138.279
FY 2007	-141.081
FY 2008	-153.084
FY 2009	-166.162
FY 2010	-171.247
FY 2011	-191.343

(2) Budget Authority (on-budget)

FY 2001	1653.681
FY 2002	1510.948
FY 2003	1668.530
FY 2004	1733.617
FY 2005	1814.079
FY 2006	1866.139
FY 2007	1945.112
FY 2008	2025.075
FY 2009	2102.398
FY 2010	2186.341
FY 2011	2277.143

(3) Budget Outlays (on-budget)

FY 2001	1600.529
FY 2002	1476.841
FY 2003	1641.515
FY 2004	1709.251
FY 2005	1790.389
FY 2006	1837.846
FY 2007	1912.602
FY 2008	1994.838
FY 2009	2071.497
FY 2010	2154.203
FY 2011	2243.394

(4) Deficits or Surpluses (on-budget)

FY 2001	29.933
FY 2002	161.361
FY 2003	64.529
FY 2004	71.059
FY 2005	62.257
FY 2006	63.458
FY 2007	82.072
FY 2008	94.888
FY 2009	122.457
FY 2010	163.852
FY 2011	193.156

(5) Public Debt

FY 2001	5660.699
FY 2002	5603.812
FY 2003	5654.952
FY 2004	5700.089
FY 2005	5751.561
FY 2006	5803.295
FY 2007	5832.676
FY 2008	5847.714
FY 2009	5988.315
FY 2010	6343.661
FY 2011	6720.963

(6) Debt Held by the Public

FY 2001	3243.211
FY 2002	2924.234
FY 2003	2691.176
FY 2004	2437.771
FY 2005	2170.550
FY 2006	1882.764
FY 2007	1555.637
FY 2008	1194.633
FY 2009	939.000
FY 2010	878.000
FY 2011	818.000

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002 - H. CON. RES. 83
CONFERENCE AGREEMENT

(13) Income Security (600)

FY 2001	BA	255.942
	OT	256.932
FY 2002	BA	273.840
	OT	272.122
FY 2003	BA	283.864
	OT	282.611
FY 2004	BA	295.030
	OT	293.420
FY 2005	BA	309.192
	OT	307.667
FY 2006	BA	316.761
	OT	315.312
FY 2007	BA	324.056
	OT	322.627
FY 2008	BA	338.278
	OT	336.950
FY 2009	BA	349.561
	OT	347.987
FY 2010	BA	360.308
	OT	358.600
FY 2011	BA	371.593
	OT	369.419

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002 - H. CON. RES. 83
CONFERENCE AGREEMENT

(18) Net Interest (900)

FY 2001	BA	275.467
	OT	275.467
FY 2002	BA	259.162
	OT	259.162
FY 2003	BA	252.364
	OT	252.364
FY 2004	BA	247.310
	OT	247.310
FY 2005	BA	240.115
	OT	240.115
FY 2006	BA	235.642
	OT	235.642
FY 2007	BA	232.136
	OT	232.136
FY 2008	BA	227.484
	OT	227.484
FY 2009	BA	221.933
	OT	221.933
FY 2010	BA	214.899
	OT	214.899
FY 2011	BA	207.328
	OT	207.328

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002 - H. CON. RES. 83
CONFERENCE AGREEMENT

(19) Allowances (920)

FY 2001	BA	84.528
	OT	84.697
FY 2002	BA	-118.548
	OT	-114.379
FY 2003	BA	-6.115
	OT	-5.222
FY 2004	BA	-6.268
	OT	-5.912
FY 2005	BA	-6.423
	OT	-6.263
FY 2006	BA	-6.580
	OT	-6.503
FY 2007	BA	-6.744
	OT	-6.665
FY 2008	BA	-6.908
	OT	-6.828
FY 2009	BA	-7.079
	OT	-6.994
FY 2010	BA	-7.251
	OT	-7.165
FY 2011	BA	-7.429
	OT	-7.340

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002 - H. CON. RES. 83
REVISIONS TO CONFERENCE AGREEMENT
PURSUANT TO SECTION 310(c)(2)(A)

SECTION 101

(1)(A) Revenues (on-budget)

FY 2001	1597.318
FY 2002	1643.039
FY 2003	1702.895
FY 2004	1774.940
FY 2005	1847.188
FY 2006	1917.404
FY 2007	1998.677
FY 2008	2097.244
FY 2009	2208.199
FY 2010	2327.565
FY 2011	2453.350

(1)(B) Changes in Federal Revenues

FY 2001	-33.144
FY 2002	-60.449
FY 2003	-79.216
FY 2004	-89.395
FY 2005	-102.582
FY 2006	-122.179
FY 2007	-137.078
FY 2008	-145.566
FY 2009	-151.917
FY 2010	-161.737
FY 2011	-174.543

(2) Budget Authority (on-budget)

FY 2001	1567.519
FY 2002	1514.828
FY 2003	1673.766
FY 2004	1739.557
FY 2005	1821.708
FY 2006	1873.799
FY 2007	1952.072
FY 2008	2032.774
FY 2009	2110.659
FY 2010	2195.060
FY 2011	2286.341

(3) Budget Outlays (on-budget)

FY 2001	1514.367
FY 2002	1480.721
FY 2003	1646.751
FY 2004	1715.191
FY 2005	1798.018
FY 2006	1845.505
FY 2007	1919.562
FY 2008	2002.538
FY 2009	2079.757
FY 2010	2162.922
FY 2011	2252.592

(4) Deficits or Surpluses (on-budget)

FY 2001	82.951
FY 2002	162.318
FY 2003	56.144
FY 2004	59.749
FY 2005	49.170
FY 2006	71.899
FY 2007	79.115
FY 2008	94.706
FY 2009	128.442
FY 2010	164.643
FY 2011	200.758

(5) Public Debt

FY 2001	5607.681
FY 2002	5549.837
FY 2003	5609.362
FY 2004	5665.808
FY 2005	5730.367
FY 2006	5773.660
FY 2007	5805.998
FY 2008	5821.218
FY 2009	5988.315
FY 2010	6343.661
FY 2011	6720.963

(6) Debt Held by the Public

FY 2001	3190.193
FY 2002	2870.259
FY 2003	2645.586
FY 2004	2403.490
FY 2005	2149.356
FY 2006	1853.129
FY 2007	1528.959
FY 2008	1168.137
FY 2009	939.000
FY 2010	878.000
FY 2011	818.000

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002 - H. CON. RES. 83

REVISIONS TO CONFERENCE AGREEMENT

PURSUANT TO SECTION 310(c)(2)(A)

(13) Income Security (600)

FY 2001	BA	255.942
	OT	256.932
FY 2002	BA	280.412
	OT	278.694
FY 2003	BA	291.726
	OT	290.473
FY 2004	BA	303.109
	OT	301.499
FY 2005	BA	318.305
	OT	316.780
FY 2006	BA	325.713
	OT	324.264
FY 2007	BA	332.525
	OT	331.096
FY 2008	BA	347.396
	OT	346.068
FY 2009	BA	359.366
	OT	357.792
FY 2010	BA	370.774
	OT	369.066
FY 2011	BA	382.756
	OT	380.582

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002 - H. CON. RES. 83

REVISIONS TO CONFERENCE AGREEMENT

PURSUANT TO SECTION 310(c)(2)(A)

(18) Net Interest (900)

FY 2001	BA	274.305
	OT	274.305
FY 2002	BA	256.470
	OT	256.470
FY 2003	BA	249.738
	OT	249.738
FY 2004	BA	245.171
	OT	245.171
FY 2005	BA	238.631
	OT	238.631
FY 2006	BA	234.349
	OT	234.349
FY 2007	BA	230.627
	OT	230.627
FY 2008	BA	226.065
	OT	226.065
FY 2009	BA	220.389
	OT	220.389
FY 2010	BA	213.152
	OT	213.152
FY 2011	BA	205.363
	OT	205.363

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002 - H. CON. RES. 83

REVISIONS TO CONFERENCE AGREEMENT

PURSUANT TO SECTION 310(c)(2)(A)

(19) Allowances (920)

FY 2001	BA	-0.472
	OT	-0.303
FY 2002	BA	-118.548
	OT	-114.379
FY 2003	BA	-6.115
	OT	-5.222
FY 2004	BA	-6.268
	OT	-5.912
FY 2005	BA	-6.423
	OT	-6.263
FY 2006	BA	-6.580
	OT	-6.503
FY 2007	BA	-6.744
	OT	-6.665
FY 2008	BA	-6.908
	OT	-6.828
FY 2009	BA	-7.079
	OT	-6.994
FY 2010	BA	-7.251
	OT	-7.165
FY 2011	BA	-7.429
	OT	-7.340

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SECTION 302 OF THE CONGRESSIONAL BUDGET ACT
BUDGET YEAR TOTAL 2001
(In millions of dollars)
Revised 5/16/01 pursuant to section 310(c)(2)(A)

Committee		Direct spending jurisdiction		Entitlements funded in annual appropriations acts	
		Budget Authority	Outlays	Budget authority	Outlays
Appropriations					
General Purpose Discretionary		640,803	617,507	0	0
Memo:	*on-budget*	*637,372*	*614,136*		
	off-budget	*3,431*	*3,371*		
Highways		0	26,920	0	0
Mass Transit		0	4,639	0	0
Mandatory		332,768	316,432	0	0
Total		973,571	965,498	0	0
Agriculture, Nutrition, and Forestry		26,339	22,544	29,963	12,133
Armed Services		50,881	50,764	54	54
Banking, Housing and Urban Affairs		11,512	4,075	0	0
Commerce, Science, and Transportation		394	(3,472)	751	749
Energy and Natural Resources		2,691	2,609	40	51
Environment and Public Works		39,185	1,838	0	0
Finance		707,396	704,780	169,158	169,328
Foreign Relations		11,369	10,433	0	0
Governmental Affairs		60,669	59,270	0	0
Judiciary		5,064	4,847	264	264
Health, Education, Labor, and Pensions		9,726	8,740	1,852	1,851
Rules and Administration		112	68	0	0
Veterans' Affairs		1,249	1,245	23,556	23,465
Indian Affairs		267	233	0	0
Small Business		(375)	(475)	0	0
Unassigned to Committee		(330,341)	(313,341)	0	0
TOTAL		1,569,709	1,519,656	225,638	207,895

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SECTION 302 OF THE CONGRESSIONAL BUDGET ACT
BUDGET YEAR TOTAL 2002
(in millions of dollars)
Revised 5/16/01 pursuant to section 310(c)(2)(A)

Committee		Direct spending jurisdiction		Entitlements funded in annual appropriations acts	
		Budget Authority	Outlays	Budget authority	Outlays
Appropriations					
General Purpose Discretionary		546,945	537,091	0	0
Memo:	*on-budget*	*543,366*	*533,566*		
	off-budget	*3,579*	*3,525*		
Highways		0	28,489	0	0
Mass Transit		0	5,275	0	0
Conservation		1,760	1,232		
Mandatory		358,567	350,837	0	0
Total		907,272	922,924	0	0
Agriculture, Nutrition, and Forestry		21,175	17,856	22,293	13,209
Armed Services		53,053	52,964	54	54
Banking, Housing and Urban Affairs		8,417	1,273	0	0
Commerce, Science, and Transportation		13,452	9,630	805	801
Energy and Natural Resources		2,543	2,435	40	56
Environment and Public Works		41,494	1,799	0	0
Finance		703,580	703,049	185,672	185,713
Foreign Relations		11,706	10,454	0	0
Governmental Affairs		62,982	61,610	0	0
Judiciary		5,195	4,669	264	264
Health, Education, Labor, and Pensions		10,179	9,419	1,804	1,822
Rules and Administration		87	33	0	0
Veterans' Affairs		1,620	1,622	26,902	26,762
Indian Affairs		272	280	0	0
Small Business		0	(100)	0	0
Unassigned to Committee		(329,947)	(320,947)	0	0
TOTAL		1,513,080	1,478,970	237,834	228,681

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SECTION 302 OF THE CONGRESSIONAL BUDGET ACT

5-YEAR TOTAL: 2002-2006

(in millions of dollars)

Revised 5/16/01 pursuant to section 310(c)(2)(A)

Committee	Direct spending jurisdiction		Entitlements funded in annual appropriations acts	
	Budget Authority	Outlays	Budget authority	Outlays
Agriculture, Nutrition, and Forestry	69,640	52,349	106,745	71,186
Armed Services	305,980	305,551	274	274
Banking, Housing and Urban Affairs	59,463	2,355	0	0
Commerce, Science, and Transportation	72,789	50,419	4,493	4,468
Energy and Natural Resources	11,145	10,947	200	230
Environment and Public Works	181,030	8,380	0	0
Finance	3,770,695	3,767,949	1,086,697	1,086,656
Foreign Relations	59,747	54,108	0	0
Governmental Affairs	337,994	331,886	0	0
Judiciary	22,667	22,405	1,320	1,320
Health, Education, Labor, and Pensions	48,155	46,411	8,972	8,995
Rules and Administration	436	414	0	0
Veterans' Affairs	9,989	9,964	148,529	147,804
Indian Affairs	1,103	1,116	0	0
Small Business	0	(200)	0	0

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SECTION 302 OF THE CONGRESSIONAL BUDGET ACT

10-YEAR TOTAL: 2002-2011

(in millions of dollars)

Revised 5/16/01 pursuant to section 310(c)(2)(A)

Committee	Direct spending jurisdiction		Entitlements funded in annual appropriations acts	
	Budget Authority	Outlays	Budget authority	Outlays
Agriculture, Nutrition, and Forestry	114,692	80,210	225,304	156,220
Armed Services	671,521	670,656	549	549
Banking, Housing and Urban Affairs	132,028	(3,390)	0	0
Commerce, Science, and Transportation	164,611	118,775	10,178	10,292
Energy and Natural Resources	22,064	21,882	400	430
Environment and Public Works	371,833	15,995	0	0
Finance	8,332,502	8,325,884	2,663,216	2,662,654
Foreign Relations	122,819	113,442	0	0
Governmental Affairs	743,601	733,189	0	0
Judiciary	45,724	44,848	2,640	2,640
Health, Education, Labor, and Pensions	102,173	97,860	17,950	17,973
Rules and Administration	875	916	0	0
Veterans' Affairs	19,277	19,318	317,909	316,669
Indian Affairs	2,112	2,108	0	0
Small Business	0	(200)	0	0

NATIONAL BOXING SAFETY ACT OF 2001

Mr. McCAIN. Mr. President, I am pleased to join my colleague from Nevada, Senator REID, as a cosponsor to the National Boxing Safety Act of 2001. Because professional boxing is the only major sport in the United States that is not governed by a strong, centralized association or league to enforce uniform rules and practices, there is no consistent level of state regulation overseeing the practices of those participating in the industry. As the scandals, controversies, and unethical practices continue to persist, the need for a centralized governing body to regulate the sport has become evident.

While I have certain differences with the legislation, I look forward to working with Senator REID to address these, and together work toward passage of this bill.

THE CUBAN SOLIDARITY ACT OF 2001

Mr. CRAIG. Mr. President, I am honored to lend my support as an original cosponsor to the Cuban Solidarity Act of 2001. As many of us here know, the Cuban Solidarity Act of 2001 goes beyond what the original Helms-Burton Act of 1996 sought to accomplish. Not only does it send a clear signal to the Castro regime that there are consequences to violating political and religious freedoms and human rights, but that we are going to work fervently to bring about a change in his regime.

Four years ago, I spoke here on the Senate floor in condemnation of the cowardly acts of the Cuban government in the shooting down of two civilian aircraft. I also expressed my concerns about the unauthorized use of confiscated United States-citizen-owned property. This bill contains a number of provisions that seek compensation from the Cuban government on both matters.

In Castro's Cuba, dissidents are routinely subjugated to random arrests, exile, imprisonment and beatings for openly opposing the government. During the first two months of 2000, over 350 peaceful human rights activists were arrested. One of the most notable cases included that of Dr. Oscar Biscet of the Lawton Human Rights Foundation, who received three years in prison for protests against abortion and the death penalty.

These violations of human rights taking place only ninety miles from the United States, are a threat to international peace.

Furthermore, many observers are concerned that a successor to Castro is currently being groomed to maintain authoritarian control over the island.

This bill will authorize the President to pursue a more pro-active policy towards changing the regime in Cuba from within. It does so by amending trade sanctions, which will give the President enhanced tools in supporting pro-democracy and human rights groups. Such new tools include authorizing the export of religious, educational and journalistic materials to individuals and independent groups, as well as office supplies, telephones and fax machines. These individuals and groups may include victims of religious persecution, farm cooperatives, political prisoners, and worker's rights groups just to name a few. The bill will also increase humanitarian aid in the form of food and medicine to children and the elderly.

Another large component of this bill, is the support it gives to micro-enterprise efforts in Cuba. By helping self-employed Cubans start their own businesses, we will help to plant the seeds of independent thinking, democracy and entrepreneurialism which will ensure a more peaceful transition to democracy.

Because Castro will not hold power in Cuba forever, we need to take the necessary steps to make sure a transition to democracy is possible and likely.

It is time for a reinvigorated approach towards Cuba, one that includes bipartisan support. Therefore I am pleased to support the Cuba Solidarity Act of 2001, and I would urge others to do the same.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY last month. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a heinous crime that occurred October 31, 1999 in Inverness, Florida. After shouting anti-gay epithets, a teenager allegedly drove into a group of young people dressed in drag on Halloween night, killing 17-year-old Allison Decratel and injuring another person. The teenager, Richard Burzynski Jr., 17, and passenger Thomas Alan Bonneville, 16, drove past the cross-dressed group several times shouting "faggots" at the boys in the group before steering the car into the group of teens. The perpetrators fled the scene but were apprehended 50 miles north of the incident. On November 19, Burzynski was indicted on six counts, including first-degree murder.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, May 16, 2001, the Federal debt stood at $5,651,674,551,618.32, Five trillion, six hundred fifty-one billion, six hundred seventy-four million, five hundred fifty-one thousand, six hundred eighteen dollars and thirty-two cents.

One year ago, May 16, 2000, the Federal debt stood at $5,669,366,000,000, Five trillion, six hundred sixty-nine billion, three hundred sixty-six million.

Five years ago, May 16, 1996, the Federal debt stood at $5,113,662,000,000, Five trillion, one hundred thirteen billion, six hundred sixty-two million.

Ten years ago, May 16, 1991, the Federal debt stood at $3,460,706,000,000, Three trillion, four hundred sixty billion, seven hundred six million.

Fifteen years ago, May 16, 1986, the Federal debt stood at $2,030,755,000,000, Two trillion, thirty billion, seven hundred fifty-five million, which reflects a debt increase of more than $3.5 trillion, $3,620,919,551,618.32, Three trillion, six hundred twenty billion, nine hundred nineteen million, five hundred fifty-one thousand, six hundred eighteen dollars and thirty-two cents during the past 15 years.

ADDITIONAL STATEMENTS

TAIWANESE AMERICAN HERITAGE WEEK

• Mr. KENNEDY. Mr. President, last week, Taiwanese Americans and all Americans celebrated Taiwanese American Heritage Week. I commend our many citizens of Taiwanese background for the contributions they have made to America.

More than 500,000 Americans are of Taiwanese heritage, and they have achieved impressive successes in business, in science and the arts, in the academic world, and in many other aspects of our national life. They are a vital part of our society and an important part of the strong fabric of American life.

All Americans continue to watch with great interest and support as Taiwan continues to become a stronger nation and a stronger democracy. I share the hope of Taiwanese Americans that Taiwan will continue to prosper in peace and growing economic strength.•

TRIBUTE TO STONEWALL JACKSON HIGH SCHOOL

• Mr. WARNER. Mr. President, it is with great pleasure that I rise today to pay tribute to the accomplishments of Stonewall Jackson High School, in Manassas, VA. Stonewall Jackson has been named Time magazine's High School of the Year and is featured in the May 21, 2001 issue.

Time's Schools of the Year were judged on their approaches to the most pressing challenges in education; educating children of the poor; consolidating schools in rural areas; making effective use of technology in teaching; and getting parents and communities involved in the education of their children.

I firmly believe that strong parental involvement is a cornerstone for academic success—for it is parents who know the special needs of their own children. Steve Constantino, principal of Stonewall Jackson, believes this also. To increase parental involvement at the high school, Mr. Constantino and his staff planned to put resources in the hands of those who know best how to improve the education of their children, parents. He first removed the counter in the main office to welcome parents and make them feel more comfortable.

But Mr. Constantino and the faculty went a step further by putting in place a program called ParentLink. Through a website and voicemail system, parents can receive up-to-date information regarding their child's grades, homework, attendance, and even the details about what was being taught that day in the classroom. Bridging the communication gap between parents, students, and staff extends beyond ParentLink to the community. Stonewall Jackson accommodates working parents' schedules by holding Saturday morning events and by encouraging parents to make evening use of the school's resources on college and career options.

While increasing parental involvement in education, Stonewall Jackson has also vigorously challenged its students through the International Baccalaureate Diploma program, a rigorous academic program based on international perspectives, an enriched curriculum, community involvement, and written and oral communication skills. An I.B. degree is often regarded as superior to the completion of advanced placement courses, and about 45 percent of the student body at Stonewall Jackson are enrolled in I.B. courses, with 86 percent scoring four or better on a five-point scale.

Over the period of 1995–1999, SAT scores at Stonewall Jackson have risen 61 points; the school has reduced the disparity between minority and nonminority scores by 18 percent; the dropout rate has decreased from 11 percent to 3 percent; and parent satisfaction has risen from 34 percent in 1995 to 59 percent in 1999.

I also would like to take this opportunity to personally congratulate Mr. Constantino on being named Prince William County Public School's "Principal of the Year" for 2001, as well as receiving The Washington Post's "Distinguished Educational Leadership Award." I also want to extend the highest commendation and congratulations to the teachers, faculty, and parents of Stonewall Jackson High School for their outstanding performance in educating our children and preparing them to thrive in the 21st Century. And last, but certainly not least, to the students of Stonewall Jackson; I salute you on the floor of the United States Senate, because without you, none of this would be possible.

As we all know, today's youth are tomorrow's leaders, and schools such as Stonewall Jackson are paving the way to a prepared and intelligent generation. Stonewall Jackson High School is an inspiration to everyone in the community of Manassas, the Commonwealth of Virginia, and the United States of America, and should take great pride in the honor this recognition represents.•

150TH ANNIVERSARY OF THE PHOENIX HOME LIFE

• Mr. LIEBERMAN. Mr. President, I rise with my esteemed colleague, Senator CHRIS DODD, to offer congratulations to Phoenix Home Life Mutual Insurance Company, which is celebrating its 150th anniversary today.

Phoenix is actively engaged in so many facets of our society. This company embodies social leadership through charitable contributions and community involvement. The corporate infrastructure of Phoenix is permeated with a sense of compassion that looks beyond the bottom line and stresses to its employees the importance of investing in human capital as a means of promoting community development.

For example, Phoenix encourages employees to volunteer through a policy that allows them to devote 40 hours of company time per year to community activities, provided it is matched by the same amount of personal time. The company also rewards its top 20 professional advisors through its Donor's Award, a program that enables employees to designate up to $2,000 to a local charity. Since it's inception, the award has benefited many organizations, including the Juvenile Diabetes Foundation, Lou Gehrig Baseball, and the Make-a-Wish Foundation.

Through this emphasis on community commitment, Phoenix employees adopt their favorite charities, lending their expertise, their leadership, and their time to a variety of local outreach initiatives. The Loaves and Fishes soup kitchen is one such beneficiary. Each summer, Phoenix home office employees in Hartford team up with Foodshare to harvest vegetables donated by Connecticut farmers for area soup kitchens and shelters. Another example is the planning and organization, by a group of employees in 1999, of Connecticut's first Adoption and Foster Care Exposition, sponsored by Phoenix.

Additionally, Phoenix has spearheaded a three-million-dollar "Legacy Campaign" to sustain and promote the Doc Hurley Foundation. Through financial scholarships, mentoring from foundation trustees, and help with purchasing books, the campaign's endowment will help city high school students go to college. Phoenix will contribute a total of $500,000 over the course of the campaign.

One of Phoenix's greatest investments in our communities and in society has been its commitment to Special Olympics. In 1995, Phoenix made an eight-year commitment to Special Olympics International as its first Official Worldwide Partner, setting a standard for volunteerism few companies can match. Approximately 60 percent of home office employees volunteered at the Special Olympics World Games. Field offices also provided volunteers and raised money to assist local chapters with travel and lodging expenses, enabling athletes across the country to participate in a once-in-a-lifetime event.

Phoenix has proven itself to be an indispensable asset to Connecticut. By making community involvement a priority, Phoenix demonstrates that an alliance between the business sector and the community is not just possible, it is necessary.

At the end of the day, Phoenix is not a faceless multi-national corporation. Through its selfless endeavors within Connecticut's communities, it has proven itself to be the consummate good neighbor. Phoenix is a leader in the competitive world of business and a winner in the hearts of countless Connecticut residents. It is with great appreciation and honor that I ask my colleagues to join me in offering congratulations to Phoenix Home Life Mutual Insurance Company on its 150th anniversary.•

CHRIST EPISCOPAL CHURCH

• Mr. BOND. Mr. President, I rise to make a few comments on the sesquicentennial anniversary of Christ Episcopal Church in St. Joseph, MO.

The first formal service of the Episcopal Church was held in the orchard of Mrs. Kate Howard's home at 5th and Francis on September 1, 1851. The Reverend John McNamara, Missionary to the Platte Purchase, celebrated the service. On April 14, 1852, Christ Church parish was organized and the small group purchased a log structure at the northwest corner of 3rd and Jules.

On July 30, 1877 Bishop Robertson of the Diocese of Missouri laid the cornerstone of the new church. The building is brick in the English Gothic style. It is the second oldest building in the city in continuous use as a place of worship by one congregation.

During the 1896 renovation an organ was purchased from a church in Connecticut. This Johnson organ was originally built in 1867. The women of the parish who sponsored three operettas at the Tootle Opera House raised the money for the organ. The original portion is the oldest organ in St. Joseph.

Christ Episcopal Church continues to be a presence in downtown St. Joseph. The members are involved in community outreach activities including the Open Door Food Kitchen, Downtown Partners Association, Ecumenical Corporation for Housing Opportunities, and a Mother's Day Baby Shower to benefit the Division of Family Services.

I commend the congregation of Christ Episcopal Church on their continued commitment to maintain high standards of worship, music and fellowship for a church of 220 parishioners. I am pleased to join with the St. Joseph community and the State of Missouri in congratulating the congregation and wishing them continued growth and success for the next 150 years.•

HONORING CURTIS GIBSON

• Mr. BAUCUS. Mr. President, I rise to recognize a young man who represents the best of Montana, Curtis Gibson. Curtis has distinguished himself as an intelligent, self-motivated Eagle Scout from troop nine in Billings and I am proud to speak about his accomplishment today. I would like to begin by stating that Curtis is the son of Robert and Linda Gibson and the brother of Kelly Gibson, who is also an Eagle Scout.

As you may know, a Boy Scout is called to follow a strict code of conduct. He must be trustworthy, loyal, helpful, friendly, courteous, kind and brave. I am proud to say that Curtis Gibson embodies all of these attributes. While upholding the principles of the Scout oath and law, a potential Eagle Scout must earn 21 merit badges and prove to be a capable and effective leader. Moreover, he must also show that he has planned, developed, and led others in various service projects. I am here to affirm that Curtis has met these criteria and has recently been awarded the rank of Eagle Scout.

Along the way to becoming an Eagle Scout, Curtis organized 20 scouts from Troop Nine to improve Montana's park system. They designed and constructed covered information kiosks at the entrances to Two Moon Park and Norm Schoenthal Island to benefit the Yellowstone River Parks Association and the Yellowstone County Parks Department. These scouts volunteered more than 100 hours during the school year to complete the project and I am grateful for his dedication to the greater Billings community. Curtis's project certainly benefits our park systems, but it also serves Troop Nine and those who gave their time for service and leadership.

I am proud to say that Curtis has been involved in scouting for more than ten years and that he has spent six of those years with Troop Nine. Even though Saint Bernard's Parish in the Billings Heights is their home, Curtis has allowed his scouting activities to take him to Minnesota, Wyoming, South Dakota, the Florida Keys and Canada. In addition, Curtis recently joined Venture Crew Seven. This group joins together experienced Boy Scouts in the Billings area for extensive outdoor activities and service projects. However, Curtis has not limited himself solely to scouting. He is an active member of the student body at Skyview High School where he competes on the varsity swim team. Last year Curtis was named to the Montana all-state swim team.

Once again, I would like to express my appreciation to Curtis for his dedication to the state of Montana and his service to the city of Billings. Curtis has prepared himself well for a lifetime of leadership. The youth of our communities will certainly one day, direct the future greatness of our Nation. It gives me great joy to see that Curtis has taken an active role to ensure the continued success and triumph of Montana and the United States.•

TRIBUTE TO ROBERT "BUD" CLAY

• Mr. HATCH. Mr. President, today I wish to pay tribute to a World War II veteran who brought hope to an occupied people.

On May 24th for more than half a century, the residents of the former German-occupied Als Island off the coast of Denmark celebrated Robert "Bud" Clay as a hero. However, until recently, Bud was unaware of this honor.

Robert B. Clay was a Lieutenant Colonel in the 351st Bomb Group stationed in Polebrook, England during World War II. He was leading a B–17 bombing raid when things went terribly wrong. The plane's engines started failing one by one. Bud steered the plane toward neutral Sweden, but with the failure of an additional engine, it was clear that they would be unable to escape enemy territory. After ensuring that eight of the ten crewmen had safely bailed out of the plane, Clay and his copilot attempted a crash-landing in a nearby grassy clearing on Als Island.

Als Island was first occupied by German troops in 1939. The crashing of the B–17 on May 24, 1944 was seen by the people of the island as a symbol of approaching liberation. In fact, the plane was such a beacon of hope to them that the people of Als Island kept pieces of the wrecked B–17 not only as souvenirs but also as near-sacred tokens. One woman even made her wedding dress using fabric taken from one of the pilot's parachutes.

All the crewmen in Lieutenant Colonel Clay's plane survived the flight, but were taken as prisoners-of-war. Clay was held captive as a POW for one year in camps near Sagon, Nuremburg, and finally Mooseburg, Germany.

Then on the 28th of April, 1945, Bud saw the stars and stripes being flown from a tall building in an adjacent town. He suddenly realized that liberation was on its way. An experience uncannily like the Danes who viewed his plane's crash as a harbinger of freedom.

For 40 years Clay did not speak of his experience. He was the pilot of the mission and harbored feelings of guilt and responsibility, for the crash, for his crew being taken as POWs, and for not being able to finish out other missions.

However, as he was looking through a war-reunion newsletter two years ago, Clay recognized a photograph of the plane wreckage and the hills and farmhouses surrounding it. An islander had taken the picture as a boy and published the photo and story in hopes of finding the Americans whose crash-landing has been celebrated for decades.

This year will be the first year that Clay will be part of that celebration. He and five others from his bomber crew have been invited to personally attend the ceremonies that have been held in their honor for 56 years.

Clay will forever live as a hero in the memories of Als Island people. He has received e-mails and letters from them expressing their thanks. They have told him that seeing his plane helped them realize for the first time that help was on the way. I am very proud that this great man, who continues to serve in his local community, will finally receive the personal recognition he earned so long ago.•

MIAMI EDISON MIDDLE SCHOOL

• Mr. GRAHAM. Mr. President, I rise today to share with you a remarkable story.

As sweeping a statement as this is, the story of Miami Edison Middle School is truly the story of America in the 20th Century.

It is the story of immigration, with all its challenges, and all its rewards.

It is the story of hard work, of culture differences, and cross-cultural understanding.

It is the story of a city, and a neighborhood and how each generation that passes through leaves behind a layer to build on.

With its Art Deco auditorium and full-sized gymnasium, Miami Edison High School, originally called Dade County Agricultural High, was as magnificent a structure as you could imagine when it was built in 1928.

Through the school, one can trace the growth and transformation of the face of Miami, and indeed, the country.

When it opened in what was then Lemon City, a swath of land surrounded by lemon and orange groves, the entire student body was white.

My wife, Adele, was a student there, as were many of the men and women who are today some of Florida's most respected citizens, including Congressman CLAY SHAW and his wife, Emilie, historian Arva Moore Parks and Miami Dolphins football star Nat Moore.

By the 1960s, most of the students were Hispanic.

A new high school for the area was built in 1978 and Edison became a middle school.

Today, the majority of students are of Haitian descent or are recent Haitian immigrants. Edison High School has the highest percentage in the state of students still learning English. It has the lowest math and reading tests scores. It has far too many students living in poverty.

The original high-school building, however, looks much the same as it did when it was built, only better.

For years Edison, like many urban schools, was left to crumble. Finally, school and county officials decided it was time to put this piece of Florida history in the path of the wrecking ball. To many Edison alumni, organized as the "Over the Hill Gang, this was unconscionable.

In an age when too many children are being taught in makeshift classrooms, trailers and former utility closets, we were sacrificing what could truly have been called a temple of learning. We were carelessly trampling our history and taking down with it the too-long-lost tradition of teaching our children in school buildings that reflect that grandeur of what goes on inside their walls.

A group of Edison alumni including Arva Moore Parks, one of Florida's great voices for preserving our history, fought to save the school.

In 1992, Dade County agreed to keep the original school standing and refurbish it to meet the needs of today's students.

While the alumni group had the best intentions, the parents of today's Edison students were wary, and not without cause.

The neighborhood had been promised a new middle school in 1988. It was supposed to be completed by 1992. Instead, children were still trying to learn in a decaying, leaking building.

The move to preserve the old school looked, to many neighborhood parents, like another broken promise.

In the end, the families of that area got the best of both worlds. The building, restored by architect Richard Heisenbottle of Coral Gables, is a magnificent melding of old and new. The architectural elements of the past are bolstered by a new wing, new lighting, plumbing and air-conditioning. Old classrooms were gutted and refurbished. The original wood floor of the gymnasium remains in place along with a 1,700-seat auditorium with Deco light fixtures and a carved, wraparound balcony. In 1997 the architect, the alumni group, the Dade County School Board and the Dade Heritage Trust received one of the National Trust for Historic Preservation's prestigious honor awards for the project.

The building itself is a tribute to all involved, but strangely enough, it may not be the most important structure that grew out of this effort. The men and women who fought to save the school also built a sturdy bridge connecting Miami's immigrants to its old guard, its present to its past.

One United Band: The Edison Linkage Foundation was formed to reassure the community's parents that today's students mattered as much to the alumni as the school building.

The foundation raises money for an aggressive mentoring program that offers a stipend to successful students at Edison High School to tutor younger, at-risk children and to serve as role models for navigating the challenging and often frightening world of adolescence.

For some immigrant children, that world is even more frightening than for most young people.

Language barriers are just a small part of the problem many of these children face. Some came from Haiti directly to middle school without having had any formal education before. They are illiterate in their own language as well as a new one.

Many live in poverty, with families who cannot spend as much time with them as they'd like to and cannot help them with their homework.

Tutors can help fill in the blanks, bridge the gaps that keep them from reading, understanding, learning and staying in school. They can offer a living, breathing vision of something to strive for.

The program has been a resounding success. In the 1999–2000 school year, 26 middle-school students showed measurable academic gains after being tutored.

Of the student's tutored, 15 percent were non-readers. Those students are now reading at a level three and above.

Meanwhile, the graduating seniors who served as tutors are all headed for college this fall.

The money to pay for the tutors' time is raised from Edison alumni scattered around the country and through fund-raisers including shows and sales of Haitian art.

The art shows are both a fund-raising tool for the mentoring program and college scholarships, and a source of pride for children from Haitian families.

The third of these will take place May 21, 2001, in the Florida House in Washington, D.C.

All of this has been thanks to the hard work of a number of dedicated volunteers and professionals. These include: Martha Anne Collins, Linkage Foundation administrator; Ron Major, Edison Middle School principal; John Walker, coordinator of the tutoring program and an assistant principal at Miami Edison High School; Alma King-Jones, Middle School coordinator and administrative assistant to the principal; Betsy Kaplan of the Dade County School Board; historian Arva Moore Parks and my wife, Adele Khoury Graham, who co-chaired the Linkage Foundation; Charles Keye, Linkage Foundation treasurer; Fred and Mary Exum and the "Over the Hill Gang", who have helped coordinate the brick donation program for the Dade County Public School system.

All these people, and many more, are responsible for the vision, and then the reality, that became the Edison Middle School and the Linkage Foundation.

These men and women reached across generations and through racial and cultural divides to unite Miami today with the Miami of yesterday.

In doing so, they have helped create a source of hope and opportunity for the Miami of tomorrow.●

45TH ANNIVERSARY OF CAN DO, INC

● Mr. SANTORUM. Mr. President, I take this opportunity to recognize a driving economic force in Hazleton, PA. CAN DO, Inc., Community Area New Development Organization, has served the Greater Hazleton area with economic development initiatives since its founding in 1956.

With the decline of the coal mining industry in the 1950s, Hazleton suffered terrible unemployment and low community morale, and several members of the community took it upon themselves to reverse the high-unemployment trend in the region. With that, Dr. Edgar L. Dessen and a group of community leaders formed CAN DO. CAN DO's initial purpose was to raise money to turn around the difficult time that the community was experiencing.

With its tremendous fundraising efforts, CAN DO raised almost $750,000, which was enough to purchase land for the development of an industrial park. In less than a year, Valmont Industrial Park was completed, providing an outstanding facility for businesses to call home. General Foam Company was the first firm to occupy the space and created 100 new jobs. This was just the beginning of the great work that CAN DO would do.

Many years and several facilities later, CAN DO has revitalized Greater Hazleton in many ways. The dedication of the leadership in CAN DO is phenomenal, and it is without a doubt that they have changed the lives of many Northeastern Pennsylvania residents. When economic times were tough in the 1950s, CAN DO displayed the courage and initiative to revitalize their community.

As they celebrate their 45th anniversary I would like to congratulate them with the following resolution:

Whereas CAN DO is an economic development agency serving Greater Hazleton in Northeastern Pennsylvania, and,

Whereas CAN DO was founded in 1956 as a grass-roots movement to attract new industries to Greater Hazleton as the anthracite coal industry failed, and,

Whereas CAN DO has created four industrial parts—Valmont Industrial Park, Humboldt Industrial Park, McAdoo Industrial and the CAN DO Corporate Center, and,

Whereas CAN DO has been responsible for more than 280 development projects, and,

Whereas CAN DO has been responsible for the creation of more than 11,000 current jobs in Greater Hazleton, and

Whereas CAN DO has been responsible for the creation of a tax base worth millions of dollars, and,

Whereas CAN DO has been recognized nationally for the quality of their work in the field of economic development, and

Whereas CAN DO has worked cooperatively with other governing and volunteer bodies to improve the general quality of life for every man, woman, and child in and around Greater Hazleton, and,

Whereas CAN DO is this year celebrating its 45th anniversary,

Therefore, be it declared that CAN DO is to be congratulated for reaching such an important milestone in its long, distinguished history, and

Be it declared that CAN DO is to be commended for performing such meritorious service in the area of economic development.•

TRIBUTE TO DR. JAY C. DAVIS

• Mr. DOMENICI. Mr. President, I wish to take this opportunity to recognize the accomplishments of Dr. Jay C. Davis, the first Director of the Defense Threat Reduction Agency, more commonly known as "DTRA." Jay completes his tenure as the Director on June 21, 2001 and will be returning to Lawrence Livermore National Laboratory.

In October 1998, the Defense Threat Reduction Agency was established by the Department of Defense to respond to the growing threat posed by the proliferation of nuclear, chemical, and biological weapons, so called "weapons of mass destruction" or WMD. DTRA was charged to integrate and focus the capabilities of the Department on the present and future WMD threat.

The new Agency needed a Director and the Department picked Jay to establish the Agency, provide its vision, and assure its rapid success. Jay's accomplishments make him an excellent choice for this job. While Jay, a nuclear physicist, had spent the majority of his career at Lawrence Livermore National Laboratory, he's been active in treaty verification and nonproliferation technologies, as well as the design of research and development collaborations.

He served as scientific advisor to the United Nations Secretariat, several US agencies, and to the scientific agencies of the governments of Australia and New Zealand. He participated in two UN inspections in Iraq. Jay is a Fellow of the American Physical Society and was one of its Centennial Lecturers in its 100th Anniversary Year. The author of more than seventy published works in his discipline, he also holds three patents on analytical techniques and applications.

During his three years at DTRA, Jay created an agency that is widely respected. Today, DTRA performs many important missions. It is partnered with the Commanders-in-Chief of the combatant commands, the Services, and the Department of Energy on the maintenance of the physical and doctrinal components of our nuclear deterrent. It provides warfighters with tools to prevail against WMD. DTRA also executes all arms control treaty inspections, cooperative agreements, and technology control activities in the Department of Defense. In addition, Jay has been instrumental in leading and defining the Department's role in supporting local and state agencies in WMD terrorism response operations. Under his leadership, DTRA has contributed significantly to the evolving concept of homeland defense.

Jay has twice been awarded the Distinguished Public Service Medal by the Secretary of Defense, DoD's highest civilian award, for his contributions to national security.

He and his wife May soon will return to the Livermore valley, where he will become the first National Security Fellow at the Lab's Center for Global Security Research. In this new position, Jay will do what he does best, bringing together scientists and technologists with policy analysts to study ways in which technology can enhance national security. I congratulate Jay on all his accomplishments at DTRA and wish him the best in his future endeavors at Lawrence Livermore National Laboratory.•

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:51 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 622. An act to amend the Internal Revenue Code of 1986 to expand the adoption credit, and for other purposes.

H.R. 1646. An act to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the following enrolled bills:

H.R. 428. An act concerning the participation of Taiwan in the World Health Organization.

H.R. 802. An act to authorize the Public Safety Officer Medal of Valor, and for other purposes.

S. 700. An act to establish a Federal interagency task force for the purpose of coordinating actions to prevent the outbreak of bovine spongiform encephalopathy (commonly known as "mad cow disease") and foot-and-mouth disease in the United States.

The enrolled bills were signed subsequently by the President pro tempore (Mr. THURMOND).

At 4:28 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 135. A concurrent resolution expressing the sense of the Congress welcoming President Chen Shui-bian of Taiwan to the United States.

The message also announced that pursuant to 22 U.S.C. 276d and clause 10 of rule I, the Speaker appoints the following Members of the House of Representatives to the Canada-United States Interparliamentary Group, in addition to Mr. HOUGHTON of New York, Chairman, appointed on March 20, 2001: Mr. GILMAN of New York, Mr. DREIER of California, Mr. SHAW of Florida, Mr. STEARNS of Florida, Mr. PETERSON of Minnesota, Mr. MANZULLO of Illinois, Mr. ENGLISH of Pennsylvania, and Mr. SOUDER of Indiana.

MEASURES REFERRED

The following bill was read the first and the second times by unanimous consent, and referred as indicated:

H.R. 1646. An act to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes; to the Committee on Foreign Relations.

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 135. Concurrent resolution expressing the sense of the Congress welcoming President Chen Shui-bian of Taiwan to the United States; to the Committee on Foreign Relations.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, May 17, 2001, he had presented to the President of the United States the following enrolled bill:

S. 700. An act to establish a Federal interagency task force for the purpose of coordinating actions to prevent the outbreak of bovine spongiform encephalopathy (commonly known as "mad cow disease") and foot-and-mouth disease in the United States.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1902. A communication from the Managing Director, Financial Management and Assurance, General Accounting Office, transmitting, pursuant to law, a report relative to the financial statements of the Capitol Preservation Fund for Fiscal Years 1999 and 2000; to the Committee on Rules and Administration.

EC-1903. A communication from the Acting Assistant General Counsel for Regulatory Law, Office of Environment, Safety and Health, Department of Energy, transmitting, pursuant to law, the report of a rule entitled "Procedural Rules for DOE Nuclear Activities; General Statement of Enforcement Policy" received on May 14, 2001; to the Committee on Energy and Natural Resources.

EC-1904. A communication from the Regulations Coordinator, Office of Child Support Enforcement, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Comprehensive Tribal Child Support Enforcement Programs" (RIN0970-AB73) received on May 14, 2001; to the Committee on Finance.

EC-1905. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report relative to the Federal Deposit Insurance Corporation's Financial Statements for calendar years 1999 and 2000; to the Committee on Banking, Housing, and Urban Affairs.

EC-1906. A communication from the Chief Financial Officer of the Export-Import Bank of the United States, transmitting, a draft of proposed legislation to amend the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Housing, and Urban Affairs.

EC-1907. A communication from the Acting Administrator of the Small Business Administration, transmitting, a draft of proposed legislation entitled "Small Business Amendments Act of 2001"; to the Committee on Small Business.

EC-1908. A communication from the Assistant Director for Budget and Administration, Executive Office of the President, transmitting, pursuant to law, the report of a vacancy in the position of Associate Director, National Security and International Affairs; to the Committee on Commerce, Science, and Transportation.

EC-1909. A communication from the Comptroller General of the United States, transmitting, a report relative to two deferrals of budget authority; to the Committees on Appropriations; the Budget; and Foreign Relations.

EC-1910. A communication from the Principal Deputy Under Secretary of Defense, Acquisition and Technology, transmitting, pursuant to law, a report concerning revisions to the Annual Materials Plans for Fiscal Years 2001 and 2002; to the Committee on Armed Services.

EC-1911. A communication from the Deputy Under Secretary of Defense, Technology Security Policy, transmitting, pursuant to law, the report of a delay on the report concerning military transfers; to the Committee on Armed Services.

EC-1912. A communication from the Deputy General Counsel of the Federal Bureau of Investigation, Department of Justice, transmitting, pursuant to law, the report of a rule entitled "National Instant Criminal Background Check System Regulation; Delay of Effective Date" (RIN1110-AA02) received on May 9, 2001; to the Committee on the Judiciary.

EC-1913. A communication from the Secretary of the Judicial Conference of the United States, transmitting, a draft of proposed legislation entitled "Federal Judgeship Act of 2001"; to the Committee on the Judiciary.

EC-1914. A communication from the Chairman of the National Committee on Vital and Health Statistics, transmitting, pursuant to law, the Annual Report on the Implementation of the Administrative Simplification Provisions of the Health Insurance Portability and Accountability Act for calendar year 2000; to the Committee on Health, Education, Labor, and Pensions.

EC-1915. A communication from the Chairman of the National Labor Relations Board, transmitting, pursuant to law, the report of the discontinuation of service in acting role, and a vacancy in the position of General Counsel; to the Committee on Health, Education, Labor, and Pensions.

EC-1916. A communication from the Acting Chief Executive Officer of the Corporation for National and Community Service, transmitting, pursuant to law, the report of a vacancy and the designation of acting officer for the position of Chief Financial Officer; to the Committee on Health, Education, Labor, and Pensions.

EC-1917. A communication from the Acting Chief Executive Officer of the Corporation for National and Community Service, transmitting, pursuant to law, the report of a vacancy and the designation of acting officer for the position of Chief Executive Officer; to the Committee on Health, Education, Labor, and Pensions.

EC-1918. A communication from the Deputy Director of the Peace Corps, transmitting, pursuant to law, the report of a vacancy and the designation of acting officer for the position of Director; to the Committee on Foreign Relations.

EC-1919. A communication from the Assistant Secretary of Legislative Affairs, Department of the Treasury, transmitting, pursuant to law, a report relative to the operations of the Enterprise for the Americas Initiative and the Tropical Forest Conservation Act for 1999 and 2000; to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-54. A joint resolution adopted by the Legislature of the State of Alaska relative to the Arctic National Wildlife Refuge; to the Committee on Energy and Natural Resources.

LEGISLATIVE RESOLVE NO. 5

Whereas, in sec. 1002 of the Alaska National Interest Lands Conservation Act (ANILCA), the United States Congress reserved the right to permit further oil and gas exploration, development, and production within the coastal plain of the Arctic National Wildlife Refuge, Alaska; and

Whereas, the oil industry, the state, and the United States Department of the Interior consider the coastal plain to have the highest potential for discovery of very large oil and gas accumulations on the continent of North America, estimated to be as much as 10,000,000,000 barrels of recoverable oil; and

Whereas, the "1002 study area" is part of the coastal plain located within the North Slope Borough, and residents of the North Slope Borough, who are predominantly Inupiat Eskimo, are supportive of development in the "1002 study area"; and

Whereas, oil and gas exploration and development of the coastal plain of the refuge and adjacent land could result in major discoveries that would reduce our nation's future need for imported oil, help balance the nation's trade deficit, and significantly increase the nation's security; and

Whereas domestic demand for oil continues to rise while domestic crude production continues to fall with the result that the United States imports additional oil from foreign sources; and

Whereas development of oil at Prudhoe Bay, Kuparuk, Endicott, Lisburne, and Milne Point has resulted in thousands of jobs throughout the United States, and projected job creation as a result of coastal plain oil development will have a positive effect in all 50 states; and

Whereas Prudhoe Bay production is declining by approximately 10 percent a year; and

Whereas, while new oil field developments on the North Slope of Alaska, such as Alpine, Badami, and West Sak, may slow or temporarily stop the decline in production, only giant coastal plain fields have the theoretical capability of increasing the production volume of Alaska oil to a significant degree; and

Whereas opening the coastal plain of the Arctic National Wildlife Refuge now allows sufficient time for planning environmental safeguards, development, and national security review; and

Whereas the 1,500,000-acre coastal plain of the refuge makes up only eight percent of the 19,000,000-acre refuge, and the development of the oil and gas reserves in the refuge's coastal plain would affect an area of only 2,000 to 7,000 acres, which is less than one-half of one percent of the area of the coastal plain; and

Whereas 8,000,000 of the 19,000,000 acres of the refuge have already been set aside as wilderness; and

Whereas the oil industry has shown at Prudhoe Bay, as well as at other locations along the Arctic coastal plain, that it can safely conduct oil and gas activity without adversely affecting the environment or wildlife populations; and

Whereas the state will ensure the continued health and productivity of the Porcupine Caribou herd and the protection of land, water, and wildlife resources during the exploration and development of the coastal plain of the Arctic National Wildlife Refuge, Alaska; and

Whereas the oil industry is using innovative technology and environmental practices in the new field developments at Alpine and Northstar, and those techniques are directly applicable to operating on the coastal plain and would enhance environmental protection beyond traditionally high standards; be it

Resolved by the Alaska State Legislature, That the Congress of the United States is urged to pass legislation to open the coastal plain of the Arctic National Wildlife Refuge, Alaska, to oil and gas exploration, development, and production, and that the Alaska State Legislature is adamantly opposed to further wilderness or other restrictive designation in the area of the coastal plain of the Arctic National Wildlife Refuge, Alaska; and be it further

Resolved, That that activity be conducted in a manner that protect the environment and naturally occurring population levels of the Porcupine Caribou herd and uses the state's work force to the maximum extent possible; and be it further

Resolved, That the Alaska State Legislature opposes any unilateral reduction in royalty revenue from exploration and development of the coastal plain of the Arctic National Wildlife Refuge, Alaska, and any attempt to coerce the State of Alaska into accepting less than the 90 percent of the oil, gas, and mineral royalties from the federal land in Alaska that was promised to the state at statehood.

Copies of this resolution shall be sent to the Honorable George W. Bush, President of the United States; the Honorable Richard B. Cheney, Vice-President of the United States and President of the U.S. Senate; the Honorable Gale Norton, Secretary of the Interior, the Honorable J. Dennis Hastert, Speaker of the U.S. House of Representatives; the Honorable Trent Lott, Majority Leader of the U.S. Senate; to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress; and to all other members of the U.S. Senate and the U.S. House of Representatives serving in the 107th United States Congress.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPECTER, from the Committee on Veterans' Affairs:

Special Report entitled "Legislative and Oversight Activities During the 106th Congress by the Senate Committee on Veterans' Affairs" (Rept. No. 107–17).

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committee were submitted:

By Mr. HATCH, from the Committee on the Judiciary:

Viet D. Dinh, of the District of Columbia, to be an Assistant Attorney General.

Michael Chertoff, of New Jersey, to be an Assistant Attorney General.

(The above nominations were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. ENZI:

S. 906. A bill to provide for protection of gun owner privacy and ownership rights, and for other purposes; to the Committee on the Judiciary.

By Mrs. CARNAHAN:

S. 907. A bill to amend the Internal Revenue Code of 1986 to encourage the use of ethanol and the adoption of other forms of value-added agriculture, and for other purposes; to the Committee on Finance.

By Mr. BROWNBACK (for himself, Mr. Allard, Mr. Helms, Mr. Hutchinson, Mr. Inhofe, Mr. Sessions, and Mr. Shelby):

S. 908. A bill to require Congress and the President to fulfill their Constitutional duty to take personal responsibility for Federal laws; to the Committee on Governmental Affairs.

By Mrs. LINCOLN (for herself and Mr. Hutchinson):

S. 909. A bill to improve the administration of the Animal and Plant Health Inspection Service of the Department of Agriculture, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ROCKEFELLER (for himself, Mr. Dayton, and Mr. Wellstone):

S. 910. A bill to provide certain safeguards with respect to the domestic steel industry; to the Committee on Finance.

By Mr. SMITH of Oregon (for himself and Mr. Baucus):

S. 911. A bill to reauthorize the Endangered Species Act of 1973; to the Committee on Environment and Public Works.

By Ms. MIKULSKI (for herself and Mrs. Hutchison):

S. 912. A bill to amend title 38, United States Code, to increase burial benefits for veterans; to the Committee on Veterans' Affairs.

By Ms. SNOWE (for herself, Mr. Rockefeller, Mr. Smith of Oregon, and Mrs. Feinstein):

S. 913. A bill to amend title XVIII of the Social Security Act to provide for coverage under the medicare program of all oral anticancer drugs; to the Committee on Finance.

By Mrs. BOXER (for herself, Mr. Reid, and Mr. Baucus):

S. 914. A bill to designate the United States courthouse located at 95 Seventh Street in San Francisco, California, as the "James R. Browning United States Courthouse"; to the Committee on Environment and Public Works.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. McCONNELL (for himself, Mr. Helms, Mrs. Feinstein, and Mr. Leahy):

S. Con. Res. 38. A concurrent resolution recognizing the founding of the Alliance for Reform and Democracy in Asia, and for other purposes; to the Committee on Foreign Relations.

By Mrs. FEINSTEIN (for herself and Mrs. Boxer):

S. Con. Res. 39. A concurrent resolution expressing the sense of Congress that the moratorium on new oil and natural gas leasing activity on submerged land of the outer Continental Shelf should be maintained; to the Committee on Energy and Natural Resources.

By Mr. HATCH (for himself, Mr. Baucus, Mr. Allen, Mr. Bayh, Mr. Bennett, Mr. Bingaman, Mr. Bond, Mr. Breaux, Mr. Brownback, Ms. Cantwell, Mrs. Carnahan, Mr. Chafee, Mrs. Clinton, Ms. Collins, Mr. Craig, Mr. Daschle, Mr. Dayton, Mr. DeWine, Mr. Dodd, Mr. Dorgan, Mr. Durbin, Mr. Ensign, Mr. Feingold, Mrs. Feinstein, Mr. Fitzgerald, Mr. Frist, Mr. Graham, Mr. Grassley, Mr. Helms, Mr. Inhofe, Mr. Inouye, Mr. Jeffords, Mr. Johnson, Mr. Kerry, Ms. Landrieu, Mrs. Lincoln, Ms. Mikulski, Mr. Miller, Mr. Murkowski, Mrs. Murray, Mr. Reid, Mr. Rockefeller, Mr. Santorum, Mr. Sarbanes, Mr. Smith of Oregon, Ms. Snowe, Mr. Specter, Mr. Stevens, Mr. Thomas, Mr. Thurmond, Mr. Torricelli, Mr. Voinovich, and Mr. Wellstone):

S. Con. Res. 40. A concurrent resolution expressing the sense of Congress regarding the designation of the week of May 20, 2001, as "National Emergency Medical Services Week"; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 37

At the request of Mr. Lugar, the name of the Senator from Idaho (Mr. Craig) was added as a cosponsor of S. 37, a bill to amend the Internal Revenue Code of 1986 to provide for a charitable deduction for contributions of food inventory.

S. 41

At the request of Mr. Hatch, the name of the Senator from Idaho (Mr. Craig) was added as a cosponsor of S. 41, a bill to amend the Internal Revenue Code of 1986 to permanently extend the research credit and to increase the rates of the alternative incremental credit.

S. 152

At the request of Mr. Nelson of Florida, his name was added as a cosponsor of S. 152, a bill to amend the Internal Revenue Code of 1986 to eliminate the 60-month limit and increase the income limitation on the student loan interest deduction.

S. 207

At the request of Mr. Smith of New Hampshire, the name of the Senator from New York (Mrs. Clinton) was added as a cosponsor of S. 207, a bill to amend the Internal Revenue Code of 1986 to provide incentives to introduce new technologies to reduce energy consumption in buildings.

S. 275

At the request of Mr. Nelson of Florida, his name was added as a cosponsor of S. 275, a bill to amend the Internal Revenue Code of 1986 to repeal the Federal estate and gift taxes and the tax on generation-skipping transfers, to preserve a step up in basis of certain property acquired from a decedent, and for other purposes.

S. 381

At the request of Mr. Allard, the name of the Senator from Mississippi (Mr. Cochran) was added as a cosponsor of S. 381, a bill to amend the Uniformed and Overseas Citizens Absentee Voting Act, the Soldiers' and Sailors' Civil Relief Act of 1940, and title 10, United States Code, to maximize the access of uniformed services voters and recently separated uniformed services voters to the polls, to ensure that each vote cast by such a voter is duly counted, and for other purposes.

S. 394

At the request of Mr. DOMENICI, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 394, a bill to make an urgent supplemental appropriation for fiscal year 2001 for the Department of Defense for the Defense Health Program.

S. 458

At the request of Mr. NELSON of Florida, his name was added as a cosponsor of S. 458, a bill to amend the Internal Revenue Code of 1986 to make higher education more affordable, and for other purposes.

S. 481

At the request of Mr. NELSON of Florida, his name was added as a cosponsor of S. 481, a bill to amend the Internal Revenue Code of 1986 to provide for a 10-percent income tax rate bracket, and for other purposes.

S. 500

At the request of Mr. BURNS, the name of the Senator from Utah (Mr. BENNETT) was added as a cosponsor of S. 500, a bill to amend the Communications Act of 1934 in order to require the Federal Communications Commission to fulfill the sufficient universal service support requirements for high cost areas, and for other purposes.

S. 554

At the request of Mr. DEWINE, his name was added as a cosponsor of S. 554, a bill to amend title XVIII of the Social Security Act to expand medicare coverage of certain self-injected biologicals.

S. 565

At the request of Mr. DODD, the names of the Senator from Vermont (Mr. LEAHY), the Senator from Nevada (Mr. REID), the Senator from New York (Mrs. CLINTON), the Senator from Indiana (Mr. BAYH), the Senator from Rhode Island (Mr. REED), the Senator from Florida (Mr. NELSON), the Senator from California (Mrs. BOXER), the Senator from North Carolina (Mr. EDWARDS), the Senator from Delaware (Mr. BIDEN), the Senator from Missouri (Mrs. CARNAHAN), the Senator from Maryland (Ms. MIKULSKI), the Senator from Washington (Mrs. MURRAY), the Senator from Maryland (Mr. SARBANES), the Senator from Michigan (Ms. STABENOW), the Senator from Minnesota (Mr. WELLSTONE), the Senator from New Jersey (Mr. TORRICELLI), the Senator from Louisiana (Ms. LANDRIEU), the Senator from South Dakota (Mr. JOHNSON), the Senator from Michigan (Mr. LEVIN), the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Georgia (Mr. MILLER), the Senator from Nebraska (Mr. NELSON), the Senator from West Virginia (Mr. ROCKEFELLER), the Senator from Oregon (Mr. WYDEN), the Senator from Iowa (Mr. HARKIN), the Senator from Washington (Ms. CANTWELL), the Senator from Hawaii (Mr. AKAKA), the Senator from Montana (Mr. BAUCUS), the Senator from New Mexico (Mr. BINGAMAN), the Senator from North Dakota (Mr. DORGAN), the Senator from Illinois (Mr. DURBIN), the Senator from Wisconsin (Mr. FEINGOLD), the Senator from California (Mrs. FEINSTEIN), the Senator from Florida (Mr. GRAHAM), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Arkansas (Mrs. LINCOLN) were added as cosponsors of S. 565, a bill to establish the Commission on Voting Rights and Procedures to study and make recommendations regarding election technology, voting, and election administration, to establish a grant program under which the Office of Justice Programs and the Civil Rights Division of the Department of Justice shall provide assistance to States and localities in improving election technology and the administration of Federal elections, to require States to meet uniform and nondiscriminatory election technology and administration requirements for the 2004 Federal elections, and for other purposes.

S. 580

At the request of Mr. HUTCHINSON, the name of the Senator from New Hampshire (Mr. SMITH) was added as a cosponsor of S. 580, a bill to expedite the construction of the World War II memorial in the District of Columbia.

S. 627

At the request of Mr. NELSON of Florida, his name was added as a cosponsor of S. 627, a bill to amend the Internal Revenue Code of 1986 to allow individuals a deduction for qualified long-term care insurance premiums, use of such insurance under cafeteria plans and flexible spending arrangements, and a credit for individuals with long-term care needs.

S. 690

At the request of Mr. WELLSTONE, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 690, a bill to amend title XVIII of the Social Security Act to expand and improve coverage of mental health services under the medicare program.

S. 724

At the request of Mr. BOND, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 724, a bill to amend title XXI of the Social Security Act to provide for coverage of pregnancy-related assistance for targeted low-income pregnant women.

S. 742

At the request of Mr. NELSON of Florida, his name was added as a cosponsor of S. 742, a bill to provide for pension reform, and for other purposes.

S. 756

At the request of Mr. CRAIG, his name was added as a cosponsor of S. 756, a bill to amend the Internal Revenue Code of 1986 to extend and modify the credit for electricity produced from biomass, and for other purposes.

S. 775

At the request of Mrs. LINCOLN, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 775, a bill to amend title XVIII of the Social Security Act to permit expansion of medical residency training programs in geriatric medicine and to provide for reimbursement of care coordination and assessment services provided under the medicare program.

S. 778

At the request of Mr. HAGEL, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 778, a bill to expand the class of beneficiaries who may apply for adjustment of status under section 245(i) of the Immigration and Nationality Act by extending the deadline for classification petition and labor certification filings.

S. 828

At the request of Mr. LIEBERMAN, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 828, a bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for certain energy-efficient property.

S. 829

At the request of Mr. BROWNBACK, the names of the Senator from Louisiana (Mr. BREAUX), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Michigan (Mr. LEVIN) were added as cosponsors of S. 829, a bill to establish the National Museum of African American History and Culture within the Smithsonian Institution.

S. 830

At the request of Mr. CHAFEE, the names of the Senator from Minnesota (Mr. DAYTON) and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 830, a bill to amend the Public Health Service Act to authorize the Director of the National Institute of Environmental Health Sciences to make grants for the development and operation of research centers regarding environmental factors that may be related to the etiology of breast cancer.

S. 838

At the request of Mr. DEWINE, the names of the Senator from Maryland (Ms. MIKULSKI), the Senator from Tennessee (Mr. FRIST), and the Senator from Vermont (Mr. JEFFORDS) were added as cosponsors of S. 838, a bill to amend the Federal Food, Drug, and Cosmetic Act to improve the safety and efficacy of pharmaceuticals for children.

S. 839

At the request of Mrs. HUTCHISON, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 839, a bill to amend title XVIII of the Social Security Act to increase the amount of payment for inpatient hospital services under the medicare program and to freeze the reduction in payments to hospitals for indirect costs of medical education.

S. 847

At the request of Mr. DAYTON, the names of the Senator from New York (Mr. SCHUMER), the Senator from New York (Mrs. CLINTON), and the Senator from Pennsylvania (Mr. SPECTER) were added as cosponsors of S. 847, a bill to impose tariff-rate quotas on certain casein and milk protein concentrates.

S. 853

At the request of Mr. NELSON of Florida, his name was added as a cosponsor of S. 853, a bill to amend the Internal Revenue Code of 1986 to reduce the marriage penalty by providing a nonrefundable dual-earner credit and adjustment to the earned income credit.

S. 862

At the request of Mrs. FEINSTEIN, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 862, a bill to amend the Immigration and Nationality Act to authorize appropriations for fiscal years 2002 through 2006 to carry out the State Criminal Alien Assistance Program.

S. 877

At the request of Mr. NELSON of Florida, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 877, a bill to amend the Agricultural Marketing Act of 1946 to require that a warning label be affixed to arsenic-treated wood sold in the United States.

S. 880

At the request of Mr. DEWINE, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 880, a bill to amend title XVIII of the Social Security Act to provide adequate coverage for immunosuppressive drugs furnished to beneficiaries under the medicare program that have received an organ transplant, and for other purposes.

S. 881

At the request of Mr. HATCH, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 881, a bill to amend the Taxpayer Relief Act of 1997 to provide for consistent treatment of survivor benefits for public safety officers killed in the line of duty.

S. 882

At the request of Ms. MIKULSKI, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 882, a bill to amend title II of the Social Security Act to provide that a monthly insurance benefit thereunder shall be paid for the month in which the recipient dies, subject to a reduction of 50 percent if the recipient dies during the first 15 days of such month, and for other purposes.

S. 884

At the request of Mr. DOMENICI, the name of the Senator from Arizona (Mr. KYL) was added as a cosponsor of S. 884, a bill to improve port-of-entry infrastructure along the Southwest border of the United States, to establish grants to improve port-of-entry facilities, to designate a port-of-entry as a port technology demonstration site, and for other purposes.

S. 885

At the request of Mr. HUTCHINSON, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 885, a bill to amend title XVIII of the Social Security Act to provide for national standardized payment amounts for inpatient hospital services furnished under the medicare program.

S. RES. 57

At the request of Mr. BOND, the names of the Senator from Louisiana (Ms. LANDRIEU) and the Senator from Oregon (Mr. SMITH) were added as cosponsors of S. Res. 57, a resolution to express the sense of the Senate that the Federal investment in programs that provide health care services to uninsured and low-income individuals in medically under-served areas be increased in order to double access to care over the next 5 years.

S. RES. 71

At the request of Mr. HARKIN, the names of the Senator from Maine (Ms. COLLINS) and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. Res. 71, a resolution expressing the sense of the Senate regarding the need to preserve six day mail delivery.

S. RES. 88

At the request of Mr. KENNEDY, the names of the Senator from Pennsylvania (Mr. SPECTER) and the Senator from Vermont (Mr. JEFFORDS) were added as cosponsors of S. Res. 88, a resolution expressing the sense of the Senate on the importance of membership of the United States on the United Nations Human Rights Commission.

S. RES. 90

At the request of Mr. GRAHAM, the names of the Senator from Maine (Ms. COLLINS), the Senator from Texas (Mrs. HUTCHISON), and the Senator from Missouri (Mrs. CARNAHAN) were added as cosponsors of S. Res. 90, a resolution designating June 3, 2001, as "National Child's Day."

S. CON. RES. 35

At the request of Mr. SCHUMER, the names of the Senator from Michigan (Mr. LEVIN), the Senator from Wisconsin (Mr. KOHL), and the Senator from New Jersey (Mr. CORZINE) were added as cosponsors of S. Con. Res. 35, a concurrent resolution expressing the sense of Congress that Lebanon, Syria, and Iran should allow representatives of the International Committee of the Red Cross to visit the four Israelis, Adi Avitan, Binyamin Avraham, Omar Souad, and Elchanan Tannenbaum, presently held by Hezbollah forces in Lebanon.

AMENDMENT NO. 649

At the request of Mr. ENZI, the name of the Senator from Idaho (Mr. CRAPO) was added as a cosponsor of amendment No. 649.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ENZI:

S. 906. A bill to provide for protection of gun owner privacy and ownership rights, and for other purposes; to the Committee on the Judiciary.

Mr. ENZI. Mr. President, I rise to announce the introduction of legislation that would make a technical correction to Chapter 44 of title 18 of the United States Code which would ensure that the rights of law-abiding gun owners are not further eroded by the Federal Government when it performs background checks for the purchase of firearms.

My heart goes out to the families who have suffered harm or death at the hands of persons who have chosen to break State and Federal gun statutes. There is no excuse for violence. When one citizen suffers the effects of violence, all of America should be outraged and should demand the violation be prosecuted to the full extent of the law.

Unfortunately, many people have lost sight of the reason for these tragedies, and rather than focusing on preventing further gun violence by working to resolve the violent nature of modern society, the debate over gun control has deteriorated into an argument over ways to punish law-abiding citizens for the criminal actions of others. This leaves us far too often confronted with legislation that attempts to make people feel safer without providing any real security.

Because of the extreme seriousness that surrounds incidents of gun violence, and because of the deep grief and horror that accompanies those times when the value of a human life is taken so lightly, I cannot in good faith support any legislation that makes empty promises and then does nothing to protect America's children.

Events during the past two years clearly show that no number of laws or statutes will protect our children if those laws are not enforced. The key to curbing gun violence is stricter enforcement of existing laws and teaching our children that it is wrong to kill.

No legislative action in the world will keep anyone safe if it is not enforced. By that same token, taking away the rights of law-abiding citizens does nothing to protect America's children from the illegal ownership or use of a firearm. As in all social problems, the solution to ending gun violence lies in addressing the cause of the disease and not in picking away at its symptoms. Moral and social changes must take place throughout the nation. People must become more involved in their communities. Parents must become more involved in the lives of their children. Our society must reinforce the importance of treating others as you would like to be treated yourself.

The legislation I am introducing today would correct a misguided oversight that has occurred in the enforcement of the background check requirements by first, prohibiting the Federal Government from imposing a tax on federally mandated background checks conducted for the transfer of a firearm; second, it would require law enforcement agencies who conduct background checks to immediately destroy the records of those firearm purchasers who, as a result of the background check, are determined to be a legal purchaser; and finally, it imposes civil penalties for Federal agencies who fail to comply with this requirement.

The United States stands out as the example of democracy and freedom for the rest of the world. We hold this position because of our unswerving dedication to the Constitution, and to a Federal court system that has diligently worked to uphold the individual rights created by that historic document. This legislation makes it possible for law enforcement agencies to prevent conflicts that have arisen between an individual's right to privacy and an enumerated right to own a firearm. These conflicts have arisen as a result of a bad policy decision that allows Federal agencies to hold onto background check records for up to 90 days for "Internal Audit" reasons. Because of an inability to monitor what agencies do with those records during that time, the immediate record destruction requirement is absolutely necessary to prevent abuses that could place the rights of our citizens in further conflict. Once again, this does not apply to persons whose background checks show they are attempting to illegally purchase a firearm but only applies to law-abiding citizens whose background checks demonstrate that they can legally purchase a firearm.

The underlying background check statute that this legislation amends authorizes federal agencies to conduct background searches for one reason and one reason only, to determine if the applicant can legally purchase a firearm. Once that purpose has been fulfilled there is no further authorization to retain the records of legal and law-abiding gun purchasers for any other agency actions.

I realize that the question over the rights of gun ownership is an emotional issue for many people on both sides of the debate, but until the United States Constitution is overridden and our citizens' rights to own a gun are taken away, then our Federal agencies have no authority to impede or prevent law-abiding citizens from purchasing or possessing legally-acquired firearms. This legislation would retain those rights and restore equity to the implementation of the firearm background check statute.

By Mrs. CARNAHAN:

S. 907. A bill to amend the Internal Revenue Code of 1986 to encourage the use of ethanol and the adoption of other forms of value-added agriculture, and for other purposes; to the Committee on Finance.

Mrs. CARNAHAN. Mr. President, things are happening fast in the value-added agriculture industry, and I'm pleased that Missouri is leading the way in establishing innovative, value-added enterprises that will help our farm economy prosper.

By encouraging new economic opportunities that add value to crops, we can help improve the economic stability of our family farms.

While value-added agriculture can take many forms, a prime example is ethanol production. Increased ethanol production is not only exciting because it can be farmer-owned and farmer-driven, but because it will create a cleaner-burning fuel that stands to improve air quality.

Ethanol production has become increasingly important as cities across the nation strive to fight smog and meet federal clean air standards. Hundreds of Missouri gas stations in the St. Louis area have begun dispensing reformulated gasoline, a move that will help boost demand for ethanol. With ethanol we also have greater energy security because we are replacing oil imports with domestic sources of renewable energy.

Additional ethanol production will help provide a consistent demand for corn, which should help to improve corn prices and put more money in growers' pockets. Now more than five percent of our domestic corn production, or 550 million bushels of corn, is used every year to produce ethanol. That's especially important in times such as these when our farmers are facing critically low commodity prices.

Today, I am introducing the Investment in Value-Added Agriculture that will build on the success of programs enacted during the Carnahan administration to encourage ethanol use and other forms of value-added agriculture. My legislation updates existing federal law affecting ethanol and uses Missouri law as a model for federal legislation to encourage investments in ethanol and other value-added agribusiness.

My proposal consists of three components.

First, it would extend the ethanol motor fuel excise tax. Currently, this exemption is due to expire in 2007. My legislation would extend the exemption through 2015.

Second, the legislation would expand eligibility of the federal producer tax credit to farmer-owned cooperatives. It would also increase the production capacity limit to allow plants producing up to 60 million gallons of ethanol receive the credit.

Third, the legislation would encourage private investment in new-generation cooperatives by creating a 50 percent tax credit on investments in these enterprises. New-generation cooperatives are producer owned entities designed to add a step to the production process that adds value to crops.

With this legislation I want to continue to help farmers in Missouri and to also help farmers throughout the United States by bringing proven Missouri programs to the federal level. During my husband's gubernatorial administration, Missouri made great strides to encourage ethanol production and value-added agriculture.

To encourage ethanol production in the state, Governor Carnahan provided the initial funding for the Missouri Qualified Fuel Ethanol Producer Incentive Fund. Under the incentive fund, Missouri ethanol producers are eligible for a maximum annual grant of $3.125 million for 5 years.

Two farmer-owned ethanol plants are now operating in Missouri. Both plants utilized funds from this incentive fund.

In 1997, Missouri established a value-added grant and loan programs to help farmers process and add value to their raw commodities and earn more profit on their products. As of last year this program awarded more than $1.6 million in grants.

In addition, the Value-Added Loan Guarantee Program has issued loan guarantees for more than $1.7 million. This program offers commercial lenders added security on agricultural development loans for projects that add value to Missouri farm products.

One of Governor Carnahan's top priorities was the creation of an Agriculture Innovation Center. This Center, run out of the Missouri Department of Agriculture, serves as a one-stop shop for Missouri producers seeking help to implement creative ideas for raising, processing and marketing agricultural products.

It is my sincere hope that this legislation will help encourage adoption and investment in value-added agriculture. Value-added agriculture holds the promise of invigorating the rural landscape and keeping jobs and income in local communities.

By Mr. BROWNBACK (for himself, Mr. ALLARD, Mr. HELMS, Mr. HUTCHINSON, Mr. INHOFE, Mr. SESSIONS, and Mr. SHELBY):

S. 908. A bill to require Congress and the President to fulfill their constitutional duty to take personal responsibility for Federal laws; to the Committee on Governmental Affairs.

Mr. BROWNBACK. Mr. President, today I am introducing the Congressional Responsibility Act of 2001. The underlying principle of this legislation is that the Constitution forbids the delegation of legislative powers to any other branch of government.

Following the preamble to the Constitution, Article I, Section 1 begins: "All legislative powers herein granted shall be vested in a Congress." The Founders clearly believed that this included the power to regulate, as they had noted John Locke's wise admonition that, "the legislative [branch] cannot transfer the power of making law to any other hands." They understood that if this transfer did occur, legislators would no longer be responsible for the laws that government imposes on the people.

Throughout the late eighteenth century and the entire nineteenth century, in fact for the first 150 years of our republic, the Supreme Court held that the transfer of legislative powers to another branch of government was unconstitutional. Unfortunately, in the late 1920's a radical break with the Constitution, and established precedent in previous Supreme Court rulings, occurred with the landmark case, J.W. Hampton, Jr. & Co. v. United States. This was, essentially, a ruling in favor of political expediency, and it started Congress down a slippery slope. Since the Hampton case, Congress has ceded its basic legislative responsibilities to executive branch agencies that craft and enforce regulations, which have the full force of law.

Consequently, our constituents can be taxed, fined, and even imprisoned without any congressional action. This is unjust. The Founders purposefully designed the Congress to be the most accountable branch of government, but Congress has grown increasingly irresponsible. The fundamental link between voter and lawmaker has been severed. A handful of broadly written laws has spawned a virtual alphabet soup of government agencies and an overwhelming regulatory burden that undermines the very idea of representative government. During the 106th Congress, 2,510 new rules and revisions of old rules went into effect. Of these, 75 were considered to be major rules—or rules with an impact of $100 million or more. The case has become so egregious that many regulatory analysts believe more consequential law is generated in the executive branch than in the legislative branch.

The bottom line is that the executive branch has assumed the law-making authority given to the Congress. This is wrong.

The Congressional Responsibility Act would restore the constitutional responsibility of the Congress over the formulation of all laws by making executive branch agencies accountable to the American people through their elected representatives in Congress. In short, it would return power to Congress, and ultimately it would return power to the people who elect us.

Under the Congressional Responsibility Act all rules and regulations would have to come before the Congress prior to being enacted into law. Congress would then be required to have an up or down vote on the proposed rule or regulation before it could take effect. The bill provides for consideration of rules and regulations in an expedited manner, unless a majority of Members vote to send it through the normal legislative process. Under the bill, if Congress did not take action on the rule, then it would die by default. This approach not only puts Congress back in control of the legislative process, it also ends the horrendous practice of delegation without representation—and it makes Congress accountable for the laws that affect the lives of every American. It is about returning power, responsibility and authority back to Congress.

This non-partisan, ideologically neutral concept was first offered by then Judge Stephen Breyer who wrote that we should end delegation as a means to satisfy "the literal wording of the Constitution's bicameral and presentation clauses." The concept offered in the Congressional Responsibility Act also takes into account the Supreme Court's 1983 decision in INS v. Chadha, which held a one-house veto to be unconstitutional. Other supporters of this concept include Judge Robert Bork; David Schoenbrod, a professor at New York Law School; and numerous other constitutional scholars.

The Constitution suffered greatly in the twentieth century. Now, at the beginning of the twenty-first century, we have a tremendous opportunity to restore the Constitution to its rightful preeminence as the guarantor of our freedoms, the protector of our liberties, and the guiding force for our form of government.

Delegation of legislative powers is as wrong today as taxation without representation was in the 1700s. With enactment of this legislation, we will send a clear message to the bureaucrats in Washington and to the American people at home: Congress must not delegate its constitutionally-granted powers.

Mrs. LINCOLN. Mr. President, the Wildlife Services Division of the United States Department of Agriculture needs assistance in expediting proper bird management activities. I am here today to introduce legislation that accomplishes this goal.

Proper migratory bird management is important to the State of Arkansas for a number of reasons. We are deemed "The Natural State" due to the numerous outdoor recreational opportunities that exist in the State. Fishing, hunting, and bird watching opportunities abound throughout Arkansas. Maintaining proper populations of wildlife, especially migratory birds, is essential for sustaining a balanced environment.

In Arkansas, aquaculture production has taken great strides in recent years. The catfish industry in the State has grown rapidly and Arkansas currently ranks second nationally in acreage and production of catfish. The baitfish industry is not far behind, selling more than 15 million pounds of fish annually, with a cash value in excess of $43 million. I have been a great supporter of this industry since my days in the House of Representatives and I am concerned about the impact the double breasted cormorant is having on this industry. In the words of one of my constituents, "The double-crested cormorant has become a natural disaster!" I am pleased that the Fish and Wildlife Service has agreed to develop a national management plan for the double breasted cormorant and I am hopeful that an effective management program will be the result of these efforts.

One of my top priorities since coming to Congress in 1992 has been to work to make government more efficient and effective. To specifically address what I see as an inequity among government agencies regarding this issue, I am introducing a bill today that gives Wildlife Service employees as much authority to manage and take migratory birds as any U.S. Fish and Wildlife Service employee. After all, Wildlife Services biologists are professional wildlife managers providing the front line of defense against such problems. With this legislation I would like to recognize the excellent job that Wildlife Services has done and is doing for bird management.

Currently, USDA-Wildlife Services is required to apply for and receive a permit from the U.S. Fish and Wildlife Service before they can proceed with any bird collection or management activities. This process is redundant and unnecessary. Oftentimes, Wildlife Services finds that by the time a permit arrives, the birds for which the permit was applied for are already gone. I hope that this legislation will lead to a more streamlined effort for management purposes and I urge both agencies, USDA and the Fish and Wildlife Service, to work together to accomplish this goal.

I would like to thank my colleague from Arkansas, Senator Tim Hutchinson, for joining me in this effort and look forward to working with my colleagues to ensure that government is operating efficiently.

By Mr. ROCKEFELLER (for himself, Mr. DAYTON and Mr. WELLSTONE):

S. 910. A bill to provide certain safeguards with respect to the domestic steel industry; to the Committee on Finance.

Mr. ROCKEFELLER. Mr. President, today I introduce the Save the American Steel Industry Act of 2001. As you know, the domestic steel industry is currently faced with the most devastating crisis in its history, one that could lead to its decimation if the Administration fails to initiate action under Section 201 of our trade laws. Over two-thirds of our largest steelmakers have entered bankruptcy since 1997, and some analysts predict that almost half of existing U.S. steelmaking capacity may be idled by year's end if the President does not take immediate and decisive action to provide the industry with desperately needed relief. The surge of dumped, subsidized, and disruptive imports that was initially triggered by the onset of the Asian financial crisis has not abated, but has in fact worsened over the past few months. Steel prices have plummeted over the last 3 years, with no hopes of rebounding, and an additional five U.S. steel companies entered Chapter 11 in the first 4 months of this year, with more certain to follow absent Presidential action on Section 201.

My State has two major steel facilities, one owned by Weirton and the other by Wheeling-Pittsburgh. Wheeling-Pitt is in bankruptcy and Weirton is struggling. Thousands of jobs and two important communities in a small, relatively poor State are threatened. It is a situation that is all too common in the American steel belt, and one that demands immediate attention.

Throughout the steel belt, tens of thousands of jobs are at stake; more than 20,000 have already been lost. Hundreds of communities are endangered. Billions of dollars in wages and shareholder value are threatened. Most alarming, our national security is threatened. Unless we act decisively, the United States could soon be as dependent on foreign steel as we are on foreign oil. We are facing a permanent loss of capacity that has the potential to harm every heavy industry in this country, including automakers, defense contractors and, in my home State of West Virginia, aerospace companies.

For some time now, I have advocated consolidation as one of the best ways to ensure the survival of the domestic steel industry in the face of this massive surge of imports. Merged companies create greater economies of scale and with their enhanced capacity and purchasing power, stand a better chance of competing against their heavily subsidized foreign competitors. While consolidation by itself will not relieve the hardships of the steel crisis for our steelworkers, their families and communities, the domestic industry can really only recover with the imposition of remedies under Section 201, I believe that it is a step in the right direction.

Unfortunately, the pace of consolidation in the domestic industry has been slowed due to companies' fears of assuming the tremendous legacy and environmental compliance costs of acquired entities. Legacy costs, in particular, are a tremendous expense for companies, as there are more retired steelworkers than steelworkers currently employed. The burden of assuming such substantial costs has acted as a deterrent to industry consolidation, which I believe, gives our industry a much better chance of long-term survival.

The Save the American Steel Industry Act of 2001 attempts to address these concerns. Title I of the Act establishes a Steel Retiree Health Care Board in the Department of Labor to administer a newly-created Health Care Benefit Costs Assistance Program. Under the program, the board will contribute funds to eligible steelworker group health plans equal to 75 percent of the qualified expenditures of such plans. The funds will be allocated from a Steelworker Retiree Health Care Trust Fund in the U.S. Treasury financed by a 2 percent Federal excise tax on all steel products sold in the United States.

Title I is critical, because by some estimates, 10 percent of the cost of steel in the U.S. consists of payments to pension and retiree health care funds for workers laid off in the 70's and 80's. This new fund would be accessible to all steel companies providing health insurance to retirees and, as the pool of affected retirees declines, the tax will be reduced. In the meantime, U.S. companies will be at less of a disadvantage against competitors whose governments pick up the tab for health care and retirement costs.

Title II of the Act allows merged companies to apply for grants of up to $200 million from the Commerce Department to help cover the costs of compliance with applicable environmental regulations. The Secretary of Commerce can only provide grants after it is determined that the merger promotes maximum retention of jobs and production capacity consistent with long-term viability. Specifically, at least 80 percent of the steelworkers employed by the merging companies, including a minimum 50 percent of steelworkers employed by the acquired company,, must be retained to qualify for a grant. At least 80 percent of the steelmaking facilities of each party must be retained. The Act provides for substantial penalties if a company receiving a grant subsequently violates these thresholds.

Together, these two actions could make a tremendous difference for many domestic steel mills, especially small and mid-sized operations by providing incentives for domestic steel companies to consider joining forces. The Health Care Benefit Costs Assistance Program proposed under Title I makes mergers more likely by ensuring that a large portion of legacy costs inherited in consolidation plans would be covered by the Federal Government. By providing domestic steelmakers with substantial funds to bring merged facilities into compliance with environmental laws, Title II of the bill provides further incentives for consolidation. At the same time, Title II ensures that steelworkers and their families are not sacrificed in the merger process by requiring that most jobs and production capacity are retained and by heavily penalizing companies that receive funding and subsequently do not stick to the agreement.

The American steel industry has earned the respect and consideration of this body as an industry that took some very tough medicine not so very long ago. During the first steel crisis, the U.S. steel industry got very little sympathy. As the first great wave of imports washed across our coasts, the industry was told that it was too old, too inefficient, and too unresponsive to save.

But rather than walk away, the American steel industry put itself through a wrenching, and almost miraculous revitalization, transforming century-old mills into miracles of modern production. No steel industry on earth gets more production per man hour than the U.S. industry. None has a cleaner environmental record. No one has been faster or more effective at integrating computer technology into its production.

And yet, having done that, the industry finds itself threatened again—not by better steelmakers, but by subsidized producers. Companies who have the support of their governments are taking advantage of our traditional commitment to trade, to dump steel on a saturated market. Their competitive advantage lies in their government support, and not their manufacturing skill. It is not fair. It is not just. And I don't believe that our Government should stand by idly and let the painful years and billions of dollars our steel industry invested be stolen away by companies who do not play by the rules.

The Save the American Steel Industry Act of 2001 represents the first step in the Federal Government's commitment to ensuring that the United States maintains our basic steelmaking capacity. While I do not believe that the industry can survive without a comprehensive Section 201 action on all steel products and ultimately, negotiation of a multilateral steel agreement with our trading partners to address the foreign overcapacity problem, this act provides greater incentives for domestic steel companies to consider consolidation, which, I believe, substantially enhances their chances of survival in today's increasingly turbulent steel marketplace. Failure to act now, in this Congress, would be a grave mistake.

By Mr. SMITH of Oregon (for himself and Mr. BAUCUS):

S. 911. A bill to reauthorize the Endangered Species Act of 1973; to the Committee on Environment and Public Works.

Mr. SMITH of Oregon. Mr. President, on Monday, May 7, I traveled once again to Klamath Falls, OR, to address a rally of more than 15,000 people. They came to show their support for the farmers, farm workers, small business owners and local officials in the Upper Klamath River Basin who were devastated by the April 6 Bureau of Reclamation announcement that the agency would deliver no water to most of the agricultural lands that have always received irrigation water from the federal project.

This decision is expected to cost the local economy between two hundred fifty million and three hundred million dollars. This is an area that has already been hurt economically by the significant reduction in the Federal timber sale program, and was further harmed when the Federal roadless policy precluded a proposed ski area that would have brought jobs and tourism dollars to the local community.

This crisis highlights many of the current problems with the administration of the Endangered Species Act. We are managing the water resources in this basin for two fish species, at the expense of all other wildlife, including bald eagles. We are foregoing water deliveries to refuges that are a critical component of the western flyway in order to triple the water we are sending down the river for fish. We are also forgetting our human stewardship, and to date have failed to provide assistance to the farmers and ranchers who are facing economic ruin over this water allocation decision.

You cannot look in the faces of those honest, hard-working farmers and ranchers, as I have, and believe that this situation is just or reasonable. You cannot see the anxiety on the faces of children who don't understand what is happening, or why a fish is more important than their family, and not be moved to action.

That is why, to begin a meaningful dialogue on the Endangered Species Act, I am introducing the "Endangered Species Recovery Act of 2001." This bill is almost identical to legislation that was reported out of the Senate Environment and Public Works Committee in the 105th Congress by a vote of fifteen to three. Those voting in favor were Senators ALLARD, BAUCUS, BOND, Chafee, GRAHAM, HUTCHISON, INHOFE, Kempthorne, Moynihan, REID, SESSIONS, SMITH of New Hampshire, THOMAS, WARNER, and WYDEN. The bill was supported by the Western Governors' Association, and incorporates the recommendations which that Association, the National Governors' Association and the International Association of Fish and Wildlife Agencies sent to the Congress in 1995.

If enacted, this bill would do a better job of recovering species, while addressing the legitimate concerns of property owners or others affected by the Endangered Species Act. While increasing public participation, this legislation significantly strengthens the recovery planning process and creates new tools to ensure that recovery plans are implemented. The bill also streamlines the consultation process and provides significant new incentives for property owners to preserve and restore habitat for listed species.

I remain committed to enhancing our environmental stewardship. But right now, we have a situation where over 1,100 species have been listed under the existing Act, and less than two dozen have been delisted. Litigation is consuming far too much of the time and resources of federal agencies that could be better spent actually recovering species.

The time has come to admit that there must be a better way to protect wildlife. I hope that this will be the beginning of a bipartisan dialogue that results in effective improvements in the Act.

In the meantime, I will continue to press for the assistance that the residents of the Klamath Falls area need to make it through this year. It has become increasingly apparent to me over the last three weeks that existing federal disaster assistance programs and crop insurance programs are simply not geared toward the type of situation we have in the Klamath Falls area. I will continue to press the Administration for an assistance package that will provide meaningful relief to these families.

By Ms. MIKULSKI (for herself and Mrs. HUTCHISON):

S. 912. A bill to amend title 38, United States Code, to increase burial benefits for veterans; to the Committee on Veterans' Affairs.

Ms. MIKULSKI. Mr. President, I rise to introduce the Veterans Burial Benefits Improvement Act of 2001. I am pleased that my colleague, Senator HUTCHISON, joins me in introducing this legislation today.

During the upcoming Memorial Day holiday, we will honor our U.S. soldiers who died in the name of their country. These service men and women are America's true heros and on this day we pay tribute to their courage and sacrifice. Some have given their lives for our country. All have given their time and dedication to ensure our country remains the land of the free and the home of the brave. We owe a special debt of gratitude to each and every one of them.

This holiday serves as an important reminder that our nation has a sacred commitment to honor the promises made to soldiers when they signed up to serve our country. As the Ranking Member of the Senate Appropriations Subcommittee that funds veterans programs, I fight hard to make sure promises made to our service men and women are promises kept. These promises include access to quality, affordable health care and a proper burial for our veterans.

I am deeply concerned that the Federal Government has not increased veterans' burial benefits for the families of our wounded or disabled veterans in over a decade. We are losing over 1,100 World War II veterans each day, but Congress has failed to increase veterans' burial benefits to keep up with rising costs and inflation. While these benefits were never intended to cover the full costs of burial, they now pay for only a fraction of what they covered in 1973, when the Federal Government first started paying burial benefits for our veterans.

That's why I am introducing the Veterans Burial Benefits Improvement Act. This bill will increase burial benefits to cover the same percentage of funeral costs as they did in 1973. It will also provide for these benefits to be increased annually to keep up with inflation.

In 1973, the service-connected benefit payed for 72 percent of veterans' funeral costs. But this benefit has not been increased since 1988, and it now covers just 29 percent of funeral costs. My bill will increase the service-connected benefit from $1,500 to $3,713, bringing it back up to the original 72 percent level.

In 1973, the non-service connected benefit payed for 22 percent of funeral costs. It has not been increased since 1978, and today it covers just 6 percent of funeral costs. My bill will increase the non-service connected benefit from $300 to $1,135, bringing it back up to the original 22 percent level.

In 1973, the plot allowance payed for 13 percent of veterans' funeral costs. This benefit has never been increased, and it now covers just 3 percent of funeral costs. My bill will increase the plot allowance from $150 to $670, bringing it back up to the original 13 percent level.

Finally, the Veterans Burial Benefits Improvement Act will also ensure that these burial benefits are adjusted for inflation annually, so veterans won't have to fight this fight again.

This legislation is just one way to honor our nation's service men and women. I want to thank the millions of veterans, Marylanders, and people across the Nation for their patriotism, devotion, and commitment to honoring the true meaning of Memorial Day. U.S. soldiers from every generation have shared in the duty of defending America and protecting our freedom. For these sacrifices, America is eternally grateful.

I ask unanimous consent that the text of the bill and a letter from several veterans advocacy groups supporting it, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 912

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans Burial Benefits Improvement Act of 2001".

SEC. 2. INCREASE IN BURIAL BENEFITS FOR VETERANS.

(a) BURIAL AND FUNERAL EXPENSES.—(1) Section 2302(a) of title 38, United States Code, is amended by striking "$300" and inserting "$1,135 (as increased from time to time under section 2309 of this title)".

(2) Section 2303(a)(1)(A) of that title is amended by striking "$300" and inserting "$1,135 (as increased from time to time under section 2309 of this title)".

(3) Section 2307 of that title is amended by striking "$1,500," and inserting "$3,713 (as increased from time to time under section 2309 of this title),".

(b) PLOT ALLOWANCE.—Section 2303(b) of that title is amended—

(1) by striking "$150" the first place it and inserting "$670 (as increased from time to time under section 2309 of this title)"; and

(2) by striking "$150" the second place it appears and inserting "$670 (as so increased)".

(c) ANNUAL ADJUSTMENT.—(1) Chapter 23 of that title is amended by adding at the end the following new section:

"§ 2309. Annual adjustment of amounts of burial benefits

"With respect to any fiscal year, the Secretary shall provide a percentage increase (rounded to the nearest dollar) in the burial and funeral expenses under sections 2302(a), 2303(a), and 2307 of this title, and in the plot allowance under section 2303(b) of this title, equal to the percentage by which—

"(1) the Consumer Price Index (all items, United States city average) for the 12-month period ending on the June 30 preceding the beginning of the fiscal year for which the increase is made, exceeds

"(2) the Consumer Price Index for the 12-month period preceding the 12-month period described in paragraph (1).".

(2) The table of sections at the beginning of that chapter is amended by adding at the end the following new item:

"2309. Annual adjustment of amounts of burial benefits.".

(d) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by this section shall apply to deaths occurring on or after the date of the enactment of this Act.

(2) No adjustments shall be made under section 2309 of title 38, United States Code, as added by subsection (c), for fiscal year 2002.

THE INDEPENDENT BUDGET,
A BUDGET FOR VETERANS BY VETERANS,
Washington, DC, May 14, 2001.

Hon. BARBARA MIKULSKI,
U.S. Senate,
Washington, DC.

DEAR SENATOR MIKULSKI: We are pleased to support your proposed legislation, the Veterans Burial Benefits Improvement Act, to increase burial benefits for veterans. A meaningful increase in benefits provided by our Government to cover veterans' burial and funeral expenses is long overdue.

This proposed legislation would increase burial allowances to reflect the increasing costs of burial for veterans. Benefits would be increased to cover the same percentage of veterans' burial costs as in 1973. It would also provide for these benefits to be adjusted to cover the costs of inflation.

The Independent Budget (IB) produced by AMVETS, Disabled American Veterans, Paralyzed Veterans of America, and the Veterans of Foreign Wars fully supports an adjustment of burial allowances to reflect the increases in burial costs. The allowance for service-connected deaths was last adjusted in 1988, and the allowance for other deaths was last adjusted in 1978. Over these several years without adjustment, the value of the burial allowance has eroded. Clearly, it is time these allowances are raised to make them a more meaningful contribution to the costs of burial for our veterans.

We greatly appreciate your efforts to increase veterans burial allowances to a level that reflects the intended benefit. This proposed legislation would help ensure that our Nation's military veterans will be buried with the dignity they deserve.

DAVID E. WOODBURY,
Executive Director, AMVETS.
KEITH W. WINGFIELD,
Executive Director, Paralyzed Veterans of America.
ROBERT E. WALLACE,
Executive Director, Veterans of Foreign War.
DAVID W. GORMAN,
Executive Director, Disabled American Veterans.

By Ms. SNOWE (for herself, Mr. ROCKEFELLER, Mr. SMITH of Oregon, and Mrs. FEINSTEIN):

S. 913. A bill to amend title XVIII, of the Social Security Act to provide for coverage under the medicare program of all oral anticancer drugs; to the Committee on Finance.

Ms. SNOWE. Mr. President, I rise today to introduce a small bill, but one with important consequences. My measure, the Access to Cancer Therapies Act, would provide coverage of all oral anticancer drugs under the Medicare program. I am pleased to be joined by Senators ROCKEFELLER, GORDON SMITH, and FEINSTEIN in introducing this measure.

As my colleagues know, there is no Medicare outpatient prescription drug benefit today. If there was, we would not need this legislation. There should be and there must be a Medicare prescription drug benefit this year. Seniors are reeling from the burden of their prescription drug expenses, and they can't defer their illnesses or their costs.

This legislation also reminds us of how crucial prescription drugs are, not only now but even more so in the future. Eight years ago, Congress created a unique Medicare drug benefit for oral anti-cancer drugs, but only if the drug is equivalent to drugs provided "incident" to a physician visit; for example, drugs that must be injected. At present, upwards of 95 percent of cancer drug therapy is covered by Medicare either in a physician office or in a reimbursed oral form. But in the near future as much as 25 percent of cancer drug therapy will be in the form of oral drugs that are not currently covered.

In fact, this is already happening. Today, there are about 40 oral anti-cancer drugs, but less than 10 are reimbursed by Medicare. For example, one of the most common drugs used in the treatment of breast cancer, tamoxifen, is among the drugs not currently reimbursed by Medicare.

As cancer therapy moves more toward reliance on oral drugs, Medicare coverage policy must be updated to cover the new therapies, or else even the intent of this very limited policy will be meaningless and Medicare beneficiaries will increasingly lose access to the best cancer therapies. And without this legislative change, beneficiaries will increasingly bear the burden of buying these drugs from their own pockets, which most seniors can ill afford.

Let me provide one very exciting example of an oral anti-cancer drug that illustrates both the urgency of this policy change and of enacting a Medicare prescription drug bill. Last week, the Food and Drug Administration approved a compound known as STI-571. Also known by its brand name Gleevec, this medication was approved in a record setting two and one-half months. Gleevec is used to treat one kind of leukemia and may also be effective against a rare but lethal stomach cancer.

Gleevec is the first, let me repeat, first, cancer drug to specifically address a molecular target which is not only in the cancer, but actually the cause of the cancer, according to the National Cancer Institute. More precisely, Gleevec knocks out a specific enzyme needed for the cancer to thrive. By contrast, most current cancer therapies act like a shotgun, killing both cancer and normal cells. Moreover, Gleevec is among the first fruits of three decades of research into the basic biology of cancer.

But Gleevec is not a cure, it simply arrests the cancer and returns most lab tests to normal. Patients may need to take the drug for life. And treatment is not cheap—a month's supply of Gleevec costs upwards of $2,400.

While biomedical research is providing new, more targeted, and less toxic methods of treatment through new oral anti-cancer drugs that patients can safely take in the comfort of their own homes, Medicare policy is currently unable to provide reliable access to these medications for beneficiaries with cancer.

At the very least, we must ensure all oral anti-cancer drugs are available to our seniors. The Access to Cancer Therapies Act will build on current Medicare policy by ensuring coverage of all anti-cancer drugs, whether oral or injectable, are available to Medicare beneficiaries. The Act will provide beneficiaries with access to innovative new therapies that are less toxic and more convenient, more clinically effective and more cost-effective than many currently covered treatment options. I urge my colleague to support this bill.

Mr. SMITH of Oregon. Mr. President, I have spoken many times about the importance of adding a prescription drug benefit to Medicare. There are other ways in which the Medicare program could be strengthened, for example, by upgrading for innovative medical technologies not covered under the old structure of Medicare. One example of advanced technologies that should be in use are oral anti-cancer drugs. I rise today in support of the Access to Cancer Therapies Act.

Most people would be surprised to know that all cancer therapies are covered under Medicare. This situation is due to an accident of fate. When Medicare was created in 1965, orally administered cancer drugs were completely unknown. While 90 to 95 percent of anti-cancer drug therapy is covered under Medicare Part B, this coverage is largely limited to injectable drugs that are administered incident to covered physician services. Orally administered anti-cancer drugs are only covered if they have an injectable equivalent. Currently there are only seven of these pharmaceuticals available. Researchers fully expect that in the near future, cancer care will be much more heavily based on oral drugs; while oral drugs currently make up around 5 percent of the oncology market, it is projected that they will become 25 percent or more within a decade. Continuing to exclude coverage of oral cancer medications will impose significant unnecessary cost burdens on Medicare beneficiaries, and could influence treatment decisions more on the basis of cost than quality.

The cure for cancer has long been the golden ring of medical research, eluding the grasp of even the most intrepid scientists. But today, in Oregon, we are one step close to a cure. At Oregon Health & Science University, or OHSU, in Portland, Dr. Brian Druker has discovered a treatment for a specific form of leukema—a treatment that offers hope to cancer patients everywhere. Dr. Druker's treatment, known as Gleevec, offers hope to cancer patients everywhere because it shows us how to fight cancer: at the molecular level. As Dr. Peter Kohler, President of OHSU, said: "People have won the Nobel Prize for lesser work."

For Dr. Druker, this was a dream that began over twenty years ago, as a medical student. He sat through a lecture on chemotherapy and thought the practice barbaric. He dreamt of the day that chemotherapy could be replaced with a more humane treatment that killed cancerous cells, but didn't ravage the body. In his research, he developed an interest in the proteins responsible for signaling cell growth. He believed these proteins were perfect targets for new therapies. In particular, he felt that BCR-ABL, an abnormal protein responsible for overproduction of white blood cells in a certain type of leukemia, was the best bet for targeted therapy.

In 1993, he came to Oregon to head up his own leukemia research lab at OHSU. It was at that point that his research really started to blossom. He began to experiment with potential treatments for chronic myelogenous leukemia, or CML. One chemical compound, STI 571, immediately showed the most promise. Clinical testing began in June 1998 and the results were nothing less than astonishing. In every case, white blood cell counts returned to normal within six weeks. "I thought it was too good to be true," Druker says.

In fact, further clinical trials have shown that STI 571, now known as Gleevec, is, if anything, more effective than Dr. Druker originally thought. Trials have been extended to 30 countries and nearly 3000 patients. Over 90 percent of those in the disease's acute, or blast, phase have seen their white blood cell counts return to normal, and one-third in the same phase have no remaining traces of leukemia. In other words, not only did Gleevec treat the leukemia symptoms, it began to eliminate the molecular basis of the disease altogether. Not surprisingly, the Food and Drug Administration last week approved Gleevec for the treatment of CML, the fastest ever approval by the FDA for an anti-cancer treatment.

Further clinical trials have shown that Gleevec is effective for a rare form of cancer known as gastrointestinal stromal tumor, or GIST. Similar to the way Gleevec inhibits the BCR-ABL protein that is found in nearly all CML sufferers, Gleevec also appears to inhibit the so-called KIT protein that is prevalent in most gastrointestinal tumor patients. Trials are also planned or already underway to test Gleevec on brain tumors and soft tissue sarcoma. As Dr. Druker says, Gleevec is unlikely to be a cure for every form of cancer. Nevertheless, it does provide a road map. The important step is to find the molecular defect that underlies each form of cancer and target it for therapy. And with the completion of the Human Genome Project, the information to help find those molecular defects is now available.

The discovery of Gleevec secures Dr. Druker's reputation as one of the foremost scientists of his generation, and may well put him in line for that Nobel Prize mentioned by Dr. Kohler. But it also symbolizes the growing strength of the Oregon Cancer Institute at OHSU. The institute is relatively new, but that hasn't hindered it from having a large impact on the field. That's a testament to the high intellectual caliber of the staff there. As Dr. Grover Bagby, director, points out: the Oregon Cancer Institute was founded on the principle of fighting cancer at the molecular level. And thanks to Dr. Druker, fighting cancer at the molecular level is now the guiding principle for cancer researchers everywhere.

As I said at the beginning of my remarks, the cure for cancer has long been the golden ring of medical research. Yet today, thanks to the work of Dr. Druker and others at OHSU, cures for cancer are at hand. This is a proud day for medical research, and a proud day for Oregon.

Passage of the Access to Cancer Therapies Act would give hope to Oregonians such as Jim Underwood, a Medicare beneficiary in Oregon in the last stages of leukemia. Because Medicare does not currently cover oral cancer treatments, many patients like Jim Greenwood may not benefit from the most innovative, appropriate cancer fighting technologies. I urge my colleagues on both sides of the aisle to move quickly to pass the Access to Cancer Therapies Act so that all Medicare beneficiaries can have access to the most technologically advanced medications available and appropriate for their conditions.

Mrs. FEINSTEIN. Mr. President. I am pleased today to join as an original sponsor with Senators SNOWE, SMITH and ROCKEFELLER, a bill to provide Medicare coverage of cancer drugs.

More than 8 million Americans require some form of cancer care: 1.2 million of these are newly diagnosed patients; some are already on treatment; some need follow-up care. Over half a million people will die from cancer this year.

Medicare, generally, does not cover cancer drugs. This bill will provide that coverage.

Providing Medicare coverage of cancer drugs is particularly important in light of a promising new class of drugs that are becoming available. One of those drugs is Gleevec, formerly known as STI 571.

I am greatly heartened by the news that on May 10 the Food and Drug Administration approved Gleevec for the treatment of chronic myelogenous leukemia. Gleevec is revolutionary because it can precisely target the dysfunctional proteins that cause this cancer and it can disable cancer cells to the point that they are metabolically inactivated with 12 hours of administering the drug.

Furthermore, Gleevec does not destroy the "good" cells, as other treatments do. It helped over 90 percent of patients in clinical trials and holds great promise for other cancers. Scientists say this drug is the wave of the future.

Not only is this drug highly medically effective, it is cost-effective. Gleevec is expected initially to cost around $25,000 annually. While that is a high price, in my view, the other alternative, or standard treatment for this kind of leukemia, is a bone marrow transplant. Bone marrow transplants cost on average $250,000 per procedure. So this drug will be cheaper than the conventional treatment.

Sixty percent of cancer cases occur among people over age 65, a number that will grow as the American population ages, so Medicare is a major payer of cancer care. Cancer therapies have evolved to the point where most cancer care is delivered on an outpatient basis, not in a hospital.

In terms of Medicare, oral, outpatient, prescription cancer drugs are currently covered by Medicare only if the drugs have the same active ingredient as the equivalent injectable cancer drug. This means that very few cancer drugs are covered.

No one really knows how much Medicare patients pay out-of-pocket for cancer drugs, but according to the Institute of Medicine, "available evidence suggests that it is substantial." One study found that Medicare covered 83 percent of typical charges for lung cancer and 65 percent of typical charges for breast cancer. Out-of-pocket expenses ranged from less than $100 to near $4,000. One-third of Medicare beneficiaries have private insurance that covers the prescription drugs that Medicare does not cover. Even if beneficiaries have private drug coverage, that coverage often has high deductibles and other limits so that beneficiaries still have high out of pocket expenses.

The bill we are introducing today addresses just part of the problem. Clearly, we must work for a comprehensive Medicare drug benefit for all illnesses and we must work to improve private health insurance coverage.

The cost of delivering cancer care is $50 billion a year, says the National Cancer Institute. These are costs that we can reduce and this bill is one step.

I hope that by expanding Medicare coverage to cover cancer drugs we can garner support for broader coverage, we can encourage drug companies to make many more new drugs and we can give hope to millions who suffer from cancer.

I urge my colleagues to support this bill.

By Mrs. BOXER (for herself, Mr. REID, and Mr. BAUCUS):

S. 914. A bill to designate the United States courthouse located at 95 Seventh Street in San Francisco, California, as the "James R. Browning United States Courthouse"; to the Committee on Environment and Public Works.

Mrs. BOXER. Mr. President, I am introducing legislation today to name the courthouse at 95 Seventh Street in San Francisco, CA as the "James R. Browning United States Courthouse."

Judge Browning was appointed to the court by President Kennedy and has spent 40 years as a circuit judge on the Court of Appeals for the Ninth Circuit. For twelve of those years, he served as Chief Judge. As chief judge, Judge Browning reorganized and modernized the administration of the Ninth Circuit. Now, he is on Senior Status.

He is originally from Montana and graduated from Montana State University in 1938 and from Montana University Law School in 1941, achieving the highest scholastic record in his class and serving as editor-in-chief of the law review. Before being appointed to the Court, Judge Browning served in the U.S. Army and worked for Department of Justice and in private practice.

I can think of no more appropriate honor for Judge Browning than to place his name on the courthouse building where he has worked for 40 years.

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE CONCURRENT RESOLUTION 38—RECOGNIZING THE FOUNDING OF THE ALLIANCE FOR REFORM AND DEMOCRACY IN ASIA, AND FOR OTHER PURPOSES

Mr. MCCONNELL (for himself, Mr. HELMS, Mrs. FEINSTEIN, and Mr. LEAHY) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 38

Whereas authoritarian governments in Asia deny their citizens basic freedoms of belief, speech, and association, and engage in intimidation and other human rights abuses designed to ensure that political opposition to those governments is nonexistent or weak;

Whereas established and emerging democracies in Asia offer hope and inspiration to democrats and reformers across the region;

Whereas democracy activists in Asia are firmly committed to advancing democracy, human rights, good governance, and the rule of law, often at great personal risk;

Whereas leading democrats and reformers created the Alliance for Reform and Democracy in Asia (referred to in this Resolution as ARDA) in Bangkok, Thailand, on October 8, 2000, as a broad-based, nonviolent movement to encourage and accelerate the march of democracy in Asia;

Whereas the members of the ARDA have rejected as false any definition of "Asian values" that does not include respect for human rights, democracy, freedom, and good governance;

Whereas the members of the ARDA have pledged in a declaration of unity to promote democracy, human rights, and the rule of law in Asia;

Whereas the members of the ARDA support each other through words and deeds in times of political crisis;

Whereas the members of the ARDA have frequently met to reaffirm their collective commitment to democracy, the rule of law, and human rights, most recently in Taiwan and Mongolia; and

Whereas Congress recognizes that the establishment of democratic governments in Asia is vital to the United States national security interests: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) recognizes and commends the members of the Alliance for Reform and Democracy in Asia for joining forces in a common struggle for freedom and the rule of law;

(2) calls upon governments in Asia to heed the calls by the ARDA for political and legal reforms, and to engage members of the ARDA in dialog; and

(3) calls for an immediate end to human rights violations committed against Asian democracy activists and reformers.

SENATE CONCURRENT RESOLUTION 39—EXPRESSING THE SENSE OF CONGRESS THAT THE MORATORIUM ON NEW OIL AND NATURAL GAS LEASING ACTIVITY ON SUBMERGED LAND OF THE OUTER CONTINENTAL SHELF SHOULD BE MAINTAINED

Mrs. FEINSTEIN (for herself and Mrs. BOXER) submitted the following concurrent resolution; which was referred to the Committee on Energy and Natural Resources:

S. CON. RES. 39

Whereas during the last 8 years, the Federal Government has operated robust offshore and onshore oil, gas, and coal leasing programs that matched or exceeded production levels during the administrations of former President Reagan and former President Bush;

Whereas offshore, the United States has leased and currently manages more than 44,000,000 acres of outer Continental Shelf land;

Whereas proposals to provide more access to currently protected Federal land for development by the oil, gas, and coal industries ignore the quantity of land that is already available for that purpose;

Whereas it is not necessary to drill in sensitive areas to meet the energy needs of the United States;

Whereas since 1982, there has been in effect a statutory moratorium on new leasing, preleasing, and related activities on submerged land of the outer Continental Shelf;

Whereas in 1990, former President Bush used his authority to declare areas of the outer Continental Shelf along the coastlines of Washington, Oregon, California, Bristol Bay, Alaska, and the eastern Gulf of Mexico, and more than 100 miles off the Florida coast, off limits to new drilling through calendar year 2000;

Whereas in 1998, former President Clinton extended the Bush limitation through June 2012;

Whereas citizens of California, Florida, and other States affected by the outer Continental Shelf drilling moratorium are overwhelmingly opposed to new oil drilling off their coastlines and are concerned about plans to open the Florida Gulf Coast to new leasing;

Whereas a majority of people of the United States are growing increasingly concerned about the environment and believe that protecting the environment should take precedence over economic development;

Whereas the people of the United States have made a decision to protect the coastlines of the United States from oil development, because the people know that far better alternatives exist; and

Whereas there are many other worthy options before Congress that could increase energy independence and reduce reliance on foreign oil, such as reauthorization of the Strategic Petroleum Reserve, incentives to improve energy efficiency, research into renewable energy and alternative fuels, and full funding of energy conservation and efficiency programs (including programs for solar and renewable energy, weatherization, and other initiatives): Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the moratorium in effect as of the date of adoption of this Resolution on new oil and natural gas leasing, pre-leasing, and related activities on submerged land of the outer Continental Shelf should be maintained.

Mrs. FEINSTEIN. Mr. President, today I am pleased to submit a resolution to maintain the moratorium on new oil and natural gas leasing activity on submerged lands of the Outer Continental Shelf. I am happy to be joined by Senator BOXER.

With this resolution, we are urging President Bush to continue the existing executive order that places coastline areas of several States, including California, off limits to new drilling. This moratoria was initiated by former President George H. Bush in 1990, and extended through 2012 by President Clinton in 1998.

The timing of this resolution is important, as the impending President's energy plan will focus on drilling for new oil and gas reserves. With this focus, many of us in Congress fear that the Administration may pave the way for new exploration of the Outer Continental Shelf. This would be a tragic mistake that endangers the coastlines of many States, including California, which is one of the greatest environmental treasures in the world.

One oil spill from offshore oil wells almost did destroy the beautiful California coastline. In 1969 an oil spill in Federal waters off the coast of Santa Barbara killed thousands of birds, as well as dolphins, seals, and other animals. Estimates of the amount of oil released range up to 200,000 barrels. Within days, oil spread from California's Channel Islands to the Mexican border, an area of approximately 800 square miles. The people of California were so concerned that shortly thereafter they voted to create the California Coastal Commission.

Since the 1969 spill, there have been more than thirty additional significant oil spills off the California coast. Each spill has imperiled the environment, the economy, and the beautiful landscape of California.

We can try to measure the economic cost of oil spills. For example, the value of our coast as ocean-dependent industry is estimated to contribute $17 million per year to our state economy. But we cannot measure the value placed on our quality of life. In 1991, the California Department of Parks and Recreation found that almost 70 percent of Californians had participated in beach activities, and that 25 percent of Californians had participated in saltwater fishing. We simply cannot endanger this resource for limited production.

There is widespread and bipartisan agreement that oil drilling presents serious environmental dangers, and I urge the President to maintain the moratorium on new oil and gas leasing activity on the Outer Continental Shelf.

SENATE CONCURRENT RESOLUTION 40—EXPRESSING THE SENSE OF CONGRESS REGARDING THE DESIGNATION OF THE WEEK OF MAY 20, 2001, AS "NATIONAL EMERGENCY MEDICAL SERVICES WEEK"

Mr. HATCH (for himself, Mr. BAUCUS, Mr. ALLEN, Mr. BAYH, Mr. BENNETT, Mr. BINGAMAN, Mr. BOND, Mr. BREAUX, Mr. BROWNBACK, Ms. CANTWELL, Mrs. CARNAHAN, Mr. CHAFEE, Mrs. CLINTON, Ms. COLLINS, Mr. CRAIG, Mr. DASCHLE, Mr. DAYTON, Mr. DEWINE, Mr. DODD, Mr. DORGAN, Mr. DURBIN, Mr. ENSIGN, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. FITZGERALD, Mr. FRIST, Mr. GRAHAM, Mr. GRASSLEY, Mr. HELMS, Mr. INHOFE, Mr. INOUYE, Mr. JEFFORDS, Mr. JOHNSON, Mr. KERRY, Ms. LANDRIEU, Mrs. LINCOLN, Ms. MIKULSKI, Mr. MILLER, Mr. MURKOWSKI, Mrs. MURRAY, Mr. REID, Mr. ROCKEFELLER, Mr. SANTORUM, Mr. SARBANES, Mr. SMITH of Oregon, Ms. SNOWE, Mr. SPECTER, Mr. STEVENS, Mr. THOMAS, Mr. THURMOND, Mr. TORRICELLI, Mr. VOINOVICH, and Mr. WELLSTONE) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES 40

Whereas emergency medical services are a vital public service;

Whereas the members of emergency medical services teams are ready to provide lifesaving care to those in need 24 hours a day, 7 days a week;

Whereas access to quality emergency care dramatically improves the survival and recovery rate of those who experience sudden illness or injury;

Whereas providers of emergency medical services have traditionally served as the safety net of America's health care system;

Whereas emergency medical services teams consist of emergency physicians, emergency nurses, emergency medical technicians, paramedics, firefighters, educators, administrators, and others;

Whereas approximately two-thirds of all emergency medical services providers are volunteers;

Whereas the members of emergency medical services teams, whether career or volunteer, undergo thousands of hours of specialized training and continuing education to enhance their lifesaving skills;

Whereas Americans benefit daily from the knowledge and skills of these highly trained individuals;

Whereas injury prevention and the appropriate use of the emergency medical services system will help reduce health care costs: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That—

(1) the week of May 20, 2001, is designated as "National Emergency Medical Services Week"; and

(2) the President should issue a proclamation calling upon the people of the United States to observe such week with appropriate programs and activities.

Mr. HATCH. Mr. President, I am rising to introduce a bipartisan resolution to designate May 20–26, 2001 as National Emergency Medical Services Week in honor of the 750,000 Emergency Medical Services, EMS, personnel who are on the front lines every day saving the lives of countless Americans. I am delighted that my esteemed colleague, Senator BAUCUS, is joining me as the primary cosponsor, in addition to 50 other original cosponsors.

The theme of this year's week is "EMS: Answering the Call," emphasizing the responsiveness of emergency medical services around the country, while underscoring the importance of the national 9–1–1 emergency number system. This observance also honors the passion and commitment of those serving the system including emergency physicians, emergency nurses, emergency medical technicians, paramedics, firefighters, and many other dedicated individuals who provide lifesaving care 24 hours a day, seven days a week.

The continued strength and growth of our Emergency Medical Services System has been an important issue to me. In 1984, Senator INOUYE and I worked closely with several of our colleagues to enact legislation to establish the Nation's first Emergency Medical Services for Children program, EMSC.

Over the past decade, this pediatric EMS program has improved the availability of child-size equipment in ambulances and emergency departments. It has fostered literally hundreds of state and local programs to prevent injuries, and has supported thousands of hours of training for Emergency Medical Technicians, EMTs, paramedics, and other emergency medical care providers. EMSC efforts have led to legislation mandating programs in several States, and to the development of educational materials covering every aspect of pediatric emergency care. However, most importantly, EMSC efforts are saving kids' lives.

EMS providers, be they career or volunteer, which the majority are, engage in thousands of hours of specialized training and continuing education to enhance their lifesaving skills. It is well known that access to quality emergency care dramatically improves the survival and recovery rate of those who experience sudden illness or injury. In fact, emergency medical services providers have traditionally served as the safety net of America's health care system.

However, this healthcare safety net today is in crisis. On the front lines, emergency medical service providers are faced with crowded emergency departments and dwindling resources. These, and many other complex issues are threatening the ability of health professionals to deliver quality care.

A solution to the overcrowding of our nation's emergency departments requires a national commitment. This will mean allocating significant financial resources and convening Federal and State policymakers, local hospitals, community leaders and public and private health plan payers to develop workable solutions. We will also need adequate monitoring and data collection efforts to understand the scope of these problems and to uncover the best methods for resolving this crisis.

To continue to deliver quality healthcare in this country, we must not only recognize those individuals who have dedicated their careers to caring for the very sickest Americans, but also the undue stress and burden this system in crisis places on them each and every day. We must work toward resolving this crisis so we can continue to attract quality healthcare professionals to the EMS field and to give them the resources they need to continue to save lives.

It is appropriate to recognize the value and the accomplishments of emergency medical service providers by designating this May 20–26, Emergency Medical Services Week.

I ask my colleagues to join with me in supporting this resolution.

AMENDMENTS SUBMITTED AND PROPOSED

SA 650. Mr. GRASSLEY (for himself and Mr. Baucus) proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002.

SA 651. Ms. LANDRIEU (for herself and Mr. Craig) submitted an amendment intended to be proposed by her to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 652. Mr. LEAHY (for himself and Mr. Bennett) submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 653. Mr. KERRY submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 654. Mr. CONRAD (for himself and Mr. Kennedy) proposed an amendment to the bill H.R. 1836, supra.

SA 655. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 656. Mr. GREGG (for himself, Mr. Ensign, Mr. Allard, Mr. Kyl, Mr. Bunning, and Mr. Allen) submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra.

SA 657. Mr. GREGG submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 658. Mr. KYL submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 659. Mrs. HUTCHISON (for herself and Mr. Brownback) proposed an amendment to the bill H.R. 1836, supra.

SA 660. Mr. McCAIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 661. Mr. JOHNSON submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 662. Mr. INOUYE (for himself and Mr. Akaka) submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 663. Mr. INOUYE (for himself and Mr. Akaka) submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 664. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 665. Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 666. Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 667. Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 668. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 669. Mr. SCHUMER (for himself, Mr. Biden, Mr. Bayh, Mr. Lieberman, Mr. Durbin, Mr. Torricelli, Mrs. Clinton, Mr. Daschle, Ms. Stabenow, and Mr. Dayton) proposed an amendment to the bill H.R. 1836, supra.

SA 670. Mr. FITZGERALD (for himself, Mr. Schumer, Mr. Jeffords, Mrs. Clinton, Mr. McCain, Mr. Torricelli, Mr. Domenici, Mr. Allen, Mr. Durbin, Mr. Smith, of Oregon, Mr. Specter, and Mr. Nelson, of Florida) proposed an amendment to the bill H.R. 1836, supra.

SA 671. Mr. ALLARD (for himself, Mr. Gregg, and Mr. Bunning) submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 672. Mr. ALLEN submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 673. Mr. ALLEN submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 674. Mrs. CARNAHAN (for herself and Mr. Daschle) proposed an amendment to the bill H.R. 1836, supra.

SA 675. Ms. COLLINS (for herself, Mr. Warner, Mr. Cochran, Ms. Landrieu, Mr. Allen, Mr. Smith, of Oregon, Mr. Harkin, Ms. Mikulski, Mr. Reed, Mr. Hutchinson, Mr. Dodd, and Mr. Enzi) proposed an amendment to the bill H.R. 1836, supra.

SA 676. Mr. BIDEN (for himself, Mr. Torricelli, Mr. Kerry, Mr. Schumer, Mr. Baucus, Mr. Allen, Mrs. Boxer, Mr. Carper, Mr. Chafee, Mrs. Clinton, Mr. Corzine, Mr. Dayton, Mr. Dodd, Mr. Durbin, Mr. Leahy, Ms. Mikulski, Mrs. Murray, Mr. Rockefeller, Mr. Sarbanes, Mr. Specter, and Mr. Warner) submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 677. Mr. KERRY submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 678. Mr. KERRY submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 679. Mr. ROCKEFELLER (for himself, Mr. Graham, Mr. Wellstone, Mr. Kennedy, Mr. Harkin, Mr. Johnson, Mr. Kerry, Mrs. Clinton, Mr. Dayton, and Ms. Stabenow) proposed an amendment to the bill H.R. 1836, supra.

SA 680. Mr. SMITH, of New Hampshire submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 681. Mr. SMITH, of New Hampshire submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 682. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 683. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 684. Mr. KENNEDY (for himself, Mr. Dodd, and Mr. Johnson) submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 685. Mr. BAYH (for himself, Ms. Snowe, Mr. Chafee, Ms. Landrieu, Mrs. Feinstein, Ms. Collins, Ms. Stabenow, Mr. Jeffords, Mr. Kohl, Mr. Carper, Mr. Nelson, of Florida, and Mrs. Clinton) proposed an amendment to the bill H.R. 1836, supra.

SA 686. Ms. LANDRIEU (for herself, Mr. Craig, and Mrs. Lincoln) proposed an amendment to the bill H.R. 1836, supra.

SA 687. Mr. GRAHAM (for himself, Mr. Corzine, and Mr. Dayton) proposed an amendment to the bill H.R. 1836, supra.

SA 688. Mr. GRAHAM proposed an amendment to the bill H.R. 1836, supra.

TEXT OF AMENDMENTS

SA 650. Mr. GRASSLEY (for himself and Mr. Baucus) proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; ETC.

(a) Short Title.—This Act may be cited as the "Restoring Earnings To Lift Individuals and Empower Families (RELIEF) Act of 2001".

(b) Amendment of 1986 Code.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) SECTION 15 NOT TO APPLY.—No amendment made by this Act shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

(d) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title: etc.

TITLE I—INDIVIDUAL INCOME TAX RATE REDUCTIONS

Subtitle A—In General

Sec. 101. Reduction in income tax rates for individuals.
Sec. 102. Increase in amount of income required before phaseout of itemized deductions begins.
Sec. 103. Repeal of phaseout of deduction for personal exemptions.

Subtitle B—Compliance With Congressional Budget Act

Sec. 111. Sunset of provisions of title.
Sec. 112. Restoration of provisions of title.

TITLE II—CHILD TAX CREDIT

Subtitle A—In General

Sec. 201. Modifications to child tax credit.

Subtitle B—Compliance With Congressional Budget Act

Sec. 211. Sunset of provisions of title.
Sec. 212. Restoration of provisions of title.

TITLE III—MARRIAGE PENALTY RELIEF

Subtitle A—In General

Sec. 301. Elimination of marriage penalty in standard deduction.
Sec. 302. Phaseout of marriage penalty in 15-percent bracket.
Sec. 303. Marriage penalty relief for earned income credit; earned income to include only amounts includible in gross income; simplification of earned income credit.

Subtitle B—Compliance With Congressional Budget Act

Sec. 311. Sunset of provisions of title.
Sec. 312. Restoration of provisions of title.

TITLE IV—AFFORDABLE EDUCATION PROVISIONS

Subtitle A—Education Savings Incentives

Sec. 401. Modifications to education individual retirement accounts.
Sec. 402. Modifications to qualified tuition programs.

Subtitle B—Educational Assistance

Sec. 411. Permanent extension of exclusion for employer-provided educational assistance.
Sec. 412. Elimination of 60-month limit and increase in income limitation on student loan interest deduction.
Sec. 413. Exclusion of certain amounts received under the national health service corps scholarship program and the F. Edward Hebert Armed Forces Health Professions Scholarship and Financial Assistance Program.

Subtitle C—Liberalization of Tax-Exempt Financing Rules for Public School Construction

Sec. 421. Additional increase in arbitrage rebate exception for governmental bonds used to finance educational facilities.
Sec. 422. Treatment of qualified public educational facility bonds as exempt facility bonds.

Subtitle D—Other Provisions

Sec. 431. Deduction for higher education expenses.
Sec. 432. Credit for interest on higher education loans.

Subtitle E—Compliance With Congressional Budget Act

Sec. 441. Sunset of provisions of title.
Sec. 442. Restoration of provisions of title.

TITLE V—ESTATE, GIFT, AND GENERATION-SKIPPING TRANSFER TAX PROVISIONS

Subtitle A—Repeal of Estate and Generation-Skipping Transfer Taxes

Sec. 501. Repeal of estate and generation-skipping transfer taxes.

Subtitle B—Reductions of Estate and Gift Tax Rates

Sec. 511. Additional reductions of estate and gift tax rates.

Subtitle C—Increase in Exemption Amounts

Sec. 521. Increase in exemption equivalent of unified credit, lifetime gifts exemption, and GST exemption amounts.

Subtitle D—Credit for State Death Taxes

Sec. 531. Reduction of credit for State death taxes.
Sec. 532. Credit for State death taxes replaced with deduction for such taxes.

Subtitle E—Carryover Basis at Death; Other Changes Taking Effect With Repeal

Sec. 541. Termination of step-up in basis at death.
Sec. 542. Treatment of property acquired from a decedent dying after December 31, 2010.

Subtitle F—Conservation Easements

Sec. 551. Expansion of estate tax rule for conservation easements.

Subtitle G—Modifications of Generation-Skipping Transfer Tax

Sec. 561. Deemed allocation of GST exemption to lifetime transfers to trusts; retroactive allocations.
Sec. 562. Severing of trusts.
Sec. 563. Modification of certain valuation rules.
Sec. 564. Relief provisions.

Subtitle H—Extension of Time for Payment of Estate Tax

Sec. 571. Expansion of availability of installment payment for estates with interests qualifying lending and finance businesses.
Sec. 572. Clarification of availability of installment payment.

Subtitle I—Compliance With Congressional Budget Act

Sec. 581. Sunset of provisions of title.
Sec. 582. Restoration of provisions of title.

TITLE VI—PENSION AND INDIVIDUAL RETIREMENT ARRANGEMENT PROVISIONS

Subtitle A—Individual Retirement Accounts

Sec. 601. Modification of IRA contribution limits.
Sec. 602. Deemed IRAs under employer plans.
Sec. 603. Tax-free distributions from individual retirement accounts for charitable purposes.

Subtitle B—Expanding Coverage

Sec. 611. Increase in benefit and contribution limits.
Sec. 612. Plan loans for subchapter S owners, partners, and sole proprietors.
Sec. 613. Modification of top-heavy rules.
Sec. 614. Elective deferrals not taken into account for purposes of deduction limits.
Sec. 615. Repeal of coordination requirements for deferred compensation plans of State and local governments and tax-exempt organizations.
Sec. 616. Deduction limits.
Sec. 617. Option to treat elective deferrals as after-tax Roth contributions.
Sec. 618. Nonrefundable credit to certain individuals for elective deferrals and IRA contributions.
Sec. 619. Credit for qualified pension plan contributions of small employers.
Sec. 620. Credit for pension plan startup costs of small employers.
Sec. 621. Elimination of user fee for requests to IRS regarding new pension plans.
Sec. 622. Treatment of nonresident aliens engaged in international transportation services.

Subtitle C—Enhancing Fairness for Women

Sec. 631. Catch-up contributions for individuals age 50 or over.
Sec. 632. Equitable treatment for contributions of employees to defined contribution plans.
Sec. 633. Faster vesting of certain employer matching contributions.
Sec. 634. Modifications to minimum distribution rules.
Sec. 635. Clarification of tax treatment of division of section 457 plan benefits upon divorce.
Sec. 636. Provisions relating to hardship distributions.
Sec. 637. Waiver of tax on nondeductible contributions for domestic or similar workers.

Subtitle D—Increasing Portability for Participants

Sec. 641. Rollovers allowed among various types of plans.
Sec. 642. Rollovers of IRAs into workplace retirement plans.
Sec. 643. Rollovers of after-tax contributions.
Sec. 644. Hardship exception to 60-day rule.
Sec. 645. Treatment of forms of distribution.
Sec. 646. Rationalization of restrictions on distributions.
Sec. 647. Purchase of service credit in governmental defined benefit plans.
Sec. 648. Employers may disregard rollovers for purposes of cash-out amounts.
Sec. 649. Minimum distribution and inclusion requirements for section 457 plans.

Subtitle E—Strengthening Pension Security and Enforcement

PART I—GENERAL PROVISIONS

Sec. 651. Repeal of 160 percent of current liability funding limit.
Sec. 652. Maximum contribution deduction rules modified and applied to all defined benefit plans.
Sec. 653. Excise tax relief for sound pension funding.
Sec. 654. Treatment of multiemployer plans under section 415.
Sec. 655. Protection of investment of employee contributions to 401(k) plans.
Sec. 656. Prohibited allocations of stock in S corporation ESOP.
Sec. 657. Automatic rollovers of certain mandatory distributions.
Sec. 658. Clarification of treatment of contributions to multiemployer plan.

PART II—TREATMENT OF PLAN AMENDMENTS REDUCING FUTURE BENEFIT ACCRUALS
Sec. 659. Notice required for pension plan amendments having the effect of significantly reducing future benefit accruals.

Subtitle F—Reducing Regulatory Burdens
Sec. 661. Modification of timing of plan valuations.
Sec. 662. ESOP dividends may be reinvested without loss of dividend deduction.
Sec. 663. Repeal of transition rule relating to certain highly compensated employees.
Sec. 664. Employees of tax-exempt entities.
Sec. 665. Clarification of treatment of employer-provided retirement advice.
Sec. 666. Reporting simplification.
Sec. 667. Improvement of employee plans compliance resolution system.
Sec. 668. Repeal of the multiple use test.
Sec. 669. Flexibility in nondiscrimination, coverage, and line of business rules.
Sec. 670. Extension to all governmental plans of moratorium on application of certain nondiscrimination rules applicable to State and local plans.

Subtitle G—Other ERISA Provisions
Sec. 681. Missing participants.
Sec. 682. Reduced PBGC premium for new plans of small employers.
Sec. 683. Reduction of additional PBGC premium for new and small plans.
Sec. 684. Authorization for PBGC to pay interest on premium overpayment refunds.
Sec. 685. Substantial owner benefits in terminated plans.

Subtitle H—Miscellaneous Provisions
Sec. 691. Tax treatment and information requirements of Alaska Native Settlement Trusts.

Subtitle I—Compliance With Congressional Budget Act
Sec. 695. Sunset of provisions of title.
Sec. 696. Restoration of provisions of title.

TITLE VII—ALTERNATIVE MINIMUM TAX

Subtitle A—In General
Sec. 701. Increase in alternative minimum tax exemption.

Subtitle B—Compliance With Congressional Budget Act
Sec. 711. Sunset of provisions of title.
Sec. 712. Restoration of provisions of title.

TITLE VIII—OTHER PROVISIONS

Subtitle A—In General
Sec. 801. Time for payment of corporate estimated taxes.
Sec. 802. Expansion of authority to postpone certain tax-related deadlines by reason of presidentially declared disaster.

Subtitle B—Compliance With Congressional Budget Act
Sec. 811. Sunset of provisions of title.
Sec. 812. Restoration of provisions of title.

TITLE I—INDIVIDUAL INCOME TAX RATE REDUCTIONS

Subtitle A—In General

SEC. 101. REDUCTION IN INCOME TAX RATES FOR INDIVIDUALS.

(a) IN GENERAL.—Section 1 is amended by adding at the end the following new subsection:

"(i) RATE REDUCTIONS AFTER 2000.—

"(1) 10-PERCENT RATE BRACKET.—

"(A) IN GENERAL.—In the case of taxable years beginning after December 31, 2000—

"(i) the rate of tax under subsections (a), (b), (c), and (d) on taxable income not over the initial bracket amount shall be 10 percent, and

"(ii) the 15 percent rate of tax shall apply only to taxable income over the initial bracket amount but not over the maximum dollar amount for the 15-percent rate bracket.

"(B) INITIAL BRACKET AMOUNT.—For purposes of this subsection, the initial bracket amount is—

"(i) $12,000 in the case of subsection (a),

"(ii) $10,000 in the case of subsection (b), and

"(iii) ½ the amount applicable under clause (i) (after adjustment, if any, under subparagraph (C)) in the case of subsections (c) and (d).

"(C) INFLATION ADJUSTMENT.—In prescribing the tables under subsection (f) which apply with respect to taxable years beginning in calendar years after 2001—

"(i) the Secretary shall make no adjustment to the initial bracket amount for any taxable year beginning before January 1, 2007,

"(ii) the cost-of-living adjustment used in making adjustments to the initial bracket amount for any taxable year beginning after December 31, 2006, shall be determined under subsection (f)(3) by substituting '2005' for '1992' in subparagraph (B) thereof, and

"(iii) such adjustment shall not apply to the amount referred to in subparagraph (B)(iii).

If any amount after adjustment under the preceding sentence is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.

"(2) REDUCTIONS IN RATES AFTER 2001.—In the case of taxable years beginning in a calendar year after 2001, the corresponding percentage specified for such calendar year in the following table shall be substituted for the otherwise applicable tax rate in the tables under subsections (a), (b), (c), (d), and (e).

"In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:			
	28%	31%	36%	39.6%
2002, 2003, and 2004 ..	27%	30%	35%	38.6%
2005 and 2006	26%	29%	34%	37.6%
2007 and thereafter	25%	28%	33%	36%

"(3) ADJUSTMENT OF TABLES.—The Secretary shall adjust the tables prescribed under subsection (f) to carry out this subsection.".

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 1(g)(7) is amended by striking "15 percent" in clause (ii)(II) and inserting "10 percent.".

(2) Section 1(h) is amended—

(A) by striking "28 percent" both places it appears in paragraphs (1)(A)(ii)(I) and (1)(B)(i) and inserting "25 percent", and

(B) by striking paragraph (13).

(3) Section 531 is amended by striking "equal to" and all that follows and inserting "equal to the product of the highest rate of tax under section 1(c) and the accumulated taxable income.".

(4) Section 541 is amended by striking "equal to" and all that follows and inserting "equal to the product of the highest rate of tax under section 1(c) and the undistributed personal holding company income.".

(5) Section 3402(p)(1)(B) is amended by striking "7, 15, 28, or 31 percent" and inserting "7 percent, any percentage applicable to any of the 3 lowest income brackets in the table under section 1(c),".

(6) Section 3402(p)(2) is amended by striking "15 percent" and inserting "10 percent".

(7) Section 3402(q)(1) is amended by striking "equal to 28 percent of such payment" and inserting "equal to the product of the third lowest rate of tax under section 1(c) and such payment".

(8) Section 3402(r)(3) is amended by striking "31 percent" and inserting "the fourth lowest rate of tax under section 1(c)".

(9) Section 3406(a)(1) is amended by striking "equal to 31 percent of such payment" and inserting "equal to the product of the fourth lowest rate of tax under section 1(c) and such payment".

(10) Section 13273 of the Revenue Reconciliation Act of 1993 is amended by striking "28 percent" and inserting "the third lowest rate of tax under section 1(c) of the Internal Revenue Code of 1986".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) AMENDMENTS TO WITHHOLDING PROVISIONS.—The amendments made by paragraphs (6), (7), (8), (9), (10), and (11) of subsection (b) shall apply to amounts paid after the 60th day after the date of the enactment of this Act.

SEC. 102. INCREASE IN AMOUNT OF INCOME REQUIRED BEFORE PHASEOUT OF ITEMIZED DEDUCTIONS BEGINS.

(a) IN GENERAL.—Section 68(b)(1) (defining applicable amount) is amended—

(1) by striking "$100,000" and inserting "$150,000", and

(2) by striking "$50,000" and inserting "$75,000".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2008.

SEC. 103. REPEAL OF PHASEOUT OF DEDUCTION FOR PERSONAL EXEMPTIONS.

(a) IN GENERAL.—Subsection (d) of section 151 (relating to exemption amount) is amended by striking paragraph (3).

(b) TECHNICAL AMENDMENTS.—

(1) Paragraph (6) of section 1(f) is amended—

(A) by striking "section 151(d)(4)" in subparagraph (A) and inserting "section 151(d)(3)", and

(B) by striking "section 151(d)(4)(A)" in subparagraph (B) and inserting "section 151(d)(3)".

(2) Paragraph (4) of section 151(d) is amended to read as follows:

"(3) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 1989, the dollar amount contained in paragraph (1) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 1988' for 'calendar year 1992' in subparagraph (B) thereof."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2008.

Subtitle B—Compliance With Congressional Budget Act

SEC. 111. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE II—CHILD TAX CREDIT

Subtitle A—In General

SEC. 201. MODIFICATIONS TO CHILD TAX CREDIT.

(a) INCREASE IN PER CHILD AMOUNT.—Subsection (a) of section 24 (relating to child tax credit) is amended to read as follows:

"(a) ALLOWANCE OF CREDIT.—

"(1) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year with respect to each qualifying child of the taxpayer an amount equal to the per child amount.

"(2) PER CHILD AMOUNT.—For purposes of paragraph (1), the per child amount shall be determined as follows:

"In the case of any taxable year beginning in—	The per child amount is—
2001, 2002, or 2003	$600
2004, 2005, or 2006	700
2007, 2008, or 2009	800
2010	900
2011 or thereafter	1,000.".

(b) CREDIT ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.—

(1) IN GENERAL.—Subsection (b) of section 24 (relating to child tax credit) is amended by adding at the end the following new paragraph:

"(3) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

"(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

"(B) the sum of the credits allowable under this subpart (other than this section) and section 27 for the taxable year.".

(2) CONFORMING AMENDMENTS.—

(A) The heading for section 24(b) is amended to read as follows: "LIMITATIONS.—".

(B) The heading for section 24(b)(1) is amended to read as follows: "LIMITATION BASED ON ADJUSTED GROSS INCOME.—".

(C) Section 24(d) is amended—

(i) by striking "section 26(a)" each place it appears and inserting "subsection (b)(3)", and

(ii) in paragraph (1)(B) by striking "aggregate amount of credits allowed by this subpart" and inserting "amount of credit allowed by this section".

(D) Paragraph (1) of section 26(a) is amended by inserting "(other than section 24)" after "this subpart".

(E) Subsection (c) of section 23 is amended by striking "and section 1400C" and inserting "and sections 24 and 1400C".

(F) Subparagraph (C) of section 25(e)(1) is amended by inserting ", 24," after "sections 23".

(G) Section 904(h) is amended by inserting "(other than section 24)" after "chapter".

(H) Subsection (d) of section 1400C is amended by inserting "and section 24" after "this section".

(c) REFUNDABLE CHILD CREDIT.—

(1) IN GENERAL.—So much of section 24(d) (relating to additional credit for families with 3 or more children) as precedes paragraph (2) is amended to read as follows:

"(d) PORTION OF CREDIT REFUNDABLE.—

"(1) IN GENERAL.—The aggregate credits allowed to a taxpayer under subpart C shall be increased by the lesser of—

"(A) the credit which would be allowed under this section without regard to this subsection and the limitation under subsection (b)(3), or

"(B) the amount by which the amount of credit allowed by this section (determined without regard to this subsection) would increase if the limitation imposed by subsection (b)(3) were increased by the greater of—

"(i) 15 percent of so much of the taxpayer's earned income (within the meaning of section 32) for the taxable year as exceeds $10,000, or

"(ii) in the case of a taxpayer with 3 or more qualifying children, the excess (if any) of—

"(I) the taxpayer's social security taxes for the taxable year, over

"(II) the credit allowed under section 32 for the taxable year.

The amount of the credit allowed under this subsection shall not be treated as a credit allowed under this subpart and shall reduce the amount of credit otherwise allowable under subsection (a) without regard to subsection (b)(3).".

(2) CONFORMING AMENDMENT.—Section 32 is amended by striking subsection (n).

(d) ELIMINATION OF REDUCTION OF CREDIT TO TAXPAYER SUBJECT TO ALTERNATIVE MINIMUM TAX PROVISION.—Section 24(d) is amended—

(1) by striking paragraph (2), and

(2) by redesignating paragraph (3) as paragraph (2).

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 2001.

Subtitle B—Compliance With Congressional Budget Act

SEC. 211. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

SEC. 212. RESTORATION OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which were terminated under section 211 shall begin to apply again as of October 1, 2011, as provided in each such provision or amendment.

TITLE III—MARRIAGE PENALTY RELIEF

Subtitle A—In General

SEC. 301. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(1) by striking "$5,000" in subparagraph (A) and inserting "the applicable percentage of the dollar amount in effect under subparagraph (C) for the taxable year";

(2) by adding "or" at the end of subparagraph (B);

(3) by striking "in the case of" and all that follows in subparagraph (C) and inserting "in any other case."; and

(4) by striking subparagraph (D).

(b) APPLICABLE PERCENTAGE.—Section 63(c) (relating to standard deduction) is amended by adding at the end the following new paragraph:

"(7) APPLICABLE PERCENTAGE.—For purposes of paragraph (2), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in calendar year—	The applicable percentage is—
2005	174
2006	180
2007	187
2008	193
2009 and thereafter	200."

(c) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(6), as amended by section 103(b), is amended by striking "(other than with" and all that follows through "shall be applied" and inserting "(other than with respect to sections 63(c)(4) and 151(d)(3)(A)) shall be applied".

(2) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

"The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

SEC. 302. PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT BRACKET.

(a) IN GENERAL.—Section 1(f) (relating to adjustments in tax tables so that inflation will not result in tax increases) is amended by adding at the end the following new paragraph:

"(8) PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT BRACKET.—

"(A) IN GENERAL.—With respect to taxable years beginning after December 31, 2005, in prescribing the tables under paragraph (1)—

"(i) the maximum taxable income in the 15-percent rate bracket in the table contained in subsection (a) (and the minimum taxable income in the next higher taxable income bracket in such table) shall be the applicable percentage of the maximum taxable income in the 15-percent rate bracket in the table contained in subsection (c) (after any other adjustment under this subsection), and

"(ii) the comparable taxable income amounts in the table contained in subsection (d) shall be ½ of the amounts determined under clause (i).

"(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in calendar year—	The applicable percentage is—
2005	180.
2006	187
2007	193
2008 and thereafter	200.

"(C) ROUNDING.—If any amount determined under subparagraph (A)(i) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.".

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (A) of section 1(f)(2) is amended by inserting "except as provided in paragraph (8)," before "by increasing".

(2) The heading for subsection (f) of section 1 is amended by inserting "PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT BRACKET;" before "ADJUSTMENTS".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

SEC. 303. MARRIAGE PENALTY RELIEF FOR EARNED INCOME CREDIT; EARNED INCOME TO INCLUDE ONLY AMOUNTS INCLUDIBLE IN GROSS INCOME; SIMPLIFICATION OF EARNED INCOME CREDIT.

(a) INCREASED PHASEOUT AMOUNT.—

(1) IN GENERAL.—Section 32(b)(2) (relating to amounts) is amended—

(A) by striking "AMOUNTS.—The earned" and inserting "AMOUNTS.—

"(A) In general.—Subject to subparagraph (B), the earned", and

(B) by adding at the end the following new subparagraph:

"(B) Joint returns.—In the case of a joint return filed by an eligible individual and such individual's spouse, the phaseout amount determined under subparagraph (A) shall be increased by $3,000.".

(2) Inflation adjustment.—Paragraph (1)(B) of section 32(j) (relating to inflation adjustments) is amended to read as follows:

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined—

"(i) in the case of amounts in subsections (b)(2)(A) and (i)(1), by substituting 'calendar year 1995' for 'calendar year 1992' in subparagraph (B) thereof, and

"(ii) in the case of the $3,000 amount in subsection (b)(2)(B), by substituting 'calendar year 2001' for 'calendar year 1992' in subparagraph (B) of such section 1.".

(3) Rounding.—Section 32(j)(2)(A) (relating to rounding) is amended by striking "subsection (b)(2)" and inserting "subsection (b)(2)(A) (after being increased under subparagraph (B) thereof)".

(b) Earned Income To Include Only Amounts Includible in Gross Income.—Clause (i) of section 32(c)(2)(A) (defining earned income) is amended by inserting ", but only if such amounts are includible in gross income for the taxable year" after "other employee compensation".

(c) Repeal of Reduction of Credit to Taxpayers Subject to Alternative Minimum Tax.—Section 32(h) is repealed.

(d) Replacement of Modified Adjusted Gross Income With Adjusted Gross Income.—

(1) In general.—Section 32(a)(2)(B) is amended by striking "modified".

(2) Conforming amendments.—

(A) Section 32(c) is amended by striking paragraph (5).

(B) Section 32(f)(2)(B) is amended by striking "modified" each place it appears.

(e) Relationship Test.—

(1) In general.—Clause (i) of section 32(c)(3)(B) (relating to relationship test) is amended to read as follows:

"(i) In general.—An individual bears a relationship to the taxpayer described in this subparagraph if such individual is—

"(I) a son, daughter, stepson, or stepdaughter, or a descendant of any such individual,

"(II) a brother, sister, stepbrother, or stepsister, or a descendant of any such individual, who the taxpayer cares for as the taxpayer's own child, or

"(III) an eligible foster child of the taxpayer.".

(2) Eligible foster child.—

(A) In general.—Clause (iii) of section 32(c)(3)(B) is amended to read as follows:

"(iii) Eligible foster child.—For purposes of clause (i), the term 'eligible foster child' means an individual not described in subclause (I) or (II) of clause (i) who—

"(I) is placed with the taxpayer by an authorized placement agency, and

"(II) the taxpayer cares for as the taxpayer's own child.".

(B) Conforming amendment.—Section 32(c)(3)(A)(ii) is amended by striking "except as provided in subparagraph (B)(iii),".

(f) 2 or More Claiming Qualifying Child.—Section 32(c)(1)(C) is amended to read as follows:

"(C) 2 or more claiming qualifying child.—

"(i) In general.—Except as provided in clause (ii), if (but for this paragraph) an individual may be claimed, and is claimed, as a qualifying child by 2 or more taxpayers for a taxable year beginning in the same calendar year, such individual shall be treated as the qualifying child of the taxpayer who is—

"(I) a parent of the individual, or

"(II) if subclause (I) does not apply, the taxpayer with the highest adjusted gross income for such taxable year.

"(ii) More than 1 claiming credit.—If the parents claiming the credit with respect to any qualifying child do not file a joint return together, such child shall be treated as the qualifying child of—

"(I) the parent with whom the child resided for the longest period of time during the taxable year, or

"(II) if the child resides with both parents for the same amount of time during such taxable year, the parent with the highest adjusted gross income.".

(g) Expansion of Mathematical Error Authority.—Paragraph (2) of section 6213(g) is amended by striking "and" at the end of subparagraph (K), by striking the period at the end of subparagraph (L) and inserting ", and", and by inserting after subparagraph (L) the following new subparagraph:

"(M) the entry on the return claiming the credit under section 32 with respect to a child if, according to the Federal Case Registry of Child Support Orders established under section 453(h) of the Social Security Act, the taxpayer is a noncustodial parent of such child."

(h) Effective Dates.—

(1) In general.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(2) Subsection (g).—The amendment made by subsection (g) shall take effect on January 1, 2004.

Subtitle B—Compliance With Congressional Budget Act

SEC. 311. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE IV—AFFORDABLE EDUCATION PROVISIONS

Subtitle A—Education Savings Incentives

SEC. 401. MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

(a) Maximum Annual Contributions.—

(1) In general.—Section 530(b)(1)(A)(iii) (defining education individual retirement account) is amended by striking "$500" and inserting "$2,000".

(2) Conforming amendment.—Section 4973(e)(1)(A) is amended by striking "$500" and inserting "$2,000".

(b) Modification of AGI Limits To Remove Marriage Penalty.—Section 530(c)(1) (relating to reduction in permitted contributions based on adjusted gross income) is amended—

(1) by striking "$150,000" in subparagraph (A)(ii) and inserting "$190,000", and

(2) by striking "$10,000" in subparagraph (B) and inserting "$30,000".

(c) Tax-Free Expenditures for Elementary and Secondary School Expenses.—

(1) In general.—Section 530(b)(2) (defining qualified higher education expenses) is amended to read as follows:

"(2) Qualified education expenses.—

"(A) In general.—The term 'qualified education expenses' means—

"(i) qualified higher education expenses (as defined in section 529(e)(3)), and

"(ii) qualified elementary and secondary education expenses (as defined in paragraph (4)).

"(B) Qualified state tuition programs.—Such term shall include any contribution to a qualified State tuition program (as defined in section 529(b)) on behalf of the designated beneficiary (as defined in section 529(e)(1)); but there shall be no increase in the investment in the contract for purposes of applying section 72 by reason of any portion of such contribution which is not includible in gross income by reason of subsection (d)(2).".

(2) Qualified elementary and secondary education expenses.—Section 530(b) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

"(4) Qualified elementary and secondary education expenses.—

"(A) In general.—The term 'qualified elementary and secondary education expenses' means—

"(i) expenses for tuition, fees, academic tutoring, special needs services, books, supplies, computer equipment (including related software and services), and other equipment which are incurred in connection with the enrollment or attendance of the designated beneficiary of the trust as an elementary or secondary school student at a public, private, or religious school, and

"(ii) expenses for room and board, uniforms, transportation, and supplementary items and services (including extended day programs) which are required or provided by a public, private, or religious school in connection with such enrollment or attendance.

"(B) School.—The term 'school' means any school which provides elementary education or secondary education (kindergarten through grade 12), as determined under State law.".

(3) Conforming amendments.—Section 530 is amended—

(A) by striking "higher" each place it appears in subsections (b)(1) and (d)(2), and

(B) by striking "HIGHER" in the heading for subsection (d)(2).

(d) Waiver of Age Limitations for Children With Special Needs.—Section 530(b)(1) (defining education individual retirement account) is amended by adding at the end the following flush sentence:

"The age limitations in subparagraphs (A)(ii) and (E), and paragraphs (5) and (6) of subsection (d), shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary).".

(e) Entities Permitted To Contribute to Accounts.—Section 530(c)(1) (relating to reduction in permitted contributions based on adjusted gross income) is amended by striking "The maximum amount which a contributor" and inserting "In the case of a contributor who is an individual, the maximum amount the contributor".

(f) Time When Contributions Deemed Made.—

(1) In general.—Section 530(b) (relating to definitions and special rules), as amended by subsection (c)(2), is amended by adding at the end the following new paragraph:

"(5) Time when contributions deemed made.—An individual shall be deemed to have made a contribution to an education individual retirement account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).".

(2) Extension of time to return excess contributions.—Subparagraph (C) of section 530(d)(4) (relating to additional tax for distributions not used for educational expenses) is amended—

(A) by striking clause (i) and inserting the following new clause:

"(i) such distribution is made before the first day of the sixth month of the taxable year following the taxable year, and", and

(B) by striking "due date of return" in the heading and inserting "certain date".

(g) Coordination With Hope and Lifetime Learning Credits and Qualified Tuition Programs.—

(1) In general.—Section 530(d)(2)(C) is amended to read as follows:

"(C) Coordination with hope and lifetime learning credits and qualified tuition programs.—For purposes of subparagraph (A)—

"(i) Credit coordination.—The total amount of qualified higher education expenses with respect to an individual for the taxable year shall be reduced—

"(I) as provided in section 25A(g)(2), and

"(II) by the amount of such expenses which were taken into account in determining the credit allowed to the taxpayer or any other person under section 25A.

"(ii) Coordination with qualified tuition programs.—If, with respect to an individual for any taxable year—

"(I) the aggregate distributions during such year to which subparagraph (A) and section 529(c)(3)(B) apply, exceed

"(II) the total amount of qualified education expenses (after the application of clause (i)) for such year,

the taxpayer shall allocate such expenses among such distributions for purposes of determining the amount of the exclusion under subparagraph (A) and section 529(c)(3)(B).".

(2) Conforming amendments.—

(A) Subsection (e) of section 25A is amended to read as follows:

"(e) Election Not To Have Section Apply.—A taxpayer may elect not to have this section apply with respect to the qualified tuition and related expenses of an individual for any taxable year.".

(B) Section 135(d)(2)(A) is amended by striking "allowable" and inserting "allowed".

(C) Section 530(d)(2)(D) is amended—

(i) by striking "or credit", and

(ii) by striking "credit or" in the heading.

(D) Section 4973(e)(1) is amended by adding "and" at the end of subparagraph (A), by striking subparagraph (B), and by redesignating subparagraph (C) as subparagraph (B).

(h) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 402. MODIFICATIONS TO QUALIFIED TUITION PROGRAMS.

(a) Eligible Educational Institutions Permitted To Maintain Qualified Tuition Programs.—

(1) In general.—Section 529(b)(1) (defining qualified State tuition program) is amended—

(A) by inserting "or by 1 or more eligible educational institutions" after "maintained by a State or agency or instrumentality thereof" in the matter preceding subparagraph (A), and

(B) by adding at the end the following new flush sentence:

"Except to the extent provided in regulations, a program established and maintained by 1 or more eligible educational institutions shall not be treated as a qualified tuition program unless such program has received a ruling or determination that such program meets the applicable requirements for a qualified tuition program.".

(2) Private qualified tuition programs limited to benefit plans.—Clause (ii) of section 529(b)(1)(A) is amended by inserting "in the case of a program established and maintained by a State or agency or instrumentality thereof," before "may make".

(3) Conforming amendments.—

(A) Sections 72(e)(9), 135(c)(2)(C), 135(d)(1)(D), 529, 530(b)(2)(B), 4973(e), and 6693(a)(2)(C) are amended by striking "qualified State tuition" each place it appears and inserting "qualified tuition".

(B) The headings for sections 72(e)(9) and 135(c)(2)(C) are amended by striking "qualified state tuition" each place it appears and inserting "qualified tuition".

(C) The headings for sections 529(b) and 530(b)(2)(B) are amended by striking "Qualified state tuition" each place it appears and inserting "Qualified tuition".

(D) The heading for section 529 is amended by striking "**STATE**".

(E) The item relating to section 529 in the table of sections for part VIII of subchapter F of chapter 1 is amended by striking "State".

(b) Exclusion From Gross Income of Education Distributions From Qualified Tuition Programs.—

(1) In general.—Section 529(c)(3)(B) (relating to distributions) is amended to read as follows:

"(B) Distributions for qualified higher education expenses.—For purposes of this paragraph—

"(i) In-kind distributions.—No amount shall be includible in gross income under subparagraph (A) by reason of a distribution which consists of providing a benefit to the distributee which, if paid for by the distributee, would constitute payment of a qualified higher education expense.

"(ii) Cash distributions.—In the case of distributions not described in clause (i), if—

"(I) such distributions do not exceed the qualified higher education expenses (reduced by expenses described in clause (i)), no amount shall be includible in gross income, and

"(II) in any other case, the amount otherwise includible in gross income shall be reduced by an amount which bears the same ratio to such amount as such expenses bear to such distributions.

"(iii) Exception for institutional programs.—In the case of any taxable year beginning before January 1, 2004, clauses (i) and (ii) shall not apply with respect to any distribution during such taxable year under a qualified tuition program established and maintained by 1 or more eligible educational institutions.

"(iv) Treatment as distributions.—Any benefit furnished to a designated beneficiary under a qualified tuition program shall be treated as a distribution to the beneficiary for purposes of this paragraph.

"(v) Coordination with hope and lifetime learning credits.—The total amount of qualified higher education expenses with respect to an individual for the taxable year shall be reduced—

"(I) as provided in section 25A(g)(2), and

"(II) by the amount of such expenses which were taken into account in determining the credit allowed to the taxpayer or any other person under section 25A.

"(vi) Coordination with education individual retirement accounts.—If, with respect to an individual for any taxable year—

"(I) the aggregate distributions to which clauses (i) and (ii) and section 530(d)(2)(A) apply, exceed

"(II) the total amount of qualified higher education expenses otherwise taken into account under clauses (i) and (ii) (after the application of clause (v)) for such year,

the taxpayer shall allocate such expenses among such distributions for purposes of determining the amount of the exclusion under clauses (i) and (ii) and section 530(d)(2)(A).".

(2) Conforming amendments.—

(A) Section 135(d)(2)(B) is amended by striking "the exclusion under section 530(d)(2)" and inserting "the exclusions under sections 529(c)(3)(B) and 530(d)(2)".

(B) Section 221(e)(2)(A) is amended by inserting "529," after "135,".

(c) Rollover to Different Program for Benefit of Same Designated Beneficiary.—Section 529(c)(3)(C) (relating to change in beneficiaries) is amended—

(1) by striking "transferred to the credit" in clause (i) and inserting "transferred—

"(I) to another qualified tuition program for the benefit of the designated beneficiary, or

"(II) to the credit",

(2) by adding at the end the following new clause:

"(iii) Limitation on certain rollovers.—Clause (i)(I) shall only apply to the first 3 transfers with respect to a designated beneficiary.", and

(3) by inserting "or programs" after "beneficiaries" in the heading.

(d) Member of Family Includes First Cousin.—Section 529(e)(2) (defining member of family) is amended by striking "and" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and by inserting "; and", and by adding at the end the following new subparagraph:

"(D) any first cousin of such beneficiary.".

(e) Adjustment of Limitation on Room and Board Distributions.—Section 529(e)(3)(B)(ii) is amended to read as follows:

"(ii) Limitation.—The amount treated as qualified higher education expenses by reason of clause (i) shall not exceed—

"(I) the allowance (applicable to the student) for room and board included in the cost of attendance (as defined in section 472 of the Higher Education Act of 1965 (20 U.S.C. 1087ll), as in effect on the date of the enactment of the Restoring Earnings To Lift Individuals and Empower Families (RELIEF) Act of 2001) as determined by the eligible educational institution for such period, or

"(II) if greater, the actual invoice amount the student residing in housing owned or operated by the eligible educational institution is charged by such institution for room and board costs for such period.".

(f) Technical Amendments.—Section 529(c)(3)(D) is amended—

(1) by inserting "except to the extent provided by the Secretary," before "all distributions" in clause (ii), and

(2) by inserting "except to the extent provided by the Secretary," before "the value" in clause (iii).

(g) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

Subtitle B—Educational Assistance

SEC. 411. PERMANENT EXTENSION OF EXCLUSION FOR EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE.

(a) In General.—Section 127 (relating to exclusion for educational assistance programs) is amended by striking subsection (d) and by redesignating subsection (e) as subsection (d).

(b) Repeal of Limitation on Graduate Education.—The last sentence of section 127(c)(1) is amended by striking ", and such term also does not include any payment for, or the provision of any benefits with respect to, any graduate level course of a kind normally taken by an individual pursuing a program leading to a law, business, medical, or other advanced academic or professional degree".

(c) Conforming Amendment.—Section 51A(b)(5)(B)(iii) is amended by striking "or would be so excludable but for section 127(d)".

(d) Effective Date.—The amendments made by this section shall apply with respect to expenses relating to courses beginning after December 31, 2001.

SEC. 412. ELIMINATION OF 60-MONTH LIMIT AND INCREASE IN INCOME LIMITATION ON STUDENT LOAN INTEREST DEDUCTION.

(a) Elimination of 60-Month Limit.—

(1) In general.—Section 221 (relating to interest on education loans), as amended by section 402(b)(2)(B), is amended by striking subsection (d) and by redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively.

(2) Conforming amendment.—Section 6050S(e) is amended by striking "section 221(e)(1)" and inserting "section 221(d)(1)".

(3) Effective date.—The amendments made by this subsection shall apply with respect to any loan interest paid after December 31, 2001, in taxable years ending after such date.

(b) Increase in Income Limitation.—

(1) In general.—Section 221(b)(2)(B) (relating to amount of reduction) is amended by striking clauses (i) and (ii) and inserting the following:

"(i) the excess of—

"(I) the taxpayer's modified adjusted gross income for such taxable year, over

"(II) $50,000 ($100,000 in the case of a joint return), bears to

"(ii) $15,000 ($30,000 in the case of a joint return).".

(2) Conforming amendment.—Section 221(g)(1) is amended by striking "$40,000 and $60,000 amounts" and inserting "$50,000 and $100,000 amounts".

(3) Effective date.—The amendments made by this subsection shall apply to taxable years ending after December 31, 2001.

SEC. 413. EXCLUSION OF CERTAIN AMOUNTS RECEIVED UNDER THE NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP PROGRAM AND THE F. EDWARD HEBERT ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM.

(a) In General.—Section 117(c) (relating to the exclusion from gross income amounts received as a qualified scholarship) is amended—

(1) by striking "Subsections (a)" and inserting the following:

"(1) In general.—Except as provided in paragraph (2), subsections (a)", and

(2) by adding at the end the following new paragraph:

"(2) Exceptions.—Paragraph (1) shall not apply to any amount received by an individual under—

"(A) the National Health Service Corps Scholarship Program under section 338A(g)(1)(A) of the Public Health Service Act, or

"(B) the Armed Forces Health Professions Scholarship and Financial Assistance program under subchapter I of chapter 105 of title 10, United States Code.".

(b) Effective Date.—The amendments made by subsection (a) shall apply to amounts received in taxable years beginning after December 31, 2001.

Subtitle C—Liberalization of Tax-Exempt Financing Rules for Public School Construction

SEC. 421. ADDITIONAL INCREASE IN ARBITRAGE REBATE EXCEPTION FOR GOVERNMENTAL BONDS USED TO FINANCE EDUCATIONAL FACILITIES.

(a) In General.—Section 148(f)(4)(D)(vii) (relating to increase in exception for bonds financing public school capital expenditures) is amended by striking "$5,000,000" the second place it appears and inserting "$10,000,000".

(b) Effective Date.—The amendment made by subsection (a) shall apply to obligations issued in calendar years beginning after December 31, 2001.

SEC. 422. TREATMENT OF QUALIFIED PUBLIC EDUCATIONAL FACILITY BONDS AS EXEMPT FACILITY BONDS.

(a) Treatment as Exempt Facility Bond.—Subsection (a) of section 142 (relating to exempt facility bond) is amended by striking "or" at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting ", or", and by adding at the end the following new paragraph:

"(13) qualified public educational facilities.".

(b) Qualified Public Educational Facilities.—Section 142 (relating to exempt facility bond) is amended by adding at the end the following new subsection:

"(k) Qualified Public Educational Facilities.—

"(1) In general.—For purposes of subsection (a)(13), the term 'qualified public educational facility' means any school facility which is—

"(A) part of a public elementary school or a public secondary school, and

"(B) owned by a private, for-profit corporation pursuant to a public-private partnership agreement with a State or local educational agency described in paragraph (2).

"(2) Public-private partnership agreement described.—A public-private partnership agreement is described in this paragraph if it is an agreement—

"(A) under which the corporation agrees—

"(i) to do 1 or more of the following: construct, rehabilitate, refurbish, or equip a school facility, and

"(ii) at the end of the term of the agreement, to transfer the school facility to such agency for no additional consideration, and

"(B) the term of which does not exceed the term of the issue to be used to provide the school facility.

"(3) School facility.—For purposes of this subsection, the term 'school facility' means—

"(A) any school building,

"(B) any functionally related and subordinate facility and land with respect to such building, including any stadium or other facility primarily used for school events, and

"(C) any property, to which section 168 applies (or would apply but for section 179), for use in a facility described in subparagraph (A) or (B).

"(4) Public schools.—For purposes of this subsection, the terms 'elementary school' and 'secondary school' have the meanings given such terms by section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), as in effect on the date of the enactment of this subsection.

"(5) Annual aggregate face amount of tax-exempt financing.—

"(A) In general.—An issue shall not be treated as an issue described in subsection (a)(13) if the aggregate face amount of bonds issued by the State pursuant thereto (when added to the aggregate face amount of bonds previously so issued during the calendar year) exceeds an amount equal to the greater of—

"(i) $10 multiplied by the State population, or

"(ii) $5,000,000.

"(B) Allocation rules.—

"(i) In general.—Except as otherwise provided in this subparagraph, the State may allocate the amount described in subparagraph (A) for any calendar year in such manner as the State determines appropriate.

"(ii) Rules for carryforward of unused limitation.—A State may elect to carry forward an unused limitation for any calendar year for 3 calendar years following the calendar year in which the unused limitation arose under rules similar to the rules of section 146(f), except that the only purpose for which the carryforward may be elected is the issuance of exempt facility bonds described in subsection (a)(13).".

(c) Exemption From General State Volume Caps.—Paragraph (3) of section 146(g) (relating to exception for certain bonds) is amended—

(1) by striking "or (12)" and inserting "(12), or (13)", and

(2) by striking "and environmental enhancements of hydroelectric generating facilities" and inserting "environmental enhancements of hydroelectric generating facilities, and qualified public educational facilities".

(d) Exemption From Limitation on Use for Land Acquisition.—Section 147(h) (relating to certain rules not to apply to mortgage revenue bonds, qualified student loan bonds, and qualified 501(c)(3) bonds) is amended by adding at the end the following new paragraph:

"(3) Exempt facility bonds for qualified public-private schools.—Subsection (c) shall not apply to any exempt facility bond issued as part of an issue described in section 142(a)(13) (relating to qualified public educational facilities).".

(e) Conforming Amendment.—The heading for section 147(h) is amended by striking "Mortgage Revenue Bonds, Qualified Student Loan Bonds, and Qualified 501(c)(3) Bonds" and inserting "Certain Bonds".

(f) Effective Date.—The amendments made by this section shall apply to bonds issued after December 31, 2001.

Subtitle D—Other Provisions

SEC. 431. DEDUCTION FOR HIGHER EDUCATION EXPENSES.

(a) Deduction Allowed.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals) is amended by redesignating section 222 as section 223 and by inserting after section 221 the following:

"SEC. 222. QUALIFIED TUITION AND RELATED EXPENSES.

"(a) Allowance of Deduction.—In the case of an individual, there shall be allowed as a deduction an amount equal to the qualified tuition and related expenses paid by the taxpayer during the taxable year.

"(b) Dollar limitations.—

"(1) In general.—The amount allowed as a deduction under subsection (a) with respect to the taxpayer for any taxable year shall not exceed the applicable dollar limit.

"(2) Applicable dollar limit.—

"(A) 2002 and 2003.—In the case of a taxable year beginning in 2002 or 2003, the applicable dollar limit shall be equal to—

"(i) in the case of a taxpayer whose adjusted gross income for the taxable year does not exceed $65,000 ($130,000 in the case of a joint return), $3,000, and—

"(ii) in the case of any other taxpayer, zero.

"(B) 2004 AND 2005.—In the case of a taxable year beginning in 2004 or 2005, the applicable dollar amount shall be equal to—

"(i) in the case of a taxpayer whose adjusted gross income for the taxable year does not exceed $65,000 ($130,000 in the case of a joint return), $5,000,

"(ii) in the case of a taxpayer not described in clause (i) whose adjusted gross income for the taxable year does not exceed $80,000 ($160,000 in the case of a joint return), $2,000, and

"(iii) in the case of any other taxpayer, zero.

"(C) ADJUSTED GROSS INCOME.—For purposes of this paragraph, adjusted gross income shall be determined—

"(i) without regard to this section and sections 911, 931, and 933, and

"(ii) after application of sections 86, 135, 137, 219, 221, and 469.

"(c) NO DOUBLE BENEFIT.—

"(1) IN GENERAL.—No deduction shall be allowed under subsection (a) for any expense for which a deduction is allowed to the taxpayer under any other provision of this chapter.

"(2) COORDINATION WITH OTHER EDUCATION INCENTIVES.—

"(A) DENIAL OF DEDUCTION IF CREDIT ELECTED.—No deduction shall be allowed under subsection (a) for a taxable year with respect to the qualified tuition and related expenses with respect to an individual if the taxpayer or any other person elects to have section 25A apply with respect to such individual for such year.

"(B) COORDINATION WITH EXCLUSIONS.—The total amount of qualified tuition and related expenses shall be reduced by the amount of such expenses taken into account in determining any amount excluded under section 135, 529(c)(1), or 530(d)(2).

"(3) DEPENDENTS.—No deduction shall be allowed under subsection (a) to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) QUALIFIED TUITION AND RELATED EXPENSES.—The term 'qualified tuition and related expenses' has the meaning given such term by section 25A(f). Such expenses shall be reduced in the same manner as under section 25A(g)(2).

"(2) IDENTIFICATION REQUIREMENT.—No deduction shall be allowed under subsection (a) to a taxpayer with respect to the qualified tuition and related expenses of an individual unless the taxpayer includes the name and taxpayer identification number of the individual on the return of tax for the taxable year.

"(3) LIMITATION ON TAXABLE YEAR OF DEDUCTION.—

"(A) IN GENERAL.—A deduction shall be allowed under subsection (a) for qualified tuition and related expenses for any taxable year only to the extent such expenses are in connection with enrollment at an institution of higher education during the taxable year.

"(B) CERTAIN PREPAYMENTS ALLOWED.—Subparagraph (A) shall not apply to qualified tuition and related expenses paid during a taxable year if such expenses are in connection with an academic term beginning during such taxable year or during the first 3 months of the next taxable year.

"(4) NO DEDUCTION FOR MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—If the taxpayer is a married individual (within the meaning of section 7703), this section shall apply only if the taxpayer and the taxpayer's spouse file a joint return for the taxable year.

"(5) NONRESIDENT ALIENS.—If the taxpayer is a nonresident alien individual for any portion of the taxable year, this section shall apply only if such individual is treated as a resident alien of the United States for purposes of this chapter by reason of an election under subsection (g) or (h) of section 6013.

"(6) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this section, including regulations requiring recordkeeping and information reporting.

"(e) TERMINATION.—This section shall not apply to taxable years beginning after December 31, 2005.".

(b) DEDUCTION ALLOWED IN COMPUTING ADJUSTED GROSS INCOME.—Section 62(a) is amended by inserting after paragraph (17) the following:

"(18) HIGHER EDUCATION EXPENSES.—The deduction allowed by section 222.".

(c) CONFORMING AMENDMENTS.—

(1) Sections 86(b)(2), 135(c)(4), 137(b)(3), and 219(g)(3) are each amended by inserting "222," after "221,".

(2) Section 221(b)(2)(C) is amended by inserting "222," before "911".

(3) Section 469(i)(3)(E) is amended by striking "and 221" and inserting ", 221, and 222".

(4) The table of sections for part VII of subchapter B of chapter 1 is amended by striking the item relating to section 222 and inserting the following:

"Sec. 222. Qualified tuition and related expenses.

"Sec. 223. Cross reference.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made in taxable years beginning after December 31, 2001.

SEC. 432. CREDIT FOR INTEREST ON HIGHER EDUCATION LOANS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits) is amended by inserting after section 25A the following new section:

"SEC. 25B. INTEREST ON HIGHER EDUCATION LOANS.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the interest paid by the taxpayer during the taxable year on any qualified education loan.

"(b) MAXIMUM CREDIT.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the credit allowed by subsection (a) for the taxable year shall not exceed $500.

"(2) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

"(A) IN GENERAL.—If the modified adjusted gross income of the taxpayer for the taxable year exceeds $35,000 ($70,000 in the case of a joint return), the amount which would (but for this paragraph) be allowable as a credit under this section shall be reduced (but not below zero) by the amount which bears the same ratio to the amount which would be so allowable as such excess bears to $10,000 ($20,000 in the case of a joint return).

"(B) MODIFIED ADJUSTED GROSS INCOME.—The term 'modified adjusted gross income' means adjusted gross income determined without regard to sections 911, 931, and 933.

"(C) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2009, the $35,000 and $70,000 amounts referred to in subparagraph (A) shall be increased by an amount equal to—

"(i) such dollar amount, multiplied by

"(ii) the cost-of-living adjustment determined under section (1)(f)(3) for the calendar year in which the taxable year begins, by substituting '2008' for '1992'.

"(D) ROUNDING.—If any amount as adjusted under subparagraph (C) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.

"(c) DEPENDENTS NOT ELIGIBLE FOR CREDIT.—No credit shall be allowed by this section to an individual for the taxable year if a deduction under section 151 with respect to such individual is allowed to another taxpayer for the taxable year beginning in the calendar year in which such individual's taxable year begins.

"(d) LIMIT ON PERIOD CREDIT ALLOWED.—A credit shall be allowed under this section only with respect to interest paid on any qualified education loan during the first 60 months (whether or not consecutive) in which interest payments are required. For purposes of this subsection, any loan and all refinancings of such loan shall be treated as 1 loan. Such 60 months shall be determined in the manner prescribed by the Secretary in the case of multiple loans which are refinanced by, or serviced as, a single loan and in the case of loans incurred before January 1, 2009.

"(e) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED EDUCATION LOAN.—The term 'qualified education loan' has the meaning given such term by section 221(e)(1).

"(2) DEPENDENT.—The term 'dependent' has the meaning given such term by section 152.

"(f) SPECIAL RULES.—

"(1) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under this section if any amount of interest on a qualified education loan is taken into account for any deduction under any other provision of this chapter for the taxable year.

"(2) MARRIED COUPLES MUST FILE JOINT RETURN.—If the taxpayer is married at the close of the taxable year, the credit shall be allowed under subsection (a) only if the taxpayer and the taxpayer's spouse file a joint return for the taxable year.

"(3) MARITAL STATUS.—Marital status shall be determined in accordance with section 7703.".

(b) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 25A the following new item:

"Sec. 25B. Interest on higher education loans.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any qualified education loan (as defined in section 25B(e)(1) of the Internal Revenue Code of 1986, as added by this section) incurred on, before, or after December 31, 2008, but only with respect to any loan interest payment due in taxable years beginning after December 31, 2008.

Subtitle E—Compliance With Congressional Budget Act

SEC. 441. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE V—ESTATE, GIFT, AND GENERATION-SKIPPING TRANSFER TAX PROVISIONS

Subtitle A—Repeal of Estate and Generation-Skipping Transfer Taxes

SEC. 501. REPEAL OF ESTATE AND GENERATION-SKIPPING TRANSFER TAXES.

(a) Estate Tax Repeal.—Subchapter C of chapter 11 of subtitle B (relating to miscellaneous) is amended by adding at the end the following new section:

"SEC. 2210. TERMINATION.

"(a) In General.—Except as provided in subsection (b), this chapter shall not apply to the estates of decedents dying after December 31, 2010.

"(b) Certain Distributions From Qualified Domestic Trusts.—In applying section 2056A with respect to the surviving spouse of a decedent dying before January 1, 2011—

"(1) section 2056A(b)(1)(A) shall not apply to distributions made after December 31, 2021, and

"(2) section 2056A(b)(1)(B) shall not apply after December 31, 2010.".

(b) Generation-Skipping Transfer Tax Repeal.—Subchapter G of chapter 13 of subtitle B (relating to administration) is amended by adding at the end the following new section:

"SEC. 2664. TERMINATION.

"This chapter shall not apply to generation-skipping transfers made after December 31, 2010.".

(c) Conforming Amendments.—

(1) The table of sections for subchapter C of chapter 11 is amended by adding at the end the following new item:

"Sec. 2210. Termination.".

(2) The table of sections for subchapter G of chapter 13 is amended by adding at the end the following new item:

"Sec. 2664. Termination.".

(d) Effective Date.—The amendments made by this section shall apply to the estates of decedents dying, and generation-skipping transfers made, after December 31, 2010.

Subtitle B—Reductions of Estate and Gift Tax Rates

SEC. 511. ADDITIONAL REDUCTIONS OF ESTATE AND GIFT TAX RATES.

(a) Maximum Rate of Tax Reduced to 50 Percent.—The table contained in section 2001(c)(1) is amended by striking the two highest brackets and inserting the following:

"Over $2,500,000	$1,025,800, plus 50% of the excess over $2,500,000.".

(b) Repeal of Phaseout of Graduated Rates.—Subsection (c) of section 2001 is amended by striking paragraph (2).

(c) Additional Reductions of Maximum Rate of Tax.—Subsection (c) of section 2001, as amended by subsection (b), is amended by adding at the end the following new paragraph:

"(2) Phasedown of maximum rate of tax.—

"(A) In general.—In the case of estates of decedents dying, and gifts made, in calendar years after 2002 and before 2011, the tentative tax under this subsection shall be determined by using a table prescribed by the Secretary (in lieu of using the table contained in paragraph (1)) which is the same as such table; except that—

"(i) the maximum rate of tax for any calendar year shall be determined in the table under subparagraph (B), and

"(ii) the brackets and the amounts setting forth the tax shall be adjusted to the extent necessary to reflect the adjustments under subparagraph (A).

"(B) Maximum rate.—

"Calendar year:	Maximum Rate:
2003	49 percent
2004	48 percent
2005	47 percent
2006	46 percent
2007	45 percent
2008	45 percent
2009	45 percent
2010	45 percent

(d) Maximum Gift Tax Rate Reduced to 40 Percent After 2010.—Subsection (a) of section 2502 (relating to rate of tax) is amended to read as follows:

"(a) Computation of Tax.—

"(1) In general.—The tax imposed by section 2501 for each calendar year shall be an amount equal to the excess of—

"(A) a tentative tax, computed under paragraph (2), on the aggregate sum of the taxable gifts for such calendar year and for each of the preceding calendar periods, over

"(B) a tentative tax, computed under paragraph (2), on the aggregate sum of the taxable gifts for each of the preceding calendar periods.

"(2) Rate schedule.—

"If the amount with respect to which the tentative tax to be computed is:	The tentative tax is:
Not over $10,000	18% of such amount.
Over $10,000 but not over $20,000.	$1,800, plus 20% of the excess over $10,000.
Over $20,000 but not over $40,000.	$3,800, plus 22% of the excess over $20,000.
Over $40,000 but not over $60,000.	$8,200, plus 24% of the excess over $40,000.
Over $60,000 but not over $80,000.	$13,000, plus 26% of the excess over $60,000.
Over $80,000 but not over $100,000.	$18,200, plus 28% of the excess over $80,000.
Over $100,000 but not over $150,000.	$23,800, plus 30% of the excess over $100,000.
Over $150,000 but not over $250,000.	$38,800, plus 32% of the excess over $150,000.
Over $250,000 but not over $500,000.	$70,800, plus 34% of the excess over $250,000.
Over $500,000 but not over $750,000.	$155,800, plus 37% of the excess over $500,000.
Over $750,000 but not over $1,000,000.	$248,300, plus 39% of the excess over $750,000.
Over $1,000,000	$345,800, plus 40% of the excess over $1,000,000.".

(e) Treatment of Certain Transfers in Trust.—Section 2511 (relating to transfers in general) is amended by adding at the end the following new subsection:

"(c) Treatment of Certain Transfers in Trust.—Notwithstanding any other provision of this section and except as provided in regulations, a transfer in trust shall be treated as a taxable gift under section 2503, unless the trust is treated as wholly owned by the donor or the donor's spouse under subpart E of part I of subchapter J of chapter 1.".

(f) Effective Dates.—

(1) Subsections (a) and (b).—The amendments made by subsections (a) and (b) shall apply to estates of decedents dying, and gifts made, after December 31, 2001.

(2) Subsection (c).—The amendment made by subsection (c) shall apply to estates of decedents dying, and gifts made, after December 31, 2002.

(3) Subsections (d) and (e).—The amendments made by subsections (d) and (e) shall apply to gifts made after December 31, 2010.

Subtitle C—Increase in Exemption Amounts

SEC. 521. INCREASE IN EXEMPTION EQUIVALENT OF UNIFIED CREDIT, LIFETIME GIFTS EXEMPTION, AND GST EXEMPTION AMOUNTS.

(a) In General.—Subsection (c) of section 2010 (relating to applicable credit amount) is amended by striking the table and inserting the following new table:

"In the case of estates of decedents dying during:	The applicable exclusion amount is:
2002 and 2003	$1,000,000
2004	$2,000,000
2005, 2006, 2007, and 2008	$3,000,000
2009	$3,500,000
2010	$4,000,000.".

(b) Lifetime Gift Exemption Increased to $1,000,000.—

(1) For periods before estate tax repeal.—Paragraph (1) of section 2505(a) (relating to unified credit against gift tax) is amended by inserting "(determined as if the applicable exclusion amount were $1,000,000)" after "calendar year".

(2) For periods after estate tax repeal.—Paragraph (1) of section 2505(a) (relating to unified credit against gift tax), as amended by paragraph (1), is amended to read as follows:

"(1) the amount of the tentative tax which would be determined under the rate schedule set forth in section 2502(a)(2) if the amount with respect to which such tentative tax is to be computed were $1,000,000, reduced by".

(c) GST Exemption.—

(1) In general.—Subsection (a) of 2631 (relating to GST exemption) is amended by striking "of $1,000,000" and inserting "amount".

(2) Exemption amount.—Subsection (c) of section 2631 is amended to read as follows:

"(c) GST Exemption Amount.—For purposes of subsection (a), the GST exemption amount for any calendar year shall be equal to the applicable exclusion amount under section 2010(c) for such calendar year.".

(d) Repeal of Special Benefit for Family-Owned Business Interests.—

(1) In general.—Section 2057 is hereby repealed.

(2) Conforming amendments.—

(A) Paragraph (10) of section 2031(c) is amended by inserting "(as in effect on the day before the date of the enactment of this parenthetical)" before the period.

(B) The table of sections for part IV of subchapter A of chapter 11 is amended by striking the item relating to section 2057.

(e) Effective Dates.—

(1) In general.—Except as provided in paragraphs (2) and (3), the amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2001.

(2) Subsection (b)(2).—The amendments made by subsection (b)(2) shall apply to gifts made after December 31, 2010.

(3) Subsections (c) and (d).—The amendments made by subsections (c) and (d) shall apply to estates of decedents dying, and generation-skipping transfers made, after December 31, 2003.

Subtitle D—Credit for State Death Taxes

SEC. 531. REDUCTION OF CREDIT FOR STATE DEATH TAXES.

(a) Maximum Credit Reduced to 8 Percent.—

(1) In general.—The table contained in section 2011(b) is amended by striking the ten highest brackets and inserting the following:

"Over $2,040,000	$106,800, plus 8% of the excess over $2,040,000.".

(2) Effective date.—The amendment made by this subsection shall apply to estates of decedents dying after December 31, 2001.

(b) Maximum Credit Reduced to 7.2 Percent.—

(1) IN GENERAL.—The table contained in section 2011(b), as amended by subsection (a), is amended by striking the two highest brackets and inserting the following:

"Over $1,540,000 .... $70,800, plus 7.2% of the excess over $1,540,000.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to estates of decedents dying after December 31, 2002.

(c) MAXIMUM CREDIT REDUCED TO 7.04 PERCENT.—

(1) IN GENERAL.—The table contained in section 2011(b), as amended by subsections (a) and (b), is amended by striking the highest bracket and inserting the following:

"Over $1,540,000 .... $70,800, plus 7.04% of the excess over $1,540,000.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to estates of decedents dying after December 31, 2003.

SEC. 522. CREDIT FOR STATE DEATH TAXES REPLACED WITH DEDUCTION FOR SUCH TAXES.

(a) REPEAL OF CREDIT.—Section 2011 (relating to credit fpr State death taxes) is repealed.

(b) DEDUCTION FOR STATE DEATH TAXES.—Part IV of subchapter A of chapter 11 is amended by adding at the end the following new section:

"SEC. 2058. STATE DEATH TAXES.

"(a) ALLOWANCE OF DEDUCTION.—For purposes of the tax imposed by section 2001, the value of the taxable estate shall be determined by deducting from the value of the gross estate the amount of any estate, inheritance, legacy, or succession taxes actually paid to any State or the District of Columbia, in respect of any property included in the gross estate (not including any such taxes paid with respect to the estate of a person other than the decedent).

"(b) PERIOD OF LIMITATIONS.—The deduction allowed by this section shall include only such taxes as were actually paid and deduction therefor claimed before the later of—

"(1) 4 years after the filing of the return required by section 6018, or

"(2) if—

"(A) a petition for redetermination of a deficiency has been filed with the Tax Court within the time prescribed in section 6213(a), the expiration of 60 days after the decision of the Tax Court becomes final,

"(B) an extension of time has been granted under section 6161 or 6166 for payment of the tax shown on the return, or of a deficiency, the date of the expiration of the period of the extension, or

"(C) a claim for refund or credit of an overpayment of tax imposed by this chapter has been filed within the time prescribed in section 6511, the latest of the expiration of—

"(i) 60 days from the date of mailing by certified mail or registered mail by the Secretary to the taxpayer of a notice of the disallowance of any part of such claim,

"(ii) 60 days after a decision by any court of competent jurisdiction becomes final with respect to a timely suit instituted upon such claim, or

"(iii) 2 years after a notice of the waiver of disallowance is filed under section 6532(a)(3).

Notwithstanding sections 6511 and 6512, refund based on the deduction may be made if the claim for refund is filed within the period provided in the preceding sentence. Any such refund shall be made without interest.".

(c) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 2012 is amended by striking "the credit for State death taxes provided by section 2011 and".

(2) Subparagraph (A) of section 2013(c)(1) is amended by striking "2011,".

(3) Paragraph (2) of section 2014(b) is amended by striking ", 2011,".

(4) Sections 2015 and 2016 are each amended by striking "2011 or".

(5) Subsection (d) of section 2053 is amended to read as follows:

"(d) CERTAIN FOREIGN DEATH TAXES.—

"(1) IN GENERAL.—Notwithstanding the provisions of subsection (c)(1)(B), for purposes of the tax imposed by section 2001, the value of the taxable estate may be determined, if the executor so elects before the expiration of the period of limitation for assessment provided in section 6501, by deducting from the value of the gross estate the amount (as determined in accordance with regulations prescribed by the Secretary) of any estate, succession, legacy, or inheritance tax imposed by and actually paid to any foreign country, in respect of any property situated within such foreign country and included in the gross estate of a citizen or resident of the United States, upon a transfer by the decedent for public, charitable, or religious uses described in section 2055. The determination under this paragraph of the country within which property is situated shall be made in accordance with the rules applicable under subchapter B (sec. 2101 and following) in determining whether property is situated within or without the United States. Any election under this paragraph shall be exercised in accordance with regulations prescribed by the Secretary.

"(2) CONDITION FOR ALLOWANCE OF DEDUCTION.—No deduction shall be allowed under paragraph (1) for a foreign death tax specified therein unless the decrease in the tax imposed by section 2001 which results from the deduction provided in paragraph (1) will inure solely for the benefit of the public, charitable, or religious transferees described in section 2055 or section 2106(a)(2). In any case where the tax imposed by section 2001 is equitably apportioned among all the transferees of property included in the gross estate, including those described in sections 2055 and 2106(a)(2) (taking into account any exemptions, credits, or deductions allowed by this chapter), in determining such decrease, there shall be disregarded any decrease in the Federal estate tax which any transferees other than those described in sections 2055 and 2106(a)(2) are required to pay.

"(3) EFFECT ON CREDIT FOR FOREIGN DEATH TAXES OF DEDUCTION UNDER THIS SUBSECTION.—

"(A) ELECTION.—An election under this subsection shall be deemed a waiver of the right to claim a credit, against the Federal estate tax, under a death tax convention with any foreign country for any tax or portion thereof in respect of which a deduction is taken under this subsection.

"(B) CROSS REFERENCE.—

"See section 2014(f) for the effect of a deduction taken under this paragraph on the credit for foreign death taxes.".

(6) Subparagraph (A) of section 2056A(b)(10) is amended—

(A) by striking "2011,", and

(B) by inserting "2058," after "2056,".

(7)(A) Subsection (a) of section 2102 is amended to read as follows:

"(a) IN GENERAL.—The tax imposed by section 2101 shall be credited with the amounts determined in accordance with sections 2012 and 2013 (relating to gift tax and tax on prior transfers).".

(B) Section 2102 is amended by striking subsection (b) and by redesignating subsection (c) as subsection (b).

(C) Section 2102(b)(5) (as redesignated by subparagraph (B)) and section 2107(c)(3) are each amended by striking "2011 to 2013, inclusive," and inserting "2012 and 2013".

(8) Subsection (a) of section 2106 is amended by adding at the end the following new paragraph:

"(4) STATE DEATH TAXES.—The amount which bears the same ratio to the State death taxes as the value of the property, as determined for purposes of this chapter, upon which State death taxes were paid and which is included in the gross estate under section 2103 bears to the value of the total gross estate under section 2103. For purposes of this paragraph, the term 'State death taxes' means the taxes described in section 2011(a).".

(9) Section 2201 is amended—

(A) by striking "as defined in section 2011(d)", and

(B) by adding at the end the following new flush sentence:

"For purposes of this section, the additional estate tax is the difference between the tax imposed by section 2001 or 2101 and the amount equal to 125 percent of the maximum credit provided by section 2011(b), as in effect before its repeal by the Restoring Earnings To Lift Individuals and Empower Families (RELIEF) Act of 2001.".

(10) Section 2604 is repealed.

(11) Paragraph (2) of section 6511(i) is amended by striking "2011(c), 2014(b)," and inserting "2014(b)".

(12) Subsection (c) of section 6612 is amended by striking "section 2011(c) (relating to refunds due to credit for State taxes),".

(13) The table of sections for part II of subchapter A of chapter 11 is amended by striking the item relating to section 2011.

(14) The table of sections for part IV of subchapter A of chapter 11 is amended by adding at the end the following new item:

"Sec. 2058. State death taxes.".

(15) The table of sections for subchapter A of chapter 13 is amended by striking the item relating to section 2604.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2004.

Subtitle E—Carryover Basis at Death; Other Changes Taking Effect With Repeal

SEC. 541. TERMINATION OF STEP-UP IN BASIS AT DEATH.

Section 1014 (relating to basis of property acquired from a decedent) is amended by adding at the end the following new subsection:

"(f) TERMINATION.—This section shall not apply with respect to decedents dying after December 31, 2010.".

SEC. 542. TREATMENT OF PROPERTY ACQUIRED FROM A DECEDENT DYING AFTER DECEMBER 31, 2010.

(a) GENERAL RULE.—Part II of subchapter O of chapter 1 (relating to basis rules of general application) is amended by inserting after section 1021 the following new section:

"SEC. 1022. TREATMENT OF PROPERTY ACQUIRED FROM A DECEDENT DYING AFTER DECEMBER 31, 2010.

"(a) IN GENERAL.—Except as otherwise provided in this section—

"(1) property acquired from a decedent dying after December 31, 2010, shall be treated for purposes of this subtitle as transferred by gift, and

"(2) the basis of the person acquiring property from such a decedent shall be the lesser of—

"(A) the adjusted basis of the decedent, or

"(B) the fair market value of the property at the date of the decedent's death.

‘‘(b) BASIS INCREASE FOR CERTAIN PROPERTY.—

‘‘(1) IN GENERAL.—In the case of property to which this subsection applies, the basis of such property under subsection (a) shall be increased by its basis increase under this subsection.

‘‘(2) BASIS INCREASE.—For purposes of this subsection—

‘‘(A) IN GENERAL.—The basis increase under this subsection for any property is the portion of the aggregate basis increase which is allocated to the property pursuant to this section.

‘‘(B) AGGREGATE BASIS INCREASE.—In the case of any estate, the aggregate basis increase under this subsection is $1,300,000.

‘‘(C) LIMIT INCREASED BY UNUSED BUILT-IN LOSSES AND LOSS CARRYOVERS.—The limitation under subparagraph (B) shall be increased by—

‘‘(i) the sum of the amount of any capital loss carryover under section 1212(b), and the amount of any net operating loss carryover under section 172, which would (but for the decedent's death) be carried from the decedent's last taxable year to a later taxable year of the decedent, plus

‘‘(ii) the sum of the amount of any losses that would have been allowable under section 165 if the property acquired from the decedent had been sold at fair market value immediately before the decedent's death.

‘‘(3) DECEDENT NONRESIDENTS WHO ARE NOT CITIZENS OF THE UNITED STATES.—In the case of a decedent nonresident not a citizen of the United States—

‘‘(A) paragraph (2)(B) shall be applied by substituting ‘$60,000’ for ‘$1,300,000’, and

‘‘(B) paragraph (2)(C) shall not apply.

‘‘(c) ADDITIONAL BASIS INCREASE FOR PROPERTY ACQUIRED BY SURVIVING SPOUSE.—

‘‘(1) IN GENERAL.—In the case of property to which this subsection applies and which is qualified spousal property, the basis of such property under subsection (a) (as increased under subsection (b)) shall be increased by its spousal property basis increase.

‘‘(2) SPOUSAL PROPERTY BASIS INCREASE.—For purposes of this subsection—

‘‘(A) IN GENERAL.—The spousal property basis increase for property referred to in paragraph (1) is the portion of the aggregate spousal property basis increase which is allocated to the property pursuant to this section.

‘‘(B) AGGREGATE SPOUSAL PROPERTY BASIS INCREASE.—In the case of any estate, the aggregate spousal property basis increase is $3,000,000.

‘‘(3) QUALIFIED SPOUSAL PROPERTY.—For purposes of this subsection, the term ‘qualified spousal property’ means—

‘‘(A) outright transfer property, and

‘‘(B) qualified terminable interest property.

‘‘(4) OUTRIGHT TRANSFER PROPERTY.—For purposes of this subsection—

‘‘(A) IN GENERAL.—The term ‘outright transfer property’ means any interest in property acquired from the decedent by the decedent's surviving spouse.

‘‘(B) EXCEPTION.—Subparagraph (A) shall not apply where, on the lapse of time, on the occurrence of an event or contingency, or on the failure of an event or contingency to occur, an interest passing to the surviving spouse will terminate or fail—

‘‘(i)(I) if an interest in such property passes or has passed (for less than an adequate and full consideration in money or money's worth) from the decedent to any person other than such surviving spouse (or the estate of such spouse), and

‘‘(II) if by reason of such passing such person (or his heirs or assigns) may possess or enjoy any part of such property after such termination or failure of the interest so passing to the surviving spouse, or

‘‘(ii) if such interest is to be acquired for the surviving spouse, pursuant to directions of the decedent, by his executor or by the trustee of a trust.

For purposes of this subparagraph, an interest shall not be considered as an interest which will terminate or fail merely because it is the ownership of a bond, note, or similar contractual obligation, the discharge of which would not have the effect of an annuity for life or for a term.

‘‘(C) INTEREST OF SPOUSE CONDITIONAL ON SURVIVAL FOR LIMITED PERIOD.—For purposes of this paragraph, an interest passing to the surviving spouse shall not be considered as an interest which will terminate or fail on the death of such spouse if—

‘‘(i) such death will cause a termination or failure of such interest only if it occurs within a period not exceeding 6 months after the decedent's death, or only if it occurs as a result of a common disaster resulting in the death of the decedent and the surviving spouse, or only if it occurs in the case of either such event, and

‘‘(ii) such termination or failure does not in fact occur.

‘‘(5) QUALIFIED TERMINABLE INTEREST PROPERTY.—For purposes of this subsection—

‘‘(A) IN GENERAL.—The term ‘qualified terminable interest property’ means property—

‘‘(i) which passes from the decedent, and

‘‘(ii) in which the surviving spouse has a qualifying income interest for life.

‘‘(B) QUALIFYING INCOME INTEREST FOR LIFE.—The surviving spouse has a qualifying income interest for life if—

‘‘(i) the surviving spouse is entitled to all the income from the property, payable annually or at more frequent intervals, or has a usufruct interest for life in the property, and

‘‘(ii) no person has a power to appoint any part of the property to any person other than the surviving spouse.

Clause (ii) shall not apply to a power exercisable only at or after the death of the surviving spouse. To the extent provided in regulations, an annuity shall be treated in a manner similar to an income interest in property (regardless of whether the property from which the annuity is payable can be separately identified).

‘‘(C) PROPERTY INCLUDES INTEREST THEREIN.—The term ‘property’ includes an interest in property.

‘‘(D) SPECIFIC PORTION TREATED AS SEPARATE PROPERTY.—A specific portion of property shall be treated as separate property. For purposes of the preceding sentence, the term ‘specific portion’ only includes a portion determined on a fractional or percentage basis.

‘‘(d) DEFINITIONS AND SPECIAL RULES FOR APPLICATION OF SUBSECTIONS (b) AND (c).—

‘‘(1) PROPERTY TO WHICH SUBSECTIONS (b) AND (c) APPLY.—

‘‘(A) IN GENERAL.—The basis of property acquired from a decedent may be increased under subsection (b) or (c) only if the property was owned by the decedent at the time of death.

‘‘(B) RULES RELATING TO OWNERSHIP.—

‘‘(i) JOINTLY HELD PROPERTY.—In the case of property which was owned by the decedent and another person as joint tenants with right of survivorship or tenants by the entirety—

‘‘(I) if the only such other person is the surviving spouse, the decedent shall be treated as the owner of only 50 percent of the property,

‘‘(II) in any case (to which subclause (I) does not apply) in which the decedent furnished consideration for the acquisition of the property, the decedent shall be treated as the owner to the extent of the portion of the property which is proportionate to such consideration, and

‘‘(III) in any case (to which subclause (I) does not apply) in which the property has been acquired by gift, bequest, devise, or inheritance by the decedent and any other person as joint tenants with right of survivorship and their interests are not otherwise specified or fixed by law, the decedent shall be treated as the owner to the extent of the value of a fractional part to be determined by dividing the value of the property by the number of joint tenants with right of survivorship.

‘‘(ii) REVOCABLE TRUSTS.—The decedent shall be treated as owning property transferred by the decedent during life to a qualified revocable trust (as defined in section 645(b)(1)).

‘‘(iii) POWERS OF APPOINTMENT.—The decedent shall not be treated as owning any property by reason of holding a power of appointment with respect to such property.

‘‘(iv) COMMUNITY PROPERTY.—Property which represents the surviving spouse's one-half share of community property held by the decedent and the surviving spouse under the community property laws of any State or possession of the United States or any foreign country shall be treated for purposes of this section as owned by, and acquired from, the decedent if at least one-half of the whole of the community interest in such property is treated as owned by, and acquired from, the decedent without regard to this clause.

‘‘(C) PROPERTY, ACQUIRED BY DECEDENT BY GIFT WITHIN 3 YEARS OF DEATH.—

‘‘(i) IN GENERAL.—Subsections (b) and (c) shall not apply to property acquired by the decedent by gift or by inter vivos transfer for less than adequate and full consideration in money or money's worth during the 3-year period ending on the date of the decedent's death.

‘‘(ii) EXCEPTION FOR CERTAIN GIFTS FROM SPOUSE.—Clause (i) shall not apply to property acquired by the decedent from the decedent's spouse unless, during such 3-year period, such spouse acquired the property in whole or in part by gift or by inter vivos transfer for less than adequate and full consideration in money or money's worth.

‘‘(D) STOCK OF CERTAIN ENTITIES.—Subsections (b) and (c) shall not apply to—

‘‘(i) stock or securities of a foreign personal holding company,

‘‘(ii) stock of a DISC or former DISC,

‘‘(iii) stock of a foreign investment company, or

‘‘(iv) stock of a passive foreign investment company unless such company is a qualified electing fund (as defined in section 1295) with respect to the decedent.

‘‘(2) FAIR MARKET VALUE LIMITATION.—The adjustments under subsections (b) and (c) shall not increase the basis of any interest in property acquired from the decedent above its fair market value in the hands of the decedent as of the date of the decedent's death.

‘‘(3) ALLOCATION RULES.—

‘‘(A) IN GENERAL.—The executor shall allocate the adjustments under subsections (b) and (c) on the return required by section 6018.

‘‘(B) CHANGES IN ALLOCATION.—Any allocation made pursuant to subparagraph (A) may be changed only as provided by the Secretary.

"(4) Inflation adjustment of basis adjustment amounts.—

"(A) In general.—In the case of decedents dying in a calendar year after 2011, the $1,300,000, $60,000, and $3,000,000 dollar amounts in subsections (b) and (c)(2)(B) shall each be increased by an amount equal to the product of—

"(i) such dollar amount, and

"(ii) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting '2010' for '1992' in subparagraph (B) thereof.

"(B) Rounding.—If any increase determined under subparagraph (A) is not a multiple of—

"(i) $100,000 in the case of the $1,300,000 amount,

"(ii) $5,000 in the case of the $60,000 amount, and

"(iii) $250,000 in the case of the $3,000,000 amount,

such increase shall be rounded to the next lowest multiple thereof.

"(e) Property Acquired From the Decedent.—For purposes of this section, the following property shall be considered to have been acquired from the decedent:

"(1) Property acquired by bequest, devise, or inheritance, or by the decedent's estate from the decedent.

"(2) Property transferred by the decedent during his lifetime—

"(A) to a qualified revocable trust (as defined in section 645(b)(1)), or

"(B) to any other trust with respect to which the decedent reserved the right to make any change in the enjoyment thereof through the exercise of a power to alter, amend, or terminate the trust.

"(3) Any other property passing from the decedent by reason of death to the extent that such property passed without consideration.

"(f) Coordination With Section 691.—This section shall not apply to property which constitutes a right to receive an item of income in respect of a decedent under section 691.

"(g) Certain Liabilities Disregarded.—

"(1) In general.—In determining whether gain is recognized on the acquisition of property—

"(A) from a decedent by a decedent's estate or any beneficiary other than a tax-exempt beneficiary, and

"(B) from the decedent's estate by any beneficiary other than a tax-exempt beneficiary, and in determining the adjusted basis of such property, liabilities in excess of basis shall be disregarded.

"(2) Tax-exempt beneficiary.—For purposes of paragraph (1)(B)—.

"(A) In general.—The term 'tax-exempt beneficiary' means—

"(i) the United States, any State or political subdivision thereof, any possession of the United States, any Indian tribal government (within the meaning of section 7871), or any agency or instrumentality of any of the foregoing,

"(ii) an organization (other than a cooperative described in section 521) which is exempt from tax imposed by chapter 1, and

"(iii) any foreign person or entity (within the meaning of section 168(h)(2)).

"(h) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.".

(b) Information Returns, Etc.—

(1) Large transfers at death.—So much of subpart C of part II of subchapter A of chapter 61 as precedes section 6019 is amended to read as follows:

"Subpart C—Returns Relating to Transfers During Life or at Death

"Sec. 6018. Returns relating to large transfers at death.

"Sec. 6019. Gift tax returns.

"SEC. 6018. RETURNS RELATING TO LARGE TRANSFERS AT DEATH.

"(a) In General.—If this section applies to property acquired from a decedent, the executor of the estate of such decedent shall make a return containing the information specified in subsection (c) with respect to such property.

"(b) Property to Which Section Applies.—

"(1) Large transfers.—This section shall apply to all property (other than cash) acquired from a decedent if the fair market value of such property acquired from the decedent exceeds the dollar amount applicable under section 1022(b)(2)(B) (without regard to section 1022(b)(2)(C)).

"(2) Transfers of certain gifts received by decedent within 3 years of death.—This section shall apply to any appreciated property acquired from the decedent if—

"(A) subsections (b) and (c) of section 1022 do not apply to such property by reason of section 1022(d)(1)(C), and

"(B) such property was required to be included on a return required to be filed under section 6019.

"(3) Nonresidents not citizens of the united states.—In the case of a decedent who is a nonresident not a citizen of the United States, paragraphs (1) and (2) shall be applied—

"(A) by taking into account only—

"(i) tangible property situated in the United States, and

"(ii) other property acquired from the decedent by a United States person, and

"(B) by substituting the dollar amount applicable under section 1022(b)(3) for the dollar amount referred to in paragraph (1).

"(4) Returns by trustees or beneficiaries.—If the executor is unable to make a complete return as to any property acquired from or passing from the decedent, the executor shall include in the return a description of such property and the name of every person holding a legal or beneficial interest therein. Upon notice from the Secretary, such person shall in like manner make a return as to such property.

"(c) Information Required To Be Furnished.—The information specified in this subsection with respect to any property acquired from the decedent is—

"(1) the name and TIN of the recipient of such property,

"(2) an accurate description of such property,

"(3) the adjusted basis of such property in the hands of the decedent and its fair market value at the time of death,

"(4) the decedent's holding period for such property,

"(5) sufficient information to determine whether any gain on the sale of the property would be treated as ordinary income,

"(6) the amount of basis increase allocated to the property under subsection (b) or (c) of section 1022, and

"(7) such other information as the Secretary may by regulations prescribe.

"(d) Property Acquired From Decedent.—For purposes of this section, section 1022 shall apply for purposes of determining the property acquired from a decedent.

"(e) Statements To Be Furnished to Certain Persons.—Every person required to make a return under subsection (a) shall furnish to each person whose name is required to be set forth in such return (other than the person required to make such return) a written statement showing—

"(1) the name, address, and phone number of the person required to make such return, and

"(2) the information specified in subsection (c) with respect to property acquired from, or passing from, the decedent to the person required to receive such statement.

The written statement required under the preceding sentence shall be furnished not later than 30 days after the date that the return required by subsection (a) is filed.".

(2) Gifts.—Section 6019 (relating to gift tax returns) is amended—

(A) by striking "Any individual" and inserting "(a) In General.—Any individual", and

(B) by adding at the end the following new subsection:

"(b) Statements To Be Furnished to Certain Persons.—Every person required to make a return under subsection (a) shall furnish to each person whose name is required to be set forth in such return (other than the person required to make such return) a written statement showing—

"(1) the name, address, and phone number of the person required to make such return, and

"(2) the information specified in such return with respect to property received by the person required to receive such statement.

The written statement required under the preceding sentence shall be furnished not later than 30 days after the date that the return required by subsection (a) is filed.".

(3) Time for filing section 6018 returns.—

(A) Returns relating to large transfers at death.—Subsection (a) of section 6075 is amended to read as follows:

"(a) Returns Relating to Large Transfers at Death.—The return required by section 6018 with respect to a decedent shall be filed with the return of the tax imposed by chapter 1 for the decedent's last taxable year or such later date specified in regulations prescribed by the Secretary.".

(B) Conforming amendments.—Paragraph (3) of section 6075(b) is amended—

(I) by striking "ESTATE TAX RETURN" in the heading and inserting "SECTION 6018 RETURN", and

(II) by striking "(relating to estate tax returns)" and inserting "(relating to returns relating to large transfers at death)".

(4) Penalties.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by adding at the end the following new section:

"SEC. 6716. FAILURE TO FILE INFORMATION WITH RESPECT TO CERTAIN TRANSFERS AT DEATH AND GIFTS.

"(a) Information Required To Be Furnished to the Secretary.—Any person required to furnish any information under section 6018 who fails to furnish such information on the date prescribed therefor (determined with regard to any extension of time for filing) shall pay a penalty of $10,000 ($500 in the case of information required to be furnished under section 6018(b)(2)) for each such failure.

"(b) Information Required To Be Furnished to Beneficiaries.—Any person required to furnish in writing to each person described in section 6018(e) or 6019(b) the information required under such section who fails to furnish such information shall pay a penalty of $50 for each such failure.

"(c) Reasonable Cause Exception.—No penalty shall be imposed under subsection (a) or (b) with respect to any failure if it is shown that such failure is due to reasonable cause.

"(d) Intentional Disregard.—If any failure under subsection (a) or (b) is due to intentional disregard of the requirements under sections 6018 and 6019(b), the penalty under such subsection shall be 5 percent of the fair market value (as of the date of death or, in the case of section 6019(b), the date of the gift) of the property with respect to which the information is required.

"(e) Deficiency Procedures Not To Apply.—Subchapter B of chapter 63 (relating to deficiency procedures for income, estate, gift, and certain excise taxes) shall not apply in respect of the assessment or collection of any penalty imposed by this section.".

(5) Clerical amendments.—

(A) The table of sections for part I of subchapter B of chapter 68 is amended by adding at the end the following new item:

"Sec. 6716. Failure to file information with respect to certain transfers at death and gifts.".

(B) The item relating to subpart C in the table of subparts for part II of subchapter A of chapter 61 is amended to read as follows:

"Subpart C. Returns relating to transfers during life or at death.".

(c) Exclusion of Gain on Sale of Principal Residence Made Available to Heir of Decedent in Certain Cases.—Subsection (d) of section 121 (relating to exclusion of gain from sale of principal residence) is amended by adding at the end the following new paragraph:

"(9) Property acquired from a decedent.—The exclusion under this section shall apply to property sold by—

"(A) the estate of a decedent, and

"(B) any individual who acquired such property from the decedent (within the meaning of section 1022),

determined by taking into account the ownership and use by the decedent.".

(d) Transfers of Appreciated Carryover Basis Property To Satisfy Pecuniary Bequest.—

(1) In general.—Section 1040 (relating to transfer of certain farm, etc., real property) is amended to read as follows:

"SEC. 1040. USE OF APPRECIATED CARRYOVER BASIS PROPERTY TO SATISFY PECUNIARY BEQUEST.

"(a) In General.—If the executor of the estate of any decedent satisfies the right of any person to receive a pecuniary bequest with appreciated property, then gain on such exchange shall be recognized to the estate only to the extent that, on the date of such exchange, the fair market value of such property exceeds such value on the date of death.

"(b) Similar Rule for Certain Trusts.—To the extent provided in regulations prescribed by the Secretary, a rule similar to the rule provided in subsection (a) shall apply where—

"(1) by reason of the death of the decedent, a person has a right to receive from a trust a specific dollar amount which is the equivalent of a pecuniary bequest, and

"(2) the trustee of a trust satisfies such right with property.

"(c) Basis of Property Acquired in Exchange Described in Subsection (a) or (b).—The basis of property acquired in an exchange with respect to which gain realized is not recognized by reason of subsection (a) or (b) shall be the basis of such property immediately before the exchange increased by the amount of the gain recognized to the estate or trust on the exchange.".

(2) The item relating to section 1040 in the table of sections for part III of subchapter O of chapter 1 is amended to read as follows:

"Sec. 1040. Use of appreciated carryover basis property to satisfy pecuniary bequest.".

(e) Miscellaneous Amendments Related to Carryover Basis.—

(1) Recognition of gain on transfers to nonresidents.—

(A) Subsection (a) of section 684 is amended by inserting "or to a nonresident alien" after "or trust".

(B) Subsection (b) of section 684 is amended by striking "any person" and inserting "any United States person".

(C) The section heading for section 684 is amended by inserting "and nonresident aliens" after "estates".

(D) The item relating to section 684 in the table of sections for subpart F of part I of subchapter J of chapter 1 is amended by inserting "and nonresident aliens" after "estates".

(2) Capital gain treatment for inherited art work or similar property.—

(A) In general.—Subparagraph (C) of section 1221(a)(3) (defining capital asset) is amended by inserting "(other than by reason of section 1022)" after "is determined".

(B) Coordination with section 170.—Paragraph (1) of section 170(e) (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following: "For purposes of this paragraph, the determination of whether property is a capital asset shall be made without regard to the exception contained in section 1221(a)(3)(C) for basis determined under section 1022.".

(3) Definition of executor.—Section 7701(a) (relating to definitions) is amended by adding at the end the following:

"(47) Executor.—The term 'executor' means the executor or administrator of the decedent, or, if there is no executor or administrator appointed, qualified, and acting within the United States, then any person in actual or constructive possession of any property of the decedent.".

(4) Certain trusts.—Subparagraph (A) of section 4947(a)(2) is amended by inserting "642(c)," after "170(f)(2)(B),".

(5) Other amendments.—

(A) Section 1246 is amended by striking subsection (e).

(B) Subsection (e) of section 1291 is amended—

(i) by striking "(e),"; and

(ii) by striking "; except that" and all that follows and inserting a period.

(C) Section 1296 is amended by striking subsection (i).

(6) Clerical amendment.—The table of sections for part II of subchapter O of chapter 1 is amended by inserting after the item relating to section 1021 the following new item:

"Sec. 1022. Treatment of property acquired from a decedent dying after December 31, 2010.".

(f) Effective Date.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to estates of decedents dying after December 31, 2010.

(2) Transfers to nonresidents.—The amendments made by subsection (e)(1) shall apply to transfers after December 31, 2010.

(3) Section 4947.—The amendment made by subsection (e)(4) shall apply to deductions for taxable years beginning after December 31, 2010.

Subtitle F—Conservation Easements

SEC. 551. EXPANSION OF ESTATE TAX RULE FOR CONSERVATION EASEMENTS.

(a) Repeal of Certain Restrictions on Where Land Is Located.—Clause (i) of section 2031(c)(8)(A) (defining land subject to a qualified conservation easement) is amended to read as follows:

"(i) which is located in the United States or any possession of the United States,".

(b) Clarification of Date for Determining Value of Land and Easement.—Section 2031(c)(2) (defining applicable percentage) is amended by adding at the end the following new sentence: "The values taken into account under the preceding sentence shall be such values as of the date of the contribution referred to in paragraph (8)(B).".

(c) Effective Date.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2000.

Subtitle G—Modifications of Generation-Skipping Transfer Tax

SEC. 561. DEEMED ALLOCATION OF GST EXEMPTION TO LIFETIME TRANSFERS TO TRUSTS; RETROACTIVE ALLOCATIONS.

(a) In General.—Section 2632 (relating to special rules for allocation of GST exemption) is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following new subsections:

"(c) Deemed Allocation to Certain Lifetime Transfers to GST Trusts.—

"(1) In general.—If any individual makes an indirect skip during such individual's lifetime, any unused portion of such individual's GST exemption shall be allocated to the property transferred to the extent necessary to make the inclusion ratio for such property zero. If the amount of the indirect skip exceeds such unused portion, the entire unused portion shall be allocated to the property transferred.

"(2) Unused portion.—For purposes of paragraph (1), the unused portion of an individual's GST exemption is that portion of such exemption which has not previously been—

"(A) allocated by such individual,

"(B) treated as allocated under subsection (b) with respect to a direct skip occurring during or before the calendar year in which the indirect skip is made, or

"(C) treated as allocated under paragraph (1) with respect to a prior indirect skip.

"(3) Definitions.—

"(A) Indirect skip.—For purposes of this subsection, the term 'indirect skip' means any transfer of property (other than a direct skip) subject to the tax imposed by chapter 12 made to a GST trust.

"(B) GST trust.—The term 'GST trust' means a trust that could have a generation-skipping transfer with respect to the transferor unless—

"(i) the trust instrument provides that more than 25 percent of the trust corpus must be distributed to or may be withdrawn by one or more individuals who are non-skip persons—

"(I) before the date that the individual attains age 46,

"(II) on or before one or more dates specified in the trust instrument that will occur before the date that such individual attains age 46, or

"(III) upon the occurrence of an event that, in accordance with regulations prescribed by the Secretary, may reasonably be expected to occur before the date that such individual attains age 46,

"(ii) the trust instrument provides that more than 25 percent of the trust corpus must be distributed to or may be withdrawn by one or more individuals who are non-skip persons and who are living on the date of death of another person identified in the instrument (by name or by class) who is more than 10 years older than such individuals,

"(iii) the trust instrument provides that, if one or more individuals who are non-skip persons die on or before a date or event described in clause (i) or (ii), more than 25 percent of the trust corpus either must be distributed to the estate or estates of one or more of such individuals or is subject to a general power of appointment exercisable by one or more of such individuals,

"(iv) the trust is a trust any portion of which would be included in the gross estate of a non-skip person (other than the transferor) if such person died immediately after the transfer,

"(v) the trust is a charitable lead annuity trust (within the meaning of section 2642(e)(3)(A)) or a charitable remainder annuity trust or a charitable remainder unitrust (within the meaning of section 664(d)), or

"(vi) the trust is a trust with respect to which a deduction was allowed under section 2522 for the amount of an interest in the form of the right to receive annual payments of a fixed percentage of the net fair market value of the trust property (determined yearly) and which is required to pay principal to a non-skip person if such person is alive when the yearly payments for which the deduction was allowed terminate.

For purposes of this subparagraph, the value of transferred property shall not be considered to be includible in the gross estate of a non-skip person or subject to a right of withdrawal by reason of such person holding a right to withdraw so much of such property as does not exceed the amount referred to in section 2503(b) with respect to any transferor, and it shall be assumed that powers of appointment held by non-skip persons will not be exercised.

"(4) Automatic allocations to certain GST trusts.—For purposes of this subsection, an indirect skip to which section 2642(f) applies shall be deemed to have been made only at the close of the estate tax inclusion period. The fair market value of such transfer shall be the fair market value of the trust property at the close of the estate tax inclusion period.

"(5) Applicability and effect.—

"(A) In general.—An individual—

"(i) may elect to have this subsection not apply to—

"(I) an indirect skip, or

"(II) any or all transfers made by such individual to a particular trust, and

"(ii) may elect to treat any trust as a GST trust for purposes of this subsection with respect to any or all transfers made by such individual to such trust.

"(B) Elections.—

"(i) Elections with respect to indirect skips.—An election under subparagraph (A)(i)(I) shall be deemed to be timely if filed on a timely filed gift tax return for the calendar year in which the transfer was made or deemed to have been made pursuant to paragraph (4) or on such later date or dates as may be prescribed by the Secretary.

"(ii) Other elections.—An election under clause (i)(II) or (ii) of subparagraph (A) may be made on a timely filed gift tax return for the calendar year for which the election is to become effective.

"(d) Retroactive Allocations.—

"(1) In general.—If—

"(A) a non-skip person has an interest or a future interest in a trust to which any transfer has been made,

"(B) such person—

"(i) is a lineal descendant of a grandparent of the transferor or of a grandparent of the transferor's spouse or former spouse, and

"(ii) is assigned to a generation below the generation assignment of the transferor, and

"(C) such person predeceases the transferor,

then the transferor may make an allocation of any of such transferor's unused GST exemption to any previous transfer or transfers to the trust on a chronological basis.

"(2) Special rules.—If the allocation under paragraph (1) by the transferor is made on a gift tax return filed on or before the date prescribed by section 6075(b) for gifts made within the calendar year within which the non-skip person's death occurred—

"(A) the value of such transfer or transfers for purposes of section 2642(a) shall be determined as if such allocation had been made on a timely filed gift tax return for each calendar year within which each transfer was made,

"(B) such allocation shall be effective immediately before such death, and

"(C) the amount of the transferor's unused GST exemption available to be allocated shall be determined immediately before such death.

"(3) Future interest.—For purposes of this subsection, a person has a future interest in a trust if the trust may permit income or corpus to be paid to such person on a date or dates in the future.".

(b) Conforming Amendment.—Paragraph (2) of section 2632(b) is amended by striking "with respect to a prior direct skip" and inserting "or subsection (c)(1)".

(c) Effective Dates.—

(1) Deemed allocation.—Section 2632(c) of the Internal Revenue Code of 1986 (as added by subsection (a)), and the amendment made by subsection (b), shall apply to transfers subject to chapter 11 or 12 made after December 31, 2000, and to estate tax inclusion periods ending after December 31, 2000.

(2) Retroactive allocations.—Section 2632(d) of the Internal Revenue Code of 1986 (as added by subsection (a)) shall apply to deaths of non-skip persons occurring after December 31, 2000.

SEC. 562. SEVERING OF TRUSTS.

(a) In General.—Subsection (a) of section 2642 (relating to inclusion ratio) is amended by adding at the end the following new paragraph:

"(3) Severing of trusts.—

"(A) In general.—If a trust is severed in a qualified severance, the trusts resulting from such severance shall be treated as separate trusts thereafter for purposes of this chapter.

"(B) Qualified severance.—For purposes of subparagraph (A)—

"(i) In general.—The term 'qualified severance' means the division of a single trust and the creation (by any means available under the governing instrument or under local law) of two or more trusts if—

"(I) the single trust was divided on a fractional basis, and

"(II) the terms of the new trusts, in the aggregate, provide for the same succession of interests of beneficiaries as are provided in the original trust.

"(ii) Trusts with inclusion ratio greater than zero.—If a trust has an inclusion ratio of greater than zero and less than 1, a severance is a qualified severance only if the single trust is divided into two trusts, one of which receives a fractional share of the total value of all trust assets equal to the applicable fraction of the single trust immediately before the severance. In such case, the trust receiving such fractional share shall have an inclusion ratio of zero and the other trust shall have an inclusion ratio of 1.

"(iii) Regulations.—The term 'qualified severance' includes any other severance permitted under regulations prescribed by the Secretary.

"(C) Timing and manner of severances.—A severance pursuant to this paragraph may be made at any time. The Secretary shall prescribe by forms or regulations the manner in which the qualified severance shall be reported to the Secretary.".

(b) Effective Date.—The amendment made by this section shall apply to severances after December 31, 2000.

SEC. 563. MODIFICATION OF CERTAIN VALUATION RULES.

(a) Gifts for Which Gift Tax Return Filed or Deemed Allocation Made.—Paragraph (1) of section 2642(b) (relating to valuation rules, etc.) is amended to read as follows:

"(1) Gifts for which gift tax return filed or deemed allocation made.—If the allocation of the GST exemption to any transfers of property is made on a gift tax return filed on or before the date prescribed by section 6075(b) for such transfer or is deemed to be made under section 2632 (b)(1) or (c)(1)—

"(A) the value of such property for purposes of subsection (a) shall be its value as finally determined for purposes of chapter 12 (within the meaning of section 2001(f)(2)), or, in the case of an allocation deemed to have been made at the close of an estate tax inclusion period, its value at the time of the close of the estate tax inclusion period, and

"(B) such allocation shall be effective on and after the date of such transfer, or, in the case of an allocation deemed to have been made at the close of an estate tax inclusion period, on and after the close of such estate tax inclusion period.".

(b) Transfers at Death.—Subparagraph (A) of section 2642(b)(2) is amended to read as follows:

"(A) Transfers at death.—If property is transferred as a result of the death of the transferor, the value of such property for purposes of subsection (a) shall be its value as finally determined for purposes of chapter 11; except that, if the requirements prescribed by the Secretary respecting allocation of post-death changes in value are not met, the value of such property shall be determined as of the time of the distribution concerned.".

(c) Effective Date.—The amendments made by this section shall apply to transfers subject to chapter 11 or 12 of the Internal Revenue Code of 1986 made after December 31, 2000.

SEC. 564. RELIEF PROVISIONS.

(a) In General.—Section 2642 is amended by adding at the end the following new subsection:

"(g) Relief Provisions.—

"(1) Relief from late elections.—

"(A) In general.—The Secretary shall by regulation prescribe such circumstances and procedures under which extensions of time will be granted to make—

"(i) an allocation of GST exemption described in paragraph (1) or (2) of subsection (b), and

"(ii) an election under subsection (b)(3) or (c)(5) of section 2632.

Such regulations shall include procedures for requesting comparable relief with respect to transfers made before the date of the enactment of this paragraph.

"(B) Basis for determinations.—In determining whether to grant relief under this paragraph, the Secretary shall take into account all relevant circumstances, including evidence of intent contained in the trust instrument or instrument of transfer and such other factors as the Secretary deems relevant. For purposes of determining whether to grant relief under this paragraph, the time for making the allocation (or election) shall be treated as if not expressly prescribed by statute.

“(2) SUBSTANTIAL COMPLIANCE.—An allocation of GST exemption under section 2632 that demonstrates an intent to have the lowest possible inclusion ratio with respect to a transfer or a trust shall be deemed to be an allocation of so much of the transferor's unused GST exemption as produces the lowest possible inclusion ratio. In determining whether there has been substantial compliance, all relevant circumstances shall be taken into account, including evidence of intent contained in the trust instrument or instrument of transfer and such other factors as the Secretary deems relevant.”.

(b) EFFECTIVE DATES.—

(1) RELIEF FROM LATE ELECTIONS.—Section 2642(g)(1) of the Internal Revenue Code of 1986 (as added by subsection (a)) shall apply to requests pending on, or filed after, December 31, 2000.

(2) SUBSTANTIAL COMPLIANCE.—Section 2642(g)(2) of such Code (as so added) shall apply to transfers subject to chapter 11 or 12 of the Internal Revenue Code of 1986 made after December 31, 2000. No implication is intended with respect to the availability of relief from late elections or the application of a rule of substantial compliance on or before such date.

Subtitle H—Extension of Time for Payment of Estate Tax

SEC. 571. EXPANSION OF AVAILABILITY OF INSTALLMENT PAYMENT FOR ESTATES WITH INTERESTS QUALIFYING LENDING AND FINANCE BUSINESSES.

(a) IN GENERAL.—Section 6166(b) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

“(10) STOCK IN QUALIFYING LENDING AND FINANCE BUSINESS TREATED AS STOCK IN AN ACTIVE TRADE OR BUSINESS COMPANY.—

“(A) IN GENERAL.—If the executor elects the benefits of this paragraph, then—

“(i) STOCK IN QUALIFYING LENDING AND FINANCE BUSINESS TREATED AS STOCK IN AN ACTIVE TRADE OR BUSINESS COMPANY.—For purposes of this section, any asset used in a qualifying lending and finance business shall be treated as an asset which is used in carrying on a trade or business.

“(ii) 5-YEAR DEFERRAL FOR PRINCIPAL NOT TO APPLY.—The executor shall be treated as having selected under subsection (a)(3) the date prescribed by section 6151(a).

“(iii) 5 EQUAL INSTALLMENTS ALLOWED.—For purposes of applying subsection (a)(1), ‘5’ shall be substituted for ‘10’.

“(B) DEFINITIONS.—For purposes of this paragraph—

“(i) QUALIFYING LENDING AND FINANCE BUSINESS.—The term ‘qualifying lending and finance business’ means a lending and finance business, if—

“(I) based on all the facts and circumstances immediately before the date of the decedent's death, there was substantial activity with respect to the lending and finance business, or

“(II) during at least 3 of the 5 taxable years ending before the date of the decedent's death, such business had at least 1 full-time employee substantially all of the services of whom were in the active management of such business, 10 full-time, nonowner employees substantially all of the services of whom were directly related to such business, and $5,000,000 in gross receipts from activities described in clause (ii).

“(ii) LENDING AND FINANCE BUSINESS.—The term ‘lending and finance business’ means a trade or business of—

“(I) making loans,

“(II) purchasing or discounting accounts receivable, notes, or installment obligations,

“(III) engaging in rental and leasing of real and tangible personal property, including entering into leases and purchasing, servicing, and disposing of leases and leased assets,

“(IV) rendering services or making facilities available in the ordinary course of a lending or finance business, and

“(V) rendering services or making facilities available in connection with activities described in subclauses (I) through (IV) carried on by the corporation rendering services or making facilities available, or another corporation which is a member of the same affiliated group (as defined in section 1504 without regard to section 1504(b)(3)).

“(iii) LIMITATION.—The term ‘qualifying lending and finance business’ shall not include any interest in an entity, if the stock or debt of such entity or a controlled group (as defined in section 267(f)(1)) of which such entity was a member was readily tradable on an established securities market or secondary market (as defined by the Secretary) at any time within 3 years before the date of the decedent's death.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to estates of decedents dying after December 31, 2001.

SEC. 572. CLARIFICATION OF AVAILABILITY OF INSTALLMENT PAYMENT.

(a) IN GENERAL.—Subparagraph (B) of section 6166(b)(8) (relating to all stock must be non-readily-tradable stock) is amended to read as follows:

“(B) ALL STOCK MUST BE NON-READILY-TRADABLE STOCK.—

“(i) IN GENERAL.—No stock shall be taken into account for purposes of applying this paragraph unless it is non-readily-tradable stock (within the meaning of paragraph (7)(B)).

“(ii) SPECIAL APPLICATION WHERE ONLY HOLDING COMPANY STOCK IS NON-READILY-TRADABLE STOCK.—If the requirements of clause (i) are not met, but all of the stock of any holding company taken into account is non-readily-tradable, then this paragraph shall apply, but subsection (a)(1) shall be applied by substituting ‘5’ for ‘10’.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to estates of decedents dying after December 31, 2001.

Subtitle I—Compliance With Congressional Budget Act

SEC. 581. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE VI—PENSION AND INDIVIDUAL RETIREMENT ARRANGEMENT PROVISIONS

Subtitle A—Individual Retirement Accounts

SEC. 601. MODIFICATION OF IRA CONTRIBUTION LIMITS.

(a) INCREASE IN CONTRIBUTION LIMIT.—

(1) IN GENERAL.—Paragraph (1)(A) of section 219(b) (relating to maximum amount of deduction) is amended by striking “$2,000” and inserting “the deductible amount”.

(2) DEDUCTIBLE AMOUNT.—Section 219(b) is amended by adding at the end the following new paragraph:

“(5) DEDUCTIBLE AMOUNT.—For purposes of paragraph (1)(A)—

“(A) IN GENERAL.—The deductible amount shall be determined in accordance with the following table:

“For taxable years beginning in:	**The deductible amount is:**
2002 through 2005	$2,500
2006 and 2007	$3,000
2008 and 2009	$3,500
2010	$4,000
2011 and thereafter	$5,000.

“(B) CATCH-UP CONTRIBUTIONS FOR INDIVIDUALS 50 OR OLDER.—

“(i) IN GENERAL.—In the case of an individual who has attained the age of 50 before the close of the taxable year, the deductible amount for such taxable year shall be increased by the applicable amount.

“(ii) APPLICABLE AMOUNT.—For purposes of clause (i), the applicable amount shall be the amount determined in accordance with the following table:

“For taxable years beginning in:	**The applicable amount is:**
2002 through 2005	$500
2006 through 2009	$1,000
2010	$1,500
2011 and thereafter	$2,000.

“(C) COST-OF-LIVING ADJUSTMENT.—

“(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2011, the $5,000 amount under subparagraph (A) shall be increased by an amount equal to—

“(I) such dollar amount, multiplied by

“(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2010’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(ii) ROUNDING RULES.—If any amount after adjustment under clause (i) is not a multiple of $500, such amount shall be rounded to the next lower multiple of $500.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 408(a)(1) is amended by striking “in excess of $2,000 on behalf of any individual” and inserting “on behalf of any individual in excess of the amount in effect for such taxable year under section 219(b)(1)(A)”.

(2) Section 408(b)(2)(B) is amended by striking “$2,000” and inserting “the dollar amount in effect under section 219(b)(1)(A)”.

(3) Section 408(b) is amended by striking “$2,000” in the matter following paragraph (4) and inserting “the dollar amount in effect under section 219(b)(1)(A)”.

(4) Section 408(j) is amended by striking “$2,000”.

(5) Section 408(p)(8) is amended by striking “$2,000” and inserting “the dollar amount in effect under section 219(b)(1)(A)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 602. DEEMED IRAS UNDER EMPLOYER PLANS.

(a) IN GENERAL.—Section 408 (relating to individual retirement accounts) is amended by redesignating subsection (q) as subsection (r) and by inserting after subsection (p) the following new subsection:

“(q) DEEMED IRAS UNDER QUALIFIED EMPLOYER PLANS.—

“(1) GENERAL RULE.—If—

“(A) a qualified employer plan elects to allow employees to make voluntary employee contributions to a separate account or annuity established under the plan, and

“(B) under the terms of the qualified employer plan, such account or annuity meets the applicable requirements of this section or section 408A for an individual retirement account or annuity,

then such account or annuity shall be treated for purposes of this title in the same manner as an individual retirement plan and not as a qualified employer plan (and contributions to such account or annuity as contributions to an individual retirement plan and not to the qualified employer plan). For purposes of subparagraph (B), the requirements of subsection (a)(5) shall not apply.

“(2) SPECIAL RULES FOR QUALIFIED EMPLOYER PLANS.—For purposes of this title, a qualified employer plan shall not fail to meet any requirement of this title solely by reason of establishing and maintaining a program described in paragraph (1).

“(3) DEFINITIONS.—For purposes of this subsection—

“(A) QUALIFIED EMPLOYER PLAN.—The term ‘qualified employer plan’ has the meaning given such term by section 72(p)(4); except such term shall only include an eligible deferred compensation plan (as defined in section 457(b)) which is maintained by an eligible employer described in section 457(e)(1)(A).

“(B) VOLUNTARY EMPLOYEE CONTRIBUTION.—The term ‘voluntary employee contribution’ means any contribution (other than a mandatory contribution within the meaning of section 411(c)(2)(C))—

“(i) which is made by an individual as an employee under a qualified employer plan which allows employees to elect to make contributions described in paragraph (1), and

“(ii) with respect to which the individual has designated the contribution as a contribution to which this subsection applies.”.

(b) AMENDMENT OF ERISA.—

(1) IN GENERAL.—Section 4 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1003) is amended by adding at the end the following new subsection:

“(c) If a pension plan allows an employee to elect to make voluntary employee contributions to accounts and annuities as provided in section 408(q) of the Internal Revenue Code of 1986, such accounts and annuities (and contributions thereto) shall not be treated as part of such plan (or as a separate pension plan) for purposes of any provision of this title other than section 403(c), 404, or 405 (relating to exclusive benefit, and fiduciary and co-fiduciary responsibilities).”.

(2) CONFORMING AMENDMENT.—Section 4(a) of such Act (29 U.S.C. 1003(a)) is amended by inserting “or (c)” after “subsection (b)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2002.

SEC. 603. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subsection (d) of section 408 (relating to individual retirement accounts) is amended by adding at the end the following new paragraph:

“(8) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—

“(A) IN GENERAL.—In the case of a qualified charitable distribution from an individual retirement account to an organization described in section 170(c), no amount shall be includible in the gross income of the account holder or beneficiary.

“(B) SPECIAL RULES RELATING TO CHARITABLE REMAINDER TRUSTS, POOLED INCOME FUNDS, AND CHARITABLE GIFT ANNUITIES.—

“(i) IN GENERAL.—In the case of a qualified charitable distribution from an individual retirement account—

“(I) to a charitable remainder annuity trust or a charitable remainder unitrust (as such terms are defined in section 664(d)),

“(II) to a pooled income fund (as defined in section 642(c)(5)), or

“(III) for the issuance of a charitable gift annuity (as defined in section 501(m)(5)),

no amount shall be includible in gross income of the account holder or beneficiary. The preceding sentence shall apply only if no person holds any interest in the amounts in the trust, fund, or annuity attributable to such distribution other than one or more of the following: the individual for whose benefit such account is maintained, the spouse of such individual, or any organization described in section 170(c).

“(ii) DETERMINATION OF INCLUSION OF AMOUNTS DISTRIBUTED.—In determining the amount includible in the gross income of the distributee of a distribution from a trust described in clause (i)(I) or an annuity described in clause (i)(III), the portion of any qualified charitable distribution to such trust or for such annuity which would (but for this subparagraph) have been includible in gross income—

“(I) in the case of any such trust, shall be treated as income described in section 664(b)(1), or

“(II) in the case of any such annuity, shall not be treated as an investment in the contract.

“(iii) NO INCLUSION FOR DISTRIBUTION TO POOLED INCOME FUND.—No amount shall be includible in the gross income of a pooled income fund (as so defined) by reason of a qualified charitable distribution to such fund.

“(C) QUALIFIED CHARITABLE DISTRIBUTION.—For purposes of this paragraph, the term ‘qualified charitable distribution’ means any distribution from an individual retirement account—

“(i) which is made on or after the date that the individual for whose benefit the account is maintained has attained age 70½, and

“(ii) which is a charitable contribution (as defined in section 170(c)) made directly from the account to—

“(I) an organization described in section 170(c), or

“(II) a trust, fund, or annuity described in subparagraph (B).

“(D) DENIAL OF DEDUCTION.—The amount allowable as a deduction to the taxpayer for the taxable year under section 170 (before the application of section 170(b)) for qualified charitable distributions shall be reduced (but not below zero) by the sum of the amounts of the qualified charitable distributions during such year which (but for this paragraph) would have been includible in the gross income of the taxpayer for such year.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2009.

Subtitle B—Expanding Coverage

SEC. 611. INCREASE IN BENEFIT AND CONTRIBUTION LIMITS.

(a) DEFINED BENEFIT PLANS.—

(1) DOLLAR LIMIT.—

(A) Subparagraph (A) of section 415(b)(1) (relating to limitation for defined benefit plans) is amended by striking “$90,000” and inserting “the applicable limit”.

(B) Section 415(b) is amended by adding at the end the following new paragraph:

“(12) APPLICABLE LIMIT.—For purposes of paragraph (1)(A), the applicable limit shall be determined in accordance with the following table:

“For taxable years beginning in:	**The applicable limit is:**
2002, 2003, and 2004	$150,000
2005 and thereafter	$160,000.”.

(C) Subparagraphs (C) and (D) of section 415(b)(2) are each amended—

(i) in the headings, by striking “$90,000” and inserting “APPLICABLE”,

(ii) by striking “$90,000 limitation” each place it appears and inserting “limitation”, and

(iii) by striking “a $90,000 annual benefit” each place it appears and inserting “an annual benefit equal to the applicable limit”.

(D) Paragraph (7) of section 415(b) (relating to benefits under certain collectively bargained plans) is amended by striking “the greater of $68,212 or one-half the amount otherwise applicable for such year under paragraph (1)(A) for ‘$90,000’ ” and inserting “one-half the amount otherwise applicable for such year under paragraph (1)(A) for ‘the applicable limit’ ”.

(2) LIMIT REDUCED WHEN BENEFIT BEGINS BEFORE AGE 62.—Subparagraph (C) of section 415(b)(2) is amended by striking “the social security retirement age” each place it appears in the heading and text and inserting “age 62” and by striking the second sentence.

(3) LIMIT INCREASED WHEN BENEFIT BEGINS AFTER AGE 65.—Subparagraph (D) of section 415(b)(2) is amended by striking “the social security retirement age” each place it appears in the heading and text and inserting “age 65”.

(4) COST-OF-LIVING ADJUSTMENTS.—Subsection (d) of section 415 (related to cost-of-living adjustments) is amended—

(A) by striking “$90,000” in paragraph (1)(A) and inserting “applicable limit”; and

(B) in paragraph (3)(A)—

(i) by striking “$90,000” in the heading and inserting “applicable limit”; and

(ii) by striking “October 1, 1986” and inserting “July 1, 2004”.

(5) CONFORMING AMENDMENTS.—

(A) Section 415(b)(2) is amended by striking subparagraph (F).

(B) Section 415(b)(9) is amended to read as follows:

“(9) SPECIAL RULE FOR COMMERCIAL AIRLINE PILOTS.—In the case of any participant who is a commercial airline pilot, if, as of the time of the participant’s retirement, regulations prescribed by the Federal Aviation Administration require an individual to separate from service as a commercial airline pilot after attaining any age occurring on or after age 60 and before age 62, paragraph (2)(C) shall be applied by substituting such age for age 62.”.

(C) Section 415(b)(10)(C)(i) is amended by striking “applied without regard to paragraph (2)(F)”.

(b) QUALIFIED TRUSTS.—

(1) COMPENSATION LIMIT.—

(A) Section 401(a)(17) is amended—

(i) in subparagraph (A), by striking “$150,000” and inserting “the applicable dollar amount”,

(ii) in subparagraph (B), by striking “$150,000” and inserting “the applicable dollar”, and

(iii) by adding at the end the following:

“(C) APPLICABLE DOLLAR AMOUNT.—For purposes of this paragraph, the applicable dollar amount shall be determined in accordance with the following table:

“For taxable years beginning in calendar year:	**The applicable dollar amount:**
2002	$180,000
2003	$190,000
2004 or thereafter	$200,000.”.

(B) Section 404(l) is amended—

(i) by striking the second sentence,

(ii) by striking "$150,000" and inserting "the applicable dollar amount in effect under section 401(a)(17)(A)", and

(iii) by striking "the preceding sentence" and inserting "section 401(a)(17)(B)".

(C) Section 408(k) is amended—

(i) in each of paragraphs (3)(C) and (6)(D)(ii), by striking "$150,000" each place it appears and inserting "amount of compensation equal to the applicable dollar amount in effect under section 401(a)(17)(A)", and

(ii) in paragraph (8), by striking "and shall adjust" and all that follows through "section 401(a)(17)(B)".

(D) Section 505(b)(7) is amended—

(i) by striking "$150,000" and inserting "the applicable dollar amount in effect under section 401(a)(17)(A)", and

(ii) by striking the second sentence.

(2) Base period and rounding of cost-of-living adjustment.—Subparagraph (B) of section 401(a)(17) is amended—

(A) by striking "The Secretary" and inserting "In calendar years beginning after 2005, the Secretary",

(B) by striking "October 1, 1993" and inserting "July 1, 2005"; and

(C) by striking "$10,000" both places it appears and inserting "$5,000".

(c) Elective Deferrals.—

(1) In general.—Paragraph (1) of section 402(g) (relating to limitation on exclusion for elective deferrals) is amended to read as follows:

"(1) In general.—

"(A) Limitation.—Notwithstanding subsections (e)(3) and (h)(1)(B), the elective deferrals of any individual for any taxable year shall be included in such individual's gross income to the extent the amount of such deferrals for the taxable year exceeds the applicable dollar amount.

"(B) Applicable dollar amount.—For purposes of subparagraph (A), the applicable dollar amount shall be the amount determined in accordance with the following table:

"For taxable years beginning in calendar year:	**The applicable dollar amount:**
2002	$11,000
2003	$11,500
2004	$12,000
2005	$12,500
2006	$13,000
2007	$13,500
2008	$14,000
2009	$14,500
2010 or thereafter	$15,000.".

(2) Cost-of-living adjustment.—Paragraph (5) of section 402(g) is amended to read as follows:

"(5) Cost-of-living adjustment.—In the case of taxable years beginning after December 31, 2010, the Secretary shall adjust the $15,000 amount under paragraph (1)(B) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning July 1, 2009, and any increase under this paragraph which is not a multiple of $500 shall be rounded to the next lowest multiple of $500.".

(3) Conforming amendments.—

(A) Section 402(g) (relating to limitation on exclusion for elective deferrals), as amended by paragraphs (1) and (2), is further amended by striking paragraph (4) and redesignating paragraphs (5), (6), (7), (8), and (9) as paragraphs (4), (5), (6), (7), and (8), respectively.

(B) Paragraph (2) of section 457(c) is amended by striking "402(g)(8)(A)(iii)" and inserting "402(g)(7)(A)(iii)".

(C) Clause (iii) of section 501(c)(18)(D) is amended by striking "(other than paragraph (4) thereof)".

(d) Deferred Compensation Plans of State and Local Governments and Tax-Exempt Organizations.—

(1) In general.—Section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations) is amended—

(A) in subsections (b)(2)(A) and (c)(1) by striking "$7,500" each place it appears and inserting "the applicable dollar amount"; and

(B) in subsection (b)(3)(A) by striking "$15,000" and inserting "twice the dollar amount in effect under subsection (b)(2)(A)".

(2) Applicable dollar amount; cost-of-living adjustment.—Paragraph (15) of section 457(e) is amended to read as follows:

"(15) Applicable dollar amount.—

"(A) In general.—The applicable dollar amount shall be the amount determined in accordance with the following table:

"For taxable years beginning in calendar year:	**The applicable dollar amount:**
2002	$9,000
2003	$9,500
2004	$10,000
2005	$10,500
2006	$11,000
2007	$12,000
2008	$13,000
2009	$14,000
2010 or thereafter	$15,000.

"(B) Cost-of-living adjustments.—In the case of taxable years beginning after December 31, 2010, the Secretary shall adjust the $15,000 amount under subparagraph (A) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning July 1, 2009, and any increase under this paragraph which is not a multiple of $500 shall be rounded to the next lowest multiple of $500.".

(e) Simple Retirement Accounts.—

(1) Limitation.—Clause (ii) of section 408(p)(2)(A) (relating to general rule for qualified salary reduction arrangement) is amended by striking "$6,000" and inserting "the applicable dollar amount".

(2) Applicable dollar amount.—Subparagraph (E) of 408(p)(2) is amended to read as follows:

"(E) Applicable dollar amount; cost-of-living adjustment.—

"(i) In general.—For purposes of subparagraph (A)(ii), the applicable dollar amount shall be the amount determined in accordance with the following table:

"For taxable years beginning in calendar year:	**The applicable dollar amount:**
2002 and 2003	$7,000
2004 and 2005	$8,000
2006 and 2007	$9,000
2008 or thereafter	$10,000.

"(ii) Cost-of-living adjustment.—In the case of a year beginning after December 31, 2008, the Secretary shall adjust the $10,000 amount under clause (i) at the same time and in the same manner as under section 415(d), except that the base period taken into account shall be the calendar quarter beginning July 1, 2007, and any increase under this subparagraph which is not a multiple of $500 shall be rounded to the next lower multiple of $500.".

(3) Conforming amendments.—

(A) Subclause (I) of section 401(k)(11)(B)(i) is amended by striking "$6,000" and inserting "the amount in effect under section 408(p)(2)(A)(ii)".

(B) Section 401(k)(11) is amended by striking subparagraph (E).

(f) Rounding Rule Relating to Defined Benefit Plans and Defined Contribution Plans.—Paragraph (4) of section 415(d) is amended to read as follows:

"(4) Rounding.—

"(A) Applicable limit amount.—Any increase under subparagraph (A) of paragraph (1) which is not a multiple of $5,000 shall be rounded to the next lowest multiple of $5,000.

"(B) $30,000 amount.—Any increase under subparagraph (C) of paragraph (1) which is not a multiple of $1,000 shall be rounded to the next lowest multiple of $1,000.".

(g) Effective Date.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 612. PLAN LOANS FOR SUBCHAPTER S OWNERS,-PARTNERS, AND SOLE PROPRIETORS.

(a) In General.—Subparagraph (B) of section 4975(f)(6) (relating to exemptions not to apply to certain transactions) is amended by adding at the end the following new clause:

"(iii) Loan exception.—For purposes of subparagraph (A)(i), the term 'owner-employee' shall only include a person described in subclause (II) or (III) of clause (i).".

(b) Amendment of ERISA.—Section 408(d)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(d)(2)) is amended by adding at the end the following new subparagraph:

"(C) For purposes of paragraph (1)(A), the term 'owner-employee' shall only include a person described in clause (ii) or (iii) of subparagraph (A).".

(c) Effective Date.—The amendment made by this section shall apply to years beginning after December 31, 2001.

SEC. 613. MODIFICATION OF TOP-HEAVY RULES.

(a) Simplification of Definition of Key Employee.—

(1) In general.—Section 416(i)(1)(A) (defining key employee) is amended—

(A) by striking "or any of the 4 preceding plan years" in the matter preceding clause (i);

(B) by striking clause (i) and inserting the following:

"(i) an officer of the employer having an annual compensation greater than the amount in effect under section 414(q)(1)(B)(i) for such plan year,";

(C) by striking clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively;

(D) by striking the second sentence in the matter following clause (iii), as redesignated by subparagraph (C); and

(E) by adding at the end the following: "For purposes of this subparagraph, in the case of an employee who is not employed during the preceding plan year or is employed for a portion of such year, such employee shall be treated as a key employee if it can be reasonably anticipated that such employee will be described in 1 of the preceding clauses for the current plan year.".

(2) Conforming amendment.—Section 416(i)(1)(B)(iii) is amended by striking "and subparagraph (A)(ii)".

(b) Matching Contributions Taken Into Account for Minimum Contribution Requirements.—Section 416(c)(2)(A) (relating to defined contribution plans) is amended by adding at the end the following: "Employer matching contributions (as defined in section 401(m)(4)(A)) shall be taken into account for purposes of this subparagraph.".

(c) Distributions During Last Year Before Determination Date Taken Into Account.—

(1) In general.—Paragraph (3) of section 416(g) is amended to read as follows:

"(3) Distributions during last year before determination date taken into account.—

"(A) In general.—For purposes of determining—

"(i) the present value of the cumulative accrued benefit for any employee, or

"(ii) the amount of the account of any employee,

such present value or amount shall be increased by the aggregate distributions made with respect to such employee under the plan during the 1-year period ending on the determination date. The preceding sentence shall also apply to distributions under a terminated plan which if it had not been terminated would have been required to be included in an aggregation group.

"(B) 5-year period in case of in-service distribution.—In the case of any distribution made for a reason other than separation from service, death, or disability, subparagraph (A) shall be applied by substituting '5-year period' for '1-year period'.".

(2) Benefits not taken into account.—Subparagraph (E) of section 416(g)(4) is amended—

(A) by striking "LAST 5 YEARS" in the heading and inserting "LAST YEAR BEFORE DETERMINATION DATE"; and

(B) by striking "5-year period" and inserting "1-year period".

(d) Frozen Plan Exempt From Minimum Benefit Requirement.—Subparagraph (C) of section 416(c)(1) (relating to defined benefit plans) is amended—

(A) by striking "clause (ii)" in clause (i) and inserting "clause (ii) or (iii)"; and

(B) by adding at the end the following:

"(iii) Exception for frozen plan.—For purposes of determining an employee's years of service with the employer, any service with the employer shall be disregarded to the extent that such service occurs during a plan year when the plan benefits (within the meaning of section 410(b)) no key employee or former key employee.".

(e) Effective Date.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 614. ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.

(a) In General.—Section 404 (relating to deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred payment plan) is amended by adding at the end the following new subsection:

"(n) Elective Deferrals Not Taken Into Account for Purposes of Deduction Limits.—

"(1) In general.—The applicable percentage of the amount of any elective deferrals (as defined in section 402(g)(3)) shall not be subject to any limitation contained in paragraph (3), (7), or (9) of subsection (a), and such elective deferrals shall not be taken into account in applying any such limitation to any other contributions.

"(2) Applicable percentage.—For purposes of paragraph (1), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in:	The applicable percentage is:
2002 through 2010	25 percent
2011 and thereafter	100 percent

(b) Effective Date.—The amendment made by this section shall apply to years beginning after December 31, 2001.

SEC. 615. REPEAL OF COORDINATION REQUIREMENTS FOR DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.

(a) In General.—Subsection (c) of section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations), as amended by section 611, is amended to read as follows:

"(c) Limitation.—The maximum amount of the compensation of any one individual which may be deferred under subsection (a) during any taxable year shall not exceed the amount in effect under subsection (b)(2)(A) (as modified by any adjustment provided under subsection (b)(3)).".

(b) Effective Date.—The amendment made by subsection (a) shall apply to years beginning after December 31, 2001.

SEC. 616. DEDUCTION LIMITS.

(a) Modification of Limits.—

(1) Stock bonus and profit sharing trusts.—

(A) In general.—Subclause (I) of section 404(a)(3)(A)(i) (relating to stock bonus and profit sharing trusts) is amended by striking "15 percent" and inserting "25 percent".

(B) Conforming amendment.—Subparagraph (C) of section 404(h)(1) is amended by striking "15 percent" each place it appears and inserting "25 percent".

(2) Defined contribution plans.—

(A) In general.—Clause (v) of section 404(a)(3)(A) (relating to stock bonus and profit sharing trusts) is amended to read as follows:

"(v) Defined contribution plans subject to the funding standards.—Except as provided by the Secretary, a defined contribution plan which is subject to the funding standards of section 412 shall be treated in the same manner as a stock bonus or profit-sharing plan for purposes of this subparagraph."

(B) Conforming amendments.—

(i) Section 404(a)(1)(A) is amended by inserting "(other than a trust to which paragraph (3) applies)" after "pension trust".

(ii) Section 404(h)(2) is amended by striking "stock bonus or profit-sharing trust" and inserting "trust subject to subsection (a)(3)(A)".

(iii) The heading of section 404(h)(2) is amended by striking "STOCK BONUS AND PROFIT-SHARING TRUST" and inserting "CERTAIN TRUSTS".

(b) Compensation.—

(1) In general.—Section 404(a) (relating to general rule) is amended by adding at the end the following:

"(12) Definition of compensation.—For purposes of paragraphs (3), (7), (8), and (9), the term 'compensation' shall include amounts treated as 'participant's compensation' under subparagraph (C) or (D) of section 415(c)(3).".

(2) Conforming amendments.—

(A) Subparagraph (B) of section 404(a)(3) is amended by striking the last sentence thereof.

(B) Clause (i) of section 4972(c)(6)(B) is amended by striking "(within the meaning of section 404(a))" and inserting "(within the meaning of section 404(a) and as adjusted under section 404(a)(12))".

(c) Effective Date.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 617. OPTION TO TREAT ELECTIVE DEFERRALS AS AFTER-TAX ROTH CONTRIBUTIONS.

(a) In General.—Subpart A of part I of subchapter D of chapter 1 (relating to deferred compensation, etc.) is amended by inserting after section 402 the following new section:

"SEC. 402A. OPTIONAL TREATMENT OF ELECTIVE DEFERRALS AS ROTH CONTRIBUTIONS.

"(a) General Rule.—If an applicable retirement plan includes a qualified Roth contribution program—

"(1) any designated Roth contribution made by an employee pursuant to the program shall be treated as an elective deferral for purposes of this chapter, except that such contribution shall not be excludable from gross income, and

"(2) such plan (and any arrangement which is part of such plan) shall not be treated as failing to meet any requirement of this chapter solely by reason of including such program.

"(b) Qualified Roth Contribution Program.—For purposes of this section—

"(1) In general.—The term 'qualified Roth contribution program' means a program under which an employee may elect to make designated Roth contributions in lieu of all or a portion of elective deferrals the employee is otherwise eligible to make under the applicable retirement plan.

"(2) Separate accounting required.—A program shall not be treated as a qualified Roth contribution program unless the applicable retirement plan—

"(A) establishes separate accounts ('designated Roth accounts') for the designated Roth contributions of each employee and any earnings properly allocable to the contributions, and

"(B) maintains separate recordkeeping with respect to each account.

"(c) Definitions and Rules Relating to Designated Roth Contributions.—For purposes of this section—

"(1) Designated Roth contribution.—The term 'designated Roth contribution' means any elective deferral which—

"(A) is excludable from gross income of an employee without regard to this section, and

"(B) the employee designates (at such time and in such manner as the Secretary may prescribe) as not being so excludable.

"(2) Designation limits.—The amount of elective deferrals which an employee may designate under paragraph (1) shall not exceed the excess (if any) of—

"(A) the maximum amount of elective deferrals excludable from gross income of the employee for the taxable year (without regard to this section), over

"(B) the aggregate amount of elective deferrals of the employee for the taxable year which the employee does not designate under paragraph (1).

"(3) Rollover contributions.—

"(A) In general.—A rollover contribution of any payment or distribution from a designated Roth account which is otherwise allowable under this chapter may be made only if the contribution is to—

"(i) another designated Roth account of the individual from whose account the payment or distribution was made, or

"(ii) a Roth IRA of such individual.

"(B) Coordination with limit.—Any rollover contribution to a designated Roth account under subparagraph (A) shall not be taken into account for purposes of paragraph (1).

"(d) Distribution Rules.—For purposes of this title—

"(1) EXCLUSION.—Any qualified distribution from a designated Roth account shall not be includible in gross income.

"(2) QUALIFIED DISTRIBUTION.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'qualified distribution' has the meaning given such term by section 408A(d)(2)(A) (without regard to clause (iv) thereof).

"(B) DISTRIBUTIONS WITHIN NONEXCLUSION PERIOD.—A payment or distribution from a designated Roth account shall not be treated as a qualified distribution if such payment or distribution is made within the 5-taxable-year period beginning with the earlier of—

"(i) the first taxable year for which the individual made a designated Roth contribution to any designated Roth account established for such individual under the same applicable retirement plan, or

"(ii) if a rollover contribution was made to such designated Roth account from a designated Roth account previously established for such individual under another applicable retirement plan, the first taxable year for which the individual made a designated Roth contribution to such previously established account.

"(C) DISTRIBUTIONS OF EXCESS DEFERRALS AND CONTRIBUTIONS AND EARNINGS THEREON.—The term 'qualified distribution' shall not include any distribution of any excess deferral under section 402(g)(2) or any excess contribution under section 401(k)(8), and any income on the excess deferral or contribution.

"(3) TREATMENT OF DISTRIBUTIONS OF CERTAIN EXCESS DEFERRALS.—Notwithstanding section 72, if any excess deferral under section 402(g)(2) attributable to a designated Roth contribution is not distributed on or before the 1st April 15 following the close of the taxable year in which such excess deferral is made, the amount of such excess deferral shall—

"(A) not be treated as investment in the contract, and

"(B) be included in gross income for the taxable year in which such excess is distributed.

"(4) AGGREGATION RULES.—Section 72 shall be applied separately with respect to distributions and payments from a designated Roth account and other distributions and payments from the plan.

"(e) OTHER DEFINITIONS.—For purposes of this section—

"(1) APPLICABLE RETIREMENT PLAN.—The term 'applicable retirement plan' means—

"(A) an employees' trust described in section 401(a) which is exempt from tax under section 501(a), and

"(B) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b).

"(2) ELECTIVE DEFERRAL.—The term 'elective deferral' means any elective deferral described in subparagraph (A) or (C) of section 402(g)(3).".

(b) EXCESS DEFERRALS.—Section 402(g) (relating to limitation on exclusion for elective deferrals) is amended—

(1) by adding at the end of paragraph (1)(A) (as added by section 201(c)(1)) the following new sentence: "The preceding sentence shall not apply the portion of such excess as does not exceed the designated Roth contributions of the individual for the taxable year."; and

(2) by inserting "(or would be included but for the last sentence thereof)" after "paragraph (1)" in paragraph (2)(A).

(c) ROLLOVERS.—Subparagraph (B) of section 402(c)(8) is amended by adding at the end the following:

"If any portion of an eligible rollover distribution is attributable to payments or distributions from a designated Roth account (as defined in section 402A), an eligible retirement plan with respect to such portion shall include only another designated Roth account and a Roth IRA.".

(d) REPORTING REQUIREMENTS.—

(1) W–2 INFORMATION.—Section 6051(a)(8) is amended by inserting ", including the amount of designated Roth contributions (as defined in section 402A)" before the comma at the end.

(2) INFORMATION.—Section 6047 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) DESIGNATED ROTH CONTRIBUTIONS.—The Secretary shall require the plan administrator of each applicable retirement plan (as defined in section 402A) to make such returns and reports regarding designated Roth contributions (as defined in section 402A) to the Secretary, participants and beneficiaries of the plan, and such other persons as the Secretary may prescribe.".

(e) CONFORMING AMENDMENTS.—

(1) Section 408A(e) is amended by adding after the first sentence the following new sentence: "Such term includes a rollover contribution described in section 402A(c)(3)(A).".

(2) The table of sections for subpart A of part I of subchapter D of chapter 1 is amended by inserting after the item relating to section 402 the following new item:

"Sec. 402A. Optional treatment of elective deferrals as Roth contributions.".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 618. NONREFUNDABLE CREDIT TO CERTAIN INDIVIDUALS FOR ELECTIVE DEFERRALS AND IRA CONTRIBUTIONS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits), as amended by section 432, is amended by inserting after section 25B the following new section:

"SEC. 25C. ELECTIVE DEFERRALS AND IRA CONTRIBUTIONS BY CERTAIN INDIVIDUALS.

"(a) ALLOWANCE OF CREDIT.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the applicable percentage of so much of the qualified retirement savings contributions of the eligible individual for the taxable year as do not exceed $2,000.

"(b) APPLICABLE PERCENTAGE.—For purposes of this section, the applicable percentage is the percentage determined in accordance with the following table:

Adjusted Gross Income						Applicable percentage
Joint return		Head of a household		All other cases		
Over	Not over	Over	Not over	Over	Not over	
$0	$30,000	$0	$22,500	$0	$15,000	50
30,000	32,500	22,500	24,375	15,000	16,250	20
32,500	50,000	24,375	37,500	16,250	25,000	10
50,000	....	37,500	....	25,000	....	0

"(c) ELIGIBLE INDIVIDUAL.—For purposes of this section—

"(1) IN GENERAL.—The term 'eligible individual' means any individual if such individual has attained the age of 18 as of the close of the taxable year.

"(2) DEPENDENTS AND FULL-TIME STUDENTS NOT ELIGIBLE.—The term 'eligible individual' shall not include—

"(A) any individual with respect to whom a deduction under section 151 is allowed to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins, and

"(B) any individual who is a student (as defined in section 151(c)(4)).

"(d) QUALIFIED RETIREMENT SAVINGS CONTRIBUTIONS.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified retirement savings contributions' means, with respect to any taxable year, the sum of—

"(A) the amount of the qualified retirement contributions (as defined in section 219(e)) made by the eligible individual,

"(B) the amount of—

"(i) any elective deferrals (as defined in section 402(g)(3)) of such individual, and

"(ii) any elective deferral of compensation by such individual under an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A), and

"(C) the amount of voluntary employee contributions by such individual to any qualified retirement plan (as defined in section 4974(c)).

"(2) REDUCTION FOR CERTAIN DISTRIBUTIONS.—

"(A) IN GENERAL.—The qualified retirement savings contributions determined under paragraph (1) shall be reduced (but not below zero) by the sum of—

"(i) any distribution from a qualified retirement plan (as defined in section 4974(c)), or from an eligible deferred compensation plan (as defined in section 457(b)), received by the individual during the testing period which is includible in gross income, and

"(ii) any distribution from a Roth IRA received by the individual during the testing period which is not a qualified rollover contribution (as defined in section 408A(e)) to a Roth IRA.

"(B) TESTING PERIOD.—For purposes of subparagraph (A), the testing period, with respect to a taxable year, is the period which includes—

"(i) such taxable year,

"(ii) the 2 preceding taxable years, and

"(iii) the period after such taxable year and before the due date (including extensions) for filing the return of tax for such taxable year.

“(C) Excepted distributions.—There shall not be taken into account under subparagraph (A)—

“(i) any distribution referred to in section 72(p), 401(k)(8), 401(m)(6), 402(g)(2), 404(k), or 408(d)(4), and

“(ii) any distribution to which section 408A(d)(3) applies.

“(D) Treatment of distributions received by spouse of individual.—For purposes of determining distributions received by an individual under subparagraph (A) for any taxable year, any distribution received by the spouse of such individual shall be treated as received by such individual if such individual and spouse file a joint return for such taxable year and for the taxable year during which the spouse receives the distribution.

“(e) Adjusted Gross Income.—For purposes of this section, adjusted gross income shall be determined without regard to sections 911, 931, and 933.

“(f) Investment in the Contract.—Notwithstanding any other provision of law, a qualified retirement savings contribution shall not fail to be included in determining the investment in the contract for purposes of section 72 by reason of the credit under this section.

“(g) Termination.—This section shall not apply to taxable years beginning after December 31, 2006.”.

(b) Credit Allowed Against Regular Tax and Alternative Minimum Tax.—

(1) In general.—Section 25C, as added by subsection (a), is amended by inserting after subsection (f) the following new subsection:

“(g) Limitation Based on Amount of Tax.—The aggregate credit allowed by this section for the taxable year shall not exceed the sum of—

“(1) the taxpayer's regular tax liability for the taxable year reduced by the sum of the credits allowed by sections 21, 22, 23, 24, 25, 25A, and 25B plus

“(2) the tax imposed by section 55 for such taxable year.”

(2) Conforming amendments.—

(A) Section 26(a)(1), as amended by section 201, is amended by inserting “or section 25C” after “section 24”.

(B) Section 23(c), as amended by section 201, is amended by striking “sections 24” and inserting “sections 24, 25C,”.

(C) Section 25(e)(1)(C), as amended by section 201, is amended by inserting “25C,” after “24,”.

(D) Section 904(h), as amended by section 201, is amended by inserting “or 25C” after “section 24”.

(E) Section 1400C(d), as amended by section 201, is amended by inserting “and section 25C” after “section 24”.

(c) Conforming Amendment.—The table of sections for subpart A of part IV of subchapter A of chapter 1, as amended by section 432, is amended by inserting after the item relating to section 25B the following new item:

“Sec. 25C. Elective deferrals and IRA contributions by certain individuals.”

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 619. CREDIT FOR QUALIFIED PENSION PLAN CONTRIBUTIONS OF SMALL EMPLOYERS.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following new section:

“SEC. 45E. SMALL EMPLOYER PENSION PLAN CONTRIBUTIONS.

“(a) General Rule.—For purposes of section 38, in the case of an eligible employer, the small employer pension plan contribution credit determined under this section for any taxable year is an amount equal to 50 percent of the amount which would (but for subsection (f)(1)) be allowed as a deduction under section 404 for such taxable year for qualified employer contributions made to any qualified retirement plan on behalf of any employee who is not a highly compensated employee.

“(b) Credit Limited to 3 Years.—The credit allowable by this section shall be allowed only with respect to the period of 3 taxable years beginning with the first taxable year for which a credit is allowable with respect to a plan under this section.

“(c) Qualified Employer Contribution.—For purposes of this section—

“(1) Defined contribution plans.—In the case of a defined contribution plan, the term ‘qualified employer contribution’ means the amount of nonelective and matching contributions to the plan made by the employer on behalf of any employee who is not a highly compensated employee to the extent such amount does not exceed 3 percent of such employee's compensation from the employer for the year.

“(2) Defined benefit plans.—In the case of a defined benefit plan, the term ‘qualified employer contribution’ means the amount of employer contributions to the plan made on behalf of any employee who is not a highly compensated employee to the extent that the accrued benefit of such employee derived from employer contributions for the year does not exceed the equivalent (as determined under regulations prescribed by the Secretary and without regard to contributions and benefits under the Social Security Act) of 3 percent of such employee's compensation from the employer for the year.

“(d) Qualified Retirement Plan.—

“(1) In general.—The term ‘qualified retirement plan’ means any plan described in section 401(a) which includes a trust exempt from tax under section 501(a) if the plan meets—

“(A) the contribution requirements of paragraph (2),

“(B) the vesting requirements of paragraph (3), and

“(C) the distribution requirements of paragraph (4).

“(2) Contribution requirements.—

“(A) In general.—The requirements of this paragraph are met if, under the plan—

“(i) the employer is required to make nonelective contributions of at least 1 percent of compensation (or the equivalent thereof in the case of a defined benefit plan) for each employee who is not a highly compensated employee who is eligible to participate in the plan, and

“(ii) allocations of nonelective employer contributions, in the case of a defined contribution plan, are either in equal dollar amounts for all employees covered by the plan or bear a uniform relationship to the total compensation, or the basic or regular rate of compensation, of the employees covered by the plan (and an equivalent requirement is met with respect to a defined benefit plan).

“(B) Compensation limitation.—The compensation taken into account under subparagraph (A) for any year shall not exceed the limitation in effect for such year under section 401(a)(17).

“(3) Vesting requirements.—The requirements of this paragraph are met if the plan satisfies the requirements of either of the following subparagraphs:

“(A) 3-year vesting.—A plan satisfies the requirements of this subparagraph if an employee who has completed at least 3 years of service has a nonforfeitable right to 100 percent of the employee's accrued benefit derived from employer contributions.

“(B) 5-year graded vesting.—A plan satisfies the requirements of this subparagraph if an employee has a nonforfeitable right to a percentage of the employee's accrued benefit derived from employer contributions determined under the following table:

“Years of service:	**The nonforfeitable percentage is:**
1	20
2	40
3	60
4	80
5	100.

“(4) Distribution requirements.—In the case of a profit-sharing or stock bonus plan, the requirements of this paragraph are met if, under the plan, qualified employer contributions are distributable only as provided in section 401(k)(2)(B).

“(e) Other Definitions.—For purposes of this section—

“(1) Eligible employer.—

“(A) In general.—The term ‘eligible employer’ means, with respect to any year, an employer which has no more than 20 employees who received at least $5,000 of compensation from the employer for the preceding year.

“(B) Requirement for new qualified employer plans.—Such term shall not include an employer if, during the 3-taxable year period immediately preceding the 1st taxable year for which the credit under this section is otherwise allowable for a qualified employer plan of the employer, the employer or any member of any controlled group including the employer (or any predecessor of either) established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued, for substantially the same employees as are in the qualified employer plan.

“(2) Highly compensated employee.—The term ‘highly compensated employee’ has the meaning given such term by section 414(q) (determined without regard to section 414(q)(1)(B)(ii)).

“(f) Special Rules.—

“(1) Disallowance of deduction.—No deduction shall be allowed for that portion of the qualified employer contributions paid or incurred for the taxable year which is equal to the credit determined under subsection (a).

“(2) Election not to claim credit.—This section shall not apply to a taxpayer for any taxable year if such taxpayer elects to have this section not apply for such taxable year.

“(3) Aggregation rules.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (n) or (o) of section 414, shall be treated as one person. All eligible employer plans shall be treated as 1 eligible employer plan.

“(g) Recapture of Credit on Forfeited Contributions.—

“(1) In general.—Except as provided in paragraph (2), if any accrued benefit which is forfeitable by reason of subsection (d)(3) is forfeited, the employer's tax imposed by this chapter for the taxable year in which the forfeiture occurs shall be increased by 35 percent of the employer contributions from which such benefit is derived to the extent such contributions were taken into account in determining the credit under this section.

"(2) REALLOCATED CONTRIBUTIONS.—Paragraph (1) shall not apply to any contribution which is reallocated by the employer under the plan to employees who are not highly compensated employees.".

(b) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (defining current year business credit) is amended by striking "plus" at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting ", plus", and by adding at the end the following new paragraph:

"(14) in the case of an eligible employer (as defined in section 45E(e)), the small employer pension plan contribution credit determined under section 45E(a)."

(c) CONFORMING AMENDMENTS.—

(1) Section 39(d) is amended by adding at the end the following new paragraph:

"(10) NO CARRYBACK OF SMALL EMPLOYER PENSION PLAN CONTRIBUTION CREDIT BEFORE JANUARY 1, 2003.—No portion of the unused business credit for any taxable year which is attributable to the small employer pension plan contribution credit determined under section 45E may be carried back to a taxable year beginning before January 1, 2003."

(2) Subsection (c) of section 196 is amended by striking "and" at the end of paragraph (8), by striking the period at the end of paragraph (9) and inserting ", and", and by adding at the end the following new paragraph:

"(10) the small employer pension plan contribution credit determined under section 45E(a)."

(3) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

"Sec. 45E. Small employer pension plan contributions."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions paid or incurred in taxable years beginning after December 31, 2002.

SEC. 620. CREDIT FOR PENSION PLAN STARTUP COSTS OF SMALL EMPLOYERS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by section 619, is amended by adding at the end the following new section:

"SEC. 45F. SMALL EMPLOYER PENSION PLAN STARTUP COSTS.

"(a) GENERAL RULE.—For purposes of section 38, in the case of an eligible employer, the small employer pension plan startup cost credit determined under this section for any taxable year is an amount equal to 50 percent of the qualified startup costs paid or incurred by the taxpayer during the taxable year.

"(b) DOLLAR LIMITATION.—The amount of the credit determined under this section for any taxable year shall not exceed—

"(1) $500 for the first credit year and each of the 2 taxable years immediately following the first credit year, and

"(2) zero for any other taxable year.

"(c) ELIGIBLE EMPLOYER.—For purposes of this section—

"(1) IN GENERAL.—The term 'eligible employer' has the meaning given such term by section 408(p)(2)(C)(i).

"(2) REQUIREMENT FOR NEW QUALIFIED EMPLOYER PLANS.—Such term shall not include an employer if, during the 3-taxable year period immediately preceding the 1st taxable year for which the credit under this section is otherwise allowable for a qualified employer plan of the employer, the employer or any member of any controlled group including the employer (or any predecessor of either) established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued, for substantially the same employees as are in the qualified employer plan.

"(d) OTHER DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED STARTUP COSTS.—

"(A) IN GENERAL.—The term 'qualified startup costs' means any ordinary and necessary expenses of an eligible employer which are paid or incurred in connection with—

"(i) the establishment or administration of an eligible employer plan, or

"(ii) the retirement-related education of employees with respect to such plan.

"(B) PLAN MUST HAVE AT LEAST 1 PARTICIPANT.—Such term shall not include any expense in connection with a plan that does not have at least 1 employee eligible to participate who is not a highly compensated employee.

"(2) ELIGIBLE EMPLOYER PLAN.—The term 'eligible employer plan' means a qualified employer plan within the meaning of section 4972(d).

"(3) FIRST CREDIT YEAR.—The term 'first credit year' means—

"(A) the taxable year which includes the date that the eligible employer plan to which such costs relate becomes effective, or

"(B) at the election of the eligible employer, the taxable year preceding the taxable year referred to in subparagraph (A).

"(e) SPECIAL RULES.—For purposes of this section—

"(1) AGGREGATION RULES.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (n) or (o) of section 414, shall be treated as one person. All eligible employer plans shall be treated as 1 eligible employer plan.

"(2) DISALLOWANCE OF DEDUCTION.—No deduction shall be allowed for that portion of the qualified startup costs paid or incurred for the taxable year which is equal to the credit determined under subsection (a).

"(3) ELECTION NOT TO CLAIM CREDIT.—This section shall not apply to a taxpayer for any taxable year if such taxpayer elects to have this section not apply for such taxable year."

(b) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (defining current year business credit), as amended by section 619, is amended by striking "plus" at the end of paragraph (13), by striking the period at the end of paragraph (14) and inserting ", plus", and by adding at the end the following new paragraph:

"(15) in the case of an eligible employer (as defined in section 45F(c)), the small employer pension plan startup cost credit determined under section 45F(a)."

(c) CONFORMING AMENDMENTS.—

(1) Section 39(d), as amended by section 619(c), is amended by adding at the end the following new paragraph:

"(11) NO CARRYBACK OF SMALL EMPLOYER PENSION PLAN STARTUP COST CREDIT BEFORE JANUARY 1, 2002.—No portion of the unused business credit for any taxable year which is attributable to the small employer pension plan startup cost credit determined under section 45F may be carried back to a taxable year beginning before January 1, 2002."

(2) Subsection (c) of section 196, as amended by section 619(c), is amended by striking "and" at the end of paragraph (9), by striking the period at the end of paragraph (10) and inserting ", and", and by adding at the end the following new paragraph:

"(11) the small employer pension plan startup cost credit determined under section 45F(a)."

(3) The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section 619(c), is amended by adding at the end the following new item:

"Sec. 45F. Small employer pension plan startup costs."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to costs paid or incurred in taxable years beginning after December 31, 2001, with respect to qualified employer plans established after such date.

SEC. 621. ELIMINATION OF USER FEE FOR REQUESTS TO IRS REGARDING NEW PENSION PLANS.

(a) ELIMINATION OF CERTAIN USER FEES.—The Secretary of the Treasury or the Secretary's delegate shall not require payment of user fees under the program established under section 10511 of the Revenue Act of 1987 for requests to the Internal Revenue Service for ruling letters, opinion letters, and determination letters or similar requests with respect to the qualified status of a new pension benefit plan or any trust which is part of the plan.

(b) NEW PENSION BENEFIT PLAN.—For purposes of this section—

(1) IN GENERAL.—The term "new pension benefit plan" means a pension, profit-sharing, stock bonus, annuity, or employee stock ownership plan which is maintained by one or more eligible employers if such employer (or any predecessor employer) has not made a prior request described in subsection (a) for such plan (or any predecessor plan).

(2) ELIGIBLE EMPLOYER.—

(A) IN GENERAL.—The term "eligible employer" means an employer which has—

(i) no more than 100 employees for the preceding year, and

(ii) at least one employee who is not a highly compensated employee (as defined in section 414(q)) and is participating in the plan.

(B) NEW PLAN REQUIREMENT.—The term "eligible employer" shall not include an employer if, during the 3-taxable year period immediately preceding the taxable year in which the request is made, the employer or any member of any controlled group including the employer (or any predecessor of either) established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued for service, for substantially the same employees as are in the qualified employer plan.

(c) DETERMINATION OF AVERAGE FEES CHARGED.—For purposes of any determination of average fees charged, any request to which subsection (a) applies shall not be taken into account.

(d) EFFECTIVE DATE.—The provisions of this section shall apply with respect to requests made after December 31, 2001.

SEC. 622. TREATMENT OF NONRESIDENT ALIENS ENGAGED IN INTERNATIONAL TRANSPORTATION SERVICES.

(a) EXCLUSION FROM INCOME SOURCING RULES.—The second sentence of section 861(a)(3) (relating to gross income from sources within the United States) is amended by striking "except for purposes of sections 79 and 105 and subchapter D,".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to remuneration for services performed in plan years beginning after December 31, 2001.

Subtitle C—Enhancing Fairness for Women

SEC. 631. CATCH-UP CONTRIBUTIONS FOR INDIVIDUALS AGE 50 OR OVER.

(a) IN GENERAL.—Section 414 (relating to definitions and special rules) is amended by adding at the end the following new subsection:

"(v) Catch-up Contributions for Individuals Age 50 or Over.—

"(1) In general.—An applicable employer plan shall not be treated as failing to meet any requirement of this title solely because the plan permits an eligible participant to make additional elective deferrals in any plan year.

"(2) Limitation on amount of additional deferrals.—

"(A) In general.—A plan shall not permit additional elective deferrals under paragraph (1) for any year in an amount greater than the lesser of—

"(i) the applicable dollar amount, or

"(ii) the excess (if any) of—

"(I) the participant's compensation (as defined in section 415(c)(3)) for the year, over

"(II) any other elective deferrals of the participant for such year which are made without regard to this subsection.

"(B) Applicable dollar amount.—For purposes of this paragraph, the applicable dollar amount shall be determined in accordance with the following table:

"For taxable years beginning in:	The applicable dollar amount is:
2002, 2003, and 2004	$500
2005 and 2006	$1,000
2007	$2,000
2008	$3,000
2009	$4,000
2010 and thereafter	$7,500.

"(3) Treatment of contributions.—In the case of any contribution to a plan under paragraph (1)—

"(A) such contribution shall not, with respect to the year in which the contribution is made—

"(i) be subject to any otherwise applicable limitation contained in section 402(g), 402(h), 403(b), 404(a), 404(h), 408(k), 408(p), 415, or 457, or

"(ii) be taken into account in applying such limitations to other contributions or benefits under such plan or any other such plan, and

"(B) such plan shall not be treated as failing to meet the requirements of section 401(a)(4), 401(a)(26), 401(k)(3), 401(k)(11), 401(k)(12), 401(m), 403(b)(12), 408(k), 408(p), 408B, 410(b), or 416 by reason of the making of (or the right to make) such contribution.

"(4) Eligible participant.—For purposes of this subsection, the term 'eligible participant' means, with respect to any plan year, a participant in a plan—

"(A) who has attained the age of 50 before the close of the plan year, and

"(B) with respect to whom no other elective deferrals may (without regard to this subsection) be made to the plan for the plan year by reason of the application of any limitation or other restriction described in paragraph (3) or comparable limitation or restriction contained in the terms of the plan.

"(5) Other definitions and rules.—For purposes of this subsection—

"(A) Applicable employer plan.—The term 'applicable employer plan' means—

"(i) an employees' trust described in section 401(a) which is exempt from tax under section 501(a),

"(ii) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b),

"(iii) an eligible deferred compensation plan under section 457 of an eligible employer described in section 457(e)(1)(A), and

"(iv) an arrangement meeting the requirements of section 408 (k) or (p).

"(B) Elective deferral.—The term 'elective deferral' has the meaning given such term by subsection (u)(2)(C).

"(C) Exception for section 457 plans.—This subsection shall not apply to an applicable employer plan described in subparagraph (A)(iii) for any year to which section 457(b)(3) applies.".

(b) Effective Date.—The amendment made by this section shall apply to contributions in taxable years beginning after December 31, 2001.

SEC. 632. EQUITABLE TREATMENT FOR CONTRIBUTIONS OF EMPLOYEES TO DEFINED CONTRIBUTION PLANS.

(a) Equitable Treatment.—

(1) In general.—Subparagraph (B) of section 415(c)(1) (relating to limitation for defined contribution plans) is amended by striking "25 percent" and inserting "the applicable percentage".

(2) Applicable percentage.—Section 415(c) is amended by adding at the end the following new paragraph:

"(8) Applicable percentage.—For purposes of paragraph (1)(B), the applicable percentage shall be determined in accordance with the following table:

"For years beginning in:	The applicable percentage is:
2002 through 2010	50
2011 and thereafter	100

(3) Application to section 403(b).—Section 403(b) is amended—

(A) by striking "the exclusion allowance for such taxable year" in paragraph (1) and inserting "the applicable limit under section 415",

(B) by striking paragraph (2), and

(C) by inserting "or any amount received by a former employee after the fifth taxable year following the taxable year in which such employee was terminated" before the period at the end of the second sentence of paragraph (3).

(4) Conforming amendments.—

(A) Subsection (f) of section 72 is amended by striking "section 403(b)(2)(D)(iii))" and inserting "section 403(b)(2)(D)(iii), as in effect before the enactment of the Restoring Earnings to Lift Individuals and Empower Families Act of 2001)".

(B) Section 404(a)(10)(B) is amended by striking ", the exclusion allowance under section 403(b)(2),".

(C) Section 415(a)(2) is amended by striking ", and the amount of the contribution for such portion shall reduce the exclusion allowance as provided in section 403(b)(2)".

(D) Section 415(c)(3) is amended by adding at the end the following new subparagraph:

"(E) Annuity contracts.—In the case of an annuity contract described in section 403(b), the term 'participant's compensation' means the participant's includible compensation determined under section 403(b)(3).".

(E) Section 415(c) is amended by striking paragraph (4).

(F) Section 415(c)(7) is amended to read as follows:

"(7) Certain contributions by church plans not treated as exceeding limit.—

"(A) In general.—Notwithstanding any other provision of this subsection, at the election of a participant who is an employee of a church or a convention or association of churches, including an organization described in section 414(e)(3)(B)(ii), contributions and other additions for an annuity contract or retirement income account described in section 403(b) with respect to such participant, when expressed as an annual addition to such participant's account, shall be treated as not exceeding the limitation of paragraph (1) if such annual addition is not in excess of $10,000.

"(B) $40,000 aggregate limitation.—The total amount of additions with respect to any participant which may be taken into account for purposes of this subparagraph for all years may not exceed $40,000.

"(C) Annual addition.—For purposes of this paragraph, the term 'annual addition' has the meaning given such term by paragraph (2).".

(G) Subparagraph (B) of section 402(g)(7) (as redesignated by section 611(c)(3)) is amended by inserting before the period at the end the following: "(as in effect before the enactment of the Restoring Earnings to Lift Individuals and Empower Families Act of 2001)".

(H) Section 664(g) is amended—

(i) in paragraph (3)(E) by striking "limitations under section 415(c)" and inserting "applicable limitation under paragraph (7)", and

(ii) by adding at the end the following new paragraph:

"(7) Applicable limitation.—

"(A) In general.—For purposes of paragraph (3)(E), the applicable limitation under this paragraph with respect to a participant is an amount equal to the lesser of—

"(i) $30,000, or

"(ii) 25 percent of the participant's compensation (as defined in section 415(c)(3)).

"(B) Cost-of-living adjustment.—The Secretary shall adjust annually the $30,000 amount under subparagraph (A)(i) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning October 1, 1993, and any increase under this subparagraph which is not a multiple of $5,000 shall be rounded to the next lowest multiple of $5,000.".

(5) Effective date.—

(A) Except as provided in subparagraph (B), the amendments made by this subsection shall apply to years beginning after December 31, 2001.

(B) The amendments made by paragraphs (3) and (4) shall apply to years beginning after December 31, 2010.

(b) Special Rules for Sections 403(b) and 408.—

(1) In general.—Subsection (k) of section 415 is amended by adding at the end the following new paragraph:

"(4) Special rules for sections 403(b) and 408.—For purposes of this section, any annuity contract described in section 403(b) for the benefit of a participant shall be treated as a defined contribution plan maintained by each employer with respect to which the participant has the control required under subsection (b) or (c) of section 414 (as modified by subsection (h)). For purposes of this section, any contribution by an employer to a simplified employee pension plan for an individual for a taxable year shall be treated as an employer contribution to a defined contribution plan for such individual for such year.".

(2) Effective date.—

(A) In general.—The amendment made by paragraph (1) shall apply to limitation years beginning after December 31, 2000.

(B) Exclusion allowance.—Effective for limitation years beginning in 2001, in the case of any annuity contract described in section 403(b) of the Internal Revenue Code of 1986, the amount of the contribution disqualified by reason of section 415(g) of such Code shall reduce the exclusion allowance as provided in section 403(b)(2) of such Code.

(3) Modification of 403(b) exclusion allowance to conform to 415 modification.—

The Secretary of the Treasury shall modify the regulations regarding the exclusion allowance under section 403(b)(2) of the Internal Revenue Code of 1986 to render void the requirement that contributions to a defined benefit pension plan be treated as previously excluded amounts for purposes of the exclusion allowance. For taxable years beginning after December 31, 2000, such regulations shall be applied as if such requirement were void.

(c) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—

(1) IN GENERAL.—Subparagraph (B) of section 457(b)(2) (relating to salary limitation on eligible deferred compensation plans) is amended by striking "33⅓ percent" and inserting "the applicable percentage".

(2) APPLICABLE PERCENTAGE.—Section 457 is amended by adding at the end the following new subsection:

"(h) APPLICABLE PERCENTAGE.—For purposes of subsection (b)(2)(A), the applicable percentage shall be determined in accordance with the following table:

"For years beginning in:	**The applicable percentage is:**
2002 through 2010	50
2011 and thereafter	100

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2001.

SEC. 633. FASTER VESTING OF CERTAIN EMPLOYER MATCHING CONTRIBUTIONS.

(a) IN GENERAL.—Section 411(a) (relating to minimum vesting standards) is amended—

(1) in paragraph (2), by striking "A plan" and inserting "Except as provided in paragraph (12), a plan"; and

(2) by adding at the end the following:

"(12) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A)), paragraph (2) shall be applied—

"(A) by substituting '3 years' for '5 years' in subparagraph (A), and

"(B) by substituting the following table for the table contained in subparagraph (B):

"Years of service:	**The nonforfeitable percentage is:**
2	20
3	40
4	60
5	80
6	100.".

(b) AMENDMENT OF ERISA.—Section 203(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)) is amended—

(1) in paragraph (2), by striking "A plan" and inserting "Except as provided in paragraph (4), a plan", and

(2) by adding at the end the following:

"(4) In the case of matching contributions (as defined in section 401(m)(4)(A) of the Internal Revenue Code of 1986), paragraph (2) shall be applied—

"(A) by substituting '3 years' for '5 years' in subparagraph (A), and

"(B) by substituting the following table for the table contained in subparagraph (B):

"Years of service:	**The nonforfeitable percentage is:**
2	20
3	40
4	60
5	80
6	100.".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to contributions for plan years beginning after December 31, 2001.

(2) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified by the date of the enactment of this Act, the amendments made by this section shall not apply to contributions on behalf of employees covered by any such agreement for plan years beginning before the earlier of—

(A) the later of—

(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after such date of the enactment); or

(ii) January 1, 2002; or

(B) January 1, 2006.

(3) SERVICE REQUIRED.—With respect to any plan, the amendments made by this section shall not apply to any employee before the date that such employee has 1 hour of service under such plan in any plan year to which the amendments made by this section apply.

SEC. 634. MODIFICATIONS TO MINIMUM DISTRIBUTION RULES.

(a) LIFE EXPECTANCY TABLES.—The Secretary of the Treasury shall modify the life expectancy tables under the regulations relating to minimum distribution requirements under sections 401(a)(9), 408(a)(6) and (b)(3), 403(b)(10), and 457(d)(2) of the Internal Revenue Code to reflect current life expectancy.

(b) REPEAL OF RULE WHERE DISTRIBUTIONS HAD BEGUN BEFORE DEATH OCCURS.—

(1) IN GENERAL.—Subparagraph (B) of section 401(a)(9) is amended by striking clause (i) and redesignating clauses (ii), (iii), and (iv) as clauses (i), (ii), and (iii), respectively.

(2) CONFORMING CHANGES.—

(A) Clause (i) of section 401(a)(9)(B) (as so redesignated) is amended—

(i) by striking "FOR OTHER CASES" in the heading; and

(ii) by striking "the distribution of the employee's interest has begun in accordance with subparagraph (A)(ii)" and inserting "his entire interest has been distributed to him".

(B) Clause (ii) of section 401(a)(9)(B) (as so redesignated) is amended by striking "clause (ii)" and inserting "clause (i)".

(C) Clause (iii) of section 401(a)(9)(B) (as so redesignated) is amended—

(i) by striking "clause (iii)(I)" and inserting "clause (ii)(I)";

(ii) by striking "clause (iii)(III)" in subclause (I) and inserting "clause (ii)(III)";

(iii) by striking "the date on which the employee would have attained age 70½," in subclause (I) and inserting "April 1 of the calendar year following the calendar year in which the spouse attains 70½,"; and

(iv) by striking "the distributions to such spouse begin," in subclause (II) and inserting "his entire interest has been distributed to him,".

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall apply to years beginning after December 31, 2001.

(B) DISTRIBUTIONS TO SURVIVING SPOUSE.—

(i) IN GENERAL.—In the case of an employee described in clause (ii), distributions to the surviving spouse of the employee shall not be required to commence prior to the date on which such distributions would have been required to begin under section 401(a)(9)(B) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of this Act).

(ii) CERTAIN EMPLOYEES.—An employee is described in this clause if such employee dies before—

(I) the date of the enactment of this Act, and

(II) the required beginning date (within the meaning of section 401(a)(9)(C) of the Internal Revenue Code of 1986) of the employee.

SEC. 635. CLARIFICATION OF TAX TREATMENT OF DIVISION OF SECTION 457 PLAN BENEFITS UPON DIVORCE.

(a) IN GENERAL.—Section 414(p)(11) (relating to application of rules to governmental and church plans) is amended—

(1) by inserting "or an eligible deferred compensation plan (within the meaning of section 457(b))" after "subsection (e))"; and

(2) in the heading, by striking "GOVERNMENTAL AND CHURCH PLANS" and inserting "CERTAIN OTHER PLANS".

(b) WAIVER OF CERTAIN DISTRIBUTION REQUIREMENTS.—Paragraph (10) of section 414(p) is amended by striking "and section 409(d)" and inserting "section 409(d), and section 457(d)".

(c) TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.—Subsection (p) of section 414 is amended by redesignating paragraph (12) as paragraph (13) and inserting after paragraph (11) the following new paragraph:

"(12) TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.—If a distribution or payment from an eligible deferred compensation plan described in section 457(b) is made pursuant to a qualified domestic relations order, rules similar to the rules of section 402(e)(1)(A) shall apply to such distribution or payment.".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (c) shall apply to transfers, distributions, and payments made after December 31, 2001.

(2) AMENDMENTS RELATING TO ASSIGNMENTS IN DIVORCE, ETC., PROCEEDINGS.—The amendments made by subsections (a) and (b) shall take effect on January 1, 2002, except that in the case of a domestic relations order entered before such date, the plan administrator—

(A) shall treat such order as a qualified domestic relations order if such administrator is paying benefits pursuant to such order on such date, and

(B) may treat any other such order entered before such date as a qualified domestic relations order even if such order does not meet the requirements of such amendments.

SEC. 636. PROVISIONS RELATING TO HARDSHIP DISTRIBUTIONS.

(a) SAFE HARBOR RELIEF.—

(1) IN GENERAL.—The Secretary of the Treasury shall revise the regulations relating to hardship distributions under section 401(k)(2)(B)(i)(IV) of the Internal Revenue Code of 1986 to provide that the period an employee is prohibited from making elective and employee contributions in order for a distribution to be deemed necessary to satisfy financial need shall be equal to 6 months.

(2) EFFECTIVE DATE.—The revised regulations under this subsection shall apply to years beginning after December 31, 2001.

(b) HARDSHIP DISTRIBUTIONS NOT TREATED AS ELIGIBLE ROLLOVER DISTRIBUTIONS.—

(1) MODIFICATION OF DEFINITION OF ELIGIBLE ROLLOVER.—Subparagraph (C) of section 402(c)(4) (relating to eligible rollover distribution) is amended to read as follows:

"(C) any distribution which is made upon hardship of the employee.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to distributions made after December 31, 2001.

SEC. 637. WAIVER OF TAX ON NONDEDUCTIBLE CONTRIBUTIONS FOR DOMESTIC OR SIMILAR WORKERS.

(a) In General.—Section 4972(c)(6) (relating to exceptions to nondeductible contributions), as amended by section 502, is amended by striking "or" at the end of subparagraph (A), by striking the period and inserting ", or" at the end of subparagraph (B), and by inserting after subparagraph (B) the following new subparagraph:

"(C) so much of the contributions to a simple retirement account (within the meaning of section 408(p)) or a simple plan (within the meaning of section 401(k)(11)) which are not deductible when contributed solely because such contributions are not made in connection with a trade or business of the employer."

(b) Exclusion of Certain Contributions.—Section 4972(c)(6), as amended by subsection (a), is amended by adding at the end the following new sentence: "Subparagraph (C) shall not apply to contributions made on behalf of the employer or a member of the employer's family (as defined in section 447(e)(1)).".

(c) No Inference.—Nothing in the amendments made by this section shall be construed to infer the proper treatment of nondeductible contributions under the laws in effect before such amendments.

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

Subtitle D—Increasing Portability for Participants

SEC. 641. ROLLOVERS ALLOWED AMONG VARIOUS TYPES OF PLANS.

(a) Rollovers From and to Section 457 Plans.—

(1) Rollovers from section 457 plans.—

(A) In general.—Section 457(e) (relating to other definitions and special rules) is amended by adding at the end the following:

"(16) Rollover amounts.—

"(A) General rule.—In the case of an eligible deferred compensation plan established and maintained by an employer described in subsection (e)(1)(A), if—

"(i) any portion of the balance to the credit of an employee in such plan is paid to such employee in an eligible rollover distribution (within the meaning of section 402(c)(4) without regard to subparagraph (C) thereof),

"(ii) the employee transfers any portion of the property such employee receives in such distribution to an eligible retirement plan described in section 402(c)(8)(B), and

"(iii) in the case of a distribution of property other than money, the amount so transferred consists of the property distributed,

then such distribution (to the extent so transferred) shall not be includible in gross income for the taxable year in which paid.

"(B) Certain rules made applicable.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A).

"(C) Reporting.—Rollovers under this paragraph shall be reported to the Secretary in the same manner as rollovers from qualified retirement plans (as defined in section 4974(c)).".

(B) Deferral limit determined without regard to rollover amounts.—Section 457(b)(2) (defining eligible deferred compensation plan) is amended by inserting "(other than rollover amounts)" after "taxable year".

(C) Direct rollover.—Paragraph (1) of section 457(d) is amended by striking "and" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", and", and by inserting after subparagraph (B) the following:

"(C) in the case of a plan maintained by an employer described in subsection (e)(1)(A), the plan meets requirements similar to the requirements of section 401(a)(31).

Any amount transferred in a direct trustee-to-trustee transfer in accordance with section 401(a)(31) shall not be includible in gross income for the taxable year of transfer.".

(D) Withholding.—

(i) Paragraph (12) of section 3401(a) is amended by adding at the end the following:

"(E) under or to an eligible deferred compensation plan which, at the time of such payment, is a plan described in section 457(b) which is maintained by an eligible employer described in section 457(e)(1)(A), or".

(ii) Paragraph (3) of section 3405(c) is amended to read as follows:

"(3) Eligible rollover distribution.—For purposes of this subsection, the term 'eligible rollover distribution' has the meanfng given such term by section 402(f)(2)(A).".

(iii) Liability for withholding.—Subparagraph (B) of section 3405(d)(2) is amended by striking "or" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", or", and by adding at the end the following:

"(iv) section 457(b) and which is maintained by an eligible employer described in section 457(e)(1)(A).".

(2) Rollovers to section 457 plans.—

(A) In general.—Section 402(c)(8)(B) (defining eligible retirement plan) is amended by striking "and" at the end of clause (iii), by striking the period at the end of clause (iv) and inserting ", and", and by inserting after clause (iv) the following new clause:

"(v) an eligible deferred compensation plan described in section 457(b) which is maintained by an eligible employer described in section 457(e)(1)(A).".

(B) Separate accounting.—Section 402(c) is amended by adding at the end the following new paragraph:

"(11) Separate accounting.—Unless a plan described in clause (v) of paragraph (8)(B) agrees to separately account for amounts rolled into such plan from eligible retirement plans not described in such clause, the plan described in such clause may not accept transfers or rollovers from such retirement plans.".

(C) 10 percent additional tax.—Subsection (t) of section 72 (relating to 10-percent additional tax on early distributions from qualified retirement plans) is amended by adding at the end the following new paragraph:

"(9) Special rule for rollovers to section 457 plans.—For purposes of this subsection, a distribution from an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A) shall be treated as a distribution from a qualified retirement plan described in 4974(c)(1) to the extent that such distribution is attributable to an amount transferred to an eligible deferred compensation plan from a qualified retirement plan (as defined in section 4974(c)).".

(b) Allowance of Rollovers From and to 403(b) Plans.—

(1) Rollovers from section 403(b) plans.—Section 403(b)(8)(A)(ii) (relating to rollover amounts) is amended by striking "such distribution" and all that follows and inserting "such distribution to an eligible retirement plan described in section 402(c)(8)(B), and".

(2) Rollovers to section 403(b) plans.—Section 402(c)(8)(B) (defining eligible retirement plan), as amended by subsection (a), is amended by striking "and" at the end of clause (iv), by striking the period at the end of clause (v) and inserting ", and", and by inserting after clause (v) the following new clause:

"(vi) an annuity contract described in section 403(b).".

(c) Expanded Explanation to Recipients of Rollover Distributions.—Paragraph (1) of section 402(f) (relating to written explanation to recipients of distributions eligible for rollover treatment) is amended by striking "and" at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting ", and", and by adding at the end the following new subparagraph:

"(E) of the provisions under which distributions from the eligible retirement plan receiving the distribution may be subject to restrictions and tax consequences which are different from those applicable to distributions from the plan making such distribution.".

(d) Spousal Rollovers.—Section 402(c)(9) (relating to rollover where spouse receives distribution after death of employee) is amended by striking "; except that" and all that follows up to the end period.

(e) Conforming Amendments.—

(1) Section 72(o)(4) is amended by striking "and 408(d)(3)" and inserting "403(b)(8), 408(d)(3), and 457(e)(16)".

(2) Section 219(d)(2) is amended by striking "or 408(d)(3)" and inserting "408(d)(3), or 457(e)(16)".

(3) Section 401(a)(31)(B) is amended by striking "and 403(a)(4)" and inserting ", 403(a)(4), 403(b)(8), and 457(e)(16)".

(4) Subparagraph (A) of section 402(f)(2) is amended by striking "or paragraph (4) of section 403(a)" and inserting ", paragraph (4) of section 403(a), subparagraph (A) of section 403(b)(8), or subparagraph (A) of section 457(e)(16)".

(5) Paragraph (1) of section 402(f) is amended by striking "from an eligible retirement plan".

(6) Subparagraphs (A) and (B) of section 402(f)(1) are amended by striking "another eligible retirement plan" and inserting "an eligible retirement plan".

(7) Subparagraph (B) of section 403(b)(8) is amended to read as follows:

"(B) Certain rules made applicable.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A), except that section 402(f) shall be applied to the payor in lieu of the plan administrator.".

(8) Section 408(a)(1) is amended by striking "or 403(b)(8)," and inserting "403(b)(8), or 457(e)(16)".

(9) Subparagraphs (A) and (B) of section 415(b)(2) are each amended by striking "and 408(d)(3)" and inserting "403(b)(8), 408(d)(3), and 457(e)(16)".

(10) Section 415(c)(2) is amended by striking "and 408(d)(3)" and inserting "408(d)(3), and 457(e)(16)".

(11) Section 4973(b)(1)(A) is amended by striking "or 408(d)(3)" and inserting "408(d)(3), or 457(e)(16)".

(f) Effective Date; Special Rule.—

(1) Effective date.—The amendments made by this section shall apply to distributions after December 31, 2001.

(2) Special rule.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf

of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of any amendment made by this section.

SEC. 642. ROLLOVERS OF IRAS INTO WORKPLACE RETIREMENT PLANS.

(a) In General.—Subparagraph (A) of section 408(d)(3) (relating to rollover amounts) is amended by adding "or" at the end of clause (i), by striking clauses (ii) and (iii), and by adding at the end the following:

"(ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan for the benefit of such individual not later than the 60th day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan may not exceed the portion of the amount received which is includible in gross income (determined without regard to this paragraph).

For purposes of clause (ii), the term 'eligible retirement plan' means an eligible retirement plan described in clause (iii), (iv), (v), or (vi) of section 402(c)(8)(B).".

(b) Conforming Amendments.—

(1) Paragraph (1) of section 403(b) is amended by striking "section 408(d)(3)(A)(iii)" and inserting "section 408(d)(3)(A)(ii)".

(2) Clause (i) of section 408(d)(3)(D) is amended by striking "(i), (ii), or (iii)" and inserting "(i) or (ii)".

(3) Subparagraph (G) of section 408(d)(3) is amended to read as follows:

"(G) Simple retirement accounts.—In the case of any payment or distribution out of a simple retirement account (as defined in subsection (p)) to which section 72(t)(6) applies, this paragraph shall not apply unless such payment or distribution is paid into another simple retirement account.".

(c) Effective Date; Special Rule.—

(1) Effective date.—The amendments made by this section shall apply to distributions after December 31, 2001.

(2) Special rule.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of the amendments made by this section.

SEC. 643. ROLLOVERS OF AFTER-TAX CONTRIBUTIONS.

(a) Rollovers From Exempt Trusts.—Paragraph (2) of section 402(c) (relating to maximum amount which may be rolled over) is amended by adding at the end the following: "The preceding sentence shall not apply to such distribution to the extent—

"(A) such portion is transferred in a direct trustee-to-trustee transfer to a qualified trust which is part of a plan which is a defined contribution plan and which agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

"(B) such portion is transferred to an eligible retirement plan described in clause (i) or (ii) of paragraph (8)(B).".

(b) Optional Direct Transfer of Eligible Rollover Distributions.—Subparagraph (B) of section 401(a)(31) (relating to limitation) is amended by adding at the end the following: "The preceding sentence shall not apply to such distribution if the plan to which such distribution is transferred—

"(i) agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

"(ii) is an eligible retirement plan described in clause (i) or (ii) of section 402(c)(8)(B).".

(c) Rules for Applying Section 72 to IRAs.—Paragraph (3) of section 408(d) (relating to special rules for applying section 72) is amended by inserting at the end the following:

"(H) Application of section 72.—

"(i) In general.—If—

"(I) a distribution is made from an individual retirement plan, and

"(II) a rollover contribution is made to an eligible retirement plan described in section 402(c)(8)(B)(iii), (iv), (v), or (vi) with respect to all or part of such distribution,

then, notwithstanding paragraph (2), the rules of clause (ii) shall apply for purposes of applying section 72.

"(ii) Applicable rules.—In the case of a distribution described in clause (i)—

"(I) section 72 shall be applied separately to such distribution,

"(II) notwithstanding the pro rata allocation of income on, and investment in, the contract to distributions under section 72, the portion of such distribution rolled over to an eligible retirement plan described in clause (i) shall be treated as from income on the contract (to the extent of the aggregate income on the contract from all individual retirement plans of the distributee), and

"(III) appropriate adjustments shall be made in applying section 72 to other distributions in such taxable year and subsequent taxable years.".

(d) Effective Date.—The amendments made by this section shall apply to distributions made after December 31, 2001.

SEC. 644. HARDSHIP EXCEPTION TO 60-DAY RULE.

(a) Exempt Trusts.—Paragraph (3) of section 402(c) (relating to transfer must be made within 60 days of receipt) is amended to read as follows:

"(3) Transfer must be made within 60 days of receipt.—

"(A) In general.—Except as provided in subparagraph (B), paragraph (1) shall not apply to any transfer of a distribution made after the 60th day following the day on which the distributee received the property distributed.

"(B) Hardship exception.—The Secretary may waive the 60-day requirement under subparagraph (A) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.".

(b) IRAs.—Paragraph (3) of section 408(d) (relating to rollover contributions), as amended by section 643, is amended by adding after subparagraph (H) the following new subparagraph:

"(I) Waiver of 60-day requirement.—The Secretary may waive the 60-day requirement under subparagraphs (A) and (D) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.".

(c) Effective Date.—The amendments made by this section shall apply to distributions after December 31, 2001.

SEC. 645. TREATMENT OF FORMS OF DISTRIBUTION.

(a) Plan Transfers.—

(1) Amendment of internal revenue code.—Paragraph (6) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended by adding at the end the following:

"(D) Plan transfers.—

"(i) In general.—A defined contribution plan (in this subparagraph referred to as the 'transferee plan') shall not be treated as failing to meet the requirements of this subsection merely because the transferee plan does not provide some or all of the forms of distribution previously available under another defined contribution plan (in this subparagraph referred to as the 'transferor plan') to the extent that—

"(I) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan,

"(II) the terms of both the transferor plan and the transferee plan authorize the transfer described in subclause (I),

"(III) the transfer described in subclause (I) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan,

"(IV) the election described in subclause (III) was made after the participant or beneficiary received a notice describing the consequences of making the election, and

"(V) the transferee plan allows the participant or beneficiary described in subclause (III) to receive any distribution to which the participant or beneficiary is entitled under the transferee plan in the form of a single sum distribution.

"(ii) Special rule for mergers, etc.—Clause (i) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.".

(2) Amendment of ERISA.—Section 204(g) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(g)) is amended by adding at the end the following:

"(4)(A) A defined contribution plan (in this subparagraph referred to as the 'transferee plan') shall not be treated as failing to meet the requirements of this subsection merely because the transferee plan does not provide some or all of the forms of distribution previously available under another defined contribution plan (in this subparagraph referred to as the 'transferor plan') to the extent that—

"(i) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan;

"(ii) the terms of both the transferor plan and the transferee plan authorize the transfer described in clause (i);

"(iii) the transfer described in clause (i) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan;

"(iv) the election described in clause (iii) was made after the participant or beneficiary received a notice describing the consequences of making the election; and

"(v) the transferee plan allows the participant or beneficiary described in clause (iii) to receive any distribution to which the participant or beneficiary is entitled under the transferee plan in the form of a single sum distribution.

"(B) Subparagraph (A) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2001.

(b) REGULATIONS.—

(1) AMENDMENT OF INTERNAL REVENUE CODE.—The last sentence of paragraph (6)(B) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended to read as follows: "The Secretary shall by regulations provide that this subparagraph shall not apply to any plan amendment which reduces or eliminates benefits or subsidies which create significant burdens or complexities for the plan and plan participants, unless such amendment adversely affects the rights of any participant in a more than de minimis manner.".

(2) AMENDMENT OF ERISA.—The last sentence of section 204(g)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(g)(2)) is amended to read as follows: "The Secretary of the Treasury shall by regulations provide that this paragraph shall not apply to any plan amendment which reduces or eliminates benefits or subsidies which create significant burdens or complexities for the plan and plan participants, unless such amendment adversely affects the rights of any participant in a more than de minimis manner.".

(3) SECRETARY DIRECTED.—Not later than December 31, 2002, the Secretary of the Treasury is directed to issue regulations under section 411(d)(6) of the Internal Revenue Code of 1986 and section 204(g) of the Employee Retirement Income Security Act of 1974, including the regulations required by the amendment made by this subsection. Such regulations shall apply to plan years beginning after December 31, 2002, or such earlier date as is specified by the Secretary of the Treasury.

SEC. 646. RATIONALIZATION OF RESTRICTIONS ON DISTRIBUTIONS.

(a) MODIFICATION OF SAME DESK EXCEPTION.—

(1) SECTION 401(k).—

(A) Section 401(k)(2)(B)(i)(I) (relating to qualified cash or deferred arrangements) is amended by striking "separation from service" and inserting "severance from employment".

(B) Subparagraph (A) of section 401(k)(10) (relating to distributions upon termination of plan or disposition of assets or subsidiary) is amended to read as follows:

"(A) IN GENERAL.—An event described in this subparagraph is the termination of the plan without establishment or maintenance of another defined contribution plan (other than an employee stock ownership plan as defined in section 4975(e)(7)).".

(C) Section 401(k)(10) is amended—

(i) in subparagraph (B)—

(I) by striking "An event" in clause (i) and inserting "A termination"; and

(II) by striking "the event" in clause (i) and inserting "the termination";

(ii) by striking subparagraph (C); and

(iii) by striking "OR DISPOSITION OF ASSETS OR SUBSIDIARY" in the heading.

(2) SECTION 403(b).—

(A) Paragraphs (7)(A)(ii) and (11)(A) of section 403(b) are each amended by striking "separates from service" and inserting "has a severance from employment".

(B) The heading for paragraph (11) of section 403(b) is amended by striking "SEPARATION FROM SERVICE" and inserting "SEVERANCE FROM EMPLOYMENT".

(3) SECTION 457.—Clause (ii) of section 457(d)(1)(A) is amended by striking "is separated from service" and inserting "has a severance from employment".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2001.

SEC. 647. PURCHASE OF SERVICE CREDIT IN GOVERNMENTAL DEFINED BENEFIT PLANS.

(a) 403(b) PLANS.—Subsection (b) of section 403 is amended by adding at the end the following new paragraph:

"(13) TRUSTEE-TO-TRUSTEE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

"(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

"(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.".

(b) 457 PLANS.—Subsection (e) of section 457, as amended by section 401, is amended by adding after paragraph (16) the following new paragraph:

"(17) TRUSTEE-TO-TRUSTEE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

"(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

"(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to trustee-to-trustee transfers after December 31, 2001.

SEC. 648. EMPLOYERS MAY DISREGARD ROLLOVERS FOR PURPOSES OF CASH-OUT AMOUNTS.

(a) QUALIFIED PLANS.—

(1) AMENDMENT OF INTERNAL REVENUE CODE.—Section 411(a)(11) (relating to restrictions on certain mandatory distributions) is amended by adding at the end the following:

"(D) SPECIAL RULE FOR ROLLOVER CONTRIBUTIONS.—A plan shall not fail to meet the requirements of this paragraph if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term 'rollover contributions' means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16).".

(2) AMENDMENT OF ERISA.—Section 203(e) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(c)) is amended by adding at the end the following:

"(4) A plan shall not fail to meet the requirements of this subsection if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term 'rollover contributions' means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16) of the Internal Revenue Code of 1986.".

(b) ELIGIBLE DEFERRED COMPENSATION PLANS.—Clause (i) of section 457(e)(9)(A) is amended by striking "such amount" and inserting "the portion of such amount which is not attributable to rollover contributions (as defined in section 411(a)(11)(D))".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2001.

SEC. 649. MINIMUM DISTRIBUTION AND INCLUSION REQUIREMENTS FOR SECTION 457 PLANS.

(a) MINIMUM DISTRIBUTION REQUIREMENTS.—Paragraph (2) of section 457(d) (relating to distribution requirements) is amended to read as follows:

"(2) MINIMUM DISTRIBUTION REQUIREMENTS.—A plan meets the minimum distribution requirements of this paragraph if such plan meets the requirements of section 401(a)(9).".

(b) INCLUSION IN GROSS INCOME.—

(1) YEAR OF INCLUSION.—Subsection (a) of section 457 (relating to year of inclusion in gross income) is amended to read as follows:

"(a) YEAR OF INCLUSION IN GROSS INCOME.—

"(1) IN GENERAL.—Any amount of compensation deferred under an eligible deferred compensation plan, and any income attributable to the amounts so deferred, shall be includible in gross income only for the taxable year in which such compensation or other income—

"(A) is paid to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(A), and

"(B) is paid or otherwise made available to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(B).

"(2) SPECIAL RULE FOR ROLLOVER AMOUNTS.—To the extent provided in section 72(t)(9), section 72(t) shall apply to any amount includible in gross income under this subsection.".

(2) CONFORMING AMENDMENTS.—

(A) So much of paragraph (9) of section 457(e) as precedes subparagraph (A) is amended to read as follows:

"(9) BENEFITS OF TAX EXEMPT ORGANIZATION PLANS NOT TREATED AS MADE AVAILABLE BY REASON OF CERTAIN ELECTIONS, ETC.—In the case of an eligible deferred compensation plan of an employer described in subsection (e)(1)(B)—".

(B) Section 457(d) is amended by adding at the end the following new paragraph:

"(3) SPECIAL RULE FOR GOVERNMENT PLAN.—An eligible deferred compensation plan of an employer described in subsection (e)(1)(A) shall not be treated as failing to meet the requirements of this subsection solely by reason of making a distribution described in subsection (e)(9)(A).".

(c) MODIFICATION OF TRANSITION RULES FOR EXISTING 457 PLANS.—

(1) IN GENERAL.—Section 1107(c)(3)(B) of the Tax Reform Act of 1986 is amended by striking "or" at the end of clause (i), by striking the period at the end of clause (ii) and inserting ", or" and by inserting after clause (ii) the following new clause:

"(iii) are deferred pursuant to an agreement with an individual covered by an agreement described in clause (ii), to the extent the annual amount under such agreement with the individual does not exceed—

"(I) the amount described in clause (ii)(II), multiplied by

"(II) the cumulative increase in the Consumer Price Index (as published by the Bureau of Labor Statistics of the Department of Labor).".

(2) CONFORMING AMENDMENT.—The fourth sentence of section 1107(c)(3)(B) of the Tax Reform Act of 1986 is amended by striking "This subparagraph" and inserting "Clauses (i) and (ii) of this subparagraph".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after the date of the enactment of this Act with respect to increases in the Consumer Price Index after September 30, 1993.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to distributions after December 31, 2001.

Subtitle E—Strengthening Pension Security and Enforcement

PART I—GENERAL PROVISIONS

SEC. 651. REPEAL OF 160 PERCENT OF CURRENT LIABILITY FUNDING LIMIT.

(a). AMENDMENTS TO INTERNAL REVENUE CODE.—Section 412(c)(7) (relating to full-funding limitation) is amended—

(1) by striking "the applicable percentage" in subparagraph (A)(i)(I) and inserting "in the case of plan years beginning before January 1, 2005, the applicable percentage"; and

(2) by amending subparagraph (F) to read as follows:

"(F) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

"In the case of any plan year beginning in—	The applicable percentage is—
2002	160
2003	165
2004	170.".

(b) AMENDMENT OF ERISA.—Section 302(c)(7) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1082(c)(7)) is amended—

(1) by striking "the applicable percentage" in subparagraph (A)(i)(I) and inserting "in the case of plan years beginning before January 1, 2005, the applicable percentage", and

(2) by amending subparagraph (F) to read as follows:

"(F) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

"In the case of any plan year beginning in—	The applicable percentage is—
2002	160
2003	165
2004	170.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2001.

SEC. 652. MAXIMUM CONTRIBUTION DEDUCTION RULES MODIFIED AND APPLIED TO ALL DEFINED BENEFIT PLANS.

(a) IN GENERAL.—Subparagraph (D) of section 404(a)(1) (relating to special rule in case of certain plans) is amended to read as follows:

"(D) SPECIAL RULE IN CASE OF CERTAIN PLANS.—

"(i) IN GENERAL.—In the case of any defined benefit plan, except as provided in regulations, the maximum amount deductible under the limitations of this paragraph shall not be less than the unfunded termination liability (determined as if the proposed termination date referred to in section 4041(b)(2)(A)(i)(II) of the Employee Retirement Income Security Act of 1974 were the last day of the plan year).

"(ii) PLANS WITH LESS THAN 100 PARTICIPANTS.—For purposes of this subparagraph, in the case of a plan which has less than 100 participants for the plan year, termination liability shall not include the liability attributable to benefit increases for highly compensated employees (as defined in section 414(q)) resulting from a plan amendment which is made or becomes effective, whichever is later, within the last 2 years before the termination date.

"(iii) RULE FOR DETERMINING NUMBER OF PARTICIPANTS.—For purposes of determining whether a plan has more than 100 participants, all defined benefit plans maintained by the same employer (or any member of such employer's controlled group (within the meaning of section 412(l)(8)(C))) shall be treated as one plan, but only employees of such member or employer shall be taken into account.

"(iv) PLANS MAINTAINED BY PROFESSIONAL SERVICE EMPLOYERS.—Clause (i) shall not apply to a plan described in section 4021(b)(13) of the Employee Retirement Income Security Act of 1974.".

(b) CONFORMING AMENDMENT.—Paragraph (6) of section 4972(c) is amended to read as follows:

"(6) EXCEPTIONS.—In determining the amount of nondeductible contributions for any taxable year, there shall not be taken into account so much of the contributions to one or more defined contribution plans which are not deductible when contributed solely because of section 404(a)(7) as does not exceed the greater of—

"(A) the amount of contributions not in excess of 6 percent of compensation (within the meaning of section 404(a)) paid or accrued (during the taxable year for which the contributions were made) to beneficiaries under the plans, or

"(B) the sum of—

"(i) the amount of contributions described in section 401(m)(4)(A), plus

"(ii) the amount of contributions described in section 402(g)(3)(A).

For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to a defined benefit plan and then to amounts described in subparagraph (B).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2001.

SEC. 653. EXCISE TAX RELIEF FOR SOUND PENSION FUNDING.

(a) IN GENERAL.—Subsection (c) of section 4972 (relating to nondeductible contributions) is amended by adding at the end the following new paragraph:

"(7) DEFINED BENEFIT PLAN EXCEPTION.—In determining the amount of nondeductible contributions for any taxable year, an employer may elect for such year not to take into account any contributions to a defined benefit plan except to the extent that such contributions exceed the full-funding limitation (as defined in section 412(c)(7), determined without regard to subparagraph (A)(i)(I) thereof). For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to defined contribution plans and then to amounts described in this paragraph. If an employer makes an election under this paragraph for a taxable year, paragraph (6) shall not apply to such employer for such taxable year.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2001.

SEC. 654. TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415.

(a) COMPENSATION LIMIT.—

(1) IN GENERAL.—Paragraph (11) of section 415(b) (relating to limitation for defined benefit plans) is amended to read as follows:

"(11) SPECIAL LIMITATION RULE FOR GOVERNMENTAL AND MULTIEMPLOYER PLANS.—In the case of a governmental plan (as defined in section 414(d)) or a multiemployer plan (as defined in section 414(f)), subparagraph (B) of paragraph (1) shall not apply.".

(2) CONFORMING AMENDMENT.—Section 415(b)(7) (relating to benefits under certain collectively bargained plans) is amended by inserting "(other than a multiemployer plan)" after "defined benefit plan" in the matter preceding subparagraph (A).

(b) COMBINING AND AGGREGATION OF PLANS.—

(1) COMBINING OF PLANS.—Subsection (f) of section 415 (relating to combining of plans) is amended by adding at the end the following:

"(3) EXCEPTION FOR MULTIEMPLOYER PLANS.—Notwithstanding paragraph (1) and subsection (g), a multiemployer plan (as defined in section 414(f)) shall not be combined or aggregated with any other plan maintained by an employer for purposes of applying subsection (b)(1)(B) to such plan or any other such plan.".

(2) CONFORMING AMENDMENT FOR AGGREGATION OF PLANS.—Subsection (g) of section 415 (relating to aggregation of plans) is amended by striking "The Secretary" and inserting "Except as provided in subsection (f)(3), the Secretary".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 655. PROTECTION OF INVESTMENT OF EMPLOYEE CONTRIBUTIONS TO 401(k) PLANS.

(a) IN GENERAL.—Section 1524(b) of the Taxpayer Relief Act of 1997 is amended to read as follows:

"(b) EFFECTIVE DATE.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to elective deferrals for plan years beginning after December 31, 1998.

"(2) NONAPPLICATION TO PREVIOUSLY ACQUIRED PROPERTY.—The amendments made by this section shall not apply to any elective deferral which is invested in assets consisting of qualifying employer securities, qualifying employer real property, or both, if such assets were acquired before January 1, 1999.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply as if included in the provision of the Taxpayer Relief Act of 1997 to which it relates.

SEC. 656. PROHIBITED ALLOCATIONS OF STOCK IN S CORPORATION ESOP.

(a) IN GENERAL.—Section 409 (relating to qualifications for tax credit employee stock ownership plans) is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (o) the following new subsection:

"(p) PROHIBITED ALLOCATIONS OF SECURITIES IN AN S CORPORATION.—

"(1) IN GENERAL.—An employee stock ownership plan holding employer securities consisting of stock in an S corporation shall provide that no portion of the assets of the plan attributable to (or allocable in lieu of) such employer securities may, during a nonallocation year, accrue (or be allocated directly or indirectly under any plan of the employer meeting the requirements of section 401(a)) for the benefit of any disqualified person.

"(2) FAILURE TO MEET REQUIREMENTS.—

"(A) IN GENERAL.—If a plan fails to meet the requirements of paragraph (1), the plan shall be treated as having distributed to any disqualified person the amount allocated to the account of such person in violation of paragraph (1) at the time of such allocation.

“(B) Cross reference.—

“For excise tax relating to violations of paragraph (1) and ownership of synthetic equity, see section 4979A.

“(3) Nonallocation year.—For purposes of this subsection—

“(A) In general.—The term ‘nonallocation year’ means any plan year of an employee stock ownership plan if, at any time during such plan year—

“(i) such plan holds employer securities consisting of stock in an S corporation, and

“(ii) disqualified persons own at least 50 percent of the number of shares of stock in the S corporation.

“(B) Attribution rules.—For purposes of subparagraph (A)—

“(i) In general.—The rules of section 318(a) shall apply for purposes of determining ownership, except that—

“(I) in applying paragraph (1) thereof, the members of an individual's family shall include members of the family described in paragraph (4)(D), and

“(II) paragraph (4) thereof shall not apply.

“(ii) Deemed-owned shares.—Notwithstanding the employee trust exception in section 318(a)(2)(B)(i), an individual shall be treated as owning deemed-owned shares of the individual.

Solely for purposes of applying paragraph (5), this subparagraph shall be applied after the attribution rules of paragraph (5) have been applied.

“(4) Disqualified person.—For purposes of this subsection—

“(A) In general.—The term ‘disqualified person’ means any person if—

“(i) the aggregate number of deemed-owned shares of such person and the members of such person's family is at least 20 percent of the number of deemed-owned shares of stock in the S corporation, or

“(ii) in the case of a person not described in clause (i), the number of deemed-owned shares of such person is at least 10 percent of the number of deemed-owned shares of stock in such corporation.

“(B) Treatment of family members.—In the case of a disqualified person described in subparagraph (A)(i), any member of such person's family with deemed-owned shares shall be treated as a disqualified person if not otherwise treated as a disqualified person under subparagraph (A).

“(C) Deemed-owned shares.—

“(i) In general.—The term ‘deemed-owned shares’ means, with respect to any person—

“(I) the stock in the S corporation constituting employer securities of an employee stock ownership plan which is allocated to such person under the plan, and

“(II) such person's share of the stock in such corporation which is held by such plan but which is not allocated under the plan to participants.

“(ii) Person's share of unallocated stock.—For purposes of clause (i)(II), a person's share of unallocated S corporation stock held by such plan is the amount of the unallocated stock which would be allocated to such person if the unallocated stock were allocated to all participants in the same proportions as the most recent stock allocation under the plan.

“(D) Member of family.—For purposes of this paragraph, the term ‘member of the family’ means, with respect to any individual—

“(i) the spouse of the individual,

“(ii) an ancestor or lineal descendant of the individual or the individual's spouse,

“(iii) a brother or sister of the individual or the individual's spouse and any lineal descendant of the brother or sister, and

“(iv) the spouse of any individual described in clause (ii) or (iii).

A spouse of an individual who is legally separated from such individual under a decree of divorce or separate maintenance shall not be treated as such individual's spouse for purposes of this subparagraph.

“(5) Treatment of synthetic equity.—For purposes of paragraphs (3) and (4), in the case of a person who owns synthetic equity in the S corporation, except to the extent provided in regulations, the shares of stock in such corporation on which such synthetic equity is based shall be treated as outstanding stock in such corporation and deemed-owned shares of such person if such treatment of synthetic equity of 1 or more such persons results in—

“(A) the treatment of any person as a disqualified person, or

“(B) the treatment of any year as a nonallocation year.

For purposes of this paragraph, synthetic equity shall be treated as owned by a person in the same manner as stock is treated as owned by a person under the rules of paragraphs (2) and (3) of section 318(a). If, without regard to this paragraph, a person is treated as a disqualified person or a year is treated as a nonallocation year, this paragraph shall not be construed to result in the person or year not being so treated.

“(6) Definitions.—For purposes of this subsection—

“(A) Employee stock ownership plan.—The term ‘employee stock ownership plan’ has the meaning given such term by section 4975(e)(7).

“(B) Employer securities.—The term ‘employer security’ has the meaning given such term by section 409(l).

“(C) Synthetic equity.—The term ‘synthetic equity’ means any stock option, warrant, restricted stock, deferred issuance stock right, or similar interest or right that gives the holder the right to acquire or receive stock of the S corporation in the future. Except to the extent provided in regulations, synthetic equity also includes a stock appreciation right, phantom stock unit, or similar right to a future cash payment based on the value of such stock or appreciation in such value.

“(7) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection.”.

(b) Coordination With Section 4975(e)(7).—The last sentence of section 4975(e)(7) (defining employee stock ownership plan) is amended by inserting “, section 409(p),” after “409(n)”.

(c) Excise Tax.—

(1) Application of tax.—Subsection (a) of section 4979A (relating to tax on certain prohibited allocations of employer securities) is amended—

(A) by striking “or” at the end of paragraph (1), and

(B) by striking all that follows paragraph (2) and inserting the following:

“(3) there is any allocation of employer securities which violates the provisions of section 409(p), or a nonallocation year described in subsection (e)(2)(C) with respect to an employee stock ownership plan, or

“(4) any synthetic equity is owned by a disqualified person in any nonallocation year,

there is hereby imposed a tax on such allocation or ownership equal to 50 percent of the amount involved.”.

(2) Liability.—Section 4979A(c) (defining liability for tax) is amended to read as follows:

“(c) Liability for Tax.—The tax imposed by this section shall be paid—

“(1) in the case of an allocation referred to in paragraph (1) or (2) of subsection (a), by—

“(A) the employer sponsoring such plan, or

“(B) the eligible worker-owned cooperative,

which made the written statement described in section 664(g)(1)(E) or in section 1042(b)(3)(B) (as the case may be), and

“(2) in the case of an allocation or ownership referred to in paragraph (3) or (4) of subsection (a), by the S corporation the stock in which was so allocated or owned.”.

(3) Definitions.—Section 4979A(e) (relating to definitions) is amended to read as follows:

“(e) Definitions and Special Rules.—For purposes of this section—

“(1) Definitions.—Except as provided in paragraph (2), terms used in this section have the same respective meanings as when used in sections 409 and 4978.

“(2) Special rules relating to tax imposed by reason of paragraph (3) or (4) of subsection (a).—

“(A) Prohibited allocations.—The amount involved with respect to any tax imposed by reason of subsection (a)(3) is the amount allocated to the account of any person in violation of section 409(p)(1).

“(B) Synthetic equity.—The amount involved with respect to any tax imposed by reason of subsection (a)(4) is the value of the shares on which the synthetic equity is based.

“(C) Special rule during first nonallocation year.—For purposes of subparagraph (A), the amount involved for the first nonallocation year of any employee stock ownership plan shall be determined by taking into account the total value of all the deemed-owned shares of all disqualified persons with respect to such plan.

“(D) Statute of limitations.—The statutory period for the assessment of any tax imposed by this section by reason of paragraph (3) or (4) of subsection (a) shall not expire before the date which is 3 years from the later of—

“(i) the allocation or ownership referred to in such paragraph giving rise to such tax, or

“(ii) the date on which the Secretary is notified of such allocation or ownership.”.

(d) Effective Dates.—

(1) In general.—The amendments made by this section shall apply to plan years beginning after December 31, 2002.

(2) Exception for certain plans.—In the case of any—

(A) employee stock ownership plan established after July 11, 2000, or

(B) employee stock ownership plan established on or before such date if employer securities held by the plan consist of stock in a corporation with respect to which an election under section 1362(a) of the Internal Revenue Code of 1986 is not in effect on such date,

the amendments made by this section shall apply to plan years ending after July 11, 2000.

SEC. 657. AUTOMATIC ROLLOVERS OF CERTAIN MANDATORY DISTRIBUTIONS.

(a) Direct Transfers of Mandatory Distributions.—

(1) In general.—Section 401(a)(31) (relating to optional direct transfer of eligible rollover distributions), as amended by section 643, is amended by redesignating subparagraphs (B), (C), and (D) as subparagraphs (C),

(D), and (E), respectively, and by inserting after subparagraph (A) the following new subparagraph:

"(B) CERTAIN MANDATORY DISTRIBUTIONS.—

"(i) IN GENERAL.—In case of a trust which is part of an eligible plan, such trust shall not constitute a qualified trust under this section unless the plan of which such trust is a part provides that if—

"(I) a distribution described in clause (ii) in excess of $1,000 is made, and

"(II) the distributee does not make an election under subparagraph (A) and does not elect to receive the distribution directly,

the plan administrator shall make such transfer to an individual retirement account or annuity of a designated trustee or issuer and shall notify the distributee in writing (either separately or as part of the notice under section 402(f)) that the distribution may be transferred without cost or penalty to another individual account or annuity.

"(ii) ELIGIBLE PLAN.—For purposes of clause (i), the term 'eligible plan' means a plan which provides that any nonforfeitable accrued benefit for which the present value (as determined under section 411(a)(11)) does not exceed $5,000 shall be immediately distributed to the participant.".

(2) CONFORMING AMENDMENTS.—

(A) The heading of section 401(a)(31) is amended by striking "OPTIONAL DIRECT" and inserting "DIRECT".

(B) Section 401(a)(31)(C), as redesignated by paragraph (1), is amended by striking "Subparagraph (A)" and inserting "Subparagraphs (A) and (B)".

(b) NOTICE REQUIREMENT.—Section 402(f)(1) (relating to written explanation to recipients of distributions eligible for rollover treatment) is amended by striking "and" at the end of subparagraph (C), by striking the period at the end of subparagraph (D), and by adding at the end the following new subparagraph:

"(E) if applicable, of the provision requiring a direct trustee-to-trustee transfer of a distribution under section 401(a)(31)(B) unless the recipient elects otherwise.".

(c) FIDUCIARY RULES.—

(1) IN GENERAL.—Section 404(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104(c)) is amended by adding at the end the following new paragraph:

"(3) In the case of a pension plan which makes a transfer to an individual retirement account or annuity of a designated trustee or issuer under section 401(a)(31)(B) of the Internal Revenue Code of 1986, the participant or beneficiary shall, for purposes of paragraph (1), be treated as exercising control over the assets in the account or annuity upon the earlier of—

"(A) a rollover of all or a portion of the amount to another individual retirement account or annuity; or

"(B) one year after the transfer is made.".

(2) REGULATIONS.—

(A) AUTOMATIC ROLLOVER SAFE HARBOR.—The Secretary of Labor shall promulgate regulations to provide guidance regarding meeting the fiduciary requirements of section 404(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104(a)) in the case of a pension plan which makes a transfer under section 401(a)(31)(B) of the Internal Revenue Code of 1986.

(B) USE OF LOW-COST INDIVIDUAL RETIREMENT PLANS.—The Secretary of the Treasury and the Secretary of Labor shall promulgate such regulations as necessary to encourage the use of low-cost individual retirement plans for purposes of transfers under section 401(a)(31)(B) of the Internal Revenue Code of 1986 and for other uses as appropriate to promote the preservation of assets for retirement income purposes.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after final regulations implementing subsection (c) are prescribed.

SEC. 658. CLARIFICATION OF TREATMENT OF CONTRIBUTIONS TO MULTIEMPLOYER PLAN.

(a) NOT CONSIDERED METHOD OF ACCOUNTING.—For purposes of section 446 of the Internal Revenue Code of 1986, a determination under section 404(a)(6) of such Code regarding the taxable year with respect to which a contribution to a multiemployer pension plan is deemed made shall not be treated as a method of accounting of the taxpayer. No deduction shall be allowed for any taxable year for any contribution to a multiemployer pension plan with respect to which a deduction was previously allowed.

(b) REGULATIONS.—The Secretary of the Treasury shall promulgate such regulations as necessary to clarify that a taxpayer shall not be allowed, with respect to any taxable year, an aggregate amount of deductions for contributions to a multiemployer pension plan which exceeds the amount of such contributions made or deemed made under section 404(a)(6) of the Internal Revenue Code of 1986 to such plan.

(c) EFFECTIVE DATE.—Subsection (a), and any regulations promulgated under subsection (b), shall be effective for years ending after the date of the enactment of this Act.

PART II—TREATMENT OF PLAN AMENDMENTS REDUCING FUTURE BENEFIT ACCRUALS

SEC. 659. NOTICE REQUIRED FOR PENSION PLAN AMENDMENTS HAVING THE EFFECT OF SIGNIFICANTLY REDUCING FUTURE BENEFIT ACCRUALS.

(a) EXCISE TAX.—

(1) IN GENERAL.—Chapter 43 (relating to qualified pension, etc., plans) is amended by adding at the end the following new section:

"SEC. 4980F. FAILURE TO PROVIDE NOTICE OF PENSION PLAN AMENDMENTS REDUCING BENEFIT ACCRUALS.

"(a) IMPOSITION OF TAX.—There is hereby imposed a tax on the failure of an applicable pension plan to meet the requirements of subsection (e) with respect to any applicable individual.

"(b) AMOUNT OF TAX.—

"(1) IN GENERAL.—The amount of the tax imposed by subsection (a) on any failure with respect to any applicable individual shall be $100 for each day in the noncompliance period with respect to such failure.

"(2) NONCOMPLIANCE PERIOD.—For purposes of this section, the term 'noncompliance period' means, with respect to any failure, the period beginning on the date the failure first occurs and ending on the date the notice to which the failure relates is provided or the failure is otherwise corrected.

"(c) LIMITATIONS ON AMOUNT OF TAX.—

"(1) TAX NOT TO APPLY WHERE FAILURE NOT DISCOVERED AND REASONABLE DILIGENCE EXERCISED.—No tax shall be imposed by subsection (a) on any failure during any period for which it is established to the satisfaction of the Secretary that any person subject to liability for the tax under subsection (d) did not know that the failure existed and exercised reasonable diligence to meet the requirements of subsection (e).

"(2) TAX NOT TO APPLY TO FAILURES CORRECTED WITHIN 30 DAYS.—No tax shall be imposed by subsection (a) on any failure if—

"(A) any person subject to liability for the tax under subsection (d) exercised reasonable diligence to meet the requirements of subsection (e), and

"(B) such person provides the notice described in subsection (e) during the 30-day period beginning on the first date such person knew, or exercising reasonable diligence would have known, that such failure existed.

"(3) OVERALL LIMITATION FOR UNINTENTIONAL FAILURES.—

"(A) IN GENERAL.—If the person subject to liability for tax under subsection (d) exercised reasonable diligence to meet the requirements of subsection (e), the tax imposed by subsection (a) for failures during the taxable year of the employer (or, in the case of a multiemployer plan, the taxable year of the trust forming part of the plan) shall not exceed $500,000. For purposes of the preceding sentence, all multiemployer plans of which the same trust forms a part shall be treated as 1 plan.

"(B) TAXABLE YEARS IN THE CASE OF CERTAIN CONTROLLED GROUPS.—For purposes of this paragraph, if all persons who are treated as a single employer for purposes of this section do not have the same taxable year, the taxable years taken into account shall be determined under principles similar to the principles of section 1561.

"(4) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive or otherwise inequitable relative to the failure involved.

"(d) LIABILITY FOR TAX.—The following shall be liable for the tax imposed by subsection (a):

"(1) In the case of a plan other than a multiemployer plan, the employer.

"(2) In the case of a multiemployer plan, the plan.

"(e) NOTICE REQUIREMENTS FOR PLAN AMENDMENTS SIGNIFICANTLY REDUCING BENEFIT ACCRUALS.—

"(1) IN GENERAL.—If the sponsor of an applicable pension plan adopts an amendment which has the effect of significantly reducing the rate of future benefit accrual of 1 or more participants, the plan administrator shall, not later than the 45th day before the effective date of the amendment, provide written notice to each applicable individual (and to each employee organization representing applicable individuals) which—

"(A) sets forth a summary of the plan amendment and the effective date of the amendment,

"(B) includes a statement that the plan amendment is expected to significantly reduce the rate of future benefit accrual,

"(C) includes a description of the classes of employees reasonably expected to be affected by the reduction in the rate of future benefit accrual,

"(D) sets forth examples illustrating how the plan will change benefits for such classes of employees,

"(E) if paragraph (2) applies to the plan amendment, includes a notice that the plan administrator will provide a benefit estimation tool kit described in paragraph (2)(B) to each applicable individual no later than the date required under paragraph (2)(A), and

"(F) includes a notice of each applicable individual's right under Federal law to receive, and of the procedures for requesting, an annual benefit statement.

"(2) REQUIREMENT TO PROVIDE BENEFIT ESTIMATION TOOL KIT.—

"(A) IN GENERAL.—If a plan amendment results in the significant restructuring of the plan benefit formula (as determined under regulations prescribed by the Secretary), the plan administrator shall, not later than the 15th day before the effective date of the amendment, provide a benefit estimation tool kit described in subparagraph (B) to each applicable individual. If such plan amendment occurs within 12 months of an event described in section 410(b)(6)(C), the plan administrator shall in no event be required to provide the benefit estimation tool kit to applicable individuals affected by the event before the date which is 12 months after the date on which notice under paragraph (1) is given to such applicable individuals.

“(B) BENEFIT ESTIMATION TOOL KIT.—The benefit estimation tool kit described in this subparagraph shall include the following information:

“(i) Sufficient information to enable an applicable individual to estimate the individual's projected benefits under the terms of the plan in effect both before and after the adoption of the amendment.

“(ii) The formulas and actuarial assumptions necessary to estimate under both such plan terms a single life annuity at appropriate ages, and, when available, a lump sum distribution.

“(iii) The interest rate used to compute a lump sum distribution and information as to whether the value of any early retirement benefit or retirement-type subsidy (within the meaning of section 411(d)(6)(B)(i)) is included in the lump sum distribution.

“(3) NOTICE TO DESIGNEE.—Any notice under paragraph (1) or (2) may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

“(4) FORM OF EXPLANATION.—The information required to be provided under this subsection shall be provided in a manner calculated to be reasonably understood by the average plan participant.

“(f) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

“(1) APPLICABLE INDIVIDUAL.—

“(A) IN GENERAL.—The term ‘applicable individual’ means, with respect to any plan amendment—

“(i) each participant in the plan, and

“(ii) any beneficiary who is an alternate payee (within the meaning of section 414(p)(8)) under an applicable qualified domestic relations order (within the meaning of section 414(p)(1)(A)),

whose rate of future benefit accrual under the plan may reasonably be expected to be significantly reduced by such plan amendment.

“(B) EXCEPTION FOR PARTICIPANTS WITH LESS THAN 1 YEAR OF PARTICIPATION.—Such term shall not include a participant who has less than 1 year of participation (within the meaning of section 411(b)(4)) under the plan as of the effective date of the plan amendment.

“(2) APPLICABLE PENSION PLAN.—The term ‘applicable pension plan’ means—

“(A) a defined benefit plan, or

“(B) an individual account plan which is subject to the funding standards of section 412.

Such term shall not include a governmental plan (within the meaning of section 414(d)), a church plan (within the meaning of section 414(e)) with respect to which an election under section 410(d) has not been made, or any other plan to which section 204(h) of the Employee Retirement Income Security Act of 1974 does not apply.

“(3) EARLY RETIREMENT.—A plan amendment which eliminates or significantly reduces any early retirement benefit or retirement-type subsidy (within the meaning of section 411(d)(6)(B)(i)) shall be treated as having the effect of significantly reducing the rate of future benefit accrual.

“(g) REGULATIONS.—The Secretary shall, not later than 1 year after the date of the enactment of this section, issue—

“(1) the regulations described in subsection (e)(2)(A) and section 204(h)(2)(A) of the Employee Retirement Income Security Act of 1974, and

“(2) guidance for both of the examples described in subsection (e)(1)(D) and section 204(h)(1)(D) of the Employee Retirement Income Security Act of 1974 and the benefit estimation tool kit described in subsection (e)(2)(B) and section 204(h)(2)(B) of the Employee Retirement Income Security Act of 1974.

“(h) NEW TECHNOLOGIES.—The Secretary may by regulation allow any notice under paragraph (1) or (2) of subsection (e) to be provided by using new technologies. Such regulations shall ensure that at least one option for providing such notice is not dependent on new technologies.”

(2) CONFORMING AMENDMENT.—The table of sections for chapter 43 is amended by adding at the end the following new item:

“Sec. 4980F. Failure to provide notice of pension plan amendments reducing benefit accruals.”

(b) AMENDMENT OF ERISA.—Section 204(h) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(h)) is amended to read as follows:

“(h)(1) If an applicable pension plan is amended so as to provide a significant reduction in the rate of future benefit accrual of 1 or more participants, the plan administrator shall, not later than the 45th day before the effective date of the amendment, provide written notice to each applicable individual (and to each employee organization representing applicable individuals) which—

“(A) sets forth a summary of the plan amendment and the effective date of the amendment,

“(B) includes a statement that the plan amendment is expected to significantly reduce the rate of future benefit accrual,

“(C) includes a description of the classes of employees reasonably expected to be affected by the reduction in the rate of future benefit accrual,

“(D) sets forth examples illustrating how the plan will change benefits for such classes of employees,

“(E) if paragraph (2) applies to the plan amendment, includes a notice that the plan administrator will provide a benefit estimation tool kit described in paragraph (2)(B) to each applicable individual no later than the date required under paragraph (2)(A), and

“(F) includes a notice of each applicable individual's right under Federal law to receive, and of the procedures for requesting, an annual benefit statement.

“(2)(A) If a plan amendment results in the significant restructuring of the plan benefit formula (as determined under regulations prescribed by the Secretary of the Treasury), the plan administrator shall, not later than the 15th day before the effective date of the amendment, provide a benefit estimation tool kit described in subparagraph (B) to each applicable individual. If such plan amendment occurs within 12 months of an event described in section 410(b)(6)(C) of the Internal Revenue Code of 1986, the plan administrator shall in no event be required to provide the benefit estimation tool kit to applicable individuals affected by the event before the date which is 12 months after the date on which notice under paragraph (1) is given to such applicable individuals.

“(B) The benefit estimation tool kit described in this subparagraph shall include the following information:

“(i) Sufficient information to enable an applicable individual to estimate the individual's projected benefits under the terms of the plan in effect both before and after the adoption of the amendment.

“(ii) The formulas and actuarial assumptions necessary to estimate under both such plan terms a single life annuity at appropriate ages, and, when available, a lump sum distribution.

“(iii) The interest rate used to compute a lump sum distribution and information as to whether the value of any early retirement benefit or retirement-type subsidy (within the meaning of subsection (g)(2)(A)) is included in the lump sum distribution.

“(3) Any notice under paragraph (1) or (2) may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

“(4) The information required to be provided under this subsection shall be provided in a manner calculated to be reasonably understood by the average participant.

“(5)(A) In the case of any failure to exercise due diligence in meeting any requirement of this subsection with respect to any plan amendment, the provisions of the applicable pension plan shall be applied as if such plan amendment entitled all applicable individuals to the greater of—

“(i) the benefits to which they would have been entitled without regard to such amendment, or

“(ii) the benefits under the plan with regard to such amendment.

“(B) For purposes of subparagraph (A), there is a failure to exercise due diligence in meeting the requirements of this subsection if such failure is within the control of the plan sponsor and is—

“(i) an intentional failure (including any failure to promptly provide the required notice or information after the plan administrator discovers an unintentional failure to meet the requirements of this subsection),

“(ii) a failure to provide most of the individuals with most of the information they are entitled to receive under this subsection, or

“(iii) a failure to exercise due diligence which is determined under regulations prescribed by the Secretary of the Treasury.

“(C) For excise tax on failure to meet requirements, see section 4980F of the Internal Revenue Code of 1986.

“(5)(A) For purposes of this subsection, the term ‘applicable individual’ means, with respect to any plan amendment—

“(i) each participant in the plan, and

“(ii) any beneficiary who is an alternate payee (within the meaning of section 206(d)(3)(K)) under an applicable qualified domestic relations order (within the meaning of section 206(d)(3)(B)),

whose rate of future benefit accrual under the plan may reasonably be expected to be significantly reduced by such plan amendment.

“(B) Such term shall not include a participant who has less than 1 year of participation (within the meaning of subsection (b)(4)) under the plan as of the effective date of the plan amendment.

“(6) For purposes of this subsection, the term ‘applicable pension plan’ means—

“(A) a defined benefit plan, or

“(B) an individual account plan which is subject to the funding standards of section 302.

"(7) For purposes of this subsection, a plan amendment which eliminates or significantly reduces any early retirement benefit or retirement-type subsidy (within the meaning of section 204(g)(2)(A)) shall be treated as having the effect of significantly reducing the rate of future benefit accrual.

"(8) The Secretary of the Treasury may by regulation allow any notice under this subsection to be provided by using new technologies. Such regulation shall ensure that at least one option for providing such notice is not dependent on new technologies."

(c) REGULATIONS RELATING TO EARLY RETIREMENT SUBSIDIES.—The Secretary of the Treasury or the Secretary's delegate shall, not later than 1 year after the date of the enactment of this Act, issue regulations relating to early retirement benefits or retirement-type subsidies described in section 411(d)(6)(B)(i) of the Internal Revenue Code of 1986 and section 204(g)(2)(A) of the Employee Retirement Income Security Act of 1974.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan amendments taking effect on or after the date of the enactment of this Act.

(2) TRANSITION.—Until such time as the Secretary of the Treasury issues regulations under section 4980F(e)(2) of the Internal Revenue Code of 1986 and section 204(h)(2) of the Employee Retirement Income Security Act of 1974 (as added by the amendments made by this section), a plan shall be treated as meeting the requirements of such sections if it makes a good faith effort to comply with such requirements.

(3) SPECIAL NOTICE RULES.—The period for providing any notice required by the amendments made by this section shall not end before the date which is 3 months after the date of the enactment of this Act.

(d) STUDY.—The Secretary of the Treasury shall prepare a report on the effects of significant restructurings of plan benefit formulas of traditional defined benefit plans. Such study shall examine the effects of such restructurings on longer service participants, including the incidence and effects of "wear away" provisions under which participants earn no additional benefits for a period of time after restructuring. As soon as practicable, but not later than one year after the date of enactment of this Act, the Secretary shall submit such report, together with recommendations thereon, to the Committee on Ways and Means and the Committee on Education and the Workforce of the House of Representatives and the Committee on Finance and the Committee on Health, Education, Labor, and Pensions of the Senate.

Subtitle F—Reducing Regulatory Burdens

SEC. 661. MODIFICATION OF TIMING OF PLAN VALUATIONS.

(a) IN GENERAL.—Paragraph (9) of section 412(c) (relating to annual valuation) is amended to read as follows:

"(9) ANNUAL VALUATION.—

"(A) IN GENERAL.—For purposes of this section, a determination of experience gains and losses and a valuation of the plan's liability shall be made not less frequently than once every year, except that such determination shall be made more frequently to the extent required in particular cases under regulations prescribed by the Secretary.

"(B) VALUATION DATE.—

"(i) CURRENT YEAR.—Except as provided in clause (ii), the valuation referred to in subparagraph (A) shall be made as of a date within the plan year to which the valuation refers or within one month prior to the beginning of such year.

"(ii) ELECTION TO USE PRIOR YEAR VALUATION.—The valuation referred to in subparagraph (A) may be made as of a date within the plan year prior to the year to which the valuation refers if—

"(I) an election is in effect under this clause with respect to the plan, and

"(II) as of such date, the value of the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)).

"(iii) ADJUSTMENTS.—Information under clause (ii) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

"(iv) ELECTION.—An election under clause (ii), once made, shall be irrevocable without the consent of the Secretary.".

(b) AMENDMENT OF ERISA.—Paragraph (9) of section 302(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(c)) is amended—

(1) by inserting "(A)" after "(9)", and

(2) by adding at the end the following:

"(B)(i) Except as provided in clause (ii), the valuation referred to in subparagraph (A) shall be made as of a date within the plan year to which the valuation refers or within one month prior to the beginning of such year.

"(ii) The valuation referred to in subparagraph (A) may be made as of a date within the plan year prior to the year to which the valuation refers if—

"(I) an election is in effect under this clause with respect to the plan, and

"(II) as of such date, the value of the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)).

"(iii) Information under clause (ii) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

"(iv) An election under clause (ii), once made, shall be irrevocable without the consent of the Secretary of the Treasury.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2001.

SEC. 662. ESOP DIVIDENDS MAY BE REINVESTED WITHOUT LOSS OF DIVIDEND DEDUCTION.

(a) IN GENERAL.—Section 404(k)(2)(A) (defining applicable dividends) is amended by striking "or" at the end of clause (ii), by redesignating clause (iii) as clause (iv), and by inserting after clause (ii) the following new clause:

"(iii) is, at the election of such participants or their beneficiaries—

"(I) payable as provided in clause (i) or (ii), or

"(II) paid to the plan and reinvested in qualifying employer securities, or".

(b) LIMITATION ON AMOUNT OF DEDUCTION.—Section 404(k)(1) (relating to deduction for dividends paid on certain employer securities) is amended to read as follows:

"(1) DEDUCTION ALLOWED.—

"(A) IN GENERAL.—In the case of a C corporation, there shall be allowed as a deduction for the taxable year an amount equal to—

"(i) the amount of any applicable dividend described in clause (i), (ii), or (iv) of paragraph (2)(A), and

"(ii) the applicable percentage of any applicable dividend described in clause (iii),

paid in cash by such corporation during the taxable year with respect to applicable employer securities. Such deduction shall be in addition to the deduction allowed subsection (a).

"(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in:	The applicable percentage is:
2002, 2003, and 2004	25 percent
2005, 2006, and 2007	50 percent
2008, 2009, and 2010	75 percent
2011 and thereafter	100 percent

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 663. REPEAL OF TRANSITION RULE RELATING TO CERTAIN HIGHLY COMPENSATED EMPLOYEES.

(a) IN GENERAL.—Paragraph (4) of section 1114(c) of the Tax Reform Act of 1986 is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to plan years beginning after December 31, 2001.

SEC. 664. EMPLOYEES OF TAX-EXEMPT ENTITIES.

(a) IN GENERAL.—The Secretary of the Treasury shall modify Treasury Regulations section 1.410(b)–6(g) to provide that employees of an organization described in section 403(b)(1)(A)(i) of the Internal Revenue Code of 1986 who are eligible to make contributions under section 403(b) of such Code pursuant to a salary reduction agreement may be treated as excludable with respect to a plan under section 401(k) or (m) of such Code that is provided under the same general arrangement as a plan under such section 401(k), if—

(1) no employee of an organization described in section 403(b)(1)(A)(i) of such Code is eligible to participate in such section 401(k) plan or section 401(m) plan; and

(2) 95 percent of the employees who are not employees of an organization described in section 403(b)(1)(A)(i) of such Code are eligible to participate in such plan under such section 401(k) or (m).

(b) EFFECTIVE DATE.—The modification required by subsection (a) shall apply as of the same date set forth in section 1426(b) of the Small Business Job Protection Act of 1996.

SEC. 665. CLARIFICATION OF TREATMENT OF EMPLOYER-PROVIDED RETIREMENT ADVICE.

(a) IN GENERAL.—Subsection (a) of section 132 (relating to exclusion from gross income) is amended by striking "or" at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting ", or", and by adding at the end the following new paragraph:

"(7) qualified retirement planning services.".

(b) QUALIFIED RETIREMENT PLANNING SERVICES DEFINED.—Section 132 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following:

"(m) QUALIFIED RETIREMENT PLANNING SERVICES.—

"(1) IN GENERAL.—For purposes of this section, the term 'qualified retirement planning services' means any retirement planning advice or information provided to an employee and his spouse by an employer maintaining a qualified employer plan.

"(2) NONDISCRIMINATION RULE.—Subsection (a)(7) shall apply in the case of highly compensated employees only if such services are available on substantially the same terms to each member of the group of employees normally provided education and information regarding the employer's qualified employer plan.

"(3) QUALIFIED EMPLOYER PLAN.—For purposes of this subsection, the term 'qualified employer plan' means a plan, contract, pension, or account described in section 219(g)(5).".

(c) Effective Date.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 666. REPORTING SIMPLIFICATION.

(a) Simplified Annual Filing Requirement for Owners and Their Spouses.—

(1) In general.—The Secretary of the Treasury shall modify the requirements for filing annual returns with respect to one-participant retirement plans to ensure that such plans with assets of $250,000 or less as of the close of the plan year and each plan year beginning on or after January 1, 1994, need not file a return for that year.

(2) One-participant retirement plan defined.—For purposes of this subsection, the term "one-participant retirement plan" means a retirement plan that—

(A) on the first day of the plan year—

(i) covered only the employer (and the employer's spouse) and the employer owned the entire business (whether or not incorporated); or

(ii) covered only one or more partners (and their spouses) in a business partnership (including partners in an S or C corporation);

(B) meets the minimum coverage requirements of section 410(b) of the Internal Revenue Code of 1986 without being combined with any other plan of the business that covers the employees of the business;

(C) does not provide benefits to anyone except the employer (and the employer's spouse) or the partners (and their spouses);

(D) does not cover a business that is a member of an affiliated service group, a controlled group of corporations, or a group of businesses under common control; and

(E) does not cover a business that leases employees.

(3) Other definitions.—Terms used in paragraph (2) which are also used in section 414 of the Internal Revenue Code of 1986 shall have the respective meanings given such terms by such section.

(b) Effective Date.—The provisions of this section shall take effect on January 1, 2002.

SEC. 667. IMPROVEMENT OF EMPLOYEE PLANS COMPLIANCE RESOLUTION SYSTEM.

The Secretary of the Treasury shall continue to update and improve the Employee Plans Compliance Resolution System (or any successor program) giving special attention to—

(1) increasing the awareness and knowledge of small employers concerning the availability and use of the program;

(2) taking into account special concerns and circumstances that small employers face with respect to compliance and correction of compliance failures;

(3) extending the duration of the self-correction period under the Self-Correction Program for significant compliance failures;

(4) expanding the availability to correct insignificant compliance failures under the Self-Correction Program during audit; and

(5) assuring that any tax, penalty, or sanction that is imposed by reason of a compliance failure is not excessive and bears a reasonable relationship to the nature, extent, and severity of the failure:

SEC. 668. REPEAL OF THE MULTIPLE USE TEST.

(a) In General.—Paragraph (9) of section 401(m) is amended to read as follows:

"(9) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection and subsection (k), including regulations permitting appropriate aggregation of plans and contributions.".

(b) Effective Date.—The amendment made by this section shall apply to years beginning after December 31, 2001.

SEC. 669. FLEXIBILITY IN NONDISCRIMINATION, COVERAGE, AND LINE OF BUSINESS RULES.

(a) Nondiscrimination.—

(1) In general.—The Secretary of the Treasury shall, by regulation, provide that a plan shall be deemed to satisfy the requirements of section 401(a)(4) of the Internal Revenue Code of 1986 if such plan satisfies the facts and circumstances test under section 401(a)(4) of such Code, as in effect before January 1, 1994, but only if—

(A) the plan satisfies conditions prescribed by the Secretary to appropriately limit the availability of such test; and

(B) the plan is submitted to the Secretary for a determination of whether it satisfies such test.

Subparagraph (B) shall only apply to the extent provided by the Secretary.

(2) Effective dates.—

(A) Regulations.—The regulation required by paragraph (1) shall apply to years beginning after December 31, 2001.

(B) Conditions of availability.—Any condition of availability prescribed by the Secretary under paragraph (1)(A) shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

(b) Coverage Test.—

(1) In general.—Section 410(b)(1) (relating to minimum coverage requirements) is amended by adding at the end the following:

"(D) In the case that the plan fails to meet the requirements of subparagraphs (A), (B) and (C), the plan—

"(i) satisfies subparagraph (B), as in effect immediately before the enactment of the Tax Reform Act of 1986,

"(ii) is submitted to the Secretary for a determination of whether it satisfies the requirement described in clause (i), and

"(iii) satisfies conditions prescribed by the Secretary by regulation that appropriately limit the availability of this subparagraph.

Clause (ii) shall apply only to the extent provided by the Secretary.".

(2) Effective dates.—

(A) In general.—The amendment made by paragraph (1) shall apply to years beginning after December 31, 2001.

(B) Conditions of availability.—Any condition of availability prescribed by the Secretary under regulations prescribed by the Secretary under section 410(b)(1)(D) of the Internal Revenue Code of 1986 shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

(c) Line of Business Rules.—The Secretary of the Treasury shall, on or before December 31, 2001, modify the existing regulations issued under section 414(r) of the Internal Revenue Code of 1986 in order to expand (to the extent that the Secretary determines appropriate) the ability of a pension plan to demonstrate compliance with the line of business requirements based upon the facts and circumstances surrounding the design and operation of the plan, even though the plan is unable to satisfy the mechanical tests currently used to determine compliance.

SEC. 670. EXTENSION TO ALL GOVERNMENTAL PLANS OF MORATORIUM ON APPLICATION OF CERTAIN NONDISCRIMINATION RULES APPLICABLE TO STATE AND LOCAL PLANS.

(a) In General.—

(1) Subparagraph (G) of section 401(a)(5) and subparagraph (H) of section 401(a)(26) are each amended by striking "section 414(d))" and all that follows and inserting "section 414(d)).".

(2) Subparagraph (G) of section 401(k)(3) and paragraph (2) of section 1505(d) of the Taxpayer Relief Act of 1997 are each amended by striking "maintained by a State or local government or political subdivision thereof (or agency or instrumentality thereof)".

(b) Conforming Amendments.—

(1) The heading for subparagraph (G) of section 401(a)(5) is amended to read as follows: "Governmental plans".

(2) The heading for subparagraph (H) of section 401(a)(26) is amended to read as follows: "Exception for governmental plans".

(3) Subparagraph (G) of section 401(k)(3) is amended by inserting "Governmental plans.—" after "(G)".

(c) Effective Date.—The amendments made by this section shall apply to years beginning after December 31, 2001.

Subtitle G—Other ERISA Provisions

SEC. 681. MISSING PARTICIPANTS.

(a) In General.—Section 4050 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1350) is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following new subsection:

"(c) Multiemployer Plans.—The corporation shall prescribe rules similar to the rules in subsection (a) for multiemployer plans covered by this title that terminate under section 4041A.

"(d) Plans Not Otherwise Subject to Title.—

"(1) Transfer to corporation.—The plan administrator of a plan described in paragraph (4) may elect to transfer a missing participant's benefits to the corporation upon termination of the plan.

"(2) Information to the corporation.—To the extent provided in regulations, the plan administrator of a plan described in paragraph (4) shall, upon termination of the plan, provide the corporation information with respect to benefits of a missing participant if the plan transfers such benefits—

"(A) to the corporation, or

"(B) to an entity other than the corporation or a plan described in paragraph (4)(B)(ii).

"(3) Payment by the corporation.—If benefits of a missing participant were transferred to the corporation under paragraph (1), the corporation shall, upon location of the participant or beneficiary, pay to the participant or beneficiary the amount transferred (or the appropriate survivor benefit) either—

"(A) in a single sum (plus interest), or

"(B) in such other form as is specified in regulations of the corporation.

"(4) Plans described.—A plan is described in this paragraph if—

"(A) the plan is a pension plan (within the meaning of section 3(2))—

"(i) to which the provisions of this section do not apply (without regard to this subsection), and

"(ii) which is not a plan described in paragraphs (2) through (11) of section 4021(b), and

"(B) at the time the assets are to be distributed upon termination, the plan—

"(i) has missing participants, and

"(ii) has not provided for the transfer of assets to pay the benefits of all missing participants to another pension plan (within the meaning of section 3(2)).

"(5) Certain provisions not to apply.—Subsections (a)(1) and (a)(3) shall not apply to a plan described in paragraph (4).".

(b) Effective Date.—The amendment made by this section shall apply to distributions made after final regulations implementing subsections (c) and (d) of section 4050 of the Employee Retirement Income Security Act of 1974 (as added by subsection (a)), respectively, are prescribed.

SEC. 682. REDUCED PBGC PREMIUM FOR NEW PLANS OF SMALL EMPLOYERS.

(a) In General.—Subparagraph (A) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(A)) is amended—

(1) in clause (i), by inserting "other than a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined)," after "single-employer plan,",

(2) in clause (iii), by striking the period at the end and inserting ", and", and

(3) by adding at the end the following new clause:

"(iv) in the case of a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined) for the plan year, $5 for each individual who is a participant in such plan during the plan year.".

(b) Definition of New Single-Employer Plan.—Section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amended by adding at the end the following new subparagraph:

"(F)(i) For purposes of this paragraph, a single-employer plan maintained by a contributing sponsor shall be treated as a new single-employer plan for each of its first 5 plan years if, during the 36-month period ending on the date of the adoption of such plan, the sponsor or any member of such sponsor's controlled group (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new single-employer plan.

"(ii)(I) For purposes of this paragraph, the term 'small employer' means an employer which on the first day of any plan year has, in aggregation with all members of the controlled group of such employer, 100 or fewer employees.

"(II) In the case of a plan maintained by two or more contributing sponsors that are not part of the same controlled group, the employees of all contributing sponsors and controlled groups of such sponsors shall be aggregated for purposes of determining whether any contributing sponsor is a small employer.".

(c) Effective Date.—The amendments made by this section shall apply to plans established after December 31, 2001.

SEC. 683. REDUCTION OF ADDITIONAL PBGC PREMIUM FOR NEW AND SMALL PLANS.

(a) New Plans.—Subparagraph (E) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(E)) is amended by adding at the end the following new clause:

"(v) In the case of a new defined benefit plan, the amount determined under clause (ii) for any plan year shall be an amount equal to the product of the amount determined under clause (ii) and the applicable percentage. For purposes of this clause, the term 'applicable percentage' means—

"(I) 0 percent, for the first plan year.

"(II) 20 percent, for the second plan year.

"(III) 40 percent, for the third plan year.

"(IV) 60 percent, for the fourth plan year.

"(V) 80 percent, for the fifth plan year.

For purposes of this clause, a defined benefit plan (as defined in section 3(35)) maintained by a contributing sponsor shall be treated as a new defined benefit plan for each of its first 5 plan years if, during the 36-month period ending on the date of the adoption of the plan, the sponsor and each member of any controlled group including the sponsor (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new plan.".

(b) Small Plans.—Paragraph (3) of section 4006(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)), as amended by section 682(b), is amended—

(1) by striking "The" in subparagraph (E)(i) and inserting "Except as provided in subparagraph (G), the", and

(2) by inserting after subparagraph (F) the following new subparagraph:

"(G)(i) In the case of an employer who has 25 or fewer employees on the first day of the plan year, the additional premium determined under subparagraph (E) for each participant shall not exceed $5 multiplied by the number of participants in the plan as of the close of the preceding plan year.

"(ii) For purposes of clause (i), whether an employer has 25 or fewer employees on the first day of the plan year is determined taking into consideration all of the employees of all members of the contributing sponsor's controlled group. In the case of a plan maintained by two or more contributing sponsors, the employees of all contributing sponsors and their controlled groups shall be aggregated for purposes of determining whether the 25-or-fewer-employees limitation has been satisfied.".

(c) Effective Dates.—

(1) Subsection (a).—The amendments made by subsection (a) shall apply to plans established after December 31, 2001.

(2) Subsection (b).—The amendments made by subsection (b) shall apply to plan years beginning after December 31, 2001.

SEC. 684. AUTHORIZATION FOR PBGC TO PAY INTEREST ON PREMIUM OVERPAYMENT REFUNDS.

(a) In General.—Section 4007(b) of the Employment Retirement Income Security Act of 1974 (29 U.S.C. 1307(b)) is amended—

(1) by striking "(b)" and inserting "(b)(1)", and

(2) by inserting at the end the following new paragraph:

"(2) The corporation is authorized to pay, subject to regulations prescribed by the corporation, interest on the amount of any overpayment of premium refunded to a designated payor. Interest under this paragraph shall be calculated at the same rate and in the same manner as interest is calculated for underpayments under paragraph (1).".

(b) Effective Date.—The amendment made by subsection (a) shall apply to interest accruing for periods beginning not earlier than the date of the enactment of this Act.

SEC. 685. SUBSTANTIAL OWNER BENEFITS IN TERMINATED PLANS.

(a) Modification of Phase-In of Guarantee.—Section 4022(b)(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1322(b)(5)) is amended to read as follows:

"(5)(A) For purposes of this paragraph, the term 'majority owner' means an individual who, at any time during the 60-month period ending on the date the determination is being made—

"(i) owns the entire interest in an unincorporated trade or business,

"(ii) in the case of a partnership, is a partner who owns, directly or indirectly, 50 percent or more of either the capital interest or the profits interest in such partnership, or

"(iii) in the case of a corporation, owns, directly or indirectly, 50 percent or more in value of either the voting stock of that corporation or all the stock of that corporation. For purposes of clause (iii), the constructive ownership rules of section 1563(e) of the Internal Revenue Code of 1986 shall apply (determined without regard to section 1563(e)(3)(C)).

"(B) In the case of a participant who is a majority owner, the amount of benefits guaranteed under this section shall equal the product of—

"(i) a fraction (not to exceed 1) the numerator of which is the number of years from the later of the effective date or the adoption date of the plan to the termination date, and the denominator of which is 10, and

"(ii) the amount of benefits that would be guaranteed under this section if the participant were not a majority owner.".

(b) Modification of Allocation of Assets.—

(1) Section 4044(a)(4)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1344(a)(4)(B)) is amended by striking "section 4022(b)(5)" and inserting "section 4022(b)(5)(B)".

(2) Section 4044(b) of such Act (29 U.S.C. 1344(b)) is amended—

(A) by striking "(5)" in paragraph (2) and inserting "(4), (5),", and

(B) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively, and by inserting after paragraph (2) the following new paragraph:

"(3) If assets available for allocation under paragraph (4) of subsection (a) are insufficient to satisfy in full the benefits of all individuals who are described in that paragraph, the assets shall be allocated first to benefits described in subparagraph (A) of that paragraph. Any remaining assets shall then be allocated to benefits described in subparagraph (B) of that paragraph. If assets allocated to such subparagraph (B) are insufficient to satisfy in full the benefits described in that subparagraph, the assets shall be allocated pro rata among individuals on the basis of the present value (as of the termination date) of their respective benefits described in that subparagraph.".

(c) Conforming Amendments.—

(1) Section 4021 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1321) is amended—

(A) in subsection (b)(9), by striking "as defined in section 4022(b)(6)", and

(B) by adding at the end the following new subsection:

"(d) For purposes of subsection (b)(9), the term 'substantial owner' means an individual who, at any time during the 60-month period ending on the date the determination is being made—

"(1) owns the entire interest in an unincorporated trade or business,

"(2) in the case of a partnership, is a partner who owns, directly or indirectly, more than 10 percent of either the capital interest or the profits interest in such partnership, or

"(3) in the case of a corporation, owns, directly or indirectly, more than 10 percent in value of either the voting stock of that corporation or all the stock of that corporation. For purposes of paragraph (3), the constructive ownership rules of section 1563(e) of the Internal Revenue Code of 1986 shall apply (determined without regard to section 1563(e)(3)(C)).".

(2) Section 4043(c)(7) of such Act (29 U.S.C. 1343(c)(7)) is amended by striking "section 4022(b)(6)" and inserting "section 4021(d)".

(d) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to plan terminations—

(A) under section 4041(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1341(c)) with respect to which notices of intent to terminate are provided under section 4041(a)(2) of such Act (29 U.S.C. 1341(a)(2)) after December 31, 2001, and

(B) under section 4042 of such Act (29 U.S.C. 1342) with respect to which proceedings are instituted by the corporation after such date.

(2) Conforming amendments.—The amendments made by subsection (c) shall take effect on January 1, 2002.

Subtitle H—Miscellaneous Provisions

SEC. 691. TAX TREATMENT AND INFORMATION REQUIREMENTS OF ALASKA NATIVE SETTLEMENT TRUSTS.

(a) Treatment of Alaska Native Settlement Trusts.—Subpart A of part I of subchapter J of chapter 1 (relating to general rules for taxation of trusts and estates) is amended by adding at the end the following new section:

“SEC. 646. TAX TREATMENT OF ELECTING ALASKA NATIVE SETTLEMENT TRUSTS.

“(a) In General.—If an election under this section is in effect with respect to any Settlement Trust, the provisions of this section shall apply in determining the income tax treatment of the Settlement Trust and its beneficiaries with respect to the Settlement Trust.

“(b) Taxation of Income of Trust.—Except as provided in subsection (f)(1)(B)(ii)—

“(1) In general.—There is hereby imposed on the taxable income of an electing Settlement Trust, other than its net capital gain, a tax at the lowest rate specified in section 1(c).

“(2) Capital gain.—In the case of an electing Settlement Trust with a net capital gain for the taxable year, a tax is hereby imposed on such gain at the rate of tax which would apply to such gain if the taxpayer were subject to a tax on its other taxable income at only the lowest rate specified in section 1(c).

Any such tax shall be in lieu of the income tax otherwise imposed by this chapter on such income or gain.

“(c) One-Time Election.—

“(1) In general.—A Settlement Trust may elect to have the provisions of this section apply to the trust and its beneficiaries.

“(2) Time and method of election.—An election under paragraph (1) shall be made by the trustee of such trust—

“(A) on or before the due date (including extensions) for filing the Settlement Trust's return of tax for the first taxable year of such trust ending after the date of the enactment of this section, and

“(B) by attaching to such return of tax a statement specifically providing for such election.

“(3) Period election in effect.—Except as provided in subsection (f), an election under this subsection—

“(A) shall apply to the first taxable year described in paragraph (2)(A) and all subsequent taxable years, and

“(B) may not be revoked once it is made.

“(d) Contributions to Trust.—

“(1) Beneficiaries of electing trust not taxed on contributions.—In the case of an electing Settlement Trust, no amount shall be includible in the gross income of a beneficiary of such trust by reason of a contribution to such trust.

“(2) Earnings and profits.—The earnings and profits of the sponsoring Native Corporation shall not be reduced on account of any contribution to such Settlement Trust.

“(e) Tax Treatment of Distributions to Beneficiaries.—Amounts distributed by an electing Settlement Trust during any taxable year shall be considered as having the following characteristics in the hands of the recipient beneficiary:

“(1) First, as amounts excludable from gross income for the taxable year to the extent of the taxable income of such trust for such taxable year (decreased by any income tax paid by the trust with respect to the income) plus any amount excluded from gross income of the trust under section 103.

“(2) Second, as amounts excludable from gross income to the extent of the amount described in paragraph (1) for all taxable years for which an election is in effect under subsection (c) with respect to the trust, and not previously taken into account under paragraph (1).

“(3) Third, as amounts distributed by the sponsoring Native Corporation with respect to its stock (within the meaning of section 301(a)) during such taxable year and taxable to the recipient beneficiary as amounts described in section 301(c)(1), to the extent of current or accumulated earnings and profits of the sponsoring Native Corporation as of the close of such taxable year after proper adjustment is made for all distributions made by the sponsoring Native Corporation during such taxable year.

“(4) Fourth, as amounts distributed by the trust in excess of the distributable net income of such trust for such taxable year.

Amounts distributed to which paragraph (3) applies shall not be treated as a corporate distribution subject to section 311(b), and for purposes of determining the amount of a distribution for purposes of paragraph (3) and the basis to the recipients, section 643(e) and not section 301(b) or (d) shall apply.

“(f) Special Rules Where Transfer Restrictions Modified.—

“(1) Transfer of beneficial interests.—If, at any time, a beneficial interest in an electing Settlement Trust may be disposed of to a person in a manner which would not be permitted by section 7(h) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(h)) if such interest were Settlement Common Stock—

“(A) no election may be made under subsection (c) with respect to such trust, and

“(B) if such an election is in effect as of such time—

“(i) such election shall cease to apply as of the first day of the taxable year in which such disposition is first permitted,

“(ii) the provisions of this section shall not apply to such trust for such taxable year and all taxable years thereafter, and

“(iii) the distributable net income of such trust shall be increased by the current or accumulated earnings and profits of the sponsoring Native Corporation as of the close of such taxable year after proper adjustment is made for all distributions made by the sponsoring Native Corporation during such taxable year.

In no event shall the increase under clause (iii) exceed the fair market value of the trust's assets as of the date the beneficial interest of the trust first becomes so disposable. The earnings and profits of the sponsoring Native Corporation shall be adjusted as of the last day of such taxable year by the amount of earnings and profits so included in the distributable net income of the trust.

“(2) Stock in corporation.—If—

“(A) stock in the sponsoring Native Corporation may be disposed of to a person in a manner which would not be permitted by section 7(h) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(h)) if such stock were Settlement Common Stock, and

“(B) at any time after such disposition of stock is first permitted, such corporation transfers assets to a Settlement Trust,

paragraph (1)(B) shall be applied to such trust on and after the date of the transfer in the same manner as if the trust permitted dispositions of beneficial interests in the trust in a manner not permitted by such section 7(h).

“(3) Certain distributions.—For purposes of this section, the surrender of an interest in a Native Corporation or an electing Settlement Trust in order to accomplish the whole or partial redemption of the interest of a shareholder or beneficiary in such corporation or trust, or to accomplish the whole or partial liquidation of such corporation or trust, shall be deemed to be a transfer permitted by section 7(h) of the Alaska Native Claims Settlement Act.

“(g) Taxable Income.—For purposes of this title, the taxable income of an electing Settlement Trust shall be determined under section 641(b) without regard to any deduction under section 651 or 661.

“(h) Definitions.—For purposes of this section—

“(1) Electing settlement trust.—The term ‘electing Settlement Trust’ means a Settlement Trust which has made the election, effective for a taxable year, described in subsection (c).

“(2) Native corporation.—The term ‘Native Corporation’ has the meaning given such term by section 3(m) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(m)).

“(3) Settlement common stock.—The term ‘Settlement Common Stock’ has the meaning given such term by section 3(p) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(p)).

“(4) Settlement trust.—The term ‘Settlement Trust’ means a trust that constitutes a settlement trust under section 3(t) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(t)).

“(5) Sponsoring native corporation.—The term ‘sponsoring Native Corporation’ means the Native Corporation which transfers assets to an electing Settlement Trust.

“(i) Special Loss Disallowance Rule.—Any loss that would otherwise be recognized by a shareholder upon a disposition of a share of stock of a sponsoring Native Corporation shall be reduced (but not below zero) by the per share loss adjustment factor. The per share loss adjustment factor shall be the aggregate of all contributions to all electing Settlement Trusts sponsored by such Native Corporation made on or after the first day each trust is treated as an electing Settlement Trust expressed on a per share basis and determined as of the day of each such contribution.

“(j) Cross Reference.—

“For information required with respect to electing Settlement Trusts and sponsoring Native Corporations, see section 6039H.”.

(b) Reporting.—Subpart A of part III of subchapter A of chapter 61 of subtitle F (relating to information concerning persons subject to special provisions) is amended by inserting after section 6039G the following new section:

"SEC. 6039H. INFORMATION WITH RESPECT TO ALASKA NATIVE SETTLEMENT TRUSTS AND SPONSORING NATIVE CORPORATIONS.

"(a) Requirement.—The fiduciary of an electing Settlement Trust (as defined in section 646(h)(1)) shall include with the return of income of the trust a statement containing the information required under subsection (c).

"(b) Application With Other Requirements.—The filing of any statement under this section shall be in lieu of the reporting requirements under section 6034A to furnish any statement to a beneficiary regarding amounts distributed to such beneficiary (and such other reporting rules as the Secretary deems appropriate).

"(c) Required Information.—The information required under this subsection shall include—

"(1) the amount of distributions made during the taxable year to each beneficiary,

"(2) the treatment of such distribution under the applicable provision of section 646, including the amount that is excludable from the recipient beneficiary's gross income under section 646, and

"(3) the amount (if any) of any distribution during such year that is deemed to have been made by the sponsoring Native Corporation (as defined in section 646(h)(5)).

"(d) Sponsoring Native Corporation.—

"(1) In general.—The electing Settlement Trust shall, on or before the date on which the statement under subsection (a) is required to be filed, furnish such statement to the sponsoring Native Corporation (as so defined).

"(2) Distributees.—The sponsoring Native Corporation shall furnish each recipient of a distribution described in section 646(e)(3) a statement containing the amount deemed to have been distributed to such recipient by such corporation for the taxable year.".

(c) Clerical Amendment.—

(1) The table of sections for subpart A of part I of subchapter J of chapter 1 of such Code is amended by adding at the end the following new item:

"Sec. 646. Tax treatment of electing Alaska Native Settlement Trusts.".

(2) The table of sections for subpart A of part III of subchapter A of chapter 61 of subtitle F of such Code is amended by inserting after the item relating to section 6039G the following new item:

"Sec. 6039H. Information with respect to Alaska Native Settlement Trusts and sponsoring Native Corporations.".

(d) Effective Date.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act and to contributions made to electing Settlement Trusts for such year or any subsequent year.

Subtitle I—Compliance With Congressional Budget Act

SEC. 695. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE VII—ALTERNATIVE MINIMUM TAX

Subtitle A—In General

SEC. 701. INCREASE IN ALTERNATIVE MINIMUM TAX EXEMPTION.

(a) In General.—

(1) Subparagraph (A) of section 55(d)(1) (relating to exemption amount for taxpayers other than corporations) is amended by striking "$45,000" and inserting "$45,000 ($49,000 in the case of taxable years beginning in 2001, 2002, 2003, 2004, 2005, and 2006)".

(2) Subparagraph (B) of section 55(d)(1) (relating to exemption amount for taxpayers other than corporations) is amended by striking "$33,750" and inserting "$33,750 ($35,750 in the case of taxable years beginning in 2001, 2002, 2003, 2004, 2005, and 2006)".

(b) Conforming Amendments.—

(1) Paragraph (1) of section 55(d) is amended by striking "and" at the end of subparagraph (B), by striking subparagraph (C), and by inserting after subparagraph (B) the following new subparagraphs:

"(C) 50 percent of the dollar amount applicable under paragraph (1)(A) in the case of a married individual who files a separate return, and

"(D) $22,500 in the case of an estate or trust.".

(2) Subparagraph (C) of section 55(d)(3) is amended by striking "paragraph (1)(C)" and inserting "subparagraph (C) or (D) of paragraph (1)".

(3) The last sentence of section 55(d)(3) is amended—

(A) by striking "paragraph (1)(C)(i)" and inserting "paragraph (1)(C)"; and

(B) by striking "$165,000 or (ii) $22,500" and inserting "the minimum amount of such income (as so determined) for which the exemption amount under paragraph (1)(C) is zero, or (ii) such exemption amount (determined without regard to this paragraph)".

(c) Effective Date.—The amendments made by this section title shall apply to taxable years beginning after December 31, 2000.

Subtitle B—Compliance With Congressional Budget Act

SEC. 711. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE VIII—OTHER PROVISIONS

Subtitle A—In General

SEC. 801. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

Notwithstanding section 6655 of the Internal Revenue Code of 1986—

(1) 70 percent of the amount of any required installment of corporate estimated tax which is otherwise due in September 2001 shall not be due until October 1, 2001; and

(2) 20 percent of the amount of any required installment of corporate estimated tax which is otherwise due in September 2004 shall not be due until October 1, 2004.

SEC. 802. EXPANSION OF AUTHORITY TO POSTPONE CERTAIN TAX-RELATED DEADLINES BY REASON OF PRESIDENTIALLY DECLARED DISASTER.

(a) In General.—Section 7508A (relating to authority to postpone certain tax-related deadlines by reason of presidentially declared disaster) is amended by adding at the end the following new subsection:

"(c) Duties of Disaster Response Team.—The Secretary shall establish as a permanent office in the national office of the Internal Revenue Service a disaster response team which, in coordination with the Federal Emergency Management Agency, shall assist taxpayers in clarifying and resolving Federal tax matters associated with or resulting from any Presidentially declared disaster (as so defined). One of the duties of the disaster response team shall be to extend in appropriate cases the 90-day period described in subsection (a) by not more than 30 days.".

(b) Effective Date.—The amendment made by this section shall take effect on the date of enactment of this Act.

Subtitle B—Compliance With Congressional Budget Act

SEC. 811. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

SA 651. Mrs. LANDRIEU (for herself and Mr. Craig) submitted an amendment intended to be proposed by her to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 12, strike line 1 and all that follows through line 12.

On page 18, between lines 14 and 15, insert the following:

SEC. 202. EXPANSION OF ADOPTION CREDIT AND ADOPTION ASSISTANCE PROGRAMS.

(a) In General.—

(1) Adoption credit.—Section 23(a)(1) (relating to allowance of credit) is amended to read as follows:

"(1) In general.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter—

"(A) in the case of an adoption of a child other than a child with special needs, the amount of the qualified adoption expenses paid or incurred by the taxpayer, and

"(B) in the case of an adoption of a child with special needs, $10,000.".

(2) Adoption assistance programs.—Section 137(a) (relating to adoption assistance programs) is amended to read as follows:

"(a) In General.—Gross income of an employee does not include amounts paid or expenses incurred by the employer for adoption expenses in connection with the adoption of a child by an employee if such amounts are furnished pursuant to an adoption assistance program. The amount of the exclusion shall be—

"(1) in the case of an adoption of a child other than a child with special needs, the amount of the qualified adoption expenses paid or incurred by the taxpayer, and

"(2) in the case of an adoption of a child with special needs, $10,000.".

(b) Dollar Limitations.—

(1) Dollar amount of allowed expenses.—

(A) Adoption expenses.—Section 23(b)(1) (relating to allowance of credit) is amended—

(i) by striking "$5,000" and inserting "$10,000",

(ii) by striking "($6,000, in the case of a child with special needs)", and

(iii) by striking "subsection (a)" and inserting "subsection (a)(1)(A)".

(B) Adoption assistance programs.—Section 137(b)(1) (relating to dollar limitations for adoption assistance programs) is amended—

(i) by striking "$5,000" and inserting "$10,000", and

(ii) by striking "($6,000, in the case of a child with special needs)", and

(iii) by striking "subsection (a)" and inserting "subsection (a)(1)".

(2) Phase-out limitation.—

(A) Adoption expenses.—Clause (i) of section 23(b)(2)(A) (relating to income limitation) is amended by striking "$75,000" and inserting "$150,000".

(B) Adoption assistance programs.—Section 137(b)(2)(A) (relating to income limitation) is amended by striking "$75,000" and inserting "$150,000".

(c) YEAR CREDIT ALLOWED.—Section 23(a)(2) (relating to year credit allowed) is amended by adding at the end the following new flush sentence:

"In the case of the adoption of a child with special needs, the credit allowed under paragraph (1) shall be allowed for the taxable year in which the adoption becomes final.".

(d) REPEAL OF SUNSET PROVISIONS.—

(1) CHILDREN WITHOUT SPECIAL NEEDS.—Paragraph (2) of section 23(d) (relating to definition of eligible child) is amended to read as follows:

"(2) ELIGIBLE CHILD.—The term 'eligible child' means any individual who—

"(A) has not attained age 18, or

"(B) is physically or mentally incapable of caring for himself.".

(2) ADOPTION ASSISTANCE PROGRAMS.—Section 137 (relating to adoption assistance programs) is amended by striking subsection (f).

(e) ADJUSTMENT OF DOLLAR AND INCOME LIMITATIONS FOR INFLATION.—

(1) ADOPTION CREDIT.—Section 23 (relating to adoption expenses) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) ADJUSTMENTS FOR INFLATION.—In the case of a taxable year beginning after December 31, 2002, each of the dollar amounts in subsection (a)(1)(B) and paragraphs (1) and (2)(A)(i) of subsection (b) shall be increased by an amount equal to—

"(1) such dollar amount, multiplied by

"(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2001' for 'calendar year 1992' in subparagraph (B) thereof.".

(2) ADOPTION ASSISTANCE PROGRAMS.—Section 137 (relating to adoption assistance programs), as amended by subsection (d), is amended by adding at the end the following new subsection:

"(f) ADJUSTMENTS FOR INFLATION.—In the case of a taxable year beginning after December 31, 2002, each of the dollar amounts in subsection (a)(2) and paragraphs (1) and (2)(A) of subsection (b) shall be increased by an amount equal to—

"(1) such dollar amount, multiplied by

"(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2001' for 'calendar year 1992' in subparagraph (B) thereof.".

(f) LIMITATION BASED ON AMOUNT OF TAX.—

(1) IN GENERAL.—Section 23(c) (relating to carryforwards of unused credit) is amended by striking "the limitation imposed" and all that follows through "1400C)" and inserting "the applicable tax limitation".

(2) APPLICABLE TAX LIMITATION.—Section 23(d) (relating to definitions) is amended by adding at the end the following new paragraph:

"(4) APPLICABLE TAX LIMITATION.—The term 'applicable tax limitation' means the sum of—

"(A) the taxpayer's regular tax liability for the taxable year, reduced (but not below zero) by the sum of the credits allowed by sections 21, 22, 24 (other than the amount of the increase under subsection (d) thereof), 25, and 25A, and

"(B) the tax imposed by section 55 for such taxable year.".

(3) CONFORMING AMENDMENTS.—

(A) Section 26(a) (relating to limitation based on amount of tax) is amended by inserting "(other than section 23)" after "allowed by this subpart".

(B) Section 53(b)(1) (relating to minimum tax credit) is amended by inserting "reduced by the aggregate amount taken into account under section 23(d)(3)(B) for all such prior taxable years," after "1986,".

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

On page 29, strike line 16 and all that follows through page 32, line 2.

SA 652. Mr. LEAHY (for himself and Mr. BENNETT) submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 314, after line 21, add the following:

SEC. 803. CHARITABLE CONTRIBUTIONS OF CERTAIN ITEMS CREATED BY THE TAXPAYER.

(a) IN GENERAL.—Subsection (e) of section 170 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new paragraph:

"(7) SPECIAL RULE FOR CERTAIN CONTRIBUTIONS OF LITERARY, MUSICAL, OR ARTISTIC COMPOSITIONS.—

"(A) IN GENERAL.—In the case of a qualified artistic charitable contribution—

"(i) the amount of such contribution shall be the fair market value of the property contributed (determined at the time of such contribution), and

"(ii) no reduction in the amount of such contribution shall be made under paragraph (1).

"(B) QUALIFIED ARTISTIC CHARITABLE CONTRIBUTION.—For purposes of this paragraph, the term 'qualified artistic charitable contribution' means a charitable contribution of any literary, musical, artistic, or scholarly composition, or similar property, or the copyright thereon (or both), but only if—

"(i) such property was created by the personal efforts of the taxpayer making such contribution no less than 18 months prior to such contribution,

"(ii) the taxpayer—

"(I) has received a qualified appraisal of the fair market value of such property in accordance with the regulations under this section, and

"(II) attaches to the taxpayer's income tax return for the taxable year in which such contribution was made a copy of such appraisal,

"(iii) the donee is an organization described in subsection (b)(1)(A),

"(iv) the use of such property by the donee is related to the purpose or function constituting the basis for the donee's exemption under section 501 (or, in the case of a governmental unit, to any purpose or function described under subsection (c)),

"(v) the taxpayer receives from the donee a written statement representing that the donee's use of the property will be in accordance with the provisions of clause (iv), and

"(vi) the written appraisal referred to in clause (ii) includes evidence of the extent (if any) to which property created by the personal efforts of the taxpayer and of the same type as the donated property is or has been—

"(I) owned, maintained, and displayed by organizations described in subsection (b)(1)(A), and

"(II) sold to or exchanged by persons other than the taxpayer, donee, or any related person (as defined in section 465(b)(3)(C)).

"(C) MAXIMUM DOLLAR LIMITATION; NO CARRYOVER OF INCREASED DEDUCTION.—The increase in the deduction under this section by reason of this paragraph for any taxable year—

"(i) shall not exceed the artistic adjusted gross income of the taxpayer for such taxable year, and

"(ii) shall not be taken into account in determining the amount which may be carried from such taxable year under subsection (d).

"(D) ARTISTIC ADJUSTED GROSS INCOME.—For purposes of this paragraph, the term 'artistic adjusted gross income' means that portion of the adjusted gross income of the taxpayer for the taxable year attributable to—

"(i) income from the sale or use of property created by the personal efforts of the taxpayer which is of the same type as the donated property, and

"(ii) income from teaching, lecturing, performing, or similar activity with respect to property described in clause (i).

"(E) PARAGRAPH NOT TO APPLY TO CERTAIN CONTRIBUTIONS.—Subparagraph (A) shall not apply to any charitable contribution of any letter, memorandum, or similar property which was written, prepared, or produced by or for an individual while the individual is an officer or employee of any person (including any government agency or instrumentality) unless such letter, memorandum, or similar property is entirely personal.

"(F) COPYRIGHT TREATED AS SEPARATE PROPERTY FOR PARTIAL INTEREST RULE.—In the case of a qualified artistic charitable contribution, the tangible literary, musical, artistic, or scholarly composition, or similar property and the copyright on such work shall be treated as separate properties for purposes of this paragraph and subsection (f)(3).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after the date of the enactment of this Act in taxable years ending after such date.

SA 653. Mr. KERRY submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 9, between lines 11 and 12, strike the table and insert the following:

"In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:			
	28%	31%	36%	39.6%
2002, 2003, and 2004.	27%	30%	35%	39%
2005 and 2006	26%	29%	34%	38.6%
2007, 2008, and 2009.	25%	28%	33%	37.6%
2010 and thereafter.	25%	28%	33%	36%

Strike section 701 and insert:

SEC. 701. ALTERNATIVE MINIMUM TAX EXEMPTION FOR CERTAIN INDIVIDUAL TAXPAYERS.

(a) EXEMPTION.—Section 55 (relating to imposition of alternative minimum tax) is amended by adding at the end the following:

"(f) EXEMPTION FOR CERTAIN INDIVIDUALS.—

"(1) REDUCTION IN TENTATIVE MINIMUM TAX.—

"(A) IN GENERAL.—In the case of an individual, the tentative minimum tax for any taxable year (determined without regard to this subsection) shall be reduced by the applicable percentage.

"(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage with respect to a taxpayer is 100 percent reduced (but not below zero) by 10 percentage points for each $1,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds $100,000.

"(2) PROSPECTIVE APPLICATION IF SUBSECTION CEASES TO APPLY.—If paragraph (1) applies to a taxpayer for any taxable year and then ceases to apply to a subsequent taxable year, the rules of paragraphs (2) through (5) of subsection (e) shall apply to the taxpayer to the extent such rules are applicable to individuals."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

SA 654. Mr. CONRAD (for himself and Mr. KENNEDY) proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 9, strike all after line 11 and before line 15 and insert the following:

"In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:			
	28%	31%	36%	39.6%
2002, 2003, and 2004.	27%	30%	36%	39.6%
2005 and 2006	26%	29%	36%	39.6%
2007 and 2008	25%	28%	36%	39.6%
2009	25%	28%	35%	38%
2010 and thereafter.	25%	28%	33%	36%

"(3) ADJUSTMENT OF TABLES.—The Secretary shall adjust the tables prescribed under subsection (f) to carry out this subsection, and in any fiscal year in which such adjustment results in an on-budget surplus smaller than the medicare HI trust fund surplus, the Secretary shall further adjust such tables to ensure that in such fiscal year the on-budget surplus is not less than such account.".

Beginning on page 19, strike line 8 and all that follows through page 20, line 12, and insert the following:

(1) by striking "$5,000" in subparagraph (A) and inserting "twice the dollar amount in effect under subparagraph (C) for the taxable year";

(2) by adding "or" at the end of subparagraph (B);

(3) by striking "in the case of" and all that follows in subparagraph (C) and inserting "in any other case."; and

(4) by striking subparagraph (D).

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(6), as amended by section 103(b), is amended by striking "(other than with" and all that follows through "shall be applied" and inserting "(other than with respect to sections 63(c)(4) and 151(d)(3)(A)) shall be applied".

(2) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

"The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).".

(c) EFFECTIVE DATE.—The amendments made by

Beginning on page 20, strike line 21 and all that follows through page 22, line 4, and insert the following:

"(8) ELIMINATION OF MARRIAGE PENALTY IN 15-PERCENT BRACKET.—

"(A) IN GENERAL.—With respect to taxable years beginning after December 31, 2001, in prescribing the tables under paragraph (1)—

"(i) the maximum taxable income in the 15-percent rate bracket in the table contained in subsection (a) (and the minimum taxable income in the next higher taxable income bracket in such table) shall be twice the maximum taxable income in the 15-percent rate bracket in the table contained in subsection (c) (after any other adjustment under this subsection), and

"(ii) the comparable taxable income amounts in the table contained in subsection (d) shall be ½ of the amounts determined under clause (i).

"(B) ROUNDING.—If any amount determined under subparagraph (A)(i) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.".

SA 655. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end add the following:

TITLE —SAVINGS OPPORTUNITY AND CHARITABLE GIVING

SEC. 01. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the "Savings Opportunity and Charitable Giving Act of 2001".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

TITLE —SAVINGS OPPORTUNITY AND CHARITABLE GIVING

Sec. . 01. Short title; table of contents.

Subtitle A—Individual Development Accounts

Sec. 11. Findings and purposes.
Sec. 12. Definitions.
Sec. 13. Structure and administration of qualified individual development account programs.
Sec. 14. Procedures for opening and maintaining an Individual Development Account and qualifying for matching funds.
Sec. 15. Deposits by qualified individual development account programs.
Sec. 16. Withdrawal procedures.
Sec. 17. Certification and termination of qualified individual development account programs.
Sec. 18. Reporting, monitoring, and evaluation.
Sec. 19. Authorization of appropriations.
Sec. 20. Account funds disregarded for purposes of certain means-tested Federal programs.
Sec. 21. Matching funds for Individual Development Accounts provided through a tax credit for qualified financial institutions.

Subtitle B—Charitable Giving Incentives Package

Sec. 31. Deduction for portion of charitable contributions to be allowed to individuals who do not itemize deductions.
Sec. 32. Tax-free distributions from individual retirement accounts for charitable purposes.
Sec. 33. Charitable deduction for contributions of food inventory.

Subtitle C—Compliance With Congressional Budget Act

Sec. 41. Sunset of provisions of title.
Sec. 42. Restoration of provisions of title.

Subtitle A—Individual Development Accounts

SEC. 11. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress makes the following findings:

(1) For the vast majority of households the pathway to the economic mainstream and financial security is not through spending and consumption, but through saving, investing, and the accumulation of assets. Assets promote economic household stability, decrease economic strain on households, promote educational attainment, decrease marital dissolution, decrease the risk of intergenerational poverty transmission, increase health and satisfaction among adults, increase property values, decrease residential mobility, increase property maintenance, and increase local civic involvement.

(2) One-third of all Americans have no assets available for investment and another 20 percent have only negligible assets. Assets are distributed far more unevenly than income. Whereas the top 20 percent of American households earn over 43 percent of all income, such households hold over 68 percent of net worth and almost 87 percent of net financial assets. Moreover, asset poverty and wealth gaps are even higher among minority households by a ratio of more than 11 to 1. Up to 20 percent of all households are unbanked and do not have access to the basic financial tools that make asset accumulation possible.

(3) Public policy has contributed to large asset gaps in the United States. Traditional public assistance programs based on income and consumption have rarely been successful in supporting the transition to economic self-sufficiency. Tax policy, through $288,000,000,000 in annual tax incentives, has helped lay the foundation for the great American middle class, but only for some citizens. Fully 90 percent of such current tax benefits accrue to households earning more than $50,000 per year, roughly half of all American households. Lacking an income tax liability, low-income working families cannot take advantage of asset development incentives. Moreover, low-income families seeking public assistance must first spend down their assets and face severe asset limits once on assistance.

(4) Individual Development Accounts, or IDAs, have proven to be successful in helping low-income working families save and accumulate assets. In one national demonstration project, 2,378 low-income families saved a total of $834,442 in one year which generated another $1,644,510 in private matching funds. Thus far, IDA savings have been used to purchase long-term, high-return assets, including homes, post-secondary education and training, and small businesses. Presently, about 10,000 IDAs are in existence in the United States, held by a very small fraction of the at least 70 million Americans who are asset poor.

(5) Therefore, the Federal Government should support, through the tax code, a significant expansion of Individual Development Accounts so that millions of low-income working families across the country can save, accumulate assets, and move their lives forward, and thus make positive contributions to the economic and social well-being of the United States, as well as to its future.

(b) Purposes.—The purposes of this subtitle are to provide for the establishment of individual development account programs that will—

(1) provide individuals and families with limited means an opportunity to accumulate assets and to enter the financial mainstream;

(2) promote education, homeownership, and the development of small businesses;

(3) stabilize families and build communities; and

(4) support continued United States economic expansion.

SEC. 12. DEFINITIONS.

As used in this subtitle:

(1) Eligible individual.—

(A) In general.—The term "eligible individual" means an individual who—

(i) has attained the age of 18 years but not the age of 61;

(ii) is a citizen or legal resident of the United States;

(iii) is not a student (as defined in section 151(c)(4)); and

(iv) is a taxpayer the adjusted gross income of whom for the preceding taxable year does not exceed—

(I) $20,000, in the case of a taxpayer described in section 1(c) or 1(d) of the Internal Revenue Code of 1986;

(II) $25,000, in the case of a taxpayer described in section 1(b) of such Code; and

(III) $40,000, in the case of a taxpayer described in section 1(a) of such Code.

(B) Inflation adjustment.—

(i) In general.—In the case of any taxable year beginning after 2002, each dollar amount referred to in subparagraph (A)(iv) shall be increased by an amount equal to—

(I) such dollar amount, multiplied by

(II) the cost-of-living adjustment determined under section (1)(f)(3) of the Internal Revenue Code of 1986 for the calendar year in which the taxable year begins, by substituting "2001" for "1992".

(ii) Rounding.—If any amount as adjusted under clause (i) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.

(2) Individual development account.—The term "Individual Development Account" means an account established for an eligible individual as part of a qualified individual development account program, but only if the written governing instrument creating the account meets the following requirements:

(A) The sole owner of the account is the individual for whom the account was established.

(B) No contribution will be accepted unless it is in cash.

(C) The holder of the account is a qualified financial institution.

(D) The assets of the account will not be commingled with other property except in a common trust fund or common investment fund.

(E) Except as provided in section 16(b), any amount in the account may be paid out only for the purpose of paying the qualified expenses of the account owner.

(3) Parallel account.—The term "parallel account" means a separate, parallel individual or pooled account for all matching funds and earnings dedicated to an Individual Development Account owner as part of a qualified individual development account program, the sole owner of which is a qualified financial institution, a qualified nonprofit organization, or an Indian tribe.

(4) Qualified financial institution.—

(A) In general.—The term "qualified financial institution" means any person authorized to be a trustee of any individual retirement account under section 408(a)(2) of the Internal Revenue Code of 1986.

(B) Rule of construction.—Nothing in this paragraph shall be construed as preventing a person described in subparagraph (A) from collaborating with 1 or more contractual affiliates, qualified nonprofit organizations, or Indian tribes to carry out an individual development account program established under section 13.

(5) Qualified nonprofit organization.—The term "qualified nonprofit organization" means—

(A) any organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code;

(B) any community development financial institution certified by the Community Development Financial Institution Fund; or

(C) any credit union chartered under Federal or State law.

(6) Indian tribe.—The term "Indian tribe" means any Indian tribe as defined in section 4(12) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(12), and includes any tribal subsidiary, subdivision, or other wholly owned tribal entity.

(7) Qualified individual development account program.—The term "qualified individual development account program" means a program established under section 13 which—

(A) Individual Development Accounts and parallel accounts are held by a qualified financial institution; and

(B) additional activities determined by the Secretary as necessary to responsibly develop and administer accounts, including recruiting, providing financial education and other training to account owners, and regular program monitoring, are carried out by the qualified financial institution, a qualified nonprofit organization, or an Indian tribe.

(8) Qualified expense distribution.—

(A) In general.—The term "qualified expense distribution" means any amount paid (including through electronic payments) or distributed out of an Individual Development Account and a parallel account established for an eligible individual if such amount—

(i) is used exclusively to pay the qualified expenses of the Individual Development Account owner or such owner's spouse or dependents, as approved by the qualified financial institution, qualified nonprofit organization, or Indian tribe;

(ii) is paid by the qualified financial institution, qualified nonprofit organization, or Indian tribe—

(I) except as otherwise provided in this clause, directly to the unrelated third party to whom the amount is due;

(II) in the case of distributions for working capital under a qualified business plan (as defined in subparagraph (B)(iv)(IV)), directly to the account owner;

(III) in the case of any qualified rollover, directly to another Individual Development Account and parallel account; or

(IV) in the case of a qualified final distribution, directly to the spouse, dependent, or other named beneficiary of the deceased account owner; and

(iii) is paid after the account owner has completed a financial education course as required under section 14(b).

(B) Qualified expenses.—

(i) In general.—The term "qualified expenses" means any of the following:

(I) Qualified higher education expenses.

(II) Qualified first-time homebuyer costs.

(III) Qualified business capitalization or expansion costs.

(IV) Qualified rollovers.

(V) Qualified final distribution.

(ii) Qualified higher education expenses.—

(I) In general.—The term "qualified higher education expenses" has the meaning given such term by section 72(t)(7) of the Internal Revenue Code of 1986, determined by treating postsecondary vocational educational schools as eligible educational institutions.

(II) Postsecondary vocational education school.—The term "postsecondary vocational educational school" means an area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this Act.

(III) Coordination with other benefits.—The amount of qualified higher education expenses for any taxable year shall be reduced as provided in section 25A(g)(2) of such Code and may not be taken into account for purposes of determining qualified higher education expenses under section 135 or 530 of the Internal Revenue Code of 1986.

(iii) Qualified first-time homebuyer costs.—The term "qualified first-time homebuyer costs" means qualified acquisition costs (as defined in section 72(t)(8) of such Code without regard to subparagraph (B) thereof) with respect to a principal residence (within the meaning of section 121 of such Code) for a qualified first-time homebuyer (as defined in section 72(t)(8) of such Code).

(iv) Qualified business capitalization or expansion costs.—

(I) In general.—The term "qualified business capitalization or expansion costs" means qualified expenditures for the capitalization or expansion of a qualified business pursuant to a qualified business plan.

(II) Qualified expenditures.—The term "qualified expenditures" means expenditures included in a qualified business plan, including capital, plant, equipment, working capital, inventory expenses, attorney and accounting fees, and other costs normally associated with starting or expanding a business.

(III) Qualified business.—The term "qualified business" means any business that does not contravene any law.

(IV) Qualified business plan.—The term "qualified business plan" means a business plan which has been approved by the qualified financial institution, qualified nonprofit organization, or Indian tribe and which meets such requirements as the Secretary may specify.

(v) Qualified rollovers.—The term "qualified rollover" means the complete distribution of the amounts in an Individual Development Account and parallel account to another Individual Development Account and parallel account established in another qualified financial institution, qualified nonprofit organization, or Indian tribe for the benefit of the account owner.

(vi) Qualified final distribution.—The term "qualified final distribution" means, in the case of a deceased account owner, the complete distribution of the amounts in an Individual Development Account and parallel account directly to the spouse, any dependent, or other named beneficiary of the deceased.

(9) Secretary.—The term "Secretary" means the Secretary of the Treasury.

SEC. 13. STRUCTURE AND ADMINISTRATION OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) Establishment of Qualified Individual Development Account Programs.—Any qualified financial institution, qualified nonprofit organization, or Indian tribe may establish 1 or more qualified individual development account programs which meet the requirements of this subtitle.

(b) Basic Program Structure.—

(1) In general.—All qualified individual development account programs shall consist of the following 2 components:

(A) An Individual Development Account to which an eligible individual may contribute cash in accordance with section 14.

(B) A parallel account to which all matching funds shall be deposited in accordance with section 15.

(2) Tailored IDA programs.—A qualified financial institution, a qualified nonprofit organization, or an Indian tribe may tailor its qualified individual development account program to allow matching funds to be spent on 1 or more of the categories of qualified expenses.

(c) Tax Treatment of Parallel Accounts.—Any account described in subparagraph (B) of subsection (b)(1) is exempt from taxation under the Internal Revenue Code of 1986.

SEC. 14. PROCEDURES FOR OPENING AND MAINTAINING AN INDIVIDUAL DEVELOPMENT ACCOUNT AND QUALIFYING FOR MATCHING FUNDS.

(a) Opening an Account.—An eligible individual may open an Individual Development Account with a qualified financial institution, a qualified nonprofit organization, or an Indian tribe upon certification that such individual maintains no other Individual Development Account (other than an Individual Development Account to be terminated by a qualified rollover).

(b) Required Completion of Financial Education Course.—

(1) In general.—Before becoming eligible to withdraw matching funds to pay for qualified expenses, owners of Individual Development Accounts must complete a financial education course offered by a qualified financial institution, a qualified nonprofit organization, an Indian tribe, or a government entity.

(2) Standard and applicability of course.—The Secretary, in consultation with representatives of qualified individual development account programs and financial educators, shall establish minimum quality standards for the contents of financial education courses and providers of such courses offered under paragraph (1) and a protocol to exempt individuals from the requirement under paragraph (1) because of hardship or lack of need.

(c) Proof of Status as an Eligible Individual.—Federal income tax forms from the preceding taxable year (or in the absence of such forms, such documentation as specified by the Secretary proving the eligible individual's adjusted gross income and the status of the individual as an eligible individual) shall be presented to the qualified financial institution, qualified nonprofit organization, or Indian tribe at the time of the establishment of the Individual Development Account and in any taxable year in which contributions are made to the Account to qualify for matching funds under section 15(b)(1)(A).

(d) Direct Deposits.—The Secretary may, under regulations, provide for the direct deposit of any portion (not less than $1) of any overpayment of Federal tax of an individual as a contribution to the Individual Development Account of such individual.

SEC. 15. DEPOSITS BY QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) Parallel Accounts.—The qualified financial institution, qualified nonprofit organization, or Indian tribe shall deposit all matching funds for each Individual Development Account into a parallel account at a qualified financial institution, a qualified nonprofit organization, or an Indian tribe.

(b) Regular Deposits of Matching Funds.—

(1) In general.—Subject to paragraph (2), the qualified financial institution, qualified nonprofit organization, or Indian tribe shall not less than quarterly (or upon a proper withdrawal request under section 16, if necessary) deposit into the parallel account with respect to each eligible individual the following:

(A) A dollar-for-dollar match for the first $500 contributed by the eligible individual into an Individual Development Account with respect to any taxable year.

(B) Any matching funds provided by State, local, or private sources in accordance to the matching ratio set by those sources.

(2) Inflation adjustment.—

(A) In general.—In the case of any taxable year beginning after 2002, the dollar amount referred to in paragraph (1)(A) shall be increased by an amount equal to—

(i) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under section (1)(f)(3) of the Internal Revenue Code of 1986 for the calendar year in which the taxable year begins, by substituting "2001" for "1992".

(B) Rounding.—If any amount as adjusted under subparagraph (A) is not a multiple of $20, such amount shall be rounded to the nearest multiple of $20.

(3) Cross reference.—

For allowance of tax credit for Individual Development Account subsidies, including matching funds, see section 30B of the Internal Revenue Code of 1986.

(c) Deposit of Matching Funds Into Individual Development Account of Individual Who Has Attained Age 61.—In the case of an Individual Development Account owner who attains the age of 61, the qualified financial institution, qualified nonprofit organization, or Indian tribe which holds the parallel account for such individual shall deposit the funds in such parallel account into the Individual Development Account of such individual on the first day of the succeeding taxable year of such individual.

(d) Uniform Accounting Regulations.—To ensure proper recordkeeping and determination of the tax credit under section 30B of the Internal Revenue Code of 1986, the Secretary shall prescribe regulations with respect to accounting for matching funds in the parallel accounts.

(e) Regular Reporting of Accounts.—Any qualified financial institution, qualified nonprofit organization, or Indian tribe shall report the balances in any Individual Development Account and parallel account of an individual on not less than an annual basis to such individual.

SEC. 16. WITHDRAWAL PROCEDURES.

(a) Withdrawals for Qualified Expenses.—To withdraw money from an individual's Individual Development Account to pay qualified expenses of such individual or such individual's spouse or dependents, the qualified financial institution, qualified nonprofit organization, or Indian tribe shall directly transfer such funds from the Individual Development Account, and, if applicable, from the parallel account electronically to the distributees described in section 11(8)(A)(ii). If the distributee is not equipped to receive funds electronically, the qualified financial institution, qualified nonprofit organization, or Indian tribe may issue such funds by paper check to the distributee.

(b) Withdrawals for Nonqualified Expenses.—An Individual Development Account owner may unilaterally withdraw any amount of funds from the Individual Development Account for purposes other than to pay qualified expenses, but shall forfeit a proportionate amount of matching funds from the individual's parallel account by doing so, unless such withdrawn funds are recontributed to such Account by September 30 following the withdrawal.

(c) Withdrawals From Accounts of Nonеligible Individuals.—If the individual for whose benefit an Individual Development Account is established ceases to be an eligible individual, such account shall remain an Individual Development Account, but such individual shall not be eligible for any further matching funds under section 15(b)(1)(A) during the period—

(1) beginning on the first day of the taxable year of such individual following the beginning of such ineligibility, and

(2) ending on the last day of the taxable year of such individual in which such ineligibility ceases.

(d) Tax Treatment of Matching Funds.—Any amount withdrawn from a parallel account shall not be includible in an eligible individual's gross income.

(e) Withdrawal Liability Rests Only With Eligible Individuals.—Nothing in this subtitle may be construed to impose liability on a qualified financial institution, a qualified nonprofit organization, or an Indian tribe for non-compliance with the requirements of this subtitle related to withdrawals from Individual Development Accounts.

SEC. 17. CERTIFICATION AND TERMINATION OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) Certification Procedures.—Upon establishing a qualified individual development account program under section 13, a qualified financial institution, a qualified nonprofit organization, or an Indian tribe shall certify to the Secretary on forms prescribed by the Secretary and accompanied by any documentation required by the Secretary, that—

(1) the accounts described in subparagraphs (A) and (B) of section 13(b)(1) are operating pursuant to all the provisions of this subtitle; and

(2) the qualified financial institution, qualified nonprofit organization, or Indian tribe agrees to implement an information system necessary to monitor the cost and outcomes of the qualified individual development account program.

(b) Authority To Terminate Qualified IDA Program.—If the Secretary determines that a qualified financial institution, a qualified nonprofit organization, or an Indian tribe under this subtitle is not operating a qualified individual development account program in accordance with the requirements of this subtitle (and has not implemented any corrective recommendations directed by the Secretary), the Secretary shall terminate such institution's, nonprofit organization's, or Indian tribe's authority to conduct the program. If the Secretary is unable to identify a qualified financial institution, a qualified nonprofit organization, or an Indian tribe to assume the authority to conduct such program, then any funds in a parallel account established for the benefit of any individual under such program shall be deposited into the Individual Development Account of such individual as of the first day of such termination.

SEC. 18. REPORTING, MONITORING, AND EVALUATION.

(a) RESPONSIBILITIES OF QUALIFIED FINANCIAL INSTITUTIONS, QUALIFIED NONPROFIT ORGANIZATIONS, AND INDIAN TRIBES.—Each qualified financial institution, qualified nonprofit organization, or Indian tribe that operates a qualified individual development account program under section 13 shall report annually to the Secretary within 90 days after the end of each calendar year on—

(1) the number of eligible individuals making contributions into Individual Development Accounts;

(2) the amounts contributed into Individual Development Accounts and deposited into parallel accounts for matching funds;

(3) the amounts withdrawn from Individual Development Accounts and parallel accounts, and the purposes for which such amounts were withdrawn;

(4) the balances remaining in Individual Development Accounts and parallel accounts; and

(5) such other information needed to help the Secretary monitor the cost and outcomes of the qualified individual development account program (provided in a non-individually-identifiable manner).

(b) RESPONSIBILITIES OF THE SECRETARY.—

(1) MONITORING PROTOCOL.—Not later than 12 months after the date of the enactment of this Act, the Secretary shall develop and implement a protocol and process to monitor the cost and outcomes of the qualified individual development account programs established under section 13.

(2) ANNUAL REPORTS.—In each year after the date of the enactment of this Act, the Secretary shall submit a progress report to Congress on the status of such qualified individual development account programs. Such report shall include from a representative sample of qualified individual development account programs information on—

(A) the characteristics of participants, including age, gender, race or ethnicity, marital status, number of children, employment status, and monthly income;

(B) deposits, withdrawals, balances, uses of Individual Development Accounts, and participant characteristics;

(C) the characteristics of qualified individual development account programs, including match rate, economic education requirements, permissible uses of accounts, staffing of programs in full time employees, and the total costs of programs; and

(D) process information on program implementation and administration, especially on problems encountered and how problems were solved.

SEC. 19. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to the Secretary $1,000,000 for fiscal year 2002 and for each fiscal year through 2008, for the purposes of implementing this subtitle, including the reporting, monitoring, and evaluation required under section 18, to remain available until expended.

SEC. 20. ACCOUNT FUNDS DISREGARDED FOR PURPOSES OF CERTAIN MEANS-TESTED FEDERAL PROGRAMS.

Notwithstanding any other provision of Federal law that requires consideration of 1 or more financial circumstances of an individual, for the purposes of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such provision to be provided to or for the benefit of such individual, an amount equal to the sum of—

(1) all amounts (including earnings thereon) in any Individual Development Account; plus

(2) the matching deposits made on behalf of such individual (including earnings thereon) in any parallel account,

shall be disregarded for such purposes.

SEC. 21. MATCHING FUNDS FOR INDIVIDUAL DEVELOPMENT ACCOUNTS PROVIDED THROUGH A TAX CREDIT FOR QUALIFIED FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 (relating to other credits) is amended by inserting after section 30A the following new section:

"SEC. 30B. INDIVIDUAL DEVELOPMENT ACCOUNT INVESTMENT CREDIT FOR QUALIFIED FINANCIAL INSTITUTIONS.

"(a) DETERMINATION OF AMOUNT.—There shall be allowed as a credit against the applicable tax for the taxable year an amount equal to the individual development account investment provided by an eligible entity during the taxable year under an individual development account program established under section 13 of the Savings Opportunity and Charitable Giving Act of 2001.

"(b) APPLICABLE TAX.—For the purposes of this section, the term 'applicable tax' means the excess (if any) of—

"(1) the tax imposed under this chapter (other than the taxes imposed under the provisions described in subparagraphs (C) through (Q) of section 26(b)(2)), over

"(2) the credits allowable under subpart B (other than this section) and subpart D of this part.

"(c) INDIVIDUAL DEVELOPMENT ACCOUNT INVESTMENT.—

"(1) IN GENERAL.—For purposes of this section, the term 'individual development account investment' means, with respect to an individual development account program of a qualified financial institution in any taxable year, an amount equal to the sum of—

"(A) the aggregate amount of dollar-for-dollar matches under such program under section 15(b)(1)(A) of the Savings Opportunity and Charitable Giving Act of 2001 for such taxable year, plus

"(B) an amount equal to the sum of—

"(i) with respect to each Individual Development Account opened during such taxable year, $100, plus

"(ii) with respect to each Individual Development Account maintained during such taxable year, $30.

"(2) INFLATION ADJUSTMENT.—

"(A) IN GENERAL.—In the case of any taxable year beginning after 2002, each dollar amount referred to in paragraph (1)(B) shall be increased by an amount equal to—

"(i) such dollar amount, multiplied by

"(ii) the cost-of-living adjustment determined under section (1)(f)(3) for the calendar year in which the taxable year begins, by substituting '2001' for '1992'.

"(B) ROUNDING.—If any amount as adjusted under subparagraph (A) is not a multiple of $5, such amount shall be rounded to the nearest multiple of $5.

"(d) ELIGIBLE ENTITY.—For purposes of this section, the term 'eligible entity' means a qualified financial institution, or 1 or more contractual affiliates of such an institution as defined by the Secretary in regulations.

"(e) OTHER DEFINITIONS.—For purposes of this section, any term used in this section and also in the Savings Opportunity and Charitable Giving Act of 2001 Act shall have the meaning given such term by such Act.

"(f) DENIAL OF DOUBLE BENEFIT.—No deduction or credit (other than under this section) shall be allowed under this chapter with respect to any expense which is taken into account under subsection (c)(1)(A) in determining the credit under this section.

"(g) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this section, including regulations providing for a recapture of the credit allowed under this section (notwithstanding any termination date described in subsection (h)) in cases where there is a forfeiture under section 16(b) of the Savings Opportunity and Charitable Giving Act of 2001 Act in a subsequent taxable year of any amount which was taken into account in determining the amount of such credit.

"(h) APPLICATION OF SECTION.—This section shall apply to any expenditure made in any taxable year beginning after December 31, 2001, and before January 1, 2009, with respect to any Individual Development Account opened before January 1, 2007.".

(b) CONFORMING AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 30A the following new item:

"Sec. 30B. Individual development account investment credit for qualified financial institutions.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

Subtitle B—Charitable Giving Incentives Package

SEC. 31. DEDUCTION FOR PORTION OF CHARITABLE CONTRIBUTIONS TO BE ALLOWED TO, INDIVIDUALS WHO DO NOT ITEMIZE DEDUCTIONS.

(a) IN GENERAL.—Section 170 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) DEDUCTION FOR INDIVIDUALS NOT ITEMIZING DEDUCTIONS.—

"(1) IN GENERAL.—In the case of an individual who does not itemize his deductions for the taxable year, there shall be taken into account as a direct charitable deduction under section 63 an amount equal to the applicable percentage of the excess of the amount allowable under subsection (a) for the taxable year over the applicable amount.

"(2) APPLICABLE PERCENTAGE.—For purposes of this subsection, the applicable percentage shall be determined under the following table:

"In the case of taxable years beginning in—	The applicable percentage is—
2002	50
2003	60
2004	70
2005	80
2006	90
2007 and thereafter'	100.

"(3) APPLICABLE AMOUNT.—For purposes of this subsection, the applicable amount is equal—

"(A) $500 in the case of an individual, and

"(B) $1,000 in the case of a joint return.".

(b) DIRECT CHARITABLE DEDUCTION.—

(1) IN GENERAL.—Subsection (b) of section 63 is amended by striking "and" at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting ", and", and by adding at the end the following new paragraph:

"(3) the direct charitable deduction.".

(2) Definition.—Section 63 is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) Direct Charitable Deduction.—For purposes of this section, the term 'direct charitable deduction' means that portion of the amount allowable under section 170(a) which is taken as a direct charitable deduction for the taxable year under section 170(m).".

(3) Conforming amendment.—Subsection (d) of section 63 is amended by striking "and" at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting ", and", and by adding at the end the following new paragraph:

"(3) the direct charitable deduction.".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 32. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS FOR CHARITABLE PURPOSES.

(a) In General.—Subsection (d) of section 408 (relating to individual retirement accounts) is amended by adding at the end the following new paragraph:

"(8) Distributions for charitable purposes.—

"(A) In general.—No amount shall be includible in gross income by reason of a qualified charitable distribution from an individual retirement account to an organization described in section 170(c).

"(B) Special rules relating to charitable remainder trusts, pooled income funds, and charitable gift annuities.—

"(i) In general.—No amount shall be includible in gross income by reason of a qualified charitable distribution from an individual retirement account—

"(I) to a charitable remainder annuity trust or a charitable remainder unitrust (as such terms are defined in section 664(d)),

"(II) to a pooled income fund (as defined in section 642(c)(5)), or

"(III) for the issuance of a charitable gift annuity (as defined in section 501(m)(5)).

The preceding sentence shall apply only if no person holds an income interest in the amounts in the trust, fund, or annuity attributable to such distribution other than one or more of the following: the individual for whose benefit such account is maintained, the spouse of such individual, or any organization described in section 170(c).

"(ii) Determination of inclusion of amounts distributed.—In determining the amount includible in the gross income of any person by reason of a payment or distribution from a trust referred to in clause (i)(I) or a charitable gift annuity (as so defined), the portion of any qualified charitable distribution to such trust or for such annuity which would (but for this subparagraph) have been includible in gross income—

"(I) shall be treated as income described in section 664(b)(1), and

"(II) shall not be treated as an investment in the contract.

"(iii) No inclusion for distribution to pooled income fund.—No amount shall be includible in the gross income of a pooled income fund (as so defined) by reason of a qualified charitable distribution to such fund.

"(C) Qualified charitable distribution.—For purposes of this paragraph, the term 'qualified charitable distribution' means any distribution from an individual retirement account—

"(i) which is made on or after the date that the individual for whose benefit the account is maintained has attained age 59½, and

"(ii) which is made directly from the account to—

"(I) an organization described in section 170(c), or

"(II) a trust, fund, or annuity referred to in subparagraph (B).

"(D) Denial of deduction.—The amount allowable as a deduction under section 170 to the taxpayer for the taxable year shall be reduced (but not below zero) by the sum of the amounts of the qualified charitable distributions during such year which would be includible in the gross income of the taxpayer for such year but for this paragraph."

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 33. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) In General.—Subsection (e) of section 170 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new paragraph:

"(7) Special rule for contributions of food inventory.—For purposes of this section—

"(A) Contributions by non-corporate taxpayers.—In the case of a charitable contribution of food by a taxpayer, paragraph (3)(A) shall be applied without regard to whether or not the contribution is made by a corporation.

"(B) Limit on reduction.—In the case of a charitable contribution of food which is a qualified contribution (within the meaning of paragraph (3)(A), as modified by subparagraph (A) of this paragraph)—

"(i) paragraph (3)(B) shall not apply, and

"(ii) the reduction under paragraph (1)(A) for such contribution shall be no greater than the amount (if any) by which the amount of such contribution exceeds twice the basis of such food.

"(C) Determination of basis.—For purposes of this paragraph, if a taxpayer uses the cash method of accounting, the basis of any qualified contribution of such taxpayer shall be deemed to be 50 percent of the fair market value of such contribution.

"(D) Determination of fair market value.—In the case of a charitable contribution of food which is a qualified contribution (within the meaning of paragraph (3), as modified by subparagraphs (A) and (B) of this paragraph) and which, solely by reason of internal standards of the taxpayer, lack of market, or similar circumstances, or which is produced by the taxpayer exclusively for the purposes of transferring the food to an organization described in paragraph (3)(A), cannot or will not be sold, the fair market value of such contribution shall be determined—

"(i) without regard to such internal standards, such lack of market, such circumstances, or such exclusive purpose, and

"(ii) if applicable, by taking into account the price at which the same or similar food items are sold by the taxpayer at the time of the contribution (or, if not so sold at such time, in the recent past).".

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

Subtitle C—Compliance With Congressional Budget Act

SEC. 41. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

SEC. 42. RESTORATION OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which were terminated under section 41 shall begin to apply again as of October 1, 2011, as provided in each such provision or amendment.

SA 656. Mr. GREGG (for himself, Mr. Ensign, Mr. Allard, Mr. Kyl, Mr. Bunning, and Mr. Allen) submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

At the end of subtitle A of title VIII, add the following:

SEC. . TEMPORARY REDUCTION IN CAPITAL GAINS RATE.

(a) Reduction in Maximum Rate.—The following sections are each amended by striking "20 percent" and inserting "15 percent":

(1) Section 1(h)(1)(C).

(2) Section 55(b)(3)(C).

(3) Section 1445(e)(1).

(4) The second sentence of section 7518(g)(6)(A).

(5) The second sentence of section 607(h)(6)(A) of the Merchant Marine Act, 1936.

(b) Transition Rules for Taxable Years Which Include June 1, 2001.—For purposes of applying section 1(h) of the Internal Revenue Code of 1986 in the case of a taxable year which includes June 1, 2001—

(1) The amount of tax determined under subparagraph (B) of section 1(h)(1) of such Code shall be the sum of—

(A) 10 percent of the lesser of—

(i) the net capital gain taking into account only gain or loss properly taken into account for the portion of the taxable year on or after such date (determined without regard to collectibles gain or loss, gain described in section (1)(h)(6)(A)(i) of such Code, and section 1202 gain), or

(ii) the amount on which a tax is determined under such subparagraph (without regard to this subsection), plus

(B) 10 percent of the excess (if any) of—

(i) the amount on which a tax is determined under such subparagraph (without regard to this subsection), over

(ii) the amount on which a tax is determined under subparagraph (A).

(2) The amount of tax determined under subparagraph (C) of section (1)(h)(1) of such Code shall be the sum of—

(A) 15 percent of the lesser of—

(i) the excess (if any) of the amount of net capital gain determined under subparagraph (A)(i) of paragraph (1) of this subsection over the amount on which a tax is determined under subparagraph (A) of paragraph (1) of this subsection, or

(ii) the amount on which a tax is determined under such subparagraph (C) (without regard to this subsection), plus

(B) 20 percent of the excess (if any) of—

(i) the amount on which a tax is determined under such subparagraph (C) (without regard to this subsection), over

(ii) the amount on which a tax is determined under subparagraph (A) of this paragraph.

(3) For purposes of applying section 55(b)(3) of such Code, rules similar to the rules of paragraphs (1) and (2) of this subsection shall apply.

(4) In applying this subsection with respect to any pass-thru entity, the determination of

when gains and loss are properly taken into account shall be made at the entity level.

(5) Terms used in this subsection which are also used in section 1(h) of such Code shall have the respective meanings that such terms have in such section.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to sales or exchanges made—

(A) on or after June 1, 2001, and

(B) in taxable years beginning before January 1, 2004.

(2) WITHHOLDING.—The amendment made by subsection (a)(3) shall apply to amounts paid on or after June 1, 2001.

SA 657. Mr. GREGG submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. . EXTENSION OF MORATORIUM ON IMPOSITION OF TAXES ON THE INTERNET.

Section 1101(a) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (112 Stat. 2681–719) is amended by striking "3 years" and inserting "6 years".

SA 658. Mr. KYL submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of subtitle A of title VIII, add the following:

SEC. ___. TEMPORARY REDUCTION IN CAPITAL GAINS RATE.

(a) REDUCTION IN MAXIMUM RATE.—The following sections are each amended by striking "20 percent" and inserting "15 percent":

(1) Section 1(h)(1)(C).

(2) Section 55(b)(3)(C).

(3) Section 1445(e)(1).

(4) The second sentence of section 7518(g)(6)(A).

(5) The second sentence of section 607(h)(6)(A) of the Merchant Marine Act, 1936.

(b) TRANSITION RULES.—For purposes of applying section 1(h) of the Internal Revenue Code of 1986 in the case of a taxable year which includes the date of the enactment of the Restoring Earnings To Lift Individuals and Empower Families (RELIEF) Act of 2001—

(1) The amount of tax determined under subparagraph (B) of section 1(h)(1) of such Code shall be the sum of—

(A) 10 percent of the lesser of—

(i) the net capital gain taking into account only gain or loss properly taken into account for the portion of the taxable year on or after such date (determined without regard to collectibles gain or loss, gain described in section (1)(h)(6)(A)(i) of such Code, and section 1202 gain), or

(ii) the amount on which a tax is determined under such subparagraph (without regard to this subsection), plus

(B) 10 percent of the excess (if any) of—

(i) the amount on which a tax is determined under such subparagraph (without regard to this subsection), over

(ii) the amount on which a tax is determined under subparagraph (A).

(2) The amount of tax determined under subparagraph (C) of section (1)(h)(1) of such Code shall be the sum of—

(A) 15 percent of the lesser of—

(i) the excess (if any) of the amount of net capital gain determined under subparagraph (A)(i) of paragraph (1) of this subsection over the amount on which a tax is determined under subparagraph (A) of paragraph (1) of this subsection, or

(ii) the amount on which a tax is determined under such subparagraph (C) (without regard to this subsection), plus

(B) 20 percent of the excess (if any) of—

(i) the amount on which a tax is determined under such subparagraph (C) (without regard to this subsection), over

(ii) the amount on which a tax is determined under subparagraph (A) of this paragraph.

(3) For purposes of applying section 55(b)(3) of such Code, rules similar to the rules of paragraphs (1) and (2) of this subsection shall apply.

(4) In applying this subsection with respect to any pass-thru entity, the determination of when gains and loss are properly taken into account shall be made at the entity level.

(5) Terms used in this subsection which are also used in section 1(h) of such Code shall have the respective meanings that such terms have in such section.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to sales or exchanges made—

(A) on or after the date of the enactment of this Act, and

(B) in taxable years beginning before January 1, 2003.

(2) WITHHOLDING.—The amendment made by subsection (a)(3) shall apply to amounts paid after the date of the enactment of this Act.

SA 659. Mrs. HUTCHISON (for herself and Mr. BROWNBACK) proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 19, beginning with line 21, strike all through the matter preceding line 1 on page 20, and insert:

"(7) APPLICABLE PERCENTAGE.—For purposes of paragraph (2), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in calendar year—	**The applicable percentage is—**
2002	170
2003	175
2004	180
2005	185
2006	190
2007	195
2008 and thereafter	200.".

On page 20, line 14, strike "2005" and insert "2001".

On page 29, line 4, strike "$2,000" and insert "the applicable amount".

On page 29, line 7, strike "$2,000" and insert "the applicable amount (as defined in section 530(b)(6))".

On page 29, between lines 7 and 8, insert:

(3) APPLICABLE AMOUNT.—Section 530(b) is amended by adding at the end the following:

"(6) APPLICABLE AMOUNT.—The applicable amount shall be determined in accordance with the following table:

"In the case of taxable years beginning in calendar year—	**The applicable amount is—**
2002 or 2003	$500
2004 or 2005	$750
2006 or 2007	$1,000
2008 or 2009	$1,500
2010 and thereafter	$2,000.".

On page 35, strike lines 21 through 23, and insert:

(h) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(2) SUBSECTION (c).—The amendments made by subsection (c) shall apply to taxable years beginning after December 31, 2005.

Strike section 412 and insert:

SEC. 412. INCREASE IN INCOME LIMITATION ON STUDENT LOAN INTEREST DEDUCTION.

(a) INCREASE IN INCOME LIMITATION.—Section 221(b)(2)(B) (relating to amount of reduction) is amended by striking clauses (i) and (ii) and inserting the following:

"(i) the excess of—

"(I) the taxpayer's modified adjusted gross income for such taxable year, over

"(II) $50,000 ($100,000 in the case of a joint return), bears to

"(ii) $15,000 ($30,000 in the case of a joint return).".

(b) CONFORMING AMENDMENT.—Section 221(g)(1) is amended by striking "$40,000 and $60,000 amounts" and inserting "$50,000 and $100,000 amounts".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 2001.

On page 53, line 12, strike "$3,000" and insert "$2,000 ($1,500 in the case of 2002)".

On page 53, line 21, after "$5,000" insert "($3,000".

On page 311, line 10, strike "$49,000" and insert "$48,000 in the case of 2004.)".

On page 311, line 16, strike "$35,750" and insert "$35,250".

SA 660. Mr. MCCAIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 9, in the matter between lines 11 and 12, strike "37.6%" in the item relating to 2005 and 2006 and insert "38.6%" and strike "36%" in the item relating to 2007 and thereafter and insert "38.6%".

On page 13, between lines 15 and 16, insert:

SEC. 104. INCREASE IN MAXIMUM TAXABLE INCOME FOR 15 PERCENT RATE BRACKET.

Section 1(f) (relating to adjustments in tax tables so that inflation will not result in tax increases), as amended by section 302, is amended—

(1) in paragraph (2)—

(A) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D),

(B) by inserting after subparagraph (A) the following:

"(B) in the case of the tables contained in subsections (a), (b), (c), and (d), by increasing the maximum taxable income level for the 15 percent rate bracket and the minimum taxable income level for the next highest rate bracket otherwise determined under subparagraph (A) (after application of paragraph (8)) for taxable years beginning in any calendar year after 2004, by the applicable dollar amount for such calendar year,", and

(C) by striking "subparagraph (A)" in subparagraph (C) (as so redesignated) and inserting "subparagraphs (A) and (B)", and

(2) by adding at the end the following:

"(9) APPLICABLE DOLLAR AMOUNT.—For purposes of paragraph (2)(B), the applicable dollar amount for any calendar year shall be determined as follows:

"(A) JOINT RETURNS AND SURVIVING SPOUSES.—In the case of the table contained in subsection (a)—

"Calendar year:	Applicable Dollar Amount:
2005	$1,000
2006	$2,000
2007	$3,000
2008	$4,000
2009 and thereafter	$5,000.

"(B) OTHER TABLES.—In the case of the table contained in subsection (b), (c), or (d)—

"Calendar year:	Applicable Dollar Amount:
2005	$500
2006	$1,000
2007	$1,500
2008	$2,000
2009 and thereafter	$2,500."

SA 661. Mr. JOHNSON submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 314, after line 21, add the following:

SEC. 803. INCREASED FUNDING FOR VETERANS HOSPITAL CARE AND MEDICAL SERVICES.

Notwithstanding any other provision of law, there is appropriated, out of any funds in the Treasury not otherwise appropriated, $1,700,000,000 for fiscal year 2002 for purposes of providing hospital care and medical services to veterans under chapter 17 of title 38, United States Code.

SA 662. Mr. INOUYE (for himself and Mr. AKAKA) submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . TREATMENT OF CERTAIN HOSPITAL SUPPORT ORGANIZATIONS AS QUALIFIED ORGANIZATIONS FOR PURPOSES OF DETERMINING ACQUISITION INDEBTEDNESS.

(a) IN GENERAL.—Subparagraph (C) of section 514(c)(9) (relating to real property acquired by a qualified organization) is amended by striking "or" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting "; or", and by adding at the end the following new clause:

"(iv) a qualified hospital support organization (as defined in subparagraph (I)).".

(b) QUALIFIED HOSPITAL SUPPORT ORGANIZATIONS.—Paragraph (9) of section 514(c) is amended by adding at the end the following new subparagraph:

"(I) QUALIFIED HOSPITAL SUPPORT ORGANIZATIONS.—For purposes of subparagraph (C)(iv), the term 'qualified hospital support organization' means, with respect to any eligible indebtedness (including any qualified refinancing of such eligible indebtedness), a support organization (as defined in section 509(a)(3)) which supports a hospital described in section 119(d)(4)(B) and with respect to which—

"(i) more than half of its assets (by value) at any time since its organization—

"(I) were acquired, directly or indirectly, by gift or devise, and

"(II) consisted of real property, and

"(ii) the fair market value of the organization's real estate acquired, directly or indirectly, by gift or devise, exceeded 10 percent of the fair market value of all investment assets held by the organization immediately prior to the time that the eligible indebtedness was incurred.

For purposes of this subparagraph, the term 'eligible indebtedness' means indebtedness secured by real property acquired by the organization, directly or indirectly, by gift or devise, the proceeds of which are used exclusively to acquire any leasehold interest in such real property or for improvements on, or repairs to, such real property. A determination under clauses (i) and (ii) of this subparagraph shall be made each time such an eligible indebtedness (or the qualified refinancing of such an eligible indebtedness) is incurred. For purposes of this subparagraph, a refinancing of such an eligible indebtedness shall be considered qualified if such refinancing does not exceed the amount of the refinanced eligible indebtedness immediately before the refinancing.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to indebtedness incurred after December 31, 2003.

SA 663. Mr. INOUYE (for himself and Mr. AKAKA) submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

SEC. 573. SPECIAL RULES FOR CLOSELY HELD BUSINESSES WITH 16 TO 75 PARTNERS OR SHAREHOLDERS.

(a) IN GENERAL.—Section 6166(b) (relating to definitions and special rules), as amended by section 571, is amended by adding at the end the following new paragraph:

"(11) SPECIAL RULES FOR BUSINESS WITH 16 TO 75 PARTNERS OR SHAREHOLDERS.—If the executor elects the benefits of this paragraph, then, for purposes of this section—

"(A) INTEREST AS A PARTNER IN A PARTNERSHIP TREATED AS AN INTEREST IN A CLOSELY HELD BUSINESS IF THE PARTNERSHIP HAD MORE THAN 15 BUT NO MORE THAN 75 PARTNERS.—An interest as partner in a partnership carrying on a trade or business shall be treated as an interest in a closely held business if such partnership had more than 15 but no more than 75 partners.

"(B) STOCK IN A CORPORATION TREATED AS AN INTEREST IN A CLOSELY HELD BUSINESS IF THE CORPORATION HAD MORE THAN 15 BUT NO MORE THAN 75 SHAREHOLDERS.—Stock in a corporation carrying on a trade or business shall be treated as an interest in a closely held business if such corporation had more than 15 but no more than 75 shareholders.

"(C) 5-YEAR DEFERRAL FOR PRINCIPAL NOT TO APPLY.—The executor shall be treated as having selected under subsection (a)(3) the date prescribed by section 6151(a).

"(D) 5 EQUAL INSTALLMENTS ALLOWED.—For purposes of applying subsection (a)(1), '5' shall be substituted for '10'."

(b) EFFECTIVE DATE.—The amendment made by this section, shall apply to estates of decedents dying after December 31, 2001.

SA 664. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 54, between lines 4 and 5, insert the following:

"(C) 2006 THROUGH 2011.—

"(i) IN GENERAL.—In the case of a taxable year beginning in 2006, 2007, 2008, 2009, 2010, or 2011, the applicable dollar amount shall be equal to the applicable dollar amount determined in the table contained in clause (ii), reduced (but not below zero) by the amount determined under clause (iii).

"(ii) APPLICABLE DOLLAR AMOUNT.—

"Taxable year beginning in:	Applicable dollar amount:
2006	$10,000
2007	$10,000
2008	$12,000
2009	$12,000
2010	$12,000
2011	$12,000.

"(iii) AMOUNT OF REDUCTION.—The amount determined under this clause for any taxable year is the amount which bears the same ratio to the applicable dollar amount determined in the table contained in clause (ii) for such taxable year as—

"(I) the excess of—

"(aa) the taxpayer's adjusted gross income for such taxable year, over

"(bb) $65,000 ($90,000 in the case of return filed by a head of household (as defined in section 2(b)), and $130,000 in the case of a joint return), bears to

"(II) $10,000 ($20,000 in the case of a joint return).

On page 59, line 3, strike "$500" and insert "$1000".

Strike section 511 relating to reductions of estate and gift tax rates.

SA 665. Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002: which was ordered to lie on the table; as follows:

On page 314, after line 21, add the following:

SEC. 3. PARTIAL EXCLUSION OF GAIN FROM SALE OF LOW-TO-MODERATE INCOME HOUSING.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by redesignating section 139 as section 140 and inserting after section 138 the following new section:

"SEC. 139. CERTAIN GAIN FROM SALE OF LOW-TO-MODERATE INCOME HOUSING.

"(a) IN GENERAL.—Gross income shall not include the gain from the sale of any qualified low-to-moderate income building made during the taxable year.

"(b) QUALIFIED LOW-TO-MODERATE INCOME BUILDING.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified low-to-moderate income building' means any building which is part of a qualified low-to-moderate income development project.

"(2) QUALIFIED LOW-TO-MODERATE INCOME DEVELOPMENT PROJECT.—

"(A) IN GENERAL.—The term 'qualified low-to-moderate income development project' means any development project of 1 or more for qualified low-to-moderate income buildings located in an eligible urban area if 40 percent or more of the residential units in such development project are occupied and owned by individuals whose income is 100 percent or less of area median gross income.

"(B) ELIGIBLE URBAN AREA.—The term 'eligible urban area' means an area which is either a qualified census tract or an area of chronic economic distress (as defined in paragraphs (2) and (3) of section 143(j), respectively).

"(c) LIMITATION.—The amount of gain which may be taken into account under subsection (a) with respect to the sale of a low-to-moderate income building shall not exceed $10,000 for each low-to-moderate income unit in such building.".

(b) CONFORMING AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 is amended by striking the item relating to section 139 and inserting the following new items:

"Sec. 139. Certain gain from sale of low-to-moderate income housing.
"Sec. 140. Cross references to other Acts.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply sales in taxable years beginning after the date of the enactment of this Act for five years.

SA 666. Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 314, after line 21, add the following:

SEC. 803. MISCONDUCT OF INTERNAL REVENUE SERVICE EMPLOYEES.

(a) DISCIPLINE OR TERMINATION OF EMPLOYMENT FOR MISCONDUCT.—Section 1203 of the Internal Revenue Service Restructuring and Reform Act of 1998 (26 U.S.C. 7804 note) is amended to read as follows:

"SEC. 1203. DISCIPLINE OR TERMINATION OF EMPLOYMENT FOR MISCONDUCT.

"(a) IN GENERAL.—Notwithstanding any other law, the Commissioner of Internal Revenue may impose discipline up to and including termination of the employment of any employee of the Internal Revenue Service if there is a final administrative or judicial determination that such employee committed any act or omission described under subsection (b) in the performance of the employee's official duties. Such termination shall be a removal for cause on charges of misconduct.

"(b) ACTS OR OMISSIONS.—The acts or omissions referred to under subsection (a) are—

"(1) willful failure to obtain the required approval signatures on documents authorizing the seizure of a taxpayer's home, personal belongings, or business assets;

"(2) willfully providing a false statement under oath with respect to a material matter involving a taxpayer or taxpayer representative;

"(3) with respect to a taxpayer, taxpayer representative, or other employee of the Internal Revenue Service, the willful violation of—

"(A) any right under the Constitution of the United States; or

"(B) any civil right established under—

"(i) title VI or VII of the Civil Rights Act of 1964;

"(ii) title IX of the Education Amendments of 1972;

"(iii) the Age Discrimination in Employment Act of 1967;

"(iv) the Age Discrimination Act of 1975;

"(v) section 501 or 504 of the Rehabilitation Act of 1973; or

"(vi) title I of the Americans with Disabilities Act of 1990;

"(4) willfully falsifying or destroying documents to conceal mistakes made by any employee with respect to a matter involving a taxpayer or taxpayer representative;

"(5) willful assault or battery on a taxpayer, taxpayer representative, or other employee of the Internal Revenue Service, but only if there is a criminal conviction, or a final judgment by a court in a civil case, with respect to the assault or battery;

"(6) willful violations of the Internal Revenue Code of 1986, Department of Treasury regulations, or policies of the Internal Revenue Service (including the Internal Revenue Manual) for the purpose of retaliating against, or harassing, a taxpayer, taxpayer representative, or other employee of the Internal Revenue Service;

"(7) willful misuse of the provisions of section 6103 of the Internal Revenue Code of 1986 for the purpose of concealing information from a congressional inquiry;

"(8) willful understatement of Federal tax liability, unless such understatement is due to reasonable cause and not to willful neglect; and

"(9) willfully threatening to audit a taxpayer for the purpose of extracting personal gain or benefit.

"(c) NO APPEAL.—Any determination of the Commissioner of Internal Revenue under subsection (a) may not be appealed in any administrative or judicial proceeding.

"(d) DEFINITION.—For purposes of the provisions described in clauses (i), (ii), and (iv) of subsection (b)(3)(B), references to a program or activity receiving Federal financial assistance or an education program or activity receiving Federal financial assistance shall include any program or activity conducted by the Internal Revenue Service for a taxpayer.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to acts or omissions occurring on or after the date of enactment of this Act.

SA 667. Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of subtitle A of title II, add the following:

SEC. . ELIMINATION OF THE MARRIAGE PENALTY IN THE CHILD TAX CREDIT.

(a) IN GENERAL.—Section 24(b) (relating to limitation based on adjusted gross income), as amended by section 201, is amended—

(1) by striking "$55,000" in paragraph (2)(C) and inserting "one-half the amount in subparagraph (A)", and

(2) by adding at the end, the following new paragraph:

"(4) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2001, the dollar amount contained in paragraph (2)(A) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section (1)(f)(3) for the calendar year in which the taxable year begins, by substituting "calendar year 2000" for "calendar year 1992.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SA 668. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of subtitle A of title VIII, add the following:

SEC. . TEMPORARY REDUCTION IN CAPITAL GAINS RATE.

(a) IN GENERAL.—

(1) REDUCTION IN 10 PERCENT RATE.—Section 1(h)(1)(B) is amended by inserting "(8 percent in the case of 2002 and 2003)" after "10 percent".

(2) REDUCTION IN 20 PERCENT RATE.—Section 1(h)(1)(C) (relating to maximum capital gains rate) is amended by inserting "(15 percent in the case of 2002 and 2003)" after "20 percent".

(b) CONFORMING AMENDMENTS.—

(1) Section 1(h)(2)(A) is amended by inserting "(8 percent in the case of 2002 and 2003)" after "10 percent".

(2) Section 55(b)(3) is amended—

(A) in subparagraph (B), by striking "10 percent" and inserting "the rate in effect under subsection 1(h)(1)(B)", and

(B) in subparagraph (C), by striking "20 percent" and inserting "the rate in effect under subsection 1(h)(1)(C)".

(3) Paragraph (1) of section 1445(e) by striking "20 percent)" and inserting "the rate in effect under section 1(h)(1)(C))".

(4)(A) The second sentence of section 7518(g)(6)(A) is amended by striking "20 percent" and inserting "the rate in effect under section 1(h)(1)(C)".

(B) The second sentence of section 607(h)(6)(A) of the Merchant Marine Act, 1936 is amended by striking "20 percent" and inserting "the rate in effect under section 1(h)(1)(C)".

SA 669. Mr. SCHUMER (for himself, Mr. BIDEN, Mr. BAYH, Mr. LIEBERMAN, Mr. DURBIN, Mr. TORRICELLI, Mrs. CLINTON, Mr. DASCHLE, Ms. STABENOW, and Mr. DAYTON) proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 54, between lines 4 and 5, insert the following:

"(C) 2006 THROUGH 2011.—

"(i) IN GENERAL.—In the case of a taxable year beginning in 2006, 2007, 2008, 2009, 2010, or 2011, the applicable dollar amount shall be equal to the applicable dollar amount determined in the table contained in clause (ii), reduced (but not below zero) by the amount determined under clause (iii).

"(ii) APPLICABLE DOLLAR AMOUNT.—

"Taxable year beginning in:	Applicable dollar amount:
2006	$10,000
2007	10,000
2008	12,000
2009	12,000
2010	12,000
2011	12,000

"(iii) AMOUNT OF REDUCTION.—The amount determined under this clause for any taxable year is the amount which bears the same ratio to the applicable dollar amount determined in the table contained in clause (ii) for such taxable year as—

"(I) the excess of—

"(aa) the taxpayer's adjusted gross income for such taxable year, over "(bb) $65,000 ($90,000 in the case of return filed by a head of household (as defined in section 2(b)), and $130,000 in the case of a joint return), bears to

"(II) $10,000 ($20,000 in the case of a joint return).

On page 59, line 3, strike "$500" and insert "$1,000".

Beginning on page 64, line 21, strike all through page 66, before line 2, and insert the following:

(a) MAXIMUM RATE OF TAX REDUCED TO 53 PERCENT.—The table contained in section 2001(c)(1) is amended by striking the two highest brackets and inserting the following:

"Over $2,500,000 .... $1,025,800, plus 53% of the excess over $2,500,000.".

(b) REPEAL OF PHASEOUT OF GRADUATED RATES.—Subsection (c) of section 2001 is amended by striking paragraph (2).

On page 68, strike lines 1 through 3.

SA 670. Mr. FITZGERALD (for himself, Mr. SCHUMER, Mr. JEFFORDS, Mrs. CLINTON, Mr. MCCAIN, Mr. TORRICELLI, Mr. DOMENICI, Mr. ALLEN, Mr. DURBIN, Mr. SMITH of Oregon, Mr. SPECTER, and Mr. NELSON of Florida) proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

At the end of subtitle A of title VIII, add the following:

SEC. . NO FEDERAL INCOME TAX ON RESTITUTION RECEIVED BY VICTIMS OF THE NAZI REGIME OR THEIR HEIRS OR ESTATES.

(a) IN GENERAL.—For purposes of the Internal Revenue Code of 1986, any excludable restitution payments received by an eligible individual (or the individual's heirs or estate)—

(1) shall not be included in gross income; and

(2) shall not be taken into account for purposes of applying any provision of such Code which takes into account excludable income in computing adjusted gross income, including section 86 of such Code (relating to taxation of Social Security benefits).

For purposes of such Code, the basis of any property received by an eligible individual (or the individual's heirs or estate) as part of an excludable restitution payment shall be the fair market value of such property as of the time of the receipt.

(b) COORDINATION WITH FEDERAL MEANS-TESTED PROGRAMS.—

(1) IN GENERAL.—Any excludable restitution payment shall be disregarded in determining eligibility for, and the amount of benefits or services to be provided under, any Federal or federally assisted program which provides benefits or service based, in whole or in part, on need.

(2) PROHIBITION AGAINST RECOVERY OF VALUE OF EXCESSIVE BENEFITS OR SERVICES.—No officer, agency, or instrumentality of any government may attempt to recover the value of excessive benefits or services provided under a program described in subsection (a) before January 1, 2000, by reason of any failure to take account of excludable restitution payments received before such date.

(3) NOTICE REQUIRED.—Any agency of government that has taken into account excludable restitution payments in determining eligibility for a program described in subsection (a) before January 1, 2000, shall make a good faith effort to notify any individual who may have been denied eligibility for benefits or services under the program of the potential eligibility of the individual for such benefits or services.

(4) COORDINATION WITH 1994 ACT.—Nothing in this Act shall be construed to override any right or requirement under "An Act to require certain payments made to victims of Nazi persecution to be disregarded in determining eligibility for and the amount of benefits or services based on need", approved August 1, 1994 (Public Law 103–286; 42 U.S.C. 1437a note), and nothing in that Act shall be construed to override any right or requirement under this Act.

(c) ELIGIBLE INDIVIDUAL.—For purposes of this section, the term "eligible individual" means a person who was persecuted for racial or religious reasons by Nazi Germany, any other Axis regime, or any other Nazi-controlled or Nazi-allied country.

(d) EXCLUDABLE RESTITUTION PAYMENT.—For purposes of this section, the term "excludable restitution payment" means any payment or distribution to an individual (or the individual's heirs or estate) which—

(1) is payable by reason of the individual's status as an eligible individual, including any amount payable by any foreign country, the United States of America, or any other foreign or domestic entity, or a fund established by any such country or entity, any amount payable as a result of a final resolution of a legal action, and any amount payable under a law providing for payments or restitution of property;

(2) constitutes the direct or indirect return of, or compensation or reparation for, assets stolen or hidden from, or otherwise lost to, the individual before, during, or immediately after World War II by reason of the individual's status as an eligible individual, including any proceeds of insurance under policies issued on eligible individuals by European insurance companies immediately before and during World War II; or

(3) consists of interest which is payable as part of any payment or distribution described in paragraph (1) or (2).

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—This section shall apply to any amount received on or after January 1, 2000.

(2) NO INFERENCE.—Nothing in this Act shall be construed to create any inference with respect to the proper tax treatment of any amount received before January 1, 2000.

SA 671. Mr. ALLARD (for himself, Mr. GREGG, and Mr. BUNNING) submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of title I, insert:

SEC. . REDUCTION IN CAPITAL GAINS RATES FOR INDIVIDUALS.

(a) IN GENERAL.—

(1) 10-PERCENT RATE REDUCED TO 8 PERCENT.—Subparagraph (B) of section 1(h)(1), as amended by section 101, is amended by striking "10 percent" and inserting "8 percent".

(2) 20-PERCENT RATE REDUCED TO 15 PERCENT.—Subparagraph (C) of section 1(h)(1) is amended by striking "20 percent" and inserting "15 percent".

(4) CONFORMING AMENDMENTS.—

(A) Section 57(a)(7) is amended—

(i) by striking "42 percent" and inserting "28 percent", and

(ii) by striking the last sentence.

(B) Paragraph (1) of section 1445(e) is amended by striking "20 percent" and inserting "15 percent".

(C) The second sentence of section 7518(g)(6)(A), and the second sentence of section 607(h)(6)(A) of the Merchant Marine Act, 1936, are each amended by striking "20 percent" and inserting "15 percent".

(2) CONFORMING AMENDMENTS.—Subparagraph (A)(ii) of section 1(h)(6), as redesignated by paragraph (1), is amended—

(A) in subclause (I) by striking "paragraph (5)(B)" and inserting "paragraph (4)(B)", and

(B) in subclause (II) by striking "paragraph (5)(A)" and inserting "paragraph (4)(A)".

(c) MINIMUM TAX.—

(1) IN GENERAL.—

(A) 10-PERCENT RATE REDUCED TO 8 PERCENT.—Subparagraph (B) of section 55(b)(3) is amended by striking "10 percent" and inserting "8 percent".

(B) 20-PERCENT RATE REDUCED TO 15 PERCENT.—Subparagraph (C) of section 55(b)(3) is amended by striking "20 percent" and inserting "15 percent".

(2) CONFORMING AMENDMENT.—Paragraph (3) of section 55(b) is amended in the matter following subparagraph (D) by striking "In the case of taxable years beginning after December 31, 2000, rules similar to the rules of section 1(h)(2) shall apply for purposes of subparagraphs (B) and (C).".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided by paragraph (2), the amendments made by this section shall apply to sales or exchanges after the date of the enactment of this Act and before January 1, 2003.

(2) WITHHOLDING.—The amendment made by subsection (a)(3)(B) shall apply to amounts paid after the date of the enactment of this Act and before January 1, 2003.

SA 672. Mr. ALLEN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 55, strike lines 17 through 21, and insert:

"(1) QUALIFIED TUITION AND RELATED EXPENSES.—

"(A) IN GENERAL.—The term 'qualified tuition and related expenses' has the meaning given such term by section 25A(f). Such expenses shall be reduced in the same manner as under section 25A(g)(2).

"(B) SPECIAL RULE FOR COMPUTERS AND INTERNET ACCESS FOR ELEMENTARY AND SECONDARY STUDENTS.—

"(i) IN GENERAL.—Except as provided in this paragraph, the term 'qualified tuition and related expenses' includes, in the case of an individual who maintains a household which includes as a member one or more qualifying students, amounts paid or incurred for computer technology or equipment.

"(ii) LIMITATION.—The amount of expenses under clause (i) which may be taken into account under subsection (a) for any taxable year shall not exceed $1,000, reduced by the amount of expenses taken into account under clause (i) during the preceding 2 taxable years in connection with the purchase of a computer.

"(iii) QUALIFYING STUDENT.—For purposes of this subparagraph, the term 'qualifying student' means a dependent of the taxpayer (within the meaning of section 152) who is enrolled in school on a full-time basis.

"(iv) Computer technology or equipment.—For purposes of this subparagraph, the term 'computer technology or equipment' has the meaning given such term by section 170(e)(6)(F)(i) and includes Internet access and related services.

"(v) School.—For purposes of this subparagraph, the term 'school' means any public, charter, private, religious, or home school which provides elementary education or secondary education (kindergarten through grade 12), as determined under State law.

SA 673. Mr. ALLEN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 31, lines 3 and 4, strike "computer equipment (including related software and services)".

On page 31, line 10, strike "and".

On page 31, line 17, strike the end period and insert ", and".

On page 31, between lines 17 and 18, insert:

"(iii) expenses for the purchase of any computer technology or equipment (as defined in section 170(e)(6)(F)(i)) or Internet access and related services, if such technology, equipment, or services are to be used by the beneficiary and the beneficiary's family during any of the years the beneficiary is in school.

SA 674. Mrs. CARNAHAN (for herself and Mr. DASCHLE) proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 9, strike lines 5 through 12 and insert the following:

"(2) Reductions in rates after 2001.—

"(A) In general.—Each rate of tax (other than the 10 percent rate) in the tables under subsections (a), (b), (c), (d), and (e) shall be reduced by 1 percentage point for taxable years beginning during a calendar year after the trigger year.

"(B) Trigger year.—For purposes of subparagraph (A), the trigger year is—

"(i) 2002, in the case of the 15 percent rate,

"(ii) 2003, in the case of the 28 percent rate,

"(iii) 2004, in the case of the 31 percent rate,

"(iv) 2005, in the case of the 36 percent rate, and

"(v) 2006, in the case of the 39.6 percent rate.

"(3) Adjustment of tables.—The Secretary".

SA 675. Ms. COLLINS (for herself, Mr. WARNER, Mr. COCHRAN, Ms. LANDRIEU, Mr. ALLEN, Mr. SMITH of Oregon, Mr. HARKIN, Ms. MIKULSKI, Mr. REED, Mr. HUTCHINSON, Mr. DODD, and Mr. ENZI) proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

At the end of title IV, add the following:

Subtitle E—Miscellaneous Education Provisions

SEC. 441. SHORT TITLE.

This subtitle may be cited as the "Teacher Relief Act of 2001".

SEC. 442. ABOVE-THE-LINE DEDUCTION FOR QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) Deduction Allowed.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals), as amended by section 431(a), is amended by redesignating section 223 as section 224 and by inserting after section 222 the following new section:

"SEC. 223. QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.

"(a) Allowance of Deduction.—In the case of an eligible educator, there shall be allowed as a deduction an amount equal to the qualified professional development expenses paid or incurred by the taxpayer during the taxable year.

"(b) Maximum Deduction.—The deduction allowed under subsection (a) for any taxable year shall not exceed $500.

"(c) Qualified Professional Development Expenses of Eligible Educators.—For purposes of this section—

"(1) Qualified professional development expenses.—

"(A) In general.—The term 'qualified professional development expenses' means expenses for tuition, fees, books, supplies, equipment, and transportation required for the enrollment or attendance of an individual in a qualified course of instruction.

"(B) Qualified course of instruction.—The term 'qualified course of instruction' means a course of instruction which—

"(i) is—

"(I) directly related to the curriculum and academic subjects in which an eligible educator provides instruction,

"(II) designed to enhance the ability of an eligible educator to understand and use State standards for the academic subjects in which such educator provides instruction,

"(III) designed to provide instruction in how to teach children with different learning styles, particularly children with disabilities and children with special learning needs (including children who are gifted and talented), or

"(IV) designed to provide instruction in how best to discipline children in the classroom and identify early and appropriate interventions to help children described in subclause (III) to learn,

"(ii) is tied to—

"(I) challenging State or local content standards and student performance standards, or

"(II) strategies and programs that demonstrate effectiveness in increasing student academic achievement and student performance, or substantially increasing the knowledge and teaching skills of an eligible educator,

"(iii) is of sufficient intensity and duration to have a positive and lasting impact on the performance of an eligible educator in the classroom (which shall not include 1-day or short-term workshops and conferences), except that this clause shall not apply to an activity if such activity is 1 component described in a long-term comprehensive professional development plan established by an eligible educator and the educator's supervisor based upon an assessment of the needs of the educator, the students of the educator, and the local educational agency involved, and

"(iv) is part of a program of professional development which is approved and certified by the appropriate local educational agency as furthering the goals of the preceding clauses.

"(C) Local educational agency.—The term 'local educational agency' has the meaning given such term by section 14101 of the Elementary and Secondary Education Act of 1965, as in effect on the date of the enactment of this section.

"(2) Eligible educator.—

"(A) In general.—The term 'eligible educator' means an individual who is a kindergarten through grade 12 teacher, instructor, counselor, principal, or aide in an elementary or secondary school for at least 900 hours during a school year.

"(B) Elementary or secondary school.—The terms 'elementary school' and 'secondary school' have the meanings given such terms by section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), as so in effect.

"(d) Denial of Double Benefit.—

"(1) In general.—No other deduction or credit shall be allowed under this chapter for any amount taken into account for which a deduction is allowed under this section.

"(2) Coordination with exclusions.—A deduction shall be allowed under subsection (a) for qualified professional development expenses only to the extent the amount of such expenses exceeds the amount excludable under section 135, 529(c)(1), or 530(d)(2) for the taxable year.".

(b) Deduction Allowed in Computing Adjusted Gross Income.—Section 62(a), as amended by section 431(b), is amended by inserting after paragraph (18) the following new paragraph:

"(19) Qualified professional development expenses.—The deduction allowed by section 223.".

(c) Conforming Amendments.—

(1) Sections 86(b)(2), 135(c)(4), 137(b)(3), and 219(g)(3) are each amended by inserting "223," after "221,".

(2) Section 221(b)(2)(C) is amended by inserting "223," before "911".

(3) Section 469(i)(3)(E) is amended by striking "and 221" and inserting ", 221, and 223".

(4) The table of sections for part VII of subchapter B of chapter 1, as amended by section 431(c), is amended by striking the item relating to section 223 and inserting the following new items:

"Sec. 223. Qualified professional development expenses.

"Sec. 224. Cross reference.".

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 442. CREDIT TO ELEMENTARY AND SECONDARY SCHOOL TEACHERS WHO PROVIDE CLASSROOM MATERIALS.

(a) In General.—Subpart B of part IV of subchapter A of chapter 1 (relating to other credits) is amended by adding at the end the following new section:

"SEC. 30B. CREDIT TO ELEMENTARY AND SECONDARY SCHOOL TEACHERS WHO PROVIDE CLASSROOM MATERIALS.

"(a) Allowance of Credit.—In the case of an eligible educator, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the qualified elementary and secondary education expenses which are paid or incurred by the taxpayer during such taxable year.

"(b) Maximum Credit.—The credit allowed by subsection (a) for any taxable year shall not exceed $250.

"(c) Definitions.—

"(1) Eligible educator.—The term 'eligible educator' has the same meaning given such term in section 223(c).

"(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—The term 'qualified elementary and secondary education expenses' means expenses for books, supplies (other than nonathletic supplies for courses of instruction in health or physical education), computer equipment (including related software and services) and other equipment, and supplementary materials used by an eligible educator in the classroom.

"(3) ELEMENTARY OR SECONDARY SCHOOL.—The term 'elementary or secondary school' means any school which provides elementary education or secondary education (through grade 12), as determined under State law.

"(d) SPECIAL RULES.—

"(1) DENIAL OF DOUBLE BENEFIT.—No deduction shall be allowed under this chapter for any expense for which credit is allowed under this section.

"(2) APPLICATION WITH OTHER CREDITS.—The credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(A) the regular tax for the taxable year, reduced by the sum of the credits allowable under subpart A and the preceding sections of this subpart, over

"(B) the tentative minimum tax for the taxable year.

"(e) ELECTION TO HAVE CREDIT NOT APPLY.—A taxpayer may elect to have this section not apply for any taxable year.".

(b) CLERICAL AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

"Sec. 30B. Credit to elementary and secondary school teachers who provide classroom materials.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SA 676. Mr. BIDEN (for himself, Mr. TORRICELLI, Mr. KERRY, Mr. SCHUMER, Mr. BAUCUS, Mr. ALLEN, Mrs. BOXER, Mr. CARPER, Mr. CHAFEE, Mrs. CLINTON, Mr. CORZINE, Mr. DAYTON, Mr. DODD, Mr. DURBIN, Mr. LEAHY, Ms. MIKULSKI, Mrs. MURRAY, Mr. ROCKEFELLER, Mr. SARBANES, Mr. SPECTER, and Mr. WARNER) submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of subtitle A of title VIII, add the following:

TITLE—HIGH-SPEED RAIL INVESTMENT

SEC. . CREDIT TO HOLDERS OF QUALIFIED AMTRAK BONDS.

(a) IN GENERAL.—Part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by adding at the end the following new subpart:

"Subpart H—Nonrefundable Credit for Holders of Qualified Amtrak Bonds

"Sec. 54. Credit to holders of qualified Amtrak bonds.

"SEC. 54. CREDIT TO HOLDERS OF QUALIFIED AMTRAK BONDS.

"(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds a qualified Amtrak bond on a credit allowance date of such bond which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to credit allowance dates during such year on which the taxpayer holds such bond.

"(b) AMOUNT OF CREDIT.—

"(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any credit allowance date for a qualified Amtrak bond is 25 percent of the annual credit determined with respect to such bond.

"(2) ANNUAL CREDIT.—The annual credit determined with respect to any qualified Amtrak bond is the product of—

"(A) the applicable credit rate, multiplied by

"(B) the outstanding face amount of the bond.

"(3) APPLICABLE CREDIT RATE.—For purposes of paragraph (2), the applicable credit rate with respect to an issue is the rate equal to an average market yield (as of the day before the date of sale of the issue) on outstanding long-term corporate debt obligations (determined under regulations prescribed by the Secretary).

"(4) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed.

"(c) LIMITATION BASED ON AMOUNT OF TAX.—

"(1) IN GENERAL.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

"(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

"(B) the sum of the credits allowable under this part (other than this subpart and subpart C).

"(2) CARRYOVER OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

"(d) QUALIFIED AMTRAK BOND.—For purposes of this part—

"(1) IN GENERAL.—The term 'qualified Amtrak bond' means any bond issued as part of an issue if—

"(A) 95 percent or more of the proceeds of such issue are to be used for any qualified project,

"(B) the bond is issued by the National Railroad Passenger Corporation,

"(C) the issuer—

"(i) designates such bond for purposes of this section,

"(ii) certifies that it meets the State contribution requirement of paragraph (3) with respect to such project and that it has received the required State contribution payment before the issuance of such bond,

"(iii) certifies that it has obtained the written approval of the Secretary of Transportation for such project, including a finding by the Inspector General of the Department of Transportation that there is a reasonable likelihood that the proposed program will result in a positive incremental financial contribution to the National Railroad Passenger Corporation and that the investment evaluation process includes a return on investment, leveraging of funds (including State capital and operating contributions), cost effectiveness, safety improvement, mobility improvement, and feasibility, and

"(iv) certifies that it has obtained written certification by the Secretary, after consultation with the Secretary of Transportation, that, in the case of a qualified project which results in passenger trains operating at speeds greater than 79 miles per hour, the issuer has entered into a written agreement with the rail carriers (as defined in section 24102 of title 49, United States Code) the properties of which are to be improved by such project as to the scope and estimated cost of such project and the impact on freight capacity of such rail carriers; Provided that the National Railroad Passenger Corporation shall not exercise its rights under section 24308(a) of such title 49 to resolve disputes with respect to such project or the cost of such project,

"(D) the term of each bond which is part of such issue does not exceed 20 years,

"(E) the payment of principal with respect to such bond is the obligation of the National Railroad Passenger Corporation (regardless of the establishment of the trust account under subsection (j)), and

"(F) the issue meets the requirements of subsection (h).

"(2) TREATMENT OF CHANGES IN USE.—For purposes of paragraph (1)(A), the proceeds of an issue shall not be treated as used for a qualified project to the extent that the issuer takes any action within its control which causes such proceeds not to be used for a qualified project. The Secretary shall prescribe regulations specifying remedial actions that may be taken (including conditions to taking such remedial actions) to prevent an action described in the preceding sentence from causing a bond to fail to be a qualified Amtrak bond.

"(3) STATE CONTRIBUTION REQUIREMENT.—

"(A) IN GENERAL.—For purposes of paragraph (1)(C)(ii), the State contribution requirement of this paragraph is met with respect to any qualified project if the National Railroad Passenger Corporation has a written binding commitment from 1 or more States to make matching contributions not later than the date of issuance of the issue of not less than 20 percent of the cost of the qualified project. State matching contributions may include privately funded contributions.

"(B) USE OF STATE MATCHING CONTRIBUTIONS.—The matching contributions described in subparagraph (A) with respect to each qualified project shall be used—

"(i) as necessary to redeem bonds which are a part of the issue with respect to such project, and

"(ii) in the case of any remaining amount, at the election of the National Railroad Passenger Corporation and the contributing State—

"(I) to fund a qualified project,

"(II) to redeem other qualified Amtrak bonds, or

"(III) for the purposes of subclauses (I) and (II).

"(C) STATE CONTRIBUTION REQUIREMENT FOR CERTAIN QUALIFIED PROJECTS.—

"(i) IN GENERAL.—Notwithstanding any other provision of law, with respect to any qualified project on the high-speed rail corridors designated under section 104(d)(2) of title 23, United States Code, the State contribution requirement of this paragraph may include the value of land to be contributed by a State for right-of-way.

"(ii) SPECIAL RULES REGARDING USE OF BOND PROCEEDS.—Proceeds from the issuance of bonds for such a qualified project may be used to the extent necessary for the purpose of subparagraph (B)(i), and any such proceeds deposited into the trust account required under subsection (j) shall be deemed expenditures for the qualified project under subsection (h).

"(D) STATE MATCHING CONTRIBUTIONS MAY NOT INCLUDE FEDERAL FUNDS.—For purposes of this paragraph, State matching contributions shall not be derived, directly or indirectly, from Federal funds, including any transfers from the Highway Trust Fund under section 9503.

"(E) NO STATE CONTRIBUTION REQUIREMENT FOR CERTAIN QUALIFIED PROJECTS.—With respect to any qualified project described in subsection (e)(4), the State contribution requirement of this paragraph is zero.

"(4) QUALIFIED PROJECT.—

"(A) IN GENERAL.—The term 'qualified project' means—

"(i) the acquisition, financing, or refinancing of equipment, rolling stock, and other capital improvements, including station rehabilitation or construction, track or signal improvements, or the elimination of grade crossings, for the northeast rail corridor between Washington, D.C. and Boston, Massachusetts,

"(ii) the acquisition, financing, or refinancing of equipment, rolling stock, and other capital improvements, including station rehabilitation or construction, track or signal improvements, or the elimination of grade crossings, for the improvement of train speeds or safety (or both) on the high-speed rail corridors designated under section 104(d)(2) of title 23, United States Code, and

"(iii) the acquisition, financing, or refinancing of equipment, rolling stock, and other capital improvements, including station rehabilitation or construction, track or signal improvements, or the elimination of grade crossings, for other intercity passenger rail corridors for the purpose of increasing railroad speeds up to 90 miles per hour.

"(B) REFINANCING RULES.—For purposes of subparagraph (A), a refinancing shall constitute a qualified project only if the indebtedness being refinanced (including any obligation directly or indirectly refinanced by such indebtedness) was originally incurred by the National Railroad Passenger Corporation—

"(i) after the date of the enactment of this section,

"(ii) for a term of not more than 3 years,

"(iii) to finance or acquire capital improvements described in subparagraph (A), and

"(iv) in anticipation of being refinanced with proceeds of a qualified Amtrak bond.

"(C) PRIOR ISSUANCE COSTS.—For purposes of subparagraph (A), a qualified project may include the costs a State incurs prior to the issuance of the bonds to fulfill any statutory requirements directly necessary for implementation of the project.

"(e) LIMITATIONS ON AMOUNT OF BONDS DESIGNATED.—

"(1) IN GENERAL.—There is a qualified Amtrak bond limitation for each fiscal year. Such limitation is—

"(A) $1,200,000,000 for each of the fiscal years 2002 through 2011, and

"(B) except as provided in paragraph (5), zero after fiscal year 2011.

"(2) BONDS FOR RAIL CORRIDORS.—Not more than $3,000,000,000 of the limitation under paragraph (1) may be designated for any 1 rail corridor described in clause (i) or (ii) of subsection (d)(4)(A).

"(3) BONDS FOR OTHER PROJECTS.—Not more than $100,000,000 of the limitation under paragraph (1) for any fiscal year may be allocated to all qualified projects described in subsection (d)(4)(A)(iii).

"(4) BONDS FOR ALASKA RAILROAD.—The Secretary of Transportation may allocate to the Alaska Railroad a portion of the qualified Amtrak limitation for any fiscal year in order to allow the Alaska Railroad to issue bonds which meet the requirements of this section for use in financing any project described in subsection (d)(4)(A)(iii) (determined without regard to the requirement of increasing railroad speeds). For purposes of this section, the Alaska Railroad shall be treated in the same manner as the National Railroad Passenger Corporation.

"(5) CARRYOVER OF UNUSED LIMITATION.—If for any fiscal year—

"(A) the limitation amount under paragraph (1), exceeds

"(B) the amount of bonds issued during such year which are designated under subsection (d)(1)(C)(i),

the limitation amount under paragraph (1) for the following fiscal year (through fiscal year 2015) shall be increased by the amount of such excess.

"(6) ADDITIONAL SELECTION CRITERIA.—In selecting qualified projects for allocation of the qualified Amtrak bond limitation under this subsection, the Secretary of Transportation—

"(A) may give preference to any project with a State matching contribution rate exceeding 20 percent, and

"(B) shall consider regional balance in infrastructure investment and the national interest in ensuring the development of a nation-wide high-speed rail transportation network.

"(f) OTHER DEFINITIONS.—For purposes of this subpart—

"(1) BOND.—The term 'bond' includes any obligation.

"(2) CREDIT ALLOWANCE DATE.—The term 'credit allowance date' means—

"(A) March 15,

"(B) June 15,

"(C) September 15, and

"(D) December 15.

Such term includes the last day on which the bond is outstanding.

"(3) STATE.—The term 'State' means the several States and the District of Columbia, and any subdivision thereof.

"(4) PROGRAM.—The term 'program' means 1 or more projects implemented over 1 or more years to support the development of intercity passenger rail corridors.

"(g) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

"(h) SPECIAL RULES RELATING TO ARBITRAGE.—

"(1) IN GENERAL.—Subject to paragraph (2), an issue shall be treated as meeting the requirements of this subsection if as of the date of issuance, the issuer reasonably expects—

"(A) to spend at least 95 percent of the proceeds of the issue for 1 or more qualified projects within the 5-year period beginning on such date, and

"(B) to proceed with due diligence to complete such projects and to spend the proceeds of the issue.

"(2) RULES REGARDING CONTINUING COMPLIANCE AFTER 5-YEAR DETERMINATION.—If at least 95 percent of the proceeds of the issue is not expended for 1 or more qualified projects within the 5-year period beginning on the date of issuance, an issue shall be treated as continuing to meet the requirements of this subsection if either—

"(A) the issuer uses all unspent proceeds of the issue to redeem bonds of the issue within 90 days after the end of such 5-year period, or

"(B) the following requirements are met:

"(i) The issuer spends at least 75 percent of the proceeds of the issue for 1 or more qualified projects within the 5-year period beginning on the date of issuance.

"(ii) The issuer has proceeded with due diligence to spend the proceeds of the issue within such 5-year period and continues to proceed with due diligence to spend such proceeds.

"(iii) The issuer pays to the Federal Government any earnings on the proceeds of the issue that accrue after the end of such 5-year period.

"(iv) Either—

"(I) at least 95 percent of the proceeds of the issue is expended for 1 or more qualified projects within the 6-year period beginning on the date of issuance, or

"(II) the issuer uses all unspent proceeds of the issue to redeem bonds of the issue within 90 days after the end of such 6-year period.

"(i) RECAPTURE OF PORTION OF CREDIT WHERE CESSATION OF COMPLIANCE.—

"(1) IN GENERAL.—If any bond which when issued purported to be a qualified Amtrak bond ceases to be a qualified Amtrak bond, the issuer shall pay to the United States (at the time required by the Secretary) an amount equal to the sum of—

"(A) the aggregate of the credits allowable under this section with respect to such bond (determined without regard to subsection (c)) for taxable years ending during the calendar year in which such cessation occurs and the 2 preceding calendar years, and

"(B) interest at the underpayment rate under section 6621 on the amount determined under subparagraph (A) for each calendar year for the period beginning on the first day of such calendar year.

"(2) FAILURE TO PAY.—If the issuer fails to timely pay the amount required by paragraph (1) with respect to such bond, the tax imposed by this chapter on each holder of any such bond which is part of such issue shall be increased (for the taxable year of the holder in which such cessation occurs) by the aggregate decrease in the credits allowed under this section to such holder for taxable years beginning in such 3 calendar years which would have resulted solely from denying any credit under this section with respect to such issue for such taxable years.

"(3) SPECIAL RULES.—

"(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (2) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

"(B) NO CREDITS AGAINST TAX.—Any increase in tax under paragraph (2) shall not be treated as a tax imposed by this chapter for purposes of determining—

"(i) the amount of any credit allowable under this part, or

"(ii) the amount of the tax imposed by section 55.

"(j) USE OF TRUST ACCOUNT.—

"(1) IN GENERAL.—The amount of any matching contribution with respect to a qualified project described in subsection (d)(3)(B)(i) or (d)(3)(B)(ii)(II) and the temporary period investment earnings on proceeds of the issue with respect to such project, and any earnings thereon, shall be held in a trust account by a trustee independent of the National Railroad Passenger Corporation to be used to the extent necessary to redeem bonds which are part of such issue.

"(2) USE OF REMAINING FUNDS IN TRUST ACCOUNT.—Upon the repayment of the principal of all qualified Amtrak bonds issued under this section, any remaining funds in the trust account described in paragraph (1) shall be available—

"(A) to the trustee described in paragraph (1), to meet any remaining obligations under any guaranteed investment contract used to secure earnings sufficient to repay the principal of such bonds, and

"(B) to the issuer, for any qualified project.

"(k) OTHER SPECIAL RULES.—

"(1) PARTNERSHIP; S CORPORATION; AND OTHER PASS-THRU ENTITIES.—Under regulations prescribed by the Secretary, in the case of a partnership, trust, S corporation, or other pass-thru entity, rules similar to the rules of section 41(g) shall apply with respect to the credit allowable under subsection (a).

"(2) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any qualified Amtrak bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

"(3) CREDITS MAY BE STRIPPED.—Under regulations prescribed by the Secretary—

"(A) IN GENERAL.—There may be a separation (including at issuance) of the ownership of a qualified Amtrak bond and the entitlement to the credit under this section with respect to such bond. In case of any such separation, the credit under this section shall be allowed to the person who on the credit allowance date holds the instrument evidencing the entitlement to the credit and not to the holder of the bond.

"(B) CERTAIN RULES TO APPLY.—In the case of a separation described in subparagraph (A), the rules of section 1286 shall apply to the qualified Amtrak bond as if it were a stripped bond and to the credit under this section as if it were a stripped coupon.

"(4) TREATMENT FOR ESTIMATED TAX PURPOSES.—Solely for purposes of sections 6654 and 6655, the credit allowed by this section to a taxpayer by reason of holding a qualified Amtrak bond on a credit allowance date shall be treated as if it were a payment of estimated tax made by the taxpayer on such date.

"(5) CREDIT MAY BE TRANSFERRED.—Nothing in any law or rule of law shall be construed to limit the transferability of the credit allowed by this section through sale and repurchase agreements.

"(6) REPORTING.—Issuers of qualified Amtrak bonds shall submit reports similar to the reports required under section 149(e).".

(b) REPORTING.—Subsection (d) of section 6049 (relating to returns regarding payments of interest), as amended by section 505(d), is amended by adding at the end the following new paragraph:

"(9) REPORTING OF CREDIT ON QUALIFIED AMTRAK BONDS.—

"(A) IN GENERAL.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 54(g) and such amounts shall be treated as paid on the credit allowance date (as defined in section 54(f)(2)).

"(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A) of this paragraph, subsection (b)(4) of this section shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i).

"(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.".

(c) CLERICAL AMENDMENTS.—

(1) The table of subparts for part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

"Subpart H. Nonrefundable Credit for Holders of Qualified Amtrak Bonds.".

(2) Section 6401(b)(1) is amended by striking "and G" and inserting "G, and H".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after September 30, 2001.

(e) MULTI-YEAR CAPITAL SPENDING PLAN AND OVERSIGHT.—

(1) AMTRAK CAPITAL SPENDING PLAN.—

(A) IN GENERAL.—The National Railroad Passenger Corporation shall annually submit to the President and Congress a multi-year capital spending plan, as approved by the Board of Directors of the Corporation.

(B) CONTENTS OF PLAN.—Such plan shall identify the capital investment needs of the Corporation over a period of not less than 5 years and the funding sources available to finance such needs and shall prioritize such needs according to corporate goals and strategies.

(C) INITIAL SUBMISSION DATE.—The first plan shall be submitted before the issuance of any qualified Amtrak bonds by the National Railroad Passenger Corporation pursuant to section 54 of the Internal Revenue Code of 1986 (as added by this section).

(2) OVERSIGHT OF AMTRAK TRUST ACCOUNT AND QUALIFIED PROJECTS.—

(A) TRUST ACCOUNT OVERSIGHT.—The Secretary of the Treasury shall annually report to Congress as to whether the amount deposited in the trust account established by the National Railroad Passenger Corporation under section 54(j) of such Code (as so added) is sufficient to fully repay at maturity the principal of any outstanding qualified Amtrak bonds issued pursuant to section 54 of such Code (as so added), together with amounts expected to be deposited into such account, as certified by the National Railroad Passenger Corporation in accordance with procedures prescribed by the Secretary of the Treasury.

(B) PROJECT OVERSIGHT.—The National Railroad Passenger Corporation shall contract for an annual independent assessment of the costs and benefits of the qualified projects financed by such qualified Amtrak bonds, including an assessment of the investment evaluation process of the Corporation. The annual assessment shall be included in the plan submitted under paragraph (1).

(C) OVERSIGHT FUNDING.—Not more than 0.5 percent of the amounts made available through the issuance of qualified Amtrak bonds by the National Railroad Passenger Corporation pursuant to section 54 of such Code (as so added) may be used by the National Railroad Passenger Corporation for assessments described in subparagraph (B).

(f) PROTECTION OF HIGHWAY TRUST FUND.—

(1) CERTIFICATION BY THE SECRETARY OF THE TREASURY.—The issuance of any qualified Amtrak bonds by the National Railroad Passenger Corporation or the Alaska Railroad pursuant to section 54 of the Internal Revenue Code of 1986 (as added by this section) is conditioned on certification by the Secretary of the Treasury, after consultation with the Secretary of Transportation, within 30 days of a request by the issuer, that with respect to funds of the Highway Trust Fund described under paragraph (2), the issuer either—

(A) has not received such funds during fiscal years commencing with fiscal year 2002 and ending before the fiscal year the bonds are issued, or

(B) has repaid to the Highway Trust Fund any such funds which were received during such fiscal years.

(2) APPLICABILITY.—This subsection shall apply to funds received directly, or indirectly from a State or local transit authority, from the Highway Trust Fund established under section 9503 of the Internal Revenue Code of 1986, except for funds authorized to be expended under section 9503(c) of such Code, as in effect on the date of the enactment of this Act.

(3) NO RETROACTIVE EFFECT.—Nothing in this subsection shall adversely affect the entitlement of the holders of qualified Amtrak bonds to the tax credit allowed pursuant to section 54 of the Internal Revenue Code of 1986 (as so added) or to repayment of principal upon maturity.

(g) EXEMPTION FROM TAXES FOR HIGH-SPEED RAIL LINES AND IMPROVEMENTS.—Notwithstanding any other provision of law, no rail carrier (as defined in section 24102 of title 49, United States Code) shall be required to pay any tax or fee imposed by the Internal Revenue Code of 1986 with respect to the acquisition, improvement, or ownership of personal or real property funded by the proceeds of qualified Amtrak bonds (as defined in section 54(d) of the Internal Revenue Code of 1986 (as added by this section) or with respect to revenues or income derived from such acquisition, improvement, or ownership (other than revenues or income derived from expanded operations resulting from such acquisition, improvement, or ownership).

(h) ISSUANCE OF REGULATIONS.—The Secretary of the Treasury shall issue regulations required under section 54 of the Internal Revenue Code (as added by this section) not later than 90 days after the date of the enactment of this Act.

(i) ISSUANCE OF TAX-EXEMPT BONDS FOR RAIL PASSENGER PROJECTS.—

(1) FUNDING STATE MATCH REQUIREMENT.—Section 142(a) (relating to exempt facility bond) is amended by striking "or" at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting ", or", and by adding at the end the following new paragraph:

"(13) the State contribution requirement for qualified projects under section 54.".

(2) REPEAL OF GOVERNMENTAL OWNERSHIP REQUIREMENT FOR MASS COMMUTING FACILITIES.—Section 142(b)(1)(A) (relating to certain facilities must be governmentally owned) is amended by striking "(3),".

(3) DEFINITION OF HIGH-SPEED INTERCITY RAIL FACILITIES.—Section 142(i)(1) is amended by striking "in excess of 150 miles per hour" and inserting "prescribed in section 104(d)(2) of title 23, United States Code,".

(4) EXEMPTION FROM VOLUME CAP.—Subsection (g) of section 146 (relating to exception for certain bonds) is amended by striking paragraph (4) and the last sentence of such subsection and inserting the following new paragraph:

"(4) any exempt facility bond issued as part of an issue described in paragraph (3), (11), or (13) of section 142(a) (relating to mass commuting facilities, high-speed intercity rail facilities, and State contribution requirements under section 54).''.

(5) EFFECTIVE DATE.—The amendments made by this subsection shall apply to bonds issued after the date of enactment of this Act.

SA 677. Mr. KERRY submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 66, in the table set forth between lines 1 and 2, strike that matter relating to years 2007, 2008, 2009, and 2010 and insert the following:

``2007 and 2008 .... 46 percent
``2009 and 2010 .... 45 percent''.

At the end of subtitle A of title VIII, add the following:

SEC. ___. CREDIT FOR MEDICAL RESEARCH RELATED TO DEVELOPING VACCINES AGAINST WIDESPREAD DISEASES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by section 620, is amended by adding at the end the following new section:

``SEC. 45G. CREDIT FOR MEDICAL RESEARCH RELATED TO DEVELOPING VACCINES AGAINST WIDESPREAD DISEASES.

``(a) GENERAL RULE.—For purposes of section 38, the vaccine research credit determined under this section for the taxable year is an amount equal to 30 percent of the qualified vaccine research expenses for the taxable year.

``(b) QUALIFIED VACCINE RESEARCH EXPENSES.—For purposes of this section—

``(1) QUALIFIED VACCINE RESEARCH EXPENSES.—

``(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term `qualified vaccine research expenses' means the amounts which are paid or incurred by the taxpayer during the taxable year which would be described in subsection (b) of section 41 if such subsection were applied with the modifications set forth in subparagraph (B).

``(B) MODIFICATIONS; INCREASED INCENTIVE FOR CONTRACT RESEARCH PAYMENTS.—For purposes of subparagraph (A), subsection (b) of section 41 shall be applied—

``(i) by substituting `vaccine research' for `qualified research' each place it appears in paragraphs (2) and (3) of such subsection, and

``(ii) by substituting `100 percent' for `65 percent' in paragraph (3)(A) of such subsection.

``(C) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term `qualified vaccine research expenses' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

``(2) VACCINE RESEARCH.—The term `vaccine research' means research to develop vaccines and microbicides for—

``(A) malaria,

``(B) tuberculosis,

``(C) HIV, or

``(D) any infectious disease (of a single etiology) which, according to the World Health Organization, causes over 1,000,000 human deaths annually.

``(c) COORDINATION WITH CREDIT FOR INCREASING RESEARCH EXPENDITURES.—

``(1) IN GENERAL.—Except as provided in paragraph (2), any qualified vaccine research expenses for a taxable year to which an election under this section applies shall not be taken into account for purposes of determining the credit allowable under section 41 for such taxable year.

``(2) EXPENSES INCLUDED IN DETERMINING BASE PERIOD RESEARCH EXPENSES.—Any qualified vaccine research expenses for any taxable year which are qualified research expenses (within the meaning of section 41(b)) shall be taken into account in determining base period research expenses for purposes of applying section 41 to subsequent taxable years.

``(d) SPECIAL RULES.—

``(1) LIMITATIONS ON FOREIGN TESTING.—No credit shall be allowed under this section with respect to any vaccine research (other than human clinical testing) conducted outside the United States.

``(2) PRE-CLINICAL RESEARCH.—No credit shall be allowed under this section for pre-clinical research unless such research is pursuant to a research plan an abstract of which has been filed with the Secretary before the beginning of such year. The Secretary, in consultation with the Secretary of Health and Human Services, shall prescribe regulations specifying the requirements for such plans and procedures for filing under this paragraph.

``(3) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of paragraphs (1) and (2) of section 41(f) shall apply for purposes of this section.

``(4) ELECTION.—This section (other than subsection (e)) shall apply to any taxpayer for any taxable year only if such taxpayer elects to have this section apply for such taxable year.

``(e) CREDIT TO BE REFUNDABLE FOR CERTAIN TAXPAYERS.—

``(1) IN GENERAL.—In the case of an electing qualified taxpayer—

``(A) the credit under this section shall be determined without regard to section 38(c), and

``(B) the credit so determined shall be allowed as a credit under subpart C.

``(2) ELECTING QUALIFIED TAXPAYER.—For purposes of this subsection, the term `electing qualified taxpayer' means, with respect to any taxable year, any domestic C corporation if—

``(A) the aggregate gross assets of such corporation at any time during such taxable year are $500,000,000 or less,

``(B) the net income tax (as defined in section 38(c)) of such corporation is zero for such taxable year and the 2 preceding taxable years,

``(C) as of the close of the taxable year, the corporation is not under the jurisdiction of a court in a title 11 or similar case (within the meaning of section 368(a)(3)(A)),

``(D) the corporation provides such assurances as the Secretary requires that, not later than 2 taxable years after the taxable year in which the taxpayer receives any refund of a credit under this subsection, the taxpayer will make an amount of qualified vaccine research expenses equal to the amount of such refund, and

``(E) the corporation elects the application of this subsection for such taxable year.

``(3) AGGREGATE GROSS ASSETS.—Aggregate gross assets shall be determined in the same manner as such assets are determined under section 1202(d).

``(4) CONTROLLED GROUPS.—A corporation shall be treated as meeting the requirement of paragraph (2)(B) only if each person who is treated with such corporation as a single employer under subsections (a) and (b) of section 52 also meets such requirement.

``(5) SPECIAL RULES.—

``(A) RECAPTURE OF CREDIT.—The Secretary shall promulgate such regulations as necessary and appropriate to provide for the recapture of any credit allowed under this subsection in cases where the taxpayer fails to make the expenditures described in paragraph (2)(D).

``(B) EXCLUSION OF CERTAIN QUALIFIED VACCINE RESEARCH EXPENSES.—For purposes of determining the credit under this section for a taxable year, the qualified vaccine research expenses taken into account for such taxable year shall not include an amount paid or incurred during such taxable year equal to the amount described in paragraph (2)(D) (and not already taken into account under this subparagraph for a previous taxable year).''.

(b) INCLUSION IN GENERAL BUSINESS CREDIT.—

(1) IN GENERAL.—Section 38(b), as amended by section 620, is amended by striking ``plus'' at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting ``, plus'', and by adding at the end the following new paragraph:

``(16) the vaccine research credit determined under section 45G.''.

(2) TRANSITION RULE.—Section 39(d), as amended by section 620, is amended by adding at the end the following new paragraph:

``(12) NO CARRYBACK OF SECTION 45G CREDIT BEFORE ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to the vaccine research credit determined under section 45G may be carried back to a taxable year ending before the date of the enactment of section 45G.''.

(c) DENIAL OF DOUBLE BENEFIT.—Section 280C is amended by adding at the end the following new subsection:

``(d) CREDIT FOR QUALIFIED VACCINE RESEARCH EXPENSES.—

``(1) IN GENERAL.—No deduction shall be allowed for that portion of the qualified vaccine research expenses (as defined in section 45G(b)) otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 45G(a).

``(2) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (2), (3), and (4) of subsection (c) shall apply for purposes of this subsection.''.

(d) DEDUCTION FOR UNUSED PORTION OF CREDIT.—Section 196(c) (defining qualified business credits) is amended by striking ``and'' at the end of paragraph (8), by striking the period at the end of paragraph (9) and inserting ``, and'', and by adding at the end the following new paragraph:

``(10) the vaccine research credit determined under section 45G(a) (other than such credit determined under the rules of section 280C(d)(2)).''.

(e) TECHNICAL AMENDMENTS.—

(1) Section 1324(b)(2) of title 31, United States Code, is amended by inserting ``or from section 45G(e) of such Code,'' after ``1978,''.

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section 620, is amended by adding at the end the following new item:

``Sec. 45G. Credit for medical research related to developing vaccines against widespread diseases.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SA 678. Mr. KERRY submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 66, in the table set forth between lines 1 and 2, strike that matter relating to years 2007, 2008, 2009, and 2010 and insert the following:

"2007 and 2008 .... 46 percent
"2009 and 2010 .... 45 percent.".

At the end of subtitle A of title VIII, add the following:

SEC. ___. CREDIT FOR MEDICAL RESEARCH RELATED TO DEVELOPING VACCINES AGAINST WIDESPREAD DISEASES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by section 620, is amended by adding at the end the following new section:

"SEC. 45G. CREDIT FOR MEDICAL RESEARCH RELATED TO DEVELOPING VACCINES AGAINST WIDESPREAD DISEASES.

"(a) GENERAL RULE.—For purposes of section 38, the vaccine research credit determined under this section for the taxable year is an amount equal to 30 percent of the qualified vaccine research expenses for the taxable year.

"(b) QUALIFIED VACCINE RESEARCH EXPENSES.—For purposes of this section—

"(1) QUALIFIED VACCINE RESEARCH EXPENSES.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term 'qualified vaccine research expenses' means the amounts which are paid or incurred by the taxpayer during the taxable year which would be described in subsection (b) of section 41 if such subsection were applied with the modifications set forth in subparagraph (B).

"(B) MODIFICATIONS; INCREASED INCENTIVE FOR CONTRACT RESEARCH PAYMENTS.—For purposes of subparagraph (A), subsection (b) of section 41 shall be applied—

"(i) by substituting 'vaccine research' for 'qualified research' each place it appears in paragraphs (2) and (3) of such subsection, and

"(ii) by substituting '100 percent' for '65 percent' in paragraph (3)(A) of such subsection.

"(C) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term 'qualified vaccine research expenses' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

"(2) VACCINE RESEARCH.—The term 'vaccine research' means research to develop vaccines and microbicides for—

"(A) malaria,

"(B) tuberculosis,

"(C) HIV, or

"(D) any infectious disease (of a single etiology) which, according to the World Health Organization, causes over 1,000,000 human deaths annually.

"(c) COORDINATION WITH CREDIT FOR INCREASING RESEARCH EXPENDITURES.—

"(1) IN GENERAL.—Except as provided in paragraph (2), any qualified vaccine research expenses for a taxable year to which an election under this section applies shall not be taken into account for purposes of determining the credit allowable under section 41 for such taxable year.

"(2) EXPENSES INCLUDED IN DETERMINING BASE PERIOD RESEARCH EXPENSES.—Any qualified vaccine research expenses for any taxable year which are qualified research expenses (within the meaning of section 41(b)) shall be taken into account in determining base period research expenses for purposes of applying section 41 to subsequent taxable years.

"(d) SPECIAL RULES.—

"(1) LIMITATIONS ON FOREIGN TESTING.—No credit shall be allowed under this section with respect to any vaccine research (other than human clinical testing) conducted outside the United States.

"(2) PRE-CLINICAL RESEARCH.—No credit shall be allowed under this section for preclinical research unless such research is pursuant to a research plan an abstract of which has been filed with the Secretary before the beginning of such year. The Secretary, in consultation with the Secretary of Health and Human Services, shall prescribe regulations specifying the requirements for such plans and procedures for filing under this paragraph.

"(3) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of paragraphs (1) and (2) of section 41(f) shall apply for purposes of this section.

"(4) ELECTION.—This section (other than subsection (e)) shall apply to any taxpayer for any taxable year only if such taxpayer elects to have this section apply for such taxable year.

"(e) CREDIT TO BE REFUNDABLE FOR CERTAIN TAXPAYERS.—

"(1) IN GENERAL.—In the case of an electing qualified taxpayer—

"(A) the credit under this section shall be determined without regard to section 38(c), and

"(B) the credit so determined shall be allowed as a credit under subpart C.

"(2) ELECTING QUALIFIED TAXPAYER.—For purposes of this subsection, the term 'electing qualified taxpayer' means, with respect to any taxable year, any domestic C corporation if—

"(A) the aggregate gross assets of such corporation at any time during such taxable year are $500,000,000 or less,

"(B) the net income tax (as defined in section 38(c)) of such corporation is zero for such taxable year and the 2 preceding taxable years,

"(C) as of the close of the taxable year, the corporation is not under the jurisdiction of a court in a title 11 or similar case (within the meaning of section 368(a)(3)(A)),

"(D) the corporation provides such assurances as the Secretary requires that, not later than 2 taxable years after the taxable year in which the taxpayer receives any refund of a credit under this subsection, the taxpayer will make an amount of qualified vaccine research expenses equal to the amount of such refund, and

"(E) the corporation elects the application of this subsection for such taxable year.

"(3) AGGREGATE GROSS ASSETS.—Aggregate gross assets shall be determined in the same manner as such assets are determined under section 1202(d).

"(4) CONTROLLED GROUPS.—A corporation shall be treated as meeting the requirement of paragraph (2)(B) only if each person who is treated with such corporation as a single employer under subsections (a) and (b) of section 52 also meets such requirement.

"(5) SPECIAL RULES.—

"(A) RECAPTURE OF CREDIT.—The Secretary shall promulgate such regulations as necessary and appropriate to provide for the recapture of any credit allowed under this subsection in cases where the taxpayer fails to make the expenditures described in paragraph (2)(D).

"(B) EXCLUSION OF CERTAIN QUALIFIED VACCINE RESEARCH EXPENSES.—For purposes of determining the credit under this section for a taxable year, the qualified vaccine research expenses taken into account for such taxable year shall not include an amount paid or incurred during such taxable year equal to the amount described in paragraph (2)(D) (and not already taken into account under this subparagraph for a previous taxable year).

"(f) TERMINATION.—

"(1) IN GENERAL.—This section shall not apply to any amount paid or incurred after June 30, 2004.

"(2) COMPUTATION OF BASE AMOUNT.—In the case of any taxable year with respect to which this section applies to a number of days which is less than the total number of days in such taxable year, the base amount with respect to such taxable year shall be the amount which bears the same ratio to the base amount for such year (determined without regard to this paragraph) as the number of days in such taxable year to which this section applies bears to the total number of days in such taxable year.".

(b) INCLUSION IN GENERAL BUSINESS CREDIT.—

(1) IN GENERAL.—Section 38(b), as amended by section 620, is amended by striking "plus" at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting ", plus", and by adding at the end the following new paragraph:

"(16) the vaccine research credit determined under section 45G.".

(2) TRANSITION RULE.—Section 39(d), as amended by section 620, is amended by adding at the end the following new paragraph:

"(12) NO CARRYBACK OF SECTION 45G CREDIT BEFORE ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to the vaccine research credit determined under section 45G may be carried back to a taxable year ending before the date of the enactment of section 45G.".

(c) DENIAL OF DOUBLE BENEFIT.—Section 280C is amended by adding at the end the following new subsection:

"(d) CREDIT FOR QUALIFIED VACCINE RESEARCH EXPENSES.—

"(1) IN GENERAL.—No deduction shall be allowed for that portion of the qualified vaccine research expenses (as defined in section 45G(b)) otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 45G(a).

"(2) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (2), (3), and (4) of subsection (c) shall apply for purposes of this subsection.".

(d) DEDUCTION FOR UNUSED PORTION OF CREDIT.—Section 196(c) (defining qualified business credits) is amended by striking "and" at the end of paragraph (8), by striking the period at the end of paragraph (9) and inserting ", and", and by adding at the end the following new paragraph:

"(10) the vaccine research credit determined under section 45G(a) (other than such credit determined under the rules of section 280C(d)(2)).".

(e) TECHNICAL AMENDMENTS.—

(1) Section 1324(b)(2) of title 31, United States Code, is amended by inserting "or from section 45G(e) of such Code," after "1978,".

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section 620, is amended by adding at the end the following new item:

"Sec. 45G. Credit for medical research related to developing vaccines against widespread diseases.".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SA 679. Mr. ROCKEFELLER (for himself, Mr. GRAHAM, Mr. WELLSTONE, Mr. KENNEDY, Mr. HARKIN, Mr. JOHNSON, Mr. KERRY, Mrs. CLINTON, Mr. DAYTON, and Ms. STABENOW) proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 9, between lines 14 and 15, insert the following:

"(4) DELAY OF TOP RATE REDUCTION.—

"(A) IN GENERAL.—Notwithstanding paragraph (2), with respect to a calendar year, no percentage described in that paragraph shall be substituted for 39.6 percent until the requirement of subparagraph (B) is met.

"(B) MEDICARE OUTPATIENT PRESCRIPTION DRUG BENEFIT ENACTED.—Legislation is enacted that adds an outpatient prescription drug benefit to the medicare program established under title XVIII of the Social Security Act, without using funds generated from any surpluses in any trust fund established under the Social Security Act, that is—

"(i) voluntary,

"(ii) accessible to all medicare beneficiaries,

"(iii) designed to assist medicare beneficiaries with the high cost of prescription drugs, protect them from excessive out of pocket costs, and give them bargaining power in the marketplace,

"(iv) affordable to all medicare beneficiaries and the medicare program,

"(v) administered using private sector entities and competitive purchasing techniques, and

"(vi) consistent with broader reform of the medicare program.".

SA 680. Mr. SMITH of New Hampshire submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 802, after line 21, add the following:

SEC. 803. REMOVAL OF LIMITATION.

(a) IN GENERAL.—Section 101(h) of the Internal Revenue Code of 1986 (relating to exclusion of survivor benefits from gross income) is amended by adding after paragraph (2) the following new paragraph:

"(3) APPLICATION.—This subsection shall apply to amounts received after December 31, 2000.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SA 681. Mr. SMITH of New Hampshire submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 802, after line 21, add the following:

SEC. 803. PERMANENT MORATORIUM ON IMPOSITION OF TAXES ON THE INTERNET.

Section 1101(a) of the Internet Tax Freedom Act (title XI of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; 47 U.S.C. 151 note) is amended by striking "during the period beginning on October 1, 1998, and ending 3 years after the date of the enactment of this Act" and inserting "after September 30, 1998".

SA 682. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

TITLE —SECTION 527 POLITICAL ORGANIZATION REPORTING REQUIREMENTS

SEC. 01. EXEMPTION FOR STATE AND LOCAL CANDIDATE COMMITTEES FROM NOTIFICATION REQUIREMENTS.

(a) EXEMPTION FROM NOTIFICATION REQUIREMENTS.—Paragraph (5) of section 527(i) (relating to organizations must notify Secretary that they are section 527 organizations) is amended by striking "or" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", or", and by adding at the end the following:

"(C) which is a political committee of a State or local candidate.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the amendments made by Public Law 106-230.

SEC. 02. EXEMPTION FOR CERTAIN STATE AND LOCAL POLITICAL COMMITTEES FROM REPORTING AND ANNUAL RETURN REQUIREMENTS.

(a) EXEMPTION FROM REPORTING REQUIREMENTS.—

(1) IN GENERAL.—Section 527(j)(5) (relating to coordination with other requirements) is amended by striking "or" at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting ", or", and by adding at the end the following:

"(F) to any organization described in paragraph (7), but only if, during the calendar year—

"(i) such organization is required by State or local law to report, and such organization reports, information regarding each separate expenditure and contribution (including information regarding the person who makes such contribution or receives such expenditure) with respect to which information would otherwise be required to be reported under this subsection, and

"(ii) such information is made public by the agency with which such information is filed and is publicly available for inspection in a manner similar to reports under section 6104(d)(1).

An organization shall not be treated as failing to meet the requirements of subparagraph (F)(i) solely because the minimum amount of any expenditure or contribution required to be reported under State or local law is greater (but not by more than $100) than the minimum amount required under this subsection.".

(2) DESCRIPTION OF ORGANIZATION.—Section 527(j) is amended by adding at the end the following:

"(7) CERTAIN ORGANIZATIONS.—An organization is described in this paragraph if—

"(A) such organization is not described in subparagraph (A), (B), (C), or (D) of paragraph (5),

"(B) such organization does not engage in any exempt function activities other than activities for the purpose of influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any State or local public office or office in a State or local political organization, and

"(C) no candidate for Federal office or individual holding Federal office—

"(i) controls or materially participates in the direction of such organization,

"(ii) solicits any contributions to such organization, or

"(iii) directs, in whole or in part, any expenditure made by such organization.".

(b) EXEMPTION FROM REQUIREMENTS FOR ANNUAL RETURN BASED ON GROSS RECEIPTS.—Paragraph (6) of section 6012(a) (relating to persons required to make returns of income) is amended by striking "organization, which" and all that follows through "section)" and inserting "organization—

"(A) which has political organization taxable income (within the meaning of section 527(c)(1)) for the taxable year, or

"(B) which—

"(i) is not a political committee of a State or local candidate or an organization to which section 527 applies solely by reason of subsection (f)(1) of such section, and

"(ii) has gross receipts of—

"(I) in the case of political organization described in section 527(j)(5)(F), $100,000 or more for the taxable year, and

"(II) in the case of any other political organization, $25,000 or more for the taxable year".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by Public Law 106-230.

SEC. 03. NOTIFICATION OF INTERACTION OF REPORTING REQUIREMENTS.

(a) IN GENERAL.—The Secretary of the Treasury, in consultation with the Federal Election Commission, shall publicize—

(1) the effect of the amendments made by this title, and

(2) the interaction of requirements to file a notification or report under section 527 of the Internal Revenue Code of 1986 and reports under the Federal Election Campaign Act of 1971.

(b) INFORMATION.—Information provided under subsection (a) shall be included in any appropriate form, instruction, notice, or other guidance issued to the public by the Secretary of the Treasury or the Federal Election Commission regarding reporting requirements of political organizations (as defined in section 527 of the Internal Revenue Code of 1986) or reporting requirements under the Federal Election Campaign Act of 1971.

SEC. 04. WAIVER OF PENALTIES.

(a) WAIVER OF FILING PENALTIES.—Section 527 is amended by adding at the end the following:

"(k) AUTHORITY TO WAIVE.—The Secretary may waive all or any portion of the—

"(1) tax assessed on an organization by reason of the failure of the organization to give notice under subsection (i), or

"(2) penalty imposed under subsection (j) for a failure to file a report,

on a showing that such failure was due to reasonable cause and not due to willful neglect.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to any tax assessed or penalty imposed after June 30, 2000.

SA 683. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 19, beginning with line 21, strike all through the matter preceding line 1 on page 20, and insert:

"(7) APPLICABLE PERCENTAGE.—For purposes of paragraph (2), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in calendar year—	The applicable percentage is—
2002	170
2003	175
2004	180
2005	185
2006	190
2007	195
2008 and thereafter	200.".

On page 20, line 14, strike "2004" and insert "2001".

SA 684. Mr. KENNEDY (for himself, Mr. DODD, and Mr. JOHNSON) submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 9, between lines 14 and 15, insert:

"(4) DELAY OF TOP RATE REDUCTION.—

"(A) IN GENERAL.—Notwithstanding paragraph (2), with respect to a calendar year, no percentage described in that paragraph shall be substituted for 39.6 percent until the requirement of subparagraph (B) is met.

"(B) FULLY FUNDING BASIC EDUCATION SERVICES.—The requirement of this subparagraph is that legislation be enacted that appropriates funds for core education programs at or above the levels that have been authorized for such programs by the Senate in the following amendments to Senate bill 1 (the Better Education for Students and Teachers Act, 107th Congress):

"(i) Senate Amendment 360 (107th Congress; as offered by Senator Hagel and Senator Harkin), which passed the Senate on a voice vote with no dissenters, to honor the Federal commitment to provide States with 40 percent of the cost of implementing the Individuals with Disabilities Education Act, instead of the 17 percent of costs that the Federal Government currently provides.

"(ii) Senate Amendment 365 (107th Congress; as offered by Senator Dodd), which passed the Senate on a vote of 79 to 21, to provide support under title I of the Elementary and Secondary Education Act of 1965 (as amended by the Better Education for Students and Teachers Act) for 100 percent of the economically disadvantaged children rather than the 33 percent who are currently aided under such title.

"(iii) Senate Amendment 375 (107th Congress; as offered by Senator Kennedy), which passed the Senate on a vote of 69 to 31, to improve teacher quality for all students under the bipartisan agreement reflected in part A of title II of the Elementary and Secondary Education Act of 1965 (as amended by the Better Education for Students and Teachers Act).

"(iv) Senate Amendment 451 (107th Congress; as offered by Senator Lincoln), which passed the Senate on a vote of 62 to 34, to improve the quality of education available to bilingual students with limited English proficiency, especially in light of the nation's growing immigrant population.

"(v) Senate Amendment 563 (107th Congress; as offered by Senator Boxer), which passed the Senate on a vote of 60 to 39, to ensure that more of the nation's 7,000,000 latchkey children have access to safe, constructive activities after school while their parents are at work.

SA 685. Mr. BAYH (for himself, Ms. SNOWE, Mr. CHAFEE, Ms. LANDRIEU, Mrs. FEINSTEIN, Ms. COLLINS, Ms. STABENOW, Mr. JEFFORDS, Mr. KOHL, Mr. CARPER, Mr. NELSON of Florida, and Mrs. CLINTON) proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

At the appropriate place, insert the following:

SEC. . ENSURING DEBT REDUCTION.

(a) TRIGGER.—

(1) IN GENERAL.—Notwithstanding any other provision of this Act or any other law, the effective date of a provision of law described in paragraph (2) shall be delayed as provided in paragraph (3).

(2) PROVISION DESCRIBED.—A provision of law described in this paragraph is—

(A) a provision of this Act that takes effect in fiscal year 2005 or 2007 and results in a revenue reduction; or

(B) a provision of law that—

(i) is enacted after the date of enactment of this Act; and

(ii) takes effect in fiscal year 2005 or 2007 and causes increased outlays through mandatory spending.

(3) DELAY.—If, on September 30 of 2004 and 2006, the Secretary of the Treasury determines that the limit on the debt held by the public in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 will be exceeded in the fiscal year beginning October 1 of the following year, the effective date of any a provision of law described in paragraph (2) that takes effect during that fiscal year shall be delayed by 1 calendar year.

(4) DISCRETIONARY SPENDING LIMITATION.—Notwithstanding any other provision of law, in any fiscal year subject to the delay provisions of paragraph (3), the amount of discretionary spending in each discretionary spending account shall be the level provided for that account in the preceding fiscal year plus an adjustment for inflation.

(5) REPORTS TO CONGRESS.—On July 1 and September 5 of 2003 and 2005, the Secretary of the Treasury shall report to Congress the estimated amount of the debt held by the public for the fiscal year beginning on October 1 of that year.

(6) CONGRESSIONAL ACTION.—

(A) TRIGGER.—

(i) MODIFICATION.—In fiscal year 2005 or 2007, if the level of debt held by the public for that fiscal year would be below the level of debt held by the public for that fiscal year in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985, due to the provisions of paragraphs (3) and (4) any Member of Congress may move to proceed to a bill that would make changes in law to increase discretionary spending and direct spending and increase revenues (proportionately) in a manner that would increase the debt held by the public for that fiscal year to a level not exceeding the level provided in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985. The motion to proceed shall be voted on at the end of 4 hours of debate. A bill considered under this clause shall be considered as provided in section 310(e) of the Congressional Budget Act of 1974 (2 U.S.C. 641(e)). Any amendment offered to the bill shall maintain the proportionality requirement.

(ii) WAIVER.—The delay and limitation provided in paragraphs (3) and (4) may be disapproved by a joint resolution. A joint resolution considered under this clause shall not be advanced to third reading in either House unless a motion to proceed to third reading is agreed to by three-fifths of the Members, duly chosen and sworn.

(B) OTHER FISCAL YEARS.—

(i) IN GENERAL.—In fiscal year 2003, 2005, 2007, 2008, 2009, or 2010, if the level of debt held by the public for that fiscal year would exceed the level of debt held by the public for that fiscal year in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985, any Member of Congress may move to proceed to a bill that would defer changes in law that take effect in that fiscal year that would increase direct spending and decrease revenues and freeze the amount of discretionary spending in each discretionary spending account for that fiscal year at the level provided for that account in the preceding fiscal year plus an adjustment for inflation (all proportionately) in a manner that would reduce the debt held by the public for that fiscal year to a level not exceeding the level provided in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985. The motion to proceed shall be voted on at the end of 4 hours of debate. Any amendment offered to the bill shall either defer effective dates or freeze discretionary spending and maintain the proportionality requirement.

(ii) CONSIDERATION OF LEGISLATION.—A bill considered under clause (i) shall be considered as provided in section 310(e) of the Congressional Budget Act of 1974 (2 U.S.C. 641(e)).

(b) PUBLIC DEBT TARGETS.—The Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in section 250(c)(1), by inserting "' debt held by the public'" after "outlays',"; and

(2) by inserting after section 253 the following:

"SEC. 253A. DEBT HELD BY THE PUBLIC LIMIT.

"(a) LIMIT.—The debt held by the public shall not exceed—

"(1) for fiscal year 2002, $2,955,000,000,000;

"(2) for fiscal year 2003, $2,747,000,000,000;

"(3) for fiscal year 2004, $2,524,000,000,000;

"(4) for fiscal year 2005, $2,279,000,000,000;

"(5) for fiscal year 2006, $2,011,000,000,000;

"(6) for fiscal year 2007, $1,724,000,000,000;

"(7) for fiscal year 2008, $1,418,000,000,000;

"(8) for fiscal year 2009, $1,089,000,000,000; and

"(9) for fiscal year 2010, $878,000,000,000.

"(b) ADJUSTMENTS TO DEBT TARGETS FOR INABILITY TO REDEEM.—

"(1) IN GENERAL.—The debt held by the public targets may be adjusted in a specific fiscal year if the Secretary of the Treasury certifies that the target cannot be reached because the Department of the Treasury will be unable to redeem a sufficient amount of securities from holders of Federal debt to achieve the target.

"(2) CERTIFICATION.—The certification shall—

"(A) be transmitted by the President to Congress;

"(B) outline the specific reasons that the targets cannot be achieved and the estimated amount of excess reserves that will accumulate due to an inability of the Treasury to redeem Federal debt; and

"(C) not be the result of a lack of surplus revenues being available to redeem debt held by the public.

"(3) CONGRESSIONAL ACTION.—The adjustment provided in this subsection may be disapproved by a joint resolution. A joint resolution considered under this paragraph shall not be advanced to third reading in either House unless a motion to proceed to third reading is agreed to by a majority of the whole body.".

(c) CONGRESSIONAL BUDGET PROCESS.—

(1) POINT OF ORDER.—Section 301 of the Congressional Budget Act of 1974 is amended by adding at the end the following:

"(j) DEBT HELD BY THE PUBLIC POINT OF ORDER.—It shall not be in order in the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would—

"(1) increase the limit on the debt held by the public in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985; or

"(2) provide additional borrowing authority that would result in the limit on the debt held by the public in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 being exceeded.".

(2) SUPERMAJORITY WAIVER AND APPEAL.—Subsections (c)(1) and (d)(2) of section 904 of the Congressional Budget Act of 1974 are amended by striking "305(b)(2)," and inserting "301(j), 305(b)(2),".

(3) ADDITIONAL AMENDMENTS TO THE BUDGET ACT.—The Congressional Budget Act of 1974 is amended—

(A) in section 3, by adding at the end the following:

"(11)(A) The term 'debt held by the public' means the outstanding face amount of all debt obligations issued by the United States Government that are held by outside investors, including individuals, corporations, State or local governments, foreign governments, and the Federal Reserve System.

"(B) For the purpose of this paragraph, the term 'face amount', for any month, of any debt obligation issued on a discount basis that is not redeemable before maturity at the option of the holder of the obligation is an amount equal to the sum of—

"(i) the original issue price of the obligation; plus

"(ii) the portion of the discount on the obligation attributable to periods before the beginning of such month.";

(B) in section 301(a) by—

(i) redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectfully; and

(ii) inserting after paragraph (5) the following:

"(6) the debt held by the public; and"; and

(C) in section 310(a) by—

(i) striking "or" at the end of paragraph (3);

(ii) by redesignating paragraph (4) as paragraph (5); and

(iii) inserting the following new paragraph;

"(4) specify the amounts by which the statutory limit on the debt held by the public is to be changed and direct the committee having jurisdiction to recommend such change; or".

SA 686. Ms. LANDRIEU (for herself, Mr. CRAIG, and Mrs. LINCOLN) proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 18, between lines 14 and 15, insert the following:

SEC. 202. EXPANSION OF ADOPTION CREDIT AND ADOPTION ASSISTANCE PROGRAMS.

(a) IN GENERAL.—

(1) ADOPTION CREDIT.—Section 23(a)(1) (relating to allowance of credit) is amended to read as follows:

"(1) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter—

"(A) in the case of an adoption of a child other than a child with special needs, the amount of the qualified adoption expenses paid or incurred by the taxpayer, and

"(B) in the case of an adoption of a child with special needs, $10,000.".

(2) ADOPTION ASSISTANCE PROGRAMS.—Section 137(a) (relating to adoption assistance programs) is amended to read as follows:

"(a) IN GENERAL.—Gross income of an employee does not include amounts paid or expenses incurred by the employer for adoption expenses in connection with the adoption of a child by an employee if such amounts are furnished pursuant to an adoption assistance program. The amount of the exclusion shall be—

"(1) in the case of an adoption of a child other than a child with special needs, the amount of the qualified adoption expenses paid or incurred by the taxpayer, and

"(2) in the case of an adoption of a child with special needs, $10,000.".

(b) DOLLAR LIMITATIONS.—

(1) DOLLAR AMOUNT OF ALLOWED EXPENSES.—

(A) ADOPTION EXPENSES.—Section 23(b)(1) (relating to allowance of credit) is amended—

(i) by striking "$5,000" and inserting "$10,000",

(ii) by striking "($6,000, in the case of a child with special needs)", and

(iii) by striking "subsection (a)" and inserting "subsection (a)(1)(A)".

(B) ADOPTION ASSISTANCE PROGRAMS.—Section 137(b)(1) (relating to dollar limitations for adoption assistance programs) is amended—

(i) by striking "$5,000" and inserting "$10,000", and

(ii) by striking "($6,000, in the case of a child with special needs)", and

(iii) by striking "subsection (a)" and inserting "subsection (a)(1)".

(2) PHASE-OUT LIMITATION.—

(A) ADOPTION EXPENSES.—Clause (i) of section 23(b)(2)(A) (relating to income limitation) is amended by striking "$75,000" and inserting "$150,000".

(B) ADOPTION ASSISTANCE PROGRAMS.—Section 137(b)(2)(A) (relating to income limitation) is amended by striking "$75,000" and inserting "$150,000".

(c) YEAR CREDIT ALLOWED.—Section 23(a)(2) (relating to year credit allowed) is amended by adding at the end the following new flush sentence:

"In the case of the adoption of a child with special needs, the credit allowed under paragraph (1) shall be allowed for the taxable year in which the adoption becomes final.".

(d) REPEAL OF SUNSET PROVISIONS.—

(1) CHILDREN WITHOUT SPECIAL NEEDS.—Paragraph (2) of section 23(d) (relating to definition of eligible child) is amended to read as follows:

"(2) ELIGIBLE CHILD.—The term 'eligible child' means any individual who—

"(A) has not attained age 18, or

"(B) is physically or mentally incapable of caring for himself.".

(2) ADOPTION ASSISTANCE PROGRAMS.—Section 137 (relating to adoption assistance programs) is amended by striking subsection (f).

(e) ADJUSTMENT OF DOLLAR AND INCOME LIMITATIONS FOR INFLATION.—

(1) ADOPTION CREDIT.—Section 23 (relating to adoption expenses) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) ADJUSTMENTS FOR INFLATION.—In the case of a taxable year beginning after December 31, 2002, each of the dollar amounts in subsection (a)(1)(B) and paragraphs (1) and (2)(A)(i) of subsection (b) shall be increased by an amount equal to—

"(1) such dollar amount, multiplied by

"(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2001' for 'calendar year 1992' in subparagraph (B) thereof.".

(2) ADOPTION ASSISTANCE PROGRAMS.—Section 137 (relating to adoption assistance programs), as amended by subsection (d), is amended by adding at the end the following new subsection:

"(f) ADJUSTMENTS FOR INFLATION.—In the case of a taxable year beginning after December 31, 2002, each of the dollar amounts in subsection (a)(2) and paragraphs (1) and (2)(A) of subsection (b) shall be increased by an amount equal to—

"(1) such dollar amount, multiplied by

"(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2001' for 'calendar year 1992' in subparagraph (B) thereof.".

(f) LIMITATION BASED ON AMOUNT OF TAX.—

(1) IN GENERAL.—Section 23(c) (relating to carryforwards of unused credit) is amended by striking "the limitation imposed" and all that follows through "1400C)" and inserting "the applicable tax limitation".

(2) APPLICABLE TAX LIMITATION.—Section 23(d) (relating to definitions) is amended by adding at the end the following new paragraph:

"(4) APPLICABLE TAX LIMITATION.—The term 'applicable tax limitation' means the sum of—

"(A) the taxpayer's regular tax liability for the taxable year, reduced (but not below zero) by the sum of the credits allowed by sections 21, 22, 24 (other than the amount of the increase under subsection (d) thereof), 25, and 25A, and

"(B) the tax imposed by section 55 for such taxable year.".

(3) CONFORMING AMENDMENTS.—

(A) Section 26(a) (relating to limitation based on amount of tax) is amended by inserting "(other than section 23)" after "allowed by this subpart".

(B) Section 53(b)(1) (relating to minimum tax credit) is amended by inserting "reduced by the aggregate amount taken into account under section 23(d)(3)(B) for all such prior taxable years," after "1986,".

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SA 687. Mr. GRAHAM (for himself, Mr. CORZINE, and Mr. DAYTON) proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

Strike all after the first word and insert the following:

SECTION 1. SHORT TITLE; ETC.

(a) Short Title.—This Act may be cited as the "Economic Insurance Tax Cut of 2001".

(b) Amendment of 1986 Code.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) Section 15 Not To Apply.—No amendment made by this Act shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

SEC. 2. 10-PERCENT INCOME TAX RATE BRACKET FOR INDIVIDUALS.

(a) Rates for 2001.—Section 1 (relating to tax imposed) is amended by striking subsections (a) through (d) and inserting the following:

"(a) Married Individuals Filing Joint Returns and Surviving Spouses.—There is hereby imposed on the taxable income of—

"(1) every married individual (as defined in section 7703) who makes a single return jointly with his spouse under section 6013, and

"(2) every surviving spouse (as defined in section 2(a)),

a tax determined in accordance with the following table:

"If taxable income is:	**The tax is:**
Not over $19,000	10% of taxable income.
Over $19,000 but not over $45,200.	$1,900, plus 15% of the excess over $19,000.
Over $45,200 but not over $109,250.	$5,830, plus 28% of the excess over $45,200.
Over $109,250 but not over $166,500.	$23,764, plus 31% of the excess over $109,250.
Over $166,500 but not over $297,350.	$41,511.50, plus 36% of the excess over $166,500.
Over $297,350	$88,617.50, plus 39.6% of the excess over $297,350.

"(b) Heads of Households.—There is hereby imposed on the taxable income of every head of a household (as defined in section 2(b)) a tax determined in accordance with the following table:

"If taxable income is:	**The tax is:**
Not over $14,250	10% of taxable income.
Over $14,250 but not over $36,250.	$1,425, plus 15% of the excess over $14,250.
Over $36,250 but not over $93,650.	$4,725, plus 28% of the excess over $36,250.
Over $93,650 but not over $151,650.	$20,797, plus 31% of the excess over $93,650.
Over $151,650 but not over $297,350.	$38,777, plus 36% of the excess over $151,650.
Over $297,350	$91,229, plus 39.6% of the excess over $297,350.

"(c) Unmarried Individuals (Other Than Surviving Spouses and Heads of Households).—There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 7703) a tax determined in accordance with the following table:

"If taxable income is:	**The tax is:**
Not over $9,500	10% of taxable income.
Over $9,500 but not over $27,050.	$950, plus 15% of the excess over $9,500.
Over $27,050 but not over $65,550.	$3,582.50, plus 28% of the excess over $27,050.
Over $65,550 but not over $136,750.	$14,362.50, plus 31% of the excess over $65,550.
Over $136,750 but not over $297,350.	$36,434.50, plus 36% of the excess over $136,750.
Over $297,350	$94,250.50, plus 39.6% of the excess over $297,350.

"(d) Married Individuals Filing Separate Returns.—There is hereby imposed on the taxable income of every married individual (as defined in section 7703) who does not make a single return jointly with his spouse under section 6013, a tax determined in accordance with the following table:

"If taxable income is:	**The tax is:**
Not over $9,500	10% of taxable income.
Over $9,500 but not over $22,600.	$950, plus 15% of the excess over $9,500.
Over $22,600 but not over $54,625.	$2,915, plus 28% of the excess over $22,600.
Over $54,625 but not over $83,250.	$11,882, plus 31% of the excess over $54,625.
Over $83,250 but not over $148,675.	$20,755.75, plus 36% of the excess over $83,250.
Over $148,675	$44,308.75, plus 39.6% of the excess over $148,675.".

(b) Inflation Adjustment To Apply in Determining Rates for 2002.—Subsection (f) of section 1 is amended—

(1) by striking "1993" in paragraph (1) and inserting "2001",

(2) by striking "1992" in paragraph (3)(B) and inserting "2000", and

(3) by striking paragraph (7).

(c) Conforming Amendments.—

(1) The following provisions are each amended by striking "1992" and inserting "2000" each place it appears:

(A) Section 25A(h).
(B) Section 32(j)(1)(B).
(C) Section 41(e)(5)(C).
(D) Section 42(h)(3)(H)(i)(II).
(E) Section 59(j)(2)(B).
(F) Section 63(c)(4)(B).
(G) Section 68(b)(2)(B).
(H) Section 132(f)(6)(A)(ii).
(I) Section 135(b)(2)(B)(ii).
(J) Section 146(d)(2)(B).
(K) Section 151(d)(4).
(L) Section 220(g)(2).
(M) Section 221(g)(1)(B).
(N) Section 512(d)(2)(B).
(O) Section 513(h)(2)(C)(ii).
(P) Section 685(c)(3)(B).
(Q) Section 877(a)(2).
(R) Section 911(b)(2)(D)(ii)(II).
(S) Section 2032A(a)(3)(B).
(T) Section 2503(b)(2)(B).
(U) Section 2631(c)(2).
(V) Section 4001(e)(1)(B).
(W) Section 4261(e)(4)(A)(ii).
(X) Section 6039F(d).
(Y) Section 6323(i)(4)(B).
(Z) Section 6334(g)(1)(B).
(AA) Section 6601(j)(3)(B).
(BB) Section 7430(c)(1).

(2) Subclause (II) of section 42(h)(6)(G)(i) is amended by striking "1987" and inserting "2000".

(d) Additional Conforming Amendments.—

(1) Section 1(g)(7)(B)(ii)(II) is amended by striking "15 percent" and inserting "10 percent".

(2) Section 1(h) is amended by striking paragraph (13).

(3) Section 3402(p)(1)(B) is amended by striking "7, 15, 28, or 31 percent" and inserting "5, 10, 15, 28, or 31 percent".

(4) Section 3402(p)(2) is amended by striking "15 percent" and inserting "10 percent".

(e) Determination of Withholding Tables.—Section 3402(a) (relating to requirement of withholding) is amended by adding at the following new paragraph:

"(3) Changes Made by Section 2 of the Economic Insurance Tax Cut of 2001.—Notwithstanding the provisions of this subsection, the Secretary shall modify the tables and procedures under paragraph (1) through the reduction of the amount of withholding required with respect to taxable years beginning in calendar year 2001 to reflect the effective date of the amendments made by section 2 of the Economic Insurance Tax Cut of 2001, and such modification shall take effect on the first day of the first month beginning after the date of the enactment of such Act."

(f) Effective Dates.—

(1) In General.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) Amendments to Withholding Provisions.—The amendments made by paragraphs (3) and (4) of subsection (d) shall apply to amounts paid after December 31, 2000.

SA 688. Mr. GRAHAM proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

Beginning on page 64, line 17, strike all through page 66, before line 2, and insert:

Subtitle B—Reduction of Gift Tax Rate

SEC. 511. REDUCTION OF GIFT TAX RATE AFTER REPEAL.

On page 66, line 2, strike "(d)" and insert "(a)".

On page 67, line 1, strike "(e)" and insert "(b)".

Beginning on page 67, line 12, strike all through page 68, line 6, and insert:

(f) Effective Date.—The amendments made by this section shall apply to gifts made after December 31, 2010.

On page 68, strike the table between lines 14 and 15, and insert:

"In the case of estates of decedents dying during:	**The applicable exclusion amount is:**
2002 and 2003	$1,000,000
2004, 2005, and 2006	$2,000,000
2007, 2008, 2009, and 2010	$3,000,000.".

Beginning on page 70, line 20, strike all through page 79, line 6.

NOTICE OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that the hearing previously scheduled before the Committee on Energy and Natural Resources for Tuesday, May 22 at 2:30 p.m. in SH-216 has been rescheduled for Wednesday, May 23, 2001 at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, D.C.

The purpose of this hearing is to receive testimony on the Administration's National Energy Policy report.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, United States Senate, 364

Dirksen Senate Office Building, Washington, D.C. 20510–6150.

For further information, please call Trici Heninger, Staff Assistant, or Bryan Hannegan, Staff Scientist, at (202) 224–4971.

SUBCOMMITTEE ON WATER AND POWER

Mr. SMITH. Mr. President, I would like to announce for the information of the Senate and the public that the oversight hearing regarding the Lower Klamath River Basin which had been previously scheduled for Wednesday, May 23, 2001 at 2 p.m. in room SD–366 of the Dirksen Senate Office Building in Washington, D.C. has been postponed until further notice.

For further information, please call Trici Heninger, Staff Assistant, or Colleen Deegan, Counsel, at (202) 224–8115.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, May 17, 2001, at 4:30 p.m., in executive session to consider certain pending nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on the nominations of Michael Powell, Kathleen Abernathy, Kevin Martin, and Michael Copps to be members of the Federal Communications Commission on Thursday, May 17, 2001, at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet to conduct a hearing on Thursday, May 17, at 9:30 a.m. to receive testimony regarding the following nominees:

Linda Fisher to be Deputy Administrator, Environmental Protection Agency;

Jeffrey Holmstead to be Assistant Administrator for Air and Radiation, Environmental Protection Agency;

Stephen Johnson to be Assistant Administrator for Toxic Substances, Environmental Protection Agency; and

James Connaughton to be a Member, Council on Environmental Quality.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, May 17, 2001, at 2 p.m. and 4 p.m. to hold two hearings as follows: at 2 p.m., in room SD–419, the Honorable William J. Burns, of the District of Columbia, to be Assistant Secretary of State for Near Eastern Affairs; and at 4 p.m. in room SD–419, Mrs. Christina B. Rocca, of Virginia, to be Assistant Secretary of State for South Asian Affairs; and Mr. Walter H. Kansteiner, of Virginia, to be Assistant Secretary of State for African Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Thursday, May 17, 2001 at 10 a.m. for a hearing to consider the nominations of John D. Graham to be Administrator of the Office of Information and Regulatory Affairs at the Office of Management and Budget, Stephen A. Perry to be Administrator of the General Services and Angela Styles to be Administrator of the Office of Federal Procurement Policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet for a hearing on Addressing Direct Care Staffing Shortages during the session of the Senate on Thursday, May 17, 2001, at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a markup on Thursday, May 17, 2001 at 10 a.m., in SD–226.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, May 17, 2001 at 2 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL COMMITTEE ON AGING

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Special Committee on Aging be authorized to meet on Thursday, May 17, 2001 from 9:30 a.m.–12 p.m. in Dirksen 562 for the purpose of conducting a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERNATIONAL TRADE AND FINANCE

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Subcommittee on International Trade and Finance of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on May 17, 2001 to conduct a hearing on "Reauthorization of the U.S. Export-Import Bank."

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGES OF THE FLOOR

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the following employees of the Joint Committee on Taxation be allowed on the Senate floor for the duration of the debate on the tax RELIEF bill: Robert Bailey, Thomas A. Barthold, Ray Beeman, John Bloyer, Roger Colinvaux, H. Benjamin Hartley, Harold E. Hirsch, Deirdre James, Lauralee A. Matthews, Patricia McDermott, Brian Meighan, John Navratil, Joseph W. Nega, Samuel Olchyk, Lindy L. Paul, Oren S. Penn, Cecily W. Rock, Mary M. Schmitt, Todd C. Simmens, Carolyn E. Smith, and Barry L. Wold.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the following interns of the Senate Finance Committee be allowed on the Senate floor for the duration of the debate on the tax RELIEF bill: Michael Whitmore, Zachary W. Paulson, and Paul Raak.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, in accordance with 22 U.S.C. 1928a–1928d, as amended, appoints the following Senators as members of the Senate Delegation to the NATO Parliamentary Assembly during the First Session of the 107th Congress, to be held in Vilnius, Lithuania, May 27–31, 2001: The Senator from Ohio (Mr. VOINOVICH), the Senator from Maryland (Mr. SARBANES), the Senator from Maryland (Ms. MIKULSKI), and the Senator from Illinois (Mr. DURBIN).

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. GRASSLEY. In executive session, I ask unanimous consent that the Senate proceed to the consideration of the following nominations: Calendar Nos. 47, 49, and 78. I further ask unanimous consent that the nominations be confirmed, the motions to reconsider be laid upon the table, any statements relating to the nominations be printed in the RECORD, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed are as follows:

DEPARTMENT OF DEFENSE

Victoria Clarke, of Maryland, to be an Assistant Secretary of Defense.

William J. Haynes II, of Tennessee, to be an Assistant Secretary of Defense.

EXPORT-IMPORT BANK OF THE UNITED STATES

John E. Robson, of California, to be President of the Export-Import Bank of the United States for a term expiring January 20, 2005, vice James A. Harmon, resigned.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

ORDERS FOR FRIDAY, MAY 18, 2001, AND MONDAY, MAY 21, 2001

Mr. GRASSLEY. I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 10 a.m. on Friday, May 18, for a pro forma session only. No business will be conducted during Friday's session of the Senate. I further ask that, on Friday, the Senate immediately adjourn until 9:30 a.m. on Monday, May 21, and immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then resume consideration of the reconciliation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. GRASSLEY. For the information of all Senators, the Senate will resume consideration of the reconciliation bill at 9:30 a.m. on Monday. There will be approximately 8 hours for final remarks on the bill and debate on a few amendments. Under the previous order, the Carnahan amendment will be the first vote in a series to begin at 6 p.m. on Monday. Senators may expect numerous votes to follow, including final passage of H.R. 1836, the tax reconciliation bill.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. GRASSLEY. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate at 11:28 p.m., adjourned until Friday, May 18, 2001, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate May 16, 2001:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

ANGELA ANTONELLI, OF VIRGINIA, TO BE CHIEF FINANCIAL OFFICER, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, VICE RICHARD F. KEEVEY.

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

LORI A. FORMAN, OF VIRGINIA, TO BE AN ASSISTANT ADMINISTRATOR OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT, VICE ROBERT C. RANDOLPH, RESIGNED.

DEPARTMENT OF STATE

PIERRE-RICHARD PROSPER, OF CALIFORNIA, TO BE AMBASSADOR AT LARGE FOR WAR CRIMES ISSUES, VICE DAVID J. SCHEFFER.

CHARLES J. SWINDELLS, OF OREGON, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO NEW ZEALAND, AND TO SERVE CONCURRENTLY AND WITHOUT ADDITIONAL COMPENSATION AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO SAMOA.

MARGARET DEBARDELEBEN TUTWILER, OF ALABAMA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF MOROCCO.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR A REGULAR APPOINTMENT IN THE GRADES INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 531:

To be lieutenant colonel

JEFFREY E. FRY, 6642

To be major

GEORGE A. MAYLEBEN, 8666

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTION 12203:

To be colonel

JOHN R. MATHEWS, 7284
WILLIAM M. MENNING, 7982
KARL C. THOMPSON, 2623

Executive Nominations Received by the Senate May 17, 2001:

ENVIRONMENTAL PROTECTION AGENCY

ROBERT E. FABRICANT, OF NEW JERSEY, TO BE AN ASSISTANT ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY, VICE GARY S. GUZY, RESIGNED.

EXECUTIVE OFFICE OF THE PRESIDENT

ALLEN FREDERICK JOHNSON, OF IOWA, TO BE CHIEF AGRICULTURAL NEGOTIATOR, OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE, WITH THE RANK OF AMBASSADOR, VICE GREGORY M. FRAZIER.

DEPARTMENT OF STATE

GEORGE L. ARGYROS, SR., OF CALIFORNIA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO SPAIN, AND TO SERVE CONCURRENTLY AND WITHOUT ADDITIONAL COMPENSATION AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO ANDORRA.

HOWARD H. BAKER, JR., OF TENNESSEE, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO JAPAN.

THE JUDICIARY

SAM E. HADDON, OF MONTANA, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF MONTANA, VICE CHARLES C. LOVELL, RETIRED.

RICHARD F. CEBULL, OF MONTANA, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF MONTANA, VICE JACK D. SHANSTROM, RETIRED.

DEPARTMENT OF STATE

DONALD BURNHAM ENSENAT, OF LOUISIANA, TO BE CHIEF OF PROTOCOL, AND TO HAVE THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE, VICE MARY MEL FRENCH.

CONFIRMATIONS

Executive Nominations Confirmed by the Senate May 17, 2001:

DEPARTMENT OF DEFENSE

VICTORIA CLARKE, OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF DEFENSE.

WILLIAM J. HAYNES II, OF TENNESSEE, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE.

EXPORT-IMPORT BANK OF THE UNITED STATES

JOHN E. ROBSON, OF CALIFORNIA, TO BE PRESIDENT OF THE EXPORT-IMPORT BANK OF THE UNITED STATES FOR A TERM EXPIRING JANUARY 20, 2005.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

EXTENSIONS OF REMARKS

FALLEN HERO SURVIVOR BENEFIT FAIRNESS ACT OF 2001

SPEECH OF

HON. JACK QUINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. QUINN. Mr. Speaker, I rise today in support of H.R. 1727, the Fallen Hero Survivor Benefit Act.

Under the Taxpayer Relief Act of 1997, survivor benefits are paid to the spouse and children of a slain public safety officer only if the officer was killed on or before December 31, 1996. H.R. 1727 would extend the inclusion to survivor benefits regardless of when the officer died. It will provide $46 million in tax relief over 10 years to the families of officers killed in the line of duty.

On average, one law enforcement officer is killed every 57 hours. Since 1991, there have been 1,555 federal, state and local law enforcement fatalities, 72 percent of those officers killed were married. For every officer killed, 1.85 children lost a parent.

Two police officers from my district of Buffalo, New York were killed in two years while honoring their duties. Officer Robert M. McClennan was hit by a car and killed while in pursuit of a suspect. Officer Charles "Skip" McDougal was off duty when he was brutally gunned down on the East Side of Buffalo. He left behind a wife and children. Too many families are left in this dire situation without the help they need.

While we cannot possibly remedy the emotional suffering these families have endured, we can help alleviate some of the financial hardship by passing this important legislation.

IN SINCERE TRIBUTE TO SHIRLEY PRUSSIN—LONG TIME ACTIVIST AND DEMOCRATIC CONSCIENCE OF THE CENTRAL COAST

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. FARR of California. Mr. Speaker, it is my privilege today to honor Shirley Prussin of Monterey County, California, on her 80th birthday, May 16, 2001. Inspired by Eleanor Roosevelt, Shirley has advocated for human rights throughout her active life.

Raised during the depression and coming of age during World War II, Shirley experienced the hardships and challenges of that generation. A native New Yorker, Shirley graduated from Brooklyn College in 1941 and shortly thereafter married Sam Prussin, a chemical engineer. As many returning veterans from World War II, the young Prussin family had a difficult time finding housing. This experience left a lasting impression on Shirley as she began her life dedicated to political activism.

Moving to Southern California in 1947, Shirley got her first taste of politics working for Tom Rees' race for the California State Assembly. This was just the beginning of a long list of Democratic campaigns Shirley would work on throughout her life, including my own. She was a tireless volunteer and leader in the party, working for the local Democratic Party headquarters during elections in Los Angles and later on in Monterey County.

Shirley's proudest moments were in the 1960's when she participated in Another Mother For Peace movement. She was a grassroots organizer and educated voters to lobby their legislators to end the war in Vietnam. Today she carries on her grassroots work advocating for reproductive freedom and human rights.

Shirley first moved to Monterey County, in 1975. The depth of her commitment to our community is truly outstanding. Shirley has had a leadership role in the ACLU, the Democratic Womens Club, the Reproductive Rights Coalition, the YWCA and Planned Parenthood. With her keen intellect and determination combined with her grace and warmth, Shirley has made a significant contribution to human rights for all individuals.

While doing all of this, Shirley also taught math and science to gifted students, was a businesswoman, a wife and mother of two sons. Humanitarian, social activist, Democratic leader, feminist, and steadfast friend, Shirley Prussin inspires and touches the lives of all who know her.

WE THE PEOPLE—THE CITIZEN AND THE CONSTITUTION PROGRAM

HON. DAVID WU

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. WU. Mr. Speaker, on April 21–23, 2001 more than 1200 students from across the United States came to Washington, D.C. to compete in the national finals of the We the People . . . The Citizen and the Constitution program. I am proud to announce that the class from Lincoln High School from Portland, Oregon placed third. I am also pleased to have been able to spend some time with the students. These young scholars have worked diligently to reach the national finals and through their experience have gained a deep knowledge and understanding of the fundamental principles and values of our constitutional democracy.

The names of the students are: Brett Bell, Michael Blank, Ben Brewer, Chris Chamness, Greg Damis-Wulff, Alex Dewar, David Dickey-Griffith, Heather Dunlap, Jenni Hamni, Jennifer Hill, Scott Huan, Nick Johnson, Kathayoon Khalil, Cali Lanza-Weil, Jennelle Milam, Jonathan Pulvers, Julie Rhew, Katie Rose, Andrew Rosenthal, Anay Shah, Chris Shay, Rafael Spielman, Jason Trombley, Jessica Vandermeer, Oliver Vandermeer, Ben Walsh, Colleen Wearn.

I would also like to recognize their teacher, Jennifer Vaught, who deserves much of the credit for the success of the class.

We the People . . . The Citizen and the Constitution is the most extensive educational program in the country developed specifically to educate young people about the Constitution and Bill of Rights. The three-day national competition is modeled after hearings in the United States Congress. These hearings consist of oral presentations by high school students before a panel of adult judges. The students' testimony is followed by a period of questioning by the simulated congressional committee. The judges probe students for their depth of understanding and ability to apply their constitutional knowledge.

The 250th anniversary of James Madison's birth in 1751 offers an appropriate opportunity to examine this Founder's contributions to American constitutionalism and politics. To this end, the Center for Civic Education has collaborated with James Madison's Montpelier to produce a supplement to We the People . . . The Citizen and the Constitution. The national finals will include questions on Madison and his legacy.

Following the 1999 national finals competition, a random sample of participating students was surveyed. Findings suggest that national finalists are more knowledgeable across virtually every aspect of civic education measured than national samples of high school seniors, college freshmen, and adults. They are less cynical about politics and public officials and participate in politics at a higher rate than do their peers. For example, when compared with various nationally representative samples, We the People... students scored an average of 25 percent higher on knowledge of democratic institutions and processes than students tested in the National Assessment for Educational Progress (NAEP).

Administered by the Center for Civic Education, the We the People... program has provided curricular materials at upper elementary, middle, and high school levels for more than 26.5 million students nationwide. The program provides students with a working knowledge of our Constitution, Bill of Rights, and the principles of democratic government. Members of Congress and their staff enhance the program by discussing current constitutional issues with students and teachers and by participating in other educational activities.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

PERSONAL EXPLANATION

HON. MIKE McINTYRE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. McINTYRE. Mr. Speaker, Tuesday, May 15, 2001, I was unavoidably absent for rollcall votes 109 through 113. Had I been present I would have voted "yea" on rollcall vote 109, "yea" on rollcall vote 110, "yea" on rollcall vote 111, "yea" on rollcall 112, and "yea" on rollcall 113.

ROC PRESIDENT CHEN SHUI-BIAN MAKES A BRIEF STOPOVER IN NEW YORK

HON. MAURICE D. HINCHEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. HINCHEY. Mr. Speaker, Republic of China President Chen Shui-bian will be making a goodwill tour of Latin American later this month and will be stopping briefly in New York. We welcome this distinguished visitor to New York and hope that he will come back to the United States more often.

Moreover, May 20th marks President Chen Shui-bian's first anniversary in office. Voters in Taiwan have given President Chen high approval ratings during his presidency. He has maintained a slow but steady economic growth, minimizing the impact of a worldwide economic slowdown on Taiwan's economy. Abroad, President Chen has been strengthening relations with allies and friends and continues to pursue a fruitful dialogue with leaders in the People's Republic of China. Due in part to President Chen's diplomatic efforts, peace continues to reign in the Taiwan Strait.

President Chen has also fortified Taiwan's relations with the U.S. Taiwan is the eighth largest trading partner of the United States. Taiwanese tourists and students all prefer the United States and spend their dollars here. Bilateral relations between Taiwan and the U.S. are excellent. Both countries share the same fundamental values of freedom, democracy, human rights, peace and prosperity.

I am pleased to express my congratulations to President Chen on his first anniversary in office and to wish him a pleasant and productive visit to my home state of New York.

EXPEDITING CONSTRUCTION OF WORLD WAR II MEMORIAL IN THE DISTRICT OF COLUMBIA

SPEECH OF

HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. STUPAK. Mr. Speaker, on May 15, 2001 I cast a vote in error. On Rollcall vote No. 109 I voted "nay," when I should have voted "yea." This vote, on whether Congress should expedite the construction of the World War II Memorial on the Mall in Washington, D.C., was a very important vote not only for me, but for all the World War II veterans in my district including my father and father-in-law, and in our country.

Mr. Speaker, the mixup with my vote occurred because I thought we were voting on approving the previous day's minutes, commonly called the Journal Vote. This is usually the first vote of each day we are in session, and it is a vote I always vote "nay" upon because I never read the minutes and therefore am not in a position to approve them.

However, the first vote on Tuesday, May 15 was the vote on the World War II-Memorial. Again, I want to emphasize that I should have and would have voted yes because our World War II veterans, who are passing away at a rate of 1,000 a day, deserve no less.

The National Capital Planning Commission and the Commission on Fine Arts are responsible for approving the design and location of the memorial. Since planning began in 1995, the commissions have held 22 public meetings between them, and each has voted to approve the memorial no less than five times. I strongly believe construction should be completed quickly so as many Americans as possible from the generation Tom Brokaw calls "the greatest" will be alive to receive the national tribute that every American owes to these brave veterans.

It is a shame that the planning of this memorial has taken longer than the actual war. It is time we honor these veterans with their own memorial.

EXPEDITING CONSTRUCTION OF WORLD WAR II MEMORIAL IN THE DISTRICT OF COLUMBIA

SPEECH OF

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. BEREUTER. Mr. Speaker, this Member reluctantly voted against H.R. 1696 in the belief that the Congress should not intervene in the established procedures and legal requirements related to the siting of the National World War II Memorial on the National Mall and in a fashion that aborts any judicial proceedings regarding the Memorial's proposed characteristics, the administrative procedures, or the siting. This is especially necessary since the precise proposed location on the Mall and its design are so controversial. We certainly and emphatically do want to honor these veterans who served in World War II, "the Greatest Generation," when as many of them as possible are still alive, but Congress should not have intervened in the instance without appropriate hearings and in such an irregular manner.

ANNUAL CONGRESSIONAL ARTS COMPETITION PARTICIPANTS HONORED

HON. RODNEY P. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. FRELINGHUYSEN. Mr. Speaker, once again, I come to the floor to recognize the great success of strong local school systems working with dedicated parents and teachers in raising young men and women. I rise today to congratulate and honor 30 outstanding high school artists from the 11th Congressional District of New Jersey. Each of these talented students participated in the Annual Congressional Arts Competition, "An Artistic Discovery" and they are honored at a reception and exhibit in Madison, New Jersey. Their works are exceptional!

Mr. Speaker, I would like to list each of them, their high school, and their contest entries for the official RECORD.

We had 30 students participate. That is a tremendous response and we'd very much like to build on that for next year's competition.

This year, Mr. Speaker, the winner of "An Artistic Discovery" was Yuan Gao from Montville High School for the work entitled "Unfinished Drink." Second place went to Michael Lyons from Morris Knolls High School for "Colored." Third place went to Daniel I. Jedell from Montville High School for "Black Diamond Trail." The Viewer's Choice Award was given to Caroline from Wurster of Ridge High School for "While Visions of Sugar Plums Danced in Their Heads."

Honorable mentions were awarded to Peter Donahue of Morris Knolls High School for "The Spare Room," Matthew Schwartz from Morris Hills High School for "Morning Drive," Dominik Cymer from Ridge High School for "Abracadabra," Amy Nemeth from Boonton High School for "High School," Michael Hrynio from Dover High School for "Remember When," and Nelson Chen from Morris Knolls High School for "Life."

Excellent art work was also submitted by Tara Kreitter of the Academy of St. Elizabeth, untitled; Jenny Blankenship of Boonton High School, "Self Portrait;" Ashley Lamwers of Boonton High School, "Melting Pot;" Laura Schaffnit of Boonton High School, "The Rising Tide;" Brian Bernal of Dover High School, "Endless Garden;" Jose Santana from Dover High School, "Siempre Contigo;" Christopher Stefanski of Dover High School, "Winter Impression;" Jeffrey Gurwin of Livingston High School, untitled; Yaldi Kasani of Livingston High School, "My Life;" Amanda Long of Livingston High School, "A Reflective Moment;"; Jackie Romola of Montville High School, "Self Portrait;" Melanie Elizabeth Walits of Montville High School, "Pieces of Me;" Jamie Allen of Morris Knolls High School, "Translucence;" Tim Quirino of Mount Olive High School, untitled; Katherine Aliprando of Ridge High School, "Mortal Mirror;" Richard Joneleit of Ridge High School, "Self Portrait;" Kea Alcock of West Morris Mendham High School, "Burnt Island" and "Curtain & Sunlight;" Tiffany Frazier of West Morris Mendham High School, "Shadows & Silent Water;" and Robert Lamb of West Morris Mendham High School, "Church in Contrast."

Each year the winner of the competition will have an opportunity to travel to our nation's capital to meet Congressional leaders and to mount his or her art work in a special corridor here at the U.S. Capitol, with winners from across the country. Every time a vote is called, I get a chance to walk through that corridor and am reminded of the vast talents of our young men and women.

Indeed, all of these young artists are winners, and we should be proud of their achievements so early in life.

Mr. Speaker, I urge my colleagues to join me in congratulating these talented young people from New Jersey's 11th Congressional District.

IN HONOR OF MARTIN J. BARRETT, FOR HIS MANY YEARS OF SERVICE TO THE MANHATTAN COMMUNITY

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay tribute to Mr. Martin J. Barrett, the former Chairman of Manhattan Community Board Six. Mr. Barrett has for decades been involved in numerous civic associations within Manhattan, most notably with Community Board Six.

Within my district in New York City, Community Boards serve a tremendously beneficial advisory role in ensuring that the opinions of members of the community are recognized by the city government when reviewing prospective neighborhood changes dealing with land use and zoning matters. Among other responsibilities, Community Boards have the important role of making recommendations to the city government in the allocation of the city budget.

Before beginning his term as the Chairman of Community Board Six in 1998, Mr. Barrett served as the Chairman of the Community Board's Public Safety Committee, the Chairman of the Parks and Landmarks Committee, and as the Chairman of the Budget and Legislative Committee.

Mr. Barrett has taken a leadership role in numerous important East Side organizations, including the Stuyvesant Cove Park Association, which he has served as president since 1998, the 14th Street Business Improvement District, of which he has been a member since 1998, and the Friends of the Bellevue Park Association, where he served as vice-president from 1993–1999.

Mr. Speaker, Mr. Barrett's extensive involvement in the Manhattan community should serve as an inspiration to us all. His dedication to ensuring that the needs and hopes of his fellow community members were addressed by Community Board Six will serve as an admirable legacy for many years to come.

Although he may no longer be the Chairman of Community Board Six, I sincerely hope that Mr. Barrett continues his work in the community.

PERSONAL EXPLANATION

HON. JO ANN EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mrs. EMERSON. Mr. Speaker, I was attending my daughter Tori's college graduation and missed rollcall votes 106, 107, and 108 on May 10, 2001. Had I been present, I would have voted "yes" on rollcall vote 106, "yes" on rollcall vote 107, and "yes" on rollcall vote 108.

PERSONAL EXPLANATION

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Ms. ESHOO. Mr. Speaker, because I was not recorded as voting, I'd like to state for the RECORD that I would have voted against the Tancredo amendment (Roll Number 108).

PERSONAL EXPLANATION

HON. ALLEN BOYD

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. BOYD. Mr. Speaker, I was unavoidably delayed on rollcall vote 114. Had I been present, I would have voted "yea" on rollcall vote 114.

RETIREMENT OF LORETTA NEUMANN

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. UDALL of Colorado. Mr. Speaker, today is the final day of federal service for Loretta Neumann. Since January, she has been a member of my staff, but that was only the latest way she has been involved with important questions of public policy.

A graduate of Oklahoma State University, Loretta began her career in public service as a writer for the National Park Service, where she rose to become the Chief of the Branch of Internal Communications. From that, she became very familiar with the entire National Park System and the many issues related to management of those lands and the other functions performed by the National Park Service.

In 1973, Loretta began her Capital Hill career when she joined the staff of Representative John F. Seiberling of Ohio, who was a member of the Committee on Interior and Insular Affairs as well as the Judiciary Committee. During the next four years, she was responsible for advising Representative Seiberling on all issues relating to energy, environmental protection, land conservation, and historic preservation. She played a key role in helping achieve enactment of the legislation that established the Cuyahoga Valley National Recreation Area in Ohio as well as important provisions of the Surface Mining Control and Reclamation Act. She also was involved with development and enactment of the Federal Lands Policy and Management Act of 1976 and the Historic Preservation Act Amendments of 1976.

In 1977, Loretta joined the professional staff of the Interior Committee, and remained with the Committee for 10 years.

During that decade, she was instrumental in helping shape many important measures, including the Alaska National Interest Lands Conservation Act, the Archeological Resources Protection Act of 1979, and the National Historic Preservation Act Amendments of 1980, as well as bills establishing new parks and protected areas such as the Harry S Truman National Historic Site and the Illinois and Michigan Canal National Heritage Corridor. Many of these measures were of particular importance to my father, Mo Udall, as well as to Representative Seiberling and other Members of the committee and the House.

After that, Loretta next spent a number of years in the private sector. She built up her own consulting firm, CEHP Incorporated, which provided services in conservation, environmental protection and historic preservation. And she continued to be involved with many of the matters where she had gained expertise on Capital Hill, including the National Historic Preservation Act, the Native American Graves Protection and Repatriation Act, the Abandoned Shipwrecks Act, and the Archeological Resources Protection Act.

Among other things, she chaired the Four Corners Governors Conference that brought together agencies dealing with matters of importance to Colorado, Utah, Arizona, and New Mexico.

Loretta returned to service with the Federal Government in 1998, as an employee of the Department of Transportation. She served as DOT's representative to and director of the American Heritage Rivers Interagency Task Force of the White House Council on Environmental Quality. She also worked on other special projects for the Secretary of Transportation in a number of areas, including tourism and transportation and cultural and heritage tourism.

Mr. Speaker, it is no secret that last year's Presidential election did not have the result that I would have preferred. But for me there was at least one silver lining to that particular cloud—the change in Administrations gave me the opportunity to take advantage of Loretta's talents; at least for this brief period.

As a member of my staff, Loretta has worked on a number of conservation issues, especially focused on the issue of urban sprawl, an issue of great concern to Colorado and other states faced with rapid increase in population growth. She helped craft a bill to direct the Council on Environmental Quality to do a study of urban sprawl and smart growth. Building on her extensive experience with historic preservation and cultural heritage, she also helped draft the Cultural Heritage Assistance Partnership Act, which I am introducing today.

In conclusion, Mr. Speaker, I want to assure my colleagues that while Loretta is retiring from federal service, she will continue to be involved with public policy. She will soon begin work as the Director of Leadership Development for the Natural Resources Council of America. I look forward to her continued contributions as I work with our colleagues in the Congress and the Administration to promote sound policies regarding our natural and cultural resources, the environment, and other matters.

INTRODUCTION OF THE POST OFFICE COMMUNITY PARTNERSHIP ACT OF 2001

HON. EARL BLUMENAUER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. BLUMENAUER. Mr. Speaker, I came to Congress dedicated to making the federal government a better partner in building livable communities. Perhaps the most important opportunity for realizing this goal is to ensure that the federal government lead by example through such simple actions as locating federal facilities in ways that support existing communities.

Today I am introducing the Post Office Community Partnership Act. This legislation, similar to the bills I introduced in the 105th and 106th Congresses, outlines minimum community contact procedures that the United States Postal Service must pursue for any proposed closing, consolidation, relocation, or construction of a post office. Simply put, the bill requires the Postal Service to comply with local zoning, planning, or other land use laws.

This bill is being introduced with 57 bi-partisan original cosponsors. In the 106th Congress this bill was supported by 240 bi-partisan cosponsors. Identical companion legislation is being introduced this week by Senators JAMES JEFFORDS of Vermont and MAX BAUCUS of Montana. This continued and widespread support, in addition to the multitude of letters received from constituents and stories in newspapers throughout the country, illustrates the important need for this bill to become law.

The Post Office Community Partnership Act takes another step in making the federal government a better partner with communities and local governments. It is important that local officials and citizens have input into the decisions that impact the daily livability of their communities. Additionally, this bill addresses the need for the Postal Service to abide by a community's own plans for growth management, land use, traffic management, and environmental protection—rules by which all citizens and businesses must adhere.

Communities and neighborhoods across the country have been subjected to Postal Service decisions that have negatively impacted service to postal customers and community development. This bill provides communities an opportunity to be notified of Postal Service plans in advance, which will allow for interaction in the decision-making process between local government officials, the public, and the Postal Service. The beneficial results of this type of interaction can be seen from Fairview Village in my congressional district to Castine, Maine.

In Fairview Village, Oregon, by working with the developers of the community, the post office was the first civic building constructed in the area and acted as an anchor for what has developed into a retail street. By centrally locating the post office as the developers proposed, residents can easily walk or drive to the post office from anywhere in Fairview Village. In Castine, Maine, the Postal Service proposed moving the oldest operating post office in the country—a national historic landmark—from its downtown location to the suburbs. After a public outcry, the Postal Service and the Town of Castine worked together to find a way to expand the existing building and keep the post office in its historic downtown location.

Despite these examples, too often the Postal Service does not involve the community and instead relies on the fact that they are not required to follow local land use laws when building new facilities or renovating existing facilities.

The Post Office Community Partnership Act puts in place basic procedures for notifying local officials and post office customers of any planned facility changes or construction. The Act also requires that the Postal Service follow local land use laws, procedures and public participation requirements to the same extent and manner as other private enterprises. It has been shown that the Postal Service can manage this process without hampering its mission of cost effective and efficient universal service as evidenced by Fairview Village, Oregon and Castine, Maine. It is time to ensure that the Postal Service operates within the same framework and rules that a community imposes on its own citizens and businesses.

The Post Office Community Partnership Act would establish community notification and land use policies and procedures that should have been in place all along. I urge my colleagues to support this legislation that will help ensure that the post office is a productive federal partner in building livable communities.

PAYING TRIBUTE TO GERRITT BENJAMIN MEYERS III, CHAE CARLSON AND OLIVER MARTIN

HON. MIKE ROGERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. ROGERS of Michigan. Mr. Speaker, I rise to honor the accomplishments of three Lansing, Michigan, 2001 high school graduates who have played a major role in the selection and celebration of the nation's Capitol 2001 Holiday Tree, which will be provided by the state of Michigan this year.

Mr. Gerritt Benjamin Meyers III, Ms. Chae Carlson, and Mr. Oliver Martin have worked with a group of underclassmen at Waverly High School in Lansing for the past five months to create and maintain the U.S. Holiday Tree 2001 web site. As the senior members of their "Webmasters" group, Mr. Meyers, Ms. Carlson and Mr. Martin provided leadership, working many volunteer hours with the team to produce an attractive, well-organized web site that is easy to navigate and filled with helpful information. Mr. Meyers designed the Michigan map with holiday tree that forms the artistic theme for the pages and each of these seniors has participated in developing graphics and page layouts and also in updating the pages as plans for the selection, cutting and transport of the tree continue.

Their efforts leave a legacy for Michigan and the citizens of this nation who will enjoy not only the holiday tree but also the web site designed by Mr. Meyers, Ms. Carlson, Mr. Martin and their classmates and instructor/advisor Ms. Janice Kesel. I urge my colleagues in the U.S. House of Representatives to join me in congratulating Mr. Gerritt Benjamin Meyers III, Ms. Chae Carlson and Mr. Oliver Martin for their mature, professional approach to chronicling the holiday tree and designing www.holidaytree2001.org

NATIONAL DAY OF AWARENESS FOR STURGE-WEBER SYNDROME

HON. ROBERT E. ANDREWS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. ANDREWS. Mr. Speaker, Mr. MALONEY and I rise today to recognize today as a national day of awareness for Sturge-Weber syndrome. We feel that it is important to recognize this day because Mrs. Karla Priepke, a native of Haddon Heights, New Jersey and resident of Sandy Hook Connecticut, brought her son's plight to our attention. Her son is affected by this disease and rather than turn inward she has made it her mission to inform and educate members of the society and especially the medical community about this disease. This is why we wish to do our small part to increase awareness of this disease by submitting this Sturge-Weber Foundation press release for the CONGRESSIONAL RECORD on this national day of awareness of Sturge-Weber Syndrome.

Sturge-Weber Syndrome is a congenital disorder most easily recognized by a port wine stain on the face and/or body. No one is sure how or why it occurs. Babies born with Sturge-Weber can suffer from any or all of these complications: glaucoma, blindness, seizures that range from mild to the need to remove half the brain, mental retardation, and paralysis. The port wine stain often elicits rude stares and outrageously intrusive remarks from the public.

The Sturge-Weber Foundation (www.sturge-weber.com) is establishing May 16, 2001 as the second national Day of Awareness for Sturge-Weber Syndrome. People will make a donation to the Foundation and wear a Sturge-Weber sticker on May 16th. They will receive a packet of information about the syndrome and the work of the Foundation so they can answer questions from colleagues and friends.

The Sturge-Weber Foundation was created in 1987—the result of tenacious parents who refused to accept that all that was known about Sturge-Weber were three paragraphs in medical textbooks. Through Herculean volunteer efforts, the Foundation support group started. Their outstanding web site links families all over the United States and in many parts of the world. The Foundation seeks to improve the quality of life for individuals with Sturge-Weber Syndrome by acting as a clearinghouse for information, providing emotional support, and facilitating research. A minuscule 8 percent of funds taken in goes towards administration. The rest, including what's collected for the National Day of Awareness, goes directly to education, emotional support and research.

The Foundation has attracted the attention and respect of a dozen teams of scientists who are tackling the question of how Sturge-Weber occurs from different angles Klippel-Trenaunay is a related syndrome in which port wine stains on limbs extend to muscle tissue and bone affecting circulation and mobility. Most children with port wine stains have neither Sturge-Weber Syndrome nor Klippel-Trenaunay. Of course, these can cause dermatological complications as the child matures.

Sadly, the culture in the United States overemphasizes the importance of physical beauty which adds to the emotional burdens of children and adults with Port Wine Stains, Klippel-Trenaunay, and Sturge-Weber. The Foundation has made progress in research and is determined to press on to find out everything they can about this family of syndromes.

LETTER FROM MELVIN HONOWITZ

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. WAXMAN. Mr. Speaker, a few months ago, I entered into the CONGRESSIONAL RECORD letters from individuals or their representatives who took issue with assertions made in the report released last fall by the House Government Reform Committee majority regarding the Department of Justice. Since then, yet another individual has written to complain of inaccuracies and unfairness in the majority's report. In the interest of a complete record on this matter, I submit into the RECORD this March 30, 2001, letter from Melvin Honowitz.

HONOWITZ & SHAW, ATTORNEYS AT LAW,
ONE MARITIME PLAZA, SUITE 1725,
San Francisco, CA, March 30, 2001.

Re: Palladino & Sutherland, and Jack Palladino.

The Honorable DAN BURTON,
Committee on Government Reform, Washington, DC.

The Honorable HENRY A. WAXMAN,
2204 Rayburn House Office Building, Washington, DC.

DEAR MESSRS. BURTON AND WAXMAN: This office represents Palladino & Sutherland and Jack Palladino, nationally known private investigators [hereafter the "client"]. We write without waiver of any applicable privilege. to address the false allegations, accusations, assumptions, innuendos, speculations and references to our client contained in Chapter 10 of the Committee's report entitled "Janet Reno's Stewardship of the Justice Department: A Failure To Serve The Ends of Justice."

The report's allegations as to Jack Palladino are premised on the *false* assumption that Mr. Palladino, or someone under his direction or control, had a "source in the Bureau of Prisons," and that his "source" obtained NCIC information on Nabuo Abe. The Committee's assumption is false and defamatory.

Moreover, the record on which the Committee relies is void of evidence in support of this assumption. Page 157, Section 1.a. of the reports is entitled "Soka Gakkai Illegally Obtained Information on Nabuo Abe Through Jack Palladino." Except for this defamatory heading, the report utterly fails to present evidence to support the accusation. In fact, the only references to Jack Palladino in this Section states, without supporting documentation, "Palladino then *apparently* contacted a source in the Bureau of Prisons who had access to the NCIC data base." [emphasis added] This is untrue and never happened.

The report then goes on to make the untrue and unsubstantiated statement that "the source at the Bureau of Prisons (BOP) broke the law, as did possibly Langberg and Palladino." [emphasis added] In a manner more reminiscent of Kafka or perhaps Alice's Adventures In Wonderland, the report makes allegations of criminal acts which, prior to publication, the Committee never gave our clients an opportunity to refute. Accordingly, one must not only question the lack of due process afforded our client, but the underlying bias of the report's findings and the Committee's investigation.

Then, in Section 1.b, the report gratuitously speculates as to why attorney Rebekah Poston may have sought NCIC records: "perhaps they were concerned with the reliability of Mr. Palladino's work . . ." In fact, in advancing this speculation the Committee ignores its own Exhibit 62 to the report which identifies where Ms. Poston obtained here alleged NCIC information, and makes no reference to Jack Palladino or Palladino & Sutherland or anyone under their direction and control.

Even a cursory review of the Committee's Report and attached Exhibits demonstrates a complete lack of evidence. The only mention of Mr. Palladino in the Exhibits supporting the report is contained in unfounded and false speculation and innuendo that Mr. Palladino (for reasons never made clear) might have "set up" Poston and Manuel in some undefined manner (Exhibit 97). Similar raw speculation appears in Exhibits 98 and 104 and is false.

In his letter of October 31, 2000 to the Committee, attorney Barry B. Langberg clearly states the truth:

"Simply put, there is no evidence that Soka Gakkai, Jack Palladino or I committed any crime, or engaged in any improper activity whatsoever. As the report acknowledges the staff failed even to interview Mr. Palladino or me about our role in this matter. These charges are particularly objectionable because they are not even relevant to the report's central thesis, that Ms. Poston and others working at her direction received favorable treatment at the hand of the Justice Department. Thus, these serious attacks are made almost casually, without any claim or relevance to any public purpose.

In fact, even a preliminary investigation would have revealed that the so-called "reliable source," Richard Lucas, never met with Mr. Palladino or discussed with him any of the facts or issues concerning this matter. Further, an investigation would also have shown that I had no personal involvement with the activity criticized in the report."

Mr. Langberg goes on to rebut and refute the allegations, including the speculation that something was planted in or deleted from the NCIC records. A copy of the entire Langberg letter is attached and incorporated by reference as Exhibit A, as are the four Committee exhibits referenced in this letter (Exhibits 62, 97, 98 and 104) attached as Exhibits B.

Be clear, my client did not access nor seek or direct anyone to access the NCIC data base. Accordingly, we request that this letter and Mr. Langberg's letter be read into the Congressional Record and that the report be corrected.

Sincerely,
MELVIN D. HONOWITZ,
Honowitz & Shaw.

IN TRIBUTE TO CONGRESSMAN JOHN DINGELL AND HIS WIFE, DEBBIE DINGELL ON THEIR 20TH WEDDING ANNIVERSARY

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. FROST. Mr. Speaker, I rise today to pay tribute to a longtime personal friend and colleague, Congressman John Dingell, the dean of the House of Representatives, and his wife, Debbie Dingell, on the occasion of their 20th wedding anniversary.

As all of us know, John Dingell's hard work and dedication to public service has improved the lives of all Americans. What many people do not know, is that he has had an unrecognized partner in those good works, his wife Debbie. Together they have done a tremendous amount of good for the American people, both with charity work, the work they do with our party and the support that they give to this institution.

Debbie and John met during their constant travels together between Michigan and Washington, DC. Mrs. Dingell was working for the General Motors Corporation, while John Dingell had already been a Congressman for 20 years. Debbie Dingell is a nationally recognized advocate for women and children around the country. She has been involved in countless charitable organizations, including the Susan B. Koman Foundation and the Children's Inn at the National Institutes of Health.

With both of them working as a strong team, John Dingell has worked to protect the environment, improve health care, and defend the consumer from unsafe products and unfair practices. In fact, John has authored some of America's most important environmental laws, including the Endangered Species Act of 1973, the Marine Mammal Protection Act, and the Clean Air Act Amendments of 1990.

It has been an honor and a privilege to serve in the House of Representatives with John Dingell. I congratulate him and Debbie for their 20 year wedding anniversary, and wish them every happiness.

HONORING JOELLE MARTINEZ OF THE SANTA FE BOYS AND GIRLS CLUB

HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. UDALL of New Mexico. Mr. Speaker, for the past 13 years, the Santa Fe Boys and Girls Club on Alto Street has been a source of inspiration for Joelle Martinez. On March 16, 2001, Ms. Martinez was rewarded for her hard work and determination when she was named the Boys and Girls Club Youth of the Year.

The Youth of the Year program serves to recognize outstanding young people for their superior leadership skills, academic achievements, triumph over personal hardships, as outstanding contributions to the community.

Ms. Martinez had to endure a rigorous selection process in which she submitted a packet that included essays regarding her involvement at school, in church, with her family, and at the Boys and Girls Club to show her leadership skills within the community. After her packet was evaluated, seven judges, most of whom were Boys and Girls Club Board of Directors, conducted interviews and selected Ms. Martinez for the award.

Ms. Martinez, a senior at Calvary Chapel Christian Academy, first came to the Boys and Girls Club when she was five years old, and she has actively participated ever since.

Over the years, Ms. Martinez has participated in numerous activities aimed at keeping at-risk students involved in the community and off the streets. She has been involved in basketball, swimming, photography, wrestling, dancing and cheerleading. Today, Ms. Martinez is a staff member of the Boys and Girls Club, working with the children of Santa Fe each day after school.

Ms. Martinez played varsity basketball at Calvary Chapel and was selected to the All-Star team. She is a member of the National Honor Society, successfully maintaining a 3.0 or better grade point average. Recently, Ms. Martinez went on a mission trip to Spain, France and England with Calvary Chapel, and she continues to work with the Keystone Club, a teen organization aimed at philanthropy in the community.

As part of her award, Ms. Martinez received a $4,000 scholarship to use at the college or university of her choice. She has already made plans for her future, looking at several New Mexico colleges and a few out-of-state Christian schools to continue her education, where she will pursue a degree in either Computer Science or Criminal Justice.

Ms. Martinez is living proof of how the Boys and Girls Clubs of America impact the lives of children in communities throughout the nation. They develop a solid foundation of positive moral and ethical values for our youths. The five Boys and Girls Clubs in Santa Fe County alone have more than 2,500 members and serve more than 55,000 people in the community.

Today, the Boys and Girls Clubs provide children of working parents with after-school alternatives to drugs and violence, yet President Bush's budget cuts funding from these programs. His plan would extinguish a flame that has been lighting the County of Santa Fe for more than 60 years, seriously impacting the community. I hope there will be sufficient funding so that future generations have the opportunity to work with mentors like Ms. Martinez, who provide beacons of light that guide the way for other youth across the country.

NATIONAL WOMENS' HEALTH WEEK

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mrs. MORELLA. Mr. Speaker, today I rise to honor National Women's Health Week. I commend all of the women who have worked so hard to improve the health of all women. You are making a difference in the healthcare of American women.

We have much to celebrate, in the past decade, funding for breast and ovarian cancer at the National Cancer Institute has more than quadrupled, and funding for osteoporosis has grown from only two osteoporosis-specific grants in the entire country in the early 1980's to more than $80 million in osteoporosis-specific research grants today.

However, our job is far from over, we need to protect the work we have done, and more work remains for the 21st Century. Despite great strides on women's health research, we still must be vigilant and must address issues that are not receiving the public attention and research priority that they deserve.

One example is microbicides. Today the United States has the highest incidence of sexually transmitted diseases (STDs) in the industrialized world—15.4 million Americans acquired an STD in 1999 alone. STDs cause serious, costly, even deadly conditions for women and their children, including infertility, pregnancy complications, cervical cancer, infant mortality, and higher risk of contracting HIV.

Microbicides are a potential new class of products that women can use, like today's spermicides, to prevent HIV infection as well as other STDs.

Microbicides have the potential to save billions in health care costs. The total cost to the U.S. economy of STDs, excluding HIV infection, was approximately $10 billion in 1999 alone. When the cost of sexually transmitted HIV infection is included, that total rises to $17 billion.

With sufficient investment, a microbicide could be available around the world within five years. Microbicide research and development receives less than 1% of the federal AIDS research budget, and best estimates show that less than half this amount is dedicated directly to product development. Clearly this is not nearly enough to keep pace with the growing STD and HIV epidemics.

Mr. Speaker, because of the need for focuses research on women's health, I have introduced legislation, that can serve as a catalyst for women's health. The "Women's Health Office Act of 2001" H.R. 1784, will provide for permanent authorization for offices of women's health in five federal agencies: the Department of Health and Human Services (HHS); the Centers for Disease Control and Prevention (CDC); the Agency for Health Care Research and Quality (AHRQ); the Health Resources and Services Administration (HRSA); and the Food and Drug Administration (FDA).

This bill includes authorization for appropriations to ensure that future funding will be adequate to support these offices' missions and programs.

Providing statutory authorization for federal women's health offices is a critical step in ensuring that women's health research continue to receive the attention it requires in the twenty-first century.

I can say without exaggeration that women working together—as patients, lawyers, advocates, medical researchers, and members of Congress—have been a powerful catalyst for the advances we have made in the research and treatment of breast, ovarian, and cervical cancer, osteoporosis, and heart disease.

I look forward to the continuation of our work together and a strong record of high achievements.

I look forward to supporting legislation and programs to address the health needs of our citizens and the fundamental challenges posed by our nation's health care system.

CONGRATULATIONS, CAL DARDEN

HON. JOHN LEWIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. LEWIS of Georgia. Mr. Speaker, I rise today to congratulate Calvin "Cal" Darden on his election to the Board of Directors for United Parcel Service. Mr. Darden, senior vice President of all U.S. operations for UPS, is the highest ranking African-American ever to serve at UPS. As a person who has invested a great deal of my life working to break down the racial barriers that divide our society, I commend him for his success. Through the success of Mr. Darden and others like him, we continue our journey toward a truly integrated society, toward what Dr. Martin Luther King, Jr., called "the Beloved Community."

Jim Kelly, the UPS Chairman of the Board, also appreciates the contributions of Cal Darden, albeit for different reasons. "Cal Darden has devoted his professional life to making this company what it is today. It is due in no small measure to his efforts in the arenas of operations and customer service that Fortune Magazine just recognized UPS for the 18th consecutive year as 'America's Most Admired' transportation company."

Cal Darden joined UPS in 1971 as a part-time package handler while attending Canisius College. In 1972, he graduated from college and began his climb up the UPS corporate ladder as he was promoted into management. In addition to his successs at UPS, Mr. Darden has been active in the community as a member of the National Urban League's Board of Directors, 100 Black Men of North Metro Atlanta, and his work with the United Way.

Congratulations and best wishes, Cal Darden. Keep your eyes on the prize.

POST OFFICE COMMUNITY PARTNERSHIP ACT OF 2001 LETTER OF ENDORSEMENT

HON. EARL BLUMENAUER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. BLUMENAUER. Mr. Speaker, please accept the following letter of endorsement for the CONGRESSIONAL RECORD, which corresponds with my introduction today of the Post Office Community Partnership Act of 2001.

AMERICAN PLANNING ASSOCIATION,
1776 MASSACHUSETTS AVE., NW. SUITE 400,
Washington, DC, May 15, 2001.

Hon. EARL BLUMENAUER,
U.S. House of Representatives, Washington, DC.

DEAR REPRESENTATIVE BLUMENAUER: The American Planning Association is pleased to endorse the Post Office Community Partnership Act of 2001. APA applauds your outstanding vision and leadership in introducing this legislation and once again bringing this important issue before the U.S. House of Representatives. This legislation recognizes and protects the central and compelling role that the local post office plays in the economic and social life of a community by providing a needed method for community input and support for local planning.

The Postal Service has too often closed or relocated facilities in ways that abandon service for some communities, vacate historic structures in downtown areas, and contribute to urban sprawl without providing for adequate community involvement in the decision-making process. This measure gives local citizens a greater voice in decisions about the location of postal facilities and ensures that local plans addressing growth management, land use, traffic congestion, environmental protection, downtown revitalization and historic preservation are respected by the Postal Service.

Increasingly, communities across the nation are developing comprehensive plans to better manage development, preserve vital resources and encourage sustainable economic development. It is essential that the Federal Government is a good neighbor and partner in these smart growth communities. The Post Office Community Partnership Act simply guarantees that the Postal Service operates within the guidelines that a community develops for all other citizens and businesses, without establishing an unduly burdensome mandate on the Postal Service.

In a national voter survey sponsored by APA and conducted at the end of 2000, we found that an overwhelming 82% of voters support legislation ensuring that federal facilities are located in places that are easily accessible to citizens and are consistent with local growth management plans. This support transcended partisan affiliation, demographic group and regional location.

The post office is an institution at the heart of any community, particularly small towns. By protecting the values and vision of local citizens as embodied in the planning process, this bill lives up to its title by creating a real and lasting partnership between the Postal Service and communities.

APA lends its enthusiastic support to your efforts and urges the United States Senate to enact this legislation.

Sincerely,

BRUCE MCCLENDON,
FAICP President.

CULTURAL HERITAGE ASSISTANCE PARTNERSHIP ACT

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. UDALL of Colorado. Mr. Speaker, today I am introducing the Cultural Heritage Assistance Partnership Act. The legislation would establish a program within the National Park Service to help preserve and enhance the cultural heritage of the United States. The program would coordinate Federal activities and provide information, technical assistance and grants to States, Indian tribes, local governments and non-profit organizations.

Our nation's cultural heritage is a diverse array of natural, historical, cultural, scenic, and recreational resources. The hallmark of these treasures is that they are authentic.

Together they define an area or region's distinct character. Communities increasingly recognize their cultural heritage as a valuable resource, both esthetically and economically. Cultural heritage tourism is now a $50 billion segment of the $600 billion US travel industry.

Within Colorado are six state heritage areas, designated by the Colorado Heritage Area Partnership and the governor. Colorado also has one federally designated heritage area, Cache La Poudre. The Colorado program is still relatively young and depends largely on volunteers and some small grants. Yet the heritage they share is very important not just to Colorado, but to the rest of the country as well.

Other states—such as Louisiana, Maryland, New York, Ohio, Pennsylvania, South Carolina and Utah—have developed or are in the process of developing heritage area programs. I'm told that at least 20 states have developed cultural heritage tourism programs.

At the national level, however, no Federal agency has the role of coordinating the many government programs that could assist the cultural heritage programs being developed by States, tribes, local governments and private organizations.

My legislation would create the Cultural Heritage Assistance Partnership Program in the National Park Service to provide information and technical assistance on cultural heritage resources and activities, including heritage areas, heritage tourism and related economic and community development.

Technical assistance would include developing models of cultural heritage partnership agreements; holding workshops, conferences, training and public meetings; developing guidance on ways to access Federal programs; and coordinating meetings with Federal agencies and non-federal partners. An awards program would be established to recognize exemplary projects or program that carry out the purposes of this Act.

The legislation also provides for a modest grant program, to provide grants, on a competitive basis, to States, Indian tribes, local governments and nonprofit organizations. Annual funding for the grants is capped at $9 million. No applicant could receive more than $50,000 in grants in any fiscal year, all grants must be matched on a 50 percent basis, and all recipients must have at least one partner who also contributes facilities, supplies or services for the project.

Mr. Speaker, my bill has gained support from many international, national and local interests—not only from my own State of Colorado, but organizations from all over the country. Many of them are listed below, and the list grows daily.

They speak far more eloquently than I can about what the bill would do to further their efforts to preserve and enhance the cultural heritage of our great nation.

ORGANIZATIONS SUPPORTING CULTURAL HERITAGE ASSISTANCE PARTNERSHIP ACT

COLORADO

Colorado Preservation, Inc.

Colorado Community Revitalization Association.

City of Lafayette, Colorado.

Operation Healthy Communities (Durango Colorado).

Park County Historical Society, Colorado.

OTHER STATE AND LOCAL ORGANIZATIONS:

Connecticut River Watershed Council—Connecticut, Massachusetts, New Hampshire, Vermont.

Historic Staunton Foundation, Virginia.

Kentucky Organization of Professional Archaeologists.

New River Community Partners, North Carolina, Virginia and West Virginia.

New York State Archaeological Association.

Public Policy Information Fund, Austin, Texas.

Rio Grande Institute, Marathon, Texas.

NATIONAL ORGANIZATIONS

American Association of Museums.

American Cultural Resources Association.

American Planning Association.

National Conference of State Historic Preservation Officers.

National Trust for Historic Preservation.

Partners in Parks.

Preservation Action.

Scenic America.

Society for American Archaeology.

US/ICOMOS.

SELECTED STATEMENTS IN SUPPORT OF THE CULTURAL HERITAGE ASSISTANCE PARTNERSHIP ACT

COLORADO

Colorado Community Revitalization Association (CCRA) wholeheartedly endorses the Cultural Heritage Assistance Partnership Act that Congressman Udall will be introducing this week in Congress.

CCRA is a statewide nonprofit organization that has, as one of its programs, the Colorado Heritage Area Partnership program (CHAP). Within Colorado there are six state heritage areas.

The heritage areas in Colorado are volunteer efforts that receive sporadic project funding from grants. Two of the areas have been fortunate to have volunteers who have had the flexibility to provide minor assistance to the heritage areas as part of their employment.

As Colorado wrestles with ways to control and direct its growth, the goals of Colorado's heritage areas become more difficult to realize and simultaneously all the more critical. Recognition of the importance of our heritage and providing ways to identify, inventory, preserve and enhance all the elements that make up what we call "heritage" is vital to securing our place in history. We must protect and enhance the qualities that make Colorado, Colorado.

BARBARA SILVERMAN,
Executive Director,
Colorado Community
Revitalization Association.

On behalf of Colorado Preservation, Inc. (CPI), I write in support of the Cultural Heritage Resources Partnership Act which you are sponsoring and the assistance it could provide to heritage areas.

As Colorado's statewide historic preservation organization, CPI sees the needs of historic preservation around the state more clearly than most organizations. As CPI members, we see these needs through the lens of one of our own programs, Colorado's Most Endangered Places Program. As a citizen-driven initiative, this program identifies historic places that are about to be lost forever.

Most of the places that get placed on the Endangered Places List each year would not have been noticed had it not been for this annual listing and the publicity it generates. Yet, even with recognition that a historic place is threatened, many of these endangered places are located in small towns or rural areas where there is little funding for them. Local citizens typically want to save a beloved building in their town but often have no idea where to turn for help.

The bill which you are sponsoring would provide much needed technical assistance to these sites which otherwise would have no one to advocate on their behalf And the program could generate good partnerships with already existing programs. For example, it could link to other Endangered Places Programs around the country since many statewide historic preservation organizations like CPI sponsor such a program.

This bill is a good idea and one that could provide needed assistance to areas that could really use it. Additionally, the bill could bring economic relief to local economies particularly those in rural areas.

As the public loves heritage areas and will travel to visit them, there is tourism potential So add tourism development to the list of ways in which a local area could benefit from the bill.

Thank you so much for your efforts to take on this issue of helping heritage areas and for understanding that these areas bring an economic advantage to places that need it the most.

MONTA LEE DAKIN,
Executive Director,
Colorado Preservation, Inc.

This legislation sounds like an answer to some of the prayers of local preservation organizations, especially in rural areas. We have been involved as partners with Park County, Colorado, and several state and federal organizations and agencies to strengthen the mechanisms to preserve our important cultural heritage resources.

This is difficult work when you are starting from scratch, and there is little or no technical advice available. The National Trust and the NPS websites and publications are excellent sources, but sometimes it comes down to being able to hire the expertise to get the pump primed, to get the local people sensitized and trained.

Colorado is fortunate in having the magnificent State Historical Fund that grants funds for historic preservation projects. However, there are areas of cultural heritage that do not qualify for this program—developing archives of documents and photographs, assisting local museums, conducting oral histories, writing community histories that are not directly related to preserving sites and structures.

Partnerships are "Best Practice" for accomplishing significant work in rural communities. Bringing together everyone who is interested in and responsible for cultural heritage preservation is essential. The proposed legislation will go a long way to help us in our efforts.

JACKIE W. POWELL,
Director, Park County Historical Society.

FORT COLLINS, CO.

As someone who has done applied research and community outreach on cultural heritage issues, especially as they relate to local economic development, I strongly support the passage of the Cultural Heritage Partnership Act.

If possible, I'd appreciate any further information on the bill as it develops. Thanks!

STEPHAN WEILER, PH.D.,
Assistant Professor & Regional Economist,
Department of Economics, Colorado State University.

I serve on the boards of directors of the South Park Historical Foundation, Inc., The South Park Symposium, and the Park County Advisory Board on the Environment. The proposal by Representative Mark Udall to establish a Cultural Heritage Assistance Partnership Program as part of the Cultural Heritage Assistance Partnership Act would be beneficial to the three organizations I serve on in Park County, Colorado.

Park County has an abundance of cultural heritage worth preserving but the pressure to build for the expanding population could sweep much of it away. Assistance to preserve and manage a significant portion of this rich cultural heritage is needed.

GARY MINKE,
Park County, CO.

I am in full support of Rep. Mark Udall's proposed legislation establishing a Cultural Heritage Resources Partnership Program. Many communities are trying to preserve their heritage resources.

In Park County, we have several programs such as a local historic register, a State Heritage Area, historical archives, historic preservation/rehabilitation, river conservation/recreation, and view corridor preservation, which are actively working on small budgets with dedicated volunteers to preserve cultural resources and promote heritage tourism.

This legislation would benefit all communities by recognizing the importance of heritage preservation, acting as an informational base/disseminator, and providing small grant programs. Please add my name to the list of supporters for Rep. Mark Udall's proposed legislation.

LYNDA JAMES,
Bailey, Co.

As a non profit organization that supports community development and mobilization, I am expressing our interest in the Act that Rep. Mark Udall is planning to introduce. Feel free to add the name of our organization. We serve 5 counties in SW Colorado.

LAURA LEWIS,
Executive Director,
Operation Healthy Communities.

NATIONAL ORGANIZATIONS

The American Association of Museums is proud to support Rep. Mark Udall's outstanding legislation, the Cultural Heritage Assistance Partnership Act. Please list us as a supporter of this legislation.

Founded in 1906, the American Association of Museums (AAM) is dedicated to promoting excellence within the museum community. AAM currently represents more than 16,000 members—11,500 individual museum professionals and volunteers, 3,100 institutions, and 1,700 corporate members. Individual members span the range of occupations in museums, including directors, curators, registrars, educators, exhibit designers, public relations officers, development officers, security managers, trustees, and volunteers.

Museums are first and foremost educational Institutions and are entrusted to care for over 750 million objects and specimens. We strongly support programs, such as the one that would be established by the Cultural Heritage Assistance Partnership Act, to preserve and protect our national heritage for both recreational as well as educational purposes.

We strongly support preserving and protecting our wealth of cultural, scientific, technological, historic and artistic treasures so that they may be available to current and future generations as a learning resource. In this way, we can provide our children with the most well rounded and comprehensive education possible.

EDWARD ABLE, JR.,
President and CEO,
American Association of Museums.

US/ICOMOS (the US National Committee of the International Council on Monuments and Sites) welcomes the proposed Cultural Heritage Assistance Partnership Act (CHAP) and its efforts to foster and support cooperative partnerships designed to preserve and enhance the cultural heritage of the United States.

We are particularly pleased to see that you have included international organizations including ICOMOS as one of those involved in coordination efforts. We believe that ICOMOS with its 6000 members who are part of its 116 national committees (of which the US Committee, US/ICOMOS, is the largest) has much to bring to such a partnership program and we strongly believe that cultural heritage programs and activities in the US can gain from intellectual contributions to their efforts from professional colleagues in other countries.

The need for coordination and collaboration among players in the field of cultural heritage protection is great and we applaud the Cultural Heritage Assistance Partnership Act as a step toward enriching a variety of programs large and small in this country and elsewhere through the program of partnerships that you have proposed.

With best wishes for the success of your efforts to achieve a truly collaborative and cooperative program where knowledge, expertise and technical information in the field of cultural heritage can be shared by Americans and their colleagues, at home and abroad.

ROBERT WILBURN,
President, US/ICOMOS, Washington, D.C.
ANN WEBSTER SMITH,
Vice President, ICOMOS, Paris, France.

OTHER STATES AND LOCAL ORGANIZATIONS AND INDIVIDUALS

Florida

I am a Ph.D. Candidate at the Univ. of Florida (Dept. of Anthropology), finishing in

August. I could see many groups in Florida benefiting from the grants to be included in this act. Also, the idea of people striving to form partnerships is much needed.

It seems that many people talk about collaborating, but never know how to go about implementing such an effort. I hope the act passes Congress, as it is widely beneficial.

TANYA M. PERES,
Ph.D. Candidate,
Dept. of Anthropology, Univ. of Florida

Indiana

Since 1996 in southwestern Indiana, we have developed a partnership of 10 organizations to present public education programs about regional archaeology, and we invite the public and school groups to visit our ongoing excavations. We do this in conjunction with the celebration of Indiana Archaeology Week, but our various public events extend over a month.

See the web site below for a list of our partners, and the kind of program we present with thousands of volunteered hours. The public loves our programs, and we do receive contributions from local businesses, but you might guess that we are always searching for grant funds.

Rep. Udall's Cultural Heritage Resources Partnership bill would create the kind of program that could help us continue giving the public a "first hand view" of the past, which teaches about the value of archaeological research and preservation of heritage resources.

CHERYL ANN MUNSON,
Department of Anthropology,
Indiana University, Bloomington, IN.

Kentucky

I was recently forwarded a copy of the Cultural Heritage Resources Partnership Act, and wanted to applaud your efforts on behalf of the Kentucky Organization of Professional Archaeologists. I have participated in numerous educational projects involved in Kentucky archaeology. They are always well received, and generate great public interest in the preservation of our cultural and historical resources.

As a professional, I often write reports that detail the specifics of archaeological sites in a scientific fashion. Programs that will be generated by this legislation will bring the stories of our cultural heritage directly to the public, rather than a dusty bookshelf. This legislation will serve to enhance the efforts of those who work to protect our history.

Thank you for your efforts. We are in full support of this legislation.

HANK MCKELWAY, PH.D.,
President, Kentucky Organization
of Professional Archaeologists.

Maryland

Please include my name on the list of supporters of the Cultural Heritage Assistance Partenrship Act. Thank you and good luck. If there is anything further that I can do on an individual level, please feel free to contact me. I will be happy to provide whatever assistance I can.

PATRICK LANG,
Historian,
Bethesda, MD.

New York

I would very much like to support your efforts in the introduction of this bill. There are numerous "heritage areas" in New York State and throughout the United States which the Cultural Heritage Resources Partnership Act will aid in preserving.

SUSAN WINCHELL-SWEENEY,
Secretary,
New York State Archaeological Association.

I would like to support your efforts in the introduction of this bill. It will serve as important in the effort to preserve our cultural heritage in the United States.

MARIE-LORRAINE PIPES,
Zooarchaeologist,
Victor, NY.

Virginia

Please include the Historic Staunton Foundation as a supporter of the bill. We are a local non-profit org. that could certainly use technical support of the NPS. Thanks

FRANK STRASSLER,
Executive Director,
Historic Staunton Foundation, Staunton, VA.

OVERVIEW OF CULTURAL HERITAGE ASSISTANCE PARTNERSHIP ACT

(By Representative Mark Udall)

Background and Need: Our nation's cultural heritage is a diverse array of natural, historical, cultural, scenic, and recreational resources. The hallmark of these treasures is that they are authentic. Together they define an area or region's distinct character. Communities increasingly recognize their cultural heritage as a valuable resource, both esthetically and economically. Cultural heritage tourism is now a $50 billion segment of the $600 billion US travel industry. Yet no Federal agency has the role of coordinating the many government programs that could assist the cultural heritage programs being developed by States, tribes, local governments and private organizations.

Program: The legislation would establish a Cultural Heritage Assistance Partnership Program within the National Park Service to coordinate Federal programs and to provide information, technical assistance and grants to States, Indian tribes, local governments and non-profit organizations. In turn it would also provide Federal agencies with opportunities to benefit from the knowledge and experience of their non-Federal, cultural heritage partners.

Federal Coordination: To carry out the purposes of the Partnership Program, the Act would establish a Federal Coordinating Council composed of the heads of 11 Federal departments and agencies. The Secretary of the Interior would serve as chair. The purposes of the Council are to:

Identify Federal programs that can assist the Partnership Program;

Establish methods to collaborate together and with other governmental and nongovernmental entities on cultural heritage programs and projects;

Find ways to cut red tape and increase efficiencies in delivering services under existing Federal programs to States, Indian Tribes, local governments, and private organizations; and

Assure that the Partnership Program is responsive to the diverse needs of communities, from urban centers to remote rural areas, and are balanced in outreach and funding.

Citizens Advisory Committee: The legislation establishes an 11 member Citizens Advisory Committee appointed by the Secretary of the Interior to provide independent advice from the private sector to the Partnership Program and the Federal Coordinating Council. Members would be chosen for 5 year terms from among individuals who represent a range of technical expertise as well as broad based interests in cultural heritage resources, heritage areas, heritage tourism and related economic and community development.

Partnerships: In carrying out the Partnership Program, the Secretary of the Interior would coordinate with and seek the participation of organizations and agencies involved in heritage areas and related cultural heritage tourism and economic and community development, including:

(1) Private sector non-profit organizations.
(2) Educational and training institutions.
(3) Professional societies and trade associations.
(4) State and local government agencies and affiliated organizations.
(5) Indian tribes and tribal organizations.
(6) Other offices and programs within the National Park Service, including Units of the National Park System.
(7) Federal agencies, including agencies not represented on the Federal Coordinating Council, and Federal organizations such as Coastal America and the National Rural Development Council; and
(8) International agencies and organizations.

Information, Technical Assistance, and Awards. The Partnership Program would provide information and technical assistance on cultural heritage resources and activities, including heritage areas, heritage tourism and related economic and community development. The information would be available electronically on the World Wide Web. Technical assistance would include developing models of cultural heritage partnership agreements; holding workshops, conferences, training and public meetings; developing guidance on ways to access Federal programs; and coordinating meetings with Federal agencies and non-federal partners. An awards program would be established to recognize exemplary projects or programs that carry out the purposes of this Act.

Grants. The legislation authorizes the Secretary of the Interior to make grants, on a competitive basis, to States, Indian tribes, local governments and nonprofit organizations. Annual funding for the grants is capped at $9 million. No applicant could receive more than $50,000 in grants in any fiscal year, and all grants must be matched on a 50 percent basis. All grant recipients must have at least one partner who also contributes facilities, supplies or services for the project. Priority would be given to projects that have more than two entities who contribute facilities, supplies or services or projects representing a broad base of interests that can increase community involvement.

Types of Projects: Among the types of projects that may be funded are projects that:

(1) Develop plans, programs, training, and informational materials relating to the development, management or interpretation of cultural heritage resources and heritage areas or potential heritage areas;

(2) Create innovative projects that address natural resource conservation, environmental education, outdoor recreation, economic revitalization, archaeology, historic, scenic and cultural preservation, and the arts, humanities and folklore;

(3) Carry out cultural heritage activities in conjunction with libraries, museums and schools

(4) Improve the organizational and management capacity of cultural heritage organizations and agencies;

(5) Create or implement innovative ways to combine historic property restoration and conservation with economic and community development;

(6) Provide electronic access, including equipment and training, especially in rural or underserved urban communities, to promote cultural heritage activities or heritage areas;

(7) Develop alliances among heritage areas within a State and among the States;

(8) Share information with other nations on cultural heritage programs in the United States; and

(9) Develop programs for collecting information on cultural heritage activities and resources in other nations that might serve as models for similar activities in the United States.

Report: The legislation directs the Secretary of the Interior to prepare a report to Congress within 4 years of enactment that describes the accomplishments of Partnership Program; identifies any problems that were encountered in implementing the provisions of this Act; and recommends any changes that are needed in the Partnership Program, including amendments to the Act.

Definitions: Standard definitions are provided for terms used throughout the Act. The term "Heritage Area" is defined as "a discrete geographic area or region (including trails, corridors, rivers, and watersheds) designated by Federal, State, tribal or local legislation or executive action and having a distinctive sense of place embodied in its historic buildings, communities, traditions, cultural and natural features."

Annual Funding: In addition to the $9 million authorized annually to be appropriated for the grants program, the $500,000 is authorized for information and technical assistance and $500,000 for program administration.

RECOGNITION OF "STAMP OUT HUNGER" FOOD DRIVE

HON. STEPHEN HORN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. HORN. Mr. Speaker, I rise today to recognize the men and women of the United States Postal Service for their tireless efforts on behalf of the "Stamp Out Hunger" program. On Saturday May 12th letter carriers in all 50 states, the District of Columbia, Puerto Rico, the Virgin Islands and Guam collected food donations from postal customers along their routes in what has become the largest volunteer effort in America.

Saturday's collection marks the ninth consecutive year that the National Association of Letter Carriers, in conjunction with the Postal Service and Campbell's Soup, has conducted this food drive. The nationwide effort began with a generous donation of one million pounds of food from Campbell's Soup. Since the "Stamp Out Hunger" program's inception nearly 400 million pounds of food have been collected and distributed to hundreds of local food banks and pantries. The food drive comes at a critical time to help food banks and pantries restock their bare shelves that have emptied from the winter months.

I commend the thousands of letter carriers and the millions of postal customers that contributed to the success of this years "Stamp Out Hunger" food drive. These individuals can should be proud knowing that their contributions will make a difference.

RECOGNIZING ANN BANCROFT

HON. BILL LUTHER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. LUTHER. Mr. Speaker, my home state of Minnesota is proud of its strong and historic pioneer spirit. The often-brutal winters of Minnesota that early inhabitants endured, however, are no match for the icy tundra of Antarctica, recently traversed by a woman from Scandia, Minnesota.

Ann Bancroft is the first woman ever to cross the ice to the North and South Poles. She dogsledded 1,000 miles to the North Pole as the only female member of the Steger Expedition and led the 67-day American Women's Expedition to the South Pole on skis. Not content with these outstanding achievements, she also founded and led the nonprofit Ann Bancroft Foundation, dedicated to celebrating the successes of women and girls.

In the true spirit of a pioneer, Ms. Bancroft not only crossed geographic boundaries, but she traveled across gender barriers as well to become an inspiration for women and girls around the globe. Her work continues to celebrate the potential and the victories of women every day. I want to take this opportunity to recognize Ann Bancroft for her bravery not only to go where no woman has gone before, but also for encouraging young women to reach for their own dreams.

HUMAN RIGHTS PROBLEMS IN KAZAKHSTAN

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. SMITH of New Jersey. Mr. Speaker, I rise today to call attention to the lamentable human rights situation in Kazakhstan. On April 4, in a meeting with Kanat Saudabaev, Kazakhstan's new Ambassador to Washington, I welcomed his desire for cooperation and his willingness to improve his country's image, but I emphasized that Kazakhstan's reputation has indeed been badly tarnished and that concrete actions, not implausible pledges of democratization, were necessary. Considering the recent political trends in that important Central Asian country, I would like to share with my colleagues a number of the concerns I raised with Ambassador Saudabaev.

As a Washington Post editorial pointed out on May 1, President Nursultan Nazarbaev has recently been intensifying his longstanding campaign of repression against the political opposition, independent media, and civil society. Especially alarming is the escalation in the level of brutality. In the last few months, several opposition activists have been assaulted. Platon Pak of the "Azamat" Party was stabbed on February 7. Fortunate to survive, he said his attackers told him to "deliver their message to the head of his political party." On March 1, Ms. Gulzhan Yergalieva, the Deputy Head of the opposition "People's Congress of Kazakhstan" and a well-known journalist, was—along with her husband and son—attacked and robbed in her home. Prior to these incidents, both opposition parties strongly criticized the Kazakh Government's running of an electoral reform working group. In late February, Alexandr Shushannikov, the chairman of the East Kazakhstan branch of the "Lad" Slavic Movement, was beaten by unknown assailants in the town of Ust-Kamenogorsk.

Less violent harassment of the opposition has continued unabated. Amirzhan Kosanov, the Acting Head of the Executive Committee of the opposition Republican People's Party of Kazakhstan (RNPK), found threatening graffiti in the stairwells of his apartment building, on the doors of his apartment, and on neighboring buildings on March 17. Later that night, hooligans threw rocks at the windows of the apartment of Almira Kusainova, the RNPK's Press Secretary. In one case, a large rock shattered one of the windows.

To add insult to injury, Mr. Kosanov has been barred from leaving Kazakhstan. He is the former Press Secretary of Akezhan Kazhegeldin, Kazakhstan's former Prime Minister and now the exiled head of the RNPK. Claiming Mr. Kosanov had access to "state secrets," the authorities have confiscated his passport—even though he had left Kazakhstan many times before. To round out the campaign against Mr. Kosanov, a series of articles and reports in pro-government media have accused him of adultery and pedophilia.

In addition, Pyotr Afanasenko and Satzhan Ibrayev, two RNPK members who were Mr. Kazhegeldin's bodyguards, were sentenced in April 2000 to three years in prison for a weapons offense; an appeals court upheld the convictions. The OSCE Center in Almaty has stated that it considers the charges to be political in nature. Moreover, these two individuals, as former members of the security forces, should be in special prisons instead of being incarcerated among the general prison population, where they are in danger.

Along with the targeting of opposition activists, the ongoing crackdown on freedom of the press has continued. Most media outlets have long been under the direct or indirect control of members of the president's family, leaving independent and opposition media under constant pressure and at serious risk. After the opposition weekly XX1st Century printed articles last October about alleged corruption by President Nazarbaev, the publication's editor, Bigeldy Gabdullin, was charged with "harming the honor and dignity of the President." On April 3, Yermurat Bapi, editor of the opposition weekly SolDat, was convicted of "publicly insulting the dignity and honor of the President." The court also ordered that the print run of SolDat in which the offending article appeared be destroyed.

Mr. Bapi, who was sentenced to one year in jail and ordered to pay $280 in court expenses, was immediately pardoned under a presidential amnesty. Still, his conviction remains on the books, which will prevent him from traveling abroad, among other restrictions. Mr. Bapi is appealing the verdict. As for Mr. Gabdullin, the prosecutor's office issued a press release on April 6 stating that it had dropped the case against him due to "the absence of [a] crime," although his newspaper has not yet received formal confirmation.

While both editors are currently at liberty, as the Committee to Protect Journalists (CPJ) points out, their newspapers cannot publish in Kazakhstan because local printers will not risk angering local officials. In an April 17 letter to President Nazarbaev, CPJ concluded that "we remain deeply concerned about your government's frequent use of politically-motivated criminal charges to harass opposition journalists" and called on him "to create an atmosphere in which all journalists may work without fear of reprisal."

Apart from intimidating individual journalists and publications, Kazakhstan's authorities have taken legal action to restrict freedom of speech. The country's Senate on April 17 approved a draft media law that limits the retransmission of foreign programs and will also subject Internet web pages to the same controls as print media. Moreover, media outlets can be held responsible for news not obtained from official sources. In other words, if the New York Times or CNN runs stories Kazakhstan's leadership finds distasteful, Kazakh media outlets risk legal sanction for re-running those reports. Considering the ongoing investigations by the U.S. Department of Justice into high-level corruption in Kazakhstan, it is easy to draw inferences about what kinds of stories the authorities would eagerly spike. Indeed, although Mr. Gabdullin and Bapi were formally prosecuted for articles in their newspapers, both had also previously signed an open letter, published in the January 15 edition of Roll Call, expressing their support for the investigation.

Mr. Speaker, Kazakh authorities have also stepped up harassment of NGOS. The OSCE Center in Almaty, the Washington-based National Democratic Institute (NDI), and Internews-Kazakhstan had jointly organized public forums in 9 regions of Kazakhstan to educate local citizens, media, and interested parties about the proposed amendments to the media law. After the law's passage, local organizers of these Forums on Mass Media were called in to the Procuracy for "conversations." Other government agencies which took part in this intimidation were the Tax Police and the Financial Police.

According to OSCE sources, the authorities offered local NGOs "friendly" advice about not working with the OSCE and NDI. In Atyrau, one NGO contacted by the Financial Police did not even participate in these forums but that did not stop the police from sending a written request for information on "whether or not your organization had contacts with the OSCE or NDI in 2000–2001." Clearly, the authorities are singling out NGOs which maintain contacts with the OSCE and NDI and warning them about the possible consequences. In some instances, the authorities have made good on the implied threat and opened tax investigations into NGOs, seizing their documents and even computers, as happened in Almaty and Karaganda. This campaign is a blatant attack on the activities of the OSCE, of which Kazakhstan is a participating State, and other international organizations which promote demoncratization.

Finally, Mr. Speaker, to round out a very depressing picture, Kazakhstan's parliament is reportedly working towards the adoption of amendments to the law on religion that will severely limit freedom of conscience. The draft provisions would require at least 50 members for a religious association to be registered (the law currently requires 10). In order to engage in "missionary activity," which would involve merely sharing religious beliefs with others, individuals—citizens or not—would have to be registered with the government, and religious activity would be permitted only at the site of a religious organization, which could bar meetings in rented facilities or even private homes. Violation of these provisions could lead to a sentence of one-year in prison or even two years of "corrective labor," and to the closing of religious organizations.

These draft amendments to the religion law were introduced in Kazakhstan's parliament in early April. According to the U.S. Embassy in Almaty, no date has been scheduled for discussion of the legislation though it is expected the measure will be considered before the current session ends in June. The U.S. Government, the OSCE, and other international agencies have expressed concern about the possible restriction of religious liberty, and there is reason to fear the worst.

In recent months, the attitude underlying these draft amendments has already had a real impact on believers. American citizens who did humanitarian work in several cities in Kazakhstan have been harassed, intimidated and eventually deported. The formal cause of their expulsion was violation of administrative regulations but one official told an American the real reason was because they were Christians. In one particularly brutal, ugly case, Americans who had been told to leave the country were preparing to do so when the authorities brought them back from the airport so they could be videotaped for TV broadcasts portraying them as engaging in various sorts of subversive activities. An American family preparing to leave Ust-Kamenorgorsk was harassed by a Kazakh security official who threatened to spend the entire night in their tiny apartment to make sure they left. It took several hours before he could be persuaded to leave, despite the fact that his presence was frightening a pregnant American woman.

Jehovah's Witnesses have also reported stepped-up harassment and intimidation. Over the past few months, central and local media have been attacking Jehovah's Witnesses, who are depicted as religious extremists. In one bizarre case, according to the Witnesses, a television station broadcast video footage of Islamic terrorists, who were described as Jehovah's Witnesses, as well as footage of a police raid on a meeting held in a private home.

Kazakhstan's new Administrative Violation Code, which went into effect in February, allows the suspension or prohibition of religious organizations for evading registration or for violating assembly rules. This has already been used to suspend the activity of a group of Jehovah's Witnesses in Kzyl-Orda. A similar case is pending in Taraz.

Just today, May 16, Keston News Service reports that authorities have declared a Baptist church in the town of Kulsary (Atyrau region) illegal and ordered it to stop all meetings, claiming that it may not function until it is registered. In fact, Kazakh law does not ban activity by religious communities without registration, but the regional prosecutor upheld the ban. Church leaders intend to appeal the decision, but local lawyers are afraid to take such a case.

Keston further reports that on April 10, the authorities in Kyzylorda fined a Baptist church 7,750 tenge (about $53) and suspended its activities until it obtains registration. In February, police had raided a Kazakh-language service at that church, demanding that participants show their identity documents and write statements about the gathering. They confiscated religious writings in Kazakh and Russian, and took five people, including the leader of the service, Erlan Sarsenbaev, to the police station. According to the Baptists, the police told them "During the Soviet times, believers like you were shot. Now you are feeling at peace, but we will show you." When Sarsenbaev refused to write a statement, police officers "began to hit him on his neck, abdomen and head with a plastic bottle filled with water." Finally, they forged his signature, and wrote the statement on his behalf.

As President Bush recently said, "the newly independent republics of Central Asia impose troubling limits on religious expression and missionary work." This trend in Kazakhstan is especially disturbing because despite the consistent consolidation of presidential power and general crackdown on opposition and dissent, relative religious freedom had been one of the bright spots. It seems this bright spot is about to disappear.

Mr. Speaker, a few weeks ago, Erlan Idrisov, Minister of Foreign Affairs of Kazakhstan, visited Washington. In his public speaking engagements, he focused on Kazakhstan's emphasis on stability and its desire for good relations with its neighbors. These are understandable priorities which the United States has every reason to support. But Minister Idrisov simply discounted charges of human rights problems, arguing on May 2 at the Carnegie Endowment that the above-mentioned Washington Post editorial is "not the final word" on the human rights situation in his country.

Minister Idrisov may disagree with any Washington Post editorial, if he likes. But when you consider many other sources, such as the State Department's report on human rights practices, the Committee to Protect Journalists (which last year named President Nazarbaev one of the world's ten worst enemies of the media), and the OSCE Center in Almaty, the overall impression is clear and indisputable. Despite official Kazakh claims about progress, the human rights situation is poor and threatens to get worse. If President Nazarbaev wants to change that impression and convince people that he is sincere about wanting to democratize his country, he must take concrete steps to do so. The time is long past when we could take his assurances at face value.

RECOGNIZING VERNA IRENE SWOBODA

HON. SAM GRAVES

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. GRAVES. Mr. Speaker, I rise today to congratulate Verna Irene Swoboda, a lifelong resident of St. Joseph, Missouri, who is celebrating her 90th birthday, today, May 16, 2001. She was born in St. Joseph in 1911, the only daughter of Thomas and Vera Moore, along with her four brothers, Joseph, Wilbur, Norman, and Mason. She was married to her late husband, Ralph J. Swoboda, for 61 years.

Verna's four children, Rachel, Tom, Vera, and Gloria are hosting a birthday celebration for her on May 26th at the home of her daughter, Rachel, in St. Joseph. It is expected that her entire family, including nine grandchildren and eight great grandchildren will attend, many coming from out of state. Also, her many friends in the senior residence where she lives in her own apartment plan to celebrate with her on May 16th.

Verna enjoys good health and is very active with her family, her church, her friends, and her hobbies. She still enjoys painting, writing poetry, reading good books, and working on her scrapbooks and picture albums. She is a very spunky lady with a very sharp wit and is adored by all who know her. She can tell a very good story and has always been proud of her Irish heritage, and she is especially proud of her hometown of St. Joseph.

Again, I want to wish Verna Irene Swoboda all the very best on her 90th birthday.

THE STATE AND LOCAL CANDIDATE FAIRNESS ACT

HON. F. JAMES SENSENBRENNER, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. SENSENBRENNER. Mr. Speaker, today I am introducing legislation to extend to the principal campaign committee of state and local candidates for elective public office the same graduated tax rates which apply to the principal campaign committee of a candidate for Congress.

In running for Congress, Members of the House are made aware of the Section 527 tax laws that apply to congressional campaign committees. What many Members of Congress may not be aware of is the unfair tax treatment of campaign committees for state and local candidates. Recently, state representatives from my home state of Wisconsin brought to my attention the burdensome tax laws involving the graduated tax rates applicable to interest bearing accounts for state and local campaign committees. Under current law, the tax rate applied to the interest earned by a campaign committee is determined by which office the candidate seeks. State and local candidates are forced to pay a 35% tax rate while congressional candidates pay only 15% on interest bearing accounts for their primary campaign committees.

That is why I am introducing the State and Local Candidate Fairness Act. This legislation would allow state and local candidates to pay the same tax rate as congressional candidates on interest bearing accounts for their campaign committees.

As we are asking our state and local officials to build better and safer communities, we should be encouraging more involvement from our citizens and not discouraging them from participating in state or local government.

By addressing unfair tax burdens on state candidates, my legislation would also help to simplify the tax code. By making the tax rates the same for state and local candidates as they are for congressional candidates, the tax code will in a small way become simpler for everyone running for office. I urge my colleagues to support this legislation to fight against unfair tax rates for candidates for state and local office.

TRIBUTE TO DR. JOHN HORN

HON. PETE SESSIONS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. SESSIONS. Mr. Speaker, I would like to recognize today an outstanding educator from my district, Dr. John Horn. At the end of this school year, Dr. Horn will retire as Superintendent of the Mesquite Independent School District, bringing his long and distinguished career to a close.

During his 38-year career, Dr. Horn has been a visionary in public education, receiving numerous awards for his service. In 1995, he was honored as the Texas Superintendent of the Year by the Texas Association of School Administrators. The Mesquite ISD, with over 32,000 students, has thrived under his leadership, most recently earning the "Recognized" rating from the Texas Education Agency in 2000.

Dr. Horn involves the entire community in the improvement of education and involves himself in the community through various civic organizations. Often referred to as the "superintendent's superintendent," Dr. Horn has thoroughly dedicated himself to the education and enrichment of his students.

Although he be will greatly missed, Dr. Horn's legacy will serve as a constant reminder of his extraordinary career. I ask my colleagues to join me in congratulating Dr. John Horn on all of his accomplishments and wishing him the best for his well-deserved retirement.

THE TREND OF PRIVATIZATION

HON. TED STRICKLAND

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. STRICKLAND. Mr. Speaker, I want to address a trend that I find very disturbing; a trend that I encounter again and again across a spectrum of seemingly unrelated issues. It is the trend of privatization, the trend of government forfeitlng its responsibilities to those it serves.

I believe strongly that certain societal functions are so important that they simply must be carried out by the government, namely the imprisonment of criminals and the maintenance of a health care safety net for our most vulnerable citizens. Now, I realize that these two functions are extremely divergent, but both are vitally important to society. The purpose of imprisonment is to protect the public from dangerous individuals who are paying a debt to society, and the purpose of the public health safety net is to protect the public, particularly the poor, from the ravages of preventable and treatable disease.

These two public functions have one very important thing in common: once we privatize them and turn over their missions to profit-making entities, we will never be able to rebuild what we have lost.

Public hospitals and public health centers provide a vital service as part of our national health care delivery system; they provide care to those who would be turned away from other institutions for not having health insurance. They often serve the poorest and the sickest populations, and are particularly attuned to the health consequences of delayed care, poverty, poor nutrition and chronic disease. Because these institutions are directly accountable to the public, they serve the public well—better, I would argue, than a privatized counterpart. I am not saying that private hospitals are not important or that they do not provide their share of uncompensated care, because they do, and we need to have them around. I am saying that public health care providers play a very important role in the health care marketplace, and they are unique in that they are more directly accountable to the public than are their private counterparts. More important, once we break our commitment to providing public health care by privatizing this service, we will find it very difficult, if not impossible, to re-establish this vital component of our comprehensive health care delivery system. I fear that we are moving toward this unfortunate state of affairs right now in our nation's capitol with the proposed privatization of DC General Hospital. Mr. Speaker, I believe that the plan to privatize DC General is, like most privatization plans, an extremely shortsighted measure that will jeopardize the availability of quality health care for some of the city's poorest citizens.

Likewise, the privatization of our nation's prisons is a practice that I find equally repugnant. The need to make a profit creates an incentive for private prison companies to cut corners when it comes to the security of the facility and the quality of correction personnel. The result is understaffing, low wages, inadequate training, poor benefits, and difficult working conditions. Reports from various private facilities reveal a failure to fill staff positions, a failure to provide government mandated programs that involve proper correctional officer training and prisoner rehabilitation programs, and a failure to implement tested, comprehensive security measures. Additionally, when governments contract out with private prison operators, taxpayers lose much in the way of valuable oversight tools. Nevertheless, they are still forced to assume much of the financial and legal liability associated with the operation of private prisons. If there are riots or breakouts, local government authorities are called in to handle the situation. When a private prison official violates an inmates rights, the taxpayers from the community—not the prison corporation—foot the bill for the lawsuit.

Whether it's the security of our prison system or the health care of America's poorest citizens, privatization is a risky business that could cost us dearly down the road. I hope that the Congress will take very seriously its responsibility to the American public and not continue efforts to privatize safety net health care providers or the nation's prison system.

TRIBUTE TO THE LATE MARGARET VILLAGRAN (SIERRA) MELENDEZ

HON. JOE BACA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. BACA. Mr. Speaker, it is with great sadness that I note the passing of Margaret Villagran (Sierra) Melendez, the mother of Ruby Ramirez on my staff.

Margaret was born to Milton Villagran & Juanita Palacios on June 10, 1910 in El Paso, Texas. She was the 15th child of a family of 17. Her father was employed for Santa Fe until he died in 1917. Her mother was a housewife for the most part, and followed her husband wherever he was sent. She did the laundry for the work crews at the different sites that they were assigned to.

Margaret came to California at the age of 10 with her sister who was 17. Her brothers were working at the Jurupa Quary in South Fontana and her sister came to work as a housekeeper for one of the owners of a winery in Guasti. They had to leave their mother behind until they had enough money to relocate them to California which was about two years later. She attended an elementary school named "Wineville" later changed to Guasti.

Margaret dropped out of school at 14 and went to live with her brother, Albert Villagran in Orange, CA. She was bilingual and went to work for Woolworths as a sales girl. Later she worked at the Hunts Co. and Sunkist Packing House. She came back to Fontana when she was 18 and met her husband, Pete Sierra. They got married and moved to Colton in 1927. They bought a house at 965 Jefferson Lane and she lived there until she was hospitalized.

Tragically, her first husband was killed in 1956 by a drunk driver. She was a widow for 19 years and then she remarried Frank Melendez in 1977. Frank and Margaret had dated before she married Pete. 32 years later, they met and got married. He died in 1999.

Margaret was a loving caring mother to everyone. Everyone that came to her house was welcome and the first thing she did was feed them. She was active in the Heart Association and once a year took care of collecting funds for the Heart Foundation. She volunteered for the Cancer Association, VFW, PTA, and was a member of San Salvador Catholic Church. She liked to work in her garden and cook on her wooden stove whenever she had a chance. Her house was a regular soup kitchen. Her house was located between the Union Pacific and the Southern Pacific Railroads. Every person that got off the train came knocking on her door and they never went away hungry.

Margaret never missed an election. She made sure that she had her absentee ballot. She was a good listener, helped wherever she was needed and never complained even with all the hardships she encountered throughout her life. Everyone called her "Grandma Margaret."

Margaret leaves behind five daughters, Tillie Rodriguez, Ruby Ramirez, Mary Ramirez, Lorraine Chavez, JoAnn Beckman; and five sons, Pete Sierra Jr., Charlie Sierra, Amador Sierra, Johnny Sierra, and Joe Madrigal; sixty-five grandchildren; and four great-grandchildren.

I extend to the family my condolences and wish blessings to them in their time of mourning. We say, "goodbye, we miss you, God bless."

IN SUPPORT OF NATIONAL WOMEN'S HEALTH WEEK

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mrs. MEEK of Florida. Mr. Speaker, I rise today in support of National Women's Health Week, to speak of a topic near and dear to me which is Lupus.

I know firsthand the heartache that lupus causes. I lost a sister to lupus and have seen many others suffer from this incurable disease. I know all too well the difficulties persons with lupus face to maintain employment and lead normal lives. I have seen the often-devastating side effects of current treatment regimens. I also know the profound impact that my sister's disease had on me and that lupus often has on the family and friends of lupus patients.

More people have lupus than AIDS, cerebral palsy, multiple sclerosis, sickle-cell anemia and cystic fibrosis combined. Yet I believe that much of the public does not yet have this awareness. The Lupus Foundation of America estimates that between 1,400,000 and 2,000,000 people have been diagnosed with lupus. Many others have the disease, but have not even been diagnosed because of the insidious way in which lupus "masks" itself, thereby often making it difficult to diagnose. Many lupus victims are mis-diagnosed, and some victims even die, without even knowing that they have this disease.

Lupus is a wide-spread and devastating autoimmune disease that causes the immune system to attack the body's own tissue and organs, including the kidneys, heart, lungs, brain, blood, or skin. It afflicts women nine times more than it does men, and is three times more prevalent in women of color than Caucasian women. Lupus has its most significant impact on young women during their childbearing years (ages 15–44).

Lupus patients from poor or rural areas often cannot access the level of specialty care required to manage such a varied and complex disease. When first presenting symptoms of the disease, lupus patients usually contact their family physician. It is not unusual for people to have lupus for three to five years and to visit up to five doctors before they receive a correct diagnosis. Unfortunately, medical schools do not provide family physicians with sufficient training to recognize lupus.

I am sure that increased public awareness of the pervasiveness of lupus will substantially assist our efforts to increase funding not only for research, but also for the treatment and support services that the Congress authorized last November when it passed my lupus bill, H.R. 762, as part of the Public Health Improvement Act of 2000 (P.L. 106–505). Passage of H.R. 762 was an important step in the fight against lupus, one of which I am extremely proud. But it is not enough. It is time to take the next step this year by funding the research, treatment and support services that the Congress authorized last year when it passed my lupus bill.

Lupus affects multiple organ systems and can be an expensive disease to manage. Treatment requires the participation of many different medical specialists and expensive specialized testing and procedures. The average annual cost of medical treatment for a lupus patient is between $6,000 and $10,000. However, for some people with lupus, medical costs may exceed several thousand dollars every month. Lupus can be financially devastating for many families.

It was these human factors that caused me to offer H.R. 762 and to work so hard for so many years with all of you for its passage. The case management and comprehensive treatment services that we authorized in H.R. 762 for individuals with lupus, and the support services that we authorized for their families, will be tremendously helpful, but only if we adequately fund them. We need a coordinated, targeted, well-executed appropriations strategy to make the promise of these programs a reality.

My lupus bill that the Congress passed last year authorizes appropriations of such funds as are necessary for FY 2001 through FY 2003 for lupus research, education, and treatment, including a grant program to expand the availability of lupus services. It also empowers the Secretary of the Department of Health and Human Services to protect the poor and the uninsured from financial devastation by limiting charges to individuals receiving lupus services pursuant to the grant program, the way that we do under the Ryan White Care Act, should the Secretary deem it appropriate to adopt such limitations.

H.R. 762 authorizes research to determine the reasons underlying the increased prevalence of lupus in women, including African-American women; basic research concerning the etiology and causes of the disease; epidemiological studies to address, among other things, the differences among the sexes and among racial and ethnic groups with respect to the frequency of the disease; the development of improved diagnostic techniques; clinical research for the development and evaluation of new treatments, including new biological agents; and information and education programs for health care professionals and the public.

The bill also authorizes appropriations of such sums as are necessary for FY 2001 through FY 2003 for a grant program. This program would support a wide range of services for the diagnosis and disease management of lupus for lupus patients, as well as a broad range of support services for lupus patients and their families, including transportation services, attendant care, homemaker services, day or respite care, counseling on financial assistance and insurance, and other support services.

I think it is appropriate during National Women's Health Week, that Congress fully fund research and treatment programs such as this.

TRIBUTE TO THE LATE FRANCISCA GARMON

HON. JOE BACA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. BACA. Mr. Speaker, it is with great sadness that I rise in memory of Francisca Garmon, of my district, who passed away on Mother's Day, May 13, 2001.

Francisca served as vice president of the local union, United Steelworkers of America Local 7600, which represents approximately 4,000 Kaiser Permanente Medical Center Employees in San Bernardino and Riverside counties. A woman of great faith, Francisca was known for her resilience and tenacity. A gifted communicator, she was asked by the union to serve as a spokeswoman because of her speaking abilities. A talented singer, she made a recording last year at the request of the Steelworkers International.

Francisca is survived by her husband, James Garmon, a physician's assistant at Kaiser Permanente's San Bernardino Clinic. She is also survived by her mother Virginia; Children Johnny, Troy and Anna (Sey), who is a customer service representative at Kaiser's Corona Call Center; grandchildren Dana, Kaleb and Jacob; brother, Richard; sisters Evelyn, Jeannie and Rosie; and many other relatives.

Francisca had worked for Kaiser Permanente for 18 years. Prior to becoming a grievance officer she served as an assistant grievance officer. In the year 2000, Fran became vice president of USWA Local 7600. She served as co-chair of the Legislative and Education Committee, was active in the Labor Management Partnership and was a political activist for State and Federal labor laws.

Francisca's presence, along with her efforts and hard work, will be missed tremendously by all her Brothers and Sisters of Local 7600, and indeed, all in our community, but our comforting memories of her will live on.

Francisca also served her country in the armed forces, in the Air Force from April 4, 1970, through September 11, 1970, being honorably discharged due to pregnancy; and also in the Army for two years, being honorably discharged on April 17, 1979.

Francisca made a lasting difference in her community. Our hearts go out to her family and loved ones. With God's grace we know she will have peace.

THE COST OF HIGH ENERGY PRICES ON OUR NATION'S AGRICULTURE PRODUCERS

HON. JERRY MORAN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. MORAN of Kansas. Mr. Speaker, I rise today to call attention to the energy crisis that is draining the farm economy. My district, like many rural areas across the country, has suffered greatly as a result of high energy prices. Agricultural producers in particular have been hit hard as higher diesel and natural gas prices increase fuel, irrigation energy, and fertilizer costs.

Our reliance on foreign oil and dependency on imported fuel has created a crisis for our nation's farmers. Kansas producers' net income fell 7.7 percent in 2000, down 11 percent from the five-year average, largely because of the summer drought and dramatic increases in the price of energy. On a nationwide average, energy costs alone caused a 6 percent decrease in farm income.

According to the Kansas Farm Management Association, average cash operating expenses on Kansas farms increased 6.2 percent last year, and the increase was largely related to energy prices. Combined gas, fuel and oil expenses rose $2,551 per farm, a 33 percent increase. Prices for nitrogen fertilizers, a natural gas derivative, were the primary determinant in driving fertilizer costs up more than 10% above the 1999 average. Irrigation energy costs for a typical irrigated corn farm in western Kansas were $34,026, approximately one-fourth of the gross revenue generated. This figure represents an increase of almost $18 per acre just to run the irrigation system.

With commodity markets remaining at record lows and the tremendous increase in energy prices, last year it cost farmers more to produce grain than they were paid for it. Without emergency assistance, producers would have lost money.

Unfortunately, projections for the 2001 crop year are not optimistic. Given the current status of energy supply and demand, the Department of Agriculture predicts that producers will face a 15 percent decrease in net cash income due to energy and fertilizer costs. Losses will be still greater for irrigators.

In addition to the negative impact on crop producers, the livestock segment of the agriculture industry has also been affected by fuel costs. According to the National Cattleman's Beef Association Cattle-Fax, high energy prices have cost the fed cattle market $4 per hundred weight in decreased demand. The crises spreads across commodities and across all regions of the country, from rice producers in California, to Kansas wheat farmers, to New England dairies.

Since I arrived in Congress, I have asked both the Administration and my colleagues to develop a national energy policy. I look forward to reviewing the findings of the Domestic Energy Policy Task Force headed by Vice President CHENEY when their report is released tomorrow. As we finally begin to look at legislation regarding national energy policy, it is important to keep in mind both the short and long term challenges that exist in the agricultural sector.

TRIBUTE TO THE LATE TIMOTHY SECHRIST

HON. JOE BACA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. BACA. Mr. Speaker, it is with great sadness that I note the passing of Timothy Sechrist, formerly my Press Secretary and Senior Legislative Aide, who died of a heart attack in Los Angeles this past weekend (May 13, 2001).

In addition to working on my staff, Tim also worked for Congressman Doug Applegate (OH 1984–94); and the Honorable Ron DeLugo (PR). He also served on the staffs of the Honorable BART STUPAK and the Honorable MARCY KAPTUR and did some committee work.

Tim was from the old school, a different era, when the institution of Congress was perhaps a little bit smaller, a little bit more collegial, a little more productive. I think he sought to capture that quality in all that he did.

As a new Member, who was still learning how to get around the Capitol, I found Tim's guidance indispensable. He knew everything from how to advance briefings with the President at the White House and legislative meetings, to how to further a complicated parliamentary maneuver on the floor. Tim was a walking reference of the rules and procedures of the House, a mentor to staff, a tutor to Members.

As a long-time staff member on the Hill, Tim lived and breathed this institution. To walk around the Capitol with Tim was to be steeped in the history and lore of the place. One could not help but feel a sense of reverence, and even a little intimidation at the shoes one must fill coming to this great institution. He could make history come alive by describing the origin of a bullet hole in the Senate Chambers, and the story behind the portraits on the walls.

A gifted raconteur, Tim entertained us with legends about larger-than-life Members who have graced the Chambers and walked the Capitol grounds. Listening to Tim, one got the sense that this is the people's House, and it belongs to each of us who live in this wonderful country. We are temporary stewards with a mission that is almost sacred—the preservation of our democratic institutions.

Tim was a wonderful writer, turning out copy that was to the point and incisive. As a staff member handling appropriations and selected legislation, he was indefatigable, demanding nothing less than working to his highest potential, and seeking to bring the institution and his colleagues to increasingly greater heights of achievement.

Tim brought a confident and professional bearing to his work. And yet, lurking in all that seriousness was a man with a great sense of humor, who was not above playing a practical joke or laughing with his friends and colleagues at a particularly amusing story. It was wonderful to all of us to see that side of him, to counterbalance his seriousness and sense of purpose. It is from those happy times that we know Tim as a kind and humane man, one who was liked and loved by his friends and colleagues.

A graduate of the University of California, Berkeley, and a native of California, Tim loved government. He was a public servant in the humblest and best manner. He genuinely liked what he did, and you got the sense that there really was no other calling he would prefer.

Even when Tim left the Hill, it was to work in a position advocating for transit for the disabled. He never tired of working for the betterment of society, forgoing many lucrative opportunities that would have embraced him had he chosen such a path.

In summary, Mr. Speaker, Tim left the institution a better place for his having been here. Many Members and colleagues on Capitol Hill mourned his abrupt passing, and have recalled the friendship they enjoyed with him.

He is survived by his wife, Connie Jillett, his father, and two brothers.

There is nothing so fitting for—Tim, as a man who loved this institution dearly, that we salute him on the floor of the House of Representatives. He will be missed. And so we say, "God Bless, we cherish your memory and your good works."

HONORING HOWARD JAY

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. McINNIS. Mr. Speaker, I would like to ask that Congress take a moment to recognize and thank Howard Jay of Glenwood Springs, Colorado for his years of teaching and service to the community. The National Association of Elementary School Principals honored Howard as the National Distinguished Principal for the state of Colorado.

Howard graduated with a Bachelor of Arts in Education degree from Arizona State University and received a Masters of Arts in Education from Western State College. He spent three years teaching special education classes in Roy, Utah before moving to Colorado, where he worked as a teacher for five years, and as a principal for 15 years. In 1986 he became the assistant principal at Glenwood Springs Elementary, and then in 1989 Howard started his career as a principal. He has spent the last four years at Sopris Elementary School. "It's quite an honor for our school and the community, as well as the district. The staff is just walking on air because of this, and I'm riding their coattails," said Howard.

Howard has the ability to involve parents in the day-to-day operations, which makes the school's successes a real community effort. He also takes a leadership role in the community by being involved in various organizations. "I'm thrilled for him. He's been with the district a long time and has worked hard to accomplish goals and to help teachers succeed with kids. I think that's what being a part of the community is all about . . . It's not just a job, it's your life," said Jim Phillips, former Glenwood Springs principal.

Howard is the first principal in the district to win this prestigious award. "We're as strong as the community we serve. If I'm being recognized, it just says great things for the community."

Mr. Speaker, Howard, his wife Mary, and his three sons Zack, Steven and Jon should be proud of this achievement. Howard Jay has helped shape the minds of children for over 15 years and is well deserving of this award as well as the thanks and praise of Congress.

Howard, congratulations on a job well done and best wishes for continued success and happiness!

STUDENT AWARDS

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. VISCLOSKY. Mr. Speaker, it is my distinct pleasure to announce that the Silver Bell Club, Lodge 2365 of the Polish National Alliance of the United States, will be hosting the 28th Annual Hank Stram-Tony Zale Sports Award Banquet on May 21, 2001, at the Radisson Hotel in Merrillville, Indiana. Twenty outstanding Northwest Indiana High School athletes will be honored at this notable event for their dedication and hard work. These outstanding students were chosen to receive the award by their respective schools on the basis of academic and athletic achievement. All proceeds from this event will go toward a scholarship fund to be awarded to local students.

This year's Hank Stram-Tony Zale Award recipients include Stacey Bailey of Hammond Clark High School, Michael Baron of Andrean High School, Phillip Barszczowski of Bishop Noll High School, Jason Carson of Lake Station Edison High School, Katie Dyer of Merrillville High School, Laura Helhowski of Hebron High School, Corrie Kaczmarek of Highland High School, Mark Korba of Portage High School, Amanda Meyer of Lake Central High School, Derrick Milenkoff of Hammond Morton High School, Sunny Oelling of Valparaiso High School, T. J. Pruzin of Crown Point High School, Courtney Schuttrow of Lowell High School, Kathryn Sliwa of Munster High School, Michael Tomaszewski of Griffith High School, Keith Turpin of Calumet High School, Robby Vrabel of Whiting High School, Natalie Vukin of Hobart High School, Christine Wajvoda of Hanover Central High School, and Sarah Zondor of Crown Point High School.

The featured speaker at this gala event will be Mr. Tom Dreesen. Tom Dreesen's name has appeared on major venue marquees in Las Vegas, Lake Tahoe, Reno and Atlantic City with artists like Frank Sinatra, Smokey Robinson, Natalie Cole and Sammy Davis, Jr. Dreesen, who opened for Frank Sinatra for well over a decade in club and concert appearances throughout the United States and Canada, has also appeared in many network television shows including the "Tonight Show," as well as "Columbo," "Gabriels Fire," "Murder, She Wrote" and "Touched by an Angel."

Kelly Komara, one of Purdue Women's Basketball's strongest players, will also be in attendance at this memorable event. Kelly was raised in Schererville, Indiana and graduated from Lake Central High School, where she played basketball and was named Indiana's Miss Basketball. While attending college at Purdue University in West Lafayette, Kelly has been an integral part of Purdue's successful basketball team. With Kelly's quick shooting, ball-handling skills and accurate free throws, she helped lead the Boilermakers to the final round of the 2001 NCAA tournament. Additionally, Kelly was named the Mideast Regional's Most Outstanding Player.

Mr. Speaker, I ask you and my distinguished colleagues to join me in commending the Silver Bell Club, Lodge 2365 of the Polish National Alliance of the United States, for hosting this celebration of success in sports and academics. The effort of all those involved in planning this worthwhile event is indicative of their devotion to the very gifted young people in Indiana's First Congressional District.

BOYS AND GIRLS CLUBS OF INDIANA

HON. JULIA CARSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Ms. CARSON of Indiana. Mr. Speaker, it is with great pride that I rise today to extend heartfelt congratulations to Boys and Girls Clubs of Indiana.

The Boys and Girls Clubs of America is the fastest growing youth guidance organization in the nation. They inspire and enable all young people, especially those from disadvantaged circumstances, to realize their fullest potential as productive, responsible and caring citizens. The core programs enrich the lives of our youth through character and leadership development, the arts, sports and fitness, health, and life skills. Though youth involvement reflects wonderful diversity of income, age, and gender, it is especially important that 66 percent of the youth involved come from families with an annual income under $15,000.

In Indiana, the Boys and Girls Clubs, harnessing energy and altruism, serve 90,000 youth with financial assistance from 35 corporations, helping at more than 60 sites. Board members, professionals, volunteers and youth members make possible the outstanding achievements of the clubs' youth, developing competence, usefulness, belonging, and power of influence of the participating young people of Indiana and Indianapolis. It is a matter of special pride to me that the Boys and Girls Clubs of Indianapolis is headquartered in the same building where the 10th Congressional District Home Office is located.

It is my distinct pleasure to ensure that the accomplishments of this special combination of effort in my district are forever memorialized in the CONGRESSIONAL RECORD of the United States of America. Today, I have the honor of paying special tribute to two Indiana Youth of the Year: State Winner Amy L. Gley and State Runner-Up Zachary Stavedahl.

Mr. Speaker, let all who read these pages know that a very special group of people offer an outstanding service to the communities of the Boys and Girls Clubs, while promoting superior leadership skills and a perseverance of overcoming life obstacles.

Finally, Mr. Speaker, two challenges seem in order today: I challenge our youth to remain steadfast in their leadership to preserve and enlarge the future accomplishments of the Boys and Girls Clubs. I challenge my colleagues in this House to act in all things they do here with special sensitivity to the contributions of this organization in its many efforts across the nation.

RACIAL PROFILING PROHIBITION ACT OF 2001

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Ms. NORTON. Mr. Speaker, today we introduce the Racial Profiling Prohibition Act of 2001 (RPPA). Congress is decades late in doing its part to insure that law enforcement officers no longer stop or detain people on the street because of their color or their apparent nationality or ethnicity.

It was not until 37 years ago that Congress passed the first civil rights law that had any teeth. The 1964 Civil Rights Act finally barred discrimination against people of color in employment, public accommodations and funding of public institutions. Yet, today, irrefutable, and widespread evidence from every state confirms racially and ethnically motivated stops by police officers and shows that Congress has urgent, unfinished business to update the nation's civil rights laws.

This bill, which is overwhelmingly supported by both the Congressional Black Caucus (CBC) and the Congressional Hispanic Caucus (CHC) as original co-sponsors, seeks to eliminate both legal and constitutional problems that arise when a person is stopped by a police officer because of skin color, nationality or ethnicity. Title VI of the 1964 Civil Rights Act (CRA), enacted in part to implement the 14th Amendment requirement of equal protection, forbids the use of public money for discriminatory purposes. The bill we introduce today, is based on both the 14th Amendment, which gives power to Congress to implement its equal protection responsibilities and on the spending clause of the Constitution, which allows Congress to put conditions on the receipt of federal funds.

The federal funds that are the focus of our bill today are the vast sums contained in our transportation legislation. The last transportation bill, known as TEA–21 (Transportation Equity for the 21st Century Act) authorized $172 billion for highways in 1998. The new transportation bill, which Congress will enact next year, will authorize at least $250 billion in highway funding. By introducing our racial profiling bill today, we serve notice that Congress must not authorize another huge highway bill that does not effectively bar the use of transportation money to fund racial profiling stops on those highways.

The strength of our bill lies in what it requires and what it would do. The bill requires three important obligations if states are to qualify for federal transportation funds. First, law enforcement officers may not use race, national origin, or ethnicity in making decisions concerning a stop unless they are relying on a physical description that may include race to determine that a particular individual may be the person sought. Second, states must adopt and enforce standards prohibiting the use of racial profiling on streets or roads built with federal highway funds. Third, states must maintain and allow public inspection of statistical information on the racial characteristics and circumstances of each stop. Only three states even prohibit racial profiling today; ten others require only racial and ethnic data collection.

As important as information concerning who gets stopped is, what makes our bill effective is its sanction: the withholding of federal funds from states that fail to meet the three obligations of the statute. Money for streets, roads, bridges and other infrastructure is ardently pursued in the Congress. Each state and locality receives funds that are indispensable to building and maintaining major parts of its infrastructure. Next year's authorization will mean nearly 50 percent more in transportation funding to states and localities. These funds will either reinforce pervasive racial profiling or help eliminate it.

The power of transportation funding to command the necessary attention and bring quick results has been repeatedly demonstrated. Congress has successfully used federal highway funding to compel states to attack some of our most urgent problems, for example, reducing drunk driving among minors; requiring the revocation or suspensions of driving licenses of convicted drug offenders; and establishing a national minimum drinking age. Police stops of people on the streets because they are black or Hispanic or of any other non-majority national origin requires the same urgent action.

Withholding federal highway funds works because it hurts. The threat of losing highway funds has proven to be a powerful incentive. We saw the power of this incentive as recently as last year's Transportation appropriation. Congress enacted a provision requiring states to enact .08 blood alcohol content (BAC) laws by 2004 or being forfeiting their highway funds. In only the first six months after that provision was enacted, six states have already passed .08 BAC laws. Many more are sure to follow in order to preserve precious highway funds. A racial profiling provision in the 2003 federal highway funding bill would give the same set of alternatives to the states—effective enforcement of racial profiling legislation or loss of federal funds. If Congress is serious about eliminating this last disgraceful scar of overt discrimination in our country, let us put our money where our mouth is.

I urge my colleagues to support this bill.

HONORING DEAN DENNIS

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to thank Dean Dennis of Pueblo, Colorado for his year of service to the community as the director of the Pueblo Convention Center. Dean is stepping down to move to Denver with his wife, former State Senator Gigi Dennis.

Dennis has been with the convention center since it opened in 1997. "Life's too short. We basically said we love each other and we like to be married to each other and we like to spend time with each other,: Dean said in a Pueblo Chieftain article.

Dean served as the Vice President of Conventions and Visitors for the Pueblo Chamber of Commerce, as well as President of the Tourism Industry Association of Colorado. In his spare time he works with the Historic Arkansas Riverwalk Project Commission, and has served on the Board of Directors for the United Way. Dean also serves on the Pueblo Board of Trustees for the Packard Foundation, and Pueblo Rotary 43.

His wife Gigi, has served in the Colorado State Senate since 1995, resigned at the end of March to accept an appointment from President George W. Bush to become the Colorado Director of the Department of Agriculture's Office of Rural Development.

Mr. Speaker, Dean Dennis has helped out the community in numerous ways, and his devotion, love and commitment to the wonderful city of Pueblo deserves the thanks and praise of this Congress. I hope that Dean and Gigi both find success and happiness in their new life.

Congratulations to both of you and good luck with your future endeavors!

TRIBUTE TO JOHN GREAVES

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. VISCLOSKY. Mr. Speaker, it gives me great pleasure to pay tribute to an outstanding citizen of Indiana's First Congressional District, John Greaves. On May 29, 2001, John will be honored for his dedicated service to the United Steelworkers of America Local 6787 at a dinner to be held at American Legion Post 260 in Portage, Indiana.

John's distinguished career in the labor movement has made his community and nation a better place in which to live and work. For more than 30 years, John has worked at Bethlehem Steel Corporation and has been a dedicated member of Local 6787.

While a member of Local 6787, John served as Treasurer from 1984–1987, Chairman of the Grievance Procedure from 1987–1989 and Trustee from 1990 until his retirement earlier this year. Additionally, he serves as President of the Northwest Indiana Federation of Labor. John has devoted his entire working career to the expansion of labor ideals and fair standards for all working people. He has been a strong voice for the steel industry, meeting frequently with legislators in Indianapolis and lobbying leaders in Washington. Additionally, he has worked on a county level as a liaison between labor, industry and government to make the interests of working men and women known.

While John has dedicated a substantial portion of his life to the betterment of union members, he has always found the time to serve his community as well. He serves as a board member for the Westchester YMCA and the Porter County Chapter of the American Red Cross. He is a former member of the Jaycees of America and served as a Labor Board member for the Porter County United Way.

On this special day, I offer my heartfelt congratulations to John Greaves. His large circle of family and friends can be proud of the contributions he prominently has made. His work in the labor movement provided union workers in Northwest Indiana opportunities they might not have otherwise had. John's leadership kept the region's labor force strong and helped keep America working. Those in the labor movement will surely miss John's dedication and sincerity. I sincerely wish John Greaves a long, happy, and productive retirement.

CONGRATULATIONS TO THE "WE THE PEOPLE" ACADEMIC TEAM OF LAWRENCE CENTRAL HIGH SCHOOL

HON. JULIA CARSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Ms. CARSON of Indiana. Mr. Speaker, it is with a great sense of pride that I rise today to extend heartfelt congratulations to the "We the People" Academic Team from Lawrence Central High School.

"We the People" was established by an Act of Congress in 1985 and is supported by the U.S. Department of Education. The program is designed to help students develop a commitment to the fundamental principles and values of our constitutional democracy and to foster civic competence and responsibility. "We the People" develops critical thinking skills such as the ability to distinguish among fact, opinion, and reasonable judgment as the basis for formulating an informed position on public policy issues. The use of cooperative learning techniques enhances students' participation, leadership, and public speaking skills. Under the tutelage of Mr. Drew Horvath and Mr. Karl Schneider, the students of Lawrence Central worked tirelessly to become Constitutional scholars.

It is my distinct pleasure of ensuring that the accomplishments of this special group of young people of my district are forever memorialized in the CONGRESSIONAL RECORD of the United States of America and I have the honor of paying special tribute to: Patricia Atwater, Bethany Barber, Jake Boyd, Bryce Cooper, Daniel Creasap, Lily Emerson, Marc Goodwin, Shayla Griffin, Sarah Hailey, Emily Jacobi, Andrew Johnson, Stevie Kelly, Andrew Kilpinen, Sarah King, Michael Leaming, Jeff Mirmelstein, James Henry Mohr, Elizabeth Molnar, Matt Musa, Tim Mundt, Adam Schwartz, Jim Shin, Megan Siehl, Kristin Smith, Oriana Taylor, Rachel Thomas, Marie Trimble, Adam VanOsdol, Julie Vargo, and Jeffrey Yoke.

Mr. Speaker, let all who read these pages know that a very special group of people came to our Nation's capital to demonstrate a commitment to political beliefs, attitudes, and values essential to a functioning democracy.

STATEMENT OF CONGRESSWOMAN ELEANOR HOLMES NORTON 125TH ANNIVERSARY OF THE OLDEST SYNAGOGUE IN THE DISTRICT OF COLUMBIA

HON. ELEANOR HOLMES NORTON

OF DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Ms. NORTON. Mr. Speaker, I would like to congratulate the Jewish Historical Society of Greater Washington on the 125th anniversary of the oldest synagogue in the District of Columbia. The Society is housed in the synagogue structure along with the Lillian and Albert Small Jewish Museum. The historic synagogue is listed on the National Register of Historic Places and the D.C. Inventory of Historic Sites.

The original dedication ceremonies took place on Friday, June 9, 1876 with President Ulysses S. Grant and Acting Vice President Ferry in attendance. Over the years the building has gone from being a synagogue to a church to a bicycle shop to a barber and a sandwich carryout.

In 1969, the Society saved the building from demolition by moving it from its original location at Sixth and G Streets Northwest, to make way for the Washington Metropolitan Area Transit Authority's headquarters, to the corner where it permanently sits at 701 Third Street, Northwest.

The Society is a nonprofit organization aimed at chronicling and preserving the Washington area's rich Jewish community history. The Society brings the community's past to life through museum exhibits, tours, lectures and children's educational programs.

Without the Society's work, our nation's capital would have lost an important part of its past. Through their work to preserve the synagogue they have also saved an important Washington landmark. The Jewish Historical Society of Greater Washington should be commended for their tireless work and dedication to the history and therefore, the future, of both the District of Columbia's secular and Jewish communities.

HONORING BOB COTÉ, "NATIONAL SERVICE AWARD" WINNER

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. McINNIS. Mr. Speaker, it is my honor to ask Congress to congratulate and thank Bob Coté of Denver, Colorado on receiving the prestigious "National Service Award", given by the Washington Times Foundation. The award honors Americans who have made outstanding contributions in the area of humanitarian service to their community. This is a proud moment for Bob, his family and his community.

Bob is one of over fifty outstanding faith-based leaders who were chosen for this award. Bob is the director and founder of Step 13, a 100-bed facility for the homeless in the skid-row district of Larimer Street in Denver, Colorado. Since its inception in 1984, Step 13 has touched the lives of more than 1,700 drug addicts and alcoholics. Graduates of Step 13 staff the program.

Being a former alcoholic is what fuels Bob's commitment to Step 13. "You can't take someone who's been drunk for five years and expect him to get it turned around in thirty days. Staying at a shelter a few nights doesn't help. They need to build up their self-respect by learning how to do things for themselves."

Step 13 is based on a clear and simple premise: "Any system or program that takes responsibility away from a capable person dehumanizes that person." Since the founding of Step 13, many clients have become "Total Successes", which means that after leaving, they continue to work as productive tax paying members of society. Over half of those who make it to the transitional houses stay off the street permanently.

Bob has also received the Thousand Point of Light Award, the Achievement Against the Odds Award, and was voted "One of America's Most Virtuous Citizens" by George Magazine.

Mr. Speaker, it is a great honor for all citizens of Colorado to have such an exemplary hero such as Bob Coté to work to better the community. Bob has helped many over come life on the streets to become a member of society and for that he deserves the praise and thanks of Congress.

TRIBUTE TO THE LATE HANUS JAN STEINER

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. VISCLOSKY. Mr. Speaker, Northwest Indiana lost a great environmental leader late last year. Hanus Jan Steiner, who devoted every ounce of his spirit to conservation, passed away on December 28, 2000. On Saturday, May 19, 2001, Hanus Steiner's friends and family will gather to honor his memory at a Memorial Service in Chestertown, Indiana. Due to Hanus' dream, vision, and extraordinary efforts, Northwest Indiana retains numerous environmentally sensitive areas unique to our region and the world.

Hanus led a very eventful and interesting life. Born July 5, 1920, in Prague, Czechoslovakia, he was the only member of this family to survive the Holocaust. In the fall of 1939, he received a scholarship to New York University. He entered the United States in 1940 and received his bachelor's and master's degrees in chemistry from NYU. After leaving school, Hanus worked for over 40 ears as a chemist in paint research for Sherwin-Williams on the South Side of Chicago. In 1945, he married his wife, Mary Ann Pickrel, who survives him in Alameda, California.

In 1959, Hanus helped found the Porter Country Chapter of the Izaak Walton League of America and served as its president and treasurer. As a member of the League, he was dedicated to the continued success of the Chapter and the efforts to establish and protect the Indiana Dunes National Lakeshore.

Hanus received both State and national awards for his outstanding conservation work.

Additionally, during my tenure in Congress, I have had the privilege to work firsthand with Hanus on various pieces of legislation that affect the Indiana Dunes National Lakeshore. Hanus' latest effort was to increase the public awareness of E. coli occurring at Indiana Dunes' beaches, specifically Dunes Creek.

Mr. Speaker and my other distinguished colleagues, Hanus Jan Steiner's legacy is a superb example of how activism can make a difference. Hanus will be missed not only by his family, but also by all those who knew him and worked with him throughout the years.

CONGRATULATIONS TO THE PIKE HIGH SCHOOL BASKETBALL TEAM

HON. JULIA CARSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Ms. CARSON of Indiana. Mr. Speaker, it is with great pleasure that I rise today to extend heartfelt congratulations to the Pike High School Basketball team for winning the legendary Indiana State High School Basketball Championship.

The Pike Red Devils, under the leadership of coach Alan Darner, won an astonishing twenty-six games against just three losses. But being a champion is about more than wins and losses. It is about heart, persistence, perseverance, determination, and a commitment to accomplishing something together that no individual could accomplish alone. Together, the Pike Red Devils showed the people of Indiana that these old fashioned values can still take us to new heights.

It is my distinct pleasure of ensuring that the accomplishments of this special group of young people are forever memorialized in the CONGRESSIONAL RECORD of the United States of America and I have the honor of paying special tribute to: Keith Borgan, Drew Breeden, Devin Thomas, Curtis Thomas, Tony Weeden, Darren Yates, Chris Thomas, David Teague, Brandon Hurd, Donald Yates, Stacy Jenkins, Kyle Murphy, Justin Cage, and Parnell Smith,

Mr. Speaker, let all who read these pages until time immemorial know that on the 24th day of March, a very special group of people came together and won the historic Indiana State Basketball Championship. Let all rejoice and celebrate the Pike High School Basketball team.

TRIBUTE TO RETIRING GENERAL DANIEL W. CHRISTMAN

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. SKELTON. Mr. Speaker, I take this opportunity to speak on the upcoming retirement of Lieutenant General Daniel W. Christman, Superintendent of the United States Military Academy. In the very near future, General Christman will retire after over 30 years in the Army. He has distinguished himself, the Army and our nation with dedicated service.

General Christman began his service in the military in 1965, after graduating first in his class from the United States Military Academy. Throughout his career General Christman has continued his formal education. He received masters degrees in both civil engineering and public affairs from Princeton University and a law degree from George Washington University.

General Christman has held many command assignments and honorably served the American people throughout the world. He served as United States Representative to the NATO Military Committee. He served as Commander of the Savannah District, United States Army Corps of Engineers, Commander of the 54 Engineer Battalion, Company Commander in the 326th Engineer Battalion and Company Commander, 2nd Engineer Battalion.

General Christman also served as Staff Officer in the Office of the Deputy Chief of Staff for Operations, Department of the Army and as a Staff Assistant with National Security Council. In both of these positions General Christman was responsible for advising the Army Chief of Staff and senior staff on the Strategic Arms Limitation Talks.

Prior to his current assignment, General Christman served for nearly two years as Assistant to the Chairman of the Joint Chiefs of Staff General John Shalikashvili. He served for a year and a half as Army advisor to the Chairman of the Joint Chiefs of Staff, Admiral William J. Crowe and as Assistant to the Attorney General of the United States for National Security Affairs.

General Christman also served as Director of Strategy, Plans and Policy in Department of Army Headquarters. During this duty he briefed former President Bush, allied heads of state and the NATO Secretary General. He has also testified before Congress on numerous issues, including Conventional Forces in Europe, our NATO commitments and Army force structure.

Most notably, I personally got to know Dan Christman during his time as Commanding General, United States Army Engineer Center and Fort Leonard Wood and Commandant, United States Army Engineer Schook, Fort Leonard Wood, Missouri. During that time, I witnessed Dan as a remarkably talented military leader at the base and in the surrounding communities. His contributions to Fort Leonard Wood will truly be one of the many positive legacies he leaves to the Army.

Mr. Speaker, General Christman has had an impressive career in the military and established a great relationship among the civilian community. I know that the Members of the House will join me in paying tribute to this fine soldier.

FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 2002 AND 2003

SPEECH OF

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1646) to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes:

Mr. BENTSEN. Mr. Chairman, I rise in support of this authorization bill, which includes many important State Department priorities including funding for our diplomatic and Consular programs, embassy security, international peacekeeping activities, and migration and refugee assistance. I am also pleased that this measure also authorizes the release of the second and third installments of $926 million in back payments of arrears to the United Nations.

While I supported passage of the underlying bill, I have strong concerns about a number of the amendments offered, and the lack of consideration for an important amendment I attempted to offer to this bill. I am particularly concerned, and strongly opposed the Hyde-Smith amendment which would reinstate the so-called "global gag rule." This heavy-handed policy not only prevents overseas non-governmental organizations from using their own separate funds to provided information on the full range of family planning options, but forces them to withhold information on the abortion option. Moreover, this policy constrains such NGOs from engaging in any public debate on the abortion issue. Mr. Chairman, this policy does not block U.S. funds from being spent on abortions. The fact is, not since 1973, has U.S. aid been used to fund abortions. This undemocratic policy simply disqualifies otherwise qualified overseas groups from eligibility for U.S. family planning aid for engaging in speech-related activities that are at the heart of the U.S. political system and constitutionally protected for U.S. citizens. Accordingly, Mr. Speaker, I am hopeful that our colleagues in the Senate will vote to remove this misguided amendment.

Mr. Chairman, I would also like to express my disappointment that the Committee on Rules did not make in order a very important amendment that I had planned to offer to the State Department Authorization bill. Under the amendment, which I have introduced as a separate bill, H.R. 1338, the Secretary of State would be required to designate an existing Assistant Secretary of State to monitor efforts to bring justice to U.S. victims of terrorism abroad. Each year, hundreds of thousands of U.S. citizens work and travel overseas, including a growing number of U.S. employees who work for the energy industry, including many in my home state of Texas. Because of the confusing blend of multijurisdictional concerns, U.S. victims of terrorism and their families are often unable to obtain justice, even when the perpetrator's whereabouts are known by Federal authorities.

Under this measure, the Assistant Secretary of State would be required to work directly with the Justice Department and other applicable Federal agencies to identify and track terrorists living abroad who have killed Americans or who are engaged in acts of terrorism that have directly affected American citizens. In addition, the Assistant Secretary would provide an annual report to Congress, on the number of Americans kidnapped, killed, or otherwise directly affected by the actions of international terrorists. Also included in the annual report to Congress would be a thorough detailing of what actions State and Justice are undertaking to obtain justice for U.S. victims of international terrorism and a current list of terrorists living abroad. I regret that the committee did not see fit to report my amendment which addresses a very critical and legitimate issue. I am hopeful that my legislation will be considered by the Chairman and Ranking Member of the Committee on International Relations in the coming weeks.

I also strongly supported passage of the amendment offered by my colleague, HIRC Ranking Member TOM LANTOS, to prohibit International Military Education and Training (IMET) funds for Lebanon's military forces unless the President certifies that the Lebanese Army has deployed to the internationally recognized border with Israel. One year ago, Israel unilaterally withdrew from Lebanon, and the UN subsequently certified Israel's pull-out as complete, and called on the Lebanese government to take control of its southern region. However, Israel continues to face attacks, kidnappings and the threat of rocket attacks from southern Lebanon. Hezbollah terrorists, with the support of Syria and Iran continue to operate freely in Southern Lebanon because the government of Lebanon refuses to assert its authority in the region, as called for by the UN Security Council Resolution. I strongly support this amendment, which would block IMET funding to the Lebanese military, but does not block any other assistance. It simply mandates a Presidential report in six months about a possible termination of economic assistance. While I understand the concern of those who believe this amendment will embolden Hezbollah and increase Syrian influence in Lebanon, tens of thousands of Israeli citizens are within range of Hezbollah rockets and kidnappers, and the U.S. must take steps to ensure that the Lebanese government takes firm control of its own territory.

Mr. Chairman, the State Department Authorization bill helps fund some of the most critical programs administered by the State Department. I regret that the bipartisan-supported language stripping the Mexico City provisions was included in the final version of the bill we approved in this chamber. However, whenever possible, I believe Congress should stand in support of an Administration's foreign policy agenda. I believe that the underlying bill makes good on our commitment to fund many critical priorities. That is why I believe that amendments such as those that would disqualify legal medical services had no place in this bill. The Mexico City policy is not the way to cease abortions, and I hope that the original language—which was approved by the House Committee on International Relations without this provision—will be reinstated by the time this bill is delivered to the President's desk.

TRIBUTE TO TEACHERS FROM NORTHWEST INDIANA

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. VISCLOSKY. Mr. Speaker, It is my distinct honor to commend seven dedicated teachers from Northwest Indiana who have been voted outstanding educators by their peers for the 2000–2001 school year. These individuals, Darwin Kinney, Zita Dodge, Mary Hedges, Judy Seehausen, Sandra Baker, Pat Reyes and Pat Nemeth, will be presented the Crystal Apple Award at a reception sponsored by the Indiana State Teachers Association. This glorious event will take place at the Broadmoor Country Club in Merrillville, Indiana, on Wednesday, May 16, 2001.

Darwin Kinney, from Crown Point Community School Corporation, has taught for 34 years at Crown Point High School. While Darwin carries a heavy teaching load of Biology and Life Science, he has always been dedicated to maintaining personal interaction with his pupils. His commitment to students is obvious. As an educator, Darwin works closely with his students during and after school, ensuring that they maximize their potential. His desire to educate and enlighten the minds of the young adults who enter his room is evident in the way in which he interacts with his classes.

Zita Dodge, from Hanover Community School Corporation, uses several different learning styles to reach every student. The love and care that she shows the children is reflected on every student's face. Zita started teaching in Hanover in 1970, where her career began as a music teacher. She then taught kindergarten and later moved on to teach first grade. During her service as an educator, Zita has served on several district and building committees. Continuing to challenge herself through education, Zita went back to school to become a counselor and was hired as a Home School Facilitator. For the past five years, Zita has enjoyed being back in the classroom teaching first grade. Zita has always unselfishly dedicated herself to the field of education, both to the children who were in her many classes and to all the adults that she helped become better parents and teachers.

A dedicated teacher for 32 years, Mary Hedges of the School Town of Highland is a role model, inspiration and an outstanding professional. Mary is a wonderful caring teacher who frequently creates hands-on lessons for her students. She is always ready to listen to others. Mary is very active in the School Corporation. She is an officer of the PTO, sits on the Science Curriculum Committee and the Textbook Committee, and helps with the Performance Based Assessment.

Judy Seehausen began her teaching career in 1974 in Columbus, Georgia, and is currently employed in the Lake Central School Corporation in St. John, Indiana. When Judy and her family moved to Indiana, she taught at Kahler Middle School. In 1979, Judy earned a life license in English, Guidance and Counseling and began working as a counselor at the high school. Judy returns to the classroom every summer to teach English, maintaining her teacher-student perspective. Teachers turn to Judy as their strongest advocate and her peers describe her as an outstanding and dedicated professional. She is a diplomat, creative problem solver and a mediator for all.

As a professional educator during her thirty years of service to the School Town of Munster, Sandra Baker has been a valuable asset. Sandra is a leader in civic education, and has led her classes to superior rankings in the regional and state "We the People" constitutional hearings for eight consecutive years. In 1995, the American Lawyers Auxiliary named Sandra "Elementary Teacher of the Year." For the past 15 years, she has taught a full-time magnet class for academically talented 5th graders. Sandra's greatest desire is to leave a positive mark on the world through her work with children.

Pat Reyes from North Newton School Corporation in Morocco, Indiana, has been a third grade teacher at Lincoln Elementary School for twenty-six years. Pat is conscientious about having her students meet the standards expected of them, but she also gets involved in many extracurricular activities. For example, Pat works with the National Arbor Day Foundation in order to involve the school in an annual tree planting ceremony. She also is instrumental in coordinating special observances such as Read Across America Day, Grandparents' Day and PTA sponsored events. Pat is a continuous source of enthusiasm for her student and others.

Pat Nemeth's high school teaching career is coming to a close as she nears a well-deserved retirement. Pat has taught at North Newton High School, Hanover Central High School, and for 24 years at Lowell High School. In addition to teaching business courses in the Tri-Creek School Corporation, she also teaches courses at Davenport University. Pat is the past recipient of the Inland-Ryerson Steel Outstanding Teacher Award, I wish Pat a long, happy, and healthy retirement.

Mr. Speaker, I ask you and my distinguished colleagues to join me in commending these outstanding educators on their receipt of the 2000–2001 Crystal Apple Award. The years of hard work they have put forth in shaping the minds and futures of Northwest Indiana's young people is a true inspiration to us all.

FALLEN HERO SURVIVOR BENEFIT FAIRNESS ACT OF 2001

SPEECH OF

HON. SILVESTRE REYES

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. REYES. Mr. Speaker, I rise today in support of H.R. 1727, the Fallen Hero Survivor Benefit Fairness Act. This bill would allow a necessary extension of tax free benefits to the survivors of law enforcement and public safety officers killed in the line of duty before December 31, 1996. This bill provides all families of deceased public safety officers the opportunity to receive an exclusion from the income accumulated from any survivor annuity granted on account of the death of a public safety officer killed in the line of duty. This legislation will help the families who have endured the loss of their safety officer family member.

Currently, 1.2 million men and women serve as firefighters or emergency medical technicians. Every year, our country can expect to lose over 100 men and women who bravely provide our communities with these essential public safety services. In 1999, the strong line held by our police and law enforcement agencies thinned by 134 officers killed in the line of duty. Many of these individuals left behind mothers, fathers, brothers, and sisters, wives, husbands, sons and daughters to carry out legacies and lives without their beloved peace officers and safety officials. The families of our deceased public safety officers deserve to continue their lives as free from unnecessary obligation as possible.

Law enforcement officers, their family and friends living in my district of El Paso, Texas will soon hold the El Paso Police Memorial Service in remembrance of police officers killed in the line of duty. This service will be held tomorrow, and will honor officers who have served El Paso and El Paso County from the late 19th century to the present. Officers of all description will be honored, such as Detective Charles Heinrich who died from a gunshot would to the head in 1985, two years after being shot by a perpetrator; Detective Norman Montion who was killed during a massive gunfight in October of 1989; and Officer Ernesto Serna, a Persian Gulf war veteran working off duty security who was fatally shot in November of 1991. They all served proudly and honorably in the face of danger. With the passage of this bill, their families may enjoy compensation without burdensome taxation.

Mr. Speaker, H.R. 1727 allows our country to lend assistance to families who have faced loss for the sake of public safety. We should approve this legislation as a tribute to the service of public safety officers, the lives that they save and protect, and the families who survive them.

TRIBUTE TO MISSOURI INDUSTRY OF THE YEAR—SCHOLASTIC INCORPORATED

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. SKELTON. Mr. Speaker, it is with pride that I announce that Scholastic Incorporated, of Jefferson City, Missouri, has been named Missouri Industry of the Year. Scholastic is Jefferson City's largest private employer.

Scholastic, which ships paperback books to students throughout the nation, was recognized at Missouri Industry Day. Missouri Industry Day was designed to help young people, legislators and the general public become more aware of the role of business and industry in Missouri's state economy. Criteria for the award include use of company resources to contribute to a municipality where the company is located, showing entrepreneurial spirit in the community and providing innovative leadership relating to products or services.

Scholastic excelled in all of these areas. They created an additional 1500 new jobs in Missouri, employing a total of 3000 Missourians. Scholastic offered on-site training programs for employees including English As a Second Language, GED classes and computer application classes. Scholastic employees are also eligible for 50 percent tuition reimbursement for post-high school education. Employees of Scholastic are involved in locals Chambers of Commerce, March of Dimes, United Way and other organizations.

Scholastic and the Missouri General Assembly collaborated for the "Missouri Reads" program. An initiative where legislators read to students and the students receive a free copy of the book. So far Scholastic has donated over 80,000 to Missouri's children.

Mr. Speaker, Scholastic Inc., of Jefferson City, Missouri, has been an example to industry throughout Missouri and the Nation. I wish Scholastic and its employees all the best in the days ahead. I am certain that the Members of the House will join me in congratulating such a fine company.

28TH ANNUAL PASADENA, TEXAS, STRAWBERRY FESTIVAL HONORS COUNCILMAN GENE (IGGY) GARISON

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. BENTSEN. Mr. Speaker, I rise to recognize my friend and constituent, Councilman Gene (Iggy) Garison of Pasadena, TX. The 28th Annual Pasadena Strawberry Festival which takes place from May 18 through May 20, 2001, will honor Councilman Garison by making him Honorary Grand Marshal of the parade and dedicating the festival to him. In his honor a special monument is being constructed at the Pasadena Fairgrounds for display at the Festival and feature a history of his many accomplishments.

Gene was born in the city of Houston and graduated from Stephen F. Austin High School. He attended the University of Houston while working construction as a Member of Hodd Carriers Local and Carpenters Local. He also worked as a deep-sea diver in Texas and Louisiana. He served in the Air Force and Air National Guard before joining the Pasadena Police Department in 1966. While on the Pasadena Police Force he was also a Pasadena Volunteer Fireman. He started several local businesses, becoming President/CEO of Emergency Safety Products in 1982.

In 1992, Gene was elected Councilman for District D. He will leave this position on June 30, 2001, after serving the people of Pasadena for four successful terms. During his tenure as Councilman, some of his many accomplishments include: revitalization of the North End, the Capitan Theatre and the Corrigan Center; creation of the hike and bike trail between Thomas and Harris; hiking trail at Deepwater; repaving of Harris and Burke; miles of new sewer lines, water lines, and street lights; and cleaning of ditches for flood control.

In addition to his tireless efforts as a Councilman, Gene's giving heart also comes through for many charities. He never turns his back on anyone in need or a charitable cause. He loves donating his time cooking for many local charitable fundraisers. He has always believed in being active and involved in community organizations. His civic involvement includes: The Elks; The Eagles; American Legion; San Jacinto Day Foundation; Strawberry Festival; Pasadena Livestock Show and Rodeo; South Pasadena Rotary Club; Pasadena Volunteer Fire Department; Life Member of the 100 Club; Life Member of the National Guard Association of Texas; Pasadena Chamber of Commerce; Deer Park Chamber of Commerce; Chef for Deer Park's Men Who Cook; Former Pasadena Police Officers' Association; CASI Pasadena POD; Board of Directors for Houston Fire Museum; CITA Council for City of Pasadena; 1st graduating class of Pasadena Police Citizen's Academy; Disaster Chairman for American Red Cross; Life Member of Stephen F. Austin High School Alumni; and Parliamentarian for S.F. Austin High School Alumni.

Mr. Speaker, I congratulate Gene Garison on his continued outstanding contributions to our community. Everyone who knows Iggy knows of his great sense of humor and his tremendous dedication to his family—wife, Susie, son John, stepdaughter Tammy, stepson Sam, grandson Tyler, and mother-in-law, Jane. He is an inspiration to all of us in public service and this honor by the Pasadena Strawberry Festival is well deserved.

INTRODUCTION OF THE CLEAN EFFICIENT AUTOMOBILES RESULTING FROM ADVANCED CAR TECHNOLOGIES ACT (THE CLEAR ACT)

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. CAMP. Mr. Speaker, today, I am reintroducing legislation that would provide incentives to encourage the development of alternative fuel technologies and consumer acceptance of these products. The primary purpose of the legislation is to enhance overall energy security and diversity goals by reducing U.S. dependency on foreign oil. Transportation accounts for nearly 2/3 of all oil consumption and is almost 97% dependent on petroleum.

Providing tax incentives for a limited period of time to consumers is needed to help offset the higher costs associated with new technology and alternative fuel vehicles. As the vehicles gain consumer acceptance and production volumes increase, the cost differential between these vehicles and conventional vehicles will be reduced or eliminated.

This legislation will develop market acceptance of a wide range of advanced technology and alternative fuel vehicles including: Fuel Cell Vehicles, Hybrid Vehicles, Dedicated Alternative Fuel Vehicles and Battery Electric Vehicles.

Historically, consumers have faced three basic obstacles to accepting the use of alternative fuels and advanced technologies: the cost of the vehicles, the cost of alternative fuel, and the lack of an adequate infrastructure of alternative fueling stations.

My legislation provides a tax credit of 50 cents per gasoline-gallon equivalent for the purchase of alternative fuels at retail establishments. To give customers better access to alternative fuel, we are extending an existing deduction for the capital costs of installing alternative fueling stations. We also provide a 50 percent credit for the installation costs of retail and residential refueling stations.

Finally, my legislation provides tax credits to consumers to purchase alternative fuel and advanced technology vehicles. To make certain that the tax benefits we provide translates into a corresponding benefit to the environment, we split the vehicle tax credit into two. One part provides a base tax credit for the purchase of vehicles dedicated to the use of alternative fuels or vehicles using advanced technologies. The other part offers a bonus credit based on the vehicle's efficiency and reduction in emissions.

Tax incentives will sunset within 6 years for all applications with the exception of fuel cell vehicles which are extended to 10 years. With minimum development cycles of 2–4 years for new vehicles, incentives are needed now to move existing designs to the market so they can accelerate the process for customer acceptance.

COMMEMORATING DEDICATION AND SACRIFICES OF LAW ENFORCEMENT OFFICERS

SPEECH OF

HON. SILVESTRE REYES

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2001

Mr. REYES. Mr. Speaker, I rise today in support of House Resolution 116, a resolution expressing the sense of the House of Representatives that a Peace Officers Memorial Day should be established to honor law enforcement officers killed or disabled in the line of duty. This resolution also calls upon the citizens of the United States to commemorate and pay homage to these officers with appropriate ceremonies of appreciation and remembrance as well as respect for the sacrifices they have made while protecting and serving our communities and our country.

As someone who spent twenty six and a half years as a law enforcement officer, I realize how important it is to recognize the men and women who stand in the line of fire everyday and protect our cities and our neighborhoods. The establishment of a Peace Officers Memorial Day will ensure that everyone in this country recognizes the service given to us by our law enforcement community. Most of us can imagine such a day to include the flying of flags of tribute; the attendance of memorial services for fallen officers; the embraces given by family members, some to comfort and some to express gratitude; many will offer their thanks in knowing that our streets are safer since they are being watched by men and women brave enough to carry the badge of a law enforcement officer. The time has come to declare such a day of commemoration.

Twenty-two police officers from my district of El Paso, Texas who were killed in the line of duty will be remembered at the El Paso Police Memorial Service to be held on Wednesday, May 16, 2001. The dates of their service range from the late 19th century to the present. Proud public servants such as Assistant City Marshal Thomas Mode who was killed on July 11, 1883 while answering a report of disturbing the peace; Officer Newton Stewart who died on February 17, 1900 during a jailbreak; Officer William Paschall who was killed by suspected burglars on the night of December 4, 1914; Detective Guillermo Sanchez, a two-year veteran of the El Paso Police Department and father-to-be who was killed by burglars on December 14, 1957; and Officers Arthur Lavender and Roger Hamilton who both died in traffic accidents respectively in 1966 and 1970. These officers will forever be remembered within the El Paso law enforcement community. These men served their community proudly, and I ask that they receive the recognition and respect they deserve by granting them a national day of remembrance.

Finally, I am reminded of one of the most honored monuments that rests in our Nation's capital. The National Law Enforcement Officers Memorial, which has inscribed on its marble walls the names of more than 14,000 officers who have been killed in the line of duty, dating back to the first known death in 1794, contains an inscription that captures the spirit of all who are blessed upon seeing this Memorial. It reads: "In Valor, There is Hope." May that hope live on forever, and continue along with the memory of every officer etched on that wall.

RECOGNIZING CAROLE KENT FOR HER ACHIEVEMENTS IN CARING FOR CHILDREN

HON. MIKE THOMPSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. THOMPSON of California. Mr. Speaker, I rise today to honor Carole Kent for her continuing work in improving the lives of the children in our community. Carole has been invaluable to the people of the Napa Valley by directly working with our community's children and by teaching her unique skills to her colleagues in child development.

Currently, Carole is a professor of Child and Family Studies at Napa Valley Community College. She has taught at Napa Valley College for over 23 years, and under her stewardship the number of students in the College's child development program has grown tenfold to a total of 1500 students in 32 classes today.

Carole's influence goes beyond the classroom—she is a founding member of both the Napa County Self Esteem Task Force and Napa County Community Resources for Children. Moreover, she has been actively involved in national and international child development issues. In addition to her research into the Reggio Emilia method in Italy and her role as an exchange professor to Napa Valley College's sister school in Tasmania, Carole has been described by her peers as "a role model for child advocacy throughout the nation."

Carole is being honored this week by the Napa County Child Development Consortia during its "Caring for Those who Care for Children Conference" at Napa Valley College. The Napa Valley is truly fortunate to have someone of Carole's caliber who works so tirelessly to improve the condition of the children of our community.

Mr. Speaker, at a time when our society is facing a growing demand for child development services, leaders like Carole Kent are essential to enriching the lives of our children. Please join me in honoring Carol Kent, a talented individual who is an inspiration to us all.

WELCOME HOME MARISSA

HON. NICK LAMPSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. LAMPSON. Mr. Speaker, I rise today to recognize and congratulate a team of individuals who worked together to recover a missing child.

Marissa Meuse was a year old when her noncustodial father abducted her from Florida in October 2000. Posters of Marissa and her father were created by the National Center for Missing and Exploited Children and distributed around the country. On March 22, 2001, Alberta Morris and Glenda Kay Thomas recognized pictures of Marissa and her father on a NCMEC poster displayed on the bulletin board in a Wal-Mart store in Ada, Oklahoma. The witnesses remembered that they had seen the little girl and her father earlier at a local laundromat. The poster indicated a felony warrant had been filed for the father and that the case was being handled by the Haverhill, Massachusetts Police Department in Haverhill and Federal Bureau of Investigation in Boston. The witnesses alerted authorities in Ada, Oklahoma and then proceeded to call a lead into NCMEC's hotline. The witnesses stated that the child was going by the name of Camille. Law Enforcement responded and after a short investigation were able to locate Marissa and her father living in a house in Ada, Oklahoma.

On March 23, Marissa was reunited with her searching mother thanks to these two Ada, Oklahoma, Wal-Mart shoppers. This successful recovery, part of Wal-Mart's Missing Children's Network, was the 50th for Wal-Mart in the six years since it began to feature missing child images in their store lobbies.

This morning I'd like to recognize individuals from Wal-Mart, Ernie Allen, the President and CEO of the National Center for Missing and Exploited Children, Alberta Morris and Glenda Kay Thomas, and especially Susan Pane, Marissa's mother, and Marissa herself. The National Center for Missing & Exploited Children has found that one out of every six children featured in its photo distribution program is recovered as a direct result of someone in the public recognizing the image and reporting to authorities. NCMEC's annual May campaign, *Picture Them Home*, is a reminder to the public to look at missing child flyers. This recovery is an example of how taking the time to look at a child's face can lead to a happy ending.

Again, congratulations to all involved and welcome home to Marissa.

FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 2002 AND 2003

SPEECH OF

HON. RON LEWIS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

The House in Committee of the Whole House on the State of the Union had under consideration to the bill (H.R. 1646) to authorized appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes:

Mr. LEWIS of Kentucky. Mr. Chairman, I rise today in strong support of the Hyde-Smith Amendment. Once again, we are debating the use of federal tax dollars for abortion. in a poll taken last year, Fox News surveyed 900 Americans and found that 55% of them believed that abortion was wrong, with 15% not sure. Why are we using taxpayer dollars to fund abortion when the vast majority of Americans don't agree with it?

I am also amazed at the other side's argument that reversing the Mexico City policy will save lives! It does exactly the opposite by murdering children who just happen to have not yet been born. Don't let their rhetoric fool you! We do provide quality family planning for overseas family groups, and keeping the Mexico City policy in place will further protect the newest members of these families.

I urge my colleagues to vote "yes" on the Hyde amendment.

INTRODUCTION OF AN AMENDMENT TO THE INTERNAL REVENUE CODE OF 1986 TO EXPAND THE CREDIT FOR ELECTRICITY PRODUCED FROM CERTAIN RENEWABLE RESOURCES TO ENERGY PRODUCED FROM LANDFILL GAS

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. CAMP. Mr. Speaker, today, I am reintroducing legislation that would encourage the development of projects that capture landfill gas and use it as an alternative energy source. Furthermore, this bill would add incentives to landfill gas (LFG) projects by making the existing tax credit in Section 45 of the tax code available to them. Section 45 currently provides a tax credit for electricity generated by projects using wind, closed-loop biomass or poultry waste.

I believe the host of environmental and renewable energy benefits that can be provided by LFG projects, as described below, also deserve federal support. Additionally, our legislation would extend the current tax credits for wind, closed-loop biomass and poultry waste.

LFG is produced as waste decomposes in the many landfills that serve our communities. If not captured, the gas is odorous, presents a fire hazard, and contributes to local air pollution.

This tax credit will encourage the installation of LFG utilization projects which capture and use the gas which would otherwise go unused. This captured product can then be used to generate electricity or as a fuel for heating. In addition, the captured gas can be used for industrial and commercial use and fuel cells or alternative fuel vehicles, decreasing our dependence on foreign fuels.

For communities owning municipal solid waste landfills, sale of the electricity or gas from such projects can provide a welcome stream of revenues to offset the cost of environmental controls at the landfills, including Clean Air Act requirements, and other costs related to solid waste management and recycling services. LFG's use can also significantly reduce greenhouse gas emissions.

Currently, there are about 270 LFG projects in existence, the bulk of which were made possible by a previous federal tax credit for development of non-conventional fuels. It is estimated that between 400 and 500 additional LFG projects could be brought on line if a tax credit were provided. With these potential energy projects on line, the nation could save more than 40 million barrels of oil annually.

RECOGNIZING DAVE CURTIN FOR HIS TWENTY-SEVEN YEARS OF LAW ENFORCEMENT SERVICE

HON. MIKE THOMPSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. THOMPSON of California. Mr. Speaker, I rise today to recognize Dave Curtin as he retires from the St. Helena Police Department. Dave, a true friend of mine, has spent the last twenty-four years of his career serving the people of St. Helena, California.

As a native of St. Helena, I can attest to the strong embodiment of law enforcement that Dave proves on a daily basis. It is not solely in law enforcement that Dave has made a positive impact on; his involvement in numerous aspects of community life is invaluable to St. Helena. Dave is a fellow U.S. Army veteran, and he is also a colleague of mine in the American Legion, St. Helena Post 199. He has served as Post Commander five times in St. Helena. I am impressed with his unfailing commitment to our community.

Dave's dynamic experience includes stints as the Police Reserve Coordinator, Check Fraud Officer, Juvenile Officer, and acting Field Supervisor. In the greater community, he has served on the Napa College Criminal Justice Advisory Board, the St. Helena High School Attendance Review Board, and served on the negotiating team as president of the St. Helena Police Officers Association.

Dave is also involved internationally in law enforcement. As a member of the International Police Association he has been a host to numerous European and South African police officers visiting the Napa Valley.

A native of Northern California, Dave originally hails from Oakland, and he received his Bachelor of Arts Degree in Public Administration from California State University, Sacramento. He also holds a lifetime teaching credential from University of California, Davis.

Dave and his wife, Susan, have been married for over twenty-nine years. Their daughter Shayna, recently graduated form San Jose State University, and their son, Calen, is finishing his senior year at Justin Siena High School in Napa.

Mr. Speaker, it is appropriate at this time that we recognize Dave Curtin for his tremendous work for the people of the Napa Valley. He is a true asset to our community and I speak on behalf of the people of St. Helena when I thank Dave Curtin for his valued service.

TRIBUTE TO THE LATE JAMES EDWARDS, JR.

HON. NICK LAMPSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. LAMPSON. Mr. Speaker, I rise today with great sadness to honor James Edwards Jr., who passed away at age 68. James Edwards Jr. was a man who not only talked the talk, but walked the walk. He was a true visionary with a vision of a better life for all Americans. He spent his life fighting for equality, justice, and opportunity and was one of the first African-Americans elected to political office in Galveston County in modern times.

He was a community activist who believed in opportunity for all, and was always looking to the future of the Southeast Texas-Gulf Coast area. Throughout his long and successful career he provided opportunity to many. James was a long time union leader who joined the Oil, Chemical and Atomic Workers International Union in 1964 when he went to work at the Marathon Oil Co. Refinery in Texas City. He was named Texas state legislative director by OCAW's District 4 Council in 1983 and served as secretary-treasurer of the Texas City local from 1986 until the early 1990's. James was a tremendous influence on the labor and political community in Texas, and those in that arena often sought his advice.

James was a family man. He is survived by his wife, Johnnie Mae; their son, James Edwards III; and her children from a previous marriage, Deborah Boone, Pierce Boone and Joseph Boone.

Mr. Speaker, despite his great success, James Edwards Jr. remained a man of the people, honest and forthright. His was of the utmost character, and his attributes of selflessness and commitment to others are rare gifts that the Southeast Texas-Gulf Coast area was lucky to have. His work and his dedication to the people of this great country is unparalleled. James Edwards Jr. will be sorely missed.

CONGRATULATIONS TO THE REPUBLIC OF CHINA ON TAIWAN

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. BURTON of Indiana. Mr. Speaker, on May 22nd, President Chen Shui-bian of the Republic of China will be completing his first year of service as Taiwan's head of state, and I would like to take this occasion to congratulate him and comment on a few of Taiwan's achievements.

For the last two decades, the republic of China on Taiwan has been a major trading partner of the United States. It has maintained friendly ties and relations with us for the last ninety years. Taiwan is one of the most successful models of rapid political reform in the entire world. Fifty years ago, Taiwan was a closed authoritarian society with no freedom of speech, freedom of assembly, or right to vote. Today, Taiwan is a full-fledged democracy. It is home to more than 90 political parties. Virtually every political office in Taiwan is hotly contested through free and fair elections.

Taiwan believes in free-market economics. Taiwan's economics. Taiwan's economy is so strong that it offers its people one of the highest standards of living in Asia, universal education, and free medical care for people of all ages. With respect to U.S.-Taiwan trade, Taiwan is our seventh largest export market, supporting many jobs for U.S. manufacturers. In addition, U.S. colleges and universities host more than 10,000 Taiwan students. The U.S. is the number one destination for most of Taiwan travelers. Lastly, Taiwan and the United States share many common values such as a respect for human rights, freedom of speech, and democracy.

I would like to offer my congratulations to President Chen and the people of Taiwan. I also would like to welcome President Chen as he transits New York on his way to Central America. Although his stay in New York will be brief, his visit is of tremendous importance to all of us Americans who recognize and value what a great, longstanding friend Taiwan has been to the United States.

FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 2002 AND 2003

SPEECH OF

HON. C. L. "BUTCH" OTTER

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1646) to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes:

Mr. OTTER. Mr. Chairman, I rise today to voice my reasons for voting against final passage of H.R. 1646, the Foreign Relations Authorization Act. I wish for my colleagues and constituents to know the reasons for my action.

There were many good provisions in H.R. 1646 that I am glad were in the final bill that the House passed. I support the sale of *Kidd* class destroyers to Taiwan. I support the call for moving the United States Embassy in Israel to the capital of Israel, Jerusalem. I also voted for several amendments that made H.R. 1646 a better bill. I joined my colleagues in voting for Mr. DELAY's amendment to protect United States servicemen from the clutches of the United Nation's new international Criminal Court. America's service men and women serve our nation under our Constitution, not international bureaucrats under a foreign flag. I am pleased that this House voted to pass the amendment of the distinguished gentleman from California; Mr. LANTOS, prohibiting United States military aid to Lebanon until they step up their efforts to stop terrorist attacks against Israel. I am particularly pleased that the Hyde Amendment restoring the Mexico City policy was added to the final bill.

Despite these improvements, I could not vote for final passage of this bill for two reasons. The first reason is the failure of this House to pass the amendment of my friend and colleague from Colorado, Mr. TANCREDO. I cannot support a bill that authorizes $118 million for rejoining the United Nations Education, Scientific and Cultural Organization (UNESCO). UNESCO is a profoundly anti-western, anti-American organization. President Ronald Reagan was correct in withdrawing the United States from this group, and I will not vote to send my constituents' tax dollars to an unelected intelligentsia who hate this country.

The second reason I voted against this bill is because of language urging United States acceptance of the Kyoto treaty on the environment. There is no way I could vote for this bill with the language intact. This provision is unsound constitutionally and economically. The Kyoto language is unsound constitutionally because the other body has refused to ratify this treaty. The Constitution specifically reserves the treaty ratification power to the Senate. This house has no place urging the President to enforce a treaty that our country is not bound by. We have very strict laws restricting air and water pollution. If the House of Representative thinks these laws aren't strict enough, which I do not believe, then the House should pass a bill changing those laws. International negotiations are not the way the Founding Fathers intended for our environmental laws to be changed.

More importantly, Mr. Chairman, the Kyoto treaty is monumentally flawed. If ratified it would require the United States and other developed countries to reduce their emission of so-called "greenhouse gasses" at least 7% below 1990 levels by 2010. At the same time developing countries, such as China, Brazil, and India, were exempted from the greenhouse requirements.

If implemented, the Kyoto treaty would have driven manufacturing industries entirely out of the United States. The United States already has strict Clean Air laws. Requiring a 7% decline in emissions for every industry would impose enormous costs on manufacturers and has not been scientifically proven to prevent global warming. If given the opportunity to choose between a country with these strict laws and a nation that was not bound to reduce emissions, I am of no doubt as to which country that firm will move to.

In addition to driving industry off-shore, full implementation of the Kyoto treaty would require increases in gasoline and electricity prices of up to 50%, and an estimated job loss of 2.4 million, according to one study. Mr. Chairman, the Clinton Administration did not sign a treaty at Kyoto, they signed a death sentence for the American economy. President Bush sensibly announced on March 28 that the United States would not take steps to implement the Kyoto treaty. I could not join this House in urging our President to destroy the American economy, and voted against H.R. 1646.

PERSONAL EXPLANATION

HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Ms. SANCHEZ. Mr. Speaker, during rollcall vote numbers 109, 110, 111, 112 and 113 on May 15, 2001 I was unavoidably detained. Had I been present, I would have voted "yea" on all five votes.

ROC PRESIDENT CHEN SHUI-BIAN'S FIRST YEAR IN OFFICE

HON. J. D. HAYWORTH

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. HAYWORTH. Mr. Speaker, a year ago, Mr. Chen Shui-bian assumed the presidency of the Republic of China on Taiwan. Today I would like to join my colleagues and the people of Taiwan in wishing President Chen a happy one year anniversary in office. Also, a warm welcome to President Chen and his party as they transit through New York later this month. After a brief stop in New York, they will journey to Central America.

Mr. Speaker, Taiwan has a dynamic economy that is the envy of much of the world. Taiwan is now the world's 17th largest economy and holds $100 billion in foreign exchange reserves. The United States is a major trading partner of Taiwan.

Politically, Taiwan is one of the freest nations. It has a democratically elected head of state and holds free elections at all levels. People enjoy full human rights and press freedom.

By any measurable standard, Taiwan is an economic powerhouse and a beacon of democracy. Mr. Speaker, I salute President Chen and his people on the occasion of Mr. Chen's first year in office.

HONORING FATHER AMOS WISCHMEYER

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. KILDEE. Mr. Speaker, I rise today to pay tribute to a man who has dedicated more than 50 years to making our community a better place. On June 3, 2001, Father Amos Wischmeyer, of St. Mary's Catholic Church, will celebrate his Golden Jubilee.

Father Wischmeyer was ordained in 1951 and began his career at Holy Trinity in Fowlerville and then St. Phillips in Battle Creek. He later went on to serve at St. Joseph's in Gaines and St. Mary's of the Lake in New Buffalo. In 1967, he followed the Lord's calling to serve as the Pastor for St. Mary's Catholic Church in Swartz Creek, where he has served for the past 34 years.

One of the high points of Father Wischmeyer's priestly life was when he was able to meet Pope John Paul II in January of 2001. He was the great privilege and opportunity of having a private audience with Pope John Paul II at the Vatican. It was a truly memorable experience for Father Wischmeyer.

Since his assignment to St. Mary's in 1967, pastor Wischmeyer has been an effective advocate for the disadvantaged. He continually extends his arms to help anyone in need. Throughout his service at St. Mary's, Father Wischmeyer has also managed to keep the Parish School open and fully operational, enriching children's lives with faith and allowing them to open their hearts to God.

For the past 50 years, Pastor Wischmeyer has worked tirelessly to spread the Word of the Lord. He has made this his goal and dedicated his life to working not only within the parish, but also throughout the community to achieve this goal. Continually putting the needs of others above his own, Father Wischmeyer is an exemplary and loyal servant of God.

Mr. Speaker, I am very proud to acknowledge the fine work of Father Amos Wischmeyer. His dedication to proving food, clothing, shelter and education to anyone at anytime, without hesitation, serves as a fine example to us all. Our community would not be the same without the presence and influence of Father Wischmeyer. I know our community is a better place to live because of his spiritual mission. I am pleased to ask my colleagues in the 107th Congress to join in congratulating his 50 years of pastoral service.

ENIGMA CODE BROKEN MAINLY BY THE POLES

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. FRANK. Mr. Speaker, one of the most significant events in World War II other than those which took place on the battlefield was the cracking of the Germans' Enigma code. This great contribution to our victory in the war against Hitler was recently highlighted because of the theft of one of the Enigma machines last year in England. This led to some discussion in the newspapers about this event, and there are extremely well informed people who believe that the newspaper discussions of the event were inaccurate, particularly in not giving sufficient credit to the work of brilliant analysts from the University of Poznan in Poland in cracking this code. According to Edward Piwowarczyk of New Bedford, an authority on this matter, and the Program Director of the Polish Happy Time on WNBH radio, "by 1937, the Poles deciphered nearly three-quarters of all intercepted German military communications," and "in July 1939, the Poles offered their accomplishments to the potential allies."

Because it is important for us to get history right, and because the brilliant achievements of the Polish analysts who did this work deserve recognition now that this matter has once again come to the fore, I submit Edward Piwowarczyk's brief discussion of this history to be printed here.

[From the New Bedford (MA) Standard-Times, Oct. 13, 2000]

ENIGMA CODE BROKEN MAINLY BY THE POLES

(By Edward L. Piwowarczyk)

One can say that Poland's most significant contribution to the Allies winning World War II was cracking the masterful German war code Enigma. According to an Associated Press story in the Oct. 11 Standard-Times, "Historians say the codebreakers' work shortened the war by as much as two years." The British contribution was only to improve the Polish analytic machine called Bombe, which would process intercepted Engima-based communications and enable decipherment of them.

Here's the story. In the late 1920's, Polish radio monitoring stations of German messages started to receive a new type of machine code. The BS-4 section, department of German codes at the Main Staff in Warsaw, were helpless. So, the University of Poznan was chosen as an organizer of a cryptological course for military purposes.

Through a combination of hard work and brilliance, three members of this class, namely, Marian Rejewski, Jerzy Rozycki and Henry Zygalski, solved the puzzle. The cryptological success was also a scientific success of the Poles. A command of higher mathematics useful for investigation on code systems, especially the so-called permutation and cycle theory, was a prerequisite to master the Enigma Cipher Machine.

By 1937, the Poles deciphered nearly three-quarters of all intercepted German military communications, a tremendous aid to Allied forces. Major Maksymilian Ciezki, head of the German Department of the Polish Signal Intelligence, along with the group of Polish mathematicians mentioned, were responsible for decoding Hitler's enigma: the code name for their operation Wicher (Gale).

In July 1939, the Poles offered their accomplishments to the potential allies. Delegations from the French staff, Lt. Col. Gustave Bertrand and Capt. Henri Bracquentie, and the British staff, Commander Dillwyn Knox and Commander Alistair Denniston, arrived at the secret BS-4 Center situated in the Kabacki Forest outside of Warsaw. The Polish specialists acquainted them with the method of breaking the Nazi codes. Each delegation was presented with one Polish-made Enigma coding machine called Bombe.

Just this further note: Recently in Poland, the Polish government honored Marian Rejewski, Jerzy Rozycki and Henry Zygalski, posthumously, for their outstanding achievements.

The eminent English historian Ronald Lewin, in his book "Ultra Goes to War," details the indispensable Polish contribution to World War II. The dedication at the beginning of Lewin's book reads: "To the Poles who sowed the seed and to those who reaped the harvest."

PERSONAL EXPLANATION

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. SHAW. Mr. Speaker, on rollcall No. 121, passage of H.R. 1646, the Foreign Relations Authorization Act, I was unavoidably detained. Had I been present, I would have voted "yea."

THE ENERGY PROBLEM AND ITS EFFECTS ON WEST VIRGINIANS

HON. SHELLEY MOORE CAPITO

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mrs. CAPITO. Mr. Speaker, I would like to raise attention to the energy problem and how it is affecting people in the Second Congressional District of West Virginia. The recent energy crisis in California has become front-page news in papers throughout the country and rightfully so. Other regions are suffering too, though, and unless action is taken soon, the problems of Californians will become the problems of everyone. Evelyn P. Jones of Montrose, Randolph County, West Virginia, is a citizen in my district whose plight is particularly distressing. Her caring son, James A. Jones, who is the workers' compensation program manager for the Library of Congress, brought Evelyn's situation to my attention. I want to tell her story because I think that it is representative of others in my district and state as well as throughout the country.

Evelyn Jones is a retiree living on a fixed income of $500 a month. She lives on the family farm and takes care of her 90-year-old sister. The rising cost of home heating oil has placed Mrs. Jones in a terrible financial quandary. Her heating oil bills from last September 12 through March 3 totaled $1725.55. Fortunately for Evelyn, she has a close-knit family, many of whom live in nearby Elkins and help her buy food, medicine, and other necessities.

Were it not for Evelyn's family, she would likely have to make the difficult decision of choosing between adequate heating, food, or medicine. I have little doubt that many citizens of a similar disposition do, in fact, have to make such decisions. Congress has provided some relief in the form of the Low Income Home Energy Assistance Program (LIHEAP). However, many citizens in need are either not eligible for this program or do not like the idea of government help. Clearly, a more comprehensive policy approach is needed to provide both short-term relief and long-term solutions to high prices and energy shortages.

The Washington Post reports that gas prices have risen to a nationwide average of $1.68 per gallon of regular unleaded. The Energy Department has estimated that the cost this summer will range from $1.50 to $1.75, a five percent increase from last year. In some areas of the country, prices may reach $3.00 per gallon. The rising price of gasoline is representative of the rising prices of petroleum products in general. Certainly a great many causes factor into such prices. A decline in domestic production and infrastructure accompanied by an increase in demand has left the country ill prepared for the current struggles. Congress and the Bush Administration must be receptive to new ideas and solutions to correct the neglect of the past.

The current energy situation was not created overnight and it will not be corrected easily. I look forward to working with my fellow members in the House of Representatives as well as the President and his administration to begin to solve this complex problem. The Evelyn P. Joneses of our country demand that effective action be taken soon.

TO HONOR THE U.S. COMMISSION ON INTERNATIONAL RELIGIOUS FREEDOM· COMMISSIONERS FOR THEIR SERVICE, MAY 15, 1999–MAY 14, 2001

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. WOLF. Mr. Speaker, I rise today to honor and thank the nine men and women who have completed their two-year term of service to our nation as commissioners on the U.S. Commission on International Religious Freedom. This commission was created by Congress to generate a heightened awareness to the never ending atrocities associated with persecution of individuals around the world for their religious beliefs.

As a result of their investigations, hearings, and reports of religious rights abuses, these commissioners have provided Congress and the administration with timely and accurate information used to formulate U.S. policy. In this capacity, chairman Elliott Abrams and commissioners Nina Shea, Rabbi David Saperstein, Dr. Friuz Kazemzadeh, Michael K. Young, Laila Al-Marayati, John R. Bolton, Cardinal Theodore McCarrick, and Justice Charles Z. Smith have served our nation with distinction, honor and faithfulness from May 15, 1999, until May 14, 2001.

I was pleased to hear that because of her faithful commitment to religious freedom issues around the world and her stellar performance during her first term, Ms. Nina Shea has just been appointed to serve a second term on the commission.

These commissioners have made sound policy recommendations to the president, the secretary of state, and Congress with respect to matters involving international religious freedom. They have testified before Congress numerous times, held timely hearings to investigate religious persecution atrocities in such countries as Sudan, China, Vietnam, Indonesia and Burma, and have worked with the non-goverrimental organization community to bring aid and comfort to the oppressed of the world.

Those around the world suffering persecution for their religious beliefs have truly benefitted from the commitment of these nine servants of conscience. These commissioners have professionally completed their responsibilities by producing annual reports and conducting ongoing reviews of the facts and circumstances of violations of religious freedom around the world. Each of their activities has helped to bring visibility to any oppressor government that violates the basic freedoms of their citizens.

Mr. Speaker, I have come to appreciate each of these commissioners for their dedication and professionalism in protecting the rights of all citizens of the world who practice religious worship, be they Christian, Jewish, Muslim or any other faith. Their service to the American people and the peoples of the world has established credibility and relevance of the U.S. Commission on International Religious Freedom. I know many of my colleagues in the House join me in saluting Elliott Abrams, Nina Shea, Rabbi David Saperstein, Dr. Friuz Kazemzadeh, Michael K. Young, Laila Al-Marayati, John R. Bolton, Cardinal Theodore McCarrick, and Justice Charles Z. Smith for representing the United States in the cause to protect religious freedom around the world for these past two years.

MOZART CLUB OF WILKES-BARRE CELEBRATES 95TH YEAR

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. KANJORSKI. Mr. Speaker, I rise today to pay tribute to the Mozart Club of Wilkes-Barre, which is celebrating its 95th year this month. The club, a group for those 50 and older led by President Elenora Butcofski Grant, is a member of both the Pennsylvania and National Federations of Music Clubs.

The Mozart Club was founded on October 10, 1906, by a young Miss Euda Hance, who later became Mrs. A. Livingston Davenport, and 14 of her friends in her living room.

The mission of the Mozart Club is stated in its constitution: "The object of this club shall be to encourage and promote musical interest among its members; to encourage the development of musical talent in the youth of the community and to cooperate with the Pennsylvania Federation of Music Clubs and the National Federation of Music Clubs in their specific plans for the advancement of music."

Over the years, the members of the Mozart Club have certainly fulfilled that mission. They have played major roles in establishing musical institutions such as the Community Concert Association, the Opera Guild and the Wyoming Valley Philharmonic Orchestra. They have fostered young talents through scholarships, and in 1926 they founded the Junior Mozart Club for children with musical interests.

Both the Pennsylvania and National Federations have awarded the Mozart Club honors through the years and in 1974, the National Federation granted it the Award of Highest Merit in the Parade of American Music from a panel of judges headed by composer Samuel Barber.

Active members of the Mozart Club must audition to be accepted as performing members. Many of these musicians are degreed performers who teach in schools or colleges or have their own private studios. At each monthly meeting, the club presents a musical program, which is open to the public. While the performers are sometimes guests, more often the club draws on the considerable talent within its own ranks.

Among the club's other activities are: providing a yearly scholarship to a local graduate musician, taking part in the Fine Arts Fiesta, celebrating National Music Week, providing help for the State Federation Festival, providing programs for nursing home residents and sponsoring a series of opera trips to New York City each spring and fall.

Mr. Speaker, I am pleased to call to the attention of the House of Representatives the many good works of the Mozart Club and its 95th anniversary, and I wish them its members all the best as they continue with their many endeavors.

NATIONAL WOMEN'S HEALTH WEEK

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mrs. MALONEY of New York. Mr. Speaker, I join with my colleagues of the Women's Caucus to discuss the importance of women's health.

It is an especially appropriate topic because this week is National Women's Health Week.

As a Caucus, we are working hard to improve health for all women. From protecting Social Security and strengthening Medicare to working for equality for all women.

And we are working to add a reliable, affordable prescription drug benefit.

Today, there are 6 million more women in the United States than men. Women are 51 percent of the U.S. population.

And the projected life expectancy for women in this country is 80 years.

Therefore, we must ensure that the progress we have made to improve women's health continues.

To this point, I urge my distinguished colleagues to join me in the following measures.

I am working to improve the health and well-being of women—young and old.

On May 2nd, I, joined with Mrs. MORELLA of Maryland, reintroduced the Osteoporosis Early Detection and Prevention Act, H.R. 1683.

May marks Osteoporosis Prevention Month. Osteoporosis is a disease characterized by low bone mass or brittle bones. The statistics are startling. 71 percent of women with osteoporosis are not diagnosed, leaving them at increased risk for fractures. And osteoporosis causes 300,000 new hip fractures each year. My bill would require private insurers to reimburse for bone mass measurement. Prevention and early detection are critical in combating this disease.

Last week, Congresswoman KELLY and I reintroduced the Cancer Screening Coverage Act, H.R. 1809, to give everyone a fighting chance in detecting cancer at its earliest stages. CASCA as we call this bill, applies to private health insurance plans and to the Federal Employees Health Benefits plan, requiring these plans to cover cancer screenings.

Cancer screening allows for the detection of cancer in its earliest form, when the cost of treatment is the least. And more importantly, it is estimated that the rate of survival would increase from 80% to 95% if all Americans participated in regular cancer screenings. The legislation we introduced has the power to save thousands of lives.

I am also working with my distinguished colleague, CONNIE MORELLA, to make women's health research a priority. We, joined by many members of the Women's Caucus, introduced the Women's Health Office Act, H.R. 1784, to make the women's health offices at the Department of Health and Human Services permanent.

And for our littlest people and their moms, I have introduced the Breastfeeding Promotion Act, which supports and protects mothers who choose to breastfeed. Everyday, new medical studies are released highlighting the positive health effects of breastfeeding for both mother and child. Just today, a new study was released showing that breastfed babies are less likely to become overweight children.

Again, let's celebrate National Women's Health Week. We must continue to work hard to ensure that the priorities of our nation include policies that protect and promote the health and well-being of women and their families. I urge my colleagues to join me on these measures.

FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 2002 AND 2003

SPEECH OF

HON. HILDA L. SOLIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1646) to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes:

Ms. SOLIS. Mr. Chairman, I rise in strong opposition to the Hyde amendment, which would prohibit foreign non-governmental organizations which receive population aid from the United States from using their OWN funds to provide abortion services or counsel women about abortion options.

This amendment would place an unfair restriction on family planning efforts in developing nations. How can a democratic country like the United States have in place a policy which has the very un-democratic effect of restricting free speech? The Hyde amendment would restrict the ability of foreign nongovernmental organizations to talk openly to patients about their health care options. It is simply unfair.

Reproductive health care is a matter of life and death in developing countries. Family planning programs provide critical health care services for women and families in the world's poorest regions. Taking away U.S. funds for foreign organizations who use their own money to counsel women about abortion options will do real harm to important international family planning efforts.

While opponents of international family planning may attempt to cast this vote as an abortion-related matter—it is not. It has been illegal to use U.S. funds for abortion overseas since 1973. This vote is about whether women overseas should have access to needed family planning information. I think they should and I urge my colleagues to vote against the Hyde amendment.

IN RECOGNITION OF WILLIAM HENRY SEWARD

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. GILMAN. Mr. Speaker, William Henry Seward was born in Florida, Orange County, New York on May 16, 1801; two-hundred years ago.

The son of Samuel Sweezy Seward and Mary (Jennings) Seward, he graduated from Union College in 1820, studied law and was admitted to the bar in 1822. In 1823, he moved to Auburn, New York, where he entered Judge Elijah Miller's law office and, one year later, married Frances Adeline Miller, the daughter of Judge Miller.

Seward was interested in politics early in his career and became actively involved in the Anti-Masonic movement after 1828. With the backing of Thurlow Weed, the Whig newspaper editor, he was elected to the New York State Senate in 1830 where he served for four years. He was nominated by the Whigs for governor in 1834, but was defeated by William L. Marcy. From 1834 to 1838 he practiced law and served as an agent for the Holland Land Company, settling settlers' claims in Chautauqua County.

In 1838 Seward was elected governor of New York State and again in 1840. He favored internal improvements, public support of Catholic schools, and began to favor free soil and abolition positions. From 1842 to 1848 he again practiced law, first in the court of chancery and later in patent cases. He also defended cases involving fugitive slave laws.

In 1849 Seward was elected to the United States Senate, and increasingly built a reputation as an anti-slavery senator. After 1855, the Whig party merged into the Republican party, and Seward became one of the leading Republicans. He was passed over as the presidential nominee in 1856 and, though he was the front runner in 1860, Lincoln was given the nomination.

After Lincoln's election, Seward was appointed to the post of Secretary of State, a position he held until 1869 serving under both presidents Lincoln and Johnson.

As Secretary of State Seward was a central force in the administration. The major issues he dealt with during the Civil War years were the possibility of European intervention, the outfitting of Confederate cruisers in British ports, the Trent affair and the French invasion of Mexico. Seward was also interested in territorial expansion, and in 1867 negotiated the purchase of Alaska from Russia.

Seward was seriously wounded in the Lincoln assassination conspiracy, and after 1865 his health was not good. He retired from public life upon Grant's election, and despite his poor health, took a trip around the world in 1871. William Henry Seward died in Auburn on October 10, 1872.

THE COMPUTER EQUIPMENT COMMON SENSE DEPRECIATION ACT

HON. MAC COLLINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. COLLINS. Mr. Speaker, I am joined by my colleague from Maryland, Congressman BEN CARDIN and several of our other colleagues, to introduce legislation that will return common sense to the Internal Revenue Code by changing the depreciation period for computer equipment.

The depreciation provisions in the Code have not been updated since the 1980s. Since that time, the technology available to manufacturers has literally exploded. Tax rules require businesses and manufacturers to keep their computer equipment "on the books" for five years. In highly competitive industries, the average economic life of the equipment ranges from 14 and 24 months, far shorter than depreciation rules. This skewed limitation places manufacturers at a competitive disadvantage.

In a slowing economy, more flexibility is needed over capital investment choices. Many manufacturers would like to expand their businesses and increase employment opportunities. They would have greater opportunities to do so if the tax code recognized a more realistic economic life expectation for this equipment. Unfortunately, these business owners often put off investing in new equipment due to the unfavorable tax treatment they receive from the outdated computer depreciation schedule.

Specifically, the legislation we are introducing would update the tax code to acknowledge the rapid advancements in computer technology by changing the depreciation period for computer equipment used in manufacturing processes from five years to two years. We need to encourage businesses to make investments that will keep them competitive, not penalize them with an outdated tax provision.

Please join us in this effort to inject a little common sense into the Internal Revenue Code by cosponsoring the Computer Equipment Common Sense Depreciation Act.

CHILD PROTECTION/ALCOHOL AND DRUG PARTNERSHIP ACT

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. RANGEL. Mr. Speaker, I am reintroducing legislation today to improve the prevention, screening, and treatment of substance abuse for parents with children in the child welfare system. Regrettably, child welfare workers and judges are not always sufficiently trained in how to detect and cope with substance abuse problems. And of even greater concern, when accurate assessments are made, there is often a lack of available treatment. In fact, the Department of Health and Human Services reports that 63 percent of all mothers with drug problems do not receive any substance abuse treatment within a year.

To combat this threat to child safety and family stability, I am introducing the Child Protection/Alcohol and Drug Partnership Act, which would provide $1.9 billion over the next five years to States that develop cooperative arrangements between their substance abuse and child abuse agencies to provide services to the parents of at-risk children. Bipartisan companion legislation has been introduced by Senators SNOWE and ROCKEFELLER.

Under the bill, funding would be disbursed to States based on the number of children in the State. To receive their allotment under the program, States would be required to spend a match starting at 15 percent in 2002, rising to 25 percent in 2006. In addition, they would be required to provide a detailed analysis of their current efforts to address substance abuse issues for families in the child welfare system and specify the additional steps they intend to pursue with the new funding (supplanting of existing funds would be prohibited). Funding could be used for a variety of specific activities, including: providing preventive and early intervention services for children of parents with alcohol and drug problems; expanding the availability of substance abuse treatment, including residential treatment, for parents involved with the child welfare system; and improving the screening and assessment of substance abuse problems for families in the child welfare system.

I urge my colleagues to join me in sponsoring this proposal, which is strongly supported by the Children's Defense Fund, the Child Welfare League of America, the National Association of State Alcohol and Drug Abuse Directors, and the American Public Human Services Association.

CONFERENCE REPORT ON H. CON. RES. 83, CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002

SPEECH OF

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 2001

Mr. MOORE. Mr. Speaker, I rise today in opposition to the conference report on H. Con. Res. 83, the Budget Resolution for Fiscal Year 2002.

This conference agreement was developed in a manner which abused the congressional budget process. Consider the following:

The debate in the House on the tax cut contained in this budget resolution has already taken place. We were forced to vote on these cuts—which far exceed the levels contained in this conference agreement—months before we will understand the full impact of what we were considering.

The House was later forced to consider its version of the budget resolution prior to receiving the President's budget.

The Senate Budget Committee was never afforded the opportunity to consider this bill; rather the committee of jurisdiction was circumvented using a questionable procedure.

Minority House and Senate Members were explicitly noticed that they would not be included in negotiations between the two chambers to work out differences between the competing versions of the budget.

Finally, in the most recent example of an abuse of power, the House leadership filed late last week a resolution only moments before it was to be adopted in the dead-of-the night, without a Congressional Budget Office analysis or a Joint Tax Committee scoring of the tax cut.

Mr. Speaker, in its haste to rush through a conference report before anyone had a chance to look at the details, two pages were lost that happened to contain language crucial to the compromise that persuaded moderates to agree to this budget. As a result, members, including the minority, were afforded the opportunity to examine this budget in detail over four days. This fortuitous event afforded me the opportunity to discover that the numbers in this budget simply do not add up and that there is much more missing than two pages.

Mr. Speaker, the conference agreement calls for $661.3 billion in discretionary spending for fiscal year 2002. Instead of making recommendations for the level of funding for our national priorities, however, the conference agreement lists CBO baseline levels, and then uses a plug number of $6 billion in a catchall function known as "allowances" to make the numbers for 2002 add up.

These unrealistic discretionary spending levels will result in a year-end conflict over funding levels for appropriations bills, much like those we have seen in years past. Undoubtedly, we will soon be faced with a chaotic budget process that drags on into the fall that produces much higher spending than would have been necessary had we reached agreement on realistic spending levels within the context of the budget resolution.

Moreover, if one takes these spending numbers at face value, then this majority has broken its promise to increase funding for education and the critical research needs at the National Institutes of Health (NIH). The majority will argue that the function numbers in the conference agreement do not represent intended policy and that increases for education and NIH can be provided by the Appropriations Committee.

But if appropriators can change the recommended levels, what purpose does this budget resolution serve? The troubling conclusion is that either these increases will come at the expense of other programs or we will once again far exceed the spending targets outlined in this resolution.

More troubling than the unrealistic spending levels are the items missing from this budget. Last week, the President established a Commission on Social Security reform and announced his commitment to pursuing a national missile defense system. Nobody knows how much either of these broad initiatives will cost and the budget fails to account for either of these items.

Also conspicuously missing from this conference report are funds for debt reduction. This budget commits funds dedicated to the Medicare and Social Security Trust Funds to debt reduction without devoting a single dollar of our projected on-budget surpluses towards paying down our national debt. This is like a family using one credit card to pay off another and then claiming that their debt was paid. The American people will not be deceived by this manipulation.

Finally, there is one more missing page that explains how all of our other priorities, including education, emergencies, defense increases and future tax cuts, will fit into the so-called contingency fund. Indeed, the overall tax and spending totals in this budget will virtually eliminate the non-Social Security, non-Medicare budget surplus. Any additional expenditures as expected in defense; any downward revisions of the surplus projections that may occur due to our slowing economy, increased unemployment, decreased labor productivity, and lower-than expected revenue collections; or, any additional tax cuts above and beyond those contained in this so-called agreement—and I have reason to believe that these will occur since the Secretary of the Treasury testified last week that he would be willing to consider tax breaks that go beyond the budget resolution on a case-by-case basis—will return this nation back to the era of deficits, tapping our Social Security and Medicare Trust Funds.

Mr. Speaker, on May 1, 2001, I sent the Chairman of the Budget Committee a letter indicating I could support the proposed budget resolution provided that the resolution cut taxes no more than $1.25 trillion, set realistic spending levels, and maintained a commitment to debt reduction by ensuring that any remaining on-budget surpluses be devoted to debt reduction. These conditions were not only not met, but there was not even an opportunity to discuss them.

Because of these concerns about process, unrealistic spending levels, the failure to reduce our national debt and the very real threat this budget poses to our Social Security and Medicare Trust Funds, I will vote against this resolution and urge my colleagues to do the same.

ELECTION REFORM

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. FROST. Mr. Speaker, I want to thank Congresswoman MAXINE WATERS and the Members of the Democratic Caucus Special Committee on Election Reform for their hard work in organizing election reform hearings across America, and developing Democratic proposals on election reform.

Ensuring every American's vote is counted is the cornerstone to rebuilding faith in our democracy. That's why Democrats have made clear our commitment to finding bipartisan solutions to the ills that plague America's electoral process. Real election reform is a top priority for the American people and is the civil rights issue of the new millennium.

Unfortunately, I know the Election Reform Committee has heard a great deal about attempts to intimidate minority voters around the country during this past election. Having attended two of the Special Committee's field hearings, I know how important they are to uncovering the truth about voter suppression, and to ensuring we stop efforts to disenfranchise African American and Hispanic voters in the future.

It is clear that what happened in Florida to intimidate and suppress African American turnout was not an isolated incident. In fact, significant efforts to suppress the African American vote occurred in my district in Fort Worth this fall. I personally witnessed a systematic campaign by local Republicans to harass, intimidate and suppress African American voters—especially senior citizens.

With so many sad examples of voter intimidation and voting irregularities, the need for real action on election reform could not be clearer. After the field hearings are completed, Democrats will propose to the House real steps to make it easier for people to vote, expand participation in our democracy, and fix a broken system that has disenfranchised too many Americans for too long.

The importance of election reform to preserving the integrity of our democracy is so great that we must not allow partisan politics to keep Congress from addressing it. I thank Congressman WATERS for her strong leadership and for organizing this special order, and I desperately hope Republicans will join us in passing meaningful election reform to ensure every American's vote is counted.

TRIBUTE TO BERNIE ROBINSON

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. SHIMKUS. Mr. Speaker, I rise today to pay tribute to Bernie Robinson who has served the State of Illinois and indeed all of us as the Assistant to the Governor of Illinois in charge of the state's Washington, DC office.

Bernie is about to leave his position for some exciting opportunities in the private sector. It would be inappropriate of me not to take this opportunity to publicly thank him for the work he has done, the counsel he has given and the lifetime's worth of friendships that he has made within our delegation.

Thanks to Bernie and his capable staff, the State of Illinois has emerged with the most cohesive voice that we have ever had in terms of pursuing opportunities for the people we serve. It would be impossible for me to list all of Bernie's accomplishments, but I cannot overstate the important role he played in helping to bring our delegation together in pursuit of appropriations projects and priorities for our state. Thanks to him, I have a better understanding of the special needs of my colleagues in the northern part of Illinois and they have a better understanding of mine.

Only one person could have brought together a delegation as diverse as the one we currently have. Without Bernie, it's unlikely that we would have had the successes that we have.

I know that the members and staff of the Illinois delegation join me in thanking Bernie and wishing him well in his new endeavors.

Bernie Robinson is a unique individual who has enriched our lives and allowed us to better understand who we are and how we can work together.

Thanks also to Bernie's children, Sarah and Army, who have allowed us to share so much of Bernie's time. Together with his beloved wife Bess, may God rest her soul, Bernie has proven that the greatest joy in our lives is the beauty and potential of our children. He has prepared them for a life of tremendous possibilities and all indications are that they are poised to tackle them.

Bernie, our thanks for establishing a foundation from which our delegation and therefore our state will grow and prosper. God's blessings to you and yours.

KEEP D.C. GENERAL HOSPITAL OPEN

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. BONIOR. Mr. Speaker, we, as a nation, spend more on health care than any other country in the world. Yet, we have 43 million uninsured people and our working families continue to struggle to obtain quality and affordable care. And now, in our nation's capitol, there are efforts to close down the last remaining public hospital in the city, D.C. General. The closure of public hospitals around our nation and D.C. General, in particular, should be of concern to us all.

In Michigan, our public hospitals continue to serve patients and communities with dignity and with the belief that all people have the right to health care. These public hospitals provide our uninsured and underinsured working men and women with the quality and essential health care they deserve. D.C. General has been serving the people of Washington, D.C. since 1806, and the care it provides is crucial for residents of the nation's capitol.

I am deeply concerned with the impact the closure of this hospital will have on the residents of Washington, D.C. In Detroit and other urban and rural communities, affordable and reliable health care is becoming hard to find. Our public hospitals serve local communities without prejudice and are the only source of care millions in this nation can rely on. Now, the people of Washington, D.C. will have no choice but to turn to private hospitals for their health care—hospitals that base their care on a person's financial status and ability to pay.

Those who advocate closing D.C. General are concerned that the hospital has woefully inadequate funds to operate. The financial situation of this and other public hospitals is severely impacted by Congress' unwillingness to provide additional resources and the fact our public hospitals serve most of our uninsured and poor. The plight of D.C. General is just one example of what will happen if we do not stand up immediately and support our public hospitals.

I am also deeply troubled by the process that determined the fate of D.C. General Hospital. Through the use of an unelected financial control board, those wishing to see the hospital closed overrode the democratically-elected D.C. City Council, who unanimously opposed the closure of the hospital. In 1999, a similar situation occurred in Detroit, when Lansing lawmakers dissolved the elected city school board and appointed a supervisory board, unaccountable to the citizens of Detroit. The Detroit school takeover and the D.C. control board's actions should be of concern to all Americans. Both these actions denied citizens a voice in the decisions affecting their lives. Our compassion and resolve to ensure quality health care and education for all must not be compromised by an unelected body which is accountable to no one.

Today, I join many of my colleagues in Congress, community leaders in my home state and from around our great nation, and champions in the Michigan State Legislature in urging that D.C. General be kept open and accessible to the people of Washington, D.C.

A TRIBUTE TO RABBI HILLEL COHN FOR 38 YEARS OF SERVICE TO CALIFORNIA'S INLAND EMPIRE

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. LEWIS of California. Mr. Speaker, I would like today to pay tribute to my good friend Rabbi Hillel Cohn, who for the past 38 years has been a remarkable community leader, and a spiritual guiding force for thousands of members of Congregation Emanu El in San Bernardino County, California. After nearly four decades as leader of this congregation, Rabbi Cohn is retiring this week.

Just a few weeks ago, Rabbi Cohn was present on this House floor to deliver our morning prayer. His message was a reflection of the central philosophy in his spiritual and community life: "Let America pursue justice in our enforcement of laws, in our forms of punishment, in our methods of choosing our leaders, in our allocation of precious resources, in our expectations of other nations, and in our daily relations with one another."

Throughout his career in San Bernardino County, Rabbi Cohn has served as a community conscience and a voice of unity for people of all races, religions and cultures. He was the founding chairman of the San Bernardino Human Relations Commission, and was selected in 1996 as one of 5,500 "community heroes" across the country who carried the Olympics Torch.

Rabbi Cohn's community involvement ranges from president of the county Mental Health Association and Family Service Agency, to serving on the bio-ethics committees of many local hospitals. He is a national leader in his faith, currently serving as treasurer of the Central Conference of American Rabbis and serves on a team that counsels other rabbis. Many of his sermons have been published in "American Rabbi," and he has edited national books on rabbinical contracts and retirement.

I began my community service career on the local school board about the time that Rabbi Cohn became the spiritual leader in Congregation Emanu El. It was clear even then that he would be a force to bring all of the people of our community together. Throughout his career, his integrity and reputation for conciliation have shown through, and I am grateful for his wise counsel on many matters.

Mr. Speaker, I ask you and my colleagues to join me in thanking Rabbi Cohn for his years of service and leadership, and to wish him and his wife Rita good luck in their future endeavors. I am sure they will be active members of our community for many years to come.

INTRODUCTION OF H.R. 1886

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. COBLE. Mr. Speaker, I rise to introduce H.R. 1886, a bill aimed at closing an unfortunate administrative loophole and bridging a legal gap in the working of our intellectual property system. As you know, I chair the House Judiciary Subcommittee on Courts, the Internet and Intellectual Property. In that capacity, my colleagues and I have as one of our continuing goals making certain that the U.S. patent system is the finest regime in the world. This bill relates to two important areas within our jurisdiction, namely the procedures linking the courts and the U.S. Patent and Trademark Office (PTO). This legislation eliminates an asymmetry in an administrative procedure disallowing the public the right to appeal a question from the PTO to a higher and independent authority for redress.

This legislation closes a procedural loophole that is a gap in the law. Today, many of these administrative appeals are prohibited by current law. In my view, this makes the patent system unable to fully serve the needs of inventors and the public. Congress created the U.S. Court of Appeals for the Federal Circuit in 1982 with a specific goal. It was intended to be a specialized forum that brings both legal and technical expertise to bear on appeals of certain issues of national importance, including patent issues. The overwhelming consensus is that in the past 20 years, the Federal Circuit has proven to be a marked success. It contributes to the fairness of the system in two ways. First, it ensures predictability and certainty to appeals within the subject matter of its jurisdiction. Second, it is a check on the agencies within its jurisdiction.

We have all heard stories about patents that issue but are subsequently challenged based on new evidence pertaining to scope and validity. This bill will ensure that the outcome of these challenges initiated by the public and consumers through the optional inter partes reexamination will be fair by establishing the right to appeal and judicial review. It is a very limited measure and it does not lead to any additional district court trials, or other added discovery burdens or expenses for inventors. It is aimed at the improved functioning of our domestic system and has no relation to what our trading partners use in their systems. While this is admittedly a small bill—some will describe it merely as a housekeeping bill—I believe that it will contribute greatly to the improved functioning of our patent system for all parties involved.

INTRODUCTION OF A BILL AUTHORIZING EXPANSION OF PU'UHONUA O HONAUNAU NATIONAL HISTORICAL PARK

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mrs. MINK of Hawaii. Mr. Speaker, today I am introducing a bill to authorize the expansion of the Pu'uhonua O Honaunau National Historical Park, which is located in South Kona on the island of Hawaii.

Pu'uhonua O Honaunau National Historical Park, formerly known as the City of Refuge National Historical Park, was authorized by an act of Congress on July 26, 1955 (60 Stat. 376) ". . . for the benefit and inspiration of the people . . ." The park was formally established in 1961. All the lands included within the park are listed on the National Register of Historic Places.

The overall management goal for the historical park is for the resources to accurately represent a slice of time ranging from pre-contact (circa 12th–13th century) to about 1930, when Ki'ilae Village was completely abandoned. The objectives developed to meet that goal focus on preservation, stabilization, and restoration of the park's cultural and natural resources.

A significant portion of the ancient Hawaiian village of Ki'ilae lies outside of the current park's boundaries. The proposed addition of 805 acres, located within the tradition land divisions of Ki'ilae ahupua'a and Kauleoli ahupua'a, contains significant cultural and natural resources, which complement the Park's mission of preservation and rehabilitation of Hawaiian natural, cultural, and historic resources. These lands contain at least 800 cultural sites, structures, and features; at least 25 caves (or cave openings), many of which are refuge caves; a minimum of 10 heiau (temples); more than 20 platforms; 26 enclosures; over 40 burial features (or highly probable burials); trails and trail remnants; a minimum of 6 residential compounds; a holua slide; several canoe landing sites; a water well; numerous walls and wall remnants; and a wide range of agricultural features.

Ancient Native Hawaiian burial sites are a particularly sensitive issue in Hawaii. Many descendants of the Ki'ilae villagers live in the area and want to make sure that the graves of their ancestors are respected and that archeological and historical sites are preserved. The local community strongly supports incorporation of these lands into Pu'uhonua O Honaunau National Historical Park.

I urge my colleagues to join me in co-sponsoring this bill.

ANNAPOLIS CENTER REPORT ADDRESSES KEY CONCERNS ABOUT ASTHMA

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. TOWNS. Mr. Speaker, I want to bring to the attention of my colleagues an important report that was recently issued by the Annapolis Center for Science-Based Public Policy. Asthma is a serious disease that is often undetected, misdiagnosed and not properly treated. I am hopeful the Center's Executive Summary will help to enlighten my colleagues about the importance of addressing the problems associated with asthma.

EXECUTIVE SUMMARY

This report defines asthma, evaluates trends, and reviews how it is studied. It reviews potential triggers of asthma attacks and their proper management, which can dramatically decrease morbidity and prevent mortality. The report recommends prudent steps that decision-makers, doctors, and patients should take in combating the disease.

Several major points of the report are as follows:

Asthma is a serious disease, with a great impact on public health and the economy;

Asthma has a disproportional impact in the United States on minorities, the poor, and children;

Asthma is a complex disease. We do not have a complete picture of asthma because we have an insufficient understanding of all the interacting mechanisms. Because of this, there is no universally accepted definition of the disease;

Because of the lack of a completely acceptable definition of asthma, it may be underdiagnosed or over-diagnosed;

We do not yet know all the causes of asthma. Genetic factors play a role but these alone do not explain the disease. The strongest (but incomplete) evidence exists for interactions between genetic factors, indoor environmental allergens and tobacco smoke; however, finding "the cause" (or causes) of asthma will take time and money.

Underlying causes, unlike immediate triggers, are speculative, or highly speculative, requiring much more research.

A national asthma registry is needed.

Action strategies aimed at eliminating some suspected environmental risk factors may reduce the prevalence of asthma attacks but are not guaranteed to reduce the incidence of new cases of asthma. There is evidence that dust mites, cockroaches, cat dander, spores of the common airborne mold, and Alternaria (a type of fungus) play an important role. It seems reasonable to clean homes, workplaces, and schools to reduce exposure to these triggers. This may not prevent all asthma attacks, but it may lessen their frequency and/or severity;

Asthma is a very manageable disease. Much of the current morbidity and mortality is avoidable;

Many asthmatics and their doctors do not take the disease as seriously as they should;

Clinical guidelines for asthma treatment need to be followed;

Better disease management is the strategy most likely to yield benefits for asthmatics at this time. Better disease management will result from specific programs to educate physicians and patients along with programs to ensure better access to care for all asthmatics.

IN HONOR OF DR. LUTHER BLACKWELL

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. KUCINICH. Mr. Speaker, I rise today to honor Bishop Luther Blackwell and to celebrate his half century of service to his church, his faith, and the greater Cleveland community.

Mr. Speaker, the ministry of Dr. Luther Blackwell, senior pastor of Mega Church in Cleveland, Ohio, is known throughout the world. Dr. Blackwell has spent his career traveling extensively as a lecturer, teacher, and guest speaker. He has been featured in some of the country's most prestigious and life-changing spiritual conferences, sharing his knowledge and faith to help bring positive change to the lives of thousands.

Dr. Blackwell has had a very distinguished and proud career. After graduating with a Bachelors Degree in Music Education from the Conservatory of Music at Baldwin Wallace College in Berea, Ohio, Dr. Blackwell went on to teach for four years in the Cleveland Public School System. There, he received numerous awards for his service, including being honored as one of Cleveland's finest teachers. Dr. Blackwell has also received his Masters and Doctor Degrees of Biblical Studies from Christian Leadership University in Elma, New York, as well as a Doctor of Ministry from Vision Christian College in Romona, California.

Dr. Blackwell faithfully served fifteen years as Vice President of the International Congress of Local Churches, and most recently held seminars on the Biblical application of money and on the Black believer.

Mr. Speaker, of Dr. Blackwell's numerous outstanding accomplishments I would like to specially honor the ten year anniversary of Dr. Blackwell's founding of the Mega Church in Cleveland, Ohio. The Mega Church has been among the national leaders in the area of racial reconciliation, demonstrating the ability of using faith to bring people of different races and cultures together.

Dr. Blackwell represents the very best of Cleveland, and his long and very distinguished career deserves the highest of praise.

Mr. Speaker, I ask my colleagues to join me in rising to honor this truly remarkable man, and his half century of service to his fellow man. Dubbed the pastor's pastor, Dr. Blackwell is a man of the highest standing and an example for all to follow.

ARRIVAL IN U.S. OF TAIWANESE PRESIDENT CHEN SHUI-BIAN

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. LANTOS. Mr. Speaker, as Republic of China President Chen Shui-bian reaches his first anniversary in office, I would like to commend him for his successful leadership and steadiness of purpose. President Chen has expertly handled cross-strait relations due in part to his emphasis on the formation of mutual trust between Taipei and Beijing through economic and cultural integration. President Chen recently expressed his vision for a lasting peace with the mainland by noting the importance of ensuring channels of communication. "I understand that only through resumption of constructive cross-strait dialogue and normalization of bilateral relations can permanent regional peace be ensured."

President Chen's leadership within the Republic of China exemplifies a record of which he should be proud. He presides over a democracy characterized by free and fair elections, a free press, and an unquestioned respect for human rights and the rule of law. Yet President Chen's capacity to guide economic success is as strong as his commitment to democratic values. The 5.25% growth forecast for the ROC economy in 2001 is higher than that of the U.S., Japan, Germany, or the U.K., and the ROC enjoys a lower level of unemployment than each one of the aforementioned economic powerhouses.

I am delighted that President Chen will have the opportunity to make two transit stops in the U.S. and to meet with Members of Congress during his upcoming visit to the Americas. Secretary Powell's spokesperson noted that such meetings "would be a good thing," and I could not agree more. This will be an important visit for President Chen and for the U.S.—the first time a Taiwanese leader has been permitted to stopover in New York. I hope President Chen's transit visit brings fruitful discussions with my colleagues as well as a chance to enjoy the Texas steakhouse, baseball game, and New York museum on his agenda. Most importantly, I hope President Chen's transit visit signals the strong ties and friendship between the U.S. and the Republic of China.

INTRODUCTION OF MAERSK McKINNEY MOLLER

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. YOUNG of Alaska. Mr. Speaker, I rise today to acknowledge a great leader in the maritime community, Maersk McKinney Moller, owner of the A.P. Moller Group—a global transportation provider whose fleet of ships make it the world's largest shipping company and also the largest U.S.-flag carrier. When Germany invaded Denmark in 1940, the company's fleet numbered 46 ships and many of those vessels were used by the United States and its allies during WWII. Maersk Moller and his wife spent the war years in the United States. After almost eight years in America, Maersk Moller and his father faced the daunting challenge of rebuilding their company. A number of ships were purchased from the United States government and slowly the company was rebuilt. A.P. Moller has made significant contributions to the U.S. economy over the years. The company's United States headquarters was founded in 1943, and in 1947 a notable affiliate—Maersk Line, Limited—was chartered in Delaware. Today Maersk has 10 United States corporate entities devoted to terminal operations, trucking, rail transportation, and third party logistics and it generates employment for approximately 9000 Americans. Maersk serves more than 30,000 U.S. exporters and importers dedicated to international trade. Today A.P. Moller is the largest carrier in the world. It operates approximately 250 ships including container vessels, tankers, bulk carriers, supply ships, car carriers, and drilling rigs. 53 of these ships fly the Stars and Stripes and are owned, operated or chartered by Maersk Line, Limited. It is the largest U.S. flag carriers serving the foreign trades of the United States. Allow me to recognize some other important contributions. Maersk Line, Limited ships were the first vessels to arrive in Desert Storm and off-load critically needed Marine Corps supplies and equipment. Space on Maersk commercial ships was provided free of charge to the U.S. government so we could load much needed supplies for our troops during the sustainment phase of the operation. Prior to Desert Storm, Maersk Line, Limited obtained a secret clearance ftom the Department of Defense and now has a top-secret clearance to operate ships for the U.S. Navy. This important mission and valuable program continues today.

Mr. Speaker, I am very interested in strengthening a cost effective U.S.-flag fleet that is dedicated to the foreign commerce of the United States. The Maritime Security Program (MSP) will soon have to be reauthorized for our nation to maintain a U.S.-flag presence. It is important to recognize that during a contingency, companies participating in MSP like Maersk Line, Limited are contractually obligated to the statutorily mandated Voluntary Intennodal Sealift Agreement (VISA). Combined, Maersk and other U.S. vessels provide the intennodal infrastructure that includes terminal, truck, rail and sealift capacity the Department of Defense (DOD) would rely on to lift critically important military equipment during a conflict. Without the MSP it would cost the taxpayers billions of dollars in DOD spending to replicate what MSP carriers, like Maersk, provide. A strong, competitive commercial U.S.-flag presence in international trade is therefore vitally important. It is important we recognize that in order to maintain a strong, reliable and available fleet of MSP vessels the program must understand and meet carrier operating costs. It should be indexed to keep abreast of inflation and we should make sure that MSP benefits flow to the U.S. corporate citizen providing VISA assets to our military. I look forward to working with my colleagues and improving the Maritime Security Program. Mr. Speaker, Maersk Line, Limited plays a critical role in both the national security interest of the United States and the transportation of goods in and out of the U.S. I am proud to recognize Maersk Mc-Kinney Moller for the services his company provides and for his dedicated leadership in the maritime arena. He is a true friend of the United States of America.

EIGHTIETH ANNIVERSARY OF THE BIRTHDAY OF DR. ANDREI SAKHAROV

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. SMITH of New Jersey. Mr. Speaker, today I would like to call to the attention of my colleagues the 80th anniversary of the birth of the late Dr. Andrei Dmitrievich Sakharov, one of the truly great figures in the struggle for human rights in the 20th century. On May 21 of this year, Dr. Sakharov would have celebrated his 80th birthday.

A brilliant physicist, Dr. Andrei Sakharov enjoyed the respect of his colleagues and the material privileges provided by Soviet officialdom for his work in helping to develop the Soviet atomic bomb. He could easily have continued to enjoy his elevated status in Soviet society, but his conscience would not permit it. He became deeply convinced that the arms race was pointless and a threat to mankind. When he protested privately to Soviet authorities, he was ignored. In 1968, Dr. Sakharov circulated his groundbreaking essay entitled, "Thoughts on Progress, Peaceful Co-Existence and Intellectual Freedom," in which he drew the connection between human rights and international security. For this challenge to the system, he was barred from military research, and when he continued to protest, he was fired from his work. In 1975, Dr. Sakharov was awarded the Nobel Peace Prize, but Soviet authorities would not allow him to travel to Oslo to receive the award. In January 1980, without any legal procedure, let alone a trial, Dr. Sakharov was picked up on the streets of Moscow by KGB agents and spirited off to exile in the city of Gorky.

At the same time, the Kremlin, under the leadership of former KGB chairman Yuri Andropov, launched a crackdown on Soviet dissidents. In 1984, Dr. Sakharov's wife, Dr. Elena Bonner, was convicted of "defaming the Soviet political and social system" and sentenced to join him in exile.

Even in these dark hours, Dr. Sakharov, continued to speak out against the war being carried out by Soviet forces in Afghanistan, to defend persecuted human rights activists in the Soviet Union and Eastern Europe, and to address vital issues of disarmament and peace. On three occasions, Dr. Sakharov went on a hunger strike to protest the mistreatment of his friends and colleagues in the human rights movement. During his confinement, his notes and his manuscripts were stolen from him by KGB thugs. President Reagan declared his sixtieth birthday, May 21, 1980, "Andrei Salcharov Day."

In December 1986, Soviet leader Mikhail Gorbachev lifted Dr. Sakharov's exile and "invited" him to return to Moscow. In 1989, Dr. Salcharov was elected to the Congress of People Deputies, an organization that had previously been the rubber stamp legislature for the Soviet Union. In the short time that he served, Dr. Sakharov joined a handful of other elected leaders to press for real reforms in the Soviet Union. On December 14, 1989, the world was sadden to learn of this great man's death.

In its coverage of "the 100 Most Important People of the 20th Century," Time magazine noted that, "By the time of his death in 1989, this humble physicist had influenced the spread of democratic ideals throughout the communist world. His moral challenge to tyranny, his faith in the individual and the power of reason, his courage in the face of denunciation and, finally, house arrest—made him a hero to ordinary citizens everywhere."

Although Andrei Sakharov has passed on and the Soviet Union is no more, the issues that he and his colleagues confronted still challenge us today. "Small wars," like the bloody conflict in Chechnya, have replaced the big Cold War. Human rights continue to be violated. Arms control and security issues are high on the agenda.

Several years ago, Dr. Bonner bequeathed Dr. Sakharov's papers to an American university bearing the name of one of our country's greatest jurists—Justice Louis Brandeis. This is a priceless gift not only to Brandeis, but to our entire nation. A generation of young people who have grown up since the fall of the Soviet Union, will be able to study Dr. Sakharov's writings on civic responsibility, non-violence, ethnic and religious intolerance, and other aspects of human rights and what we now call the human dimension.

Mr. Speaker, on this, the eightieth anniversary of the birth of Andrei Sakharov, I urge Americans young and old to acquaint themselves with Dr. Sakharov's struggle for peace and human dignity, and to support educational efforts such as the Sakharov archive at Brandeis to preserve the legacy of an intellectual and humanitarian giant of the 20th century.

THE VIETNAMESE COMMUNISTS ARREST FATHER NGUYEN VAN, A NEW ROUND OF RELIGIOUS PERSECUTION IN VIETNAM

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. ROHRABACHER. Mr. Speaker, this morning, Vietnamese communist authorities arrested a highly respected Catholic priest Father Nguyen Van Ly, a former Amnesty International "prisoner of conscience," accusing him of fomenting unrest against the government. Father Ly was detained in his parish of Phu An, near Hue, under a criminal law for failing to obey surveillance rules and agitating followers to cause public disorder.

"He was arrested for spreading propaganda against the government," said a spokesman for the secret police of Phu An commune. The propaganda charges Ly faces carry penalties of 10 to 12 years in prison. A longtime critic of the government, Ly has previously spent nearly 10 years in prison.

On Wednesday, Ly led a religious service of about 150 people in which police said he distributed leaflets. The government said the leaflets were anti-communist. Ly, 54, had previously been under heavy police surveillance and in March was denounced by official media as a "traitor" for urging the United States to link religious freedom to ratification of a bilateral trade agreement with Vietnam. "(Ly) continued to carry out behavior that affected public security and obstructed production and normal life of the people," the spokesman said.

Father Ly's arrest came amid growing criticism of Hanoi for persecution of religious groups—Christians, Buddhists and, Cao Dai. Ly's detention coincided with a report that a dissident Buddhist leader, Thich Quang Do, was summoned for questioning in Ho Chi Minh City. The Paris-based International Buddhist Information Bureau said that 73-year-old Thich Quang Do received a summons demanding he appear before a Communist kangaroo court tomorrow to explain "a number of wrongful acts" he has recently committed." The move could be related to Do's recent letter to the Vietnamese leadership in which he called for the release of another dissident monk, the group said. Do is the second-highest monk in the banned Unified Buddhist Church of Vietnam. The movement's patriarch, Thich Huyen Quang, 83, has been imprisoned for 19 years.

Mr. Speaker, the Hanoi regime insists it grants full religious freedom to its citizens. This is a blatant lie. Given the simultaneous mass persecution of our former allies, the Montagnard tribes people in Vietnam's Central Highlands, this body should link an end to religious and ethnic persecution to the ratification of the bilateral trade agreement between the United States and Vietnam. I also call on the United States embassy in Hanoi to aggressively make every possible effort to demand the release of Father Ly and an end to religious persecution and rampant human rights abuses in Vietnam.

NATIONAL BIOTECHNOLOGY WEEK

HON. DARRELL E. ISSA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. ISSA. Mr. Speaker, I rise today, during National Biotechnology Week, to commend the biotechnology community for its many contributions to science, healthcare, and technology.

Biotechnology has contributed enormously to the success of the United States as the global leader in research and international commerce. It will unquestionably be an important vehicle for high-tech job creation throughout the 21st century.

Today, biotechnology is widely used in many fields, including agriculture, food processing, and energy production. It has been largely responsible for improving quality of life all around the globe through its utilization in water quality protection, conservation of topsoil, and improvement of waste management techniques. Through its many innovations in pharmaceuticals from penicillin to AIDS drugs, biotechnology has paved the way for finding cures to many of the world's devastating diseases.

Mr. Speaker, I commend and thank the biotechnology community for its many contributions to our nation and the world.

TRIBUTE TO WILLIAM RECHLIN

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. LEVIN. Mr. Speaker, I rise to recognize Mr. William Rechlin upon his retirement from his position of City Manager of Berkley, Michigan.

Mr. Rechlin has been a public servant in Michigan for the past four decades. Beginning as a police officer in Dearborn in 1958, he then served as lieutenant, sergeant and police chief of Westland.

Mr. Rechlin came to Berkley after his Westland service, and assumed the position of Director of Public Safety. After ten years, he was named City Manager, a position he held for four and one-half years. William is highly respected throughout law enforcement and by his peers as a City Manager.

Throughout his career, Bill has been an effective worker, diligent, caring, and a man "in charge." Mayor John Mark Mooney said, "Rechlin has filled the job so thoroughly the last four years, it will be difficult to choose a replacement."

Mr. Speaker, I have enjoyed my many opportunities to work with Bill Rechlin, a truly fine gentleman and a consummate professional. I ask my colleagues to join me in wishing William Rechlin a happy and healthy retirement. He will be missed.

KEEPING OUR PROMISE TO SPECIAL EDUCATION ACT OF 2001

HON. ROB SIMMONS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. SIMMONS. Mr. Speaker, I rise today to introduce legislation to fully fund the Individuals with Disabilities Education Act, or IDEA.

Improving special education is on the minds of millions of Americans. Our Governors, school boards, education professionals, and families of children with disabilities identify full funding for special education as their number-one priority.

The nearly six-and-a-half million students with disabilities have a right to a free and appropriate public education. They deserve to participate in the American dream.

Today this Congress has an opportunity to help these students fulfill that dream. I am pleased to introduce the "Keeping Our Promise to Special Education Act of 2001" to provide for mandatory increases in special education funding each of the next ten years. My effort sets the course to achieve full funding for Part B of IDEA by fiscal year 2011.

The enactment of this bill will give relief to school districts, resources to teachers, hope to parents, and opportunities to children with disabilities. It will free up State and local funds to be spent on such things as better pay for teachers, more professional development, richer and more diverse curricula, smaller class sizes, making needed renovations to buildings, and addressing other needs of individual schools. To me, fully funding IDEA will provide the ultimate in local educational flexibility.

I am proud to say that the Keeping Our Promise to Special Education Act has received the support of the National Education Association, the Connecticut Association of Public School Superintendents and the Connecticut Association of Boards of Education, Incorporated.

Mr. Speaker, twenty-six years ago, Congress made a commitment to fully fund the Federal Government's share of special education costs. If in this era of economic prosperity and unprecedented budgetary surpluses we cannot meet this commitment, when will we keep this pledge?

School districts in the Second District of Connecticut and other congressional districts are demanding financial relief. Children's needs must be met. Parents expect accountability. There is no better way to touch a school, help a child, or support a family than to commit more spending for special education.

It is time to fulfill our promise. I urge my colleagues to cosponsor the Keeping Our Promise to Special Education Act.

CONGRATULATION ON TAIWAN PRESIDENT CHEN SHUI-BIAN'S FIRST ANNIVERSARY IN OFFICE

HON. GARY G. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. GARY G. MILLER of California. Mr. Speaker, the people in the Republic of China on Taiwan will be celebrating President Chen Shui-bian's first anniversary in office on May 20, 2001.

President Chen Shui-bian won his presidential election last year and in the last 12 months, he has shown the world his steady leadership at home and abroad. He has continued the social and economic programs of his predecessor and convinced the world of his intention to seek better relations with the Chinese mainland and maintain good relations with allies and friends abroad. He has done an excellent job for the people of Taiwan.

Taiwan has become one of our nation's largest trading partners and continues to grow in that capacity to the benefit of both the people of the United States of America and Taiwan. Trade between the United States and Taiwan totaled $64.9 billion in 2000, up 19.4 percent from 1999. Last year, Taiwan's imports from the United States grew by 27.4 percent to $24.2 billion. It is hard to believe that just fifty years ago, the per capita GNP in Taiwan was $150. Today, Taiwan is the world's 17th largest economy and Taiwan's vigorous trade with foreign countries has given the people of Taiwan a much higher standard of living. The great strides Taiwan has made economically are an admirable tribute to Taiwanese people and their democratic leaders. I particularly thank President Chen Shui-bian in continuing to lead Taiwan in that tradition.

On his first anniversary in office, I wish President Chen Shui-bian every success in leading his country and his people to ever greater economic heights at home and international recognition abroad. Also, I am delighted to see that as he travels to Central America this month, he will be making a transit stop in New York City. I welcome President Chen to the United States and wish him the best in leading Taiwan in continued prosperity.

IN HONOR OF JAMES LARGE, JR.

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. ENGEL. Mr. Speaker, I rise today to honor James Large Jr., who has served as Acting President of the Wildlife Conservation Society and distinguished himself as a virtuous leader in business and philanthropy and, most importantly, as a citizen dedicated to conserving the natural heritage of his local as well as global communities.

For more than a year, and, for what was offered as a temporary and part-time assignment, James Large has devoted 12-hour work days, restless nights, early mornings along with the whole of his intellect, heart and spirit to leading the Wildlife Conservation Society into the 21st century, Under his stewardship, the Wildlife Conservation Society's celebrated wildlife parks inspired more than 4.5 million visitors to care about wildlife and wild lands and to participate in their conservation, managed field projects in living landscapes around the world, and developed award-winning environmental education programs for schools across the United States and abroad.

Jim's role as Acting President will soon be coming to an end. I congratulate him on a job well done, and wish him and his wife, Carol, well on the journey that lies ahead. He will no doubt continue to serve his community with diligence, honesty and devotion and remain steadfast to his commitment to conserve the beauty, bounty, and wonder of nature.

RAILROAD HEROES

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. OXLEY. Mr. Speaker, on behalf of my constituents in the Fourth Congressional District, I want to honor the heroes who stopped the runaway train in northwestern Ohio on Tuesday.

The entire nation saw the courage of Jon Hosfeld, Jess Knowlton, and Terry Forson as they slowed and then stopped a 47-car train whose cargo included a dangerous chemical.

This train, which got loose near Toledo, traveled unmanned through communities at speeds approaching 46 miles an hour.

The television images of how the train was finally stopped riveted a nation. Knowlton and Forson maneuvered a second locomotive and coupled up with the runaway train, bringing it down to a speed that allowed Jon Hosfeld to leap on and finally bring this drama to an end.

Jumping onto a moving train is something you only see in the movies. But we witnessed every bit of the trainmaster's 31 years of experience with CSX as he surmounted the risk. Amazingly, what we later learned is that Hosfeld, who lives in my hometown of Findlay, had been in a car pursuing the train nearly from the start. Jon Hosfeld's moment to be a hero had arrived.

I salute Jon Hosfeld, Jess Knowlton, Terry Forson and the other skilled railroad workers who responded so nobly and professionally. Thanks to them, what could have been a disaster was averted. I also commend the law enforcement and emergency management teams along the line who secured rail crossings and kept citizens away from harm.

While it appears that this incident began as a result of a human error—an error, it seems now, the first engineer tried to correct by vainly trying to climb onto a moving train—what we saw unfold during a dramatic afternoon in Ohio was a testament to professional skill and personal courage. Jon Hosfeld, the feat that you and your colleagues performed will go down in railroad lore.

TRIBUTE TO MARY BETH CAROZZA

HON. DAVID L. HOBSON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. HOBSON. Mr. Speaker, I rise today to pay tribute to an outstanding person whom it has been my privilege to know and work with for more than 10 years.

Mary Beth Carozza has been my Chief of Staff since I became a Member of Congress in 1990. I knew that to have a successful Congressional office I would have to have someone serving as my Chief of Staff who could get the things done that I might tend to overlook, and who had strengths in areas where I sometimes needed assistance. I never have regretted my decision to make Mary Beth my top aide, and I fully realize the deep impact her experienced leadership has had in helping me try to meet the expectations of my constituents as a member of this distinguished body.

Before coming to work for me, Mary Beth worked for then Senator William Cohen and served as the press secretary for then Congressman Mike DeWine. My first personal involvement with her came during an event at a dairy farm in my district, when I was directly told by a young woman with a commanding voice to move quickly over to a group of Ohio State legislators for a photograph. Little did I realize that same young woman so at ease with giving orders to a State Senator, would soon become the most important member of my team and one of my closest friends.

Mary Beth has been a successful leader not only in the way she has led the staff of Ohio's 7th Congressional District, but in the way she has been successful in helping the Ohio Congressional delegation work together. She has fought very hard on numerous issues, never swayed from her personal convictions, and successfully directed hundreds of important projects that would not have been accomplished without her direct involvement.

Mary Beth shares my belief that the best investment is an investment in good people. She always has been a supportive Chief of Staff, deeply committed to helping staff develop their creative abilities and best use their talents. Her success in this can be seen in our current outstanding office staff, and in the levels of achievement reached by former staff members who have gone on to become leaders in government and the private sector.

While keeping the 7th District Congressional office running smoothly, Mary Beth has also been generous with her time to help new chiefs of staff develop their leadership skills. She has served with distinction as a member and past vice president of the House Administrative Assistants Association which provides management training for Administrative Assistants in conjunction with the Congressional Management Foundation.

As a result of her tireless efforts, Mary Beth has become a trusted and valuable resource for staff and Members of Congress from both sides of the aisle and across the country. Mary Beth has demonstrated time and again the selfless service and dedication to ideals which guide her actions, and reflect positively on all who are around her. She will undoubtedly be a tremendous asset as the new Deputy Assistant Secretary of Defense for House Affairs and I am truly thankful for our time together and what we were able to accomplish.

Mary Beth has achieved a great deal through hard work and determination, but she also knows the value of maintaining close ties with her family. I have had the pleasure of meeting Tony and Mary Pat Carozza on several memorable occasions. They exemplify the traditional values of hard work and integrity, and instilled those same attributes in Mary Beth which have served her well.

As Ohio's Seventh District Representative to the Congress of the United States, I take this opportunity to join with members of my staff, the Ohio Congressional delegation, and the thousands of Ohioans who have benefited from knowing and working with her to honor the efforts and the achievements of Mary Beth Carozza. Her many contributions to the people of Ohio and the U.S. House of Representatives are greatly appreciated by all and I thank her for her service.

SALUTE TO PRESIDENT CHEN SHUI-BIAN

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. JONES of North Carolina. Mr. Speaker, this Sunday, May 20 marks the one-year anniversary of the inauguration of Chen Shui-bian as President of the Republic of China on Taiwan. It was the first peaceful transition of power in Chinese history and a day that will long be remembered by people and nations of the world who believe in and value democracy and all that it stands for.

I honor President Chen for his many accomplishments in leading his country economically and politically. I admire the goals he has set for his government to increase the visibility of Taiwan on the world stage through trade and international organizations. And I applaud his efforts in extending the olive branch of peace across the Taiwan Straight to Mainland China.

In a few short days President Chen will be traveling to Central America and during the course of that trip he will make a brief stop in New York. While his time in New York will be short it will be a major first step toward easing the Clinton Administration restrictions governing the ability of Taiwan leaders to travel freely between the United States and Taiwan.

The United States and Taiwan have arisen from the desire to live freely, born from the hearts of the people who dwell within their borders. President Chen's leadership continues to advance the cause of freedom and democracy so it is with great honor that I salute President Chen Shui-bian and look forward to the continued strengthening of the relationship between the United States of America and the Republic of China on Taiwan.

THE REPUBLIC OF CHINA ON TAIWAN

HON. KEN CALVERT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. CALVERT. Mr. Speaker, on behalf of my constituents, I wish to extend to President Chen Shui-bian of the Republic of China on Taiwan my congratulations on the occasion of his first anniversary in office on May 20, 2001.

In his inaugural address, the president mentioned two key points: his hope that Taiwan and the Chinese mainland could resume their dialogue on reunification and that Taiwan would continue to strengthen its good relationship with the United States.

Twelve months later, while President Chen continues to hope for a breakthrough in Taiwan's evolving relationship with the Chinese mainland, Taiwan's relationship with the United States is certainly becoming ever stronger. Bilateral trade between Taiwan and the United States topped $64.8 billion last year, and Taiwan was the United States' eighth largest trading partner. Last year, nearly 30,000 students from Taiwan were enrolled in United States colleges and universities. And the United States, outside of Asia, is the number one destination for Taiwan travelers. Clearly, Taiwan's people like the United States, as Taiwan and the United States share many values in common such as attachment to freedom, democracy, and human rights.

To President Chen Shui-bian of the Republic of China, I say "Good luck and good fortune. You have done a good job for your country." Last but not least, America welcomes President Chen to make a brief stopover in New York City as he travels to Central America.

TAIWANESE-AMERICAN HERITAGE WEEK

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. ORTIZ. Mr. Speaker, This week Taiwanese Americans all over the nation celebrate "Taiwanese-American Heritage Week." The week of May 13–May 20 honors the diverse contributions of over 500,000 Taiwanese-Americans in the United States. These Americans have contributed significantly to our social fabric, making notable contributions as doctors, scientists, small business professionals, entertainers, human rights activists, public servants and captains of business and industry.

It is important to recognize the achievements of Taiwanese-Americans in the United States. This week also gives us the opportunity to celebrate the success of democracy in Taiwan. Since the lifting of martial law in 1987, Taiwan has made consistent strides toward becoming an open, democratic society where freedoms are respected and the will of the people is observed. To the credit of the many Taiwanese-Americans who fought to bring democratic principles back to the island, Taiwan is now a vibrant democratic member of the international community.

The March 18, 2000, election of opposition leader Chen Shui-bian as president, and Annette Lu as vice-president, represents the crowning achievement of the struggle of the people of Taiwan for full-fledged democracy and freedom. As we all know, in a democracy, it is the elections won by opposition parties that dictate the peaceful nature of the change of power.

While the future of a democratic Taiwan is promising, many challenges remain. Gaining worldwide recognition of the legitimacy of Taiwan's govennnent is paramount. With all that Taiwanese and Taiwanese-Americans have accomplished, there is still much more work to be done before Taiwan's status and global contributions are properly appreciated. We remain confident that Taiwan will meet their challenges and continue to play a productive role in the international community.

Taiwan and the United States share a common commitment to the ideals of democracy, freedom and human rights. The 1979 Taiwan Relations Act, which forms the official basis for friendship and cooperation between the United States and Taiwan provides a strong foundation for the bond between the people of both countries. That bond is made stronger each day by the Taiwanese-American community.

I ask my colleagues to Join me in paying tribute to the Taiwanese-American community for their strength, commitment and contributions during Taiwanese-American Heritage Week.

BUSH ENERGY PLAN

HON. LUCILLE ROYBAL-ALLARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Ms. ROYBAL-ALLARD. Mr. Speaker, President Bush's energy plan fails on several counts, but I am particularly concerned about the fact that it completely ignores the immediate need for a short-term response to the energy crisis that is negatively impacting California.

Businesses are closing, Mr. Speaker, and people are losing their livelihoods and their ability to provide for their families.

For example, L.A. Dye & Print Works Incorporated, one of southern California's largest textile firms employing 700 people, closed its doors at the end of April.

Their natural gas costs had soared from about $120,000 per month to over $600,000 per month—that's 5 times higher than their costs at the start of 2000.

Mr. Speaker, it is important to note that this crisis is not just a California crisis, but one that is spilling over to other western states and to states across this nation.

In spite of this reality, pleas to the Bush Administration and to the Federal Energy Regulatory Commission to implement temporary cost-based pricing, which would stabilize energy prices while still allowing generators and marketers to make a healthy profit, have fallen on deaf ears.

At a time when forecasts predict that prices may hit $3 per gallon in California and New York this summer, the Administration's only solution is to drill for oil in the pristine Arctic National Wildlife Refuge. This approach ignores the fact that drilling in Alaska won't produce a barrel of oil for a decade, when Americans need relief now.

Mr. Speaker, the Administration's plan is also short sighted in that it fails to adequately support other important energy initiatives that would provide our nation with a well-balanced and comprehensive energy plan. This is demonstrated by the Administration's 27% cut in energy efficiency programs and 26% cut in renewable energy programs.

Americans want the President to stop the power generators from raiding their pockets and to stop catering to his friends in the oil industry. Americans need the President to put together a national energy policy plan that addresses both the short- and long-term needs for everyone in this country.

Americans need a plan like the Democratic energy plan, which provides assistance for business and consumers without compromising our nation's fundamental values.

TRANSCRIPT OF THE 48TH ANNUAL NATIONAL PRAYER BREAKFAST

HON. MICHAEL F. DOYLE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. DOYLE. Mr. Speaker, on behalf of the House and Senate Prayer Groups, it was an honor to chair the 48h Annual National Prayer Breakfast held on February 3rd, 2000.

Each year, leaders and guests from across the nation and around the world meet in our capital city to share breakfast and to celebrate a mutual faith in God. We join in respect and love in a remarkable time of fellowship to honor the spiritual principles that are the heritage of our country and the God who has blessed us with them. We meet not as members of different countries and creeds but as children of God to pray for guidance and peace.

Participating in the National Prayer Breakfast has been an honor and a blessing for me. The thoughts and prayers shared at this year's breakfast were of great value to those who attended, and I believe they will be so to many more. I am therefore including the program and transcript to be printed in the RECORD.

The program and transcript follow:

2000 NATIONAL PRAYER BREAKFAST

REP. ZACH WAMP: I am here to greet you in the spirit of Jesus this morning, on behalf of the Prayer Breakfast Group, and to introduce to you Maceo Sloan, the chairman, president, and chief executive officer of the Sloan Financial Group who will offer our pre-breakfast prayer. Please welcome Maceo Sloan.

MR. SLOAN: Good morning. George Washington Carver said, "How far you go in life depends on your being tender with the young, compassionate with the aged, sympathetic with the striving and tolerant of the weak and the strong, because some day in life you will have been all of these." We must remember that our nation will not be judged by how prosperous we were or how innovative we were in business, but with how we assisted those most in need of a fair chance and opportunity. We must further realize that America's success is predicated on these values, and that we violate those principles if we do not reach back and embrace those Americans who have not had an opportunity nor have they benefited from our rising tide, for while a rising tide may rise all boats, it does not help if you do not have a boat. As the Reverend Jesse Jackson has said, "We have removed the ceiling above our dreams. There are no more impossible dreams."

My prayer for America today can be found in part in John, chapter 3, verse 18. Let us pray: Dear children, let us not love with words or tongue, but with actions and in truth. We ask you dear Lord to open our hearts to those who need our guidance, love, compassion and understanding. Lord, we are assembled here today to ask you to strengthen our commitment to love one another. We ask you to heal our nation and direct our path to righteousness. These things we ask in your name. Amen.

REP. WAMP: Thank you, Maceo. Your Congressional hosts have provided for our international guests translation into the following six languages: Chinese, German, Russian, French, Korean, and Spanish. Anyone who desires translation and has not picked up a radio receiver, please raise your hand at this time and an usher will provide you with one. For those who may need to hear the English amplified, it is also available on the radio receivers on Channel 1.

Ladies and gentlemen, if I may have your attention, for all of our enjoyment this morning, it is my privilege to introduce the Bethune-Cookman Concert Chorale. Welcome them.

(Choral Performance.)

SEN. CONNIE MACK: Good morning. My name is Connie Mack, and as the leader of the Senate Prayer Breakfast Group, it is my pleasure to welcome you to this special occasion on behalf of both the United States Senate and the House of Representatives. Members of the Senate and the House want to express a warm welcome to President and Mrs. Clinton. We are deeply honored by your presence. You have been with us every year of your presidency, and again, we are deeply grateful for your presence here with us this morning. (Applause.)

A year ago, I had the pleasure of hearing a choral group from Bethune-Cookman College, located in Daytona, Florida, sing at the inauguration of Governor Jeb Bush. I was so moved by their performance, I invited them to sing here at the breakfast this morning. (Applause.) They are going to perform again for us, The Battle Hymn of the Republic.

(Choral Performance.)

SEN. MACK: Again, I want to thank the Bethune-Cookman Concert Chorale. You have truly touched our souls and moved our hearts this morning. Thank you for getting us off to a great start.

At this point I would like to call General Joseph Ralston, United States Air Force and Vice Chairman of the Joint Chiefs of Staff, to offer the opening prayer.

GEN. RALSTON: Let us pray: Dear God, on this day of prayer, we join together in thanksgiving for the many blessings you share with us. We thank you for a land of abundant treasures, a people of limitless talents, and a nation of priceless freedoms, including freedom of religion. We ask that you grant us the wisdom, courage and strength to be faithful stewards of this trust so that future generations may benefit as we have from your bountiful gifts.

We are blessed today because we are joined by so many people, from so many nations, so many cultures, and so many religions who share in the unifying power of prayer. We ask that you enlighten all of us that we may find the path to peace and freedom, and that we all may come to embrace our similarities and resolve our differences.

We especially ask that you extend your guidance to those who have been chosen to lead your people throughout the world. Please give them the discernment of mind, heart and spirit to be benevolent and just in all they do.

Dear God, though we are of many faiths, we have one prayer in common, that you would use each of us as instruments of your peace, that we may ease the burdens of those less fortunate.

We ask this in your name. Amen.

SEN. MACK: I would ask you, if you have not already had breakfast to go ahead and eat your breakfast. Normally we have a 20 to 25 minute period for breakfast, but we have an extended program this morning and we want to get you out on time, so this is going to be an abbreviated period of about five minutes. I will be back with you in a moment.

(Breakfast)

SEN. MACK: The first prayer breakfast took place in 1953 during the administration of President Dwight David Eisenhower, and every president since President Eisenhower has been very supportive and involved in this annual event. This is a moment in time when members of Congress, the President and other national leaders and leaders and heads of countries from around the world come together in one gathering to reaffirm our trust in God and recognize the reconciling power of prayer. Although we face tremendous challenges each day in our lives, our hearts can be strengthened both individually and collectively as we seek God's wisdom and guidance together.

As I have traveled around the world, I have been blessed with the opportunity to meet with the leaders of government, business, education and clergy in the spirit of the teachings of Jesus of Nazareth. We gather in small groups representing all religions, political, cultural and economic backgrounds. We gather in the spirit of brotherhood, in the spirit of love, and in the love of God. We are gathered here this morning in that spirit, in the presence of our God. We are reminded to live each day sharing with each other, our families, our friends, and yes, even our adversaries, the peace and joy which comes from following the teachings of Jesus, teachings which speak to us of the importance of love, of hope, of peace, of joy. But the most important of these is love. In these moments we affirm who we are and why God has called us to be servant leaders in such a time as this. Once again, we join with our founders in committing our lives to God, as sovereign of our lives, and our country, and our world.

At this time, I would like to introduce the folks seated at the head table. Starting on your left and my far right—and I know that probably bothers him a little bit to be referred to as "to my far right"—my cousin, Federal Appellate Judge Richard Arnold. General Joseph Ralston, who you heard from a moment ago. Mrs. Ralston. Hadassah Lieberman, wife of Senator Joe Lieberman. Senator Joe Lieberman. My partner in life, Priscilla Mack. The First Lady, Hillary Rodham Clinton. The President of the United States, the Honorable William Jefferson Clinton. Speaker of the House, the Honorable Dennis Hastert. The Representative of the Vatican to the United States, the Apostolic Nuncio, the Very Reverend Gabriel Montalvo. Congressman from Pennsylvania, the Honorable Mike Doyle. Ms. Amy Grant. Mrs. Joseph Gildenhorn, wife of Ambassador Gildenhorn. The former Ambassador to Switzerland, the Honorable Joseph Gildenhorn. Reverend Franklin Graham. And a young lady I was worried about for a few minutes, but she is here with us now, Erin Hughes. Mr. Maceo Sloan, who you heard from earlier this morning.

It is my privilege at this time to introduce to you the Honorable Mike Doyle, Congressman from Pennsylvania, who is the leader of the House Prayer Breakfast Group. Mike will speak on behalf of the House and the Senate Prayer Breakfast Groups.

REP. DOYLE: Thank you very much, Senator. I feel a little vertically challenged this morning. I'm going to stand up a little bit to see you. How's that, huh? (Laughter and applause.) It's not easy being short.

It is a real honor to be here this morning. Mr. President, Mrs. Clinton, Mr. Speaker, His Excellency, distinguished guests one and all, fellow sinners—have I left anyone out? (Laughter.) I want you to know it is my distinct pleasure to bring you greetings from the United States House of Representatives. I want to especially welcome our international guests, people who have traveled thousands of miles to be here with us today. Welcome. We are glad you are here.

My job this morning is to tell you a little bit about our Prayer Breakfast here in the nation's capital. Every Thursday morning we gather in the Capitol, approximately 50 or 60 members of the House, Republicans and Democrats, all religious faiths, every background, from every part of the country, and it is members only, with a few rare exceptions. The amazing thing is that what is said in that room stays in that room. That is probably unique in all of Washington, D.C.

We have breakfast together, we hear a Scripture reading, and we try to sing. We sing a hymn each morning, and some days are better than others. Then we get a member to come up and share a little bit about their life—their political journey, how they got here to Washington, D.C., their family, and most importantly, their spiritual journey. I can tell you that we learn more about a member of Congress from those 30 minutes when that member shares, than from any other activity that takes place on the House floor.

It truly is an amazing event to watch people who you see for the first time. You think, "I don't really have much in common with that person, or I might not particularly like that person." Then they share their heart and tell their story and you get to see what is really inside a person. You realize that although there are so many things that separate us and there are so many differences, there is so much more that bring us together. It is in the spirit of Jesus Christ that we meet, that people open up their hearts and you get to see what is inside. It changes how you feel about people, and it changes your own life.

There is a verse in the Bible that says, "Fix your eyes not on what is seen, but on that which is unseen, for what is seen is temporary, but that which is unseen is eternal." I just want to take one moment to tell you how that verse changed my life and to challenge everybody in this room to take that verse and change someone else's life with it too.

When I got to Congress in 1994, it took me about a week to realize that one of the first things you do is try to get your committee assignments. I learned right away I was not going to be sitting on the Appropriations Committee or the Ways and Means Committee as a freshman, and decided I wanted to be on the Veterans Affairs Committee because we have a lot of veterans back in Pittsburgh, Pennsylvania. I got on this committee, and the chairman at that time was a gentleman by the name of Sonny Montgomery. There was a subcommittee I wanted to serve on, the Hospital Subcommittee, but that subcommittee was pretty full. There was only one slot open and I did not have the seniority to get on the committee. I saw Sonny in the gym and I told him how much I wanted to serve on that committee, that my father was a 100 percent service-connected disabled veteran, that what the VA hospitals did for my family meant a lot to me and I would like to be able to serve on that committee. Sonny told me there were no slots on that committee.

The morning we got to the committee meeting to draw the committee assignments, I was told that I had a slot on that subcommittee because Sonny Montgomery had stepped off that committee as the chairman so that I could be on the committee. He traded something that was seen for something that was not seen. I did not know what that second half was, but that week I saw Sonny in the gym, and he asked me if I would come to the prayer breakfast that met on Thursday mornings in the House. I had never heard of it before and probably would have never attended. But because Sonny did that for me, and he did not even know me, I thought it was just a wonderful gesture on his part. I said, "Sure, I'll come to the prayer breakfast."

And that is how I was first acquainted with the prayer breakfast. Here I am, six years later, having the privilege to serve as President of the House Prayer Breakfast. That single act changed my life down here in Washington, D.C., because somebody took something that was seen and traded it for something much more powerful, that which is unseen.

I know Sonny is here. I see him sitting right there at the first table. Sonny Montgomery, thank you for helping to change my life.

Ladies and gentlemen, that is my message today. Think about that when you go home. What is seen is just so temporary, but the unseen things in life, love, are the really powerful things in your life. Touch someone else's heart when you go home today. Trade something seen for something unseen, and you will change people's lives.

God bless you all.

SEN. MACK: Mike, thank you for that story and for helping us interpret the meaning of the Scripture that you read. Thank you again very much for that personal story.

We will now hear a reading from the Old Testament by the Honorable Joseph Gildenhorn, former Ambassador to Switzerland, a man who has been involved with this gathering for many years.

AMB. GILDENHORN: Thank you, Senator. As we start the new millennium, our hope, desire and prayer is to promote peace throughout the world. Our country's divine mission is to help find solutions to problems facing nations both in distress and in turmoil. To me, this is America's noblest calling, to be a strong and trusted peacemaker and peacekeeper wherever conflicts occur. We pray that we are successful in meeting this awesome responsibility, not only for ourselves but for our fellow man. I believe that the unqualified acceptance by our country to play a major leadership role in seeking universal peace poignantly demonstrates the greatness of America as we look to the future.

I have chosen a passage from the book of Micah, chapter 4, verses 1–5, which I believe is relevant to this message. It reads: "But in the last days it shall come to pass that the mountain of the house of the Lord shall be established in the top of the mountain, and shall be exalted above the hills, and people shall go unto it. And many nations shall come and say, Come, let us go up to the mountain of the Lord, to the house of the God of Jacob; that he may teach us his ways and we may walk in his paths. For out of Zion shall go forth the law, and the word of the Lord from Jerusalem. He shall judge between many peoples and shall decide for strong nations afar off, and they shall beat swords into plowshares and their papers into pruning hooks. Nations shall not lift up sword against nation. Neither shall they learn war anymore. But they shall sit, every man under his vine and under his fig tree, and none shall make them afraid, for the mouth of the Lord of Hosts hath spoken it. For all people will walk, everyone in the name of his god, and we will walk in the name of the Lord our God forever and ever."

SEN. MACK: Thank you, Mr. Ambassador.

The music of Amy Grant has touched the lives of people throughout the world. She has toured extensively, spreading a message of hope and love, and her faith has been the driving force of what she has done in the past 20 years. I am pleased to have Amy with us this morning, singing the beautiful "El-Shaddai."

(Amy Grant performs.)

SEN. MACK: Amy, once again you have reminded us that music truly is the voice of the soul. Thank you very much for that beautiful song.

It is now a special pleasure and a delight, frankly, to introduce a gentleman from Arkansas, of whom I am very proud. He is my cousin, Richard Arnold, and he is a federal judge with the 8th Circuit Court of Appeals. Richard will read a Scripture reading from the New Testament.

JUDGE ARNOLD: Thank you, Mr. Chairman. This is a reading from the Holy Gospel according to Matthew: The Kingdom of Heaven is like treasure hidden in a field, which someone has found. He hides it again, goes off in his joy, sells everything he owns and buys the field. Again, the Kingdom of Heaven is like a merchant looking for fine pearls. When he finds one of great value, he goes and sells everything he owns and buys it. Again, the Kingdom of Heaven is like a drag net that is cast into the sea and brings in a haul of all kinds of fish. When it is full, the fishermen haul it ashore. Then sitting down, they collect the good ones in baskets and throw away those that are of no use. "Have you understood all this?" He said. They said, "Yes." And He said to them, "Well, then, every scribe who becomes a disciple of the Kingdom of Heaven is like a householder who brings out from his store room new things as well as old."

SEN. MACK: Thank you, Richard.

Last year we had a conversation with the Vatican about the possibility of the Pope coming to this prayer breakfast. However, we were unable to make the arrangements. We do have, however, a very special message personally written by Pope John Paul II, which has been sent to us through the Archbishop Gabriel Montalvo, the Apostolic Nuncio in the United States. It is my pleasure now to introduce the Most Reverend Gabriel Montalvo, who will bring to us the special message from the Pope.

ARCHBISHOP MONTALVO: To the distinguished participants in the 48th National Prayer Breakfast. "Christ yesterday and today, the beginning and the end, Alpha and Omega; all time belongs to him and all the ages. To Him be glory and power through every age, forever. Amen"

With this ancient invocation to the Lord of History, I greet all of you and thank you for the gracious invitation extended to me through Senator Connie Mack, to address the 48th National Prayer Breakfast sponsored by the Congress of the United States. Although it is not possible for me to be present in person, I am grateful for this opportunity to share some thoughts with you through my representative in the United States, Archbishop Gabriel Montalvo.

We are now at the dawn of the new millennium, when followers of Christ throughout the world are celebrating the Great Jubilee of the year 2000, the 2000th anniversary of Christ's taking flesh and dwelling among us, the central event of history and the key to the meaning of human existence.

The beginning of the millennium evokes reflection on the passage of time, especially when we are convinced that humanity is at the crossroads and must make important decisions regarding the epoch that is opening up before us. This is a time to reaffirm our belief that the God who created the universe and fashioned human beings in his own image and likeness continues to guide and sustain human history. The Great Jubilee of the Year 2000 obliges us followers of Christ to renew our faith in Christ, the key, the center and the goal of all history, the new Adam who reveals man to himself, unlocks the mystery of his origin and goal, and sheds light on the path that leads to humanity's true destiny.

This great vision of faith has an authentic public dimension: for the deeper understanding of the truth about human nature and human fulfillment, given to us by faith, naturally inspires efforts to build a better and more humane world. The century that just ended has shown clearly that immense suffering results when economic and political systems do not respect the full truth about man, his spiritual nature and his quest for the transcendental in his search for truth and freedom.

This great project—the building of our world more worthy of the human person and our society, which can foster a renaissance of the human spirit—calls also for that sense of moral responsibility which flows from commitment to truth: "walking the path of truth," as the Apostle John puts it. And such a moral responsibility, by its very nature, cannot be reduced to a purely private matter. The light of Christ should illumine every thought, word and action. There is no area of personal or social life, which is not meant to penetrate, enliven and make fruitful. The spread of a purely utilitarian approach to the great moral issues of public life points to the urgent need for a rigorous and reasonable public discourse about the moral norms that are the foundation of any just society. A living relationship with the truth, Scripture teaches, is the very source and condition of authentic and lasting freedom.

Your nation was built as an experiment in ordered freedom, an experiment in which the exercise of individual freedom would contribute to the common good. The American separation of Church and State as institutions was accomplished from the beginning of your republic by the conviction that strong religious faith, and the public expression of religious faith, and the public expression of religiously informed judgments, contribute a significantly to the moral health of the body politic. Within the fabric of your national life, a particular moral authority has been entrusted to you who are invested with political responsibility as representatives of the American people. In the great Western democratic tradition, men and women in political life are servants of the polis in its fullest sense—as a moral and civil commonwealth. They are not mere brokers of power in a political process, taking place in a vacuum, cut off from private and public morality. Leadership in a true democracy involves much more than simply the mastering the techniques of political management: your vocation as representatives calls for vision, wisdom, a spirit of contemplation, and a passion for justice and truth.

Looking back on my own lifetime, I am convinced that the epoch-making changes taking place and the challenges appearing at the dawn of this new millennium call for just such a prophetic function on the part of religious believers in public life. And, may I say, this is particularly true of you who represent the American people, with their rich heritage of commitment to freedom and equality under the law, their spirit of independence and commitment to the common good, their self-reliance and generosity and sharing their God-given gifts. In the century just ended, this heritage became synonymous with freedom itself for people throughout the world, as they sought to cast off the shackles of totalitarianism and to live in freedom. As one who is personally grateful for what America did for the world in the darkest days of the 20th century, allow me to ask: will America continue to inspire people to build a truly better world, a world in which freedom is ordered to truth and goodness; or will America offer the example of pseudo freedom which, detached from the moral norms that give life direction and fruitfulness, turns in practice into a narrow and ultimately inhuman self-enslavement, one which murders people's spirits and dissolves the foundations of social life? These questions pose themselves in a particularly sharp way when we confront the urgent issue of protecting every human being's inalienable right to life from conception until natural death. This is the great civil rights issue of our time, and the world looks to the United States for leadership in cherishing every human life and in providing legal protection for all the members of the human community, but especially those who are weakest and most vulnerable.

For believers who bear political responsibility, our times offer a daunting yet exhilarating challenge. I even go so far as to say that their task is to save democracy from self-destruction. Democracy is our best opportunity to promote the values that will make the world a better place for everyone, but a society that extols individual choice as the ultimate source of truth undermines the very foundations of democracy. If there is no objective moral order that everyone must respect, and if each individual is expected to supply his or her own truth and ethic of life, there remains only the path of contractual mechanisms as the way of organizing our living together in society. In such a society, the strong will prevail and the weak will be swept aside. As we have written, "if there is no ultimate truth to guide and direct political action, then ideas and convictions can easily be manipulated for reasons of power. As history demonstrates, a democracy without values easily turns into open or thinly disguised totalitarianism."

Faith compels followers of Christ in the public arena in your country to promote a new political culture of service, based on the vision of life and civilization that has sustained the American people in their positive character and outlook that has nourished their optimism, their hope, their willingness to be generous in the service of others, and will protect them from the cynicism which dissipates the very energies needed for building the future. Today, this optimism is being tested, but the Gospel of Jesus Christ remains the sturdy foundation of hope for the future.

I am convinced that, precisely at these crossroads in history, Christ's message of truth and justice, and of our universal brotherhood as God's beloved children, has the power to emerge once again as the "good news" for our times, a compelling invitation to real hope. It will do so if the power of God leading to salvation is seen in the transformed lives of those who profess the Gospel as the pole star of their lives and the deepest source of their commitment to others. To build a future of hope is, to use a favorite expression of the late Paul VI, to build a "civilization of love." Love, as Scripture teaches, casts out fear, fear of the future, fear of the other, fear that there is not enough room at the banquet of life for the least of our brothers and sisters. Love does not tear down, but is rather the virtue that builds up. And this is my prayer for you: that as men and women involved in public life, you will truly be builders of a civilization of love, of a society which precisely because it embodies the highest values of truth, justice and freedom for all, is also a sign of the presence of God's kingdom and its peace.

May God grant you peace in your personal lives, in your families, and in the country you are privileged to serve. From the Vatican, January 29, 2000, John Paul II.

SEN. MACK: Your Excellency, the members of the House and the Senate and our guests this morning feel honored and privileged to have received the message from the Pope, and we thank you for delivering it this morning.

At this time, it is my pleasure to introduce to you the Speaker of the House, Mr. Denny Hastert.

REP. HASTERT: Thank you, Senator. Would you please bow your heads and join with me in prayer.

Heavenly Father, in the book of Romans, the Apostle Paul writes that we should offer our bodies as living sacrifices to you. And Paul continues and he says we have different gifts according to the grace given to us. If a man's gift is prophesying, let him use it in proportion to his faith. If it is serving, let him serve. If it is teaching, let him teach. If it is encouraging, let him encourage. If it is contributing to the needs of others, let him give generously. If it is leadership, let him govern diligently. If it is showing mercy, let him do it cheerfully.

Those of us gathered here in your name, Lord, have many different gifts, but we all carry the responsibility of leadership. But our first responsibility, Lord, is to serve you. And let us remember that only through faith in you can we transcend the fears and the doubts that confront us day by day. Through your providence, you have helped place in us these positions where we can do much good. And so we pray to you, Lord, to help us govern diligently, to bless us with the wisdom we need to make the decisions that will best help our nation.

Lord, also help us to remember your goodness and your mercy so that we may show that goodness and mercy to others. And help us to always remember why we have been called into your service and into the service of this nation. Lord, as we walk these paths of responsibility and governance, let us remember that when we are on the high roads, when people are looking up to us, that we continue to look to thee so that we don't trip and fall. Lord, and when we walk the low roads, when it is dark, help us again turn to thee for your faith and your guidance and your love.

We ask this, Lord, in your precious name. Amen.

SEN. MACK: Thank you very much, Mr. Speaker. Our principal speaker today is a very dear friend, the Senator from Connecticut, Senator Joseph Lieberman. I have been privileged in my years in the Senate to have known Joe. He is a participant in our weekly Senate prayer breakfast. Joe and I have worked together in the Senate on a number of issues, and we have traveled together and had great times together. He is truly one of the finest men I have known. And he has sometimes been referred to as the conscience of the Senate. It is a special joy to be able to present to you my friend and colleague, Senator Joe Lieberman.

SEN. LIEBERMAN: Here is evidence of the power of prayer to raise a man up. (Laughter.) Thank you, Connie Mack, my dear friend. You are one of the most thoughtful, decent, loving people that I have ever met or known. You not only give politics a good name, you give humanity a good name. Thank you very much. (Applause.)

Perhaps you can hear—I have been struggling with a cold and a sore throat for the last few days. This brings to mind an incident that happened many years ago when I went to a synagogue in my home city of New Haven. The Rabbi got up at the time for the sermon and he said, "Dear congregants, those of you who have been here for the daily services and those who are here today, can hear that I have a terrible sore throat, and frankly I had decided that I would not give a sermon this morning. But then I thought to myself, why should you derive pleasure from my misery?" (Laughter.) So, with that in mind, I proceed.

Mr. President, Mrs. Clinton, Speaker Hastert, distinguished clergy, particularly here at the head table, Archbishop Montalvo and Reverend Graham, other head table guests, honored guests in the hall, ladies and gentlemen, to each and every one of you, I extend the greeting that the people of Jerusalem in temple times extended to those who came to thank God for his blessings. (In Hebrew.) "Blessed be those who come in the name of the Lord."

Mr. President, Mrs. Clinton, I want to particularly pray for you this morning as we begin a session of Congress and you begin the final year of this extraordinary administration. God has given you gifts that you have used so magnificently in the service of the people of this country, indeed, of the people of the world, literally raising up millions of our fellow citizens and making peace in places where most people thought that was impossible. God has given you many gifts, and this morning I think God particularly for the gift that God has given you, Mr. President, to speak the language of faith as you have at moments of crisis in our history over the last seven years in a way that is powerfully unifying and inclusive. May God bless both of you, not only this year, but as you continue your lives of service in the years ahead. God bless you. (Applause.)

This morning, uniquely in this place, this very temporal city we come together to reach up to the timeless, which brings to mind the story of the man who is blessed to be able to speak with God. And in awe of the Lord's freedom from human constraints of time and space asks respectfully, "Lord, help me understand—what is a second of time like to you?" And God answers, "A second, my son, to me is like a thousand years." The man then asks, "Then Lord, help me to understand in my own mundane way—what is a penny like to you?" "To me," the Lord declares, "A penny is like a million dollars." The man pauses, thinks for a moment, and then asks, "Lord, would you give me a penny?" And God answers, "I will, in a second." (Laughter and applause.)

I am honored deeply by being asked to speak to you this morning. But as that story suggests, I proceed with a profound sense of my own human limitations.

I want to begin by talking with you about the weekly Senate prayer breakfast. Those still small gatherings that have, along with their counterpart in the House, spawned this magnificent National Prayer Breakfast, as well as similar meetings in every American state and so many countries throughout the world.

When I was first invited to the Senate Prayer Breakfast years ago, I found a lot of excuses not to go. Some were good, like my reluctance to leave my family early on another weekday morning. But some excuses turned out to be not so good, like my apprehension that the Senate Prayer Breakfast was really a Christian breakfast, and that because I am Jewish, either I might feel awkward or my presence might inhibit my Christian friends in the Senate in their expressions of faith. Well, I turned out to be wrong on both counts. The regular participants in the breakfast and our wonderful shepherd, Chaplain Lloyd Ogilvie, persisted and finally convinced me to attend by employing a tactic that usually works with us politicians. They asked me to be the speaker. (Laughter.)

That was a very important morning in my now 11 years in Washington. We began with prayer and readings from the Bible, and then called on the Chaplain who told us about some people in the Senate family we might want to pray for because they were ill or had lost loved ones. And then it was my turn. I spoke about the Passover holiday and answered some very thoughtful questions. At the end, we joined hands and prayed together. All in all, it lasted less than an hour, but I will tell you, I was moved that morning. More than that, I felt at home. I found a home. Today, years later, I can tell you that the Senate Prayer Breakfasts have become the time in my hectic life in the Senate when I feel most at home, most natural, most free, most tied to a community, because when we are at those breakfasts, we are there not as senators, not as Republicans or Democrats or liberals, or conservatives—not even particularly as Christians or Jews. We are there as men and women of faith, linked by a bond that transcends all the other descriptors and dividers, our shared love of God, and acceptance of his sovereignty over us, in our common commitment to struggle to live according to the universal moral laws of the Lord.

I pray that all of you who have come from so many places, some from so far to be here this morning, feel that same unifying, humanizing, elevating love. And I also pray as we begin this new session of Congress that your presence will inspire those of us who are privileged to serve in government to appreciate the truth that is so palpable at these breakfasts. What unites us is so much greater than what divides us. The work that needs to be done for the people we in government serve will best be done if we work together and we will work together best if we understand that we are blessed, not only to be citizens of the same beloved country, but children of the same awesome God.

Praying for the Lord's guidance, as Connie has said as we begin a new session of Congress, has been the traditional purpose of this National Prayer Breakfast. But there is another stated aspiration, and I quote, "To reaffirm our faith and renew the dedication of our nation and ourselves to God and his purposes."

I want to speak with you about that second goal this morning because I believe it is critically important at this moment in our national history, when our economic life and so much else is thriving, but there is evidence that our moral life is stagnating. Although so much is so good in our country today, there are other ways in which we need to do better. There is, for example, compelling evidence that our culture has coarsened, that our standards of decency and civility have eroded, and that the traditional sources of values in our society—faith, family and community—are in a life and death struggle with the darker forces of immorality, inhumanity and greed.

From the beginning of our existence, we Americans have known where to turn in such times of moral challenge. John Adams wrote, "Our Constitution was made only for a moral and religious people." George Washington warned us never to indulge the supposition that morality can be maintained without religion. That is why we pledge our allegiance, after all, to one nation, under God, and why faith has played such a central role in our nation's history.

Great spiritual awakenings have brought strength and purpose to the American experience. In the 18th century, for instance, the First Great Awakening put America on the road to independence and freedom and equality. In the 19th century, the Second Awakening gave birth to the abolitionist movement, which removed the stain of slavery from American life and made the promise of equality more real. And early in the 20th century, a third religious awakening led to great acts of justice and charity toward the poor and the exploited, which expressed themselves in a progressive burst of social and humane legislation.

In recent years, I believe, there have been clear signs of a new American spiritual awakening. This one began in the hearts of millions of Americans like you who felt threatened by the vulgarity and violence in our society and turned to religion as the best way to rebuild a wall of principle and purpose around themselves and their families. Christians flocked to their churches, Jews to their synagogues, Muslims to their mosques, and Buddhists and Hindus to their temples. Others chose alternate spiritual movements as their way to values, order and peace of mind. I have thought at times that it has been as if millions of modern men and women were hearing the ancient voice of the prophet Hosea saying, "Thou hast stumbled in thine inequity, therefore, turn to thy

This morning I want to ask all of you here to think with me how we can strengthen and expand the current spiritual awakening so that it not only inspires us individually and within our separate faith communities, but also renews and elevates the moral and cultural life of our country. Let me suggest that we can begin by talking more to each other about our beliefs and our values, talking in the spirit of these prayer breakfasts—open, generous, and mutually respectful—so that we may strengthen each other in our common quest.

The Catholic theologian Michael Novak has written wisely, "Americans are starved for good conversations about important matters of the human spirit. In Victorian England, religious devotion was not a forbidden topic of conversation, sex was. In America today, the inhibitions are reversed." So, let us break through those inhibitions to talk together, study together, and pray together, remembering the call in Chronicles to give thanks to God, to declare his name and to make his acts known among the peoples, to sing to him, and speak of all his wonders. And I would add that we who believe and observe have an additional opportunity and responsibility to reach out to those who may neither believe nor observe and reassure them that we share with them the core values of America, and that our faith is not inconsistent with their freedom, that our mission is not one of intolerance but of love.

Discussion, and study and prayer, I think, are only the beginning, because we know, all of us from our faith communities, that in the end we will be judged by our behavior. In the Koran, the prophet says, "So woe to the praying ones who are unmindful of their prayer and refrain from acts of kindness." Isaiah at one point seems to summarize the entire Torah in two acts: keep justice and do righteousness. And the Beatitudes inspire and direct us beautifully to action. Blessed are they who hunger and thirst after righteousness, for they shall be filled. Blessed are the merciful, for they shall obtain mercy. Blessed are the pure in heart, for they shall see God. Blessed are the peacemakers, for they will be called the children of God.

Turning faith into action I think is particularly appropriate in this millennial year, whose significance will be determined not by turning a page on our calendars at work or home, but by turning a page on the calendars of our hearts and deeds. To make a difference, we must take our religious beliefs and values, our sense of justice and right and wrong into America's communal and cultural life. In fact, I want to suggest to you this morning that there is good news, that that has begun to happen. In our nation's public places, including our schools, people are finding constitutional ways to honor and express faith in God. In the entertainment industry, a surge of persistent public pressure, a revolt of the revolted, has prodded at least some executives to acknowledge their civic responsibility to our society and our children. It is even happening in government, my friends, where we have come together, under the leadership of President Clinton in recent years, to embrace some of our best values, by enacting, for instance, new laws and programs that help the poor by reforming welfare, that protect the innocent by combating crime, and that restore responsibility and trust by balancing our budget. In communities across America, people of faith are working to repair some of the worst effects of our damaged moral and cultural life, like teenage pregnancy, family disintegration, drug dependency and homelessness. Charitable giving is up. More of the young are turning to community service. And because our economy is booming, or perhaps in spite of it, people are finding that they need more than material wealth to achieve happiness. They want spiritual fulfillment, cultural inspiration, more time with their families, and more confidence that they in their lives are making a difference for the better.

So, there is ample reason in this millennial year to go forward from this 48th National Prayer Breakfast with our hearts full of hope, ready, each of us in our own way, to serve God with gladness, to work to transform these good beginnings into America's next spiritual awakening, one that will secure the moral future of our nation and raise up the quality of life of all of our people.

"Let your light shine before others," Jesus said, "so that they may see your good works and give glory to your father in heaven." And if enough of us do let our lights shine before others and involve ourselves in good works, then in time, as Isaiah prophesied, "Every valley will be exalted, every mountain and hill will be made low, the crooked will become straight, and the rough places smooth, for the earth will be full of the glory of the Lord."

Thank you. God bless you. Godspeed.

SEN. MACK: Joe, thank you very much for that most inspiring and thoughtful and beautiful presentation, the message of which is unity and love that we share among each other. Thank you again for that beautiful message.

Distinguished guests, ladies and gentlemen, as I mentioned a moment ago, we are deeply honored to have both the President and Mrs. Clinton with us this morning. It is now my pleasure and honor to present to you the President of the United States.

(Applause.)

PRESIDENT CLINTON: Thank you. Thank you very much. Thank you and good morning Senator Mack, Senator Lieberman, Mr. Speaker, Congressman Doyle, other distinguished head table guests, and members of

Congress and the Cabinet and my fellow Americans and our visitors who have come from all across the world. Let me thank you again for this prayer breakfast and for giving Hillary and me the opportunity to come. I ask that we remember in our prayers today the people who are particularly grieved, the men, women and children who lost their loved ones on Alaska Airlines Flight 261. And let me say to all of you, I look forward to this day so much every year; a little time to get away from public service and politics into the realm of the spirit and to accept your prayers.

This is a special year for me because, like Senator Mack, I am not coming back, at least in my present position. I have given a lot of thought to what I might say today, much of it voiced by my friend of 30 years now, Senator Joe Lieberman, who did a wonderful job for all of us.

The question I would hope that all of my fellow citizens would ask themselves today is: "What responsibilities are now imposed on us because we live at perhaps the greatest moment of prosperity and promise in the history of our nation, at a time when the world is growing ever more interdependent? What special responsibilities do we have?" Joe talked about some of them.

I sometimes think in my wry way: when Senator Mack referred to his cousin, Judge Arnold, a longtime friend of Hillary's and mine, as being on his far right and that making it uncomfortable, I laughed to myself, "That's why Connie wanted him on the bench so he'd get one more Democrat out of the public debate." (Laughter.) But I wonder how long we will be all right after this prayer breakfast. I wonder if we will make it 15 minutes or 30 or an hour; maybe we will make it 48 hours before we will just be back to normal.

So I want to ask you to think about that today: What is underneath the fundamental points that Senator Lieberman made today? For us Christians, Jesus said the two most important commandments of all were to love the Lord with all our heart and to love our neighbors as ourselves. The Torah says that anyone who turns aside the stranger acts as if he turned aside the most high God. The Koran contains its own powerful version of the golden rule, telling us never to do unto others what we would not like done to ourselves.

So what I would like to ask you in this, my last opportunity to be the President at this wonderful prayer breakfast: Who are our neighbors? And what does it mean to love them?

His Holiness John Paul II wrote us a letter about how he answered that question, and we are grateful for that.

For me, we must start with the fact that "neighbors" mean something different today in common language than it did when I was a boy. It really means something different in common language than it did when I became president, when there were 50 websites on the world wide web. Today there are over 50 million, in only seven years, so that we see that within our borders we are not only growing more diverse every day, in terms of race and ethnic groups and religion, but we can talk to people all across the world in an instant, in ever more interesting ways that go far beyond business and commerce and politics.

I have a cousin who is from the same little town in Arkansas I am, who plays chess a couple times a week with a man in Australia, 8,000 miles away. The world is growing smaller and more interdependent.

The point I would like to make to you today is, as time and space contract, the wisdom of the human heart must expand. We must be able to love our neighbors and accept our essential oneness.

Now, globalization is forcing us to that conclusion. So is science. I have had many opportunities to say in the last few months that the most enlightening evening I had last year was one that Hillary sponsored at the White House, where a distinguished scientist, an expert in human genome research, informed us that we are all genetically 99.9 percent the same, and furthermore said that the differences among people in the same racial and ethnic group genetically are greater than the differences from group to group.

For some, that is reassuring. For some, that is disturbing. When I said that in the State of the Union, the Republicans and Democrats both laughed uncomfortably. (Laughter.) It seemed inconceivable. (Soft laughter.) But the truth is that modern science has taught us what we always learned from ancient faiths: the most important fact of life on this Earth is our common humanity.

Our faith is the conviction of things unseen—I love what Representative Doyle said—but more and more our faith is confirmed by what we know and see. So with all the blessings we now enjoy, what shall we do with it? If we say, okay, we accept it, God, even though we don't like it everyday, we are one with our brothers and sisters. Whether we like them or not all the time, we have to be bigger. Our hearts have to grow deeper. Time and space contract; help us to expand our spirits. What does that mean?

We know we cannot build our own future without helping others to build theirs, but many of us live on the cutting edge of a new economy while over a billion people live on the bare edge of survival; and here in our own country there are still too many poor children and too many communities that have not participated in our prosperity.

The Bible says that Jesus warned us that even as we do it unto the least of these, we have done it unto our God. When times are tough and all of our fellow citizens are having a hard time pulling together, we can be forgiven if we look at the welfare of the whole. Now the welfare of the whole is the strongest it has ever been, but people within our country and beyond our borders are still in trouble—people with good values, people with the values you have held up here today, people who would gladly work. We dare not turn away from them if we believe in our common humanity.

We see all over the world a chorus of denial about our common responsibility for the welfare of this planet, even though all the scientists say that it is changing and warming at an unsustainable rate, and all the great faiths remind us of our solemn obligation to our earthly home.

Even more troubling to me, our dazzling modern world is witness to a resurgence of society's oldest demon—the inability to love our closest neighbors as ourselves if they look or worship differently from the rest of us. Today the Irish peace process is strained by a lack of trust between Republican Catholics and Protestant Unionists. In the Middle East, with all its hope, we are still having to work very hard to overcome the profoundest of suspicions between Israeli Jews and Palestinian and Syrian Arabs.

We have people here today from the Indian subcontinent, perhaps the most dangerous place in the world today because of the tensions over Kashmir and the possession of nuclear weapons. Yet, when people from the Indian subcontinent come to America, they do better than nearly anybody because of their family values, their work ethics and their remarkable innate capacity for absorbing all the lessons of modern science and technology.

In Bosnia and Kosovo, Christians thought they were being patriotic to cleanse their lands of Muslims. In other places, Islamic terrorists claim their faith commands them to kill infidels, though the Koran teaches that God created nations and tribes that we might know one another, not that we might despise one another. Here at home, we still see Asians, blacks, gays, even in one instance last year children at a Jewish school, subject to attacks just because of who they are.

Here in Washington, we are not blameless, for we often, too, forget in the heat of political battle our common humanity. We slip from honest difference, which is healthy, into dishonest demonization. We ignore when we are all tight and in a fight, all those biblical admonitions we profess to believe, that we all see through a glass darkly; that with St. Paul, we all do what we would not and we do not do what we would; that faith, hope and charity abide, but "the greatest of these is charity"; that God says to all of us, not just some: "I have redeemed you. I have called you by your name. You are mine, all of you."

Once Abraham Lincoln responded to some friends of his who were complaining really bitterly about politicians who would not support him. And he said to them, and I quote: "You have more of a feeling of personal resentment than I have. Perhaps I have too little of it. But I never thought it paid."

We know it does not pay. And the truth is we are all here today because, in God's timetable, we are all just like Senator Mack and me: we are all term-limited.

In my lifetime, our nation has never had the chance we now have—to build the future of our dreams for our children, to be good neighbors to the rest of the world, to live out the admonition of all our faiths. To do it, we will have to first conquer our own demons and embrace our common humanity, with humility and gratitude.

I leave you with the words of a great prayer by Chief Seattle. "This we know: all things are connected. We did not weave the web of life. We are merely a strand in it, and whatever we do to the web, we do to ourselves."

May God bless you all. (Applause.)

SEN. MACK: Mr. President, thank you for those comments. At least for me, what you said was a challenge, a challenge to reconcile the way we live, what we do, with the spirit that we hold so dear—the challenge for us as individuals and the challenge for the nation as well. Thank you so much for those beautiful words. (Applause.)

Mr. President, we have another very special moment, I think. Our closing song this morning will be sung by a young lady from my hometown of Ft. Myers, Florida. Her name is Erin Hughes. I had the joy of hearing Erin sing last year at the prayer breakfast in Ft. Myers. Erin will sing for us The Lord's Prayer.

(Erin Hughes performs.)

SEN. MACK: Wow! Thank you so much, Erin. You touched my heart a year ago, and you touched it again this morning. Thank you so much.

Now I would like to call on Reverend Franklin Graham, who will lead us in the closing prayer. But first let me say to you, Franklin, we are delighted to have you with us. Your father, Billy Graham, was one of the founders of this event in 1953, and has been with us almost every year since its inception. We wish him and your mother our best and our love, and our prayers are with both of them.

REV. FRANKLIN GRAHAM: Thank you, Senator Mack, Mr. President, Mrs. Clinton, Mr. Speaker, distinguished guests, ladies and gentlemen, I bring greetings to you from my mother and father. I spoke with my father last night, Mr. President, and he asked I give to you and Mrs. Clinton his love and his greetings. He is unable to be with us this morning due to an operation that my mother had just a few days ago. She is in the hospital, and she is not doing very well. I know my mother and father would appreciate your prayers for them.

We have heard much said about a new beginning at the start of this millennium. Many would like to have a new beginning because of the mistakes and sin in their lives. They wish they could experience forgiveness and just some way start over again, to have a new beginning. This is exactly what you can have with Jesus Christ, a new beginning. In your personal life, your home, your family, in your role as a leader, in your office, in daily relationships and responsibilities, a new beginning is what Jesus Christ accomplished with his death on the cross and his resurrection from the grave. The Bible says that we have all sinned and come short of God's glory and that the wages of sin is death. But God so loved the world that he gave his only begotten son, that whosoever believeth in him should not perish but have everlasting life. God gives each one who will respond in faith to his son the opportunity for a new beginning. If we confess our sins to God and repent, and by faith receive Jesus Christ, God's son, into our hearts and make him the lord of our lives, God will forgive our sins. He will heal our hearts and give us the hope of eternal life, through Jesus Christ our Lord.

Let us pray: Our father and our God, once again, we thank you for this unique occasion that brings us together to reflect on your goodness to our nation, to meditate on thy word and pray to you with thanksgiving. We come this morning first of all to pray especially for those in leadership over us. We ask you to give wisdom and strength to our President, to our Vice President, the Cabinet, the members of the Supreme Court, the Congress, our military leaders, and all others who carry such heavy responsibility in our nation. We thank you for their willingness to give of themselves, sometimes at great personal sacrifice. We pray also for those heads of state and those who have joined us from other nations.

We humbly turn to you, oh God, for the help we need each day. In spite of the fact that we are now in the year 2000, the social problems of the world are still with us, as they have been since the dawn of history. Our tremendous technological and scientific achievements have not solved the basic human heart and the problems of this world of greed, and pride, and moral depravity and hatred, or the problem of loneliness and sorrow and suffering.

Once again as we have gathered here in this great city and amidst this bountiful breakfast, we are reminded that there are those that are hungry and hurting in this country and around the world. We pause, father, to remember those who are homeless and those who are starving, those who are living under war and oppression and persecution like in the Sudan and other parts of the world. Oh, father, guide our President and leaders in Congress as they try to solve and respond to the great political and humanitarian crises at home and around the world.

You alone have given this nation our prosperity, father. You have given our freedom, and our strength. Our faith in you, oh God, is our heritage and our foundation. We have neglected your word. We have ignored your laws. We have tried to solve our problems without reference to you, and we ask for your forgiveness. Help us this day to confess our sins and to repent and to receive by faith your salvation, your son, Jesus Christ. Thank you for our great nation and the freedoms you have given to us. With this freedom, may we not serve ourselves, but may we serve others in your holy name. Amen.

SEN. MACK: That concludes our prayer breakfast. There have been lots of people who have spent a great deal of time in preparing both the program and the breakfast this morning, and I would like for you to give them and all those who volunteered a round of applause. (Applause.)

I would like to take this opportunity to thank you for coming this morning. Your presence has helped to make the event a great success, and I hope you are happy that you came and that you are leaving with a very special spirit.

Good morning, and God bless.

FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 2002 AND 2003

SPEECH OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1646) to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes:

Mr. DINGELL. Mr. Chairman, I rise in strong opposition to this amendment, and in great bewilderment over it's purpose. Passing this amendment will damage the credibility of the United States in the Middle East, weaken the government of Lebanon, and further isolate and endanger Israel. It, in fact, runs counter to the objectives of establishing stability along the Lebanese-Israeli border and fostering a climate more conducive to peace in the Middle East.

While this amendment doesn't help the U.S., Lebanon, or Israel, it does strengthen the appeal of extremist groups in South Lebanon and increases Syrian influence over Lebanon. This amendment lands a haymaker on the person of innocent Lebanese civilians, USAID and U.S. educational institutions. Mr. Chairman, I cannot believe that my good friend from California really wants the result he is going to get.

Proponents of this reckless amendment have quoted a lot of sources, but I want to read what Secretary of State Colin Powell had to say about this matter. "The Department opposes the amendment proposed by Representative LANTOS to H.R. 1646. If enacted, this amendment would severely impede our ability to pursue the critical U.S. policy objectives in Lebanon and the region, including stabilizing the south and providing a counterweight to the extremist forces." Mr. Chairman, I submit a copy of this letter for the CONGRESSIONAL RECORD. Colleagues, if you want to perpetuate instability in Lebanon and undermine the Lebanese government's efforts to rebuild the nation, the Lantos amendment is the mechanism for doing so.

Kofi Annan, Secretary General of the United Nations, has been quoted. He had this to say about what the Lebanese are doing: "At present, Lebanese administrators, police, security, and army personnel function throughout the area (southern Lebanon), and their presence and activities continue to grow. They are reestablishing local administration in the villages and have made progress in reintegrating the communications infrastructure, health, and welfare systems with the rest of the country."

That is what this amendment would bring to a halt. He goes on to say. "The Lebanese Joint Security Forces proceeded smoothly, and the return to Lebanese administration is ongoing. I appeal to donors to help the Lebanese meet urgent needs for relief and economic revival in the south, pending the holding of a full-fledged donor conference."

Mr. Chairman, I submit the Secretary General's full report of October 31, 2000, for the RECORD. Mr. Annan has gone on to point out that we should help, not hurt, the Lebanese in these undertakings.

United Nations Security Council Resolution 425 has been cited today. I submit for the RECORD the entire text of that resolution. Had proponents of this measure read UNSCR 425, they would know that Lebanon is neither required to deploy a specific number of troops to south Lebanon, nor take specific steps to reestablish "effective control." However, U.S. Assistant Secretary for Near Asian Affairs Ned Walker testified to Mr. LANTOS' committee on March 29 that, "The Lebanese government has sent a thousand security forces, both military and police, to the southern area (of Lebanon)."

Last May, Israel withdrew its troops from south Lebanon for the first time since 1977. Only then did Lebanon regain the ability to govern the south. Lebanon, which is in the process of rebuilding its economy after years of war, has actively sought international aid to assist in its efforts to reunite the south with the rest of the country, replace infrastructure, and provide basic social services. Congress recognized that providing USAID assistance to Lebanon in wake of Israel's withdrawal was critical, and increased the Lebanese assistance package from $12 to $35 million. I would note that the gentleman from California (Mr. LANTOS) joined me by signing a letter to President Clinton in support of this aid. I would also note that Israel received $4.1 billion. Israel even received $50 million from the U.S. to finance its withdrawal from Lebanon. This figure was larger than the entire Lebanese aid program.

USAID–Lebanon has developed ties and initiated projects in south Lebanon, helping fill the vacuum created by the Israel's departure. Without access to the basic life-sustaining services provided by USAID, to whom does this author think the people of south Lebanon will turn to?

Rebuilding a country after years of occupation and civil war is not an easy job. However, it is a job that is made much easier with the financial support and encouragement of the United States. The money we spend in Lebanon is minimal, but provides funding for essential public works projects, basic social services, and American educational institutions. The administration and the United Nations support these efforts, which demonstrate American goodwill to the Lebanese people at a critical time. The Lantos amendment is the way to kill these efforts and further poison the well and harm U.S. interests in the region.

I know my colleagues who support this amendment steadfastly believe that it in some way helps Israel. It won't. It does not help Israel's defenses, nor does it foster stability along the Lebanese border. It does nothing to improve relations between Israel and Lebanon, and further isolates Israel. The Lantos amendment, in fact, only increases the appeal of organizations in South Lebanon hostile to Israel.

The only message being sent by this message is directed at the people of Lebanon, and the message being conveyed is that the United States' Middle East policy is biased against Lebanon. Instead of hope, goodwill, and encouragement, we are telling Lebanon that we are not friends and have no vested interest in helping the Lebanese rebuild their country and economy.

I urge my colleagues to read this amendment, see what it really does, and vote no. This amendment is unwise, it is irresponsible, it is destructive of American interests, it is destructive of the interests of Lebanese citizens, and it is destructive of the interests of the people of Israel and the region.

Mr. Chairman, if you want peace, if you want this country to work for and be able to effectively lead the people in this troubled area, reject this amendment. Show the Lebanese people that you support their efforts to redevelop a peaceful land. And do something else: Demonstrate to people in Lebanon and across the Middle East that this is a country that wants to be a friend of all parties.

THE SECRETARY OF STATE,
Washington.

Hon. JOE KNOLLENBERG,
House of Representatives.

DEAR MR. KNOLLENBERG: Thank you for your letter and the chance to elaborate on my congressional testimony of May 10 on Lebanon.

The Department opposes the amendment proposed by Representative Lantos to H.R. 1646. If enacted, this amendment would severely impede our ability to pursue critical U.S. policy objectives in Lebanon and the region, including stabilizing the south and providing a counterweight to extremist forces.

The United States has provided assistance for the essential framework for alleviating destabilizing influences in Lebanon. Our economic assistance program strengthens Lebanese central government institutions, and provides a foundation for improved economic and social conditions. Our modest international military education and training (IMET) program helps build an important unifying institution. As such, U.S. assistance helps foster stability and mitigates sectarianism.

I strongly oppose the proposed amendment. I want to assure you that we are actively encouraging the Government of Lebanon to deploy its forces and assert its authority in the south, and will continue to do so. I look forward to working with Congress to advance this shared goal as part of our broader effort to work for comprehensive peace in the region.

Sincerely,

COLIN L. POWELL.

UNITED NATIONS SECURITY COUNCIL—INTERIM REPORT OF THE SECRETARY-GENERAL ON THE UNITED NATIONS INTERIM FORCE IN LEBANON

INTRODUCTION

1. The present report is submitted pursuant to Security Council resolution 1310 (2000) of 27 July 2000, by which the Council extended the mandate of the United Nations Interim Force in Lebanon (UNIFIL) for a further period of six months, until 31 January 2001, and requested me to submit an interim report on progress towards achieving the objectives of resolution 425 (1978) and toward completion by UNIFIL of the tasks originally assigned to it and to include recommendations on the tasks that could be carried out by the United Nations Truce Supervision Organization (UNTSO).

MAINTENANCE OF THE CEASEFIRE

2. From the end of July until early October, the situation in the UNIFIL area of operations was generally calm, except for numerous minor violations of the line of withdrawal, the so-called Blue Line. These violations were attributable mainly to Israeli construction of new military positions and fencing along the line; they were corrected in each case after intervention by UNIFIL. Minor Lebanese violations occurred as a result of shepherds or fishing vessels crossing the line; in a few instances, vehicles were driven across the line. For several weeks, Hizbollah maintained a post across the line east of Kafr Shuba. The personnel there stated that they had permission to be there but would leave if ordered to do so by the Government. UNIFIL repeatedly raised this violation with the Lebanese authorities but without effect. Hizbollah vacated the position on 7 October in connection with its attack across the Blue Line (see below).

3. In addition to these violations, there were daily incidents of Lebanese civilians and tourists hurling stones, bottles filled with hot oil and other items across the line at Israeli soldiers and civilians, some of whom were injured. On several occasions the soldiers fired warning shots and rubber bullets, which caused some injuries. Most of these incidents occurred at the so-called Fatima Gate west of Metulla. There was also friction at a tomb on Sheikh Abbad Hill (east of Hula), which straddles the Blue Line and is considered a holy site by both Muslims and Jews. In September, Lebanese civilians held several demonstrations east of Kafr Shuba, in some cases crossing the line. Rolf Knutsson, my Personal Representative, and Major General Seth Obeng, the Force Commander of UNIFIL, repeatedly urged the Lebanese authorities to take the necessary measures to put an end to those incidents and violations.

4. A serious incident occurred on 7 October. In the context of the tension in the Occupied Territories and Israel, about 500 Palestinians and supporters approached the line south of Marwahin to demonstrate against Israel. As the crowd attempted to cross the Israeli border fence, Israeli troops opened fire, killing three and injuring some 20. Since then, the Lebanese authorities have prevented further demonstrations by Palestinians on the line.

5. Later the same day, in a serious breach of the ceasefire, Hizbollah launched an attack across the Blue Line about 3 kilometers south of Shaba and took three Israeli soldiers prisoner. The attackers withdrew under cover of heavy mortar and rocket fire, targeting all Israeli positions in the area. More than 300 rounds were fired over a period of 45 minutes. The Israeli forces did not immediately return fire, but later fired at some vehicles from the air. Following this incident, the Israeli air force resumed flights over Lebanese territory, the flights take place almost daily, usually at high altitude.

6. Hizbollah has stated that its operation had been planned for some time in order to take prisoners and thus obtain the release of 19 Lebanese prisoners still held by Israel. The Secretary-General, who had been pursuing the question of these prisoners with the Israeli authorities, remains ready to work with the Governments of Israel and Lebanon with a view to resolving this matter.

7. On 20 October, in what appears to have been a local initiative, three Palestinians crossed the Blue Line east of Kafr Shuba and tried to break through the Israeli technical fence, which runs some distance behind the line. The Israeli forces responded with heavy fire. One of the three was killed; the others managed to get away.

RETURN OF GOVERNMENT AUTHORITY

8. On 9 August the Lebanese Government deployed a Joint Security Force of 1,000 all ranks, which is drawn from the Internal Security Forces and the Lebanese army. The Force has its headquarters in Marjayoun and Bint Jubayl and carries out intensive patrolling, with occasional roadblocks. Lebanese security services have established a strong presence in Naqoura, and the Lebanese police have resumed operations in key villages. Although it is outside the UNIFIL area of operation, it is worth mentioning that the Lebanese army deployed in mid-September in the Jezzine area, which the de facto forces had vacated in January.

9. At present, Lebanese administrators, police, security and army personnel function throughout the area, and their presence and activities continue to grow. They are re-establishing local administration in the villages and have made progress in re-integrating the communications, infrastructure, health and welfare systems with the rest of the country. In late August the former Israeli-controlled area participated for the first time since 1972 in a parliamentary election.

10. However, near the Blue Line the authorities have, in effect, left control to Hizbollah. Its members work in civilian attire and are normally unarmed. They maintain good discipline and are under effective command and control. They monitor the Blue Line, maintain public order and, in some villages, provide social, medical and education services. On several occasions, Hizbollah personnel have restricted the Force's freedom of movement. The most serious incidents of this kind occurred after Hizbollah's operation on 7 October, one on the same day, the other four days later. In both, Hizbollah forced UNIFIL personnel at gunpoint to hand over vehicles and military hardware they had found on the terrain. UNIFIL protested all such incidents to the Lebanese authorities.

11. The Government of Lebanon has taken the position that, so long as there is no comprehensive peace with Israel, the army would not act as a border guard for Israel and would not be deployed to the border.

UNITED NATIONS ACTIVITIES

12. UNIFIL monitored the area through ground and air patrols and a network of observation posts. It acted to correct violations by raising them with the side concerned, and used its best efforts, through continuous, close liaison with both sides, to prevent friction and limit incidents. However, UNIFIL so far has not been able to persuade the Lebanese authorities to assume their full responsibilities along the Blue Line.

13. At the end of July and in early August UNIFIL redeployed southwards and up to the Blue Line. The redeployment proceeded smoothly, with the Lebanese authorities assisting in securing land and premises for new positions. At the same time, in order to free the capacity needed for the move south, UNIFIL vacated an area in the rear and handed it over to the Lebanese authorities. In the interest of economy, UNIFIL continues to use its larger facilities in that area. A map showing the current deployment of UNIFIL is attached.

14. The United Nations Development Programme (UNDP) continued to lead the efforts of the United Nations system in working with the Lebanese authorities on a plan of action for the development and rehabilitation of the area vacated by Israel. In this effort UNDP cooperated closely with the United Nations Special Coordinator, Terje Roed-Larsen, who led the efforts at the international level together with the European Union and the World Bank. A donor meeting was convened on 27 July to gather support. Mr. Knutsson joined those efforts when he assumed his responsibilities in Beirut in mid-August. On 27 and 28 September UNDP organized in Beirut a conference of non-governmental organizations, funded by the Italian Government. As in the past, UNIFIL assisted the civilian population, using resources made available by troop-contributing Governments.

15. The clearance of mines and unexploded ordnance was an important concern, especially in connection with the redeployment. UNIFIL also assisted in humanitarian demining activities and set up an information management system for mine action. In Tyre, Lebanon, a regional mine action cell was established with the help of the United Nations Mine Action Service, which cooperated closely with the Lebanese national demining office. During the period, three children died and eight persons were injured by exploding mines and ordnance.

OBSERVATIONS

16. During the past three months there has been further movement towards the implementation of Security Council resolution 425 (1978). Except for Hizbollah's attack on 7 October, the area was relatively calm. The deployment of both UNIFIL and the Lebanese Joint Security Force proceeded smoothly, and the return of the Lebanese administration is ongoing. While much remains to be done to restore the full range of government services to a standard comparable to that in the rest of the country, there has been tangible progress in that direction.

17. The sequence of steps foreseen in Security Council resolution 425 (1978) is clear and logical: the Israeli forces must withdraw, there must be no further hostilities, and the effective authority of the Lebanese Government must be restored. Thereafter, the Governments of Israel and Lebanon are to be fully responsible, in accordance with their international obligations, for preventing any hostile acts from their respective territory against that of their neighbour. It is relevant to recall in this connection that both Governments have committed themselves, despite misgivings, to respect the Blue Line established by the United Nations for the purposes of confirming the Israeli withdrawal in accordance with resolution 425 (1978).

18. I believe that the time has come to establish the state of affairs envisaged in the resolution. This requires, first and foremost, that the Government of Lebanon take effective control of the whole area vacated by Israel last spring and assume its full international responsibilities, including putting an end to the dangerous provocations that have continued on the Blue Line. Otherwise, there is a danger that Lebanon may once again be an arena, albeit not necessarily the only one, of conflict between others.

19. I had the opportunity to speak about these matters with the President and Prime Minister of Lebanon during my recent visit to Beirut. We also discussed Lebanon's need for international assistance to address long-standing problems, in particular the re-integration of the area that was until recently occupied. I appeal to donors to help Lebanon meet urgent needs for relief and economic revival in the south, pending the holding of a full-fledged donor conference.

20. The present report is being written at a time of high tension in Arab-Israeli relations and continuing confrontations in the occupied Palestinian territories. Under the circumstances, I deemed it prudent not to submit suggestions for the reconfiguration of the United Nations presence in south Lebanon, as requested in paragraph 12 of Security Council resolution 1310 (2000). With the agreement of the Security Council, I proposed to address this subject in the report that I shall be submitting prior to the expiration of the UNIFIL mandate.

RESOLUTION 425 (1978)

OF 19 MARCH 1978

The Security Council,

Taking note of the letters from the Permanent Representative of Lebanon and from the Permanent Representative of Israel,

Having heard the statements of the Permanent Representatives of Lebanon and Israel,

Gravely concerned at the deterioration of the situation in the Middle East and its consequences to the maintenance of international peace,

Convinced that the present situation impedes the achievement of a just peace in the Middle East,

1. Calls for strict respect for the territorial integrity, sovereignty and political independence of Lebanon within its internationally recognized boundaries;

2. Calls upon Israel immediately to cease its military action against Lebanese territorial integrity and withdraw forthwith its forces from all Lebanese territory;

3. Decides, in the light of the request of the Government of Lebanon to establish immediately under its authority a United Nations interim force for Southern Lebanon for the purpose of confirming the withdrawal of Israeli forces, restoring international peace and security and assisting the Government of Lebanon in ensuring the return of its effective authority in the area, the force to be composed of personnel drawn from Member States;

4. Requests the Secretary-General to report to the Council within twenty-four hours on the implementation of the present resolution.

Adopted at the 2074th meeting by 12 votes to none, with 2 abstentions (Czechoslovakia, Union of Soviet Socialist Republics).

RESOLUTION 426 (1978)

OF 19 MARCH 1978

The Security Council,

1. Approves the report of the Secretary-General on the implementation of Security Council resolution 425 (1978), contained in document S/12611 of 19 March 1978;

2. Decides that the United Nations Interim Force in Lebanon shall be established in accordance with the above-mentioned report for an initial period of six months, and that it shall continue in operation there-after, if required, provided the Security Council so decides.

Adopted at the 2075th meeting by 12 votes to none, with 2 abstentions (Czechoslovakia, Union of Soviet Socialist Republics).

DECISION

At its 2076th meeting, on 3 May 1978, the Council proceeded with the discussion of the item entitled "The situation in the Middle East: letter dated 1 May 1978 from the Secretary-General to the President of the Security Council (S/12675)".

RESOLUTION 427 (1978)

OF 3 MAY 1978

The Security Council,

Having considered the letter dated 1 May 1978 from the Secretary-General to the President of the Security Council,

Recalling its resolutions 425 (1978) and 426 (1978) of 19 March 1978,

1. Approves the increase in the strength of the United Nations Interim Force in Lebanon requested by the Secretary-General from 4,000 to approximately 6,000 troops;

2. Takes note of the withdrawal of Israeli forces that has taken place so far;

3. Calls upon Israel to complete its withdrawal from all Lebanese territory without any further delay;

4. Deplores the attacks on the United Nations Force that have occurred and demands full respect for the United Nations Force from all parties in Lebanon.

Adopted at the 2076th meeting by 12 votes to none, with 2 abstentions (Czechoslovakia, Union of Soviet Socialist Republics).

HONORING THE LIFE OF WILLIAM H. HANLEY III

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. McINNIS. Mr. Speaker, I would like to take this moment to honor the life of Mr. William Hanley. Mr. Hanley served his community diligently as the Mayor of Mountain Village. His contributions to the area were varied and distinguished. Not only did Mr. Hanley serve as Mayor, but as a member of the board of directors on various community organizations. As his friends, family and colleagues gather this week to celebrate a life spent in service to the public, I too would like to pay tribute to William and honor his accomplishments. Clearly his service is worthy of the praise of Congress.

Born in San Pedro, California, William spent much of his childhood overseas. His family eventually settled in Indianapolis, Indiana making annual trips to Walloon Lake in Michigan. This summer tradition created the avid outdoor enthusiast and sportsman that his friends and family know well. William attended the Fountain Valley School, and received his degree from the University of Colorado. In 1989 William moved from San Francisco to the Telluride area with the beautiful Kimmy Kelly whom he married the following year. The hobbies that he enjoyed included skiing, golfing, fly fishing and spending time with his family.

William started his career in the Telluride area as a real estate developer and realtor. He then served on various board of directors including Mountain Village Metro District, Telluride Foundation and the Elk Run Homeowners Association. He was also a member of the Telluride Elks Club and the Telluride Ski and Golf Club. For eight years William made great contributions to the town of Mountain Village, as their Mayor. As Mayor he had the opportunity to touch many lives.

Mr. Speaker, although Mr. Hanley's life was short, he made an enormous impact on his community. His wife Kimmy, daughter Ryan, son Wilder along with his parents Barbara and William, Jr., sister Bobsey and brother Micheal should all be extremely proud of his accomplishments. William is an example to all, and going to be missed by many. His legacy, Mr. Speaker, is what I would like to honor here today.

SENATE—*Friday, May 18, 2001*

The Senate met at 10 a.m. and was called to order by the Honorable JEFF SESSIONS, a Senator from the State of Alabama.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 18, 2001.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JEFF SESSIONS, a Senator from the State of Alabama, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. SESSIONS thereupon assumed the Chair as Acting President pro tempore.

ADJOURNMENT UNTIL 9:30 A.M., MONDAY, MAY 21, 2001

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will stand adjourned until 9:30 a.m., Monday, May 21, 2001.

Thereupon, the Senate, at 10 o'clock and 51 seconds a.m., adjourned until Monday, May 21, 2001, at 9:30 a.m.

HOUSE OF REPRESENTATIVES—*Monday, May 21, 2001*

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mr. PENCE).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 21, 2001.

I hereby appoint the Honorable MIKE PENCE to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Ms. Wanda Evans, one of his secretaries.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 3, 2001, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12, rule I, the Chair declares the House in recess until 2 p.m.

Accordingly (at 12 o'clock and 32 minutes p.m.), the House stood in recess until 2 p.m.

☐ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mrs. BIGGERT) at 2 p.m.

PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

O Lord, this Nation has sought Your blessing from one generation to the next. Before we were brought into being, You are God, without beginning or end.

Time moves quickly, but in Your eyes 200 years are like yesterday, come and gone. Be with us now.

Bless this Chamber and all its Members and activities. From page to Parliamentarian, from guide to gardener, bless those who labor here, contributing in great and small measure to historic government and a productive future.

At any moment some in this busy world may seem to avoid work. By Your holy inspiration, bring about true freedom across this land. May all choose daily tasks where they find respect and personal dignity, assuring their own independence and creativity while providing support to loved ones and quality service to others.

Let Your glory be revealed in Your servants and grant success to the work of our hands. Grant success to the work of our hands now and forever. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House her approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentlewoman from Texas (Ms. GRANGER) come forward and lead the House in the Pledge of Allegiance.

Ms. GRANGER led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

WORKING OVERTIME FOR THE AMERICAN PEOPLE

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Madam Speaker, in the short time since the 107th Republican-led Congress was sworn in, we have taken historic action on the most important issues for the American people.

Today, we can probably say that we have honored our commitment to pass a budget resolution that lowers taxes, improves education, and strengthens retirement security.

Our budget symbolizes the very core of our beliefs: Increased freedom for Americans, freedom from the stifling national debt, from a crippling tax burden, and from troubling retirement worries.

We have proposed an across-the-board tax relief package that benefits all taxpayers and eliminates the taxes on marriage and death. We have passed legislation to give Americans more options to successfully save for their retirement.

We can continue to empower American families by allowing parents and educators to make education decisions which will work best for their own children.

Madam Speaker, the American people want the freedom to make decisions that work best for them. Republicans have been working overtime to give the American people the ability to do just that.

CONGRATULATIONS TO UNIVERSITY OF THE VIRGIN ISLANDS GRADUATES

(Mrs. CHRISTENSEN asked and was given permission to address the House for 1 minute.)

Mrs. CHRISTENSEN. Madam Speaker, due to changes in the House schedule and my bill being on the Suspension Calendar today, I was regrettably unable to attend graduation at the University of the Virgin Islands this past weekend in my district. But I want to take this opportunity to congratulate the 324 graduates from both the St. Thomas and St. Croix campuses.

Many in this first class of the millennium, overcame great hardships of health, finance, and family life to reach this milestone. Their perseverance and achievement speak well to the future of our islands, for they are our promise for tomorrow.

Their spirit, knowledge, determination, commitment to excellence and compassion are the foundation on which we will reenergize our commitment to building our beloved community.

So I am here this afternoon to extend my applause to them and their families. We wish them the very best life has to offer and God's richest blessings as they use their hard-earned degrees to serve humanity.

Madam Speaker, I also want to add our appreciation and commendation to our outstanding institution, the University of the Virgin Islands, as it continues to fulfill a vital role in the development of our territory, our region, and our Nation.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

TRIBUTE TO REVEREND JOSEPH SYLVESTER

(Mr. DAVIS of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS of Illinois. Madam Speaker, I rise to pay tribute to Reverend Joseph Sylvester of my community, who passed away last week and was funeralized over the weekend.

I pay tribute to him because he was an outstanding religious and civic leader who built an edifice in the heart of the hood, as we would call it, but who understood that the doors of the church had to open both ways: inside so that people could come in and be nurtured, but then outside so people can go out and take their spirituality to their neighborhood, by developing shelters, providing food, providing for people who are hungry, disavowed, those individuals who were most in need, reaching the unreachables and the untouchables.

So we extend our condolences to his family and to the Landmark Missionary Baptist Church and trust that their new pastor, Reverend Fields, will be able to carry on his tradition.

APPOINTMENT OF MEMBERS TO CONGRESSIONAL RECOGNITION FOR EXCELLENCE IN ARTS EDUCATION AWARDS BOARD

The SPEAKER pro tempore. Without objection, and pursuant to the Congressional Award Act (2 U.S.C. 801), amended by Public Law 106-533, the Chair announces the Speaker's appointment of the following Members of the House to the Congressional Recognition for Excellence in Arts Education Awards Board:

Mr. McKEON of California and

Mrs. BIGGERT of Illinois.

There was no objection.

APPOINTMENT AS MEMBERS TO COMMISSION ON THE FUTURE OF THE UNITED STATES AEROSPACE INDUSTRY

The SPEAKER pro tempore. Without objection, and pursuant to section 1092(b) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106-398), the Chair announces the Speaker's appointment of the following members on the part of the House to the Commission on the Future of the United States Aerospace Industry.

Mr. F. Whitten Peters, Washington, D.C. and

Mrs. Tillie Fowler, Jacksonville, Florida.

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair announces that she will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Any record votes on postponed questions will be taken after debate has concluded on all motions to suspend the rules, but not before 6 p.m. today.

NATIONAL PEARL HARBOR REMEMBRANCE DAY

Mr. LATOURETTE. Madam Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 56) expressing the sense of the Congress regarding National Pearl Harbor Remembrance Day.

The Clerk read as follows:

H. CON. RES. 56

Whereas on December 7, 1941, the Imperial Japanese Navy and Air Force attacked units of the Armed Forces of the United States stationed at Pearl Harbor, Hawaii;

Whereas 2,403 members of the Armed Forces of the United States were killed in the attack on Pearl Harbor;

Whereas there are more than 12,000 members of the Pearl Harbor Survivors Association;

Whereas the 60th anniversary of the attack on Pearl Harbor will be December 7, 2001;

Whereas on August 23, 1994, Public Law 103-308 was enacted, designating December 7 of each year as "National Pearl Harbor Remembrance Day; and

Whereas Public Law 103-308, reenacted as section 129 of title 36, United States Code, requests the President to issue each year a proclamation calling on the people of the United States to observe National Pearl Harbor Remembrance Day with appropriate ceremonies and activities, and all departments, agencies, and instrumentalities of the Federal Government, and interested organizations, groups, and individuals, to fly the flag of the United States at half-staff each December 7 in honor of the individuals who died as a result of their service at Pearl Harbor: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress, on the occasion of the 60th anniversary of the December 7, 1941, attack on Pearl Harbor, Hawaii, pays tribute to—

(1) the United States citizens who died in the attack; and

(2) the members of the Pearl Harbor Survivors Association.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. LATOURETTE) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. LATOURETTE).

GENERAL LEAVE

Mr. LATOURETTE. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the concurrent resolution, H. Con. Res. 56.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LATOURETTE. Madam Speaker, I yield myself such time as I may consume.

I rise today, Madam Speaker, in strong support of this resolution, and I want to commend the gentleman from Illinois (Mr. WELLER) for introducing it.

Madam Speaker, December 7, 2001, will be the 60th anniversary of the Japanese surprise attack on Pearl Harbor, Hawaii. By enacting H. Con. Res. 56, Congress will pay tribute to the American citizens who died in the attack and to more than 12,000 members of the Pearl Harbor Survivors Association.

The story of Pearl Harbor is seared into our national memory. At 7:53 a.m. on December 7, 1941, a date that President Roosevelt said will live in infamy, the Imperial Japanese Navy and Air Force attacked Pearl Harbor.

A second wave of Japanese planes struck at 8:55 a.m. By 9:55 that morning, the attack was over, and America was propelled into World War II. President Roosevelt asked Congress to declare war on Japan on December 8.

The devastation wrought by the sneak attack on Pearl Harbor is hard to imagine: 2,403 members of our Armed Forces personnel were killed that day. Almost half of them, over 1,100, were crewmen of the U.S.S. *Arizona;* and they remain entombed in that sunken battleship. The U.S.S. *Arizona* Memorial at Pearl Harbor has become one of our Nation's most moving memorials to the military men and women who have paid the ultimate price to preserve the freedoms we Americans enjoy to this day.

Fifty-four civilians were also killed in the attack. There were almost 1,200 military and civilian wounded.

In addition to this human toll, Madam Speaker, our Pacific Fleet was severely crippled. Twelve ships were sunk or beached, nine more were damaged, and over 300 aircraft were destroyed or damaged.

Madam Speaker, Public Law 103-308 designates December 7 of each year as National Pearl Harbor Remembrance Day and calls on the President to issue each year an appropriate proclamation and on the American people to observe that day with appropriate ceremonies and activities. Under that law, the American flag is to be flown at half-staff each December 7 in honor of the individuals who died as a result of their service at Pearl Harbor.

We should continue to pay tribute to those who gave their lives at Pearl Harbor and to those who survived that ferocious and unprovoked attack. When he was the Governor of Texas, President Bush issued a proclamation proclaiming December 7, 2000, as Pearl Harbor Remembrance Day in Texas. In it he said: "It remains the duty of all Texans to remember what these men and women did and pass their stories of courage and character on to the next generation."

Madam Speaker, that is indeed the duty of all Americans. To quote again from then Governor Bush's proclamation: "It is the way freedom renews its promise, by celebrating American heroes and American democratic values, without hesitation and without apology."

I strongly urge all of our colleagues to support this resolution.

Madam Speaker, I reserve the balance of my time.

Mr. DAVIS of Illinois. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I want to commend the gentleman from Illinois (Mr. WELLER) for introducing this resolution, because I think it is so meaningful that we remember on December 7, 1941, a fateful day when the Japanese Imperial Navy attacked the island of Oahu, Hawaii, now infamously known as Pearl Harbor.

Approximately 100 ships of the United States Navy were present that morning, consisting of battleships, destroyers, cruisers, and various support ships. By 1 p.m., the Japanese carriers that had launched the planes from 274 miles off the coast were heading back to Japan. Behind them they left chaos: 2,403 dead, 188 destroyed planes, and a crippled Pacific Fleet that included eight damaged or destroyed warships.

The battleships moored along Battleship Row were the primary target of the attack's first wave. Ten minutes after the beginning of the attack, a bomb crashed through the U.S.S. *Arizona*'s two armored decks igniting its magazine. The explosion ripped the ship's sides open, and fire engulfed the entire ship. Within minutes, the ship sank to the bottom, taking 1,300 lives with her.

The sunken ship remains as a memorial to those who sacrificed their lives during the attack. Let me take a moment to read an excerpt of Marine Corporal E.C. Nightingale's account of that Sunday morning as he was leaving the breakfast table aboard the *Arizona*:

"I reached the boat deck and our anti-aircraft guns were in full action, firing very rapidly. I was about three quarters of the way to the first platform on the mast when it seemed as though a bomb struck our quarter deck. I could hear shrapnel or fragments whistling past me. As soon as I reached the first platform, I saw Second Lieutenant Simonson lying on his back with blood on his front shirt. I bent over him, and taking him by the shoulders, asked if there was anything that I could do." Of course there was not. "He was dead or so nearly so that speech was impossible."

This resolution calls on Congress, on the 60th anniversary of Pearl Harbor, to pay tribute to those who not only died in the attack, but those like Corporal Nightingale who survived that fatal Sunday morning.

I also would indicate that I paid tribute to a dear friend of mine whom I have known and lived near for close to 40 years who was a survivor of Pearl Harbor, Arlandis Dixon. Always we would look forward to seeing Arlandis Dixon's photograph on the front page of the Chicago Sunday Times just about every year until the past when he, too, died, as a person who survived.

□ 1415

I would also like to pay tribute to my uncle, Nehmiah Davis, who served at Pearl Harbor. So I join with all of those who support this resolution and I urge its adoption.

Madam Speaker, I reserve the balance of my time.

Mr. LATOURETTE. Madam Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. WELLER), the author of House Concurrent Resolution 56.

Mr. WELLER. Madam Speaker, I thank the gentleman from Ohio (Mr. LATOURETTE) and the gentleman from Illinois (Mr. DAVIS) my friend and colleague, for their help and support in moving forward House Concurrent Resolution 56, a Sense of Congress Resolution recognizing the 60th anniversary of the attack on Pearl Harbor and honoring the sacrifices of those who gave their lives and perished the morning of December 7, 1941, and those who survived and fought gallantly in the face of attack by the imperial Japanese forces.

House Concurrent Resolution 56 expresses the sense of the Congress regarding National Pearl Harbor Remembrance Day. On December 7, 1941, a day President Roosevelt said would live in infamy, the Imperial Japanese Navy and Air Force attacked units of the Armed Forces of the United States stationed at Pearl Harbor, Hawaii. 2,403 members of the Armed Forces of the United States were killed in the attack on Pearl Harbor. House Concurrent Resolution 56 pays tribute to the American men and women who died and gave their lives at Pearl Harbor as well as the more than 12,000 members of the Pearl Harbor Survivors Association, who survived the attack that December morning.

As my colleagues know, Madam Speaker, December 7, 2001, will mark the 60th anniversary of the attack which thrust the United States into the war in the Pacific. As Congress approaches this Memorial Day recess, I can think of no greater message this body can send to our veterans than to pay tribute to this important day of remembrance.

Over the coming months, survivors and family members of those who defended Pearl Harbor, will take part in ceremonies and services in each of the 50 States, with a national reunion planned for December 7, 2001 on the island of Oahu. In fact, Madam Speaker, this coming weekend, Hollywood will also help tell the story of the attack on Pearl Harbor with a blockbuster movie based on the events of that day.

During the 103rd Congress, the President signed into law legislation designating every December 7 as National Pearl Harbor Remembrance Day. As part of this legislation, the President shall issue a yearly proclamation calling attention to the attack on Pearl Harbor and designates that U.S. flags should be flown at half staff. It is my hope, Madam Speaker, that activities planned nationwide this year and our actions today and each year will tell the story of Pearl Harbor to future generations to ensure that those who fought at Pearl Harbor are never forgotten.

Lastly, Madam Speaker, I would also like to pay special recognition to a friend of mine, a gentleman by the name of Richard Foltynewicz, from my district in Ottawa, Illinois. Richard is a Pearl Harbor survivor and has served as past president of the Pearl Harbor Survivors Association. I first met Richard Foltynewicz in 1985 in the Grunde County Corn Festival Parade, and I can say from personal experience that his vigilance in keeping the memory of Pearl Harbor alive is making a great difference in the history of our Nation. I wish to thank people like Richard Foltynewicz for their leadership as well as their assistance in crafting this special legislation.

Madam Speaker, House Concurrent Resolution 56 is supported by 30 bipartisan cosponsors from both sides of the aisle. I ask every Member of the House support this resolution; that each and every one of us remembers the sacrifices of those who served at Pearl Harbor as we mark Memorial Day next week.

Mr. DAVIS of Illinois. Madam Speaker, I yield myself the balance of my time to also acknowledge the George Giles Post, the Chrispus Attucks Post, the Milton Olive Post, and the Montford Point Marine Association, as all of these posts interact on a regular and ongoing basis, not only to keep the memory of Pearl Harbor alive, but also to commemorate the tremendous contributions that have been made by our veterans who fought in all of the wars. So I simply commend and congratulate them.

Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LATOURETTE. Madam Speaker, I yield myself the balance of my time.

I again commend the gentleman from Illinois (Mr. WELLER) for introducing this important resolution. I also want to thank the gentleman from Indiana (Mr. BURTON), chairman of the full Committee on Government Reform and Oversight; the gentleman from Florida

(Mr. SCARBOROUGH), chairman of the Subcommittee on Civil Service and Agency Organization; as well as the ranking members of the full committee and subcommittee, the gentleman from California (Mr. WAXMAN) and our good friend, the gentleman from Illinois (Mr. DAVIS).

I urge all Members to support this resolution.

Mrs. MINK of Hawaii. Madam Speaker, I rise to express my strong support for H. Con. Res. 56, which calls for a National Pearl Harbor Remembrance Day on the upcoming 60th Anniversary of the December 7th, 1941, attack by the Japanese Imperial Navy. This bill recognizes and pays tribute to the more than 2,403 members of the Armed Forces that were killed during the attack and the more than 12,000 members of the Pearl Harbor Survivors Association.

I will always remember that day. So many brave young lives were lost without any warning. We will never know what those young men might have achieved. We are still humbled by their sacrifice and the loss to their families and loved ones.

I was a young girl living on the island of Maui at the time of the attack. We couldn't believe that this terrible event had happened. Like all Americans, my family mourned for the courageous young men who were killed in the attack and were afraid of what would happen next. We had an added fear, however, because we were of Japanese ancestry—and, therefore, linked in some peoples' minds to the enemy. Many Japanese-American community leaders were rounded up. My father, a native-born American who was a land surveyor with the East Maui Irrigation Company, was picked up by the police and questioned.

Today, the *Arizona* Memorial at Pearl Harbor is visited by people from around the world. As the final resting place for some 900 of the 1,177 men who lost their lives when the *Arizona* went down, the memorial serves as a national shrine in memory of their courage and sacrifice of all who lost their lives in the attack on Pearl Harbor and in the long and costly war that followed. This shrine to our honored war dead inspires all who come there to pay their respects.

It is fitting that we commemorate the 60th anniversary of the event that brought our country into World War II and led to such dramatic changes in our nation and the world.

We must always remember the sacrifice and heroism of those we lost at Pearl Harbor and all the brave men and women who have followed them in the service of our country.

Mr. LATOURETTE. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from Ohio (Mr. LATOURETTE) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 56.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. WELLER. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

ELDON B. MAHON UNITED STATES COURTHOUSE

Mr. LATOURETTE. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 1801) to designate the United States courthouse located at 501 West 10th Street in Fort Worth, Texas, as the "Eldon B. Mahon United States Courthouse".

The Clerk read as follows:

H.R. 1801

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The United States courthouse located at 501 West 10th Street in Fort Worth, Texas, shall be known and designated as the "Eldon B. Mahon United States Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the "Eldon B. Mahon United States Courthouse".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. LATOURETTE) and the gentleman from Illinois (Mr. COSTELLO) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. LATOURETTE).

Mr. LATOURETTE. Madam Speaker, I yield myself such time as I may consume.

I would first like to notice, Madam Speaker, that H.R. 1801 was discharged from committee consideration and expeditiously brought to the floor for immediate consideration. Although not the normal process, in the interest of time, the committee will occasionally discharge consideration, as it has in this case.

H.R. 1801 designates the United States Courthouse located at 501 West 10th Street in Fort Worth, Texas, as the Eldon B. Mahon United States courthouse. Judge Mahon was born in 1918 and attended public schools in Loraine, Texas. He earned his bachelor degree from McMurry University and law degree from the University of Texas at Austin.

During the Second World War, Judge Mahon served in the United States Air Force, enlisting as a private and being discharged at the rank of captain after serving active duty in the South Pacific with the Fifth Bomber Command.

Before being appointed the United States District Judge for the Northern District of Texas in 1972, by President Richard Nixon, Judge Mahon clerked for the Supreme Court of Texas, served as Mitchell County Attorney, Texas District Attorney, District Judge for the 32nd Judicial District of Texas, vice president of an electrical service corporation, maintained an active private law practice from 1968 until 1972, and served as the United States District Attorney for the Northern District of Texas. He is also an active member of many professional associations and foundations.

Judge Mahon was responsible for overseeing and monitoring desegregation of the Fort Worth Independent School District. Judge Mahon took senior status in 1989, after serving on the Federal bench for more than 28 years. This is a fitting way to honor such a distinguished public servant. I support the bill and urge my colleagues to join in their support.

Madam Speaker, I reserve the balance of my time.

Mr. COSTELLO. Madam Speaker, I yield myself such time as I may consume, and I want to thank the subcommittee chairman, the gentleman from Ohio (Mr. LATOURETTE), for his bipartisan support for this legislation.

Madam Speaker, I rise in support of H.R. 1801, a bill to designate the courthouse located at 501 West 10th Street in Fort Worth, Texas, as the Eldon B. Mahon United States courthouse.

Judge Mahon is a true Texan, born in 1918 and raised in Texas. He received his undergraduate degree from McMurry University in Abilene in 1939 and received his law degree from the University of Texas in 1942.

After serving for 3½ years in the Army Air Corps during World War II, he returned to Texas and became the briefing attorney for the Texas Supreme Court. For over 50 years, Judge Mahon has served the people of Texas at the county level as County Attorney, at the State level as the State District Attorney from 1948 to 1960, and at the Federal level as the U.S. Attorney and Federal Judge.

In 1968, President Johnson appointed him as the U.S. Attorney for the Northern District, and in June 1972, President Nixon appointed him to the U.S. District Court for the Northern District. Judge Mahon assumed senior status in 1989, and is still active with judicial matters at the age of 83.

During his years on the Federal bench, Judge Mahon presided over several significant cases. The decision he considered his greatest accomplishment was the decision involving racial integration of the Fort Worth school system.

Judge Mahon has received numerous awards and honors, including having a scholarship named in his honor at McMurry University, receiving an Honorary Doctor of Humanities from Texas Wesleyan University, and receiving the Distinguished Alumni Award from McMurry University in 1987. He has devoted countless hours of volunteer work to the Methodist church, the Lion's Club and the Girl Scouts.

Judge Mahon is held in very high regard by his fellow jurists, who call him a wonderful judge who does a fantastic job, a fair-minded judge, and a judge with an excellent judicial temperament and demeanor. It is both fitting and proper that we honor the decades of dedicated work of this outstanding public servant by designating the courthouse in Fort Worth as the Eldon B. Mahon United States Courthouse.

Madam Speaker, I reserve the balance of my time.

Mr. LaTOURETTE. Madam Speaker, it is my pleasure to yield such time as she may consume to the gentlewoman from Texas (Ms. GRANGER), the author of this legislation.

Ms. GRANGER. Madam Speaker, I thank the gentleman for yielding me this time and I am pleased today to present to the House of Representatives legislation to designate the United States in downtown Fort Worth, Texas, as the Eldon B. Mahon United States courthouse. Judge Mahon has dedicated his life to public service and to justice.

Judge Mahon was born and raised in the West Texas town of Loraine. He earned his Bachelor of Arts degree in history and government from McMurry University in Abilene, Texas. Judge Mahon then attended the University of Texas Law School, where he graduated in 1942. He and his wife, Nova Lee Mahon, have three wonderful children, Jan, Martha and Brad.

Upon his graduation from law school, like so many of America's greatest generation, Judge Mahon served in the United States Army Air Corps during World War II. He gave America 40 months of dedicated service, including one year in the South Pacific as a captain with the Fifth Bomber Wing. After the war was over, he came back home to Texas and began his long and distinguished career in public service.

From 1945 to 1946, he served as the briefing attorney for the Texas Supreme Court. In 1947, he returned home to Mitchell County and successfully ran for county attorney. After 1 year, he was appointed District Attorney for the 32nd Judicial District of Texas covering Nolan, Mitchell, Scurry, and Borden Counties. After his years as District Attorney, Judge Mahon was elected to the bench as District Judge for the 32nd Judicial District, presiding over that court from 1961 to 1963. He then moved to Fort Worth to take a position as vice president of Texas Electric Service Company.

However, only after 1 year in the corporate world, the law called him back. He became a partner in the Abilene, Texas law firm of Mahon, Pope, and Gladdon.

In 1968, President Lyndon B. Johnson appointed him United States Attorney for the Northern District of Texas. Judge Mahon is a lifelong Democrat, but President Richard M. Nixon appointed him to the Federal Court for the Northern District of Texas in 1972. He reached senior status in 1989 and continues to be an active member of the Federal bench today at the very young age of 83.

□ 1430

During his years on the Federal bench, Judge Mahon presided over the racial integration of the Fort Worth School District. Judge Mahon considers this as the greatest accomplishment of his court.

Judge Mahon has tirelessly served every community of which he has been a part. He is a lifelong member of the United Methodist Church, serving in most lay positions in Westcliff United Methodist Church in Fort Worth. He is a past president of the West Texas Girl Scout Council in Abilene and of the Colorado City, Texas, Lions Club.

Judge Mahon is a past member of the Board of Trustees at McMurry University in Abilene and served on the Board of Trustees for Harris Methodist Health System in Fort Worth. Currently, he serves on the Board of Trustees at my alma mater, Texas Wesleyan University in Fort Worth. Judge Mahon has been a member of the Rotary Club of Fort Worth since 1988.

Judge Mahon has been recognized on numerous occasions for his outstanding service to the legal community. July 10, 1997, was declared "Judge Eldon B. Mahon Day" throughout Tarrant County, Texas, to commemorate his 25th anniversary as a Federal judge.

The Tarrant County Bar Association recently established the "Eldon B. Mahon Lecture Series on Ethics and Professionalism" at Texas Wesleyan University School of Law.

In 1998, Judge Mahon received the "Samuel Passara Outstanding Jurist Award" from the Texas Bar Foundation and last year, he was selected as one of 100 lawyers from the State of Texas as a 20th century "living legend" by the Texas Lawyer Magazine.

Judge Mahon has first and foremost been a family man. His wonderful family is a testament to that. Judge Mahon represents the values that call so many of us to public service: The importance of family, community, and the strong desire to serve his fellow Americans.

Naming the United States courthouse after Judge Mahon is an appropriate tribute to such a fine man and exceptional jurist.

I would like to thank several people who have been very supportive of this measure. First, the gentleman from Alaska (Mr. YOUNG), the chairman of the Transportation and Infrastructure Committee; as well as the gentleman from Minnesota (Mr. OBERSTAR), the ranking member; the gentleman from Ohio (Mr. LaTOURETTE), the chairman of the Subcommittee on Economic Development, Public Buildings and Emergency Management; and also the ranking member, the gentleman from Illinois (Mr. COSTELLO).

Madam Speaker, I would also like to thank all of the bill's cosponsors for their support. And, finally, I would like to thank the majority leader, the gentleman from Texas (Mr. ARMEY) for his support of this effort.

Madam Speaker, there is no more deserving man than Eldon B. Mahon. I am honored to sponsor this bill, and I urge all of my colleagues to support its passage.

Mr. COSTELLO. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LaTOURETTE. Madam Speaker, I yield myself the balance of my time.

Madam Speaker, I thank the gentlewoman from Texas (Ms. GRANGER) for bringing this important legislation before the body; and I want to thank the chairman of our full committee, the gentleman from Alaska (Mr. YOUNG), and the ranking member, the gentleman from Minnesota (Mr. OBERSTAR), for helping us discharge it. And nothing happens important in the subcommittee without the help and counsel of the ranking member, the gentleman from Illinois (Mr. COSTELLO), and I thank him for his help as well; and I urge Members to support the bill.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from Ohio (Mr. LaTOURETTE) that the House suspend the rules and pass the bill, H.R. 1801.

The question was taken.

The SPEAKER pro tempore (Mrs. BIGGERT). In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Ms. GRANGER. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

RON DE LUGO FEDERAL BUILDING

Mr. LaTOURETTE. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 495) to designate the Federal building located in Charlotte Amalie, St. Thomas, United States Virgin Islands, as the "Ron de Lugo Federal Building".

The Clerk read as follows:

H.R. 495

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The Federal building located in Charlotte Amalie, St. Thomas, United States Virgin Islands, shall be known and designated as the "Ron de Lugo Federal Building".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in section 1 shall be deemed to be a reference to the "Ron de Lugo Federal Building".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. LATOURETTE) and the gentleman from Illinois (Mr. COSTELLO) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. LATOURETTE).

Mr. LATOURETTE. Madam Speaker, I yield myself such time as I might consume.

Madam Speaker, H.R. 495 designates the Federal building in Charlotte Amalie, St. Thomas of the United States Virgin Islands as the "Ron de Lugo Federal Building." Ron de Lugo was born in Englewood, New Jersey in 1930. He attended school in Saints Peter and Paul School in St. Thomas, Virgin Islands and Colegio San Jose, Puerto Rico.

Delegate de Lugo ably served in the United States Army as a program director and announcer for the Armed Forces Radio Service from 1948 until 1950. Following his military service, Delegate de Lugo continued working radio at WSTA St. Thomas and WIVI St. Croix. In 1956, he served as senator for the Virgin Islands, a position he held for 8 years; during which time he served as minority leader and member of the Democratic National Committee.

In 1968, Delegate de Lugo was named the Virgin Islands' representative to the United States Congress. While serving as representative to the Congress, Ron de Lugo successfully educated his colleagues about the people of the Virgin Islands. In 1973, Delegate de Lugo was elected to serve in the 93rd Congress before running for governor. He later returned to Congress in January 1981 when he was officially elected delegate to the 97th Congress from the Virgin Islands, a position he held until the conclusion of his career in 1995, when he did not seek reelection.

Delegate de Lugo served on the Committee of Public Works and Transportation and as vice chairman on the Aviation Subcommittee. I wholeheartedly support this piece of legislation and urge my colleagues to do the same.

Madam Speaker, I reserve the balance of my time.

Mr. COSTELLO. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I support H.R. 495, a bill to designate the Federal building in Charlotte Amalie, U.S. Virgin Islands, in honor of our former colleague, Ron de Lugo.

Although Ron was a native of New Jersey, he spent his entire life working in and associated with the Virgin Islands. He attended St. Peter and Paul School in St. Thomas and attended the College of St. Joseph in Puerto Rico.

In 1956, he began his public career when he was elected to the Territorial Senate. From 1961 to 1962, he served as administrator for St. Croix; and in 1963, he returned to the Territorial Senate and was minority leader for 3 years. In 1972, Ron became the first Virgin Islands delegate to the U.S. Congress and served until 1979. After an unsuccessful campaign for Governor of the U.S. Virgin Islands, he was once again elected to Congress in 1980 and served until 1995.

While in Congress, he was a tireless advocate for infrastructure improvements for the Virgin Islands. From his position on the Natural Resources Committee as chairman of the Subcommittee on Insular and International Affairs, he was vigilant in assuring that Federal policies preserved the natural beauty of the islands. Ron also was supportive of all efforts to provide for full participation of residents of the Virgin Islands and Guam in the electoral process as well as equal treatment under various Federal programs.

Ron de Lugo fought for the rights and privileges for territorial delegates, and left his mark on the political development of the territories. He worked endlessly for his constituents and for full political status for the Virgin Islands. He was a real consensus builder, and he was well liked on both sides of the aisle.

Madam Speaker, it is fitting and proper that we honor Ron de Lugo's public service with this designation. I support H.R. 495 and urge my colleagues to join me in supporting this bill.

Madam Speaker, I yield such time as she may consume to the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN), the author of this legislation.

Mrs. CHRISTENSEN. Madam Speaker. I am pleased to rise today in support of legislation I sponsored to name the Federal building on St. Thomas, U.S. Virgin Islands after my predecessor and the person who originated the office, Ron de Lugo. It is fitting that Ron be given this honor for his over 30 years of service to the people of the Virgin Islands, 20 years of which was spent as a Member of this body.

Madam Speaker, Ron de Lugo's life has been almost entirely devoted to public service on behalf of the community in which his family put down roots more than a hundred years ago. The de Lugo family migrated from Puerto Rico to the Virgin Islands on April 26, 1879. Ron's grandfather, Antonio Lugo y Suarez was a merchant on St. Thomas, operating various wholesale and retail businesses. His father, Angelo de Lugo, who was born on St. Thomas in 1892, carried on the family business. Ron de Lugo was born on August 2, 1930.

Ron attended school, as you have heard, in the Virgin Islands and Puerto Rico; and after a tour of duty in the U.S. Army, he returned to St. Thomas where in 1950 he helped to start the first radio station, WSTA. It was at WSTA that he created the popular wise-comic character "Mango Jones," still fondly remembered 40 years later.

In 1952, Ron led the revival of Carnival, a community institution and a lasting legacy of his early years as a radio personality.

In 1955, Ron moved to St. Croix and the following year embarked on what was to become his life's work when, at 26, he was elected at-large to the Virgin Islands legislature, the youngest member to serve in that body. His local legislative career spanned 10 years, with one break to serve as St. Croix administrator. He served on the Democratic National Committee in 1959 and was selected as delegate to five Democratic National Conventions.

In 1968, Ron was elected at-large as the Virgin Islands' first Washington representative and was reelected to the post in 1970. In 1972, he was elected and seated as the first Delegate from the Virgin Islands in Congress.

The establishment of this office was a great step forward in the political development of the Virgin Islands and was achieved in large measure because of Ron's efforts here in Washington. He was reelected to Congress in 1974 and 1976 and left to run for governor in 1978.

Ron regained his seat in Congress in 1980 and was reelected every 2 years thereafter until his retirement in 1994.

With the organization of the 100th Congress in 1987, his hard-earned seniority qualified him for chairmanship; and he was elected to head the Subcommittee on Insular and International Affairs because of its importance to the people of the territory.

It was as chairman of this distinguished subcommittee where Ron may have, in the words of one of his colleagues, "left an indelible mark on the history of the United States territories and the freely associated States." Among Ron's accomplishments in this regard were: the implementation of the Compact of Free Association which allowed the former Trust Territory of Palau to become the Republic of Palau on October 1, 1984; the legislation implementing the covenant between the U.S. Commonwealth of the Northern Mariana Islands; the Compact establishing the Federates States of Micronesia and the Republic of the Marshall Islands; the first bill to pass either House of Congress concerning the political status of Puerto Rico; Public Law 102-247 which made it possible for the Virgin Islands and the other territories to receive the same benefits as States from FEMA whenever there was a disaster, as well as many others.

Throughout his political career, whether it was a right to write our own constitution or the authority to exercise the people-power rights of initiative, referendum and recall, Ron has been at the forefront of successful efforts to win greater control of their own destiny for the people of the Virgin Islands. For these and many other accomplishments too numerous to mention, I ask my colleagues to join me in honoring Delegate Ron de Lugo by naming the Federal building on St. Thomas, the Ron de Lugo Federal Building.

Our appreciation and good wishes go out to him and his lovely wife, the former Sheila Paiewonsky of St. Thomas.

Mr. COSTELLO. Madam Speaker, I yield such time as he may consume to the gentleman from Guam (Mr. UNDERWOOD).

Mr. UNDERWOOD. Madam Speaker, I thank my colleague from Illinois for yielding me the time.

Madam Speaker, I, too, rise in support of H.R. 495, the legislation by the gentlewoman from the Virgin Islands, a bill designating the Federal building located in Charlotte Amalie, St. Thomas, U.S. Virgin Islands, as the Ron de Lugo Federal Building.

Madam Speaker, for a distinguished colleague who has devoted almost four decades towards public service in Washington and in the Virgin Islands, this honor is both timely and rightfully deserved.

I had the honor of working with Congressman de Lugo as a freshman in the 103rd Congress. At the time, he served as the chairman of the House Subcommittee on Insular and International Affairs having jurisdiction over the Caribbean, Pacific Island territories, the freely associated states, and those parts of the U.S. Department of Interior which had coordinating responsibilities for these areas.

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As mentioned, he was tireless in his advocacy for increased levels of self-government, not only for all the U.S. territories but for those jurisdictions which ultimately came out of the trust territory of the Pacific Islands, Republic of Palau, Republic of the Marshall Islands, Federated States of Micronesia, and the covenant with the Commonwealth of the Northern Mariannas. In that time that we worked together, I had been acquainted with his dedication to the U.S. territories. He had a great understanding of our home islands and the Federal Government's attention, or lack of attention, to the territories; the history of our people and our determination to right past injustices, our commitment towards political advancement.

He worked tirelessly on Guam issues, as well as Virgin Island issues, and I considered him my mentor as well as my friend.

It was very fitting that under the rules of the 103rd Congress, delegates were allowed to vote in the Committee of the Whole House, and he was the first delegate in American history to preside over the Committee of the Whole House here in the House of Representatives.

A colorful figure in Virgin Island politics, Ron attended academic institutions in the Virgin Islands, Puerto Rico and the U.S. mainland. He returned to St. Thomas in 1950 after a tour of duty with the U.S. Army and helped start WSTA, the first radio station in the Virgin Islands; and of course, it was here that he created the popular Mango Jones. So this building is for Mango Jones, a wise-alecky character still fondly remembered some 5 decades after its original inception.

Another lasting legacy attributed to our friend is the institution of the Virgin Islands' carnival that we know and enjoy today, and he led the revival of this community institution in 1952, exhibiting the leadership skills that would assist him in the lifetime of public service.

At the age of 26, he was elected at-large to the Virgin Islands legislature. Consistently elected by large pluralities, he served as a legislator for 10 years with one break to serve as St. Croix administrator. He was elected in 1968 and in 1970 to be the Virgin Islands' first Washington representative. Due in large part to Ron's efforts, the office of the Virgin Islands delegate to the U.S. House was established in 1972 and it was a parallel effort, along with the election of Guam's first delegate Antonio Won Pat, who worked very closely with Ron de Lugo, a giant step in both of our island territories' political development. He eventually became the first person elected to occupy this seat, and he was reelected in 1974, 1976, and again in successive elections from 1980 until his retirement in 1994.

Few political leaders can claim the record of accomplishment of Ron de Lugo. Fewer still can boast of friends stretching from the far-flung reaches of the Caribbean to the western-most of U.S. territories and U.S.-affiliated islands in the Pacific. Throughout his political career, he made sure that his colleagues in the territories knew that he was one of us; that we were fashioned from the same mold; that he had walked in our shoes; and that he was always there to be of assistance.

No amount of words and praise could adequately express our esteem for the endeavors and accomplishments of our former colleague, Ron de Lugo. He was a tireless advocate and great friend. He greatly deserves this honor, and I urge my colleagues to support H.R. 495.

Mr. COSTELLO. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I urge my colleagues to adopt this legislation, and I thank the subcommittee chairman for his support.

Mr. FALEOMAVAEGA. Madam Speaker, I rise today in strong support of H.R. 495, a bill to designate the federal building in Charlotte Amalie, St. Thomas, U.S. Virgin Islands, as the "Ron de Lugo Federal Building."

Mr. Speaker, I served with Congressman Ron de Lugo in this House from January, 1989 when I was first elected, until he retired in January, 1995. During that time he was Chairman of the House Subcommittee on Insular and International Affairs, and through his leadership the subcommittee resolved several then-pending unresolved issues. These bills were later enacted into federal law, and are today the governing authority setting federal policy in the insular areas.

I also had the pleasure of seeing Ron de Lugo represent the people of the U.S. Virgin Islands when I was a member of the staff of the Interior Committee in the 1970's. Throughout the time I knew him in Washington, D.C., he devoted himself to public service, serving both his constituents and the people of this nation. But this does not describe his service to this nation in total.

Ron de Lugo's public service began in 1956 when he was elected as a senator with the Virgin Islands legislature. With the exception of one two-year period, he served in elected positions until his retirement in 1995, a span of nearly 40 years!

Among the firsts in his career are that he was the first delegate Chairman of a Subcommittee in the Interior Committee, first elected at large Washington representative from the Virgin Islands, and the first seated delegate from the Virgin Islands in the U.S. Congress.

Mr. Speaker, Congressman Ron de Lugo will be long remembered as a key leader who shaped the political future of the U.S. Virgin Islands. Through his efforts, the people of the Virgin Islands have greater control over their own destiny, both with regard to their political status and development of social and economic conditions. Designation of the federal building in St. Thomas, U.S. Virgin Islands is a fitting tribute to this distinguished gentleman, and I urge my colleagues to support this bill.

Madam Speaker, I yield back the balance of my time.

Mr. LATOURETTE. Madam Speaker, I urge my colleagues to support the measure, and I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from Ohio (Mr. LATOURETTE) that the House suspend the rules and pass the bill, H.R. 495.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

AUTHORIZING USE OF EAST FRONT OF CAPITOL GROUNDS FOR PERFORMANCES SPONSORED BY KENNEDY CENTER

Mr. LATOURETTE. Madam Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 76) authorizing the use of the East Front of the Capitol Grounds for performances sponsored by the John F. Kennedy Center for the Performing Arts.

The Clerk read as follows:

H. CON. RES. 76

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. AUTHORIZING USE OF EAST FRONT OF CAPITOL GROUNDS FOR PERFORMANCES SPONSORED BY KENNEDY CENTER.

In carrying out its duties under section 4 of the John F. Kennedy Center Act (20 U.S.C. 76j), the John F. Kennedy Center for the Performing Arts, in cooperation with the National Park Service (in this resolution jointly referred to as the "sponsor"), may sponsor public performances on the East Front of the Capitol Grounds at such dates and times as the Speaker of the House of Representatives and Committee on Rules and Administration of the Senate may approve jointly.

SEC. 2. TERMS AND CONDITIONS.

(a) IN GENERAL.—Any performance authorized under section 1 shall be free of admission charge to the public and arranged not to interfere with the needs of Congress, under conditions to be prescribed by the Architect of the Capitol and the Capitol Police Board.

(b) ASSUMPTION OF LIABILITIES.—The sponsor shall assume full responsibility for all liabilities incident to all activities associated with the performance.

SEC. 3. EVENT PREPARATIONS.

(a) STRUCTURES AND EQUIPMENT.—In consultation with the Speaker of the House of Representatives and the Committee on Rules and Administration of the Senate, the Architect of the Capitol shall provide upon the Capitol Grounds such stage, sound amplification devices, and other related structures and equipment as may be required for a performance authorized under section 1.

(b) ADDITIONAL ARRANGEMENTS.—The Architect of the Capitol and the Capitol Police Board may make such additional arrangements as may be required to carry out the performance.

SEC. 4. ENFORCEMENT OF RESTRICTIONS.

The Capitol Police Board shall provide for enforcement of the restrictions contained in section 4 of the Act of July 31, 1946 (40 U.S.C. 193d; 60 Stat. 718), concerning sales, advertisements, displays, and solicitations on the Capitol Grounds, as well as other restrictions applicable to the Capitol Grounds, with respect to a performance authorized by section 1.

SEC. 5. EXPIRATION OF AUTHORITY.

A performance may not be conducted under this resolution after September 30, 2001.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. LATOURETTE) and the gentleman from Illinois (Mr. COSTELLO) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. LATOURETTE).

Mr. LATOURETTE. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, House Concurrent Resolution 76 was introduced by the chairman of our full committee, the gentleman from Alaska (Mr. YOUNG), and cosponsored by the ranking member, the gentleman from Minnesota (Mr. OBERSTAR). The resolution authorizes the use of the east front of the Capitol for performances by the Millennium Stage of the John F. Kennedy Center for the Performing Arts. Performances will take place on Tuesdays and Thursdays beginning June 5 through August 31. The performances will be open to the public, free of admission charge; and the sponsors of the event, the Kennedy Center and the National Park Service, will assume responsibility for all liabilities associated with the event.

The resolution expressly prohibits sales, displays, advertisements, and any solicitation in connection with the event.

This unique event allows the Kennedy Center to provide leadership in the national performing arts education policy and programs and to conduct community outreach as provided in its mission statement. By permitting these performances on the east front, the Congress is assisting the Kennedy Center in fulfilling its mission. I support this resolution and urge my colleagues to do the same.

Madam Speaker, I reserve the balance of my time.

Mr. COSTELLO. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of H. Con. Res. 76, a resolution to authorize the use of the Capitol Grounds for a series of summer concerts sponsored by the John F. Kennedy Center. Last summer, approximately 5,000 people attended and were entertained by the Capitol Hill Millennium stage performances. Musicians, dancers, pianists, and storytellers performed here on Capitol Hill. Members of Congress, their staffs, employees, tourists, and neighbors were treated to a wonderful, free concert during their lunch hours on Tuesdays and Thursdays from Memorial Day to Labor Day.

As with all events on the Capitol Grounds, these concerts are free and open to the public. The Kennedy Center works with the Architect of the Capitol to ensure that all rules and regulations are enforced.

Madam Speaker, I support this resolution and thank the gentleman from Ohio (Mr. LATOURETTE), the gentleman from Minnesota (Mr. OBERSTAR), and the gentleman from Alaska (Mr. YOUNG) for bringing this matter to the floor in an expeditious manner.

Madam Speaker, I yield back the balance of my time.

Mr. LATOURETTE. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. LATOURETTE) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 76.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING USE OF CAPITOL GROUNDS FOR GREATER WASHINGTON SOAP BOX DERBY

Mr. LATOURETTE. Madam Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 79) authorizing the use of the Capitol Grounds for the Greater Washington Soap Box Derby.

The Clerk read as follows:

H. CON. RES. 79

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. AUTHORIZATION OF SOAP BOX DERBY RACES ON CAPITOL GROUNDS.

The Greater Washington Soap Box Derby Association (in this resolution referred to as the "Association") shall be permitted to sponsor a public event, soap box derby races, on the Capitol Grounds on June 23, 2001, or on such other date as the Speaker of the House of Representatives and the Committee on Rules and Administration of the Senate may jointly designate.

SEC. 2. CONDITIONS.

The event to be carried out under this resolution shall be free of admission charge to the public and arranged not to interfere with the needs of Congress, under conditions to be prescribed by the Architect of the Capitol and the Capitol Police Board; except that the Association shall assume full responsibility for all expenses and liabilities incident to all activities associated with the event.

SEC. 3. STRUCTURES AND EQUIPMENT.

For the purposes of this resolution, the Association is authorized to erect upon the Capitol Grounds, subject to the approval of the Architect of the Capitol, such stage, sound amplification devices, and other related structures and equipment as may be required for the event to be carried out under this resolution.

SEC. 4. ADDITIONAL ARRANGEMENTS.

The Architect of the Capitol and the Capitol Police Board are authorized to make any such additional arrangements that may be required to carry out the event under this resolution.

SEC. 5. ENFORCEMENT OF RESTRICTIONS.

The Capitol Police Board shall provide for enforcement of the restrictions contained in section 4 of the Act of July 31, 1946 (40 U.S.C. 193d; 60 Stat. 718), concerning sales, advertisements, displays, and solicitations on the Capitol Grounds, as well as other restrictions applicable to the Capitol Grounds, with respect to the event to be carried out under this resolution.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. LATOURETTE) and the gentleman from Illinois (Mr. COSTELLO) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. LATOURETTE).

Mr. LATOURETTE. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, House Concurrent Resolution 79 authorizes the use of the Capitol Grounds for the Greater Washington Soap Box Derby qualifying races to be held on June 23, 2001, or on such date as the Speaker of the House of Representatives and the Senate Committee on Rules and Administration jointly designate.

The resolution also authorizes the Architect of the Capitol, the Capitol Police Board, and the Greater Washington Soap Box Derby Association, the sponsor of the event, to negotiate the necessary arrangements for carrying out the event in complete compliance with the rules and regulations governing the use of the Capitol Grounds. The event is open to the public and free of charge, and the sponsor will assume responsibility for all expenses and liabilities related to the event.

In addition, sales, advertisements, and solicitations are explicitly prohibited on the Capitol Grounds for this event. The races are to take place on Constitution Avenue between Delaware Avenue and Third Street, Northwest. Their participants are residents of the Washington Metropolitan Area and range in ages from 9 to 16. This event is currently one of the largest races in the country, and the winners of these races will represent the Washington metropolitan area at the national finals to be held in Akron, Ohio. I strongly support this resolution and urge my colleagues to do the same.

Madam Speaker, I reserve the balance of my time.

Mr. COSTELLO. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I am delighted to join the sponsor, the gentleman from Maryland (Mr. HOYER), in supporting H. Con. Res. 79 and acknowledge the efforts of the gentleman from Maryland (Mr. HOYER), who has been such a champion for his constituents for this event.

H. Con. Res. 79 authorizes the use of the Capitol Grounds for the Greater Washington Soap Box Derby. Youth ranging in age from 9 to 16 construct and operate their own soap box vehicles. On June 23, 2001, children from the Greater Washington area will race down Constitution Avenue to test the principles of aerodynamics. Hundreds of volunteers donate considerable time supporting the event and providing families with a fun-filled day. The event has grown in popularity, and Washington now is known as one of the outstanding race cities.

Madam Speaker, I support H. Con. Res. 79 and urge my colleagues to support it as well.

Mr. HOYER. Madam Speaker, for the last 9 years, I have sponsored a resolution for the Greater Washington Soap Box Derby to hold its race along Constitution Avenue.

This year, I am once again proud to have introduced H. Con. Res. 79 to permit the 64th running of the Greater Washington Soap Box Derby, which is to take place on the Capitol Grounds on June 23, 2001.

This resolution authorizes the Architect of the Capitol, The Capitol Police Board, and the Greater Washington Soap Box Derby Association to negotiate the necessary arrangements for carrying out running of the Greater Washington Soap Box Derby in complete compliance with rules and regulations governing the use of the Capitol Grounds.

In the past, the full House has supported this resolution once reported favorably by the full Transportation Committee. I ask my colleagues to join with me, and the other cosponsors including Representatives ALBERT WYNN, CONNIE MORELLA, JIM MORAN, FRANK WOLF, and ELEANOR HOLMES-NORTON in supporting this resolution.

From 1992 to 2000, the Greater Washington Soap Box Derby welcomed over 52 contestants which made the Washington, DC, race one of the largest in the country. Participants range from ages 9 to 16 and hail from communities in Maryland, the District of Columbia, and Virginia.

The Winners of this local event will represent the Washington Metropolitan Area in the national race, which will be held in Akron, OH, on July 28, 2001.

The young people involved spend months preparing for this race, and the day that they compete it makes it all the more worthwhile. The soap box derby provides our young people with an opportunity to gain valuable skills such as engineering and aerodynamics.

Furthermore, the derby promotes team work, a strong sense of accomplishment, sportsmanship, leadership, and responsibility. These are positive attributes that we should encourage children to carry into adulthood.

I want to thank the Transportation full committee and subcommittee chairmen and ranking members for their support and I urge all of the Members to support this legislation.

Mrs. MORELLA. Madam Speaker, I am delighted to join the sponsor, Mr. HOYER, and the other cosponsors—Mr. WOLF, Mr. WYNN, Mr. MORAN, and Ms. NORTON—in supporting House Concurrent Resolution 79 which allows for participants in the Greater Washington Soap Box Derby to use the Capitol Grounds and race along Constitution Avenue on June 23rd. For the past nine years, I have cosponsored this resolution along with the rest of the Greater Washington Metropolitan delegation in order to promote this annual community event—which is now in its 60th year of running.

The Greater Washington Soap Box Derby has been considered one of the largest races in the nation—averaging over 40 contestants each year. Participants in the Derby, ranging in age from 9 to 16, live in communities in the great State of Maryland, the District of Columbia, and Virginia. The winners of the local event in June will have the honor of representing the Washington Metro area at the National Derby Race in Akron, Ohio on July 28th.

The Derby truly is a community event with scores of children, parents, and volunteers working tirelessly to construct and operate the soap boxes. The region's youth have the opportunity to learn the lessons of team work, competition, and sportsmanship—as well as the physics and mechanics involved in building an aerodynamically shaped soap box car.

I also would like to applaud one of my constituents, George Weissgerber of Rockville, Maryland for his work again this year as the Derby Director.

I invite the Members of the House to not only support this resolution today, but also with your attendance at the Greater Washington Soap Box Derby on June 23rd.

Mr. COSTELLO. Madam Speaker, I yield back the balance of my time.

Mr. LATOURETTE. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. LATOURETTE) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 79.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING USE OF CAPITOL GROUNDS FOR 2001 DISTRICT OF COLUMBIA SPECIAL OLYMPICS LAW ENFORCEMENT TORCH RUN

Mr. LATOURETTE. Madam Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 87) authorizing the 2001 District of Columbia Special Olympics Law Enforcement Torch Run to be run through the Capitol Grounds.

The Clerk read as follows:

H. CON. RES. 87

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. AUTHORIZATION OF RUNNING OF D.C. SPECIAL OLYMPICS LAW ENFORCEMENT TORCH RUN THROUGH CAPITOL GROUNDS.

On June 1, 2001, or on such other date as the Speaker of the House of Representatives and the Committee on Rules and Administration of the Senate may jointly designate, the 2001 District of Columbia Special Olympics Law Enforcement Torch Run (in this resolution referred to as the "event") may be run through the Capitol Grounds as part of the journey of the Special Olympics torch to the District of Columbia Special Olympics summer games at Gallaudet University in the District of Columbia.

SEC. 2. RESPONSIBILITY OF CAPITOL POLICE BOARD.

The Capitol Police Board shall take such actions as may be necessary to carry out the event.

SEC. 3. CONDITIONS RELATING TO PHYSICAL PREPARATIONS.

The Architect of the Capitol may prescribe conditions for physical preparations for the event.

SEC. 4. ENFORCEMENT OF RESTRICTIONS.

The Capitol Police Board shall provide for enforcement of the restrictions contained in section 4 of the Act of July 31, 1946 (40 U.S.C. 193d; 60 Stat. 718), concerning sales, advertisements, displays, and solicitations on the Capitol Grounds, as well as other restrictions applicable to the Capitol Grounds, with respect to the event.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from

Ohio (Mr. LATOURETTE) and the gentleman from Illinois (Mr. COSTELLO) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. LATOURETTE).

Mr. LaTOURETTE. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, House Concurrent Resolution 87 authorizes the 2001 District of Columbia Special Olympics Law Enforcement Torch Run to be conducted through the Grounds of the Capitol on June 1, 2001 or on such date as the Speaker of the House and the Senate Committee on Rules and Administration jointly designate.

The resolution also authorizes the Architect of the Capitol, the Capitol Police Board, and the D.C. Special Olympics, the sponsor of the event, to negotiate the necessary arrangements for carrying out the event in complete compliance with the rules and regulations governing the use of the Capitol Grounds.

The sponsor of the event will assume all expenses and liabilities in connection with the event, and all sales, advertisements, and solicitations are prohibited.

The Capitol Police will host the opening ceremonies for the run starting on Capitol Hill, and the event will be free of charge and open to the public.

Over 2,000 law enforcement representatives from local and Federal law enforcement agencies in Washington will carry the Special Olympics torch in honor of the 2,500 Special Olympians who participate in this annual event to show their support of the Special Olympics.

For over a decade, Madam Speaker, the Congress has supported this worthy endeavor by enacting resolutions for the use of the grounds. I am proud to have sponsored, along with the ranking member of our subcommittee, the gentleman from Illinois (Mr. COSTELLO), this resolution and urge my colleagues to support it.

Madam Speaker, I reserve the balance of my time.

Mr. COSTELLO. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, this event needs little introduction. The year 2001 marks the 33rd anniversary of the D.C. Special Olympics. The torch relay event is a traditional part of the opening ceremonies for the Special Olympics, which take place at Gallaudet University in the District of Columbia. In the mid-1960s, Eunice Kennedy Shriver started a summer camp for handicapped children in her backyard. Since that modest beginning, this event has grown to involve approximately 2,500 Special Olympians competing in over a dozen events.

More than 1 million children and adults with special needs participate in Special Olympic programs worldwide. The event is supported by thousands of volunteers. The goal of the games is to help bring developmentally disabled individuals into the larger society under conditions where they are accepted and respected. Confidence and self-esteem are the building blocks for these Olympic games.

I enthusiastically support this resolution. I thank the subcommittee chairman for his support. I urge passage of this legislation.

Madam Speaker, I yield back the balance of my time.

Mr. LATOURETTE. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. LATOURETTE) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 87.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was passed.

A motion to reconsider was laid on the table.

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HONORING SERVICES AND SACRIFICES OF THE UNITED STATES MERCHANT MARINE

Mr. LATOURETTE. Madam Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 109) honoring the services and sacrifices of the United States merchant marine.

The Clerk read as follows:

H. CON. RES. 109

Whereas throughout our history, the United States merchant marine has served the Nation during times of war;

Whereas the merchant marine served as the Nation's first navy, and defeated the British Navy to help gain the Nation's independence;

Whereas during World War II more than 250,000 men and women served in the merchant marine, and faced dangers from the elements, and from mines, submarines, other armed enemy vessels, and aircraft;

Whereas during World War II vessels of the merchant marine fleet, such as the S.S. Lane Victory, provided critical logistical support to the Armed Forces by carrying equipment, supplies, and personnel necessary to the war effort;

Whereas President Franklin D. Roosevelt and many military leaders praised the role of the merchant marine as the "Fourth Arm of Defense" during World War II;

Whereas during World War II more than 6,800 members of the merchant marine were killed at sea, more than 11,000 were wounded, and more than 600 were taken prisoner;

Whereas 1 out of every 32 members of the merchant marine serving during World War II died in the line of duty, a higher percentage of war related deaths than in any of the armed services;

Whereas, at a time when the people of the United States are recognizing the contributions of the Armed Forces and civilian personnel to the national security, it is appropriate to recognize the service of the merchant marine; and

Whereas the merchant marine continues to serve and protect the United States: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) honors the service and sacrifice of members of the United States merchant marine;

(2) recognizes the critical role played by vessels of the United States merchant marine fleet in transporting equipment, supplies, and personnel in support of the Nation's defense;

(3) recognizes the historical significance of May 22 as National Maritime Day, so designated in 1933 to commemorate the anniversary of the first transoceanic voyage under steam propulsion, and finds it fitting and proper on this day of paying tribute to our maritime history to pay special honor to the merchant marine;

(4) encourages the American people and appropriate government agencies, through appropriate ceremonies and activities, to recognize the services and sacrifices of the United States merchant marine, and to observe this day by displaying the flag of the United States at their homes and other suitable places; and

(5) requests that all ships sailing under the United States flag prominently display the flag on this day.

The SPEAKER pro tempore (Mrs. BIGGERT). Pursuant to the rule, the gentleman from Ohio (Mr. LATOURETTE) and the gentleman from Illinois (Mr. COSTELLO) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. LATOURETTE).

Mr. LATOURETTE. Madam Speaker, I yield myself such time as I may consume.

First of all, as May 22 is the day nationally designated as the commemoration for the efforts of merchant mariners across the country, I want to specifically thank the gentleman from Alaska (Mr. YOUNG), the chairman of our full committee; the gentleman from Minnesota (Mr. OBERSTAR), the ranking member of the full committee; the gentleman from New Jersey (Mr. LOBIONDO), the chairman of the Subcommittee on the Coast Guard; and the gentlewoman from Florida (Ms. BROWN), the ranking member, for agreeing to discharge this particular resolution from the committee's consideration.

Madam Speaker, H. Con. Res. 109 honors the services and sacrifices of the United States Merchant Marine. Today, we are here to pay tribute to a group of American heroes who, in my estimation, have never gotten their just due for all they have done to serve our country; that is, the Merchant Marines.

The Merchant Marines certainly are aware of their proud history, but I will bet that there are millions of Americans out there, especially our schoolchildren, who probably did not hear much about the tremendous role of the Merchant Marine when they were learning about the Second World War.

The United States Merchant Marine has served the people of the United

States in all wars since 1775 and was in existence prior to the formation of the United States Navy or the United States Coast Guard. In fact, the United States Merchant Marine was our country's first Navy and defeated the British Navy to help win our country's independence.

The Merchant Marine's role was especially important during the Second World War. The Merchant Marines were the ones who took the troops through harm's way and delivered supplies all over the world. Merchant Marines were participants in landing operations from Guadalcanal to Iwo Jima, and suffered the highest casualty rate of any service during the Second World War.

At least 8,600 merchant mariners were killed at sea, meaning one in 32 were killed in action. Another 11,000 mariners were wounded, and some 1,500 ships were sunk. More than 604 were taken prisoner. From December 1941 to August 1945 alone, the United States lost 5,638 merchant seamen aboard 733 ships sunk by submarines. Some weeks, 30 ships were sunk.

Our Merchant Marines were there long before the war began and were the last ones to come home. We cannot underestimate the importance of this group of overlooked heroes.

During World War II, 7 to 15 tons of supplies were needed to supply just one GI for one year at the front. In 1945 alone, merchant mariners moved 17 million pounds of cargo every hour. This included ammo, planes, fuel, boats, explosives, tanks, Jeeps, medicines and food.

In World War II, virtually every serviceman who saw action against the enemy was transported overseas by ship and virtually all of the supplies were also delivered by our gutsy, fearless merchant mariners. President Roosevelt called the 250,000 Merchant Marines who served in World War II our Nation's "Fourth Arm of Defense."

While the Merchant Marines are best known for their service and sacrifice of World War II, that is hardly their entire mystery. Merchant mariners also participated in the War of 1812, World War I, the Civil War, the Spanish American War, Korea and Vietnam. They even supplied troops in Bosnia and the Persian Gulf.

The Merchant Marines have provided a critical service during every war in our Nation's history, yet our Nation officially refuses to recognize merchant mariners as veterans and give them the same status and benefits afforded to other veterans. Only recently did the Congress pass legislation to give merchant mariners the right to a flag upon burial. I think that is one of the great shames of the 20th century, Madam Speaker, that we did not do more to honor the service of the Merchant Marines.

Madam Speaker, since 1933, our Nation has recognized May 22 as National Maritime Day, and that particular date was chosen because it was on May 22, 1819 that the S.S. *Savannah* departed from Savannah, Georgia on the first transatlantic steamship voyage. It was not long before merchant mariners used this date to honor their own.

Tomorrow is National Maritime Day, and it is fitting that today we will pass H. Con. Res. 109, which honors the service and sacrifice of the members of the United States Merchant Marine. The measure recognizes the critical role played by vessels of the United States Merchant Marine fleet in transporting equipment, supplies and personnel in support of our Nation's defense and recognizes the historical significance of May 22 as National Maritime Day.

Madam Speaker, H. Con. Res. 109 encourages the American people and appropriate government agencies to recognize the services and sacrifices of the United States Merchant Marine and to observe National Maritime Day tomorrow by displaying the flag of the United States at their homes and in other suitable places. It also requests that all ships sailing under the United States flag prominently display the flag tomorrow.

Madam Speaker, I recently had the honor of dedicating a Merchant Marine Memorial in Ashtabula, Ohio, which is in my lovely congressional district. I was honored to be there in the presence of those great Americans. I hope my colleagues will join me today in passing this resolution.

Madam Speaker, I reserve the balance of my time.

Mr. COSTELLO. Madam Speaker, I yield myself such time as I may consume.

I rise in support of House concurrent resolution 109, a resolution honoring the services and sacrifices of the men and women who served in the United States Merchant Marine.

Madam Speaker, tomorrow is National Maritime Day, a day set aside by law for the past 68 years to recognize the contributions to our Nation by these men and women who have served our Nation in war and in peace, transporting goods and military supplies wherever they are needed.

The Merchant Marine is not well-known by many Americans. The Merchant Marine is composed of those men and women who operate the commercial ships that transport both military supplies and the everyday goods that we use in or society. This includes everything from tanks to televisions, from ammunition to automobiles.

During World War II, over 6,000 Merchant Marines died when their ships were attacked by the enemy. Merchant mariners were exempt from the draft during World War II, because it was vitally important for them to use their unique skills to transport our military supplies in the Atlantic and Pacific theaters of operation. Their mission was made dangerous by the constant attacks of the German submarines.

I would urge my colleagues and the American people to take the time to visit some of the merchant ships from this era that are on display around the country. In Baltimore, they can visit the S.S. *John Brown*. In San Francisco, they can visit the S.S. *Jeremiah O'Brien*, and in Los Angeles, they can visit the S.S. *Lane Victory*. These Liberty and Victory ships were turned out of our shipyards at a rate of one per day. Once on board, a much better appreciation for the conditions under which these mariners worked and the sacrifices and contributions these Americans made for our Nation would be gained.

Today, the men and women who serve in the U.S. Merchant Marine are responsible for the safe operation of container ships, dry cargo ships and tankers that are all the lifeline of commerce. Over 95 percent of the imports and exports that come from overseas are transported by water. These ships form the bridge over which the goods and materials for U.S. factories and consumers are shipped. During Operations Desert Shield/Desert Storm, these men and women successfully transported the weapons and supplies from the United States to the Middle East that were crucial for our victory.

Madam Speaker, it is fitting and appropriate for the House of Representatives to recognize the service and sacrifices made by the men and women who serve in the U.S. Merchant Marine. Therefore, I strongly urge my colleagues to support passage of House concurrent resolution 109 as a sign of our appreciation for their work to protect our freedom.

Mrs. JO ANN DAVIS of Virginia. Madam Speaker, I rise today in support of House Concurrent Resolution 109, honoring the services and sacrifices of the United States Merchant Marine.

At a time when America prepares to honor the men and women who have served their country in the armed forces, it is with great pride that I take this opportunity to recognize the United States Merchant Marine for their contribution to a grateful nation.

Madam Speaker, the U.S. Merchant Marine has been critical to our military success dating back to the Revolutionary War. It served as the nation's first navy when we defeated the British Navy, helping to secure our independence.

During World War II, the merchant marine fleet provided critical logistical support to the armed forces by transporting equipment, supplies, and personnel in support of the war effort. And today, as we face the challenges of an ever-changing world, the United States continues to rely on the merchant marine and the vital role it plays to ensure we remain ready to respond to any emergency threatening our national security.

Madam Speaker, as I stand here today, the men and women of the merchant marine continue to prepare for the next time the nation calls. They have been entrusted to continue the legacy of those who have sailed the seas before them. Their role in transporting goods and services is the critical link required to support a global economy. It has been instrumental in securing the prosperity our nation enjoys today. And, at the same time, as the merchant marine makes such tremendous contributions to our nation's prosperity, they continue to strengthen their skills and remain ready to flex what President Roosevelt called the "Fourth Arm of Defense" in time of crisis.

Madam Speaker, as we approach this Memorial Day weekend, it is a privilege for me to honor and thank the men and women of the United States Merchant Marine. Their efforts and dedication have contributed to our nation from the beginning and they continue to be an important element in America's ability to maintain peace through strength.

I urge support for House Concurrent Resolution 109 and encourage a "yes" vote.

Mr. COSTELLO. Madam Speaker, I yield back the balance of my time.

Mr. LATOURETTE. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. LATOURETTE) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 109.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. LATOURETTE. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. LATOURETTE. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 495, H.R. 1801, and on House Concurrent Resolutions 76, 79, 87 and 109, the measures just considered by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

SMALL BUSINESS LIABILITY PROTECTION ACT

Mr. GILLMOR. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 1831) to provide certain relief for small businesses from liability under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.

The Clerk read as follows:

H.R. 1831

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Liability Protection Act".

SEC. 2. SMALL BUSINESS LIABILITY RELIEF.

(a) EXEMPTIONS.—Section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9607) is amended by adding at the end the following new subsections:

"(o) DE MICROMIS EXEMPTION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), a person shall not be liable, with respect to response costs at a facility on the National Priorities List, under this Act if liability is based solely on paragraph (3) or (4) of subsection (a), and the person, except as provided in paragraph (4) of this subsection, can demonstrate that—

"(A) the total amount of the material containing hazardous substances that the person arranged for disposal or treatment of, arranged with a transporter for transport for disposal or treatment of, or accepted for transport for disposal or treatment, at the facility was less than 110 gallons of liquid materials or less than 200 pounds of solid materials (or such greater or lesser amounts as the Administrator may determine by regulation); and

"(B) all or part of the disposal, treatment, or transport concerned occurred before April 1, 2001.

"(2) EXCEPTIONS.—Paragraph (1) shall not apply in a case in which—

"(A) the President determines that—

"(i) the materials containing hazardous substances referred to in paragraph (1) have contributed significantly or could contribute significantly, either individually or in the aggregate, to the cost of the response action or natural resource restoration with respect to the facility; or

"(ii) the person has failed to comply with an information request or administrative subpoena issued by the President under this Act or has impeded or is impeding, through action or inaction, the performance of a response action or natural resource restoration with respect to the facility; or

"(B) a person has been convicted of a criminal violation for the conduct to which the exemption would apply, and that conviction has not been vitiated on appeal or otherwise.

"(3) NO JUDICIAL REVIEW.—A determination by the President under paragraph (2)(A) shall not be subject to judicial review.

"(4) NONGOVERNMENTAL THIRD-PARTY CONTRIBUTION ACTIONS.—In the case of a contribution action, with respect to response costs at a facility on the National Priorities List, brought by a party, other than a Federal, State, or local government, under this Act, the burden of proof shall be on the party bringing the action to demonstrate that the conditions described in paragraph (1)(A) and (B) of this subsection are not met.

"(p) MUNICIPAL SOLID WASTE EXEMPTION.—

"(1) IN GENERAL.—Except as provided in paragraph (2) of this subsection, a person shall not be liable, with respect to response costs at a facility on the National Priorities List, under paragraph (3) of subsection (a) for municipal solid waste disposed of at a facility if the person, except as provided in paragraph (5) of this subsection, can demonstrate that the person is—

"(A) an owner, operator, or lessee of residential property from which all of the person's municipal solid waste was generated with respect to the facility;

"(B) a business entity (including a parent, subsidiary, or affiliate of the entity) that, during its 3 taxable years preceding the date of transmittal of written notification from the President of its potential liability under this section, employed on average not more than 100 full-time individuals, or the equivalent thereof, and that is a small business concern (within the meaning of the Small Business Act (15 U.S.C. 631 et seq.)) from which was generated all of the municipal solid waste attributable to the entity with respect to the facility; or

"(C) an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code that, during its taxable year preceding the date of transmittal of written notification from the President of its potential liability under this section, employed not more than 100 paid individuals at the location from which was generated all of the municipal solid waste attributable to the organization with respect to the facility.

For purposes of this subsection, the term 'affiliate' has the meaning of that term provided in the definition of 'small business concern' in regulations promulgated by the Small Business Administration in accordance with the Small Business Act (15 U.S.C. 631 et seq.).

"(2) EXCEPTION.—Paragraph (1) shall not apply in a case in which the President determines that—

"(A) the municipal solid waste referred to in paragraph (1) has contributed significantly or could contribute significantly, either individually or in the aggregate, to the cost of the response action or natural resource restoration with respect to the facility;

"(B) the person has failed to comply with an information request or administrative subpoena issued by the President under this Act; or

"(C) the person has impeded or is impeding, through action or inaction, the performance of a response action or natural resource restoration with respect to the facility.

"(3) NO JUDICIAL REVIEW.—A determination by the President under paragraph (2) shall not be subject to judicial review.

"(4) DEFINITION OF MUNICIPAL SOLID WASTE.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'municipal solid waste' means waste material—

"(i) generated by a household (including a single or multifamily residence); and

"(ii) generated by a commercial, industrial, or institutional entity, to the extent that the waste material—

"(I) is essentially the same as waste normally generated by a household;

"(II) is collected and disposed of with other municipal solid waste as part of normal municipal solid waste collection services; and

"(III) contains a relative quantity of hazardous substances no greater than the relative quantity of hazardous substances contained in waste material generated by a typical single-family household.

"(B) EXAMPLES.—Examples of municipal solid waste under subparagraph (A) include food and yard waste, paper, clothing, appliances, consumer product packaging, disposable diapers, office supplies, cosmetics, glass and metal food containers, elementary or secondary school science laboratory waste, and household hazardous waste.

"(C) EXCLUSIONS.—The term 'municipal solid waste' does not include—

"(i) combustion ash generated by resource recovery facilities or municipal incinerators; or

"(ii) waste material from manufacturing or processing operations (including pollution control operations) that is not essentially the same as waste normally generated by households.

"(5) BURDEN OF PROOF.—In the case of an action, with respect to response costs at a facility on the National Priorities List, brought under section 107 or 113 by—

"(A) a party, other than a Federal, State, or local government, with respect to municipal solid waste disposed of on or after April 1, 2001; or

"(B) any party with respect to municipal solid waste disposed of before April 1, 2001, the burden of proof shall be on the party bringing the action to demonstrate that the conditions described in paragraphs (1) and (4) for exemption for entities and organizations described in paragraph (1)(B) and (C) are not met.

"(6) CERTAIN ACTIONS NOT PERMITTED.—No contribution action may be brought by a party, other than a Federal, State, or local government, under this Act with respect to circumstances described in paragraph (1)(A).

"(7) COSTS AND FEES.—A nongovernmental entity that commences, after the date of the enactment of this subsection, a contribution action under this Act shall be liable to the defendant for all reasonable costs of defending the action, including all reasonable attorney's fees and expert witness fees, if the defendant is not liable for contribution based on an exemption under this subsection or subsection (o).".

(b) EXPEDITED SETTLEMENT.—Section 122(g) of such Act (42 U.S.C. 9622(g)) is amended by adding at the end the following new paragraphs:

"(7) REDUCTION IN SETTLEMENT AMOUNT BASED ON LIMITED ABILITY TO PAY.—

"(A) IN GENERAL.—The condition for settlement under this paragraph is that the potentially responsible party is a person who demonstrates to the President an inability or a limited ability to pay response costs.

"(B) CONSIDERATIONS.—In determining whether or not a demonstration is made under subparagraph (A) by a person, the President shall take into consideration the ability of the person to pay response costs and still maintain its basic business operations, including consideration of the overall financial condition of the person and demonstrable constraints on the ability of the person to raise revenues.

"(C) INFORMATION.—A person requesting settlement under this paragraph shall promptly provide the President with all relevant information needed to determine the ability of the person to pay response costs.

"(D) ALTERNATIVE PAYMENT METHODS.—If the President determines that a person is unable to pay its total settlement amount at the time of settlement, the President shall consider such alternative payment methods as may be necessary or appropriate.'

"(8) ADDITIONAL CONDITIONS FOR EXPEDITED SETTLEMENTS.—

"(A) WAIVER OF CLAIMS.—The President shall require, as a condition for settlement under this subsection, that a potentially responsible party waive all of the claims (including a claim for contribution under this Act) that the party may have against other potentially responsible parties for response costs incurred with respect to the facility, unless the President determines that requiring a waiver would be unjust.

"(B) FAILURE TO COMPLY.—The President may decline to offer a settlement to a potentially responsible party under this subsection if the President determines that the potentially responsible party has failed to comply with any request for access or information or an administrative subpoena issued by the President under this Act or has impeded or is impeding, through action or inaction, the performance of a response action with respect to the facility.

"(C) RESPONSIBILITY TO PROVIDE INFORMATION AND ACCESS.—A potentially responsible party that enters into a settlement under this subsection shall not be relieved of the responsibility to provide any information or access requested in accordance with subsection (e)(3)(B) or section 104(e).

"(9) BASIS OF DETERMINATION.—If the President determines that a potentially responsible party is not eligible for settlement under this subsection, the President shall provide the reasons for the determination in writing to the potentially responsible party that requested a settlement under this subsection.

"(10) NOTIFICATION.—As soon as practicable after receipt of sufficient information to make a determination, the President shall notify any person that the President determines is eligible under paragraph (1) of the person's eligibility for an expedited settlement.

"(11) NO JUDICIAL REVIEW.—A determination by the President under paragraph (7), (8), (9), or (10) shall not be subject to judicial review.

"(12) NOTICE OF SETTLEMENT.—After a settlement under this subsection becomes final with respect to a facility, the President shall promptly notify potentially responsible parties at the facility that have not resolved their liability to the United States of the settlement.".

SEC. 3. EFFECT ON CONCLUDED ACTIONS.

The amendments made by this Act shall not apply to or in any way affect any settlement lodged in, or judgment issued by, a United States District Court, or any administrative settlement or order entered into or issued by the United States or any State, before the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. GILLMOR) and the gentleman from Illinois (Mr. COSTELLO) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. GILLMOR).

GENERAL LEAVE

Mr. GILLMOR. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation, and to insert extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. GILLMOR. Madam Speaker, I ask unanimous consent that the gentleman from Tennessee (Mr. DUNCAN) be permitted to control 10 minutes of the time on this side of the aisle.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. GILLMOR. Madam Speaker, I yield myself such time as I may consume.

Today my colleagues and I bring environmental legislation before this House that we believe will make a difference in the lives of everyday Americans. This bill, the Small Business Liability Protection Act, will help to end the long nightmares suffered by so many small businesses which become liable for substantial amounts of money only for throwing regular, ordinary household waste in the local dump.

As a member of the House's Subcommittee on Hazardous Materials for the past several Congresses, I have heard repeated stories of businessowners who found themselves involved in serious Superfund liability litigation for either throwing out just regular trash, or having legally disposed of some material that years later was found to be improperly disposed of. The bill before us, H.R. 1831, will take a major step toward trying to bring some sanity and to bring some fairness to Superfund liability.

To illustrate my point, Madam Speaker, I would like to provide a few examples of how the current system produces unfair results.

Greg Shierling took over a McDonalds business from his parents in 1996. In 1999, he was informed that he was financially responsible to the tune of $65,000 for cleanup of a landfill that his parents had legally trucked trash to 30 years ago when Greg was still in grade school.

Mike Nobis owns a printing shop. In February of 1999, he was informed that six large local companies were coming after him and 147 other small businesses for $3.1 million in cleanup costs because he had legally sent paper and ordinary trash to the local landfill.

Pat McClean was forced to pay $21,900. His problem was that his business, a restaurant, sent chicken bones, potato peelings, and soiled napkins to a local dump.

Mr. McClean's story is practically identical to Barbara Williams of Gettysburg, Pennsylvania. Her former restaurant, the Sunny Ray, became enmeshed in the financial quagmire of Superfund liability because she too threw chicken bones and other ordinary trash in the local dump.

Each of these stories is somewhat different, but in many ways are the same. A person legally disposed of ordinary trash. They were then sued by someone else, trying to get money for cleanup, and in order to pay the bill, pay the debt, the small business laid off trusted employees, had to sue friends in the community, built substantial legal bills, and suffered undue personal anguish. That outcome simply is not right.

To address these concerns, our bill provides relief to small business, those of 100 employees or less; it provides liability protection to small businesses that disposed of very small amounts of ordinary garbage, and it shelters small businesses from serious financial hardship by offering the businesses affected expedited settlements.

□ 1515

It does not save any business from Superfund liability if their waste stream caused serious environmental harm. The bill provides an appropriate helping hand while keeping the onus on all businesses to be responsible stewards of our environment.

This legislation is not the type of comprehensive Superfund legislation that many have supported over the years, including myself. There have been several unrealized attempts over the years to reach that Holy Grail. It has resulted not in a better Superfund program, but in more lawsuits, more stigmas, and less clean-up.

Rather, this bill is an acknowledgment that something must be done and that the best way to provide commonsense liability relief to those who need it is to find those areas of agreement within the Superfund universe and move them forward.

In fact, Mr. Speaker, I look forward to working diligently on brownfields legislation once this bill passes.

I want to make a few comments about some other Members who have worked on this bill. I want to thank the vice-chairman of our subcommittee, the gentleman from Illinois (Mr. SHIMKUS), who first brought this matter before Congress last year.

I want to express appreciation to the gentleman from Ohio (Mr. OXLEY) for his help in laying the groundwork for today.

I also want to thank the ranking members of both our subcommittee and full committee, the gentleman from New Jersey (Mr. PALLONE) and the gentleman from Michigan (Mr. DINGELL). Their work on this issue has been instrumental in bringing this bill before us.

Finally, I want to thank the gentleman from Louisiana (Mr. TAUZIN), the chairman, and the committee staff for their hard work in support of this legislative effort.

I urge all Members to vote for the passage of H.R. 1831.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, May 21, 2001.

STATEMENT OF ADMINISTRATION POLICY

H.R. 1831—SMALL BUSINESS LIABILITY PROTECTION ACT

The Administration strongly supports enactment of H.R. 1831. The bill will promote the cleanup of Superfund sites and reduce needless lawsuits by drawing a bright line between large contributors of toxic waste and small businesses who disposed of only small amounts of waste or ordinary trash. The Administration commends the bipartisan sponsors of H.R. 1831 for developing legislation that will reduce litigation and thereby increase the time and resources that can be spent on cleaning the environment. The Administration will continue to work in the legislative process to address concerns with the provisions that cut off citizens' access to courts and withhold the benefits of the bill for small businesses unless they comply with all information requests imposed by EPA, whether the law requires the furnishing of that information or not.

Madam Speaker, I reserve the balance of my time.

Mr. COSTELLO. Madam Speaker, I yield 10 minutes to the gentleman from Florida (Mr. DEUTSCH), of the Committee on Energy and Commerce; and I ask unanimous consent that he be permitted to allocate time.

The SPEAKER pro tempore (Mrs. BIGGERT). Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. COSTELLO. Madam Speaker, I strongly support H.R. 1831, the Small Business Liability Protection Act.

For over 8 years, there has been a general consensus among the Members of this House that too many small businesses, homeowners, and small charitable organizations were being sued by large businesses for Superfund clean-up costs when these parties did nothing more than put out their normal trash.

Unfortunately, the House has not been able to pass legislation to stop these abuses because liability protection was always a component of a larger and more controversial bill.

Today, we are taking a critical step to ending this abuse, which has been called a nightmare for small businesses, their families, friends, and neighbors. This bill is brief, only 13 pages; but its impact will be widespread among the small business community. Businesses with not more than 100 employees will now be able to feel secure that they will not be sued by larger businesses when all they did was send out ordinary trash to a Superfund site.

In my district in southwestern and southern Illinois, for example, virtually all businesses will now be protected from such lawsuits. In addition to protecting those who sent the trash, the bill also exempts any party that sent very small amounts of waste to a Superfund site.

At too many sites across the country, polluters at Superfund sites have engaged in abusive practices of literally suing every business in the phone book as a way of spreading out their cost for Superfund clean-up. The theory was that everyone's trash must contain some hazardous substances. This bill will stop that abuse.

This bill demonstrates that by working in a bipartisan manner, we can in fact get results that help real people, real benefits to real people. It is no secret that this bill is of major interest to the National Federation of Independent Business. That organization should be congratulated for reaching out in a bipartisan manner and working with Democrats and Republicans to develop this legislation.

Madam Speaker, I urge my colleagues to support this legislation, and I reserve the balance of my time.

Mr. DUNCAN. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in strong support of H.R. 1831, the Small Business Liability Protection Act.

Madam Speaker, virtually every Member of Congress has a story to tell about the abuses of the Superfund program in his or her district. We have just heard a number of examples of that by my friend, the gentleman from Ohio (Mr. GILLMOR). The worst abuses often involve using this statute to threaten small parties and small businesses with liability for millions of dollars to pay for the clean-up of a Superfund site, even if the contamination that requires cleaning up has nothing to do with their waste.

When Congress passed the Superfund statute in 1980, Congress was not aiming at small businesses and ordinary garbage. However, at the urging of overzealous attorneys representing both EPA and third-party plaintiffs, courts have expanded Superfund liabilities so far that someone can be held liable for cleaning up a site even if they sent only a quart of oil, ordinary household garbage, or even a single copper penny.

This theory of joint and several liability, holding someone liable for all of the costs regardless of their degree of involvement at a site, has created unfairness, to say the least, for all parties caught up in Superfund liability.

But the burden of this liability falls most heavily on small businesses, which often cannot even afford to hire a lawyer. In fact, Madam Speaker, I have said before that we should pin a medal on anyone who survives in small business today, and certainly Superfund problems of small businesses are a prime example.

While we have not yet addressed all of the problems with the Superfund statute, I am proud to say that today we can make this flawed program a little bit fairer. Today we can pass legislation to protect small businesses from at least some Superfund liability. H.R. 1831 accomplishes this goal by providing an exemption from liability for people or companies who send only a small amount of waste to a Superfund site and households, small businesses, and now nonprofit organizations that send only ordinary trash to a Superfund site.

Under the bill, these parties will not have to hire a lawyer to gain the protection of these exemptions. In most cases, H.R. 1831 places the burden on the plaintiff to prove that the small party is not exempt.

Finally, we realized that not all small businesses will be eligible for these exemptions. For these small businesses, H.R. 1831 provides an expedited settlement based on a limited ability to pay so that they are not trapped in Superfund litigation for years and years, as we have seen some small businesses in the past years since we have passed the original Superfund legislation.

This bill does not accomplish everything we want to accomplish on Superfund reform, but it is certainly a good first step in the right direction.

I want to say that, first of all, I would like to commend my good friend, one of the great leaders of this Congress, the gentleman from New York (Mr. BOEHLERT), of the Committee on Science and a Member who chaired the Subcommittee on Water Resources and Environment of the Committee on Transportation in the past 6 years in the Congress, and held numerous hearings on this legislation and other Superfund-type issues.

I also want to commend the gentleman from Ohio (Mr. GILLMOR) for the work that he has done, because he has worked on this for several years.

I want to thank another close friend, the gentleman from Illinois (Mr. COSTELLO), for his support, as he has expressed today; and the ranking member, his ranking member of our full committee, the gentleman from Minnesota (Mr. OBERSTAR); and certainly, last but not least, the chairman of our full committee, the gentleman from Alaska (Mr. YOUNG), all of whom have expressed strong support for this very fine legislation to provide at least some assistance to the small businesses of this Nation.

Madam Speaker, I urge all Members to support this very moderate and reasonable legislation, and I reserve the balance of my time.

Mr. DEUTSCH. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, over the past 7 years, Members on the Democratic side of the aisle have supported bills to deal with the three issues covered by the bipartisan compromise that the House considers today.

I support the fair, balanced compromise contained in this bill. It deals with the liability of parties who sent very small amounts of hazardous substance to a site, and the liability of homeowners and small businesses that has arisen from the generation of municipal solid waste, basic household trash.

I congratulate all of my colleagues from both sides of the aisle for their dedication in resolving these difficult issues. Ideology has been put aside to produce a common-sense bill that can and should become a public law.

This legislation codifies the Environmental Protection Agency's current ability-to-pay policy, and contains two tailored exemptions from liability at final Superfund national priority list sites.

The first exemption is available for any person who sent very small amounts of waste to a Superfund NPL site. The second exemption provides liability protection for homeowners and small businesses who have had their trash picked up by their city trash collector and then disposed of at a local landfill which has been listed as a Superfund NPL site.

Under the bill, the costs associated with the two exemptions and the ability-to-pay provision are not transferred to the Superfund trust fund or the Federal program. This paragraph reflects the EPA policy that de micromis parties who have contributed only a minuscule amount of waste to the site should not participate in the financing of the clean-up.

However, to deal with the equities of the situation where the waste material could contribute significantly to the cost of the clean-up, the bill gives the President the right, which cannot be challenged in court, to deny the exemption.

During discussions of this bill, representatives of small business emphasized that their problem is not with the government but with large, responsible parties who go after or threaten small businesses or homeowners as part of a scorched-earth litigation strategy.

For example, we have heard of situations where large responsible parties threaten to sue small businesses and homeowners listed in the local phone book because their trash was picked up by the municipality and deposited in the local landfill. To address these problems, this legislation will provide that no homeowner can be sued for merely putting household trash out on the curb which was picked up by the municipality.

Small businesses and those who sent extremely small amounts of waste material to the Superfund site obtained additional protection by having the burden of proof shifted in their favor in these third-party actions, as well as providing them the ability to collect reasonable attorneys' fees.

This bill represents a targeted and workable reform that is warranted and long overdue. I urge my colleagues to support the legislation.

Madam Speaker, I reserve the balance of my time.

Mr. GILLMOR. Madam Speaker, I yield 2 minutes to the gentleman from Louisiana (Mr. TAUZIN), the chairman of the full committee.

Mr. TAUZIN. Madam Speaker, I thank the gentleman for yielding time to me.

Madam Speaker, first I would like to thank and appreciate the great work of the subcommittee chairman, the gentleman from Ohio (Mr. GILLMOR), in bringing this legislation to the floor today, and to recognize that this is the first, I think, significant reform in environmental laws in this country in 5 years; and that for this to happen, it required an extraordinary amount of bipartisan cooperation and support.

I particularly want to single out the ranking member of the Subcommittee on Environment and Hazardous Materials of the Committee on Energy and Commerce, the gentleman from New Jersey (Mr. PALLONE), who has done an extraordinary job of reaching across the aisle to the gentleman from Ohio (Mr. GILLMOR) and bringing this bill forward.

I owe a great deal of gratitude to my own ranking member, the gentleman from Michigan (Mr. DINGELL), who is working closely with me on the Committee of Energy and Commerce to bring a bipartisan spirit to much of our work. Again, this bill is the best symbol of that effort to date. I want to thank him for that.

I of course would like to thank the gentleman from Illinois (Mr. SHIMKUS), the gentleman from Tennessee (Mr. DUNCAN), and the gentleman from Oregon (Mr. DEFAZIO), who have put in so many hours and years.

There are numerous other people in this room who deserve credit.

It is important to note that this is indeed a bipartisan effort to find an answer to a very troubling problem in Superfund law, that is, how to protect the innocent folks who get caught up into this amazing and deep liability and litigation scheme that was designed to make sure that real polluters were punished by making them responsible for cleaning up Superfund sites in this country.

This particular area of small business relief I think was really brought to our attention for all Americans by Barbara Williams, the former owner of SunnyRay Restaurant in Gettysburg, Pennsylvania, who told us here in Congress about her own nightmare experience of being drawn into Superfund liability and transaction costs and litigation expenses. And for what reason? That her restaurant had put some chicken bones into her waste, and this had eventually gone to a site. All of a sudden she found herself wrapped up in the system in a way that the law never was intended to give Americans those kinds of problems.

The passage of this bill, which is hugely endorsed by NFIB and by the administration, is not the end; but it is certainly the beginning of Superfund reform. I commend the authors and encourage passage of the bill.

Mr. COSTELLO. Madam Speaker, I reserve the balance of my time.

Mr. DUNCAN. Madam Speaker, I yield 4 minutes to the gentleman from New York (Mr. BOEHLERT), the chairman of the Committee on Science and a gentleman who has been a real leader on this particular legislation.

Mr. BOEHLERT. Madam Speaker, first of all, let me thank the gentleman from Tennessee (Mr. DUNCAN) for the outstanding leadership he has provided, and so many others, in support of this legislation.

I, too, support the legislation. While the bill provides some long-needed relief for small businesses and communities caught up in the Superfund liability net, it also signals a missed opportunity to enact more comprehensive reform.

For those of us familiar with the world of Superfund, H.R. 1831 specifically provides a de micromis exemption for those who are contributors of truly tiny amounts of waste.

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It also exempts those who contributed nonhazardous garbage, translate that, municipal solid waste. Finally, it encourages faster and fairer settlements through "ability to pay" procedures.

Make no mistake, though, this is not comprehensive reform. I continue to believe that the best approach is a more comprehensive one, an approach that addresses broader inequities in the liability scheme; that accelerates brownfields revisitization; that puts an end to joint and several liability; that embraces the concept of fair-share allocation, rejecting the just plain goofy concept of deep pockets.

If you are more successful, you have to pay more, regardless of what you contributed to the problem; that just does not make sense. We have to come to grips with the reality of the need to reauthorize Superfund taxes to ensure the principal of the fund, as well as the polluter pays principal.

Do not get nervous. We are talking about $^{12}/_{100}$ of a percent on profits in excess of $2 million when figured under the alternative minimum tax scheme. That sounds like so much mumbo jumbo.

But for a short period of time if we do not reauthorize the lapsed corporate environmental income tax, which I am convinced all America would embrace, then we do not have a Superfund fund to pay the bills.

We have to do it. That was the basis of the bill H.R. 1300 that moved through the Committee on Transportation and Infrastructure on a 69 to 2 vote in the last Congress. It continues to be the right approach, and that is why I have reintroduced it as H.R. 324 this year.

Madam Speaker, however, I am a realist. Given the complications of moving a more comprehensive bill, I support moving forward today with this targeted compromise, and I congratulate the gentleman from Ohio (Mr. GILLMOR) and the gentleman from Tennessee (Mr. DUNCAN) for bringing it forward as long as we continue to work on other important components of the Superfund issue.

Let me point out, we know the impediment to reauthorizing the lapsed corporate environmental income tax, the $^{12}/_{100}$ of a percent tax, it is the oil industry. Last time I checked, they were doing pretty well. One company, in the first quarter of this year, made $5 billion in profits; and you know what this $^{12}/_{100}$ of a percent tax would cost the entire industry, not the one company, but the entire industry, $33 million.

The oil industry should be embarrassed, some members of the industry, some are responsible, I am not painting with a broad brush, to tell us they are opposed to reauthorizing it. That just does not make sense.

We have to deal with brownfields legislation. That is something else that is very important. Over 450,000 brownfields from coast to coast, mainly in our urban centers, laying idle because people are afraid to touch them because of some future liability. Those are where the jobs are needed in our center cities.

If you want to deal with urban sprawl, deal with it in a responsible way, pass brownfields legislation. So I hope this is only chapter 1 in a rather dramatic story that this Congress is writing dealing with Superfund in a comprehensive, sweeping way.

Madam Speaker, this is good public policy for America. This is a start. Madam Speaker, I am proud to identify with chapter 1, but I want to see more chapters.

Mr. DEUTSCH. Madam Speaker, I yield the remainder of the time to the gentleman from New Jersey (Mr. PALLONE), the ranking member of the Subcommittee on Environment and Hazardous Materials.

Mr. PALLONE. Madam Speaker, I want to thank the gentleman from Florida (Mr. DEUTSCH) for taking the time and being here to lead the bill on the Democratic side.

As I did last week in committee, I wanted to take a moment to recognize the significance of the consensus legislation that we will be considering in the House today. H.R. 1831, the Small Business Liability Protection Act, is a result of the hard work of Democrats and Republicans alike working towards a common goal. I believe our bipartisan efforts have produced an effective piece of legislation.

Madam Speaker, this bill will provide relief from private third-party litigation against homeowners and small businesses who had their trash taken to the local landfill and anyone who generates a minuscule amount of waste material containing hazardous substances. It is the EPA policy not to pursue or sue persons who meet these criteria.

Unfortunately, in many places, like Gettysburg, Pennsylvania, and Quincy, Illinois, large responsible parties have threatened or sued small businesses with litigation. This legislation provides real protections for small businesses, homeowners, and contributors of very small amounts of waste material.

Most important is the fact that this legislation provides necessary protection while, at the same time, preserving the government's burden of proof, upholding important environmental provisions, and insuring that cleanup funds are not affected because there are no cost shifts to the Superfund trust fund or the Federal program.

Again, Madam Speaker, I wanted to point out my pleasure with this consensus legislation. I want to thank the staff of the Committee on Energy and Commerce who helped us on both sides of the aisle put this together, and I look forward to a joint effort to help pass this bill obviously today in the House and also in the Senate soon and have it enacted into law.

Madam Speaker, I want to again thank the gentleman from Florida (Mr. DEUTSCH), my colleague, for being here to be in charge of the bill on the Democratic side.

Mr. COSTELLO. Madam Speaker, I yield back the balance of my time.

Mr. GILLMOR. Madam Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. SHIMKUS).

Mr. SHIMKUS. Madam Speaker, I want to thank the gentleman from Ohio (Mr. GILLMOR), chairman of the Subcommittee on Environment and Hazardous Materials; the gentleman from Louisiana (Mr. TAUZIN), chairman of the Committee on Energy and Commerce; the gentleman from Michigan (Mr. DINGELL), the ranking member of the Committee on Energy and Commerce; and the gentleman from New Jersey (Mr. PALLONE), the ranking member on the Subcommittee on the Environment and Hazardous Materials, for their help in this legislation.

From my perspective, this legislation is for Quincy, Illinois.

On February 10, 1999, letters were sent from the EPA with a suspense date of March 15, 1999 to settle or get sued. It was as simple as that. We were able to go up to Quincy right after that letter hit the street on a Saturday morning to meet with over 100 small businesses.

We were able to get the EPA to delay the suspense date until March 24, and they actually sent out a legal person to basically make the case that they needed to settle or sue.

They were constrained by current law, so that is why I got involved with this battle that has been going on for many, many years to draft legislation to change the law.

The EPA gave a lot of the small businesses in Quincy, Illinois until March 24 to settle. There was 165 small businesses, and the settlement amount was over $3.1 million. I personally was in contact with over 100 constituents. Some of these are still in litigation today.

The Speaker of the House, the gentleman from Illinois (Mr. HASTERT), came to visit Quincy, along with the gentleman from Iowa (Mr. BOSWELL), the gentleman from Missouri (Mr. HULSHOF), the gentlewoman from Missouri (Mrs. EMERSON). In those meetings, legislation was dropped in June of 1999, which was brought to the floor in the fall of 2000 on the suspension calendar, just like today. Unfortunately, although it had the majority of votes, it did not have the two-thirds required for passage.

We went back at it again in the new 107th Congress with new chairmen and a new attitude. Again, I want to thank the gentleman from Ohio (Mr. GILLMOR), chairman of the Subcommittee on Environment and Hazardous Materials; the gentleman from Louisiana (Mr. TAUZIN), chairman of the Committee on Energy and Commerce; the gentleman from Michigan (Mr. DINGELL), the ranking member of the Committee on Energy and Commerce; and the gentleman from New Jersey (Mr. PALLONE), the ranking member on the Subcommittee on the Environment and Hazardous Materials, who pushed this through.

We have a book that many of us read when we go to schools, especially grade schools, the House Mouse book in which there is a big debate on legislation about American cheese or Swiss cheese. Finally, both bodies of the legislative branch get together, and they decide American cheese, and the bill gets signed into law. And the little class that sent the letter is watching on TV as the President signs the bill. The story ends with the teacher saying we live in a wonderful, wonderful land.

Our ability to breach compromise and move legislation to get small businesses out of this trap of this Superfund liability is truly a remarkable compromise. I want to thank all of those who were involved. Yes, we do live in a wonderful, wonderful land.

Mr. DUNCAN. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I will simply say that this legislation is designed to remove some unintended consequences from this original Superfund legislation. In effect, it would have been done many years ago if we had been able to foresee what would happen in regard to some of these Superfund cleanup projects.

So this is very good environmental legislation. It is very good small business legislation, very fair and reasonable and moderate, and is something that I think can be proudly supported by Members on both sides of the aisle.

Mr. OXLEY. Madam Speaker, for twenty years, small business owners have lived in fear of the onerous Superfund law. With the passage of H.R. 1831, the Small Business Liability Protection Act, the House of Representatives is saying, "Enough!"

As you may know, Superfund reform consumed a good portion of my legislative career during the last half decade. That's how I came to meet Barbara Williams, the restaurant owner in Gettysburg who found herself ensnared in Superfund liability even though she did little more than dump a few chicken bones and leftover mashed potatoes in the local landfill.

Small business owners across the country have suffered through the same expensive experience. Superfund was never supposed to drive these hard-working business people into bankruptcy. The National Federation of Independent Business has been out in front, trying to correct this injustice. And over the years, I came to feel that many Members also regarded this as unfair.

Barbara Williams and the NFIB started a crusade that is culminating in this bill. The legislative process can move slowly . . . and while it's moving, some us move along. But I have a sense of satisfaction that we are doing the right thing for innocent small businesses. I'd like to thank all of the people who worked with me on Superfund reform, and congratulate all those involved in bringing H.R. 1831 to the floor, including my colleague and good friend from Ohio, Representative PAUL GILLMOR.

Ms. MCCARTHY of Missouri. Madam Speaker, for years now, Congress has tried to bring relief to small business owners with Superfund concerns. I applaud bipartisan effort on this legislation to alleviate the unnecessary financial burdens on small business owners who are unjustly brought into the legal fray for sites where they did not contribute to the contamination. The Superfund program and the redevelopment of Brownfield sites are essential to the economic prosperity of our communities. H.R. 1831, the legislation before us today, is a balanced and fair approach because while it provides protections to relieve small business that did not contribute to the contamination from unnecessary and unwarranted litigation, it holds the appropriate contaminators accountable.

Much more work needs to be done to reform the Superfund program, including helping others seeking legitimate liability relief and holding those who did the actual contamination accountable, but this bill, seven years in the making, provides the long awaited relief that small businesses throughout our nation need. We must keep making progress on broader Superfund legislation

Our actions at the Federal level should complement the successes of the Brownfields Program. Redevelopment of Brownfield sites helps all our communities and ultimately the small business owner. In 1998 the Kansas City Region was one of only 16 designated as a "Showcase Community" by the Environmental Protection Agency (EPA). This past year the program was awarded the EPA Region 7's Phoenix Award, a national honor recognizing excellence in Brownfield redevelopment work. These honors translate to true results.

Results in my district include jump starting the Lewis and Clark Redevelopment Area located in the historic West Bottoms known for years in Kansas City's growth as the "stock yards." This area was ravaged by a devastating fire in 1998, leaving business and abandoned buildings gutted. Normally, a rebuilding process would begin except when there is a contamination complicating the process. In this instance, there were mitigating factors associated with contamination (mainly asbestos) and the federal Brownfields program was used to partner with the city and economic development to eliminate the contamination. With the involvement of the Brownfields program, a blighted eyesore on the threshold of downtown Kansas City has been removed and rejuvenated to restore and create jobs and economic development. A success story through the partnership of Brownfields and Superfund.

In all parts of my district there are similar success stories whether it is the Historic 18th and Vine Jazz Entertainment District, to the Beacon Hill Neighborhood housing redevelopment, and the Blue River Industrial Corridor. Brownfields afford the opportunity to build upon the synergies of public and private partnerships, resulting in business and job growth, improvement of quality of life, and reinvestment in what would otherwise continue to be a depressed area.

Ultimately, this translates into a thriving small business community. This is what the Superfund and Brownfields redevelopment programs were intended to create—not additional and unwarranted litigation.

Madam Speaker, I support this legislation and urge its adoption, along with further Superfund reform efforts. 20

Mr. DOYLE. Madam Speaker, I rise today in strong support of H.R. 1831, The Small Business Liability Protection Act. I was pleased to join fellow members of the Energy and Commerce Subcommittee on the Environment and Hazardous Materials in becoming an original cosponsor of this bill and I am pleased to see it moving forward towards implementation.

We all agree that small businesses are in great need of appropriate relief from unintended consequences posed by Superfund's liability structure. I realize that the parameters of what constitutes appropriate relief was a contentious matter during debate on related legislation considered in the previous session of Congress. I am pleased that continued discussions on the matter have produced consensus on how best to provide this relief such that we are now poised to advance a legislative remedy that is fair, balanced, and is supported by a diverse group of interested parties. Superfund reform has been a pressing need not only in Pennsylvania, but also throughout the country. Clearly, there is a need for more comprehensive Superfund reform. While this bill is limited in its scope, it will provide a much-needed clarification regarding small business liability that for too long has been misconstrued by the courts to the detriment of many small business owners.

It is my hope that the tone set by today's debate on H.R. 1831 will carry the bill to swift enactment, as well as foster an atmosphere in the House in which other significant achievements such as advancing brownfields legislation can be achieved.

In closing, I want to express my appreciation to both Subcommittee Chairman GILLMOR and Ranking Member PALLONE for exhibiting exemplary leadership and bipartisanship on this most critical issue.

Mr. OTTER. Madam Speaker, I rise today to express my strong support for H.R. 1831, the

Small Business Liability Protection Act. As an original co-sponsor of this bill, I believe it is vital that we pass this legislation and help end the fear of so many small businessmen and women that they will be held liable for unlimited toxic cleanup costs that are not their fault. Under current law, any contribution of hazardous material to a Superfund site makes any contributor wholly liable for the costs of cleanup. H.R. 1831 is an important and necessary improvement to Superfund, because it will exempt small businesses and non-profits that only contributed to Superfund sites a nominal amount of hazardous material. It will also exempt those who only contributed regular household waste to these sites. This reform will provide certainty and protection for small business that seek to start new enterprises and will provide incentives for businesses to take responsibility for mildly contaminated areas at the lowest possible cleanup cost.

While I strongly support H.R. 1831, I believe that we need to move quickly to pass even more substantive and comprehensive Superfund reform. In my own district, the Bunker Hill Superfund site in Kellogg, Idaho is a prime example of how hazardous waste cleanup can transform into open-ended federal government control of a community and its economy. I hope that the members who vote for H.R. 1831 will work with me to make additional needed Superfund reforms. Final approval for listing a Superfund site should be given to the governor of the state concerned after local input. States should have the opportunity to draw up their own cleanup plans before the federal government becomes involved.

I wish to thank Chairman YOUNG and Chairman TAUZIN for bringing this important legislation to the floor today. I urge my colleagues to protect small business from government run amok and vote for H.R. 1831.

Mr. YOUNG of Alaska. Madam Speaker, I rise in strong support for H.R. 1831, The Small Business Liability Protection Act.

Like most Members of Congress, I know small businessmen in my district who have been caught up in Superfund litigation. It is terrible to see the toll it takes on the lives of these individuals. They don't know if they will lose their businesses, or even their homes.

If there is one thing all of us should be able to agree on, it is liability relief for small businesses that sent only 2 drums of waste or only ordinary garbage to a Superfund site.

Congress never intended that these parties be subject to Superfund liability.

To those of you who are concerned about "Cherry-Picking" Superfund reforms—let me assure you I am very interested in addressing additional Superfund legislation in this Congress.

We still need to address natural resource damages, liability relief for innocent parties, finality for state cleanup programs and Brownfields generally, and Superfund's joint and several liability scheme.

I urge you to vote "yes" on H.R. 1831.

Mr. TOWNS. Madam Speaker, as the recent past ranking member of the subcommittee with jurisdiction over superfund, I am proud to be an original co-sponsor of the small business liability protection act. This bill that sits before us today includes a significant achievement that has eluded us in the past, small business relief. I congratulate the bipartisan coalition that has worked together to achieve this worthy end. Small business which disposed of basically household trash or very small quantities of waste materials containing hazardous substances should not be a target of environmental cleanup efforts if they are not responsible for the environmental damage. Instead we should continue to pursue the polluter pays principle. The limits established by this legislation strike the right balance between the protection of small business and the continued protection of the environment. This will ensure that small business does not get inappropriately caught in a web of litigation.

We have worked long and hard to bring relief to small business owners. I am pleased that we have come to a bipartisan conclusion. I believe that bipartisan congratulations should be offered to the leadership of the Energy and Commerce Committee as well as the Environmental and Hazardous Materials Subcommittee.

Mr. DUNCAN. Madam Speaker, I yield back the balance of my time.

Mr. GILLMOR. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from Ohio (Mr. GILLMOR) that the House suspend the rules and pass the bill, H.R. 1831.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. GILLMOR. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

SECTION 245(i) EXTENSION ACT OF 2001

Mr. SENSENBRENNER. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 1885) to expand the class of beneficiaries who may apply for adjustment of status under section 245(i) of the Immigration and Nationality Act by extending the deadline for classification petition and labor certification filings, and for other purposes.

The Clerk read as follows:

H.R. 1885

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Section 245(i) Extension Act of 2001".

SEC. 2. EXTENSION OF DEADLINE.

Section 245(i)(1) of the Immigration and Nationality Act (8 U.S.C. 1255(i)(1)) is amended—

(1) in subparagraph (B)(i), by striking "2001;" and inserting "2001, or during the 120-day period beginning on the date of the enactment of the Section 245(i) Extension Act of 2001;"; and

(2) by amending subparagraph (C) to read as follows:

"(C) who, in the case of a beneficiary of a petition for classification, or an application for labor certification, described in subparagraph (B) that was filed after January 14, 1998—

"(i) was physically present in the United States on December 21, 2000; and

"(ii) demonstrates that the familial or employment relationship that is the basis of such petition for classification or application for labor certification existed on or before April 30, 2001;".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from Michigan (Mr. CONYERS) each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

GENERAL LEAVE

Mr. SENSENBRENNER. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 1885.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SENSENBRENNER. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, Section 245(i) of the Immigration and Nationality Act has been a controversial part of our immigration law since its inception in 1994. 245(i) allows illegal immigrants who are eligible for immigrant visas but who are illegally in the United States to adjust their status with the INS in the U.S. upon payment of a thousand dollar penalty.

In the absence of section 245(i), illegal immigrants must pursue their visa applications abroad. Pursuant to the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, those who have been illegally present in the United States for a year would be barred for reentry for 10 years.

Supporters of section 245(i) argue that it promotes family unity because, without it, illegal immigrants would be forced to leave the United States and their American families for many years. I believe we must also recognize that by allowing illegal immigrants to adjust their status in the United States, section 245(i) serves as an open invitation to those waiting in the queue for immigrant visas to jump the line and enter the United States illegally.

This is not fair to those immigrants who respect the immigration laws of our country and wait patiently in their home countries for visas, sometimes for years.

Such line-jumping negates the deterrent power of the bar on readmission for long-term illegal immigrants, which was a key reform of our immigration laws.

As a part of last year's Legal Immigrant Family Equity Act, Congress decided to allow illegal immigrants who were in the United States as of December 21, 2000 and who would have green card petitions filed in their behalf by April 30, 2001 to utilize section 245(i). This was a delicately crafted compromise.

Now that April 30 has come and gone, supporters of 245(i) push for an extension of the application deadline, some arguing that we should make the program permanent. Many others oppose any extension whatsoever.

On what grounds can we find a principled compromise? President Bush has pointed the way. He has noted that illegal immigrants eligible to utilize section 245(i) under the LIFE Act may not have had their 4-month window to apply that the Act promised them. The INS did not issue implementing regulations until this March and bureaucratic delays may have prevented many individuals from taking advantage of the 245(i) extension, individuals that Congress intended to benefit.

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Furthermore, many illegal immigrants claim to have difficulty procuring the services of immigration lawyers in time to apply. The gentleman from Pennsylvania (Mr. GEKAS), the chairman of the Subcommittee on Immigration and Claims of the Committee on the Judiciary, has introduced a bill that ensures that illegal immigrants have the promised 4 months to apply.

H.R. 1885, the Section 245(i) Extension Act of 2001 would allow illegal immigrants to utilize section 245(i) as long as they have green card petitions filed on their behalf within 120 days of enactment after this 245(i) sunsets for good.

H.R. 1885 retains the LIFE Act's requirement that illegal immigrants must have been in the United States as of December 21, 2000, so as not to encourage further illegal immigration into the United States.

This bill also requires that illegal immigrants must have entered into family or business relationships qualifying them for green cards by April 30, the original filing deadline. This requirement ensures that we do not encourage a new wave of marriages designed purely to procure green cards.

Countless news articles have reported that many thousands of illegal immigrants rushed to get married to U.S. citizens to beat the April 30 deadline. Under H.R. 1885, the marriage or employment, in the case of a petitioning employer, must have begun by April 30.

I believe that H.R. 1885 is fair and balanced legislation which does not solve the requirements of people who have taken strong positions on either side of the issue but which gets the job done. It ensures that the intent and compromises embodied in the LIFE Act are carried out. I urge my colleagues to support this legislation.

Madam Speaker, I reserve the balance of my time.

Mr. CONYERS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I come to the floor to congratulate all the parties that have worked on the extension of 245(i) because underlying that there is the understanding that we realize this is a subject matter that needs the kind of bipartisan support for those folks that are trying, working so hard as good citizens to get their green card and apply for citizenship.

The President of the United States has indicated that this measure is insufficient. There was hope up until 3 minutes ago that this measure might be removed from the floor because there is still so much negotiation swirling around it. Why? Because even though we are in recognition of a difficult problem that there is bicameral and bipartisan support for relief for going beyond April 30, we simply do not have enough time within the 4-month period that is provided to take care of this complex filing and requirements that are needed.

Number one, the immigration lawyers have already advised myself and the gentlewoman from Texas (Ms. JACKSON-LEE), the ranking member of this Subcommittee on Immigration and Claims of the Committee on the Judiciary, that frequently one has to go back to the country of origin to get birth certificates, records. Sometimes they are there. Sometimes they are not. It is not a simple matter.

Number two, the Immigration and Naturalization Service itself needs a lot more time. They would be inundated under this. Of course, the irony of ironies is that the regulations themselves would require, and we have been advised this by the reg writers, would require 3 months.

So compassion may be the order of the day here, Madam Speaker. What we need to do is, now that we recognize a problem, now that we are resolved to solving it, what we really need to do is step back and look at the amount of time that is involved.

That is why I appeal to the distinguished chairman of the committee and the ranking member to understand the detail that we are dealing with. We are having people from four different countries, four different languages. It is something like buying a movie ticket to go to the premier of the show; and by the time one gets up to the door to go in, they close the doors.

Please. Let us see if there is something more we can do to perfect the good intentions of all the parties, the White House, the Congress, the Senate, to make this measure something that we can all be proud of.

Madam Speaker, I reserve the balance of my time.

Mr. SENSENBRENNER. Madam Speaker, I yield 3 minutes to the distinguished gentleman from Pennsylvania (Mr. GEKAS), the author of the bill and the chairman of the Subcommittee on Immigration and Claims.

Mr. GEKAS. Madam Speaker, I thank the chairman for yielding me this time.

Madam Speaker, the opening statement of the chairman and the response by the ranking member have framed the issue very, very well. It is only a matter of degree, then, that we now stand before the House to present views. How long shall be the extension?

The gentleman from Michigan (Mr. CONYERS) says that the lawyers involved are the ones who are claiming that they require more and more time to complete this process. In December 2000, they had adequate notice; all the lawyers in the land, every one of them had notice that this issue was pending and about to close its doors in May of this current year. Because they faced that big deadline, they were only able to handle 450,000 or so applications out of the 600,000 that are extant.

Now, we are supplying an additional 4 months to cover about 200,000 pending applicants. We think that that is a balanced approach. Today's debate on this floor serves as an additional notice to everyone that something is afoot.

The applications have to be filed now. One has another 4 months that the proclamation will go out, from the time that the President signs it into law, and it is many more months than the 4 months that come from this date because we know that this will take another month, 2 months to bring into full enactment. So the full notice is there for everyone to heed.

The opening statements were correct. We and the subcommittee had the benefit of consultations on every side of this issue, and there are many sides to it: from those who opposed even 1-day extension, we consulted with them, we listened to them; to those who wanted to make it permanent and never visit the subject matter again with whom we consulted; with Members of Congress on every side of the issue; with advocacy groups; and with the White House itself.

So we are not without a wealth of views and opinions and facts that lead us to the position that we now find ourselves in, asking the House to allow a 4-month extension so that we can be fair to the applicants, so that we can be fair to the people lined up for legal immigration, and so that we will not give incentive for people to become illegal aliens, and, most of all, to begin once and for all the process to allow our country to seize control of its borders and of its immigration policy.

Mr. CONYERS. Madam Speaker, I yield 5 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE), the distinguished ranking member of the Subcommittee on Immigration and Claims of the Committee on the Judiciary.

Madam Speaker, will the gentlewoman yield to me?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Michigan, the distinguished ranking member.

Mr. CONYERS. Madam Speaker, when the gentleman from Pennsylvania (Mr. GEKAS), subcommittee chairman, hits a nerve, he said how long. That is what we have been saying in the civil rights movement for a long time, Madam Speaker. How long? How long will it take? Well, it is taking not enough time, it is not long enough this time. So I am glad the gentleman from Pennsylvania brought that refrain of the civil rights movement back into this debate.

Ms. JACKSON-LEE of Texas. Madam Speaker, it is interesting, without dialoguing with the gentleman from Michigan (Mr. CONYERS), we have the same sort of line of reasoning. But I would like to thank those who have gathered here on the floor with the particular singular point, and that is that, of course, we need an extension.

I think the only redeeming value of this debate is that we are on the floor of the House saying that 245(i) should not have ended on April 30, 2001. Frankly, it should have been extended primarily because, Madam Speaker, the regulations that those who were seeking legal access to immigration, legalization, did not come into play until March 26, 2001. So it is evident that we have a problem.

It is interesting that the ranking member chose to draw upon the civil rights analogy. Let me draw it a little further. As I heard the debate on the floor, I have heard a comment that we spoke to many persons. We even spoke to those that do not want even 1 day.

I am reminded of the work of Lyndon Baines Johnson at the passage of the 1964 Civil Rights Act and the Voter Rights Act of 1965. There were enormous numbers of Americans and elected officials who did not want any legislation. But I am gratified that that Texan, the President of the United States at that time, saw fit to do the right thing, to ensure that, regardless of the opposition, we do the right thing.

Today of course I believe that we have not done fully the right thing in the 4-month extension and hope that we will have an opportunity to see this process go forward, to work with the Senate, and to work reasonably around time to address the concerns that we need to address.

First of all, Madam Speaker, I have to say to my colleagues that all these Members cannot be wrong. These Members are supporting permanent extension, 1-year extension, 6-month extension. So there is no great weight of authority for what we call a 4-month extension. That is not going to be enough time even with added language that says that one must define or one must have been in the family relationship on April 30 or a business relationship, employment relationship, which means that the INS will have to draft more regulations.

245(i) is not opening the doors to illegal immigration. It is, in fact, providing access to legalization. It is reuniting families. It is pro business so that people who are engaged in the work that they have already been doing, paying taxes, can in fact have the opportunity to continue in a legal manner.

There are a number of bills that I have been gratified to support, by the gentleman from Illinois (Mr. GUTIERREZ), by the gentleman from New York (Mr. RANGEL), a previous bill by the gentleman from New York (Mr. KING), my bill, H.R. 1615, for a 1-year extension. I am gratified to work with Members of the other body who have a 1-year extension with 20 cosponsors. I certainly hope that that will be the rule of the day.

Four months is not enough time, because the INS itself is not structurally prepared to deal with visas, the V visas, the K visas that have to be done. These are other visas that have to be dealt with.

A 4-month extension creates a greater risk that mistakes will be made or that the application will be improperly filed. Madam Speaker, I will submit these articles into the RECORD; but it shows the enormous lines that occurred at the time, where people were attempting not to be illegal, not to have employees that are illegal, not to have families that are broken up, but to be legal. Look at these lines. Look at the pain.

Similar to the civil rights movement when people were standing in line to access accommodations, to access equality and the right to vote, we had to stand up and do the right thing and be against those who would do the wrong thing.

A 4-month extension will cost the government more money. It will cost the government additional dollars. Four months will end right at the appropriations time frame. We will not be finished. We will not know whether or not we have to give a supplemental appropriation to rush the last group in. We do not know what may transpire.

It opens itself up to people to be abused, going after anybody who gives them permission to say or suggest that I can get you in.

I believe we can do the right thing. I will just suggest to my colleagues in closing that we have many stories of people like Norma who settled in North Carolina and married a United States citizen. They have been married over 2 years, have a child, and expecting another one. They are torn apart because of this lack of 245(i).

I know there are good intentions on the floor. I hope we can extend this and move this bill forward.

Madam Speaker, as we know in Section 245(i) allows some people to remain in the country while pursuing legal residency, instead of returning to the native countries to apply for U.S. residency, which breaks up families. Section 245(i) is an immigration policy which provides a path to legalization. Furthermore, it encourages family reunification and is also probusiness. Any time period short of a year will deny family reunification and access to legalization for many. Thus a four month extension gives no real opportunity to anyone.

H.R. 1885, introduced by Congressman GEKAS only allows for a four month extension of section 245i. This is a bad bill. We have been giving the message to immigrants who come to the United States that we are a nation of immigrants. However, this message that we are attempting to communicate in a unified voice is muffled by the wrong bills such as the one on the floor today.

H.R. 1885's four month extension is going to fuel the fire of all the problems that we have right now in immigration. A four month extension is simply masquerading itself as help to those in need. H.R. 1885 is merely skating over the problem that has occurred—an estimated number of 200,000 people who were not given enough time to benefit from taking advantage of section 245i. Such a short extension is surely to cause another round of mass confusion that we have already witnessed.

How do we know that a four month extension is simply not enough time for people to benefit from section 235(i)? We know this from consulting with immigrants, immigration advocates, and nonprofit groups that work with immigrants.

BILLS WITH A ONE-YEAR EXTENSION

My bill H.R. 1615 allows for a year extension. My bill provides that the April 30, 2001 deadline should be extended to April 30, 2002. Congressman RANGEL has a bill, H.R. 1195 which provides for the same one year extension. Furthermore, Senator HAGEL has a one year extension with a sunset date of April 30, 2002. A one year extension is the proper amount of time to allow people to take advantage of section 245(i). A year is necessary for the following reasons:

REASONS WHY WE HAVE A ONE-YEAR EXTENSION

1. Four months is not enough time for people to get the help that they need to file before the deadline. Regulations for the new V visas, K visas and late legalization are due out at the end of this month. This will cause attorneys' workloads to rise at an unprecedented rate. Immigration attorneys when dealing with only section 245i said they have never been so busy before and did not have enough time to schedule appointments with people who sought out their expertise. If that was the case with section 245i we can only imagine the chaos that will ensue with the issuance of the regulations for the new V visas, K visas and late legalization. People will not be able to get appointments with legal service providers in a

four month period and as a result will be unable to take advantage of section 245i. This is why a year extension is necessary.

2. A fourth month extension creates a greater risk that mistakes will be made or that the applications will be improperly filed. Without access to legitimate and professional assistance, many people will be forced to try and figure this law out for themselves. In some cases, the process is very difficult. Even in simple cases, there is enormous confusion about who is eligible, which applications must be filed by the deadline, where to the applications, what office to file applications with, and what are the filing fees. Without a fair opportunity to have these questions answered, eligible applicants may submit incomplete or incorrect applications and be unable to correct the mistakes before the deadline passes. Thousands of eligible applicants will lose their right to apply simply because they made an innocent mistake.

3. Short deadlines benefit scam artists. If people are not given the chance to schedule appointments with attorneys then they may fall into the wrong hands—those of scam artists, who ripped thousands of people off during the previous 245i extension. These scam artists charged thousands of dollars to prepare applications that were never filed, or submitted applications on behalf of people who were not eligible. Another short four month extension guarantees that scam artists will benefit once again.

4. A four month extension will cost the government more money. Providing a short window of opportunity will dramatically increase the need for government services. As a result of the previous short four-month extension of Section 245(i), tens of thousands of people rushed to government offices to collect documents, request applications, and ask questions. Thousand of people camped overnight at INS offices to get copies of application forms or request information about their eligibility. With a four month extension the same problems will occur. Petitions and applications will suffer while INS diverts resources to deal with the long lines of people outside their office. Providing a one year extension would spread this work out.

5. The new language of H.R. 1885 will require new regulations that could not be implemented in four months. H.R. 1885 adds a new requirement that applicants show that "the familial or employment relationship" that is the basis for the application existed before April 30, 2001. "Familial Relationship" and "Employment Relationship" are not simple terms and will have to be defined. INS will have great difficulty drafting this restriction, especially for employers. and as we have seen before, INS will be unable to issue these regulations until most of all of a four-month extension is over.

6. Finally, The physical presence requirement in the LIFE Act already ensures that people will not be coming to the United States to apply. Under the LIFE Act, only those people who were in the United States on December 21, 2000 are eligible to apply for the new extension of Section 245(i). This limitation addresses the fear that the extension of 245(i) will be a magnet for people to come into the United States illegally.

Let me provide you with two examples of how people are affected by section 245i.

A. Norma entered the United States illegally from Mexico. She settled in North Carolina and married a United States citizen. They have been married over two years, have a child, are expecting another this fall, and have recently purchased a new home for their growing family. Norma and her husband are torn on what to do about her immigration status. As the wife of a citizen, she qualifies for an immigrant visa. However, if she returns to Mexico to obtain her visa, she would be barred from re-entering the United States for 10 years. Norma does not want to leave her husband, her children, or her home for 10 years. Restoration of 245i would allow this family to stay together.

B. Apolinaro came to the United States illegally from El Salvador four years ago. He came from a large, poor family and moved to the U.S. to find work to support his parents and siblings. After being here for a couple of years he met his present wife. After they were married, his wife wanted to start the paperwork to naturalize him, but he is undocumented. The couple was faced with the harsh reality: the only way Apolinaro could become a legal resident was to go back to El Salvador and be barred from re-entering the U.S. for ten years. On his one-year wedding anniversary, Aploinaro returned to El Salvador and does not know when he will see his wife again. He and his wife could not imagine being separated for 10 years, but if the harsh provision of the 1996 law is not changed, this separation may become a reality.

CONCLUSION

A four month extension will not provide the necessary relief. And as proof we will see the exact same reaction that we saw on April 30, 2001—thousands of people who were not given enough time to take advantage of a law that benefits them and were left confused and frustrated because they did not have enough time to file the required paperwork. Furthermore, there is no question that at the end of this proposed four month extension, people will claim that it was not enough time and will seek another extension.

Only a year extension will guarantee people a chance to see an immigration legal service provider as well as guarantee parties a sufficient period of time to file the proper applications. We must remember that while this is a nation of laws, it is also a nation of immigrants.

Madam Speaker, the articles that I referred to earlier are as follows:

[From the Washington Post, May 1, 2001]

A RUSH FOR RESIDENCY—IMMIGRANTS FLOOD INS AS SPECIAL PROGRAM ENDS

(By Mary Beth Sheridan and Christine Haughney)

Tens of thousands of undocumented foreigners packed U.S. immigration centers, besieged lawyers' offices and said "I do" in assembly-line weddings yesterday as they scrambled to apply for residency under a special program that expired at midnight.

The Immigration and Naturalization Service kept many of its offices open until the last minute to handle the record crush. Still, many immigrants missed the deadline because overwhelmed lawyers could not give them appointments to help them with the necessary paperwork, immigrant advocates said.

Several members of Congress and a key U.S. Catholic bishop called in vain for an extension of the program, which gave illegal immigrants a four-month window to apply for residency without first having to leave the United States.

"The deadline must be extended," insisted Bishop Nicholas DiMarzio of Camden, N.J., chairman of the U.S. Catholic Bishops' Migration Committee, which organized efforts to help immigrants fill out the forms. "Our programs have been unable to meet the demand for services."

Like many immigration offices across the country, the Washington area INS center on North Fairfax Drive in Arlington opened its doors yesterday to a line snaking around the building. Throughout the day, the office was a tableau of desperation and confusion.

Santos Hernandez, a Mexican landscape worker, had driven to Arlington from North Carolina after discovering that he was required to pass a physical—and that all the INS-approved doctors in his area were too booked to give him one.

After waiting in line for several hours yesterday, Hernandez and his brother stared blankly as a frazzled immigration officer demanded in English to know what they wanted.

"We came for the program that expires today. Everyone talks about this," Hernandez murmured in Spanish, clutching a tan envelope of tattered documents. But his quest would end in failure an hour later.

Just a few miles away, the D.C. Department of Employment Services took applications from immigrants being sponsored by businesses in the area. "This is the busiest we've ever seen it," supervisor Dorothy Robinson said. She said her office alone was on track to receive at least 1,000 applications by midnight—as many as it usually receives in a year.

Usually, undocumented immigrants seeking U.S. residency must apply at the U.S. consulate in their native land. But in December, Congress passed the special measure that allowed them to apply while still in the United States, as long as they did so by April 30 and paid a $1,000 penalty. The change was important because most illegal immigrants are barred from returning, for a period of three to 10 years, if they leave the United States.

INS officials estimated that 640.000 illegal immigrants nationwide would apply for residency under the measure, which required that the immigrant be sponsored by an employer or a close family member.

The lines didn't form just at INS offices. Across the country, couples rushed to get married so that one spouse—the legal U.S. resident—could sponsor the other.

In New York, couples had gathered as early as 2 a.m. in recent weeks to secure one of the 700 daily passes for weddings at the Manhattan municipal building, said Denise Collins, spokeswoman for the Department of Citywide Administrative Services. The number of marriage ceremonies and licenses citywide was twice as high on Friday as for the same date last year, according to city clerk Carlos Cuevas.

Yesterday, Lynda Rosado lined up at 4 a.m. for one of the passes, finally tying the knot after nine years of dating Bernardino Hernandez, an undocumented Mexican immigrant. Around her, couples exchanged sweet nothings in English, Spanish and Cantonese. Vendors hawked $20 bouquets and cardboard "you and me forever" frames.

But Rosado quickly got down to business. "We'll celebrate later," she said after the brief wedding ceremony. "Now we're going straight to a lawyer."

Not everyone was lucky enough to get into a lawyer's office, however. Many lawyers were booked solid weeks ago, said Judy Golub, a lobbyist for the American Immigration Lawyers' Association. Although a lawyer's assistance was not required, many immigrants needed help filling out the complex forms.

Because such problems caused some immigrants to miss the deadline, several U.S. legislators have submitted bills to extend the special measure, known as Section 245(i). But they have been unsuccessful.

In an effort to avoid a last-minute crush, immigrant aid groups such as the Spanish Catholic Center in Gaithersburg worked frantically to spread the word about the program and make appointments for people who needed help with applications.

One recent Friday night, Celia Rivas, the immigration services coordinator, started appointments to work on immigrant applications at 6:30 p.m. She was so swamped she finished 24 hours later.

"I wanted to avoid April 30 being the day everyone came for services," she said.

Still, many immigrants didn't find out about the measure until the last few days or were confused by it.

Hernandez, the Mexican landscaper, thought he could just drop off his documents at the Arlington INS office. But he needed to fill out special forms. So he went to the car and returned with his longtime American girlfriend, Renee Garland, 33. Nearly three hours after they had arrived at the INS office, with their two small children in tow, the couple made it to the front of the documents line.

It was a short-lived victory.

"He's your boyfriend?" the officer asked Garland, who nodded yes, "When you gonna get married?" the officer asked.

Garland suggested that her boyfriend could be sponsored by his employer. But the landscaper had simply typed a one-paragraph letter verifying that Hernandez worked for him.

"Where's the form from his boss?" the immigration officer asked. Garland, crestfallen, acknowledged that she didn't know he needed one. And Hernandez wasn't about to get married yesterday. Garland slunk away from the line, hitting a seemingly insurmountable roadblock on the road to her boyfriend's citizenship.

"I don't know what I'm going to do," she sighed.

[From the New York Times, May 1, 2001]

ILLEGAL IMMIGRANTS RACE AGAINST CLOCK TO GET THROUGH A SMALL WINDOW OF OPPORTUNITY

(By Michael Janofsky)

DENVER, April 30.—Some arrived as early as Saturday night, with sleeping bags, reclining chairs, even dining room chairs to make the wait more bearable. By today, when the immigration office here opened at 6 a.m., the crowd had swelled to several thousand, and many more were on the way.

With a midnight deadline approaching, the scene was repeating at immigration offices all around the country as illegal immigrants scrambled to take advantage of a program that allows those with family or employer sponsors to apply for legal status in the United States without leaving the country.

"They tried to line up on Saturday when they heard the lines were starting," said Michael Comfort, acting district director for the Denver Immigration and Naturalization Service office. "I suppose we all do that when it comes to taxes and other deadlines," he added.

Known as 245(i), the program was passed by Congress in December, creating a four-month window in which immigrants would be spared the cost and anxieties of returning to their home countries to fill out the paperwork. Immigration officials estimated that more than 600,000 people might be eligible for the program, even though waiting for their applications to be approved could take years, during which they could still face deportation, as several people in Ohio recently discovered.

Acting on information provided in applications, immigration agents in Cleveland arrested seven people at their homes and initiated deportation. Officials in Washington have since stepped in to prevent such actions, instructing all its districts not to arrest illegal immigrants on the basis of their 245(i) applications.

The program has been so widely applauded by human rights groups that some have urged Congress to extend the deadline. Bishop Nicholas DiMarzio of Camden, N.J., chairman of the national Roman Catholic bishops' committee on migration, said, "without immediate Congressional action, many immigrant families in the United States face unnecessary upheaval and possibly lengthy separations."

Congressional officials said tonight that the White House was expected to support a bipartisan bill to extend the program by one year.

Supporting the measure would be another step for President Bush toward fulfilling the pro-immigrant positions he articulated during the campaign. Mr. Bush has pledged to work closely with Vicente Fox, the new president of Mexico, to improve border safety and working conditions for Mexicans living in the United States.

The crowds of people seeking the change in status today were especially thick in cities with large numbers of illegal immigrants. Luisa Aquino, a spokeswoman for the immigration service in Houston, said nearly 2,000 people had applied by midday and by midnight the number was expected to have doubled. Immigration officials in Los Angeles said 2,600 people were standing in line when the office reopened at 6 a.m.

In New York this morning, the police said the line stretched from the entrance of the Federal Building, winded its way through six rows of metal barriers and around a corner.

Elba Contreas, 51, sat on the building steps this afternoon with her brother, Jaime de la Fuente, 55, who is from Chile. "We're going to be very happy when this is all over," said Mrs. Contreas, who is a citizen.

Walter Diaz, 22, and his wife, Maria, beamed after they dropped off Mrs. Diaz's application. "I feel like a weight has been lifted from my shoulders," Mrs. Diaz, who is from Honduras, said as she kissed her husband, who is a citizen.

By 3 p.m. in Chicago, officials at the Chicago Loop district had accepted nearly 600 applications, and in Boston, where the immigration office typically handles paperwork from 35 to 50 people a day, officials said they expected to process as many as 700 by midnight.

"The staff is mentally and physically exhausted," said Steven J. Farquharson, the Boston district director.

An immigration service spokesman in Washington, William Strassberger, said several offices around the country had reported lines snaking for blocks around buildings. In Montgomery County, Md., he said, couples were being married every 15 minutes at county courthouses to enable them to beat the midnight deadline. Denver and other cities also reported a recent surge in marriage license applications.

Many immigrants said they had waited so long because of the difficulties of raising the minimum filing fee of $1,000.

"It's the money, that's what we've been waiting for," said Gladys Duran, 20, who stood in line in Chicago with her husband of one year, Carlos, 29, a painter.

The same was true for Jose Melendez, 23, a native of Chihuahua, Mexico, who works as a drywall specialist in Sterling, in northeast Colorado. He is the father of two of his wife's five children.

"We didn't have no money," he said, as his wife of two years, Stephanie, 24, waited in line.

Like other immigration offices, the one here had been dealing with crowds swelling by the day. Last week, officials said, they had arranged for two portable toilets to be stationed outside the building. Today, they added two more. A food truck selling only tacos and burritos pulled up and quickly had its own line.

Roxanne Calderon, a 30-year-old cashier at a Safeway supermarket, sat on a curb with her husband, Juan, 24, a drywaller from Zacatecas, Mexico. He joined the line for the paperwork at 9 p.m. Sunday; she joined him at 6 a.m. today.

"I want liberty, not to be hiding from deportation," he said in Spanish. "I want to go to Mexico and come back without being deported."

□ 1600

Mr. SENSENBRENNER. Madam Speaker, I yield 2 minutes to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Madam Speaker, I am pleased to support H.R. 1885, sponsored by my distinguished colleague, the gentleman from Pennsylvania (Mr. GEKAS), and the ranking minority member, the gentlewoman from Texas (Ms. JACKSON-LEE), and I thank the distinguished chairman of our Committee on the Judiciary, the gentleman from Wisconsin (Mr. SENSENBRENNER), for bringing this measure to the floor at this time.

Madam Speaker, this measure expands the class of individuals who may apply for adjustment of status under section 245(i) of the Immigration and Nationality Act by expanding the deadline for classification petition and labor certification filings by employers by 120 days.

Section 245(i) is a vital provision of our U.S. immigration law allowing immigrants who are on the brink of becoming permanent residents to apply for their green cards in the United States rather than returning to their home countries to apply. The beneficiaries of 245(i) are immigrants residing in our Nation or are sponsored by close family members or employers who cannot find necessary workers in our Nation to perform the duties.

Immigrants applying for permanent status under this section are eligible for green cards but are unable to obtain them in the United States because they are not in a legal nonimmigrant status. The immigrants situation may materialize on technical ground regarding the visa process or because of INS delays.

In most instances, the question is not whether these individuals are eligible to become permanent residents, because they already are. The issue is where they can apply from. Each applicant must pay the processing fee of $1,000. Not only does 245(i) generate revenue for our INS, but it does not cost the taxpayers one cent.

Section 245(i) is supported by the 60,000 attorneys that comprise the American Immigration Lawyers Association, and this extension will afford those who, due to a lack of legal resources, could not file. To force these hard working immigrants to return to their home countries to apply for their green cards after they, in many cases, have built a life for themselves in our Nation, creates an even greater injustice.

In closing, Madam Speaker, I urge my colleagues to support this measure which will allow those immigrants, who satisfy critical labor shortages, to apply for their green cards while living in our Nation and not having to return to their home countries to wait for what could be many years to get their approval.

Mr. CONYERS. Madam Speaker, I ask unanimous consent that each side be granted 15 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CONYERS. Madam Speaker, I yield 4 minutes to the gentleman from New York (Mr. RANGEL), the ranking member of the Committee on Ways and Means and former chairman of the Congressional Black Caucus.

Mr. RANGEL. Madam Speaker, let me thank the distinguished chairman and ranking member of the Committee on the Judiciary for allowing me to enter into this debate, which of course they have had so much sensitivity, so much expertise, and have done so much work on.

Madam Speaker, I value American citizenship so much that I would hate to see the day that we did not have rules that were strict or standards that were high, because I think that citizenship is such a precious thing that it should not be gained that easily. The thing that concerns me, however, is how so many people whose families were able to come to America under different standards, how sometimes when they get here, they so easily forget and find it not only comfortable to pull the ladder up behind them, but almost get emotional and angry in terms of other people just trying to live here and trying to become citizens. It is such a contagious disease that sometimes people who have yet to learn to master the English language are condemning those who would want to enter the United States.

I want to commend those Members of Congress that have asked us to extend the time for good people to file. As the gentleman from New York (Mr. GILMAN) has said, these are people who, by every standard, have done everything that they can. Some have families. Some have children that have been born and are already citizens of this great country.

We cannot value being an American so much so we lose, as the gentleman from Michigan (Mr. CONYERS) has said, the compassion of being American. That is a part of it. And I would think those of us who did not ask to come here or were brought from our country, torn away from the breasts sometimes of mothers as they came as chattel, as slaves, can almost visualize in our own congressional districts almost the same thing happening, as people who work every day, work on farms, work in diners, work in menial jobs, and then would have to believe that they are going to be deported or they would have to leave and leave their families.

Now, the President has paused and asked the Congress to take a deep breath. The gentleman from Pennsylvania (Mr. GEKAS) has said 4 months, but of course we need to take a look at the technicalities and how high the bar is, we need to try to understand what has to be done. Come and visit my office and see the number of people that have no idea as to what I can help or what I cannot help them to do, but they actually come in and they come begging and they come crying, they come bringing their children with little American flags saying, "Congressman, help me."

Now, I know that this Congress is not going to say that we value that flag so much that it has to fly so high that so many hardworking people who love this country are not going to be given the opportunity to abide by our rules, to abide by our regulations, and to keep our standard and become Americans. And I know the gentleman from New York (Mr. KING) knows this: They will become better Americans than those who were just born here and take it for granted.

So let us not feel so proud when we are able to say we gave those people enough time. They should have known. They should have had lawyers. They should have understood. No, no, no. We are the ones that have to understand. We are the ones that God blessed. We are the ones that were born in this country. We are the ones that set the rules, and we are the ones that can open our doors and our hearts to allow them to become citizens.

Mr. SENSENBRENNER. Madam Speaker, I yield 3 minutes to the gentleman from New York (Mr. KING).

Mr. KING. Madam Speaker, I thank the distinguished chairman for yielding me this time, and I rise in support of H.R. 1885. And in doing so, I want to commend the chairman, the gentleman from Wisconsin (Mr. SENSENBRENNER), for his work, the gentleman from Pennsylvania (Mr. GEKAS), but also my colleagues on the Democratic side, the gentleman from New York (Mr. RANGEL), the gentlewoman from Texas (Ms. JACKSON-LEE), and others who have put so much effort into this.

I also want to commend the President for coming forward on this issue, which can be an emotional issue, and setting the standard and saying that 245(i) must be extended.

I introduced a bill myself, a bill which would have extended it 6 months. I also was an original cosponsor of the bill introduced by the gentleman from New York (Mr. RANGEL), which would have extended it 1 year. It was important to me 245(i) be extended because of the fact I strongly believe immigrants are the lifeblood of our society.

As my colleague, the gentleman from New York (Mr. RANGEL) said, in many cases, they become the very best Americans because they are here by choice and they overcame great adversity to be here. Also, the gentlewoman from Texas (Ms. JACKSON-LEE), even though I am considerably older than she is, we had the good opportunity to grow up in the same borough in New York City, so we saw firsthand the tremendous impact and positive impact that immigrants have had on our city, our State and our country. So that is why I support strongly an extension of 245(i).

Now, today's bill is a 4-month extension. Some wanted 6, some wanted a year, some wanted it to be permanent. But as the gentleman from Pennsylvania (Mr. GEKAS) said, this 4-month extension, when it all plays out, will be closer to a 6-month extension. Let us not let the perfect be the enemy of the good. Let us get what we can at this time and protect those 200,000 people whose fortunes and lives are very literally in our hands. It would be a tragedy if, by trying to get more, we lost everything.

So I again commend the people who have put the time and effort into this. I fully understand the sentiments for those who want a longer extension. As I said, I could have supported a longer extension myself. But the reality is there are many voices in the Congress; not all the voices support the same thing. Not everyone supports an extension at all. So to make sure that we protect the rights, the human rights of those people living in this country who are entitled to have legalized status, but because of the fact they could not file their papers on time, for whatever reason, let us, not them, become victims by our trying to achieve more than we can. Let us do the possible; let us do what is real; what can be done.

Even the gentlewoman from Texas (Ms. JACKSON-LEE) mentioned President Johnson. The fact is, President Johnson did not do everything in 1964 or in 1965. There were further civil rights bills to continue that revolution. Nothing is ever final. Let us get through what we can. Let us do the art of the possible. Let us do the art of the practical and stand together in our commitment to the American Dream, which is to, yes, encourage immigration, do it in a legal way, but let us not make the mistake today of not going forward on what is, at base and in substance, a very sound piece of legislation.

Mr. CONYERS. Madam Speaker, I am proud now to yield 4 minutes to the gentleman from Illinois (Mr. GUTIERREZ), chairman of the Hispanic Task Force on Immigration.

Mr. GUTIERREZ. Madam Speaker, I thank the gentleman for yielding this time to me, and I thank all those working on this issue.

Let me just say that it would be nice to do what is possible, but let us get one thing very, very clear. There was a vote on this House floor in 1997, after the program was eliminated, and the House voted affirmatively not to extend but to reinstate 245(i). That is the record of the House of Representatives. It is the record of the Senate on more than one occasion that they have voted to reinstate 245(i), the problem is when it comes to conference.

So I think some of our colleagues think too little of the compassion and of the justice that can be done in this House. It is my belief that if we brought a vote back here for the reinstatement of 245(i), it would pass the House of Representatives. This should have been dealt with in the committee, the Committee on the Judiciary, marked up in the Committee on the Judiciary, and brought before this House to have a full debate so that we could amend it, so that we could listen to other points of view.

I am standing here asking myself if my recollection of history has somehow failed me. Last year, it was the Congressional Hispanic Caucus who went to Member after Member after Member; who went to the Congressional Black Caucus, the Congressional Progressive Caucus, the Democratic Caucus, members of the Republican Party, and we put together a coalition where over 155 Members of the House signed a letter stating that they would not vote for any final budget unless there was a reinstatement of 245(i). Forty-six Senators signed the same letter saying they would vote for it. It was the Congressional Hispanic Caucus that 2 months ago sat with President George Bush, and we did not ask for an extension of the program with an arbitrary deadline of May 1, we asked for a reinstatement of the program. That is what we asked for.

And then it seems almost spectacular to me that we come on this House floor and everybody has been spoken to. I do not remember one occasion where members of the Congressional Hispanic Caucus or those of us that have put in bills have been spoken to. This is a one-way dialogue that we are having here. If anyone had spoken to us, we would have all come together. I think the gentleman from New York (Mr. KING) and many, many others know what is necessary, and I think they do not truly have a sense of what this House would do.

Now, let me state very, very clearly who we are talking about and what is wrong with this legislation. It says that an individual had to have qualified by April 30 in order to get in on the program. That is wrong. Why is it wrong? I want to tell my colleague, the gentleman from Pennsylvania (Mr. GEKAS) why it is wrong. Because there are tens of thousands of people who have waited 2, 3, and 4 years for their application for citizenship. They are still processing them; gathering dust. And because of those years and years and years of delay on the part of our government, on the part of our government, where people have played by the rules, they cannot apply for their loved ones to get their visas, since they are waiting for years, and they are going to continue to wait for more years, and then we have an arbitrary 4 months.

Now, if all that backlog were cleared up, I could understand it. The fact is that if tomorrow a citizen of the United States becomes 21 years old, tomorrow, they cannot go and apply for a visa under 245(i) for their mother, for their father. Yes, some may say they are here undocumented illegally. That does not mean that is not their mother and their father and they do not want to keep their families together. Think about it a moment.

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An American citizen who has a wife, a person that he loves, and that couple may be bringing children into this world, may not qualify under this program because they have consummated the marriage after the arbitrary deadline.

Madam Speaker, we are talking about keeping families together. Some say, "They are here illegally." Maybe that is the case, but we eat the fruits that they pick and labor for. We know that they are here in our restaurants and our hotels. They work and slave every day. Let us give them the chance to become full partners in this great democracy.

Mr. SENSENBRENNER. Madam Speaker, I reserve the balance of my time.

Mr. CONYERS. Madam Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. MENENDEZ), a distinguished member of the Hispanic Caucus, a leader on our side of the aisle.

Mr. MENENDEZ. Madam Speaker, I thank the gentleman for yielding me this time.

Madam Speaker, what is section 245(i)? For my colleagues who may be watching in their offices, to the American people listening to the debate, it was the law of the land. It was the law of the land.

We actually had as part of our immigration law a recognition for several years as part of the immigration law that United States citizens who have a member of their family, their husband or wife, their mother or father, their brother or sister, their son or daughter, who could be naturalized or seek permanent residency through them, would have the opportunity to do so under that part of what was the law of the land, and so that they could keep families together. That was the law until not too long ago. So that is what we are debating about.

Madam Speaker, why not reinstitute what was the law of the land and worked well. We have a public policy that I have heard debated on this floor so many times in a domestic context about family unification and the role of the family in our society, and the importance of family in our society.

Madam Speaker, my colleagues have hundreds of thousands of United States citizens and permanent residents who cannot keep their family together because in a previous Congress we stripped what was the law of the land and we took it away from all of them. Therefore, their families were forced to make a decision: stay together but not be here in a legal context; or divide and strip families apart.

We simply believe that 245(i), which was the law of the land, should be the law of the land again because it produces a basic fundamental public policy which I believe both sides of the aisle, but certainly my Republican colleagues, have said time and time again is a primary context of their efforts, which is the preservation of the family. That is why 245(i) should proceed.

This is not about getting at the head of the line, not about getting something that otherwise cannot be obtained because you will through your relationship with a United States citizen ultimately be able to become a permanent resident. Through a relationship with a permanent resident of the United States, you will ultimately be able to get your residency in terms of a spouse or a child. So why not keep these families together? That is the public policy question before us.

Yes, we recognize that 4 months is an effort in the minds of some, but it does not ultimately reach the goal that we want. Let us turn this temporary extension into a permanent one. Let us understand if we had a vote in this House, we would have a positive vote for a permanent extension of 245(i), as we had in the last Congress.

Let us do the right thing. Let us seek a permanent extension, and let us give the dignity to those families of United States citizens to be able to keep their families together.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mrs. BIGGERT). The Chair will remind Members to address their remarks to the Chair and not to persons outside the Chamber.

Mr. CONYERS. Madam Speaker, I yield 3 minutes to the gentleman from California (Mr. BECERRA), a former member of the Committee on the Judiciary, a distinguished lawyer.

Mr. BECERRA. Madam Speaker, I thank the gentleman for yielding me this time.

Madam Speaker, I thank the gentleman from Wisconsin (Mr. SENSENBRENNER), the chairman of the Committee on the Judiciary and the gentleman from Pennsylvania (Mr. GEKAS), the chairman of the subcommittee, for bringing this matter to the floor.

I wish we could all say that it is the complete solution to the problem that we encounter, that many families in America encounter, but it is not. We are taking a step forward.

We were pleased to receive the word from the President recently that he also believes that we need to address the problem under section 245(i), but we are going to come back. We are going to be back here again because this will not be the final solution. In 4 months you will not address the problems that are facing American families. You cannot tell a spouse or a father or a daughter to stop trying if 4 months cuts them off. That is not how you handle policies in Congress. We need to move forward, but we are not going to do it in 4 months. I say we are going to come back. We shall return.

Madam Speaker, we have to recognize something. In the past we were just trying to get this Congress to do the right thing. Well, at least now we are getting Congress to do the right thing; but we have to get Congress to do the thing right.

That is where I hope that we will recognize that this is a way to go about it. It is not going to deal with the problems that many of America's families will face if we truly are about family unification and if we are concerned about family values. We will recognize that. It is not good enough if we leave one child out, if we leave one spouse away from home. It is not good enough if we tell that one father, that one daughter, that one sister, sorry, they missed the cutoff date. It is time for us to try to deal with this in a permanent way.

Madam Speaker, we are here on the floor. We are going to move forward, but I guarantee my colleagues, we will be back. I appreciate the work that is being done on both sides of the aisle. I hope the President recognizes that Members are working this issue, and we will work together to try to fashion a solution to this that will tell American families that we believe in family unification, and the value of American families being part of the fabric of life.

Madam Speaker, I support this measure understanding that we will still have to come back.

Mr. CONYERS. Madam Speaker, I yield 3 minutes to the gentleman from New York (Mr. SERRANO).

Mr. SERRANO. Madam Speaker, I want to take the gentleman from California's approach also and thank the majority party and the gentleman from Pennsylvania (Mr. GEKAS) for bringing this measure to the floor; and I will vote for it tonight.

However, upon voting for it I will continue to insist that we make this a permanent situation. Obviously, bringing a bill to the floor indicates a desire to solve this problem; but the 4-month extension does not solve the problem. The President's comment about fixing this problem means that he recognizes a need to do the right thing, but he did not say 4 months, he said just fix it.

The INS, which came before the Appropriations Subcommittee on Commerce, Justice, State and Judiciary, said that they will accept at the minimum a 1-year extension. Everyone has said that they will take longer to solve the problem, and yet it has been decided to curtail the time; and, thus, create perhaps another problem.

Let me remind my colleagues what the gentleman from New York (Mr. RANGEL) said. "The folks that we are talking about are the folks who will make the next generation of great Americans; who are, in fact, today doing all those jobs Americans do not want to do, and doing those things that so many of us need to have done."

These are people who want to keep their families together, and that is what this country is about. It is about immigration and it is about family. It is ironic that this side, who gets accused for not talking about family, we are the ones who are saying, let the time be so these folks can stay in the country and continue to work and continue to make our country strong.

Like my colleague, the gentleman from New York (Mr. RANGEL), and so many others, if one were to go to my district office on any given day, over 80 percent of all the case work that we do is on the issue of immigration. This issue is really hurting a lot of people.

If my colleagues had opened it up and said everyone can come in for 4 months, that still would have been better. But to suggest only those who were ready April 30 to have their paperwork done, that is still setting more stumbling blocks.

Yes, I will support this bill tonight. Hopefully my colleagues have the votes to get it done. But immediately, let us begin to work on a permanent situation. Madam Speaker, notice that I have mastered the English language enough to know that it is incorrect to say a "permanent extension," because somehow that is improper use of the language. But let us do the right thing so we can all do what is right for America and for these folks.

Mr. CONYERS. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SENSENBRENNER. Madam Speaker, I yield myself the balance of my time.

Madam Speaker, this bill is a compromise, as was the provision in the omnibus appropriation bill that was passed at the end of last Congress was a compromise.

The 4-month provision in this bill seems to be attacked from all sides. There are some who would like to make section 245(i) permanent; and there are those who argue that we should not extend 245(i) because there was a deadline, and the people who missed the deadline knew full well what it was and did not file timely applications. This bill attempts to take a middle course.

What is so wrong with 4 months? The provision in the omnibus appropriation bill which was signed by former President Clinton on December 21, 2000, established a period of 4 months and 10 days for 245(i) applications to be timely filed.

A lot of people did not timely file their 245(i) applications because the Immigration and Naturalization Service waited until the middle of March in order to issue the regulations for the extension. That was not the fault of those who were eligible to apply; that was the fault of the Immigration Service, and I think most of us who have immigration cases in our own congressional office realize that this agency is probably more dysfunctional or nonfunctional than any of the other agencies of the Federal Government.

But they did get their act together until 2½ to 3 months after the time established by the law went by. What this bill does is it says okay, the INS goofed up and did not give everybody the 4 months, and so we will start the clock ticking again. The 245(i) deadline will be 4 months from the date of enactment of the law that is proposed in H.R. 1885.

Now, whether the extension is 4 months or 6 months or a year or some other time, human nature, being what it is, everybody waits until the last minute to file their applications.

Madam Speaker, I think that the word should go out today from this House of Representatives that if this legislation passes, do not wait until the last day to file an application. I would hope that the Immigration and Naturalization Service would be geared up to receive these applications, and I know I speak for most of the members of the Committee on the Judiciary, to inform the INS that we are going to be all over them so they will receive the applications as of the date of the enactment of the law; but the immigration groups and the immigration bar should not tarry so that the immigration petitions under section 245(i) will end up being filed well before the deadline so that the INS can be in the process of adjudicating them and issuing the proper visa.

Madam Speaker, this is a compassionate compromise to a very contentious issue. I think that 4 months is a legitimate extension because it was just a little more than 4 months that was contained in the omnibus appropriation bill.

I would strongly urge the House to endorse this legislation, and I urge my colleagues to vote "yes" on it.

Ms. PELOSI. Madam Speaker, I rise to express my strong support for a real extension of Section 245(i) of the Immigration and Nationality Act, and my concern that the four-month extension in this bill is far too short.

Section 245(i) allows undocumented immigrants who are in the United States and who become eligible for permanent residency because of their family relationships or job skills to remain in the country while they seek to adjust their status. They must qualify and pay a $1,000 penalty before they obtain permanent residency.

In last year's final budget agreement, this provision was extended by four months, through April 30 of this year. With the expiration of Section 245(i), immigrants who wish to apply for legal residence must return to their country of origin, where they are barred from returning to the U.S. for up to 10 years. I know from my constituents that this requirement will create a serious hardship for many families, forcing loved ones to live apart for years.

The extension of Section 245(i) through April 30 offered a woefully insufficient window of opportunity for immigrants to pursue legal status. There simply were not enough community, professional, and INS resources to meet the demand in such a brief amount of time. I am pleased to be a cosponsor of H.R. 1195, introduced by Mr. RANGEL, which would extend the deadline by a full year.

The bill we are considering today, while it takes a step in the right direction by extending Section 245(i) by four months, would result in a replay of the same problems we witnessed leading up to the April 30 deadline. At the INS office in my district in San Francisco and around the country, thousands of individuals stood in line on April 30, trying to beat the deadline. Many were unsuccessful. Four months is simply too short.

I will continue my efforts to implement a long-term solution to this problem. If we care about families, we need to help keep them together.

Mr. TOWNS. Madam Speaker, I am very pleased that the House of Representatives will act today to extend the Section 245(i) program which would allow family and employment-based immigrants who are already eligible to become legal permanent residents to adjust their immigration status while remaining in the U.S.

The four month extension provided in H.R. 1885, offers a direct benefit to many people who are the immediate relatives of U.S. citizens. Those individuals who are eligible for permanent residence status will be able to remain in the U.S. while their visa applications are processed. This relief will protect families from separation as they seek to finally regularize their status. Without this extension, many immigrants would be forced to make the difficult choice of leaving the country and being barred from re-entry for as long as 10 years, or remaining in the U.S. as undocumented aliens.

I am pleased that we are able to take this humanitarian step today to promote family unity for thousands of people who will soon become our "newest Americans". I am hopeful that the House's vote today will lead to quick action by the Senate and a bill being signed into law by the President. And I would urge my colleagues to support its passage.

Mrs. MORELLA. Madam Speaker, I rise in support of an extension of section 245(i) of the Immigration and Naturalization Act. In fact, on May 3, 2001, Congressman GUTIERREZ and I introduced H.R. 1713 which would permanently extend this critical section.

The 245(i) provision allows for eligible immigrants to apply for residency while remaining with their families and in their jobs in the United States, provided they pay a $1,000 penalty. Section 245(i) does not change the rules under which a visa is granted, merely the location where the processing of the visa occurs. Those who participate in this section must be eligible to obtain legal status in the form of permanent residence in this country and must qualify for immigrant visas on a family relationship or an offer of employment. They must also have a visa number immediately available and must be otherwise admissible to the United States.

With passage of the "Legal Immigrant and Family Equity Act of 2000" during the waning days of the 106th Congress, the grandfather clause deadline of Section 245(i) was extended from January 14, 1998 until April 30, 2001. The April 30th deadline is now well past. Eligible immigrants are now required to apply at American consulates in their home countries and, therefore, must risk being barred from returning to their families and American jobs for anywhere between 3 and 10 years.

As the April 30th deadline approached, many immigrants suffered from confusion surrounding 245(i) eligibility, as well as frustration with fraudulent immigration service providers, commonly known as notarios. In my District Office, my staff and I heard about many such cases each and every month.

President Bush himself stated that roughly 200,000 immigrants who had been eligible to file to adjust their status failed to do so in time. He indicated that much of the confusion was a result of the United States' government failure to issue instructions in a timely fashion.

President Bush even suggested that section 245(i) should be extended for one year. For this reason, I support Congressman GEKAS' legislation only with the hope that it would lead to a longer extension or even a permanent one.

A temporary extension is only a temporary solution. It is only with a permanent extension of the deadline for Section 245(i) that Congress will forever end the suffering of immigrant families that are ripped apart by technicalities in immigration law.

In America, in the land of the free, we must restore our tradition as a nation of immigrants, and a nation of justice, by enacting such corrective legislation. The extension of 245(i) is pro-family, pro-business, and overall humane policy.

Mr. TOM DAVIS of Virginia. Madam Speaker, I rise to support H.R. 1885, a bill which will expand the class of beneficiaries who may apply for adjustment of status under section 245(i) of the Immigration and Nationality Act by extending the deadline for classification petition and labor certification filings.

H.R. 1885 will allow immigrants to apply for legal residence while remaining in the United States, four months from the date of enactment of this legislation. This extension is consistent with the Legal Immigration Family Equity (LIFE) Act's intention to provide a small window—which has been cut short due to administrative problems—to permit aliens to adjust their status.

Immigrants may qualify if they have been in the United States since December 21, 2000. I believe this legislation is fair and equitable because it does not encourage illegal immigration or punish those who are presently waiting to enter the United States legally. In addition, H.R. 1885 requires that the family relationship or employment exists by April 30, 2001 to discourage the possibility of false marriages by illegal immigrants. Furthermore, H.R. 1885 will assist only the group of immigrants eligible by the April 30th date, but failed to meet the deadline.

This is an important adjustment to the law because Section 245(i) allows prospective family and employment based immigrants to adjust their status to that of permanent resident while remaining in the United States, rather than requiring them to return to their home country to obtain an immigrant visa.

I believe that failing to extend the 245(i) provision would burden American families and businesses, effectively splitting families apart and placing business projects on hold for an inordinate and undue amount of time. This is not in America's best interest.

I, therefore, encourage Members from both sides of the aisle to support this fair and equitable adjustment to present immigration law.

Mr. MORAN of Virginia. Madam Speaker, I rise today in support of H.R. 1885, the 245(i) Extension Act of 2001.

Section 245(i) is a vital provision of U.S. immigration law that allows some immigrants on the brink of becoming permanent residents to apply for their green cards while staying in the United States, rather than having to return to their home countries to complete this time consuming process.

Unfortunately we allowed this law to expire on April 30, 2001, despite the fact that the INS said they had not had enough time to notify everyone who was eligible to take advantage of this status. Although I believe 245(i) should be permanent, extending it for 120 days through H.R. 1885 is a step in the right direction.

If we do not extend this law tonight people who are fully eligible for green cards will be forced to return to their home countries and barred from returning to the United States for anywhere from 3 to 10 years, despite the fact that they have homes, jobs, and families here.

I firmly believe that restoring 245(i) is pro-family, pro-business, fiscally prudent, and a matter of common sense. It will allow immigrants with close family members here in the United States to stay with their relatives while applying for legal permanent residence; it will allow businesses to retain valuable employees; and it will provide the INS with millions in annual revenue with absolutely no additional cost to taxpayers.

Extending section 245(i) will not give special benefits to illegal immigrants and it will not allow anyone to cut in line ahead of others.

Madam Speaker, I urge my colleagues to join me in supporting this legislation that is so important to thousands of American families.

Ms. SCHAKOWSKY. Madam Speaker, I rise today in opposition of H.R. 1885, 245(i) Extension Act of 2001. This 245(i) proposal in the House is insufficient in time and stingy in scope.

The White House has stated support for an extension of 245(i) for 6 to 12 months, and there is bipartisan legislation in both Houses of Congress for similar extensions. This new proposal of a limited 4-month extension with restrictions has come to the floor without a hearing and without appropriate, fair consideration. It is not consistent with the spirit of President Bush's letter where he advocated for policies that strengthen families and recognized that there was not enough time with the previous four-month extension.

In December 2000, when Congress passed a 245(i) extension that expired April 30, 2001, it took the INS over 3 months to issue the new regulation, causing great panic and confusion among immigrants and creating an opportunity for unscrupulous and fraudulent immigration "advisors." This new provision, needing new regulations will only create more delay, chaos and unnecessary hardship on immigrants with real claims to legal status.

A 245(i) provision helps people in this country who otherwise qualify for legal permanent residency. It is not an amnesty, but rather a way for people with deep roots in this country to reunite their families and work their way towards citizenship and full participation in their adopted country. A meaningful extension must go beyond 4 months and should not impose new arbitrary requirements.

This proposed extension is a superficial and transparent political gesture, which recreates problems we are seeking to rectify from the last extension we passed. It appears to do something positive for immigrant families. However, I believe that it is a proposal that demonstrates that we have not learned anything from our previous mistakes. We need to pass and implement a comprehensive solution to families that are separated from their loved ones and not prolong, perpetuate, or further complicate their problem. While I fully support a 245(i) extension that provides real relief to families, I strongly stand in opposition to this hastily considered, incomplete and impractical proposal before us now.

Ms. SOLIS. Madam Speaker, I rise to speak about H.R. 1885, which would extend Section 245(i) of the Immigration and Nationality Act for four months.

I am disappointed that H.R. 1885 will only allow the extension of 245(i) for four months. This small extension will not offer enough time for thousands of people to apply. Section 245(i) needs to be extended for a longer period of time because thousands of immigrants were not able to meet the April 30, 2001 deadline.

I am also concerned that the new requirements of H.R. 1885 will force the INS to issue regulations that will take three months or more to be implemented. This will only leave people with a month or less to apply.

H.R. 1885 also imposes unfortunate new restrictions on eligibility that will greatly limit the pool of potential beneficiaries.

The Congressional Hispanic Caucus has written a letter to President Bush stating our disappointment in H.R. 1885. In order to unite and strengthen families, we need a permanent extension of 245(i). A permanent extension will keep the maximum number of families united, help avoid fraud perpetrated against immigrants seeking assistance, and allow for a steady stream of funding for Department of Justice programs.

This month President Bush sent a letter to Congress indicating his support of a six to twelve month extension of 245(i). I do not understand why the Republican leadership has chosen to advance a bill with only a four month extension when the Bush Administration clearly supports a longer extension.

H.R. 1885 does not do enough to help immigrants in need. I hope Congress and the Administration can work together in the future to implement either a one year or permanent extension of 245(i).

Ms. DEGETTE. Madam Speaker, I rise in support of H.R. 1885, a bill that will extend by four months the time for eligible individuals to apply for permanent resident status in the United States. While this bill does not extend the deadline by a year or make it permanent as I would prefer, it is a humane effort and a good first step to assist people eligible for permanent residency.

To be eligible to apply for permanent residency, an individual must have family in the US or must be sponsored by an employer. However, under current law, eligible individuals cannot file while in the US. Instead, they must leave the country and file from abroad. By forcing people to leave the country, we are ensuring that lives are uprooted, families are separated, and valuable jobs are lost.

Expanding Section 245(i) of the immigration code is necessary to keep families together and to promote steady employment. It would grant no special rights or status for immigrants but would instead clear an expensive and time-consuming procedural hurdle for people already living in the United States who are eligible to apply for permanent residency status. As the deadline approached last month, INS offices across the country remained open for extended hours to allow eligible people to apply in the US. Almost all the people who apply are approved, therefore, we should extend the deadline. H.R. 1885 is a logical and humane response to a provision of the law that does not make sense and should be changed. It is my hope and understanding that although this bill does not make this section of immigration law permanent, Congress will act soon to enact further extensions. I urge my colleagues to vote for this bill.

Mr. BEREUTER. Madam Speaker, this Member rises in strong opposition to H.R. 1885, the 245(i) Extension Act of 2001. By allowing illegal aliens to buy legal permanent residence for $1,000, Section 245(i) places American lives at risk.

Although the current legal immigration structure is by no means perfect, it does provide for crucial health screening and criminal record background checks which determine if potential immigrants will place the well-being and security of American citizens and legal immigrants in danger. To make such determinations is not only the right of the United States as a sovereign country, it should be its foremost responsibility.

Madam Speaker, Section 245(i) ultimately rewards those people who have thwarted the legal immigration structure by entering the country illegally or by allowing their legal status to lapse. Simultaneously, the policy penalizes potential immigrants who have patiently waited many years, completed many forms, and undergone appropriate screenings for the privileged opportunity to be reunited with family members and to work in the United States.

Madam Speaker, Section 245(i) was a bad policy when it was first enacted in 1994. It was not worthy of being re-instated during the previous 107th Congress, and it should not be further extended.

Mrs. MINK of Hawaii. Madam Speaker, today I rise in strong support of at least a minimum one-year extension to the April 30, 2001, filing deadline under Section 245(i), allowing certain persons to remain in the United States while they pursue legal residency.

The bill before us, H.R. 1885, would extend the immigration filing deadline under Section 245(i) for only four months. At best, it acknowledges the importance of this program. However, it is absolutely inadequate time to resolve the problem.

In the 106th Congress, the Legal Immigration and Family Equity Act (LIFE) had a filing deadline of April 30, 2001. INS did not finalize the regulations for LIFE until March 26, 2001. This allowed only barely a month—just over 30 days—for petitioners to be informed of the regulations and to file their applications. This short time frame fostered the dissemination of wrong or inadequate information.

Additionally, H.R. 1885 requires that an applicant seeking to adjust his status under 245(i) must prove that he was physically present on December 21, 2000, and that they established a familial or employment relationship that serves as the basis of their petition. Fulfilling this requirement is not an easy process. Obtaining the necessary documentation will require more than 4 months.

At the April 30, 2001, deadline, 200,000 persons had pending applications. This is due partly to the fact that INS was not able to handle the tremendous influx of applications.

Madam Speaker, a minimum one year extension of the filing deadline is imperative in order to fulfill the purpose and intent of the LIFE Act.

I urge my colleagues on both sides of the aisle to support a minimum one-year extension of the filing deadline under Section 245(i). It is the right thing to do.

Mrs. McCARTHY of New York. Madam Speaker, it goes without saying that, as legislators, our goal is to pass the best legislation possible. Extending the deadline for people to adjust their immigration status under Section 245(i) of the Immigration and Naturalization Act is the right thing to do. In this case, the goal is to allow everyone who is eligible under the law, to obtain permanent legal residence. Unfortunately, I fear a four month extension is an incomplete remedy.

Consideration of this legislation says volumes about the way business is conducted in the House. The Speed with which this bill has been brought to the floor was noticeably absent on April 30th. This House was uncharacteristically silent about the pending deadline. While I'm pleased that we finally have the opportunity to talk about extending the deadline, I'm concerned about the circumvention of the committee process and the noticeably shorter extension period. We have not had a fair hearing on the alternatives, such as the bill Congressman KING and I introduced after working closely with state and local officials in New York, that gives eligible people an adequate window of opportunity to adjust their status by extending the deadline by six months.

The process of adjusting one's immigration status can be confusing and that misinformation is rampant in the immigrant community. As we cast our votes for or against this bill, we have to ask ourselves a number of important questions: is four months enough time; are we setting ourselves up for a repeat of the last deadline, when long lines of eligible people inundated the I.N.S. offices and many were excluded; and finally, is this bill a fair and reasonable compromise designed to help those who deserve it. I fear it is something less. We could have done better. The people deserve better.

Mr. DAVIS of Illinois. Madam Speaker, I rise to support the House Resolution 1885 to expand the class of beneficiaries who may apply for adjustment of status under section 245(i) of the Immigration and National Act.

As I understand it, the purpose of this legislation is to enable eligible illegal immigrants to apply for legal residence in the United States without being forced to leave the country while waiting for clearance.

Whereas President Bush would like this program to be extended for another 12 months, the four-month extension proposed by my colleague, Representative GEORGE GEKAS is a sensible approach. This alternative approach would be beneficial to all concerned parties, particularly if family or employment ties are already in existence.

Mr. SENSENBRENNER. Madam Speaker, I yield back the balance of my time.

□ 1630

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 1885.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. SENSENBRENNER. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 6 p.m.

Accordingly (at 4 o'clock and 31 minutes p.m.), the House stood in recess until 6 p.m.

□ 1800

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. ISAKSON) at 6 p.m.

VACATING ORDERING OF YEAS AND NAYS ON H.R. 1801, ELDON B. MAHON UNITED STATES COURTHOUSE, AND H. CON. RES. 109, HONORING THE SERVICES AND SACRIFICES OF THE UNITED STATES MERCHANT MARINE

Mr. LATOURETTE. Mr. Speaker, I ask unanimous consent to vacate the ordering of the yeas and nays on H.R. 1801 and House Concurrent Resolution 109 to the end that the Chair put the question on each measure de novo.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. LATOURETTE) that the House suspend the rules and pass the bill, H.R. 1801.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. LATOURETTE) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 109.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will now put the question on motions to suspend the rules on which further proceedings were postponed earlier today.

Votes will be taken in the following order:

H. Con. Res. 56, by the yeas and nays; and

H.R. 1885, by the yeas and nays.

Pursuant to clause 8 of rule XX, the Chair redesignates tomorrow as the time for resumption of further proceedings on H.R. 1831.

The Chair will reduce to 5 minutes the time for any electronic voting after the first vote in this series.

NATIONAL PEARL HARBOR REMEMBRANCE DAY

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the concurrent resolution, H. Con. Res. 56.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. LATOURETTE) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 56, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 368, nays 0, not voting 64, as follows:

[Roll No. 126]

YEAS—368

Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Castle
Chabot
Chambliss
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cramer
Crane
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Ford
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez

Hall (OH)
Hall (TX)
Harman
Hastings (FL)
Hastings (WA)
Hayes
Hefley
Herger
Hilliard
Hinojosa
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Houghton
Hoyer
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Lewis (CA)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Mink
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Nethercutt
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Oxley
Pallone
Paul
Payne
Pelosi
Pence
Peterson (MN)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sandlin
Sawyer
Saxton
Schaffer
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stump
Stupak
Sununu
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thurman
Tiahrt
Tierney
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Walden
Walsh
Watkins
Watt (NC)
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—64

Abercrombie
Barr
Barrett
Berkley
Blumenauer
Carson (OK)
Clay
Cox
Coyne
Cubin
Emerson
Fossella
Graves
Gutknecht
Hansen
Hart
Hayworth
Hill
Hilleary
Hinchey
Hobson
Hostettler
Hulshof
Hutchinson
Johnson (IL)
Kelly
Kingston
Kirk
Lantos
Largent
Levin
Lewis (GA)
Lewis (KY)
Moakley
Mollohan
Neal
Ney
Otter
Owens
Pascrell
Pastor
Peterson (PA)
Phelps
Rahall
Riley
Rogers (KY)
Sanchez
Sanders
Scarborough
Schakowsky
Simpson
Strickland
Sweeney
Taylor (NC)
Thune
Tiberi
Toomey
Towns
Vitter
Wamp
Waters
Watts (OK)
Waxman
Weiner

□ 1830

So (two-thirds having voted in the affirmative) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. KIRK. Mr. Speaker, on rollcall No. 126, I was delayed due to flight problems. Had I been present, I would have voted "yea."

Mr. PASTOR. Mr. Speaker, on rollcall No. 126, due to weather my plane was delayed. Had I been present, I would have voted "yea."

Mr. WAMP. Mr. Speaker, I was absent for a vote today because I was attending my son's middle school graduation. Had I been present, I would have voted "yea." on H. Con. Res. 56, expressing the Sense of Congress regarding National Pearl Harbor Remembrance Day.

Mr. BARRETT of Wisconsin. Mr. Speaker, my flight was canceled coming from Chicago here, so I missed the vote on House Concurrent Resolution 56 expressing the sense of Congress regarding National Pearl Harbor Remembrance Day.

If I had been here, I would have voted yea.

Mr. GUTKNECHT. Mr. Speaker, due to air delays, I was unavoidably detained and unable to vote on roll call vote 126, House Concurrent Resolution 56, the National Pearl Harbor Remembrance Day resolution.

Had I been present, I would have voted in the affirmative.

Ms. SCHAKOWSKY. Mr. Speaker, for the RECORD, my plane was delayed. Had I been here, I would have voted in favor of House Concurrent Resolution 56 expressing the sense of Congress regarding National Pearl Harbor Remembrance Day.

Mr. JOHNSON of Illinois. Mr. Speaker, I would likewise like to be recorded as voting yes on rollcall number 126. We were all subject to the same delay at Reagan Airport.

Had I been here I would have voted yea on roll call 126.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. ISAKSON). Pursuant to clause 8 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting on the additional motion to suspend the rules on which the Chair has postponed further proceedings.

SECTION 245(i) EXTENSION ACT OF 2001

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 1885.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 1885, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 336, nays 43, not voting 53, as follows:

[Roll No. 127]

YEAS—336

Ackerman
Akin
Allen
Andrews
Armey
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Barton
Bass
Becerra
Bentsen
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Clayton
Clement
Clyburn
Collins
Condit
Conyers
Cooksey
Costello
Cramer
Crane
Crenshaw
Crowley
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Engel
English
Eshoo
Etheridge
Evans
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Ford
Frank
Frelinghuysen
Frost
Gallegly
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Hall (OH)
Hall (TX)
Harman
Hastings (FL)
Hastings (WA)
Hayworth
Hilliard
Hinojosa
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Houghton
Hoyer
Hutchinson
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Keller
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Mink
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Northup
Nussle

Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Oxley
Pallone
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rogers (MI)
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sandlin
Sawyer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stenholm
Stupak
Sununu
Tanner
Tauscher
Tauzin
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thurman
Tiahrt
Tierney
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Vitter
Walden
Walsh
Watkins
Watt (NC)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—43

Aderholt
Bachus
Baker
Ballenger
Bartlett
Bereuter
Burton
Chambliss
Coble
Combest
Culberson
Deal
Duncan
Everett
Goode
Goodlatte
Graves
Gutknecht
Hayes
Hefley
Herger
Hunter
Johnson, Sam
Jones (NC)
Kerns
LoBiondo
Mica
Nethercutt
Norwood
Putnam
Rohrabacher
Roukema
Royce
Saxton
Schaffer
Sessions
Spence
Stearns
Stump
Tancredo
Taylor (MS)
Visclosky
Weldon (FL)

NOT VOTING—53

Abercrombie
Barr
Berkley
Blumenauer
Clay
Cox
Coyne
Cubin
Emerson
Fossella
Ganske
Gordon
Hansen
Hart
Hill
Hilleary
Hinchey
Hobson
Hostettler
Hulshof
Kelly
Kingston
Lantos
Largent
Levin
Lewis (GA)
Moakley
Mollohan
Neal
Ney
Owens
Pascrell
Peterson (PA)
Phelps
Rahall
Riley
Rogers (KY)
Sanchez
Sanders
Scarborough
Simpson
Strickland
Sweeney
Taylor (NC)
Thune
Tiberi
Toomey
Towns
Wamp
Waters
Watts (OK)
Waxman
Weiner

□ 1842

Ms. SCHAKOWSKY and Mrs. JONES of Ohio changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. THUNE. Mr. Speaker, on rollcall Nos. 126 and 127, I was detained due to flight problems. Had I been present, I would have voted "yea" on both.

PERSONAL EXPLANATION

Ms. SANCHEZ. Mr. Speaker, during rollcall votes numbered 126 and 127, I was unavoidably detained. Had I been present, I would have voted "yea" on both.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate has passed with amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1696. An act to expedite the construction of the World War II memorial in the District of Columbia.

The message also announced that pursuant to Public Law 106-286, the Chair, on behalf of the President of the Senate, and after consultation with the Majority Leader, appoints the following Members to serve on the Congressional-Executive Commission on the People's Republic of China—

The Senator from New Hampshire (Mr. SMITH);

The Senator from Kansas (Mr. BROWNBACK);

The Senator from Arkansas (Mr. HUTCHINSON);

The Senator from Oregon (Mr. SMITH); and

The Senator from Nebraska (Mr. HAGEL), Chairman.

The message also announced that pursuant to Public Law 102-246, the Chair, on behalf of the Majority Leader, in consultation with the Democratic Leader, appoints Leo Hindery, Jr., of California, to the Library of Congress Trust Fund Board, vice Adele Hall, of Kansas.

The message also announced that pursuant to sections 276d-276g of title 22, United States Code, as amended, the Chair, on behalf of the Vice President, appoints the following Senators as members of the Senate Delegation to the Canada-United States Interparliamentary Group during the First Session of the One Hundred Seventh Congress, to be held in Canada, May 17–21, 2001:

The Senator from South Carolina (Mr. HOLLINGS).

The Senator from Vermont (Mr. LEAHY).

The Senator from Maryland (Mr. SARBANES).

The Senator from Hawaii (Mr. AKAKA).

The message also announced that pursuant to sections 276d-276g of title 22, United States Code, as amended, the Chair, on behalf of the Vice President, appoints the following Senators as members of the Senate Delegation to the Canada-United States Interparliamentary Group during the First Session of the One Hundred Seventh Congress, to be held in Canada, May 17–21, 2001:

The Senator from Iowa (Mr. GRASSLEY).

The Senator from Ohio (Mr. VOINOVICH).

The message also announced that in accordance with sections 1928a–1928d of title 22, United States Code, as amended, the Chair, on behalf of the Vice President, appoints the following Senators as members of the Senate Delegation to the North Atlantic Treaty Organization Parliamentary Assembly during the First Session of the One Hundred Seventh Congress, to be held in Vilnius, Lithuania, May 27–31, 2001—

The Senator from Ohio (Mr. VOINOVICH);

The Senator from Maryland (Mr. SARBANES);

The Senator from Maryland (Ms. MIKULSKI); and

The Senator from Illinois (Mr. DURBIN).

□ 1845

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE CONCURRENT RESOLUTION 73

Mr. FLAKE. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of House Concurrent Resolution 73.

The SPEAKER pro tempore (Mr. ISAKSON). Is there objection to the request of the gentleman from Arizona?

There was no objection.

U.S. TRADE AND INVESTMENT POLICY TOWARD SUB-SAHARAN AFRICA AND IMPLEMENTATION OF THE AFRICAN GROWTH AND OPPORTUNITY ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 107–73)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

As required by section 106 of title I of the Trade and Development Act of 2000 (Public Law 106-200), I transmit herewith the 2001 Comprehensive Report of the President on U.S. Trade and Investment Policy toward Sub-Saharan Africa and Implementation of the African Growth and Opportunity Act.

GEORGE W. BUSH.

THE WHITE HOUSE, *May 18, 2001.*

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

A BRIEF DISCUSSION OF PART OF THE PRESIDENT'S PROPOSED NATIONAL ENERGY POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

Mr. DEFAZIO. Mr. Speaker, I come to the floor this evening for a brief discussion of a part of the President's proposed national energy policy, the document of May, 2001.

This goes to the issue of electricity and electricity supply. If we look in Appendix I, way in the back of the report here under "Summary of Recommendations," there are a couple of things which I think Members of the House and members of the public should pay attention to.

At the top of this unnumbered page, in Appendix I it says, "The NEPD Group recommends the President direct the Secretary of Energy to propose comprehensive electricity legislation that promotes competition, protects consumers, enhances reliability, promotes renewable energy, improves efficiency, and repeals," there is the key part, "the Public Utility Holding Company Act and reforms the Public Utility Regulatory Policy Act."

What does that mean? That means national deregulation. Now, of course there is a little problem in proposing national deregulation. We have the California model, where this year the same amount of electricity will be sold as 2 years ago. Two years ago, that electricity sold for $7 billion. This year that same amount of electricity, despite the myths about huge increases in the demand and all that, the same electricity as 2 years ago will sell for $70 billion, a 1,000 percent increase in the price in 2 years.

That money has to be going somewhere, and it is. A good deal of it is flowing to a number of large energy companies based in Houston, Texas. They are saying this is such a successful model. The lights were on in parts of California for part of the day yesterday, and most people still can afford to pay their energy bills, although they are about to get a retroactive 47 percent-plus rate increase and tiered rates, which will penalize anybody with an all-electric home.

The President, under the guise of the summary buried in the back of this report, wants to take that across the Nation. People will say, that is not fair. The California plan was poorly written. Look at some of the other great models of deregulation. Let us look at some of the other great models of deregulation.

We have Montana, right near my State. Montana, until 2 years ago, had the sixth cheapest electricity in the United States of America. They were producing 150 percent, 1½ times their peak demand, on their own hydro power; affordable, cheap, reliable. But what happened? They deregulated. Montana Power sold all of its generation resources to PP&L, Pennsylvania Power & Light, who now controls the generation in Montana.

Pennsylvania Power & Light finds they can sell Montana's electricity more lucratively elsewhere, and they have lifted the cap on industrial customers, so industry after industry in Montana is closing. They are laying people off. They are saying they cannot afford the huge increase in electric rates.

Luckily for residential consumers, their prices are capped for another year. But a year from today, it will hit them, too. They will say, Montana did not work out too well, California did not work out too well, but look at the deregulation in Pennsylvania. Look how well it is working.

First off, dereg is supposed to give us choice. I have yet to have a consumer come up to me and say, Congressman, I want to choose my energy company. I am tired of this company that just delivers the electricity day in, day out, reliably at a low price. I would like to choose, to gamble. I would like to see what would happen. Nobody, nobody wants that except a few big energy companies that are getting filthy rich off this scheme.

So they gave choice to Pennsylvanians, and very few of them chose it. Now, even though they had rate caps, and that is why people say it is a success, rates did not go up; yes, if we have capped rates. What happens when the caps go away? The same thing that has happened in California, the same thing that is happening in Montana: huge increases in price.

This is nothing but a scheme to extract more money from tens of millions of Americans and small businesses and big businesses across this country, and move that money to a few big energy companies.

So I would hope that this Congress, as it has in the last two Congresses when President Clinton proposed national energy, as they want to call it now, restructuring, because deregulation has become a dirty word, we cannot use that. It is like around here we do not talk about the estate tax, but we call it the death tax. Now they call deregulation restructuring, as does this report.

It is a scam on the American public. Let us not have it perpetrated under the guise of this report.

REMARKS OF THE VICE PRESIDENT CONCERNING THE CALIFORNIA ENERGY CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. SHERMAN) is recognized for 5 minutes.

Mr. SHERMAN. Mr. Speaker, this weekend I was disappointed by the comments of the Vice President in talking about the California energy crisis.

Vice President CHENEY put forward the theory that California made a mistake with its deregulation, and therefore, California should suffer without any Federal action; that the blackouts and outrageous prices being faced by people in my State are somehow part of a divinely ordained morality play.

Well, California did make a mistake. We put ourselves at the mercy of gougers, chiefly independent energy companies based in Houston, Texas. Our theoretical economist told us that if we deregulated, all these companies would produce independently as long as they could make a profit; that they would maintain their output.

What we discovered instead was that if we came anywhere close to a shortage, a few of them would close down, create the prospect of blackouts, all in an effort to drive up the price. That is why the California Public Utilities Commission determined that not only are we paying outrageous prices, but deregulation, which according to the theorists should maximize the production of electricity, is actually causing the blackouts by causing them to underproduce. By producing a little less, they can charge us the outrageous prices that my colleague, the gentleman from Oregon, just pointed out to this House.

But returning to the Vice President's idea of fault, that this is somehow California's fault, and therefore, Californians should suffer, this might make some sense if Californians were rushing to this floor asking for tens of billions of dollars of aid. But that is not what we are asking for. We are only asking for the right to reregulate, whether that is done at the Federal level or whether it is done at the State level. We are asking for the reinstitution of the same system of regulation that served this country so well for 100 years.

The Vice President's statements are analogous to the following situation. Assume our neighbor's house is burning down. If that happens, one approach is to steal our neighbor's hose and lecture our neighbor about fire safety, that the fire should never have started.

That is in fact what this administration is doing. On the one hand, we are lectured that California made a mistake, and given the current outcome, that is no doubt true. But then, instead of being given help, instead of even being left alone, the hose is stolen, impounded, and a smile comes across the administration's face as the house burns down.

At a very minimum, California needs to see cost-based regulation of the electric plants located in California. Federal law prevents us from doing so. We are bound and gagged by Federal law. It is time for this House and this administration to direct FERC, the Federal Energy Regulatory Commission, to institute the kind of price caps, the kind of rate regulation, that all California is asking for.

Instead, we are lectured. We are lectured and told that we will be prevented from helping ourselves, we are going to be prevented from regulating that wholesale price, and that the Federal government will not do so. We are told by people who suffer not at all that we should adopt their economic theories.

It is time for the Federal government to return the hose. It is time for the administration to remove its foot from the neck of California. We are not asking for billions in aid, although, if this house burns down, we will need it. We are only asking for regulation of the same type that we imposed ourselves when the plants were under California regulation. We need this level of regulation, either from the Federal government, or we need the right to do it ourselves.

□ 1900

NATIONAL SECURITY

The SPEAKER pro tempore (Mr. ISAKSON). Under the Speaker's announced policy of January 3, 2001, the gentleman from Pennsylvania (Mr. WELDON) is recognized for 60 minutes as the designee of the majority leader.

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise tonight to speak about national security, but I cannot help but respond to the plea of the gentleman from California (Mr. SHERMAN), my colleague, that the State of California is the suffering State.

I wonder why the rest of our States are not having the same level of problems. Perhaps our colleagues from California, when they were rah-rahing tough environmental regulations, when they were rah-rahing limitations on offshore drilling, when they were rah-rahing the overwhelming control of the nuclear industry, perhaps now they are paying a price for that.

Mr. SHERMAN. Will the gentleman from Pennsylvania (Mr. WELDON) yield?

Mr. WELDON of Pennsylvania. No, I will not yield. This is my time. You had your time. You get your own special order.

Mr. SHERMAN. I yielded back some time.

Mr. WELDON of Pennsylvania. Mr. Speaker, I would ask for regular order.

The SPEAKER pro tempore. Regular order. The time is controlled by the gentleman from Pennsylvania.

Mr. WELDON of Pennsylvania. Mr. Speaker, I come from Pennsylvania, and we are having the same concerns that the gentleman from California (Mr. SHERMAN) has, but our State is doing fine. Perhaps, the State of California should have had its act together before this administration came in. It is too bad that my colleagues are shedding crocodile tears today.

Mr. SHERMAN. Will the gentleman yield——

Mr. WELDON of Pennsylvania. I will not yield.

Mr. SHERMAN. Or will his arguments not stand scrutiny?

Mr. WELDON of Pennsylvania. I will not yield, and I will ask the Speaker to enforce the rules of the House.

The SPEAKER pro tempore. The House will suspend. The gentleman will suspend. The time is controlled by the gentleman from Pennsylvania. The gentleman from Pennsylvania does not yield time.

The Chair will return the time to the gentleman from Pennsylvania.

Mr. WELDON of Pennsylvania. Mr. Speaker, I would not have spoken on this issue, but for my colleague to get up here on the floor and rant and rave about the administration and what they have not done in 5 months in office and talking about not giving them the hose to put out the fire, well, it was the California liberal establishment that was throwing gasoline on the fire, throwing gasoline and accelerants to burn down the State of California's economy.

Now for those from California to say that somehow George Bush and DICK CHENEY are responsible, is utter hogwash. I, too, want to work with my colleagues from that State, but I am not going to sit here and listen to rhetoric coming out from one Member's mouth that somehow lays the blame at the feet of George Bush or Vice President DICK CHENEY.

So I make those comments to my colleagues, even though my major topic tonight is national security. In a way, it ties into national security, because we have not had a national energy policy for the past 9 years. We had an energy policy under Ronald Reagan. It was a very defined energy policy.

We had no energy policy under President Clinton or Al Gore. We did not allow offshore drilling. We did not allow drilling in Alaska. We did not stop the incessant controls of the oil and gas industry. We did not permit new nuclear power plants. We did not license new refining operations.

And we wonder why today certain States, where they were aggressively excessive in their regulations, we wonder why today they have energy problems.

Mr. Speaker, this President and this Vice President have taken the lead. They have developed a detailed comprehensive energy strategy that just does not address the concerns of the oil and gas industry.

They have addressed the need to look at lowering the amount of usage by sport utility vehicles. They have addressed cafe standards. They have addressed the need to encourage conservation to encourage alternative energy supplies and tax credits for those alternative energy resources, and I applaud them for that.

But for one of our colleagues to come on the floor in a 5-minute unchallenged speech and rant and rave about how California's problem today is George Bush and DICK CHENEY's problem is an absolute travesty, and I could not help but stand up and refute what the gentleman said.

Mr. Speaker, I yield to the gentleman from North Carolina (Mr. JONES), a friend and colleague.

Mr. JONES of North Carolina. Mr. Speaker, I thank the gentleman from Pennsylvania (Mr. WELDON) for yielding.

Mr. Speaker, I could not agree more with what the gentleman from Pennsylvania just said. But I wanted to take just a couple of minutes of the gentleman's time, the gentleman's one hour tonight, to talk about the needs of our military as it relates to readiness.

I want to first say that I enjoyed very much being with the gentleman today. The Subcommittee on Military Readiness, both Republicans and Democrats, joined the gentleman in Philadelphia today for a hearing on the V-22 Osprey. I thought that went extremely well.

Towards the end of the hearing that the gentleman held in Philadelphia today, we were able to question those in charge, the Navy, the Marine Corps, and the Air Force, to ask them about the readiness needs of their pilots.

Being a member of Subcommittee on Military Readiness, I am imploring and encouraging this administration to please come forward with an emergency supplemental for our men and women in uniform. I do not think we have the luxury of time.

I would wish the gentleman, as the expert on this issue and I mean that most respectfully, I wish the gentleman would speak to my concern.

Mr. WELDON of Pennsylvania. Mr. Speaker, first of all, I want to thank the gentleman from North Carolina (Mr. JONES), my colleague, for joining me. He brings up a topic that I was going to start off this special order with tonight, which is our national security.

Energy is a part of that, but I was not planning on discussing energy, per se, but rather three other issues. The gentleman has highlighted my first concern, which is the absolute need for an emergency supplemental.

As the chairman of the Subcommittee on Military Readiness, and as my distinguished friend and colleague knows, he heard it today from the mouths of the Marine Corps general in charge of Marine Aviation, General McCorkle, the Navy admiral in charge of all Navy aviation, Admiral Dyer, and our special operations leadership, we are at a crisis situation right now.

This administration, which I have just supported in terms of coming out with an aggressive energy policy and which I have supported, I know my colleague does as well, their plan to provide a comprehensive review of our national security needs, is failing to come to this Congress with a definitive short-term plan to fund the readiness shortfall that we are now experiencing.

We have been told, Mr. Speaker, both my colleague, myself, the members of the Committee on Appropriations, the Armed Services Committees in both bodies have been told that unless this Congress responds with an emergency supplemental by June, we will have as of July 1 Navy units that will stop sailing, Air Force units that will stop flying, Army units that will stop training, because we will have run out of money.

It is absolutely outrageous that we are facing a crisis situation. Even though we all respect the fact that Don Rumsfeld and President Bush are working on looking at reforms which I support, we have to deal with the needs that we know are going to be there. Those needs have to be addressed with an emergency supplemental.

Our colleagues on the other side have recognized this. The gentleman from Missouri (Mr. SKELTON) has made this plea time and again. The gentleman from South Carolina (Mr. SPENCE) has made this plea. The gentleman from Arizona (Mr. STUMP) has made this plea. Members of this body from all sides have said very publicly we have to have an emergency supplemental.

So my colleague is right on the mark. He represents one of the largest military unit bases in the country. He knows better than any of us the impact, and perhaps he would like to elaborate on that impact in his own home installation in North Carolina.

Mr. Speaker, I yield to the gentleman.

Mr. JONES of North Carolina. Mr. Speaker, I thank gentleman from Pennsylvania (Mr. WELDON), the chairman of the Subcommittee on Military Readiness, for yielding to me.

The gentleman is absolutely right. I have the privilege to represent the Third Congressional District of North Carolina, which is the home of Camp Lejeune Marine Base, Cherry Point Marine Air Station, New River Air Facility, and also Seymour Johnson Air Force Base, including the Coast Guard, they are all in my district, with a total of over 50,000 retired military and veterans combined.

I will say to the gentleman from Pennsylvania that the gentleman is absolutely on target. I am very proud of the Bush administration. But during the campaign, Mr. Bush, the President of the United States, and the Vice President, talked about we need to rebuild the military; they are absolutely right.

The gentleman knows better than anyone, and in a few minutes the gentleman will be talking about this subject, this is a very unsafe world that we live in. My concern is that if we do not move quickly on this emergency supplemental, the morale of the men and women in uniform, who are going to have to stop taking care of those planes, the helicopters, or prepare those ships for sailing, they are going to become a little bit discouraged.

I do not want to see that happen, because I know the men and women in uniform that live in the Third District of North Carolina are pleased as they can be that George Bush is the President of the United States. All I am asking, respectfully, is the same thing that the gentleman is asking, please, Mr. President, let us move forward on that emergency supplemental for our military sooner rather than later.

Mr. Speaker, with that, I want to thank the gentleman for yielding to me; and I look forward to hearing the rest of his hour.

Mr. WELDON of Pennsylvania. Mr. Speaker, I thank my colleague for being here. He is one of the most tireless advocates for the men and women who wear the uniform. And he is one of the most respected members of our Committee on Armed Services. He represents his district well, but, more importantly, he represents America's needs extremely well.

My colleague is absolutely right. We are in a crisis situation right now. Now some might ask, well, how did we get to this situation? Why do we not have enough money to finish out the rest of this year to pay for the training and steaming and flying hours that our military needs?

Part of the problem, Mr. Speaker, is that we have overextended our military. Over the past 10 years, we have seen our troops deployed 36 times. None of those deployments, except for one, was paid for in advance. Every time the President would assert our troops into Bosnia, Kosovo, Haiti, into East Timor, Macedonia, South America, all of those deployments, when our troops were put in, had to be paid for by the Congress finding other monies to reimburse those accounts to pay for the steaming and the flying and the airlift and sea lift costs that were associated with various deployments.

As a result, having raided those procurement and R&D accounts, we do not have enough money for readiness for allowing our troops to be prepared, by providing the proper training, the proper flying time, the proper steaming time and training time on the ground to go into harm's way, and as a result, this year's budget is woefully inadequate.

We have to have relief. We know there is money available, both the President and the leadership in the Congress have acknowledged that there are short-term dollars available to fix the shortchange of funding this year. And we, as a Congress, have to know what that number is.

Mr. Speaker, in closing in this part of my special order, I would implore the Secretary of Defense, who I have the highest regard for, an outstanding leader and a perfect person to lead our military in today's environment, and I would implore the President and the Vice President, two outstanding leaders, to come forward and give us a number.

Mr. Speaker, I talked to the staff director of the Committee on Appropriations just a few short minutes ago on the floor of the House and I talked to the chairmen and ranking members on the Committee on Appropriations who are very talented individuals. They think that perhaps they could turn around a supplemental within a month.

We cannot wait through the entire month of June and then go into July and August or we are going to face an extremely serious, even more serious situation as our military has to take drastic actions and shut down training operations.

I will say this, Mr. Speaker, as a loyal supporter of the President and a loyal member of his party, I will not hesitate as the chairman of the Subcommittee on Military Readiness to speak out when those stop budgets start to occur; and I am not doing that to embarrass anyone, but our men and women in uniform deserve better.

They deserve to have the funding they need and that dollar amount that they need to replenish those accounts needs to be given to us within the next week.

So I ask my colleagues to continue to urge the White House and the Secretary of Defense to give us that number so that we can respond.

Mr. Speaker, the second topic of my defense special order tonight I briefly discussed last week in part of a 5-minute speech, and I want to elaborate on that.

It deals with another of President Bush's top priorities, and that is national missile defense. When President Bush came out with his major speech and when we came out with our bill that passed in the last session of Congress making it our national policy to deploy missile defense, there were those on the left who began to criticize the decision that the Congress made and, more recently, the decision that President Bush made to defend America.

Now, last year in the height of the debate of the Presidential campaign, even though President Clinton reversed himself politically and came out in support of our missile defense initiative, there were those in the Congress who were opposed to missile defense.

They largely based their opposition on the findings of one person. That one person is a scientist at MIT, one person who has consistently opposed America's efforts to defend herself from the standpoint of a long-range intercontinental ballistic missile.

That individual was given prime air time on national TV by Dan Rather as he focused for 20 minutes on one professor's opposition to missile defense and one professor's public accusations that the missile defense organization leaders, General Kadish and our other top brass, as well as the Secretary of Defense were lying, were involved in a massive cover-up, were involved in giving the American people false information, were hiding information from the American people, were denying America's innocent citizens the right to know all the facts.

This individual on national TV and also in national print media who gave him prime exposure went on to say, this is a massive cover-up. It is fraud against the American people. It is outrageous what is happening. All of these statements were made last year in the height and the midst of a Presidential election.

Mr. Speaker, a few of our colleagues got together and decided even though they were the same ones who opposed our missile defense bill, even though it passed with a veto-proof margin earlier in the session, they came together as a group and signed a letter to the head of the FBI demanding a criminal investigation of the Department of Defense, of the ballistic missile defense organization, of General Kadish and of the contractors working on missile defense.

They had a special order. They had a press conference out in the Triangle. They were on national TV. They were on talk radio and fed this story of one professor around the country saying that America was having this massive fraud committed against it, and that no one should support missile defense until the FBI had conducted a complete and thorough investigation of the allegations made by this professor.

□ 1915

That was what occurred last year, Mr. Speaker.

Like so many other issues the media focuses on, the American people were sold a bill of goods. Now, amazingly, Mr. Speaker, with all of this rhetoric that spewed out of this city, claiming that there was fraud and abuse and lies and criminal activity, even in denying the facts, in fact, the professor cited a former TRW employee who claims they had hard evidence that one company was falsifying data, that one company was dumbing down the tests, that one company was, in fact, committing criminal activity.

What has been amazing, Mr. Speaker, is that we are now into the middle of May. The silence since the end of February has been deafening, because we just found out within the last 2 weeks that, on February 26 of this year, the FBI concluded its investigation. The Department of Justice issued a statement.

Now, we did not hear that professor go back on the Dan Rather show. We did not hear Dan Rather call for an update for the American people. We did not hear my colleagues on the other side stand up and present the statement.

So, Mr. Speaker, I took the time tonight to go over what the FBI said in their memo dated February 26, 2001.

Mr. Speaker, I include the FBI memo for the RECORD as follows:

NATIONAL MISSILE DEFENSE SYSTEM FRAUD AGAINST THE GOVERNMENT—DEPARTMENT OF DEFENSE

In a June 15, 2000, letter to Director Freeh, Dennis J. Kucinich, U.S. House of representatives, and 52 other members of Congress requested an FBI investigation into allegations that the Department of Defense (DOD) covered up fraud relevant to the experimental failure of testing involving the National Missile Defense System. This antimissile defense system is designed to defeat nuclear warheads launched at the United States by inexperienced nuclear powers such as Iran, Iraq and North Korea by intercepting the warhead carrying missiles in the air.

Specifically the Congressional letter detailed allegations by anti-missile critic Dr. Theodore Postol, a respected scientist from the Massachusetts Institute of Technology, that not only is the $50 billion National Missile Defense System incapable of distinguishing between warheads of incoming missiles and decoys, but the DOD and its contractors have altered data to hide the failure. Dr. Postol also contended that his letter to the White House, its attachments, and all the information and data he used to draw his conclusions of fraud and coverup, were derived from unclassified material and were subsequently classified by the DOD in an effort to conceal the fraud and wrongdoing.

The Washington Field Office (WFO) of the FBI opened a preliminary inquiry into allegations of fraud in the National Missile Defense System to specifically address the following items: (1) Coordinate with Defense Criminal Investigative Service (DCIS) and obtain copies of material alleging fraud and coverup prepared by Dr. Postol; (2) address DOD's justification for classifying Dr. Postol's information and (3) obtain details of a DCIS Qui Tam inquiry that precipitated Dr. Postol's criticism of the National Missile Defense System.

WFO opened up a preliminary inquiry into allegations of fraud in the National Missile Defense System on July 25, 2000. Contact was made with the DCIS who agreed to work jointly with the FBI in conducting the preliminary inquiry. WFO obtained a copy of Dr. Theodore Postol's letter to the White House from Philip Coyle, Director, Operational Test and Evaluation, at the Pentagon. Postol had sent Coyle a copy of his letter to the White House.

The Director of Security for the Ballistic Missile Defense Organization (BMDO) requested a line by line review of Postol's package when it was suggested that classified material may be attached to Postol's letter. This line by line review revealed that four pages of Attachment B to Postol's letter contained previously classified data, and Attachment D contained 12 previously classified figures and one classified table. All this material had been previously classified and was not newly classified. Postol had obtained this information from other individuals involved in a Qui Tam law suit against TRW. Those involved in the Qui Tam suit believed that the information they had was unclassified. A good faith effort had been made by a DCIS investigator to declassify a report that had been previously classified. In the process, certain classified information was inadvertently left in the report. Postol used this information believing it to be unclassified.

Postol's information was based on data he received from Dr. Nira Schwartz, a scientist and former employee of TRW, a defense contractor involved with BMDO. Schwartz had filed a Qui Tam action in the Western District of California alleging wrongful termination and false claims on the part of TRW. Dr. Schwartz's allegations were scientific in nature and concerned false claims made by TRW regarding the data obtained from the first test flight, IFT-1A. Postol expanded Schwartz's allegations to include criminal conduct. Investigation revealed that Postol's claim that data had been altered was unfounded. As to Postol's claim that the system is incapable of distinguishing between warheads and decoys, there is a dispute among scientists about the ability of the system to discriminate based on scientific grounds. This is a scientific dispute and Postol's attempt to raise it to the level of criminal conduct had no basis in fact. A Department of Justice civil attorney and an Assistant United States Attorney in the Central District of California, both advised that during the Qui Tam investigation, there was no indication of fraud or criminal activity.

The joint FBI/DCIS investigation failed to disclose evidence that a federal violation has been committed. Since all logical investigation has been completed, this matter is being closed.

The title of the FBI memo, dated February 26, Washington, D.C., is "National Missile Defense System, Fraud Against the Government, Department of Defense."

In the text of the FBI memo, they mention a June 15, 2000, letter directed to Director Freeh, signed by 53 Members of Congress, alleging that the Department of Defense covered up fraud relevant to experimental failure of testing involving the National Missile Defense System.

Specifically, the letter detailed allegations by an antimissile critic from MIT, a scientist from MIT, that this entire process was ripe with fraud and that the DoD and its contractors had altered data to hide the failure. The professor was invited to submit all of his documents and all of his claims, as was anyone else, relative to fraud and cover-up. That data was both classified and unclassified.

The FBI memo, it goes on to say, the Washington field office opened the preliminary inquiry, and they came to certain conclusions. The conclusions were that there were no criminal activities by anyone; that, in fact, there was no fraud committed against the people of America. In fact, I will quote from the report: "Investigation revealed that the professor's claim that data had been altered was unfounded."

Is Dan Rather listening out there? Because, Mr. Speaker, as we all know, the national media has a tremendous ability to affect what the American people think. When they have 20 minutes of totally controlled air time, that leaves a lasting impression on the American people.

Now, why am I singling out one man, Dan Rather? It is because Dan Rather called my office and asked if he could interview me about national missile defense. As the author of the legislation, I said sure, I will be happy to talk about anything you want to talk about. He proposed, through his producer, to me that it would be a fair and unbiased analysis of national missile defense.

Mr. Rather came into my office last fall and spent over 2 hours interviewing me on videotape. When I was into about 15 minutes of the interview, I knew then and there he had already written his story. He was just looking to get a quote from me that would further the fraud he was going to commit on the American people based on the allegations by one MIT professor. But I went on for 2 hours.

When Mr. Rather ran his story, which was 20 minutes in length, the total amount of time that I appeared on that story was 30 seconds. The professor from MIT was on repeatedly for probably half the show. The report was totally biased, was totally ripe with allegations by one man that the Federal Government, in this case the Department of Defense, was committing fraud.

I will repeat the statement that I take from the text of the FBI document: "Investigation revealed that the professor's claim that data had been altered was unfounded."

When people make allegations in today's society and are allowed access to our national media that affects the public's understanding of what we are doing here, I think there is a responsibility for the media and the people who push that allegation to come out when the investigation is complete and give the American people the results.

The final paragraph of the FBI memo says: "The joint FBI/DCIS investigation failed to disclose evidence that a Federal violation has been committed. Since all logical investigation has been completed, this matter is being closed."

The silence has been deafening since February 26 because no one has acknowledged that the FBI finished its investigation of the charges made by one professor which resulted in 53 of our colleagues asking for a criminal investigation of individuals and leaders in our Department of Defense.

Now, I could read some of the quotes from my colleagues and from others who spoke out in support of this professor; but, Mr. Speaker, I would rather insert into the RECORD a news article dated May 4 relative to the allegations and the actual results of the findings of the investigation.

Mr. Speaker, I include the article as follows:

[From the Forbes CFO Forum, May 16–18, 2001]

FBI CLEARS TRW INC. OF FRAUD CHARGE IN MISSILE DEFENSE TEST

(By Tony Capaccio)

WASHINGTON.—The Federal Bureau of Investigation cleared TRW Inc. of allegations it manipulated the test results in a program for the U.S. missile defense system, according to a government document.

It's the second time the allegation has been dismissed. A 1999 review by the Justice and Defense departments in a separate whistleblower lawsuit dealing with the same charge also found no basis for fraud in TRW's testing.

Last June, 53 members of the U.S. Congress asked the FBI to investigate charges by Massachusetts Institute of Technology professor Theodore Postol that TRW and Pentagon officials committed "fraud and cover-up," by tampering with the results of program's first test flight to conceal that company's warhead can't distinguish between decoys and the real thing.

Postol and another antimissile critic, Dr. Nira Schwartz, alleged that TRW and the Pentagon manipulated the results of a June 1997 flight test. Military and TRW officials said the company's warhead succeeded.

Postol and Schwartz claimed the data was manipulated to indicate success after the test failed. The test was conducted in a competition between TRW and Raytheon Co., which TRW eventually lost. Their charges were aired in March and June 2000 front page New York Times articles that became the basis for the congressional request and fodder for arms control critics.

The FBI closed the case in late February, saying Postol's charges were "a scientific dispute and Postol's attempts to raise it to the level of criminal conduct had no basis in fact."

The FBI's action removes a cloud over the missile defense program just as the Bush administration presses ahead with plans to expand it.

A spokesman for TRW said the company hadn't been told of the finding and is "delighted" if it's true. Both Postol and Rep. Dennis Kucinich, an Ohio Democrat who organized the congressional opposition, said they too were unaware.

TRW'S ROLE

TRW is a top subcontractor on the National Missile Defense program managed by Boeing Co. TRW provides the command and control system, or electronic brains, that receive and process target information to missile interceptors carrying Raytheon Co. hit-to-kill warheads.

The TRW system has performed well in the three missile intercept tests to date, though two of them ended in failure after glitches in technology unrelated to the basic system.

Postol argues the Pentagon's system is fundamentally flawed and is incapable of distinguishing decoys from real warheads. He alleged the Pentagon watered down its decoy testing, substituting simpler and fewer decoys that were easier for the warhead to recognize. The Pentagon has acknowledged shortcomings in its decoy testing and says it plans improvements.

The program needs to ensure the ability of the system to deal with likely countermeasures," Pentagon program manager Army Gen. Willie Nance wrote in an April 12 review.

'NO FEDERAL VIOLATION'

"The investigation failed to disclose evidence that a federal violation has been committed," the FBI said in a February 26 memo to the Justice Department. "Since all logical investigation has been completed, this matter is being closed."

The allegation was first made by Schwartz in an April 1996 False Claims Act whistleblower suit. Schwartz was a senior staff engineer who worked on the project for 40 hours, according to TRW. The federal government declined to join her lawsuit after determining there was no evidence to support criminal charges. The case is pending. Schwartz would received a monetary award if TRW was found guilty.

Schwartz alleged that TRW "knowingly and falsely certified" as effective discrimination technology that was "incapable of performing its intended purpose."

"Dr. Schwartz's allegations were scientific in nature and concerned false claims made by TRW regarding the data obtained from the first test flight," said the FBI memo. "Postol expanded Schwartz's allegations to include criminal conduct. Investigation revealed that Postol's claim that data has been altered was unfounded."

GAO REVIEW

Postol said in an interview he was surprised by the FBI's decision because he was under the impression that the Bureau would wait to wrap up its review until the General Accounting Office completed a separate noncriminal technical review of the charges.

The GAO review, which was requested by two Democrats, Representative Ed Markey of Massachusetts and Howard Berman of California, won't be finished until later this year.

"I am amazed the FBI would have done this without checking with the GAO," Postol said. "It looks to me that the FBI was simply not interested in doing anything except covering its back."

Kucinich, who organized the June letter that prompted the FBI inquiry, said he hadn't heard of the FBI's conclusion.

"It is interesting that the day after the president announced plans to spend billions more dollars on a missile defense system, it's revealed that the FBI had terminated its fraud investigation of the missile defense program—despite plain proof this technology doesn't work and substantial evidence suggesting that the Ballistic Missile Defense Organization covered it up," he said in a statement.

Kucinich was referring to President George W. Bush's May 1 speech outlining his plans for a missile defense shield that will likely include the ground-based system.

TRW spokesman Darryl Fraser in a statement said "if this report is accurate, we are delighted to hear that the FBI has vindicated TRW for the years of hard work."

Mr. Speaker, I would hope my colleagues would look at the evidence provided by the FBI that there was no fraud and get back to facts when discussing, as we will this year, whether or not to support the President's missile defense request.

My third national security issue, Mr. Speaker, is of grave concern to me. I also raised this briefly in a 5-minute

Special Order last week. All our colleagues need to pay attention to what has been happening with the Departments of Defense, Energy, Commerce, and the CIA.

Mr. Speaker, I was one of nine Members assigned to the Cox committee, five Republicans and four Democrats, who spent 7 months of our lives behind closed doors, in some cases 6 days a week, through the holidays, working with the FBI and the CIA and our Defense Department, to answer a simple question for our colleagues in the Congress who had passed legislation creating our commission. The question that we were asked to provide an answer for to our colleagues was: Was America's national security harmed by the transfer of technology to China?

Mr. Speaker, after the 7 months of deliberations, we came to a unanimous verdict. The vote was not five to four. It was not seven to two. It was nine to zero that America's security was harmed by the transfer of technology to China.

Now, the spin by the administration at that time was that somehow China had stole the technology. That may have been true in a few isolated cases; but, Mr. Speaker, by and large, we gave the technology to China. We gave the technology to China.

In fact, Janet Reno assigned one of her top prosecutors, Charles LaBella, to investigate in response to the Cox committee why that technology was transferred. He wrote a 94-page memorandum called the LaBella Memo back to her suggesting she should empower a special prosecutor. She chose to ignore his advice, and the American people will never know the full story as to why that technology was transferred to China. I have some strong suspicions.

But one of the areas that we looked at was China's acquisition of high-performance computers. In fact, Dr. Steve Bryen, who was the first director of DTSA, the Defense Technology Support Agency, testified before the Cox committee that up until 1995 and 1996, China had zero high-performance computers, in the range above eight to 10,000 MTOPS, which is considered a high-performance computer, even by today's standard. Up until 1996, China had none.

China wanted these computers desperately, and we looked at that issue in the Cox committee but were not given access to an individual who now has come forward as a lifetime, long-term Dealy employee. This employee by the name of Stillwell had access to China's nuclear program, in fact, traveled back and forth regularly to China, was able to gain the confidence of the Chinese leadership so that he could get access to information about China's nuclear program that was very helpful to America's military leadership and our security leadership in terms of where China was going with its nuclear program.

Mr. Stillwell kept detailed notes of his trip to China. He has now reported that he knew the Chinese were desperate to acquire high-performance computers. Because he has reported to us, Mr. Speaker, that Chinese nuclear leaders told him they did not have the ability to miniaturize their nuclear weapons, to do simulated nuclear testing for one reason; and that reason was that China lacked high-performance computers to do the significant calculations required to simulate nuclear testing and to miniaturize nuclear weapons. This was in the 1990, 1992 and 1993 time frame.

The reason why this is so critical, Mr. Speaker, is that we now have someone, an American citizen, a recognized expert on China's nuclear program, perhaps more an expert than anyone else in this country, who has come forward and who has tried to publish a book where he documents China's wanting and desire to obtain high-performance computers.

Why is that so critically important? Because in 1996, in the middle of a Presidential reelection campaign, for reasons that are yet unknown, our administration unilaterally changed the policy and, in 1996, allowed American firms that, up until then had been prohibited from selling high-performance computers, to sell those high-performance computers to China.

Now, the reasons why those computers were allowed to be sold would make for an interesting investigation as to why the President all of a sudden unilaterally decided to reverse a policy decision that previous administrations had had in limiting high-performance computers to China.

Now, piecing the facts together, if we get the comments from Mr. Stillwell, who now tells us that China was desperately in need of high-performance computers and could not get them in the early 1990s, and then, 1996, we see a decision by the U.S. administration to lower the threshold and allow China to acquire something that they had been prohibited from acquiring up until that year.

In fact, Mr. Speaker, Dr. Steve Bryen when he testified said, up until 1996, only two countries had companies manufacturing such high-performance computers, Japan and the U.S. There was an unwritten understanding between the two countries that neither of us would sell high-performance computers to certain countries that might use them for questionable purposes. Dr. Bryen told us that we did not even consult with Japan. We simply changed the threshold in 1996 and allowed those companies to sell the high-performance computers to China.

So, Mr. Speaker, I rise to ask my colleagues to join with me in letters that I am sending to the Department of Defense, the Departments of Energy and Commerce, and to the CIA asking specifically for the following information and demanding that this information be made available to Members of Congress and to the American people.

□ 1930

From the period of time from January 1, 1994, to January 1, 1999, we demand the following information:

Number one. Records of all license applications for computers that the U.S. Department of Commerce approved, suspended, denied, or returned without action for export to China, including Hong Kong.

Number two. Information for each application showing the applicant, the case number, the date received, the final date, the consignee or end user, the ECCN number, the value, and the statement of end use.

Number three. Information showing the Federal agencies to which each license application was referred for review, and each agency's recommendation on the application referred.

In addition to the above, we want any information possessed by these agencies on the acquisition by China, including Hong Kong, of any computer operating at more than 500 MTOPS during the above period, whether such acquisition was made pursuant to an export license or not, and whether from the United States or some other country. And we need to demand this information, Mr. Speaker, immediately.

I am going to ask my colleagues from both sides of the aisle to join with me in demanding that we get some accountability because the American people deserve to know what happened.

Mr. Speaker, today, China is working on simulation of nuclear testing. They are miniaturizing nuclear weapons. They are using American high performance computers in that process. When Dr. Bryen testified before the Cox Committee, he said up until 1996, China had zero high performance computers. Within 2 years after we lowered the threshold, China had acquired between 400 and 600 high performance computers, all from the United States of America.

When those in this Chamber rail against spending more money on defense, I ask them to join with me, because if China had not acquired those high performance computers, they would not be where they are in developing their nuclear technology, in miniaturizing their nuclear capabilities, in designing new weapon systems.

Mr. Speaker, my fear is that the bulk, if not all, of those high performance computers are not at Chinese universities doing academic research; they are not affiliated with technical institutions studying the weather of China; but, in fact, those American-sold high-performance computers are being used to design the next generation of weapons that we are now going to have to defend against.

To me, Mr. Speaker, the American people deserve some answers. And so all of us in this Chamber, I would hope, would join together in demanding that this administration give us access to answer the questions that I have posed relative to the transfer of high-performance computers to China, the applications for those transfers, the agencies' recommendations, and the number of those computers in place today and who controls them.

Mr. Speaker, the letter I referred to follows:

To: the Departments of Defense, Energy and Commerce, and to the CIA

Please provide, for the period from January 1, 1994 to the January 1, 1999, the following information:

Records of all license applications for computers that the U.S. Department of Commerce approved, suspended, denied or returned without action for export to China, including Hong Kong;

Information for each application showing the applicant, the case number, the date received, the final date, the consignee or end user, the ECCN number, the value, and the statement of end use;

Information showing the federal agencies to which each license application was referred for review, and each agency's recommendation on the application referred.

In addition, please provide all information that you possess on the acquisition by China, including Hong Kong, of any computer operating at more than 500 MTOPS during the above period, whether such acquisition was made pursuant to an export license or not, and whether from the United States or some other country.

Please submit this information in both electronic and hard-copy form no later than.

Sincerely yours,

PRESIDENT BUSH'S ENERGY PLAN

The SPEAKER pro tempore (Mr. GRUCCI). Under the Speaker's announced policy of January 3, 2001, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, last week President Bush announced his energy plan in front of a backdrop on which was printed the word "conservation," and I strongly suggest that my colleagues not be misled by this subliminal approach. I have always said that actions speak louder than words, and President Bush's actions during his first 100 days clearly illustrate that he will undermine any environmental regulation that prevents implementation of the administration's energy plan. So, please, I caution my colleagues, do not be confused by the fact that he has the word "conservation" printed prominently behind him in a backdrop. There is nothing conservation-oriented about President Bush's energy policy.

Clearly, neither President Bush nor Vice President Cheney nor the National Energy Policy Development Group believes that conservation should be the foundation of sound comprehensive energy policy. In fact, the Vice President recently stressed that the Bush administration views conservation as a sign of personal virtue but not a sufficient basis for a sound comprehensive energy policy.

And when we talk about conservation, conservation is the planned management of a natural resource to prevent exploitation, destruction or neglect. It is the only basis on which to build a comprehensive energy policy that provides for the responsible long-term use and development of our Nation's energy resources. And by missing this simple principle, President Bush's energy plan is immediately flawed.

Mr. Speaker, I would like to examine some parts of the Bush plan beyond its fundamental flaw, because I think many Americans do not understand the direct impact it will have on them. First, the administration's plan will do nothing to lower the prices that Americans are paying for energy today and will do little to mitigate price fluctuations in the future.

When I talk to my constituents, they are concerned about the high cost of gasoline and the fact that gas prices keep going up. When I talk to my colleagues from California who are facing blackouts on a somewhat regular basis and more potential for blackouts as the summer progresses, they are concerned about the fact that they cannot get electricity. But if we look at the Bush policy, it will not lower gasoline prices, and it does nothing to prevent the rolling blackouts in California or prevent price gouging by the industry. It will not significantly affect America's dependence on foreign energy sources.

On the other hand, what it does do, the President's energy plan does impact the quality of life for every American. The President's plan will damage public health through increased pollution of the air and water, it will speed up the impact of global warming and industrialize our Nation's pristine wilderness and open spaces.

In my home State of New Jersey, we are already facing relatively dirty air and major problems that we have had with polluted water. And, frankly, I just do not see how we could possibly face a situation where the impact of the energy policy is to actually increase air pollution or increase water pollution, nor in New Jersey are people willing to tolerate the risk of contamination of our coastal environment by drilling off the coast.

Now, I know that the President has not specifically mentioned drilling off the coast of New Jersey, but the Minerals Management Service within the Department of the Interior has a plan to drill off New Jersey, as it does for most of the coast. And the logical extension to President Bush's policy would be to seek out offshore oil essentially in every State.

The reason that I believe that the President is moving in the direction he is, which basically is to drill more, try to increase production without addressing conservation, is primarily because of his alignment and his historic involvement with the oil industry. If we look at his references, they are all oil. And when we talk about the environment, conservation, and efficiency, I think we just see him giving more and more lip service.

The National Energy Policy Development Group, which put together the President's plan, did not once have a substantive meeting with environmental-or conservation-minded organizations, so there really was no input from conservationists or environmentalists. The input was all from the oil industry.

Let me talk a little about some of the problems I foresee with the President's new energy policy. First, I think it is going to accelerate the problem that we have with global warming. He calls for increasing coal and oil production. Specifically, the President requests a 10-year, $2 billion subsidy for clean coal to make coal plants less polluting. However, in the energy budget, the administration did not specifically earmark funding for less polluting technologies, and instead, the budget requested this funding only to expand the use of coal in the United States.

So the problem is that what we are going to see is essentially more coal-fired plants, and the emissions that come from those will only aggravate the situation that we already face with some of the air emissions that are coming from those plants right now. The largest contributors of greenhouse gases are coal-fired power plants and gasoline-powered automobiles.

Power plants in the United States emit almost 2 billion tons of carbon dioxides pollution each year, and this is equivalent to the carbon dioxide emissions of the entire European Union and Russia combined. But as we know, or we learned a couple months ago, the President completely ignores this fact and he does not recommend any solution to reduce carbon dioxide emissions, even though he talked about that during the campaign. The President's plan regulates only three pollutants, and so carbon dioxide is completely left out.

I have to point out that even in my home State there are utilities and utility executives who come to me and say that they are more than willing to regulate carbon dioxide. Around the time of Earth Day, the end of April, we actually did a bus trip where some of the Members of Congress joined me and we went around the State. One of the stops that we made was in Linden, New Jersey, where Public Service Electric & Gas, which is one of the two largest utilities in New Jersey, was about to construct a new generating plant which would cut back on the carbon dioxide that was generated by the old plant by about a third. So the reality is that many companies, not only in New Jersey, but around the country, are taking actions to reduce the carbon dioxide output from their plants and there is a significant segment of the power industry that supports the regulation of carbon dioxide emissions.

Now, why are we not dealing with it? Why does the President not want to deal with it? I do not know, other than I think he is the captive of the special interests and the oil interests and those who do not want to see this kind of regulation.

Utility executives who support reducing carbon dioxide emissions take the science of global warming seriously and they understand that carbon dioxide emission regulations are likely to develop within the life expectancy of coal-fired plants built today. One of the biggest problems that I see with the President's energy policy is that he is advocating taking these old coal-fired plants that are grandfathered, and most of them are in the Midwest, that are allowed to generate emissions that do not meet the air quality standards that we have adopted in the last, say, 10 or 15 years, and which continue to spew forth the air pollution that the newer plants that were built more recently are not allowed or not built to do, and in his energy policy, the President is saying he would allow those older coal-fired plants to expand their operation and basically generate more capacity and still be grandfathered for that additional capacity power that they generate.

What we are saying, and those who would be concerned about conservation and the environment would say, is rather than allowing these older plants to expand, they should be retrofitted to reduce carbon dioxide. In the long run, it probably saves money. And there are industry executives now that are willing to do that, but they are not going to do it unless they are told by the Federal Government they have to. And so essentially what President Bush's plan does is ignore them and says, okay, let us expand, let us continue to pollute, that is okay.

The administration's plan also calls for the creation of 1,300 to 1,900 more power plants in the United States over the next 20 years. Now, 1,300 power plants equates to an additional 26 power plants per State, in every State, and that equals five new power plants on line every month for the next 20 years. The question is where are we going to place these plants; and is that really doable? I do not think it is. But the major problem with that, of course, is that if we somehow managed to do that, we would increase air emissions and air pollution tremendously, particularly if we did not require them to meet the existing strict standards.

□ 1945

Mr. Speaker, I can give an example in my State. In New Jersey, we had a government analysis of our air quality this year reported that every county in New Jersey has poor air quality. So one can understand why I would not want to see any backsliding on the issue of air emissions from power plants because if we are already in a bad situation, what the President proposes would only make it worse.

Finally, on this point I wanted to mention if one looks at the President's plan, he claims the goal of his energy plan is to reduce America's dependence on foreign oil. However, the solutions espoused will sacrifice our environment and do little to alter the imported quantities of oil the U.S. will actually need. Let me talk about why I think what he is proposing will not reduce our dependence on foreign oil.

First, the Bush administration supports drilling in the ANWR. They claim there are responsible ways to go about the drilling. However, if you think about it, drilling for oil in the Arctic refuge would require hundreds of miles of roads and pipelines, millions of cubic yards of gravel and water from nearby water bodies, housing, power plants, processing strips, air strips, landfills and services for thousands of workers. There is certainly nothing environmentally responsible about that.

But even more important, there remains significant oil reserves in already-developed areas of Alaska's North Slope. Estimates from the State of Alaska project from 1999 to 2020 another 5.7 billion barrels of oil could be produced from the Prudhoe Bay region while 15 to 20 billion barrels could be produced in nearby WSAK oil field. This land was made available under the Clinton administration, as were thousands of other acres around the country.

I do not think President Bush wants to open the ANWR, the Arctic National Wildlife Refuge, because there is an energy crisis; I think his aim is to open this wilderness to drilling because he believes he has the political support to do so. I do not think he does. I think if you talk to Members on both sides of the aisle, both in the House and Senate, you will find that there is a majority against drilling in ANWR. But he persists that we should drill there.

Let me go back to why opening up ANWR does little to reduce the U.S.'s dependence on foreign oil. The U.S. Geological Survey estimates there are between 3.2 and 16 billion barrels of oil, of which about 3 billion barrels are economically recoverable. Furthermore, the DOE's EIA, which is environmental impact assessment, reports that the U.S. exported 339 million barrels of oil in 1999, far more than the 106 million barrels that might be produced in the Arctic.

I can go through the statistics all night, but the general point I want to make clear is that drilling in ANWR is not a reasonable solution to meeting energy needs. Even if one were able to do what the President wants, it is not going to have an impact.

What we really should do if we want to be serious about trying to reduce America's dependence on foreign oil is increase the fuel efficiency of our own automobiles. If one thinks about what we could accomplish, one could increase the fuel economy of automobiles today to 40 miles per gallon. That would save more than 50 million barrels of oil over the next 50 years. This would change the oil use charts in the President's energy brochure. But again, he does not want to do that. The President does not want to change efficiency standards until another government agency finishes another government study, determining the effectiveness of raising fuel standards. Basically that is the excuse he uses. That is another agency, that is another department.

I think that the biggest thing that bothers me about the President's policies and the ideology around President Bush's policies, they do not take into consideration American ingenuity and creativity. We have the ability to find new ways of doing things: efficiency, renewable resources, conservation. We have the ability and the know-how to effectively implement those kinds of strategy, rather than reverting to the supply-side, energy-based approach which is drill, drill, drill. I think it is backward, and I think it is not in the tradition of Americans trying to find solutions to their problems.

If I could, Mr. Speaker, I want to spend a little time talking about what the House Democrats have put forward in terms of an energy policy, and contrast that a little bit with the President's plan. I have been to the floor. I was here last week with some of my Democratic colleagues where we talked about the Democratic proposal.

I think the most important thing I can say about the Democratic proposal which was unveiled just a couple of days before the President's proposal is that we try to address the immediate concern that the average American has. And when I talk to my constituents, I am home every weekend and I hear from them, they say look, the biggest problem are gas prices. Even though we do not think that that we are going to have blackouts in New Jersey, they remember last summer. And when we hear about what happened in California, we think maybe that is going to reoccur.

What the Democrats have done in our energy plan, first of all, with regard to the California situation, we have basically put what I would call caps, if you will, on wholesale prices for gasoline. The Democrats believe that the FERC, the Federal Energy Regulatory Commission, basically has failed to enforce the law and should step in and essentially put in place ways of controlling prices and looking at the wholesale prices.

We have asked specifically for the Department of Justice to investigate energy pricing to assure that illegal price fixing does not occur.

The other thing that we do that directly impacts what needs to be done in terms of foreign sources, is that we say that the President should go to the next OPEC meeting, which I believe is going to take place within the next couple of weeks in June, and he should request that there be an increase in production at this time.

During the campaign, then-candidate Bush said if it were up to him, President Clinton should demand that OPEC increase production. Now as President, he says that is not necessary, I am not going to ask them to increase production.

Similarly, we have a source of oil called the strategic petroleum reserve which basically is a storage of petroleum that the U.S. Government has made over the years. During the Clinton administration, the Republicans and then-candidate Bush said the SPR should be used to control prices in the fashion that has been done many times over the last 10 years or so. Even under former President Bush, we used the SPR in that fashion. Now President Bush says no, we do not want to touch the SPR, that is not its purpose.

The Democrats are saying look at wholesale prices, control wholesale prices of energy so we can hopefully help out California and the other western States. With regard to gasoline, demand more production from OPEC. Use the SPR as a hammer, and try to deal with the immediate crises that we face.

I see some of my colleagues have come in, and particularly I see two colleagues from western States who I think are very knowledgeable about what has been going on.

Mr. Speaker, I yield to Mr. Sherman who has been up here for the last couple of weeks on a regular basis talking about this problem very effectively.

Mr. SHERMAN. Mr. Speaker, I thank the gentleman from New Jersey. He may have noticed that 60 minutes ago on this very floor, the gentleman from Pennsylvania attacked me personally, and attacked my State. This gentleman refused to yield for even 30 seconds because his arguments were subject to such total rebuttal.

Mr. Speaker, I thank the gentleman from New Jersey for yielding more than 30 seconds because to outline all of the mistakes of the gentleman from Pennsylvania, a man who would not yield 30 seconds, yet ended his speech a full 20 minutes before his time had expired, this gentleman needs rebuttal on this floor, not to the attacks against me personally, but to the attacks against my State.

The gentleman tried to create the image that California's suffering is somehow the just-desserts for environmental extremism in California, and that our energy shortage is as a result of opposing offshore oil drilling. Keep in mind that all offshore oil drilling would be an attempt to develop petroleum, and we do not use petroleum in the West, and certainly not in my State, to generate electricity.

This attack that we somehow prevented the building of a sufficient number of plants. First of all, California has had sufficient plants to generate all of the electricity we need. Now at times the supply might be a little tight, but enough electricity to keep every light bulb on in the State was available except for one thing: They deliberately withheld supply.

Nothing the environmentalists do or have been accused of doing rises to the level of deliberately withholding supply in order to jack up prices; and nothing the environmentalists did or were accused of doing would solve that problem.

But let us go through this argument that somehow environmentalists prevented the creation of plants in California. First, it is simply not true. The incredible lack of knowledge about what is going on in California is matched only by the loud vituperation of those who are not from anywhere near my State when they come to this floor. There was no effort to build plants in California. I know, as every elected official in California knows what happens when powerful interests want to build something and environmentalists are trying to hold them back. It becomes a political question. It is brought to a variety of political levels.

Nobody made any attempt to build a major power plant in California until quite recently. The utter proof of that was that there was no big, political brouhaha anywhere in the State, except for one plant in San Jose, and that related to just a few miles one way or the other, and was very recent. Over the last 10 years, no plants were built because the private sector did not want to build them.

And a further proof of that is when the private sector had the chance to buy all of the existing plants, they did not pay a premium price for them. So to say that private industry was desperate to build plants, they did not even pay a premium for the plants that were already there.

But also, contrary to the physics that may be taught on the other side of the aisle, the physicists that I consulted tell me that electrons are unaware when they pass a State border. You can supply Los Angeles with power just as easily building a power plant in Nevada or Arizona as you can building one in Northern California or far Eastern California. Yet no private company was trying to build plants in Nevada or Arizona unless we are to believe that these are States where environmental extremists are in total control.

So they did not try to build plants in our State, they did not try to build plants near our State, and they were not anxious to buy plants already built in our State because there was not a lot of money to be made until they saw that opportunity to withhold supply; and then the absence of rate regulation on the wholesale utilities became obvious. Then, by withholding supply, by redefining "closed for maintenance" as meaning "closed to maintain an outrageous price for every kilowatt," these gouging utilities, chiefly based in Texas, have been able to charge sometimes 10 times, sometimes 100 times the fair price for energy they generate from those same old plants that served California so well under the previous regulated regime.

So we are told that the Federal Government must do everything possible to ensure that Californians suffer, and this administration is doing that, but it is not out of a sense of justice or retribution; but rather, for the beneficiaries. You see, as long as gouging occurs, there will be a huge transfer of wealth from California to a few very rich corporations, mostly based in Houston, mostly very close friends of the current administration.

□ 2000

We paid $7 billion for electricity in 1999. In the year 2000, we paid over $30 billion for the same electricity. This year we will pay over $60 billion. We are not using any more; we are paying more, and we are paying more to those who withhold supply to drive up price.

Let us not blame environmentalists in California. Let us not come to this floor and assert that somehow environmental extremists control Carson City and Phoenix. Let us realize that the private sector bought these plants thinking they would earn modest profits. They fell into an opportunity. They fell into the opportunity to withhold supply and charge outrageous profits. That is what they are doing for the benefit of a few companies based in Texas.

This is not a morality play. This is an economic crisis. California needs price regulation based on cost of our wholesale electric generators.

Mr. PALLONE. Mr. Speaker, I want to thank the gentleman from California (Mr. SHERMAN) for his comments, and I want to continue talking about the issue of what is happening in California.

I know that our other colleague, the gentleman from Washington (Mr. INSLEE), has actually introduced a bill that is designed to return the West to just and reasonable cost of services, and I know that his bill was actually part of the Democratic proposal that we have been talking about. So I was going to ask if the gentleman, which is probably what the gentleman was going to do anyway, but I wondered if the gentleman would specifically continue with what our colleague from California said and what we can do in that regard.

Mr. INSLEE. Mr. Speaker, I appreciate the gentleman from New Jersey (Mr. PALLONE) being here and asking that question. I am reporting from the State of Washington up in the Pacific Northwest about what is not just a California problem, but indeed a western United States problem of price gouging on the electrical markets.

I now can report back to the House the reaction the President's energy inaction plan is getting from my constituents in the State of Washington. In the immortal words of Siskel and Ebert, it is two thumbs down, big time as they would say. The reason is that while California-bashing is one of the favorite sports of the State of Washington, the President's callous indifference to the whole West Coast is not just hurting California. It is hurting small businesses and people in Washington and Oregon who are paying wholesale electrical prices that have gone up a thousand percent, a thousand percent wholesale electrical prices, from last year.

Where communities that paid $25 for a megawatt of energy in Washington, not California but in Washington State, $25 a megawatt hour last year, we are now paying $600-plus for a megawatt. No one on this floor, I have heard, had the courage, I guess it would be, to come and try to defend that kind of a pricing change over a year.

It just bears repeating that it is not just California that is suffering here. The State of Washington may lose 43,000 jobs as a result of the President's willful neglect of this crisis on the West Coast.

Now, if the President has some indifference to the State of California, for whatever reason, we do not appreciate allowing him to have the energy-gouging locusts that sort of visited that plague on the whole West Coast, and we are getting hurt, too.

Last weekend when I went home, I had people coming up to me in the ferry boat lines and in the supermarkets absolutely shaking their heads, livid about this failure of the elected official.

The President, he has had ties to the oil and gas industry. That is not exactly a secret. But he does not work for the oil and gas industry anymore. He works for us on the West Coast, and he has simply sent a message to the West Coast in this moment of trial, to guys like Cliff Syndon, who has cut his energy bill by like 40 percent and has seen his bill go up; who has been dedicated to conservation, a guy who wrote me an e-mail and said, I have cut my energy almost in half and my bill went up.

What are we supposed to tell people like that who are trying to be good Americans in this moment of crisis, as we are when everybody wants to pull together, and then have the President say, well, Cliff, go fish; you can just go fish, for all I care. Yet, that is the signal the President is sending to the West Coast of the United States.

Now it is not like he does not have a tool. As the gentleman has indicated, I have introduced a bill supported by a goodly number of folks that essentially would have a short-term cost-based pricing system in the western United States. This is a very reasonable, common-sense tool the President already has. We should not have to pass a bill here to make him do this. He should do this because it is already the law, because the law of the Federal Energy Regulatory Commission is that they will require reasonable rates to be charged in this country for wholesale electricity.

What our bill does is simply call a time-out for this plague, and the time is that for 2 years we simply have cost-based plus a reasonable degree of profit for the wholesale electrical market, something similar we have done for decades in this country since the Edison Round; we are simply saying we ought to do this at least for 2 years while these markets become better established.

We also would respond to the President. I talked to the President. He told me he did not want to do that because, well, nobody will build any more plants to generate electricity if we did that. Well, the President missed one aspect of our bill. We would exclude new generating capacity from the impact of this cost-based pricing.

It cannot be a disincentive for someone when they are excluded from the application of this system, which we would do to make sure that these energy sources can continue to come online. That is something he has simply missed in his analysis.

So I can say that on the Main Streets of the first district in the State of Washington people are very, very angry about this President's callous indifference to their plight. It is small businesses that are curtailing hours. We have heard about the big industries, the aluminum industry that is going to heck in a handbasket; the pulp and paper industry that has shut off hundreds of jobs, but the small businesses are getting hit, too; the Highland Ice Rink in Shoreline that has to curtail its hours because they cannot pay the energy costs. Restaurants are having trouble. School districts, they are now not being able to hire the teachers they need to. Edmonds School District, the prices are going up $600,000 in one year for energy.

These are real people that are really suffering. For the life of me, I cannot understand why the President will not seriously consider this issue, except perhaps the history of their economic lives. And that is extremely disappointing.

We are going to continue on this floor to advance this issue because it is too important to let go.

Let me also say that I think there are short-term and long-term strategies we have to have on energy. The problem with the President's proposal is he has exactly zero short-term proposals. Zero. It is sort of like the people in the West are drowning and he says, well, I have a strategy for them as soon as they can swim to shore. Well, 43,000 people are not going to make it to shore. They are going to lose their jobs in the State of Washington alone; and he has offered them exactly zero short-term relief, no caps on electrical prices; no jawboning OPEC; no nothing. We are going to suffer as a result of that.

We are going to continue this effort. We hope FERC will reexamine this issue.

Let me point out one other thing, too. I will give you some good news. We should have some good news in the House just for a moment. I talked to Steve Wright, who is the acting administrator of the Bonneville Power Administration, last week who told me that there are currently 28,000 megawatts of energy plants which in the Pacific Northwest or at least in some fashion are considering opening up plants in the Pacific Northwest, 28,000 megawatts. That is a big chunk of electricity. That is the good news. The market is responding to what is going on.

When we have an economic major dislocation with the economy going to be in the tank by the time that new energy gets here, we are going to look back at this period and the White House's indifference is going to have to cost this economy a good amount. That is why we are going to continue to insist that the President reconsider this, and we are going to pass legislation here if we have to do that.

I hope I explained this proposal.

Mr. PALLONE. I am glad the gentleman did. The gentleman explained it in detail. Of course, I characterize it sort of briefly and probably too generally as wholesale price caps, but it is not exactly that. It is, as the gentleman said, more detailed than that. Nonetheless, the point is that neither the President nor the FERC are willing to do anything about prices at the wholesale level.

I thought the gentleman said something very interesting. If we think about it, when one tries to say to their constituents why is it that the President and the Vice President do not want to deal with this, it obviously makes sense to deal with the immediate problem and have in place something to address wholesale costs the way the gentleman describes. I am convinced and the only way to explain it is because of the administration's ties to big oil and their history.

I am not going to go on forever about it, but I just wanted to mention that big oil give $3.2 million to the Bush campaign in the last election and $25.6 million to Republicans overall, and other sectors of the energy industry have been similarly generous.

If one thinks about it, we have the President himself who was involved in oil ventures in Texas and abroad in the 1980s. He run Arbusto Energy Firm, which after a few years become the Bush Exploration Oil Company. It merged with two other companies.

Vice President CHENEY, who was the former CEO of Halliburton, the world's largest oil fuel services company, in August of last year he received $20.6 million for a sale of Halliburton stock. But it is not just them. The National Security Adviser Condoleeza Rice served on the board of directors for Chevron, a major U.S. oil company, for 10 years. Chevron gave GOP candidates and committees in the last cycles $758,000; $224,000 to Republican Congressional candidates. The list goes on. The Secretary of Commerce Evans who spent 25 years at Tom Brown, Inc., a $1.2 billion Denver-based oil and gas company. We can mention the Energy Secretary and the Interior Secretary. They were also big oil money recipients when they ran for public office.

There is no other way to explain it other than the special-interest money they are getting. Otherwise they would not be doing these things because they do not make sense.

Mr. INSLEE. Mr. Speaker, will the gentleman yield?

Mr. PALLONE. I yield to the gentleman from Washington.

Mr. INSLEE. I need to leave the floor. There is just one point I would like to add. I want to make sure people understand that our proposal is not going to leave these energy-generating companies penurious. What we are suggesting is that they receive, for a 2-year period, their costs plus a reasonable degree of profit. They are going to be assured making money.

What we have suggested is pick the highest level of profit ever historically enjoyed by anyone possibly in the oil industry and these prices probably are still going to be cut in half.

We are very generous, profit-oriented in saying pick the highest number that we cannot have people laugh at us on Main Street and we will go along with it; but when they are charging, as the gentleman knows, the equivalent of $190 a gallon for milk, that is wrong.

We ought to restore some sanity, just for a couple of years, while this industry gets back into a market-based approach and we get some of that 28,000 megawatts back on line.

Mr. PALLONE. I could get into the oil companies' profits, and maybe I will do that later; but obviously the profits have just soared in the last year. Maybe we will give some examples of that later.

I would like to yield to the gentleman from California (Mr. SHERMAN) at this time.

Mr. SHERMAN. I would like to comment on the misperception of some of our colleagues that California is asking for a handout. California wants nothing more than to have our hands untied. For 100 years we were successful with cost-plus profit regulation of our private utilities. A few years ago, we made a mistake. We went with this new-fangled system. Had there not been conspiracies and probably illegal actions that we will never be able to prove, it would have worked. We were not completely stupid. We went with a system that worked on paper, but it did not work in reality. So we went with a system that did not work. We now want to go back to the system that we know works. We do not want to affect anybody else. We do not want any tax revenue. We just want to have cost-plus profit price regulation of electric generators.

Federal law prohibits us from doing it. Federal law preempts. Federal law has us bound and gagged while the muffled laughter from the White House can almost be heard here on Capitol Hill. All we ask is that we who benefit or are harmed by the electrical policies affecting our State be able to return to the policies that served us and almost every other State very well for nearly 100 years. Instead, we are told it is California's problem, California has to deal with it and, oh, by the way, they will remain tied, bound and gagged.

Now, the White House tells us that we will be tied; we will be bound and gagged for our own benefit because the kind of sane regulation described in detail by our colleague from the State of Washington is somehow bad for us and the White House should protect us from it.

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We are told that reasonable prices for electricity will prevent conservation. The President himself has admitted that California is already doing a spectacular job of conservation, that we are about to be first, we are now second, we are about to be the first on the list of States who minimize their use of kilowatts per person. We are doing a spectacular job of conservation, and I can assure the House that everyone in our State will continue to do so.

Now, I might say the President does not praise us for this conservation effort in order to praise California. He praises California's conservation effort in order to degrade the concept of conservation, saying conservation must be terrible, they are good at it in California. But nevertheless, even the President admits, we are doing a spectacular job of conservation. We do not need to be hog-tied by Federal preemption laws in order to diminish our usage.

But second, we are told that price regulation will diminish supply. As the gentleman from Washington points out, both his bill and the bill put forward by the gentleman from San Diego, California (Mr. HUNTER) and the gentlewoman from northern California (Ms. ESHOO) exempts new production. So it cannot prevent the production of electricity through the construction of new plants.

But then we are told that only if there was unlimited prices are we going to get maximum production. Now, think about it for a minute. If it costs $40 to create a megawatt and you are allowed to sell it for $60, you only make $20 for every one you make and you maximize your effort by making as many as possible. But what if, instead, it still costs $40 to create a megawatt and one of your options was to make as many as you could and sell them at a nice profit, but your other option was to produce less, produce fewer megawatts, force the price up not to $60 a megawatt, not to $600, but to $700, $800 a megawatt. By producing less, the price goes crazy, the profits go crazy, the transfer of wealth from California to Texas exceeds anything that anybody ever thought was possible. So that is what is happening. The California Public Energy Commission has determined that we are getting less because we are paying more than a fair price. About withholding supply, we get blackout and enormous electric bills.

The solution is obvious. Let California have the system that Californians are begging for. Allow California to regulate its own wholesale generators, or better yet, have the Federal Energy Regulatory Commission do its job and impose these regulations. That is why the bill of the gentleman from Washington (Mr. INSLEE), the bill of the gentleman from California (Mr. HUNTER), these are the bills that this House ought to pass. But the only reason we have to pass them is because the President of the United States has instructed his Federal Energy Regulatory Commission to stand on the neck of California, and the laughter is almost audible here over 2 miles from the White House from which it emanates.

Mr. Speaker, I yield back to the gentleman from New Jersey.

Mr. PALLONE. Mr. Speaker, I want to thank the gentleman. I was talking before about the oil company profits, and it is amazing. We just have a little table here that talks about six of the largest companies, and to just give my colleague some examples, for Exxon-Mobil in the first quarter of this year, profits were up 43 percent; for Texaco in the first quarter, profits were up 45 percent compared to last year; Chevron, 53 percent compared to last year; Conoco, 64 percent compared to last year; and the first quarter of this year for Phillips Petroleum, profits are up 96 percent by comparison of last year.

Mr. SHERMAN. Mr. Speaker, if the gentleman would yield, I would point out that these price gougers in California, the ones that are generating electricity, withholding some of that possible generation, driving up prices, their profits are not up 40 percent, their profits are up 400 percent. And, the four big companies, the four big companies that have pipelines that bring natural gas into California from Texas and Colorado, they have increased their prices by a factor of 12, they have increased their profit by a factor of 2,000 to 3,000 percent.

The gouging from a few huge Texas-based companies is not limited to those that deal with petroleum companies that are having the rather startling profit increases that the gentleman from New Jersey indicates, but those that are crucial to the generation of power in California. The natural gas pipeline companies and the wholesale electric companies are beyond comprehension in their profit increases. I yield back.

Mr. PALLONE. Mr. Speaker, I am going back to the oil companies again now, but if we think about these examples for oil, electric utilities, nuclear waste and coal, just to compare what they gave to the Bush and Republican campaigns as opposed to what they are going to get if the Bush energy policy went through, to talk about the oil and gas industry, which gave $3.2 million to the President's campaign, $25.6 million to the Republicans in the Congress. But if we look at what they stand to gain based on the President's energy policy that just came out, he would permit oil drilling in the Arctic National Wildlife Refuge, permit oil drilling on Federal lands, that is, national parks, national forests, national monuments, permit oil drilling off the cost of Florida, undercut environmental protections to permit new oil refineries and pipelines, review and potentially lift economic sanctions against Iraq, Libya, and Iran so that U.S. oil companies can do business there, and lock in place record prices at the pump at the same time that they see record profits. Now, that is the oil and gas industry. Let us go to the electric utilities.

They gave $1.3 million to Bush, $12.9 to Republicans. The Bush energy plan says no price caps in the western United States, which is what the gentleman from California (Mr. SHERMAN) and the gentleman from Washington (Mr. INSLEE) have been talking about. The Bush policy would waive environmental standards for the Endangered Species Act, for hydroelectric plants, and it would enable FERC to seize private lands for constructing electric transmission lines.

Then we go to the nuclear industry. They gave $105,000 to Bush, $1.2 million to Republicans in Congress. They get to gut current licensing procedures for nuclear plants to ensure public input on safety and nuclear waste disposal and tax credit for more nuclear plant construction.

Then lastly, coal. The coal industry gave only $110,000 to Bush, $3.3 million to GOP Republican congressional candidates. If we look at what they get out of the energy policy, the Bush energy policy, basically it is what I mentioned before, the permission for coal-fired power plants to exceed clean air limits.

I have to stress that last one again, because as the gentleman knows, in my home State of New Jersey, much of the air pollution comes from these old coal-fired plants in the Midwest that do not meet current clean air standards, but were grandfathered. What they would do in order to expand is that they would expand their existing plants and they would use the same old standards, the grandfather standards, rather than the new ones under the Clean Air Act. It went so far and got to be so outrageous that the EPA, under the Clinton administration, actually brought suit in Federal court and managed to win, to succeed in the Federal courts with their suits, and the courts required these companies to put in place new standards when they expanded their generating capacities.

So we actually are in a situation now where those court actions are in the process, if they are allowed to continue over the next few years, they will have settlements in place that basically require these old coal-fired plants to meet the up-to-date standards, not for the old generation, but for new generation, expanding the capacity.

The way I understand the Bush policy, he basically would throw that all out and say, okay, maybe they have been sued, maybe they have been successful, but we are just going to let them expand their capacity and not have to meet the new standards.

First of all, what does that do to the air quality? Obviously, it deteriorates, but what does it also say to those utilities who have been the good actors and who have built the new plants and have expended resources to do so and who are now told, well, you probably are stupid that you did that and did the right thing, because you could have just waited around and you would have gotten an exemption, and you will not even be able to compete with them because the dirty guys are going to be able to produce and generate capacity at a much lower rate.

So it is really outrageous. Every day when I look over the President's proposal, I get more and more upset, because he started out, if anyone watched him last week, he had all of these charts and big bulletin boards behind conservation, everything was green and blue, and we are supposed to either think of trees or maybe the ocean. Everything was beautiful. I said it was subliminal. I do not know much about these subliminal things, but if you looked at it on TV, I think it was trying to give the impression that he was green or he was blue or he was a good guy, conservationist. Then we look at the details and it is just the opposite. It really upsets me, because I do not like to see that kind of chicanery, if you will, pulled by government officials. Everybody thinks we all do that, but I do not think we all do. That was particularly egregious, in my opinion.

Mr. SHERMAN. Mr. Speaker, to chime in on this, I am so focused on the short-term disaster in California that so far I have not mentioned the long term.

Some of the less progressive elements in the energy industry have sought to crush the alternatives. They have sought to eliminate conservation as a way to go, to eliminate research and to slash renewables. The President's budget reflects these worst elements in the energy industry. He cut by an average of one-third, here in the middle of an energy crisis, cut the precrisis efforts for renewables, research, and conservation. That is the budget he brought here to us. Then, that budget is rammed through both Houses, and this week they are going to ram through the tax cut that locks that budget in. Then, the President, having arranged for the passage of a budget that cuts by one-third the amount for conservation renewables and research, dares to have a press conference in which he says he wants to spend more money, tax credits he wants, expenditures he wants.

What hot air it is to propose things only after one has maneuvered a budget through the House and the Senate that guarantees that there will not be a penny to do any of the things the President was talking about. In fact, the President's budget does not provide adequately for the other tax cuts that he is working so hard to achieve, some of them as necessary as extending the R&D tax credit, does not provide for the military increases that we know this House will adopt; provides nothing, not one penny of an increase in Federal spending on education, and does not reflect the proposal of our Secretary of the Treasury that every corporation in America should be exempted from income tax.

So how, how are we going to provide for conservation research and renewables? Obviously not at all. The only source of money would be dipping deep into the Social Security trust fund, and I do not think even those of us who are dedicated to new forms of energy want to see that.

So the President stands before the green and the blue posters and promises while, at the same time, his people are here on Capitol Hill making sure that not one penny will be provided to meet the President's promises.

Mr. Speaker, there is something else subliminal about those blue posters, and that is, and I hesitate to say this, Californians will be very blue when they review, will be singing the blues when they see their electric bill.

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But what Californians have to understand is if their electric bill is double, that does not mean that these wholesale gougers are only getting double a fair price. Sixty percent of the energy we use in California is regulated, so 60 percent of our bill is made up of electrons sold to us at a fair price. Forty percent is what we are getting from these gougers. Yet, our bill is double. That is because 60 percent of the energy we are buying at a fair price and 40 percent we are buying not at double but at triple or quadruple the fair price.

Now, we might think that means triple or quadruple profits. No, profits is what is left over when we pay our expenses. If we are able to jack up the price by a factor of three or four while the expenses are not affected by the gouging activity, then the profits might be going up by 800 percent, 1,200 percent.

That is indeed what is happening for a few huge corporations based in Texas who are, with such a powerful friend in the White House, able to avoid commonsense rate regulation on the electricity they are selling in California.

Mr. PALLONE. Mr. Speaker, I know we only have a couple more minutes, so I am going to try to wrap up. If the gentleman from California would like to add to this, please do not hesitate.

I just wanted to point out, I started out this evening by saying that actions speak louder than words. Really, I think that describes what we are seeing from this administration and from the President. We are seeing a lot of rhetoric about conservation and no action.

The gentleman talked about the budget. Two things I wanted to mention. We know that renewable energy programs were slashed by 50 percent in the President's budget proposal. But what he did in his energy plan that he came out with last week, and I think it is really hypocritical and really outrageous, he recommended the creation of a royalties conservation fund. This fund would provide money in royalties from new oil and gas production in the Arctic National Wildlife Refuge to fund land conservation efforts, and it would also pay for the maintenance backlog at national parks.

So what we are basically being told is that we have to destroy the wilderness, the Arctic wilderness, in order to protect the national parks, or to provide money for other land conservation efforts. I just think it is a slap in the face to any conservation or environmental efforts to suggest that that is the way we are going to fund these things, and then just go ahead and cut all things in the Federal budget.

I think the only thing we can do is to continue to speak out, as the gentleman has so well done. I know the gentleman is probably going to be back again tomorrow night or another night this week, and I plan on doing the same thing, because we have to get across to the public that as much as the President has a lot of rhetoric about conservation, his energy policy really is a disaster for the environment, and is not going to do anything, either long-term or short-term, to deal with the problems that we face now with gas prices or blackouts. Does the gentleman wish to add anything else?

Mr. SHERMAN. I thank the gentleman for his leadership on this issue, especially because his State is not facing quite the disaster we are facing in California.

I think it is simply outrageous that we in California are prevented from having the kind of rate regulation at the wholesale level that we all want, that we so desperately need, and that we are precluded from having by Federal preemption.

Mr. PALLONE. Mr. Speaker, we will continue until we get that opportunity. I want to thank the gentleman again.

CORRECTING RECENT MISSTATEMENTS MADE ON THE FLOOR REGARDING PRESIDENT BUSH AND THE ENERGY CRISIS IN CALIFORNIA

The SPEAKER pro tempore (Mr. GRUCCI). Under a previous order of the House, the gentleman from California (Mr. ISSA) is recognized for 5 minutes.

Mr. ISSA. Mr. Speaker, I rise not just in opposition but in absolute dismay that for the last hour my colleagues have spoken so many disingenuous statements that I absolutely had to come to the well. I did not plan on speaking today. It was only watching this from my office that made me realize how important it was that somebody come here without a prepared speech but with a few of the facts that can set the record straight.

First of all, I think the most important one is when Members start to talk about dollars given to the President, they should be very careful not to say they came from companies. In fact, President Bush accepted no soft dollars. He did not receive a single penny from the utility companies, as was alleged, or from any other companies.

My colleagues simply looked at the employers of individual contributors, or the sources of employees, individual employees from PACs who gave to President Bush. If we went to the other side, any of the other candidates, we would find the same. It is wrong to talk about money as being tainted when it comes from individual Americans, as every penny President Bush received did.

Additionally, my friends forget to note that Governor Gray Davis showed an absence of leadership for 2 full years on this subject, and President Clinton showed an absence of any regard for California as our prices skyrocketed. It was only when President Bush was sworn in that the FERC, under his leadership, began ordering price rollbacks and refunds for excess charges.

More importantly, I am here to speak for the President, not because I have his permission, but because he will not speak for himself. He will not defend himself. He has led both sides of this aisle, and refused to disparage those who disparage him.

President Bush has made an unprecedented reaching out to the other side to ask for what they want done, and he has tried to grant every single request he could. In the President's first 100 days, he invited Republicans and Democrats to the White House on more than ten occasions. Once, the entire House was invited.

One of the most heinous of all lies that was told here tonight, maybe unintended but certainly untrue, was that these prices have skyrocketed. When they quote the prices that are available on the spot market, they quote the last kilowatt, the last megawatt, that was purchased on a daily basis.

I think it is only fair that the people of California and of Oregon and of Washington recognize that these companies that deliver power now have the power to lock in long-term rates again. Those companies in California, such as the city of Los Angeles and other municipal authorities, enjoy much lower prices because they have long-term commitments and buy very little on the spot market.

Even today, most of the private power under the Governor's control in the State of California is bought on the spot market. Once the Governor shows the leadership to get those long-term contracts in place, those contracts are at dramatically lower prices, nearly where they should be.

There was a claim here tonight of criminal collusion, of conspiracy. I challenge my colleagues here tonight to find any evidence of that, and if they do, I will challenge the administration and the Attorney General to prosecute. But to simply sit on the floor and claim that unlawful behavior is going on is intolerable.

The President in his first 100 days has taken on conservation, and in a big way. The President has announced that, unlike the previous administration that for 8 years did not improve CAFE standards a bit, that he will improve vehicle economy, fuel economy, and environmental standards, if for no other reason than that it is the right thing to do.

He has announced that SUVs in the near future will no longer be exempted, as they once were. They will not be treated as light trucks, they will soon be treated as automobiles, thus bringing an end to one of the most illogical growths in gas guzzlers ever to face America.

I have little time here tonight, and so much that I could rebuff. I wish I could go on longer, because the people of California need to know and need to hear that lower prices will come from leadership, which has not been shown in California and has been shown in Washington.

THE TRUTH ABOUT CALIFORNIA'S ENERGY CRISIS AND THE DEATH TAX

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. McINNIS) is recognized for 60 minutes.

Mr. McINNIS. Mr. Speaker, I appreciate the comments just made by the gentleman from California.

I cannot believe the comments that I heard in the last 30 minutes from the gentleman from New Jersey (Mr. PALLONE) and the gentleman from California (Mr. SHERMAN). I have great respect for the gentleman from New Jersey (Mr. PALLONE). He and I have shared this floor many nights on special orders. I have never heard the kind of comments that I heard this evening from my colleague, the gentleman from New Jersey. Let me quote exactly what he said.

Referring to the President of the United States, the gentleman from New Jersey (Mr. PALLONE) said, "The only reason that the crisis exists is because," referring to the President, "he is getting special-interest money."

If the gentleman from New Jersey is suggesting, and I am not sure, I do not think he is, I think this is way below the gentleman from New Jersey; the gentleman from New Jersey is, in my opinion, a man of great integrity; but if he is suggesting that the President of the United States has accepted bribes from an oil company, he has an inherent responsibility, in fact, he has a fiduciary responsibility, to tomorrow morning go immediately to the Federal Bureau of Investigation and to the U.S. Attorney's Office and present the evidence that he has against the President of the United States for bribery.

Short of that, he should never, ever make those kind of remarks on this House floor, at least in my presence. There was no justification whatsoever, and I second the gentleman's remarks.

This floor is an exercise of freedom of speech. This floor, Mr. Speaker, is for us to debate among each other. I know that tempers get short once in a while. I know we all believe intensely in our positions. But before Members allege what is considered to be a high crime, to me almost equal to crime of treason, and that is acceptance of a bribe, Members darned well better have their evidence before they do that to a colleague or to a President of the United States. That evidence, in my opinion, is not in existence.

Let me conclude those comments by telling Members once again, I do not think that is what the gentleman from New Jersey intended. It is what he said. I do not think that is what he intended, because, as I said earlier, in my opinion, the gentleman from New Jersey, while I rarely agree with him, I consider him a gentleman. I consider him professionally to be a man of integrity. But his comments this evening were out of order.

Now let us talk about the gentleman from California (Mr. SHERMAN). Of course, the gentleman makes these remarks because he is unrebutted for an hour. The gentleman from California (Mr. SHERMAN), all of us, we know on my side of the party we have some very partisan politicians. On the Democratic side of the party, the gentleman from California (Mr. SHERMAN) is among the most partisan politicians in these Chambers.

Now, there is nothing wrong with that. But I ask Members not to come to these Chamber floors and pretend, or we should be very clear so we do not pretend exactly where a person's position is politically. The key here is to plan for the future of California. The key is not to spend one's entire time up here trying to insinuate that the President, and let me give a few quotes from the gentleman, that they want to eliminate conservation.

I defy the gentleman from California to show me one Congressman, Republican or Democrat, show me one Congressman who wants to eliminate conservation. Just show me one, I say to the gentleman from California (Mr. SHERMAN). There is not anybody on this House floor, there has never been anybody on this House floor, and I doubt that there is ever going to be anybody on this House floor that wants to eliminate conservation.

That is the kind of exaggeration that creates the partisan battles, or certainly does not move us forward in a positive direction to plan for California's future.

Now let us talk about the accusations that somehow President Bush is responsible, because after all, he has been in office 120 days or something, a little over 100 days, that somehow he is responsible for the problem in California.

I say to the gentleman from California (Mr. SHERMAN), he sounded like a defense attorney this evening: Blame everybody; make sure the gentleman's client is protected and without blame, but blame everybody else. We are not going to get anywhere around here doing that.

Let me point out, there are 50 States in this union. There is one State suffering rolling blackouts, one State. It is California. There is one State in the last 10 years that has refused to allow electrical generation plants to be built in their State. That is California. There is one State in the Union out of those 50 States that has refused to have natural gas transmission lines. It is California. There is one State that allowed deregulation, allowed the price caps to come off electrical generation companies. It is California. Now they are beginning to reap some of what they sowed.

I heard comments, and let me find it here, that we have been told, apparently by the administration, we have been told to do everything possible to make California suffer. I say to the gentleman from California, I do not know one person on this floor, Democrat or Republican, that really, truly wants California to suffer.

I know a lot of Congressmen like myself that would like the leadership, the Governor of California, to quit blaming everybody else and to help pull himself up by his bootstraps. But I do not think anybody in here has said California ought to suffer. We want California to learn from its lessons, and frankly, we are all learning from the mistakes California made with deregulation. We are all learning from that. There would have been other States that would have deregulated, but they did first, and there are some problems with it.

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What we wanted to do with California is help, but you cannot help shift all the blame to Washington, D.C., California, should not be the solution for your problems. In California, you need to lift yourself up. You need a governor who is willing to say, all right, we will put in generation facilities. All right, we are going to have to pay the price, even though it is expensive. We are going to have to pay the price to allow electrical generation plants to go in there.

Let me tell my colleagues I have been to California. I think it is a beautiful State, by the way. I like California, but I have been to your airport and I have been to your hotels. You do not hesitate to raise the price for tourists to pay for your stadiums down there and for your recreational facilities.

I have gone to your airport and they add some kind of tax. I feel like I am getting gouged. Let us take a look at what we are trying to accomplish here. What we want to do is help plan for California's future, but have the direction come from your governor of that State. The governor of your State's time would frankly be much better spent, instead of this blame game, getting down to brass tacks and figuring out how to get a gas transmission line into that State, how to build some electrical transmission lines in that State, how to build electrical generation facilities in that State.

It would be a very serious mistake for any of my colleagues on this floor, it would be a very mistake for us to really want California to suffer. It would be a serious mistake for anybody on this floor to turn their back on California. It would be a serious mistake not to look into the allegations that perhaps somebody intentionally violated the law by withholding a supply.

But with that said, it would also be a serious mistake not to allow some electrical generation to be built in that State of California. It would also be a serious mistake for us to say that we do not need to look for more supplies.

I wanted to bring a chart up here. This is growth in the U.S. energy consumption and it is outpacing production. This is what happened to California years ago, drip by drip by drip. California under its leadership, these are not the people, these are the people's elected representatives, continued to oppose, while demand went up, supply was stagnated in part because of the fact they will not allow additional supply sources to come on board.

The result is exactly what is happening, and, frankly, we have to take a serious look at it across the country. We are all going to benefit from California's ills in that we will learn what not to do. I do not think a State should deregulate their electrical business. I think it is a mistake.

I have been opposed to deregulation. Here is our problem: This is the energy production. At this career's growth's rate, that green line, that is our energy production. It is flat. This is our energy consumption. This is the gap. This is the projected shortfall.

Now contrary to what the gentleman from California (Mr. SHERMAN) said, I do not know one Member of Congress in here who is opposed to conservation. But the reality of it is conservation cannot fill that entire gap. Look where we are. Conservation can make a big hit there.

Mr. Speaker, I gave a speech on this floor last week suggesting everything from checking the direction that your ceiling fans are turning to only changing your vehicle oil in your engine every 6,000 miles instead of every 3,000 miles. But the fact is, conservation helps, and it is important. It makes common sense. It is good practice for future planning in this country.

Conservation ought to be adopted on a permanent basis, but we also have to face the reality that even with conservation, you still have a gap in there. We have to produce more.

You say well, it is these big oil companies. And I cannot tell my colleagues how many times I heard the gentlemen say big oil company, big oil company. The gentleman from New Jersey (Mr. PALLONE) said it. The gentleman from Washington (Mr. INSLEE) said it. The gentleman from California (Mr. SHERMAN) said it.

I will bet my colleagues that all three of them this evening right now as I am speaking are probably driving home in a car. I doubt they walked. When they get home, I will bet you they turned the lights on in their house. If it is hot, I bet they have the air conditioning on. If it is cold, I bet they have the heater on.

My guess is that my three colleagues are going to also take a shower. My guess is it is not going to be with cold water, they probably will have warm water, et cetera, et cetera, et cetera, et cetera.

We get into this problem of exaggeration when you keep talking about big oil and special interests money. We want to help plan for the future of this country. We do not want to leave California abandoned out there.

California, by the way, I say to colleagues is, I think, it is the third or seventh, I think it is the third strongest economy in the world, what is bad for California frankly in a lot of cases is bad for the other 49 States, but by gosh, California has to help pull the wagon.

They cannot ride the wagon all the time. They have to help pull the wagon, and what I mean by that is, you cannot continue, California, to depend on your neighbors for electrical generation, for natural gas transmission, for electrical transmission.

I am not asking you to carry an unfair burden, California. I say to the gentleman from California (Mr. SHERMAN) I am not asking the gentleman to carry something unfairly. I am just saying, by gosh, if you want to sit by the campfire at night, you ought to help gather the firewood.

Instead of sitting by the campfire and saying well, keep the fire warm but by the way let us not use as much firewood, well, then maybe you ought to move away from the campfire instead of enjoying the comforts of the campfire to continue.

I say to the gentleman from California (Mr. SHERMAN), if you want to enjoy the comforts of the campfire, by gosh, you can help gather some wood and you can throw a log on once in a while. I do not think we need a bonfire out there. I think we can have a campfire.

I was surprised by the partisan remarks that were made this evening. And by the way, on the tax bill that passed out, judging from the remarks of the gentleman from California (Mr. SHERMAN), this is a Republican bulldozer going through the U.S. Capitol.

Mr. Speaker, that tax plan is going to be passed on a bipartisan basis. Many of your colleagues, I say to the gentleman, are going to vote for this tax bill, and they ought to vote for this tax bill.

Many of your colleagues in the United States Senate, my guess would be, will be voting for this tax bill.

This is a bipartisan vote we will be taking this week. Why? Because it needs a bipartisan solution. What about the energy problem? That needs a bipartisan solution.

Let me point out, that the gentleman from Washington (Mr. INSLEE) was talking about how somehow the President was responsible for the shortage of supply and power that may occur up in the Northwest. He spoke, first of all, of the Western States. I can tell the gentleman from Washington I am from a Western State.

As the gentleman knows, I represent the mountains of the State of Colorado. So the gentleman does not speak for the entire Western United States, but your problem in Washington State is not Washington, D.C., although Washington, D.C. is a problem for a lot of things. Your problem in Washington State is something the President does not have a lot of control over, and that is rainfall.

Take a look. In fact, I have a poster here to give the gentleman an idea. The gentleman from Washington (Mr. INSLEE) speaks about the Pacific Northwest, the second worst drought on record. That is not the doings of President George W. Bush. The gentleman or the gentlewoman that made that, if you have direct contact with them, you are doing pretty good.

This is the second worst drought on record, and that is why the mighty Columbia River is way down. That is where your power shortage is coming from. It is not because Washington State refused to put in transmission lines like California.

It is not because Washington State refused to build generation facilities like California. Washington State, in fact, was prudent, and Washington State did not deregulate their electrical generation. So for Washington State, it is an act of nature that is creating some problems.

By the way, I think these problems are nationwide frankly, and the other 49 States, we actually are going to be fine with electrical supply here in the next year or so. We have a lot of facilities that are going on online.

My point, before I move on to the death tax, that I am saying to my colleagues is nobody on this floor really wants to abandon California. Sure, we all get upset with California. It is like as I said earlier, if you are going out camping and you set up a campfire and you have one member of your camping team that is not bringing any wood to the fire but continues to sit around and enjoy the fire, does not help cook breakfast but continues to eat breakfast, does not help wash dishes but continues to use the dishes, yes, you get upset with them.

But does that mean that you abandon them somewhere in the mountains? Of course, you do not. You try and sit down with them and say, look, you are not doing your fair share. We need to plan for your future and our future.

That is what we are saying to California. We want to plan with you, but, by gosh, you have to do a little self help. And one of the best things you can do for self help is get your governor off the airwaves and tell the governor in the State of California to sit in the office, put some pencil in paper and let us have some conservation. By the way, California does exercise good conservation.

But there are some other things we can do. Let us get the governor from California to approach us on a nonpartisan basis and come up with some solutions.

Mr. Speaker, it appears that my colleague from South Dakota would like to speak on this topic before I move on to the death tax.

Mr. Speaker, I yield to the gentleman from South Dakota (Mr. THUNE).

Mr. THUNE. Mr. Speaker, before the gentleman from Colorado (Mr. MCINNIS) moves on to the death tax, I would like to echo a couple of things that he was saying. And I too was in my office and I heard much of the discussion of our colleagues on the other side prior to the gentleman assuming your discussion here on the floor.

I just wanted to point out that this is the President's energy proposal. It is about 170 pages long and I will put that next to the last administration's energy proposal, which I cannot find, oh, that is right. They did not have an energy proposal for the last 8 years.

This President has assumed leadership, has taken the initiative, has put together a comprehensive, specific and detailed plan to help address this country's energy problems.

And as the gentleman from Colorado noted earlier, you know we come over here a lot of times and things get a little hot from time to time, but this is not a partisan issue. This is not a Republican problem or a Democrat problem. This is an American problem.

President Bush has laid out an American solution. My colleagues came out here and talked a lot about how it is heavy on oil, on fossil fuels, and that sort of thing.

But if we look at the proposal specifically in here of the 105 specific recommendations in the President's plan: Forty-two of those recommendations have to do with modernizing and increasing conservation and protecting our environment; thirty-five of those recommendations have to do with diversifying our supply of clean, affordable energy and modernizing our antiquated infrastructure; twenty-five of the recommendations help the U.S. strengthen its global alliances and enhance national energy security; twelve of these recommendations can be implemented by executive order; seventy-three of them are directives to Federal agencies, and 20 are recommendations that are going to have been acted on by Congress.

This is a specific plan and the balance of this plan, in fact, almost half of the entire plan with respect to the recommendations have to do with one conservation or other alternative sources of energy.

I come from South Dakota. We care a lot about ethanol. We think ethanol is an important part in the solution to this country's energy future. But we also understand that it is a bigger and more comprehensive issue that is going to require an increase in supplies not just of ethanol but of many of the other sources of energy that we currently depend upon in this country.

But the point I would make to the gentleman from Colorado and just agree with what he has said earlier is that this is something and South Dakota cares deeply about what happens in California. California I think also has been there for South Dakota in the past.

But if you look at the record of this Congress in reacting to problems that have been created over a long period of neglect, and I will use the example when I came to Congress in 1996, it was 2 years after the 1994 Congress came here.

But we came here to try and deal with what had been 40 years of overspending by Congresses that were controlled by liberals. We had this huge debt and deficits piling up year after year after year. Well, after a 5-year period now we have basically gotten our fiscal house in order.

Welfare reform was another example of something that had been ignored for years and years and years. We had a welfare program that was spending billions and trillions of dollars and not solving any of the problems. And so we came here, came up with welfare reform proposal before my time. Actually that happened in 1995 or 1996 before I arrived on the scene. But, nevertheless, it was a solution to a problem that had been created by years and years and years of neglect.

Social Security and Medicare, the Federal Government and Congress had for years and years and years been spending that. We have now walled that off as of the last 3 years since we have had control of this Congress and addressed a problem that had been ignored and neglected for years and years and years by our friends on the other side.

This is a problem that has been created by years of neglect. We have before us this proposal. I hope that this Congress will act on a number of these recommendations, a proposal which is comprehensive. It is 170 pages long, which is detailed, which is specific, and which is balanced in the approach that it takes.

□ 2100

It calls on the need for the best and the brightest in this country in the area of coming up with solutions that are conservation oriented, those solutions that deal with renewables like ethanol and wind and other things that are important to my part of the country, and creates tax credits and tax incentives for development of those types of energy alternative energy sources, and, yes, also look for more supply because we just flat have to. If one looks at our growing dependence upon other sources of energy from outside this country, we have no alternative.

So the gentleman from Colorado (Mr. MCINNIS) is exactly right. I am disappointed to hear the rhetoric and the tone that is already occurring on this floor, because we have a responsibility as the Congress of the United States to work and to solve what is an American problem. It is going to afflict everybody in this country.

I have been to the gentleman's district in Colorado. I know the people that he represents care deeply about the price of gasoline. That is about all I hear about in South Dakota these days. We have to come up with solutions.

That is what this plan, the President has given us an opportunity to work with something. This may not be the final product. We are going to work through the Congress. This is open to discussion and to debate. But to hear the other side get up here on this floor time after time after time, speaker after speaker after speaker, and show no evidence or no inclination or no desire to work in a bipartisan way, to try and take a plan that has been presented by the President of the United States, the first plan that we have seen, I might add, in many, many years through the administration, the last two 4-year terms of that Presidency in which their party controlled the White House, we now have a President who has taken leadership, who has taken the initiative to present a detailed and specific plan.

They may not like everything in here. I may not like everything in here. But the reality is we now have a framework and something to work with that gives this country some direction in the area of energy policy, something that has been frankly lacking and absent in the last 8 years.

I, like the gentleman from Colorado, am not going to sit here and tolerate and listen to people get up here and rail on and on and on when this is a proposal that we have in front of us to work with and, as I said earlier, in contrast to the one that we had the last 8 years, which could be the equivalent of my empty hand, because we have not had a proposal. We now have some specific direction.

We have a responsibility as a Congress to work together as Republicans and as Democrats to try and solve the energy crisis in this country. It is something that affects everybody in America. It affects their pocketbooks in a very profound way.

The people in Colorado that the gentleman represents, the people in South Dakota that I represent, we have a responsibility and an obligation, I believe, as the Congress of the United States to come together and to work in a constructive way, not in a destructive way where we sit there and point fingers and holler and talk about contributions from oil companies and how the special interests are running this debate.

They know better than that, and the American people know better than that. I believe the American people are going to rally behind the efforts that are being made for the first time in a long time to address what is a serious and perplexing and chronic problem in this country that is desperately in need of a solution. We need to work together toward that end.

I am glad that the gentleman from Colorado is here and is pointing out some of these issues and look forward to working with him as well as with my colleagues on the Democrat side, many of whom have gotten up tonight and had nothing to offer but criticism.

Yet, I hope that, when it is all said and done, that we can come together and work in a constructive way for the betterment of America and do something that is meaningful in terms of addressing what is a very, very serious crisis, an energy crisis that is affecting every American no matter where you live. Whether it is in California or Colorado or in South Dakota, we all need to work together to try and solve this problem.

So I appreciate the gentleman from Colorado yielding to me and look forward to working with him as we begin the process of trying to implement solutions to this very serious problem.

Mr. McINNIS. Mr. Speaker, I appreciate the gentleman's comments. Just to reiterate a couple of things, it is the first energy policy we have had in 9 years. Why? Because we need to plan for the future of this country, and we need to have some type of blueprint. We need to put things up on the table for discussion, not for obstruction policy or strategy, but for discussion. That is exactly what this energy plan does.

I should say that the remarks, first of all, I want people to know that, as we talk about this side of the aisle, the Democrats, obviously I am a Republican, the Democrats, we have a lot of Democrats who are working very constructively to help us put this plan together. We have a lot of Democrats that want to work with us. But what we have heard this evening is the liberal side of that party. All we heard was a partisan attack.

Now, I realize that they are not going to join our efforts, which, by the way, is a bipartisan effort, both Republicans an Democrats, to put an energy policy into place. But at least they should refrain or at least adjust the tone of their attacks that frankly cannot be substantiated.

I mean, we heard comments tonight, I heard that this plan calls for the complete, mind you, complete destruction of the Arctic National Wildlife in Alaska, that it wipes out all types of conservation, wipes out all efforts at conservation. I mean, these kind of exaggerations do not get us anywhere.

What does get us somewhere, frankly, are the Democrats and the Republicans, and there are a lot of them who are doing it as we speak, are sitting down with this administration, coming up with a policy to plan for our future.

One other point I would make, and then we probably ought to move on to the death tax. But the gentleman from South Dakota (Mr. THUNE) brought up the dependency of this country on foreign supply of energy. I mean, if one wants to put our environment at risk, and, by the way, I am very sensitive about that, as my colleague knows, my district is a beautiful district as is his; but if one wants to put an environment at risk, if one wants to put the future generations of this country at risk, one continues on the policy of increasing our dependency on foreign oil.

Maybe the gentleman would like to comment on that. But I am telling my colleagues, his point, that is the most dangerous thing we have got out there. This thing in California is going to work itself out. Our situation, we actually have lots of electrical supply coming on for 49 of the 50 States here in the next year and a half. This is going to work out. But the kind of the iceberg under the water is this continued inching up and dependence on dependency on foreign sources for our energy needs.

Mr. THUNE. Mr. Speaker, will the gentleman yield?

Mr. McINNIS. I am happy to yield to the gentleman from South Dakota.

Mr. THUNE. Mr. Speaker, the gentleman from Colorado is absolutely right. Again, as he noted, he has an absolutely spectacular landscape in his district. Like my State of South Dakota, most of the people in my State care very deeply about the environment. Most of them tend to be very conservation oriented to start with. That is part of the ethic that comes in places like South Dakota.

Yet we have a very, very serious crisis. The gentleman from Colorado has hit it exactly on the head; that is, the fact that today we are dependent to the tune of almost 60 percent of all of our oil coming into this country, or oil that we use in this country is coming from sources outside the country. That is something that we cannot sustain and that grows every year. It has grown actually, I think, since President Clinton took office. It was about 40 percent. It is about 60 percent today.

So as I said earlier, we have had basically 8 years of neglect where essentially Saddam Hussein has been Secretary of Energy in this country. That has to change. That is exactly, I think, the realization that people in this country have come to.

It certainly is, I think, evidenced in the President's proposal which acknowledges the fact that we have to do something to increase our supply in this country, and we have to do it in an environmentally friendly way. The new technologies that enable us to develop some of those oil resources I think are remarkable and will make a profound difference in where we head in the future.

But the gentleman from Colorado is absolutely right. This crisis exists today. If we do not as a country become energy independent, become energy self-sufficient, find more and more ways of producing more energy in this country, and if we have to continue to depend upon very unreliable and unstable areas of the world, I think for our energy supplies, we are going to be in a world of hurt down the road.

So I look forward to the opportunity again to work in a bipartisan and constructive way to try and solve this problem. It is a problem. It is a crisis. It needs to be dealt with. The President has laid down the first marker. He has put something on the table. We may not all like it. I mean, the Democrats may come in here, and they may not like every aspect of this; but at least we have a plan.

It is comprehensive. It is specific. It is detailed. It addresses conservation. It addresses renewables. It addresses development, exploration in a balanced and reasonable way of our oil resources. That is where we start. Let us get to work and start attacking this problem, because it has been overlooked for far too long.

I know the gentleman wants to get on and discuss the death tax.

Mr. McINNIS. Mr. Speaker, I appreciate the gentleman's time this evening. I say to the gentleman from South Dakota, it is kind of fun, because when we speak about conservation, there are lots of neat things. I told my staff over the weekend, I said, why do you not all put your heads together over the weekend, each one of us, including myself, let us come up with 10 separate items of what we can suggest to our constituents of ways we can conserve and make them as painless as possible.

For example, as I mentioned earlier, most car manuals, the engineers that design the cars, build the cars and test the cars, in most car owners' manuals, you will find you should change the oil in your car every five or 6,000 miles. Yet, if you pick up your newspaper and advertising, you will see the quick lube outfits and so on market you and convince the American public that you need to change your oil every 3,000 miles. You do not have to change it every 3,000 miles. Follow the owners' manual. That is painless. Not only is it painless, you can put money in your pocket.

So I just did this to reiterate the emphasis of the gentleman from South Dakota on what the President has said about conservation. Conservation can begin to close that gap that we have right here in the blue that the gentleman spoke of. If we continue to allow this to go without additional supply and without conservation, our dependency on foreign oil, of course, increases.

So I will wrap it up with that. Again, I appreciate the gentleman's time.

Mr. Speaker, I intended to come to the House floor this evening. Last week, I had, really, the privilege to meet two wonderful and very, very brave families. Ken and Bambi Dixie from Parker, Colorado. Ken and Bambi lost their two youngest sons tragically as a result of a poisoning last year, as a result of carbon monoxide coming out of the back end of a houseboat, as a result of a defect that could have been avoided, should have been avoided, should have never existed in the first place. Their friend Mark Tingee and his wife, Polly, were also on the boat at this time that this horrific tragedy took place.

Now, why are they courageous? A lot of us in this country have suffered tragedy. I do not know a lot of people that have suffered tragedy as the Dixies suffered. But, nonetheless, the courageousness of this couple was that they were willing to come out and relive this tragedy over and over again last week here on Capitol Hill with testimony in hopes of saving some lives this summer so that, when people are recreating out there in the lake, they are not poisoned as a result of houseboat usage, on improper venting on carbon monoxide.

So tomorrow evening, Mr. Speaker, I hope to have an opportunity to address my colleagues and go in some detail. I hope they listen because the message we need to take back to our constituents about the possibility of this defect, the existence of it, and the tragic results of it is very important. Thank goodness we had somebody as brave as the Dixie family and as brave as the Tingee family to come forward. So I am going to speak on that tomorrow night.

I want to spend the balance of my time talking about the death tax. When I take a look at our tax system in this country, I am not sure one can find a tax that is more punitive, that is more unjustified than what is called the death tax.

Now, the death tax is imposed upon the assets or the property that an individual has accumulated during their lifetime. Now, this is property upon which taxes have already been paid. This is not property where, for some reason or another, taxes were evaded or taxes were avoided. This is property in which taxes have already been paid. In other words, the due tax owed to the government has been paid.

The tax bill, zero, until the moment of your death. Upon the moment of your death, the government comes into you, to your property, to your future generations, and as a punitive measure takes your property or takes a good share of your property if you qualify for the death tax.

Now, the death tax came about theoretically to help finance World War I. But where you really see the fundamental origins of the death tax is when this country was moving towards kind of a socialistic angle, and they were angry at the Carnegies and they were angry at J. P. Morgan and they were angry at the Rockefellers. They said we should go and redistribute wealth. That is what really started this ball rolling.

But now what has happened is a country, which is the greatest country in the history of the world, our country, now our country is one of the leading countries in the world, discourages small family farms or family businesses from going from one generation to the next generation.

Now, why do I say small? Because it was with some interest I noticed that the father of Bill Gates, Mr. Gates we will call him, it is not Bill Gates, I am not sure he agrees with his father, but Bill Gates, Sr., very, very wealthy man spoke about how important it was to keep the death tax in place.

Do my colleagues know where he spoke from? He was speaking from the foundation offices. What does that mean? Well, the foundation was created to help avoid these death taxes. So the wealthy, some of the wealthiest people in this country have already pretty well protected themselves against this punitive measure.

It is the small. It is the small kid on the block. It is the farmer or the rancher or the contractor who has a bulldozer, a dump truck and a backhoe; and, all of a sudden, one day, they are doing business, and because of some tragedy, he loses his life or she loses her life. The next day, the next generation is being taxed, so that they cannot continue the business.

□ 2115

The wealthy families in this country, and I have no objection to wealth, I think that is one of the great incentives that has made this country a superpower, but the fact is the wealthiest people of this country have prepared for the death tax. They have teams of lawyers and they have done estate planning, but there are a lot of families who have not had either the resources or the knowledge of the tax law to be able to help protect the next generation.

I was asked a question not long ago when I was down in Durango, Colorado, and they said, you know, in this country, nobody should have the right to inherit. Well, I guess if there is not a will, there should be a right to inherit, it should not go to the government. However, although you may not have the right to inherit, you certainly ought to have the right to bequeath, to give this property to people of your choosing, and most of the time, all of us would like to give that property to our children.

I will tell you about my personal experience. A goal of my wife and myself, our dream in life is to give something to our children. Not just give it to them, they are going to work hard, and they have worked hard. In fact, I graduated two of them from college last week. I have the other in college. I am pretty proud of them, as my colleagues are of their children. But during our life, we hope to give them some kind of a little start like my parents helped me. They gave me a lot of love, and that is what we are giving to ours. My father and mother had six children. My mother and father worked very hard in their careers and they were able to provide a college education to their children, and then we were on our own. All of us want to do that. And why should a death tax step in; why should the government come in and destroy the opportunity for one generation to help the next generation?

I thought I would just read a couple of examples here. Years ago, Tim Luckey's great grandfather started a farm in Tennessee. When his grandfather and then his father inherited the farm, both of them paid inheritance tax. Someday Tim hopes to inherit the farm, and when he does, he will have to pay the tax again. Notice I say "again." If party A owns a farm and dies, and party B inherits the farm, then party B pays those taxes. But if party B all of a sudden dies, say a year later in some kind of accident, the property now is inherited by C, and the property is taxed once again. There are multiple layers of tax on that property.

And I am not talking about like Mr. Gates and some of his cronies that signed that letter. We are not talking about the super wealthy. We are talking about a lot of people in this country today, farmers and ranchers and small business people. They have paid their taxes and they are going to be punished as a result of this death tax. But we are about to eliminate it. That is the good news, both Democrats and Republicans, not the liberal wing of the Democratic party. I did not say all the Democrats. I understand that. But the conservative Democrats and the Republicans have all joined together. We are in the process of beginning the repealing of the death tax, and that is part of that tax package that is going to go to the President by Memorial Day.

Brad Efford owns a lumber yard in Columbia, Missouri. He pays $36,000 a year just for a life insurance policy so his children can inherit the yard unincumbered. What is interesting is the untold number of businesses, as this article goes on, the untold number of businesses that prior to an owner's death are sold precisely to avoid the death tax. By selling before death, a small business owner may avoid the death tax in exchange for paying a capital gains tax at the rate of 20 percent.

That is important to know. What we are saying is if you have the business upon your death, we are going to grab it, or force you to sell it. Or if you like to, you go ahead and go out and sell your lumber yard, or we are going to force you to go out and sell that small contracting business you have.

When I was in Durango, Colorado, speaking to this group, where the question, do you have a right to inherit came up, another couple, who were interior decorators, and they were pretty proud of the business they had built up, it was a wife-and-husband team, they had put together apparently a fairly lucrative interior decorating business in this small town of Durango. What the couple did not realize is that if either one of them were killed in an accident, and the business went to the remaining spouse, or if both of them were killed, let us say both were killed, as happens in this country or throughout the world, if both of them were killed, that interior decorating business they worked so hard, if they had a couple of children beginning to learn the business, that business would evaporate because of the need to pay those taxes.

Let me read a couple other letters. I am very sensitive about what is happening to our open spaces in the State of Colorado, up in our mountains. Here is another letter. "The fate of 1,810 acres of ranch land featuring stunning views and prime elk habitat north of Carbondale will be determined at auction. The ranch now belongs to the son and daughter of the owner. The estate taxes are basically forcing this sale. They were just raising cows on it, but with the value of the land as it now is, we can't afford to raise cows. We have to sell the land just to pay the death taxes."

Let me go on. This is from Anthony Allen. Mr. Allen writes: "Mr. McInnis, I am writing to encourage you to keep the repeal of the 'Death Tax' on the front burner. As an owner of a family business, it is extremely important that upon our death, the business will be able to be passed to our daughter and our son, both of whom work in the business, without the threat of having to liquidate to pay inheritance taxes on assets that have already been taxed once. Of all the taxes we pay, this tax is truly double taxation." It is punishment.

"I am aware that several wealthy people, i.e. William Gates, Sr., George Scoros, have come out against the repeal of the death tax. This is one of the most self-serving demonstrations I have ever seen. They have theirs in trusts, foundation, offshore accounts and will pay no taxes," or limited taxes. "Whatever their political motivations are, they certainly don't represent or speak for the vast majority of business owners or farmers in this country."

Now I have heard some people say, well, look, only the top 2 percent are going to pay this tax. But look what it does to a community, and I could give hundreds of examples. Go into a community like the community in my district, when we had a person who was the largest employer, the largest contributor to his local church, the largest owner of real estate, the largest bank accounts in town, and they hit that family with the death tax.

Do my colleagues think that money that went to the government stayed in that small community in Colorado, where previously it had helped the church and the bank and the people with jobs and the real estate market, et cetera, et cetera? No, that money is transferred. The bulk of it goes straight to Washington, D.C. for redistribution somewhere in the country. And I would bet money that not one single penny goes back to that community. So no one should be bamboozled on this top 2 percent. Take a look at what it does to families.

John Happy writes this letter. John, thanks for writing. "Dear SCOTT: I wish there were some way I could help get this death tax eliminated. It is the most discriminatory and socialistic tax imaginable. I can't, for the life of me, understand how this tax was ever passed in our system to begin with. How can anybody advocate taxing somebody twice? I don't care," and this is his quote. This is what John says. "I don't care if it's a millionaire or a pauper, it is not the government's money. The taxes have already been paid." It is not the government's money. The taxes have been paid. "Why should a family working for 45 years and paying taxes on time every year be forced into this position? Sincerely, John."

Marshall Frasier writes me a letter. "Dear SCOTT: I was encouraged by the President's fight on the death tax and the repeal of that. We've operated a family partnership since the 1930s. My parents died about 5 years apart in the 1980s and the estate tax on each of their one-fifth interest," listen to this, "the estate tax on each one-fifth interest was three to four times more than the original cost of the ranch." Three to four times more than the family member paid to get their share of the ranch. "Eliminating the death tax and reducing tax rates will go a long ways towards helping retain open space, providing jobs, and allowing one generation's business to go on to the next generation."

You know, this is a great country we live in, but the United States of America should have the policy of encouraging family business to go from one generation to the next generation. The United States of America is about to adopt a policy to repeal the death tax so that one family can have their dreams alive so that upon their death, no pun intended, that upon their death, the next generation can carry on for maybe the next generation. It is fundamentally important for the foundation of our country that we encourage family activities, family businesses to go from one generation to the next.

Let me go on to another one. This is a college student who writes me this letter, Nathan Steelman. "Dear Mr. McINNIS: I am a college student at the University of Southern Colorado in Pueblo, which is in your district. My parents and grandparents are involved in a typical family farm, a farm that has been in the same family for 125 years.

"My grandpa is 76 years old, and he is in the last years of his life. My parents have been discussing the situation for the past several months. My parents worry about this death tax. They worry about how are they going to keep the farm running once grandpa passes away. The eventual loss of grandpa will trigger this tax upon my family. My parents hope they can pay the tax without selling part of the family operation that they have worked so hard in maintaining over the years. The outcome doesn't look very good.

"Farmers and ranchers are having a tough enough time keeping family operations running the way it is. Statistics show that 70 percent of all family businesses do not survive a second generation, and 87 percent don't survive the third. My family, Mr. McInnis, has worked very hard to keep the family farm running this long. We feel as if we are being penalized for the death of a family member. From what I understand, the opposition is concerned about what many of the individuals who are affected by the death tax are those with very wealthy businesses. Statistics show, however, that more than half of all the people who pay death taxes had estates worth less than

$1 million. My family falls in that category. It just doesn't seem fair to me. Mr. McINNIS.

"Mr. McINNIS, my family's farm is not located within your district, but when I moved to Pueblo, I felt like I needed to express concerns to somebody. This death tax should be abolished."

Chris Anderson, another young man. "I'm 24 years old. I currently run a small mail order business. I'm not a constituent of yours, I reside in New Jersey. However, I listened with great interest as you spoke on the death tax not long ago. In all likelihood, I will not face the problems you are outlining, at least not in the near future. I am not in line to inherit a business. My families have no wealth. However, I'm soon to be married, and I look forward to having a family, and perhaps one day my children will want to follow in my footsteps. I hope and pray they will not face the additional grief caused by this death tax.

"A 55 percent tax is at best a huge burden on a family business and the loved ones of the deceased. At worst, it can be the death blow that ruins what could otherwise have been a future for another generation.

"This letter is not a plea for your help. I just want you to know that although I'm not a victim of this tax, I appreciate the effort against it. I firmly believe, and have always believed, that success in family is firmly rooted in our country. I spent a few years working for a small family business, not just myself, but several workers depended on the income they derived from that business. So it's more than just the owners, it's also the people that work for these businesses. Hope your constituents recognize how important this is to repeal the death tax."

Well, Chris Anderson, I have got good news for you. Chris, we are about to do it.

☐ 2130

The President's tax plan has by now passed the Senate. It will come to the House tomorrow, and we will put some conferees together. This marks a special moment for those of us who care about a future generation and those of us planning for our own family future. We are about to see the death knell of that unfair and punitive death tax.

It is about time. It is about time that this country finally recognized what a rotten policy it was to put a tax in that taxed you upon your death, that prevented in many cases small farms and small businesses from going from one generation to the next, that sent out a terrible message, a message that suggests that the transfer of wealth is what creates capital, instead of the innovation of products. I am pleased to be a part, and I congratulate those Democrats that have joined us.

Mr. Speaker, by the way, I want the gentleman to know that by Memorial Day all of us on this floor will have an opportunity to once and for all repeal the death tax. I urge every one of my colleagues to vote to get rid of that death tax. If you do not, I hope that you have a good reason why you decided that this country should continue to tax somebody upon death.

Mr. Speaker, my time is about up. Let me conclude with three quick remarks: One, I am pleased we are getting rid of the death tax.

Number two, to the gentleman from California (Mr. SHERMAN), the gentleman from New Jersey (Mr. PALLONE), and the gentleman from Washington (Mr. INSLEE), partisan, highly emotionally charged statements of special interests, et cetera, et cetera, are not going to help California. We have to come together as a team to help California, and we are willing to do it as long as you are willing to pitch in. If California wants to pitch in, we ought to help them out of this situation.

Finally, colleagues, I hope tomorrow you have time to sit and listen to my remarks about the Dixie family and the terrible tragedy that they went through; but the bravery and the courageousness that they, along with the Tingee family, have been able to show as an example so that hopefully this tragedy will not be repeated this summer as that tragedy unfolded last summer for the Dixie family.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GRUCCI). The Chair reminds all Members that remarks in debate should be addressed to the Chair and not to those outside the Chamber.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HILL (at the request of Mr. GEPHARDT) for today on account of travel complications.

Mr. ABERCROMBIE (at the request of Mr. GEPHARDT) for today and May 22 on account of official business in the district.

Mr. LEVIN (at the request of Mr. GEPHARDT) for today on account of a funeral in the district.

Mr. HANSEN (at the request of Mr. ARMEY) for today and May 22 on account of the death of his sister.

Mr. WATTS of Oklahoma (at the request of Mr. ARMEY) for today on account of attending daughter's graduation.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. McNULTY) to revise and extend their remarks and include extraneous material:)

Ms. NORTON, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mrs. MINK of Hawaii, for 5 minutes, today.

Mr. SHERMAN, for 5 minutes, today.

(The following Members (at the request of Mr. GUTKNECHT) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 5 minutes, May 22, 23, and 24.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. ISSA, for 5 minutes, today.

ADJOURNMENT

Mr. McINNIS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 33 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, May 22, 2001, at 9 a.m., for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

2003. A letter from the Chief, Programs and Legislation Division, Office of Legislative Liaison, Department of Defense, transmitting notification that the Commander of Whiteman Air Force Base (AFB), Missouri, has conducted a cost comparison to reduce the cost of the Heat Plant function, pursuant to 10 U.S.C. 2461; to the Committee on Armed Services.

2004. A letter from the Chief, Programs and Legislation Division, Office of Legislative Liaison, Department of Defense, transmitting notification that the Commander of the U.S. Air Force Personnel Center is initiating a single-function cost comparison of the Personnel Computer Support function at Randolph Air Force Base (AFB), Texas, pursuant to 10 U.S.C. 2461; to the Committee on Armed Services.

2005. A letter from the Assistant to the Board, Board of Governors of the Federal Reserve System, transmitting the Board's final rule—Applicability of Section 23A of the Federal Reserve Act to the Purchase of Securities from Certain Affiliates [Miscellaneous Interpretations; Docket R-1015] received May 15, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

2006. A letter from the Assistant to the Board, Board of Governors of the Federal Reserve System, transmitting the Board's final rule—Applicability of Section 23A of the Federal Reserve Act to Loans and Extensions of Credit Made by a Member Bank to a Third Party [Miscellaneous Interpretations; Docket R-1016] received May 15, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

2007. A letter from the Legislative and Regulatory Activities Division, Office of the

Comptroller of the Currency, Department of the Treasury, transmitting the Department's final rule—Assessment of Fees [Docket No. 01-08] (RIN: 1557-AB90) received May 8, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

2008. A letter from the Secretary, Division of Market Regulation, Securities and Exchange Commission, transmitting the Commission's final rule—Definition of Terms in and Specific Exemptions for Banks, Savings Associations, and Savings Banks Under Sections 3(a)(4) and 3(a)(5) of the Securities Exchange Act of 1934 [Release No. 34-44291; File No. S7-12-01] (RIN: 3235-AI19) received May 15, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

2009. A letter from the Secretary, Department of Energy, transmitting the Department's Annual Report on Federal Government Energy Management and Conservation Programs during Fiscal Year 1999, pursuant to 42 U.S.C. 6361(c); to the Committee on Energy and Commerce.

2010. A letter from the Regulations Coordinator, Department of Health and Human Services, transmitting the Department's final rule—Medicaid Program; Home and Community-Based Services [HCFA-2010-FC] (RIN: 0938-AI67) received May 15, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

2011. A letter from the Director, Regulations Policy and Management Staff, Department of Health and Human Services, transmitting the Department's final rule—Secondary Direct Food Additives Permitted in Food for Human Consumption; Alpha-Acetolactate Decarboxylase Enzyme Preparation [Docket No. 92F-0396] received May 21, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

2012. A letter from the Chairman, National Committee on Vital and Health Statistics, transmitting the Fourth Annual Report to Congress on the Implementation of the Administrative Simplification Provisions of the Health Insurance Portability and Accountability Act, pursuant to Public Law 104—191, section 263 (110 Stat. 2033); to the Committee on Energy and Commerce.

2013. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting a report on proliferation of missiles and essential components of nuclear, biological, and chemical weapons, pursuant to 22 U.S.C. 2751 nt.; to the Committee on International Relations.

2014. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

2015. A letter from the Deputy Assistant Secretary, Export Administration, Department of Commerce, transmitting the Department's final rule—Entity List: Revisions and Additions [Docket No. 9704-28099-0127-10] (RIN: 0694-AB60) received May 14, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

2016. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting a report concerning compliance by the Government of Cuba with the U.S.-Cuba Migration Accords of September 9, 1994, and May 2, 1995; to the Committee on International Relations.

2017. A letter from the Acting Chief Executive Officer, Corporation for National and Community Service, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

2018. A letter from the Acting Chief Executive Officer, Corporation for National and Community Service, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

2019. A letter from the Assistant Director for Executive and Political Personnel, Department of Defense, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

2020. A letter from the Assistant Director for Executive and Political Personnel, Department of Defense, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

2021. A letter from the Assistant Director for Executive and Political Personnel, Department of Defense, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

2022. A letter from the Assistant Director for Executive and Political Personnel, Department of Defense, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

2023. A letter from the Assistant Director for Executive and Political Personnel, Department of Defense, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

2024. A letter from the Assistant Director for Executive and Political Personnel, Department of Defense, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

2025. A letter from the Executive Director, Interstate Commission on the Potomac River Basin, transmitting a copy of the Sixtieth Financial Statements and Independent Auditor's Report for the period October 1, 1999 to September 30, 2000, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform.

2026. A letter from the Deputy Archivist, National Archives and Records Administration, transmitting the Administration's final rule—Records Disposition; Technical Amendments (RIN: 3095-AB02) received May 18, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

2027. A letter from the Acting Executive Secretary, U.S. Agency for International Development, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

2028. A letter from the Acting Director, Fish and Wildlife Service, Department of the Interior, transmitting the Department's final rule—Endangered and Threatened Wildlife and Plants; Final Rule for Endangered Status for Astragalus pycnostachyus var. Lanosissimus (Ventura marsh milk-vetch) (RIN: 1018-AF61) received May 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2029. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC-8 Series Airplanes [Docket No. 99-NM-272-AD; Amendment 39-12193; AD 2001-08-16] (RIN: 2120-AA64) received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2030. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Raytheon Aircraft Company Beech Models 35-C33A, E33A, E33C, F33A, F33C, S35, V35, V35A, V35B, 36, and A36 Airplanes [Docket No. 99-CE-63-AD; Amendment 39-12185; AD 2001-08-08] (RIN: 2120-AA64) received May 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2031. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Flight Crewmember Flight Time Limitations and Rest Requirements—received May 18, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2032. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Parachute Operations [Docket No. FAA-1999-5483; Amendment No. 65-42, 91-268, 105-12 and 119-4] (RIN: 2120-AG52) received May 18, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2033. A letter from the Secretary, Department of Health and Human Services, transmitting a report on the initial estimate of the applicable percentage increase in hospital inpatient payment rates for Federal Fiscal Year (FY) 2002, pursuant to Public Law 101-508, section 4002(g)(1)(B) (104 Stat. 1388—36); to the Committee on Ways and Means.

2034. A letter from the Regulations Coordinator, Department of Health and Human Services, transmitting the Department's final rule—National Medical Support Notice (RIN: 0970-AB97) received May 15, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

2035. A letter from the Regulations Coordinator, Department of Health and Human Services, transmitting the Department's final rule—Child Support Enforcement Program; Incentive Payments, Audit Penalties (RIN: 0970-AB85) received May 15, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

2036. A letter from the Regulations Coordinator, Department of Health and Human Services, transmitting the Department's final rule—State Self-Assessment Review and Report (RIN: 0970-AB96) received May 15, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

2037. A letter from the Regulations Coordinator, Department of Health and Human Services, transmitting the Department's final rule—Comprehensive Tribal Child Support Enforcement Programs (RIN: 0970-AB73) received May 15, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

2038. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting the President's Determination No. 2001-13, entitled, "Waiver and Certification of Statutory Provisions Regarding the Palestine Liberation Organization"; jointly to the Committees on International Relations and Appropriations.

2039. A letter from the Regulations Coordinator, Department of Health and Human Services, transmitting the Department's final rule—Medicare Program; Additional Supplier Standards [HCFA-6004-FC] (RIN: 0938-AH19) received May 15, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Ways and Means and Energy and Commerce.

2040. A letter from the Regulations Coordinator, Department of Health and Human Services, transmitting the Department's final rule—Medicare, Medicaid, and CLIA Programs; Extension of Certain Effective Dates for Clinical Laboratory Requirements Under CLIA [HCFA-2024-FC2] (RIN: 0938-AI94) received May 15, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Ways and Means and Energy and Commerce.

2041. A letter from the Regulations Coordinator, Department of Health and Human Services, transmitting the Department's final rule—Medicare Program; Criteria for Submitting Supplemental Practice Expense Survey Data [HCFA-1111-IFC] (RIN: 0938-AK14) received May 15, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Ways and Means and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TAUZIN: Committee on Energy and Commerce. H.R. 1831. A bill to provide certain relief for small businesses from liability under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (Rept. 107-70 Pt. 1). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Transportation and Infrastructure. H.R. 1831. A bill to provide certain relief for small businesses from liability under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (Rept. 107-70 Pt. 2). Referred to the Committee of the Whole House on the State of Union.

Mr. YOUNG of Alaska: Committee on Transportation and Infrastructure. H.R. 495. A bill to designate the Federal building located in Charlotte Amalie, St. Thomas, United States Virgin Islands, as the "Ron de Lugo Federal Building" (Rept. 107-71). Referred to the House Calendar.

Mr. YOUNG of Alaska: Committee on Transportation and Infrastructure. House Concurrent Resolution 76. Resolution authorizing the use of the East Front of the Capitol Grounds for performances sponsored by the John F. Kennedy Center for the Performing Arts (Rept. 107-72). Referred to the House Calendar.

Mr. YOUNG of Alaska: Committee on Transportation and Infrastructure. House Concurrent Resolution 79. Resolution authorizing the use of the Capitol Grounds for the Greater Washington Soap Box Derby (Rept. 107-73). Referred to the House Calendar.

Mr. YOUNG of Alaska: Committee on Transportation and Infrastructure. House Concurrent Resolution 87. Resolution authorizing the 2001 District of Columbia Special Olympics Law Enforcement Torch Run to be run through the Capitol Grounds (Rept. 107-74). Referred to the House Calendar.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 2 of rule XII the following action was taken by the Speaker:

[The following action occurred on May 18, 2001]

H.R. 1088. Referral to the Committee on Government Reform extended for a period ending not later than May 25, 2001.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. GILMAN:

H.R. 1917. A bill to amend title 38, United States Code, to provide for the payment of a monthly stipend to the surviving parents (known as "Gold Star parents") of members of the Armed Forces who die during a period of war; to the Committee on Veterans' Affairs.

By Mr. CANNON (for himself, Mr. BERMAN, and Ms. ROYBAL-ALLARD):

H.R. 1918. A bill to amend the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 to permit States to determine state residency for higher education purposes and to amend the Immigration and Nationality Act to cancel the removal and adjust the status of certain alien college-bound students who are long-term U.S. residents; to the Committee on the Judiciary, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CASTLE:

H.R. 1919. A bill to remove civil liability barriers surrounding donating fire equipment to volunteer fire companies; to the Committee on the Judiciary.

By Mr. CHAMBLISS (for himself, Mr. RILEY, Mr. JONES of North Carolina, Mr. RODRIGUEZ, and Mr. BISHOP)

H.R. 1920. A bill to amend the provision of title 5, United States Code, commonly referred to as the "Monroney amendment", to read as it last did before the enactment of Public Law 99-145; to the Committee on Government Reform.

By Mr. DEFAZIO (for himself, Ms. LEE, Ms. BALDWIN, Mr. SANDERS, and Ms. MCKINNEY):

H.R. 1921. A bill to eliminate the requirement for students to register with the selective service system in order to receive Federal student financial assistance; to the Committee on Education and the Workforce, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. DEGETTE (for herself, Mr. ABERCROMBIE, Mr. BLAGOJEVICH, Mr. BLUMENAUER, Ms. BROWN of Florida, Ms. CARSON of Indiana, Mrs. JONES of Ohio, Ms. NORTON, Ms. WOOLSEY, Mr. CAPUANO, Mr. DAVIS of Illinois, Mr. KENNEDY of Rhode Island, Mr. MEEHAN, Mr. NADLER, Mr. WEXLER, Mr. WYNN, Mr. COYNE, Mr. FRANK, Ms. SCHAKOWSKY, Mr. MCGOVERN, Mr. GEORGE MILLER of California, Mr. BARRETT, Mrs. TAUSCHER, and Mr. MORAN of Virginia):

H.R. 1922. A bill to ban the importation of large capacity ammunition feeding devices, and to extend the ban on transferring such devices to those that were manufactured before the ban became law; to the Committee on the Judiciary.

By Mr. DEMINT (for himself and Mr. BAIRD):

H.R. 1923. A bill to amend the Internal Revenue Code of 1986 to provide for Start-up Success Accounts; to the Committee on Ways and Means.

By Mr. DUNCAN:

H.R. 1924. A bill to provide for the establishment of a commission to review and make recommendations to the Congress and the States on alternative and nontraditional routes to teacher certification; to the Committee on Education and the Workforce.

By Mr. EDWARDS:

H.R. 1925. A bill to direct the Secretary of the Interior to study the suitability and feasibility of designating the Waco Mammoth Site Area in Waco, Texas, as a unit of the National Park System, and for other purposes; to the Committee on Resources.

By Mr. MCINNIS:

H.R. 1926. A bill to amend the Internal Revenue Code of 1986 to allow the capital loss deduction with respect to the sale or exchange of an individual's principal residence; to the Committee on Ways and Means.

By Mr. ROGERS of Michigan (for himself and Mr. GILLMOR):

H.R. 1927. A bill to authorize States to prohibit or impose certain limitations on the receipt of foreign municipal solid waste, and for other purposes; to the Committee on Energy and Commerce.

By Mr. STARK (for himself, Mr. RANGEL, Mr. MATSUI, Mr. MCDERMOTT, Mr. LEWIS of Georgia, Mrs. THURMAN, Mr. WAXMAN, Mr. BONIOR, Mr. FROST, Ms. KAPTUR, Mr. FILNER, Mr. HILLIARD, Mr. RUSH, Mr. BENTSEN, Mr. CUMMINGS, Ms. JACKSON-LEE of Texas, Mr. DAVIS of Illinois, and Ms. BERKLEY):

H.R. 1928. A bill to amend title XVIII of the Social Security Act to provide for full payment rates under Medicare to hospitals for costs of direct graduate medical education of residents for residency training programs in specialties or subspecialties which the Secretary of Health and Human Services designates as critical need specialty or subspecialty training programs; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. UDALL of New Mexico (for himself, Mr. EVANS, Mr. ABERCROMBIE, Mr. JEFFERSON, Mr. KENNEDY of Rhode Island, Mr. BONIOR, Mr. CARSON of Oklahoma, Mr. BACA, Ms. BROWN of Florida, Mr. GEORGE MILLER of California, Mr. FILNER, Mr. PALLONE, Mr. UDALL of Colorado, Ms. PELOSI, and Mr. CONDIT):

H.R. 1929. A bill to amend title 38, United States Code, to extend the Native American veteran housing loan pilot program, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. WICKER:

H. Con. Res. 139. Concurrent resolution welcoming His Holiness Karekin II, Supreme Patriarch and Catholicos of All Armenians, on his visit to the United States and commemorating the 1700th anniversary of the acceptance of Christianity in Armenia; to the Committee on International Relations.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 41: Mr. Filner, Mr. Matheson, Mr. Price of North Carolina, Mr. Platts, Mr. Boehlert, Mr. Barcia, Mr. Dreier, and Mr. Capuano.

H.R. 85: Mr. Pastor.

H.R. 87: Mr. Frank and Mr. Owens.

H.R. 157: Mr. Boehlert.

H.R. 168: Mr. Putnam.

H.R. 210: Mr. Hayworth.

H.R. 218: Mr. Keller, Mr. Udall of New Mexico, Mr. Boehner, Mr. Cannon, and Mr. Chabot.

H.R. 250: Mr. Paul, Mr. Oxley, Mr. Chambliss, Mr. Clyburn, Mr. Greenwood, Mr. Barcia, Mr. Akin, and Ms. Eddie Bernice Johnson of Texas.

H.R. 287: Mr. Hinchey.

H.R. 298: Mr. Clay and Mr. Issa.

H.R. 394: Mr. Thornberry and Mr. Goodlatte.

H.R. 448: Mr. Shadegg and Mr. Bartlett of Maryland.

H.R. 572: Mr. Isakson and Mr. Thompson of California.

H.R. 590: Mr. Bonior.

H.R. 595: Mrs. Maloney of New York and Mr. Turner.

H.R. 611: Mr. Nethercutt, Mr. Clay, and Mr. Terry.

H.R. 612: Mr. Peterson of Pennsylvania, Mr. Lantos, and Mr. Bonior.

H.R. 619: Mr. Schiff.

H.R. 641: Mr. Hastings of Washington, Mr. Honda, Ms. Harman, Mr. Clay, Mr. Baca, Mr. Lucas of Kentucky, Mr. Schiff, and Mr. Hunter.

H.R. 663: Ms. Solis and Mr. Ross.

H.R. 664: Mr. Price of North Carolina, Mr. Goodlatte, Ms. DeGette, Ms. Kilpatrick, Ms. Rivers, and Mr. Deutsch.

H.R. 686: Mr. Clay and Mr. Gutierrez.

H.R. 737: Mr. LaTourette and Ms. Waters.

H.R. 778: Ms. Eshoo.

H.R. 839: Mr. Davis of Florida.

H.R. 912: Mr. Camp and Mr. Wolf.

H.R. 918: Mr. Royce, Mr. Wamp, Mrs. Lowey, Ms. Woolsey, Mr. Matheson, and Mr. Rodriguez.

H.R. 936: Mr. McDermott, Ms. Norton, and Mr. Smith of Washington.

H.R. 953: Mr. Moore and Mr. Snyder.

H.R. 968: Mr. Baird, Mr. Thornberry, Ms. Baldwin, and Mr. Baldacci.

H.R. 981: Mr. Isakson, Mr. Luther, and Mr. Skeen.

H.R. 1004: Mr. Clay and Mr. Waxman.

H.R. 1016: Mr. Platts.

H.R. 1076: Mr. Pascrell, Ms. McCollum, and Mr. Thompson of Mississippi.

H.R. 1089: Mr. Towns.

H.R. 1110: Mr. Spratt.

H.R. 1165: Mr. Gordon and Mr. Baird.

H.R. 1178: Mr. Acevedo-Vila, Mr. Peterson of Pennsylvania, Mr. Crowley, Ms. McKinney, Mr. Grucci, Mrs. Thurman, Mr. McHugh, Mr. Schaffer, and Ms. Hart.

H.R. 1192: Mrs. Mink of Hawaii and Mr. Peterson of Minnesota.

H.R. 1193: Ms. Carson of Indiana.

H.R. 1275: Mr. Kucinich.

H.R. 1280: Mrs. Christensen.

H.R. 1291: Mr. Norwood, Mr. Graham, and Ms. Schakowsky.

H.R. 1293: Mr. Rothman, Mr. Doyle, and Mr. Manzullo.

H.R. 1305: Mrs. Cubin.

H.R. 1336: Mr. Barr of Georgia.

H.R. 1338: Mr. Gutierrez and Ms. Jackson-Lee of Texas.

H.R. 1340: Mr. Deutsch.

H.R. 1351: Mr. Farr of California.

H.R. 1354: Mr. Lantos and Mr. Jones of North Carolina.

H.R. 1362: Ms. Rivers and Mrs. Maloney of New York.

H.R. 1366: Mr. Hunter.

H.R. 1367: Mr. Ehlers.

H.R. 1377: Mr. Isakson, Mrs. Thurman, Mr. Bishop, and Mr. Wicker.

H.R. 1384: Mr. Skeen and Mr. Olver.

H.R. 1406: Mr. Rush.

H.R. 1412: Mr. Bass, Mr. Dingell, Ms. Millender-McDonald, Mr. Ose, Mr. Brown of Ohio, Mr. Terry, and Mrs. Tauscher.

H.R. 1427: Mr. Crowley.

H.R. 1435: Mr. Gallegly, Mr. Ney, Mr. Young of Alaska, Mrs. Emerson, Mr. Farr of California, Mr. Ackerman, Ms. Hart, Mr. Langevin, Mr. Waxman, Mr. DeFazio, Mr. Gutierrez, and Mr. Bonior.

H.R. 1438: Mr. Foley.

H.R. 1470: Mr. Hoeffel and Mr. Evans.

H.R. 1471: Mr. Matsui and Mr. Simmons.

H.R. 1494: Mr. Rush, Mr. Meehan, and Mr. Watt of North Carolina.

H.R. 1507: Mr. Dreier.

H.R. 1522: Mrs. Christensen, Ms. Berkley, and Mr. Nadler.

H.R. 1541: Ms. Schakowsky and Mr. English.

H.R. 1556: Mr. Engel, Mr. Capuano, Mr. Andrews, Mr. Fossella, Mr. Sweeney, Mr. Oberstar, Mr. McDermott, and Mr. Nadler.

H.R. 1585: Mr. Ford and Mr. George Miller of California.

H.R. 1591: Mr. Serrano and Ms. Baldwin.

H.R. 1607: Ms. Lee and Mr. Nadler.

H.R. 1609: Mr. Leach, Mr. Clyburn, Mr. Berry, and Mr. Sessions.

H.R. 1629: Mr. Israel, Mr. Green of Wisconsin, Mr. Clay, and Mr. Ross.

H.R. 1635: Mr. Bonior.

H.R. 1642: Mr. Towns, Mr. Andrews, Mrs. Morella, and Ms. Pelosi.

H.R. 1650: Mr. Rodriguez, Ms. Jackson-Lee of Texas, Ms. Schakowsky, and Mr. Gutierrez.

H.R. 1657: Mr. McInnis.

H.R. 1663: Mr. Kleczka, Mrs. Thurman, and Mr. McDermott.

H.R. 1688: Mr. Ehrlich.

H.R. 1690: Mr. Cummings, Mr. Nadler, and Mr. Owens.

H.R. 1700: Mr. Peterson of Pennsylvania and Mr. Pomeroy.

H.R. 1704: Mr. Dooley of California.

H.R. 1705: Mr. Abercrombie.

H.R. 1707: Ms. Eshoo.

H.R. 1733: Ms. Solis and Mr. Nadler.

H.R. 1734: Mr. Sanders and Mr. Bishop.

H.R. 1770: Mr. Gutknecht, Mr. Goode, Mr. Schaffer, Mr. Tancredo, Mr. Shows, Mr. Burton of Indiana, and Mr. Norwood.

H.R. 1774: Mr. Fossella, Mr. Graham, Mr. Graves, Mrs. Jo Ann Davis of Virginia, Mr. Peterson of Pennsylvania, and Mr. Simpson.

H.R. 1781: Mr. Weiner, Mr. Norwood, and Mr. Capuano.

H.R. 1786: Mr. Barrett, Mr. Callahan, Mr. Turner, and Mr. Boucher.

H.R. 1801: Mr. Stenholm, Mr. Hall of Texas, Mr. Armey, Mr. Thornberry, Ms. Eddie Bernice Johnson of Texas, and Mr. Barton of Texas.

H.R. 1805: Mr. Goode.

H.R. 1810: Mr. Kennedy of Rhode Island, Mr. Sabo, and Ms. Lee.

H.R. 1831: Mr. Stearns, Mr. Turner, Mrs. Roukema, and Mr. Condit.

H.R. 1839: Mr. LaTourette, Mr. Frost, Mr. Snyder, Mr. Frank, Mr. LaFalce, and Mr. Kennedy of Rhode Island.

H.R. 1841: Mr. Stupak, Mr. Tom Davis of Virginia, Mrs. Thurman, Mr. Smith of Washington, Mr. Kucinich, Ms. DeLauro, Mr. Baca, Mr. Holt, and Mr. Berman.

H.R. 1846: Mr. English.

H.R. 1847: Mr. English.

H.R. 1848: Mr. Smith of Texas, Ms. Lofgren, Mrs. Capps, and Mr. Dooley of California.

H.R. 1852: Mr. Sanders, Ms. McKinney, Ms. Norton, Mr. Filner, and Ms. Kaptur.

H.R. 1885: Mr. Cox.

H.R. 1907: Ms. Solis, Mr. Serrano, and Mr. Oberstar.

H.J. Res. 20: Mr. Graves.

H.J. Res. 36: Mr. Royce, Mr. Rothman, Mr. Sandlin, Ms. Dunn, and Mr. Hall of Texas.

H. Con. Res. 3: Mr. Kennedy of Rhode Island.

H. Con. Res. 42: Mr. Lucas of Kentucky and Mr. Bentsen.

H. Con. Res. 58: Mr. Gutierrez.

H. Con. Res. 81: Mr. Nadler.

H. Con. Res. 102: Mr. Young of Alaska, Ms. Baldwin, Mr. Boyd, Ms. Carson of Indiana, and Mr. Thompson of Mississippi.

H. Con. Res. 104: Mr. Rangel.

H. Con. Res. 109: Mr. Young of Alaska and Mr. Ackerman.

H. Con. Res. 116: Mr. Crowley and Mr. Lantos.

H. Res. 18: Mrs. Christensen, Mr. Faleomavaega, Mr. Ackerman, Mr. Nadler, Mr. Sherman, Mr. Blagojevich, and Mr. DeFazio.

H. Res. 120: Mr. Serrano.

SENATE—*Monday, May 21, 2001*

The Senate met at 9:31 a.m. and was called to order by the Honorable JUDD GREGG, a Senator from the State of New Hampshire.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious Father, we pray for the women and men of this Senate. May they feel awe and wonder that You have chosen them through the voice of Your people. May they live this day humbly on the knees of their hearts, honestly admitting their human inadequacy and gratefully acknowledging Your power. Dwell in the secret places of their hearts to give them peace and security. Help them in their offices, with their staffs, in committee meetings, and when they are here together in this sacred, historic Chamber. Remind them of their accountability to You for all they say and do. Reveal Yourself to them. Be the unseen Friend beside them in every changing circumstance. Give them a fresh experience of Your palpable and powerful Spirit. Banish weariness and worry, discouragement and disillusionment. Often today may we hear Your voice saying to us, "Come to me, all who are weary and heavy laden and I will give you rest." Lord, help us all to rest in You and receive the incredible resiliency that You provide. Thank You in advance for a truly productive day. In the name of our Lord. Amen.

PLEDGE OF ALLEGIANCE

The Honorable HARRY REID, a Senator from the State of Nevada, led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The assistant legislative clerk read the following letter:

> U.S. SENATE,
> PRESIDENT PRO TEMPORE,
> *Washington, DC, May 21, 2001.*
>
> *To the Senate:*
>
> Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JUDD GREGG, a Senator from the State of New Hampshire, to perform the duties of the Chair.
>
> STROM THURMOND,
> *President pro tempore.*

Mr. GREGG thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Wyoming.

SCHEDULE

Mr. ENZI. Mr. President, today the Senate will resume consideration of the reconciliation bill with 8 hours remaining for debate. Senator GREGG will be recognized momentarily to debate his amendment and will be followed by Senator WELLSTONE. Under the order, there will be up to 1 hour for debate on first-degree amendments and 30 minutes for debate on second-degree amendments. Votes on all amendments and final passage will begin at 6 p.m. Senators are encouraged to remain in the Chamber during votes in an effort to complete all action on the bill in a timely manner.

I thank my colleagues for their attention. I yield the floor.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

RESTORING EARNINGS TO LIFT INDIVIDUALS AND EMPOWER FAMILIES (RELIEF) ACT OF 2002

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of H.R. 1836 which the clerk will report.

The assistant legislative clerk read as follows:

> A bill, H.R. 1836, to provide reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002.

Pending:

Fitzgerald amendment No. 670, to provide that no Federal income tax shall be imposed on amounts received by victims of the Nazi regime or their heirs or estates.

Gregg amendment No. 656, to provide a temporary reduction in the maximum capital gains rate from 20 percent to 15 percent.

Carnahan/Daschle amendment No. 674, to provide a marginal tax rate reduction for all taxpayers.

Collins/Warner amendment No. 675, to provide an above-the-line deduction for qualified professional development expenses of elementary and secondary school teachers and to allow a credit against income tax to elementary and secondary school teachers who provide classroom materials.

Rockefeller amendment No. 679, to delay the reduction of the top income tax rate for individuals until a real Medicare prescription drug benefit is enacted.

Bayh modified amendment No. 685, to preserve and protect the surpluses by providing a trigger to delay tax reductions and mandatory spending increases and limit discretionary spending if certain deficit targets are not met over the next 10 years.

Landrieu amendment No. 686, to expand the adoption credit and adoption assistance programs.

Graham amendment No. 687, of a perfecting nature.

Graham amendment No. 688, to provide a reduction in State estate tax revenues in proportion to the reduction in Federal estate tax revenues.

AMENDMENT NO. 656

The ACTING PRESIDENT pro tempore. Who seeks time?

The Senator from Nebraska.

Mr. HAGEL. Mr. President, I thank the Chair. Good morning.

I rise this morning to support the Gregg amendment. I am proud to be a cosponsor of the Gregg amendment. The Gregg amendment, very simply, cuts the capital gains tax rate from 20 to 15 percent over a 2½-year period. The cut will sunset on December 31, 2003.

The Gregg amendment is about one thing; it is about sustaining economic growth in this country. I think most Americans understand it is investment capital that fuels the engine of economic growth. That engine of economic growth is productivity. There is no growth without investment and productivity.

We have been debating over the last few months—and we will continue to debate—a fiscal year 2002 budget. That budget calls for expenditures by the Federal Government of around $1.9 trillion. That is a lot of money. From where does that money come? It comes from tax revenues.

At the same time we are debating the priorities of that $1.9 trillion budget, we are looking at expanding Government programs. As we prioritize the programs that are important for our people for future generations, that is part of our charge. That is part of the responsibility we have as policymakers.

One of the things we have done recently is we have voted to set aside $300 billion over the next 10 years for a new prescription drug plan for Medicare. It is important. It is relevant. It is needed. We must move on it. What that will do is, of course, build onto an already very significant amount of uncontrollable budget expenditure, the Medicare program, another new very expensive program.

We prioritize that issue in this country. We have essentially said, as did

President Bush in the campaign last year, Democrats and Republicans in Congress, we want that prescription drug plan. So $300 billion has been set aside during the next 10 years to add on a new prescription drug plan. I suspect most Americans understand it is going to be far more than $300 billion over the next 10 years by the time we put it all in place. And the hidden cost of that which we do not factor in is the outyears after the 10 years when we will saddle all future Americans with that additional add-on expense of Medicare.

When you look at that $1.9 trillion Federal budget today, you will find that about two-thirds of that is already locked in. That is nondiscretionary. There is nothing we can do about that. We can debate, we can pass laws, but unless we want to change Medicare, unless we essentially want to do away with parts of Medicare and other entitlement programs that we want, that we have prioritized, the fact is that two-thirds of our budget is already committed and we are adding to that.

That is a decision we have all come to, as a society. We want that. The question comes back to what the Gregg amendment is all about. How do we continue to pay for that? How do we pay for that additional prescription drug plan that will cost billions, and hundreds of billions in the outyears, and all the other programs to which we have committed?

We do that by sustaining our economic growth. Government does not produce growth. Government can only do certain things. It is the private sector that produces growth because it is the private sector that develops the productivity which enhances growth and develops and drives growth.

Some of us believe the way to sustain growth is to free up more of that capital so more people in the private sector have that capital in their hands so they can save, they can invest, they can put it in new venture start-up firms that are the firms that will find the technologies and the solutions to the challenges that we have, not just today but what we will face tomorrow. When that investment capital dries up, you will see the consequences as our technology bogs down in every industry, in every discipline—science, health, medicine, national security, new energy sources, new technologies. It is capital, private capital that drives that.

So this amendment is about freeing up some of that capital that is locked in because of ridiculous tax rates. In fact, the United States is one of the very few countries in the world that taxes capital, and we have about the highest capital tax rates of any country in the world. It make no sense to do this.

The other thing it does, as we have seen very clearly from the last two cuts in the capital gains rates, in 1981 and 1997, it increases revenues into our Treasury. We find we are receiving more tax revenues as a result of freeing up those locked down assets.

What does that mean? It means we win all the way around. Unfortunately, we take that fact of life, that reality, that more revenue comes in when we cut capital gains rates, and we score that as a negative. We don't score that as we should, that, in fact, we will find a new source of revenue, a bigger source of revenue. That is another issue.

Capital gains taxes no longer affect just the wealthy. A recent U.S. Treasury Department study found that roughly three-quarters of all families in the United States own capital assets. The study further found that about 30 percent of those families whose incomes are less than $20,000 held capital assets, as did 50 percent of families with incomes between $20,000 and $50,000. So who pays the tax? It is not just the so-called wealthy, unless you are in that $20,000 to $50,000 bracket and you consider yourself wealthy. I don't think you do.

According to IRS data from 1998, 25 million returns filed that year reported capital gains; they reported capital gains on their tax return. That represents about one in five returns. Of those, 40 percent reporting capital gains had incomes of less than $50,000 and 59 percent of those filing those returns with capital gains had incomes of less than $75,000.

It is rather clear, I think, to most of us, that, in fact, capital assets are held by a very significant majority of Americans: pension plans, IRAs—wherever you invest. Whatever the pension plan is, most likely that plan is invested in stocks, in the productivity of this country, in the base of this country.

So as a result of reducing capital gains taxes, the economy will continue to grow. We will have sustained growth creating more jobs, better jobs, generating more capital, and increasing productivity, the engine of growth. All sectors of the economy benefit, increasing more tax revenues into the U.S. Treasury.

Sustaining economic growth is the purpose of the Gregg amendment. I encourage all my colleagues to take a serious look at this amendment. If they do, I believe they will come to the conclusion that this country needs a reduction in its capital gains tax.

I yield the floor.

The PRESIDING OFFICER (Mr. GRASSLEY). The Senator from New Hampshire.

Mr. GREGG. How much time is remaining and how has it been allocated?

The PRESIDING OFFICER. There are 20 minutes on the time of the Senator from New Hampshire; 30 minutes on the other side.

Mr. GREGG. Is there someone to speak in opposition?

Mr. BAUCUS. Not yet, not at this point.

Mr. GRASSLEY. I want to make clear I am in opposition, too, but right now I don't have anyone to speak.

Mr. BAUCUS. Just for the sake of completing the record, I will speak in opposition.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I appreciate the arguments of my good friend from New Hampshire. Clearly, as capital gains taxes affect the transfer of capital, that is of property, they can affect the degree to which this economy prospers. There is no doubt that capital gains tax rates are a factor in the acceleration of growth rates.

I must point out, though, when the President proposed his tax cut bill of $1.6 trillion, he did not include any capital gains provisions—none whatsoever. I wouldn't want to second guess the President, but the point is he himself thought it made more sense to lower individual rates and not to lower capital gains rates at this time.

I think, if you look at the bill the Finance Committee has brought to the Floor, you will see it is a bill designed to reduce individuals' income taxes. Whether it is the marriage penalty provisions, child credit rates, the new 10-percent bracket—they are all on the individual side. There are no corporate provisions, nor are there any affecting capital gains.

Another problem I must point out about the proposal by my good friend from New Hampshire is that it is temporary. We have heard many people legitimately voice their concerns about the complexity of the Tax Code, and the capital gains provisions are responsible for their fair share of that complexity. If we have an on-again, off-again capital gains provision, it is not only going to add to the complexity, but it will add some uncertainty as well. People will not know what congressional policy is with respect to capital gains.

That is less true with respect to other provisions. Let's take the R&D tax credit as an example. It is true that Congress over the years has been a bit inconsistent in the number of years for which it extends the R&D tax credit. Sometimes it is extended for 1 year, others a few years. There was a time a few years ago when it lapsed completely for a short period of time. Yet people know Congress will stand by the R&D tax credit so they have some ability to count on it when they do their planning.

It is much less clear with respect to capital gains. The capital gains provisions have changed dramatically over the years, both in structure and in rates. People don't know what to expect with respect to how they will be taxed in the future.

Finally, I must point out that this amendment is not germane to the underlying bill, and at the appropriate point I will make a point of order to that effect.

The PRESIDING OFFICER (Mr. GRASSLEY). The Senator from New Hampshire.

Mr. GREGG. Mr. President, I yield myself such time as I may consume.

First, I think we have to understand what the capital gains tax cut will do. It will generate prosperity. It will generate capital that is today locked down in investments that are not productive, take that capital, cause people to convert that capital to cash, and reinvest it in other economic activity which will create jobs, create prosperity.

Every time we have reduced the capital gains rate in this country, we have seen a flow of revenues into the Federal Treasury also. So not only does it create economic activity in the community at large, and create more investment activity, and thus create more entrepreneurship, and thus create more jobs, it also creates more cash coming into the Federal Treasury.

Why is that, you may ask. How can a tax cut actually generate more income? Because, very simply, the income is never realized if the money stays locked down. It never occurs unless you create the tax cut. When you create the tax cut, people have an incentive to go out and convert those capital assets—which today are just sitting there—into cash, and as a result they generate revenue, and that revenue is taxed. As a result, the Treasury gains more money.

In fact, we do not have to think of this in theoretical terms anymore. We have a series of events which have shown this to have actually occurred. The last time it was suggested that we cut capital gains rates, it was also suggested those capital gains rates would, again, over a period of time, create a loss to the Treasury. In fact, just the opposite occurred. The estimates were off by $100 billion the last time the capital gains rates were cut. We received $100 billion more of income to the Government than we expected as a result of the capital gains activity during the period from 1997 through 2000.

So this year we come forward with a proposal which is a limited capital gains cut, the purpose of which is to energize the economy, create activity, and, as a side bar, it will generate revenues to the Federal Government.

It has been scored as a positive generator of revenues to the Federal Government for the first 3 years by the Joint Tax Committee. Unfortunately, when they looked over 10 years, they did not look, I guess, at the historical data because, if they had, they would have seen that historically there is a factual event which shows it continues to generate positive revenues. Instead, they went to some sort of model they used at Joint Tax and came up with the estimate that in 10 years there might be a loss to the Treasury of $10 billion. Remember, this is $10 billion on a $3.5 trillion tax cut. So it is less than 1 percent of the entire event. And even that number is suspect.

So the simple fact is, the argument that this is going to lose money for the Treasury cannot be supported, either in the short term, where it will generate cashflow, or in the long term, where we have seen positive cashflow to the Treasury as a result of the capital gains cut that was done in the early 1990s. So that makes no sense.

This argument on germaneness also makes no sense. In two places in this bill capital gains are affected. They are affected on the AMT, and they are affected on the estate tax. So clearly capital gains activity is a germane event.

But most importantly, we get back to the original point, which is that by cutting capital gains we actually will generate more economic activity in the marketplace, we will give people more cash, more investment assets. They will go out, take risks, create jobs, and thus create prosperity. That should be our goal in the tax cut.

Mr. President, I ask unanimous consent that Senator HAGEL be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. As was mentioned so appropriately by the Senator from Nebraska, this is no longer a tax issue for the wealthy; this is a tax issue for middle America. Middle America is aggressively investing in the stock market today through their pension plans and also through their individual activity. Reducing the capital gains rate will significantly and positively impact middle America, something this tax bill does not do in the most effective way, in my opinion.

More importantly, it will affect them today because it will give them the opportunity—starting next month, if this tax bill passes—to take advantage of a lower tax rate, which will have an immediate impact on their ability to generate profits and gains and take those profits and gains and put them into new investments which will generate new jobs, which will generate more prosperity.

It is a win-win situation for us because we generate more prosperity as a result of more economic activity and more investment and we actually generate more revenues for the Federal Government.

So I certainly hope, when we get to the point of voting, if there is a motion to repeal this amendment on the issue of germaneness, that will not be brought forward because I might win, and I would not want to undermine the germaneness rules of the Senate by winning that vote. I think it might make more sense, if that motion is going to be made, that it be made on the issue of the cost estimates of this bill. We could waive that motion and, hopefully, be successful.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Thirteen minutes.

Mr. GREGG. I yield 10 minutes to the Senator from Arizona.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arizona.

Mr. KYL. Mr. President, I thank the Senator from New Hampshire for bringing this amendment forward. If I am not listed as a cosponsor, I ask unanimous consent that I be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KYL. I note that I offered a similar amendment myself. In fact, I know several of us offered similar amendments because this is such a good idea.

I begin by complimenting the Presiding Officer for the extraordinary job he has done in putting together a compromise tax bill. It is with great hesitancy that I suggest an amendment to this bill, but I know if it were not so critical to get a lot of support from disparate groups of folks, the Presiding Officer undoubtedly would be supporting an amendment of this type as well.

So I simply agree with the Senator from New Hampshire that the primary point here is to both raise revenue and stimulate the economy, which is what a capital gains rate reduction will do. That is what our prior experience in this country has been. Clearly, that is what would happen in this particular case.

So again, what this amendment does is reduce the long-term top rate from 20 to 15 percent for a 2½-year period, from June 2001 to December 31, 2003—a period of 2½ years. That is the period at which the rate will be reduced.

What would be the impact of that? All investors, it has been pointed out—small, medium, and even large investors—would understand there is a window of time for 2½ years, during which they could dispose of assets, sometimes assets they have held for a long period of time because they have not wanted to have to pay the large capital gains rate on them. So they have held on to the asset, thus, in effect, making less money available for investment into the newer technologies and the more exciting things in the market today. It would provide a 2½-year window for all of these people to go ahead and sell those older portfolio stocks, those older assets of land or equipment—or whatever it might be that they have been hesitant to sell in the past because of the huge tax they would have to pay—a 2½-year window to dispose of those assets, take the cash, and reinvest it in something that would help the new economy even more.

That kind of churning effect in the past has been demonstrated to provide not only stimulus to the economy, as the Senator from New Hampshire said, but also more revenues to the Treasury. Indeed, Joint Tax, which does not have a reputation of favorably scoring these kinds of things, noted that during the first 4 years there would be a net gain in revenue to the Treasury from the reduction in the capital gains rate. It is only after that that they have estimated a very slight loss that would occur thereafter. I disagree with that estimate. But, in any event, clearly this is the way to both stimulate the economy and increase revenues.

I think it is unassailable by any standard that the capital gains rates in this country are too high. According to a study by the American Council for Capital Formation, American taxpayers face capital gains tax rates that are 35 percent higher than those paid by the average investor in other countries. This is an area where virtually every other country on the globe outcompetes the United States because they recognize the anchor effect, the drag effect, of a capital gains rate on their economy. We need to get in the game, and we can do that by reducing our capital gains rates.

Lowering the rates will be a boost to the economy. The recent individual capital gains rate reductions have boosted U.S. economic growth. These are facts. Reducing the cost of capital promoted the kind of productive business investment that fostered growth in output and in high paying jobs. Lowering the capital gains rates aided entrepreneurs in their efforts to promote technological advances in products and services most people wanted and needed. It has this unlocking effect I mentioned earlier.

Further reductions in the capital gains rates will enhance savings, investment, GDP growth, and boost equity values.

A recent analysis done by Dr. Allen Sinai, President and CEO of Decision Economics, concluded that the capital gains reductions that were included in the 1999 tax bill, which was vetoed by President Clinton, which would have reduced long-term rates from 20 down to 18 percent, would have had a significant, positive impact on the economy. The analysis indicates that if the rate reductions had been enacted, real GDP would be $64.6 billion higher, and employment, investment, new business formation, and national savings would be greater over the period of 2000–2004.

It is quite likely—I think evident—that our economy would be in much better shape today had the previous administration appreciated the importance of capital formation growth and the President not vetoed the capital gains reduction we passed.

The recent Federal Reserve Board report indicated that Americans lost nearly $2 trillion in wealth in just the last quarter of 2000 as a result of the stock market decline. That is approximately a loss of $20,000 in wealth and capital for each household in America—think of that—the equivalent of $20,000 in loss for each household in America. Of course, less household capital means less capital available for investment and capital formation.

Reducing the capital gains tax rate will encourage investors to unlock cumulative gains of the past. Capital would be more free to go into the entrepreneurial and future-oriented, technology-generating enterprises. In particular, venture capital investment, which is vital to this new technological innovation and productivity, will benefit as a result of the unlocking of this capital.

Let's not forget about national savings. Reducing capital gains taxes means less taxes on Americans who choose to save for their future.

To conclude, this estimate by Joint Tax indicates a revenue increase to the Treasury for the first 4 years. There is not another provision in the tax bill the Presiding Officer has so carefully crafted that will produce actual increases in revenue during this period of time. This is exactly the time when our economy needs the boost. I can't think of anything that would be better for inclusion in this tax bill than this temporary reduction in the rate of capital gains paid by Americans.

The fact that they declare a slight net loss in the time thereafter is simply an indication of the kind of poor estimating they have done in the past.

Again, it is a very small amount of money, and the time we really need the boost is right now. That is where Joint Tax indicates there would be a revenue increase.

The amendment to this bill complements many aspects of the President's plan. It adds another important addition, immediate relief for capital formation and growth. That is what this tax plan is all about. That is what the American people are expecting as the result of the plan. That is why this idea put forth by several of us, encapsulated in the amendment of the Senator from New Hampshire, is such a great idea.

I urge my colleagues, when the time comes, to support this amendment as something that will both generate new revenue and foster capital formation for the American economy. I thank the Senator from New Hampshire for offering the amendment.

The PRESIDING OFFICER. The Chair recognizes the Senator from Montana.

Mr. BAUCUS. Mr. President, how much time remains on each side?

The PRESIDING OFFICER. Twenty-six and a half minutes in opposition.

Mr. BAUCUS. I yield myself 10 minutes.

Mr. President, I note with some amusement the last Senator criticizing the previous President for not being more sympathetic to capital gains reductions. I remind my good friend, the current President also does not seem to have much interest in further capital gains reductions because he, in his big tax bill, did not include any capital gains reduction provisions. Some time down the road he may suggest it. But in this big tax bill, which certainly is one of the major pieces of legislation the President would like to see enacted, this administration does not include any capital gains provisions.

Mr. KYL. Mr. President, will the Senator yield for a quick comment?

Mr. BAUCUS. Certainly.

Mr. KYL. Does the Senator from Montana believe that President Bush, however, would veto a capital gains reduction as President Clinton did?

Mr. BAUCUS. Mr. President, I cannot answer that kind of hypothetical because there is no way of knowing what else might be in that bill the President may not like, just as there's no way of knowing whether President Clinton would have vetoed a capital gains reduction standing alone. Presidents don't have the ability to line-item veto, so it is very hard to answer that question.

But my basic point is clear: This bill contains no capital gains provisions, and for that reason, the amendment is nongermane.

As I mentioned earlier, the amendment offered by my good friend from New Hampshire adds much greater complexity to the tax bill than already exists by making capital gains reductions apply only for a short period of time. We have had a difficult enough time as it is in this bill to try to fit a more progressive bill into the confines of $1.35 trillion over 11 years. We wanted to provide for marriage penalty relief, refundability of the child tax credit and expansion of the Earned Income Tax Credit, lower marginal rates, increased pension benefits, education deductions for college tuition. It has been very hard to fit in all those provisions.

Now the Senator from New Hampshire would add more complexity by making this capital gains provision active only for a short period of time. I believe a major amendment such as this one needs to be thoroughly vetted before we impose a new capital gains structure through this bill.

Many different ideas on how to treat capital gains have been proposed. For example, some Senators have suggested capital gains exclusions, either in the form of a dollar amount exclusion or as a percentage exclusion. This type of capital gains reform actually makes the code much more simple. It is easier to administer, and it might make more sense for more taxpayers; that is, the first *x* amount of dollars of capital gains could be excluded when computing one's income taxes, or one could say the first 50 percent of capital gains could be excluded.

Years ago, we did have a percentage exclusion, and it made sense. And it represented another way of providing lower capital gains taxes, in the form of an exclusion as opposed to a straight lowering of the rates.

A lot of Americans who are holders of mutual funds are concerned about capital gains today because, while the value of their mutual funds declined last year, in many cases they nevertheless paid capital gains taxes on stocks the portfolio manager traded in order to maximize the value of the fund. So even though the shareholder's value declined, he is still paying capital gains taxes in many cases. This doesn't seem to make a lot of sense, but the taxpayer gets to deduct those losses at a later date when he sells the shares.

It has been suggested that we should try to help these taxpayers too, perhaps by allowing them to defer the gains that the portfolio manager provided to the shareholder by trading securities in the portfolio. That would be a way to deal with the capital gains taxes millions of Americans in that situation are facing, even though the shares of their mutual funds are declining. Providing this type of deferral would tend to help middle-income taxpayers a lot more than the amendment offered by the Senator from New Hampshire, which will tend to help wealthier taxpayers.

There are other ways to deal with capital gains taxes too, which have been proposed but not considered this year by the Finance Committee. This is a major modification to the Tax Code designed to stimulate the transfer of assets, yet it hasn't been considered by the Committee of jurisdiction to determine whether this particular approach is the best one to take. I don't think it is good public policy to write such a major provision on the Senate Floor without the Finance Committee's participation.

I think it would be much wiser for us to defer this until later this year, or maybe next year, when there is an opportunity to debate it more fully. The Joint Tax Committee has produced a study on the simplification of the Tax Code, and I will point out again that some of the greatest complexities in the code are the result of our capital gains provisions. In part, this complexity results because of the differential between capital gains rates and ordinary income rates.

The greater that differential, the more taxpayers try very creative ways to move their assets so they are not taxed at ordinary income rates, but rather capital gains rates. And this effort to re-characterize income can stretch the meaning of normal tax concepts. This amendment would exacerbate these efforts because the gap between rates would be greater and people would have more incentive to try to manipulate the characterization of their income in order to improperly minimize their taxes.

My main point is that this is an attractive idea on its face. Clearly, lowering capital gains rates would stimulate the transfer of assets and may accelerate growth, at least in the short term. But this is not the time and place for this amendment.

As for the revenue issues, the Senator has touched on the issue of dynamic scoring versus static scoring methodologies. This brings up an age-old problem we deal with in Congress—that is, how to determine what the revenue impact will be when we change the Tax Code. Those who support dynamic scoring claim that tax cuts, whether in capital gains rates or otherwise, actually raise revenue rather than losing it because of the interactive effect of economic growth. The Joint Tax Committee, in what is almost an art more than a science, generally does a good job of taking into consideration those taxpayer behaviors that are the most reliable when they attempt to estimate the impact of a provision.

I think we have to trust the Joint Tax Committee, which is the agency we all depend upon to determine scoring, which says that the provision actually loses revenue in the context of this bill.

I appreciate the effort of my friend from New Hampshire, but I truly believe this time this is not the time and place for this amendment. I will raise a point of order at the appropriate time.

I reserve the remainder of my time.

Mr. LIEBERMAN. Mr. President, I rise to explain my vote in favor of amendment No. 656 to the tax bill that we are debating today. The record clearly shows my strong support for fiscal discipline and responsible tax reduction. It also shows my strong opposition to the underlying tax cut because it is too large and too careless. However, I am voting in favor of this amendment even though it contains no offsets and could potentially raise the overall cost of the tax cut. I vote for this amendment because I believe it is imperative that this tax bill should contain some provisions directed to business and industry and supportive of economic growth. By voting in favor of this amendment, one of the few that will directly influence investment and economic growth, it is my intent to get it before the Conference Committee where it will be a part of the discussion of what will be the final version of this tax bill. It is my hope that in Conference, our colleagues will recognize that capital formation is a key to economic growth and prosperity. In addition, history has proven that a cut in the capital gains tax not only stimulates the economy, but also raises revenue for the federal government. In fact, one of the reasons I am voting in favor of this temporary reduction in the capital gains tax rate, is that the Joint Tax Committee score does show it raising revenue this year and through 2004 before losing revenue in out years. I am voting for this amendment because I am confident that its cost is justified when compared to its economic benefits and because it is my hope that the Conference Committee will add it to the tax bill without raising the bill's overall cost.

The PRESIDING OFFICER (Mr. COCHRAN). Who yields time? The Senator from New Hampshire.

Mr. GREGG. How much time is remaining?

The PRESIDING OFFICER. The Senator from New Hampshire has 5 minutes. The Senator from Montana has 18 minutes.

Mr. GREGG. I ask that any time used during a quorum call be charged against the time of the Senator from Montana.

The PRESIDING OFFICER. Is there objection.

Mr. BAUCUS. What is the request?

Mr. GREGG. The Senator from Montana has 18 minutes. If we are going to go into a quorum call, I ask that the time be charged to the time of the Senator from Montana.

Mr. BAUCUS. I object. That is not the way we do business around here.

The PRESIDING OFFICER. Objection is heard. If no one yields time, time will be charged equally against both sides.

Who yields time?

Mr. GREGG. Mr. President, I am going to speak, then the Senator from Montana will speak, and then we will yield on this amendment.

Mr. President, I want to make a couple points in response. The scoring on this that I am referring to is not dynamic; it is historical. The fact is that the last time we cut the capital gains tax, it was said by Joint Tax that we would lose revenue over an extended period of time. In fact, it turned out that we gained revenue over the extended period of time. In fact, we exceeded the revenues by over $100 billion over the time period of 5 years.

Today the amendment I have offered generates positive revenue over the first 3 years, which is the period—2½ years—when the capital gains cut is in place. And then it has been projected that in the balance of the 10 years, it will lose $10 billion total. Mr. President, $10 billion on a $1.3 trillion bill is a manageable number.

The economic benefit that will be generated by cutting the capital gains tax starting June 1 will be huge. It will far exceed any $10 billion that is lost—assuming it were ever lost—because it will mean that there will be a massive infusion of cash into the economy that is today locked down—a massive infusion of investment into the economy that is today locked down.

That investment will generate jobs, create entrepreneurship, and generate prosperity. It will benefit, disproportionately, middle-income Americans, who are today heavily invested through their pension funds and through personal activity in the stock market. It will, therefore, be a significant win for the American people and for the Federal Government because we will generate more revenues for the prosperity of our Nation.

That is why I think it is a good idea to do it and do it now, and it is certainly not an expensive exercise.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I appreciate the Senator from New Hampshire for agreeing to shorten debate on this amendment. I will again outline why I must respectfully oppose the amendment. One, this is not part of the President's package, and we have resisted including provisions in this bill that are not part of the President's agenda except in very limited circumstances. Frankly, because there are no capital gains provisions in the underlying bill, this amendment is subject to a point of order. It is not germane.

Second, the provision is temporary, and that adds complexity to a code that is complex enough.

Third, there are many ways to deal with capital gains reductions. This amendment only represents one: to lower the rates for a certain period of time. Another would be to provide for an exclusion of some portion of capital gains income from taxes completely, either as a dollar exclusion or as a percentage exclusion. This particular form, that is, the exclusion from income, will tend to help middle-income taxpayers even more than the provision offered by my friend from New Hampshire, which will tend to benefit the wealthiest taxpayers who deal in stocks.

Those Americans who pay capital gains on assets held in their mutual funds, even though the value is declining, are not going to be helped that much by this amendment. There are other ways to help them.

In conclusion, I don't believe this provision represents sound tax policy.

I urge Senators to not support this amendment so we can keep this bill intact, go to conference, and come back with a bill that is virtually identical, if not identical, to the Senate-passed bill. I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator yields back the remainder of his time.

Under the previous order, the Senator from Minnesota, Mr. WELLSTONE, is recognized to offer an amendment.

AMENDMENT NO. 692—MOTION TO COMMIT WITH INSTRUCTIONS

Mr. WELLSTONE. Mr. President, I send a motion to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 692.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the reading of the motion be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Mr. WELLSTONE moves to commit the bill H.R. 1836, as amended, to the Committee on Finance with instructions to report the same back to the Senate not later than that date that is 3 days after the date on which this motion is adopted with the following amendments:

(1) Establish a reserve account for purposes of providing funds for Federal education programs.

(2) Strike the reductions to the highest rate of tax under section 1 of the Internal Revenue Code of 1986 contained in section 101.

(3) Provide for the deposit in the reserve account described in paragraph (1) in each of fiscal years 2002 through 2011 of an amount equal to the amount that would result from striking the reductions described in paragraph (2) (as determined by the Joint Committee on Taxation).

(4) Make available amounts in the reserve account described in paragraph (1) in each of fiscal years 2002 through 2011 for purposes of funding Federal education programs, which amounts shall be in addition to any other amounts available for funding such programs during each such fiscal year.

Mr. WELLSTONE. Mr. President, I will take a little time because I want to hear from my colleagues on the other side.

In the budget resolution on the Senate side there was an amendment that Senator HARKIN offered. I was an original cosponsor with Senator HARKIN. This was an amendment on which Senators MURRAY and KENNEDY joined. I think this amendment was adopted with 52 votes.

We called for $250 billion over the next 10 years to go into education. There were altogether 52 Senators who voted in support.

But, when the conference committee got its hands on the Harkin amendment, this commitment to education disappeared. This motion commits the reconciliation bill to the Senate Finance Committee and directs the committee to send the bill back to the Senate with a reserve fund of $120 billion; in other words, just half of what the Harkin amendment included.

Where does the $120 billion for education come from over the next 10 years? The motion eliminates the cuts in the 39.6-percent tax bracket.

My colleagues might ask: What happens to the 0.7 percent of Americans who pay taxes at this rate? That is all we are talking about, 0.7 percent of taxpayers. Do they not get a tax cut under this amendment? Absolutely they do, and they get a big one. In fact, the 0.7 percent of families who pay at least some tax at this rate—a married couple, for example, would have to earn over $297,000 a year to do so—will still get about a $8,400 cut in their taxes under this motion. That is a big cut. More importantly, 99.3 percent of American taxpayers will not have their tax cut affected by this motion at all.

By slightly reducing the tax cut for 0.7 percent of the richest Americans, we can invest in what is 100 percent of our future, which is our children. That is what this amendment is all about.

What does this mean? It means we can do better with afterschool programs.

What does this mean? It means we can do better with more reading assistance for these children.

What does this mean? It means we will not have as great a disparity in who can afford higher education.

What does this mean? It means people who are laid off on the Iron Range will have job training and job education opportunities to find other work and do well.

While too many of us are taking photos with children and talking about education, we have a system in the low-income communities where there are 50,000 unprepared teachers hired every year. How interesting it is. We are going to be doing all of this testing, which I will get back to when we get back to the education bill, but at the same time we are going to have a Federal mandate to test every child, we will not have a Federal mandate that will call for the same opportunity for every one of these children to learn and do well.

How in the world do we think these children are going to do that if they do not have good teachers?

How do we think they are going to do it in classes that are 50 in size?

How do we think they are going to do it when the schools are so decrepit?

How do we think they are going to do it when they do not have the additional help they need?

While we are talking, about 25 percent of prekindergarten child care is considered to be good or excellent. Most of it is average to dangerous.

While we are talking, over half of Minnesota's 10- to 12-year-olds have no care after school. That means children whose parents are working hard have no place to go but home alone.

While we are talking, the Pell grant has declined in value to only 86 percent of what it was worth in 1980.

This is a clear question of values. I urge my colleagues to support this motion. It leaves unaffected the tax cuts in this bill for 99.3 percent of American taxpayers. It takes some, but not all, of the surplus funds that would go to tax cuts for the wealthiest 0.7 percent of taxpayers, and it sets that money aside—$120 billion over 10 years—for education.

The wealthiest 0.7 percent will still see their taxes cut by $8,400. The bill proposes to lock in $1.35 trillion in tax cuts over the next 10 years. If this motion is adopted, we will still have $1.23 trillion of tax cuts, but we will also be locking in $120 billion for education.

Here is the simple proposition: Should the Senate set aside $120 billion of the surplus over the next 10 years for education, an amount equal to one-tenth of the tax cuts that are proposed? I propose $10 in tax cuts but $1 for every $10 in new money for education.

That should be an easy tradeoff for colleagues. I hope it is easy, and I hope they vote yes.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. Mr. President, I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I rise in opposition to the amendment of the Senator from Minnesota. I know he is one of the most sincere individuals in the Senate when it comes to the issue of education. We have had a chance to hear him speak on these issues many times in the last few weeks as we have been considering the Elementary and Secondary Education Act amendments.

As sincere as the Senator from Minnesota is in pursuing his goals for education, doing it on this bill is beyond the scope of the Finance Committee's jurisdiction in the way that he would set up a reserve fund to do that.

A commitment of this bill back to committee to set up a reserve fund would not be within the jurisdiction of our committee. It would direct us to set up a reserve account that would lead us to what he refers to as full funding of education programs.

It would also strike any reduction in the tax burden for those at the 39.6-percent tax rate. There is no revenue estimate for this amendment. That is another issue with which we have to deal within the realities of the budget resolution.

Our bill contains many excellent educational provisions that are within the scope and the jurisdiction of our Senate Finance Committee. These are tax provisions. They are tax provisions that consequently would improve the day-to-day lives of ordinary Americans.

The Senate has passed these education amendments—twice last year and, I think, the year before. Also, these are provisions which, even though they are in this bill, they are on the calendar as a separate bill that was voted out of our committee by a vote of 20-0. So we know these have almost unanimous support in the Senate, as the Senate Finance Committee is a microcosm of the entire Senate.

This motion to commit ought to be seen by our colleagues as a motion to delay the passage of this tax bill and the tax relief for working men and women that will result from this legislation.

In addition, while the motion to commit may be in order, what it directs the committee to do is to fund education spending programs. Therefore, it is my belief—and we may raise this point later on—it would not be germane to the bill. I appreciate Senator WELLSTONE's sincerity. However, I urge my colleagues to reject it.

On a larger note, I am going to take this opportunity to ask the Senator from Minnesota to consider a point of view that I expressed last week in regard to the wealthy of America. I do not deny what he says about the people who pay the 39.6-percent tax rates, that they are very high income people and, maybe more so than other people, can afford to pay that rate. I think too often the Senator from Minnesota as well as a lot of other Senators—maybe even some on our side of the aisle—take the view that when we apply the 39.6-percent tax rate, we are applying it to a group of people who have always been rich and will forever be rich. But that is not the true picture of America.

I want to address that thought and ask the Senator to consider that point of view as I ask him to focus upon what he is doing on the tax portions of his amendment.

We hear so much in this debate about taxing those getting a good paycheck—obviously, a very good paycheck in terms of the amendment of the Senator and those people who are going to be taxed at 39.6 percent. But speeches such as this would make you think the people being taxed must have been getting a good paycheck their entire life—born rich, stay rich, and die rich. But that is not true of most of the people who are in the highest tax brackets. I think people who make these claims provide a distorted picture of America. They present a picture of America where a family who is struggling will always struggle and consequently be at the low income tax rate level or maybe not pay any income tax at all. That is on the one hand. On the other hand, we have an America where people can buy sirloin instead of chuck round, that they have always been able to do this and will always be able to do it. In other words, the poor are always poor and the rich are always rich.

But as we all know, real life provides a more complicated picture. The reality is that the vast majority of our poorest Americans, with a bad spell here and there, spend their lives moving up the economic ladder until retirement.

Yes, there is an extremely small group of people, estimated at approximately 1 percent, for whom the enormous hardship of poverty is a lifelong constant; that is, they are poor and will remain poor throughout most of their life. For these unfortunates, obviously, our society hopefully is a loving society and provides a safety net, a safety net that is expanded by the provisions of this bill, in addition to a lot of appropriated accounts in which we try to help this group of people.

But beyond that 1 percent, or fewer, who are going to be poor throughout their entire life, for most Americans who study, work hard, and play by the rules, their tomorrow is a brighter tomorrow.

I do not come to this conclusion by myself. Every one of us can have the benefit of a detailed study by the University of Michigan that about a third of those at the bottom fifth income bracket—the bottom 20 percent economically of our society—will move up to a higher income bracket even next year; in other words, into the second or third quintile.

Over the past 16 years of study by the University of Michigan, approximately 80 percent of those who were the poorest of Americans had moved into the middle class. And incredibly—but it tells you something about the greatness of America and our economic system and our social dynamics—about 30 percent of those at the bottom were among the richest top fifth during the 16-year study period.

This notion that the people's wages are not constant, that a man probably will not be paid the same amount when he is 25 as compared to when he is 55, is not news to me nor millions of other Americans who understand that there is opportunity to move ahead and up in our society.

But from the way others talk, this must be incredible news to those in the Washington elite who have never had a callus on their hands—that somehow the poor are always poor and the rich did not work to get there, but they have.

What a shock to them it must be to learn that over 60 percent—again, 60 percent—of all families found themselves in the top 20 percent for 1 or more years over a 16-year period in an analysis provided by the Federal Reserve.

This is who is now labeled the wealthy by those fighting tooth and nail against this tax cut—over 60 percent of all American families. And I would like to tell you the real story for many of these families who have finally received the reward of a good paying job after a lifetime of hard work. It is at that time that these families are often the most financially pressed. In other words, people who have married, gotten a job, had families, over a period of 30 years have moved up and maybe became high-income people, but these are also people who might be hit by a 39.6-percent tax bracket who are also financially pressed because in modern-day America these are the families struggling to pay for their kids' college, helping their kids with the cost of daycare, trying to put away something for savings for their retirement.

Also, this generation, the first generation in American history that, besides taking care of their own kids, worrying about their own retirement, may be taking care of their mom and dad who are in a nursing home or need some financial assistance, these people are labeled the rich, the wealthy, and in some instances facing marginal tax rates of up to 50 percent of Federal and State income taxes.

My colleagues should know, too, that for most Americans a good paycheck is fleeting because, as I said, the rich in America are not always rich. Most of them were not born rich. They worked hard to get there. And they do not stay there either because fully one-half of the top 1 percent at the beginning of the decade dropped out of the top 1 percent at the end of the decade, and not only were they not in the top 1 percent, they were not even in the top quintile, the top fifth income bracket, by the end of the decade.

That said, we still all know that the American dream is alive. Sixty percent of all American families will reach the top fifth income bracket during their lifetime. Eighty percent of those on the bottom rungs will reach the middle class or higher.

These high tax rates are really hitting the hard-working middle class who finally get into the top brackets for a few years as a reward for 30 years of hard work and may be even leading a miserly life to some extent thinking about the future. I want you to know those are some of the people who are hurt so much by the high tax brackets—middle-class people who finally make it to the promised land for a few years. I would be sympathetic to people in this body who want to preserve that high tax rate if they wanted to apply it to the people who, for a lifetime, you might refer to as filthy rich. But for people who are from time to time in that high tax bracket, we ought to recognize the fact that it is punitive for people who have worked hard throughout their lifetime.

If you want to tax the other group of people who were born rich, stay rich, and die rich, then figure out some way of taxing them at a high bracket over a 5-year average or something so you do not hook these people who reach the high bracket for a few years of their life and steal the American dream from them.

I am proud this bipartisan tax bill helps reduce the tax bites of these hard-working, middle-income Americans. I encourage my colleagues to remember that when they offer amendment after amendment, it limits marginal tax cuts. It is these millions of hard-working American families who have borne the brunt of hard work, been productive, raising their family, and providing for their own future. Let's not take it away from them.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 25 minutes—24 minutes 25 seconds.

Mr. WELLSTONE. Mr. President, I wish to respond directly to my colleague from Iowa. I am going to start out the same way he did because it has been a friendship. It is not like I dislike Senators, but I always say very positive things about him because I think he is one of the best people in the Senate. I think probably the other 98 Senators feel the same way.

I am going to get back to education, but on this whole question of the elitist Washington viewpoint and people being able to work hard and, if you will, attain the American success or American dream—I know all about it. I don't want to get corny, but I think my father was 56 when my parents finally had enough money to buy a home. We thought we had died and gone to heaven. It was a little box, it was a teeny place, but for them, Jewish immigrants, it was a big deal. I understand full well what that is about.

But I will tell you something and this is an honest to God disagreement we have. You mentioned the whole issue of nursing homes. First of all, both had Parkinson's disease. My parents are no longer alive, but other people's parents and grandparents, they are not going to get a break when it comes to being able to afford prescription drugs. That is why I support the Rockefeller amendment.

I say to my colleague from Iowa, as a matter of fact, the Finance Committee is spending a lot of money on these tax cuts so that is not revenue that is there. If, in fact, you want to make sure senior citizens—then we will get to education—can afford prescription drugs, which means you cannot have too high a deductible or copay, which means you can't means-test it at $20,000 and then say because individuals have an income of $21,000 they don't get any break, which means you have to cover the catastrophic expenses—you cannot do it on the cheap. We are not going to have the money for it.

You talk about nursing homes. My colleague from Iowa has done some of the best work, being there for consumers, going after some of the nursing home industry that do not live up to good standards. I agree with him. But the truth is, whether it is enabling people in Iowa and Minnesota to stay home as long as possible and to live with dignity—that is what my mom or dad wanted—or go to a nursing home, from where do you think the money is going to come? Do you think that is going to be done on a $3,000 tax credit? It costs a lot more than that. Where is the commitment of resources going to be? We are not going to have it. It is all going to be crowded out by this legislation.

I am saying to colleagues that for a couple with an income of $300,000 a year, their tax cut—they are going to get a tax cut. But their tax cut will be $8,400 a year. I think the majority of Minnesotans and couples in the United States of America who make $300,000 a year will say, if the tradeoff is we will be limited to a $8,400 tax cut but there will be more for children and for education, including our children, we are for it.

Let's get real about this. This is all a debate about values and priorities.

Mr. President, 52 Senators voted for the Harkin amendment. I was the first original cosponsor of that amendment. That was $250 billion, and in the budget resolution you said you were going to take it out of tax cuts. Mr. President, 52 Senators voted for that.

I am now taking half of that $250 billion, $120 billion, and I am saying we take it out of the top 0.7 percent of the population, who still get a tax cut but not as much.

You have voted in this ESEA authorization bill, as far as I can calculate, for $212 billion for the period of 2002 to 2008. Are we engaged in symbolic politics or is this for real? I heard some of my colleagues come to the floor and say we have to do more than talk the talk; we have to walk the walk. If you have voted to authorize $212 billion, from where do you think it is going to come? From where do you think it is going to come? My colleague from Iowa, and for all I know Democrats as well, are going to come out here and they are going to say that this motion violates the Budget Act and, because of the Senate's arcane rules, would require 60 votes.

That is true. But, unfortunately, I have to bring this motion to the floor right now because you members of the Senate Finance Committee, you are the ones who are spending all this money. You are spending the money through the tax cuts. It is going to be $2 trillion over the next 10 years when all is said and done, and then in the following 10 years when the chickens come home to roost and we have more and more people who are 65 and 70 and 75 and 80, you are going to erode the revenue base by $4 trillion.

Where is the money going to be for Medicare? Where is the money going to be for Social Security? It is fiscally irresponsible. Honest to God, this Senate Finance Committee—and I love you all individually—you are making me a fiscal conservative. I never thought I would ever say that on the floor of the Senate. I cannot believe what you are doing, in terms of the future projections. I want to announce for the people of Minnesota today: Not only am I a Senator for education and children, that is what I am trying to do here right now, but the Senate Finance Committee, the Republicans and too many Democrats, all of whom I love individually, have now made me a fiscal conservative. I cannot believe what we are doing. I cannot believe it.

So now I would say to my colleagues: This is your choice. Can I repeat it one more time? We set aside only $120 billion of real money—not authorizations. I don't want you to vote for authorization and go back home and say I voted for all this money for title I and I voted for all this money for everything else, when it is not real money, it is fiction. It is fiction and the Presiding Officer knows it. You set aside $120 billion, that is one-tenth of the tax cuts. So it is an easy choice, $1 for children and education for every $10 in tax cuts, and you set it aside by saying to people, couples with incomes of almost $300,000 a year: You get a tax cut of at least $8,400. What could be more reasonable?

I want to make two other points, one about this overall tax cut that is before us and the other about education. My colleague from Iowa talks about the poor and helping the poor. I give credit where credit is due for a partial refundable tax credit, child credit. But can I ask this question, and I may have an amendment on this later on today: If the choice is between not covering any low-income children versus covering some low-income children, versus covering all low-income children, why aren't we covering all low-income children? Why is it that the poorest of poor children—the 10 million children who come from families with incomes under $10,000 a year—their families do not get a break at all? What in the world is going on here?

My colleague comes out on the floor and says—and so will others—"You are violating the Budget Act."

Why don't you tell that to my daughter Marcia who is a Spanish teacher who will have 50 students in her class next year?

Why don't you tell that to my son Mark who has been teaching at an inner city school, Arlington High, in St. Paul, where so many of those students never had a break and need the additional help but they are not going to have the resources?

Why don't you tell that to these children who are 7 and 8 years old and in a given year, especially in your inner city schools, they will have two or three or four teachers, and, in addition, quite often they do not have qualified teachers, and, in addition, the schools are overcrowded, and, in addition, quite often the bathrooms don't work, the plumbing doesn't work, the heating isn't adequate, the schools are too hot, and, in addition, they don't have the technology and the resources?

Why don't you tell it to these children that this—because of the Senate's arcane rules—violates the Budget Act? Tell it to the children. Do you want to know something? We can do a lot of things in this Chamber of the Senate and they are reversible later on. When you rob a child of his or her childhood, it is irreversible. We are going to fully fund the title I program for children who come from low-income families 10 years from now, maybe? These 7-year-olds will be 17. It will be too late for them. You don't want to take $120 billion of real money for education? Instead, you want these Robin-Hood-in-reverse tax cuts?

I am embarrassed that the Democratic Party has not fought back harder. This will be the first of many amendments I will have on this tax cut, win or lose.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The Senator from Montana.

Mr. BAUCUS. Mr. President, might I inquire, how much time is remaining on this amendment?

The PRESIDING OFFICER. Senator WELLSTONE has 13 minutes 33 seconds, and the opponents of the amendment have 15 minutes 4 seconds.

Mr. BAUCUS. Mr. President, I do not see anyone in the Chamber who wishes to speak against this amendment.

Mr. WELLSTONE. May I ask my colleague, that must mean I have 98 votes for it?

Mr. BAUCUS. I don't know what it means, I say to my good friend from Minnesota. All I know is that at this point no one wishes to speak against the amendment. I urge my friend, if he wants to continue speaking on the amendment, to do so. I wish I could help the Senator by dredging up opposition to this amendment, but I cannot find any.

Mr. WELLSTONE. I say to my colleague from Montana, I certainly appreciate it. I certainly would like to debate Senators on this priority. I certainly would like to. I think this gets right to the point of values. I think this is a spiritual debate we are having.

I want to know when we are going to match our rhetoric about children and education with real resources. But I do not see Senators in this Chamber, so I am assuming that this will be a win for children and education.

But, for the moment, I say to my colleague, I guess what happens is we go into a quorum call and time is charged equally against both sides?

Mr. BAUCUS. That is correct.

Mr. REID. If the Senator would yield, or the Senator could yield back his time, someone else could offer an amendment.

Mr. WELLSTONE. Mr. President, I think I will speak a little longer about my amendment.

Mr. BAUCUS. Fine.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. I thank the Chair.

Let me summarize, in a very quiet way, for a moment, what this is about. Then let me just challenge Senators. All I am saying is, it is kind of like walking our talk. There should be 52 votes for this motion. Fifty-two Senators voted for a Harkin amendment to take $250 billion out of tax cuts. I take half of that for education. I take it by eliminating the cuts in the 39.6-percent tax bracket. That is .07 per percent of Americans; that is a couple with an income of $300,000 a year, and they still get an $8,400 tax cut.

But I am saying, by not making that additional cut, you then would have $120 billion you would put aside for education. That is $1 for education and children for every $10 in tax cuts. I am saying to Senators, if you voted for the Harkin amendment, this is half that amount. I hope you will support this motion.

I am saying to you, Senators, that unfortunately it is 10:55 and I cannot get anybody to debate me. But the truth of the matter is, this is historic. What we are doing in the Senate is breathtaking.

The Presiding Officer, he can disagree with me. He is another one of these Senators—I feel as if I am passing out compliments—who is civil and decent and good. And people can have different viewpoints.

For my own part, I think that we are doing two things.

We are, A, passing a tax cut that is still "Robin Hood in reverse," with still over 30 percent of the benefits going to the top 1 percent of the population. I remind my colleagues one more time, I give you credit for improving this bill in the Finance Committee over what the President had, but when over 30 percent of the benefits are going to the top 1 percent, and still 10 million of the poorest children in America and their families are not benefiting from a child credit, I wonder about our priorities.

And B, and even more importantly—and I am sorry; in fact, I am embarrassed—the Democrats do not seem to grasp this. This will so erode our revenue base. We are talking really more about $2 trillion over the next 10 years and that there will not be the resources to invest in education and children, or the resources to invest in affordable prescription drugs, or the resources to expand health care coverage. And the list goes on and on.

If you believe that when it comes to these pressing issues of people's lives there is nothing the Government can or should do, then this is one big, good, ideological victory for you. But if you believe: I came to Washington believing we could do things that would lead to the positive improvement of people's lives, and you believe there is a positive role for Government, then what we are about to do is shut it down.

I cannot even begin to express my indignation about what we are doing with education. We are all for the children, and we are all for education, and we all love them, but we are not digging into our pockets and making the investment.

We are going to get back to a bill really soon where the Federal Government—I am amazed conservatives are considering this—is going to tell every school district, every school, every State: You are going to test children every year, age 8, 9, 10, 11, 12, and 13, and at the same time we are not interested in also having a Federal mandate backed by resources to guarantee that every one of those children will have the same opportunity to succeed. We fund the title I program at the 30-percent level. We have children—most children, many children—coming to kindergarten way behind, and yet we are not making the investment in the resources.

There never was a deal before we went to this education bill that there would be the money. There still isn't any understanding. And now, Democrats, wake up and smell the coffee. We are not going to have the resources.

This is a massive reversal in social policy. I am heartbroken by what we are doing, but I certainly think that at the very minimum Senators would be willing to vote for this motion. It is simple.

We should not separate our lives as legislators from the words we speak. We have spoken great words about education and children. I have heard so many speeches, I have heard enough speeches to deafen all the gods. I want to know whether we are willing to invest the real money.

My colleagues are going to say this is a violation of the Budget Act. Tell that to the good teachers who are trying to teach the children; tell that to the children. Tell that to kids whose childhood is precious and wonderful, and, in all too many ways, we are robbing them of that childhood.

How much time do I have remaining?

The PRESIDING OFFICER (Mr. JEFFORDS). Six minutes.

Mr. WELLSTONE. Is it too much to ask Senators, is it too much to ask for the sake of better teachers, more teachers—by the way, there are a lot of great teachers—for the sake of having more qualified teachers, for the sake of making sure these kids get more help with reading, making sure there is more title I money for kids who come from low-income backgrounds, making sure we have the additional help for the children, especially the little children, is it too much to ask the wealthiest 0.7 percent to still get tax breaks, at least the $8,400 a year, but we would not eliminate cuts in the 39.6-percent tax bracket and instead make the investment in children and education?

I grant you, the children I am talking about probably do not have the same lobbying coalitions as those who want to cut the highest tax rate. I grant you the children I am talking about and their families probably do not have the same access, probably they are not the big givers, probably they are not the investors. But one would think out of some sense of values we could at least provide the support.

This whole issue of class warfare is a bogus argument. I maintain that the vast majority of people in Minnesota who have incomes around $300,000 a year would be pleased to have some tax cut, at lease $8,000 or thereabouts, but then would say, fine; we don't need any more, and if you are going to put that money into children and education, God bless you, do it. We are proud of you, Senate.

I hope you will vote for the amendment.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes.

Mr. BAUCUS. Mr. President, how much time is there in opposition to the amendment?

The PRESIDING OFFICER. Fourteen minutes.

Mr. BAUCUS. Mr. President, I will take 4 minutes.

It is with deep regret that I must tell my good friend from Minnesota, in good faith and conscience, I cannot support his amendment, certainly not at this time.

I agree with him that this tax bill is too big. In fact, I argued to the President that he ought to propose a much smaller bill for the first 5 years and then, if the budget surpluses materialize, we can look at another tax cut. That way, if the surpluses don't materialize, this country is protected. We certainly don't know with a great degree of certainty what the budget surplus is going to be 10 years out.

The President did not agree with my suggestion, but it is a position that makes a lot more sense and is better public policy, if we were to pursue that direction. Unfortunately, we are not in that position today, as the Senator well knows.

The main argument the Senator makes—one that has a lot of merit to it—is an argument that he and others made on the budget resolution. But that argument was not successful, and the budget resolution has passed with $1.35 trillion in tax cuts locked in. That is where we are today.

I agree with him that this is still too large a tax cut, though at least it is smaller than the President's earlier proposal of $1.6 trillion, so that is some progress.

There are other provisions in the budget resolution that do protect social needs. One is the $300 billion over 10 years for prescription drugs, an amount that was locked in during the budget debate. Agriculture is provided $74 billion over 10 years, though that is not likely to be enough. There is always the likelihood of disasters and other emergencies that will require us to re-evaluate that amount. As for the contingency fund of $500 billion that is in this bill, we all know that there are more claims to that $500 billion than there are dollars. That is a problem. Nevertheless, the contingency fund is also locked in by the budget resolution.

It is important to remind ourselves that this tax bill will sunset after 10 years; that is, under the rules we provided for ourselves, unless this tax bill passes by 60 votes or more, then these revenue bills are terminated after 10 years. This means that, while it is legitimate to be concerned about the second 10 years, we necessarily review all of these provisions before that time because of the termination.

It may not be the best tax policy to have tax laws that terminate in 10 years, but nevertheless those are the rules we have provided for ourselves to ensure that there is strong bi-partisan support for these measures.

It is also important to recall that future Congresses are also going to make changes. Congress will meet again tomorrow. Congress will also meet next week, next month, and next year, and according to the conditions of the time, I am quite confident that Members of future Congresses will make changes to what we consider here today. There will be different Presidents during the 10 years of this bill, and they will have different priorities and a different agenda.

Although it is not a lot of fun to raise taxes, Congress has raised taxes when Congress felt it was necessary, even under Republican Presidents—many times in the 1980s.

This is a very dynamic country. The United States of America is probably the most dynamic country in the history of civilization. We are a big country, and we have a history of adjusting to difficulties. We are going to find ways to help education more than we have in the past, just as the Senator from Minnesota very correctly points out.

It is important to remember that in our country, 93 percent of the dollars for elementary and secondary education are raised at the State and local level. Only 7 percent of elementary and secondary education dollars are Federal dollars. That is starting to change because the States are so strapped. We in Congress should accelerate that change, and this bill does so. There are deductions for college tuition, for example, and other education provisions in the bill that total some $30 billion. That is a start, and it includes a big, new initiative in the college tuition deduction, which is sure to be expanded in future years.

To conclude, I must tell my good friend from Minnesota with a great deal of regret, it is not even in the jurisdiction of the Finance Committee to set up this fund. He is fighting the right battle for the right cause, but not in the right place. We will be more successful in future days and weeks and months to get more money for education. I am quite confident, and I will help him do so. Regrettably, we can't do it right here.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. Mr. President, I rise to make a unanimous consent request.

Mr. President, I ask unanimous consent that a vote relative to the motion to waive with respect to the Gregg amendment occur at 6:08 today, with 5 minutes under the control of Senator GREGG and 3 minutes under the control of Senator BAUCUS for final debate prior to the vote, and that there be no second-degree amendment in order prior to the vote, and further, following that vote, the Senate proceed to a vote in relationship to the Carnahan amendment as under the order.

Mr. REID. Mr. President, reserving the right to object, I say to my friend, the manager of the bill, the reason we are going to agree to this is the fact that Senator GREGG has been over here for several days. I think he deserves this extra time.

With the many, many votes we have later today, there will be no other agreements such as this. The reason there has been a rearrangement of the order of voting is that this will allow Members to hear this debate prior to the first vote, and then after that the votes will sequence. Senator GREGG's vote was supposed to be second. We would have one vote and have this in between.

I hope the majority leader enforces the 10-minute rule this evening. We have so many votes. I hope he will do that. If people have to step out of the Chamber for other business, I hope it will be at the peril of their missing these votes. In the past several months, we have held up votes for so long that it has made it inconvenient for everyone.

Having said that, I withdraw my objection.

Mr. GRASSLEY. Mr. President, I appreciate what the Senator from Nevada has said. I hope, too, that we will be able to expedite each of these many rollcalls that we will have this evening.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Who yields time?

Mr. WELLSTONE. How much time do I have?

The PRESIDING OFFICER. The Senator has 4 minutes.

Mr. WELLSTONE. Mr. President, I was listening to the Senator from Montana. I have to say to him, with all due respect, he was talking about how we locked this in for agriculture, and this for prescription drugs—although I will tell you something, it is fiction, what has been locked in for prescription drugs to make it affordable.

If we can lock it in for other areas, why can't we lock it in for children and education? The only thing I have gotten from the Senator from Montana is this vague commitment—oh, well, you know, sometime, someplace, later on we will get this done.

We have an opportunity right now to lock this in for children and education. We can lock it in right now—$120 billion over 10 years, half of what we voted for in the budget resolution, coming out of the tax cut, coming out of the very highest 39.6 percent—although the very highest income people, couples with $297,000, still will get a break of $8,400. In exchange for not cutting it any further, we will have $120 billion for children and education.

I mean, vague commitments about the future—why don't we lock it in now? This is real money. That is what this is all about. There is a zero-sum game between how much you do by way of tax cuts and how much you erode the revenue base and what we will be able to do for children and education.

I say especially to my Democratic colleagues, if we can't step up to the plate and vote for children and education, we don't have a politics. We don't have a politics. No wonder people wonder what in the world is going on. You have these Robin-Hood-in-reverse tax cuts still mainly going to the top 1 percent. You erode the revenue base and you are unwilling to lock in a commitment right now to children and education, albeit a very modest commitment.

Senators, in the words of Rabbi Hillel: If you can't make the commitment to children and education now, whenever will you? If you don't speak for children in education now, whenever will you? If we are not for children and education, who in the world are we for? Who do we think we represent? It is time to step up to the plate now. This is real money. Let's not play symbolic politics any longer.

How much time do I have left?

The PRESIDING OFFICER. The Senator has 1 minute.

Mr. WELLSTONE. I am pleased to respond.

Mr. BAUCUS. Mr. President, very briefly, I voted to lock in more money for education when we were on the budget resolution, by voting for the Harkin amendment. I wish that amendment would have passed, but unfortunately it didn't. As the Senator well knows, the place to lock in big amounts for programs such as education is during the budget debate. The budget resolution was the place we were successful in locking in $300 billion for prescription drugs.

But this is not the budget we are debating here. This is the tax bill. And unfortunately, the amount of the tax cut was locked in during the budget debate, and that is what we must be comply with now.

Mr. President, I yield back the remainder of my time.

Mr. WELLSTONE. Mr. President, I say to my colleague from Montana, 60 Senators can make this the proper time and place. That is what this debate is all about. Sixty Senators can make this the proper time and place to make a modest commitment to children and education. We can do it right now, or tonight when we vote on this motion.

With all due respect, I will tell you, people in the trenches working with children in schools around the country look at these arcane rules and say, hey, if 60 of you can step to the plate and be there for children and education, please do so. We are waiting for you to act on what you say you believe in.

So I hope we get 60 votes, and then it will be the time and place. I yield the remainder of my time.

The PRESIDING OFFICER. Under the previous order, the Senator from Utah, Mr. HATCH, is recognized to offer an amendment.

AMENDMENT NO. 697

Mr. HATCH. Mr. President, on behalf of myself, Senators ALLEN, CRAIG, GORDON SMITH, and HARRY REID, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for himself, Mr. ALLEN, Mr. CRAIG, Mr. SMITH of Oregon, and Mr. REID, proposes an amendment numbered 697.

Mr. HATCH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to permanently extend the research credit and to increase the rates of the alternative incremental credit)

At the end of subtitle A of title VIII insert the following:

SEC. . RESEARCH CREDIT.

(a) PERMANENT EXTENSION OF RESEARCH CREDIT.—

(1) IN GENERAL.—Section 41 (relating to credit for increasing research activities) is amended by striking subsection (h).

(2) CONFORMING AMENDMENT.—Paragraph (1) of section 45C(b) is amended by striking subparagraph (D).

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred after the date of the enactment of this Act.

(b) INCREASES IN RATES OF ALTERNATIVE INCREMENTAL CREDIT.—

(1) IN GENERAL.—Subparagraph (A) of section 41(c)(4) (relating to election of alternative incremental credit) is amended—

(A) by striking "2.65 percent" and inserting "3 percent",

(B) by striking "3.2 percent" and inserting "4 percent", and

(C) by striking "3.75 percent" and inserting "5 percent".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after the date of the enactment of this Act.

Mr. HATCH. Mr. President, the amendment I offer is simple and straightforward. It would extend permanently the credit for increasing research activities, commonly known as the research credit, or the R&D credit. This provision has been an important contributor to our robust economic growth in the past decade. I have to admit I am working with the managers of the bill on trying to find an acceptable offset for this particular amendment. Even if we don't find an offset, this amendment is very important, and should be adopted.

Let me explain why this amendment is necessary. In July 1999, the Senate voted to make the research credit permanent. Unfortunately, the House version of the 1999 tax bill included only a 5-year extension of the credit. The 5-year extension prevailed in conference. As we all know, that bill was vetoed by President Clinton.

However, in November of 1999, Congress passed and President Clinton signed the Ticket to Work and Work Incentives Improvement Act, which included the 5-year extension of the research credit. Therefore, the credit was extended to June 30, 2004.

Last summer, the Senate again had the opportunity to vote on a permanent extension of the research credit. While we were debating last year's version of the death tax repeal bill, Senator BAUCUS and I offered an amendment to again make the research credit permanent. The Senate passed the amendment with a vote of 98–1. Once again, President Clinton vetoed the underlying tax bill.

Thus, as it stands under present law, the research credit is scheduled to expire on June 30, 2004. This is most unfortunate, Mr. President, because in 2004, the Congress and, more importantly, America's business community, will once again have to go through the rigmarole of on-again, off-again uncertainty of an important tax provision that means so much to our country.

The ultimate loser in this game is not the Congress, nor even the companies that engage in research, but each American. This is because every one of us is the direct beneficiary of the research investments made by the businesses of America. Each one of us benefits from the higher economic growth, the increased productivity, and from the higher degree of global competitiveness that increased research brings.

The research credit has been in the Internal Revenue Code for 20 years, in one form or another. It has expired and been extended ten times. Ten times, Mr. President. Those extensions have been as short as 6 months and as long as 5 years. There have even been periods when the credit was allowed to expire, and then retroactively reestablished. On one occasion, the credit expired and was re-enacted prospectively, leaving a gap period when the credit was not available. The one thing the credit has never been is permanent.

This is significant because, as effective as the credit has been in providing a strong incentive to companies to increase their research activities, it has been inherently limited in its effectiveness because business leaders have never been able to count on the credit being there on a long-term basis.

Anyone who has been in business for more than 10 minutes knows that planning and budgeting—unlike what we do in Congress—is a multiyear process. And, anyone who has been involved in research knows that the scientific enterprise does not fit neatly into calendar or fiscal years.

Our history of dealing with the research credit—that is, allowing it to run to the brink of expiration and reviving it at the 11th hour, the 12th hour, or even bringing it back from the dead with retroactive extensions—results in not only very poor tax policy, but is also detrimental to our research-intensive business entities and indeed the whole country.

It is time to get serious about our commitment to a tax credit that is widely viewed by economists and business leaders as a very effective provision in creating economic growth and keeping this country on the leading edge of high technology in the world. A 1998 study by Coopers and Lybrand dramatically illustrated the significant economic benefits that have been provided by the research credit. According to the study, making the credit permanent would stimulate substantial amounts of additional research and development in the U.S., increase national productivity and economic growth almost immediately, and provide U.S. workers with higher wages. That is hard to beat. In fact, it cannot be beat.

The vast majority of the members of this body are on record in support of a permanent research credit. As I mentioned, last summer, 98 Senators voted in favor of permanence. Moreover, making the research credit permanent was practically the only business provision that President Bush included in his tax proposal. And, just in case some have forgotten, former Vice President Al Gore also included a permanent research credit in the tax plan on which he campaigned last year. The point here is that making the credit permanent is probably the most bipartisan tax cut provision that has been before the Congress in recent years.

While practically everyone says they support a permanent research credit, it has become too easy for Congress to fall into its two-decade-long practice of merely extending the credit for a year or two, or even 5 years, and then not worrying about it until it is time to extend it again.

These short-term extensions have occurred ten times since 1981. Ten short-term extensions for a tax credit that most Members of this body strongly support. I am not sure we realize how the lack of permanence of the credit damages its effectiveness. I am telling you it does, and so do the experts.

Research and development projects cannot be turned on and off like a light switch. They typically take a number of years and may even last longer than a decade. As our business leaders plan these projects, they need to look years ahead in making the projections and estimating the potential return on their investment. Because the research credit is not permanent, and its extension is not assured, the availability of the credit over the life of these projects is uncertain and is thus often not included in the numbers. As a result, the projected return on the investment is lower and some promising research projects are simply not funded.

With a permanent credit, these business planners would take the benefits of the credit into account, knowing they would be there for all years in which the research is to be performed. The result would be a lower projected cost, leading to more research projects being funded, which in turn would lead to more benefits to the economy, to our productivity, and to each consumer. In fact, making the credit permanent would start these benefits now and actually give an immediate boost to the amount of research performed, even before the current credit expires in 2004.

There is little doubt that a significant amount of the incentive effect of the research credit has been lost over the past 20 years because of the constant uncertainty about its continuing availability. This uncertainty has undermined the very purpose of the credit. For the Government and the American people to maximize the return on their investment in U.S.-based research and development, this credit must be made permanent. And now is the time to do so.

Each time that Congress has extended the research credit for only a short period, rather than permanently, the ostensible reason has been a lack of revenue. We tell our constituents that we simply did not have the money to extend the credit permanently.

Is this the excuse we are going to give the next time we meet with the high-tech workers and entrepreneurs in our States? Are we going to tell them that out of a tax cut bill totaling $1.35 trillion, we could not find the revenue to pay for the permanent extension of this credit?

I admit that the revenue cost of extending the research credit permanently is not inconsequential. The estimate I have from the Joint Committee on Taxation says that its extension would cost around $47 billion over 10 years. But this is only 3.5 percent of the total cost of the bill. It seems to me that 3.5 percent is a small price to pay for a provision that will help ensure continued productivity increases, economic growth, and job creation.

Ironically, it costs at least as much in terms of lost revenue to enact short-term extensions as it does to extend it permanently. So saying we cannot afford to make the research credit permanent is a notion of false economy forced on us by the budget rules. I believe there is simply no valid reason that the credit should not be extended on a permanent basis. The provision was in the President's proposal, and it should be in the bill before us today, and was in Al Gore's plan as well.

I believe a permanent research credit is one of the most important elements of President Bush's tax plan because it is so tied in with the issues of economic growth and our future prosperity.

According to Chairman Greenspan, the Nation's high productivity growth, which has played an instrumental role in our economic growth of the past few years and also in creating our projected budget surplus, would likely not have been possible without the innovations of recent decades, especially those in information technologies. The research credit is a key factor in keeping these innovations coming into our lives. But a temporary credit is inherently limited in its ability to do this.

As I mentioned earlier, I am afraid too many of us are stuck in a mindset that says that since the research credit can just be taken care of later this year in a tax extenders package, or when it gets closer to its 2004 expiration date, why bother about it now?

I want to emphasize that another temporary extension is not the issue here. We can and probably will always extend the credit when the time for its expiration comes. It will likely be on the less effective basis we have always done it, perhaps only for a few months, or it may be on a retroactive basis, and there may be a gap created, but we will probably keep extending it. The issue is whether or not we should magnify the power of this credit by making it permanent. It is just common sense to do so.

The conditions for a permanent extension now are better than they have ever been, and are likely to be again, and we should not let this bill go by without doing this.

This amendment is about long-term growth, it is about fostering innovation and keeping the innovation pipeline filled, and this is about sustaining the productivity gains that have brought us where we are today and that can help us stay prosperous in the future as we deal with the entitlement challenges ahead.

In conclusion, if we decide not to make the research credit permanent, are we not limiting the potential growth of our economy? How can we expect the American economy to hold the lead in the global economic race if we allow other countries, some of which provide huge government direct subsidies, to offer stronger incentives than we do?

Making the credit permanent will keep American business ahead of the pack. It will speed economic growth. Innovations resulting from American research and development will continue to improve the standard of living for every person in the U.S. and also worldwide.

This provision should be in this bill. It deserves to be on the table in conference with the House. We should not overlook the importance of making the credit permanent now.

I urge my colleagues to support this amendment.

AMENDMENT NO. 701 TO AMENDMENT NO. 697

Mr. HATCH. Mr. President, on behalf of Senator KERRY and myself, I send a perfecting amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. KERRY, for himself and Mr. HATCH, proposes an amendment numbered 701 to amendment No. 697.

Mr. HATCH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To allow a credit against income tax for research related to developing vaccines against widespread diseases)

At the end of the matter proposed to be inserted, add the following:

SEC. . CREDIT FOR MEDICAL RESEARCH RELATED TO DEVELOPING VACCINES AGAINST WIDESPREAD DISEASES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by section 620, is amended by adding at the end the following new section:

"SEC. 45G. CREDIT FOR MEDICAL RESEARCH RELATED TO DEVELOPING VACCINES AGAINST WIDESPREAD DISEASES.

"(a) GENERAL RULE.—For purposes of section 38, the vaccine research credit determined under this section for the taxable year is an amount equal to 30 percent of the qualified vaccine research expenses for the taxable year.

"(b) QUALIFIED VACCINE RESEARCH EXPENSES.—For purposes of this section—

"(1) QUALIFIED VACCINE RESEARCH EXPENSES.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term 'qualified vaccine research expenses' means the amounts which are paid or incurred by the taxpayer during the taxable year which would be described in subsection (b) of section 41 if such subsection were applied with the modifications set forth in subparagraph (B).

"(B) MODIFICATIONS; INCREASED INCENTIVE FOR CONTRACT RESEARCH PAYMENTS.—For purposes of subparagraph (A), subsection (b) of section 41 shall be applied—

"(i) by substituting 'vaccine research' for 'qualified research' each place it appears in paragraphs (2) and (3) of such subsection, and

"(ii) by substituting '100 percent' for '65 percent' in paragraph (3)(A) of such subsection.

"(C) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term 'qualified vaccine research expenses' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

"(2) VACCINE RESEARCH.—The term 'vaccine research' means research to develop vaccines and microbicides for—

"(A) malaria,

"(B) tuberculosis,

"(C) HIV, or

"(D) any infectious disease (of a single etiology) which, according to the World Health Organization, causes over 1,000,000 human deaths annually.

"(c) COORDINATION WITH CREDIT FOR INCREASING RESEARCH EXPENDITURES.—

"(1) IN GENERAL.—Except as provided in paragraph (2), any qualified vaccine research expenses for a taxable year to which an election under this section applies shall not be taken into account for purposes of determining the credit allowable under section 41 for such taxable year.

"(2) EXPENSES INCLUDED IN DETERMINING BASE PERIOD RESEARCH EXPENSES.—Any qualified vaccine research expenses for any taxable year which are qualified research expenses (within the meaning of section 41(b)) shall be taken into account in determining base period research expenses for purposes of applying section 41 to subsequent taxable years.

"(d) SPECIAL RULES.—

"(1) LIMITATIONS ON FOREIGN TESTING.—No credit shall be allowed under this section with respect to any vaccine research (other than human clinical testing) conducted outside the United States.

"(2) PRE-CLINICAL RESEARCH.—No credit shall be allowed under this section for pre-clinical research unless such research is pursuant to a research plan an abstract of which has been filed with the Secretary before the beginning of such year. The Secretary, in consultation with the Secretary of Health and Human Services, shall prescribe regulations specifying the requirements for such plans and procedures for filing under this paragraph.

"(3) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of paragraphs (1) and (2) of section 41(f) shall apply for purposes of this section.

"(4) ELECTION.—This section (other than subsection (e)) shall apply to any taxpayer for any taxable year only if such taxpayer elects to have this section apply for such taxable year.

"(e) CREDIT TO BE REFUNDABLE FOR CERTAIN TAXPAYERS.—

"(1) IN GENERAL.—In the case of an electing qualified taxpayer—

"(A) the credit under this section shall be determined without regard to section 38(c), and

"(B) the credit so determined shall be allowed as a credit under subpart C.

"(2) ELECTING QUALIFIED TAXPAYER.—For purposes of this subsection, the term 'electing qualified taxpayer' means, with respect to any taxable year, any domestic C corporation if—

"(A) the aggregate gross assets of such corporation at any time during such taxable year are $500,000,000 or less,

"(B) the net income tax (as defined in section 38(c)) of such corporation is zero for such taxable year and the 2 preceding taxable years,

"(C) as of the close of the taxable year, the corporation is not under the jurisdiction of a court in a title 11 or similar case (within the meaning of section 368(a)(3)(A)),

"(D) the corporation provides such assurances as the Secretary requires that, not later than 2 taxable years after the taxable year in which the taxpayer receives any refund of a credit under this subsection, the taxpayer will make an amount of qualified vaccine research expenses equal to the amount of such refund, and

"(E) the corporation elects the application of this subsection for such taxable year.

"(3) AGGREGATE GROSS ASSETS.—Aggregate gross assets shall be determined in the same manner as such assets are determined under section 1202(d).

"(4) CONTROLLED GROUPS.—A corporation shall be treated as meeting the requirement of paragraph (2)(B) only if each person who is treated with such corporation as a single employer under subsections (a) and (b) of section 52 also meets such requirement.

"(5) SPECIAL RULES.—

"(A) RECAPTURE OF CREDIT.—The Secretary shall promulgate such regulations as necessary and appropriate to provide for the recapture of any credit allowed under this subsection in cases where the taxpayer fails to make the expenditures described in paragraph (2)(D).

"(B) EXCLUSION OF CERTAIN QUALIFIED VACCINE RESEARCH EXPENSES.—For purposes of determining the credit under this section for a taxable year, the qualified vaccine research expenses taken into account for such taxable year shall not include an amount paid or incurred during such taxable year equal to the amount described in paragraph (2)(D) (and not already taken into account under this subparagraph for a previous taxable year).".

(b) INCLUSION IN GENERAL BUSINESS CREDIT.—

(1) IN GENERAL.—Section 38(b), as amended by section 620, is amended by striking "plus" at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting ", plus", and by adding at the end the following new paragraph:

"(16) the vaccine research credit determined under section 45G.".

(2) TRANSITION RULE.—Section 39(d), as amended by section 620, is amended by adding at the end the following new paragraph:

"(12) NO CARRYBACK OF SECTION 45G CREDIT BEFORE ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to the vaccine research credit determined under section 45G may be carried back to a taxable year ending before the date of the enactment of section 45G.".

(c) DENIAL OF DOUBLE BENEFIT.—Section 280C is amended by adding at the end the following new subsection:

"(d) CREDIT FOR QUALIFIED VACCINE RESEARCH EXPENSES.—

"(1) IN GENERAL.—No deduction shall be allowed for that portion of the qualified vaccine research expenses (as defined in section 45G(b)) otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 45G(a).

"(2) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (2), (3), and (4) of subsection (c) shall apply for purposes of this subsection.".

(d) DEDUCTION FOR UNUSED PORTION OF CREDIT.—Section 196(c) (defining qualified business credits) is amended by striking "and" at the end of paragraph (8), by striking the period at the end of paragraph (9) and inserting ", and", and by adding at the end the following new paragraph:

"(10) the vaccine research credit determined under section 45G(a) (other than such credit determined under the rules of section 280C(d)(2)).".

(e) TECHNICAL AMENDMENTS.—

(1) Section 1324(b)(2) of title 31, United States Code, is amended by inserting "or from section 45G(e) of such Code," after "1978,".

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section 620, is amended by adding at the end the following new item:

"Sec. 45G. Credit for medical research related to developing vaccines against widespread diseases.".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

Mr. HATCH. Mr. President, I will just take a few minutes to speak to Senator KERRY's amendment.

This amendment provides a 30 percent tax credit on qualified research expenses to develop microbicides for HIV and vaccines for malaria, TB, HIV, and other diseases that kill 1 million people or more annually. This is an expansion of the existing 20 percent research and development tax credit.

It mandates that a company file a research plan with the Secretary of the Treasury on these priority vaccines or microbicides before claiming the tax credit.

It allows the tax credit to be applied to the costs of clinical trials outside of the United States, because of the prevalence of malaria, TB, and HIV in developing countries. However, pre-clinical research must be conducted in the United States in order to claim the tax credit.

This amendment also provides a refundable tax credit to small biotech companies based on the amount of qualified research that a company does in a given year. This credit is designed to stimulate increased research among firms that often do the most innovative research.

It mandates that any firm receiving this credit put an equivalent amount of funds into research and development within 2 years of having received the credit. Such expenditures cannot be claimed under the tax credit for qualified vaccine research and development. It requires the Secretary of the Treasury to promulgate regulations to recapture the credit if a company fails to make these expenditures.

The amendment allows 100 percent of the expenditures on contracts and other arrangements for research and development on these priority vaccines and microbicides to be counted toward the baseline for the R&D tax credit. Currently only 65 percent can be counted. This increase is designed as an incentive for larger firms to contract with smaller vaccine research companies.

So, Mr. President, I have filed this on behalf of Senator KERRY and myself. I hope the Senate will give great consideration to this.

I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield myself 1 minute. I appreciate the commitment of the Senator from Utah to extending the research and experimentation credit. There is no question the issue of research and experimentation has no greater supporter than the Senator from Utah and all the people involved with it ought to appreciate his interest in it.

I know the R&D credit has strong bipartisan support and that it was included in the President's request.

I ask the Senator give us the time to work with him on the amendment today and see what we can do to make sure it becomes something we can work with and deal with in conference.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I join the chairman of the committee in telling the Senator from Utah he has a good amendment. The R&D tax credit should be a permanent part of our law for a couple of basic reasons. One, we know jobs in the future depend upon research today. The more research today, the more technology will be enhanced, productivity enhanced, and more jobs in the market. That is pretty clear.

Second, we want research in the United States more than other countries. It is fine to conduct research overseas if American companies conduct research overseas but we also want them to conduct research here. Other countries give far more lucrative benefits in credits and other incentives to companies in their countries for research and development than do we in America. We all know it is a fiercely competitive world; our economy is so globalized. If we are going to, A, stay ahead and, B, make sure those jobs are here in the United States, it makes good sense to have a credit for Research and Development as a permanent part of our law.

I am a cosponsor with the Senator from Utah of his bill to make R&D tax credit permanent. I will work with the Senator to try to find a way to work this out so we can make it permanent.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. I thank my colleagues for their graciousness and willingness to work with me to see how we can make this part of the overall tax bill, and I sure hope our colleagues on both sides will support whatever offset they come up with, and that they can support this amendment.

We are making a diligent effort to try to resolve the offset problems. I am willing to yield my time, but I notice the Senator from Nevada has risen. I will be happy to yield to the Senator from Nevada.

Mr. REID. Mr. President, I am a cosponsor of this amendment. It is very good legislation. We have had continual battles in the Senate over what we should do with renewables. We can do nothing with renewables until we get a permanent tax credit.

An example is, we have a wind farm we are putting in at the Nevada Test Site. We are trying to develop new uses for that test site which has been in effect for some 50 years, after setting off nuclear devices there.

The people there know it will produce huge amounts of electricity, but they cannot borrow the money because no one will loan them the money because the tax credit is for a limited period of time.

The amendment of the Senator from Utah, of which I am a proud cosponsor, is the way we have to go. If we are going to change our heavy dependence on fossil fuels, we have to have a tax credit that is permanent on renewables. This does that, among other things. I totally support the amendment of the Senator from Utah.

Mr. HATCH. I thank my colleague and I am prepared to yield the remainder of my time if the floor managers are prepared to yield the remainder of their time?

The PRESIDING OFFICER. All time is yielded back.

Under the order, the pending amendments are laid aside and the Senator from West Virginia is recognized to offer an amendment.

AMENDMENT NO. 703

Mr. BYRD. Mr. President, I thank the Chair.

Mr. President, I am going to offer an amendment. But, before I do, I feel compelled to express my appreciation to the two managers of this bill for the work they have given to the task, for the time they have given to the task. I know it is not easy. I know they have had pressures from colleagues on both sides. I know each has had his own pressures from his own colleagues on his own side. I do not envy you.

I am going to offer an amendment which the managers may not accept. But that will not lessen my appreciation and respect for them. We can't all agree on everything.

When I was majority leader I, from time to time, had colleagues on my own side who did not support me. But those who did not support me today might be those who would support me tomorrow.

So like the waves of the sea, the tide comes in, the tide goes out; it comes back again. I just want to express my appreciation, first of all, to the two managers of the bill.

Mr. President, I am going to send an amendment to the desk, as I said. But, before I send it to the desk, let me say to Senators what the amendment would do. The purpose of the amendment is as follows: I shall read it, then I will send the amendment to the desk.

Purpose: To strike all marginal rate tax cuts except for the establishment of the 10 percent rate and strike all estate and gift tax provisions taking effect after 2006 in order to provide funds to strengthen social security—

Here is your chance, my friends, to strengthen Social Security—

extend the solvency of the Social Security Trust Funds, maintain progressivity in the social security benefit system—

A great Roman said: Friends, Romans, countrymen, lend me your ears.

My colleagues, listen. This amendment would:

maintain progressivity in the social security benefit system, continue to lift more seniors out of poverty, extend the solvency of the Medicare Trust Funds, and provide prescription drug benefits.

"provide prescription drug benefits."

Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The senior assistant bill clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 703.

Mr. BYRD. Now, Mr. President, I ask unanimous consent that further reading of the amendment be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To strike all marginal rate tax cuts except for the establishment of the 10 percent rate and strike all estate and gift tax provisions taking effect after 2006 in order to provide funds to strengthen social security, extend the solvency of the Social Security Trust Funds, maintain progressivity in the social security benefit system, continue to lift more seniors out of poverty, extend the solvency of the Medicare Trust Funds, and provide prescription drug benefits)

At the appropriate place, insert the following:

SEC. . ENSURING FUNDING FOR SOCIAL SECURITY AND MEDICARE SOLVENCY, PRESCRIPTION DRUGS, AND LONG-TERM DEBT REDUCTION.

(a) IN GENERAL.—Notwithstanding any other provision of this Act—

(1) except for section 1(i)(1) of the Internal Revenue Code of 1986, as added by section 101 of this Act, and any necessary conforming amendments, title I of this Act shall not take effect; and

(2) any provision of title V of this Act that takes effect after 2006 shall not take effect.

(b) STRATEGIC RESERVE FUND FOR LONG-TERM DEBT AND NEEDS.—Subtitle B of title II of H. Con. Res. 83 (107th Congress) is amended by inserting at the end the following:

"SEC. 219. STRATEGIC RESERVE FUND FOR SOCIAL SECURITY REFORM, MEDICARE REFORM, AND PRESCRIPTION DRUG BENEFITS.

If legislation is reported by the Committee on Finance of the Senate or the Committee on Energy and Commerce or the Committee on Ways and Means of the House of Representatives, or an amendment thereto is offered or a conference report thereon is submitted, that would strengthen social security, extend the solvency of the Social Security Trust Funds, maintain progressivity in the social security benefit system, continue to lift more seniors out of poverty, extend the solvency of the Medicare Trust Funds or provide prescription drug benefits, the chairman of the appropriate Committee on the Budget shall, upon the approval of the appropriate Committee on the Budget, revise the aggregates, functional totals, allocations, and other appropriate levels and limits in this resolution for that measure by not to exceed $450,000,000,000 for the total of fiscal years 2002 through 2011, as long as that measure will not, when taken together with all other previously enacted legislation, reduce the on-budget surplus below the level of the Medicare Hospital Insurance Trust Fund surplus in any fiscal year provided in this resolution.".

Mr. BYRD. Mr. President, last week as the Senate began debate on the fiscal year 2002 budget reconciliation tax cut bill, the President was in Minnesota unveiling his energy strategy.

Over the weekend the American people read about the content of the President's plan. Essentially, the administration is promoting a national energy strategy heavy on increased production to respond to a number of current and near-term energy shortages that have manifested themselves through rolling blackouts in California and rising gasoline prices across the country.

No one is pretending that the planned construction of new power plants or distribution lines will provide immediate relief to consumers. Instead, the President argues that the only short-term relief for energy-starved, price-gouged consumers is a tax break.

Somehow I think that is not quite sufficient comfort to victims of rolling blackouts—those men and women who have been stuck in elevators, or involved in automobile accidents when the power suddenly cut off. It won't shed light for those families who have had to walk around in the dark, feeling their way along the walls, and tripping over things that they can't see right in front of them.

What amuses me, Mr. President, is that this administration, in using blackouts to promote both its energy and tax cut plans, has seemingly forgotten about the fiscal blackouts of the 1980s. I remember them, when the Congress found itself wandering around in the dark and the economy had tripped over the 1981 Reagan tax cut plan.

In 1981, the Reagan administration promised that massive tax cuts would reinvigorate the economy. Instead, the

American economy nearly collapsed. In 1982 and 1983, the annual unemployment rate increased to 9.7 percent and 9.6 percent, respectively—the highest rates recorded since 1950. In 1985, while America's wealthy were reaping the largest share of the national income since World War II, businesses and banks were failing at a record breaking pace. Our savings rate was the lowest in 4 decades, and our national trade deficit had reached a record high.

The Congress had no choice but to pass, and Presidents Reagan, Bush, and Clinton had no choice but to sign, eight in all—numerous bills three of them were not as significant as the five that I will mention. The five that I shall mention are TEFRA, DeFRA—sounds like twins but, wait, they are quintuplets—TEFRA, DeFRA, OBRA of 1987, OBRA of 1990, and OBRA of 1993—to correct our mistake. Why were these all passed? Why were these tax bills passed? To correct our mistakes and the mistakes of the then administration, and increase taxes in hopes of stemming the unprecedented tide of red ink.

The protracted deficits during the 12 years of Presidents Reagan and Bush resulted in higher interest rates for the American taxpayer. This forced the average American to pay more for his mortgage, to pay more for his car, to pay more for his child's education, because of our rush—our mad rush—to enact a huge tax cut—the benefits of which went—in that instance, as will be the case in this instance—the benefits of which went mainly to the wealthiest taxpayers.

Mr. President, this administration, the Bush administration, the Bush No. 2 administration, has tried to juxtapose tax cuts and the threat of a recession in the minds of the American people, even though the most recent economic data suggests that a recession only exists in the rhetoric—in the rhetoric—of the administration.

There is where the recession exists, in the rhetoric of the current administration. And now, of course, the administration has offered tax cuts as a solution to this Nation's energy crisis; the idea being, I suppose, that Californians would be able to purchase more candles and flashlights to deal with the rolling blackouts.

E.J. Dionne pointed out in a recent Washington Post editorial that—and I quote—"there's absolutely nothing the president won't say in support of his tax cut. When times were good he told us we needed a tax cut to keep the good times going. When times threatened to go bad, he said we needed a tax cut to get the economy [rolling]. Now that times look a bit better, he says we need a tax cut to pay the gas bills. Someday soon, he'll tell us tax cuts will solve the problems of crime, drug abuse, teen pregnancy, traffic jams and static cling." And that if you do not have hair, it will make your hair grow, and make your fingernails longer. And if your hair is black, it will make it turn white over night or vice versa.

I would only add, Mr. President, that we may soon hear from the administration that tax cuts can provide whiter teeth, fresher breath, and may even cure the common cold.

But, how much are the American taxpayers willing to shell out for this miracle tonic, this tax cut?

Are the American people ready to spend the money that they invested into the Social Security and Medicare programs? In 2025, the number of people age 65 and older is projected to grow by 73 percent—in 2025. In contrast, the number of workers supporting the Social Security system would grow by 13 percent. The Social Security and Medicare Board of Trustees project that the Social Security's taxes will be inadequate to pay full Social Security benefits by 2016. This $1.35 trillion tax cut package spends vital resources that could otherwise be used to ensure that Social Security benefits will be paid to future retirees.

The Medicare program faces a similar fate. Medicare's projected costs for hospital expenses will grow 60 percent faster than its income over the next 75 years. By 2075, Medicare's costs will be more than two times larger than its income. Again, this $1.35 trillion tax cut spends resources that could otherwise be used to ensure that hospital insurance benefits will be paid to Medicare beneficiaries.

Now, what about our domestic investments in highways, bridges, agriculture, health care, education, and a host of other areas? Are the American people willing to trade these away for a tax cut?

This tax cut package starves the domestic discretionary side of the budget, resulting in a spending level that is $5.5 billion below what is necessary to maintain domestic investments in FY 2002, and an incredible $62 billion cut below what the Congressional Budget Office says is necessary to maintain current services over the next 10 years. That means cuts—cuts, cuts—veterans programs, crime prevention, highway construction and maintenance, and a host of other areas, other categories, in order to provide for these tax benefits.

Now what about the national debt? Well, we are just going to dump that on these youngsters here, the pages, and on people such as my grandchildren, my great grandchildren, and yours, yours out there. Are the American people ready to trade away this historic opportunity to retire the national debt for a tax cut?

Our current gross debt is $5.7 trillion. How much is a trillion dollars? At $1 per second, how long would it take to count $1 trillion? At the rate of $1 per second, how long? It would take 32,000 years. That is big money. We are not used to having that kind of money in my State of West Virginia.

When we talk about $1 trillion, our current gross debt is $5.7 trillion. That amounts to $929 for every man, woman, boy, and girl in the world—that is some debt, isn't it?—$929 for every man, woman, boy, and girl in the world. That is not just pocket change. It represents $20,062 per man, woman, and child in the United States.

Are we to disregard these financial obligations? Are we? Or should we look at our grandchildren and just wash our hands? We can wash our hands, I say to Senators, we can wash our hands of this debt and just leave to it our grandchildren. This the sacrifice that average Americans are being asked to make.

I am almost 84; 83½ yesterday. I could just walk away from the debt and let you folks pick up this obligation. We can enjoy a tax cut for ourselves—just vote for this bill and enjoy the tax cut, but leave this heavy debt burden to the folks who are going to come after us. We won't be around, so what does it matter to us? Let's vote for the Bush tax cut. I am a little selfish, perhaps a little self-centered, so I would like to have this tax cut. Let's vote for the Bush tax cut and let future generations worry about paying off the national debt.

Even if you happen to be lucky enough to be one of the privileged few who would receive any real tax relief under this proposal, you most likely wouldn't receive those tax benefits for another 5 to 10 years. Under this proposal, most of the tax cuts—estate tax repeal, increased IRA contribution limits, expanded child credit, marginal rate reductions—wouldn't be fully in place until sometime between 2007 and 2011. Marriage penalty relief wouldn't even begin to phase in until 2006. How about that, 2006? Let me say that again. Marriage penalty relief wouldn't even begin to phase in until 2006.

I am going to be a little late in reaping the benefits therefrom. A week from tomorrow we will have been married 64 years, my wife and I. Yet, the marriage penalty relief won't even begin to phase in until 2006. That is 5 years away. This bill would put these tax cuts into effect when the surplus projections are most unreliable and least likely to accurately project our ability to pay for them.

There are so many accounting gimmicks in this proposal to hide the true cost of the bill that the only reasonable, accurate measure of its cost would be in the second 10 years, which the Center on Budget and Policy Priorities projects would be $4.1 trillion.

What kind of a balanced tax cut proposal pushes the real costs into the future at the exact moment that money is needed to finance the retirement of Social Security and Medicare beneficiaries? Where is the balance? Where is the balance in a proposal that delays marriage penalty relief for lower and middle income taxpayers so that the top marginal rates can be reduced more quickly? Where is the balance?

Where is the balance in a proposal that provides one-third of its benefits to those taxpayers with annual income over $373,000 by cutting those programs that benefit lower and middle income families?

Well, Mr. President, I submit that the day that this tax cut is enacted and signed into law will be remembered as a black day in our national history. So I propose that we limit the size of this tax cut until we are more certain of whether we can afford it, and that any savings be put aside in a reserve fund for Social Security, Medicare reform, and a prescription drug benefit.

My amendment would eliminate the marginal rate reductions that would benefit the wealthiest taxpayers in the Nation and leave in place the 10-percent bracket reduction that would benefit all taxpayers—lower, middle, and higher income. Under my amendment, those funds that would be allocated to repealing the estate tax for the wealthiest 1 percent of taxpayers would be redirected to ensuring the solvency of those retirement programs from which lower and middle-income taxpayers would benefit much more.

Not only would this amendment put back those funds that should have been set aside for Social Security and Medicare reform in the first place, but it would also provide for a substantial tax cut that would be more evenly distributed amongst the American taxpayers. This amendment would avoid the fiscal disasters that would certainly occur if these tax cuts were allowed to take effect under this bill, if the wild projections of 5 and 10 years out don't materialize. This amendment would ensure that Social Security and Medicare benefits are available for future retirees and that the national debt is being retired.

Mr. President, last week, at the Senate Finance Committee markup, the Democratic leader stated that he found it "difficult to accept, impossible to explain" that Congress was about to repeat the same mistake it made in 1981 by passing another massive tax cut that the Nation was not equipped to afford.

As I view these comments, and as I view this Bush tax cut, which had its genesis in the snows and cold winds of New Hampshire last year during the campaign, it reminds me of a story about Benjamin Franklin, a great American statesman, philosopher, and revolutionary of the 18th century.

As Franklin recalled later in his life:

> When I was a child of seven years old, my friends on a holiday filled my pocket with half-pence. I went directly to a shop where they sold toys for children, and being charmed with the sound of a whistle that I met by the way, in the hands of another boy, I voluntarily offered and gave all my money for it. When I came home, whistling all over the house, much pleased with my whistle, but disturbing all the family, my brothers, sisters, and cousins, understanding the bargain I had made, told me I had given four times as much for it as it was worth, put me in mind of what good things I might have bought with the rest of the money, and laughed at me so much for my folly that I cried with vexation; and the reflection gave me more chagrin than the whistle gave me pleasure.

With the wisdom of age, Franklin added:

> As I came into the world, and observed the action of men, I thought I met many who gave too much for the whistle.

Mr. President, the Congress paid too much for its whistle in 1981, and it almost wrecked the economy. Insight will come after the fact when we realize again that we sacrificed too much for this tax cut.

I urge my colleagues to oppose the unsound fiscal policy in this bill. I urge my colleagues not to pay too much for the whistle. I urge my colleagues to vote for my amendment.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The distinguished Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I yield myself such as I might consume.

I appreciate the concern of the Senator from West Virginia about Social Security. The budget resolution provides for protection for Social Security and Medicare. The relief act, in my opinion, does not jeopardize these programs. Rather, I suggest the relief act strengthens these critical programs because we have a strong, growing economy that is going to result from making sure that we keep resources with the taxpayers for them to invest and spend; thus, doing much more good than if the Government keeps those resources. A growing economy is the best guarantee for Social Security and Medicare's long-term solvency.

I will talk briefly about the fact that we have had concern expressed in the media about some of these very same things that the Senator from West Virginia has visited about—the long-term needs of all programs, including Social Security and Medicare. I think the editorial writers, as I have read them, just over the weekend, and as late as this morning, are in a frenzy about this tax cut that they need not be in. But they can't seem to make up their minds. One day we are criticized because the $1,000 child credit is not indexed for inflation. Then the next day we are attacked because the tax cut is too expensive in the outyears.

Maybe what is really happening is the media is just against reduction of taxes. This is kind of like Goldilocks. I would say, when they first say it is too hot and then it is too cold. But I fear that, unlike Goldilocks, there is no tax cut that is just right for the elite of our media because they want no tax cuts whatsoever. They honestly believe the Federal Government creates wealth, that it is better for a political determination of more money of how the resources are divided rather than letting the marketplace do it.

Somehow, I think they feel ignored as we debate this tax bill. It is like the media crying about Social Security and Medicare. When all else fails, I think it is their goal to raise so many questions that senior citizens so ponder the situation of the budget, whether or not there is security there, long-term security for Social Security and Medicare, it ends up scaring them needlessly.

In the process of our debate, obviously, when you look ahead 10 years—and I said this last week during the debate, so I am not saying it just because the Senator from West Virginia brought it up—in 1regard to the long-term projections of the fiscal condition of the Federal Government, meaning how much money is going to come in and how much we are going to spend on existing programs over the next 10 years, it is legitimate to be cautious.

On the other hand, we are making judgments based on 10-year forecasts. We recently heard about the Reagan tax cuts in 1981, 20 years ago. At that particular time, we were only looking ahead 5 years. I do not think it has entered into this debate, but I know as a fact in 1963, when President Kennedy had tax cuts, they only looked ahead 1 year. Looking ahead 1 year in 1963, looking ahead 5 years in 1981, or looking ahead 10 years in the year 2001, as imprecise as it is to look ahead, although I have to say the people who work on this are getting better at it than they were during the 1980s—but looking ahead 10 years has to be considered more fiscally responsible in our spending and taxing policies than looking ahead just 5 years 20 years ago or looking ahead just 1 year in 1963.

People might wonder why I am talking about 1963, 1981, and 2001. These are the three biggest tax relief measures passed by Congress in the last 50 years.

All I am saying is, nobody knows what the future holds, but we are making a tax relief decision for working men and women based upon these 10-year projections. We ought to give some credit to the people who work so hard to make those projections so that we in Congress can be more—I do not know whether the word "certain" is correct—so we can at least attempt to be more precise as we make policy for the long term. That is all we are doing.

I ask people to consider that in the historical approach as we try to do a better job of making public policy decisions.

I yield the floor.

The PRESIDING OFFICER. The distinguished Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I do not know any Member of the Senate who has more respect and regard for the Senator from West Virginia than myself. He is a Senator's Senator. He knows more about and defends this institution far more than any other Senator. He really lives for his people in West Virginia, for this institution, and for the country. I wish more people knew how hard the Senator from West Virginia fights for all those causes and all those beliefs in such a dignified way. I have the highest respect for the Senator.

I understand his concerns about this bill. I share some of those concerns. I think most Members of the Senate privately share some of the concerns that perhaps this tax cut is a little too large because it is hard to predict what the budget surplus is going to be in the future. But we have provided for this amount in the budget resolution. It did pass the Senate. I know the Senator from West Virginia believes that budget was inappropriate and did not vote for it. As the Senator knows, more than any other Senator here, we still have that budget resolution that passed through the conference and we are in this Chamber with a tax bill that passed the Senate Finance Committee.

There are a lot of provisions in this bill that are major improvements over the President's proposal and/or measures passed by the House. Most significantly, it provides a much better distribution of tax cuts so middle-income Americans receive a greater share of the benefit as opposed to wealthier people compared with the House-passed bills and that suggested by the President.

We also make specific improvements to the Tax Code. One is the creation of a new 10-percent bracket. This is large. It is the single biggest piece of the bill. It provides for $438 billion of tax relief over 10 years to those persons who would be in the 10-percent bracket. Of course, those lower and middle-income Americans and, obviously, even the most wealthy receive some benefit because a new lower bracket rate affects everybody all the way up regardless of the amount of income.

Seventy-five percent of the benefits in this bill go to people who earn less than $75,000. Seventy-five percent of the tax reductions in this bill go to Americans who earn $75,000 or less. There is an upfront stimulus by making a 10-percent provision retroactive to the first of this year.

In addition, there is a significant increase in the child tax credit from $500 to $1,000. Friday, when I was heading home to Montana, somebody stopped me as I was getting off the airplane. I had to change planes at Salt Lake City to get to Montana. He said: Senator, I hope you get a tax credit in there. My wife is about to have a child.

I said: We are going to increase that child tax credit over time to $1,000.

He said: Boy, Senator, I really like that. I really appreciate that. Thanks for doing that.

There are people who do benefit from this legislation. In fact, 16 million children receive benefits under this legislation, children who otherwise would not receive benefits under the other legislation.

We also create incentives for education. One can deduct $5,000 from his or her income to pay for college tuition, which, clearly, is a help because higher education is getting so much more expensive.

The pension provisions, IRA provisions, new stimulus for more savings, the marriage penalty, it is true, do not take effect, as my very good friend from West Virginia notes, until 2006. I have no doubt the Senator from West Virginia is going to fully utilize that provision in the code for many years, even after it takes effect in the year 2006. Of that I have no doubt.

In addition, there are other provisions in the bill that are very helpful to Americans who really need a break. They revolve around the provisions that make the child tax credit refundable. There is $109 billion in this bill—most of it is new money—for parents, for single parents, single moms, single fathers who do not have a lot of income but are struggling to make ends meet. That is going to go a long way in keeping them off welfare rolls because it is tied in with the EITC, the earned-income tax credit. It is going to help a lot of Americans. That is all in this bill.

To sum up, this is a good bill. It is not perfect, but it certainly will put a lot of dollars into people's pockets in tax reductions. It is more fair to Americans all across the board compared with the President's proposal and those measures passed by the House. It is good legislation.

We are a very dynamic Nation. I have concerns about the size of the cut, for the reasons mentioned by my friend from West Virginia, and have some sympathy for the amendment he is offering for those reasons. I would like to give more stimulus to education, to make sure the Social Security trust fund is even better protected, the Medicare trust fund is even better protected.

We are a very dynamic Nation. We are a very resourceful Nation. We will find ways to do what we know we should do, and that includes protecting Social Security, protecting the Medicare trust fund, and making sure, too, we do all we possibly can to help our children get the very best education possible. Of that I have no doubt.

I remind Senators, if we do not pass this bill, which has been worked on thoroughly by the Senate Finance Committee, my guess is we will be faced with another tax bill which will be much less to the liking of about half the Members of this body, particularly on the Democratic side.

It would be much closer to the measure proposed by the President. It would have a distribution that is much more weighted toward upper income Americans. It would be a bill much to the dislike particularly of the Senator from West Virginia.

Life has choices. We are presented with choices, presented with alternatives. We have to make choices and choose the alternatives which make the most sense. I personally believe that given the choice between this legislation or some other legislation which would be closer to the desire of the President, if Democrats did not try to work to make this legislation better, this is a better choice; that is, this bill as opposed to essentially the President's bill. It is roughly $1.35 trillion—less than the President suggested but still a very significant tax cut.

Although I think this is a better choice compared to the alternative—I deeply respect the Senator's views and I have the highest regard for him—I disagree with this amendment for the reasons I have stated. With the utmost respect, I must tell my good friend I do not support this amendment.

Mr. BYRD. Do I have time remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. BYRD. Mr. President, I thank both of the managers again. I respect their reasons for opposing my amendment. I hope the Senate will adopt my amendment later.

Reference has been made to President Reagan's 5-year deficit/surplus estimates. Those projected surpluses in that instance were as follows: In 1982, the projected deficit was $45 billion; the actual deficit was $128 billion. The projected surplus for 1985 was $5.9 billion—that was the projected surplus under the Reagan administration tax cut—whereas instead of a $5.9 billion surplus, the actual deficit was $212 billion. In other words, for the 5 years projected under the Reagan tax cut, the difference between the projected deficit and the actual deficit was $921 billion. That experience should teach us to be cautious.

I close by referring to Joseph in the Bible. We will recall that Pharoah had a dream in which he saw seven fat cattle come up out of the river to feed in a meadow. They are referred to as "kine" in the Scriptures. They were followed by seven lean cattle who ate up the seven fat cattle. Pharoah turned to his soothsayers, his wise men, for interpretation of this dream, but they could not interpret the dream. Someone spoke of Joseph as one who could interpret dreams, so Pharoah asked that Joseph, be brought forth from the dungeon where he was being held. Joseph interpreted the dream to mean that there would first be 7 years of plenty, represented by the fat cattle in Pharoah's dream—7 years of plenty. The 7 years of plenty would be followed by 7 years of famine. Joseph recommended that in the time of plenty they should save, put the grain into the warehouses and prepare for the 7 lean years that were sure to come in Egypt.

We have had in this country some very good years. We have had projected surpluses. I think we ought to return to history, realizing that in some form or another it does repeat itself. We have this golden opportunity to use these years of plenty and the fruits therefrom to apply to the problems that confront the Nation, the problems that will come with Social Security, and Medicare, for example. Now is the time to deal with Social Security and Medicare.

The President has said he doesn't want to leave any child behind. The President's budget, which was referred to by my friend from Montana, leaves the old folks behind. I can call them old folks because I am one of them. The old folks, the senior citizens are being left behind. But no millionaire is being left behind.

I urge again that the Senators vote for my amendment later in this day. I thank all Senators for listening. I particularly thank the Chair for his courtesy and kindness.

The PRESIDING OFFICER. Does the Senator from Iowa yield back his time?

Mr. GRASSLEY. We yield back our time.

The PRESIDING OFFICER. Time is yielded back.

AMENDMENT NO. 707

Mr. JEFFORDS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS], for himself, Mr. DODD, Mr. KENNEDY, Mr. ROCKEFELLER, and Mr. LEVIN, proposes an amendment numbered 707.

Mr. JEFFORDS. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to expand the dependent care credit)

At the end of subtitle A of title II insert the following:

SEC. . DEPENDENT CARE CREDIT.

(a) INCREASE IN DOLLAR LIMIT.—Subsection (c) of section 21 (relating to expenses for household and dependent care services necessary for gainful employment) is amended—

(1) by striking "$2,400" in paragraph (1) and inserting "$3,000",

(2) by striking "$4,800" in paragraph (2) and inserting "$6,000", and

(3) by adding at the end the following new paragraph:

"(3) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2002, any dollar amount contained in paragraph (1) or (2) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section (1)(f)(3) for the calendar year in which the taxable year begins, by substituting "calendar year 2001" for "calendar year 1992.".

(b) INCREASE IN APPLICABLE PERCENTAGE.—Section 21(a)(2) (defining applicable percentage) is amended—

(1) by striking "30 percent" and inserting "50 percent", and

(2) by striking "$10,000" and inserting "$30,000".

(c) REVENUE OFFSET.—The Secretary of the Treasury shall adjust the highest rate of tax under section 1 of the Internal Revenue Code of 1986 (as amended by section 101 of this Act) to the extent necessary to offset in each fiscal year beginning before October 1, 2011, the decrease in revenues to the Treasury for that fiscal year resulting from the amendments made by this section.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

Mr. JEFFORDS. Mr. President, the United States has entered into a time of unprecedented budget surplus. Over $1 trillion is the amount we are discussing. What to do with it, and trillions that are expected into the future.

For years we have struggled to balance the budget, forgoing spending for programs necessary to maintain our human infrastructure. We have not devoted enough to supporting our families and educating our children, but times have changed. There is enough money in the surplus to cut taxes, eliminate the death tax, and reduce the marriage penalty. I believe we must increase our investments in our children and families. To my colleagues I must ask, if not now, when?

I commend Senator GRASSLEY and Senator BAUCUS for their leadership. They have carefully crafted this legislation so it brings the benefits of tax relief of all Americans. They have included balanced rate reductions, a careful phaseout of the estate tax, and a refundable child tax credit. Especially important to me, they have fixed the marriage penalty for all taxpayers, including those who receive the earned-income tax credit.

There is, however, one crucial area not sufficiently enhanced to meet our national education goals. The issue not addressed in this legislation is the great need for our Nation to improve childcare, particularly the early learning and developmental aspect of that care. America lags far behind all other industrialized nations in caring for and educating our preschool-age children. We have the opportunity to make improvements. We need to act now.

If we want to get to the core of our most serious problems in education, we have to improve the care and education of our preschool children. This is something every other industrialized nation in this world does except the United States. And every industrialized nation in the world pays for that through Government funds.

I rise to offer an amendment to increase the dependent care tax credit. The current law allows taxpayers to claim a small credit for childcare expenses.

Right now, the maximum credit allowed is $720 for one child, and twice that amount for two children. Unfortunately, no families qualify to receive the maximum. My amendment would raise the maximum credit to $1,500, for one child, and $3,000, for two or more children. It would allow families with adjusted gross incomes of $30,000 or less to qualify for the maximum credit. And the credit amounts would be indexed for inflation still far from what we need but a major step forward.

This increase in the dependent care tax credit is to be paid for by slowing the reduction of the top income tax rate.

We know that from the time of birth, the human brain is making the connections that are vital to future learning. We know that what we do as parents, care providers, educators, and as a society can either promote or inhibit a child's healthy development—the acquisition of the cognitive, social, behavioral, and physical skills necessary for success in school and life.

Far too many of America's children enter school without the requisite skills and maturity, and continue to lag behind for their entire academic career.

Billions of dollars are spent on remediation efforts to get these children "up to speed." But I believe that "an ounce of prevention is worth a pound of cure," and if we are ever to achieve the first national education goal, we must improve the quality of child care and make it more affordable and available for working parents.

We have known for years that high-quality preschool programs produce cognitive gains, improved school performance, decreased grade retention, and higher achievement in math and reading. The research has been around since the mid-1980s.

The Perry Pre-school Project, the Carolina Abecedarian Project, and the recent Chicago Child-Parent Center study are just a few of the research studies that clearly show the benefits of high-quality early care and education to future academic success. Unlike the rest of the world, America has done little to ensure that our children have access to these kinds of programs.

Quality early education is the bedrock upon which a child's future academic success is built. By giving every child a strong foundation for success in school we set the stage for that child to become a productive worker and a contributing member of society. A strong educational foundation for each child is the key to our national economic, military, and political future.

Let me show the most dramatic evidence of what I am telling you. My first chart is the results of the so-called TIMS examination. These TIMS studies indicate how we compare to the rest of the world with respect to our 13-year-olds in mathematics. As you can see from this chart, where are we? We are 16th; at the bottom of the heap. That means that 55 percent fewer American students give correct answers on the exam. Who is at the top? That is China.

There are a couple of reasons why I have this presentation. One is because it includes China. After we included China that time, someone decided not to do that again. It gives you evidence relative to the largest country with which we compete. If you take a look at the countries doing pretty well on this side of the chart—Switzerland, France, Italy—all industrialized nations that have early education and child care, these are for their 3- and 4-year-olds.

More recent TIMS studies have shown no significant change for the United States, and the most recent report was even worse.

Yet in international contests of the best math students, students from the United States are often the best in the world. So it is not the students, its the educational system that bears most of the responsibility for this failure.

What does this mean for our children? It means that in the global economy in which we live, our children will not be prepared to compete for the high-tech jobs that rely on math skills. In a world of global finance and integrated information systems, it will be very easy for children from other countries to line up for the best, high paying jobs.

Will this have a large impact on the U.S. economy?

I am afraid so. The Information Technology Association of America has recently issued a report that states that at present there are 425,000 IT jobs nationwide that are unfilled because the American workforce lacks the skills to do the job. And these are high paying jobs, with an average income of $50,000 a year. To date, the United States has allowed almost 1 million H-1-B foreign students to take these jobs.

I suggest to my colleagues that a child care tax credit that sets the stage for improved math performance by American students is a direct investment in the strength and health of our economy. John Glenn's Commission issued a report entitled "Before It's Too Late," which emphasizes this need.

The overall health of our society depends on our children coming to school ready to learn and ready to read. Our democracy itself; our leadership in the world, is dependent upon literate citizens.

I want to now to refer to another National Center for Education study entitled "The Nation's Report Card, 4th Grade Reading 2000."

Forty percent of American fourth graders are reading below grade level, and 68 percent are not reading at a level that demonstrates solid academic performance. What this says to me is that more than half of our young students have not learned to read very well.

And if you haven't learned to read you cannot read to learn. And I have to wonder if it is a coincidence that 40 percent of our Nation's 3- and 4-year-olds are not enrolled in preschool programs—40 percent, again.

From first through third grades our children are supposed to learn to read so that they can go on to academic success. Without excellent reading skills and a love of reading and learning we are doomed to a spiral of ignorance in our society. We will lose the cultural and historical richness that informs us as a democracy. How can we rightfully retain our place as leader in the democratic world, if many of our students emerge from our public education system functionally illiterate?

We must invest in our children from the moment they are born so that they are fully prepared to be excellent and early readers. This is an investment we must make.

Today, two-thirds of our 3- to 5-year-olds are in some type of care outside the home. For some, that care is part-day or part-year. But many spend 35 hours or more in the care of someone other than their parents.

A recent nationwide study found that 40 percent of the child care provided to infants in child care centers was potentially injurious—not that it was beneficial but that it was injurious.

Fifteen percent of center-based child care for all preschoolers is so bad that a child's health and safety are threatened.

Seventy percent of center-based child care is rated mediocre—they are not hurting, but neither are they helping children.

Only fifteen percent, I repeat, 15 percent actively promote a child's healthy development.

We know that high quality, preschool education and care improves school readiness and school performance, leads to better socialization, and results in cognitive gains for our children.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has approximately 17 minutes remaining.

Mr. JEFFORDS. While there are benefits for all children, low-income children benefit even more than children from more economically advantaged families. And we see those benefits regardless of the setting in which the early education and care takes place—as long as it is a quality program.

So I ask my colleagues, how can we, as a nation, continue to shortchange these programs?

Why do we not view early care and education as an integral part of our educational system?

How can we as a nation continue to view it as a private matter among families, rather than a social imperative?

Every one of our industrial competitor countries do. Every one—and the government pays for it. We are leaving children behind.

Our children are not entering school ready-to-learn. Our children are lagging behind most other industrialized nations in math and science.

We know that the best predictor of quality early education and care and positive outcomes for children is a trained, competent teacher. So why do we have a child care workforce that has little education and training beyond a high school diploma?

The majority of the providers in center-based child care receive less training and job specific education than child care workers in urban areas of Nigeria.

We know that this surplus should be used to address the greatest needs in our nation today. So why don't we begin to take care of the most critical problem, the early education and care of our children?

Spending for child care over the past few years by governments—local, State and federal—has increased.

Yet, less than 15 percent of the families eligible under Federal law to receive child care subsidies are receiving any assistance.

The Head Start Program is only serving about 40 percent of the children eligible for the program. The educational component of that program is in the process of being expanded and strengthened.

The Dependent Care Tax Credit helps offset a small portion of the costs of a family's child care expenses.

American parents are the main source of funding for early care and education. They pay it right from their pocket.

All of our competitors in the international marketplace, have government paying most of the costs of care.

Of the total funds spent on early care and education, government pays for 39 percent, private sources—1 percent, and parents—60 percent. This is the reverse of the cost-sharing between parents and government in other industrialized nations.

In all of the other industrialized nations, the costs of early care and education for 3- and 4-year-olds rests with government, employers, or a combination of both. Parents are responsible for a small percentage of the costs, generally in the ten to twenty percent range. In comparison, some low-income working families in the U.S. have to pay 10, 20, sometimes 30 percent of their household income just for the co-payments required to receive a Federal child care subsidy.

In addition, much of the early care and education in America is of poor to adequate quality. High-quality care is expensive, and few families can afford to pay any more.

In every State, except one—Vermont, the cost of 1 year of child care for a 3- or 4-year-old is more than the yearly cost of tuition at a public four-year university in that state. And Vermont's distinction is due to the high cost public higher education, rather than a lower cost of child care.

We know how to improve the quality of early care and education.

We need better trained and educated teachers. We need to pay those teachers more.

We need to quit viewing child care and early education differently—and recognize the critical importance of early education.

We need to integrate quality early learning and healthy development into all care giving.

We need to make quality early learning programs more affordable and available to all children—particularly 3- and 4-year-olds.

We need to give providers funds to recruit and retain quality teachers, to upgrade facilities and equipment, and to provide staff training on a regular basis.

We need to help states increase not only the number of low-income working parents receiving child care subsidies, but make sure those subsidies are high enough to allow families to afford quality care for their children.

Middle and lower-middle income working families receive the least amount of help in covering the costs of child care, and spend a disproportionately high amount of their household budget on child care. We have to focus more government assistance in their direction.

We need to increase the number of quality programs by improving existing care and starting new programs.

We need to encourage businesses to provide more on- and near-site child care for employees and more resources to support the child care arrangements of their employees. Federal tax credits and incentives need to be increased to help these businesses.

And we must make those improvements without increasing the costs to parents.

In other industrialized nations, early education and care for 3- and 4-year-olds is universal, voluntary and free to parents, regardless of their income. Early education and care is viewed as good for children and an important part of the public education system.

American families struggle to pay $4,000, $6,000, and sometimes over $10,000 a year for child care for their young children.

Our own Senate employees, many using federally subsidized child care centers, pay $6,000 to $7,000 a year for one child—out of their own pockets with little financial help.

A few local and State governments have already accepted this view of pre-school and have devised a variety of ways to finance their efforts.

Some counties in Florida increased property taxes to pay for pre-school and child care services.

Voters in Aspen, CO, approved a dedicated sales tax for child care.

Maine has created tax increment finance districts and identified child care as an approved development program cost.

Missouri dedicates a portion of the funds received from the state lottery to the Early Childhood Development, Education, and Care Fund.

North Carolina has done a remarkable job in subsidizing child care wages and benefits in exchange for completing professional development activities.

Rhode Island has extended health care benefits for child care providers through the State's publicly funded health insurance program.

Connecticut makes long-term, low-interest loans for the construction and renovation of child care centers available as tax-exempt bond funding. It has started a school-readiness program to make sure low-income children have access to high quality early learning experiences.

New York has a generous, refundable child care tax credit against state personal income taxes that are owed.

And last, but never least, Vermont gives increased subsidy rates for accredited care, and provides cash bonuses to child care providers that get accredited or complete academic degrees.

Other States have created voluntary income tax check-offs, car license plates, motor vehicle registration accounts, and other innovative means of financing high-quality pre-school programs. Even with these creative approaches, quality pre-school programs are still out of the reach of many parents.

Several States have started programs and tax incentives to get the business community to assume more of the costs of child care for their employees. Some companies, such as IBM, AT&T, and Bank of America, have clearly stepped up to the plate. But too many others have not.

It is particularly hard for small business owners. Unfortunately, many of these programs and incentives have met little success. Participation levels are very low, even among businesses that provide child care assistance for employees. We must work with the business community to create incentives that work for employers and employees alike.

Government, businesses, or parents cannot do this alone. Providing quality early care and education must be a partnership. There must be joint responsibility and cost-sharing.

Government needs to view early education and care as an integral part of the education system. It needs to provide additional funding to improve quality and decrease the costs for parents.

The business community needs to view early education and care as necessary for recruiting and maintaining today's employees. It needs to see it as an investment in tomorrow's workforce.

Parents are already paying most of the costs of care, and find few choices that provide high quality care at a price they can afford. They must have more choices so their children can grow up healthy and ready to succeed.

We must improve the quality and financing mechanisms for early care and education, particularly for our Nation's 3- and 4-year-olds. This is an investment in the real "infrastructure" of our country—our children and families. It is one that we cannot afford to ignore any longer.

Isabelle Sawhill of the Brookings Institute has estimated that a high-quality, 2-year program in the United States would cost about $8,000 annually per child. This translates to about $30 billion a year to serve all families with incomes under $30,000 a year. This amendment represents a down payment on that investment.

In March, the HELP Committee held a hearing to compare the United States early care and education, with the rest of the world. At that hearing, a child care provider from Vermont testified. At the conclusion of her testimony, she said: "Why do so many children get left behind?"

One, there simply is not enough capacity to meet the needs—it's that simple. Two, few parents can afford high quality care. We are talking about young families at the lowest point in their income earning years paying up to fifty-eight percent of their income on child care.

These young parents absorb 87 percent of the cost of care, as opposed to their later years and incomes are higher and they bear only 47 percent of the cost of a year in college. We ask families to pay more at a time they can least afford it.

I always tell my staff, don't come to me with a problem unless you have at least three potential solutions. Here are my suggestions for easing the child care crisis:

Bring business on board as partners.

Forgiveness of student loans, access to higher wages, and health care for providers will help attract and retain our child care workforce.

Quality incentives work, whether we are talking about guaranteed bonuses for extended education or training, or accreditation.

Tax cuts are great, but only after the true needs of a nation have been meet. You have a difficult choice: save a little now by not funding a comprehensive early care and education initiative or pay a lot later. Studies show that for every dollar we spend on early care and education, we save seven dollars in other government programs down the road.

We can no longer afford to be a nation where only the poor or rich have access to high quality early care and education. You need to commit precious resources to our most precious resource, young children.

Let me show you just some other documentation. I want to bring to your attention a study that all of my colleagues ought to read. This is done by the French-American Foundation. The study compares the French system with American childcare. They point out how well the French do in comparison. I urge Members to look at this study. We have copies of this study available. It demonstrates how beneficial the French system is. We should use it as a model. There are other systems also that we should look at for possible solutions to our early care and education crisis.

Mr. President, at this time I yield to my friend from Connecticut 10 minutes.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 10 minutes.

Mr. DODD. First of all, I commend my colleague from Vermont for offering this amendment. I am delighted to be his principal cosponsor. This is an issue we have worked on together for as many years as we have been in the Senate. My colleague from Utah, Senator HATCH, and many others have helped us develop the Child Care and Development Block Grant program.

I note that the Presiding Officer has more than a passing awareness and knowledge of the subject matter of this amendment and has been involved in the question himself when he was in the other body as well as support here.

What we are changing with this amendment are three things that pertain to the Dependent Care Tax Credit or, DCTC under current law. We have not changed, in 20 years, the amount of annual eligible expenses for child care against which the dependent care tax credit is based. That is what we are talking about in this amendment.

Under current law, eligible expenses for child care are capped at $2,400 for families with one child and $4,800 for families with two children each year. We want to raise the cap on these expenses from the present level of $2,400 for a single child up to $3,000. For families with more than one child, the cap on annual child care expenses would be increased from $4,800 to $6,000. That would be for two children. So we are increasing the amount of child care expenses that would be used as the base against which the dependent care tax credit is calculated from $2,400 to $3,000 for families with one child; and $4,800 to $6,000 for families with two children.

But then we do something else. Under current law, a family can only take a percentage of eligible expenses capped by law as their dependent care tax credit. We have talked already about the amount of eligible expenses that we would be increasing under this amendment. But, also in this amendment, we would increase the percentage that is applied to the capped amount of eligible expenses to calculate the credit.

Under current law, the lowest income families can only take 30 percent of $2,400 in eligible expenses for one child or 30 percent of $4,800 for two children. That's the maximum credit allowed under the DCTC. The amount of expenses as well as the percentage of eligible expenses have not been changed in 20 years. What our amendment does is increase the percentage of eligible costs for the lowest income families from 30 percent to 50 percent. If you make from $10,000 to $30,000, you get a maximum of a 50-percent credit. If you make in excess of $30,000, that percentage declines as income rises until it reaches 20 percent. Even the most affluent family in the country can claim 20 percent of allowable eligible expenses for child care under the dependent care tax credit.

Then, lastly, we index to inflation the child care expense thresholds, the annual child care expenses against which the credit is based, because over the last 20 years there have been no increases at all. Obviously, the cost goes up for child care and related expenses, so we will be back at this again. So why not index it, as we have in so many other areas of the Tax Code? That is all this amendment does.

There is no refundability in this amendment. I regret that, but we did not include refundability.

So very briefly, again, what we do is we increase the amount of eligible expenses under the dependent care credit that a family can take into consideration in calculating their dependent care tax credit. In the case of a single child, the child care expense threshold would increase from $2,400 to $3,000; in the case of two children, the child care expense threshold would increase from $4,800 to $6,000.

You can talk to any family in the country, and they will tell you about the cost of child care. Today it is not uncommon to have child care costs reach $10,000 a year per child. On average, child care expenses both in urban and rural areas are between $6,000 and $10,000 a year. That has gone up considerably in 20 years. Twenty years ago, the cost of child care hovered around $1,500 to $2,000, in some cases $3,000 or more. In 20 years, those costs have just gone up through the ceiling.

Today, in some of the poorer areas, good child care can cost as much as $10,000 or more a year. Needless to say, if you are a family, say, making $40,000, $50,000, $60,000, with two kids, obviously, when you are spending as much as $6,000 to $20,000 for child care for those two children—before you pay rent, before you pay a mortgage, before you put food on the table, clothes and the rest—obviously, that is an extraordinary amount of expense.

So by raising the child care annual expense threshold from $2,400 to $3,000 in the case of one child, and $4,800 to $6,000 in the case of two children, and then increasing the percentage applied to the child care expense base from 30 percent to 50 percent—in the case of the poorest people—with a sliding scale that drops to 20 percent for the most affluent Americans, we think we are going to provide some needed assistance to people who are burdened by high child care costs. For everyone, just like under current law, the amount of allowable expenses would be the same. But, for those families who are low income and moderate income earners, they would be able to take a larger credit than current law—because, both the amount of allowable eligible expenses and the percentage applied to that base would be increased.

How do we pay for it? We drop the top income tax rate by whatever number it needs, maybe 1 point, maybe even less than 1 point to pick this cost up. So we are still providing a tax break for the most affluent Americans. But one of the most significant costs that Americans face is for dependent care, and they need this help.

The Senator from Vermont has laid out—I am, again, preaching to the choir when I speak to the Presiding Officer and the chairman of the committee. They know in the case of Iowa, and in the case of Kansas, there are a lot of hard working folks out there, single parents raising kids. This is not a choice. This is not a case where someone is sitting there and saying they think they will go to work or won't go to work. This is a case where people actually have no other choice. So we are providing some real relief.

I say, with all due respect to the managing members of this bill, the chairman of the committee, we have done something clearly in this bill on the per child tax credit, and I appreciate that. But the dependent care tax credit has not changed. There has been no change in 20 years. It may be 20 years again. It has been nearly 20 years since the last time we dealt comprehensively with the Tax Code. It could be another 20 years before we have a chance to fix it.

So what we are suggesting in this proposal—as the chairman of the HELP Committee pointed out, is that millions of families struggle with child care costs every week. The need for child care assistance is great. Some 65 percent of mothers with children under the age of 6, and 78 percent of mothers with children between the ages of 6 and 13, are working today. Nearly 60 percent of mothers with infants are working. This is not a question of whether or not a need exists. The need is clearly there.

If you do the math on this, a single parent earning $30,000, who has a 1-year-old child and a 3-year-old child, would be spending as much as half of her gross income on dependent child care expenses. The present dependent care tax credit helps, but it is no real match for the reality of the child care market.

Under current law, the maximum credit a family can claim is $720 for one child for 1 year—30 percent of $2,400, and $1,400 for two—30 percent of $4,800. That is not insignificant, but it is not enough to make a family's $8,000 child care bill more affordable.

Our amendment would also index the thresholds for child care expenses for inflation. That is just common sense. Over the years, most of the basic tax provisions affecting tax liability have been indexed for inflation. The personal exemption, the standard deduction, tax brackets for low-income families, the earned-income tax credit, all have been indexed. By indexing the child care expense thresholds under the dependent care tax credit, we would ensure that the credit keeps up with market realities. Within the context of the overall provisions of this tax cut proposal, we can afford it.

We have not increased the child care expense thresholds themselves a dime, let alone indexed them for inflation, over the past 20 years. So again, by raising the child care expense thresholds, and then raising the percentage of eligible expenses a family can take in calculating its dependent care tax credit, we will provide some real relief for families with high day care costs. For example, the maximum credit for a family with one child would increase from 30 percent of $2,400 or $720 to 50 percent of $3,000 or $1,500. The maximum credit for a family with two children would increase from 30 percent of $4,800 or $1,440 to 50 percent of $6,000 or $3,000. These changes will really help low and moderate income families where every dollar counts.

In view of the costs of child care expenses, we think this is an affordable amendment, one that makes sense and provides real relief for working people.

There are no income eligibility caps on the dependent care tax credit, so even the most affluent families can claim as much as 20 percent of allowable dependent care costs.

For these reasons, we urge our colleagues to support this very modest amendment—it is not that expensive—and to reduce the top rate just a fraction to pick up this cost. We think this is something that would make this tax bill a far better proposal.

With that, Mr. President, I yield back whatever time I may not have consumed to the distinguished Senator from Vermont.

Mr. JEFFORDS. Mr. President, I thank my colleague for his very helpful statement. I praise him for the work he has done in this area.

To close up, I would like to follow up on my colleague's statement with a chart. This is the source of funds for child care in early learning in the U.S.: 60 percent by the parents, 1 percent by the private sector, and 39 percent by the Government. In the other countries, it is just the opposite. It is 60 percent by the Federal Government, about 30 percent by the parents, and about 1 percent by the private sector. That is just to emphasize what the Senator has pointed out.

That was excellent testimony that dramatically pointed out to me the serious problems we have.

I ask unanimous consent that Ms. Apgar's statement be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

STATEMENT OF KATHI J. APGAR, EXECUTIVE DIRECTOR, BRISTOL FAMILY CENTER, BRISTOL, VERMONT, PRESIDENT, VERMONT ASSOCIATION FOR THE EDUCATION OF YOUNG CHILDREN, BEFORE THE SENATE COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS, MARCH 27, 2001

I would like to thank Senator Jeffords and the H.E.L.P. Committee for inviting me to share some of the experiences of operating a non-profit, early care and education facility. Most of today's panelists have related statistical information pointing to the crisis in early care and education in our country and the solutions developed by other nations.

I am here to add a personal face to the harsh realities of maintaining a quality program under some dire economic circumstances and add a passionate plea to add new federal dollars to early care and education. We are not talking about "redirecting" federal dollars here, let me be explicitly clear: I am a master of robbing from Peter to pay Paul so I can tell you "redirecting" is simply another word for noncommitment. We in the early care and education field are talking, real, new federal dollars infused into an inadequate system where children and the future of a nation are at stake.

I have been at the Bristol Family Center for almost eight years. Most of my 11-person staff has been with me that long—a virtually unheard of retention rate in an industry which boasts a 30% turnover in employees each year. That would be the equivalent of your sixth grader suffering through three new teachers each year . . . this would not be acceptable in the public school setting and it simply is not in the earliest, most critical years of a child's life. My staff started with me at or just above minimum wage with no benefits except federal holidays and three paid sick days per year. It has taken me eight years to raise their salaries to between $8.65 and $13.00 per hour. . . . Still no benefits. This means no health, no dental, no retirement, no long or short term disability . . . We simply cannot afford it.

As we expand our program this year to include infants and toddlers (there is a waiting list of 50 children for every available slot in this age range) I do not know where my staff will come from. Few teachers are readily prepared for an early education setting like mine where English is a second language: abuse is their first communication. Can you blame most available teachers for seeking public school positions with guaranteed salaries and benefits when we cannot afford to compete with that security?

Why can't you afford it you ask?

53 percent of my enrollment is subsidized by the State of Vermont Child Care Services Division (to you, that's Child Care Block Grant dollars, that's TANF dollars).

The State reimburses us $94.60 per week (55 hours of care at roughly $1.72/hr.).

It costs me $209.79 per week to provide high quality care for these eligible children.

It doesn't take the Congressional Budget Office to tell me that is a $115.00 per child, per week deficit or $5,980 per year, per child for which I must beg the American Legion, VFW and private philanthropic trusts for program support dollars.

People look at my budget and say "Just cut staff and your bottom line will be fine." But think about this for one moment:

In higher education, the quality and quantity of faculty and staff determine the success of a Student's experience.

The same thing is true in early care and education—if I cut staff, the success of a child's first experience plummets.

If you want children to enter kindergarten ready to learn—then "early literacy" doesn't mean exposure to books distributed at healthy child visits or flash cards at the high chair, it means:

Honest to goodness human contact with highly trained providers who are readily available through a low child-to-teacher ratio.

It means always having a lap to snuggle on when a book piques the child's interest and discussing what may happen next in the story or creating a song from surrounding the characters.

Early literacy means having someone across the lunch table from a 3- or 4-year-old sharing silly, giggling rhymes and tongue twisters.

Early learning happens when there is someone around to record the child's words to accompany a treasured drawing so they begin to see how letters are the symbols through which feelings and thoughts are communicated.

Kids must feel safe and respected if they are to thrive and be ready for the challenges of a formal school setting not always ready for them.

I cannot provide these quality opportunities for children on the recommended 10:1 ration—I maintain a ratio of roughly five children to one teacher. This may not help my budget—but my true bottom line is the success of a child's experience.

We must never try to supplant the important role parents play as the child's first, and in most cases, best teacher. As modeled by other countries, this is not an us vs. them rationale—we want parents to have the ability to stay home with their young children but the economic viability of this option is not a reality in most American homes.

In Vermont, 87 percent of children under the age of six live with working parents. This creates a tremendous burden on a system whose capacity has not significantly expanded in 10 years or more. We have 35,000 children in regulated care not necessarily quality care. I am a NAEYC (National Association for the Education of Young Children) validator meaning I review programs as they strive to meet the high standards of national accreditation—so I know what quality should look like and we simply do not have enough quality or quantity in the U.S.

Another 25,000 of Vermont's children birth through age eight are in unregulated care—believe me, in many instances you don't want to know what that means. Right now, we are only providing subsidized care for low income and/or at-risk children. Increases in Head Start dollars target the same population—frequently only offering part-time care, not the full day, full week, full year programming working families need—especially those moving back into the workforce thanks to the "Welfare-to-Work" initiative.

Why do so many children get left behind?

(1) There simply is not enough capacity to meet the needs—it's that simple.

(2) Few parents can afford high quality care. We are talking about young families at the lowest point in their income earning years paying up to 58% of their income (with an infant and 4-year-old) in child care. These young parents absorb 87% of the cost of child care as opposed to their later years when incomes are higher and they bear only 47% of the cost of a year in college. We ask families to pay most at a time when they can least afford it and pay less when they are better equipped for these expenditures.

I always tell my staff, don't come to me with a problem unless you have at least three potential solutions. Likewise, I have some suggestions for easing the child care crisis:

Bring business on board as partners—the ultimate economic gain is having a stronger workforce whose potential is not wasted because they are worrying about the safety and well-being of their young children. I'll be happy to elaborate on our model collaboration with Middlebury College to create a new infant/toddler center thanks to business participation.

Forgiveness of student loans, access to higher wages and healthcare for providers help us attract and retain employees. Each of these options is already being done in other professions such as border patrol and rural medicine. Let's work together to bring these options to early care and education.

Quality incentives work whether we are talking about guaranteed bonuses for extended personal credentialing or program based bonuses tied to national accreditation standards—it works and children benefit directly from these upward movements.

Tax cuts are great but only after the true needs of a nation have been met. It's nice to hear the slogan "No child will be left behind" but as an early educator, parent, taxpayer and lifelong Republican—I'm here to tell you under the current budget—children will be left behind in droves. You have a difficult choice: save a little now by not funding a comprehensive early care and education initiative or pay a lot later. We know that for every dollar spent in early care and education we save over $7.00 in corrections costs. Quality early intervention works in every country, every time.

We can no longer afford to be a nation where only the poor or rich have access to high quality early care and education. You need to commit precious resources to our most precious resource, young children. You can do it, you have proven it on our military bases around the world. We know you can do it and now we expect that you will do it. Thank you.

Mr. JEFFORDS. Mr. President, I urge my colleagues to vote to waive the Budget Act, pass this amendment, and help our families who are struggling with the higher cost of child care.

The research demonstrates so vividly that we have to do more now. Let me again reflect on the chart I displayed earlier. Nearly 40 percent of America's fourth graders are reading below grade level; 68 percent of fourth graders cannot read at a level that demonstrates solid academic performance. That, compared to the rest of the world, is abominable. Again, in mathematics, this is so critical for the Nation's workforce. We have hundreds of thousands of jobs and we find that American students are not qualified to take those jobs. We are at the very bottom of the heap. That is why we have nearly 1 million H-1-B foreign-born students, people from other countries coming in and taking those jobs which our young people could have—if they were qualified.

I yield to the Senator from Connecticut.

Mr. DODD. Mr. President, the Senator from Vermont has laid this out very clearly. I hope our colleagues will find the wisdom to support this. I know the Senator from Iowa and the Senator from Montana wrestled very hard. They have been good supporters on many of these issues over the years. Here is something where just a modest change in the rates can make a huge difference to people. I am not talking about the poorest people, although some of them are, but people who are earning about $40,000, $50,000, or $60,000 a year. You have two children, and it is costing them $17,000 or $18,000 a year for child care. That is a huge whack out of gross income.

To provide some increase to defray these costs is a great advantage and a great help to these people. We urge our colleagues on both sides of the aisle to be supportive of this very fair, thoughtful, modest amendment. I thank my colleague for offering it.

Mr. JEFFORDS. I thank the Senator from Connecticut.

I am not alone in examining these issues. Here is, for instance, a report from California, "Challenges for Higher Education," indicating how important it is for our young people to have the expertise, ready to enter the workforce; from Business Week, "How to Fix America's Schools," because we are not providing the right type of trained workforce; and another one, "Helping Students to be First in the World," recommending action in early care and education by the Council of Chiefs of State school officers. There are many reports and studies. This is one I mentioned earlier, demonstrating how wonderful the French system is and how terrible our child care is. And there are more.

I will conclude by asking the question I did at the beginning: If not now, when? If we have trillions of dollars of surpluses, and we have billions of dollars of need, why can't we solve it? I see no reason. Now, we have an opportunity to take an important but small step forward.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield myself such time as I may consume. I won't speak long because I know the Senator from Connecticut is waiting to offer his amendment.

I rise mainly not to comment on the amendment of the Senator from Vermont but to take some time to speak about his contributions to the legislation that is before us. We heard earlier this morning a statistic that Senator BAUCUS gave about 75 percent of the benefits of this legislation go to families making under $75,000 a year. The Senator from Vermont, through several provisions on which he has worked with me on this bill, deserves a great deal of credit for this legislation being well balanced.

I listened to what the Senator from Vermont said about the amendment he now lays before the Senate. I appreciate his speaking on that subject. He should be very proud of his work on the Senate Finance Committee, as he has every right to be proud of the work that has come from his own Senate committee that deals with the issue of education and many other items. It is fair to say that no Senator has had a greater influence on the relief act that is before us than Senator JEFFORDS. His fingerprints are on the expansion of the earned-income credit for married families, the child credit being extended for working families who do not pay income tax, and the inclusion of the pension bill, and many of the education provisions in the bill.

A married family with two children making $15,000 will receive an additional benefit of over $1,000 next year under the bill before us. That is thanks in no small part to the efforts of Senator JEFFORDS. I realize the bill before us, as is obvious from the introduction of the amendment, does not do all the Senator from Vermont hopes for in the way of dependent care. I think it is a strong step toward his goals. The changes I have mentioned already to the relief act are estimated to cost tens of billions of dollars. The Senator's amendment falls in the area of an additional $25 to $30 billion, a figure over 10 years. That would be in addition.

It is unfortunate that we can't, for a lot of good amendments that are being offered, including the amendment by the Senator from Vermont, do all the things given the tight constraints with which we are faced. But the Senator is always blazing a trail for the work of the Congress, and most of his attention rightfully is given to the needs of families with children and preparing people to do well in school.

I don't know what we can do on this particular amendment. But I have heard what the Senator from Vermont said. I pledge myself to work with him.

I yield the floor.

The PRESIDING OFFICER (Mr. DAYTON). The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Does the Senator yield back his time?

Mr. JEFFORDS. I yield back the remainder of my time.

Mr. GRASSLEY. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DODD. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 695

Mr. DODD. Mr. President, I send my amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD] proposes an amendment numbered 695.

Mr. DODD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To limit the reduction in the 39.6% rate to 38% and to replace the estate tax repeal with increases in the unified credit and the family-owned business exclusion so that the savings may be used for Federal debt reduction and improvements to the Nation's nontransportation infrastructure)

On page 9, in the matter between lines 11 and 12, strike "37.6%" in the item relating to 2005 and 2006 and insert "38%" and strike "36%" in the item relating to 2007 and thereafter and insert "38%".

Strike title V and insert:

TITLE V—ESTATE AND GIFT TAX RELIEF

SEC. 501. INCREASE IN AMOUNT OF UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES.

(a) IN GENERAL.—The table contained in section 2010(c) (relating to applicable credit amount) is amended to read as follows:

"In the case of estates of decedents dying, and gifts made, during:	The applicable exclusion amount is:
2002, 2003, 2004, 2005, and 2006	$1,000,000
2007 and 2008	$1,125,000
2009	$1,500,000
2010 or thereafter	$2,000,000.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to the estates of decedents dying, and gifts made, after December 31, 2001.

SEC. 502. INCREASE IN QUALIFIED FAMILY-OWNED BUSINESS INTEREST DEDUCTION AMOUNT.

(a) IN GENERAL.—Paragraph (2) of section 2057(a) (relating to family-owned business interests) is amended to read as follows:

"(2) MAXIMUM DEDUCTION.—

"(A) IN GENERAL.—The deduction allowed by this section shall not exceed the sum of—

"(i) the applicable deduction amount, plus

"(ii) in the case of a decedent described in subparagraph (C), the applicable unused spousal deduction amount.

"(B) APPLICABLE DEDUCTION AMOUNT.—For purposes of this subparagraph (A)(i), the applicable deduction amount is determined in accordance with the following table:

"In the case of estates of decedents dying during:	The applicable deduction amount is:
2002, 2003, 2004, 2005, and 2006	$1,375,000
2007 and 2008	$1,625,000
2009	$2,375,000
2010 or thereafter	$3,375,000.

"(C) APPLICABLE UNUSED SPOUSAL DEDUCTION AMOUNT.—If an immediately predeceased spouse of a decedent died after December 31, 2001, and the estate of such immediately predeceased spouse met the requirements of subsection (b)(1), the applicable unused spousal deduction amount for such decedent is equal to the excess of—

"(i) the applicable deduction amount allowable under this section to the estate of such immediately predeceased spouse, over

"(ii) the sum of—

"(I) the applicable deduction amount allowed under this section to the estate of such immediately predeceased spouse, plus

"(II) the amount of any increase in such estate's unified credit under paragraph (3)(B) which was allowed to such estate.".

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) is amended—

(1) by striking "$675,000" both places it appears and inserting "the applicable deduction amount", and

(2) by striking "$675,000" in the heading and inserting "APPLICABLE DEDUCTION AMOUNT".

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to the estates of decedents dying, and gifts made, after December 31, 2001.

Mr. DODD. Mr. President, let me quickly get to the heart of what this amendment does, and I will give some explanation of the specifics of it.

This amendment is designed to reduce the amount of the tax cut at the top rate by a relatively small amount—about 1.6 percent—using those resources to do two things and, in addition to that, also modifying the repeal of the estate tax. By doing those two things, reducing the top rate by less of an amount, by 1.6 percent rather than the 3 points, and by having a modification of the estate tax, we take those resources and apply them to paying down more of the national debt. Fifty percent goes to that, and 50 percent goes to nontransportation infrastructure—the water systems, sewage systems, the electrical, and all the things that go on every day that are necessary for our cities, communities, and States to work.

We have done very little about investing in the physical infrastructure of America. You cannot go back to your respective States and talk to a mayor or a Governor and they won't tell you that one of their major problems is dealing with the nontransportation infrastructure needs. Almost on a daily basis, when you pick up any paper in America, you will read where another gas main, water main, sewage main has burst or broken, hasn't been replaced in years, schools are literally falling apart—kids go off to school every day to schools built decades ago. Obviously, there are transportation needs. Those are dealt with in other places. This is nontransportation infrastructure and debt reduction. That is what I want to do with this modest change in the tax bill that is in front of us. There are two things that I think are absolutely critical if we are going to succeed in the coming years economically.

Presently, we pay between $220 billion and $225 billion a year in interest payments. Let me repeat that—between $220 billion and $225 billion a year in interest payments. An interest payment doesn't build anything, doesn't make anyone healthier, doesn't provide a Pell grant to go on to higher education, doesn't build a school, a road—it does nothing. All it is is interest payments on the national debt that we have accumulated, the bulk of which was accumulated in the 1980s and early 1990s—in excess of $3 trillion or $4 trillion. Mr. President, $200 billion a year—even with the surplus—is going in that direction.

Certainly, we all ought to agree as Americans that one of our major goals ought to be to bring that debt down. I understand there is a good argument for not eliminating it altogether, and I will accept that. But nobody can convince me that paying $220 billion a year out of taxpayer money to go to interest payments at the expense of other things we need makes much sense.

I think we ought to modify the tax cut for the most affluent Americans by 1.6 percentage points—that is all, 1.6. You still get a good tax cut here. But by a 1.6 point cut, and using those resources to help pay down that debt, and then by modifying the repeal of the estate tax, which only affects 49,000 Americans—modifying that to help rebuild or try to contribute to the infrastructure needs of our country.

How bad are the infrastructure needs? Interest costs on the debt, by the way, are $220 billion a year. Over the next 10 years, that is $1.5 trillion, if we do nothing, if we just accept the present level of debt. Let's assume the economy runs pretty smoothly out here, with no new increases but no real debt. That is $1.5 trillion in debt, according to the Congressional Research Service, if we do nothing to increase our indebtedness.

In 2001, interest payments on the debt were 11.2 percent of the budget and 2.1 percent of the GDP. According to the Society of Civil Engineers, the condition of America's infrastructure receives a failing grade of D plus. They go down the list in terms of roads, bridges, transit, aviation, schools, drinking water, wastewater, dams, solid waste, hazardous waste, navigable waterways, energy—all the way down are Ds, flunking. They estimate that over the next 5 years, just to put it in working condition—not replace—would be $1.3 trillion to bring the Nation's infrastructure into a C or C+ condition. We are doing almost nothing about it.

As we are talking about a tax cut—and I think there is room for it—can we not modify this tax cut by a modest amount to help reduce the debt and invest in the infrastructure needs of America? That is not a complicated question—just modify it, not eliminate it. I am not talking about taking the tax cut off the table, but instead of reducing the top rate from 39 percent to 36 percent, how about just bringing it down 1.6 points?

By the way, I come from the most affluent State in the country on a per capita income basis—Connecticut. If you repeal the Federal estate tax, it affects about 980 people in my State of 3.5 million people. That is 980 people in my State, and 49,000 nationally. So just modifying the estate tax and reducing the size of the tax cut for the most affluent Americans, I can make a huge dent in the national debt of this country and I can invest in the infrastructure needs that we are told, by every objective analysis, are in desperate need of repair. That is what this amendment is designed to do, very simply—bring down that debt, reduce those interest payments, and invest in the infrastructure.

Are we asking so much? In fact, I suggest that if we asked the most affluent Americans whether or not they would be willing to take a more modest tax cut—not to eliminate the tax cut, but a more modest tax cut—in order to bring down the national debt and to invest in the infrastructure, water systems, and sewage systems that are falling apart in our country, they would say you ought to do that.

I don't know why it is we think that the most affluent people would be opposed to doing some of these things. Yet to hear some of the speeches on the floor of this Chamber, that even a modest reduction in the size of the tax cut for the top 1 percent of income earners, people making $300,000 or $400,000 a year, a slight reduction in their tax cut is absolutely unacceptable, even when it means cutting into that $220 billion a year that goes for interest payments. When I think of what I can do with $220 billion for schools, roads, and other things that our country needs.

I have a great fear, of course, that we are going to see this proposal in front of us cause an increase in the national debt. If that happens, of course, then interest rates on cars, homes, and other consumer goods will go up, and that is an awful tax increase. When interest payments on those consumer goods rise, that is a tax increase.

We have seen that happen in the past. We are not unfamiliar with rising interest rate costs and what they can do to people's ability to provide for their families, for businesses to grow and expand and hire more people to compete in the global marketplace.

I have great concern that because of what we are doing with this tax cut proposal—crowding out our ability to do these other things, such as paying down the debt and investing in the infrastructure needs of our country—that we are going to look back and rue the day.

I am 1 of 10 people who was in this Chamber 20 years ago when a similar tax cut proposal was being made, a more modest one. Ten of us said: We are fearful that if we adopt this tax cut proposal, this country is going to witness an increase in its indebtedness, it is going to see interest rates climb, and hard-working people are going to see the cost of everything they need go up.

There are only 3 of us left today in this Chamber who were part of that group of 10 who voted against that tax cut in 1981–1982. I do not know of many people who would not like to have that vote back, if they could.

I do not need to spell out what happened during the mid-1980s and early 1990s. Our national debt went from under $1 trillion to in excess of $3 trillion, almost $4 trillion. Interest rates went up to the ceiling, the economy went dead, flat in the water, and it was not until 1990 and 1993 that we began to come out of it, we began to see our economy grow and expand again as a result of some very courageous votes taken in this Chamber and the other Chamber.

I do not want to see us go back to recreate the mistake we did 20 years ago. I have a great fear that is about what we are going to do in the next 12 hours or less. I do not fault the managing Members for the job they have had to do in the Finance Committee, but this is being done awfully quickly.

It is only the middle of May, and we are jamming through this tax cut proposal even before we are being told what the defense numbers are going to be. We have an energy crisis looming on the horizon. Thomas Friedman of the New York Times called it the "perfect storm."

We have this tax cut proposal, as much as a $150 billion to $200 billion increase in defense spending, and an energy crisis looming and we are charging ahead unmindful of the implications of these proposals and what they could do to the economy of this country and the pocketbooks of average Americans.

This amendment does not correct all of that, but it does moderate it to some degree. It says that paying down the national debt ought to be a priority; if not paying all of it down, pay some of it down. This should not be a Democratic idea or a Republican idea to reduce $220 billion in interest payments each year.

Can anyone tell me when an economy has grown in this country when its infrastructure was collapsing? We cannot point to a single period in our history when our basic infrastructure was falling apart and our economy grew.

There is a relationship between interest payments on the debt and infrastructure. The reason I am combining these two in this amendment is because both are absolutely critical to economic growth. If debt is too big, either personally or nationally, then we will not be able to afford the things we need for our families or as a nation. If our infrastructure is collapsing and falling apart, our economy does not grow.

By reducing the tax cut for the most affluent Americans by a small amount, I do not eliminate the national debt, and I do not provide for all the infrastructure needs, but we do some of the things.

If my colleagues do not think this amendment has value, they can call their Governor, Democrat or Republican, and ask them whether or not they think infrastructure costs are serious in their respective States.

I am looking at some numbers from my State of Connecticut. Infrastructure facts: 58 percent of Connecticut schools have at least one inadequate building feature, 68 percent of the schools have at least one unsatisfactory environmental feature. Connecticut's drinking water infrastructure needs $1.35 billion over the next 20 years.

Connecticut is a small State. There are 11 State-determined deficient dams in the State of Connecticut. Again, my colleagues can call their home States, and I am sure they will get similar numbers across the country about what is happening to the basic infrastructure of our Nation and our inability, as a result of what we are about to do with this tax cut, to pay for these costs.

By the way, when fully implemented, this tax cut is not $1.35 trillion. It will cost $4 trillion. I draw the attention of my colleagues to the lead editorial in the New York Times over the weekend about the cost of this tax bill we are about to adopt, and those exploding costs will kick in just as the baby boomers retire, and just as Social Security and Medicare will be placed under extraordinary new strains.

This amendment makes a commitment to debt reduction, and while I believe it is modest, it also seeks a commitment to that other important priority: our national infrastructure.

It is a well-known fact that our country's schools, our water, and wastewater systems, our telecommunications connections are in dire need of attention. Let me give some examples.

Nearly three-quarters of our schools are over 30 years old. The average age of our schools is 42 years. That means schools go back almost to the mid part of the last century. Fourteen million children attend school every day in buildings that are unsafe. Fourteen million kids go to unsafe schools every day.

The American Society of Civil Engineers issued a report card on our Nation's school infrastructure and gave it a failing grade. Our water and wastewater systems need nearly $23 billion more each year. Water and wastewater alone need $23 billion a year for the next 20 years—there is nothing here for that; nothing—in order to replace aging and failing pipes and to meet the environmental and public health standards in the Clean Water and Safe Drinking Water Acts.

Federal contributions have dropped 75 percent in real terms since 1980. We used to be a better partner with our States and communities in picking up these costs. We have now left the scene, pretty much departed entirely. So while providing a tax cut on one level, who do we think is going to pick up the cost of these items at the local level since we do not contribute much anymore? Local property tax, local sales tax, and local income tax will go up. We will provide Americans with a few bucks here, but we will take the money out of another pocket at the State and local level because the Governors and mayors are going to have to pick up these costs because we are not doing it.

The Federal Government represents only about 10 percent of the total capital outlays for water and wastewater infrastructure. That is how much in 20 years we have declined in our participation. The architects of this bill would prefer we not pay anything. That is what they want. Clean water, obviously, affects the environment, public health, and the economy. Clean water supports a $50 billion recreational industry, $300 billion in coastal tourism, $45 billion in annual commercial fishing, and a shellfishing industry.

And we all know the Internet has dramatically altered how we live, work, gathering information, and we are all aware of the increasing importance of being digitally connected. While access has increased for all groups, there still exists a gap, or digital divide, between those Americans with access to technology and those without. Race, income, education, age, and location are all factors related to the level of Internet connectivity.

As to the means to deploy this technology, once again, however, the infrastructure needed to extend access is lagging, desperately lagging in certain areas and among certain groups in this country.

By reducing this tax cut, decreasing modestly for the most affluent, we can make a difference on closing the digital divide to see to it that every child in America will have the opportunity to access this modern technology that they will need to be productive citizens.

Wastewater and telecommunications, are these not priorities issues as well? Don't they deserve the attention of this body? As we are about to give a tax cut of this magnitude, can we not modify it even slightly to make a difference for the people who would benefit as a result of improved water, wastewater, telecommunications, and schools? Does that not make America richer and wealthier, more solid as a nation in the years to come?

Why crowd out everything here so that instead of the 75 percent we used to contribute to our local communities, we are down to 10, 9, 8, 5, and down to 1 percent?

Rural communities fall behind cities' and urban areas' broadband penetration, at only 7.3 percent for rural parts of America. This is not just cities we are talking about; rural communities suffer terribly.

Large gaps in Internet access still remain among ethnic groups. The Internet has become a necessity. It will become even more so in the years ahead. If we don't make investments in the basic infrastructure, we will rue the day, in my view.

The importance of our commitment to our Nation's infrastructure is highlighted by a recent visit I had with mayors from 60 of my cities. One mayor said it best when he said a cut in Federal taxes equals an increase in local taxes. Municipal governments are straining to find the resources for water treatment and school repairs. He asked, are we going to ignore what is happening in our communities for a huge tax cut for those who can afford it the most?

In the tax bill before the Senate, everyone gets tax relief. I am not changing that. I especially appreciate what the most affluent have done since 1993 in contributing to reducing our Nation's debt. They should get tax relief. I don't join those who say there ought to be no tax relief for affluent Americans. They contribute. I suspect were they here in this Chamber and asked the question of whether or not to reduce the national debt and invest in the infrastructure of America by taking a modest tax cut, most affluent Americans would say: Do it, do it.

The reason the wealthiest 1 percent of Americans pay more in taxes relative to other income groups is not that tax rates have increased, but rather that their before-tax incomes have increased by nearly 50 percent between 1992 and 1998 as a result of wise decisions we made to reduce debt and to increase opportunity in this country. At the same time their incomes have risen dramatically, the overall Federal tax burden has dropped substantially.

The bipartisan 1997 tax bill cut taxes on capital-gains from investments, a major source of income for wealthy Americans. So the top 1 percent have seen a drop in their average overall tax rates. The top 400 wealthiest taxpayers, for instance, have seen a decrease in the average tax rates from 29 percent in 1993 to 22 percent in 1998—again, primarily as a result of the cut in the capital gains tax rates.

I reject the argument, further, that the affluent are ready to riot over their taxes. I think the affluent are responsible citizens. I think they will be the first to say they live in the most wonderful nation on the face of this planet. Many came from poor families and created their wealth through hard work and sweat, ingenuity, and smarts. They tell you what they hope more for this country than anything else is to see to it that others have a similar opportunity. I don't think they are about to riot. They want to see the country well managed, well run. They want to see its economic policies reflect the kind of society that gives people that opportunity. When schools are falling apart, with 42 percent of schools being built more than 30 or 40 years ago, when our water and wastewater systems are falling apart, when we have to write a check each year for $220 billion in interest payments, affluent, responsible Americans would say, bring down that national debt and invest in the infrastructure of America. Yes, they will give you a tax cut, as well, in addition to what is being received in the cuts of the capital gains taxes.

I hope to adopt this amendment.

I mentioned earlier the estate tax. I don't disagree we need estate tax relief. But to eliminate it entirely? What that costs over 10 years of this bill is $660 billion a year, for 49,000 Americans. That is who gets saved by this—the 49,000 most affluent Americans. The difference over 10 years is $660 billion. Can we not just modify the estate tax, reduce the size of the tax cut by a very small amount, and make a huge difference in the national debt of the country and the infrastructure needs?

Mr. President, 49,000 Americans, 980 in my State alone—that is it—out of 3.5

million people who will benefit with the complete repeal of the estate tax. And we can't find the resources, we can't modify that to make the difference? In Connecticut, 980 people resulted in estate tax liability out of 3.5 million. I hope my colleagues will consider this amendment as a modest change in the proposal.

I add my friend and colleague from Nevada, Senator REID, as a cosponsor of this amendment.

This is modest change in the amount of tax rates for the most affluent, through modifying the estate tax repeal and investing those resources in bringing down that national debt and investing in the nontransportation infrastructure needs of America, is what this is about. We will not have the economy grow if the national debt goes climbing up again and if the infrastructure is falling apart. That is why I put these two issues together. In the absence of both of these, good infrastructure and reducing debt, both personally as well as nationally, it is hard to imagine how this economy will see a brighter day if we adopt this bill without these provisions added to it.

I withhold the remainder of my time.

The PRESIDING OFFICER. Without objection, the Senator is added as a cosponsor.

Mr. GRASSLEY. I yield myself such time as I consume.

Looking at the amendment being introduced, the purpose of it is to make changes in the bill to reflect changes in the rate of taxation, and particularly heavy emphasis upon change in the estate tax provisions, so that savings can be realized to be used for Federal debt reduction and improvement to the Nation's transportation infrastructure.

I know what the Senator's intent is: to save money so it can be used for the Nation's nontransportation infrastructure. But there is nothing in his amendment that directs the money in that direction. So when it is finally said and done as far as public policy is concerned, this amendment is just to change very dramatically the higher rate reduction that we have in the bill and to more or less decimate the estate tax provisions of our bill.

I have to confess I do not know what it is to be born rich and live rich. There seems to be a compulsion on the part of people in this body, for those who are born rich, live rich, and die rich, to want them to contribute more to the Federal Treasury than other people who do not fit into that category. There is an effort to nick those rich people for more money when they die.

I confess not to understand what it is to be born rich and live rich. So I do not come from the perspective that there is all this money out there that people are just willing to contribute to the Federal Treasury when they die. I do not understand the people who get a big joy out of taxing those people. But if they get a big joy out of it, OK. If they want to establish a category of people who are forever filthy rich and go after them, that might be all right.

But most of the people I think about when I talk about doing away with the death tax are people who have lived very moderately throughout their lives and come to a point, probably because they are involved in farms and small businesses and you are just forced to reinvest so much, put all of your earnings back into the business so you can grow and just be competitive. That is particularly true in farming.

If you started farming years ago with 80 acres and you are only farming 80 acres today, you aren't going to be successful unless you have a job in town. So you have to keep investing in machinery, be more productive, buy more land, et cetera. That is the sort of person I think of, one who has lived moderately and maybe dies fairly well off. The point is, when they live that way, they want to leave that business, those resources, to their kids. They do not want to be hit with a death tax after they have paid taxes all their lives.

I gave the example once before. And I am raising the issue of fairness of a death tax versus those who do not pay it. You have two people who can make exactly the same amount of money throughout their lifetimes. Both of them obviously are going to pay income tax when they make it. But this person over here is going to live very moderately and miserly and maybe leave an estate of $5 million. Then when he dies, his estate, because he lived in so miserly a manner, is going to pay a big reward to the Federal Treasury.

You have the other person over here living it up throughout his life, womanizing, drinking it up—you know, all the things that are dealt with in the material world—who does not leave a penny. This person gets taxed once when he makes it and spends it tomorrow. This person gets taxed when he makes it, saves it, and invests it in a business and wants to leave it to his kids, and then he is taxed again when he dies. What is fair about that?

Those are the people I am worried about. I am not worried about the filthy rich who are born rich, live rich, and die rich. So I have been a long-time advocate that no American family should be forced to pay up to 60 percent of their savings, their business, or their family farm in taxes when they die. No taxpayer should be visited by the undertaker and the tax collector at the same time.

We have now before us an opportunity to do something about that, to help those families that are being crushed under the expensive responsibilities of estate tax planning and estate taxes.

Let me suggest probably the money that is wasted in this country on estate tax planning is the biggest waste of the productive resources in this country that you can have. They are even worse than the estate tax, I believe. People who have worked hard, who are faced with the estate tax, who want to leave some money to their kids, just spend wasteful amounts of money on estate planning in order to legally avoid paying estate tax. Wouldn't it be better if those estate planners, those insurance salesmen, those lawyers, were doing something productive, contributing something to the economy as opposed to this nonproductive effort of estate planning?

When we do away with the estate tax, these folks will be able to do something productive.

There are those in the Senate who want you to believe we are spending $145 billion for the benefit of just 45,000 people; that it is just 45,000 people paying estate tax. I want to tell the Senator from Connecticut I do not believe that is true. There may have been 45,000 estate tax returns that had checks attached. But that is no way to measure the impact on the American taxpayer.

In preparation for the RELIEF Act I had the opportunity to review 1999 Internal Revenue statistics regarding estate tax returns. Those statistics, frankly, were outrageous. In the Federal Government's attempt to enforce its version of social responsibility by this huge tax rate of 55 to 60 percent on the estate tax, taken from the family's net wealth on the death of a loved one, it has cast a net. There is a net cast by that one involuntary action of death into thousands of homes in its attempt to capture a few so-called rich families.

In 1999, there were only 577 people who died in the United States with gross estates greater than $20 million in value: But 104,000 families were affected by the estate tax requirements.

Let's get this straight: 577 people died with estates over $20 million, but 104,000 families were affected by these estate tax requirements. In search of this supposed social justice, to take 55 percent of a family's lifetime efforts to contribute to the Treasury's general fund, we have upset lives in over 100,000 families. Is that truly a ratio with which we are willing to live? Is that fair? I cannot imagine supporting this amendment. Thousands of American taxpayers who deserve immediate estate tax reform are being cast aside by this amendment.

On the backs of the American taxpayers, the Senator from Connecticut has proposed funding nontransportation infrastructure. That is an interesting thought—nontransportation infrastructure. In order to achieve that goal, he is willing to wait until the year 2010 to increase the unified credit to just $2 million.

That is 30 years from the last time it was increased, 1981. That $2 million, 30 years later, would not even be worth what the unified credit was in 1981. That means for the first time, American taxpayers who are good Americans, who saved and invested in savings accounts and stocks and bonds, will be treated equally with all other taxpayers.

It means that for the first time American farm families and the owners of small businesses will not have to jump through hoops, hold their breath, and pray that they planned their estate just right, subject to audit, in order to get the full use of their unified credit.

In addition, Senator DODD gives no estate tax rate relief. The bipartisan RELIEF Act before us does. We immediately drop the top rate to 50 percent. In the year 2007, we reduce the top rate to 45 percent.

After all is said and done, people are going to be hit with the death tax at a higher rate of taxation than when they were living, which the top rate today is 39.8 percent.

So for the first time in history, an American family can exempt $8 million from the death tax—that is in the bill before us—by the year 2007.

In this bipartisan RELIEF Act, we have chosen to treat all American taxpayers equally, and give a unified credit that everyone can use, unlike the proposed amendment by the Senator from Connecticut. In addition to stealing the American taxpayers' increase in the unified credit, offered in this amendment is a paltry increase in the complex qualified family-owned business deduction. That would be increased by a mere $75,000. And that would not happen until the year 2006.

I think all this flies in the face of the American taxpayer. This is an overwhelmingly complex additional deduction of $75 which, quite frankly, turns out to be meaningless—in fact, so meaningless that I am ashamed I had a hand in writing this about 2 or 3 years ago when it was written. I would have to suggest to the Senator from Connecticut that if he would read again, as I have been forced to read, the Internal Revenue Code on these provisions, he would find that when you get through these complex provisions, if typed in its entirety, it is over 20 pages long, and it is full of requirements, restrictions, cross-references that boggle the minds of accountants and the legal profession and the American taxpayers.

I think we need to be honest with the American public and give them a true death tax break that everyone can use. This amendment will detract from that tremendously. I think our bill does a pretty good job of it, not as good of a job as I would like but within the context of a bipartisan compromise and within the context of the budget restrictions we are operating under, this is the best we can do.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. I yield myself about 5 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. BAUCUS. Mr. President, I would like to address two arguments that have been made against the distributional benefits of this bill.

First, opponents of the bill have made the argument that it does little to alleviate the payroll tax burden, which is the largest tax burden for many middle- and low-income Americans. It is true that about 80 percent of Americans pay more in payroll taxes than they do in income taxes. It is also true that for about 20 percent of Americans their sole Federal tax liability burden is the payroll tax; it is not income tax.

The argument that is made is that this bill does nothing for those people whose principal Federal tax is the payroll tax. That argument is simply incorrect. In fact, the bill before us makes three important changes that directly offset the impact of payroll taxes so there are three measures in this bill which reduce payroll taxes for a significant number of Americans.

First, we amend the child credit to make it significantly more refundable; that is, after you have used up your child credit against your income taxes, if there is still more child credit available, we say: Americans, if you are in that situation, you get a check from Uncle Sam.

We also reduce the marriage penalty under the earned-income credit. It is a very important provision which makes the so-called marriage penalty much less of a burden for low-income families. The Earned Income Tax Credit allows people with insufficient income tax liability to still get the benefit of a tax cut by allowing a credit against their payroll taxes.

Third, we simplify the earned-income tax credit. That is no small matter. Some people might argue that simplification does not have much effect. But I strongly disagree. This bill contains major simplifications to definitions and other provisions which will be a very significant aid to lower income people, allowing them to better utilize the earned-income tax credit. This means they will have more ability, again, to offset against payroll taxes.

Put all these together and the bill before us includes about $109 billion in outlays over the 10-year period of this bill. In other words, about $109 billion is directed exclusively for offsetting payroll taxes.

The second argument against this bill's distributional effects is also incorrect. This argument is that the tax cuts in the bill are regressive because they give a relatively larger cut to those at the very highest income levels. Specifically, it is argued that the bill gives the top 1 percent highest income taxpayers a whopping 33.5 percent of the tax cuts.

Let's look more closely at that argument and deal with all the cards on the table. The above conclusion can only be reached if you include the distributional effects of the estate tax provisions.

But there are two problems with that analysis. First, there is an ongoing dispute on how to distribute the impact of the estate taxes across income classes. This is because the estate tax is based on the size of the estate of the decedent there is no way to calculate the wealth of those who inherit the assets. In fact, the Joint Tax Committee does not do estate tax distributional tables for that exact reason.

There are organizations in this city and in this country that do make those calculations. I have no objection to their trying, but we must remember that these calculations are based on assumptions that are hard to pin down. They are doing as good a job as they can, but they are trying to calculate something that our official scorekeepers refuse to estimate. But even assuming that the downtown organizations that make that analysis are correct, let's think a little more about it.

Virtually all Senators in this body support either "reform" or repeal of the Federal estate tax. I believe it is almost impossible to support reform or repeal of the estate tax and then attack the distribution of tax benefits in the bill as regressive.

Why do I say that? Because if you set aside the estate tax provisions—just take them off the table and deal with everything else in this bill—if you look only at the income and payroll tax effects, this bill is quite progressive compared with current law—not regressive, but progressive.

Let's take a look at the numbers. If we set aside the estate tax provisions what do we find? Let's look at the top 1 percent of taxpayers; that is, those with an annual income of $373,000 or more.

This covers the top 1 percent of taxpayers in America. Under current law, those Americans pay 26 percent of all Federal taxes. That doesn't just cover income taxes, it includes all Federal taxes, including payroll taxes, excise taxes, and even estate taxes. But if you set aside the estate tax provisions in this bill, these taxpayers do not get 33.5 percent of the tax cuts, as alleged. Instead, they get 19 percent, only 19 percent of the benefits, even though they pay 26 percent of all Federal taxes. People with lower incomes get much more under this bill than they do compared to current law.

Let's take another look. According to the Joint Tax Committee, taxpayers with an income of $200,000 or more, that is the top 4 or 5 percent of all taxpayers today, pay about 32 percent of all Federal taxes. Under our bill, these taxpayers get about 22.5 percent of the tax cuts, again, a smaller share of tax cuts than the share of taxes they pay under current law.

What is the point of all this? Basically I am saying that if you look at the whole bill, then this bill is very progressive with the exception of the estate tax provisions. That is, higher income people get a smaller proportion of the tax benefits when compared with current law and everybody below roughly $100,000 will get a greater proportion of tax benefits when compared with current law.

As for the estate tax provisions, unfortunately, a number of my colleagues have been trying to have it both ways. They claim the bill is regressive, when its most regressive features are the estate tax provisions, but at the same time they push to have the unified credit go up to higher and higher numbers.

I have heard Senators on the floor who roundly criticized this bill privately say: Gee, MAX, can we raise the unified credit up to $6, $7, even $10 million?

I don't think you can have it both ways.

Mr. DORGAN. Will the Senator from Montana yield for a question?

Mr. BAUCUS. Certainly.

Mr. DORGAN. Does the Senator from Montana support complete repeal of the estate tax?

Mr. BAUCUS. No, he does not.

Mr. DORGAN. The only point I make is, talking about this bill as progressive, by saying if you don't consider the estate tax, it is a progressive bill.

Mr. BAUCUS. If I may respond, by far most of the cost of the estate tax provisions in the bill, in the current 10 years which the bill covers, results from raising the unified credit. Only a very small portion results from repeal of the estate tax. It is also important to recall this whole bill is sunsetted after 10 years. And so the claims of $600, $900 billion in the second 10 years are interesting, if you project current law out that far, but not particularly relevant since the bill terminates at the end of 2011 and all of its provisions will need to be reinstated.

Mr. DORGAN. If I might further inquire, I admit certain changes have occurred that have made this bill better for lower and middle-income groups more recently. But my guess is the Senator from Montana is not saying repeal of the estate tax is not in this bill, even though he says it is sunsetted. This bill repeals the estate tax in the last year; is that correct?

Mr. BAUCUS. The Senator is absolutely correct. Personally, I do not support full repeal of the estate tax. I support reforming the tax so it protects our family farms, ranches and other businesses. I understand the Senator is going to offer an amendment later today that will eliminate full repeal, while addressing the concerns of family businesses. I intend to support that amendment.

Mr. DORGAN. Further inquiring, I do intend to offer an amendment following the amendment offered by Senator KYL today. I might say that, while I support reform and have long supported reform of the estate tax, I do not support total repeal of the estate tax for reasons which I will describe later.

Mr. BAUCUS. Mr. President, because my time is limited I would like to get back to the point I was making originally about the distribution of this bill.

As this chart behind me shows, for taxpayers with incomes of $25,000 or less, $50,000 or less, $75,000 or less, or $100,000 or less, this bill, which is the red, shows that a greater proportion of tax reductions apply to those taxpayers. For those taxpayers with incomes of $100,000 to $200,000 or taxpayers with incomes above $200,000, again, the red shows they receive less in tax benefits compared with the administration's plan—again showing that this bill is progressive. That is, compared with current law and compared with the Bush plan, this bill does give more tax reductions percentagewise to people with incomes under $100,000, and those at $100,000 or more will get less in tax reductions than the Bush plan or current law. It does show that this is a progressive bill.

I yield the floor.

Mr. DODD. Mr. President, may I inquire how much time remains?

The PRESIDING OFFICER. The Senator from Connecticut has 3 minutes 25 seconds remaining; the managers, 1 minute 41 seconds.

Mr. DODD. In the 3 minutes, I want to make a couple of corrections to some of the statements made about the estate tax.

First, I will tell the Senate exactly how many people paid the estate tax liability: 49,870 people had, in 1999, Federal estate tax liability. That is 2 percent of the adult deaths in the country. When it comes to family farms, the New York Times recently reported that an Iowa State University economist had not been able to find a single documented example, not a single documented example of a family farm lost to the estate tax. Nor could the American Farm Bureau Federation find one example, not one. So when I hear these nostalgic, mythical arguments about the family farm losing out to the estate tax, that is what it is. It is mythology, unless you are the King Ranch in Texas maybe.

The idea that small family farms lose is just not borne out by the statistics or facts. The fact is, there is a significant revenue loss. My colleagues may not want to talk about it, but this bill also backloads the estate tax. It doesn't become fully effective until 2011. This hides the true cost of estate tax repeal.

If you want to vote for $662 billion in tax breaks for 49,000 people, then vote against the amendment. But then you explain that the next time we try to fix the water system or a sewer system or repair a school or reduce the national debt. The family farmer suffered? Name one. The Farm Bureau couldn't name one. The New York Times couldn't find one. Iowa State University couldn't find one.

This is a joke that is going on here. It is ridiculous. Listen to some of the most affluent Americans. Listen to George Soros, who talked about the estate tax and how ridiculous this is. Listen to Warren Buffett, Bill Gates, John Kluge, they will tell you this is a myth, that it is ridiculous talking about death taxes, $662 billion over 10 years. That is real money. That is money that could make a difference in paying down the debt, in investing in the infrastructure of America.

By taking the top rate down, instead of to 36 percent but to 38 percent, is that really an outrageous request to make for a modest investment in a downpayment on reducing the national debt and investing in the nontransportation infrastructure of America? I don't think so, Bill Gates doesn't think so, George Soros doesn't think so, Warren Buffett doesn't think so, John Kluge doesn't think so.

I hope the amendment will be adopted. Maybe we will have a little more balance in this bill. But repealing the estate tax to affect a fraction of the population in this country, some of the most affluent people in the land—to their credit, some of the most affluent people think this is wrong.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

At the moment, there is not a sufficient second.

The Senator from Arizona.

Mr. KYL. Might I, on behalf of the Republican majority, pose a question to the Chair?

The PRESIDING OFFICER. The Senator will state it.

Mr. KYL. Mr. President, how much time does the chairman of the committee, the Senator from Iowa, have remaining on the Republican side?

The PRESIDING OFFICER. A minute and a half.

Mr. KYL. Might I be recognized to take that time in response to the Senator from Connecticut?

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. KYL. Then I will be happy to have a rollcall at that point.

This is a very deceptive amendment. There is absolutely nothing in this amendment that calls for any money to be spent on paying down the national debt or applying any money to the infrastructure of the United States. Only in the title does the amendment say that the purpose is to allow money to be spent for this. It says "may be used" for Federal debt reduction and improvements to the Nation's infrastructure. What it does is repeal almost all of the benefits in this bill relating to the repeal and reform of the estate tax and takes away all but 1 percent of the top marginal rate reduction called for in the bill.

When the Senator from Connecticut claims that the repeal of the estate tax in this bill is going to cost $662 billion, he is absolutely, totally wrong. According to Joint Tax, the cost of the estate tax repeal and reform measures in this bill is $145 billion, period, not $662 billion. Moreover, it is a fallacy to say that few will benefit. While it is true that relatively few estates pay the tax, hundreds of thousands of people will benefit by the reforms in the estate tax that are included in this legislation: The rate reductions; the increase in the amount of unified credit; and, in the 10th year, the repeal of the tax.

Mr. DODD. Will my colleague yield?

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. DODD. I ask unanimous consent for 30 seconds.

The PRESIDING OFFICER. Is there objection?

Mr. KYL. Mr. President, I will be happy to take 30 seconds when he is done, and I will not object.

Mr. DODD. Mr. President, the Joint Committee on Taxation estimated that the House version, H.R. 8, would cost $186 billion between 2002 and 2011, less than one-third of the 10-year cost they estimated for immediate repeal, $662 billion—the Joint Committee on Taxation.

Mr. KYL. That is right. The immediate repeal—that was my original bill—would cost $662 billion. But we are not immediately repealing. The Senator should consult the bill. The estate tax is not eliminated until the 10th and final year. That elimination is $30 billion of the $145 billion of the total cost of reforming and finally repealing the estate tax. It is not repealed in the first year, not until the 10th year.

The PRESIDING OFFICER. All time has expired.

Mr. DODD. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Arizona.

AMENDMENT NO. 691

Mr. KYL. Mr. President, I send amendment No. 691 to the desk. It is the tuition scholarship tax credit.

The PRESIDING OFFICER. The clerk will report.

The senior assistant bill clerk read as follows:

The Senator from Arizona [Mr. KYL] proposes an amendment numbered 691.

Mr. KYL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to allow a credit against income tax for contributions to charitable organizations which provide scholarships for children to attend elementary and secondary schools)

At the end of subtitle D of title IV, add the following:

SEC. . CREDIT FOR CONTRIBUTIONS TO CHARITABLE ORGANIZATIONS WHICH PROVIDE SCHOLARSHIPS FOR STUDENTS ATTENDING ELEMENTARY AND SECONDARY SCHOOLS.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 is amended by adding at the end the following new section:

"SEC. 30B. CREDIT FOR CONTRIBUTIONS TO CHARITABLE ORGANIZATIONS WHICH PROVIDE SCHOLARSHIPS FOR STUDENTS ATTENDING ELEMENTARY AND SECONDARY SCHOOLS.

"(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the qualified charitable contributions of the taxpayer for the taxable year.

"(b) MAXIMUM CREDIT.—The credit allowed by subsection (a) for any taxable year shall not exceed $250 ($500, in the case of a joint return).

"(c) QUALIFIED CHARITABLE CONTRIBUTION.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified charitable contribution' means, with respect to any taxable year, the amount allowable as a deduction under section 170 (determined without regard to subsection (d)(1)) for cash contributions to a school tuition organization.

"(2) SCHOOL TUITION ORGANIZATION.—

"(A) IN GENERAL.—The term 'school tuition organization' means any organization described in section 170(c)(2) if the annual disbursements of the organization for elementary and secondary school scholarships are normally not less than 90 percent of the sum of such organization's annual gross income and contributions and gifts.

"(B) ELEMENTARY AND SECONDARY SCHOOL SCHOLARSHIP.—The term 'elementary and secondary school scholarship' means any scholarship excludable from gross income under section 117 for expenses related to education at or below the 12th grade.

"(d) SPECIAL RULES.—

"(1) DENIAL OF DOUBLE BENEFIT.—No deduction shall be allowed under this chapter for any contribution for which credit is allowed under this section.

"(2) APPLICATION WITH OTHER CREDITS.—The credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(A) the regular tax for the taxable year, reduced by the sum of the credits allowable under subpart A and the preceding sections of this subpart, over

"(B) the tentative minimum tax for the taxable year.

"(3) CONTROLLED GROUPS.—All persons who are treated as one employer under subsection (a) or (b) of section 52 shall be treated as 1 taxpayer for purposes of this section.

"(e) ELECTION TO HAVE CREDIT NOT APPLY.—A taxpayer may elect to have this section not apply for any taxable year.".

(b) CLERICAL AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

"Sec. 30B. Credit for contributions to charitable organizations which provide scholarships for students attending elementary and secondary schools.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

Mr. KYL. Mr. President, I am offering this amendment because I believe our Tax Code must and can be reformed to address the urgent need to improve elementary and secondary education in our country.

This tax bill takes a very important first step by allowing the Coverdell education IRAs to be used not only to facilitate savings for college education but for grades K through 12 as well.

Many of us since 1997 have worked very hard to secure this reform. I am gratified that it will finally be accomplished. For that, by the way, special credit is due to my late colleague, Senator Paul Coverdell, as well as Senators TORRICELLI and HUTCHINSON of Arkansas, whom I am pleased to have as cosponsors of this amendment.

While the administration of our schools is and should remain a local responsibility, we have a compelling national interest in improving the quality of K through 12 education. There are ways to do it without adding to the bureaucracy in Washington and without adding new mandates. It is a fact that America is currently not educating the workforce it needs for the economy of the 21st century. Raising overall achievement will enhance America's competitiveness.

Congress has been compelled to authorize the issuance of hundreds of thousands of new visas for highly skilled temporary workers because it is a fact that not enough qualified American workers were available to fill new economy jobs. Unless we take action, this situation is unlikely to change. It is a fact that international tests reveal that American high school seniors rank 19th out of 21 industrialized nations in mathematics achievement and 16th out of 21 nations in science achievement.

Ironically, this threat to our competitiveness is the result of our failure to apply the very principles undergirding our economy's success in the area of education. Our Nation has thrived because our leading industries and institutions have been challenged by constant pressure to improve and to innovate. The source of that pressure is vigorous competition among producers of a service or a good for the allegiance of their potential customers or consumers. So why not promote innovation by producers and choice for consumers in the field of education?

The quasi-monopoly of public education today discourages this innovation, and the fact that funding is through tax dollars diminishes the choice option for all but the most wealthy. They have to go to schools where they are told. They can't direct their tax dollars to the school where they want to send their children.

We must find a way to promote innovation and opportunity through greater choice for parents. Those are the concepts that have built this country through our great free market economic system, and it is the same concept that can improve our educational system for the competition that I spoke of earlier.

Another problem with our education system is that too many of our children are literally being left behind. Thirty-seven percent of American fourth graders' tests show that they are essentially unable to read. For Hispanic fourth graders, the proportion is 58 percent, and for African-American fourth graders, it is 63 percent. That is intolerable.

Since 1983, over 10 million Americans have reached the 12th grade without having to learn how to read at a basic level. Over 20 million have reached their senior year unable to do basic mathematics.

As President Bush has repeatedly noted, far too many of America's most disadvantaged youngsters pass through public schools without receiving an adequate education. It is intolerable that millions of children are trapped in unsafe and failing schools.

Parents should have a right in the United States of America to get the best education possible for their children as they see it, and the amendment I offer today will help secure that right.

My amendment would provide a $250 tax credit, $500 for joint filers, to partially offset the cost of donations to tuition scholarship organizations. What are those? They are organizations that in the past have been primarily founded by business leaders that provide partial tuition scholarships to enable needy youngsters to attend a school of their family's choosing.

The idea first came to light about a decade ago when the first one was founded in Indianapolis. Now there are more than 80 such programs serving more than 50,000 students nationwide.

For families who benefit, these programs are a godsend. A study that was just released by the Kennedy School of Government found that 68 percent of parents awarded scholarships are very satisfied with academics at their child's school compared with only 23 percent of parents not awarded scholarships.

The problem is that demand for scholarships far outstrips supply, even though families must agree to contribute a significant portion of the total cost of tuition. The interesting thing is, that is especially the case at the lower end of the economic ladder.

For example, in 1997, 1,000 partial tuition scholarships were offered to families in the District of Columbia. Nearly 8,000 applications were received, many of them from very low income families.

Another example: In 1999, 1.5 million people applied for 40,000 scholarships in a national lottery. Clearly, there is a huge unmet demand for this kind of assistance.

In 1997, Arizona implemented an innovative plan to meet that demand in our State: A $500 tax credit to offset donations to organizations that provide tuition scholarships to elementary and secondary students. The results: Upwards of $40 million in donations to tuition scholarship organizations.

The number of school tuition organizations operating in my State of Arizona is up from 2 to 33, and the organizations have a very wide range of emphasis and orientations. For example, they range from the Jewish Community Day School Scholarship Fund to the Fund for Native Scholarship Enrichment and Resources to the Foundation for Montessori Scholarships.

Nearly 15,000 Arizona students, nearly all of them from disadvantaged backgrounds, have received this scholarship assistance.

The interesting thing is while some have charged that the law was unconstitutional, particularly given the explicit prohibition on direct aid to parochial schools in Arizona's constitution, our State supreme court recognized that allowing taxpayers to use their own money to support education is a different matter and upheld the program. And consistent with previous holdings on the subject, the U.S. Supreme Court declined to review the decision.

We have the answer to those who fear that Federal dollars going to vouchers which students would then take to the school of their choice could possibly be unconstitutional, though I do not think that is the case. But we have an answer to that concern.

Here you do not have Federal dollars being given to students in the form of vouchers which are then taken to the school of their choice. Instead, what we provide is that if people want to contribute money to a duly qualifying scholarship fund, that scholarship fund can then give that scholarship to needy students and those students can take that scholarship to whatever school in which they want to be educated.

The people who originally donate to the scholarship fund will be granted a tax credit by the U.S. Government. That is constitutional. It does not violate any notion of separation of church and state, and yet it permits people to help those who need the help the most to have the flexibility that only the most wealthy in our society have today: the ability to take their kids to the school of their choice.

It is a much better way to resolve this problem of choice and innovation than, frankly, anybody has come up with to date because it meets the constitutional challenges; it involves the private sector; it involves personal donations; it does not have the Federal Government having to fund a large voucher program. Yet it gets the benefits to the students who need it the most, who are willing to contribute part of their own income to match that scholarship and pay the tuition at the school of their choice, be it a public school, a public charter school, a private school, a parochial school—it does not matter.

In many cases, this money could even be used to pay the public school when one is able to transfer from one public school to another. It is neutral in this regard, as to whether it is used at public or nonpublic schools, and, as I said, it could even be used to offset tuition costs both at private schools and to help enroll a child in a school across a district boundary. This, in effect, creates a Federal credit comparable to those upheld in Arizona and to recently enacted provisions in other States, such as Pennsylvania and Florida, of which I am aware.

It is interesting; the Joint Committee on Taxation has estimated this credit could cost the Federal Treasury $43.4 billion over a 10-year period. Think what a magnitude of difference that money would make in the lives of our children: $43 billion would finance 12.4 million $3,500 scholarships. Think of the opportunity provided to those 12.4 million students with a $3,500 scholarship to take them out of the condition of education they are in now, out of the failing school, out of the unsafe school, and to a school where they can achieve, where they can learn, where they can be competitive, where they can learn their full potential.

I close with this point. I have said many times that if we can get education right, almost everything else in this country will follow. Probably all of my 99 colleagues would agree with that general proposition. If we can get education in this country right, everything else follows. By "we," I do not just mean the Federal Government. In fact, I mean primarily the parents and local school folks.

First, it will help people realize their full potential.

Second, it will make them more qualified to compete for the kinds of jobs that are going to exist in the future.

Third, it will help our Nation compete. We are going to need to compete in a world environment.

Fourth, it is going to make us more secure because we are going to have the kind of young students who can invent the things that are going to help us keep our technological edge when it comes to national security.

Fifth, it is going to make us better citizens.

I have been somewhat appalled at what some of our schools do not teach about the history of this great country of ours, about the foundation for the self-governance we have, about the need for people, especially young people, to participate in our democratic Republic. I fear that generations of Americans are growing up not being taught the fundamentals of our society, our Government, and our free-market system that we were taught, and I think fairly well. People such as the Presiding Officer have helped to create wealth to create jobs, to help turn this country into the great economic engine it is. People in public life have also helped Americans realize the stake they have in self-governing.

If we go a couple generations without teaching our children accurately and adequately in subjects from math and reading to history to government to economics and all the other subjects that students in this complex world have to master, then we are not going to progress as a nation and be the leading superpower and the leader of the world we are today, not just in economic terms but in terms of human rights, democratic principles, and other societal values, as well as the technological values I spoke of earlier.

If we get education right, we can flourish in all of these areas, and if we stay 19 out of 21 on these tests, then Americans are not going to be as well educated and we will be overtaken by other nations.

Is it all bad we would be "overtaken"? Not necessarily, if other nations are putting their productive capabilities into the same things the United States has, but we have never won a war without turning over to the vanquished the territory we took.

We have led the world in foreign aid and assistance. We have led the world in our insistence on human rights. In other words, America stands for what is good on this Earth, and for us to continue to be the leader of the world to promote these values requires an educated citizenry, a citizenry that will be educated and committed to these ideals, to these propositions.

We cannot sustain that kind of education with the system we have today. The scholarship tuition credits I am proposing with this amendment will enable parents to allow their children to be educated in the very best schools for those students and to enable them to escape the kind of system we have today to one where each child can grow to their full potential. We must demand nothing less of our system.

The final point is, if children are able to take scholarship tuition money to the school of their choice, the school from which they left will have a much greater incentive to improve than is the case today. We are talking about improvement of all schools, not just a few.

This is an idea whose time has come, an idea we can support through a tax credit, through this bill before the Senate today. I hope even though there may not be adequate support for this when we vote on it tonight because of the opening of the debate on the subject, we will be able to promote this idea in ways that will enable it to bear fruit in the days and weeks to come. This is an amendment Congress needs to pass. It is a tax credit the Federal Government needs to provide for an educational benefit that the children of the country need to have.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield myself 1 minute.

I appreciate the Senator's amendment. He seeks to help encourage charitable giving for scholarships, a very worthy cause. Obviously, it is an idea that deserves to be debated and to be looked at carefully. Unfortunately, it falls outside the scope of the RELIEF act. I hope the Senator and I can work to have the Finance Committee consider a charitable bill down the road.

Before I close, I thank the Senator for his good work on the Senate Finance Committee. He is a new member of the committee. The committee has greatly benefited from his energy and ideas. The people of Arizona are fortunate to have his service on the Finance Committee.

I yield the floor.

Mr. BAUCUS. Mr. President, I yield to my good friend from New Mexico.

Mr. BINGAMAN. I speak in opposition to the amendment very briefly. The amendment of the Senator from Arizona is essentially a somewhat indirect way to provide Federal funding for private schools and parochial schools. That is exactly what is involved. It is a tax credit of $250 or up to $500 per couple which is available to any taxpayer who wants to contribute to one of these organizations that provide scholarships to people who go to schools and charge tuition. The schools that charge tuition are the private schools in this country, the parochial schools. Many of them do an excellent job. Clearly, they contribute a tremendous amount to our country.

We do not have the votes in the Senate, and I do not support direct appropriations to private and parochial schools. That has not been the tradition in our country. It is generally considered contrary to our Constitution. The Government has stayed out of the business of funding the private elementary and secondary schools. What we are saying is we will not appropriate money directly to those schools, but we will give each taxpayer a $250 credit if they will give that $250 to the private school. That, to me, seems to be a pretty direct way of providing Federal support for private and parochial schools.

Private and parochial schools do a tremendous job in educating young people. I support the continuation and the success of our private and parochial schools in the country. We have many in my home State that do an excellent job. But we have a limited amount of Federal tax dollars that we can commit to education. We have had many votes in the Senate and we will have more tonight that try to ensure that adequate money is available for public education in the country. I think while all Members generally agree we are not providing enough funds for public education, it would be foolhardy, at the same time we cannot afford to provide what we want for public education, to turn around and say, OK, we will not appropriate it directly to private education, but we will give this tax credit to anyone who wants to contribute.

It is a dollar-for-dollar tax credit, not something where the Federal Government pays part of what someone contributes to the private school. This is a tax credit where the Federal Government pays every single dollar that a person or couple contributes to the private school, up to $500 in the case of a couple. It is a very expensive proposal; $43 billion is the estimate from the Joint Tax Committee. That is an expensive commitment of funds. Frankly, it is one I would be willing to make if the money was going to the public school system to strengthen our public schools. I think that would be a good investment of our dollars. I do not think it is smart when we are unable to make that commitment of an additional $43 billion to the public schools to be turning around and saying we will go ahead and commit that amount of Federal expenditure for the private schools in this indirect way.

I hope my colleagues will see this is not good policy. This is not the way in which to proceed. This is something which has some meritorious motives behind it, but clearly we should be doing all we can to strengthen our public school system. This is a way of essentially taking resources that might otherwise be available for the public schools and diverting them into the private schools which I think would be a mistake at this time in our history.

Mr. GRASSLEY. For Senator KYL, Mr. President, we will yield back his remaining time.

Mr. BAUCUS. The same is true for our side. We yield back the remainder of our time.

The PRESIDING OFFICER (Mr. CORZINE). All time is now yielded back.

AMENDMENT NO. 713

Mr. DORGAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN], proposes an amendment numbered 713.

Mr. DORGAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: Replacing the estate tax repeal with a phased-in increase in the exemption amount to $4,000,000, an unlimited qualified family-owned business exclusion beginning in 2003, and a reduction in the top rate to 45 percent)

On page 63, beginning with line 4, strike all through page 70, line 20, and insert:

Subtitle A—Reductions of Estate and Gift Tax Rates

SEC. 501. REDUCTIONS OF ESTATE AND GIFT TAX RATES.

(a) MAXIMUM RATE OF TAX REDUCED.—

(1) REDUCTION TO 53%.—The table contained in section 2001(c)(1) is amended by striking the highest bracket and inserting the following:

"Over $2,500,000 .... $1,025,800, plus 53% of the excess over $2,500,000.".

(2) REDUCTION TO 47%.—The table contained in section 2001(c)(1), as amended by paragraph (1), is amended by striking the two highest brackets and inserting the following:

"Over $2,000,000 .... $780,800, plus 47% of the excess over $2,000,000.".

(3) REDUCTION TO 45%.—The table contained in section 2001(c)(1), as amended by paragraphs (1) and (2), is amended by striking the two highest brackets and inserting the following:

"Over $1,500,000 .... $555,800, plus 45% of the excess over $1,500,000.".

(b) REPEAL OF PHASEOUT OF GRADUATED RATES.—Subsection (c) of section 2001 is amended by striking paragraph (2).

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2001.

(2) SUBSECTION (a)(2).—The amendment made by subsection (a)(2) shall apply to estates of decedents dying, and gifts made, after December 31, 2005.

(3) SUBSECTION (a)(3).—The amendments made by subsection (a)(3) shall apply to estates of decedents dying, and gifts made, after December 31, 2009.

Subtitle B—Increase in Exemption Amounts

SEC. 511. INCREASE IN EXEMPTION EQUIVALENT OF UNIFIED CREDIT AND LIFETIME GIFTS EXEMPTION.

(a) IN GENERAL.—Subsection (c) of section 2010 (relating to applicable credit amount) is amended by striking the table and inserting the following new table:

"In the case of estates of decedents dying during:	**The applicable exclusion amount is:**
2002 through 2006	$1,000,000
2007 and 2008	$1,250,000
2009 and 2010	$1,500,000
2011 and thereafter ...	$4,000,000.".

(b) LIFETIME GIFT EXEMPTION INCREASED TO $1,000,000.—Paragraph (1) of section 2505(a) (relating to unified credit against gift tax) is amended by inserting "(determined as if the applicable exclusion amount were $1,000,000)" after "calendar year".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2001.

SEC. 512. UNLIMITED QUALIFIED FAMILY-OWNED BUSINESS INTEREST DEDUCTION.

(a) IN GENERAL.—Section 2057(a) (relating to family-owned business interests) is amended to read as follows:

"(a) GENERAL RULE.—For purposes of the tax imposed by section 2001, in the case of an estate of a decedent to which this section applies, the value of the taxable estate shall be determined by deducting from the value of the gross estate the adjusted value of the qualified family-owned business interests of the decedent which are described in subsection (b)(2).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to the estates of decedents dying, and gifts made, after December 31, 2002.

On page 79, beginning with line 7, strike all through page 106, line 6.

Mr. DORGAN. Mr. President, let me describe briefly what this amendment does. This amendment deals with the estate tax. I have listened intensely to the debate on the floor of the Senate. Much of the debate on the estate tax has been about Senators' concerns with family farms and small businesses and with parents not being able to pass on those enterprises to their children to operate.

I, too, am concerned about this issue and believe that the estate tax should not interrupt the transfer of a family business to qualified descendants who want to continue to operate the business. We should not do that. A Main Street business in Ames, IA; or Butte, MT; or Regent, ND; ought not suffer the death of an owner and then a crippling estate tax obligation that prevents the owner's children from being able to continue to run that business. We don't want the surviving children of that family business to inherit both the business and a crippling estate tax debt.

I understand that problem. And I believe we should do something about it. That's why my legislation would exempt from the estate tax family-owned businesses that are passed on to qualified heirs who continue to operate those businesses. My amendment would do that by the year 2003. If the family enterprise is passed on to the qualified heir or lineal descendent, and it continues to be operated as outlined in my legislation, it will be totally exempt from the estate tax. So the next time I hear senators stand up and say that this is their goal, I will say, if this is your goal, then vote for my amendment because the estate tax proposal now on the floor of the Senate doesn't do this until a long time down the road.

My proposal exempts all family-owned and operated businesses and farms that are passed on to the next generation by 2003. End of discussion. It is done and done far more quickly than by the bill now being considered by the Senate.

My legislation also includes a $4 million unified estate tax credit that will be available to everyone in 10 years, or $8 million for a husband and wife. With respect to the estate tax, what I am saying is: Yes, let's agree that we will exempt family businesses and family farms. Yes, let's agree that we will increase the unified credit in the estate tax.

The only question that remains then is: Should we completely repeal the estate tax? My answer is no. Should we repeal the estate tax for those whose estates are worth more than $8 million? My answer is no. Here's why.

I have heard lots of discussion today about the so-called death tax. And all of us know—we have read the news stories—that the term "death tax" was concocted by a pollster. They used focus groups and found that their purposes were better served by calling this the death tax, not the estate tax. But, of course, dead people do not pay taxes. We know that. Wealthy heirs pay taxes. Trust fund babies pay taxes.

The ancient Egyptians thought you could take it with you when you died. There are some demonstrations of that when they discover and open their tombs these days. Has anyone here ever seen a hearse pulling a U-Haul trailer? I don't think so. You can't take it with you, and we don't tax death. If we do, I would like my friend from Iowa and others to describe to me how a dead person shows up at the tax office to pay that obligation.

Dead people are not paying taxes. Estates pay taxes, which means the wealthy heirs get less and the trust fund babies get less.

It seems to me, that if the point is you can either have a tax incident in death or life, and you decide not to tax death—if I accept that moniker for a moment—then what is left? Then you tax life. What you're saying is: Don't tax unearned income that flows to a benefactor through someone else's death. Rather, to pay for defense and all the other priorities in the country, tax the income earned by people that go to work every day. Is that a choice that makes much sense? Not to me it isn't.

There are those who want to repeal the estate tax in its entirety, but they have sold this repeal as a means of alleviating the problems of family farms and family businesses. They should disabuse themselves of that notion. I say let's repeal the estate tax for the transfer of family farms and family businesses. So that that problem is solved. And my amendment does that almost immediately, and much more quickly than in the underlying bill.

Once that is out of the way, the question is: What is left over? Those who say we must completely repeal the estate tax, even above $8 million for a husband and wife, say it is a horrible thing to tax unearned wealth or large inheritances.

If it is such a terrible thing to tax unearned wealth, than what should we tax? Should we have a tax system that promotes opportunities for all? Or should we have a tax system that protects the privileges of a very few? A substantial portion of the estate taxes actually paid are on estates that have never been taxed. Close to 70 percent of their value has never been taxed.

I understand that there are some who feel very strongly there should never have been or even be an estate tax. Let me just make a couple of comments about that position.

Without the estate tax, it seems to me, you would have a world with an aristocracy of the wealthy, which means the ability to command resources would be based on heredity rather than merit. Some think that is all right. But let me quote Mr. Martin Rothenberg, President of Glottal Enterprises. He said it quite well, I think, as a business owner. He said:

> My wealth is not only a product of my own hard work. It also resulted from a strong economy and lots of public investment in me and others. My success has allowed me to provide well for my family, and upon my death. I hope taxes on my estate will help fund the kind of programs that benefitted me and others from humble backgrounds—a good education, money for research and targeted investment in poor communities—to help bring opportunity to all Americans.

Some would say they do not agree with that. That this is not what this is all about. But it seems to me that we ought to make some choices here. When we talk about repealing the estate tax and we describe it as a death tax, it is critically important to understand that what we are about to do is antithetical to good tax policy. We ought to, in my judgment, protect the transfer of family businesses from one generation to another by exempting them from the estate tax. I agree with that.

My amendment is the only legislation you will vote on that will do that almost immediately, in 2003. And if you do not vote for this amendment, 6 months or 1 year from now, or 2 years from now, do not come to the floor of the Senate with Kleenex, dabbing tears, talking about how difficult it is to transfer family businesses and family farms to heirs because you voted against the amendment that would have made it possible for them to not have to pay any estate tax at all.

This country has about one-half of the world's billionaires, or about 309 billionaires in 1999. The wealthiest 400 Americans had $1.2 trillion in estates. And I say good for them. This country is a country in which you can do well, where opportunity exists. This country has created opportunities in which those who work hard and are fortunate can do very well. I would not want to live in a different kind of country. I want those opportunities to be available for all Americans.

But I also believe, when we look at who is going to pay the bills in this country—and, incidentally, everyone in the Senate has spending priorities. This isn't a case of anyone not having them because everyone here has spending priorities. The most conservative Member of the Senate who rails against Federal spending is likely going to be out here saying we need much more money for defense spending. Do you buy bombers or milk? Do you buy military equipment or food for the hungry? Everybody here has their spending priorities—everybody.

The question is: How do you tax to pay for those spending priorities?

My colleague says that the estate tax ought to be completely repealed. Again, using the moniker "death tax," which is a pollster's creation to describe this tax in some pejorative way, what I say is this: My amendment says that the only estate tax that will be left in this country is one for those whose estates are $8 million and above.

I also in my amendment propose reducing the estate tax rate, increasing the unified credit as I indicated, and totally repealing the estate tax for the transfer of family businesses to qualified heirs who continue to operate those businesses. The only estate taxes that are left then are for those whose assets are $8 million and above.

One can say: My priority is to come to the floor of the Senate and protect those folks from the hand of taxation, even though almost two-thirds of that money has never been taxed. That's right, two-thirds of the asset base from those estates will never, ever have been taxed. One might come to the floor and say: My mission in life is to support those estates, those above $8 million—not those who have a family business—but those worth more than $8 million.

Everybody has a right to stand on whose side they want to stand on. But it seems to me that the reasonable thing to do is: If someone dies with $6 or $8 billion in assets, to have a substantial exemption at the bottom, which my amendment will do, and then say to them, that the unearned income that is going to your heirs will be diminished some, by an estate tax, that will go into the hands of those who will redirect it to strengthen our school systems in this country, to invest in research and development, to invest in technology, and to make this a better country.

There are others who say that is not a priority at all. So be it. I happen to think it is a priority. I think if you were to rank priorities with respect to the Tax Code, you should start right at the bottom, with those people who show up for work and make the minimum wage, with those who struggle at the bottom of the economic ladder to try to make ends meet. They are struggling mightily to figure out how to pay their bills, making just the minimum wage.

There are not a lot of folks in the hallways here worrying about those folks today. You bet your life there are not. There are not a lot of lobbyists worrying about the economic interests of those folks at the bottom of the economic ladder. But you can bet your life there a lot of folks around this building that have invested a great deal of time looking after the interests of those who have $10 million, $50 million, $1 billion, or $10 billion, and who want to avoid having to pay an estate tax.

Before I conclude, I again say that I hope I will not hear somebody stand up and say that the case for repealing the estate tax is to stop the interruption of the transfer of small businesses or family farms, because my legislation repeals the estate tax for all of those transactions. When you are going to transfer a farm or a business from one generation to another, and the heirs are going to continue to operate it, my amendment is the only proposal that repeals that tax in this circumstance by 2003. It is the only.

So you can no longer sell the proposition of repealing the estate tax for the largest estates in the country by putting it on the backs of family farms and family businesses. This is the only proposal that will repeal it and will stop the interruption of the transfer of a family farm or business to qualified heirs.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I probably should spend most of my time speaking against the amendment of the Senator from North Dakota, but I have already spoken today on why I think the estate tax provisions in this bill ought to be maintained.

AMENDMENT NO. 674

I want to use my time to speak at this point on the first or, I guess now, the second amendment that is going to be up for a vote at 6 o'clock, the Carnahan-Daschle amendment.

I want my colleagues to understand exactly what this amendment does because I think it is one of the toughest amendments and one that may have one of the closest votes today.

This amendment by Senator CARNAHAN guts the tax relief for individual taxpayers by $87 billion. In effect, it increases taxes on families and working people by $87 billion by denying them the tax cuts contained in our bipartisan tax bill.

Here is how the amendment works.

First, this amendment not only delays the reduction of the marginal tax rates; it provides for only a 1-point reduction in the marginal tax rates over a period of years compared to the 3-point reduction in the bipartisan plan Senator BAUCUS and I have put together.

This 1-point reduction equals the rate relief that our bipartisan tax plan provides in the first year alone. Our plan's additional tax cuts would be eliminated entirely under the Carnahan-Daschle amendment.

I have a chart here that demonstrates this better. Their amendment allows only a 1-percent rate cut, which our bill implements next year. But Senator CARNAHAN's amendment delays the rate cuts over 5 years. As you can see from the bottom part of this chart, 1 point each year, but with a different rate each year so that it takes 5 years.

The Carnahan-Daschle amendment would entirely eliminate the bipartisan bill's tax cuts for the years 2005 and 2007.

Our plan reduces the 28-percent rate to 25 percent over 6 years. Our amendment reduces the rate by 1 percentage point to 27 percent next year.

Two years from now, the Carnahan-Daschle amendment would reduce the 28-percent rate to 27 percent but would entirely stop there—no more tax cuts after that point for the 28-percent taxpayers.

Who is a 28-percent taxpayer? It would include any family with taxable income over $45,200. Those families get the shaft under the Carnahan-Daschle amendment.

Our plan also would reduce the 31-percent rate to a 28-percent rate over 6 years, and would do it immediately 1 point next year.

Three years from now, the Carnahan-Daschle amendment would reduce the 31 percent to 30 percent, but stop right there—no more tax cuts then for the 31-percent taxpayer.

You can see from this chart, it is the same story over and over again.

The Carnahan-Daschle amendment takes just the first year of tax cuts from our bipartisan bill and spreads them out over 5 years. And, of course, that is their idea of tax relief for American working men and women.

How do they justify this? How do they justify taking away $87 billion of tax relief from individual taxpayers? They rationalize it by reducing the 15-percent rate to 14 percent; that is all. They claim a 1-percent reduction of one bracket justifies denying a 2-point further reduction in all other brackets.

Senators CARNAHAN and DASCHLE claim this 14-percent rate puts more benefit to middle-income taxpayers. I doubt that. I will show you with a little bit of math how there is reason to doubt that.

I would like to go back to the 28-percent taxpayer family; that is, any family with taxable income over $45,200. Senator BAUCUS has noted that 75 percent of the benefits under the new 10-percent rate bracket in our bill go to taxpayers making less than $75,000. So I will use that as a starting point.

Let's say we have a family with taxable income of $75,000. Under the Carnahan-Daschle amendment, the reduction of the 15-percent rate would save them $452. Two years from now, the 28-percent rate would go to 27 percent, which would give another $298 back. Our bill would give them the $298 not 2 years from now but right now.

So when their plan is fully implemented, this family will have a total tax cut of $750 under the Carnahan-Daschle amendment. When our bipartisan plan is fully implemented, this family will have tax savings of $894, which is $144 more than under the Carnahan-Daschle plan. That is because we reduce the 28-percent rate to 25 percent. Our plan provides over 19 percent more in tax cuts for this family than does the Carnahan-Daschle amendment.

Senators CARNAHAN and DASCHLE justify their proposal because they claim taxpayers in this 15-percent income bracket are shorted since our plan does not reduce the 15-percent rate. They claim that families earning between $12,000 and $45,000 will get no rate cut and no tax relief. That is completely untrue.

The nonpartisan Joint Committee on Taxation says that our bipartisan bill provides between 9 percent and 33 percent of relief for families making between $12,000 and $45,000. Taxpayers on the lower end of this range receive the biggest percentage reduction, 33 percent; those on the upper end receive the least, 9 percent.

Senators CARNAHAN and DASCHLE do not consider that our bipartisan plan targets other benefits to taxpayers in this income range.

They only look at the rate itself. So these benefits, including the child care credit, the education incentives, the pensions, and the IRA provisions, and various other tax relief measures in this bill, are yet further reductions for people at the 15-percent bracket, between $12,000 and $45,000.

The child credit is one example. The entire 15-percent bracket qualifies for it while it is phased out in higher brackets. For many current 15-percent bracket families, the child credit will erase more than 100 percent of their tax liability. The $3,000 expansion of the earned-income credit income thresholds will make more 15-percent bracket families qualify. Higher tax brackets will not qualify.

When fully phased in, a four-person, two-earner family earning $30,000 will see their tax bill change from a $346 liability to a $1,911 net refund under this bill, and that is a 652-percent swing.

You may wonder why we targeted these benefits instead of reducing the 15-percent rate. Well, Senator DASCHLE made this point better than I could when he spoke on the Senate floor last Thursday. This is the reason he identified in correctly pointing out that when you reduce the tax rate, the benefits of the rate reduction go to taxpayers in that rate bracket and to all other taxpayers in the higher rate brackets. This is because taxpayers pass through the lower rate bracket on their way to the higher rate brackets. If you did a rate cut, it would cause our plan to favor upper income levels, for which I am sure Senator DASCHLE would severely criticize us. Our plan does not do that.

As this chart demonstrates, our bill makes the current tax system even more progressive than it is currently. In every one of these brackets, under present law, people are paying a higher share than they would under the new tax law, except for the highest income level of $200,000 and above. At that level, people at $200,000 and above are going to be paying a higher proportion of taxes than they do today. But for every other income level, as a result of our legislation, people in those income levels are going to be paying a lower share of taxes.

The Daschle-Carnahan proposal would actually make our tax system less progressive by giving greater savings to upper income taxpayers as they pass through the 14-percent bracket. When you are really serious about reducing the tax burden for people in the 15-percent income tax bracket, you target available resources to people at that income level. That is exactly what our bipartisan bill does. It targets benefits to families making between $12,000 and $45,000 and provides relief ranging, then, from 9 percent at the $45,000 income to 33 percent at the lower income.

That is better relief than Senator CARNAHAN's 1-percent rate reduction because taking a 15-percent rate to 14 percent is less than a 7-percent reduction of the rate itself.

I don't want you to take my word for it. I don't take Senator DASCHLE's or Senator CARNAHAN's word for it, either. These are conclusions drawn by the Joint Committee on Taxation.

Let's look at the choice before us. Our bipartisan bill provides 9 to 33 percent of relief for 15-percent taxpayers. Our bill provides 19 percent more tax relief to middle-income taxpayers. Their amendment increases individual income taxes by $87 billion based upon the false assumption that we have not cut the tax burden of the 15-percent taxpayers.

This all seems to be a simple decision. If you want to provide meaningful relief for all taxpayers, then you should vote to defeat the Carnahan-Daschle amendment. If you want to increase individual income taxes by $87 billion based upon flawed analysis, then by all means vote for the amendment of the opposition. Their amendment only reduces taxes 1 percentage point. It provides a mere thimbleful of tax relief.

This amendment creates a smokescreen to try to fool middle-income Americans into believing they are getting substantial tax relief when, in fact, it will increase their tax burden by billions.

I will also point out to my colleagues from the other side that the Carnahan-Daschle amendment is not the same amendment offered by Senator DASCHLE during the Finance Committee markup. That amendment would have cut all of the rates by 1 percent in 2002. The Carnahan-Daschle amendment spreads the 1-percent cuts over 5 years, a very significant difference.

I hope the Carnahan-Daschle amendment to withdraw $87 billion in tax cuts is not the crown jewel of the Democrats' tax proposal. I believe the bipartisan bill put forth by our committee should be the high watermark for both political parties.

I say to all of my colleagues on both sides of the aisle who supported the budget resolution, a vote for the Carnahan-Daschle amendment destroys our efforts to provide a $1.35 trillion tax cut. As you know, the RELIEF Act before us contains only individual income tax cuts. It is not larded in favor of a lot of special interest legislation that sometimes is in tax bills. You cannot draft bipartisan legislation if you do that.

A vote to decrease the tax cuts in the RELIEF Act is a vote to increase income taxes of individuals across America by $87 billion. Obviously, I urge Members to vote to reject the Carnahan-Daschle amendment.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DORGAN. Mr. President, I yield 5 minutes to the Senator from Montana.

Mr. BAUCUS. Mr. President, may I ask how much time remains on the Dorgan amendment?

The PRESIDING OFFICER. The sponsor has 16½ minutes; the opposition has 15.

Mr. BAUCUS. I thank the Chair.

Mr. President, the chairman of the committee, Senator GRASSLEY, and I worked very hard to come up with a bill that both of us could support. Given all the dynamics that exist in this body and given the two-party system that we are operating under, it has not been easy.

During the process of coming to this agreement, the chairman has given a lot—I am sure he would like the top rate to be lowered a lot more quickly, and I have given a lot as well. Despite how progressive it is, I would like this bill to be tilted more toward education, more toward pension reform, more toward middle-income taxpayers.

Having said all that, I do believe the Senator from North Dakota has a good amendment, and I support it. It is true that the people who need relief most in this country under the estate tax are family farmers, ranchers, and family businesses. That is where the estate tax really hurts. They are the people who need the support. His amendment directly goes to the main issue before us; namely, helping families.

It is also an improvement compared with the current bill because the current bill repeals the estate tax only in the last year. A lot of American families can't wait ten years to pass on their businesses to their children.

Senator DORGAN's amendment does it. By offering his amendment, he does away with a very complicated carryover basis provision contained in this bill. We tried that in 1970. We enacted a carryover basis to the heirs of property after estates had been distributed. It didn't work. In fact, we repealed it. It was so complicated, it was a mess. By keeping the current stepped-up basis—again, Mr. President, I personally think he has a good amendment. It is not what we agreed to in committee. It is difficult to strike this balance between supporting my good friend in the committee and the bill we came up with on the one hand, and the one issue on which I do believe the Senator from North Dakota makes good sense.

This was the last issue Senator GRASSLEY and I negotiated—the estate tax provisions. It is extremely complicated, difficult, with very high passions on both sides. I think a good resolution for all of us in the Senate, frankly, is to support the amendment by my friend from North Dakota. In the final analysis, it improves the bill which more of us could support.

I yield the remainder of my time.

The PRESIDING OFFICER. Who seeks time?

Mr. BAUCUS. I ask the Senator from Kentucky, does he reserve time on this amendment.

Mr. BUNNING. On the bill itself, not the amendment.

Mr. BAUCUS. Mr. President, we are still in the period of offering amendments. Under the unanimous consent agreement we don't get to general discussion until 4 o'clock.

Mr. BUNNING. I was told I should come over because this amendment was going to be offered.

Mr. GRASSLEY. Let me ask my friend on the other side of the aisle, would it be all right if he could have what time I had not used on the Dorgan amendment?

Mr. REID. It is my understanding that the Senator from Iowa has about 15 minutes; is that right?

The PRESIDING OFFICER. Just under 15 minutes.

Mr. REID. The Senator from Kentucky is not going to offer an amendment, just speak on the bill?

Mr. BUNNING. That is correct.

Mr. GRASSLEY. I will yield the rest of my time to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. BUNNING. Mr. President, I voice my support for H.R. 1836, the tax relief bill.

The American people deserve a tax cut. We have not given them a major, across-the-board tax cut since 1981. Twenty years is too long to wait.

Americans are overtaxed. Personal tax payments have risen on average by 10.5 percent per year over the last five years, but personal income has risen by only 5.9 percent per year.

The tax burden as a percentage of GDP is the highest it has been since World War Two.

This is absolutely ridiculous, especially when you consider our budget surpluses.

This money belongs to the people and should be returned to them.

If we don't, it's just going to get frittered away here in Washington.

President Bush is correct. No American should pay more than a third of their income in Federal taxes.

This bill does not take us all the way there, but it is a step in the right direction.

This bill will also help eliminate the unfair marriage penalty. We have penalized families for far too long.

I have never understood why the Federal government, through the tax code, would penalize people for getting married.

We should be encouraging marriage, not creating disincentives for marriage.

This bill will provide a deduction up to $3,000 for two-earned families who file jointly.

In Kentucky, that is real money.

The bill will also help families by doubling the child tax credit.

This will be a welcome addition to families and ease their burden just a little bit.

As the grandfather of 35, I know this will help my nine children.

I also strongly support the estate tax relief this bill is providing.

For far too long, the children of American farmers and small business owners have labored under the burden of knowing that death could force them to sell their assets to satisfy the IRS.

It is way past time to correct this.

There is no good reason to tax individuals at death or to make this sad time a taxable event.

But we need a tax cut not just for reasons of fairness, but also for economic reasons.

We need tax relief to stimulate our economy. As my colleagues know, unemployment has been increasing, and economic growth has been slipping.

The Federal reserve, though way too late in my opinion, has been using monetary policy to help stimulate the economy. But monetary policy itself is not the answer.

We need a strong fiscal policy solution as well.

We need an immediate decrease in withholding taxes to put more money in the pockets of consumers.

We can do much better and the stimulus effect will be much more pronounced by putting more money in the hands of Americans immediately.

We need to get people to start buying again.

We need to give tax relief to our nation's small businesses so they can start reinvesting again.

This bill will bring much needed relief to small businesses, which are the backbone of our economy.

Small businesses create jobs. We need to help them innovate by relieving their tax burdens.

In a perfect world this is not the bill I would have written. I believe that we can give more relief to our small businesses. I think the rates need to be cut more. And I'd like to see faster death tax and marriage penalty relief.

There are some provisions in this bill which, while they have great merit, are not the priorities I would have chosen.

But, obviously, this is not a perfect world.

I believe that chairman GRASSLEY and the Finance Committee have done an outstanding job under very difficult circumstances.

I think it says a lot about chairman GRASSLEY and the committee as a whole that they were able to move such a major piece of legislation, so quickly, in such a bipartisan fashion.

Mr. President, I urge all of my colleagues to support this tax relief bill.

It is not perfect, but it will bring much needed relief to all Americans who pay income taxes, and even some who don't.

It will also help stimulate our economy, and help bring us out of this economic funk we are in.

Time time for tax relief has long passed. Please support our President and vote for H.R. 1836.

Thank you Mr. President. I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from North Dakota is recognized.

Mr. DORGAN. How much time is remaining on each side?

The PRESIDING OFFICER. There are 11 minutes 44 seconds on the Senator's side; 8½ minutes remain on the other side.

Mr. DORGAN. Mr. President, the Senator from Iowa yielded his remaining time. Was the time not used by the Senator from Kentucky?

The PRESIDING OFFICER. It was not all used.

Mr. DORGAN. Was it reserved?

The PRESIDING OFFICER. It was reserved.

Mr. DORGAN. Mr. President, let me try to describe where we agree and where we disagree on this issue of the estate tax. We agree that the estate tax ought to be repealed for family businesses that are transferred to qualified heirs who want to continue to operate the family business.

We do not believe that family business ought to be interrupted by an estate tax. So we agree on that.

The difference is when to do it. My amendment will totally repeal the estate tax obligation for the transfer of family businesses in 2003. The bill that is before the Senate will do it in 2011. The most important part of their bill is effective, as they describe it, in 2011. Mine is effective in 2003. That is a big difference.

We agree that the rates should go down to 45 percent. My amendment takes the rate to 45 percent. The underlying bill does, too. We agree that the unified credit should go up to $4 million. My amendment does that, and the underlying bill does as well.

The difference is, those who oppose my amendment are saying they want to fight for additional estate tax exemptions and/or repeal for all estates above $8 million. That is the difference. Those who do not support this amendment are saying: We insist on an estate tax repeal for those estates over $8 million in value. They say the largest estates in this country need to have their tax burdens eased.

I ask this question: Why would someone in the Senate support taxing the income of middle-income Americans who work for their money but then oppose taxing the income, in fact the largely unearned income, of those who inherit more than $8 million a year? It seems to me to be a rather strange set of priorities.

We are having this debate about the estate tax that we will vote on this evening. Those who have spoken at great length in this Chamber, I might say, of wanting to protect a family farm or a small business, in my judgment, cannot with a straight face vote against this amendment and then go back home and say: I was supporting you, Main Street business, or I was supporting you, farmer or rancher, because this is the only amendment that, in the year 2003, will repeal the estate tax on the transfer of family businesses to qualified heirs. It is the only opportunity to do that.

The underlying bill will only do it in the year 2011, 10 years from now, the sweet by-and-by as Reverend Ike used to describe it.

I ask for some support for this amendment. I hope those who have talked at such great length about this subject will now have the opportunity and feel the obligation to vote for an amendment that does what they claim they want to be done.

I will speak for a moment more generally on this bill. There is not any question that there is room for a tax cut in this country. We have a budget surplus. It is also the case that we do not know what is going to happen in 6, 8, and 10 years, and we ought to be conservative and cautious about what we commit to in terms of fiscal policy 6, 8, and 10 years from now.

About 20 years ago, a very large tax cut was enacted by this Congress and, as a result of a very substantial tax cut and a doubling of the defense budget, this country sailed into some pretty tough economic waters.

Those rough waters caused very significant and deep Federal budget deficits that nearly choked this country's budget. It meant a difference in everything we did. It meant a difference in how much we had available to invest in our children, invest in education, invest in child care, yes, invest in a range of things that are important to make this a better life, invest especially in infrastructure—roads, school buildings, and so many other things that are important. It made a big difference in our ability to deal with those issues.

We struggled and struggled and, in 1993, we turned this fiscal policy around. We did it by one vote, one single vote in the Senate and one vote in the House of Representatives.

I remember those who stood and opposed it and said: You are going to wreck this country's economy. That is when we had a $290 billion annual deficit. They said: You are going to wreck this economy. This economy was headed in the wrong direction in a hurry. By one vote we supported a change in fiscal policy and turned this economy around. We went from the largest deficits in history to now a budget that is in surplus and gives us the opportunity to return some of that surplus to the American people. And, yes, we should do that.

No one should call themselves, in my judgment, a conservative who comes to this Chamber and says they know what is going to happen to this economy 6, 8, 10 years out and, therefore, put in place a fiscal policy that could, if our economy turns sour, run this country right back into big deficits once again.

That is not a conservative approach. A far better approach, in my judgment, would be to be somewhat cautious. Yes, provide a tax cut, but do it in a manner that is fair, do it in a way that helps American working families, stimulates the economy, and gives some money back to families who could sure use it.

This is not the time, in my judgment, to put in place a tax cut of well over $1.3 trillion but when the costs are really added up may well be over $2 trillion in the coming 10 years. It leaves no margin for error if this economy should turn soft.

It is almost zero gravity politically to be talking about tax cuts. Those who say their main mission in life is to cut the revenue stream of the Federal Government—that is not a controversial proposal I expect back home. It is almost a certain way for one to be popular with one's constituents to say they support the largest possible tax cut for as long as is possible.

But there is another element to this. We should support a tax cut that is fair to all Americans, No. 1, and No. 2, we ought to have enough revenue left to reduce the Federal debt, which stands at $5.6 trillion and which after this fiscal policy plays itself out will stand at $6.7 trillion.

This fiscal policy and the budget passed by this Congress, coupled with this tax cut, will increase Federal indebtedness by $1.1 trillion. Think of that.

Second, there ought to be enough left to make sure we have the investment necessary to improve our country's schools, to provide the research in health and welfare and other issues we have to deal with in this country, and to make this country a place in which all of us can lead better lives.

I know the Senator from New Mexico is waiting to speak. May I ask how much time remains on my amendment?

The PRESIDING OFFICER. There is 4 minutes 7 seconds.

Mr. DORGAN. I reserve the remainder of my time.

Mr. REID. Mr. President, if the Senator will yield, I was asked by the Senator from Iowa to protect the floor on his behalf in his absence. I will certainly do that. It was my understanding that he no longer wished to speak on this amendment. If he returns and desires to speak, we will restore that time. In the meantime we can get to another amendment.

I was told that if I allowed Senator BUNNING to go forward, Senator SPECTER was not going to offer his amendment and Senator BINGAMAN, who is next in order, could offer his. Does that make sense?

On behalf of the Senator from Iowa——

The PRESIDING OFFICER. If the Senator from Iowa comes back and wants to claim his time, he will be so allowed.

Mr. REID. On behalf the Senator of Iowa, I yield back his time with the understanding that if there is a misunderstanding, he can have back his time.

Does the Senator from North Dakota yield back his 4 minutes?

Mr. DORGAN. I do so with the understanding that if the other side reclaims its time, I be restored the 4 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. DORGAN. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. REID. Mr. President, it is my understanding the 6 hours will run out at approximately 20 to 4. At that time, I alert the majority that I will propound a unanimous consent request to use the 20 minutes, with both sides having that in 5-minute increments, until 4 o'clock. I do not propound that at this time.

The PRESIDING OFFICER. The Senator from New Mexico.

AMENDMENT NO. 717

Mr. BINGAMAN. Mr. President, I wish to offer an amendment, amendment No. 717. It is an amendment related to our energy policy. Its purpose, as provided in the amendment, is to provide energy conservation and production tax incentives.

Let me briefly describe the amendment and the reasons I urge my colleagues to support the amendment when we do get the opportunity to vote on it later this evening.

Last Thursday, President Bush unveiled his national energy policy. I have a copy. There is a lot in this national energy policy upon which I think all Members can agree. There are proposals that will increase production; there are proposals that encourage conservation; there are proposals that will try to stimulate more innovation in technology to better capture energy and use energy in the future.

I commend the President for the initiative he has shown. Obviously, there are provisions in this national energy policy that are going to be very controversial and that I will not support. We will have ample opportunity over the next weeks and months to discuss those and debate them and deliberate on them and vote on them.

Members may wonder why I am talking about energy on a tax bill. This is supposed to be a bill to cut taxes. Why bring up the subject of energy? The reason I bring energy up is that the President himself, last Thursday, proposed a whole series of incentives to meet our energy challenges. These are tax incentives, reductions in people's taxes, if they will agree to take certain actions that will then help our country to meet the challenges we face in the energy area.

I introduced a bill earlier this year that also contains many tax incentives that we believe will move the country toward a more enlightened energy policy. Senator MURKOWSKI, the chairman of the Energy and Natural Resources Committee, on which I am the ranking member, introduced a bill early this year containing many tax incentive provisions. There is a great deal of commonality between the bill Senator MURKOWSKI introduced, the ones I introduced, and the ones the President's national energy policy embraces.

We have an issue where there is substantial consensus. The question is, Why talk about it on this tax bill? Let me explain the context in which we come to the debate on the tax bill. We are talking about this tax bill because we passed a budget resolution in the Senate which set aside $1.35 trillion over the next 10 years and directed the Finance Committee in the Senate to put together a tax bill that would use up that $1.35 trillion.

The tax bill we are talking about today, that we are debating and that we will vote on later tonight, does exactly what the budget resolution told the Finance Committee to do. That is, it uses up all of that $1.35 trillion. There is no more after that. After that, according to the budget resolution, we should not be passing additional tax bills under this budget resolution.

I very much believe if we are going to take the recommendations of the President, if we are going to move in the area of energy policy to provide tax incentives for the actions we believe people ought to take, then we need to adopt the amendment I am offering, this energy amendment, and in that way use some of the tax revenue we are proposing to eliminate in the tax cut legislation to provide these incentives.

Let me go through a description of what is in the amendment. The amendment tries to speed up the investment in our Nation's energy infrastructure, speed up the investment in high-efficiency equipment in all parts of our economy. As I indicated before, the provisions we have in this amendment I believe all have good bipartisan support. They are nothing that I claim authorship of because many are included in what the President has recommended and many are included in what Senator MURKOWSKI recommended.

One large category of these incentives is the investment in infrastructure and highly efficient end use and in generating equipment. For example, one provision shortens the depreciation schedule for transmission lines and natural gas pipelines. We have heard a lot of testimony already in the Energy Committee that we need to move ahead more quickly with building of transmission lines, building of additional pipelines. This will help.

There is a provision for incentives to push ultra-high-efficient appliances and equipment in the marketplace and provide incentives for people to purchase these appliances and equipment.

It provides incentives for constructing and upgrading homes and upgrading and constructing commercial buildings that are energy efficient, something we all agree ought to be done.

It provides incentives for upgrading and building the cleanest, lowest emission coal-fired generation.

It provides incentives for purchase of high-efficiency hybrid vehicles. This is an initiative I have heard a lot of people talk about in this Chamber. We recognize we would be better off as a country; we would import less oil, if we would drive more fuel efficient vehicles. One way to persuade Americans to drive more fuel efficient vehicles is to give them a tax incentive so when they buy a hybrid vehicle with an engine that gets 60 or 70 miles per gallon, it will be cheaper for them because of the tax incentive we provide.

The amendment I will propose today extends the renewable production credit to include a whole range of items: Steel, cogeneration, geothermal, landfill methane, incremental hydropower. It provides a 7-year depreciation schedule for distributed generation facilities. There are a whole range of provisions that are generally agreed by experts to make sense. We also provide incentives for investment in sophisticated real-time metering, electronic load management, so consumers can better control energy use and costs. All of these are provisions that I think will have broad bipartisan support and do have broad bipartisan support.

What I am urging is that we use up the revenue that has been made available through the budget resolution for tax cuts; we do some of these things in the energy area that the President himself last Thursday said he believes we ought to do. It would be irresponsible to pass a large tax cut, cutting rates, eliminating the estate tax, doing a variety of things, without any consideration of the needs we have as a country to move toward a more enlightened energy policy. This amendment tries to ensure we do the right thing.

What I proposed as an offset is slowing down the phasing in of the cuts in the marginal tax rates, the top marginal tax rates. That seems a reasonable way to pay for the cost of this amendment. It is something which I strongly believe would be a good procedure.

Let me make one more general point. I think a reason it is important to raise this issue now is that a lot of people are being misled into believing there is no limit to the number of tax bills we can pass—that we can pass this for $1.35 trillion and then we can come back later and pass another one that deals with extending the alternative minimum tax exemption; we can pass another that does the traditional extenders; we can pass a whole variety of bills.

I was reading on the Associated Press wire published through the Albuquerque Journal on the Web site before I came over today. The title of the article I thought was very interesting: "O'Neill: Further tax relief coming." It had a picture of Treasury Secretary Paul O'Neill in a speech he gave today where he said the administration viewed this as only the first tax bill, not the last. He also goes on to say in the future they want to accelerate the tax relief under the estate tax. That is another tax bill they anticipate.

It also referred to the fact that in the newspaper interview he indicated they would push for repeal of the Federal corporate income tax. That is not a cut in the Federal corporate income tax; that is elimination of the corporate income tax.

The third he mentioned was a Federal tax on capital gains that should be eliminated.

Mr. President, I am told before I yield the floor I need to call up my amendment. Let me do that at this time. I ask the amendment be considered.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes an amendment numbered 717.

Mr. BINGAMAN. I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted and Proposed".)

Mr. BINGAMAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BINGAMAN. I yield time to the Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, the Senator from New Mexico is the ranking Democrat on the Committee on Energy and Natural Resources. I am the ranking Democrat on the Committee on Environment and Public Works. We worked very closely together this year and, rather than my offering a separate amendment, we have joined in this amendment.

This is a very good amendment. I hope this body will support this amendment. That which I am most concerned about in his amendment deals with renewable energy.

We are all aware that the current energy crisis in California has demonstrated that America must increase its supply of electricity and decrease its demand.

Ensuring that the lights and heat or air conditioning stay on is absolutely critical to sustaining America's economic growth and Americans' quality of life. Already in Nevada electricity and natural gas prices have skyrocketed in recent months.

These increases are especially hard on working families who are already struggling to make ends meet. The impacts of high energy bills hits minority groups hardest.

The citizens of Nevada, and of the nation, demand a national energy strategy to ensure their economic well being and security, and to provide for the quality of life they deserve.

Nevadans understand that an energy strategy must encompass conservation, efficiency, and expanded generating capacity.

Renewable energy is poised to make major contributions to our Nation's energy needs over the next decade.

I have offered with Senator BINGAMAN as a lead, a good amendment. I have offered an amendment which expands the existing production tax credit for renewable energy technologies to cover all renewable energy technologies, increases the credit from 1.5 to 1.8 cents, and makes the credit permanent.

This amendment expands the credit to include wind, animal and poultry waste, closed- and open loop biomass, incremental hydropower, municipal solid waste, geothermal energy, landfill gas, and steel cogeneration.

Recognizing that coal provides 50 percent of the nation's electricity supply, this amendment also provides for a 1.0 cent production tax credit for co-firing coal power plants with biomass, since co-firing can significantly reduce emissions.

Our nation has a promising potential of renewable energy sources.

Wind power is the fastest growing source of electricity in the world. Prices have dropped 90 percent since 1980. At the Nevada Test Site, a new wind farm will provide 260 megawatts to meet the needs of 260,000 people—more than 10 percent of Nevada's population within 5 years.

Nevada is sometimes referred to as the "Saudi Arabia of Geothermal Energy." Our state has already developed 230 Megawatts of geothermal power, with a longer-term potential of more than 2,500 Megawatts, enough capacity to meet half the state's present energy needs.

The Department of Energy has estimated that we could increase our generation of geothermal energy almost ten fold, supplying ten percent of the energy needs of the West, and expand wind energy production to serve the electricity needs of ten million homes.

As fantastic as it sounds, enough sunlight falls on an area measuring 100 miles by 100 miles in southern Nevada that—if covered with solar panels—could power the entire nation. Obviously, covering this area of Nevada with solar panels is not a practical answer to our current energy challenges. However, the example does make one very practical point: our nation does not lack for renewable energy potential.

In addition, we need a permanent credit to provide business certainty and signal America's long-term commitment to renewable energy resources.

To illustrate the need for a permanent tax credit, I recently learned that the wind farm project in Nevada is now experiencing delays in securing loans from banks due to the uncertain nature of the production tax credit for wind energy. Without a permanent credit, we can't provide the business certainty for utilities to invest in renewable energy resources. This we must do.

This amendment allows for co-production credits to encourage blending of renewable energy with traditional fuels and provides an additional 0.25-cent credit for renewable facilities on native American and native Alaskan lands.

Finally, my amendment provides a production incentive to tax exempt energy production facilities like public power utilities by allowing them to transfer their credits to taxable entities.

Growing renewable energy industries in the U.S. will also help provide growing employment opportunities in the U.S., and help U.S. renewable technologies compete in world markets.

In states such as Nevada, expanded renewable energy production will provide jobs in rural areas—areas that have been largely left out of America's recent economic growth.

Renewable energy—as an alternative to traditional energy sources—is a common sense way to ensure the American people have a reliable source of power at an affordable price.

The United States needs to move away from its dependence on fossils fuels that pollute the environment and undermine our national security interests and balance of trade.

We need to agree to this amendment to send the signal to utilities that we are committed in the long term to the growth of renewable energy. We must accept this commitment for the energy security of the U.S., for the protection of our environment, and for the health of the American people.

Mr. SARBANES. Madam President, I have already expressed my opposition, in general, to the tax reconciliation bill the Senate is currently considering. But I want to take a moment, while Senator BINGAMAN's amendment is pending before us, to highlight a provision in that amendment which I believe can play a significant role in addressing our Nation's current energy problems. This provision is modeled after a bill I cosponsored, S. 217, the Commuter Benefits Equity Act, and represents an important step forward in our efforts to fight pollution and congestion by supporting public transportation.

The Internal Revenue Code currently allows employers to provide a tax-free transit benefit to their employees of up to $65 per month to pay for the cost of commuting by public transportation or vanpool. This program is designed to encourage Americans to leave their cars behind when commuting to work.

However, despite the success of this program in taking cars off the road, our tax laws still reflect a bias toward driving. The Internal Revenue Code allows employers to offer a tax-free parking benefit to their employees of up to $180 per month. The striking disparity between the amount allowed for parking, $180 per month, and the amount allowed for transit, $65 per month, undermines our commitment to supporting public transportation use. The pending amendment would address this discrepancy by raising the maximum monthly transit benefit to equal the parking benefit.

I believe the potential of mass transit to help address our Nation's current energy crunch has been consistently overlooked. With gas prices soaring and congestion increasing, public transit offers one of the best solutions to America's growing pains. I am pleased that this measure has been included in this package of energy-related tax provisions, because I believe support for mass transit should be a component of any energy package.

The PRESIDING OFFICER. The Senator's time has expired on this amendment.

Mr. REID. Mr. President, it is my understanding the 6 hours is now gone or about to be gone; is that true?

The PRESIDING OFFICER. There are 16 minutes on the Republican side of the aisle and no time remaining——

Mr. REID. On this amendment of the Senator from New Mexico?

The PRESIDING OFFICER. That is correct, also with regard to all amendments.

Mr. REID. I would like to know if anyone wishes to speak against the amendment of the Senator from New Mexico. If there is no one who wishes to speak, I know there is at least one Senator who is next in order to offer an amendment, the Senator from Arizona. I understand the Senator from New Hampshire wished to speak generally on the bill for about 3 minutes or to offer an amendment.

If there is someone who has authority to yield back the time, we could get to these amendments. Otherwise, I don't know how we can get to the amendments.

Could the Senator on behalf of Senator GRASSLEY yield back the time?

Mr. MCCAIN. On behalf of Senator GRASSLEY and his capable staff, who will take the responsibility if this is wrong, I yield back the remaining time on this side.

Mr. REID. Before the Senator proceeds, we have now less than 20 minutes before 4 o'clock. It will be my suggestion the two Senators who wish to offer amendments be recognized for up to 5 minutes each. Then it will be the turn of the Democrats to offer an amendment, and then it will be again the Republican's turn. Does that sound reasonable?

Mr. MCCAIN. I have to temporarily object because Senator GRASSLEY would have to be asked. I would like to go ahead with my amendment. He will be back shortly.

Mr. REID. I have no objection to the Senator from Arizona offering his amendment but with a limit of 5 minutes.

Mr. MCCAIN. I have an amendment and motion to recommit. Will you give me 7 minutes?

The PRESIDING OFFICER. Is there objection to 7 minutes? The Chair hears none, and it is so ordered. The Senator from Arizona.

AMENDMENT NO. 660

Mr. MCCAIN. Mr. President, I have an amendment at the desk numbered 660. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The senior assistant bill clerk read as follows:

The Senator from Arizona [Mr. MCCAIN] proposes an amendment numbered 660.

Mr. MCCAIN. I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To limit the reduction in the 39.6 percent rate bracket to 1 percentage point and to increase the maximum taxable income subject to the 15 percent rate)

On page 9, in the matter between lines 11 and 12, strike "37.6%" in the item relating to 2005 and 2006 and insert "38.6%" and strike "36%" in the item relating to 2007 and thereafter and insert "38.6%".

On page 13, between lines 15 and 16, insert:

SEC. 104. INCREASE IN MAXIMUM TAXABLE INCOME FOR 15 PERCENT RATE BRACKET.

Section 1(f) (relating to adjustments in tax tables so that inflation will not result in tax increases), as amended by section 302, is amended—

(1) in paragraph (2)—

(A) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D),

(B) by inserting after subparagraph (A) the following:

"(B) in the case of the tables contained in subsections (a), (b), (c), and (d), by increasing the maximum taxable income level for the 15 percent rate bracket and the minimum taxable income level for the next highest rate bracket otherwise determined under subparagraph (A) (after application of paragraph (8)) for taxable years beginning in any calendar year after 2004, by the applicable dollar amount for such calendar year,", and

(C) by striking "subparagraph (A)" in subparagraph (C) (as so redesignated) and inserting "subparagraphs (A) and (B)", and

(2) by adding at the end the following:

"(9) APPLICABLE DOLLAR AMOUNT.—For purposes of paragraph (2)(B), the applicable dollar amount for any calendar year shall be determined as follows:

"(A) JOINT RETURNS AND SURVIVING SPOUSES.—In the case of the table contained in subsection (a)—

"Calendar year:	**Applicable Dollar Amount:**
2005	$1,000
2006	$2,000
2007	$3,000
2008	$4,000
2009 and thereafter	$5,000.

"(B) OTHER TABLES.—In the case of the table contained in subsection (b), (c), or (d)—

"Calendar year:	**Applicable Dollar Amount:**
2005	$500

"Calendar year:	Applicable Dollar Amount:
2006	$1,000
2007	$1,500
2005	$2,000
2009 and thereafter	$2,500."

Mr. McCAIN. Mr. President, the principle that guides my judgment of a tax reconciliation bill is tax relief for those who need it the most—lower- and middle-income working families. I am in favor of a tax cut, but a responsible one that provides significant tax relief for lower- and middle-income families. And I commend Senator GRASSLEY for moving in that direction. But I am concerned that debt will overwhelm many American households. That is why tax relief should be targeted to middle-income Americans. The more fortunate among us have less concern about debt. It is the parents struggling to make ends meet who are most in need of tax relief.

I had expressed hope that when the reconciliation bill was reported out of the Senate Finance Committee, the tax cuts outlined would provide more tax relief to working, middle-income Americans. However, I am disappointed that the Senate Finance Committee preferred instead to cut the top tax rate of 39.6 percent to 36 percent thereby granting generous tax relief to the wealthiest individuals of our country at the expense of lower- and middle-income American taxpayers.

This amendment would, instead, cut the top tax rate for the wealthiest individuals from 39.6 percent to 38.6 percent and devote the resulting savings that would have gone to this group to lower- and middle-income taxpayers by increasing the number of individuals who pay the 15 percent tax rate. When it is finally phased in, this amendment could place millions of taxpayers now in the 28 percent tax bracket into the 15 percent tax bracket. This amendment targets tax relief to the individuals who feel the tax squeeze the most: lower- and middle-income taxpayers. Under this amendment, unmarried individuals can make nearly $30,000 and married individuals can make $50,000, and still be in the 15 percent tax bracket.

Mr. President, this is a modest amendment. I would have preferred that we be able to have a larger increase in the number of taxpayers in the 15 percent bracket, but given the constraints of the modest savings from cutting the top rate by only 1 percent, this will have to do for now. But it is an important first step towards further reform.

I support this amendment because it helps ordinary middle-class families who are struggling to make ends meet and it promotes future economic prosperity by increasing the amount of money taxpayers have available for their own saving and investment.

We must provide American families with relief from the excessive rate of taxation that saps job growth and robs them of the opportunity to provide for their needs and save for the future. This amendment would deliver tax relief to more middle-class taxpayers by increasing the number of individuals who pay the 15 percent tax rate.

This amendment results in millions of taxpayers being able to keep more of the money they earn. This extra income will allow individuals to save and invest more. Increased savings and investment are key to sustaining our current economic growth.

In sum, the measure is a win for individuals, and a win for America as a whole. Therefore, Mr. President, on behalf of the millions of Americans in need of relief from over-taxation, I urge my colleagues to support this amendment.

This amendment targets tax relief to the individuals who feel the tax squeeze the most: lower and middle-income taxpayers. Under this amendment, unmarried individuals can make nearly $30,000 and married individuals can earn up to $50,000 and still be in the 15-percent tax bracket.

MOTION TO COMMIT

Now, Mr. President, I send a motion to commit with instructions on behalf of myself, Senator CONRAD, and Senator LEVIN to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendment will be laid aside and the clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. McCAIN], for himself, Mr. CONRAD, and Mr. LEVIN, moves that the Act, H.R. 1836, as amended, be committed to the Senate Finance Committee with instructions to report back forthwith.

The motion is as follows:

(1) strike any reduction in the top 2 income tax rates, and it shall not be in order for the Committee or the Senate to consider any such reductions—

(A) until the President has submitted a comprehensive defense budget amendment to the Congress; and

(B) until the Congressional Budget Office has submitted to the Committees on Budget, Appropriations, and Armed Services a re-estimate of the budget authority and outlays necessary to implement the policies proposed by the President in such budget amendment through fiscal year 2011; and

(2) any other bill reported by the Committee containing reductions in the 2 top income tax rates—

(A) shall be considered as a reconciliation bill in accordance with the Budget Act; and

(B) shall provide that any such reductions to the 2 top income tax rates reflect any adjustment necessary to accommodate the additional outlays estimated by the Congressional Budget Office under paragraph (1)(B) of this motion to be necessary to fund the President's defense budget amendment and to ensure that such outlays, taken in combination with the revenue impact of the income tax rate reduction bill, do not reduce the Federal budget surplus in any year below the levels necessary to preserve the estimated surplus under current law in either the Medicare Hospital Insurance Trust Fund or the Social Security Trust Fund.

Mr. McCAIN. Mr. President, without knowing what the administration intends to spend on our national defense, it is difficult for me to support the Budget Reconciliation bill. In the wake of large tax cuts, non-defense spending initiatives, and uncertain surplus projections, we cannot be sure how much money will remain to fund such defense priorities as National Missile Defense, force modernization, spare parts, flight hours, overdue facility maintenance, training programs, and the care of our service members.

My motion would ensure that those funds needed for these critical defense priorities are available, especially in light of an article from today's Defense Week, which I will include in the RECORD, that suggests the so-called reserve fund for defense may be much smaller than predicted for the next ten years.

Mr. President, we have the world's finest military, but that is principally because of the fine people in the military who continue to do more with less. Our ability to field credible front-line forces is due to the efforts of our servicemembers, as we live off of the remnants of the Reagan military build-up. That may be difficult to admit, unless you have reviewed the list of aircraft, ships, artillery, and tanks in our current weapons inventory, and recognized the extent of this problem.

Anyone who dismisses our military forces' serious readiness problems, concerns with morale and personnel retention, and deficiencies in everything from spare parts to training, is either willfully uninformed or just not ready to face reality. Highly skilled service men and women, who have made ours the best fighting force the world, have been leaving in droves—unlikely to be replaced in the near future. The reason for deciding to leave the service is simple; if one is overworked, underpaid, and away from home more and more often, why stay? Potential recruits say why join? Failure to fully and quickly address our readiness problem will be more damaging to both the near and long-term health of our all-volunteer force than we can imagine.

The cure for our defense decline will be neither quick nor cheap. We should not only shore up the services' immediate needs, but also should address the modernization and personnel problems caused by years of chronic under-funding.

The administration must take several important steps: propose realistic budget requests; specifically budget for ongoing contingency operations; provide adequately for modernization; ensure equipment and base operations maintenance is adequately funded; and resolve the wide pay and benefits disparity between the military and civilian sector. In turn, civilian and uniformed leadership must be willing to break from service parochialism and institutional affinities for "cold war" legacy weapons systems and funding priorities.

Recently, I voted in favor of the Budget Resolution for Fiscal Year 2002 in the interest of moving the budget process forward. But I did so in the hope that the Reconciliation bill would address many of the reservations I had about the priorities and assumptions contained in the resolution.

My chief concern was that the Reconciliation bill should explicitly provide sufficient resources for our national security. Our military services have been neglected for too many years. But with appropriate increases and money freed up from eliminating waste and inefficiency in the defense budget, we can make progress toward restoring the morale and readiness of our Armed Forces.

Currently, the administration is conducting a defense review. My motion would ensure that the reconciliation bill before us provides not only the resources for these overdue reforms, but also funds to substantially strengthen air, sea, and land forces in the near term.

Today in Defense Week there is a very interesting article entitled "Federal Spending Blueprint Limits Defense Dollars":

> Congress has set aside so much of the $5.6 trillion budget surplus—for a tax cut, Social Security, Medicare and more—that just $12 billion in outlays is left for fiscal 2002 spending increases across the federal government, according to officials and documents. . . .
>
> The annual budget reserve figures have not been previously disclosed. They demonstrate the limits within which military programs must compete against other priorities. These constraints are tighter than is widely known. While a chorus of voices have advocated increasing the Pentagon budget by up to $100 billion a year, the new figures show how difficult even a fraction of that increase will be to attain.

Mr. President, I ask unanimous consent that the article from Defense Week be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Defense Week, May 21, 2001]

FEDERAL SPENDING BLUEPRINT LIMITS DEFENSE DOLLARS

(By John M. Donnelly)

Congress has set aside so much of the $5.6 trillion budget surplue—for a tax cut, Social Security, Medicare and more—that just $12 billion in outlays is left for fiscal 2002 spending increases across the federal government, according to officials and documents.

The relatively small pot of money for budget boosts sets tight limits on the resources available for Defense Secretary Donald Rumsfeld's emerging plans for the military.

In the budget resolution that Congress passed earlier this month, lawmakers pencilled in plans for the massive surplus that largely ignore the Pentagon. All told, $504 billion of the $5.6 trillion surplus is reserved for any spending, defense or otherwise, above what's currently planned in federal budgets. But in not one of the next five fiscal years does the amount in the reserve exceed $20 billion in outlays, said William Hoagland, majority staff director of the Senate Budget Committee, in an interview.

The annual budget reserve figures have not been previously disclosed. They demonstrate the limits within which military programs must compete against other priorities. Those constraints are tighter than is widely known. While a chorus of voices have advocated increasing the Pentagon budget by up to $100 billion a year, the new figures show how difficult even a fraction of that increase will be to attain.

Still the Department of Defense and Energy national security programs will not be starved for cash next year: They'll get at least $325 billion in budget authority, about 5 percent more than was appropriated this fiscal year.

Although the $504 billion surplus is a lot of money, on an annual basis, it becomes available only slowly, according to the plan.

After the $12 billion in outlays reserved for the fiscal year that begins Oct. 1, Congress left $19 billion reserved for fiscal 2003, $10 billion for fiscal 2004, $11 billion for 2005 and $20 billion for 2006, Hoagland said. Those figures taken into account the annual rate at which taxes would be slashed in the Senate-passed tax-cut bill, he said.

He hastened to add that those reserve dollars could increase, because the budget resolution is a blueprint and Congress has yet to actually authorize and appropriate the money. On the other hand, many analysts contend that the pool of reserve money is likely to be smaller than the current projection.

HOW BIG A RAISE?

Calls for annual Pentagon budget boosts of between $50 billion and $100 billion have become commonplace as the rising cost of maintaining an aging force structure and 2 million active-duty military and civilian personnel has become more evident. Recent press reports have indicated the Pentagon may even ask for increases of up to $50 billion a year.

The annual dollar amounts described by Hoagland represent what's left in the next five years to increase the budget of any federal department or agency above President Bush's plan. Once Rumsfeld and Bush unveil the findings of a review of military priorities in the coming weeks, the Pentagon is expected to ask for a raise in fiscal 2002 above what Bush put forth in a "placeholder" defense budget in late February.

The question of the hour is: How much of a raise?

"Budget authority" is the total amount that Congress empowers the executive branch to make available for programs; the "outlay" figure applicable in this case is the estimated value of the checks the government will sign. In a given year, the Pentagon's outlays typically represent about 60 percent of its budget authority.

Consequently, assuming that all the reserve $12 billion in outlays is slated for the Pentagon alone (an arguably risky assumption), then Bush would need to ask for perhaps an additional $20 billion in budget authority, roughly speaking.

The president's February budget requested $325 billion in budget authority for Defense and Energy security programs. That was $16 billion more than President Clinton's plan for fiscal 2002 and $14 billion over Congress's appropriation for the current fiscal year.

Consequently, $20 billion in a additional budget authority now would make the Pentagon's budget $36 billion higher than Clinton had planned for fiscal 2002 and $34 billion above this year's mark. That's big money, but far less than the $90 billion a senior defense official recently told Defense Week was required.

Although far less of an increase than many have predicted or hoped for, such an increase would not be insignificant and would be criticized in some quarters as unneeded a decade after the Cold War ended.

ASSUMPTIONS QUESTIONED

There are several reasons to suspect that the $504 billion reserve for the next 10 years may end up smaller than predicted.

According to a non-partisan analyst, Steven Kosiak of the Center for Strategic and Budgetary Assessments, a defense think tank in Washington, D.C., the budget blueprint assumes that non-defense spending will not grow much faster than inflation.

But if those programs grow by 1 percent above inflation, then the $504 billion reserve over 10 years would be cut more than 50 percent, Kosiak says. Domestic programs have been kept below inflation only in 1996 and during two years of the Reagan administration, a Democratic aide said. Over the past decade, the growth has averaged 2 percent, Kosiak said.

If past is prologue, the reserve won't materialize. But Bush has promised to hold the line on government outlays.

All told, when a host of other non-defense priorities are considered, Kosiak sees $700 billion in non-military items competing for the $504 billion pot.

In addition, many Republicans are committed to adding to the 11-year $1.35 trillion tax cut now being debated or to pass separate tax cut measures in the future. That, too, would threaten the Pentagon's share of the pie.

Finally, the Congressional Budget Office's assumptions about the economy's growth undergird the projected surplus. If those assumptions fail to come true, the surplus itself may not materialize, some experts warn. For example, according to Kosiak, CBO concedes there's a 50–50 chance that its five-year projections of the surplus could be off by $250 billion, either plus or minus.

If CBO has overstated economic growth, the impact on the reserve could be substantial. Kosiak says that "even a very modest reduction" of future growth could completely eliminate the $500 billion reserve.

However, when the CBO has been wrong lately, it has underestimated the economy's strength and so understated the size of U.S. revenues. New revenue numbers are due this summer, and they may change the fiscal picture.

Mr. MCCAIN. I asked the Office of Management and Budget Director to send me information as to how much we were going to spend on defense both this year and in the next 10 years. No answer. There has not been even an estimate as to what the supplemental will be. We are about to enact one of the most massive tax cuts in history, and we do not have any idea how much money is going to be devoted to defense spending and how much is going to be left over for it.

I believe the American people and Members of this body have a right to know that answer. This motion basically says that we should wait, as far as the top tiers are concerned, until we find out how much money is going to be spent on defense.

It instructs the Budget Committee to come up with the information that is necessary for us to make these decisions in the overall context of other spending but most importantly defense spending.

I campaigned all across this country telling service men and women that help was on the way. So far not one penny of help has been on the way. So far we have not had a supplemental appropriations bill to meet the pressing, compelling needs just to keep our planes flying, our ships at sea, and our men and women in the military. We do not have the supplemental. We have no estimate of what our defense spending needs are going to be for the next 10 years. According to recent information, including from Defense Week, there will be very little.

I urge the adoption of the motion to commit with instructions.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. McCAIN. I yield back the remainder of my time.

Mr. REID. Is the Senator from New Hampshire ready to proceed?

The PRESIDING OFFICER. Does the Senator from Nevada yield back time on the McCain amendment?

Mr. BAUCUS. Yes. Mr. President, all time in opposition to the amendment is yielded back.

Mr. McCAIN. Could I say to my friend, my understanding is that Senator CONRAD wanted to speak on this motion to commit, so I want to reserve 2 minutes of my time remaining for Senator CONRAD, if he wants to speak. If not, I will yield it back.

Mr. BAUCUS. I yield back all time. If Senator CONRAD wants to speak for 2 minutes later on during the day, I think we can find time to let him speak on the amendment.

Mr. McCAIN. What is the point? What is the problem? I reserve the 2 minutes.

Mr. BAUCUS. So we can go on with this amendment.

The PRESIDING OFFICER. The Senator has reserved 2 minutes.

Without objection, it is so ordered.

Mr. REID. Mr. President, the Senator from New Hampshire is next in order to speak for not more than 5 minutes.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH of New Hampshire. Mr. President, on behalf of the leader, I ask unanimous consent that following the two previously scheduled votes that will begin at approximately 6:08 this evening, the Senate proceed to votes in relation to the pending amendments in the order in which they were offered. I ask consent that there be 2 minutes equally divided for debate between the votes.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Mr. President, reserving the right to object, that time may slide a little bit because the two leaders have their leader time reserved. They may use that. So with that in mind, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMITH of New Hampshire. On behalf of Senator McCAIN, I ask unanimous consent that it be in order for me to ask for the yeas and nays on the McCain amendment and on the McCain motion to commit.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. SMITH of New Hampshire. I ask for the yeas and nays on the McCain amendment and the McCain motion to commit.

Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH of New Hampshire. What is the pending business before the Senate?

The PRESIDING OFFICER. The Senator from New Hampshire has 5 minutes.

AMENDMENT NO. 680

Mr. SMITH of New Hampshire. Mr. President, I call up my amendment No. 680.

The PRESIDING OFFICER. The clerk will report.

The senior assistant bill clerk read as follows:

The Senator from New Hampshire [Mr. SMITH] proposes an amendment numbered 680.

Mr. SMITH of New Hampshire. I ask reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To remove the limitation that certain survivor benefits can only be excluded with respect to individuals dying after December 31, 1996)

On page 802, after line 21, add the following:

SEC. 803. REMOVAL OF LIMITATION.

(a) IN GENERAL.—Section 101(h) of the Internal Revenue Code of 1986 (relating to exclusion of survivor benefits from gross income) is amended by adding after paragraph (2) the following new paragraph:

"(3) APPLICATION.—This subsection shall apply to amounts received after December 31, 2000.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

Mr. SMITH of New Hampshire. Mr. President, there is no more noble calling than for those who choose to put their lives on the line every day to serve and protect our families.

On November 29, 1989, about 12 years ago, New Hampshire State Trooper Gary P. Parker from Wolfeboro, NH, was tragically killed in the line of duty. He left behind his wife Amy, a 16-month-old son Gregory, and a daughter Lindsay, who was to be born just 10 weeks after Trooper Parker lost his life.

Amy Parker is now alone with her grief and was faced with raising both her son and daughter alone, something that I can certainly understand since my father died in the Second World War when I was 3. I was raised by my mother, with my brother, without a dad.

But, fortunately, because her husband had prepared for the unthinkable, both children were left with a small survivor benefit pension. Believe it or not, they were forced to hand over a large portion of those benefits in taxes to the Federal Government, leaving the family very little on which to live.

In 1996, Congress recognized the unfairness of this provision and rightly corrected the oversight. However, the correction only applied to those who died after 1997, leaving all of those families who were currently living with the grief and hardship of a tragic death with that additional burden still there.

This amendment that I am offering, amendment No. 680, is a very simple amendment. I hope I will have the support of my colleagues. It will correct this oversight and bring relief to all the families of law enforcement officers who have lost their lives in the line of duty and are currently living under this inequity in the law.

This is an important amendment that will send a message to our law enforcement community and their families that we hold them in the highest esteem, and we honor them for their service and sacrifice. We ought not have the Tax Code of the United States of America discriminate against them. I hope we will correct this inequity by adopting my amendment.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be.

The yeas and nays were ordered.

AMENDMENT NO. 723 TO AMENDMENT NO. 680

Mr. SMITH of New Hampshire. Mr. President, before yielding the floor, I send a second-degree amendment to the desk and ask for the yeas and nays on that.

The PRESIDING OFFICER. The clerk will report the amendment.

The senior assistant bill clerk read as follows:

The Senator from New Hampshire [Mr. SMITH] proposes an amendment numbered 723 to amendment No. 680.

Mr. SMITH of New Hampshire. I ask unanimous consent reading of the amendment be dispensed with.

Mr. REID. Objection. Let's read this.

The PRESIDING OFFICER. Objection is heard.

The senior assistant bill clerk read as follows:

At the appropriate place, add the following:

SEC. . PERMANENT MORATORIUM ON IMPOSITION OF TAXES ON THE INTERNET.

Section 1101(a) of the Internet Tax Freedom Act (title XI of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; 47 U.S.C. 151 note) is amended by striking "during the period beginning on October 1, 1998, and ending 3 years after the date of the enactment of this Act" and inserting "after September 30, 1998".

Mr. SMITH of New Hampshire. Mr. President, this amendment will permanently extend the current moratorium on the imposition of taxes on the Internet. It will also stop those who wish to establish a national sales tax from doing so. In May of last year, the House overwhelming passed this legislation, and the American people strongly oppose taxing the Internet and they vehemently oppose a national sales tax.

Mr. President, let us not forget, as a result of leaving the Internet to its own device, we have seen an explosion in Internet trade, commerce and information available to consumers. Numerous organizations have backed my amendment to extend the moratorium on Internet taxes, including the Association of Concerned Taxpayers, U.S. Business and Industrial Council, and United Seniors Association. Now some have argued that it is not a level playing field because Internet companies don't pay taxes. Well, this is absolutely not true. Every business and every person is required to pay all tax demanded by their state and local government, and just about every business does. And those that don't can expect the tax man to come a knock'n.

Mr. President, my amendment would only continue the current moratorium. It does not abolish any sales or use tax nor does it prevent any government from taking or even increasing sales or use taxes on its own residents. And it also prohibits local or state government in one state from imposing a tax on businesses or people in another state without a proper nexus—nor could they impose a national sales tax.

If we don't pass this legislation, businesses will not only be subject to the state and local governments from which they reside, but could be open to nearly 30,000 state, local, and municipal cities and towns looking to squeeze businesses and individuals for a few extra dollars.

Indeed, the vast array of federal, state, and even international bureaucrats needed to implement these programs and regulations would add on enormous amount of cost, paperwork and redtape which would not only hinder commerce and growth, but will crush small businesses.

Local governments argue that if they can require so-called brick and mortar businesses to pay sales taxes on main street, then they should be allowed to force business men and women in other states to collect these taxes as well.

Well, I disagree. And the Supreme Court disagrees as well. In National Bellas Hess v. Illinois (1967), Complete Auto Transit, Inc. v. Brady 333 (1977), and the Supreme Court's ruling (in Quill v. North Dakota, 1992) held that states attempting to tax out-of-state commerce without a proper nexus was unconstitutional. By allowing states to tax businesses and people in another state, and if we establish a national sales tax, we do this at our own peril.

Mr. President, we must say "no" to those who want to raise taxes—we must say "no" to those who want to tax the Internet—and we must say "no" to those who want a national sales tax.

Mr. President, I urge passage of my amendment.

Mr. President, I renew my request for the yeas and nays on the second degree.

The PRESIDING OFFICER. Is there a sufficient second? At the moment, there is not a sufficient second.

Mr. SMITH of New Hampshire. I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I rise to address the underlying amendment. It is a good idea. There is no reason for the exclusion of certain income under survivor benefits with respect to persons who died before 1996. Sometimes those benefits are distributed after 1996, and I think the amendment offered by the Senator from New Hampshire is a good one.

I must say, I am a little bit surprised by the second-degree amendment. It is not an improvement on the first degree. It is an entirely different subject. It is a subject which is not in the jurisdiction of this committee. I urge the Senator, frankly, to withdraw it or maybe offer the amendment later on. We have not debated that issue at any length. At least with respect to the underlying amendment, I think the Senator has a good idea.

Mrs. CARNAHAN. Mr. President, I would like to take a moment to explain that while I wholeheartedly support extending the current moratorium on Internet access taxes, I must oppose this amendment.

I believe that we should, and I am confident that we will, pass legislation this year, that extends the moratorium on Internet access taxes. However, I think it is crucial that the legislation we pass to extend the ban on access taxes also address the ability of states to require remote sellers to collect and remit sales taxes.

The Internet is still a growing and dynamic innovation and I believe that we must ensure that its development is not encumbered by discriminatory taxation. However, as the Internet becomes an increasingly important medium for the transaction of commerce, an unlevel playing field is emerging. While sales transacted at main street businesses are subject to state sales taxes, goods sold over the Internet are often free of such taxes.

This creates two distinct problems. First, brick-and-mortar retailers are being subjected to a competitive disadvantage as consumers are able to purchase goods over the Internet without having to pay state sales tax on them. This situation provides a disincentive to shop at traditional retail locations and could have very negative long-term consequences for main street retailers.

The second problem is that state and local governments rely on sales tax revenues for education, transportation infrastructure, law enforcement services, fire protection and more. The rise in untaxed electronic commerce is eroding state and local governments' revenue bases and may eventually compromise their ability to provide these essential services.

Therefore I believe that we must address the issue of the collection of state sales taxes, and I fear that if this amendment is adopted, the impetus to deal with such issues will be diminished.

I look forward to the opportunity to support an extension to the current moratorium in the context of a larger bill that also deals with the ability of states to require remote sellers to collect and remit sales taxes.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, on behalf of Senator KENNEDY, I call up amendment No. 684.

The PRESIDING OFFICER. There is still time remaining on the second-degree amendment—25 seconds.

Mr. BAUCUS. If the Senator from New Hampshire is willing, I am willing to yield back the remainder of our time on both the first- and second-degree amendments.

Mr. SMITH of New Hampshire. Mr. President, I yield back.

Mr BAUCUS. I yield back the remainder of our time as well.

The PRESIDING OFFICER. All time is yielded back.

AMENDMENT NO. 684

Mr. REID. Mr. President, I call up amendment No. 684.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. KENNEDY, for himself, Mr. DODD, and Mr. JOHNSON, proposes an amendment numbered 684.

Mr. REID. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 9, between lines 14 and 15, insert:

"(4) DELAY OF TOP RATE REDUCTION.—

"(A) IN GENERAL.—Notwithstanding paragraph (2), with respect to a calendar year, no percentage described in that paragraph shall be substituted for 39.6 percent until the requirement of subparagraph (B) is met.

"(B) FULLY FUNDING BASIC EDUCATION SERVICES.—The requirement of this subparagraph is that legislation be enacted that appropriates funds for core education programs at or above the levels that have been authorized for such programs by the Senate in the following amendments to Senate bill 1 (the Better Education for Students and Teachers Act, 107th Congress):

"(i) Senate Amendment 360 (107th Congress; as offered by Senator Hagel and Senator Harkin), which passed the Senate on a voice vote with no dissenters, to honor the Federal commitment to provide States with 40 percent of the cost of implementing the Individuals with Disabilities Education Act, instead of the 17 percent of costs that the Federal Government currently provides.

"(ii) Senate Amendment 365 (107th Congress; as offered by Senator Dodd), which passed the Senate on a vote of 79 to 21, to provide support under title I of the Elementary and Secondary Education Act of 1965 (as amended by the Better Education for Students and Teachers Act) for 100 percent of the economically disadvantaged children by 2008 rather than the 33 percent who are currently aided under such title.

"(iii) Senate Amendment 375 (107th Congress; as offered by Senator Kennedy), which passed the Senate on a vote of 69 to 31, to improve teacher quality for all students under the bipartisan agreement reflected in part A of title II of the Elementary and Secondary Education Act of 1965 (as amended by the Better Education for Students and Teachers Act).

"(iv) Senate Amendment 451 (107th Congress; as offered by Senator Lincoln), which passed the Senate on a vote of 62 to 34, to improve the quality of education available to bilingual students with limited English proficiency, especially in light of the nation's growing immigrant population.

"(v) Senate Amendment 563 (107th Congress; as offered by Senator Boxer), which passed the Senate on a vote of 60 to 39, to ensure that more of the nation's 7,000,000 latchkey children have access to safe, constructive activities after school while their parents are at work.

Mr. REID. Mr. President, because supporters of this bill assert that the size of the total tax cut is not so large as to prevent adequate funding of the nation's education needs, and prior to passage of this tax cut, many of this tax cut's supporters also voted to pass education amendments that anticipate meeting the nation's core education funding needs, it is the purpose of this amendment to provide that reductions of the top marginal income tax rate will not take effect unless funding is provided at the levels authorized in amendments to Senate bill 1, the Better Education for Students and Teachers Act, 107th Congress, that have been adopted by the Senate with respect to the Individuals With Disabilities Education Act, title I, State Grants for Disadvantaged Students, and part A of title II, Teacher Quality, of the Elementary and Secondary Education Act of 1965, as amended by the Better Education for Students and Teachers Act, and provisions of such Act concerning the education of students with limited English proficiency, and after school care in 21st Century Learning Centers.

I yield back the time on this amendment.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Very briefly, Mr. President, to help clarify where the managers of the bill are on this amendment, I think it is a very good amendment, but I cannot agree to it. Essentially, it is conditional. It violates the Constitution. This is not the time and place for this particular amendment, even though it is meritorious, not on this bill.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 724

Mr. FEINGOLD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. FEINGOLD), for himself and Mr. KOHL, proposes an amendment numbered 724.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To eliminate the Medicaid death tax)

On page 314, after line 21, add the following:

SEC. 803. ELIMINATION OF MEDICAID ESTATE RECOVERY REQUIREMENT.

(a) MEDICAID AMENDMENT.—

(1) IN GENERAL.—Section 1396p(b) of Title 42, U.S.C., is amended—

(A) in paragraph (1), by striking "except that" and all that follows and inserting "except that, in the case of an individual described in subsection (a)(1)(B), the State shall seek adjustment or recovery upon sale of the property subject to a lien imposed on account of medical assistance paid on behalf of the individual.";

(B) in paragraph (2)(B), by striking "in the case of a lien on an individual's home under subsection (a)(1)(B),";

(C) in paragraph (3), by striking "(other than paragraph (1)(C))"; and

(D) by striking paragraph (4).

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to individuals dying on or after the date of enactment of this Act.

(b) REVENUE OFFSET.—The Secretary of the Treasury shall adjust the reductions of the rates of tax under section 2001(c) of the Internal Revenue Code of 1986 (as amended by section 511 of this Act) with respect to estates of decedents dying and gifts made in such manner as to increase revenues by $120,000,000 in each fiscal year beginning before October 1, 2011.

Mr. FEINGOLD. Mr. President, my amendment would eliminate the Medicaid Estate Recovery Program, the real "death tax" for thousands of elderly of modest means. It offsets the cost of eliminating this program by shaving back the reductions in the estate tax rates.

The Medicaid Estate Recovery Program may be the most regressive tax of all. It effectively imposes a 100 percent estate tax on our most vulnerable citizens—severely disabled seniors who are impoverished. It is levied against the first dollar of the estate's value.

At a time when we are considering completely eliminating all estate taxes on the super wealthy, it is indecent to retain a 100 percent tax on the estates of those with practically nothing.

The average annual cost of nursing home care is about $40,000 or about $110 per day. That cost poses an enormous burden on many elderly or disabled individuals, many of whom are forced to spend down a lifetime's savings before they become poor enough to qualify for Medicaid. After having spent down those savings, a home may be the only thing they have left to leave to their children.

The estate recovery program not only places liens on homes, I also understand that personal property may be at risk in some areas. Grandma's locket may have little material worth but may have great sentimental value to children and grandchildren. Nevertheless, they may go on the block, too, and there is strong anecdotal evidence that many forgo needed care in order to avoid losing their homes and personal property to the estate recovery program.

The estate recovery program does little to offset the cost of Medicaid, accounting for only one-tenth of one percent of the funding for the program according to data from the Congressional Research Service.

In fact, there is reason to believe that the estate recovery program may not even achieve this tiny savings, but instead may actually result in greater Medicaid expenditures. Individuals who forgo nursing home care to avoid liens on their homes and personal keepsakes may end up requiring far more expensive care as a result, and the ensuing higher cost of care only leaves the taxpayers worse off because of this self-neglect.

The estate recovery program can work a real hardship on surviving spouses. After surviving the chronic illness of their loved one, and spending down their life's savings, they then must cope with a lien on their home. As the Congressional Research Service notes, though claims on an individual's estate cannot be acted upon until after the death of the surviving spouse, liens placed on houses can affect an individual's financial credit, preventing that spouse from mortgaging property, getting a bank loan, or taking out a new credit card in order to pay for essential living expenses such as home repairs like a new furnace or a leaking roof.

This program turns States into Realtors and pawn brokers. Some States have simply not implemented the program, and I understand that among them is the President's home State of Texas. Under my amendment the rest of the country would conform to the practice of Texas.

Mr. President, my amendment gets States out of the real estate business. It ends a program that dissuades elderly with severe disabilities from seeking the care they need while generating a pitifully small revenue stream. It ends the 100 percent "death tax" that is imposed on families with the most modest means.

I urge my colleagues to support this amendment.

Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, since there is nobody on the other side, I think somebody should be here before we do this.

Mr. FEINGOLD. Mr. President, it was for that reason that I did not ask for the yeas and nays on my amendment.

Mr. REID. I wonder if we could have someone on the other side. It is really unfair without someone being over there.

Mr. BAUCUS. Mr. President, if there is some way we could work out waiting for a couple minutes so the chairman of the committee could be here, I think that would be appropriate.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that I be recognized at that point.

Mr. REID. Reserving the right to object, I say to my friend from Wisconsin, we are going to run out of time at 4 o'clock and have to go to 4:08; is that correct?

The PRESIDING OFFICER. The vote is scheduled at 6:08, and there is to have been 2 hours prior to the vote.

Mr. REID. Remember, at 6 o'clock the debate was supposed to start with Senator JUDD GREGG having 5 minutes and Senator BAUCUS 3 minutes.

The PRESIDING OFFICER. The Senator is correct. The Parliamentarian is incorrect.

Mr. REID. I will make sure that, under leader time, the Senator from Wisconsin is protected to offer his amendments.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, if there is some problem that I find at a later time, Senator BAUCUS and I find with Senator GRASSLEY not being here, it appears all Senator FEINGOLD is doing is offering amendments, just as Senator SMITH did and Senator MCCAIN. Having had the break, I don't see anything wrong with that. If anyone does, we will find out about it later.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that the current amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 725

Mr. FEINGOLD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The senior assistant bill clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD] proposes an amendment numbered 725.

Mr. FEINGOLD. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To increase the income limits applicable to the 10 percent rate bracket for individual income taxes)

On page 7, line 24, strike "$12,000" and insert "$15,000".

On page 8, line 1, strike "$10,000" and insert "$11,250".

On page 9, in the table between lines 11 and 12, strike column relating to 39.6 percent.

Mr. FEINGOLD. Mr. President, this amendment is about tax fairness.

The bill before us is tilted heavily toward high-income taxpayers. According to Citizens for Tax Justice, when this bill's tax cuts are fully phased in, the highest-income one percent of taxpayers would receive 35 percent of the benefits of the bill. The majority of taxpayers in the bottom three-fifths of the population would get only a little more than 15 percent of the bill's benefits.

When this bill's tax cuts are fully phased in, the one percent of taxpayers with the highest incomes would receive an average tax cut of more than $44,000, while taxpayers in the middle fifth of the population would receive an average tax cut of less than $600.

Even as a share of their income, those with the highest incomes would receive greater benefits under this bill. According to the Center on Budget and Policy Priorities, when fully phased in, this bill's tax cuts would increase the after-tax income of the highest-income one percent of families by an average of 5 percent, but it would increase the average after-tax income of the middle fifth of families by just a little more than 2 percent.

Nationwide, only 907,990 taxpayers, or 7/10 of a percent of taxpayers are in the top tax bracket. But that group is not too small to capture the attentions of this tax bill. In response to an inquiry from Senator ROCKEFELLER during the Finance Committee markup on Tuesday, the Joint Committee on Taxation indicated that reducing the top rate from 39.6 percent to 36 percent in steps over 10 years costs $120 billion in this bill. That's $120 billion for fewer than a million taxpayers. In contrast, fully 128 million taxpayers do not fall into the top tax bracket and would get no benefits whatsoever from the reduction in the top tax rate.

In my own State of Wisconsin, fewer than 15,600 taxpayers, or 6/10 of a percent of taxpayers, are in the top tax bracket, and fully 2.5 million taxpayers are not in the top tax bracket.

My amendment is a simple one. It would strike the cut in the top income tax rate, and use the savings to increase the amount of income covered by the 10 percent income tax bracket. It would thus reduce the already large benefits to that less than one percent of the population with incomes of more than $297,000, and use the savings to give tax cuts to all income taxpayers.

Mr. President, this amendment would restore a modicum of fairness to this bill, and I urge my colleagues to support it.

Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

MOTION TO COMMIT WITH INSTRUCTIONS

Mr. FEINGOLD. Mr. President, I send a motion to commit to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD] moves to commit the bill to the Finance Committee with instructions that the Committee report the bill back within 3 days, with changes that would strike all the estate tax rate reductions in the bill and use the savings to expand the amounts of the estate tax unified credit exemption amounts.

Mr. FEINGOLD. Mr. President, it is no secret that the benefits of this bill are not fairly distributed. The highest-income one percent receive 35 percent of this bill's benefits.

A significant contributor to this imbalance is the estate tax provisions of the bill. Even under current law, roughly 98 percent of Americans will never have to pay a cent of estate tax. So this bill's $145 billion in estate tax cuts will benefit only the wealthiest 2 percent of Americans, and will have no benefit for the other 98 percent of us.

But even in the estate tax provisions themselves, this bill tilts unnecessarily to the very wealthiest.

The bill would increase the unified credit exemption up to $4 million a person, or $8 million a couple. This change alone will exempt all but the very wealthiest Americans from any contact with the estate tax.

But the bill goes further. It would also reduce the rate of taxation that the few extremely wealthy families who still have to pay the estate tax would pay. It thus focuses tax cuts on the very pinnacle of wealth.

Let me give you an idea of the numbers. According to an analysis done by the Center on Budget and Policy Priorities, fewer than 50,000 families in the entire United States paid any estate tax at all in 1999. But of those families, fewer than 3,300 families had estates larger than $5 million in size. These small numbers are indicative of the very few who would benefit from the rate reductions in this bill.

My motion to recommit would spread the estate tax relief in this bill more broadly. My motion would instruct the Finance Committee to strike all the estate tax rate reductions in the bill and use the savings to expand the amounts of the estate tax unified credit exemption amounts. Thus under my motion, more relatively smaller estates would be exempted from taxation altogether. I have been told that elimination of the rate reductions would allow the unified credit exemption to increase to $5 million, or $10 million a couple.

This motion would give complete estate tax relief to more families earlier than the underlying bill.

That is the direction we should go, and I urge my colleagues to support it.

Madam President, I ask unanimous consent that the pending amendment be temporarily set aside.

The PRESIDING OFFICER (Ms. COLLINS). Without objection, it is so ordered.

AMENDMENT NO. 726

Mr. FEINGOLD. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The senior assistant bill clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD] proposes an amendment number 726.

Mr. FEINGOLD. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To preserve the estate tax for estates of more than $100 million in size and increase the income limits applicable to the 10 percent rate bracket for individual income taxes)

On page 9, between lines 4 and 5, insert the following:

"(D) ADJUSTMENTS AFTER 2010.—In prescribing the tables under subsection (f) which apply with respect to taxable years beginning in calendar year 2011, the Secretary shall, in addition to the adjustments made under subparagraph (C) of this subsection, increase the initial bracket amounts for subsection (a) and subsection (b) so as to decrease revenues by the amount of revenues generated by the other provisions of the amendment creating this provision."

On page 63, strike line 4 and all that follows through page 64, line 16.

On page 65, in line 12, strike "and before 2011".

On page 66, in the table after line 1, strike "2007, 2008, 2009, and 2010" and insert "2007 and thereafter".

On page 68, between lines 14 and 15, following the item relating to 2010, insert the following:

2011 and thereafter $100,000,000

On page 106, after line 6, insert the following:

"(g) Notwithstanding any other provision of law, this subtitle shall not apply to property subject to the estate tax."

Mr. FEINGOLD. Madam President, this is a simple amendment. It limits the estate tax repeal for estates of over one hundred million dollars and uses the savings to give tax cuts to all income tax payers.

This debate is about priorities. It is a debate about where we should devote our resources.

This amendment provides a clear, easily definable choice.

The Senate has indicated that reforming the estate tax, especially for small businesses and farms, should be a priority. I support that goal, but this bill goes much further than any reasonable limit to address that concern.

This bill goes beyond any commonsense definition of small businesses or modest estates. This bill provides massive amounts to money tax cuts to extremely wealthy multi-millionaires.

How can anyone suggest that distributing the nation's hard-won surplus to multi-millionaires should be among our highest priorities? Literally hundreds of millions of Americans have more pressing needs.

Specific tax cuts or spending increases come with a price. Every time we lower a tax rate or create a new tax loophole, the tax burden on everyone else increases.

Last year, the Treasury Department's Office of Tax Policy told us how much we would have saved from our amendment to cap the estate tax repeal at estates of $100 million in size. At that time, their most current data was for 1998, for people who died in 1997 and paid taxes in 1998. In that year, 35 estates amounted to more than $100 million. Of those, 31 paid taxes, and 4 did not. Those 31 estates paid $1.4 billion in taxes, or 7 percent of all estate taxes. Repealing the estate tax for those estates would have given those estates a tax cut averaging $45 million each.

Too often, the choices we weigh are heartbreakingly difficult. This is not one of those cases.

It makes some sense to increase the current exemption on estates; it makes no sense at all to repeal the estate tax for the handful of estates over one hundred million dollars.

Madam President, surely the supporters of estate tax cuts must agree that eliminating the estate tax on those handful of estates over one hundred million dollars is not our highest priority or anywhere close to it.

My amendment eliminates the repeal of the estate tax on estates of more than $100 million, and uses the savings to increase the income tax cut for all income tax payers. It is a simple choice.

Madam President, I ask unanimous consent that the Senate temporarily set aside the pending amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FEINGOLD. I thank my colleagues.

Madam President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

At the moment, there is not a sufficient second.

Mr. REID. Which amendment is it?

Mr. FEINGOLD. The last one.

Madam President, I yield the floor.

AMENDMENT NO. 727

Mr. REID. Madam President, I send an amendment to the desk on behalf of Senator HARKIN and ask that the prior amendment be set aside.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside.

The clerk will report.

The senior assistant bill clerk read as follows:

The Senator from Nevada [Mr. REID], FOR MR. HARKIN, proposes an amendment numbered 727.

Mr. REID. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To delay the effective date of the reductions in the tax rate relating to the highest rate bracket until the enactment of legislation that ensures the long-term solvency of the social security and medicare trust funds)

On page 11, strike lines 14 through 22 and insert the following:

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) AMENDMENTS TO WITHHOLDING PROVISIONS.—The amendments made by paragraphs (6), (7), (8), (9), (10), and (11) of subsection (b) shall apply to amounts paid after the 60th day after the date of the enactment of this Act.

(3) ASSURANCE OF TRUST FUND SOLVENCY.—

(A) CBO CERTIFICATION.—The reductions in the tax rate relating to the highest rate bracket under the amendments made by this section shall not take effect unless the Congressional Budget Office submits to Congress and the Secretary of the Treasury a certification that legislation has been enacted that ensures the solvency of—

(i) the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund for a period of not less than 75 years; and

(ii) the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund for a period of not less than 50 years.

(B) APPLICATION.—

(i) IN GENERAL.—Except as provided in clause (ii), the reductions in the tax rate relating to the highest rate bracket under the amendments made by this section shall begin with the rate for the taxable year beginning after the date on which the Congressional Budget Office submits the certification described in subparagraph (A).

(ii) RETROACTIVE APPLICATION.—If the Congressional Budget Office submits the certification described in subparagraph (A) before October 1, 2002, this subsection shall be applied as if this paragraph had not been enacted.

Mr. GRASSLEY. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mrs. LINCOLN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. BAUCUS. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will continue with the call of the roll.

The senior assistant bill clerk continued the call of the roll.

Mrs. LINCOLN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. REID. Madam President, I yield 2 minutes to the Senator from Arkansas to offer an amendment.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

AMENDMENT NO. 711

Mrs. LINCOLN. Madam President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas [Mrs. LINCOLN] proposes an amendment numbered 711.

Mrs. LINCOLN. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To eliminate expenditures for tuition, fees, and room and board as qualified elementary and secondary education expenses for distributions made from education individual retirement accounts)

On page 31, line 1, strike "tuition, fees,".

On page 31, line 11, strike "room and board,".

Mrs. LINCOLN. Madam President, the amendment that I am offering strikes the provision within the education savings accounts language that covers K–12 tuition, fees and room and board expenses while permitting the use of ESA tax savings for other education-related expenses for all students. This amendment will create a level playing field by providing the same tax benefits to all parents regardless of where they send their children to school.

Under my amendment, all parents will be able to take advantage of ESA accounts for K–12 related expenses to buy computers, uniforms, or other items that children use to supplement or further their education. In short, it treats all parents equally.

Using ESA accounts for private school tuition is simply vouchers by another name. While I strongly believe in a parents' right to choose a public school education or private school education for their children, I am concerned that providing a tax incentive to pay private school tuition will divert the attention and resources needed to improve our public schools.

Strengthening our public schools should be a priority for all of us. The philosopher Edmund Burke once said that "education is the cheap defense of nations." How true that is. If we are to continue our role as a world leader, we've got to make sure all of our children are prepared to pick up where we leave off. So in my view, education is a national security issue and an economic one as well.

Many of you know that rural development is a priority for me, and I am continually looking for ways to bring jobs to the impoverished Delta region where I grew up. Whenever I meet with industry folks and urge them to consider the Delta, one of their first questions is: "How are the public schools?" They don't ask about the private schools, just the public schools. To attract industry anywhere in this country, we've got to have strong public schools.

My amendment isn't the silver bullet. It is about crafting tax policy that recognizes the important role public schools play in our communities, especially rural communities in poor states like Arkansas.

As a proud graduate of public schools of Arkansas, I have enormous faith in our system of public education. And I offer this amendment today, Madam President, because I am passionate about fulfilling our responsibility at the federal level to give schools and parents the support and resources they need to be successful.

I urge my colleagues to resist the false promise the current ESA provision provides to parents and public schools and support a tax policy that treat all parents equally.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

The Senator from Montana.

Mr. BAUCUS. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I ask that when I suggest the absence of a quorum momentarily, the time run equally against both sides.

The PRESIDING OFFICER. Is there objection?

Mr. GRASSLEY. Starting now, the 2 hours is evenly divided.

Mr. REID. That is right, except for the 2 minutes we have already used.

Madam President, has the unanimous consent agreement been agreed to?

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. GRASSLEY. Madam President, it has been suggested by some of those who are opposed to our legislation that the tax cuts are backloaded, and there is some legitimacy to that argument, although don't forget that the tax rate reduction that benefits most Americans—in fact, every income-tax payer in America—the new 10-percent bracket, going back to January 1, 2001, benefits everybody. From that standpoint, this legislation is very frontloaded. But we are dealing with a congressional budget resolution that was adopted earlier this month.

The budget surplus, excluding Social Security, will be $2.3 trillion over the next 11 years. The proposed tax reductions over the next 11 years will be $1.3 trillion of that $2.3 trillion.

When one looks at the budget surplus and the tax cuts on a year-by-year basis, one will see that tax cuts are designed to stay within the available surplus each and every year. Twenty-nine percent of the budget surplus occurs over the next 5 years, and 29 percent of the tax cut is phased in over the next 5 years. Sixteen percent of the budget surplus occurs in the last year, while only 14 percent of the tax cuts occur the last year. In other words, the tax cuts are phased in to reflect the surpluses available to pay for them.

To the extent one argues that our bill is backloaded, our tax relief is frontloaded for the lower income taxpayers, particularly that 10-percent new bracket about which I have been talking. The tax cuts for the higher income taxpayers who pay the bulk of the Federal tax burden come later.

The reason for this is we want to help lower income taxpayers first, and the tax surplus itself is phased in. So additional tax relief needs to wait until the year 2006. As a result, lower and middle-income taxpayers benefit by getting their money back first and for the time value of having that money in their pocket longer than higher rate taxpayers.

It amazes me; if we had $1.6 trillion the President wanted for tax cuts, we would not have to backload some of these benefits. Wouldn't you know that the people who are complaining about backloading are the same ones who voted against the $1.6 trillion tax cut authority that is in the budget resolution. They deny us the tools then to enact full tax cuts today and then complain because we have to wait a few years to make the tax cuts. These are the same people who, during the budget reconciliation debate, cried that 10-year projections are unreliable. Now they rely on 20-year projections to claim that our tax cut will have negative effects in the second 10 years.

It is a fictitious argument because the bill ends in 2011. Under Senate rules, the bill will not be in effect in the second 10 years.

We are about national priorities, but that issue was settled last week during the budget resolution debate. The budget resolution itself decides what our national priorities are. This bipartisan tax bill before us then is one part of the priorities the entire Senate set 2 weeks ago when we voted for the budget resolution by a vote of 52–48.

The Senate Finance Committee in this bipartisan tax bill is responding to the majority of the Senate in bringing this bill before us as one part of everything that was decided in that budget resolution.

We have had people tell us that we cannot rely on projected surpluses to pay for our tax cuts. However, the biggest threat to fiscal discipline is higher spending, not lower taxes. In 1997, Congress and the President agreed to cap discretionary spending in an effort to balance the Federal budget. Unfortunately, as Federal revenues rose to record levels and our deficits turned into surpluses, these spending caps were broken.

Since 1997, discretionary spending has exceeded the budget caps by $272 billion. Over the next 10 years, discretionary spending will exceed the levels established in 1997 by $1.3 trillion and, as one can see, that is so close to what this tax bill is that it is enough to pay for our entire tax reduction.

No one seems to worry about how unreliable the surplus projections are when we add trillions of dollars in higher spending to the Federal budget. It seems as if there is plenty of money in these 10-year projections if we want to appropriate money, spend more money, but, lo and behold, we bring a tax bill before the Senate to let people keep the money they have earned rather than sending it to Washington, and somehow these 10-year budget projections we rely upon to make policy decisions are undependable.

I have come to the conclusion, or I would not be a part of this bipartisan tax bill, and I would not have voted for the budget agreement, that there is plenty of money from the tax surplus to give tax relief to working men and women and to do it in a way that is fiscally disciplined but, more importantly, imposes fiscal discipline on a lot of the big spenders around this Congress who think they know more how to handle the taxpayers' money than the taxpayers do, who believe if we spend more money, we are going to create more wealth.

Common sense dictates that the Government does not create wealth. Common sense dictates that individual Americans using the resources of their labor and their brain create wealth.

On the other hand, if that money were in the pockets of Members of Congress, it would burn a hole. So we return it to the taxpayers of America, and it allows them, through individual decisionmaking, to decide what they want to do with that money.

The process is going to turn over many more times in the economy, particularly if it is invested, than if we spend it in Washington in a political decision as to how the goods and services in our country ought to be distributed. It is better not to make a political decision but let the marketplace empower the individuals to make a choice. We are going to create more wealth, and the money is going to turn over more times in the economy that way and do more good.

We have also heard the accusation that we are raiding the trust funds. Some people continue to suggest that the tax cut will do this to the Social Security trust fund and the Medicare trust fund. Let me explain it this way.

The budget resolution for which I voted is the basis for this bipartisan tax bill and also, to some extent, what the President said in his budget to the Congress: We can fund our priorities, we can give tax relief to working men and women, we can preserve the Social Security trust fund and the Medicare trust fund, and we can pay down every dollar due on the national debt throughout the 10-year projection of our budget resolution.

There are people who disagree with that, but obviously the vast majority of this body understands that to be a fact.

Under current law, when Social Security and Medicare collect more than they spend—in other words, more income than outgo yearly in the Medicare trust fund and the Social Security trust fund—that money is invested in U.S. Government bonds. These bonds are held by the trust fund until needed to pay benefits. That will be roughly 2017 for Social Security, probably roughly 2010 for Medicare. In the case of Social Security, that will keep benefits at 100 percent, at least through the year 2037.

So when people talk about raiding the trust fund—I don't know whether this is their intent—they do mislead Americans. They want people to believe we are reducing the balance in the trust fund to pay for tax reduction. They know that is not true. The balance in the trust fund can only be reduced to pay for Social Security and Medicare benefits. The tax cuts cannot reduce the balance in the trust fund.

Once again, the chart emphasizes what I first said. It shows we will continue to have tax surpluses, indicated by the blue bar, each of the next 10 years. The tax cuts are the red bar and are a small part of each of those tax surpluses each year. We can see the charge of backload. Albeit we are giving relief to every taxpayer this year, in 2001, the tax reductions of this bill kick in over the next few years to reflect the growing tax surplus we have coming into the Federal Treasury.

I hope people see that as a responsible way to make sure we are able to fund our priorities, maintain the Social Security/Medicare trust funds, pay down every dollar due on the national debt over the next 10 years, and still give tax relief to working men and women.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. I ask the Senator from North Dakota, does he have an amendment he wishes to offer?

Mr. CONRAD. I have amendments as discussed, for which we just received the scoring, so the amendments are being redrafted and will be here momentarily. I would like to talk about the bill if I may, and I ask for 10 minutes.

Mr. BAUCUS. I don't know if we have 10 minutes. There are a lot of Senators desiring to speak.

Mr. REID. I think the ranking member on the Budget Committee deserves 10 minutes. He indicated he would make sure you were adequately protected with time, and I told him you are.

I yield 10 minutes to the Senator from North Dakota.

Mr. GRASSLEY. I have several Members on my side of the aisle who want part of the 1 hour. I would like to know who they are and have them get over here and take up their share; otherwise, I will use it.

Mr. REID. I think the Senator from Iowa raises a very good point. We have attempted this afternoon to get people to offer amendments. We are about out of time. I say the same to people on my side of the aisle. Anyone who wants to speak or has an amendment to offer, time is just about gone.

The Senator from North Dakota is yielded 10 minutes.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I thank Senator REID on behalf of the leadership for the time.

Madam President, the New York Times said it best of all: "More Tax-cut Follies." They made the point that while some of the provisions have been improved over what President Bush proposed, nonetheless, overall this bill amounts to "another gross abdication of fiscal responsibility." That sums it up. That is what this tax bill is, an abdication of fiscal responsibility.

Sometimes I wonder if we learn anything from history. If we look back at the Reagan, Bush, and Clinton administrations, we can go back to the time of the Reagan administration where we saw a proposal for a massive tax cut, a massive defense buildup, and an overall package that did not add up. The results were to absolutely explode the budget deficit of the United States. We went from an $80 billion deficit to over $200 billion. We quadrupled the national debt. Then President Bush came in and the deficits doubled again to nearly $290 billion.

It was not until 1993, when we put in place a plan that actually raised income taxes on the wealthiest 1 percent and cut spending that we were able to get back on a path to fiscal responsibility, balancing the books. Then in 1997 we passed a bipartisan plan that finished the job that put us into surplus.

Madam President, it seems we are forgetting those lessons completely. We are now headed back to deficits, back to debt based on a rosy scenario, based on a massive tax cut, based on a massive defense buildup. The numbers we have not yet seen; they are not even part of the budget resolution; that is the fatal flaw of the budget resolution. We don't have the defense numbers. We don't have the money to strengthen Social Security even though President Bush says we should. We don't have the money to fix the alternative minimum tax. We don't have the money for item after item. The reason is, that when we get all those items together, we will find that the overall package does not add up.

The Philadelphia Inquirer said it well: "Tax-slashers at Work: Once Started, They Can't Seem to Stop."

Just like the frat brothers, the Senators are going through weird contortions. In the bipartisan mess of a bill that the committee worked on yesterday, one gimmick is to phase in ballyhooed tax breaks over periods as long as a decade.

With other tax breaks, the bill does the opposite trick: Providing tax relief right away, then supposedly ending it a few years down the road.

That is called backloading, and this bill is loaded with it. The bill costs $1.35 trillion in the years 2001 to 2011. But look what happens in the second 10 years. It explodes. The cost goes up to over $4 trillion. That is because item after item is back-loaded.

The estate tax is one example. The cost in the first 10 years is $1.45 billion. Look at what happens in the second 10 years when they completely eliminate the estate tax. The cost goes up to $790 billion right at the time the baby boomers retire.

The same thing happens with the estate tax rate. The 2011 repeal masks massive costs. We can see the cliff effect of the estate tax.

It does not end there. It continues with the marriage penalty but in a different way. With the marriage penalty, they don't put it into place until the year 2004. There is no marriage penalty relief until then. Then they increase relief so it takes full effect in the year 2008.

But it doesn't stop there because they have done the same thing with the alternative minimum tax. They hide backloading by sunsetting the alternative minimum tax relief right in the middle of the period. It is bizarre. They start out by providing alternative minimum tax relief, and then they take it away.

What will happen with the alternative minimum tax? We are going to go from 1.5 million people being affected by the alternative minimum tax to, when this bill passes, nearly 40 million people.

It is just not the back end loading that makes no sense; it is the lack of fairness. This bill we have before the Senate gives the top 20 percent of taxpayers 70 percent of the benefits. It gives the bottom 20 percent 1 percent of the benefits. It doesn't strike me as fair.

But the evidence of unfairness goes on and on. The top 1 percent gets twice as much of the benefits as the bottom 60 percent. The top 1 percent of taxpayers who earn on average $1.1 million a year get 33.5 percent of the benefits. The bottom 60 percent of American taxpayers get 15 percent of the benefits, one-half as much.

The evidence of the unfairness in this bill is in item after item. Perhaps the most interesting part of this bill is the various rate brackets. There are five rate brackets. Every one of them gets rate relief except one. What do you think the one is? The one is the 15-percent bracket where 70 percent of American taxpayers are; 70 percent of American taxpayers get no rate relief under this bill. But as you go up the income ladder, you get more and more generous relief. The big bucks, the big benefits go to those at the very top. The biggest, highest income folks get the biggest rate relief of all. It is not fair.

We have heard discussion in this Chamber that it is a big improvement over what President Bush proposed. There is some improvement but not much. Under the Bush plan, the top 20 percent of taxpayers got 72 percent of the benefits. Under this plan, the top 20 percent get 70 percent of the benefits.

The other thing that has been said about this bill is it is a stimulus to lift the economy. There is precious little stimulus in this bill. We passed in the Senate $85 billion of stimulus. What came back from conference and what is in this bill is $10 billion, $10 billion in nearly a $9 trillion economy. There is precious little stimulus in this bill.

As I pointed out, this bill is flawed in even more ways. The number of taxpayers affected by the alternative minimum tax explodes under this bill. Boy, are those folks in for a big surprise. Today, 1.5 million people are caught up in the alternative minimum tax. Under this bill, at the end of the 10-year period nearly 40 million people will be affected by the alternative minimum tax. Those folks, nearly 1 in 4 American taxpayers, are not getting a tax cut. They are going to get a tax increase. They are going to have it as a result of the flaws of this bill.

There has been a lot of talk that this bill is reducing the debt. It is reducing the publicly held debt. That is this red line on this chart. It will go from $3.4 trillion today down to about $800 billion. But another part of the debt is increasing. That is the debt that is owed to the trust funds of the United States. You can see that this debt is going to go from about $2 trillion to over $5.5 trillion. And the overall, the gross debt of the United States is actually increasing from $5.6 trillion today, to $6.7 trillion at the end of this 10-year period.

So all the talk about paying down debt, one part of the debt is being paid down, but the overall debt is actually increasing.

Here is the sad history of Federal debt. This is what has happened to it from 1950 to 1999. In 1981, the last time we followed the fiscal policy that is embraced by this bill, we saw the debt of the United States absolutely explode to $5.6 trillion, which is where it is today. At the end of this period, the gross debt of the United States is going to be $6.7 trillion. Here we are passing a massive tax cut. Shame on us. Shame on us for pushing this debt onto our kids. We are the ones who ran up this debt. This was during our time. This was on our watch. This is while we were in charge and we ran up this debt and it is going to continue.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CONRAD. I ask my colleagues to think carefully and oppose this bill.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. Madam President, I yield 7 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. Madam President, I thank my distinguished colleague from Iowa for yielding the time.

I am going to be submitting for the RECORD an amendment which would provide for a tax credit for clean coal technology research, but I am not going to be pressing for a vote at this time because of the very crowded calendar and the limitation of time for debate. But in an era when we are struggling with a national energy policy, it is my view that we ought to be relying on coal as a major source of supply to avoid reliance on foreign oil, and to ease off on a great many of the controversies which are present as we look to oil exploration in a variety of places.

My own State, Pennsylvania, has some 7.2 billion tons of demonstrated reserves of anthracite coal in the northeastern part of the State and some 21.4 billion tons of demonstrated reserves of bituminous coal. Coal is spread across the United States in great supply. Notwithstanding the tremendous problems we are having in finding sources of energy, we have never developed coal as a source because of the problems with sulfur dioxide and the problems of pollution which we confronted in the Clean Air Act of 1990.

The legislation I would like to see enacted would provide a tax credit for clean coal technology research. The distinguished Senator from West Virginia, Mr. BYRD, has introduced legislation, S. 60, which provides a broader range of tax credits regarding which I have deferred to the Senator's proposed legislation. I only recently joined as a cosponsor to S. 60 because of some concerns which I had about the environmental aspects. But more recently there has been an addressing of those concerns, so I think what Senator BYRD seeks to accomplish in S. 60 is very sound.

In the reconciliation bill, as we all know, with the very limited period of time for debate, there is really not an opportunity to have the kind of exploration of this issue which is required. I have talked to a number of my colleagues about it and I am advised that in July, perhaps, there will be on the floor a tax bill and a energy bill which would provide a better opportunity for the in-depth discussion which this issue requires. But there is no doubt about the need for additional energy. There is no doubt about the problems from OPEC oil and from drilling in many places which have been proposed, with environmental concerns. There is no doubt that coal could provide the answer if we had clean coal technology and sufficient tax incentives for people to move to develop coal as an alternative.

Madam President, I ask unanimous consent a copy of this amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

(Purpose: To provide a business credit for 10 percent of research expenses regarding clean coal technology)

At the end of title VIII, add the following:

SEC. . CREDIT FOR CLEAN COAL TECHNOLOGY RESEARCH EXPENSES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by section 620, is amended by adding at the end the following new section:

"SEC. 45G. CLEAN COAL TECHNOLOGY RESEARCH CREDIT.

"(a) GENERAL RULE.—For purposes of section 38, the clean coal technology research credit determined under this section for the taxable year is an amount equal to 10 percent of the excess (if any) of—

"(1) the qualified clean coal technology research expenses for the taxable year, over

"(2) the base amount.

"(b) QUALIFIED CLEAN COAL TECHNOLOGY RESEARCH EXPENSES.—For purposes of this section—

"(1) QUALIFIED CLEAN COAL TECHNOLOGY RESEARCH EXPENSES.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term 'qualified clean coal technology research expenses' means the amounts which are paid or incurred by the taxpayer during the taxable year which would be described in subsection (b) of section 41 if such subsection were applied by substituting 'clean coal technology research' for 'qualified research' each place it appears in paragraphs (2) and (3) of such subsection.

"(B) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term 'qualified clean coal technology research expenses' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

"(C) SPECIAL RULE.—For purposes of this paragraph, section 41 shall be deemed to remain in effect for periods after June 30, 2004.

"(2) CLEAN COAL TECHNOLOGY RESEARCH.—

"(A) IN GENERAL.—The term 'clean coal technology research' means research regarding the uses and development of clean coal technology.

"(B) CLEAN COAL TECHNOLOGY.—The term 'clean coal technology' means technology which—

"(i) uses coal to produce 45 percent or more of its thermal output as electricity, including advanced pulverized coal or atmospheric fluidized bed combustion, pressurized fluidized bed combustion, integrated gasification combined cycle, or any other technology for the production of electricity,

"(ii) has a maximum design heat rate of not more than 9,000 Btu/kWh when the design coal has a heat content of more than 8,000 Btu per pound, and

"(iii) has a maximum design heat rate of not more than 10,500 Btu/kWh when the design coal has a heat content of 8,000 Btu per pound or less.

"(c) BASE AMOUNT.—For purposes of this section, the term 'base amount' means the amount which would be determined for the taxable year under section 41(c) (without regard to paragraph (4) thereof) if such subsection were applied by substituting 'qualified clean coal technology research expenses' for 'qualified research expenses' each place it appears.

"(d) COORDINATION WITH CREDIT FOR INCREASING RESEARCH EXPENDITURES.—Any qualified clean coal technology research expenses for a taxable year to which an election under this section applies shall not be taken into account for purposes of determining the credit allowable under section 41 for such taxable year.

"(e) SPECIAL RULES.—

"(1) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of paragraphs (1) and (2) of section 41(f) shall apply for purposes of this section.

"(2) ELECTION.—This section shall apply to any taxpayer for any taxable year only if such taxpayer elects to have this section apply for such taxable year.

"(3) COORDINATION WITH DEPARTMENT OF ENERGY PROGRAM.—The amount of any credit allowed a taxpayer under subsection (a) for the taxable year shall not be taken into account for purposes of determining the Federal share of any clean coal technology project of such taxpayer receiving or scheduled to receive funding under the Clean Coal Technology Program of the Department of Energy.".

(b) INCLUSION IN GENERAL BUSINESS CREDIT.—

(1) IN GENERAL.—Section 38(b) (relating to current year business credit), as amended by section 620, is amended by striking "plus" at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting ", plus", and by adding at the end the following new paragraph:

"(16) the clean coal technology research credit determined under section 45G.".

(2) TRANSITION RULE.—Section 39(d), as amended by section 620, (relating to transitional rules) is amended by adding at the end the following new paragraph:

"(12) NO CARRYBACK OF SECTION 45G CREDIT BEFORE ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to the clean coal technology research credit determined under section 45G may be carried back to a taxable year ending before the date of the enactment of section 45G.".

(c) DENIAL OF DOUBLE BENEFIT.—Section 280C (relating to certain expenses for which credits are allowable) is amended by adding at the end the following new subsection:

"(d) CREDIT FOR QUALIFIED CLEAN COAL TECHNOLOGY RESEARCH EXPENSES.—

"(1) IN GENERAL.—No deduction or credit shall be allowed for that portion of the qualified clean coal technology research expenses (as defined in section 45G(b)) otherwise allowable as a deduction or credit for the taxable year which is equal to the amount of the credit determined for such taxable year under section 45G(a).

"(2) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (2), (3), and (4) of subsection (c) shall apply for purposes of this subsection.".

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section 620, is amended by adding at the end the following new item:

"Sec. 45G. Clean coal technology research credit.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

Mr. SPECTER. Since I have a few more minutes remaining, I would like to comment about the bill generally.

When President Bush established a target of $1.6 trillion in a tax cut over a 10-year period, it was my view that it was a reasonable figure. It is very hard to pick out a figure without any precision, but I was prepared to follow the lead that President Bush had established which was based upon the projection of a surplus over the 10-year period of some $5.6 trillion.

I have said before that I was willing to see the figure up to $1.6 trillion. It has been reduced somewhat to $1.350 trillion now over an 11-year period. I think that is an accommodation which is reasonable. The President and the Administration have come forward and accepted that as a reasonable allocation, but still, in my view, it depends upon that surplus materializing.

I am concerned about having a repeat of what happened with the Kemp-Roth legislation which was enacted in 1981, where we had substantial tax cuts. At the beginning of President Reagan's term, there was a national debt of $1 trillion, and it escalated to $4 trillion in the course of 8 years. I think that is a path which we do not want to repeat. A tax cut will stimulate the economy. I think it is useful, but at the same time we do not want to add to the national debt.

Paying down the deficit is also a very good way to stimulate the economy by eliminating the Government's use of a portion of the capital and having it come into private hands. There have been quite a number of discussions about ways to have the so-called trigger mechanism, that if the surplus does not hold up, there will be a time for reevaluation as to what we are doing with respect to the tax cut.

Of course, it is always possible for Congress to revisit this as a legislative matter. Although from my experience, I know it is much harder to get a tax increase—much, much harder to get a tax increase—than it is to get a tax cut, and for good reason. The Government at the National, State, and local level now takes an enormous bite.

We had a battle in 1993, the first year of President Clinton's administration, when I opposed the tax increase. However, I do think it is important to keep our eye on many balls at the same time, and on the ball to be sure that the surplus materializes.

I know the manager has given me 7 minutes, but I was negotiating for 10. So I will ask Senator GRASSLEY, if I could have his attention, for my other 3 minutes at this time.

Mr. GRASSLEY. Two minutes then. I have Senator GRAMM who needs some time. I grant the Senator 2 more minutes.

Mr. SPECTER. At the end of the 2 minutes, I will have to ask for another minute, I say to Senator GRASSLEY. It will take more time than the full allocation. How about 3 minutes? Going, going——

Mr. GRASSLEY. Please take 2 minutes.

Mr. SPECTER. The balance of my 3-minute speech, which will now be condensed, relates to a concern on the estate tax. I do believe the estate tax is burdensome. The exemption of $675,000 is not realistic. We ought not to burden small businesses and the family farm with the threat of sale or disillusion or problems on the death of the principal. But, I do believe there is some ground where billionaires ought not to escape the estate tax.

I am not sure exactly what that figure is, but we do not want to create a situation for inherited wealth to eliminate incentives in America. It may be that $100 million is an appropriate figure, perhaps even somewhat less.

Also, in the elimination of the estate tax, which is not triggered for some 11 years, there are some real problems which will be caused when there will be taxes on capital gains. Obviously, while we ought not to tax twice, we ought not to have a system where people avoid taxes entirely with the stepped-up basis. That is very complicated.

I am concerned generally with what may happen on unintended consequences. Once we start to deal in the tax field, the unintended consequences may take over. It is my hope that we can have some balance.

I see the Presiding Officer with the gavel, so I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. REID. Madam President, how much time does the minority have?

The PRESIDING OFFICER. The minority has 44½ minutes.

Mr. REID. And the majority?

The PRESIDING OFFICER. The majority has 31 minutes 44 seconds.

Mr. REID. The Senator from Massachusetts, Mr. KERRY, wishes to offer an amendment. I yield him 5 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts.

AMENDMENT NO. 721

Mr. KERRY. Madam President, I call up amendment No. 721.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Massachusetts (Mr. KERRY) proposes an amendment No. 721

The amendment is as follows:

(Purpose: To exempt individual taxpayers with adjusted gross incomes below $100,000 from the alternative minimum tax and modify the reduction in the top marginal rate)

On page 9, between lines 11 and 12, strike the table and insert the following:

"In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:			
	28%	31%	36%	39.6%
2002, 2003, and 2004 ..	27%	30%	35%	39.1%
2005 and 2006	26%	29%	34%	39.1%
2007 and 2008	25%	28%	33%	39%
2009 and 2010	25%	28%	33%	38%
2011 and thereafter	25%	28%	33%	37%

Strike section 701 and insert:

SEC. 701. ALTERNATIVE MINIMUM TAX EXEMPTION FOR CERTAIN INDIVIDUAL TAXPAYERS.

(a) EXEMPTION.—Section 55 (relating to imposition of alternative minimum tax) is amended by adding at the end the following:

"(f) EXEMPTION FOR CERTAIN INDIVIDUALS.—

"(1) REDUCTION IN TENTATIVE MINIMUM TAX.—

"(A) IN GENERAL.—In the case of an individual, the tentative minimum tax for any taxable year (determined without regard to this subsection) shall be reduced by the applicable percentage.

"(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage with respect to a taxpayer is 100 percent reduced (but not below zero) by 10 percentage points for each $1,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds $100,000.

"(2) PROSPECTIVE APPLICATION IF SUBSECTION CEASES TO APPLY.—If paragraph (1) applies to a taxpayer for any taxable year and then ceases to apply to a subsequent taxable year, the rules of paragraphs (2) through (5) of subsection (e) shall apply to the taxpayer to the extent such rules are applicable to individuals."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

Mr. KERRY. This is an amendment which seeks to address the problem of the alternative minimum tax in this bill. My amendment would exempt all taxpayers with incomes of $100,000 or less from the alternative minimum tax, as it is known.

For millions of Americans, the tax cut under consideration today is a phantom tax cut. It is a phantom tax cut because some don't get it at the outset, and it is a phantom tax cut that, because of the alternative minimum tax, millions will be pushed into a tax bracket that they were never in previously, and that will take away from them the very tax cut they are being promised.

The alternative minimum tax was created, as we know, in 1969, to curtail the ability of high-income individuals to escape payment of income tax through various deductions, exclusions, and exemptions. It is effectively a separate tax system that rides parallel to the normal tax system. It was originally intended to prevent wealthier people from being able to make use of credits and deductions and thereby escape any tax liability whatsoever.

In 1998, we began to notice that something was happening that was unintended. There was an encroachment of the AMT on middle-class taxpayers. That year, our omnibus appropriations bill included a provision allowing taxpayers to claim personal tax credits—such as the HOPE and lifetime learning credits, as well as the adoption credit—without being pushed into the AMT liability. In 1999, we extended this provision through this year.

Last year, about $1.3 million taxpayers confronted AMT liability. Under the current law, that number would climb to over 17 million taxpayers in 2010. But under the bill before us, the number of taxpayers subject to the AMT will climb to nearly 40 million by 2011. As a result, overall alternative minimum tax liability will rise from about $6 billion in the year 2000 to nearly $40 billion in 2010.

The increase in AMT liability, for the most part, is attributable to inflation, but unlike the AMT, the regular tax system is indexed for inflation. The AMT is not. The personal exemptions, standard deduction, and tax brackets increase annually. Under the AMT, the exemption amounts and the tax brackets remain constant. Thus, every year taxpayers whose incomes rise with inflation are taxed at the same rate under the regular income tax but they are increasingly penalized by the AMT.

It is simply fraudulent to say in this tax bill that we are offering a great number of Americans tax relief when we know we are pushing millions of Americans into the alternative minimum tax. That is No. 1.

Secondly, everybody knows this is coming down the road, and yet we are under the limits of the total tax cut of $1.35 trillion. We know there is going to be a cost of several hundred billion over a number of years in order to pay for the tax cut we are giving because the consequence of this tax cut is to create a liability on the AMT. But lo and behold, we do not pay for it. That means, once again, the Congress is prepared to defer the tough decisions from today into the future. And everybody knows what will happen in the future. That will, indeed, be dealt with, and it will mean it is a much larger tax cut than is even being promised to the American people today.

For taxpayers, navigating the maze of AMT rules is a significant administrative burden. The National Taxpayer Advocate at the IRS ranks the AMT as one of the most burdensome areas of tax law. To comply with the AMT, taxpayers must compute their regular tax liability and then recalculate their AMT liability using a different base of income, different exemptions, and different tax rates.

The AMT also applies different treatments to certain income deductions, exclusions, and credits that may be used by taxpayers under the regular income tax. In essence, taxpayers are required to apply two methods of accounting—one for the regular tax and one for the AMT.

If Congress fails to adequately address the AMT problem, the coverage will gradually shift from higher income taxpayers to more and more middle-class American taxpayers in States with high income and property taxes, such as States like Massachusetts that are particularly hard hit, because under the AMT, taxpayers are prohibited from deducting State and local taxes. In addition, as the grasp of the AMT spreads, incentives in the regular tax systems, such as the HOPE and the lifetime learning credits, and the adoption credit, completely lose their effectiveness. Not only do we create a liability, but we undo a benefit that we have put into effect previously.

Madam President, the amendment I am proposing today would ensure that the AMT never touches the vast majority of middle-class Americans. It is simple and straightforward. It exempts all taxpayers with incomes of $100,000 or less from the AMT.

As many employees in high-tech firms have already learned, stock options are another item treated differently under the AMT.

The Joint Committee on Taxation, in its recent tax simplification report, recommended complete repeal of the alternative minimum tax. The committee stated in its report, "the alternative minimum tax can be a trap for the unwary, especially for large families, and creates disparate treatment of taxpayers depending on where they live."

Despite the overwhelming sentiment against the AMT, the legislation before us moves in the opposite direction. While the bill would provide some limited AMT relief through 2006, all such relief would be repealed in 2007.

Even with the purported AMT fix in the bill before us, during the next five years, the number of taxpayers subject to the AMT will continue to rise steadily—nearly doubling next year alone. In 2002, as a result of the bill before us—with its combination of significant rate reductions and limited AMT relief—thousands of taxpayers will find themselves confronted for the first time by the AMT. And during the second five years, the number of taxpayers subject to the AMT will explode, reaching nearly 40 million in 2011.

In short, the tax bill's proponents want to give Americans a tax cut with the right hand and take it away with the left hand. It is misleading—it is deceptive—and for millions of Americans, it is a phantom tax cut.

And finally, it is fiscally irresponsible. Nobody truly believes Congress will allow the AMT to hit 40 million taxpayers. But the solution has been put off for another day. When we finally deal with the problem, it will be expensive—perhaps costing as much as $300 billion.

The amendment I am proposing today would ensure that the AMT never touches the vast majority of middle-class Americans. It is simple and straightforward. My amendment would exempt all taxpayers with incomes of $100,000 or less from the AMT.

By exempting taxpayers with incomes below $100,000 from the AMT, the amendment protects the original goal—to ensure that wealthy individuals do not entirely escape taxation—while also ensuring that the AMT will never touch the vast majority of maiddle-class taxpayers.

The Joint Committee on Taxation estimates that exempting taxpayers with incomes below $100,000 from the alternative minimum tax will cost $110 billion over the next ten years. That is a small price to pay to ensure that middle-class Americans are able to benefit from the proposed tax reduction.

The Joint Committee on Taxation further estimates that the amendment would eliminate AMT liability for 18 million taxpayers. If the amendment passes, 18 million middle-class taxpayers will be freed from the unintended burden of the alternative minimum tax.

We should not miss our opportunity to address the growing AMT problem. We should not wait. AMT reform deserves more than the token measures included in the bill before us. Anything less is misleading and fiscally irresponsible. I urge my colleagues to support my amendment.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, I yield 4 minutes to the Senator from Connecticut, Mr. LIEBERMAN, to offer an amendment.

The PRESIDING OFFICER. The Senator from Connecticut.

AMENDMENT NO. 693

Mr. LIEBERMAN. Madam President, I rise to speak on amendment No. 693 which would offer a rebate of $300 to every taxpayer, income tax and payroll taxpayer, in the United States within weeks of its passage.

Labels like conservative, liberal, or moderate are used very loosely in our politics and take on a new meaning from moment to moment. For example, the tax plan in the bill before us has been described as moderate or conservative. I have always understood the definition of "fiscal conservatism" or "moderation" to be centered on fiscal responsibility and balanced budgets.

This tax plan is not fiscally responsible because it wastes the projected surpluses the American people have earned on a too big tax cut, more than we can afford, a tax cut that will take us back into deficits and raise interest rates and, I fear, raise unemployment, and a tax cut that commits nothing of the non-Social Security and Medicare surpluses to pay down our national debt, which is still over $3 trillion.

Because I consider myself a fiscal conservative or fiscal moderate, I will therefore vote against this tax bill.

I have been thinking of the bill in nutritional terms lately: The old line "you can have too much of a good thing," "you can eat too much of a good thing"—ice cream, for instance. It ultimately is not good for your system. We strive for a balanced diet.

This is an imbalanced budget proposal. Tax cuts are a good thing, but our economy can have too much of them. That is exactly what this bill does.

It leaves out business tax incentives, growth incentives, and it leaves out the kind of genuine short-term fiscal stimulus that our uncertain economy needs today and that was part of the budget resolution we adopted last month. Our plan adopted in the budget resolution was fair, fast, and fiscally responsible.

Unfortunately, the so-called stimulus included in this bill that is on the floor today does none of those things. It is not fair because it provides no relief to millions of Americans who do not pay income taxes. It is not fast because it is phased in over 11 years. And it is certainly not fiscally responsible because it is part of a budget-busting tax cut.

That is why this amendment offers a stimulus that is the real thing, a plan that will get cash into the hands of America's consumers and into the veins of our economy in a matter of weeks.

This amendment will reduce, as of July 1, the 15-percent rate for all income-tax payers to 10 percent, but it goes beyond that and sends a $300 check to every American taxpayer, income tax or payroll tax. That means individuals would receive $300; joint filers, husband and wife, couple, $600; and it creates a separate category of rebate which is $450 this year in a check to single heads of households.

This is the kind of relief and rebate America's workers and taxpayers and families need now. I urge my colleagues to support this amendment.

I thank the Chair.

The PRESIDING OFFICER. Is the Senator calling up his amendment?

Mr. LIEBERMAN. I was, indeed, calling up amendment No. 693.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Connecticut [Mr. LIEBERMAN], for himself and Mr. DASCHLE, proposes an amendment numbered 693.

Mr. LIEBERMAN. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide immediate tax refund checks to help boost the economy and help families pay for higher gas prices and energy bills and to modify the reduction in the maximum marginal rate of tax)

On page 7, line 15, insert "(12.5 percent in taxable years beginning in 2001)" after "percent".

On page 13, between lines 15 and 16, insert the following:

SEC. . REFUND OF INDIVIDUAL INCOME AND EMPLOYMENT TAXES.

(a) REFUND.—

(1) IN GENERAL.—Subchapter B of chapter 65 (relating to rules of special application in the case of abatements, credits, and refunds) is amended by adding at the end the following new section:

"SEC. 6428. REFUND OF INDIVIDUAL INCOME AND EMPLOYMENT TAXES.

"(a) GENERAL RULE.—Except as otherwise provided in this section, each individual shall be treated as having made a payment against the tax imposed by chapter 1 for any taxable year beginning in 2001, in an amount equal to the lesser of—

"(1) the amount of the taxpayer's liability for tax for the taxpayer's last taxable year beginning in calendar year 2000, or

"(2) the taxpayer's applicable amount.

"(b) LIABILITY FOR TAX.—For purposes of this section, the liability for tax for the taxable year shall be the sum of—

"(1) the excess (if any) of—

"(A) the sum of—

"(i) the taxpayer's regular tax liability (within the meaning of section 26(b)) for the taxable year, and

"(ii) the tax imposed by section 55(a) with respect to such taxpayer for the taxable year, over

"(B) the sum of the credits allowable under part IV of subchapter A of chapter 1 (other than sections 31, 33, and 34) for the taxable year, and

"(2) the taxes imposed by sections 1401, 3101, 3111, 3201(a), 3211(a)(1), and 3221(a) on amounts received by the taxpayer for the taxable year.

"(c) APPLICABLE AMOUNT.—For purposes of this section—

"(1) IN GENERAL.—The applicable amount for any taxpayer shall be determined under the following table:

"In the case of a taxpayer described in:	**The applicable amount is:**
Section 1(a)	$600
Section 1(b)	$450
Section 1(c)	$300
Section 1(d)	$300
Paragraph (2)	$300.

"(2) TAXPAYERS WITH ONLY PAYROLL TAX LIABILITY.—A taxpayer is described in this paragraph if such taxpayer's liability for tax for the taxable year does not include any liability described in subsection (b)(1).

"(d) DATE PAYMENT DEEMED MADE.—

"(1) IN GENERAL.—The payment provided by this section shall be deemed made on the date of the enactment of this section.

"(2) REMITTANCE OF PAYMENT.—The Secretary shall remit to each taxpayer the payment described in paragraph (1) within 90 days after such date of enactment.

"(3) CLAIM FOR NONPAYMENT.—Any taxpayer who erroneously does not receive a payment described in paragraph (1) may make claim for such payment in a manner and at such time as the Secretary prescribes.

"(e) CERTAIN PERSONS NOT ELIGIBLE.—This section shall not apply to—

"(1) any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins,

"(2) any estate or trust, or

"(3) any nonresident alien individual.".

(2) DETERMINATION OF WITHHOLDING TABLES.—Section 3402(a) (relating to requirement of withholding) is amended by adding at the following new paragraph:

"(3) CHANGES MADE BY RESTORING EARNINGS TO LIFT INDIVIDUALS AND EMPOWER FAMILIES (RELIEF) ACT OF 2001.—Notwithstanding the provisions of this subsection, the Secretary shall modify the tables and procedures under paragraph (1) to reflect the amendments made by section 101 of the Restoring Earnings To Lift Individuals and Empower Families (RELIEF) Act of 2001 with respect to the 10-percent rate bracket, and such modification shall take effect on July 1, 2001, as if the lowest rate of tax under section 1 (as amended by such section 101) was the 10-percent rate effective on such date.".

(3) CONFORMING AMENDMENTS.—

(A) Section 1324(b)(2) of title 31, United States Code, is amended by inserting before the period ", or enacted by the Restoring Earnings To Lift Individuals and Empower Families (RELIEF) Act of 2001".

(B) The table of sections for subchapter B of chapter 65 is amended by adding at the end the following new item:

"Sec. 6428. Refund of individual income and employment taxes.".

(4) EFFECTIVE DATES.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall take effect on the date of the enactment of this Act.

(B) AMENDMENTS TO WITHHOLDING PROVISION.—The amendments made by paragraph (2) shall apply to amounts paid after June 30, 2001.

(b) REVENUE OFFSET.—The Secretary of the Treasury shall adjust the reduction in the highest marginal tax rate in the table contained in section 1(i)(2) of the Internal Revenue Code of 1986, as added by section 101(a), as necessary to offset the decrease in revenues to the Treasury for each fiscal year resulting from the amendments made by subsection (a).

Mr. LIEBERMAN. Madam President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second at this time.

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. I yield 10 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for 10 minutes.

Mr. GRAMM. Madam President, I thank the distinguished chairman of the Finance Committee. I congratulate him on the new leadership he has brought to the committee. I can't imagine a chairman doing a better job under more difficult circumstances. He has impressed everybody with his fairness to both Republican and Democrat Members.

I thank Senator BAUCUS for working with us on a bipartisan basis. The product before us is not perfect, but then we are not in the business of perfection. And there is still an opportunity to improve. I congratulate them.

There are four things I need to do, and I have only 10 minutes to do it so I am going to try, even though I speak very slowly, to do it quickly.

AMENDMENT NO. 736

Mr. GRAMM. First, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM] proposes an amendment numbered 736.

Mr. GRAMM. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To ensure debt reduction by providing for a mid-course review process)

At the appropriate place, insert the following:

"SEC. . MID-COURSE REVIEW.

"(a) IN GENERAL.—Notwithstanding any other provision of law, if at the end of fiscal year 2003 or 2010, the Secretary of the Treasury certifies that the actual reduction in debt held by the public since fiscal year 2001 is less than the actual surplus of the Old Age, Survivors, and Disability Insurance Trust Fund and the Medicare Federal Hospital Insurance Trust Fund since fiscal year 2001, any Member of Congress may introduce and may make a privileged motion to proceed to a bill that implements a mid-course review.

"(b) MID-COURSE REVIEW LEGISLATION.—To qualify under subsection (a), a bill must delay any provision of this Act or any subsequent Act that takes effect in fiscal year 2004 or 2011 and results in a revenue reduction or causes increased outlays through mandatory spending, and must also limit discretionary spending in fiscal year 2004 or 2011 to the level provided for the prior fiscal year plus an adjustment for inflation. It shall not be in order to consider any amendment to mid-course review legislation that does not affect spending and tax reductions proportionately.

"(c) PREVENTION OF UNINTENDED TAX INCREASES OR BENEFIT CUTS.—Notwithstanding any other provision of law, any provision of this Act or any subsequent Act that would be affected by the legislation described in subsection (b) shall become final if no mid-course review legislation is enacted into law.

Mr. GRAMM. Madam President, this is a very simple amendment. There will be a vote on a trigger amendment later. I am adamantly opposed to that. It is very poor economic policy for the Congress to put itself in a straitjacket where if we were in a recession in the future, we could lock America into a tax increase and, in the process, make the economy worse and potentially turn a recession into a depression.

Secondly, the trigger amendment which will be voted on later tonight, in addition to holding out the prospect of putting us in a straitjacket and having an automatic tax increase in a recession, holds out the prospect that Congress could literally spend itself into a tax increase without ever having to vote for the tax increase. What the amendment actually says is, if we are not meeting our deficit reduction targets, taxes would go up automatically.

There are only two reasons you would not meet the targets. One is you are spending a lot more money than you said you were going to spend in the budget, in which case we ought not to be rewarding profligate spending by pouring more gasoline on the fire with a tax increase to fund more spending. Or, two, we are in a recession and we don't want to turn a recession into a depression.

Knowing that my colleagues are determined to deal with this issue, I have put together an amendment that does it in a rational way. It has two mid-course reviews—one in 2003, one in 2010—that if we don't meet our debt reduction targets, if the Secretary of the Treasury certifies we don't, on a highly privileged basis a resolution would come before the Senate that would allow us to debate controlling spending and deferring the tax cut, but there would be a rational decision. And the tax cut would not become permanent until we have at least exercised that decision in terms of the decisions we make in the Senate to act or not act.

It is the rational way to do something. I hope my colleagues will look at doing it in that rational way.

I have covered triggers in my remarks. I am hoping that if the trigger amendment fails, that my amendment would be accepted. In fact, if the trigger amendment passed, I would still hope my amendment would be accepted.

There is an amendment before us that tries to say that there is something wrong with the way the President gave the tax cut to the lowest bracket. What the President did, instead of cutting the 15-percent rate, he gives enough money in tax cuts for the 15-percent bracket to cut it to 14 percent and then ultimately to 13 percent for everybody. But in trying to help lower income people, he creates a new bracket at 10 percent. The net result is, for the people in the lowest income part of the 15-percent bracket, he gives a 33-percent tax cut. For the people in the highest part of the 15-percent bracket, he gives a 9-percent tax cut. But the effect is exactly the same in terms of the dollars you pay in taxes as if you had lowered it from 14 to 13 percent for people in the highest part of the income bracket.

We have an amendment before us that has been offered by two of my Democrat colleagues that creates the impression that somehow there is something wrong with the President's plan because some people don't get a reduction in rates.

The fact is, they get a dramatic reduction in rates with the new 10-percent bracket. It is an incredible paradox that something that was aimed at helping the poorest workers in America the most is now held up by Democrats as an excuse to raise marginal tax rates on the highest income workers. I trust my colleagues will not fall for that poor, weak argument and that it will fail.

Here is my point. A, this is not a huge, irresponsible tax cut, this is a modest tax cut. Of every dollar we are going to send to Washington in the next 10 years under this bill, how much do we get back? If we had adopted the President's entire package, we would have gotten 6.2 cents. We are now talking about roughly 5.2 cents out of every dollar. How does that compare with the Kennedy tax cut? That was 12.6 cents out of every dollar, so it is less than half that size. The Reagan tax cut of 1981 was 18.7 cents out of every dollar. It is roughly a third that size. So we have a tax cut in 1961, 1981, and now in 2001 it is time for America to have a tax cut. This is a prudent, responsible tax cut.

It sounds large if your objective was to spend all this money. And we know our Democrat colleagues offered $1 trillion of new spending proposals above the budget this year alone. Also, in the last 6 months, the Clinton administration approved, with the Congress, $561 billion in new spending over the next 10 years—almost a third of the tax cut.

This is a tax cut America can afford. Even with a trillion dollars of new spending contained in the budget President Bush has proposed, we have a $5.6 trillion surplus. When you take out the amount of the surplus that belongs to Social Security, it is $3.1 trillion. The President asked for $1.6 trillion. We are giving $1.35 trillion. This tax cut is less than half of the unclaimed surplus of the Federal Government. Since when is giving half the money back to the people who earned it irresponsible? I say only if you intended to spend it is that irresponsible.

You have heard a lot of talk here about 45 percent of Americans get no income tax cut. Well, 45 percent of Americans don't pay any income taxes. Income taxes are for taxpayers. You have heard our colleagues talking about, the President of Microsoft is going to get a Lexus. He already has a Lexus. What we are trying to do is reduce the tax burden to promote investment and boost the economy.

Let me talk about the richest 1 percent, the most maligned people in America. The only kind of bigotry that is still acceptable in America is not bigotry based on race, or ethnicity, or religion; you are rightly ostracized by every right-thinking American if you have bigotry on that basis. But you can be bigoted on the basis of success. You can be bigoted against the successful and be not only accepted in America but embraced. I believe it is an outrage.

In 1981, the top 1 percent of income earners paid 17.9 percent of the tax burden. By 1989, it was 25.2. By 1993, it was 29. Today, 35.6 percent of all income taxes are paid by the top 1 percent of income earners. They earn 17 percent of the income, and they pay 35.6 percent of the taxes.

Now the President did not propose to reduce that percentage, he proposed raising it, because he cut the bottom bracket twice as much as the top bracket. So under his bill this would go up to over 36.5 percent. Do you know what our Democrat colleagues say? It is not enough. They want to pile a heavier and heavier burden on successful Americans. I think enough is enough. That ought to be rejected.

We have reduced the top rate to 36 percent here. It will go down in conference. I have tried, finally, to the extent I have had the time, to explain the fallacy of their proposal in terms people could understand. Here is a chart representing an alumni meeting, a class reunion of Dimmitt High School, class of 1951. They met in 1991, and they had a $100 lunch. They had five people show up, and they decided to divide the cost up. Do you remember Kent Hance from the House? He is rich now. Kent paid $60; Sally paid $20; Lamont paid $10; Sue paid $10; and Joe, who has done poorly, paid zero.

Now they meet again, 10 years later, for their 50th reunion. The restaurant says: We are going to cut the rate $50 because, gosh, it is their 50th high school reunion. They were paying $100, and now they are only paying $50. They say: All right, let's cut everybody's cost by 50 percent. So Kent pays $30, Sally pays $10, Lamont pays $5, Sue pays $5, and Joe doesn't pay anything. The Democrats say this is an outrage because poor Joe gets nothing back, even though the lunch cost has been cut in half, $50, and $30 went to Kent, $10 went to Sally, $5 went to Lamont, Sue got $5, and poor Joe got zip. Is that not an outrage? So they want to break up the class reunion. Their proposal is: Let Kent pay $50, Sally pay $10, Lamont and Sue pay zero, but they have to give Joe $10 back.

Would that make any sense to anybody? No.

Mr. President, I ask unanimous consent that the attached chart be included in the RECORD at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DIMMITT HIGH SCHOOL, CLASS OF 1951

40TH REUNION, 1991

[Total cost for lunch: $100]

Alumnus		
Kent	$60	3X Cost.
Sally	$20	Full Cost.
Lamont	$10	Half Cost.
Sue	$10	Half Cost.
Joe	$0	No Cost.

50TH REUNION, 2001

[Total cost for lunch: $50]

Standard reunion: Reduce all payments by 50%	Democratic reunion: Reduce all payments by $10
Kent:	
$30—3X Cost	$50
Sally:	
$10—Full Cost	$10
Lamont:	
$5—Half Cost	$0
Sue:	
$5—Half Cost	$0
Joe:	
$0—No Cost	-$10 (Refund)

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Nevada.

Mr. REID. Madam President, I yield 5 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 5 minutes.

Mr. KENNEDY. Madam President, I think I have heard it all now. My good friend from Texas is talking about how outraged he is about the discrimination against the top 1 percent of taxpayers being an outrage.

This whole piece of legislation is really a question of a nation's priorities. That is basically what we are talking about. This tax proposal is irresponsible and unfair. It is irresponsible for the economic reasons that have been spelled out by our colleagues, and it is unfair in the way it distributes the resources in this country.

You don't have to be a mathematical genius to see the enormous disparities that are growing between the wealthiest and the neediest in our society. That has been developing over the period of the last 20 years. There has to be some relief for working families and the middle class. We agree with that. But I do think that the American people want to fund education priorities before they give the wealthiest individuals in our society the kinds of tax relief they are receiving.

What are the kinds of priorities? We talk about education being important. We have to bring focus and attention on the investment in our children because our children are our future. Investing in our children is, one, to make sure all children are going to be able to have a headstart experience and are eligible for it. We will have an amendment on that.

Secondly, we are going to have the funding for elementary and secondary education. That means we are going to commit to provide well-trained teachers in the classrooms of this country. We are going to give the option to local school districts to move to smaller class size. We are going to have afterschool programs. We are going to also provide help to local communities that are meeting their responsibilities for special needs children. All of that is going to be included. We are going to defer the reduction and the highest rates in this proposal until we are able to implement those kinds of commitments.

There it is, Madam President. We will have a chance, on the one hand, to invest in our future, in our children, and say that this is a priority, and defer the reduction for the wealthiest individuals in our society.

This is a question of priorities. It is a question of choice.

Finally, I add my strongest support to the amendment that has been offered by Senator ROCKEFELLER. Again, it is a question of priorities. Do we really mean it when we say we want to provide a prescription drug benefit program for our seniors and for other needy people in our society?

This legislation does not do so. The Finance Committee and the Republican leadership knew how to do it precisely when they wanted the tax cut. They knew how to get it, and they set the time and dates to get it, but that is not so with regard to a prescription drug program. The Rockefeller amendment does so.

I hope our senior citizens know their interests are going to be voted on this afternoon; not only now, but we are going to have an additional series of votes to make sure this institution has an opportunity to make important choices.

This afternoon and tonight, one of the important choices will be: Are we going to really have a meaningful prescription drug program for the seniors in this country, which is absolutely essential, particularly when we realize about whom we are talking. We are talking about the average senior being 76 years old, widowed, and having important health needs that can be addressed by prescription drugs.

The Rockefeller amendment addresses that, and I again say this is an issue of choice. It is an issue of priorities. Do we want to say it is more important to invest in our children, invest in our future, defer the reductions for the wealthiest individuals who have done exceedingly well over the years? Do we want to make a commitment to our senior citizens in getting a prescription drug program?

Those are important priorities. Those are important choices. Those are issues that are going to be before the Senate. I am hopeful this body will reflect what is in the real national interest and support those amendments. I thank the Senator from Nevada.

The PRESIDING OFFICER (Mr. FITZGERALD). The Senator from Nevada.

Mr. REID. Mr. President, I offer 2 minutes to the Senator from Delaware, Mr. CARPER, and 2 minutes to the Senator from Rhode Island, Mr. CHAFEE. It is my understanding they have an amendment they will offer at a subsequent time, so 2 minutes to the Senator from Delaware and 2 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. CARPER. Mr. President, I thank the Senator for yielding. Later this evening, Senator CHAFEE and I will offer an amendment to the tax bill that we believe is consistent with the budget resolution that passed this Chamber roughly a month ago with 65 affirmative votes, including votes of 15 Democrats, including this Senator.

That budget resolution provided for a tax cut over the next 10 years of about $1.2 trillion, and it also provided for an extra $300 billion above the baseline for educational programs, including Head Start, special education, title I, extra learning time programs.

When the budget resolution came back to us from conference, the tax cut had grown larger by about $150 billion, and the education moneys we added were gone.

Senator CHAFEE and I will offer this amendment in an effort to get us back to where we thought we ought to be and still believe we ought to be as a body and as a country, and that is to have a tax cut of $1.2 trillion over the next 10 years and provide an extra $150 billion above the baseline for education funding.

I want to mention a couple provisions of the amendment. For example, we create a new 10-percent tax bracket that will be effective at the beginning of this year.

We also cut marginal rates for each of the other tax brackets by 1 percent. The lowest rate of 15 percent would drop to 14 percent. The top rate of 39.6 would come down to 38.6. It is an incremental approach to tax cutting that I believe is more reasonable.

We also anticipate further reductions later, but we visit with the new economic status a couple of years down the line and consider those further changes at that time.

We further propose to take the marriage penalty relief this bill offers, to move it up in time, provide estate tax relief, doubling the estate tax exclusion, and then indexing it to the rate of inflation as we go forward.

We double the child tax credit and make it partially refundable, provide a college tuition tax deduction of $5,000 per year, and take the retirement savings incentives that are in this bill and include those in our own amendment.

The PRESIDING OFFICER. The Senator's 2 minutes have expired. The Senator from Rhode Island is recognized for 2 minutes.

Mr. CHAFEE. Mr. President, I commend Senator GRASSLEY and Senator BAUCUS for their hard work on this tax package. I know they have worked hard to forge a bipartisan tax package and worked hard to make that happen. However, I will join Senator CARPER in offering an amendment which will reduce the size of the tax cut to $1.2 trillion.

The reason I join Senator CARPER is I believe there is a whole population forgotten in this tax debate, and that is the property-tax payer. Of course, one of the Federal mandates that is the hardest and most onerous on the property-tax payers is the special education costs.

The Supreme Court ruled in the early seventies that all students have to be educated in the public school system. Congress acted by passing the Individuals with Disabilities Education Act which said we will get the funding up to 40 percent. Of course, we have never gotten above 12, 13, 14 percent, and there is a very onerous cost to the communities in property taxes.

We are proposing to reduce this to $1.2 trillion which, of course, leaves about $150 billion available for the property tax relief. That should be done on IDEA.

Property taxes are the most difficult on communities and on individuals because with an income tax, if one's fortunes decline, one pays less income tax. On a sales tax, if one does do not want to purchase goods, one pays less in sales tax.

With a property tax, it is most onerous because it is always there. Whether your fortunes decline, lose a job, lose a spouse, the income part of your property-tax-paying abilities, and also if you become elderly and want to keep your house, of course, that property tax is always there.

We are not talking about taxes. We need help for the property-tax payers by leaving money available to give relief in IDEA, something we promised in the early seventies, passed in 1975, and we have not done it.

If we are not doing it with the surpluses we have, we will never do it. A vote for the Carper-Chafee amendment is a vote for property tax relief.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Nevada.

Mr. REID. Mr. President, I yield 10 minutes to the manager of the bill on the minority side, Senator BAUCUS from Montana, who has worked so hard for so many weeks on this legislation.

The PRESIDING OFFICER. The Senator from Montana is recognized for 10 minutes.

Mr. BAUCUS. Mr. President, I thank my good friend from Nevada who has worked very hard in maintaining order in the Chamber. He has done a terrific job, and I compliment him.

I start by expressing my respect for Senators, especially on the Democratic side, who made arguments against the bill and have proposed amendments to it.

As the chairman of the committee and I have both said, this bill is a compromise. It is not perfect. It is not what anybody would want if he or she were writing it, but it is a compromise. There has been a lot of give and take. Nobody got everything he or she wanted because that is what compromises are all about.

It is almost inevitable that there will be legitimate, good-faith disagreements about the resulting bill. This is a tax bill. There are lots of points of view. It is very complicated. There are going to be very passionate arguments made about various provisions of this bill on both sides.

On top of that, we have been debating under very stringent conditions; that is, constraints of reconciliation. This debate is rushed. It is hard to get revenue estimates. Many Senators have come to me and said it is difficult to get revenue estimates from joint tax. I wish we were not in such a rush mode. I wish this bill could have been debated more thoroughly, but that is not with what we are faced. I understand the frustrations many of my colleagues have.

I also say the criticisms of the bill are very well intended. I appreciate how thoughtful Senators have been in this debate. I especially thank the Democratic leader. As my colleagues will soon hear, he is no fan of this bill, but while voicing his strong opinions, he has fully respected other points of view, and that, to my mind, is the essence of leadership, and I highly compliment him.

My point is this: This is a much better bill than that proposed by the administration.

Some may vote no against this bill because the amount is too high, there is not a tax cut not too great. I respect that. I think the amount in this bill could be a bit lower. I am concerned about the size of the tax cut, as well.

Given the budget resolution providing for $1.35 trillion over 11 years, I think this is a much better bill than we would have had if Senator GRASSLEY and I had not been negotiating to get a compromise. Otherwise, we would be faced on this floor with another bill, a bill that is probably the administration bill or something very close to it.

I say to my friends, particularly on the Democratic side of the aisle, there are two choices. One is to vote against the bill because the tax cut is too large, a view which I respect; the other is to vote for it because it is a lot better than what we otherwise would be facing on the floor. It is much more progressive. There are many very good provisions in the bill. The education provisions, for example, the 10-percent bracket which is made retroactive to the beginning of this year. It is much better than the bill we otherwise would have.

The single biggest part of this tax cut is the $435 billion provision that provides for a cut from the 15-percent rate to the 10-percent rate. That is the biggest single provision in this bill. As a consequence, 75 percent of this tax cut in this bill goes to people who earn $75,000 or less. We also double the child credit and make it partly refundable, covering 16 million more children than the President's proposal. We expand and simplify the earned-income credit which may be the best program ever created to help lower income working families. These are for working families. This is not welfare but working families.

We include a $35 billion package of education incentives. For the first time, one can deduct college tuition, up to $5,000. That is a good start, one of which I think all will be proud. We expand IRAs, expand 401(k)s. We reduce the marriage penalty. We address the Federal estate tax. These are a lot of the provisions.

What is the practical effect? Under this bill, every individual and family who pays income tax will get a tax cut. That is more than 100 million individuals and families. Another 10 million get a higher tax refund because of refundable credits. That reduces the payroll tax. There are a lot of Americans whose bigger tax is the payroll tax compared to income tax. That helps them directly.

Nineteen million taxpayers at the lower end of the income scale have marginal rates reduced from 15 percent to 10 percent. That is by a third. That is not an unimportant point. There is a lot of talk about the marginal rate, particularly at the top end. Let me repeat, for lower income taxpayers, the marginal rates, for 19 million taxpayers, are reduced by a full one-third. Not 1 percent but 33 percent.

Thirty million families get a higher child credit. For 10 million, the credit is refundable. Four million low-income couples benefit from expansion of the earned-income tax credit. Three million benefit from the higher standard deduction. Forty million couples get relief from the marriage penalty. That is 40 million, no small number. Two million taxpayers benefit from the IRA limits. Another 8 million benefit from the new low-income saver credit. Twelve million seniors pay lower taxes on their Social Security income.

I could go on. There are many other provisions in this bill that are very good. Some Senators criticized certain parts of the bill, but I think it is important to know there are also many provisions that are good in the bill, and those Senators who criticize the bill do not mention a lot of the provisions which I think otherwise they would also support.

The present proposal may have been targeted to upper income taxpayers. This bill is not. It is written in a balanced way, and it cuts taxes and creates incentives for all Americans.

All in all, taking both income and payroll taxes into account, this bill makes our tax system more progressive than the administration's bill. Every income group under $75,000 will pay a lower percentage of their overall tax burden. Every income group over $100,000 will pay a higher percentage of the overall tax burden than contained in the President's proposal. This bill, regarding income taxes and payroll taxes, is more progressive than the President's proposal.

Now, briefly, the prospects for conference. It is common to say at this point in the process the Senate bill constitutes a very delicate balance and that nothing can be changed without jeopardizing the prospect of getting a bipartisan bill enacted into law. This time it happens to be true. The Senate is divided, 50/50. On our side of the aisle, there is some support for the bill, but it hinges on a series of careful changes that we made to provide that balance. If, in conference, that balance is lost, the prospects for passing the conference report may be lost, as well. I hope that does not happen.

In conclusion, this bill is not perfect but it is balanced. It is a compromise. It is good for taxpayers. It is good for working families. It is good for the economy. I strongly urge Senators to support the bill.

In conclusion, I pay my highest compliments to the chairman of the committee, Senator GRASSLEY, who has worked more in good faith and back and forth, to and fro, frankly, than any other Senator I can think of in any other situation. He is a real credit to the State of Iowa and a real credit to the United States of America. I thank him for his cooperation and working together to get this bill where it is.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I yield myself 7 minutes of the 19 remaining minutes.

The PRESIDING OFFICER. The Senator has 19 minutes remaining, that is correct.

Mr. GRASSLEY. I thank the Senator from Montana for his compliment. I have said many times on the floor of the Senate, we are here with a bipartisan bill only because of his willingness to work with us and our desire to have a bipartisan bill as opposed to a partisan debate. I think that is the way the Senate Finance Committee normally works. I am glad to have it work in this particular instance.

As we come to the end of our 20 hours of deliberation and begin voting on amendments, I want to make some final comments.

This is a bipartisan effort. This bill was drafted in concert with Senator BAUCUS and with the benefit of the comments of all the members of the Finance Committee with whom I consulted personally.

We took as a starting point President Bush's efforts to provide income tax relief to all Americans. This legislation includes the four main elements of President Bush's goals of providing tax relief to working men and women.

First, this legislation reduces marginal rates at all levels and creates the new 10 percent level proposed by the President. While we don't go as far as the President in reducing the top rates—and I would add we didn't go as far as I would like—we also began to address the hidden marginal rate increases such as PEPS and PEASE that complicate the code.

As I said earlier today, America is a society of opportunity. Over 60 percent of all families will at one time or another be in the top fifth of income in this country. A man will make more at 55, after 30 years of hard work, then he did at 25. A family should not face a crushing marginal rate tax burden when they finally get a good paycheck for a few years as a reward for many, many years of hard work.

Second, we provide income tax relief for married families—for families where both spouses work and where only one spouse works. In addition, thanks to the strong advocacy of Senator JEFFORDS, we expand the earned income credit for married families with children. Further, there was wide bipartisan agreement to simplify the earned income credit which will mean that hundreds of thousands of more children will receive the EIC benefits.

Third, the President's desire to expand the child credit to $1,000 is met in this bill. And in response to the concerns of Senators SNOWE, LINCOLN, BREAUX, JEFFORDS, and KERRY the child credit was expanded to help millions of children whose working parents do not pay income tax.

Fourth, the burden of the death tax is reduced and finally eliminated—as called for by President Bush. The committee was successful in this effort due to the work of many Senators but I would particularly note the efforts of Senators KYL and LINCOLN.

Thus, this bill contains the four main elements of President Bush's efforts to provide tax relief for working families—marginal rate reduction, relief for married families, the expansion of the child credit and the reduction and ultimate elimination of the death tax.

I remind my colleagues again that the hallmark of this bill is that relief for low income families comes first. The marginal rate drop to 10 percent is immediate, the child credit expansion to low income families is immediate, the expansion of EIC is immediate.

In addition, the numbers show that the Finance Committee took President Bush's proposal—which was already quite progressive as compared to current law—that is, at the end of the day upper income families would be paying a greater share of taxes than lower income—and the Finance Committee made the President's proposal even more progressive.

The greater progressivity and ensuring that low income families are first in receiving the benefits of the tax cut is certainly due in no small part to the work of Senator BAUCUS.

So I am somewhat chagrined, reading in the press the constant carping of Senator BAUCUS' efforts to draft a bipartisan bill. It seems that while many are happy to talk about bipartisanship that can't stand to see bipartisanship practiced.

I can assure my colleagues on the other side of the aisle that if Senator BAUCUS had not been present at the creation of this bill—it would have been a very different piece of legislation. It is because of his efforts that there are many elements in the RELIEF Act that members on the other side of the aisle can enthusiastically support.

In addition to President Bush's proposals to provide tax relief to working families, the Finance Committee also included legislation that had already been considered by the Finance Committee earlier this year or last year.

I believe that not all good ideas come from just one end of Pennsylvania Avenue. Thus, we included the Grassley/Baucus pension reform legislation which probably would not have made it in the bill without the longtime support of Senators HATCH, JEFFORDS, and GRAHAM.

In addition, the bill contains over $30 billion targeted for education. elements of this include language to expand the prepaid tuition programs to help families pay for college—long advocated by Senators COLLINS, MCCONNELL, and SESSIONS. In addition, we provide college tuition deduction thanks to Senators TORRICELLI, SNOWE, and JEFFORDS, private activity bonds for school construction in response to Senator GRAHAM's concerns, as well as an expansion of the education savings accounts—in honor of Senator Coverdell—thanks to the work of Senator TORRICELLI and the majority leaders.

As I have said all along, no once got everything they wanted in this bill, including the chairman. But I do believe that everyone got something that they believe is important included in the RELIEF Act.

I have provided this outline of the legislation to remind Senators of the balanced approach that took place in crafting this legislation; to highlight the fact that it reflects the views and priorities of a wide range of members of the committee on both sides of the aisle; and, to explain why the RELIEF Act took the form it did.

But setting aside the priorities and concerns of Senators, none of us should forget the great winners of the RELIEF Act—the American taxpayer. We are providing the American taxpayer the greatest amount of tax relief in a generation. And they deserve it. It is wrong that in a time of surplus we are still imposing a record tax burden on workers.

With passage of the RELIEF Act struggling families will have more money to make ends meet; parents and students will be able to more easily afford the costs of a college education; a successful business woman will be able to expand and hire more people; a father finally getting a good paycheck after years of work will be able to better provide for his aging mother; and, a farmer can pass on the family farm without his children having to sell half the land to pay estate taxes.

The examples are endless of the great benefits that we realize when we give tax relief to working families.

I urge my colleagues to support the RELIEF Act for working families.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Nevada.

AMENDMENT NO. 685, AS MODIFIED

Mr. REID. I send a modification of an amendment to the desk on behalf of Senator EVAN BAYH and others.

I ask the modification be reported on behalf of Senator BAYH.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. BAYH, proposes an amendment numbered 685, previously proposed, as modified.

Mr. REID. I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. ___. ENSURING DEBT REDUCTION.

(a) TRIGGER.—

(1) IN GENERAL.—Notwithstanding any other provision of this Act or any other law, the effective date of a provision of law described in paragraph (2) shall be delayed as provided in paragraph (3).

(2) PROVISION DESCRIBED.—A provision of law described in this paragraph is—

(A) a provision of this Act that takes effect in calendar year 2005 or 2007 and results in a revenue reduction; or

(B) a provision of law that—

(i) is enacted after the date of enactment of this Act; and

(ii) takes effect in fiscal year 2005 or 2007 and causes increased outlays through mandatory spending (except for automatic or annually enacted cost of living adjustments for benefits enacted prior to the date of enactment of this Act).

(3) DELAY.—If, on September 30 of fiscal year 2004 or 2006, the Secretary of the Treasury determines that the limit on the debt held by the public in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 has been exceeded for that fiscal year, the effective date of any provision of law described in paragraph (2) that takes effect during the next fiscal year shall be delayed by 1 calendar year.

(4) DISCRETIONARY SPENDING LIMITATION.—Notwithstanding any other provision of law, in any fiscal year subject to the delay provisions of paragraph (3), the amount of budget authority for discretionary spending in each discretionary spending account shall be the level provided for that account in the preceding fiscal year plus an adjustment for inflation.

(5) REPORTS TO CONGRESS.—On July 1 and September 5 of 2004 and 2006, the Secretary of the Treasury shall report to Congress the estimated amount of the debt held by the public for the fiscal year ending on September 30 of that year.

(6) CONGRESSIONAL ACTION.—

(A) TRIGGER.—

(i) MODIFICATION.—In fiscal year 2005 or 2007, if the level of debt held by the public at the end of the preceding fiscal year, as determined by the Secretary of the Treasury, would be below the debt target for that fiscal year in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 as a result of the effect of the triggering of paragraphs (3) and (4), any Member of Congress may move to proceed to a bill that would increase the rate of discretionary spending and make changes in the provisions of law described in paragraph (2) to increase direct spending and reduce revenues (proportionately) in a manner that would increase the debt held by the public for that fiscal year to a level not exceeding the level provided in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985. The motion to proceed shall be voted on at the end of 4 hours of debate. A bill considered under this clause shall be considered as provided in sections 310(e) and 313 of the Congressional Budget Act of 1974 (2 U.S.C. 641(e) and 644). Any amendment offered to the bill shall maintain the proportionality requirement.

(ii) WAIVER.—

(I) IN GENERAL.—The delay and limitation provided in paragraphs (3) and (4) may be disapproved by a joint resolution. A joint resolution considered under this subclause shall not be advanced to third reading in either House unless a motion to proceed to third reading is agreed to by three-fifths of the Members, duly chosen and sworn.

(II) LOW GROWTH.—(aa) The delay and limitation provided in paragraphs (3) and (4) may be disapproved by a joint resolution for low growth as provided in this subclause. A joint resolution considered under this subclause shall not be advanced to third reading in either House unless a motion to proceed to third reading is agreed to by a majority of the whole body.

(bb) For purposes of this subclause, a period of low growth occurs when the most recent of the Department of Commerce's advance, preliminary, or final reports of actual real economic growth indicate that the rate of real economic growth (as measured by real GDP) for each of the most recently reported quarter and the immediately preceding quarter is less than 1 percent.

(B) OTHER FISCAL YEARS.—

(i) IN GENERAL.—In fiscal year 2003, 2005, 2007, 2008, 2009, or 2010, if the level of debt held by the public at the end of the preceding fiscal year, as determined by the Secretary of the Treasury, would exceed the debt target for that fiscal year in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 as a result of the effect of the triggering of paragraphs (3) and (4), any Member of Congress may move to proceed to a bill that would defer changes in law that take effect in that fiscal year that would increase direct spending (except for automatic or annually enacted cost of living adjustments for benefits enacted prior to the date of enactment of this Act) and decrease revenues and freeze the amount of discretionary spending in each discretionary spending account for that fiscal year at the level provided for that account in the preceding fiscal year plus an adjustment for inflation (all proportionately) in a manner that would reduce the debt held by the public for that fiscal year to a level not exceeding the level provided in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985. The motion to proceed shall be voted on at the end of 4 hours of debate. Any amendment offered to the bill shall either defer effective dates or adjust discretionary spending and maintain the proportionality requirement.

(ii) CONSIDERATION OF LEGISLATION.—A bill considered under clause (i) shall be considered as provided in sections 310(e) and 313 of the Congressional Budget Act of 1974 (2 U.S.C. 641(e) and 644).

(b) PUBLIC DEBT TARGETS.—The Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in section 250(c)(1), by inserting "' debt held by the public'" after "outlays',"; and

(2) by inserting after section 253 the following:

"SEC. 253A. DEBT HELD BY THE PUBLIC LIMIT.

"(a) LIMIT.—The debt held by the public shall not exceed—

"(1) for fiscal year 2002, $2,955,000,000,000;

"(2) for fiscal year 2003, $2,747,000,000,000;

"(3) for fiscal year 2004, $2,524,000,000,000;

"(4) for fiscal year 2005, $2,279,000,000,000;

"(5) for fiscal year 2006, $2,011,000,000,000;

"(6) for fiscal year 2007, $1,724,000,000,000;

"(7) for fiscal year 2008, $1,418,000,000,000;

"(8) for fiscal year 2009, $1,089,000,000,000; and

"(9) for fiscal year 2010, $878,000,000,000.

"(b) ADJUSTMENTS TO DEBT TARGETS.—

"(1) IN GENERAL.—The debt held by the public targets may be adjusted in a specific fiscal year if the Secretary of the Treasury certifies that the target cannot be reached because—

"(A) the Department of the Treasury will be unable to redeem a sufficient amount of securities from holders of Federal debt to achieve the target; or

"(B) the social security and medicare revenues are less than assumed in the concurrent resolution on the budget for fiscal year 2002 (H. Con. Res. 83).

"(2) CERTIFICATION.—The certification shall—

"(A) be transmitted by the President to Congress;

"(B) outline the specific reasons that the targets cannot be achieved; and

"(C) not be the result of a budget surpluses being available to redeem debt held by the public.

"(3) CONGRESSIONAL ACTION.—The adjustment provided in this subsection may be disapproved by a joint resolution. A joint resolution considered under this paragraph shall not be advanced to third reading in either House unless a motion to proceed to third reading is agreed to by a majority of the whole body.

"(c) SUSPENSION OF LIMIT ON DEBT HELD BY THE PUBLIC FOR WAR.—If a declaration of war is in effect, the limit on the debt held by the public established in this section is suspended.".

(c) CONGRESSIONAL BUDGET PROCESS.—

(1) POINT OF ORDER.—Section 301 of the Congressional Budget Act of 1974 is amended by adding at the end the following:

"(j) DEBT HELD BY THE PUBLIC POINT OF ORDER.—It shall not be in order in the Senate to consider any concurrent resolution on the budget or amendment, motion, or conference report thereto that would—

"(1) increase the limit on the debt held by the public in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985; or

"(2) provide additional borrowing authority that would result in the limit on the debt held by the public in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 being exceeded.".

(2) SUPERMAJORITY WAIVER AND APPEAL.—Subsections (c)(1) and (d)(2) of section 904 of the Congressional Budget Act of 1974 are amended by striking "305(b)(2)," and inserting "301(j), 305(b)(2),".

(3) ADDITIONAL AMENDMENTS TO THE BUDGET ACT.—The Congressional Budget Act of 1974 is amended—

(A) in section 3, by adding at the end the following:

"(11)(A) The term 'debt held by the public' means the outstanding face amount of all debt obligations issued by the United States Government that are held by outside investors, including individuals, corporations, State or local governments, foreign governments, and the Federal Reserve System.

"(B) For the purpose of this paragraph, the term 'face amount', for any month, of any debt obligation issued on a discount basis that is not redeemable before maturity at the option of the holder of the obligation is an amount equal to the sum of—

"(i) the original issue price of the obligation; plus

"(ii) the portion of the discount on the obligation attributable to periods before the beginning of such month."; and

(B) in section 301(a) by—

(i) redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively; and

(ii) inserting after paragraph (5) the following:

"(6) the debt held by the public; and".

(d) RULE OF CONSTRUCTION.—This section and the amendments made by this section shall have no effect on Social Security or Medicare as in effect on the day before the date of enactment of this section.

It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, or conference report, pursuant to this section, that contains any provisions other than those enumerated in section 310(a)(1) and 310(a)(2) of the Congressional Budget Act of 1974. This point of order may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this paragraph.

Mr. REID.. Mr. President, I yield 2 minutes to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 2 minutes. The Chair yields the Senator from New Jersey an additional minute.

MOTION TO COMMIT

Mr. CORZINE. Mr. President, I send a motion to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

> The Senator from New Jersey [Mr. CORZINE] moves to commit the pending legislation to the Finance Committee, with instructions to report back within three days, with an amendment that eliminates income tax reductions for taxpayers with annual incomes greater than $500,000 and reserves all resulting savings to provide a tax credit to help families afford the costs of long-term health care.

Mr. CORZINE. As my colleagues just heard, this motion would commit the bill to the Finance Committee and direct it to report back promptly with an amendment that eliminates an income tax for those earning more than $500,000 a year, and use those savings to establish a tax credit to help families afford the cost of long-term care.

Before I explain the need for my motion, let me first commend Senators GRASSLEY and GRAHAM of Florida, who have provided true leadership on a critical issue for seniors across America, the issue of long-term care.

This motion does not require adoption of their specific approach, though I am proud to support their bill which would provide a $3,000 tax credit for long-term care expenses.

Now is the time to address America's long-term health care needs, before we approve one of the largest, and I believe one of the most inequitable, tax cuts that we could bring before the country, a tax cut that would undermine the largest surplus ever and prevent us from meeting critical health care needs, particularly for our seniors.

Over 12 million seniors and disabled Americans need long-term care, and as many as twice that number may need it as the population ages, as the baby boomers retire. Families who are primary caregivers pay a tremendous price for this care. I believe no one should have to go bankrupt or stress their budgets to afford long-term care and no family should bear the burden alone.

Long-term care should not be just a privilege for the wealthy. A tax credit, as I propose, would provide much needed relief to the families who provide long-term care for their loved ones. It is to ensure a better and fairer use of the surplus than a rate cut targeted for the very wealthiest Americans.

This is not about class warfare. This is about providing relief for our elderly and for the overburdened families who care for them.

I hope my colleagues will agree that we should not provide a windfall for those earning more than $½ million a year while ignoring the very real needs of so many families and the loved ones for whom they struggle.

The PRESIDING OFFICER. Who yields time?

Mr. REID. Mr. President, I yield 3 minutes to the Senator from New York, Mrs. CLINTON.

The PRESIDING OFFICER. The Senator from New York is recognized for 3 minutes.

Mrs. CLINTON. Mr. President, let me begin by commending Chairman GRASSLEY and Ranking Member BAUCUS for the hard work they have put in on this very difficult assignment. I appreciate greatly their efforts.

It pains me that I rise in opposition to the bill which they have presented and that we will be voting on later this evening.

I wish I could support this bill. I wish I could support it because I believe in affordable, reasonable tax cuts. I believe in continuing to pay down our budget debt. And I believe in making the kinds of investments that will enable our country to be richer and stronger and smarter.

However, it is my analysis that, unfortunately, this bill does not meet those criteria. What bothers me is that, despite the pressures that have been working on the Finance Committee to come up with the best possible alternative in a bipartisan way, which they just labored so hard to do, we read there will be additional requests for tax cuts coming down the road, and that there will be additional dollars requested, which might very well be fully justified, to raise our defense expenditures.

It bothers me that we see, in the bill that has been presented to us, that it will be very difficult to find the resources we need for the investments that I think everyone in this Chamber knows are demanded by the people we represent: investments in education, investments in health care, such as a prescription drug benefit, or, as my colleague from New Jersey rightly pointed out, a long-term care tax credit.

I am concerned that, in fact, this bill does squeeze out the opportunity that we have to address, in a realistic way, our energy needs, as well as the other priorities I have mentioned.

There are several considerations that are very important to the people I represent. It is very difficult to look at this tax bill, without adequate alternative minimum tax reform, and not realize that we are going to be pushing millions of Americans, many of them New Yorkers, into a higher tax bracket.

The Joint Tax Committee estimates that 40 million taxpayers will be subject to the AMT after the tax bill, now debated, is fully phased in. That will have a tremendous impact. It will be a rude surprise for many citizens in New York, California, Connecticut, Wisconsin, Oregon, and other States when they find they do not really gain much from this tax bill but, in fact, they get a higher tax bill.

I am also concerned that due to repeal of the estate tax, and the earlier elimination of the State credit from the estate tax, we are going to find States such as New York in a terrible budgetary dilemma. They are going to be losing dollars from the State side of the estate tax before the Federal Government loses the revenues in 2011.

In some States that will be an incredible burden: several percentage points out of their revenue base where they would have to find some way to amend their constitution or find new revenues. It seems eminently unfair for the Federal Government to be able to shift that burden to the backs of the States with so little warning.

The PRESIDING OFFICER. The Senator has used her 3 minutes.

Mr. REID. I yield the Senator 1 more minute.

Mrs. CLINTON. This reminds me of what we went through in 1981, so I went back and read the account. I wish my colleagues would recall what David Stockman said in December of 1981. He said:

> The reason we did it wrong . . . was that we said, Hey, we have to get a program out fast. And when you decide to put a program of this breadth and depth out fast, you can only do so much . . . . We didn't think it all the way through. We didn't add up all the numbers. We didn't make all the thorough, comprehensive calculations about where we really needed to come out. . . . In other words, we ended up with a list that I'd always been carrying of things to be done, rather than starting the other way and asking, What is the overall fiscal policy required to reach the target?

I am afraid that is what we are doing again.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I intend to use my 10 minutes this way, so if anybody else is planning to speak, they will know time is used up: 3 minutes to the Senator from Virginia, and 7 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 3 minutes.

Mr. ALLEN. Mr. President, I thank the chairman, Senator GRASSLEY, and the ranking member, Senator BAUCUS, as well as their staffs, for their hard work and dedication on this tax bill, but, in particular, I thank them for working with me to include an amendment, No. 673, which is my education opportunity tax relief amendment.

This bill, with the education savings account, will be a good help for parents who have children in kindergarten through the 12th grade.

The education savings accounts previously were only available for those who had children in college or a university. It is now expanded for K–12, for up to $2,000 a year that you can get in tax relief for that allocation of your funds, reducing your taxes, and making it a tax-free withdrawal for education-related expenses.

What my amendment makes clear is that if a parent with a child in K–12 wants to buy their child a computer or educational software, or Internet access at home, that is permissible. The way the measure right now is worded, very few schools—certainly not public schools—would actually require parents to purchase a computer or education-related technology as a term of enrollment. So what this does is empower parents to purchase those computers or educational software or Internet access.

It is very important for us to understand that computers are important in schools, in community centers, and in libraries, but computers need to be in the home. Studies show that children who have computers at home stay in school, do better academically, and go on to better jobs because they are more technologically proficient.

This is an idea which will specifically allow parents of K–12 school-aged children to use education savings accounts for the purchase of computers, related technology, and peripherals, educational software, and Internet access. And the purchase would not need to be a requirement of enrollment or attendance at a school.

This also is supported by many groups in the technology area, such as the Information Technology Industry Council, the Computer and Communications Industry Association, Global Learning Systems, and many others.

I ask unanimous consent that letters I have in support be printed in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. ALLEN. So, Mr. President, and Members of the Senate, I thank you all for working with me.

The PRESIDING OFFICER. The Senator has used his time.

Mr. NICKLES. I yield the Senator 15 seconds.

Mr. ALLEN. This amendment we are working on in a bipartisan manner is supported by parents and the technology community, and it will be beneficial to the schoolchildren all across America.

Thank you, Mr. President. And I thank both mangers of the bill.

EXHIBIT 1

ITT INDUSTRIES, INC.,
White Plains, NY, April 12, 2001.

MS. RACHAEL BOHLANDER,
Legislative Assistant, Office of Senator George Allen,
Russell Senate Office Building, Washington, DC.

DEAR MS. BOHLANDER: I write to thank you for your recent communication to ITT Industries concerning the Education Opportunity Tax Credit Act, a bill introduced by Senator Allen to provide educational assistance through tax credits and for other purposes.

ITT Industries strongly favors efforts to strengthen education in the United States. As a global engineering and manufacturing company with nearly 19,000 employees in this country, ITT Industries shares Senator Allen's interest in assisting American students to prepare for technology jobs in the digital economy. We are also following the administration's proposals concerning education, and will take appropriate account of Senator Allen's initiative.

Thank you for bringing Senator Allen's bill to our attention.

Sincerely yours,
THOMAS R. MARTIN,
Senior Vice President,
Director of Corporate Relations.

GLOBALLEARNINGSYSTEMS,
McLean, VA.

Hon. GEORGE F. ALLEN,
U.S. Senator, Russell Senate Office Building, Washington, DC.

DEAR SENATOR ALLEN: On behalf of GlobalLearningSystems™, I would like to express our enthusiastic support for your recently introduced legislation, S. 488, The Education Opportunity Tax Credit Act.

This bill addresses major education concerns as well as the looming Digital Divide, which hinders not only students, but also their parents. Access to the Internet is a growing necessity of everyday life. For those with modest means, your forward-looking legislation assures that no family's children will be left behind because they did not have the basic tools to keep up.

Since we are a global learning and e-Learning company, we particularly appreciate the impact of the inclusion of e-Learning services in the provisions of the bill, which can improve the success possibilities for all students. For the first time, we can tailor learning to the need of the individual student and make learning the motivating experience all parents seek for their children.

Again, let me congratulate you for making such a positive legislative statement with the introduction of S. 488.

With best wishes for your continuing efforts.

Sincerely yours,

SCOTT SOBEL,
Vice President,
Communications and Marketing.

INFORMATION TECHNOLOGY
INDUSTRY COUNCIL,
Washington, DC, May 14, 2001.

Senator GEORGE ALLEN,
U.S. Senate,
Washington, DC.

DEAR SENATOR ALLEN: The Information Technology Industry Council (ITI) would like to applaud your leadership in introducing S. 488, the Education Opportunity Tax Credit Act. ITI recognizes that the success of our nation and its continued global leadership in information technology depends upon our ability to equip all of our children with 21st century skills. S. 488 takes important steps towards achieving that goal.

ITI is the association of leading information technology companies, employing more than 1.3 million people in the United States and generating $633 billion in worldwide revenues in 1999. ITI's member companies have a long history of working with local school systems to introduce technology into the learning environment and have committed over $1 billion to provide students, teachers and schools with the equipment and training they need to make the most of technology.

ITI has adopted education principles recognizing the importance of integrating technology into the curriculum and providing students access to that technology. In addition, recent studies have shown that access to technology outside the classroom can increase the benefits students get from having technology in the classroom. Your legislation recognizes this value and helps to bring that digital opportunity to a greater number of students.

We look forward to working with you on this issue. If you have any question please contact me or Matt Tanielian of my staff at (202) 626-5751.

Best regards,

RHETT DAWSON,
President.

The PRESIDING OFFICER. The Senator from Montana.

AMENDMENT NO. 743

Mr. BAUCUS. Mr. President, on behalf of Senator CONRAD, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS], for Mr. CONRAD, proposes an amendment numbered 743.

Mr. BAUCUS. I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To increase the standard deduction and to strike the final two reductions in the 36 and 39.6 rate brackets)

On page 9, strike the matter between lines 11 and 12, and insert:

"In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:			
	28%	31%	36%	39.6%
2002, 2003, and 2004 ..	27%	30%	35%	38.6%
2005 and 2006	26%	29%	35%	38.6%
2007 and thereafter	25%	28%	35%	38.6%

On page 13, between lines 15 and 16, insert:

SEC. 104. INCREASE IN STANDARD DEDUCTION.

(a) IN GENERAL.—Section 63(c) (relating to standard deduction), as amended by section 301, is amended by adding at the end the following:

"(8) ADDITIONAL INCREASE IN BASIC STANDARD DEDUCTION.—In the case of taxable years beginning after December 31, 2004—

"(A) the basic standard deduction in effect for the taxable year under subparagraph (B) or (C) of paragraph (2) (without regard to this paragraph) shall be increased by—

"(i) $600 in the case of taxable years beginning in 2005 and 2006, and

"(ii) $1,600 in the case of taxable years beginning after 2006, and

"(B) the basic standard deduction in effect for the taxable year under subparagraph (A) of paragraph (2) (without regard to this paragraph) shall be increased by the applicable percentage (as defined in paragraph (7)) of the increase under subparagraph (A) of this paragraph."

(b) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 2004.

AMENDMENT NO. 744

Mr. BAUCUS. Mr. President, I send an amendment to the desk on behalf of Senator CONRAD and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS], for Mr. CONRAD, proposes an amendment numbered 744.

Mr. BAUCUS. I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To increase the standard deduction and to reduce the final reduction in the 39.6 percent rate bracket to 1 percentage point)

On page 9, in the matter between lines 11 and 12, strike "36%" in the item relating to 2007 and thereafter and insert "36.6%".

On page 13, between lines 15 and 16, insert:

SEC. 104. INCREASE IN STANDARD DEDUCTION.

(a) IN GENERAL.—Section 63(c) (relating to standard deduction), as amended by section 301, is amended by adding at the end the following:

"(8) ADDITIONAL INCREASE IN BASIC STANDARD DEDUCTION.—In the case of taxable years beginning after December 31, 2006—

"(A) the basic standard deduction in effect for the taxable year under subparagraph (B) or (C) of paragraph (2) (without regard to this paragraph) shall be increased by $300, and

"(B) the basic standard deduction in effect for the taxable year under subparagraph (A) of paragraph (2) (without regard to this paragraph) shall be increased by the applicable percentage (as defined in paragraph (7)) of the increase under subparagraph (A) of this paragraph."

(b) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 2006.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. I yield time to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 6½ minutes.

Mr. NICKLES. Mr. President, I thank my friend and colleague, Senator GRASSLEY, for his leadership on this bill, as well as Senator BAUCUS. I think they have managed it very well, both in committee and on the floor.

I also would like to inform our colleagues that we are going to begin a series of rollcall votes at about 6 o'clock. I urge Members to come to the Chamber and stay in the Chamber. We are going to have these amendments within a strict timeframe. My guess is there will be 10 or 12 minutes, and they will be enforced.

Again, our colleagues should be aware that these votes will start and begin probably about 6 o'clock, and we are going to have numerous rollcalls, probably a lot more than we need. I urge my colleagues, many of whom offered amendments, to accept voice votes, if possible.

I urge my colleagues to vote in favor of this package. It is not perfect. I have heard some people say it is too big. I disagree. This is a very timid package. This is about one-fourth of the surplus. I heard a couple of our colleagues say: Wait a minute, maybe we are reenacting the mistakes made in 1981, the massive tax cuts in 1981.

I looked at the amount of money we raised in 1980 from all sources in the Federal Government. It was $517 billion. In 1990, the Federal Government raised over $1 trillion. It doubled in that 10-year period of time, the revenues that came in.

What happened in that interim is that spending went up even faster than revenues. So I don't think it was because of the tax cuts, although we had a very significant tax cut. If you look at the 1981 tax bill, the 1986 tax bill, you saw maximum rates go down significantly. All taxpayers had significant rate reductions. The maximum rate was 70 percent in 1980. It was 28 percent in 1988. So it was a big change.

This bill is much more timid. And for those who are saying we have cut too much for the wealthy, I don't think they have read the bill. The maximum tax rate under the income-tax code right now is 39.6 percent. Guess what it will be in December of the year 2004, after this massive tax cut. It will be 38.6 percent. It will go down one point. How much did it increase in the 1993 tax increase? The maximum tax rate then went from 31 percent to 39.6. It went up 8.6 points. In addition, what used to be a cap on the Medicare tax was eliminated. So you can add another 1.45 for an individual. You can double that for a couple, so that is another 2.9.

So the effect of the 1993 tax increase was moving the maximum rate from 31 percent to 42.5 percent. That is an 11.5-point increase for maximum taxpayers.

This bill, in the first 4 years, reduces that only 1 point, only one-tenth as much as the increase that we had, and it just so happens the increase in 1993 was retroactive back to January of 1993.

So my point is, this is a very timid tax cut compared to the tax increase we had in 1993. Those are just the facts.

We are slow, very slow in phasing in the tax cuts, the rate cuts for all taxpayers. They are not fully in effect until the year 2007.

I hope we can accelerate that. It takes us too long to get there. But I make this point because I keep seeing amendments: We will delay the effective date for the high tax payers. I guess they don't want to give taxpayers tax cuts. I don't follow that. It is like using the Tax Code only for redistribution of wealth. Let's load up more on the low-income side.

The bill we have before us does a lot for low-income taxpayers. It creates a 10-percent rate. Those taxpayers were paying 15 percent. That is a 33-percent reduction. That is $600 in savings for taxpayers on the low-income scale, married couples. That is $600 more that they get to keep if they have $12,000 in adjusted taxable income. That is very positive. So that is weighted toward the low income.

There is also a $500 tax credit per child. We passed the first $500 tax credit per child in 1997. That is very positive. If you have four kids, as do I—they are grown now, so I don't get it—who are dependents, that is $2,000. Over the period of this bill we double that. So we make it a $1,000 tax credit per child. This bill even makes it refundable. I don't think that is very good policy, but it is in this bill.

So my point is, this bill is loaded very much towards low-income groups. For those people who say we want to load it more, I disagree. We ought to have a tax cut for taxpayers. The greatest percentage of tax reduction definitely goes towards low- and middle-income taxpayers in this group.

Certainly, individuals who have kids, certainly individuals who are paying that 15-percent rate, who have income on the lower side, they get a very significant rate reduction. And they get it retroactive to January 1 of this year. All other taxpayers don't get a rate reduction until January of next year and only one point. In some cases, that is only one-tenth of the increase they had in 1993.

This bill does a lot of other things that will benefit families. It has educational tax provisions. It has savings provisions dealing with IRAs, education, making savings more affordable, enhancing individual pensions. It does other things, including the death tax. I started to say death tax repeal, but that is not until the year 2001. It does increase the exemption amount or the unified credit amount up to $1 million, $2 million, $3 million, $4 million in the ninth year—that is a positive provision—and ultimately repeal. So we don't penalize somebody for dying. The taxable event would not be when somebody died. The taxable event would be when the property is sold, and then that tax rate would be at the capital gains rate. It wouldn't be at these unbelievably high and punitive rates of 55 percent that are now present law.

I urge my colleagues to vote in favor of final passage of this bill. Let's give taxpayers relief. It is long overdue.

The PRESIDING OFFICER. All time controlled by the majority has expired.

The PRESIDING OFFICER. Who yields time on the bill?

Mr. REID. I yield 2 minutes to the Senator from New Jersey, Mr. CORZINE.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 2 minutes.

Mr. CORZINE. Mr. President, I rise to speak to the overall bill. I congratulate Senators GRASSLEY and BAUCUS for their effort at bipartisanship to put together a very complicated and difficult piece of legislation.

I also have serious reservations which lead to a conclusion that I think we are overreaching, far overreaching relative to our financial stability. My read of this particular piece of legislation is that it will potentially bring grave concerns to marketplaces around the world when people do the analyses and see the great depth of backloaded tax cuts that are embedded in the bill. It is a very serious concern, particularly in a country that has been running the kinds of serious current account deficits that we have had over the last few years. That backs into concerns about our bond markets, as people analyze these numbers and see how they fit together, particularly in the context of an upcoming increase in defense expenditures that have not been allowed for in this bill.

I have very serious concerns that we will return to periods of deficits—some say a "deficit ditch." I think we need to be very mindful of that tonight as we go to the vote.

It is more than just the principles that are involved, which I have serious concerns with, too, about the distribution, who gets the benefit. I think there are serious concerns about the financial underpinnings that this will provide for our Nation in the years ahead.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. REID. Mr. President, I yield such time as we have remaining to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana.

AMENDMENT NO. 676

(Purpose: To allow a credit to holders of qualified bonds issued by Amtrak, and for other purposes)

Mr. BAUCUS. Mr. President, I send up amendment No. 676.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS], for Mr. BIDEN, for himself, Mr. TORRICELLI, Mr. KERRY, Mr. SCHUMER, Mr. BAUCUS, Mr. ALLEN, Mrs. BOXER, Mr. CARPER, Mr. CHAFEE, Mrs. CLINTON, Mr. CORZINE, Mr. DAYTON, Mr. DODD, Mr. DURBIN, Mr. LEAHY, Ms. MIKULSKI, Mrs. MURRAY, Mr. ROCKEFELLER, Mr. SARBANES, Mr. SPECTER, Mr. WARNER, Ms. COLLINS, Mr. DASCHLE, Mrs. FEINSTEIN, Mr. KENNEDY, Ms. LANDRIEU, Mr. REID, and Mr. WELLSTONE, proposes amendment numbered 676.

Mr. BAUCUS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted and Proposed.")

AMENDMENT NO. 676, WITHDRAWN

Mr. BIDEN. Mr. President, amendment 676 is essentially the High Speed Rail Investment Act I introduced with Senator HUTCHISON earlier this year, that has 57 cosponsors, including the Majority and Minority leaders. Indeed, a majority of the Finance Committee supports this bill, as well.

Both of the leaders have given us their public commitments to move this legislation this year, commitments to finish a job that was started in the last Congress.

As the Administration introduces its proposal for a new energy policy, as we read daily about increasing congestion on our highways and at our airports, we simply must make safe, clean, high-speed passenger rail a key component of our nation's transportation system.

I say that this is essentially the same as the legislation that I introduced with Senator HUTCHISON and others earlier this year. Actually, the amendment we are offering today is an improved version, that addresses two key concerns of many of our colleagues.

At the insistence of Senator BAUCUS, and with his cooperation, we have included new language with an unambiguous prohibition on the use of the Highway Trust Fund by States in meeting their matching requirements under this legislation. That is something that has always been important to him, and I am glad to say that we have reached an agreement on that issue.

Just as important, we have also added new language on the question of State and local taxation of the improvements that will come from upgrading rail lines around the country to carry high-speed passenger trains. I know that was a concern of Senator GRASSLEY, along with many other Senators.

As Senator BAUCUS knows, with this change the bill now has the support of the National League of Cities, the National Conference of State Legislatures, the United States Conference of Mayors, the National Association of Counties, and the Council of State Governments.

So, with the help of Senator BAUCUS, from now forward we have an improved version of the bill. This is the version we hope will move in the Finance Committee soon.

While supporters of this legislation are a majority in both the Finance Committee and here on the Senate floor, I will respect the wishes of Senator BAUCUS that we not ask for a vote today.

I am grateful that he is not only willing to sign on to this amendment, with the improvements he was seeking, but he is committed to helping us move this legislation through the Finance Committee and on to the floor as soon as we can.

This is an important move forward, and an important step toward fulfilling the commitments Senate leaders have made to move the High Speed Rail Investment Act this year.

I thank Senator BAUCUS for his help in this matter.

Mr. BAUCUS. Mr. President, I rise to make a commitment regarding the High Speed Rail Investment Act.

I support passenger rail in the United States and I support Amtrak. The State of Montana relies on Amtrak in the north and hopes to secure passenger rail in the south. Last Congress, I worked with Senators Lautenberg, Moynihan and Roth to protect the Highway Trust Fund from a raid by Amtrak. I have been working with Senator BIDEN this Congress to ensure a similar protection of the Highway Trust Fund.

I am extremely concerned about Amtrak "Double Dipping," by raiding the Highway Trust Fund in addition to selling bonds. I was so concerned that I withdrew my name as a cosponsor of the bill.

I am pleased to say that since then, I have worked with Senator BIDEN on acceptable language to protect the trust fund. However, this language has not been added to the current High Speed Rail Investment Act, S. 250. It has been included in an amendment that Senator TORRICELLI filed during the mark-up of this tax package in the Finance Committee and that Senator BIDEN offered and withdrew today. I can support the language in this amendment.

I know that Senators TORRICELLI and BIDEN and others wanted to offer this amendment today. I appreciate that they withdrew this amendment, because I don't think that this language belongs on this tax bill. I feel very strongly that we need to examine this bill further before we include it in any package.

As ranking Democrat on this Committee, with the changes included in this amendment, it is my intention to go through the official Committee process of mark-up and hearings, before we let this amendment be voted on. I would like to hold a hearing within a month after the completion of this tax package.

Mr. President, this is the High-Speed Rail Investment Act. I have worked with Senator BIDEN to help work out provisions to make it acceptable to me, at least with respect to not infringing on the highway trust fund. I support the latest amendment, but it is not germane to the bill. I now withdraw the amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn. The Senator has 2½ minutes remaining.

AMENDMENT NO. 656

Mr. REID. Mr. President, I yield that time and defer to the Senator from New Hampshire who has 5 minutes under the agreement previously entered.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Are we now back on my amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. GREGG. Mr. President, I yield 2 minutes to the Senator from Colorado.

Mr. ALLARD. Mr. President, I am pleased to join with Senators GREGG, ENSIGN, ALLEN, BUNNING, and others in offering this capital gains tax rate reduction. This will provide an immediate stimulus to the economy, there is no tax cut out there that can do a better job of heading off a recession. A capital gains tax rate cut will encourage saving and investment in our economy. It will help entrepreneurs to start businesses and create jobs. The capital gains tax cut will raise revenue for the federal government. After we cut the rate in 1997, the federal government received $200 billion in additional revenue. In just four years, we have $200 billion more than forecast before the rate cut. The tax cut will increase economic growth, increase revenues and reward investment in our economy. I urge my colleagues to support this reduction in the capital gains tax rate from 20 percent to 15 percent.

I think this is one of the most substantial things we can do to, again, head off a recession in our economy.

Mr. President, I yield back the remainder of my time.

Mr. BAUCUS. Mr. President, parliamentary inquiry: What is the pending business?

The PRESIDING OFFICER. The amendment of the Senator from New Hampshire.

Mr. BAUCUS. Under the order, how much time does the Senator have and how much time is allocated to those in opposition?

The PRESIDING OFFICER. The Senator from Montana has 3 minutes. The Senator from New Hampshire has 5½ minutes remaining.

Mr. REID. Mr. President, parliamentary inquiry: The Senator from New Hampshire——

The PRESIDING OFFICER. Does the Senator from Montana yield?

Mr. BAUCUS. Yes.

Mr. REID. The Senator from New Hampshire had 5 minutes. He yielded 2 minutes. How can he end up with 5½ now?

The PRESIDING OFFICER. The Senator from Nevada yielded 3 minutes to the Senator——

Mr. REID. The Senator from Nevada yielded his time back on the bill.

Mr. GREGG. I think we can straighten this out. I ask unanimous consent that the Senator from Montana have 3 minutes and I have 3 minutes and we then move to a vote.

The PRESIDING OFFICER. Is there objection?

Mr. LOTT. Mr. President, reserving the right to object, I will use a brief part of my leader time to outline the schedule of how we will proceed tonight after the other two speakers have spoken. I withdraw my reservation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. The pending amendment is the amendment offered by Senator GREGG, No. 656. At the appropriate time, I am going to make a point of order against the amendment. On the substance, I might add, however, that there are no capital gains provisions in the President's proposed tax cut bill. This would be adding a whole new subject, which, frankly, is difficult for us in the committee to incorporate along with the other provisions we have in the bill.

Second, I might add that the provision offered by the Senator provides for a lower capital gains rate, which is temporary—only a couple, 3 years.

In effect, we have heard a lot of criticisms of the bill because of phase-ins and phaseouts, now-you-get-it, now-you-don't, which in the main are legitimate criticisms. But they are there because Senators want other provisions; namely, marriage penalty relief and the child tax credit increased $1.000 over $500. They would like to have rates reduced, estate tax provisions, and they would like to have this new 10 years.

Altogether, it is hard to fit everything within $1.35 trillion, to make it fit, because Senators so strenuously argue for other provisions. We have had these phase-ins and we hope at a subsequent date we can reduce them.

I might add that we have begun to phase out the Pease amendment, and we phased out the personal exemption.

I might add that this amendment adds another complexity. I don't think we want to do that. There are a lot of ways to address capital gains. One is offered by the Senator from New Hampshire. Another is to provide for exclusions up to a certain level, a 50-percent exclusion. Another way is, frankly, just to change the rates in other ways. I might say, because of the various different ideas of how to deal with capital gains, that should be dealt with on a more comprehensive basis, not as an amendment here, which has complexity and does not really help the taxpayers as much as other proposed capital gains amendments would.

For those reasons, on the substance, I think this is not the right time. I also, at the appropriate time, will make a point of order against this amendment.

Mr. GREGG. Mr. President, this amendment would cut the capital gains rate from 20 percent to 15 percent. It is sort of trifecta tax law. We just saw the Preakness run here a couple days ago. If you want a triple winner, this is it.

First off, the American taxpayer wins because the majority of American taxpayers presently own stock. A lot of that stock is locked up. They are not able to convert it to cash and reinvest because they have capital gains and they want to pay that tax. This frees up those locked up assets and middle America wins.

Secondly, the Federal Government wins. Historically, and on the basis of the projections from the Joint Tax, this will be a revenue winner for the next 3 years and, historically, for the next 10 years. We actually generate more revenue. Why? Because of the fact that economic activity is increased and that economic activity is a taxable event.

Today it is not taxable because everybody is sitting on those capital gains. So we are not creating activity, and we are not creating a taxable event.

This amendment creates revenue to the Federal Treasury and scores positively for the next 3 years. In my opinion, it scores positively for the next 10 years. The Joint Tax Committee found it to lose $10 billion on a $1.3 trillion bill, obviously a big number but a minor amount in the context of the whole bill.

The third winning item of this is that it creates prosperity. When you free up capital, people can take that capital and reinvest it in productive activity, either in small business activity or in the stock market to create capital for people who are entrepreneurs, and entrepreneurs create jobs; they create prosperity.

This is a triple winner. It is a benefit to the American taxpayers, especially middle-income taxpayers. It is a benefit to the Federal Government because it generates positive revenue and is a benefit to the economy because it is an engine for prosperity.

A motion will be made that it is not germane. I argue it is germane. There are two areas of capital gains in this bill, No. 1, dealing with AMT and, No. 2, dealing with the estate tax.

More importantly than that, if my colleagues want to vote on something that is a win-win-win, a trifecta for our Government, our country, and our people, this is it: a capital gains cut from 20 to 15 percent. I hope my colleagues will join me in this vote. I yield back whatever time I have remaining.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, the pending amendment is not germane. Therefore, I raise a point of order that the amendment violates section 305(b)(2) of the Congressional Budget Act of 1974.

Mr. GREGG. Mr. President, I move to waive the point of order and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I yield myself such time as I may consume under the leader's time, but it will only be 2 or 3 minutes. First, parliamentary inquiry: We are now ready to proceed with a vote on the first amendment in sequence that could very well go on for quite some time; is that correct?

The PRESIDING OFFICER. The leader is correct.

Mr. LOTT. Before we do that, I want to make two or three points.

First, we have reached a historic point. Tonight we are going to pass this very important, significant tax relief package for working Americans. When one looks at all that is in this bill, it is very impressive, not just the amounts, but also what it does in reducing individual income tax rates, dealing with the death tax, doubling the child tax credit, and reducing the marriage penalty. It provides relief on the alternative minimum tax, encourages savings for education, and it also encourages retirement security.

This is a very large package already in the number of provisions that are in it. In fact, one of the greatest dangers we face right now is loving it to death or loading it down because we still have a number of amendments we may be voting on tonight that could begin to drive up the overall cost of the bill, but also every time colleagues add something, unless they can get over 60 votes, they are taking something away. So I hope we will stick with the package we have before us. It is a good package. It will benefit the economy in America. It will help working American families.

Once again, I have to give a lot of credit to the chairman of the Finance Committee, CHUCK GRASSLEY, for working very hard and reaching out to everybody on both sides of the aisle. He is the new chairman of the committee but has worked it as the old pro he really is.

He also was determined from the beginning that this was going to be bipartisan. He and the Senator from Montana got together and talked. They came to some agreements that maybe the leaders on both sides of the aisle would not have necessarily preferred, but that is the way the Finance Committee has worked in all the years I have watched it up close and now as a member. It has come out not always on a partisan vote but a bipartisan vote as we have tried to get the job done.

I commend the chairman and the ranking Democrat. Despite the fact Senator BAUCUS, the ranking member, will be criticized on his side of the aisle for crossing the aisle a little ways along the way, he did the job and he deserves credit.

With regard to the schedule, we have a lot of work to do this week. This could be a breakthrough week in which we provide tax relief for Americans and pass the most fundamental education reform in years, again, in a bipartisan way, and that would be a tremendous boost to the American people if they see us doing both of those things this week.

We will begin voting now in sequence. We will limit the votes to 10 minutes plus not more than 5 minutes overtime. After the first vote, we will cut the votes off. If we can get all the Senators to stay in the Chamber, we can actually get votes done in 12 minutes and then, of course, have 2 minutes equally divided to explain the next amendment.

We are going to stick to our guns tonight. Senator BYRD has been calling for that. He is right. If ever there was a time we needed to do it, it is tonight. If we do not do that, we will be here voting at 10 o'clock, 11 o'clock, 12 o'clock, however long it takes.

I emphasize this point. We are going to vote on the amendments on which we need to vote. I encourage Senators not to insist on a vote unless they absolutely have to. We are going to keep voting until we complete our work and get to final passage tonight because we must go back to the education bill in the morning, and we must begin to have a conference meeting across the aisle and across the Capitol tomorrow on how we are going to proceed on tax relief.

We are going to limit the time on these votes. We are going to vote on the amendments, and we are going to vote on final passage tonight. I hope Senators prepared for that and will not be leaving the Capitol. Senators will have a few minutes between votes to run and get a sandwich. Maybe we can get pizzas brought up. We will be glad to invite Senators to come into our Cloakrooms and have pizzas. We need to get this bill finished, and we are going to do it tonight.

Mr. REID. Will the leader yield?

Mr. LOTT. I yield to the distinguished Senator from Nevada who has been in the Chamber again doing yeoman work. I appreciate it.

Mr. REID. I say to the leader, we have approximately 40 amendments that already have votes ordered on them. It does not take much math to figure out, if we are lucky, we can figure that is about 10 hours.

I hope people will understand the difficulty the clerks have hearing people respond to the votes. People in the Chamber should remain as quiet as possible, but also I hope the leader will end some of these votes when it is required. It may mean some people will be upset at the leader for not waiting for them until they finish their dinner or finish a speech, whatever it might be. But I say to my friend, if he relents on one vote, it means it is going to happen the whole night.

Mr. LOTT. If I can say to the Senator, he is right, and the only way we are going to complete our work is stay in the Chamber and cut them off in the regular time. I will do that. I ask for the Senator's support in that effort and the managers. That is the only way we are going to complete this at a reasonable hour.

Mr. BAUCUS. Will the leader yield?

Mr. LOTT. I will be glad to yield.

Mr. BAUCUS. That means the first vote will take how many minutes?

Mr. LOTT. Not more than 20 minutes; 15 minutes, and I believe tradition allows for 5 minutes overtime—not more than 20 minutes.

Mr. BAUCUS. And subsequent amendments?

Mr. LOTT. Subsequent amendments will be 10 minutes or could go as much as 5 minutes overtime. When every Senator is in, it could be as little as 12 minutes, but not more than 15 minutes.

Mr. BAUCUS. I appreciate that. I encourage the leader to stick with 10 minutes.

Mr. LOTT. I did that one time, and I found out it is actually 10 minutes plus 5 minutes that is allowed under the rule. Once every Senator is recorded, if it is 10 minutes, 11 minutes, we will cut it off right then. I am going to stay here and watch every vote.

Mr. BAUCUS. And that includes 2 minutes to explain votes.

Mr. LOTT. That is correct.

Mr. REID. Will the Senator yield for a unanimous consent request?

Mr. LOTT. I will be glad to.

Mr. REID. Mr. President, I was supposed to call up an amendment, and I did not. I ask unanimous consent that amendment No. 747 of the Senator from Delaware, Mr. CARPER, be allowed in order. It is way down at the bottom, but it is here.

Mr. LOTT. Mr. President, I do not believe there is an objection to that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 747

(Purpose: To provide responsible tax relief for all income taxpayers, by way of a $1,200,000,000,000 tax cut, and to make available an additional $150,000,000,000 for critical investments in education, particularly for meeting the Federal Government's commitments under IDEA, Head Start, and the bipartisan education reform and ESEA reauthorization bill)

Mr. REID. Can the clerk report amendment No. 747?

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Delaware [Mr. CARPER] proposes an amendment numbered 747.

Mr. REID. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is located in today's Record under "Amendments Submitted and Proposed.")

Mr. LOTT. Mr. President, I yield the floor.

Mr. REID. Mr. President, I ask for the yeas and nays on the amendment No. 747.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO WAIVE

The PRESIDING OFFICER. The question is on agreeing to the motion. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Alabama (Mr. SESSIONS) and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 47, nays 51, as follows:

[Rollcall Vote No. 115 Leg.]

YEAS—47

Allard
Allen
Bayh
Bennett
Bond
Brownback
Bunning
Burns
Campbell
Cleland
Cochran
Collins
Craig
Crapo
Ensign
Enzi
Fitzgerald
Frist
Gramm
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Kyl
Lieberman
Lott
Lugar
McConnell
Miller
Murkowski
Nickles
Roberts
Santorum
Schumer
Shelby
Smith (NH)
Smith (OR)
Specter
Thomas
Thompson
Thurmond
Torricelli
Warner
Wyden

NAYS—51

Akaka
Baucus
Biden
Bingaman
Boxer
Breaux
Byrd
Cantwell
Carnahan
Carper
Chafee
Clinton
Conrad
Corzine
Daschle
Dayton
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Grassley
Harkin
Hollings
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lincoln
McCain
Mikulski
Murray
Nelson (FL)
Nelson (NE)
Reed
Reid
Rockefeller
Sarbanes
Snowe
Stabenow
Voinovich
Wellstone

NOT VOTING—2

Sessions
Stevens

The PRESIDING OFFICER. On this vote, the yeas are 47, the nays are 51. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained, and the amendment falls.

Mr. LOTT. Mr. President, I move to reconsider the vote.

Mr. GRASSLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LOTT. Mr. President, I ask unanimous consent that the next votes in the series be limited to 10 minutes each, with 2 minutes before each vote for an explanation.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 674

The PRESIDING OFFICER. Who yields time on the Carnahan amendment?

The Senator from Missouri.

Mrs. CARNAHAN. Mr. President, this tax bill has a glaring omission. I call upon my colleagues to correct it. One group, those in the 15-percent marginal tax bracket, have been overlooked. There is no rate cut for them.

Who are these people? They are the forgotten middle-income, working families, those who have a gross family income of $30,000 to $65,000, 72 million Americans—1.7 million of them in Missouri; 44 percent of all Missouri taxpayers. They do not walk these halls. They work every day. They pick up their children at daycare. They pay their bills. They help their children with their homework. They take care of their elderly parents. They trust us to do what is fair. We can do so by reducing this tax rate by 1 point, to 14 percent.

To overlook 17 million Americans is a sin of omission we must not commit. I encourage my Democratic and Republican colleagues to correct this wrong.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, this amendment guts our tax relief bill by $87 billion. It increases taxes, then, on families and working people by $87 billion by denying the tax cuts in the bipartisan bill.

This amendment not only delays the reduction in marginal rates; it provides only a 1-point reduction in marginal rates. This 1-point reduction equals the tax relief that our bipartisan tax plan provides in the first year alone. Our plan's additional tax cuts would be eliminated entirely by this amendment.

The proposal of Senators DASCHLE and CARNAHAN would actually make our tax system less progressive by giving greater savings to upper income taxpayers as they pass through the 14-percent bracket.

When you are really serious about reducing the tax burden for people in the 15-percent income bracket, you target your available resources to people at that income level. That is exactly what we have done. For those earning between $12,000 and $45,000, we have provided tax relief ranging from 9 percent on one end to 33 percent on the other. This is a conclusion made by the nonpartisan Joint Committee on Taxation.

To all of my colleagues on both sides of the aisle who supported the budget resolution, a vote for this amendment destroys our efforts to provide a $1.35 trillion tax cut.

I urge you to vote against the amendment.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 674. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. INOUYE. Mr. President, on this vote, I have a pair with the Senator from Alaska, Mr. STEVENS. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

The PRESIDING OFFICER (Mr. ENSIGN). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 48, nays 50, as follows:

[Rollcall Vote No. 116 Leg.]

YEAS—48

Akaka
Bayh
Biden
Bingaman
Boxer
Breaux
Byrd
Cantwell
Carnahan
Carper
Cleland
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Harkin
Hollings
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
McCain
Mikulski
Murray
Nelson (FL)
Nelson (NE)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Stabenow
Torricelli
Wellstone
Wyden

NAYS—50

Allard
Allen
Baucus
Bennett
Bond
Brownback
Bunning
Burns
Campbell
Chafee
Cochran
Collins
Craig
Crapo
DeWine
Domenici
Ensign
Enzi
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kyl
Lott
Lugar
McConnell
Miller
Murkowski
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Thomas
Thompson
Thurmond
Voinovich
Warner

NOT VOTING—1

Stevens

PRESENT AND GIVING A LIVE PAIR—1

Inouye

The amendment (No. 674) was rejected.

Mr. LOTT. Mr. President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 670

The PRESIDING OFFICER. There are 2 minutes evenly divided on the Fitzgerald amendment No. 670.

Who yields time?

Mr. GRASSLEY. Mr. President, we are going to yield back all time on this amendment and accept the amendment.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment of the Senator from Illinois.

The amendment (No. 670) was agreed to.

AMENDMENT NO. 675

The PRESIDING OFFICER. The question is on agreeing to the Collins amendment No. 675. Who yields time?

Mr. GRASSLEY. Mr. President, may we have order, please.

The PRESIDING OFFICER. The Senate will come to order.

Mr. GRASSLEY. Mr. President, I ask that we pass over the Collins amendment and not vote on it now and go on to the next amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 679

The PRESIDING OFFICER. The next amendment is Rockefeller amendment 679.

Who yields time?

Mr. BAUCUS. Mr. President, the Senate is not in order. The Senator from West Virginia has an amendment, and I think we all should give him our attention.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROCKEFELLER. Mr. President, my amendment is a very simple one. It asks Senators to choose between whether or not they would rather first implement a prescription drug provision for all Americans, a universal prescription drug provision for all Americans, before the top income tax bracket reduction would become available. It does not eliminate the income tax reduction. It only says we have to do the prescription drug provision first. We have a year and a half to do it. That is plenty of time.

The objection raised on the floor was that it was not constitutional. We consulted extensively over the weekend and OMB found it to be constitutional and that, in fact, it could be and would be constitutional. There was not a problem.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ROCKEFELLER. I ask unanimous consent for 10 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROCKEFELLER. Mr. President, the modification that I would ask is that OMB be allowed to certify the amendment as being in proper order.

The PRESIDING OFFICER. Without objection——

Mr. GRASSLEY. I object.

The PRESIDING OFFICER. Is the Senator seeking to modify his amendment?

Mr. ROCKEFELLER. Yes, I seek to modify the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. ROCKEFELLER. Mr. President, I believe the Senator has a right to modify his amendment.

Mr. GRASSLEY. I object.

The PRESIDING OFFICER. It takes unanimous consent at this time to modify an amendment. Is there objection?

Mr. GRASSLEY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. GRASSLEY. Mr. President, 2 weeks ago, we passed the budget resolution. It seems as if we are involved in redebating the enacted budget resolution. The budget resolution provides record levels of funding for prescription drug coverage. The budget resolution also says we have more than enough tax surplus to enact the tax cut before us. We handle one issue at a time in the Senate.

The Finance Committee will address the prescription drug issue at a later time. I have said that I hope to do that in committee the last 2 weeks of July. The Senate does make one piece of legislation contingent upon another.

The pending amendment is not germane to the provisions of the reconciliation measure. I therefore raise a point of order against the amendment under section 305(b)(2) of the Budget Act.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I heard the Senator from Iowa, and I move to waive the Budget Act and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arkansas (Mr. STEVENS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 48, nays 51, as follows:

[Rollcall Vote No. 117 Leg.]

YEAS—48

Akaka
Bayh
Biden
Bingaman
Boxer
Byrd
Cantwell
Carnahan
Carper
Cleland
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Harkin
Hollings
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
McCain
Mikulski
Murray
Nelson (FL)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Specter
Stabenow
Wellstone
Wyden

NAYS—51

Allard
Allen
Baucus
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Chafee
Cochran
Collins
Craig
Crapo
DeWine
Domenici
Ensign
Enzi
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Kyl
Lott
Lugar
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner

NOT VOTING—1

Stevens

The PRESIDING OFFICER. On this vote the yeas are 48, the nays are 51. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained, and the amendment falls.

AMENDMENT NO. 685, AS MODIFIED

The PRESIDING OFFICER. The question is on amendment No. 685 offered by the Senator from Indiana, Mr. BAYH.

Mr. BAYH. Mr. President, I thank my colleague from Montana for his graciousness.

The decisions we are soon to make will affect the welfare of our Nation for many years to come. The estimates and assumptions that underlie these decisions are uncertain and unstable, at best. The last time we were called upon as a body to make decisions of this magnitude, we did not make them as well as we might have, for the assumptions and estimates were inaccurate, leading to the largest budget deficits, the largest increase in the national debt in our Nation's history and six separate tax increases to right the fiscal ship of state.

We must do better than that. We owe it to those who have sent us to the Senate to do more than hope for the best. We owe it to them to do more than to hope things work out better than they did the last time.

This amendment will ensure that we take the fiscally responsible course to preserve Social Security and Medicare, to balance the budget, and to pay down the debt. I urge adoption.

Mr. NELSON of Florida. Mr. President, I rise in support as a cosponsor of the amendment offered by Senator BAYH and other colleagues to create a "Trust Fund Protection Trigger." this amendment is simple. This amendment would keep us honest. It would prevent us from raiding Social Security and Medicare Trust funds. As long as specified debt reduction targets are met, the phase in of tax cuts continue as scheduled.

This amendment to the tax cut reconciliation bill would create a safety mechanism to address the danger of fiscally irresponsible tax cuts or federal spending leading our nation back to a period of budget deficits. We must make sure we continue paying down our national debt and protecting Social Security and Medicare.

Mrs. FEINSTEIN. Mr. President, I rise in support of the amendment offered by my colleagues Senators BAYH and SNOWE to create a "trigger mechanism" to make sure that the tax cuts we are considering here today will not endanger the projected surpluses or undo the hard work and hard choices of the past decade which have allowed us to eliminate deficits and pay down the debt.

The Congressional Budget Office has projected a unified budget surplus over the next 10 years of some $5.6 trillion, with a $3.1 trillion on-budget surplus. These projected surpluses provide the basis for the consideration of the tax bill before us today.

Indeed, the unprecedented economic expansion of the past decade and our current and projected budget surpluses have provided an unparalleled opportunity for the Congress and the administration to take action to provide all working Americans with a reduction in their taxes, pay down the debt, and meet urgent domestic priorities such as health care, education, and the environment, and to do so in a fiscally responsible way.

And although there are many elements of the reconciliation bill as reported out of committee which I support—marriage penalty relief, for example—one of my concerns with this tax bill is that there is little margin for error if the surpluses not materialize.

In January 2000 the CBO baseline surplus estimate was $3.2 trillion. In January 2001 the estimate was $5.6 trillion, a $2.4 trillion change. There is no guarantee that these projections will not swing back in the other direction and, in fact, there is $4 trillion difference in surplus projections between the CBO baseline and the CBO "pessimistic" scenario.

Now, I am not saying that the pessimistic scenario is likely. But I do believe that we have to be cautious.

When I first came to the Senate in 1993 we were facing mounting deficits and an ocean of red ink. It took a lot of hard work and a lot of tough decisions to get spending under control. I am proud of what we accomplished, and don't want to go back to a situation where instead of paying down the Federal debt as we are now we are once again incurring more and more debt.

That is why I support this amendment, which creates a trigger mechanism that would make the implementation of the tax cuts—or any new large spending increases—dependent on the surplus projections actually materializing and continued success in meeting debt reduction targets.

The amendment creates a review mechanism for Congress to make sure that as we proceed with implementing the elements of the tax cuts in this legislation that the surpluses have actually materialized and that phasing-in new elements of the tax package would not set us back down the road to deficits and growing debt. Should the surplus drop, and we do not meet debt reduction targets, the tax cuts scheduled to phase-in the following year would be delayed by one year.

The advantage of this approach is that it makes tax cuts dependent on fiscal discipline and provides a brake against runaway spending. It is a safety valve against a return to deficits. In fact, Federal Reserve Chairman Greenspan endorsed this approach in testimony before the Senate earlier this year.

We have a great opportunity to provide tax cuts to the American people. We need to take advantage of this opportunity, but we must do so in a way that is fiscally responsible. I urge my colleagues to support this bipartisan trigger amendment.

Mr. BAUCUS. Mr. President, these remarks are meant as a substitution for remarks regarding the trigger amendment to H.R. 1836 when debated May 17, 2001. I speak in opposition to the pending amendment as it is based upon uncertainty, the uncertainty layered on top of the uncertainty is whether the trigger will be pulled.

We cannot legislate certainty. We can only exercise good judgment. We, as a Congress, in these next years, have to decide what to do according to the circumstances at the time and exercise good judgment as to what we should do.

Unfortunately, we have not been able to explore the full policy ramifications of this amendment. We have not been able to adequately debate the substance of this amendment. It is because we are in this time constraint where everything is rushed, and nobody has been able to look at the substance. There have been no hearings on this.

First, you cannot and should not limit public debt management. The Treasury Secretary has to have discretion in debt management. Right off the top, we are tying the hands of the Treasury Secretary, for whatever reason he or she may want to borrow more, sell more securities, sell more bonds for domestic reasons or for international reasons.

Secretary Rubin has said consistently that we should not tie debt management to fiscal policy. You should not do it. It is wrong.

I understand why the Senator from Indiana is offering this amendment, and I understand why the Senator from Maine is offering the amendment.

Let me talk about the uncertainties in this amendment. This amendment essentially provides, I will summarize it, scheduled debt reduction targets, in even numbered years, and the Treasury Secretary will certify whether these targets are being met.

If they are not being met, then what happens? What is triggered is that reductions in taxes are automatically stopped, the growth rates for discretionary spending are automatically held at the rate of inflation, and entitlement spending increases are automatically stopped.

What about a Medicare drug benefit? I heard that entitlement increases will be stopped. No, I will stand corrected because I see the Senator from Indiana shaking his head. But the way it is drafted, new entitlement spending, as I understand it, is included in the trigger. But I stand to be corrected if that is not the case, but that is how I read this amendment now.

What happens in odd-numbered years? Things are not automatic. But any Member can stand up in this Chamber and say the targets have not been met and set a trigger process in motion. That is too much uncertainty.

Do we really want to tie our hands like that? Do we want to limit our discretion in future years as to what is best by putting this automatic provision in the law? Do we want to tie the hands of our Treasury Secretary in debt management? Do we really want to do that?

Talk about the steepness of the yield curve. Why is the yield curve steep? It is steep because the bond market today believes in the outyears that interest rates are going to rise. Why? Because the Federal Reserve has just lowered interest rates by 50 basis points. And because this tax cut is going to pass. The market thinks there is going to be growth because of the stimulus of this tax cut and because of the lowering of short-term interest rates. As a result, the market believes there will be inflation in the outyears; therefore, long-term interest rates are going to be higher.

I believe the policy consequences of this amendment have not been fully explored and that it is based on too much uncertainty. We should not adopt it.

Mr. GRASSLEY. I raise two points about this amendment before I raise a point of order. A trigger would substantially reduce the economic benefits of tax cuts, making it more likely that the debt reduction target would not be met.

Second, there is no reason that we need a trigger to raise taxes. The reality is, Congress is not shy about raising taxes. We have actually reduced taxes in 1981, and we raised taxes in 1982, 1984, 1987, 1989, 1990, and 1993 before we reduced taxes once again in 1997.

What is rare is for Congress, then, to actually give tax relief such as we are now.

The Senator from Virginia, Mr. ALLEN, has an amendment to the amendment, and I defer to him at this time.

The PRESIDING OFFICER. The Senator from Virginia.

AMENDMENT NO. 751 TO AMENDMENT NO. 685

Mr. ALLEN. Mr. President, I have a second-degree amendment that I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. ALLEN] proposes an amendment numbered 751 to amendment No. 685.

Mr. ALLEN. I ask unanimous consent the reading of the amendment be dispensed.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide for a tax cut accelerator)

At the end of the amendment, add the following:

TITLE —TAX CUT ACCELERATOR

SEC. . TAX CUT ACCELERATOR.

(a) REPORTING ADDITIONAL SURPLUSES.—If any report provided pursuant to section 202(e)(1) of the Congressional Budget Act of 1974, estimates an on-budget surplus, excluding social security and medicare surplus accounts, that exceeds such an on-budget surplus set forth in such a report for the preceding year, the chairman of the Committee on the Budget of the Senate shall make adjustments in the resolution for the next fiscal year as provided in subsection (b).

(b) ADJUSTMENTS.—The chairman of the Committee on the Budget of the Senate shall make the following adjustments in an amount not to exceed the difference between the on-budget surpluses in the reports referred to in subsection (a):

(1) Reduce the on-budget revenue aggregate by that amount for the fiscal years included in such reports.

(2) Adjust the instruction to the Committee on Finance to increase the reduction in revenues by the sum of the amounts for the period of such fiscal years in such manner as to not produce an on-budget deficit in the next fiscal year, over the next 5 fiscal years, or over the next 10 fiscal years and to require a report of reconciliation legislation by the Committee on Finance not later than March 15.

(3) Adjust such other levels in such resolution, as appropriate, and the Senate pay-as-you-go scorecard.

Mr. BAYH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Virginia has the floor.

Mr. ALLEN. There is a great deal of discussion about slowdowns or breaking on tax cuts. In my view, there ought to be an accelerator if more revenues come in than anticipated. Too often the Federal Government reminds me of the Jerry Reed tune: The Federal Government gets the gold mine but the taxpayers get the shaft.

In my view, if more gold is coming in for surplus, the taxpayers ought to get a few of those nuggets and they ought to get the first claim on surplus revenues coming in at a greater rate than anticipated.

This amendment makes sure if there are breaks, there also is an accelerator for the taxpayers. I hope it would be the pleasure of the Senate to adopt my amendment in the event that the amendment of the Senator from Indiana is adopted.

The PRESIDING OFFICER. Who yields time? There is 1 minute in opposition.

The Senator from Michigan.

Ms. STABENOW. I ask my colleagues for the opportunity for an up-or-down vote on this very important trigger. I ask we vote no on the Allen amendment and instead support this bipartisan amendment.

We thank Senator SNOWE for working with us on an amendment that simply says we will not use Medicare and Social Security trust funds for either tax cuts or increased spending. The tax cuts go into place under our amendment, as does the spending, through the normal budget process, but the point at which the revenues are not available, both the next phase of the tax cut and any increased spending above inflation, would be suspended until we had the opportunity to reassess the situation.

This is a recommendation given by Chairman Greenspan before our Budget Committee that puts before us the very important value of paying down our national debt first, protecting Social Security and Medicare first.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I raise a point of order on germaneness; that the underlying amendment is not germane to the provisions of the reconciliation measure. The point of order is against the amendment under section 305(b)(2) of the Budget Act.

Mr. BAYH. I move to waive the Budget Act, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Alaska (Mr. STEVENS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 49, nays 50, as follows:

[Rollcall Vote No. 118 Leg.]

YEAS—49

Akaka
Bayh
Biden
Bingaman
Boxer
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Collins
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feinstein
Graham
Harkin
Hollings
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Nelson (NE)
Reed
Reid
Sarbanes
Schumer
Snowe
Specter
Stabenow
Torricelli
Wellstone
Wyden

NAYS—50

Allard
Allen
Baucus
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Byrd
Campbell
Cochran
Craig
Crapo
DeWine
Domenici
Ensign
Enzi
Feingold
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Kyl
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nickles
Roberts
Rockefeller
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Thomas
Thompson
Thurmond
Voinovich
Warner

NOT VOTING—1

Stevens

The PRESIDING OFFICER. On this vote the yeas are 49, the nays are 50. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

The Senator from Montana.

AMENDMENT NO. 686, WITHDRAWN

Mr. BAUCUS. Mr. President, on behalf of Senator LANDRIEU, I ask her amendment be withdrawn. We are working on it. I think we will find a way.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 687

The PRESIDING OFFICER. The question is on agreeing to amendment 687 offered by Senator GRAHAM of Florida.

Mr. GRAHAM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, this amendment has two principal provisions. First, it stands for the principle that we should have a series of tax bills before the Congress where we can consider one at a time, rather than a single gargantuan bill as is before us tonight. Second, we believe the purpose of the first tax bill should be to deal with the first economic challenge of America, which is a slowing economy.

I would like to call on my colleague, Senator CORZINE, for discussion.

Mr. CORZINE. Mr. President, let me say it is clear we have a need to take out an economic insurance policy on an economy for which the Federal Reserve judged it needed to reduce interest rates five times—2½ percent—in less than 4 months. I think there is clear need to address rising unemployment, making sure that consumer confidence stays secure. If we want to have those economic assumptions strong, we should pass this bill.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, this is a key amendment that would destroy the bipartisan tax bill that we have before us. He proposes to stimulate the economy by expanding the range of the income eligible for the new 10-percent rate. But Senator GRAHAM has not emphasized the tremendous price that would be paid, and that would be eliminating the rest of the tax bill. The only thing that would survive is the 10-percent rate. Worst of all, the Senator's proposal would actually increase taxes on middle-income Americans because a family of four with $60,000 in taxable income would pay $100 more in taxes under the Graham amendment than they would pay under our bipartisan tax bill when fully phased in.

If this amendment is successful, Senator GRAHAM then would, of course, destroy our bipartisan effort to provide $1.3 trillion tax relief.

The PRESIDING OFFICER. The time of the Senator has expired.

The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

Mr. NICKLES. I announce that the Senator from Alaska (Mr. STEVENS), is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 35, nays 64, as follows:

[Rollcall Vote No. 119 Leg.]

YEAS—35

Akaka
Biden
Bingaman
Boxer
Byrd
Cantwell
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Feingold
Graham
Hollings
Inouye
Johnson
Kennedy
Kerry
Leahy
Levin
Lieberman
Mikulski
Murray
Nelson (FL)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Stabenow
Torricelli
Wellstone
Wyden

NAYS—64

Allard
Allen
Baucus
Bayh
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Carnahan
Carper
Chafee
Cleland
Cochran
Collins
Craig
Crapo
DeWine
Domenici
Durbin
Edwards
Ensign
Enzi
Feinstein
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Harkin
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kohl
Kyl
Landrieu
Lincoln
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Thomas
Thompson
Thurmond
Voinovich
Warner

NOT VOTING—1

Stevens

The amendment (No. 687) was rejected.

AMENDMENT NO. 688

The PRESIDING OFFICER. There will now be 2 minutes evenly divided on the Graham amendment No. 688.

The PRESIDING OFFICER. Who yields time?

Mr. GRAHAM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. GRAHAM. Mr. President, when President Bush sent us his proposal for the repeal of the estate tax, he suggested that both the State and the Federal components of that estate tax be treated equitably. Twenty percent of the estate tax collected by the Federal Government is remitted to our 50 States in the form of a State credit. The other 80 percent stays in the Federal Treasury.

Under the bill that is before us, half of the State's share will go out of effect as of January 1, 2002, and the other half will go out of effect as of January 1, 2005, and the Federal share does not go out of effect until January 1, 2011.

So what we are essentially saying is, we are rejecting the recommendation of the President. We are saying that we are going to get ours first, and let the States have to eat a substantial amount of this reduction beginning January 1 of next year.

My State, as probably most of yours, has already passed its budget for the next fiscal year. Gov. Jeb Bush told me today it is going to cost him approximately $200 million in this year's already-passed budget.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GRAHAM. I recommend that my colleagues look at the letter from the NGA as to what this will do to your

State. Call your Governor and support this amendment.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time in opposition?

The Senator from Iowa.

Mr. GRASSLEY. This amendment was offered at 11 p.m., Thursday, so you have not had a chance to take into consideration what he proposes to provide for the State treasuries at the expense of the Federal Treasury.

What Senator GRAHAM has not shared is that his zeal to protect the State treasuries is at the expense of the American taxpayer and, most importantly, the estate tax reform provisions in this bill.

If you would read from his amendment: Beginning on page 64 strike through page 66. What that really says is: Strike all estate tax reductions. Strike all State death tax changes and slash the unified credit.

We may have heard from Governors, obviously, on this. Do we believe that the Governors really believe our bipartisan death tax reform package should be slashed for the mere convenience of State treasuries?

Do we really believe that the American taxpayer with estates between $2 million and $4 million should accept the burden of funding the States' coffers merely because the States have already drafted a budget and they do not want to get around to drafting another budget for a couple years?

I ask that you kill this amendment.

The PRESIDING OFFICER. The question is on agreeing to Graham amendment No. 688. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Alaska (Mr. STEVENS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 39, nays 60, as follows:

[Rollcall Vote No. 120 Leg.]

YEAS—39

Akaka
Biden
Bingaman
Boxer
Byrd
Cantwell
Carper
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Feinstein
Graham
Harkin
Hollings
Inouye
Johnson
Kennedy
Kerry
Kohl
Leahy
Levin
Lieberman
Mikulski
Murray
Nelson (FL)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Stabenow
Thomas
Torricelli
Wellstone

NAYS—60

Allard
Allen
Baucus
Bayh
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Carnahan
Chafee
Cleland
Cochran
Collins
Craig
Crapo
DeWine
Domenici
Edwards
Ensign
Enzi
Feingold
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kyl
Landrieu
Lincoln
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Thompson
Thurmond
Voinovich
Warner
Wyden

NOT VOTING—1

Stevens

The amendment (No. 688) was rejected.

Mr. LOTT. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MOTION TO COMMIT

The PRESIDING OFFICER. There are 2 minutes equally divided on the Wellstone motion to commit. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. WELLSTONE. Mr. President, this motion will provide $120 billion over the next 10 years for children and education. We do this by cutting the tax cuts for the top .7 percent, although a couple will still be able to have tax cuts up to $8,400 a year. This is just half of the Harkin amendment. Fifty-two Senators voted to take money out of the tax cuts and put it into children and education. We need 60 votes on this amendment. In other words, even after this amendment passes, you have $10 for tax cuts and you will have $1 for children and education. That seems to be balance to me. I hope there will be a strong vote for this amendment.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I appreciate the Senator from Minnesota always speaking strongly for the need to do more for education, but this is not the place for this particular issue. In addition, this motion, if it went into effect, would delay the over $30 billion of tax incentives for education that we already have in this bipartisan bill.

This amendment also is not germane. Consequently, I raise a point of order on the germaneness of this provision on a reconciliation measure and that the amendment will come under section 305(b)(2) of the Budget Act.

Mr. WELLSTONE. Mr. President, I move to waive the Budget Act, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Alaska (Mr. STEVENS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 41, nays 58, as follows:

[Rollcall Vote No. 121 Leg.]

YEAS—41

Akaka
Bayh
Biden
Bingaman
Boxer
Byrd
Cantwell
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Harkin
Hollings
Inouye
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
Mikulski
Murray
Nelson (FL)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Stabenow
Wellstone
Wyden

NAYS—58

Allard
Allen
Baucus
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Carnahan
Carper
Chafee
Cleland
Cochran
Collins
Craig
Crapo
DeWine
Domenici
Ensign
Enzi
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kyl
Lincoln
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner

NOT VOTING—1

Stevens

The PRESIDING OFFICER. On this vote the yeas are 41, the nays are 58. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the motion falls.

Mr. LOTT. I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Iowa.

AMENDMENT NOS. 697 AND 701, WITHDRAWN

Mr. GRASSLEY. Mr. President, I ask unanimous consent that Senator HATCH's amendment No. 697 and Senator KERRY's amendment No. 701 be withdrawn. We are working on those in other ways, so that Members understand.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendments are withdrawn.

AMENDMENT NO. 703

The PRESIDING OFFICER. The question is on agreeing to amendment No. 703, authored by the Senator from West Virginia, Mr. BYRD.

The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, Congress has the opportunity to ensure the long-term solvency of Social Security and Medicare. This tax cut, however, would squander that opportunity.

My amendment would reduce the size of the tax cut and place the savings into a reserve fund for Social Security reform, Medicare reform, and a prescription drug benefit. This amendment would retain those tax cuts included in the bill that would benefit lower and middle-income taxpayers, such as the creation of a 10-percent bracket, expansion of the child credit, marriage penalty relief, pension reform, education tax incentives, and alternative minimum tax relief.

This amendment would also retain the estate tax relief provided in the bill through an increased exemption credit. But the amendment would strike from the bill the marginal rate reductions and the estate and gift tax repeal, both of which would only benefit the wealthiest taxpayers in the Nation, so that those funds can be redirected into Social Security and Medicare reform.

Unlike the underlying bill, this amendment would help to ensure that Social Security and Medicare benefits are available for future retirees, while still providing a substantial tax cut that would be more evenly distributed amongst the American taxpayers.

I hope the Senators will vote to support the amendment.

Mr. GRASSLEY. Mr. President, the Senator from West Virginia has very well described what his amendment does, and that description in itself gives the reasons why we should be against it.

No. 1, it would deny the death tax relief this bill provides with a credit up to $4 million to help the estates from paying the estate tax.

This will also be a massive tax increase compared to the bill before us because it eliminates all relief in marginal rates except for the 10-percent rate. And also it would eliminate the entire estate tax amendments we have.

Also, I believe this amendment is not germane, and I raise the point of germaneness on a reconciliation measure because it does not comply with section 305(b)(2) of the Budget Act.

Mr. BYRD. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive the applicable sections of that act for the purposes of the pending amendment. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Alaska (Mr. STEVENS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 39, nays 60, as follows:

[Rollcall Vote No. 122 Leg.]

YEAS—39

Akaka
Biden
Bingaman
Boxer
Byrd
Cantwell
Carper
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Harkin
Hollings
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Leahy
Levin
Lieberman
Mikulski
Murray
Nelson (FL)
Reed
Reid
Rockefeller
Sarbanes
Stabenow
Wellstone

NAYS—60

Allard
Allen
Baucus
Bayh
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Carnahan
Chafee
Cleland
Cochran
Collins
Craig
Crapo
DeWine
Domenici
Ensign
Enzi
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Kyl
Landrieu
Lincoln
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner
Wyden

NOT VOTING—1

Stevens

The PRESIDING OFFICER. On this vote the yeas are 39 and the nays are 60. Three fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

AMENDMENT NO. 707, WITHDRAWN

Mr. GRASSLEY. Mr. President, for Mr. JEFFORDS, I ask unanimous consent that amendment No. 707 be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 707) was withdrawn.

AMENDMENT NO. 695

The PRESIDING OFFICER. The question is on agreeing to amendment No. 695 offered by Senator DODD of Connecticut.

Mr. DODD. Mr. President, very briefly, what this amendment does is to try to provide some resources for reducing the level of the national debt. We are spending $220 billion a year in interest payments on the debt, a number that is vastly in excess of what it ought to be.

We also believe, in addition to reducing the debt, in providing resources for nontransportation infrastructure needs—water, wastewater systems, sewage systems, schools. We are told that some $23 billion a year for the next 20 years every year will be needed just to repair water and wastewater treatment facilities in the United States.

My amendment takes the rate reductions for the top income earners from 39.6 to 38. And it also modifies the estate tax to accommodate reducing that national debt and providing resources for the infrastructure needs of this country.

You are never going to have economic growth if you continue to have debt amounting to the levels we do and if you don't invest in the basic infrastructure of this country. For those reasons, I urge adoption of the amendment.

Mr. GRASSLEY. Mr. President, I urge the defeat of this amendment. We have hundreds of thousands of American taxpayers who deserve immediate tax relief and they are being cast aside if this amendment is adopted.

For instance, the unified credit would only be $2 million in the year 2010, whereas our bipartisan RELIEF Act raises the unified credit to $4 million per person.

Remember, that is $8 million per family, no strings attached. You don't need to have a family farm or a family business. The RELIEF Act makes it simple. There is no long-term lien. It is simple. The death tax stays at 60 percent under this amendment. There is no repeal, no help at all. I urge the defeat of this amendment. Also, the marginal rate tax cuts are scaled back.

Finally, even though the Senator talks about infrastructure, this amendment spends not one penny on infrastructure.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Alaska (Mr. STEVENS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 39, nays 60, as follows:

[Rollcall Vote No. 123 Leg.]

YEAS—39

Akaka
Biden
Bingaman
Boxer
Byrd
Cantwell
Carper
Chafee
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Feingold
Feinstein
Graham
Harkin
Hollings
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Leahy
Levin
Lieberman
Mikulski
Murray
Reed
Reid
Rockefeller
Sarbanes
Schumer
Stabenow
Wellstone

NAYS—60

Allard
Allen
Baucus
Bayh
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Carnahan
Cleland
Cochran
Collins
Craig
Crapo
DeWine
Domenici
Edwards
Ensign
Enzi
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Kyl
Landrieu
Lincoln
Lott
Lugar
McCain
McConnell
Miller
Murkowski

Nelson (FL)
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner
Wyden

NOT VOTING—1

Stevens

The amendment (No. 695) was rejected.

AMENDMENT NO. 691

The PRESIDING OFFICER (Ms. SNOWE). The question is on agreeing to the Kyl amendment No. 691. The Senator from Arizona.

Mr. KYL. Madam President, this amendment would provide a $500 tax credit for contributions to scholarship funds which could then be given to parents and needy families to enroll their children in the school of their choice. It is an idea that is now being tried in several States, including my own State of Arizona. It is an idea whose time has come.

The Federal Government should provide a tax credit for this purpose, but I understand a point of order will be raised against the amendment. I ask the Senator from Montana, will there be a point of order raised against the amendment?

Mr. BAUCUS. Madam President, there will be a point of order raised.

Mr. KYL. Madam President, the point of order would be well taken, although the amendment is a darned good amendment, and I hope we will be able to vote on it again some other time. In the interests of time this evening, I will not move to challenge the point of order.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, I appreciate the generosity and cooperation of the Senator from Arizona.

The point of order is well taken. It is not good policy. I think we are making progress tonight. This is the first time we are going to move along here in a way that does not occupy a lot of time.

Madam President, the pending amendment is not germane. Therefore, I raise a point of order the pending amendment violates section 305(b)(2) of the Congressional Budget Act of 1974.

The PRESIDING OFFICER. The point of order is well taken. The amendment falls.

Who seeks recognition? The Senator from North Dakota.

AMENDMENT NO. 713

Mr. DORGAN. Madam President, if your priority is to help folks on the family farm or family business or their kids or grandkids, then support estate tax reform and my amendment. But if your priority is to make sure, as Leona Helmsley put it, "Only little people pay taxes," support the committee bill.

The committee bill also repeals the estate tax in its entirety for all estates in 2011, even the most wealthy estates. My amendment does not. It does abolish the estate tax for all family farms and all family businesses passed on to the qualified heirs who continue to operate them in 2003. It exempts from the estate tax all family businesses and family farms in that category 8 years earlier than the committee's does. My amendment also contains the $4 million unified credit, the 45-percent rate. The only difference is my legislation would continue to impose an estate tax on the estates of billionaires and those in the upper income areas. I think that is a reasonable thing to do. But I do, in this amendment, believe we ought to repeal the estate tax obligation on family businesses and family farms transferred to qualified heirs. This will do it in 2003. The committee bill will do it 8 years later.

Those who have talked about this issue as their priority certainly ought to support this amendment.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Madam President, an unlimited family business deduction sounds good, but what does it really mean? Really in the end, nothing. It totally guts the estate tax reform. It postpones rate decreases. It postpones meaningful unified credit increases until the year 2011. The RELIEF Act gives American taxpayers $3 million by the year 2006 and Senator DORGAN does not.

The RELIEF Act is simple. Under our bill, there are no requirements, no long-term obligations to the IRS. I ask you to give real relief now and do that by defeating this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered.

The clerk will call the roll.

Mr. NICKLES. I announce that the Senator from Alaska (Mr. STEVENS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was annqunced—yeas 43, nays 56, as follows:

[Rollcall Vote No. 124 Leg.]

YEAS—43

Akaka
Baucus
Bayh
Biden
Bingaman
Boxer
Byrd
Cantwell
Carnahan
Chafee
Cleland
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Graham
Harkin
Hollings
Inouye
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
McCain
Mikulski
Reed
Reid
Rockefeller
Sarbanes
Schumer
Stabenow
Torricelli
Wellstone

NAYS—56

Allard
Allen
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Carper
Cochran
Collins
Craig
Crapo
DeWine
Domenici
Ensign
Enzi
Feinstein
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kyl
Lincoln
Lott
Lugar
McConnell
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Thomas
Thompson
Thurmond
Voinovich
Warner
Wyden

NOT VOTING—1

Stevens

The amendment (No. 713) was rejected.

Mr. LOTT. I move to reconsider the vote.

Mr. BROWNBACK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 717

The PRESIDING OFFICER. The question is on agreeing to Bingaman amendment No. 717.

The Senator from New Mexico.

Mr. BINGAMAN. Madam President, have the yeas and nays been ordered on this amendment?

The PRESIDING OFFICER. Yes.

Mr. BINGAMAN. Madam President, I offer this amendment on behalf of myself and Senator REID of Nevada.

Last Thursday, President Bush made a series of recommendations to the Congress to adopt credits and deductions to encourage the country to do what is needed to deal with the energy crisis that he and many of us see.

Many of those same tax proposals are contained in a bill that Senator MURKOWSKI introduced earlier this year and are also contained in a bill I introduced with various Democratic colleagues earlier this year.

This is the time that we should step up to that challenge and pass those tax recommendations to deal with our energy situation. There are credits for energy-efficient appliances, energy-efficient commercial buildings, and energy-efficient residential construction. There are credits for hybrid vehicles.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BINGAMAN. I urge my colleagues to support this amendment.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Madam President, while I support many of the statements of my good friend, there are several fatal flaws in the amendment. There are 23 provisions in the 141-page amendment. I do not know the cost of all of these tax changes.

On the last page of this amendment, the Senator attempts to offset its cost by delegating to the Secretary of the Treasury the authority to adjust tax rates. This is an unprecedented delegation of authority. I believe it is unconstitutional.

Further, the amendment allows the unelected Secretary of the Treasury to raise the new 10-percent rate on low-income taxpayers to 12 percent or 15 percent or the Secretary could raise the 28-percent bracket on middle-income families to 29 percent or 30 percent. The Secretary of the Treasury has no constitutional authority to set tax rates. That is what we were elected to do.

I believe we should develop an energy policy in the Energy Committee and in the Finance Committee, not on the floor of the Senate. We have not had any hearings on the proposal. I look forward to working with Senator BINGAMAN in both committees to develop a rational energy policy.

Madam President, the pending amendment is not germane to the provisions of the reconciliation measure. I, therefore, raise a point of order against the amendment under section 305(b)(2) of the Budget Act.

Mr. BINGAMAN. Madam President, I move to waive the Budget Act and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Alaska (Mr. STEVENS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 43, nays 56, as follows:

[Rollcall Vote No. 125 Leg.]

YEAS—43

Akaka
Bayh
Biden
Bingaman
Boxer
Cantwell
Carnahan
Carper
Cleland
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Harkin
Hollings
Inouye
Johnson
Kennedy
Kerry
Kohl
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Reed
Reid
Sarbanes
Schumer
Stabenow
Torricelli
Wellstone
Wyden

NAYS—56

Allard
Allen
Baucus
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Byrd
Campbell
Chafee
Cochran
Collins
Craig
Crapo
DeWine
Domenici
Ensign
Enzi
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kyl
Landrieu
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Rockefeller
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Thomas
Thompson
Thurmond
Voinovich
Warner

NOT VOTING—1

Stevens

The PRESIDING OFFICER. On this vote the yeas are 43, the nays are 56. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

AMENDMENT NO. 660

The PRESIDING OFFICER. The question now occurs on the McCain amendment No. 660. The Senator from Arizona.

Mr. MCCAIN. Madam President, this amendment would cut the top tax rate for the wealthiest individuals from 39.6 percent to 38.6 percent and devote the resulting savings that would have gone to this group to lower and middle-income taxpayers by increasing the number of individuals who pay the 15-percent tax rate. When it is finally phased in, this amendment will place millions of taxpayers now in the 28-percent tax bracket into the 15-percent tax bracket. Under this amendment, unmarried individuals can make nearly $30,000 and married individuals can make $50,000 and still be in the 15-percent tax bracket.

I urge its adoption and yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Madam President, most of those paying the top marginal rate are small business owners and farmers operating their businesses as sole proprietorships or S-corporations. A study recently released by the Treasury shows that under the President's proposal—this is the President's proposal but still germane—77 percent of the money going to cut the top 39.6-percent rate would go to small business owners. These small business owners make up 63 percent of the tax returns that would benefit from reducing the top rate. Small business owners are, of course, the engine of growth that runs our economy. These are the people who plow their tax money and their tax relief right back into their businesses, increasing wages, hiring more workers.

The number of small businesses that could benefit from a cut in the top rate, for instance, in the State of Arizona, is around 267,000 small businesses. I seriously question how much we really gain by attacking these small businesses with high rates.

Another twist is, for those of you who are interested in disabled children and kids with special needs, there are special needs trusts. These trusts for the disabled can be easily subject to taxation at the top rate of 39.6 percent.

I urge Members to vote down the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. INOUYE. Madam President, on this vote, I have a pair with the Senator from Alaska (Mr. STEVENS). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 49, nays 49, as follows:

[Rollcall Vote No. 126 Leg.]

YEAS—49

Akaka
Bayh
Biden
Bingaman
Boxer
Byrd
Cantwell
Carnahan
Carper
Chafee
Clinton
Collins
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Harkin
Hollings
Jeffords
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
McCain
Mikulski
Murray
Nelson (FL)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Specter
Stabenow
Torricelli
Wellstone
Wyden

NAYS—49

Allard
Allen
Baucus
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Cleland
Cochran
Craig
Crapo
DeWine
Domenici
Ensign
Enzi
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Kyl
Lott
Lugar
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Thomas
Thompson
Thurmond
Voinovich
Warner

PRESENT AND GIVING A LIVE PAIR—1

Inouye

NOT VOTING—1

Stevens

The amendment (No. 660) was rejected.

Mr. LOTT. Madam President, I move to reconsider the vote.

Mr. GRAMM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MOTION TO COMMIT

The PRESIDING OFFICER. The question is now on agreeing to the motion of the Senator from Arizona.

The Senator from Arizona is recognized.

Mr. MCCAIN. Madam President, the intention of this amendment is to commit until we can find out exactly what our expenditures are going to be for national defense. Recent articles and information clearly indicate that there will be very little, if any, left over for a supplemental for any funding that I personally campaigned that the men and women of the armed services would receive for a national defense system.

I don't expect to win on this, but I can assure you that with this tax cut going through as it is, with all of the additional spending that I have observed over the last few years, which I see no change in whatsoever, we will not have enough money to defend this Nation's vital national security interests.

We are embarked on an unusual and dangerous course of action, a massive tax cut without any indication or evidence whatsoever of how much we are going to need to spend to defend this Nation. I urge great caution as we embark on this enterprise because it may be a very expensive price to pay.

I will take a voice vote on this amendment.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Madam President, first of all, we all appreciate the Senator's concern about defense because he is very much an authority in that area. I am confident, however, that the budget resolution we passed has provided adequate funding for defense. This amendment would undo all of our efforts to provide significant cuts at all marginal rates. Besides, we have $500 billion in the contingency fund that we will be able to use to draw on if additional money for defense is needed.

I urge my colleagues to vote no.

The PRESIDING OFFICER. The yeas and nays have been ordered. There needs to be consent to vitiate them.

Mr. GRASSLEY. I ask unanimous consent that the yeas and nays be vitiated.

Mr. REID. Objection.

Mrs. BOXER. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. GRASSLEY. Madam President, I make a point of order that the amendment is not germane to the provisions of a reconciliation measure. I raise a point of order against the amendment under section 305(b)(2) of the Budget Act.

Mr. REID. Madam President, I move to waive and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Alaska (Mr. STEVENS) is necessarily absent.

The PRESIDING OFFICER (Mr. VOINOVICH). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 43, nays 56, as follows:

[Rollcall Vote No. 127 Leg.]

YEAS—43

Akaka
Biden
Bingaman
Boxer
Cantwell
Carnahan
Carper
Cleland
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Harkin
Hollings
Inouye
Johnson
Kennedy
Kerry
Landrieu
Leahy
Levin
Lieberman
Lincoln
McCain
Mikulski
Murray
Nelson (FL)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Stabenow
Wellstone
Wyden

NAYS—56

Allard
Allen
Baucus
Bayh
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Byrd
Campbell
Chafee
Cochran
Collins
Craig
Crapo
DeWine
Domenici
Ensign
Enzi
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kohl
Kyl
Lott
Lugar
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner

NOT VOTING—1

Stevens

The PRESIDING OFFICER. On this vote the yeas are 43, the nays 56. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

Mr. LOTT. I move to reconsider the vote.

Mr. GRASSLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 723

The PRESIDING OFFICER. The question is on agreeing to the second-degree amendment No. 723 by Senator SMITH to his first-degree amendment No. 680. The Senator from New Hampshire.

Mr. SMITH of New Hampshire. Mr. President, my second-degree amendment is really quite simple. It extends the moratorium on the Internet tax, and that is the extent of it.

If my colleagues want to continue taxing the Internet or tax the Internet further, then they vote against me. But if they do not favor the Internet tax and would like to extend the moratorium against that tax, then vote with me.

Mr. President, I urge the adoption of my amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The Senator from Wyoming.

Mr. ENZI. Mr. President, I will be making a motion on the germaneness of the amendment. First, this amendment is not quite as simple as the Senator from New Hampshire says. If a State has a sales tax, the cities, towns, and counties are desperately interested in this. They will not think it is appropriate to adopt a second-degree amendment that will preclude them from having any opportunity to continue the revenue on which they are counting for their schools and other forms of government.

The retailers in our States will not be very happy with that simple change of policy allowing that tax to be destroyed. If a colleague is from a State that does not have a sales tax, he or she would want to vote against this amendment. The reason they would want to vote against it is because they would not want the other 44 States to take an opportunity later to take away a major source of their revenue.

This needs a lot of work. There has been a bipartisan group of us working on this issue for almost a year. We have been working with the retailers, direct marketers, and all levels of government.

The pending amendment is not germane to the provisions of the reconciliation measure. I, therefore, raise a point of order against the amendment under section 305(b)(2) of the Budget Act.

Mr. SMITH of New Hampshire. Mr. President, I move to waive the Budget Act and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Alaska (Mr. STEVENS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 11, nays 88, as follows:

[Rollcall Vote No. 128 Leg.]

YEAS—11

Allard
Allen
Boxer
Brownback
Craig
Crapo
Gregg
Smith (NH)
Smith (OR)
Warner
Wyden

NAYS—88

Akaka
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Breaux
Bunning
Burns
Byrd
Campbell
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Cochran
Collins
Conrad
Corzine
Daschle
Dayton
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Ensign
Enzi
Feingold
Feinstein
Fitzgerald
Frist
Graham
Gramm
Grassley
Hagel
Harkin
Hatch
Helms
Hollings
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Kyl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
McCain
McConnell
Mikulski
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Nickles
Reed
Reid
Roberts
Rockefeller
Santorum
Sarbanes
Schumer
Sessions
Shelby
Snowe
Specter

Stabenow
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Wellstone

NOT VOTING—1

Stevens

The PRESIDING OFFICER. On this question the yeas are 11 and the nays are 88. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

The point of order is sustained and the amendment falls.

Mr. LIEBERMAN. Mr. President, I rise to explain my vote against this amendment to the tax bill that we are debating today. The record clearly shows my strong support for the Internet, which is still in its infancy. I believe that Congress needs to give it the time and space to continue to grow and evolve without complex and burdensome taxation.

In October 1998 Congress enacted the Internet Tax Freedom Act. At that time, I supported placing a three-year moratorium on the imposition of any new state and local sales tax on Internet access and precluding charging sales tax for purchases over the Internet that do not apply to other mediums. I was also very supporting of the 19 member Advisory Commission on Electronic Commerce that the Act created to review a variety of tax issues relating to electronic commerce, including the taxation of all interstate commerce whether by the Internet or more traditional methods. I must say that I was disappointed that the Commission was not able to make substantive recommendations on most of the key issues before it.

However, I am hopeful that current negotiations now ongoing here in the Senate will produce legislation to address this issue in an effective and equitable manner. For that reason, I am voting against this amendment. I think that the amendment is well intentional, but that we need to give the current negotiations more time to play out in the Commerce Committee before taking action.

AMENDMENT NO. 680

The PRESIDING OFFICER. The question is on agreeing to the first-degree amendment No. 680 by the Senator from New Hampshire.

Who yields time?

Mr. SMITH of New Hampshire. The amendment numbered 680 is the law enforcement survivor benefits. In 1997, Congress passed legislation to take care of not taxing the benefits to children whose fathers died in the line of duty as law enforcement officers. Unfortunately, there was a period of about 13 years and these children were not taken out of that; therefore, families were faced with a tragedy—children were paying taxes on the benefits.

This amendment clarifies that. So for all of those children whose fathers or mothers died in the line of duty, those benefits will not be taxed.

I believe the yeas and nays have been ordered.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, speaking for myself and Senator BAUCUS, we urge the entire Senate to vote for this amendment.

Mr. SMITH of New Hampshire. I state for the record I am perfectly willing to not have a recorded vote, but I am told others want a recorded vote. I don't want to get the blame for having a recorded vote.

The PRESIDING OFFICER. The yeas and nays have been called for.

Mr. GRASSLEY. I ask unanimous consent the yeas and nays be vitiated.

Mr. REID. I object.

The PRESIDING OFFICER. The objection is heard. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Alaska (Mr. STEVENS) is necessarily absent.

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 129 Leg.]

YEAS—99

Akaka
Allard
Allen
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bunning
Burns
Byrd
Campbell
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Cochran
Collins
Conrad
Corzine
Craig
Crapo
Daschle
Dayton
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Ensign
Enzi
Feingold
Feinstein
Fitzgerald
Frist
Graham
Gramm
Grassley
Gregg
Hagel
Harkin
Hatch
Helms
Hollings
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Kyl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
McCain
McConnell
Mikulski
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Nickles
Reed
Reid
Roberts
Rockefeller
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stabenow
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner
Wellstone
Wyden

NOT VOTING—1

Stevens

The amendment (No. 680) was agreed to.

Mr. SMITH of New Hampshire. I move to reconsider the vote.

Mr. GRASSLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 684

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield myself 30 seconds.

Many of our colleagues claim that the nation can afford massive tax cuts and adequate education investments. This amendment holds them to their word. It says that the wealthiest one percent of taxpayers will not see a cut in the top income tax rate until education is funded at the amounts that the Senate recently authorized.

In the last 2 weeks, the Senate has voted overwhelmingly—to fully fund the Individuals with Disabilities Education Act; to fully fund Title I state grants for disadvantaged students; to improve teacher quality for all students; to improve education for students with limited English proficiency; and to expand access to safe afterschool activities.

Were these cruel hoaxes on the nation's children, or were they good faith statements of the education investments needed today? Let's get our priorities straight, and provide tax breaks to the wealthy only after we have met our commitments to the nation's school children.

Tax breaks targeted to the richest 1 percent should not be allowed to crowd out basic education services. If we do not have the resources to provide the most basic education services, then we certainly do not have the resources to provide new tax breaks for the wealthiest among us.

I will yield the 30 seconds to the Senator from Connecticut.

Mr. DODD. Mr. President, to underscore the point, we have voted now on several occasions over the past number of weeks for full funding of title I, full funding of the IDEA, special education. What we are saying is it is going to be difficult to meet those obligations unless we provide room in the budget. The only way to do that is by reducing the tax cut a marginal amount so those costs can be met. That is what the amendment of the Senator from Massachusetts does. We urge its adoption.

Mr. GRASSLEY. Mr. President, this amendment delays the tax cuts until a certain level of funding for education is met. Everybody knows that education is a top priority of this Congress, as well as of President Bush. Hopefully, we will finish a major education reform bill this week in the Senate.

This tax bill contains over $30 billion of education tax incentives. There is no reason to delay other tax relief to accomplish something outside the jurisdiction of this bill.

I believe there is a germaneness issue here, so I ask the pending amendment be found not to be germane to the provisions of the reconciliation measure. I raise a point of order against the amendment under section 305(b)(2) of the Budget Act.

Mr. KENNEDY. Mr. President, pursuant to section 904 of the Congressional Budget Act, I move to waive the applicable sections of that act for consideration of the pending amendment.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

Mr. NICKLES. I announce that the Senator from Alaska (Mr. STEVENS) is necessarily absent.

The PRESIDING OFFICER (Mr. ENSIGN). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 48, nays 51, as follows:

[Rollcall Vote No. 130 Leg.]

YEAS—48

Akaka
Bayh
Biden
Bingaman
Boxer
Byrd
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Harkin
Hollings
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Stabenow
Torricelli
Wellstone
Wyden

NAYS—51

Allard
Allen
Baucus
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Cochran
Collins
Craig
Crapo
DeWine
Domenici
Ensign
Enzi
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Kyl
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Thomas
Thompson
Thurmond
Voinovich
Warner

NOT VOTING—1

Stevens

The PRESIDING OFFICER. On this vote, the yeas are 48, the nays are 51. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

Mr. REID. Mr. President, could we have order.

The PRESIDING OFFICER. The Senate will come to order.

Mrs. BOXER. Mr. President, I have a unanimous consent request. I ask unanimous consent that we adjourn for the evening and continue voting on these amendments to the tax bill in the light of day tomorrow morning——

MR. BUNNING. I object.

Mrs. BOXER. At a time to be determined by the two leaders.

The PRESIDING OFFICER. Objection is heard.

Mrs. BOXER. It is very late. These are very important matters. This tax bill is going to change the course of this country.

The PRESIDING OFFICER. Objection is heard to the unanimous consent request.

Mrs. BOXER. We ought to go home and get a good night's sleep and then continue voting.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from West Virginia.

Mr. BYRD. Mr. President, I ask unanimous consent to proceed for 2 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. BYRD. Mr. President, I respectfully urge the majority leader to put us out. Let's come back on tomorrow and finish voting on these amendments. It is 15 minutes after 11 o'clock. We have several amendments yet listed. I think the Senators ought to have an opportunity to call up those amendments. And Senators ought to be able to understand what they are voting on.

Why is it that we have to continue going tonight?

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. If Senator BYRD will yield, I note that just a few minutes ago we even had a 99–0 vote on an amendment that the sponsor was perfectly willing to have accepted by a voice vote. Actually, we have a limited number of amendments here. I would hope some of them would not be offered or could be withdrawn or could be accepted in the manager's package. We should be close to finishing this legislation.

We had indicated for days, including at the beginning of this bill, that we needed to complete action tonight because we have other very important work to do this week. I know Senators KENNEDY, JEFFORDS, and others were ready to go back to the education bill in the morning. That, too, is very important. And we need the time to go into conference between the Members of this body and the other body and complete action on this very important legislation. I know of no legislation that will be more important than what we are doing tonight.

I have been very diligent as all Senators know, in trying to be respectful of Senators' needs to do other events. It is getting harder and harder. There is an event every night. There are events during the day. And we try to accommodate all Senators.

But I think that as close as we are, and as far as we have come, if the Senators will just forbear—and we will work with the managers of the legislation—we could complete it tonight.

I am afraid if we stop now and come back tomorrow, the number of amendments will grow. We have not been able to get a limit or agreement to withhold on amendments. I had hoped we could do that.

As difficult as it may be, Senators are minding the store, staying in the Chamber. Most of these votes have been occurring in less than 12 minutes, or 15 minutes at the most. If we will continue on, we should be able to complete this by midnight and then go on to other important legislation.

I thank Senator BYRD for yielding to me in order to respond to his question.

Mr. REID. Will the Senator from West Virginia yield to me for 1 minute?

Mr. BYRD. Mr. President, I don't have the floor.

Mr. REID. Mr. President, I ask unanimous consent for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Nevada.

Mr. REID. Mr. President, I have been here since 9:30 this morning with Senator GRASSLEY and Senator BAUCUS. I would like to go home. I am willing to work through whatever time it takes. I say to my friend from Mississippi, the majority leader, we are not going to finish by midnight. We have on this side 20 more amendments at least. I wish it were not so, but that is the fact of life. We are not going to finish by midnight. At four amendments per hour, there are 5 more hours at a minimum.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, we are not going to finish this bill tonight. We are just not going to finish it. I hope the majority leader will let us go home. Not everybody in this Chamber has a wife who is as old as I am. We will be married 64 years next Tuesday. I think it is time to go home.'

I have been here many nights late. It has been my experience that when you reach this point in time, you don't accomplish a great deal. One Senator can pretty much take a lot of time right at this point. I don't want to do that. I ask the distinguished majority leader to get a unanimous consent request and put us out. Let us come back in tomorrow, and we will all feel better. I need to get home. I just plead with the leadership, we don't have to finish this bill tonight. We don't have to.

This is Monday, isn't it? So we have several days yet left in the week. There is no reason why we have to pass this bill tonight and stay until midnight or 1 or 2 in the morning. To begin with, this is a bad bill. It ought not pass.

I am going to ask the majority leader once more to put us out.

Mr. LOTT. Mr. President, I know from past experience in the Senate, and from observing the Senate from the House, there have been many occasions when the Senate stayed late, beyond even midnight. I believe one time, in the case of a gas deregulation bill, they went very late. There is need to finish this legislation tonight. If it goes over to tomorrow, we should just continue going.

This is very important legislation, to be followed by other very important legislation. If we had some sort of understanding, some finite list of amendments, that would be certainly worth considering. It is important, from my conversation with Senator DASCHLE, to note even now, without completing this legislation, we still will have work to do on Friday and possibly Saturday.

Again, it is important that we complete this work. It is important that we complete it so we can go on and begin the conference and go back to the education bill. It is not that late by comparison. I urge the Senate to continue its work.

I know there had been a feeling that we should not complete it tonight. We need to do it. We have been working on this legislation one way or another for at least 3 months. We know how the final result will go, and I urge the Senate to move forward with the amendments that are offered and get to a final conclusion tonight.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I ask unanimous consent to proceed for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Montana has the floor.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator has made a unanimous consent request. Is there objection? Without objection, the Senator is recognized for 1 minute.

Mr. KENNEDY. Reserving the right to object, what was the request?

Mr. BAUCUS. I asked unanimous consent to address the Senate for 1 minute.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I ask the Senator from Mississippi whether he would be willing to entertain putting us out tonight so long as we can develop a list of subsequent amendments to be offered, say, by tomorrow? I say that to my friend because there are so many amendments that could otherwise be offered tonight, we are going to be here until 6 in the morning at least.

I very much agree with the Senator from West Virginia. There is a time and a place for everything. The time to end is probably about now. Perhaps we could put together a list of amendments with the understanding that that is the list, those are the amendments because, as we all know, at this point any number of amendments could be offered even subsequent to those that are being contemplated. I ask the Senator if he would contemplate that?

Mr. LOTT. If the Senator will yield, there has been no end to the amendments that might be offered. I know a number of Senators have three or four more amendments. I would be interested in seeing if we can get an agreement on the amendments that would be proposed. That would give us something we could at least consider. But in the meantime, we could continue to make progress on the legislation while we are seeing if there is some sort of list that can be developed. I think that to stop now, without even knowing what the final product is going to be, what amendments might be offered or when the final conclusion would come, is not the way to proceed.

I know there are those who don't want us to ever complete this legislation. I understand that. But we have had a full debate. We have complied with the rules that apply. And we have made it very clear for days, including before we began this series of votes, that our intent was to go until we concluded.

At this point, let's proceed with the amendments that are pending. I believe Senator FEINGOLD has an amendment that he is ready to offer, and I would be glad to discuss with anybody what the final package of amendments, what list of amendments might be developed, and we will see where we are. I will be glad to yield to Senator NICKLES.

Mr. NICKLES. Mr. President, the majority leader has requested that we proceed with the next vote, and during the next vote Senator REID and I will see if we can't collect a list and come up with a finite list of amendments to see what we have remaining.

The PRESIDING OFFICER. The question is on the Feingold amendment.

Mr. KENNEDY. Mr. President, regular order.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I am entitled to recognition. I suggest the absence of a quorum.

The PRESIDING OFFICER. A quorum call is not in order at this time.

Mr. KENNEDY. Mr. President, I appeal the decision of the Chair, and I ask for the yeas and nays. I appeal the decision of the Chair and ask for the yeas and nays. I appeal the decision of the Chair, Mr. President. I am entitled to that request.

The PRESIDING OFFICER. Let the Chair state the request.

Mr. KENNEDY. I appeal the decision of the Chair on this, and I ask for the yeas and nays.

The PRESIDING OFFICER. The Senator is appealing the decision of the Chair that a quorum call is not in order at this time while 2 minutes remain on the amendment. Does the Senator seek the yeas and nays on the appeal?

Mr. KENNEDY. Yes, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SARBANES. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Is it the Chair's ruling that a request for a quorum is not in order because there are still 2 minutes remaining on the amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. SARBANES. Would a request for a quorum be in order at the conclusion of the 2 minutes?

The PRESIDING OFFICER. The Senator is correct.

Mr. SARBANES. I ask unanimous consent that the Senator from Massachusetts be recognized at the conclusion of the 2 minutes to make his suggestion.

Mr. BUNNING. I object.

The PRESIDING OFFICER. Objection is heard.

The question is, shall the decision of the Chair stand? The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Alaska (Mr. STEVENS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 131 Leg.]

YEAS—99

Akaka
Allard
Allen
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bunning
Burns
Byrd
Campbell
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Cochran
Collins
Conrad
Corzine
Craig
Crapo
Daschle
Dayton
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Ensign
Enzi
Feingold
Feinstein
Fitzgerald
Frist
Graham
Gramm
Grassley
Gregg
Hagel
Harkin
Hatch
Helms
Hollings
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Kyl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
McCain
McConnell
Mikulski
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Nickles
Reed
Reid
Roberts
Rockefeller
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stabenow
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner
Wellstone
Wyden

NOT VOTING—1

Stevens

The ruling of the Chair was sustained as the judgment of the Senate.

Mr. SARBANES. Mr. President, I move to reconsider the vote.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I seek recognition under leader time so I can propound a unanimous consent request and get an understanding as to how we are going to proceed at this point.

First of all, I think it is unfortunate that we see there is a delay being forced. I understand there are Senators who think we have gone late enough tonight and would like for us to resume tomorrow. It is very important we complete this work, and obviously we will not go to any other legislation until we complete this very important work of the people.

I have listened to Senators on both sides of the aisle and am trying to find a way to give Senators a chance to offer their amendments and have them considered. I hope that it will not be delayed indefinitely. Certainly that would be a subversion of the rules, but we will take a time out here and hopefully tomorrow Senators will be prepared to resume our work and bring it to a conclusion.

I believe Senator DASCHLE intends to work with me and the managers of the legislation to try to find a way to bring this debate to a reasonable conclusion. But I emphasize again, we have work we need to do this week, and if we have to go on into Friday or Saturday, I think we should be prepared to do that. Senators on both sides have indicated they would be willing to do that.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that there now be a period for morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

WORLD WAR II MEMORIAL

Mr. WARNER. Mr. President, I ask unanimous consent that the Energy Committee be discharged from further consideration of H.R. 1696 regarding construction of the World War II memorial, and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 1696) to expedite the construction of the World War II memorial in the District of Columbia.

There being no objection, the Senate proceeded to consider the bill.

Mr. WARNER. Mr. President, I rise to ask the Senate to act on this, as we have just done. I am honored to do so on behalf of the few in the Senate who served in World War II, Senators INOUYE and STEVENS, with great distinction, I myself with very modest service beginning in 1945 during the closing months of the war.

This memorial is long overdue in recognition of the enormous sacrifice of the men and women of the U.S. military; and, indeed, it is a symbol of the sacrifices of an entire generation, not only those who went abroad to the battlefields but those here at home and their families.

Mr. President, our former colleague, Robert Dole, was very instrumental in seeing that the financial package and other aspects on this memorial were successful.

Mr. REID. I also say to my friend, I have been impressed with how hard you, Senator INOUYE, and Senator STEVENS have worked on this important issue.

AMENDMENT NO. 745

Mr. WARNER. Mr. President, I understand there is an amendment at the desk submitted by Senator STEVENS and Senator INOUYE, myself, and others, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. STEVENS, for himself, Mr. INOUYE, Mr. THOMPSON, Mr. HOLLINGS, Mr. MURKOWSKI, Mr. BINGAMAN, Mr. THURMOND, Mr. THOMAS, Ms. COLLINS, and Mr. WARNER, proposes an amendment numbered 745.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide a complete substitute)

Strike all after the enacting clause and insert the following:

SECTION 1. APPROVAL OF WORLD WAR II MEMORIAL SITE AND DESIGN.

Notwithstanding any other provision of law, the World War II Memorial described in plans approved by the Commission of Fine Arts on July 20, 2000 and November 16, 2000, and selected by the National Capital Planning Commission on September 21, 2000 and December 14, 2000, and in accordance with the special use permit issued by the Secretary of the Interior on January 23, 2001, and numbered NCR–NACC–5700–0103, shall be constructed expeditiously at the dedicated Rainbow Pool site in the District of Columbia in a manner consistent with such plans and permits, subject to design modifications, if any, approved in accordance with applicable laws and regulations.

SEC. 2. APPLICATION OF COMMEMORATIVE WORKS ACT.

Elements of the memorial design and construction not approved as of the date of enactment of this Act shall be considered and approved in accordance with the requirements of the Commemorative Works Act (40 U.S.C. 1001 et seq.).

SEC. 3. JUDICIAL REVIEW.

The decision to locate the memorial at the Rainbow Pool site in the District of Columbia and the actions by the Commission of Fine Arts on July 20, 2000 and November 16, 2000, the actions by the National Capital Planning Commission on September 21, 2000 and December 14, 2000, and the issuance of the special use permit identified in section 1 shall not be subject to judicial review.

Mr. STEVENS. Mr. President, I believe that it is time to honor the sacrifices of the World War II generation. Eight years after Congress authorized the construction of this memorial, and six years from the first of 22 public hearings on its site and design, the memorial's construction remains delayed by a procedural issue involving the National Capital Planning Commission (NCPC), one of the agencies required by law to approve the memorial, and a lawsuit filed by a small group of opponents. This legislation would remove those obstacles and require the construction process to promptly go forward.

The legislation accomplishes that goal as follows:

Through sections one and three, the site and design for the World War II Memorial are finalized, expeditious construction is directed, and the prospect of further delay through judicial challenges or other re-considerations of the selected site and design are eliminated. Section one also includes a provision regarding design modifications which is solely intended to address the highly unlikely event that a technical impossibility could occur in the course of construction that might require a limited deviation from the selected design. In light of the careful review the existing plans have already been subject to by the memorial's design, engineering, and construction management professionals, the General Services Administration (GSA), the American Battle Monuments Commission (ABMC), the National Park Service (NPS), the Commission of Fine Arts (CFA) and the National Capital Planning Commission (NCPC), no exercise of this authority is expected. Moreover, as a result of these provisions, funds donated for the Memorial would not be diverted to preparation of the additional mock-up of the Memorial or further presentations on the selected design that have been requested of the NPS by NCPC to administratively redress that agency's procedural issue resolved by this legislation.

The second section directs that the procedural steps of the Commemorative Works Act shall be used for the approval of those few aspects of the Memorial not already finalized. These items are essentially the color of the granite, the flag poles, sculptural elements, the wording of the inscriptions to be placed on the memorial, and final adjustments to the level of lighting. These matters will be presented in due course by the NPS, representing the Secretary of the Interior and acting on behalf of the ABMC, to the two approving commissions designated by the Commemorative Works Act: the CFA and the NCPC.

To further place this legislation in context it is important to briefly describe the extensive, democratic deliberative process through which the site and design were selected.

After receiving Congressional approval in October 1994 to locate the Memorial within the National Monumental Core, many public hearings regarding site selection were conducted including meetings of the National Capital Memorial Commission (NCMC), (May 9 and June 20, 1995), the CFA (July 27 and September 19, 1995), and the NCPC (July 27 and October 5, 1995). In the course of these meetings, the CFA and NCPC, in consultation with the ABMC and NCMC, reviewed eight proposed sites for the Memorial. Through review of these proposals, the possibility of including the Rainbow Pool in the site for the Memorial arose at the June 20, 1995, NCMC public meeting. As the deliberations continued pursuant to the Commemorative Works Act, the appropriateness and potential of the Rainbow Pool as a site for the Memorial became readily apparent. The Rainbow Pool Site was approved at an open, public meeting of the CFA on September 19, 1995, and the NCPC on October 5, 1995. President Clinton formally dedicated the Rainbow Pool site on Veterans' Day 1995.

In 1996, a national two-stage competition to select the designer for the Memorial was conducted in accordance with the GSA's Design Excellence program. Over four hundred entries were reviewed by a distinguished Evaluation Board that selected six competition finalists. From these six finalists, a design jury composed of outstanding architects, landscape architects, architectural critics and WWII veterans, independently and unanimously recommended a design team headed by Friedrich St. Florian of the Rhode Island School of Design. The Evaluation Board concurred and ABMC approved the recommendation on November 20, 1996. On January 17, 1997, President Clinton announced the Friedrich St. Florian team as the winning design team, with Leo A. Daly, a pre-eminent national firm, serving as architect-engineer.

Through the Commemorative Works Act process, the World War II Memorial design underwent three general phases of public review and approval: design concept, preliminary design and final design. The Memorial design has evolved through input and participation by the reviewing commissions and the public. In particular, at public hearings held in July of 1997, both the CFA and the NCPC considered Friedrich St. Florian's initial design concept and reconsidered the approvals of the Rainbow Pool Site. Both commissions reaffirmed selection of the Rainbow Pool site on more than one ocassion; however, both also requested the consideration of substantial changes to the design concept. The design team subsequently undertook extensive efforts to address all concerns raised by the reviewing commissions and the public. Over the course of three years and nine more public meetings, the Memorial design continued to evolve to its finally approved form. As a result of the extensive public participation and careful review by the respective commissions and other governmental agencies, the final design is one which enhances the site, preserves its historic vistas, and preserves the Rainbow Pool by restoring it and making it a part of a national commemorative work.

Finally, in the course of authorizing this Memorial, Congress asked the American people to support the project through voluntary donations. They certainly responded. The memorial fund-raising campaign, under the leadership of Senator Bob Dole and Frederick W. Smith, Chairman and CEO of FedEx Corporation, received financial support from half a million individual Americans, hundreds of corporations and foundations, dozens of civic, fraternal and professional organizations, 48 state legislatures, 1,100 schools, and more than 450 veterans groups representing 11 million veterans providing the funds necessary to construct the Memorial.

I would like to thank my fellow World War II veterans Senator INOUYE, Senator THURMOND, and Senator HOLLINGS for joining me in this amendment. I would also like to thank Senator THOMPSON, Senator MURKOWSKI, Senator BINGAMAN, and Senator THOMAS for their co-sponsorship and for their hard work on this important legislation. I also want to thank the sponsor of this legislation, Congressman STUMP, for all of his work and dedication to insure that World War II veterans will see the monument to their service. It is my hope that the House will act quickly on Congressman STUMP's bill with our amendment. With this legislation, we will ensure that the Memorial is created within the lifetimes of a significant number of those we honor.•

Mr. WARNER. Mr. President, I ask unanimous consent that the amendment be agreed to and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 745) was agreed to.

Mr. WARNER. Mr. President, I ask unanimous consent the bill, as amended, be advanced to third reading and passed, the motion to reconsider be laid upon the table, and any statements be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 1696), as amended, was considered read the third time and passed.

Mr. KERRY. Mr. President, the Senate today passed H.R. 1696, legislation authorizing expeditious construction of the World War II Memorial at the Rainbow Pool site on the National Mall in a manner consistent with previously approved plans, but "subject to design modifications" that may subsequently be approved by the National Capital Planning Commission and the Commission of Fine Arts under the Commemorative Works Act. In rejecting the original House bill in favor of this legislation, the Senate today recognizes that appropriate modifications to the design may be warranted. The bill permits the National Capital Planning Commission to proceed with its plans to view an on-site mock-up of the memorial and to consider modifications to the design that will ensure that the memorial respects the open, historic character of the Mall, that significant vistas are not obstructed, and that the height and mass of this memorial are appropriate for the site. Consistent with this legislation, such modifications ought to be expeditiously considered and approved by the National Capital Planning Commission and the Commission of Fine Arts so that construction of the memorial may proceed without undue delay.

ECSTASY EXPLOSION

Mr. GRASSLEY. Mr. President, in March I held a hearing on the growing threat of Ecstasy use in America. For a long time we've been hearing that the Ecstasy problem is coming. Well, it's arrived. We heard some disturbing news at this hearing. We heard first-hand testimony from two former users how this "feel-good" drug ruined their lives and almost killed them. It's clear to me that this drug is destroying families and lives. Ecstasy, like all drug use, is a serious challenge facing our country.

Ecstasy is a synthetic stimulant. It is called a club drug because it is most commonly used at parties and all-night dance clubs called raves. Its use by youth to enhance the experience of the music and the dancing in clubs, has become very popular. Because it is marketed in clubs, most users are young, as well as most sellers.

At the hearing in March, the White House released the latest Pulse Check report that outlined the recent trends in Ecstasy use. This report confirmed that most users are children and young adults. These drugs are clearly targeted at youths. Ecstasy is found primarily in pill form and manufacturers put cartoons and flashy corporate logos on the pills to make them more appealing.

Ecstasy use is spreading around the country and is affecting all areas. The Pulse Check report shows that both rural and urban areas are experiencing an Ecstasy explosion. In fact, 18 of the 20 cities in the report labeled Ecstasy as an emerging drug. This isn't the drug of the big city anymore, it is now in hometown America.

As the demand is increasing, the availability of Ecstasy is increasing too. The report shows that widespread usage and availability increased dramatically over the past year. Ninety percent of all drug treatment and law enforcement experts say that Ecstasy is readily accessible. If we continue to allow easy access to this drug at clubs and in schools, then this problem will just get worse.

One of the greatest dangers of Ecstasy is how it is used. The report stated that Ecstasy is losing its purity and is now commonly adulterated with other, even more dangerous drugs, such as heroin and amphetamines. Users usually don't know the level of the drug they are taking and will overdose easily. And at parties and dances, Ecstasy is most often taken with several other drugs, most commonly alcohol, but also LSD, marijuana, and cocaine. This deadly cocktail of drugs is making ambulances at clubs an all too common sight. These ambulances, that are now shuttling more unconscious youth than ever before from nightclubs to hospital emergency rooms, are often private ambulances that are hired by the nightclubs themselves. They wait outside the clubs until someone overdoses from the use of Ecstasy, thus bypasing 911 and the attention of the police. My outrage with this practice is heightened by the low level of care and lack of advanced life support that these ambulance crews provide at such dangerous moments. Many youth are not safely making it to hospital emergency rooms.

The situation is becoming an emergency. We need to make it clear to today's youth that this drug is very dangerous and that using it carries heavy consequences. This drug rips apart families and ruins lives at a very young age. Many youth start using this drug before they are old enough to fully grasp the results of their actions. We need to educate our youth and crack down on sellers to combat the increasing availability of this drug. We cannot let this attack on our Nation's youth go unchecked.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY last month. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a heinous crime that occurred March 1, 2000 in Salt Lake City, Utah. Two defendants pleaded guilty to misdemeanor assault charges for their part in a 45-minute crime spree that began outside a gay bar. During the crime spree, two people were beaten and three others terrorized. "Are you a faggot?" one of the defendants yelled. "He is a faggot!" another replied as they chased the first victim to his car and pounded on his vehicle until the victim was able to escape to call the police. Later, the defendants yelled anti-gay slurs and threw beer bottles at another car that had two men in it. Forty-five minutes after the initial attack, the defendants waited outside the gay bar and beat two men who had just exited the bar. One of the defendants told the arresting officer they were "just out for a good time."

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, May 18, 2001, the Federal debt stood at $5,655,505,213,567.79, five trillion, six hundred fifty-five billion, five hundred five million, two hundred thirteen thousand, five hundred sixty-seven dollars and seventy-nine cents.

One year ago, May 18, 2000, the Federal debt stood at $5,672,936,000,000, five trillion, six hundred seventy-two billion, nine hundred thirty-six million.

Twenty-five years ago, May 18, 1976, the Federal debt stood at $605,757,000,000, six hundred five billion, seven hundred fifty-seven million, which reflects a debt increase of more than $5 trillion, $5,049,658,213,567.79, five trillion, forty-nine billion, six hundred fifty-eight million, two hundred thirteen thousand, five hundred sixty-seven dollars and seventy-nine cents during the past 25 years.

ADDITIONAL STATEMENTS

TRIBUTE TO BILL ELLISON

• Mr. DEWINE. Mr. President, I rise today to celebrate the life of Bill Ellison, a courageous and heroic man from my home State of Ohio, who died on March 20, 2001, at the age of 38. Bill was a paramedic and firefighter who died of burn injuries he incurred while fighting a house fire in Miami Township, OH. I am honored to recognize him today for his heroism and his commitment and dedication to his local community and State.

Since 1997, Bill Ellison served as a full-time firefighter for Anderson Township, OH, as well as a part-time firefighter for Miami Township. He also worked for the Western Joint Ambulance District. Bill began dedicating himself to his community early on, when, at age 16, he first volunteered for the Melbourne, OH, Fire Department. His exceptional commitment to protecting his community deserves our respect and thanks.

On March 8, 2001, Bill left the Miami Township fire station to respond to a nearby house fire. Upon learning of a possible victim trapped in the house, he joined other firefighters to search for the individual. During the search, Bill fell through the first floor of the home into the basement, where he was knocked unconscious and sustained serious burn injuries. Nearly two weeks after the fire, he passed away as a result of these critical injuries.

Bill's many friends and colleagues often called him "Doc," because he was constantly reading medical texts. They will remember "Doc" for his warm and generous heart and his sense of humor. As the father of two daughters, Maryssa and Michaela, and husband to Victoria, Bill Ellison and his legacy will live on through his family and his work.

It is the work of people, like Bill Ellison, that provides us with peace of mind, with the knowledge that there are people who we can count on in case of an emergency. These individuals, who often make grave sacrifices on our behalf, are role models for our communities. I cannot adequately emphasize how important their work, and the work of Bill Ellison, are to our society.

Today, I express my deep gratitude to Bill Ellison, his colleagues, and his family and friends. He did not die in vain, he died in the line of duty to his fellow man. And for that, we will always remember his sacrifices and his life with great respect and admiration.•

HUSKER BASEBALL'S BIG 12 SWEEP

• Mr. NELSON of Nebraska. Mr. President, I would like take this opportunity to commend the University of Nebraska baseball team for winning a third-straight Big 12 Conference Series Championship. Yesterday, in what has become a typical display of terrific teamwork and fierce talent, the Huskers defeated Texas A&M to sweep the series.

The University of Nebraska baseball team boasts a 45–14 record, and now, thanks to their dominance at the Big12 tournament, they will likely earn a top-eight seed on the national level. To add to the excitement, the Huskers will play next month at the College World Series in Omaha, which President Bush is scheduled to attend.

In fact, to honor the President's upcoming trip, I have considered seeking an appropriation for the repainting of Air Force One in Husker Red and putting the block "N" on the tail of the plane; however, should that scheme fail, I have an alternate plan to ensure that the President roots for the home team.

Last week, I personally delivered a Huskers baseball cap to the President, and I intend to accompany him aboard Air Force One to make certain he wears it as he disembarks the plane in Nebraska. The College World Series is always exciting, but this year, with our terrific team, the President will have the opportunity to see college baseball at its best.

Again, I offer my heartiest congratulations to each member of the team, and I applaud Coach Dave Van Horn for his leadership. I wish them the very best as they continue to play ball.●

TRIBUTE TO DORIS CASEY

● Mr. GRASSLEY. Mr. President, a recently released study from Duke University found that older Americans are enjoying a more vigorous old age. Fewer people over the age of 65 require nursing home care and more are living on their own, with little or no outside help.

The image of a "senior citizen" is dramatically different than it was just a generation ago. Since 1963, the month of May has helped the Nation focus on the contributions and achievements of America's older citizens. Older Americans Month honors the leadership of older persons in our families, workplaces and communities. One of these leaders is an 81-year-old woman from Reinbeck. Doris Casey is a champion for Iowa's older citizens. Through her initiative, concern, and commitment, she has touched the lives of seniors in Reinbeck and throughout northern Iowa.

When the Casey's moved to Reinbeck in 1967, the family planned to stay for only six weeks. As a way to get to know neighbors and make friends, Mrs. Casey began volunteering at the local nursing home once a week and played cards with the residents. Thirty-four years later, Mrs. Casey still lives in Reinbeck. She worked at that nursing home for 17 years and has become a treasured resource in the community for her knowledge and action on senior-related issues. Mrs. Casey has been a member of the Grundy County Commission on Aging for 28 years. She played a key role in starting the county's congregate meal program sixteen years ago. Although the program has since changed to home-delivered meals, Mrs. Casey is still involved. She does the books, takes orders and solicits deliverers. In addition, Mrs. Casey helps coordinate a community meal for approximately 40 seniors in Reinbeck each month.

For the last 27 years, Mrs. Casey has been an active volunteer with the Hawkeye Valley Area Agency on Aging and until recently was a member of their board of directors. The staff at Hawkeye Valley call her a godsend. She volunteers in the administrative office, helps with special projects and answers the hotline for those alleging Medicare fraud and abuse under Operation Restore Trust. Mrs. Casey works hard to ensure that seniors in her community have the latest information on issues affecting their lives. She is a monthly presenter at the county nutrition site and writes a weekly column for her local paper. She provides assistance to those applying for Medicaid and low-income heating assistance, and she serves on the State's consumer Medicare committee. People know that if Mrs. Casey doesn't have the answer on a particular senior issue, she will likely know the person who does.

Last but certainly not least, Mrs. Casey is a caregiver. When her late husband, John, was suffering from Alzheimer's Disease, she served as his full-time caregiver. Mrs. Casey is currently a guardian for a senior with a disability. And, she still visits the local nursing home to share devotions with the residents a few times a year. Mrs. Casey carries out each of these activities with joy, determination and humility. Even a recent hip surgery won't keep her from carrying on with her duties. Her contributions to the community are many, yet she describes the rewards as all hers.

In one month, Mrs. Casey will turn 82. Happy early birthday, Mrs. Casey. Thank you for your compassion for the people of Reinbeck and the people of Iowa. Your commitment and concern for others is an example to us all that we should contribute to the lives of those around us, no matter what our age.●

IN RECOGNITION OF JIM HETTINGER: PRESIDENT AND EXECUTIVE DIRECTOR OF BATTLE CREEK UNLIMITED

● Mr. LEVIN. Mr. President, I am delighted to speak today to acknowledge a gentleman, from my home State of Michigan, who has served the citizens of Battle Creek, Jim Hettinger. On May 24th of this year, people will gather to pay tribute to Jim Hettinger for his tenure as Executive Director of Battle Creek Unlimited (BCU).

Jim Hettinger has dedicated his professional career, to the development of jobs and opportunities for individuals in the communities where he has worked. For the past twenty years, Jim has served as the president and executive director of Battle Creek Unlimited, Battle Creek's economic development agency.

In the past two decades, Battle Creek has witnessed numerous changes in its economic landscape, but throughout that time period Jim has been working to ensure the economic health and vitality of Battle Creek. As director of Battle Creek Unlimited, Jim Hettinger tirelessly works to promote Battle Creek as an ideal place for businesses to locate. His promotion of Battle Creek has spanned the globe, and has yielded impressive results.

A Michigan native, Jim returned to his home State to work for Battle Creek United after working for the Mid-Missouri Council of Government where he was able to lure a German company to Missouri instead of Battle Creek. However, since arriving in Battle Creek, he has created an industrial park that is recognized as second to none.

Under Jim's guidance, BCU has turned Fort Custer, an abandoned military base, into an industrial park that contains over ninety businesses that provide over 8,000 jobs. The Fort Custer Industrial Park provides good-paying jobs to thousands of individuals by harnessing the dynamism of the global economy. Nearly, three-quarters of the workers in the Ft. Custer Industrial Park are employed by Japanese owned companies. The willingness of international businesses to locate in Battle Creek is testimony to Jim's ability to bridge cultures and convince companies to utilize Battle Creek's world-class workers and receptive business environment.

Jim Hettinger's hard work has been recognized by Michigan Governor John Engler who awarded him the Economic Developer of the Year Award in 1995. Last year, the Counsel General of Japan in Detroit awarded Mr. Hettinger with a "Certificate of Designation" on behalf of the Government of Japan.

I hope my Senate colleagues will join me in saluting Jim Hettinger for his career of public service, particularly his efforts to provide quality jobs to the residents of the Battle Creek community while fostering a vibrant and dynamic relationship between the Battle Creek area and Japan.●

MAERSK McKINNEY MOLLER

● Mr. BREAUX. Mr. President, I rise to share with my colleagues a few remarks about a very remarkable gentlemen that visited with me recently. Maersk McKinney Moller is a legendary figure in his native Denmark. And after our meeting, I've come to appreciate even more his ties to the United States and the history he's lived in his 86 years.

Mr. Moller, as some of my colleagues may know, is the owner of the world's largest shipping company—the AP Moller Group. Its U.S. headquarters were founded in 1943, and its U.S. affiliate, Maersk Line, Limited was chartered in Delaware in 1947. Today, it generates employment for approximately 9000 Americans through 10 U.S. corporate entities devoted to ship management, terminal operations, trucking, rail, transportation and logistics services. On a global scale AP Moller controls approximately 250 ships, 53 of which fly the stars and stripes of the

United States. It is notably, the largest US-flag commercial fleet in the world.

Mr. Mollers' ties to the United States go back to 1910, well before he was even born. In that year his father, Arnold Peter Moller, married Chastine Estelle McKinney, a native of Kansas City, MO. Returning to Copenhagen, the senior Moller had by 1940 built a fleet of 46 ships, many of which were engaged by the US and its allies in WWII.

April 1940 saw Germany invaded Denmark and young Maersk McKinney Moller's life fundamentally changed. With his bride of five days, he came to the United States. With personal assets blocked by the war, times were financially lean and his lifestyle was modest. The ensuing eight years, however, marked a period that cemented his enduring bond with Americans and admiration for U.S. armed forces.

By the time WWII ended in 1945, 148 Maersk seamen had lost their lives and the Maersk fleet had lost 25 vessels.

That personal history would color much of what followed for Maersk-McKinney. After the war, he and his father rebuilt the AP Moller Group into the global shipping powerhouse it is today. Along the way, he has maintained a close relationship with the United States and her allies in ways that make a significant contribution to our national security.

For nearly 20 years Maersk Lines, Limited, has partnered with the United States Marine Corps to preposition ships and supplies where needed. Maersk ships, in fact, were the first vessels to arrive in Desert Storm and off-load critically needed Marine Corps supplies and equipment.

Prior to Desert Storm, Maersk Line, Limited obtained a secret clearance from the Department of Defense and now has a top-secret clearance to operate sensitive surveillance ships for the US Navy.

I point these things out to my colleagues for a couple of reasons. First, as a matter of general interest, I wish more of my colleagues could have the pleasure of visiting with Mr. Moller. His personal history has imbued him with a very thoughtful approach and seasoned perspective on global issues.

Second, as the man behind the largest commercial fleet of US-flag ships, he has proven to be a valuable partner to our defense interests. His ships and loading facilities and transportation infrastructure have moved literally tons of supplies that support our men and women in uniform.

In the future the Maritime Security Program, MSP, one of the programs critical for maintaining a US-flagged shipping fleet, will need to be reauthorized. During times of critical national need, MSP participants like Maersk Line, Limited are contractually obligated to the statutorily mandated Voluntary Intermodal Sealift Agreement, VISA. I, for one, am reassured to know that a man of Maersk McKinney Moller's stature and integrity is involved so strongly in this aspect of our national defense. He has proven his value to our Nation many times over.●

TOWNS COUNTY MIDDLE SCHOOL LAPTOP PROGRAM

● Mr. MILLER. Mr. President, I want to affirm what TIME magazine has written in its May 21, 2001, issue: Towns County Middle School in Georgia is one of America's "educational pioneers."

In my native Towns County, the digital divide has become the digital opportunity. Every middle school student in the county totes a laptop computer from school to home, courtesy of a Federal grant and local donations. Classroom wiring connects the laptops to the Internet, and teachers incorporate the Web into lesson plans. At home, students question teachers online about homework, and teachers email missed assignments to students who are out sick.

In a section called TIME's Schools of the Year, the magazine called this 265-student school "one of the best-wired middle schools in the U.S." and cited it as one of two middle schools in the Nation that has "found the most promising approaches to the most pressing challenges in education."

Principal Stephen Smith convinced me as Governor that giving take-home laptop computers to all middle-schoolers in Towns County would greatly enhance learning. We obtained a grant from the Appalachian Regional Commission and local donations to make this happen, and the program has succeeded beyond anyone's expectations. Test scores and attendance have increased, while discipline referrals have dropped. In addition, parents have become more involved in the school and more of them are earning their GEDs, and borrowing their kids' computers for assignments.

I am very proud of the achievements at Towns County Middle School, and I congratulate Principal Smith, his teachers and all the students and parents on this national recognition.●

FREEDOM TOWER

● Mr. NELSON of Florida. Mr. President, today, the Cuban American National Foundation will dedicate Miami's "Freedom Tower" in celebration of Cuban Independence Day. This historic landmark is known to many Cuban political refugees as the "Ellis Island of the South." The Freedom Tower served as an immigration processing center in the 1960's and 1970's and became a symbol of democracy and freedom to Cubans fleeing from tyranny and oppression. I rise today to recognize not only this dedication, but the hard work and sacrifice of the Cuban Americans in Florida who have added so much to our Nation, and who, through their work to restore the Freedom Tower, have given us yet another gift.●

HONORING ALBERT GAMPER, GEORGE RING, AND ROSE CALI

● Mr. TORRICELLI. Mr. President I rise today to recognize Albert R. Gamper, George M. Ring, and Rose Cali as they are honored by the New Jersey Network for their outstanding commitment to the young citizens of New Jersey, education and community-building.

Mr. Ring, a lifelong resident of New Jersey, has been an extremely active and generous citizen with public institutions, from the NJN Foundation to St. Barnabas Health Care Systems to Rutgers University, and the New Jersey Performing Arts Center. Mr. Gamper has devoted countless hours and tremendous energy to organizations that touch the lives of thousands of New Jersey's families.

I also wanted to salute Mr. Ring for his commitment to our Nation. He put his life on the line for this country when he served in the military and has received various distinguished medals for his many achievements, valor and dedicated service to America.

Ms. Cali, founder of the Yogi Berra Museum and Learning Center, has invested much of her time into education and the arts. As a board member of a major State educational institution of higher learning and as a board member of her community's museum, she has made critical contributions in both of these areas and continues to do so. I applaud her efforts.

New Jersey has been blessed with residents such as Mr. Gamper, Mr. Ring, and Ms. Cali who have made a great effort to make a difference. It is both an honor and an inspiration to recognize the dedication of these individuals and the impact they have on the community at large. I commend all three for their commitment and generosity to New Jersey and her residents.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON U.S. TRADE AND INVESTMENT POLICY TOWARD SUB-SAHARAN AFRICA AND IMPLEMENTATION OF THE AFRICAN GROWTH AND OPPORTUNITY ACT—MESSAGE FROM THE PRESIDENT—PM 21

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Finance.

To the Congress of the United States:

As required by section 106 of title I of the Trade and Development Act of 2000 (Public Law 106-200), I transmit herewith the 2001 Comprehensive Report of the President on U.S. Trade and Investment Policy toward Sub-Saharan Africa and Implementation of the African Growth and Opportunity Act.

George Bush.

The White House, *May 18, 2001.*

MEASURES REFERRED

The following bill was read the first and the second times by unanimous consent, and referred as indicated:

H.R. 1696. An act to expedite the construction of the World War II memorial in the District of Columbia; to the Committee on Energy and Natural Resources.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1920. A communication from the Regulations Coordinator of the Administration For Children and Families, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Runaway and Homeless Youth Program" (RIN0970–AC04) received on May 14, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–1921. A communication from the Chairman of the United States Nuclear Regulatory Commission, transmitting, the Commission's Report on Licensing Activities and Regulatory Duties for March 2001; to the Committee on Environment and Public Works.

EC–1922. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, the 2001 Report on National Defense Stockpile (NDS) Requirements; to the Committee on Armed Services.

EC–1923. A communication from the Federal Register Liaison Officer Alternate, Office of Thrift Supervision, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Conversion from Stock Form Depository Institution to Federal Stock Association" (RIN1550–AB45) received on May 3, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–1924. A communication from the Acting Assistant Attorney General, Office of Legislative Affairs, Department of Justice, transmitting, pursuant to law, a report relative to the impact of the Twenty-First Amendment Enforcement Act; to the Committee on the Judiciary.

EC–1925. A communication from the Chairman of the Federal Energy Regulatory Commission, transmitting, pursuant to law, a report entitled "Hydroelectric Licensing Policies, Procedures, and Regulations Comprehensive Review and Recommendations"; to the Committee on Energy and Natural Resources.

EC–1926. A communication from the Acting Assistant Secretary for Land Minerals Management, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Establishing Oil Value for Royalty Due on Federal Leases" (RIN1010–AC09) received on May 9, 2001; to the Committee on Energy and Natural Resources.

EC–1927. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "National Primary Drinking Water Regulations; Arsenic and Clarifications to Compliance and New Source Contaminants Monitoring: Delay of Effective Date" (FRL6983-8) received on May 18, 2001; to the Committee on Environment and Public Works.

EC–1928. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Notice of Availability of Funds for Source Water Protection" (FRL6984–2) received on May 18, 2001; to the Committee on Environment and Public Works.

EC–1929. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Revisions to the California and Arizona State Implementation Plans, Antelope Walley Air Pollution Control District and Maricopa County Environmental Services Department" (FRL6982-6) received on May 18, 2001; to the Committee on Environment and Public Works.

EC–1930. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Withdrawal of Direct Final Rule, Guidelines Establishing test Procedures for the Analysis of Pollutants Under the Clean Water Act; National Primary Drinking Water Regulations and National Secondary Drinking Water Regulations; Methods Update" (FRL6974–7) received on May 18, 2001; to the Committee on Environment and Public Works.

EC–1931. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Applicable Federal Rates—June 2001" (Rev. Rul. 2001–27) received on May 17, 2001; to the Committee on Finance.

EC–1932. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "TD 8945; Taxable Fuel Measurements" (RIN1545–AY85) received on May 17, 2001; to the Committee on Finance.

EC–1933. A communication from the Director of the Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting, pursuant to law, the report of a rule entitled "U.S. Flags for Burials of Certain Members of the Selected Reserve" (RIN2900–AK56) received on May 17, 2001; to the Committee on Veterans' Affairs.

EC–1934. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Parachute Operations" (RIN2120–AG52) received on May 17, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1935. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Flight Crewmember Flight Time Limitations and Rest Requirements; Notice of Enforcement Policy" (RIN2120–ZZ35) received on May 17, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1936. A communication from the Associate Chief of the Accounting Policy Division, Common Carrier Bureau, Federal Communication Commission, transmitting, pursuant to law, the report of a rule entitled "2000 Biennial Review—Review of Policies and Rules Concerning Unauthorized Changes of Consumer Long Distance Carriers; Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996; Policies and Rules Concerning Unauthorized Changes of Consumers Long Distance Carriers" (Doc. Nos. 00–257 and 94–129) received on May 17, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1937. A communication from the Acting Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Fisheries of the Exclusive Economic Zone Off Alaska; Sharpchin and Northern Rockfish in the Bering Sea and Aleutian Islands Management Area" received on May 17, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1938. A communication from the Acting Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Fisheries off West Coast States and in the Western Pacific; Pacific Coast Groundfish Fishery; Annual Specifications and Management Measures; Corrections; Trip Limit Adjustment" received on May 17, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1939. A communication from the Attorney/Advisor, Department of Transportation, transmitting, pursuant to law, the report of a nomination confirmed for the position of Deputy Secretary; to the Committee on Commerce, Science, and Transportation.

EC–1940. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, the report of the texts and background statements of international agreements, other than treaties; to the Committee on Foreign Relations.

EC–1941. A communication from the Acting Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to law, the report of the certification of a proposed Manufacturing License Agreement with Sweden; to the Committee on Foreign Relations.

EC–1942. A communication from the Executive Director of the Committee for Purchase from People Who Are Blind or Severely Disabled, transmitting, pursuant to law, the report of additions to the procurement list received on May 17, 2001; to the Committee on Governmental Affairs.

EC-1943. A communication from the Acting Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the Annual Performance Report for Fiscal Year 2000 and the Annual Performance Plan for Fiscal Year 2002; to the Committee on Governmental Affairs.

EC-1944. A communication from the Executive Director for the Committee for Purchase From People Who Are Blind or Severely Disabled, transmitting, pursuant to law, the report of additions to the procurement list received on May 17, 2001; to the Committee on Governmental Affairs.

EC-1945. A communication from the Director of Regulations Policy and Management, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Medical Devices; Medical Reporting Regulations; Technical Amendment" (Doc. No. 98N-0170) received on May 17, 2001; to the Committee on Health, Education, Labor, and Pensions.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-56. A joint memorial adopted by the Senate of the Legislature of the State of Washington relative to the Leavenworth National Fish Hatchery; to the Committee on Environment and Public Works.

SENATE JOINT MEMORIAL 8006

Whereas, The Leavenworth National Fish Hatchery located on the Icicle River, a tributary of the Wenatchee River, and operated by the United States Fish and Wildlife Service, performs the admirable function of producing spring chinook salmon, providing benefits to the entire Columbia River region; and

Whereas, The Icicle River is a watershed that is home to three fish species, chinook salmon, steelhead trout, and bull trout, that are currently listed as threatened or endangered under the federal endangered species act; and

Whereas, Watershed restoration efforts are being undertaken on a large scale by the State of Washington, treaty Indian tribes, public utility districts, county, local, and city governments, and local volunteer groups, to assist the recovery of Icicle River and Wenatchee River salmon and trout; and

Whereas, The Leavenworth National Fish Hatchery currently utilizes a water withdrawal design that does not provide proper protection for salmon and trout, some of which are naturally spawned endangered steelhead trout, endangered spring run chinook salmon, or threatened bull trout; and

Whereas, Operation of the Leavenworth National Fish Hatchery could be modified with construction of fish passage devices that would result in no jeopardy to listed salmon and trout;

Now, therefore, Your Memorialists respectfully pray that the United States Fish and Wildlife Service will make the proper modifications, in a timely manner, to the water withdrawal structure at the Leavenworth National Fish Hatchery so that its operation will be consistent with the federal endangered species act.

Be it resolved, That the United States Fish and Wildlife Service apply for sufficient funding to construct the fish passage modifications necessary at the Leavenworth National Fish Hatchery, and that Congress shall see fit to appropriate the necessary funds;

Be it further resolved, That copies of this Memorial be immediately transmitted to the Honorable George W. Bush, President of the United States, the United States Fish and Wildlife Service, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington.

POM-57. A joint resolution adopted by the Legislature of the State of Montana relative to the reduction of Forest Fuels; to the Committee on Energy and Natural Resources.

JOINT RESOLUTION

Whereas, the United States Forest Service was first organized to protect the national forests from fire and to provide a sustainable supply of timber, water, goods, and services for the people of the United States; and

Whereas, citizens of Montana and communities throughout the western United States still depend on the prudent stewardship, the sustained utilization of resources, and the steady production of goods and services from the multiple use management of public lands in those western states; and

Whereas, the April 1999 U.S. General Accounting Office report, "Western National Forests, a Cohesive Strategy is Needed to Address Catastrophic Wildfire Threats" states, "the most extensive and serious problem related to the health of national forests in the interior West is the overaccumulation of vegetation, which has caused an increasing number of large, intense, uncontrollable, and catastrophically destructive wildfires"; and

Whereas, the April 2000 U.S. Forest Service report, "Protecting People and Sustaining Resources in Fire-Adapted Ecosystems: A Cohesive Strategy" in response to the General Accounting Office report, confirmed the conclusion stated above and further warns "Without increased restoration treatments in these ecosystems wildland fire suppression costs, natural resource losses, private property losses, and environmental damage are certain to escalate as fuels continue to accumulate and more acres become high-risk.", and the report also specifies that, at a low intensity, fire is ecologically beneficial and has positive effects on biodiversity, soil productivity, and water quality; and

Whereas, the U.S. Forest Service further acknowledges that 39 million acres of national forest are at significant risk of catastrophic wildfire and an additional 26 million acres will be at similar risk due to increases in the mortality of trees and brush caused by insects and disease; and

Whereas, catastrophic wildfires, such as those in California in 1993, Florida in 1998, and Montana and Idaho in 2000, are recognized as among the defining natural disasters of the past decade; and

Whereas, the conflagrations that engulfed hundreds of thousands of acres in Montana during 2000 caused millions of dollars of damage to the property of residents; and

Whereas, catastrophic wildfires not only cause damage to the forests and other lands, but place the lives of firefighters at risk and pose threats to human health, personal property, sustainable ecosystems, air quality, and water quality; and

Whereas, the escaped Cerro Grande Prescribed Fire in May, 2000, which consumed 48,000 acres and destroyed 400 homes with losses exceeding $1 billion in Los Alamos, New Mexico, and the escaped Lowden Prescribed Fire in 1999 that destroyed 23 homes in Lewiston, California, highlight the unacceptable risks of using prescribed burning if prescribed burning, as reported, was the sole forest management practice of the subject federal land management agencies; and

Whereas, high-risk forest fuel has accumulated in combination with reduced fire response capability by federal agencies during the 1990s, resulting in catastrophic wildfires becoming more difficult and expensive to extinguish with a disproportionate burden being placed on state and local resources, the costs to fight these fires has increased by 150% between 1986 and 1994, and the costs of maintaining a readiness force has increased by 70% between 1992 and 1997; and

Whereas, current planning efforts of the U.S. Forest Service, such as the Sierra Nevada Framework, the Interior Columbia Basin Ecosystem Management Project, the Roadless Initiative, and the federal monument proclamations rely primarily on the extensive use of prescribed fire, which will further exacerbate the risk of catastrophic wildfires on federal lands throughout the West: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the State of Montana:

(1) That in the interest of protecting the integrity and posterity of Montana's forests, wild lands, wildlife habitat, watersheds, air quality, human health and safety, and private property, the U.S. Forest Service and other federal land management agencies are urged to immediately implement a cohesive strategy to reduce the overabundance of forest fuels that place these resources at high risk of catastrophic wildfire.

(2) That the agencies are urged to utilize an appropriate mix of fire suppression activities and forest management methodologies, including selective thinning, selective harvesting, grazing, the removal of excessive ground fuels, small-scale prescribed burns, and the increased use of private, local, and state contracts for prefire treatments on federal forest lands.

(3) That the Legislature urges that more effective fire suppression in federal forest lands be pursued through increased funding of mutual aid agreements with state and local public firefighting agencies.

(4) That in the interest of forest protection and rural community safety, the federal Department of Agriculture and the Department of Interior are urged to immediately draft, for public review and adoption, a national prescribed fire strategy for public lands that creates a process for the evaluation of worst case scenarios that present a risk of escaped prescribed fires and identifies alternatives that will achieve the land management objectives while minimizing the risk and use of prescribed fire, and that this strategy be incorporated into any regulatory land use planning program that proposes the use of prescribed fire as a management practice. Be it further

Resolved, That the Secretary of State send copies of this resolution to President George W. Bush, Vice President Richard Cheney, Department of Interior Secretary Gale Norton, Department of Agriculture Secretary Ann Veneman, the Governors of Montana, Idaho, Washington, Oregon, California, Nevada, Utah, Wyoming, South Dakota, Colorado, Arizona, and New Mexico, Montana's Congressional Delegation, the Chief of the U.S. Forest Service, the Director of the U.S. Park Service, and the Director of the Bureau of Land Management.

POM-58. A joint resolution adopted by the Legislature of the State of Montana relative to electricity prices in the West; to the Committee on Energy and Natural Resources.

JOINT RESOLUTION

Whereas, wholesale prices of electricity have soared to unprecedented levels, reaching as high as 30 times the prices of a year ago; and

Whereas, many of the state's largest businesses purchase power at rates tied to wholesale price indices, and a growing number of these businesses have been compelled to curtail production or cease operations altogether and lay off hundreds of workers because of high energy costs; and

Whereas, wholesale price increases will lead to sharp increases in retail electricity prices for business, agricultural, and residential consumers in Montana in the near future, with potentially devastating economic consequences; and

Whereas, high wholesale energy prices threaten the solvency of utilities in Montana and throughout the Northwest region; and

Whereas, taxpayer-supported public entities such as the Montana university system, other public schools, and local governments face unanticipated cost increases for energy and may have to scale back their operations to meet these costs; and

Whereas, the Federal Energy Regulatory Commission exercises jurisdiction over wholesale power generation sold in interstate commerce; and

Whereas, actions taken to date by the federal Department of Energy and the Federal Energy Regulatory Commission to address problems in the wholesale market have not resulted in any meaningful reduction in wholesale power prices; and

Whereas, in December 2000 and in January, 2001 the United States Secretary of Energy issued orders requiring certain energy entities to generate, deliver, interchange, and transmit electrical energy when requested by the California independent system operator, and these orders have been extended on repeated additional occasions; and

Whereas, several of the companies that received the energy from these entities are in an unstable financial condition, and there are serious questions about their ability to meet their obligations to pay for this electricity; and

Whereas, without strong and immediate action by the federal government to lower wholesale power prices, Montana and other western states could suffer long-term and irreversible economic harm: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the State of Montana: That the President of the United States, the U.S. Department of Energy, and the Federal Energy Regulatory Commission take strong, short-term measures to reduce wholesale prices throughout the Western region; be it further

Resolved, That the new administration act immediately to develop and implement a long-term strategy to reform the wholesale energy market to avoid continued price spikes that threaten to undermine the prosperity of the western United States; be it further

Resolved, That the new administration commit to providing assistance to low-income citizens who are most at risk from volatile energy prices; be it further

Resolved, That the federal government commit to allowing the western states to work toward fulfilling the region's energy supply needs through existing relationships and to refraining from any additional orders directing suppliers to provide electricity to California; be it further

Resolved, That copies of this resolution be immediately transmitted to the Honorable George W. Bush, President of the United States, the Honorable Spencer Abraham, Secretary of Energy, the members of the Federal Energy Regulatory Commission, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the state of Montana.

POM–59. A joint resolution adopted by the Legislature of the State of Washington relative to the trade of upland acquacultural products in relations with Canada; to the Committee on Finance.

SENATE JOINT MEMORIAL 8016

Whereas, The upland aquaculture industry in Washington state produce high-quality, pathogen-free, nonanadromous upland products for sale to public agencies and private companies throughout the world; and

Whereas, Washington state's upland acquaculture industry employs hundreds of people in well-paying, technical positions located in many rural communities throughout the state, generating forty million dollars worth of products; and

Whereas, Canadian customers have expressed the desire to purchase high-quality aquacultural products from Washington state producers; and

Whereas, Many customers in the United States currently purchase aquacultural products from Canada; and

Whereas, Increased freedom to engage in the commercial trade of upland aquacultural products between the United States and Canada will only help our two nations grow more prosperous;

Now, therefore, Your Memorialists respectfully pray that the government of the United States emphasize the importance of the free and fair trade of upland aquacultural products in its relations with the government of Canada.

Be it resolved, That copies of this Memorial be immediately transmitted to the Honorable George W. Bush, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington.

POM–60. A resolution adopted by the Senate of the Legislature of the State of Pennsylvania relative to veterans benefits; to the Committee on Veterans' Affairs.

SENATE RESOLUTION

Whereas, All Americans owe a great debt of gratitude to our military veterans for their brave and unselfish service to protect and defend the United States and all of its citizens; and

Whereas, Many World War II and Korean War veterans are retired and some have serious health problems that require prompt attention; and

Whereas, It is estimated that 16% of the 700,000 veterans from the Persian Gulf War are receiving disability compensation and/or treatment which further compounds the pressure on an already strained health service delivery system; and

Whereas, Some of these veterans are waiting seven to ten months to become eligible for benefits to which they are entitled; and

Whereas, Recent news accounts indicate that over the last several years the waiting list to see a physician for initial approval of benefits at the Lebanon Veterans Administration Medical Center alone has grown to approximately 4,600 veterans; and

Whereas, It is believed that the same or similar situation exists at our other veterans administration medical centers throughout this commonwealth and our nation; therefore be it

Resolved, That the Senate of the Commonwealth of Pennsylvania memorialize the President and the Congress of the United States to take steps to reduce the waiting lists that have developed over the last several years and end the unfortunate delay of benefits that have been earned by the deserving veterans of our United States military services; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, to the presiding officers of each house of Congress and to each member of Congress from Pennsylvania.

POM–61. A concurrent resolution adopted by the House of the Legislature of the State of Hawaii relative to Americans interned during World War II; to the Committee on the Judiciary.

HOUSE CONCURRENT RESOLUTION 50

Whereas, during World War II, approximately 120,000 Japanese Americans and permanent resident aliens of Japanese ancestry were interned, relocated, or evacuated from their homes in the United States because of their race; and

Whereas, nearly fifty years later the country apologized for this grave injustice, and passed the Civil Liberties Act of 1988, authorizing payments of $20,000 to each such person who suffered as a result; and

Whereas, the Civil Liberties Act does not cover or even address the Japanese of Latin American ancestry who were interned in the United States during World War II; and

Whereas, during World War II, the United States put pressure on thirteen nations in Central and South America to deport to the United States and intern their citizens and legal residents of Japanese of Latin American ancestry; and

Whereas, 2,264 Japanese Latin Americans were so deported and interned: nearly nine hundred were involuntarily exchanged for prisoners of war and of the one thousand four hundred who remained in United States concentration camps, more than one thousand were deported to Japan after the war and the majority of the remainder forced to work for subminimum wages on farms, twelve hours a day, seven days a week; and

Whereas, a small token apology was made in 1998 resulting from settlement of the case of *Mochizuki* v. *United States,* in which the United States offered an apology and a token settlement of $5000, to be paid from the 1988 Civil Liberties Act fund as long as the moneys were available; and

Whereas, the monetary reparation is symbolic and the discrepancy between the reparations given to the Japanese Americans and the Japanese Latin Americans is insulting, painful, and denies the very real fact that these people were ripped from their homes, deported to another country, and classified as "illegal enemy aliens" after the war; and

Whereas, section 23 of the 1999 *Mochizuki* v. *United States* agreement, that gave nominal reparations to a limited number of Japanese Latin Americans provides: "Nothing in this agreement shall be deemed to override any subsequent legislative enactment designed to compensate class members"; and

Whereas, the approximately one thousand five hundred surviving interned Japanese Latin Americans are rapidly passing away and the equalization of reparations should be done while they can appreciate its symbolism; and

Whereas, justice dictates that the suffering of the interned Japanese of Latin American ancestry be recognized and that this wrong be righted; now, therefore, be it

Resolved by the House of Representatives of the Twenty-first Legislature of the State of Hawaii, Regular Session of 2001, the Senate concurring, That Hawaii's congressional delegation is urged to support and co-sponsor legislation in Congress to equalize reparations for Japanese of Latin American ancestry interned during World War II; and be it further

Resolved, That certified copies of this Concurrent Resolution be transmitted to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of Hawaii's congressional delegation.

POM–62. A resolution adopted by the House of the Legislature of the State of Hawaii relative to Hawaii Volcanoes National Park; to the Committee on Energy and Natural Resources.

HOUSE RESOLUTION 56

Whereas, the Volcanoes National Park on the Big Island consisting of 217,000 acres is one of only two national parks in this State; and

Whereas, the Volcanoes National Park attracts about 1,500,000 visitors each year who enjoy the natural beauty of the lava fields, native forests, and ocean cliffs; and

Whereas, a large parcel of land lying to the south and west of the Volcanoes National Park known as Kahuku Ranch consisting of 117,000 acres has come up for sale; and

Whereas, the Kahuku Ranch is a piece of real estate that contains outstanding geological, biological, and cultural, scenic, and recreational value; and

Whereas, the National Park Service since 1945 has recognized that the property contained nationally significant resources and in fact, in its 1975 Master Plan, the National Park service identified the property as a "potential addition to improve the geological, ecological, and scenic integrity of Hawaii Volcanoes National Park"; and

Whereas, this sale offers an opportunity rarely imagined because it gives the National Park Service an excellent chance to expand and protect native plants and archaeological sites from destruction; and

Whereas, this opportunity can benefit current and future generations of residents and tourists, because expansion of the Volcanoes National Park will preserve more open space, add to the natural environment, protect affected native species, and preserve cultural and historical sites; and

Whereas, the Volcanoes National Park has been soliciting comments from the public regarding possible purchase of Kahuku Ranch and addressing the concerns of access for hunters, cultural practices, educational purposes, jobs, and small business opportunities; now, therefore, be it

Resolved by the House of Representatives of the Twenty-first Legislature of the State of Hawaii, Regular Session of 2001, That this body supports the acquisition of Kahuku Ranch by the United States National Park Service for expansion of the Hawaii Volcanoes National Park; and be it further

Resolved, That certified copies of this Resolution be transmitted to the Superintendent, Hawaii Volcanoes National Park; the Speaker of the United States House of Representatives; the President of the United States Senate; and to the meeting of Hawaii's congressional delegation.

POM–63. A resolution adopted by the City Counsel of the City of Westminster, California relative to the Republic of Vietnam; to the Committee on Foreign Relations.

POM–64. A resolution adopted by the City Counsel of Strongsville, Ohio relative to the Domestic Steel Industry; to the Committee on Finance.

POM–65. A concurrent resolution adopted by the House of the Legislature of the State of Ohio relative to tax relief; to the Committee on Finance.

HOUSE RESOLUTION 35

Whereas, Federal taxes are the highest they have ever been during peacetime; and

Whereas, All taxpayers should be allowed to keep more of their own money; and

Whereas, One way to encourage economic growth is to cut marginal tax rates across all tax brackets; and

Whereas, Under current tax law, low-income workers often pay the highest marginal rates; and

Whereas, President Bush's tax relief plan will contribute to raising the standard of living for all Americans; and

Whereas, President Bush's tax relief plan will increase access to the middle class for hard working families, treat all middle class families more fairly, encourage entrepreneurship and growth, and promote charitable giving and education; and

Resolved, That the House of Representatives of the State of Ohio requests the Congressional delegation of the State of Ohio to support and work to pass a tax relief plan and, in doing so, give due consideration of the plan offered by President Bush; and be it further

Resolved, That the House of Representatives, in considering a tax relief plan, place a priority on fair distribution of relief to all Americans, including the lowest wage earners, consider other avenues to relief, such as a reduction in payroll taxes, consider the implications of a plan on programs aiding children, veterans and the poor, and consider a trigger mechanism to adjust the reduction if revenue estimates prove inaccurate.

Resolved, That the Clerk of the House of Representatives transmit duly authenticated copies of this Resolution to the President of the United States, to the members of the Ohio Congressional delegation, to the Speaker and Clerk of the United States House of Representatives, to the President Pro Tempore and Secretary of the United States Senate, and to the news media of Ohio.

POM–66. A resolution adopted by the Senate of the Legislature of the State of Ohio relative to the New Markets for State-Inspected Meat Act; to the Committee on Agriculture, Nutrition, and Forestry.

SENATE RESOLUTION 126

Be it resolved by the Senate of the State of Ohio:

Whereas, In 1967, the Wholesome Meat Inspection Act and the Wholesome Poultry Products Act authorized any state with an inspection program certified by the United States Department of Agriculture as at least equal to the federal program to inspect meat and poultry products for distribution within the state's borders. Currently, the United States Department of Agriculture primarily regulates large meat-packing operations, and state inspection programs have developed expertise in addressing the unique needs of small meat-packing operations; and

Whereas, In spite of the fact that state programs must be at least equal to the federal program, a ban exists on the interstate shipment of state-inspected meat. However, meat that is inspected in foreign countries is not prohibited from being sold in this country; and

Whereas, The ban on the interstate shipment of state-inspected meat has a chilling effect on the growth and prosperity of small meat packers in this country. Not only do the small operations face competition from large domestic meat packers, they are forced to sit idly by while foreign operations have access to purchasers who are off-limits to the small packers; and

Whereas, The New Markets for State-Inspected Meat Act of the 106th United States Congress reinforced a single safety standard between the state programs and the United States Department of Agriculture for all meat and poultry inspections and authorized the interstate shipment of state-inspected products. The proposed law thus provided equal participation in the meat industry for all meat packers while ensuring that the health of consumers would not be compromised. However, the Congress adjourned without enacting it; now therefore be it

Resolved, That the Senate of the State of Ohio urges the 107th Congress of the United States to reintroduce and pass the New Markets for State-Inspected Meat Act as a means of assisting small meat-packing operations and to restore fairness to the meat industry in this country; and be it

Resolved, That the Clerk of the Senate transmit duly authenticated copies of this resolution to the Speaker and Clerk of the United States House of Representatives, to the President Pro Tempore and Secretary of the United States Senate, to the members of the Ohio Congressional delegation, and to the news media of Ohio.

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committee were submitted:

By Mr. WARNER for the Committee on Armed Services.

Alfred Rascon, of California, to be Director of Selective Service.

David S.C. Chu, of the District of Columbia, to be Under Secretary of Defense for Personnel and Readiness.

Gordon England, of Texas, to be Secretary of the Navy.

Thomas E. White, of Texas, to be Secretary of the Army.

James G. Roche, of Maryland, to be Secretary of the Air Force.

(The above nominations were reported with the recommendation that they be confirmed subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. WARNER for the Committee on Armed Services.

The following Air National Guard of the United States officer for appointment in the Reserve of the Air Force to the grade indicated under title 10, U.S.C., section 12203:

To be brigadier general

Col. Van P. Williams Jr., 9389.

(The above nomination was reported with the recommendation that it be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. SCHUMER:

S. 915. A bill to amend the Internal Revenue Code of 1986 to allow the Secretary of the Treasury to disclose taxpayer identity information through mass communications to notify persons entitled to tax refunds; to the Committee on Finance.

By Mr. KOHL (for himself, Ms. SNOWE, Mr. BAYH, Mr. GRAHAM, Mr. JOHNSON, Mr. LIEBERMAN, Mr. ROCKEFELLER, Mr. BREAUX, and Mrs. LINCOLN):

S. 916. A bill to provide more child support money to families leaving welfare, and for other purposes; to the Committee on Finance.

By Ms. COLLINS (for herself, Mr. BINGAMAN, Mr. GRASSLEY, Mr. DASCHLE, Mr. JEFFORDS, Mr. SARBANES, Mr. HARKIN, Mr. CORZINE, and Mr. LEAHY):

S. 917. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income amounts received on account of claims based on certain unlawful discrimination and to allow income averaging for backpay and frontpay awards received on account of such claims, and for other purposes; to the Committee on Finance.

By Ms. SNOWE (for herself, Mr. KOHL, Mr. BAYH, Mr. GRAHAM, Mr. JOHNSON, Mr. LIEBERMAN, Mr. ROCKEFELLER, Mr. BREAUX, and Mrs. LINCOLN):

S. 918. A bill to provide more child support money to families leaving welfare, to simplify the rules governing the assignment and distribution of child support collected by States on behalf of children, to improve the collection of child support, and for other purposes; to the Committee on Finance.

By Mr. THURMOND:

S. 919. A bill to require the Secretary of Energy to study the feasibility of developing commercial nuclear energy production facilities at existing Department of Energy sites; to the Committee on Energy and Natural Resources.

By Mr. BREAUX (for himself, Mr. JEFFORDS, Mr. GRAHAM, Mr. CHAFEE, and Mr. LEVIN):

S. 920. A bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax to individuals who rehabilitate historic homes or who are the first purchasers of rehabilitated historic homes for use as a principal residence; to the Committee on Finance.

By Mr. DEWINE:

S. 921. A bill to adjust the boundary of the William Howard Taft National Historic Site in the State of Ohio, to authorize an exchange of land in connection with the historic site, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. SCHUMER (for himself and Mrs. CLINTON):

S. 922. A bill to amend the Mineral Leasing Act to make available for the Low-Income Home Energy Assistance program a specified percentage of the money received by the United States from onshore Federal oil and gas development; to the Committee on Finance.

By Mr. GRASSLEY (for himself and Mr. NELSON of Nebraska):

S. 923. A bill to amend the Agricultural Market Transition Act to extend the expansion of producers that are eligible for loan deficiency payments; to the Committee on Agriculture, Nutrition, and Forestry.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. NELSON of Florida (for himself, Mr. FEINGOLD, and Mr. LEAHY):

S. Res. 91. A resolution condemning the murder of a United States citizen and other civilians, and expressing the sense of the Senate regarding the failure of the Indonesian judicial system to hold accountable those responsible for the killings; to the Committee on Foreign Relations.

By Mrs. FEINSTEIN (for herself, Mr. JEFFORDS, Mr. HUTCHINSON, Mr. HELMS, Mr. SARBANES, Mr. VOINOVICH, Mr. DOMENICI, Mr. WARNER, Mr. GRAMM, Mr. HATCH, Mr. THURMOND, Mr. MCCAIN, Mr. BIDEN, Mr. KERRY, Mr. LEVIN, Mr. DODD, Mrs. CLINTON, Mr. CONRAD, Mr. THOMAS, Mr. ROBERTS, Mr. BINGAMAN, Mr. SCHUMER, Mr. GRASSLEY, Mr. FITZGERALD, Mr. BROWNBACK, Mr. KENNEDY, Mr. COCHRAN, Mr. ALLEN, Mr. DASCHLE, and Mrs. LINCOLN):

S. Res. 92. A resolution to designate the week beginning June 3, 2001, as "National Correctional Officers and Employees Week"; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 148

At the request of Mr. CRAIG, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 148, a bill to amend the Internal Revenue Code of 1986 to expand the adoption credit, and for other purposes.

S. 170

At the request of Mr. REID, the name of the Senator from Kansas (Mr. ROBERTS) was added as a cosponsor of S. 170, a bill to amend title 10, United States Code, to permit retired members of the Armed Forces who have a service-connected disability to receive both military retired pay by reason of their years of military service and disability compensation from the Department of Veterans Affairs for their disability.

S. 190

At the request of Mr. FRIST, the name of the Senator from Missouri (Mr. BOND) was added as a cosponsor of S. 190, a bill to amend the Federal Food, Drug, and Cosmetic Act to grant the Secretary of Health and Human Services the authority to regulate tobacco products, and for other purposes.

S. 281

At the request of Mr. HAGEL, the names of the Senator from New Jersey (Mr. CORZINE) and the Senator from Delaware (Mr. BIDEN) were added as cosponsors of S. 281, a bill to authorize the design and construction of a temporary education center at the Vietnam Veterans Memorial.

S. 409

At the request of Mrs. HUTCHISON, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 409, a bill to amend title 38, United States Code, to clarify the standards for compensation for Persian Gulf veterans suffering from certain undiagnosed illnesses, and for other purposes.

S. 550

At the request of Mr. DASCHLE, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 550, a bill to amend part E of title IV of the Social Security Act to provide equitable access for foster care and adoption services for Indian children in tribal areas.

S. 632

At the request of Mr. NELSON of Florida, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 632, a bill to reinstate a final rule promulgated by the Administrator of the Environmental Protection Agency, and for other purposes.

S. 680

At the request of Mr. HUTCHINSON, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 680, a bill to amend the Housing and Community Development Act of 1974 to authorize communities to use community development block grant funds for construction of tornado-safe shelters in manufactured home parks.

S. 694

At the request of Mr. LEAHY, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 694, a bill to amend the Internal Revenue Code of 1986 to provide that a deduction equal to fair market value shall be allowed for charitable contributions of literary, musical, artistic, or scholarly compositions created by the donor.

S. 706

At the request of Mr. KERRY, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 706, a bill to amend the Social Security Act to establish programs to alleviate the nursing profession shortage, and for other purposes.

S. 721

At the request of Mr. HUTCHINSON, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 721, a bill to amend the Public Health Service Act to establish a Nurse Corps and recruitment and retention strategies to address the nursing shortage, and for other purposes.

S. 723

At the request of Mr. SPECTER, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 723, a bill to amend the Public Health Service Act to provide for human embryonic stem cell generation and research.

S. 754

At the request of Mr. LEAHY, the name of the Senator from Wisconsin

(Mr. FEINGOLD) was added as a cosponsor of S. 754, a bill to enhance competition for prescription drugs by increasing the ability of the Department of Justice and Federal Trade Commission to enforce existing antitrust laws regarding brand name drugs and generic drugs.

S. 804

At the request of Mrs. FEINSTEIN, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 804, a bill to amend title 49, United States Code, to require phased increases in the fuel efficiency standards applicable to light trucks; to required fuel economy standards for automobiles up to 10,000 pounds gross vehicle weight; to raise the fuel economy of the Federal fleet of vehicles, and for other purposes.

S. 805

At the request of Mr. WELLSTONE, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 805, a bill to amend the Public Health Service Act to provide for research with respect to various forms of muscular dystrophy, including Duchenne, Becker, limb girdle, congenital, facioscapulohumeral, myotonic, oculopharyngeal, distal, and emery-dreifuss muscular dystrophies.

S. 826

At the request of Mrs. LINCOLN, the name of the Senator from Florida (Mr. GRAHAM) was added as a cosponsor of S. 826, a bill to amend title XVIII of the Social Security Act to eliminate cost-sharing under the medicare program for bone mass measurements.

S. 829

At the request of Mr. BROWNBACK, the names of the Senator from Pennsylvania (Mr. SPECTER) and the Senator from New Jersey (Mr. CORZINE) were added as cosponsors of S. 829, a bill to establish the National Museum of African American History and Culture within the Smithsonian Institution.

S. 838

At the request of Mr. BOND, his name was added as a cosponsor of S. 838, a bill to amend the Federal Food, Drug, and Cosmetic Act to improve the safety and efficacy of pharmaceuticals for children.

S. 852

At the request of Mrs. FEINSTEIN, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 852, a bill to support the aspirations of the Tibetan people to safeguard their distinct identity.

S. 865

At the request of Mr. MCCONNELL, the name of the Senator from Arkansas (Mr. HUTCHINSON) was added as a cosponsor of S. 865, a bill to provide small businesses certain protections from litigation excesses and to limit the product liability of nonmanufacturer product sellers.

S. 871

At the request of Mr. CLELAND, the name of the Senator from Oklahoma (Mr. INHOFE) was added as a cosponsor of S. 871, a bill to amend chapter 83 of title 5, United States Code, to provide for the computation of annuities for air traffic controllers in a similar manner as the computation of annuities for law enforcement officers and firefighters.

S.J. RES. 7

At the request of Mr. HATCH, the name of the Senator from Florida (Mr. NELSON, of Florida) was added as a cosponsor of S. J. Res. 7, a joint resolution proposing an amendment to the Constitution of the United States authorizing Congress to prohibit the physical desecration of the flag of the United States.

S. RES. 71

At the request of Mr. HARKIN, the names of the Senator from Georgia (Mr. CLELAND), the Senator from New Jersey (Mr. CORZINE), and the Senator from Wisconsin (Mr. FEINGOLD) were added as cosponsors of S. Res. 71, a resolution expressing the sense of the Senate regarding the need to preserve six day mail delivery.

S. CON. RES. 3

At the request of Mr. FEINGOLD, the names of the Senator from Idaho (Mr. CRAIG) and the Senator from Louisiana (Mr. BREAUX) were added as cosponsors of S. Con. Res. 3, a concurrent resolution expressing the sense of Congress that a commemorative postage stamp should be issued in honor of the U.S.S. *Wisconsin* and all those who served aboard her.

S. CON. RES. 14

At the request of Mr. CAMPBELL, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. Con. Res. 14, a concurrent resolution recognizing the social problem of child abuse and neglect, and supporting efforts to enhance public awareness of it.

S. CON. RES. 17

At the request of Mr. SARBANES, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. Con. Res. 17 , a concurrent resolution expressing the sense of Congress that there should continue to be parity between the adjustments in the compensation of members of the uniformed services and the adjustments in the compensation of civilian employees of the United States.

S. CON. RES. 40

At the request of Mr. HATCH, the names of the Senator from Hawaii (Mr. AKAKA), the Senator from Colorado (Mr. CAMPBELL), the Senator from New Jersey (Mr. CORZINE), the Senator from Texas (Mrs. HUTCHISON), the Senator from Michigan (Ms. STABENOW), and the Senator from Oregon (Mr. WYDEN) were added as cosponsors of S. Con. Res. 40, a concurrent resolution expressing the sense of Congress regarding the designation of the week of May 20, 2001, as "National Emergency Medical Services Week."

AMENDMENT NO. 654

At the request of Mr. CONRAD, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of amendment No. 654 proposed to H.R. 1836, a bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002.

AMENDMENT NO. 656

At the request of Mr. GREGG, the names of the Senator from Nebraska (Mr. HAGEL) and the Senator from Arkansas (Mr. HUTCHINSON) were added as cosponsors of amendment No. 656 proposed to H.R. 1836, a bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002.

AMENDMENT NO. 660

At the request of Mr. BIDEN, his name was added as a cosponsor of amendment No. 660 proposed to H.R. 1836, a bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002.

AMENDMENT NO. 670

At the request of Mr. FITZGERALD, the names of the Senator from New Mexico (Mr. BINGAMAN), the Senator from New Jersey (Mr. CORZINE), the Senator from Ohio (Mr. DEWINE), the Senator from Vermont (Mr. LEAHY), the Senator from Maine (Ms. COLLINS), and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of amendment No. 670 proposed to H.R. 1836, a bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002.

AMENDMENT NO. 674

At the request of Mrs. CARNAHAN, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of amendment No. 674 proposed to H.R. 1836, a bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002.

AMENDMENT NO. 676

At the request of Ms. COLLINS, her name was added as a cosponsor of amendment No. 676 proposed to H.R. 1836, a bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002.

At the request of Mr. DASCHLE, his name was added as a cosponsor of amendment No. 676 proposed to H.R. 1836, supra.

At the request of Mrs. FEINSTEIN, her name was added as a cosponsor of amendment No. 676 proposed to H.R. 1836, supra.

At the request of Mr. KENNEDY, his name was added as a cosponsor of amendment No. 676 proposed to H.R. 1836, supra.

At the request of Ms. LANDRIEU, her name was added as a cosponsor of amendment No. 676 proposed to H.R. 1836, supra.

At the request of Mr. REID, his name was added as a cosponsor of amendment No. 676 proposed to H.R. 1836, supra.

At the request of Mr. WELLSTONE, his name was added as a cosponsor of amendment No. 676 proposed to H.R. 1836, supra.

AMENDMENT NO. 685

At the request of Mr. BAYH, the names of the Senator from Missouri (Mrs. CARNAHAN) and the Senator from Florida (Mr. GRAHAM) were added as cosponsors of amendment No. 685 proposed to H.R. 1836, a bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KOHL (for himself, Ms. SNOWE, Mr. BAYH, Mr. GRAHAM, Mr. JOHNSON, Mr. LIEBERMAN, Mr. ROCKEFELLER, Mr. BREAUX, and Mrs. LINCOLN):

S. 916. A bill to provide more child support money to families leaving welfare, and for other purposes; to the Committee on Finance.

Mr. KOHL. Mr. President, I rise today to introduce the Children First Child Support Reform Act of 2001, and I want to thank Senators SNOWE, BAYH, GRAHAM, JOHNSON, LIEBERMAN, ROCKEFELLER, BREAUX and LINCOLN for cosponsoring. I am also pleased to cosponsor Senator SNOWE's Child Support Distribution Act of 2001, which includes the "Children First" component as well as other provisions to improve child support collections and enforcement. I applaud Senator SNOWE for her continued leadership on this important issue.

The "Children First" bill takes significant steps toward ensuring that children receive the child support money they are owed and deserve. In Fiscal Year 1999, the public child support system collected child support payments for only 37 percent of its caseload, up from 23 percent in 1998. Obviously, we still need to improve, but States are making real progress. It's time for Congress to take the next step and help States overcome a major obstacle to collecting child support for families.

There are many reasons why non-custodial parents may not be paying support for their children. Some are not able to pay because they don't have jobs or have fallen on hard times. Others may not pay because they are unfairly prevented from spending time with their children.

But other fathers don't pay because the public system actually discourages them from paying. Under current law, over $2 billion in child support is retained every year by the State and Federal governments as repayment for welfare benefits, rather than delivered to the children to whom it is owed. Since the money doesn't benefit their kids, fathers are discouraged from paying support. And mothers have no incentive to push for payment since the support doesn't go to them.

It's time for Congress to change this system and encourage States to distribute more child support to families. My home State of Wisconsin has already been doing this for several years and is seeing great results. In 1997, I worked with my State to institute an innovative program of passing through child support payments directly to families. A recent evaluation of the Wisconsin program clearly shows that when child support payments are delivered to families, non-custodial parents are more apt to pay, and to pay more. In addition, Wisconsin has found that, overall, this policy does not increase government costs. That makes sense because "passing through" support payments to families means they have more of their own resources, and are less apt to depend on public help to meet other needs such as food, transportation or child care.

We now have a key opportunity to encourage all States to follow Wisconsin's example. This legislation gives States options and strong incentives to send more child support directly to families who are working their way off, or are already off, public assistance. Not only will this create the right incentives for non-custodial parents to pay, but it will also simplify the job for States, who currently face an administrative nightmare in following the complicated rules of the current system.

We know that creating the right incentives for non-custodial parents to pay support and increasing collections has long-term benefits. People who can count on child support are more likely to stay in jobs and stay off public assistance.

This legislation finally brings the Child Support Enforcement program into the post-welfare reform era, shifting its focus from recovering welfare costs to increasing child support to families so they can sustain work and maintain self-sufficiency. After all, it's only fair that if we are asking parents to move off welfare and take financial responsibility for their families, then we in Congress must make sure that child support payments actually go to the families to whom they are owed and who are working so hard to succeed.

Last year, a House version of this bill passed by an overwhelming bipartisan vote of 405 to 18, and a similar version has been reintroduced this year. My legislation has also been included in Senator SNOWE's Child Support Distribution Act, and the bipartisan "Strengthening Working Families Act, both of which I am proud to be an original cosponsor.

I was also greatly encouraged by the statements made by Secretary Thompson at the Labor, Health and Human Services, Education and Related Agencies Appropriations hearing on April 25, 2001, in which the Secretary spoke about the success of Wisconsin's program and expressed his support for this approach. I am hopeful that the Administration will be able to fully support this legislation, as I believe it is consistent with the President's goal of making sure that families, not the government, keep more of the money they earn and deserve.

We must keep this bipartisan momentum going in this Congress. It's time that we finally make child support meaningful for families, and make sure that children get the support they need and deserve.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 916

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Children First Child Support Reform Act of 2001".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Modification of rule requiring assignment of support rights as a condition of receiving TANF.
Sec. 3. Increasing child support payments to families and simplifying child support distribution rules.
Sec. 4. State option to discontinue certain support assignments.
Sec. 5. Effective date.

SEC. 2. MODIFICATION OF RULE REQUIRING ASSIGNMENT OF SUPPORT RIGHTS AS A CONDITION OF RECEIVING TANF.

Section 408(a)(3) of the Social Security Act (42 U.S.C. 608(a)(3)) is amended to read as follows:

"(3) NO ASSISTANCE FOR FAMILIES NOT ASSIGNING CERTAIN SUPPORT RIGHTS TO THE STATE.—A State to which a grant is made under section 403 shall require, as a condition of paying assistance to a family under the State program funded under this part, that a member of the family assign to the State any rights the family member may have (on behalf of the family member or of any other person for whom the family member has applied for or is receiving such assistance) to support from any other person, not exceeding the total amount of assistance so paid to the family, which accrues during the period that the family receives assistance under the program.".

SEC. 3. INCREASING CHILD SUPPORT PAYMENTS TO FAMILIES AND SIMPLIFYING CHILD SUPPORT DISTRIBUTION RULES.

(a) DISTRIBUTION RULES.—

(1) IN GENERAL.—Section 457(a) of the Social Security Act (42 U.S.C. 657(a)) is amended to read as follows:

"(a) IN GENERAL.—Subject to subsections (e) and (f), the amounts collected on behalf of a family as support by a State under a plan approved under this part shall be distributed as follows:

“(1) FAMILIES RECEIVING ASSISTANCE.—In the case of a family receiving assistance from the State, the State shall—

“(A) pay to the Federal Government the Federal share of the amount collected, subject to paragraph (3)(A);

“(B) retain, or pay to the family, the State share of the amount collected, subject to paragraph (3)(B); and

“(C) pay to the family any remaining amount.

“(2) FAMILIES THAT FORMERLY RECEIVED ASSISTANCE.—In the case of a family that formerly received assistance from the State:

“(A) CURRENT SUPPORT.—To the extent that the amount collected does not exceed the current support amount, the State shall pay the amount to the family.

“(B) ARREARAGES.—Except as otherwise provided in the State plan approved under section 454, to the extent that the amount collected exceeds the current support amount, the State—

“(i) shall first pay to the family the excess amount, to the extent necessary to satisfy support arrearages not assigned under section 408(a)(3);

“(ii) if the amount collected exceeds the amount required to be paid to the family under clause (i), shall—

“(I) pay to the Federal Government, the Federal share of the excess amount described in this clause, subject to paragraph (3)(A); and

“(II) retain, or pay to the family, the State share of the excess amount described in this clause, subject to paragraph (3)(B); and

“(iii) shall pay to the family any remaining amount.

“(3) LIMITATIONS.—

“(A) FEDERAL REIMBURSEMENTS.—The total of the amounts paid by the State to the Federal Government under paragraphs (1) and (2) with respect to a family shall not exceed the Federal share of the amount assigned with respect to the family under section 408(a)(3).

“(B) STATE REIMBURSEMENTS.—The total of the amounts retained by the State under paragraphs (1) and (2) with respect to a family shall not exceed the State share of the amount assigned with respect to the family under section 408(a)(3).

“(4) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of any other family, the State shall pay the amount collected to the family.

“(5) FAMILIES UNDER CERTAIN AGREEMENTS.—Notwithstanding paragraphs (1) through (4), in the case of an amount collected for a family in accordance with a cooperative agreement under section 454(33), the State shall distribute the amount collected under the terms of the agreement.

“(6) STATE FINANCING OPTIONS.—To the extent that the State share of the amount payable to a family under paragraph (2)(B) exceeds the amount that the State estimates (under procedures approved by the Secretary) would have been payable to the family under former section 457(a)(2)(B) (as in effect for the State immediately before the date on which this subsection, as amended by the Children First Child Support Reform Act of 2001, first applies to the State) if such former section had remained in effect, the State may elect to use the grant made to the State under section 403(a) to pay the amount, or to have the payment considered a qualified State expenditure for purposes of section 409(a)(7), but not both.

“(7) STATE OPTION TO PASS THROUGH ADDITIONAL SUPPORT WITH FEDERAL FINANCIAL PARTICIPATION.—

“(A) IN GENERAL.—Notwithstanding paragraphs (1) and (2), a State shall not be required to pay to the Federal Government the Federal share of an amount collected on behalf of a family that is not a recipient of assistance under the State program funded under part A, to the extent that the State pays the amount to the family.

“(B) RECIPIENTS OF TANF FOR LESS THAN 5 YEARS.—

“(i) IN GENERAL.—Notwithstanding paragraphs (1) and (2), a State shall not be required to pay to the Federal Government the Federal share of an amount collected on behalf of a family that is a recipient of assistance under the State program funded under part A and, if the family includes an adult, that has received the assistance for not more than 5 years after the date of enactment of this paragraph, to the extent that—

“(I) the State pays the amount to the family; and

“(II) subject to clause (ii), the amount is disregarded in determining the amount and type of the assistance provided to the family.

“(ii) LIMITATION.—Of the amount disregarded as described in clause (i)(II), the maximum amount that may be taken into account for purposes of clause (i) shall not exceed $400 per month, except that, in the case of a family that includes 2 or more children, the State may elect to increase the maximum amount to not more than $600 per month.

“(8) STATES WITH DEMONSTRATION WAIVERS.—Notwithstanding the preceding paragraphs, a State with a waiver under section 1115 that became effective on or before October 1, 1997, the terms of which allow pass-through of child support payments, may pass through such payments in accordance with such terms with respect to families subject to the waiver.”.

(2) STATE PLAN TO INCLUDE ELECTION AS TO WHICH RULES TO APPLY IN DISTRIBUTING CHILD SUPPORT ARREARAGES COLLECTED ON BEHALF OF FAMILIES FORMERLY RECEIVING ASSISTANCE.—Section 454 of the Social Security Act (42 U.S.C. 654) is amended—

(A) by striking “and” at the end of paragraph (32);

(B) by striking the period at the end of paragraph (33) and inserting “; and”; and

(C) by inserting after paragraph (33) the following:

“(34) include an election by the State to apply section 457(a)(2)(B) or former section 457(a)(2)(B) (as in effect for the State immediately before the date this paragraph, as amended by the Children First Child Support Reform Act of 2001, first applies to the State) to the distribution of the amounts which are the subject of such sections, and for so long as the State elects to so apply such former section, the amendments made by section 2 of the Children First Child Support Reform Act of 2001 shall not apply with respect to the State, notwithstanding section 6(a) of such Act.”.

(3) APPROVAL OF ESTIMATION PROCEDURES.—Not later than October 1, 2002, the Secretary of Health and Human Services, in consultation with the States (as defined for purposes of part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)), shall establish the procedures to be used to make the estimate described in section 457(a)(6) of such Act (42 U.S.C. 657(a)(6)).

(b) CURRENT SUPPORT AMOUNT DEFINED.—Section 457(c) of the Social Security Act (42 U.S.C. 657(c)) is amended by adding at the end the following:

“(5) CURRENT SUPPORT AMOUNT.—The term ‘current support amount’ means, with respect to amounts collected as support on behalf of a family, the amount designated as the monthly support obligation of the noncustodial parent in the order requiring the support.”.

(c) CONFORMING AMENDMENTS.—

(1) Section 404(a) of the Social Security Act (42 U.S.C. 604(a)) is amended—

(A) by striking “or” at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting “; or”; and

(C) by adding at the end the following:

“(3) to fund payment of an amount under section 457(a)(2)(B), but only to the extent that the State properly elects under section 457(a)(6) to use the grant to fund the payment.”.

(2) Section 409(a)(7)(B)(i) of the Social Security Act (42 U.S.C. 609(a)(7)(B)(i)) is amended—

(A) in subclause (I)(aa), by striking “457(a)(1)(B)” and inserting “457(a)(1)”; and

(B) by adding at the end the following:

“(V) PORTIONS OF CERTAIN CHILD SUPPORT PAYMENTS COLLECTED ON BEHALF OF AND DISTRIBUTED TO FAMILIES NO LONGER RECEIVING ASSISTANCE.—Any amount paid by a State under section 457(a)(2)(B), but only to the extent that the State properly elects under section 457(a)(6) to have the payment considered a qualified State expenditure.”.

SEC. 4. STATE OPTION TO DISCONTINUE CERTAIN SUPPORT ASSIGNMENTS.

Section 457(b) of the Social Security Act (42 U.S.C. 657(b)) is amended by striking “shall” and inserting “may”.

SEC. 5. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by this section shall take effect on October 1, 2005, and shall apply to payments under parts A and D of title IV of the Social Security Act (42 U.S.C. 601 et seq. and 651 et seq.) for calendar quarters beginning on or after such date, and without regard to whether regulations to implement the amendments (in the case of State programs operated under such part D) are promulgated by such date.

(b) STATE OPTION TO ACCELERATE EFFECTIVE DATE.—In addition, a State may elect to have the amendments made by section 2 or 3 apply to the State and to amounts collected by the State, on and after such date as the State may select that is after the date of enactment of this Act, by including an election to that effect in the State plan under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

By Ms. COLLINS (for herself, Mr. BINGAMAN, Mr. GRASSLEY, Mr. DASCHLE, Mr. JEFFORDS, Mr. SARBANES, Mr. HARKIN, Mr. CORZINE, and Mr. LEAHY):

S. 917. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income amounts received on account of claims based on certain unlawful discrimination and to allow income averaging for backpay and frontpay awards received on account of such claims, and for other purposes; to the Committee on Finance.

Ms. COLLINS. Mr. President, I rise to introduce the Civil Rights Tax Relief Act of 2001, a bill designed to promote the fair and equitable settlement of civil rights claims. I am very pleased to be joined today by Senators BINGAMAN, GRASSLEY, DASCHLE, JEFFORDS, SARBANES, HARKIN, CORZINE, and LEAHY.

The primary purpose of this bill is to remedy an unintended consequence of the Small Business Job Protection Act of 1996, which made damage awards not based on "physical injuries or physical sickness" part of a plaintiff's taxable income. Because most acts of employment discrimination and civil rights violations do not cause physical injuries, this provision has had a direct and negative impact on plaintiffs who successfully prove that they have been subjected to intentional employment discrimination or other intentional violations of their civil rights. The problem is compounded by the fact that plaintiffs are now taxed on the entirety of their settlements or damage awards in civil rights cases, despite the fact that a portion of a settlement or award must be paid to the plaintiff's attorney, who in turn is taxed on the same funds! This double taxation of awards of attorneys' fees serves to penalize Americans who win their civil rights cases.

I would like to share one example of how individuals can be harmed by the current taxation scheme, and even discouraged from challenging workplace discrimination. The example was brought to my attention by David Webbert, an attorney who practices in Maine's capitol, Augusta. In the case, David represented a person who successfully challenged a business' policy of discriminating against persons with a particular type of disability. As a result of the case, the discriminatory policy was declared illegal and was ended. Although the plaintiff did not seek any monetary damages in the case, the law did provide for payment of attorney's fees, which were paid by the defendant's insurance company. Because of the current law's double taxation of attorney's fees, they were taxable to the plaintiff in this case, despite the fact that they were also taxable to the attorney. In short, plaintiffs in civil rights cases like this could have to pay taxes despite receiving no monetary award. Or, in other words, under current law, a plaintiff can be penalized financially for bringing a meritorious case against a company's discriminatory policies.

Our bill would eliminate the unfair taxation of civil rights victims' settlements and court awards; taxation that adds insult to a civil rights victim's injuries and serves as a barrier to the just settlement of civil rights claims.

Our bill would change the taxation of awards received by individuals that result from judgments in or settlements of employment discrimination cases. First, the bill excludes from gross income amounts awarded other than for punitive damages and compensation attributable to services that were to be performed, known as "backpay", or that would have been performed but for a claimed violation of law by the employer, known as "frontpay". Second, award amounts for frontpay or backpay would be included in income, but would be eligible for income averaging according to the time period covered by the award. This correction would allow individuals to pay taxes at the same marginal rates that would have applied to them had they not suffered discrimination. Third, the bill would change the tax code so that people who bring civil rights cases are not taxed on the portion of any award paid as fees to their attorney. This provision would eliminate the double-taxation of such fees, which would still be taxable income to the attorney.

The Civil Rights Tax Relief Act would encourage the fair settlement of costly and protracted litigation of employment discrimination claims. Our legislation would allow both plaintiffs and defendants to settle claims based on the damages, not on excessive taxes that are now levied.

Our bill has been endorsed by the U.S. Chamber of Commerce, the Leadership Conference on Civil Rights, the American Small Business Alliance, AARP, the National Whistleblower Center, the National Employment Lawyers Association, numerous state and local bar associations and sections, including the Maine State Bar Association, Labor and Employment Section, and others. This bill is a "win-win" for civil rights plaintiffs and defendant businesses. We invite our colleagues to join with us in support of this common sense legislation.

By Ms. SNOWE (for herself, Mr. KOHL, Mr. BAYH, Mr. GRAHAM, Mr. JOHNSON, Mr. LIEBERMAN, Mr. ROCKFELLER, Mr. BREAUX, and Mrs. LINCOLN):

S. 918. A bill to provide more child support money to families leaving welfare, to simplify the rules governing the assignment and distribution of child support collected by States on behalf of children, to improve the collection of child support, and for other purposes; to the Committee on Finance.

Ms. SNOWE. Mr. President, I rise today to introduce the Child Support Distribution Act. This is companion legislation to Congresswoman NANCY JOHNSON's bill in the House. I want to begin by thanking Senator KOHL for his leadership on child support issues: I am delighted to have been able to team up with him again in this important area.

I also want to thank Senator BAYH for his leadership on family issues. I am pleased that we could work together and incorporate each of our ideas in vital legislation which we have already introduced, the Strengthening Working Families Act. I am also pleased to have Senators GRAHAM, JOHNSON, LIEBERMAN, ROCKFELLER, BREAUX, LINCOLN, BAYH as original cosponsors on this bill.

There is no question that children are the very future of our country and I believe fundamentally that every child has the right to grow up healthy, happy, and safe. Throughout my career, promoting children's well-being and keeping our children safe is a mission that has been close to my heart. While we cannot expect the government to ensure that every child receives parental love and attention, we can ensure that the custodial parent, not the government, receives this vital financial support.

Ending poverty and promoting self-sufficiency is an on-going national commitment. Five years ago Congress restored welfare to a temporary assistance program, rather than a program that entangles and traps generation after generation. In September 2000, there were 5.7 million open TANF caseloads for individual recipients, down from 12.2 million, a 53 percent reduction, in August 1996 when Welfare Reform became law.

Unfortunately, while we are succeeding in promoting self-sufficiency and self-reliance through welfare reform, we are sending out a double-edged message on the need to pay child support. Current law regarding the assignment and distribution of child support for families on welfare is extremely complicated, depending on when families applied for welfare, when the child support was paid, whether that child support was for current or past-due payments, and depending on how the child support was collected, in other words, through direct payments, through garnishing wages or other government assistance programs, or the federal income tax return intercept program.

The "Child Support Distribution Act of 2001" would provide more child support money to families leaving welfare; would simplify the rules governing the assignment and distribution of child support collected by States; would improve the collection of child support; and would authorize demonstration programs encouraging public agencies to help collect child support; and provide guidelines for involvement of public agencies in child support enforcement.

Under current law, when child support is collected for families receiving Temporary Assistance for Needy Families, TANF, the money is divided between the state and federal governments as payment for the welfare the family has received. The 1996 Welfare Reform Act gave states the option to decide how much, if any, of the state share of child support payments collected on behalf of TANF families to send to the family.

The 1996 Welfare Reform law also required that in order to qualify for TANF benefits, beneficiaries must "assign", or give their child support rights to the state for periods before and while the family is on welfare. This means that the State is allowed to keep, and divide with the federal government, child support arrearages that were owed even before the family went on TANF if they are collected while the family is receiving welfare benefits.

The original intent of these assignment and distribution strategies was to reimburse the state and federal governments for their outlays to the welfare family. But how much sense does it make to tell a family that is on welfare or trying to get off welfare that the State is entitled to the first cut of any child support payment, even if the absent parent begins to pay back the child support that was owed before the family went on welfare?

This means that the state gets the support before a parent can buy new shoes for her child, before she can buy her child a new coat for the approaching winter, before she can buy groceries for her family, or pay the rent for the next month. So in the real world, not just a policy-oriented world, our current law regarding child support payments provides a disincentive for struggling parents to leave welfare, and it certainly provides no incentive for the absent parent to pay, much less catch up with, their child support bills. I wonder how we can realistically expect to foster a positive relationship between a custodial parent, and the parent paying child support, when the State is entitled to all of the support money.

The key provisions of the bill I am introducing today will allow states to pass through the entire child support collected on their behalf while a person is on welfare; will change how and when child support is "owed" to the states for reimbursement for welfare benefits; and will expand the child support collection provisions such as revoking passports for past-due child support.

We must ensure both non-custodial and custodial parents that child support payments are directly benefitting their children. This bill will enable families to keep more of the past-due child support owed to them and it will further the goals of the 1996 Welfare Reform Act by helping families to remain self-sufficient. This bill will give mothers leaving welfare an additional $4 billion child support collections over the first five years of full implementation. It will also lead to the voluntary payment by states of about $900 million over five years in child support to families while they are still on welfare.

Children are the leaders of tomorrow; they are the very future of our great nation. We owe them nothing less than the sum of our energies, our talents, and our efforts in providing them a foundation on which to build happy, healthy and productive lives. And, when appropriate, we need to help parents financially support and provide for their children. Because it simply makes little sense to ask people to be self-sufficient, to pay their child-support bills, and then to allow the State to collect all of that child-support.

I encourage my colleagues to take a serious look at this bill and pass it this year.

By Mr. THURMOND:

S. 919. A bill to require the Secretary of Energy to study the feasibility of developing commercial nuclear energy production facilities at existing Department of Energy sites; to the Committee on Energy and Natural Resources.

Mr. THURMOND. Mr. President, one does not need to look much further than their mailbox and the bills they receive for filling the gas tank or heating the house to realize that the United States is in need of direction and leadership when it comes to an energy policy. I am pleased that President Bush and Vice President CHENEY have unveiled their energy plan and I look forward to working with the Administration on this important issue.

The President's National Energy Policy is a long term approach to addressing our Nation's energy challenges. The policy is a comprehensive plan to address the needs for additional energy production and environmental protection. It will promote energy efficiency and new technologies to modernize the Nation's energy infrastructure. The President's plan will help increase energy supply through clean coal technology, nuclear energy, renewable and alternative energy, and energy conservation. Now is the appropriate time to address these issues before a major energy crisis jeopardizes our economy, national security, and our standard of living.

I am especially pleased that the President highlighted production sources that have been ignored and shunned in recent years such as clean coal and nuclear power as energy sources which must again be embraced. This is a long overdue recognition of the valuable and important roles that nuclear and coal power can and must play in meeting the energy needs of the United States. These two energy sources have clear benefits. However, their increased role in meeting national needs will not be realized without challenge.

To be certain, plans to build any new nuclear production plants will be opposed by some quarters. Those who refuse to recognize the indispensable role of nuclear power will do everything to delay and undermine the construction of new production facilities. Essentially these anti-nuclear obstructionists will seek to create as many obstacles as they can. Past examples have witnessed lawsuits and intervener tactics that drove plant costs up by hundreds of percent and delayed the facility coming on line by decades.

Given such examples, it would certainly not seem that building new production facilities would be a financially appealing or rewarding proposition to a utility company. Yet the truth of the matter is that we desperately need to build new nuclear power production plants. Presently, the United States gets approximately 20 percent of its power from nuclear plants. Even under the most optimistic projections, the majority of the Nation's 103 nuclear power facilities will be coming to the end of their service in the coming years.

The question before us is how do we move forward with increasing this critical energy infrastructure but doing so in a more timely and cost-efficient manner than what took place in the past. The President's National Energy Policy Report recommends an expansion at existing utility power plant sites. I am pleased that the President addressed this issue. As the report states, many existing nuclear power sites have the capacity to include additional reactors. This is an outstanding initiative. However, I remain concerned that even with these new reactors at existing sites the total percentage of energy created by nuclear power will decrease. Such a scenario would only exacerbate the energy shortage for years to come. Ultimately, we must identify new sites for the safe expansion of nuclear energy. I believe the solution to this challenge is creating "energy campuses" at existing Department of Energy facilities throughout the United States. More specifically, I am proposing co-locating civilian power production facilities on Department of Energy reservations such as: Hanford; the Nevada Test Site; the Idaho National Environmental Engineering Laboratory; and, the Savannah River Site.

Creating such "energy campuses" would solve any number of problems associated with building a new civilian production facility. To begin, there is no need to secure new land or to convince the local populace that having a nuclear facility nearby is not a safety issue. Simply put, these are pro-nuclear communities that would welcome new industrial investment. Furthermore, it makes for a quicker and less contentious licensing process. Finally, it reduces the amount of new infrastructure required as you would be "leveraging" against what already exists at these locations.

The benefits of such a plan are multiple, not the least being that it would get nuclear power plants built and on line rapidly. Several are in the west, the Nevada Test Site, Idaho National Environmental Engineering Laboratory, and Hanford, Washington, and each would be able to directly or indirectly provide more power to energy starved California. Furthermore, this plan guarantees long-term energy supply reliability while not contributing to greenhouse gases or depleting gas reserves.

These sites were ideal for locating nuclear projects fifty years ago, and they remain so to this day. It makes perfect sense to use these existing assets as a platform upon which to expand our civilian nuclear power production capabilities. I am certain that this "energy campus" plan offers something for everyone, and if the Bush Administration is going to move forward with relying more heavily on nuclear energy, then this initiative is one way in which to meet the goal of making certain the energy needs of the United States are met.

In order to take the first step toward establishing these energy campuses, I am introducing a bill that will direct the Secretary of Energy to undertake a study regarding the feasibility of establishing civilian nuclear power production facilities at existing Department of Energy sites.

The economy of the United States is dependent upon reasonably priced energy. It is what is required to power everything from the traditional service of bringing goods to market to running the computers upon which engineers make advances in the high technology industry. There is nothing that we touch that does not rely on energy, and the less expensive the energy is, the more reasonably priced the goods or services we are purchasing or using will be. Simply put, Americans enjoy, expect, and demand reasonably priced energy. If we are going to continue to provide this resource at an affordable rate, which is a goal we must meet in order to keep our economy the world's strongest and most diverse, then we are going to have to look for innovative ways in which to supply power. It is time once again to recognize the value of nuclear power production and to find ways to bring more of these facilities "on-line" as quickly as possible. Establishing energy campuses at Department of Energy reservations will meet these objectives and I am certain that my colleagues will join me in supporting this legislation. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 919

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. STUDY TO DETERMINE FEASIBILITY OF DEVELOPING COMMERCIAL NUCLEAR ENERGY PRODUCTION FACILITIES AT EXISTING DEPARTMENT OF ENERGY SITES.

(a) IN GENERAL.—The Secretary of Energy shall conduct a study to determine the feasibility of developing commercial nuclear energy production facilities at Department of Energy sites in existence on the date of enactment of this Act, including—

(1) options for how and where nuclear power plants can be developed on existing Department of Energy sites;

(2) estimates on cost savings to the Federal Government that may be realized by locating new nuclear power plants on Federal sites;

(3) the feasibility of incorporating new technology into nuclear power plants located on Federal sites;

(4) potential improvements in the licensing and safety oversight procedures of nuclear power plants located on Federal sites;

(5) an assessment of the effects of nuclear waste management policies and projects as a result of locating nuclear power plants located on Federal sites; and

(6) any other factors that the Secretary believes would be relevant in making the determination.

(b) REPORT.—Not later than 90 days after the date of enactment of this Act, the Secretary shall submit to Congress a report describing the results of the study under subsection (a).

By Mr. BREAUX (for himself, Mr. JEFFORDS, Mr. GRAHAM, Mr. CHAFEE, and Mr. LEVIN):

S. 920. A bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax to individuals who rehabilitate historic homes or who are the first purchasers of rehabilitated historic homes for use as a principal residence; to the Committee on Finance.

Mr. BREAUX. Mr. President, I am honored to reintroduce today, along with my colleagues Senators JEFFORDS, GRAHAM, CHAFEE, and LEVIN, the "Historic Homeownership Assistance Act of 2001". This bill will provide the necessary incentive needed to help preserve, revitalize and restore our Nation's older and historic neighborhoods, which often form the core of many of our Nation's most distinct urban areas. During the 106th Congress, this legislation received bipartisan majority support in the House with 226 sponsors and enjoyed the support of 39 sponsors in the Senate. In the 107th, the House bill, H.R. 1172, sponsored by Rep. CLAY SHAW, H.R. 1172, is already endorsed by 72 Members to date.

This bipartisan proposal would create a historic homeowners tax credit directed toward housing stock in deteriorating neighborhoods and communities located in more than 11,000 Federal, State and local historic districts in all 50 states and the District of Columbia. It would allow homebuyers and homeowners to take a 40 percent federal tax credit on residential properties they rehabilitate for use as their primary residence. If enacted, a historic homeowners tax credit would be a useful tool to preserve historic neighborhoods and homes in small towns and urban areas; make homeownership more affordable for less affluent families; revitalize deteriorating older neighborhoods; strengthen the tax base for local governments; and combat sprawl and urban blight.

The number of properties eligible for the historic homeowners credit is approximately one third of the almost one million structures in historic districts nationwide, and 58 percent are located in census tracts with a poverty rate of 20 percent or greater. In Louisiana, 91 percent of the historic districts in the state overlap with census tracts with a rate of poverty of 20 percent or more, a figure much higher than the national average. My home state of Louisiana also has one of the highest concentrations of historic properties in the Nation. In a recent National Park Service survey, it was found that 109 National Register Historic Districts in the State contain 45,084 historic buildings. The Louisiana Division of Historic Preservation reports that of these 45,000 plus structures, 20 percent are in poor condition, 20 percent are in only fair condition and 60 percent are owner-occupied housing. The City of New Orleans alone is reported to have 30,000 vacant housing units, of which 10,000 would qualify for the historic homeownership tax credit.

I cannot emphasize enough how much enactment of this incentive would mean to my State and the Nation at large. This bill will make ownership of a rehabilitated older home more affordable for residents and homebuyers of modest means and incomes while increasing the tax base of our most economically distressed urban areas.

This legislation also includes unique provisions to assist developers and mortgage lenders in saving our most vulnerable historic neighborhoods. Under the bill, developers could rehabilitate historic properties, sell them, and pass the credit onto homebuyers. This feature would allow nonprofit housing providers to utilize the credit to further the goal of affordable homeownership. In addition, the bill offers an option to convert the tax credit to a mortgage credit certificate which could be transferred to a bank or mortgage lender to reduce the mortgage interest rate, lowering monthly mortgage payments to benefit low- and moderate-income families who do not have enough tax liability to use the credit. In Empowerment Zones, Enterprise Communities, Community Renewal areas and distressed census tracts, the credit could also be used to lower the cost of the down payment on a historic home.

America's priceless heritage is being threatened by urban sprawl as residents abandon the historic districts for the suburbs. The Historic Homeownership Assistance Act is an excellent incentive to aid in the restoration of our national, State and local historic districts that are currently threatened by abandonment and decay. It would encourage local residents to invest in their communities and give first time homebuyers an opportunity to move into older neighborhoods. This bill will not only preserve our heritage, but also help local governments by putting deteriorated and abandoned properties back on the tax rolls. I strongly urge my colleagues to cosponsor this important piece of legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 920

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Historic Homeownership Assistance Act".

SEC. 2. HISTORIC HOMEOWNERSHIP REHABILITATION CREDIT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25A the following new section:

"SEC. 25B. HISTORIC HOMEOWNERSHIP REHABILITATION CREDIT.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 20 percent of the qualified rehabilitation expenditures made by the taxpayer with respect to a qualified historic home.

"(b) DOLLAR LIMITATION.—

"(1) IN GENERAL.—The credit allowed by subsection (a) with respect to any residence of a taxpayer shall not exceed $40,000 ($20,000 in the case of a married individual filing a separate return).

"(2) CARRYFORWARD OF CREDIT UNUSED BY REASON OF LIMITATION BASED ON TAX LIABILITY.—If the credit allowable under subsection (a) for any taxable year exceeds the limitation imposed by section 26(a) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such succeeding taxable year.

"(c) QUALIFIED REHABILITATION EXPENDITURE.—For purposes of this section:

"(1) IN GENERAL.—The term 'qualified rehabilitation expenditure' means any amount properly chargeable to capital account—

"(A) in connection with the certified rehabilitation of a qualified historic home, and

"(B) for property for which depreciation would be allowable under section 168 if the qualified historic home were used in a trade or business.

"(2) CERTAIN EXPENDITURES NOT INCLUDED.—

"(A) EXTERIOR.—Such term shall not include any expenditure in connection with the rehabilitation of a building unless at least 5 percent of the total expenditures made in the rehabilitation process are allocable to the rehabilitation of the exterior of such building.

"(B) OTHER RULES TO APPLY.—Rules similar to the rules of clauses (ii) and (iii) of section 47(c)(2)(B) shall apply.

"(3) MIXED USE OR MULTIFAMILY BUILDING.—If only a portion of a building is used as the principal residence of the taxpayer, only qualified rehabilitation expenditures which are properly allocable to such portion shall be taken into account under this section.

"(d) CERTIFIED REHABILITATION.—For purposes of this section:

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'certified rehabilitation' has the meaning given such term by section 47(c)(2)(C).

"(2) FACTORS TO BE CONSIDERED IN THE CASE OF TARGETED AREA RESIDENCES, ETC.—

"(A) IN GENERAL.—For purposes of applying section 47(c)(2)(C) under this section with respect to the rehabilitation of a building to which this paragraph applies, consideration shall be given to—

"(i) the feasibility of preserving existing architectural and design elements of the interior of such building,

"(ii) the risk of further deterioration or demolition of such building in the event that certification is denied because of the failure to preserve such interior elements, and

"(iii) the effects of such deterioration or demolition on neighboring historic properties.

"(B) BUILDINGS TO WHICH THIS PARAGRAPH APPLIES.—This paragraph shall apply with respect to any building—

"(i) any part of which is a targeted area residence within the meaning of section 143(j)(1), or

"(ii) which is located within an enterprise community or empowerment zone as designated under section 1391, or a renewal community designated under section 1400(e),

but shall not apply with respect to any building which is listed in the National Register.

"(3) APPROVED STATE PROGRAM.—The term 'certified rehabilitation' includes a certification made by—

"(A) a State Historic Preservation Officer who administers a State Historic Preservation Program approved by the Secretary of the Interior pursuant to section 101(b)(1) of the National Historic Preservation Act, or

"(B) a local government, certified pursuant to section 101(c)(1) of the National Historic Preservation Act and authorized by a State Historic Preservation Officer, or the Secretary of the Interior where there is no approved State program,

subject to such terms and conditions as may be specified by the Secretary of the Interior for the rehabilitation of buildings within the jurisdiction of such officer (or local government) for purposes of this section.

"(e) DEFINITIONS AND SPECIAL RULES.—For purposes of this section:

"(1) QUALIFIED HISTORIC HOME.—The term 'qualified historic home' means a certified historic structure—

"(A) which has been substantially rehabilitated, and

"(B) which (or any portion of which)—

"(i) is owned by the taxpayer, and

"(ii) is used (or will, within a reasonable period, be used) by such taxpayer as his principal residence.

"(2) SUBSTANTIALLY REHABILITATED.—The term 'substantially rehabilitated' has the meaning given such term by section 47(c)(1)(C); except that, in the case of any building described in subsection (d)(2), clause (i)(I) thereof shall not apply.

"(3) PRINCIPAL RESIDENCE.—The term 'principal residence' has the same meaning as when used in section 121.

"(4) CERTIFIED HISTORIC STRUCTURE.—

"(A) IN GENERAL.—The term 'certified historic structure' means any building (and its structural components) which—

"(i) is listed in the National Register, or

"(ii) is located in a registered historic district (as defined in section 47(c)(3)(B)) within which only qualified census tracts (or portions thereof) are located, and is certified by the Secretary of the Interior as being of historic significance to the district.

"(B) CERTAIN STRUCTURES INCLUDED.—Such term includes any building (and its structural components) which is designated as being of historic significance under a statute of a State or local government, if such statute is certified by the Secretary of the Interior to the Secretary as containing criteria which will substantially achieve the purpose of preserving and rehabilitating buildings of historic significance.

"(C) QUALIFIED CENSUS TRACTS.—For purposes of subparagraph (A)(ii)—

"(i) IN GENERAL.—The term 'qualified census tract' means a census tract in which the median income is less than twice the statewide median family income.

"(ii) DATA USED.—The determination under clause (i) shall be made on the basis of the most recent decennial census for which data are available.

"(5) REHABILITATION NOT COMPLETE BEFORE CERTIFICATION.—A rehabilitation shall not be treated as complete before the date of the certification referred to in subsection (d).

"(6) LESSEES.—A taxpayer who leases his principal residence shall, for purposes of this section, be treated as the owner thereof if the remaining term of the lease (as of the date determined under regulations prescribed by the Secretary) is not less than such minimum period as the regulations require.

"(7) TENANT-STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—If the taxpayer holds stock as a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such stockholder shall be treated as owning the house or apartment which the taxpayer is entitled to occupy as such stockholder.

"(8) ALLOCATION OF EXPENDITURES RELATING TO EXTERIOR OF BUILDING CONTAINING COOPERATIVE OR CONDOMINIUM UNITS.—The percentage of the total expenditures made in the rehabilitation of a building containing cooperative or condominium residential units allocated to the rehabilitation of the exterior of the building shall be attributed proportionately to each cooperative or condominium residential unit in such building for which a credit under this section is claimed.

"(f) WHEN EXPENDITURES TAKEN INTO ACCOUNT.—In the case of a building other than a building to which subsection (g) applies, qualified rehabilitation expenditures shall be treated for purposes of this section as made—

"(1) on the date the rehabilitation is completed, or

"(2) to the extent provided by the Secretary by regulation, when such expenditures are properly chargeable to capital account.

Regulations under paragraph (2) shall include a rule similar to the rule under section 50(a)(2) (relating to recapture if property ceases to qualify for progress expenditures).

"(g) ALLOWANCE OF CREDIT FOR PURCHASE OF REHABILITATED HISTORIC HOME.—

"(1) IN GENERAL.—In the case of a qualified purchased historic home, the taxpayer shall be treated as having made (on the date of purchase) the expenditures made by the seller of such home. For purposes of the preceding sentence, expenditures made by the seller shall be deemed to be qualified rehabilitation expenditures if such expenditures, if made by the purchaser, would be qualified rehabilitation expenditures.

"(2) QUALIFIED PURCHASED HISTORIC HOME.—For purposes of this subsection, the term 'qualified purchased historic home' means any substantially rehabilitated certified historic structure purchased by the taxpayer if—

"(A) the taxpayer is the first purchaser of such structure after the date rehabilitation is completed, and the purchase occurs within 5 years after such date,

"(B) the structure (or a portion thereof) will, within a reasonable period, be the principal residence of the taxpayer,

"(C) no credit was allowed to the seller under this section or section 47 with respect to such rehabilitation, and

"(D) the taxpayer is furnished with such information as the Secretary determines is necessary to determine the credit under this subsection.

"(h) Historic Rehabilitation Mortgage Credit Certificate.—

"(1) In general.—The taxpayer may elect, in lieu of the credit otherwise allowable under this section, to receive a historic rehabilitation mortgage credit certificate. An election under this paragraph shall be made—

"(A) in the case of a building to which subsection (g) applies, at the time of purchase, or

"(B) in any other case, at the time rehabilitation is completed.

"(2) Historic rehabilitation mortgage credit certificate.—For purposes of this subsection, the term 'historic rehabilitation mortgage credit certificate' means a certificate—

"(A) issued to the taxpayer, in accordance with procedures prescribed by the Secretary, with respect to a certified rehabilitation,

"(B) the face amount of which shall be equal to the credit which would (but for this subsection) be allowable under subsection (a) to the taxpayer with respect to such rehabilitation,

"(C) which may only be transferred by the taxpayer to a lending institution (including a nondepository institution) in connection with a loan—

"(i) that is secured by the building with respect to which the credit relates, and

"(ii) the proceeds of which may not be used for any purpose other than the acquisition or rehabilitation of such building, and

"(D) in exchange for which such lending institution provides to the taxpayer—

"(i) a reduction in the rate of interest on the loan which results in interest payment reductions which are substantially equivalent on a present value basis to the face amount of such certificate, or

"(ii) if the taxpayer so elects with respect to a specified amount of the face amount of such a certificate relating to a building—

"(I) which is a targeted area residence (within the meaning of section 143(j)(1)), or

"(II) which is located in an enterprise community or empowerment zone as designated under section 1391, or a renewal community as designated under section 1400(e),

a payment which is substantially equivalent to such specified amount to be used to reduce the taxpayer's cost of purchasing the building (and only the remainder of such face amount shall be taken into account under clause (i)).

"(3) Method of discounting.—The present value under paragraph (2)(D)(i) shall be determined—

"(A) for a period equal to the term of the loan referred to in subparagraph (D)(i),

"(B) by using the convention that any payment on such loan in any taxable year within such period is deemed to have been made on the last day of such taxable year,

"(C) by using a discount rate equal to 65 percent of the average of the annual Federal mid-term rate and the annual Federal long-term rate applicable under section 1274(d)(1) to the month in which the taxpayer makes an election under paragraph (1) and compounded annually, and

"(D) by assuming that the credit allowable under this section for any year is received on the last day of such year.

"(4) Use of certificate by lender.—The amount of the credit specified in the certificate shall be allowed to the lender only to offset the regular tax (as defined in section 55(c)) of such lender. The lender may carry forward all unused amounts under this subsection until exhausted.

"(5) Historic rehabilitation mortgage credit certificate not treated as taxable income.—Notwithstanding any other provision of law, no benefit accruing to the taxpayer through the use of a historic rehabilitation mortgage credit certificate shall be included in gross income for purposes of this title.

"(i) Recapture.—

"(1) In general.—If, before the end of the 5-year period beginning on the date on which the rehabilitation of the building is completed (or, if subsection (g) applies, the date of purchase of such building by the taxpayer)—

"(A) the taxpayer disposes of such taxpayer's interest in such building, or

"(B) such building ceases to be used as the principal residence of the taxpayer or ceases to be a certified historic structure,

the taxpayer's tax imposed by this chapter for the taxable year in which such disposition or cessation occurs shall be increased by the recapture percentage of the credit allowed under this section for all prior taxable years with respect to such rehabilitation.

"(2) Recapture percentage.—For purposes of paragraph (1), the recapture percentage shall be determined in accordance with the table under section 50(a)(1)(B), deeming such table to be amended—

"(A) by striking 'If the property ceases to be investment credit property within—' and inserting 'If the disposition or cessation occurs within—', and

"(B) in clause (i) by striking 'One full year after placed in service' and inserting 'One full year after the taxpayer becomes entitled to the credit'.

"(3) Transfer between spouses or incident to divorce.—In the case of any transfer described in subsection (a) of section 1041 (relating to transfers between spouses or incident to divorce)—

"(A) the foregoing provisions of this subsection shall not apply, and

"(B) the same tax treatment under this subsection with respect to the transferred property shall apply to the transferee as would have applied to the transferor.

"(j) Basis Adjustments.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property (including any purchase under subsection (g) and any transfer under subsection (h)), the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

"(k) Processing Fees.—Any State may impose a fee for the processing of applications for the certification of any rehabilitation under this section provided that the amount of such fee is used only to defray expenses associated with the processing of such applications.

"(l) Denial of Double Benefit.—No credit shall be allowed under this section for any amount for which credit is allowed under section 47.

"(m) Regulations.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including regulations where less than all of a building is used as a principal residence and where more than 1 taxpayer use the same dwelling unit as their principal residence."

(b) Conforming Amendments.—

(1) Subsection (c) of section 23 of such Code is amended by striking "and section 1400C" and inserting "and sections 25B and 1400C".

(2) Subparagraph (C) of section 25(e)(1) of such Code is amended by inserting ", 25B," after "sections 23".

(3) Subsection (d) of section 1400C of such Code is amended by striking "other than this section)" and inserting "other than this section and section 25B)".

(4) Subsection (a) of section 1016 of such Code is amended by striking "and" at the end of paragraph (26), by striking the period at the end of paragraph (27) and inserting ", and", and by adding at the end the following new item:

"(28) to the extent provided in section 25B(j)."

(c) Clerical Amendment.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 25A the following new item:

"Sec. 25B. Historic homeownership rehabilitation credit."

(d) Effective Date.—The amendments made by this section shall apply with respect to rehabilitations the physical work on which begins after the date of enactment of this Act.

By Mr. DEWINE:

S. 921. A bill to adjust the boundary of the William Howard Taft National Historic Site in the State of Ohio, to authorize an exchange of land in connection with the historic site, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. DEWINE. Mr. President, I rise today to introduce the "William Howard Taft National Historic Site Boundary Adjustment Act of 2001." This legislation would do three things: First, it would authorize the expansion of the historic grounds of the William Howard Taft's childhood home; second it would allow the Secretary of the Interior, through the National Park Service, to swap one section of equal-valued land for another; and third, it would allow the National Park Service to extend the boundary line of the Historic Site.

As you may know, I strongly support the preservation of Presidential Historic Sites. Sadly, a number of these Presidential Historic sites are becoming run down and are in dire need of our help to secure their existence for future generations. These sites are great educational tools for our children. We must ensure their survival. If we don't, we will lose a valuable part of our American history.

That is why I introduced the Presidential Sites Improvement Act last year and plan to reintroduce it later this year. This legislation is designed to provide grant money for the protection and improvement of Presidential sites, like the William Howard Taft home in Ohio.

President Taft was born in Cincinnati, Ohio, in 1857. He was the son of a distinguished judge and former Ohio Attorney General. Taft graduated from Yale, and then returned to Cincinnati to study and practice law. As my colleagues know, Taft went on to become our 27th U.S. President. He is the only President in U.S. history who went on to become the Chief Justice of the U.S. Supreme Court. In describing his illustrious career as a public servant, Taft once wrote that he always had his "plate the right side up when offices were falling."

With the bill I am introducing today, we can make a lasting commitment to future generations by preserving the memory and contributions of our Nation's former leaders. Our children and grandchildren should have the opportunity to understand the richness of our country's history.

Mr. GRASSLEY. Mr. President, last year's Loan Deficiency Payments, LDPs, were made available to producers for crops grown on farms not covered by Production Flexibility Contract, PFC, under the 1996 farm bill. In Iowa there are 6200 farms that do not participate in the farm program. Nonparticipating farms are classified as farms not enrolled in 1996 at the beginning of the program, or farms that changed hands during the farm bill that were not properly re-enrolled.

The Agricultural Risk Protection Act of 2000, which we passed into law last year, furnished LDP's to farmers who produced a 2000 crop contract commodity on a farm not covered by a PFC. Senator NELSON and I are offering legislation to extend this one-year opportunity for producers. Our legislation provides an extension of this opportunity that will run for the remainder of the 1996 farm bill.

Not all of the 6200 non-participating farms will choose to use and benefit from an LDP, but for the family farmers in Iowa who are not in the program, guaranteeing close to $1.78 on corn and $5.26 on soybeans is significant assistance.

With the record low prices Iowa producers have experienced recently, I think that the Federal Government should do everything it can to keep producers on the farm. This by no means solves all their problems, but it helps and it's something we should have done for these individuals on a permanent basis when we provided a one-year opportunity for participation in the LDP program last year. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 923

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF EXPANSION OF PRODUCERS ELIGIBLE FOR LOAN DEFICIENCY PAYMENTS.

Section 135(a)(2) of the Agricultural Market Transition Act (7 U.S.C. 7235(a)(2)) is amended by striking "the 2000 crop year" and inserting "each of the 2000 through 2002 crop years".

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE RESOLUTION 91—CONDEMNING THE MURDER OF A UNITED STATES CITIZEN AND OTHER CIVILIANS, AND EXPRESSING THE SENSE OF THE SENATE REGARDING THE FAILURE OF THE INDONESIAN JUDICIAL SYSTEM TO HOLD ACCOUNTABLE THOSE RESPONSIBLE FOR THE KILLINGS

Mr. NELSON of Florida (for himself, Mr. FEINGOLD, and Mr. LEAHY) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 91

Whereas on September 6, 2000, a paramilitary mob in the West Timor town of Atambua killed 3 United Nations aid workers, including United States citizen Carlos Caceres;

Whereas Caceres and the other victims were stabbed and hacked to death with exceptional brutality, and their bodies were then set on fire and dragged through the streets;

Whereas Caceres, an attorney originally from San Juan, Puerto Rico, whose family now resides in the State of Florida, had e-mailed a plea for help saying that "the militias are on their way", and that "we sit here like bait";

Whereas on May 4, 2001, an Indonesian court in Jakarta meted out only token sentences to the murderers of Carlos Caceres and the other United Nations workers, and failed to allot any punishment whatsoever to the Indonesian military commanders alleged to have sanctioned this attack;

Whereas these token sentences have been condemned as "wholly unacceptable" by United Nations Secretary General Kofi Annan, and described by the Department of State as acts that "call into question Indonesia's commitment to the principle of accountability";

Whereas the self-confessed killer of Carlos Caceres, a pro-government militia member named Julius Naisama, was sentenced to spend not more than 20 months in jail, and remarked afterwards, "I accept the sentence with pride";

Whereas the murders of Carlos Caceres and the other United Nations workers fit a pattern of killings perpetrated or sanctioned by the Indonesian military in Aceh, Irian Jaya, and other parts of Indonesia, both during and since the end of the Suharto regime;

Whereas, despite Indonesian government promises of judicial accountability, since the initiation of democratic rule in Indonesia in 1998, no senior military official has been put on trial for human rights abuses, extrajudicial killings, torture, or incitement to mob violence; and

Whereas the Government of Indonesia could have prevented both the murder of the United Nations workers and the subsequent miscarriage of justice if the Government had—

(1) upheld its explicit commitment, made after the August, 1999 referendum in East Timor, to ensure that Indonesian military forces would safeguard United Nations workers and Timorese refugees from attacks by the paramilitary militias who had killed approximately 1,000 East Timorese civilians in the preceding weeks;

(2) brought charges of murder or manslaughter against the 6 men who proudly admitted to killing the United Nations workers in an unprovoked attack, rather than only the lesser charge of conspiring to foment violence; and

(3) brought charges against senior military commanders who, according to the United Nations, the Department of State, and the Government of Indonesia itself, are suspected of arming and directing the paramilitary militias responsible for the carnage in East Timor: Now, therefore, be it

Resolved, That (a) the Senate—

(1) condemns the brutal murder of Carlos Caceres, a United States citizen;

(2) decries the inadequate sentences given by the Indonesian judicial system to the self-confessed killers of the 3 United Nations aid workers;

(3) calls on the Government of Indonesia to indict and bring to trial the senior military commanders described in a September 1, 2000, statement by the Government of Indonesia itself, as suspects in the mass killings following the August, 1999 East Timor referendum; and

(4) offers condolences to the family, friends, and colleagues of Carlos Caceres and the other victims of the September 6, 2000, attack.

(b) It is the sense of the Senate that—

(1) the President should, at every appropriate meeting with officials of the Government of Indonesia, stress the importance of ending the climate of impunity which shields those individuals, especially senior members of the Indonesian military, suspected of perpetrating, collaborating in, or covering up extra judicial killings, torture, and other abuses of human rights; and

(2) the President should consider the willingness of the Government of Indonesia to make rapid and substantive progress in judicial reform when determining the level of financial support provided by the United States to Indonesia, whether directly or through international financial institutions.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

SENATE RESOLUTION 92—TO DESIGNATE THE WEEK BEGINNING JUNE 3, 2001, AS "NATIONAL CORRECTIONAL OFFICERS AND EMPLOYEES WEEK"

Mrs. FEINSTEIN (for herself, Mr. JEFFORDS, Mr. HUTCHINSON, Mr. HELMS, Mr. SARBANES, Mr. VOINOVICH, Mr. DOMENICI, Mr. WARNER, Mr. GRAMM, Mr. HATCH, Mr. THURMOND, Mr. MCCAIN, Mr. BIDEN, Mr. KERRY, Mr. LEVIN, Mr. DODD, Mrs. CLINTON, Mr. CONRAD, Mr. THOMAS, Mr. ROBERTS, Mr. BINGAMAN, Mr. SCHUMER, Mr. GRASSLEY, Mr. FITZGERALD, Mr. BROWNBACK, Mr. Kennedy, Mr. Cochran, Mr. Allen, Mr. Daschle, and Mrs. Lincoln) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. Res. 92

Whereas the operation of correctional facilities represents a crucial component of our criminal justice system;

Whereas correctional personnel play a vital role in protecting the rights of the public to be safeguarded from criminal activity;

Whereas correctional personnel are responsible for the care, custody, and dignity of the human beings charged to their care; and

Whereas correctional personnel work under demanding circumstances and face danger in their daily work lives: Now, therefore, be it

Resolved,

SECTION 1. DESIGNATION OF NATIONAL CORRECTIONAL OFFICERS AND EMPLOYEES WEEK.

That the Senate—

(1) designates the week beginning June 3, 2001, as "National Correctional Officers and Employees Week"; and

(2) requests that the President issue a proclamation calling upon the people of the United States to observe the week with appropriate ceremonies and activities.

Mrs. FEINSTEIN. Mr. President, I rise today to submit a resolution to honor correctional officers and employees. This resolution reaffirms our support for the thousands of correctional officers and employees who work in the face of danger each day, while reforming hardened criminals. They deserve our respect and support.

Nationally more than 200,000 corrections professionals work hard to maintain the safety of our communities. We must never forget that this is an often stressful and dangerous occupation. Nor can we forget the sacrifices made by those courageous individuals who have been injured or killed in the line of duty. Officers put their lives on the line every time they begin a shift.

Tragically, correctional officers have been permanently injured and killed in the line of duty. There have been over 356 men and women who have died while on duty. This year, we honor Wilmot A. Burnett, Lee Dunn, Raymond Curtis, Michael Price, Allen Gamble, Peter Hillman, Jason Acton, Leon Egly, William Giacomo, Alvin Glenn, and Allen Myers, who have all been killed during the past year.

Most of us leave for work knowing that we will return home safe and sound at the end of the day. While we take this peace of mind for granted, correctional officers are not afforded this luxury.

On June 6, 2000, Sergeant Allen Gamble, a correctional officer at Oklahoma State Reformatory was fatally stabbed in the throat as he attempted to help a fellow officer who was being attacked by a prisoner. Sergeant Gamble was survived by his wife, Sherri and his four children. Equally disturbing is the case of Officer Jason Coryell, a correctional officer at the Arizona State Prison Complex. On August 25, 2000, Officer Jason Croyell was stabbed three times in the stomach when an inmate refused to be handcuffed. Though the wound was severe, Officer Coryell returned to work in November, 2000.

Officers Gamble and Coryell exemplify the heroism that takes place each day in our Nation's correctional facilities. They remind us how individual acts of heroism are a regular part of the job among correctional officers and employees.

In addition to dealing with society's most hardened criminals, correctional officers and employees also seek to reform offenders. They play an important role in lowering recidivism rates. And through literacy programs and vocational training they help transform criminals into productive, law abiding members of society. This is not an easy task.

Correctional officers and their families and friends endure a tremendous amount of stress and sacrifice. Prison security never takes a break, which often means that officers work all hours of the day and night, weekends, and holidays. I hope with this resolution we can honor and recognize this sort of commitment and sacrifice, not just this week, but throughout the year.

America's correctional officers and employees efforts to make our world a better, safer place too often go unnoticed. Few of us can truly appreciate the perils faced daily by our correctional officers. With this resolution we reflect on the contributions correctional officers have made to keep our communities safe. This is why I am pleased to submit this resolution to establish June 3–10, 2001, as Correctional Officers and Employees Week.

AMENDMENTS SUBMITTED AND PROPOSED

SA 689. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table.

SA 690. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 691. Mr. KYL submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra.

SA 692. Mr. WELLSTONE proposed an amendment to the bill H.R. 1836, supra.

SA 693. Mr. LIEBERMAN (for himself and Mr. Daschle) submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra.

SA 694. Mr. REID (for himself and Mrs. Clinton) submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 695. Mr. DODD (for himself and Mr. Reid) submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra.

SA 696. Mr. NELSON of Nebraska submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 697. Mr. HATCH (for himself, Mr. Allen, Mr. Craig, Mr. Smith, of Oregon, Mr. Reid, Mr. Brownback, Mr. Bennett, and Mr. Kerry) proposed an amendment to the bill H.R. 1836, supra.

SA 698. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 699. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 700. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 701. Mr. HATCH (for Mr. Kerry (for himself and Mr. Hatch)) proposed an amendment to amendment SA 697 proposed by Mr. Hatch to the bill (H.R. 1836) supra.

SA 702. Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 703. Mr. BYRD proposed an amendment to the bill H.R. 1836, supra.

SA 704. Mr. KERRY submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 705. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 706. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 707. Mr. JEFFORDS (for himself, Mr. Dodd, Mr. Kennedy, Mr. Rockefeller, and Mr. Levin) proposed an amendment to the bill H.R. 1836, supra.

SA 708. Mr. LIEBERMAN (for himself, Mrs. Feinstein, Mrs. Clinton, and Mr. Leahy) submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 709. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 710. Mr. HATCH submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 711. Mrs. LINCOLN submitted an amendment intended to be proposed by her to the bill H.R. 1836, supra.

SA 712. Mr. LIEBERMAN (for himself and Mrs. Feinstein) submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 713. Mr. DORGAN proposed an amendment to the bill H.R. 1836, supra.

SA 714. Mr. SESSIONS (for himself, Mr. McConnell, and Mr. Wyden) submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 715. Mr. SESSIONS (for himself, Mr. McConnell, and Mr. Wyden) submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 716. Mr. ALLEN submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 717. Mr. BINGAMAN (for himself, Mr. Reid, Mr. Johnson, Mrs. Clinton, and Mr.

Kennedy) submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra.

SA 718. Mr. BOND submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 719. Mrs. CARNAHAN (for herself and Mr. Daschle) submitted an amendment intended to be proposed by her to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 720. Mr. BAYH submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 721. Mr. KERRY submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra.

SA 722. Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 723. Mr. SMITH of New Hampshire proposed an amendment to amendment SA 680 proposed by Mr. Smith of New Hampshire to the bill (H.R. 1836) supra.

SA 724. Mr. FEINGOLD proposed an amendment to the bill H.R. 1836, supra.

SA 725. Mr. FEINGOLD proposed an amendment to the bill H.R. 1836, supra.

SA 726. Mr. FEINGOLD proposed an amendment to the bill H.R. 1836, SUPRA.

SA 727. Mr. HARKIN proposed an amendment to the bill H.R. 1836, supra.

SA 728. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 729. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 730. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 731. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 732. Mr. CAMPBELL submitted an amendment intended to be proposed to amendment SA 440 submitted by Mr. Campbell and intended to be proposed to the bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table.

SA 733. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table.

SA 734. Mr. GRAHAM submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 735. Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 736. Mr. GRAMM proposed an amendment to the bill H.R. 1836, supra.

SA 737. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 738. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 739. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 740. Ms. SNOWE (for herself and Mrs. Lincoln) submitted an amendment intended to be proposed by her to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 741. Ms. SNOWE (for herself, Mrs. Lincoln, Mr. Jeffords, Mr. Chafee, Mr. DeWine Mr. Kerry, Mr. Dodd, Mr. Rockefeller, Ms. Collins, and Mr. Smith of Oregon) submitted an amendment intended to be proposed by her to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 742. Mrs. MURRAY (for herself and Mr. Smith of Oregon) submitted an amendment intended to be proposed by her to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 743. Mr. BAUCUS (for Mr. Conrad) proposed an amendment to the bill H.R. 1836, supra.

SA 744. Mr. BAUCUS (for Mr. Conrad) proposed an amendment to the bill H.R. 1836, supra.

SA 745. Mr. WARNER (for Mr. Stevens (for himself, Mr. Inouye, Mr. Thompson, Mr. Hollings, Mr. Murkowski, Mr. Bingaman, Mr. Thurmond, Mr. Thomas, Ms. Collins, and Mr. Warner)) proposed an amendment to the bill H.R. 1696, to expedite the construction of the World War II memorial in the District of Columbia.

SA 746. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table.

SA 747. Mr. REID (for Mr. Carper) proposed an amendment to the bill H.R. 1836, supra.

SA 748. Mr. NELSON, of Florida submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 749. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 750. Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 751. Mr. ALLEN proposed an amendment to amendment SA 685 submitted by Mr. Bayh and intended to be proposed to the bill (H.R. 1836) supra.

SA 752. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 753. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 754. Mr. KOHL submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 755. Mr. CONRAD submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 756. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 757. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 758. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 759. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 760. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 761. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 762. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 689. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the appropriate place, insert:

SEC. . EXTENSION OF APPLICATION OF JOINT AND SURVIVOR ANNUITY RULES.

(a) Application to All Defined Contribution Plans.—

(1) Amendments to ERISA.—

(A) In general.—Section 205(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055(a)) is amended by striking "to which this section applies".

(B) Conforming amendments.—

(i) Section 205(b) of such Act (29 U.S.C. 1055(b)) is amended to read as follows:

"(b)(1)(A) In the case of—

"(i) a tax credit employee stock ownership plan (as defined in section 409(a) of the Internal Revenue Code of 1986), or

"(ii) an employee stock ownership plan (as defined in section 4975(e)(7) of such Code), subsection (a) shall not apply to that portion of the employee's accrued benefit to which the requirements of section 409(h) of such Code apply.

"(B) Subparagraph (A) shall not apply with respect to any participant unless—

"(i) such plan provides that the participant's nonforfeitable accrued benefit (reduced by any security interest held by the plan by reason of a loan outstanding to such participant) is payable in full, on the death of the participant, to the participant's surviving spouse (or, if there is no surviving spouse or the surviving spouse consents in the manner required under subsection (c)(2), to a designated beneficiary),

"(ii) such participant does not elect the payment of benefits in the form of a life annuity, and

"(iii) with respect to such participant, such plan is not a direct or indirect transferee (in a transfer after December 31, 1984) of a plan to which, at the time of the transfer, subsection (a) applied (or to which this clause applied with respect to the participant).

Clause (iii) shall apply only with respect to the transferred assets (and income therefrom) if the plan separately accounts for such assets and any income therefrom. A plan shall not be treated as failing to meet the requirements of this subparagraph merely because the plan provides that benefits will not be payable to the surviving spouse of the participant unless the participant and such spouse had been married throughout the 1-year period ending on the earlier of the participant's annuity starting date or the date of the participant's death.

"(2) This section shall not apply to a plan which the Secretary of the Treasury or his delegate has determined is a plan described in section 404(c) of the Internal Revenue Code of 1986 (or a continuation thereof) in which participation is substantially limited to individuals who, before January 1, 1976, ceased employment covered by the plan."

(ii) Section 205(e)(2) of such Act (20 U.S.C. 1055(e)(2)) is amended by striking "individual account plan or participant described in subparagraph (B) or (C) of subsection (b)(1)" and inserting "individual account plan to which this section applies, or any participant described in subsection (b)(1)(B)".

(2) AMENDMENTS TO INTERNAL REVENUE CODE.—

(A) IN GENERAL.—Section 401(a)(11)(A) of the Internal Revenue Code of 1986 (relating to requirement of joint and survivor annuity and preretirement survivor annuity) is amended by striking the matter preceding clause (i) and inserting:

"(A) IN GENERAL.—Except as provided in section 417 and subparagraph (B), a trust forming part of a plan shall not constitute a qualified trust under this section unless such plan provides—".

(B) CONFORMING AMENDMENTS.—

(i) Section 401(a)(11) of such Code is amended by striking subparagraphs (B), (C), and (D) and inserting the following new subparagraphs:

"(B) EXCEPTION FOR CERTAIN ESOP BENEFITS.—

"(i) IN GENERAL.—In the case of—

"(I) a tax credit employee stock ownership plan (as defined in section 409(a)), or

"(II) an employee stock ownership plan (as defined in section 4975(e)(7)),

subparagraph (A) shall not apply to that portion of the employee's accrued benefit to which the requirements of section 409(h) apply.

"(ii) NONFORFEITABLE BENEFIT MUST BE PAID IN FULL, ETC.—In the case of any participant, clause (i) shall not apply unless—

"(I) such plan provides that the participant's nonforfeitable accrued benefit (reduced by any security interest held by the plan by reason of a loan outstanding to such participant) is payable in full, on the death of the participant, to the participant's surviving spouse (or, if there is no surviving spouse or the surviving spouse consents in the manner required under section 417(a)(2), to a designated beneficiary),

"(II) such participant does not elect the payment of benefits in the form of a life annuity, and

"(III) with respect to such participant, such plan is not a direct or indirect transferee (in a transfer after December 31, 1984) of a plan to which, at the time of the transfer, subparagraph (A) applied (or to which this subclause applied with respect to the participant).

Subclause (III) shall apply only with respect to the transferred assets (and income therefrom) if the plan separately accounts for such assets and any income therefrom.

"(C) SPECIAL RULE WHERE PARTICIPANT AND SPOUSE MARRIED LESS THAN 1 YEAR.—A plan shall not be treated as failing to meet the requirements of subparagraph (B)(ii) merely because the plan provides that benefits will not be payable to the surviving spouse of the participant unless the participant and such spouse had been married throughout the 1-year period ending on the earlier of the participant's annuity starting date or the date of the participant's death."

(ii) Section 401(a)(11) of such Code is amended by redesignating subparagraphs (E) and (F) as subparagraphs (D) and (E), respectively.

(iii) Section 417(c)(2) of such Code is amended by striking "defined contribution plan or participant described in clause (ii) or (iii) of section 401(a)(11)(B)" and inserting "defined contribution plan to which section 401(a)(11) applies, or any participant described in section 401(a)(11)(B)(ii),".

(b) SPECIAL RULES RELATING TO DEFINED CONTRIBUTION PLANS.—

(1) AMENDMENTS TO ERISA.—

(A) PAYMENTS IN LIEU OF ANNUITY.—Section 205 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055) is amended by redesignating subsection (l) as subsection (m) and by inserting after subsection (k) the following new subsection:

"(l)(1) For purposes of this section, a defined contribution plan shall be treated as providing—

"(A) a qualified joint and survivor annuity if the plan provides that the account balance of the participant to which the participant had a nonforfeitable right (within the meaning of section 203) will be distributed in a series of periodic payments (determined in accordance with tables prescribed by the Secretary of the Treasury) over the joint lives of the participant and the participant's spouse, and

"(B) a qualified preretirement survivor annuity if the plan provides that the account balance of the participant (as of the date of death) to which the participant had a nonforfeitable right (as so defined) will be distributed to the surviving spouse, at the option of the spouse, in either such a series of periodic payments over the life of the surviving spouse or in a lump sum if the plan provides for lump sums.

A plan shall not be treated as failing to meet the requirements of subparagraph (A) if the plan provides that a participant may, with the consent of the spouse, elect at any time to have the plan pay all of the remaining portion of the account balance in a lump sum.

"(2) In the case of a termination of a defined contribution plan which is providing payments described in paragraph (1), such plan shall be treated as meeting the requirements of paragraph (1) if the plan—

"(A) purchases an irrevocable commitment from an insurer in accordance with section 4041(b)(3)(A)(i) for each participant or surviving spouse eligible to receive such payments, or

"(B) in accordance with regulations to be prescribed by the corporation, transfers to the corporation each participant's or spouse's right to receive such payments, for treatment and payment by the corporation to the participant or spouse in a manner similar to the manner in which payments are treated and made under section 4050."

(B) RESTRICTIONS ON CASH-OUTS.—Section 205(g) of such Act (29 U.S.C. 1055(g)) is amended by adding at the end the following:

"(4) In the case of a defined contribution plan, the plan shall pay one-half of any distribution under paragraph (1) to the participant and one-half to the participant's spouse unless the spouse consents in writing to have the entire distribution paid to the participant."

(2) AMENDMENTS TO INTERNAL REVENUE CODE.—

(A) PAYMENTS IN LIEU OF ANNUITY.—Section 417 of the Internal Revenue Code of 1986 (relating to definitions and special rules for purposes of survivor minimum annuity requirements) is amended by adding at the end the following new subsection:

"(g) SPECIAL RULES FOR DEFINED CONTRIBUTION PLANS.—For purposes of this section—

"(1) PAYMENTS IN LIEU OF ANNUITIES.—A defined contribution plan shall be treated as providing—

"(A) a qualified joint and survivor annuity if the plan provides that the account balance of the participant to which the participant had a nonforfeitable right (within the meaning of section 411(a)) will be distributed in a series of periodic payments (determined in accordance with tables prescribed by the Secretary) over the joint lives of the participant and the participant's spouse, and

"(B) a qualified preretirement survivor annuity if the plan provides that the account balance of the participant (as of the date of death) to which the participant had a nonforfeitable right (as so defined) will be distributed to the surviving spouse, at the option of the spouse, in either such a series of periodic payments over the life of the surviving spouse or in a lump sum if the plan provides for lump sums.

A plan shall not be treated as failing to meet the requirements of subparagraph (A) if the plan provides that a participant may, with the consent of the spouse, elect at any time to have the plan pay all of the remaining portion of the account balance in a lump sum.

"(2) PLAN TERMINATION.—In the case of a termination of a defined contribution plan which is providing payments described in paragraph (1), such plan shall be treated as meeting the requirements of paragraph (1) if the plan—

"(A) purchases an irrevocable commitment from an insurer in accordance with section 4041(b)(3)(A)(i) of the Employee Retirement Income Security Act of 1974 for each participant or surviving spouse eligible to receive such payments, or

"(B) in accordance with regulations to be prescribed by the Pension Benefit Guaranty Corporation, transfers to the Corporation each participant's or spouse's right to receive such payments, for treatment and payment by the Corporation to the participant or spouse in a manner similar to the manner in which payments are treated and made under section 4050 of such Act."

(B) RESTRICTIONS ON CASH-OUTS.—Section 417(e) of such Code (relating to restrictions on cash-outs) is amended by adding at the end the following:

"(4) SPECIAL RULE FOR DEFINED CONTRIBUTION PLANS.—In the case of a defined contribution plan, the plan shall pay one-half of any distribution under paragraph (1) to the participant and one-half to the participant's spouse unless the spouse consents in writing to have the entire distribution paid to the participant."

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to plan years beginning after December 31, 2001.

(2) SPECIAL RULE FOR COLLECTIVELY BARGAINED PLANS.—In the case of a plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified on or before the date of enactment of this Act, the amendments made by this section shall not, in the case of employees covered by any such agreement, apply to plan years beginning before the earlier of—

(A) the later of—

(i) January 1, 2002, or

(ii) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof after the date of enactment of this Act), or

(B) January 1, 2003.

SA 690. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the appropriate place, insert:

SEC. . QUALIFIED JOINT AND 75 PERCENT SURVIVOR ANNUITY.

(a) Amendments to ERISA.—

(1) Amount of annuity.—Paragraph (1) of section 205(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055(a)) is amended by inserting "or, at the election of the participant, shall be provided in the form of a qualified joint and 75 percent survivor annuity" after "survivor annuity,".

(2) Definition.—Subsection (d) of section 205 of such Act (29 U.S.C. 1055) is amended—

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively,

(B) by inserting "(1)" after "(d)", and

(C) by adding at the end the following new paragraph:

"(2) For purposes of this section, the term 'qualified joint and 75 percent survivor annuity' means an annuity for the life of the participant with a survivor annuity for the life of the spouse which is not less than 75 percent of (and is not greater than 100 percent of) the amount of the annuity which is payable during the joint lives of the participant and the spouse."

(b) Amendments to Internal Revenue Code.—

(1) Amount of annuity.—Clause (i) of section 401(a)(11)(A) (relating to requirement of joint and survivor annuity and preretirement survivor annuity) is amended by inserting "or, at the election of the participant, shall be provided in the form of a qualified joint and 75 percent survivor annuity" after "survivor annuity,".

(2) Definition.—Section 417(f) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

"(8) Definition of qualified joint and seventy five percent survivor annuity.—The term 'qualified joint and 75 percent survivor annuity' means an annuity for the life of the participant with a survivor annuity for the life of the spouse which is not less than 75 percent of (and is not greater than 100 percent of) the amount of the annuity which is payable during the joint lives of the participant and the spouse."

(c) Effective Date.—

(1) In general.—Except as provided in paragraphs (2) and (3), the amendments made by this section shall apply to plan years beginning after December 31, 2001.

(2) Application to current employees.—The amendments made by this section shall not apply to any employee who does not have at least 1 hour of service in any plan year beginning after December 31, 2001.

(3) Collective bargaining agreements.—In the case of a plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified on or before the date of the enactment of this Act, the amendments made by this section shall not, in the case of employees covered by any such agreement, apply to plan years beginning before the earlier of—

(A) the later of—

(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after such date of enactment), or

(ii) January 1, 2002, or

(B) January 1, 2003.

SA 691. Mr. KYL submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

At the end of subtitle D of title IV, add the following:

SEC. . CREDIT FOR CONTRIBUTIONS TO CHARITABLE ORGANIZATIONS WHICH PROVIDE SCHOLARSHIPS FOR STUDENTS ATTENDING ELEMENTARY AND SECONDARY SCHOOLS.

(a) In General.—Subpart B of part IV of subchapter A of chapter 1 is amended by adding at the end the following new section:

"SEC. 30B. CREDIT FOR CONTRIBUTIONS TO CHARITABLE ORGANIZATIONS WHICH PROVIDE SCHOLARSHIPS FOR STUDENTS ATTENDING ELEMENTARY AND SECONDARY SCHOOLS.

"(a) Allowance of Credit.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the qualified charitable contributions of the taxpayer for the taxable year.

"(b) Maximum Credit.—The credit allowed by subsection (a) for any taxable year shall not exceed $250 ($500, in the case of a joint return).

"(c) Qualified Charitable Contribution.—For purposes of this section—

"(1) In general.—The term 'qualified charitable contribution' means, with respect to any taxable year, the amount allowable as a deduction under section 170 (determined without regard to subsection (d)(1)) for cash contributions to a school tuition organization.

"(2) School tuition organization.—

"(A) In general.—The term 'school tuition organization' means any organization described in section 170(c)(2) if the annual disbursements of the organization for elementary and secondary school scholarships are normally not less than 90 percent of the sum of such organization's annual gross income and contributions and gifts.

"(B) Elementary and secondary school scholarship.—The term 'elementary and secondary school scholarship' means any scholarship excludable from gross income under section 117 for expenses related to education at or below the 12th grade.

"(d) Special Rules.—

"(1) Denial of double benefit.—No deduction shall be allowed under this chapter for any contribution for which credit is allowed under this section.

"(2) Application with other credits.—The credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(A) the regular tax for the taxable year, reduced by the sum of the credits allowable under subpart A and the preceding sections of this subpart, over

"(B) the tentative minimum tax for the taxable year.

"(3) Controlled groups.—All persons who are treated as one employer under subsection (a) or (b) of section 52 shall be treated as 1 taxpayer for purposes of this section.

"(e) Election To Have Credit Not Apply.—A taxpayer may elect to have this section not apply for any taxable year.".

(b) Clerical Amendment.—The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

"Sec. 30B. Credit for contributions to charitable organizations which provide scholarships for students attending elementary and secondary schools.".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SA 692. Mr. WELLSTONE proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

Mr. Wellstone moves to commit the bill H.R. 1836, as amended, to the Committee on Finance with instructions to report the same back to the Senate not later than that date that is 3 days after the date on which this motion is adopted with the following amendments:

(1) Establish a reserve account for purposes of providing funds for Federal education programs.

(2) Strike the reductions to the highest rate of tax under section 1 of the Internal Revenue Code of 1986 contained in section 101.

(3) Provide for the deposit in the reserve account described in paragraph (1) in each of fiscal years 2002 through 2011 of an amount equal to the amount that would result from striking the reductions described in paragraph (2) (as determined by the Joint Committee on Taxation).

(4) Make available amounts in the reserve account described in paragraph (1) in each of fiscal years 2002 through 2011 for purposes of funding Federal education programs, which amounts shall be in addition to any other amounts available for funding such programs during each such fiscal year.

SA 693. Mr. LIEBERMAN (for himself and Mr. Daschle) submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 7, line 15, insert "(12.5 percent in taxable years beginning in 2001)" after "percent".

On page 13, between lines 15 and 16, insert the following:

SEC. . REFUND OF INDIVIDUAL INCOME AND EMPLOYMENT TAXES.

(a) Refund.—

(1) In general.—Subchapter B of chapter 65 (relating to rules of special application in the case of abatements, credits, and refunds) is amended by adding at the end the following new section:

"SEC. 6428. REFUND OF INDIVIDUAL INCOME AND EMPLOYMENT TAXES.

"(a) General Rule.—Except as otherwise provided in this section, each individual shall be treated as having made a payment against the tax imposed by chapter 1 for any taxable year beginning in 2001, in an amount equal to the lesser of—

"(1) the amount of the taxpayer's liability for tax for the taxpayer's last taxable year beginning in calendar year 2000, or

"(2) the taxpayer's applicable amount.

"(b) LIABILITY FOR TAX.—For purposes of this section, the liability for tax for the taxable year shall be the sum of—

"(1) the excess (if any) of—

"(A) the sum of—

"(i) the taxpayer's regular tax liability (within the meaning of section 26(b)) for the taxable year, and

"(ii) the tax imposed by section 55(a) with respect to such taxpayer for the taxable year, over

"(B) the sum of the credits allowable under part IV of subchapter A of chapter 1 (other than sections 31, 33, and 34) for the taxable year, and

"(2) the taxes imposed by sections 1401, 3101, 3111, 3201(a), 3211(a)(1), and 3221(a) on amounts received by the taxpayer for the taxable year.

"(c) APPLICABLE AMOUNT.—For purposes of this section—

"(1) IN GENERAL.—The applicable amount for any taxpayer shall be determined under the following table:

"In the case of a taxpayer described in:	**The applicable amount is:**
Section 1(a)	$600
Section 1(b)	$450
Section 1(c)	$300
Section 1(d)	$300
Paragraph (2)	$300.

"(2) TAXPAYERS WITH ONLY PAYROLL TAX LIABILITY.—A taxpayer is described in this paragraph if such taxpayer's liability for tax for the taxable year does not include any liability described in subsection (b)(1).

"(d) DATE PAYMENT DEEMED MADE.—

"(1) IN GENERAL.—The payment provided by this section shall be deemed made on the date of the enactment of this section.

"(2) REMITTANCE OF PAYMENT.—The Secretary shall remit to each taxpayer the payment described in paragraph (1) within 90 days after such date of enactment.

"(3) CLAIM FOR NONPAYMENT.—Any taxpayer who erroneously does not receive a payment described in paragraph (1) may make claim for such payment in a manner and at such time as the Secretary prescribes.

"(e) CERTAIN PERSONS NOT ELIGIBLE.—This section shall not apply to—

"(1) any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins,

"(2) any estate or trust, or

"(3) any nonresident alien individual.".

(2) DETERMINATION OF WITHHOLDING TABLES.—Section 3402(a) (relating to requirement of withholding) is amended by adding at the following new paragraph:

"(3) CHANGES MADE BY RESTORING EARNINGS TO LIFT INDIVIDUALS AND EMPOWER FAMILIES (RELIEF) ACT OF 2001.—Notwithstanding the provisions of this subsection, the Secretary shall modify the tables and procedures under paragraph (1) to reflect the amendments made by section 101 of the Restoring Earnings To Lift Individuals and Empower Families (RELIEF) Act of 2001 with respect to the 10-percent rate bracket, and such modification shall take effect on July 1, 2001, as if the lowest rate of tax under section 1 (as amended by such section 101) was the 10-percent rate effective on such date.".

(3) CONFORMING AMENDMENTS.—

(A) Section 1324(b)(2) of title 31, United States Code, is amended by inserting before the period ", or enacted by the Restoring Earnings To Lift Individuals and Empower Families (RELIEF) Act of 2001".

(B) The table of sections for subchapter B of chapter 65 is amended by adding at the end the following new item:

"Sec. 6428. Refund of individual income and employment taxes.".

(4) EFFECTIVE DATES.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall take effect on the date of the enactment of this Act.

(B) AMENDMENTS TO WITHHOLDING PROVISION.—The amendments made by paragraph (2) shall apply to amounts paid after June 30, 2001.

(b) REVENUE OFFSET.—The Secretary of the Treasury shall adjust the reduction in the highest marginal tax rate in the table contained in section 1(i)(2) of the Internal Revenue Code of 1986, as added by section 101(a), as necessary to offset the decrease in revenues to the Treasury for each fiscal year resulting from the amendments made by subsection (a).

SA 694. Mr. REID (for himself and Mrs. CLINTON) submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 314, after line 21, add the following:

SEC. 803. MODIFICATIONS TO CREDIT FOR ELECTRICITY PRODUCED FROM RENEWABLE AND WASTE PRODUCTS.

(a) INCREASE IN CREDIT RATE.—

(1) IN GENERAL.—Section 45(a)(1) is amended by striking "1.5 cents" and inserting "1.8 cents".

(2) CONFORMING AMENDMENTS.—

(A) Section 45(b)(2) is amended by striking "1.5 cent" and inserting "1.8 cent".

(B) Section 45(d)(2)(B) is amended by inserting "(calendar year 2001 in the case of the 1.8 cent amount in subsection (a))" after "1992".

(b) EXPANSION OF QUALIFIED RESOURCES.—

(1) IN GENERAL.—Section 45(c)(1) (relating to qualified energy resources) is amended by striking "and" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting ", and", and by adding at the end the following:

"(D) alternative resources.".

(2) DEFINITION OF ALTERNATIVE RESOURCES.—Section 45(c) (relating to definitions) is amended—

(A) by redesignating paragraph (3) as paragraph (5),

(B) by redesignating paragraph (4) as paragraph (3), and

(C) by inserting after paragraph (3), as redesignated by subparagraph (B), the following:

"(4) ALTERNATIVE RESOURCES.—

"(A) IN GENERAL.—The term 'alternative resources' means—

"(i) solar.,

"(ii) biomass (other than closed loop biomass),

"(iii) municipal solid waste,

"(iv) incremental hydropower,

"(v) geothermal,

"(vi) landfill gas, and

"(vii) steel cogeneration.

"(B) BIOMASS.—The term 'biomass' means any solid, nonhazardous, cellulosic waste material or any organic carbohydrate matter, which is segregated from other waste materials, and which is derived from—

"(i) any of the following forest-related resources: mill residues, precommercial thinnings, slash, and brush, but not including old-growth timber,

"(ii) waste pallets, crates, dunnage, untreated wood waste from construction or manufacturing activities, and landscape or right-of-way tree trimmings, but not including unsegregated municipal solid waste or post-consumer wastepaper, or

"(iii) any of the following agriculture sources: orchard tree crops, vineyard, grain, legumes, sugar, and other crop by-products or residues, including any packaging and other materials which are nontoxic and biodegradable and are associated with the processing, feeding, selling, transporting, and disposal of such agricultural materials.

"(C) MUNICIPAL SOLID WASTE.—The term 'municipal solid waste' has the same meaning given the term 'solid waste' under section 2(27) of the Solid Waste Utilization Act (42 U.S.C. 6903).

"(D) INCREMENTAL HYDROPOWER.—The term 'incremental hydropower' means additional generating capacity achieved from—

"(i) increased efficiency, or

"(ii) additions of new capacity,

at a licensed non-Federal hydroelectric project originally placed in service before the date of the enactment of this paragraph.

"(E) GEOTHERMAL.—The term 'geothermal' means energy derived from a geothermal deposit (within the meaning of section 613(e)(2)), but only, in the case of electricity generated by geothermal power, up to (but not including) the electrical transmission stage.

"(F) LANDFILL GAS.—The term 'landfill gas' means gas generated from the decomposition of any household solid waste, commercial solid waste, and industrial solid waste disposed of in a municipal solid waste landfill unit (as such terms are defined in regulations promulgated under subtitle D of the Solid Waste Disposal Act (42 U.S.C. 6941 et seq.).

"(G) STEEL COGENERATION.—The term 'steel cogeneration' means the production of electricity and steam (or other form of thermal energy) from any or all waste sources defined in paragraphs (2) and (3) and subparagraphs (B) and (C) of this paragraph within an operating facility which produces or integrates the production of coke, direct reduced iron ore, iron, or steel provided that the cogeneration meets any regulatory energy-efficiency standards established by the Secretary, and only to the extent that such energy is produced from—

"(i) gases or heat generated from the production of metallurgical coke,

"(ii) gases or heat generated from the production of direct reduced iron ore or iron, from blast furnace or direct ironmaking processes, or

"(iii) gases or heat generated from the manufacture of steel.".

(3) QUALIFIED FACILITY.—Section 45(c)(5) (defining qualified facility), as redesignated by paragraph 2(A), is amended by adding at the end the following:

"(D) ALTERNATIVE RESOURCES FACILITY.—

"(i) IN GENERAL.—Except as provided in clauses (ii), (iii), and (iv), in the case of a facility using alternative resources to produce electricity, the term 'qualified facility' means any facility of the taxpayer which is originally placed in service after the date of the enactment of this subparagraph.

"(ii) BIOMASS FACILITY.—In the case of a facility using biomass described in paragraph (4)(A)(ii) to produce electricity, the term 'qualified facility' means any facility of the taxpayer.

"(iii) Geothermal facility.—In the case of a facility using geothermal to produce electricity, the term 'qualified facility' means any facility of the taxpayer which is originally placed in service after December 31, 1992.

"(iv) Steel cogeneration facilities.—In the case of a facility using steel cogeneration to produce electricity, the term 'qualified facility' means any facility permitted to operate under the environmental requirements of the Clean Air Act Amendments of 1990 which is owned by the taxpayer and originally placed in service after the date of the enactment of this subparagraph. Such a facility may be treated as originally placed in service when such facility was last upgraded to increase efficiency or generation capability after such date.

"(v) Special rules.—In the case of a qualified facility described in this subparagraph, the 10-year period referred to in subsection (a) shall be treated as beginning no earlier than the date of the enactment of this subparagraph.".

(4) Government-owned facility.—Section 45(d)(6) (relating to credit eligibility in the case of government-owned facilities using poultry waste) is amended—

(A) by inserting "or alternative resources" after "poultry waste", and

(B) by inserting "OR ALTERNATIVE RESOURCES" after "POULTRY WASTE" in the heading thereof.

(5) Qualified facilities with co-production.—Section 45(b) (relating to limitations and adjustments) is amended by adding at the end the following:

"(4) Increased credit for co-production facilities.—

"(A) In general.—In the case of a qualified facility described in subsection (c)(3)(D)(i) which has a co-production facility or a qualified facility described in subparagraph (A), (B), or (C) of subsection (c)(3) which adds a co-production facility after the date of the enactment of this paragraph, the amount in effect under subsection (a)(1) for an eligible taxable year of a taxpayer shall (after adjustment under paragraph (2) and before adjustment under paragraphs (1) and (3)) be increased by .25 cents.

"(B) Co-production facility.—For purposes of subparagraph (A), the term 'co-production facility' means a facility which—

"(i) enables a qualified facility to produce heat, mechanical power, chemicals, liquid fuels, or minerals from qualified energy resources in addition to electricity, and

"(ii) produces such energy on a continuous basis.

"(C) Eligible taxable year.—For purposes of subparagraph (A), the term 'eligible taxable year' means any taxable year in which the amount of gross receipts attributable to the co-production facility of a qualified facility are at least 10 percent of the amount of gross receipts attributable to electricity produced by such facility.".

(6) Qualified facilities located within qualified Indian lands.—Section 45(b) (relating to limitations and adjustments), as amended by paragraph (5), is amended by adding at the end the following:

"(5) Increased credit for qualified facility located within qualified Indian land.—In the case of a qualified facility described in subsection (c)(3)(D) which—

"(A) is located within—

"(i) qualified Indian lands (as defined in section 7871(c)(3)), or

"(ii) lands which are held in trust by a Native Corporation (as defined in section 3(m) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(m)) for Alaska Natives, and

"(B) is operated with the explicit written approval of the Indian tribal government or Native Corporation (as so defined) having jurisdiction over such lands,

the amount in effect under subsection (a)(1) for a taxable year shall (after adjustment under paragraphs (2) and (4) and before adjustment under paragraphs (1) and (3)) be increased by .25 cents.".

(7) Electricity produced from certain resources co-fired in coal plants.—Section 45(d) (relating to definitions and special rules) is amended by adding at the end the following:

"(8) Special rule for electricity produced from certain resources co-fired in coal plants.—In the case of electricity produced from biomass (including closed loop biomass), municipal solid waste, or animal waste, co-fired in a facility which produces electricity from coal—

"(A) subsection (a)(1) shall be applied by substituting '1 cent' for '1.8 cents',

"(B) such facility shall be considered a qualified facility for purposes of this section, and

"(C) the 10-year period referred to in subsection (a) shall be treated as beginning no earlier than the date of the enactment of this paragraph.".

(8) Conforming amendments.—

(A) The heading for section 45 is amended by inserting "**AND WASTE ENERGY**" after "**RENEWABLE**".

(B) The item relating to section 45 in the table of sections subpart D of part IV of subchapter A of chapter 1 is amended by inserting "and waste energy" after "renewable".

(c) Additional Modifications of Renewable and Waste Energy Resource Credit.—

(1) Credits for certain tax exempt organizations and governmental units.—Section 45(d) (relating to definitions and special rules), as amended by subsection (b)(7), is amended by adding at the end the following:

"(9) Credits for certain tax exempt organizations and governmental units.—

"(A) Allowance of credit.—Any credit which would be allowable under subsection (a) with respect to a qualified facility of an entity if such entity were not exempt from tax under this chapter shall be treated as a credit allowable under subpart C to such entity if such entity is—

"(i) an organization described in section 501(c)(12)(C) and exempt from tax under section 501(a),

"(ii) an organization described in section 1381(a)(2)(C), or

"(iii) an entity the income of which is excludable from gross income under section 115.

"(B) Use of credit.—

"(i) Transfer of credit.—An entity described in subparagraph (A) may assign, trade, sell, or otherwise transfer any credit allowable to such entity under subparagraph (A) to any taxpayer.

"(ii) Use of credit as an offset.—Notwithstanding any other provision of law, in the case of an entity described in clause (i) or (ii) of subparagraph (A), any credit allowable to such entity under subparagraph (A) may be applied by such entity, without penalty, as a prepayment of any loan, debt, or other obligation the entity has incurred under subchapter I of chapter 31 of title 7 of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.).

"(C) Credit not income.—Neither a transfer under clause (i) or a use under clause (ii) of subparagraph (B) of any credit allowable under subparagraph (A) shall result in income for purposes of section 501(c)(12).

"(D) Transfer proceeds treated as arising from essential government function.—Any proceeds derived by an entity described in subparagraph (A)(iii) from the transfer of any credit under subparagraph (B)(i) shall be treated as arising from an essential government function.

"(E) Credits not reduced by tax-exempt bonds or certain other subsidies.—Subsection (b)(3) shall not apply to reduce any credit allowable under subparagraph (A) with respect to—

"(i) proceeds described in subparagraph (A)(ii) of such subsection, or

"(ii) any loan, debt, or other obligation incurred under subchapter I of chapter 31 of title 7 of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.),

used to provide financing for any qualified facility.

"(F) Treatment of unrelated persons.—For purposes of this paragraph, sales among and between entities described in subparagraph (A) shall be treated as sales between unrelated parties.".

(2) Coordination with other credits.—Section 45(d), as amended by paragraph (1), is amended by adding at the end the following:

"(10) Coordination with other credits.—This section shall not apply to any qualified facility with respect to which a credit under any other section is allowed for the taxable year unless the taxpayer elects to waive the application of such credit to such facility.".

(3) Expansion to include animal waste.—Section 45 (relating to electricity produced from certain renewable resources), as amended by paragraphs (2) and (4) of subsection (b), is amended—

(A) by striking "poultry" each place it appears in subsection (c)(1)(C) and subsection (d)(6) and inserting "animal",

(B) by striking "POULTRY" in the heading of paragraph (6) of subsection (d) and inserting "ANIMAL",

(C) by striking paragraph (3) of subsection (c) and inserting the following:

"(3) Animal waste.—The term 'animal waste' means poultry manure and litter and other animal wastes, including—

"(A) wood shavings, straw, rice hulls, and other bedding material for the disposition of manure, and

"(B) byproducts, packaging, and other materials which are nontoxic and biodegradable and are associated with the processing, feeding, selling, transporting, and disposal of such animal wastes.", and

(D) by striking subparagraph (C) of subsection (c)(5) and inserting the following:

"(C) Animal waste facility.—

"(i) In general.—Except as provided in clause (ii), in the case of a facility using animal waste (other than poultry) to produce electricity, the term 'qualified facility' means any facility of the taxpayer which is originally placed in service after the date of the enactment of this clause.

"(ii) Poultry waste.—In the case of a facility using animal waste relating to poultry to produce electricity, the term 'qualified facility' means any facility of the taxpayer which is originally placed in service after December 31, 1999.".

(4) Treatment of qualified facilities not in compliance with pollution laws.—Section 45(c)(5) (relating to qualified facilities), as amended by paragraphs (2) and (3) of subsection (b), is amended by adding at the end the following:

"(E) Noncompliance with pollution laws.—For purposes of this paragraph, a facility which is not in compliance with the applicable State and Federal pollution prevention, control, and permit requirements for any period of time shall not be considered to be a qualified facility during such period.''.

(5) PERMANENT EXTENSION OF QUALIFIED FACILITY DATES.—Section 45(c)(5) (relating to qualified facility), as redesignated by subsection (b)(2), is amended by striking ``, and before January 1, 2002'' in subparagraphs (A) and (B).

(d) REVENUE OFFSET.—The Secretary of the Treasury shall adjust the highest rate of tax under section 1 of the Internal Revenue Code of 1986 (as amended by section 101 of this Act) to the extent necessary to offset in each fiscal year beginning before October 1, 2011, the decrease in revenues to the Treasury for that fiscal year resulting from the amendments made by this section.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to electricity and other energy produced after the date of the enactment of this Act.

SA 695. Mr. DODD (for himself and Mr. REID) submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 9, in the matter between lines 11 and 12, strike ``37.6%'' in the item relating to 2005 and 2006 and insert ``38%'' and strike ``36%'' in the item relating to 2007 and thereafter and insert ``38%''.

Strike title V and insert:

TITLE V—ESTATE AND GIFT TAX RELIEF

SEC. 501. INCREASE IN AMOUNT OF UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES.

(a) IN GENERAL.—The table contained in section 2010(c) (relating to applicable credit amount) is amended to read as follows:

“In the case of estates of decedents dying, and gifts made, during:	The applicable exclusion amount is:
2002, 2003, 2004, 2005, and 2006	$1,000,000
2007 and 2008	$1,125,000
2009	$1,500,000
2010 or thereafter	$2,000,000.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to the estates of decedents dying, and gifts made, after December 31, 2001.

SEC. 502. INCREASE IN QUALIFIED FAMILY-OWNED BUSINESS INTEREST DEDUCTION AMOUNT.

(a) IN GENERAL.—Paragraph (2) of section 2057(a) (relating to family-owned business interests) is amended to read as follows:

``(2) MAXIMUM DEDUCTION.—

``(A) IN GENERAL.—The deduction allowed by this section shall not exceed the sum of—

``(i) the applicable deduction amount, plus

``(ii) in the case of a decedent described in subparagraph (C), the applicable unused spousal deduction amount.

``(B) APPLICABLE DEDUCTION AMOUNT.—For purposes of this subparagraph (A)(i), the applicable deduction amount is determined in accordance with the following table:

“In the case of estates of decedents dying during:	The applicable deduction amount is:
2002, 2003, 2004, 2005, and 2006	$1,375,000
2007 and 2008	$1,625,000
2009	$2,375,000
2010 or thereafter	$3,375,000.

``(C) APPLICABLE UNUSED SPOUSAL DEDUCTION AMOUNT.—If an immediately predeceased spouse of a decedent died after December 31, 2001, and the estate of such immediately predeceased spouse met the requirements of subsection (b)(1), the applicable unused spousal deduction amount for such decedent is equal to the excess of—

``(i) the applicable deduction amount allowable under this section to the estate of such immediately predeceased spouse, over

``(ii) the sum of—

``(I) the applicable deduction amount allowed under this section to the estate of such immediately predeceased spouse, plus

``(II) the amount of any increase in such estate's unified credit under paragraph (3)(B) which was allowed to such estate.''.

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) is amended—

(1) by striking ``$675,000'' both places it appears and inserting ``the applicable deduction amount'', and

(2) by striking ``$675,000'' in the heading and inserting ``APPLICABLE DEDUCTION AMOUNT''.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to the estates of decedents dying, and gifts made, after December 31, 2001.

SA 696. Mr. NELSON of Nebraska submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . CIRCUIT BREAKER.

(a) IN GENERAL.—In any fiscal year beginning with fiscal year 2004, if the level of debt held by the public for that fiscal year (as projected by the Office of Management and Budget sequestration update report on August 20th for that fiscal year) would exceed the level of debt held by the public for that fiscal year set forth in the concurrent resolution on the budget for fiscal year 2002 (H. Con. Res. 83, 107th Congress), any Member of Congress may move to proceed to a bill that would make changes in law to reduce discretionary spending and direct spending and increase revenues in a manner that would reduce the debt held by the public for the fiscal year to a level not exceeding the level provided in this resolution for that fiscal year. The motion to proceed shall be voted on at the end of 4 hours of debate.

(b) CONSIDERATION OF LEGISLATION.—A bill considered under subsection (a) shall be considered as provided in section 310(e) of the Congressional Budget Act of 1974 (2 U.S.C. 641(e)).

SA 697. Mr. HATCH (for himself, Mr. ALLEN, Mr. CRAIG, Mr. SMITH of Oregon, Mr. REID, Mr. BROWNBACK, Mr. BENNETT, and Mr. KERRY) proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

At the end of subtitle A of title VIII insert the following:

SEC. . RESEARCH CREDIT.

(a) PERMANENT EXTENSION OF RESEARCH CREDIT.—

(1) IN GENERAL.—Section 41 (relating to credit for increasing research activities) is amended by striking subsection (h).

(2) CONFORMING AMENDMENT.—Paragraph (1) of section 45C(b) is amended by striking subparagraph (D).

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred after the date of the enactment of this Act.

(b) INCREASES IN RATES OF ALTERNATIVE INCREMENTAL CREDIT.—

(1) IN GENERAL.—Subparagraph (A) of section 41(c)(4) (relating to election of alternative incremental credit) is amended—

(A) by striking ``2.65 percent'' and inserting ``3 percent'',

(B) by striking ``3.2 percent'' and inserting ``4 percent'', and

(C) by striking ``3.75 percent'' and inserting ``5 percent''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after the date of the enactment of this Act.

SA 698. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 9, strike the matter between lines 11 and 12, and insert:

``In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:			
	28%	31%	36%	39.6%
2002, 2003, and 2004	27%	30%	35%	39%
2005 and 2006	26%	29%	34%	38.2%
2007 and thereafter	25%	28%	33%	36.6%

On page 62, between lines 7 and 8, insert:

SEC. . HOPE SCHOLARSHIP CREDIT AVAILABLE FOR COSTS OF ATTENDANCE.

(a) IN GENERAL.—Section 25A(f)(1) is amended by adding at the end the following subparagraph:

``(D) COSTS OF ATTENDANCE.—For purposes of determining the amount of the Hope Scholarship Credit under subsection (b), such term shall include the cost of attendance (as defined in section 472 of the Higher Education Act of 1965 (20 U.S.C. 1087ll), as in effect on the date of enactment of this subparagraph) of the eligible student at an eligible educational institution.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

SA 699. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 9, between lines 14 and 15, insert:

``(4) REDUCTION IN TOP RATE CONTINGENT ON INCREASES IN FEDERAL PELL GRANT FUNDING.—Notwithstanding paragraph (2), the reductions in the 39.6 percent rate bracket which (without regard to this paragraph) would take effect for taxable years beginning in 2002, 2005, or 2007 shall not take effect at all unless the Secretary of Education certifies to the Secretary of the Treasury before November 1, 2001, November 1, 2004, or November 1, 2006, whichever is applicable, that during the fiscal year ending in 2001, or during each of the 2 fiscal years ending in 2003 and 2004 or 2005 and 2006, whichever is applicable, the Federal Government honored its commitment to fund the Federal Pell Grant program under subpart I of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a) in an amount sufficient to increase the maximum Federal Pell Grant amounts awarded under such program to—

"(A) $4,250 for the 2002-2003 school year,

"(B) $4,650 for the 2003-2004 school year,

"(C) $5,050 for the 2004-2005 school year,

"(D) $5,450 for the 2005-2006 school year,

"(E) $5,850 for the 2006-2007 school year,

"(F) $6,250 for the 2007-2008 school year,

"(G) $6,650 for the 2008-2009 school year,

"(H) $7,050 for the 2009-2010 school year, and

"(I) $7,450 for the 2010-2011 school year.".

SA 700. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 9, between lines 14 and 15, insert:

"(4) Reduction in top rate contingent on head start funding.—Notwithstanding paragraph (2), the reductions in the 39.6 percent rate bracket which (without regard to this paragraph) would take effect for taxable years beginning in 2005 or 2007 shall not take effect at all unless the Secretary of Education certifies to the Secretary of the Treasury before November 1, 2004, or November 1, 2006, whichever is applicable, that during each of the 2 fiscal years ending in 2003 and 2004 or 2005 and 2006, whichever is applicable, the Federal Government honored its commitment to fund the Head Start Act in an amount sufficient to enable every eligible child access to such program.".

SA 701. Mr. HATCH (for Mr. Kerry (for himself and Mr. Hatch)) proposed an amendment to amendment SA 697 proposed by Mr. Hatch to the bill (H.R. 1836) to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

At the end of the matter proposed to be inserted, add the following:

SEC. ___. CREDIT FOR MEDICAL RESEARCH RELATED TO DEVELOPING VACCINES AGAINST WIDESPREAD DISEASES.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by section 620, is amended by adding at the end the following new section:

"SEC. 45G. CREDIT FOR MEDICAL RESEARCH RELATED TO DEVELOPING VACCINES AGAINST WIDESPREAD DISEASES.

"(a) General Rule.—For purposes of section 38, the vaccine research credit determined under this section for the taxable year is an amount equal to 30 percent of the qualified vaccine research expenses for the taxable year.

"(b) Qualified Vaccine Research Expenses.—For purposes of this section—

"(1) Qualified vaccine research expenses.—

"(A) In general.—Except as otherwise provided in this paragraph, the term 'qualified vaccine research expenses' means the amounts which are paid or incurred by the taxpayer during the taxable year which would be described in subsection (b) of section 41 if such subsection were applied with the modifications set forth in subparagraph (B).

"(B) Modifications; increased incentive for contract research payments.—For purposes of subparagraph (A), subsection (b) of section 41 shall be applied—

"(i) by substituting 'vaccine research' for 'qualified research' each place it appears in paragraphs (2) and (3) of such subsection, and

"(ii) by substituting '100 percent' for '65 percent' in paragraph (3)(A) of such subsection.

"(C) Exclusion for amounts funded by grants, etc.—The term 'qualified vaccine research expenses' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

"(2) Vaccine research.—The term 'vaccine research' means research to develop vaccines and microbicides for—

"(A) malaria,

"(B) tuberculosis,

"(C) HIV, or

"(D) any infectious disease (of a single etiology) which, according to the World Health Organization, causes over 1,000,000 human deaths annually.

"(c) Coordination With Credit for Increasing Research Expenditures.—

"(1) In general.—Except as provided in paragraph (2), any qualified vaccine research expenses for a taxable year to which an election under this section applies shall not be taken into account for purposes of determining the credit allowable under section 41 for such taxable year.

"(2) Expenses included in determining base period research expenses.—Any qualified vaccine research expenses for any taxable year which are qualified research expenses (within the meaning of section 41(b)) shall be taken into account in determining base period research expenses for purposes of applying section 41 to subsequent taxable years.

"(d) Special Rules.—

"(1) Limitations on foreign testing.—No credit shall be allowed under this section with respect to any vaccine research (other than human clinical testing) conducted outside the United States.

"(2) Pre-clinical research.—No credit shall be allowed under this section for preclinical research unless such research is pursuant to a research plan an abstract of which has been filed with the Secretary before the beginning of such year. The Secretary, in consultation with the Secretary of Health and Human Services, shall prescribe regulations specifying the requirements for such plans and procedures for filing under this paragraph.

"(3) Certain rules made applicable.—Rules similar to the rules of paragraphs (1) and (2) of section 41(f) shall apply for purposes of this section.

"(4) Election.—This section (other than subsection (e)) shall apply to any taxpayer for any taxable year only if such taxpayer elects to have this section apply for such taxable year.

"(e) Credit To Be Refundable for Certain Taxpayers.—

"(1) In general.—In the case of an electing qualified taxpayer—

"(A) the credit under this section shall be determined without regard to section 38(c), and

"(B) the credit so determined shall be allowed as a credit under subpart C.

"(2) Electing qualified taxpayer.—For purposes of this subsection, the term 'electing qualified taxpayer' means, with respect to any taxable year, any domestic C corporation if—

"(A) the aggregate gross assets of such corporation at any time during such taxable year are $500,000,000 or less,

"(B) the net income tax (as defined in section 38(c)) of such corporation is zero for such taxable year and the 2 preceding taxable years,

"(C) as of the close of the taxable year, the corporation is not under the jurisdiction of a court in a title 11 or similar case (within the meaning of section 368(a)(3)(A)),

"(D) the corporation provides such assurances as the Secretary requires that, not later than 2 taxable years after the taxable year in which the taxpayer receives any refund of a credit under this subsection, the taxpayer will make an amount of qualified vaccine research expenses equal to the amount of such refund, and

"(E) the corporation elects the application of this subsection for such taxable year.

"(3) Aggregate gross assets.—Aggregate gross assets shall be determined in the same manner as such assets are determined under section 1202(d).

"(4) Controlled groups.—A corporation shall be treated as meeting the requirement of paragraph (2)(B) only if each person who is treated with such corporation as a single employer under subsections (a) and (b) of section 52 also meets such requirement.

"(5) Special rules.—

"(A) Recapture of credit.—The Secretary shall promulgate such regulations as necessary and appropriate to provide for the recapture of any credit allowed under this subsection in cases where the taxpayer fails to make the expenditures described in paragraph (2)(D).

"(B) Exclusion of certain qualified vaccine research expenses.—For purposes of determining the credit under this section for a taxable year, the qualified vaccine research expenses taken into account for such taxable year shall not include an amount paid or incurred during such taxable year equal to the amount described in paragraph (2)(D) (and not already taken into account under this subparagraph for a previous taxable year).".

(b) Inclusion in General Business Credit.—

(1) In general.—Section 38(b), as amended by section 620, is amended by striking "plus" at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting ", plus", and by adding at the end the following new paragraph:

"(16) the vaccine research credit determined under section 45G.".

(2) Transition rule.—Section 39(d), as amended by section 620, is amended by adding at the end the following new paragraph:

"(12) No carryback of section 45G credit before enactment.—No portion of the unused business credit for any taxable year which is attributable to the vaccine research credit determined under section 45G may be carried back to a taxable year ending before the date of the enactment of section 45G.".

(c) Denial of Double Benefit.—Section 280C is amended by adding at the end the following new subsection:

"(d) Credit for Qualified Vaccine Research Expenses.—

"(1) In general.—No deduction shall be allowed for that portion of the qualified vaccine research expenses (as defined in section 45G(b)) otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 45G(a).

"(2) Certain rules to apply.—Rules similar to the rules of paragraphs (2), (3), and (4) of subsection (c) shall apply for purposes of this subsection.".

(d) DEDUCTION FOR UNUSED PORTION OF CREDIT.—Section 196(c) (defining qualified business credits) is amended by striking "and" at the end of paragraph (8), by striking the period at the end of paragraph (9) and inserting ", and", and by adding at the end the following new paragraph:

"(10) the vaccine research credit determined under section 45G(a) (other than such credit determined under the rules of section 280C(d)(2)).".

(e) TECHNICAL AMENDMENTS.—

(1) Section 1324(b)(2) of title 31, United States Code, is amended by inserting "or from section 45G(e) of such Code," after "1978,".

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section 620, is amended by adding at the end the following new item:

"Sec. 45G. Credit for medical research related to developing vaccines against widespread diseases.".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SA 702. Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of subtitle A of title VIII insert the following:

SEC. . WAIVER OF STATUTE OF LIMITATION FOR TAXES ON CERTAIN FARM VALUATIONS.

If on the date of the enactment of this Act (or at any time within 1 year after the date of the enactment) a refund or credit of any overpayment of tax resulting from the application of section 2032A(c)(7)(E) of the Internal Revenue Code of 1986 is barred by any law or rule of law, the refund or credit of such overpayment shall, nevertheless, be made or allowed if claim therefor is filed before the date 1 year after the date of the enactment of this Act.

SA 703. Mr. BYRD proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

At the appropriate place, insert the following:

SEC. . ENSURING FUNDING FOR SOCIAL SECURITY AND MEDICARE SOLVENCY, PRESCRIPTION DRUGS, AND LONG-TERM DEBT REDUCTION.

(a) IN GENERAL.—Notwithstanding any other provision of this Act—

(1) except for section 1(i)(1) of the Internal Revenue Code of 1986, as added by section 101 of this Act, and any necessary conforming amendments, title I of this Act shall not take effect; and

(2) any provision of title V of this Act that takes effect after 2006 shall not take effect.

(b) STRATEGIC RESERVE FUND FOR LONG-TERM DEBT AND NEEDS.—Subtitle B of title II of H. Con. Res. 83 (107th Congress) is amended by inserting at the end the following:

"SEC. 219. STRATEGIC RESERVE FUND FOR SOCIAL SECURITY REFORM, MEDICARE REFORM, AND PRESCRIPTION DRUG BENEFITS.

If legislation is reported by the Committee on Finance of the Senate or the Committee on Energy and Commerce or the Committee on Ways and Means of the House of Representatives, or an amendment thereto is offered or a conference report thereon is submitted, that would strengthen social security, extend the solvency of the Social Security Trust Funds, maintain progressivity in the social security benefit system, continue to lift more seniors out of poverty, extend the solvency of the Medicare Trust Funds or provide prescription drug benefits, the chairman of the appropriate Committee on the Budget shall, upon the approval of the appropriate Committee on the Budget, revise the aggregates, functional totals, allocations, and other appropriate levels and limits in this resolution for that measure by not to exceed $450,000,000,000 for the total of fiscal years 2002 through 2011, as long as that measure will not, when taken together with all other previously enacted legislation, reduce the on-budget surplus below the level of the Medicare Hospital Insurance Trust Fund surplus in any fiscal year provided in this resolution.".

SA 704. Mr. KERRY submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 66, in the table set forth between lines 1 and 2, strike that matter relating to years 2007, 2008, 2009, and 2010 and insert the following:

"2007 and 2008	46 percent
"2009 and 2010	45 percent

On page 174, line 3, strike "20" and insert "50".

On page 178, line 7, strike "2 taxable" and insert "4 taxable".

On page 178, line 8, insert before the comma the following: "and each of the 6 taxable years for an employer with no fewer than 25 employees".

SA 705. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 19, beginning with line 21, strike all through the matter preceding line 1 on page 20, and insert:

"(7) APPLICABLE PERCENTAGE.—For purposes of paragraph (2), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in calendar year—	The applicable percentage is—
2002	174
2003	180
2004	187
2005	193
2006 and thereafter	200.".

On page 20, line 14, strike "2005" and insert "2001".

On page 21, line 2, strike "2005" and insert "2001".

On page 21, strike the matter following line 21, and insert:

"For taxable years beginning in calendar year—	The applicable percentage is—
2002	174
2003	180
2004	187
2005	193
2006 and thereafter	200.".

On page 22, line 15, strike "2005" and insert "2001".

SA 706. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 19, beginning with line 21, strike all through the matter preceding line 1 on page 20, and insert:

"(7) APPLICABLE PERCENTAGE.—For purposes of paragraph (2), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in calendar year—	The applicable percentage is—
2002	174
2003	180
2004	187
2005	193
2006 and thereafter	200.".

On page 20, line 14, strike "2005" and insert "2001".

SA 707. Mr. JEFFORDS (for himself, Mr. DODD, Mr. KENNEDY, Mr. ROCKEFELLER, and Mr. LEVIN) proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

At the end of subtitle A of title II insert the following:

SEC. . DEPENDENT CARE CREDIT.

(a) INCREASE IN DOLLAR LIMIT.—Subsection (c) of section 21 (relating to expenses for household and dependent care services necessary for gainful employment) is amended—

(1) by striking "$2,400" in paragraph (1) and inserting "$3,000",

(2) by striking "$4,800" in paragraph (2) and inserting "$6,000", and

(3) by adding at the end the following new paragraph:

"(3) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2002, any dollar amount contained in paragraph (1) or (2) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section (1)(f)(3) for the calendar year in which the taxable year begins, by substituting "calendar year 2001" for "calendar year 1992.".

(b) INCREASE IN APPLICABLE PERCENTAGE.—Section 21(a)(2) (defining applicable percentage) is amended—

(1) by striking "30 percent" and inserting "50 percent", and

(2) by striking "$10,000" and inserting "$30,000".

(c) REVENUE OFFSET.—The Secretary of the Treasury shall adjust the highest rate of tax under section 1 of the Internal Revenue Code of 1986 (as amended by section 101 of this Act) to the extent necessary to offset in each fiscal year beginning before October 1, 2011, the decrease in revenues to the Treasury for that fiscal year resulting from the amendments made by this section.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SA 708. Mr. LIEBERMAN (for himself, Mrs. FEINSTEIN, Mrs. CLINTON, and Mr. LEAHY) submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 9, strike the table between line 11 and 12, and insert the following:

"In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:			
	28%	31%	36%	39.6%
2002, 2003, and 2004 ..	27%	30%	35%	38.6%
2005 and 2006	26%	29%	34%	38.6%
2007	25%	28%	33%	38.6%
2008 and thereafter	25%	28%	33%	37.6%

At the end insert the following:

TITLE —BUSINESS RELIEF

Subtitle —Productivity Incentives

SEC. 01. INCREASED EXCLUSION AND OTHER MODIFICATIONS APPLICABLE TO QUALIFIED SMALL BUSINESS STOCK.

(a) INCREASED EXCLUSION.—

(1) IN GENERAL.—Subsection (a) of section 1202 (relating to 50-percent exclusion for gain from certain small business stock) is amended by striking "50 percent" and inserting "100 percent".

(2) CONFORMING AMENDMENTS.—

(A) Subparagraph (A) of section 1(h)(5) is amended to read as follows:

"(A) collectibles gain, over".

(B) Section 1(h) is amended by striking paragraph (8).

(C) Paragraph (9) of section 1(h) is amended by striking ", gain described in paragraph (7)(A)(i), and section 1202 gain" and inserting "and gain described in paragraph (7)(A)(i)".

(D) Section 1(h) is amended by redesignating paragraphs (9) (as amended by subparagraph (C)), (10), (11), (12), and (13) as paragraphs (8), (9), (10), (11), and (12), respectively.

(E) The heading for section 1202 is amended by striking "**PARTIAL**" and inserting "**100-PERCENT**".

(F) The table of sections for part I of subchapter P of chapter 1 is amended by striking "Partial" in the item relating to section 1202 and inserting "100-percent".

(b) REDUCTION IN HOLDING PERIOD.—

(1) IN GENERAL.—Subsection (a) of section 1202 (relating to partial exclusion for gains from certain small business stock) is amended by striking "5 years" and inserting "3 years".

(2) CONFORMING AMENDMENT.—Subsections (g)(2)(A) and (j)(1)(A) of section 1202 are each amended by striking "5 years" and inserting "3 years".

(c) EXCLUSION AVAILABLE TO CORPORATIONS.—

(1) IN GENERAL.—Subsection (a) of section 1202 (relating to partial exclusion for gains from certain small business stock) is amended by striking "other than a corporation".

(2) TECHNICAL AMENDMENT.—Subsection (c) of section 1202 is amended by adding at the end the following new paragraph:

"(4) STOCK HELD AMONG MEMBERS OF CONTROLLED GROUP NOT ELIGIBLE.—Stock of a member of a parent-subsidiary controlled group (as defined in subsection (d)(3)) shall not be treated as qualified small business stock while held by another member of such group.".

(d) REPEAL OF MINIMUM TAX PREFERENCE.—

(1) IN GENERAL.—Subsection (a) of section 57 (relating to items of tax preference) is amended by striking paragraph (7).

(2) TECHNICAL AMENDMENT.—Subclause (II) of section 53(d)(1)(B)(ii) is amended by striking ", (5), and (7)" and inserting "and (5)".

(e) STOCK OF LARGER BUSINESSES ELIGIBLE FOR EXCLUSION.—

(1) IN GENERAL.—Paragraph (1) of section 1202(d) (defining qualified small business) is amended by striking "$50,000,000" each place it appears and inserting "$300,000,000".

(2) INFLATION ADJUSTMENT.—Section 1202(d) (defining qualified small business) is amended by adding at the end the following:

"(4) INFLATION ADJUSTMENT OF ASSET LIMITATION.—In the case of stock issued in any calendar year after 2002, the $300,000,000 amount contained in paragraph (1) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2001' for 'calendar year 1992' in subparagraph (B) thereof

If any amount as adjusted under the preceding sentence is not a multiple of $10,000, such amount shall be rounded to the nearest multiple of $10,000.".

(f) REPEAL OF PER-ISSUER LIMITATION.—Section 1202(b) (relating to per-issuer limitations on taxpayer's eligible gain) is repealed.

(g) OTHER MODIFICATIONS.—

(1) REPEAL OF WORKING CAPITAL LIMITATION.—Section 1202(e)(6) (relating to working capital) is amended—

(A) in subparagraph (B), by striking "2 years" and inserting "5 years"; and

(B) by striking the last sentence.

(2) EXCEPTION FROM REDEMPTION RULES WHERE BUSINESS PURPOSE.—Section 1202(c)(3) (relating to certain purchases by corporation of its own stock) is amended by adding at the end the following new subparagraph:

"(D) WAIVER WHERE BUSINESS PURPOSE.—A purchase of stock by the issuing corporation shall be disregarded for purposes of subparagraph (B) if the issuing corporation establishes that there was a business purpose for such purchase and one of the principal purposes of the purchase was not to avoid the limitations of this section.".

(h) QUALIFIED TRADE OR BUSINESS.—Section 1202(e)(3) (defining qualified trade or business) is amended by inserting "and" at the end of subparagraph (C), by striking ", and" at the end of subparagraph (D) and inserting a period, and by striking subparagraph (E).

(i) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section apply to stock issued after the date of the enactment of this Act.

(2) SPECIAL RULE.—The amendments made by subsections (a), (c), (e), (f), and (g)(1) apply to stock issued after August 10, 1993.

SEC. 02. REPEAL OF MINIMUM TAX PREFERENCE FOR EXCLUSION FOR INCENTIVE STOCK OPTIONS.

(a) IN GENERAL.—Subsection (b) of section 56 (relating to adjustments in computing alternative minimum taxable income) is amended by striking paragraph (3).

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to options exercised in calendar years beginning after the date of the enactment of this Act.

SEC. 03. 3-YEAR DEPRECIABLE LIFE FOR SEMICONDUCTOR MANUFACTURING EQUIPMENT.

(a) IN GENERAL.—Subparagraph (A) of section 168(e)(3) (relating to classification of property) is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by adding at the end the following new clause:

"(iv) any semiconductor manufacturing equipment.".

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 168(e)(3) is amended—

(A) by striking clause (ii),

(B) by redesignating clauses (iii) through (vi) as clauses (ii) through (v), respectively, and

(C) by striking "clause (vi)(I)" in the last sentence and inserting "clause (v)(I)".

(2) Subparagraph (B) of section 168(g)(3) is amended by striking the items relating to subparagraph (B)(ii) and subparagraph (B)(iii) and inserting the following:

"(A)(iv) 3
"(B)(ii) .... 9.5".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to equipment placed in service after the date of the enactment of this Act.

Subtitle B—Compliance With Congressional Budget Act

SEC. 11. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

SA 709. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 314, after line 21, insert the following:

SEC. 803. REPEAL OF 1993 INCOME TAX INCREASE ON SOCIAL SECURITY BENEFITS.

(a) RESTORATION OF PRIOR LAW FORMULA.—Subsection (a) of section 86 is amended to read as follows:

"(a) IN GENERAL.—Gross income for the taxable year of any taxpayer described in subsection (b) (notwithstanding section 207 of the Social Security Act) includes social security benefits in an amount equal to the lesser of—

"(1) one-half of the social security benefits received during the taxable year, or

"(2) one-half of the excess described in subsection (b)(1)."

(b) REPEAL OF ADJUSTED BASE AMOUNT.—Subsection (c) of section 86 is amended to read as follows:

"(c) BASE AMOUNT.—For purposes of this section, the term 'base amount' means—

"(1) except as otherwise provided in this subsection, $25,000,

"(2) $32,000 in the case of a joint return, and

"(3) zero in the case of a taxpayer who—

"(A) is married as of the close of the taxable year (within the meaning of section 7703) but does not file a joint return for such year, and

"(B) does not live apart from his spouse at all times during the taxable year."

(c) CONFORMING AMENDMENTS.—

(1) Subparagraph (A) of section 871(a)(3) is amended by striking "85 percent" and inserting "50 percent".

(2)(A) Subparagraph (A) of section 121(e)(1) of the Social Security Amendments of 1983 (Public Law 98-21) is amended—

(i) by striking "(A) There" and inserting "There";

(ii) by striking "(i)" immediately following "amounts equivalent to"; and

(iii) by striking ", less (ii)" and all that follows and inserting a period.

(B) Paragraph (1) of section 121(e) of such Act is amended by striking subparagraph (B).

(C) Paragraph (3) of section 121(e) of such Act is amended by striking subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

(D) Paragraph (2) of section 121(e) of such Act is amended in the first sentence by striking "paragraph (1)(A)" and inserting "paragraph (1)".

(d) MAINTENANCE OF TRANSFERS TO HOSPITAL INSURANCE TRUST FUND.—

(1) APPROPRIATION.—There are hereby appropriated to the Hospital Insurance Trust Fund established under section 1817 of the Social Security Act amounts equal to the reduction in revenues to the Treasury by reason of the enactment of this section.

(2) TRANSFER.—Amounts appropriated under paragraph (1) shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Trust Fund had this section not been enacted.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) SUBSECTION (c)(1).—The amendment made by subsection (c)(1) shall apply to benefits paid after December 31, 2000.

(3) SUBSECTION (c)(2).—The amendments made by subsection (c)(2) shall apply to tax liabilities for taxable years beginning after December 31, 2000.

SA 710. Mr. HATCH submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of subtitle D of Title IV add the following:

SEC. . CONTRIBUTIONS OF BOOK INVENTORY.

(a) IN GENERAL.—Section 170(e)(3) (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new subparagraph:

"(D) SPECIAL RULE FOR CONTRIBUTIONS OF BOOK INVENTORY FOR EDUCATIONAL PURPOSES.—

"(i) CONTRIBUTIONS OF BOOK INVENTORY.—In determining whether a qualified book contribution is a qualified contribution, subparagraph (A) shall be applied without regard to whether or not—

"(I) the donee is an organization described in the matter preceding clause (i) of subparagraph (A), and

"(II) the property is to be used by the donee solely for the care of the ill, the needy, or infants.

"(ii) QUALIFIED BOOK CONTRIBUTION.—For purposes of this paragraph, the term 'qualified book contribution' means a charitable contribution of books, but only if the contribution is to an organization—

"(I) described in subclause (I) or (III) of paragraph (6)(B)(i), or

"(II) described in section 501(c)(3) and exempt from tax under section 501(a) which is organized primarily to make books available to the general public at no cost or to operate a literacy program.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after the date of the enactment of this Act.

SA 711. Mrs. LINCOLN submitted an amendment intended to be proposed by her to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 31, line 1, strike "tuition, fees,".

On page 31, line 11, strike "room and board,".

SA 712. Mr. LIEBERMAN (for himself and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of subtitle A of title VIII, insert the following:

Subtitle B—Research Credits

SEC. . PERMANENT EXTENSION AND MODIFICATIONS RESEARCH CREDIT.

(a) PERMANENT EXTENSION OF RESEARCH CREDIT.—

(1) IN GENERAL.—Section 41 (relating to credit for increasing research activities) is amended by striking subsection (h).

(2) CONFORMING AMENDMENT.—Paragraph (1) of section 45C(b) is amended by striking subparagraph (D).

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred after the date of the enactment of this Act.

(b) INCREASES IN RATES OF ALTERNATIVE INCREMENTAL CREDIT.—

(1) IN GENERAL.—Subparagraph (A) of section 41(c)(4) (relating to election of alternative incremental credit) is amended—

(A) by striking "2.65 percent" and inserting "3 percent",

(B) by striking "3.2 percent" and inserting "4 percent", and

(C) by striking "3.75 percent" and inserting "5 percent".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after the date of the enactment of this Act.

SEC. . CREDIT FOR MEDICAL RESEARCH RELATED TO DEVELOPING VACCINES AGAINST WIDESPREAD DISEASES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by section 620, is amended by adding at the end the following new section:

"SEC. 45G. CREDIT FOR MEDICAL RESEARCH RELATED TO DEVELOPING VACCINES AGAINST WIDESPREAD DISEASES.

"(a) GENERAL RULE.—For purposes of section 38, the vaccine research credit determined under this section for the taxable year is an amount equal to 30 percent of the qualified vaccine research expenses for the taxable year.

"(b) QUALIFIED VACCINE RESEARCH EXPENSES.—For purposes of this section—

"(1) QUALIFIED VACCINE RESEARCH EXPENSES.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term 'qualified vaccine research expenses' means the amounts which are paid or incurred by the taxpayer during the taxable year which would be described in subsection (b) of section 41 if such subsection were applied with the modifications set forth in subparagraph (B).

"(B) MODIFICATIONS; INCREASED INCENTIVE FOR CONTRACT RESEARCH PAYMENTS.—For purposes of subparagraph (A), subsection (b) of section 41 shall be applied—

"(i) by substituting 'vaccine research' for 'qualified research' each place it appears in paragraphs (2) and (3) of such subsection, and

"(ii) by substituting '100 percent' for '65 percent' in paragraph (3)(A) of such subsection.

"(C) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term 'qualified vaccine research expenses' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

"(2) VACCINE RESEARCH.—The term 'vaccine research' means research to develop vaccines and microbicides for—

"(A) malaria,

"(B) tuberculosis,

"(C) HIV, or

"(D) any infectious disease (of a single etiology) which, according to the World Health Organization, causes over 1,000,000 human deaths annually.

"(c) COORDINATION WITH CREDIT FOR INCREASING RESEARCH EXPENDITURES.—

"(1) IN GENERAL.—Except as provided in paragraph (2), any qualified vaccine research expenses for a taxable year to which an election under this section applies shall not be taken into account for purposes of determining the credit allowable under section 41 for such taxable year.

"(2) EXPENSES INCLUDED IN DETERMINING BASE PERIOD RESEARCH EXPENSES.—Any qualified vaccine research expenses for any taxable year which are qualified research expenses (within the meaning of section 41(b)) shall be taken into account in determining base period research expenses for purposes of applying section 41 to subsequent taxable years.

"(d) SPECIAL RULES.—

"(1) LIMITATIONS ON FOREIGN TESTING.—No credit shall be allowed under this section with respect to any vaccine research (other than human clinical testing) conducted outside the United States.

"(2) PRE-CLINICAL RESEARCH.—No credit shall be allowed under this section for preclinical research unless such research is pursuant to a research plan an abstract of which has been filed with the Secretary before the beginning of such year. The Secretary, in consultation with the Secretary of Health and Human Services, shall prescribe regulations specifying the requirements for such plans and procedures for filing under this paragraph.

"(3) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of paragraphs (1) and (2) of section 41(f) shall apply for purposes of this section.

"(4) ELECTION.—This section (other than subsection (e)) shall apply to any taxpayer for any taxable year only if such taxpayer elects to have this section apply for such taxable year.

"(e) CREDIT TO BE REFUNDABLE FOR CERTAIN TAXPAYERS.—

"(1) IN GENERAL.—In the case of an electing qualified taxpayer—

"(A) the credit under this section shall be determined without regard to section 38(c), and

"(B) the credit so determined shall be allowed as a credit under subpart C.

"(2) ELECTING QUALIFIED TAXPAYER.—For purposes of this subsection, the term 'electing qualified taxpayer' means, with respect to any taxable year, any domestic C corporation if—

"(A) the aggregate gross assets of such corporation at any time during such taxable year are $500,000,000 or less,

"(B) the net income tax (as defined in section 38(c)) of such corporation is zero for such taxable year and the 2 preceding taxable years,

"(C) as of the close of the taxable year, the corporation is not under the jurisdiction of a court in a title 11 or similar case (within the meaning of section 368(a)(3)(A)),

"(D) the corporation provides such assurances as the Secretary requires that, not later than 2 taxable years after the taxable year in which the taxpayer receives any refund of a credit under this subsection, the taxpayer will make an amount of qualified vaccine research expenses equal to the amount of such refund, and

"(E) the corporation elects the application of this subsection for such taxable year.

"(3) AGGREGATE GROSS ASSETS.—Aggregate gross assets shall be determined in the same manner as such assets are determined under section 1202(d).

"(4) CONTROLLED GROUPS.—A corporation shall be treated as meeting the requirement of paragraph (2)(B) only if each person who is treated with such corporation as a single employer under subsections (a) and (b) of section 52 also meets such requirement.

"(5) SPECIAL RULES.—

"(A) RECAPTURE OF CREDIT.—The Secretary shall promulgate such regulations as necessary and appropriate to provide for the recapture of any credit allowed under this subsection in cases where the taxpayer fails to make the expenditures described in paragraph (2)(D).

"(B) EXCLUSION OF CERTAIN QUALIFIED VACCINE RESEARCH EXPENSES.—For purposes of determining the credit under this section for a taxable year, the qualified vaccine research expenses taken into account for such taxable year shall not include an amount paid or incurred during such taxable year equal to the amount described in paragraph (2)(D) (and not already taken into account under this subparagraph for a previous taxable year).".

(b) INCLUSION IN GENERAL BUSINESS CREDIT.—

(1) IN GENERAL.—Section 38(b), as amended by section 620, is amended by striking "plus" at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting ", plus", and by adding at the end the following new paragraph:

"(16) the vaccine research credit determined under section 45G.".

(2) TRANSITION RULE.—Section 39(d), as amended by section 620, is amended by adding at the end the following new paragraph:

"(12) NO CARRYBACK OF SECTION 45G CREDIT BEFORE ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to the vaccine research credit determined under section 45G may be carried back to a taxable year ending before the date of the enactment of section 45G.".

(c) DENIAL OF DOUBLE BENEFIT.—Section 280C is amended by adding at the end the following new subsection:

"(d) CREDIT FOR QUALIFIED VACCINE RESEARCH EXPENSES.—

"(1) IN GENERAL.—No deduction shall be allowed for that portion of the qualified vaccine research expenses (as defined in section 45G(b)) otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 45G(a).

"(2) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (2), (3), and (4) of subsection (c) shall apply for purposes of this subsection.".

(d) DEDUCTION FOR UNUSED PORTION OF CREDIT.—Section 196(c) (defining qualified business credits) is amended by striking "and" at the end of paragraph (8), by striking the period at the end of paragraph (9) and inserting ", and", and by adding at the end the following new paragraph:

"(10) the vaccine research credit determined under section 45G(a) (other than such credit determined under the rules of section 280C(d)(2)).".

(e) TECHNICAL AMENDMENTS.—

(1) Section 1324(b)(2) of title 31, United States Code, is amended by inserting "or from section 45G(e) of such Code," after "1978,".

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section 620, is amended by adding at the end the following new item:

"Sec. 45G. Credit for medical research related to developing vaccines against widespread diseases.".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. . REVENUE OFFSET.

The Secretary of the Treasury shall adjust each of the corresponding percentages for the 39.6% rate which are contained in the table contained in section 1(i)(2) of the Internal Revenue Code of 1986 (as added by section 101 of this Act) to the extent necessary to offset in each fiscal year beginning before October 1, 2011, the decrease in revenues to the Treasury for that fiscal year resulting from the amendments made by this subtitle.

SA 713. Mr. DORGAN proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 63, beginning with line 4, strike all through page 70, line 20, and insert:

Subtitle A—Reductions of Estate and Gift Tax Rates

SEC. 501. REDUCTIONS OF ESTATE AND GIFT TAX RATES.

(a) MAXIMUM RATE OF TAX REDUCED.—

(1) REDUCTION TO 53%.—The table contained in section 2001(c)(1) is amended by striking the highest bracket and inserting the following:

"Over $2,500,000 .... $1,025,800, plus 53% of the excess over $2,500,000.".

(2) REDUCTION TO 47%.—The table contained in section 2001(c)(1), as amended by paragraph (1), is amended by striking the two highest brackets and inserting the following:

"Over $2,000,000 .... $780,800, plus 47% of the excess over $2,000,000.".

(3) REDUCTION TO 45%.—The table contained in section 2001(c)(1), as amended by paragraphs (1) and (2), is amended by striking the two highest brackets and inserting the following:

"Over $1,500,000 .... $555,800, plus 45% of the excess over $1,500,000.".

(b) REPEAL OF PHASEOUT OF GRADUATED RATES.—Subsection (c) of section 2001 is amended by striking paragraph (2).

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2001.

(2) SUBSECTION (a)(2).—The amendment made by subsection (a)(2) shall apply to estates of decedents dying, and gifts made, after December 31, 2005.

(3) SUBSECTION (a)(3).—The amendments made by subsection (a)(3) shall apply to estates of decedents dying, and gifts made, after December 31, 2009.

Subtitle B—Increase in Exemption Amounts

SEC. 511. INCREASE IN EXEMPTION EQUIVALENT OF UNIFIED CREDIT AND LIFETIME GIFTS EXEMPTION.

(a) IN GENERAL.—Subsection (c) of section 2010 (relating to applicable credit amount) is amended by striking the table and inserting the following new table:

"In the case of estates of decedents dying during:	The applicable exclusion amount is:
2002 through 2006	$1,000,000
2007 and 2008	$1,250,000
2009 and 2010	$1,500,000
2011 and thereafter ...	$4,000,000.".

(b) LIFETIME GIFT EXEMPTION INCREASED TO $1,000,000.—Paragraph (1) of section 2505(a) (relating to unified credit against gift tax) is amended by inserting "(determined as if the applicable exclusion amount were $1,000,000)" after "calendar year".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2001.

SEC. 512. UNLIMITED QUALIFIED FAMILY-OWNED BUSINESS INTEREST DEDUCTION.

(a) IN GENERAL.—Section 2057(a) (relating to family-owned business interests) is amended to read as follows:

"(a) GENERAL RULE.—For purposes of the tax imposed by section 2001, in the case of an estate of a decedent to which this section applies, the value of the taxable estate shall be determined by deducting from the value of the gross estate the adjusted value of the qualified family-owned business interests of the decedent which are described in subsection (b)(2).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to the estates of decedents dying, and gifts made, after December 31, 2002.

On page 79, beginning with line 7, strike all through page 106, line 6.

SA 714. Mr. SESSIONS (for himself, Mr. MCCONNELL, and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 41, strike line 15 and all that follows through line 18, and insert the following:

"(iii) LIMITATION ON CERTAIN ROLLOVERS.—Clause (i)(I) shall not apply to any transfer if such transfer occurs within 12 months from the date of a previous transfer to any qualified tuition program for the benefit of the designated beneficiary.", and

SA 715. Mr. SESSIONS (for himself, Mr. MCCONNELL, and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of subtitle A of title IV add the following:

SEC. . LIMITED INVESTMENT DIRECTION ALLOWED.

Section 529(b)(5) (relating to no investment direction) is amended by adding at the end the following new sentence: "For purposes of this paragraph, no contributor to, or designated beneficiary under, a program shall be deemed to be directly or indirectly directing the investment of any contribution (or any earning thereon) if such contributor or designated beneficiary periodically transfers from among the investment options approved by the qualified tuition program.".

. **SA 716.** Mr. ALLEN submitted an amendment intended to be proposed by him to the bill H.R. 1836, fiscal year 2002; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. . PERMANENT EXTENSION OF INTERNET TAX FREEDOM ACT MORATORIUM.

(a) PERMANENT EXTENSION; INTERNET ACCESS TAXES.—Section 1101 of the Internet Tax Freedom Act (47 U.S.C. 151 note) is amended—

(1) by striking "taxes during the period beginning on October 1, 1998, and ending 3 years after the date of the enactment of this Act" and inserting 'taxes after September 30, 1998:';

(2) by striking paragraph (1) of subsection (a) and inserting the following:

"(1) Taxes on Internet access.";

(3) by striking "multiple" in paragraph (2) of subsection (a) and inserting "Multiple";

(4) by striking subsection (d); and

(5) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

(b) CONFORMING AMENDMENT.—Section 1104(10) of the Internet Tax Freedom Act (47 U.S.C. 151 note) is amended by striking "unless" and all that follows through "1998".

SA 717. Mr. BINGAMAN (for himself, Mr. REID, Mr. JOHNSON, Mrs. CLINTON, and Mr. KENNEDY) submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

At the end, add the following:

TITLE IX—ENERGY CONSERVATION AND PRODUCTION TAX INCENTIVES

SEC. 900. TABLE OF CONTENTS.

TITLE IX—ENERGY CONSERVATION AND PRODUCTION TAX INCENTIVES

Sec. 900. Table of contents.

Subtitle A—Energy-Efficient Property Used in Business

Sec. 901. Credit for certain energy-efficient property used in business.
Sec. 902. Energy-efficient commercial building property deduction.
Sec. 903. Credit for energy-efficient appliances.

Subtitle B—Residential Energy Systems

Sec. 911. Credit for construction of new energy-efficient home.
Sec. 912. Credit for energy efficiency improvements to existing homes.
Sec. 913. Credit for residential solar, wind, and fuel cell energy property.

Subtitle C—Electricity Facilities and Production

Sec. 921. Incentive for distributed generation.
Sec. 922. Modifications to credit for electricity produced from renewable and waste products.
Sec. 923. Treatment of facilities using bagasse to produce energy as solid waste disposal facilities eligible for tax-exempt financing.
Sec. 924. Property used in the transmission of electricity and natural gas pipelines treated as 7-year property.

Subtitle D—Tax Incentives for Ethanol Use

Sec. 931. Allocation of alcohol fuels credit to patrons of a cooperative.
Sec. 932. Additional tax incentives for ethanol use.

Subtitle E—Incentives for Early Commercial Applications of Advanced Clean Coal Technologies

Sec. 941. Credit for investment in qualifying advanced clean coal technology.
Sec. 942. Credit for production from qualifying advanced clean coal technology.
Sec. 943. Risk pool for qualifying advanced clean coal technology.

Subtitle F—Tax Incentives for Qualified Energy Management Devices

Sec. 951. Credit for qualified energy management devices.
Sec. 952. 3-year applicable recovery period for depreciation of energy management equipment.

Subtitle G—Other Provisions

Sec. 961. Alternative motor vehicle credit.
Sec. 962. Uniform dollar limitation for all types of transportation fringe benefits.
Sec. 963. Clarification of Federal employee benefits.
Sec. 964. Extension of tax benefits for alcohol fuels.

Subtitle H—Compliance With Congressional Budget Act

Sec. 971. Revenue offsets.
Sec. 972. Sunset of provisions of title.

Subtitle A—Energy-Efficient Property Used in Business

SEC. 901. CREDIT FOR CERTAIN ENERGY-EFFICIENT PROPERTY USED IN BUSINESS.

(a) IN GENERAL.—Subpart E of part IV of subchapter A of chapter 1 (relating to rules for computing investment credit) is amended by inserting after section 48 the following:

"SEC. 48A. ENERGY CREDIT.

"(a) IN GENERAL.—For purposes of section 46, the energy credit for any taxable year is the energy percentage of the basis of each energy property placed in service during such taxable year.

"(b) ENERGY PERCENTAGE.—

"(1) IN GENERAL.—The energy percentage is—

"(A) except as otherwise provided in this subparagraph, 10 percent,

"(B) in the case of energy property described in clauses (i), (iii), and (vi) of subsection (c)(1)(A), 20 percent,

"(C) in the case of energy property described in subsection (c)(1)(A)(v), 15 percent,

"(D) in the case of energy property described in subsection (c)(1)(A)(ii) relating to a high risk geothermal well, 20 percent, and

"(E) in the case of energy property described in subsection (c)(1)(A)(vii), 30 percent.

"(2) COORDINATION WITH REHABILITATION.—The energy percentage shall not apply to that portion of the basis of any property which is attributable to qualified rehabilitation expenditures.

"(c) ENERGY PROPERTY DEFINED.—

"(1) IN GENERAL.—For purposes of this subpart, the term 'energy property' means any property—

"(A) which is—

"(i) solar energy property,

"(ii) geothermal energy property,

"(iii) energy-efficient building property other than property described in clauses (iii)(I) and (v)(I) of subsection (d)(3)(A),

"(iv) combined heat and power system property,

"(v) low core loss distribution transformer property,

"(vi) qualified anaerobic digester property, or

"(vii) qualified wind energy systems equipment property,

"(B)(i) the construction, reconstruction, or erection of which is completed by the taxpayer, or

"(ii) which is acquired by the taxpayer if the original use of such property commences with the taxpayer.

"(C) which can reasonably be expected to remain in operation for at least 5 years,

"(D) with respect to which depreciation (or amortization in lieu of depreciation) is allowable, and

"(E) which meets the performance and quality standards (if any) which—

"(i) have been prescribed by the Secretary by regulations (after consultation with the Secretary of Energy), and

"(ii) are in effect at the time of the acquisition of the property.

"(2) EXCEPTIONS.—

"(A) PUBLIC UTILITY PROPERTY.—Such term shall not include any property which is public utility property (as defined in section 46(f)(5) as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990), except for property described in paragraph (1)(A)(iv).

"(B) CERTAIN WIND EQUIPMENT.—Such term shall not include equipment described in paragraph (1)(A)(vii) which is taken into account for purposes of section 45 for the taxable year.

"(d) DEFINITIONS RELATING TO TYPES OF ENERGY PROPERTY.—For purposes of this section—

"(1) SOLAR ENERGY PROPERTY.—

"(A) IN GENERAL.—The term 'solar energy property' means equipment which uses solar energy to generate electricity, to heat or cool (or provide hot water for use in) a structure, or to provide solar process heat.

"(B) SWIMMING POOLS, ETC. USED AS STORAGE MEDIUM.—The term 'solar energy property' shall not include property with respect to which expenditures are properly allocable to a swimming pool, hot tub, or any other energy storage medium which has a function other than the function of such storage.

"(C) SOLAR PANELS.—No solar panel or other property installed as a roof (or portion thereof) shall fail to be treated as solar energy property solely because it constitutes a structural component of the structure on which it is installed.

"(2) GEOTHERMAL ENERGY PROPERTY.—

"(A) IN GENERAL.—The term 'geothermal energy property' means equipment used to produce, distribute, or use energy derived from a geothermal deposit (within the meaning of section 613(e)(2)), but only, in the case of electricity generated by geothermal power, up to (but not including) the electrical transmission stage.

"(B) HIGH RISK GEOTHERMAL WELL.—The term 'high risk geothermal well' means a geothermal deposit (within the meaning of section 613(e)(2)) which requires high risk drilling techniques. Such deposit may not be located in a State or national park or in an area in which the relevant State park authority or the National Park Service determines the development of such a deposit will negatively impact on a State or national park.

"(3) ENERGY-EFFICIENT BUILDING PROPERTY.—

"(A) IN GENERAL.—The term 'energy-efficient building property' means—

"(i) a fuel cell which—

"(I) generates electricity using an electrochemical process,

"(II) has an electricity-only generation efficiency greater than 30 percent, and

"(III) has a minimum generating capacity of 2 kilowatts,

"(ii) an electric heat pump hot water heater which yields an energy factor of 1.7 or greater under test procedures prescribed by the Secretary of Energy,

"(iii)(I) an electric heat pump which has a heating system performance factor (HSPF) of at least 8.5 but less than 9 and a cooling seasonal energy efficiency ratio (SEER) of at least 13.5 but less than 15,

"(II) an electric heat pump which has a heating system performance factor (HSPF) of 9 or greater and a cooling seasonal energy efficiency ratio (SEER) of 15 or greater,

"(iv) a natural gas heat pump which has a coefficient of performance of not less than 1.25 for heating and not less than 0.70 for cooling,

"(v)(I) a central air conditioner which has a cooling seasonal energy efficiency ratio (SEER) of at least 13.5 but less than 15,

"(II) a central air conditioner which has a cooling seasonal energy efficiency ratio (SEER) of 15 or greater,

"(vi) an advanced natural gas water heater which—

"(I) increases steady state efficiency and reduces standby and vent losses, and

"(II) has an energy factor of at least 0.65,

"(vii) an advanced natural gas furnace which achieves a 90 percent AFUE and rated for seasonal electricity use of less than 300 kWh per year, and

"(viii) natural gas cooling equipment which meets all applicable standards of the American Society of Heating, Refrigerating, and Air Conditioning Engineers and which—

"(I) has a coefficient of performance of not less than .60, or

"(II) uses desiccant technology and has an efficiency rating of not less than 50 percent.

"(B) LIMITATIONS.—The credit under subsection (a) for the taxable year may not exceed—

"(i) $500 in the case of property described in subparagraph (A) other than clauses (i), (iv), and (viii) thereof,

"(ii) $500 for each kilowatt of capacity in the case of any fuel cell described in subparagraph (A)(i),

"(iii) $1,000 in the case of any natural gas heat pump described in subparagraph (A)(iv), and

"(iv) $150 for each ton of capacity in the case of any natural gas cooling equipment described in subparagraph (A)(viii).

"(4) COMBINED HEAT AND POWER SYSTEM PROPERTY.—

"(A) IN GENERAL.—The term 'combined heat and power system property' means property—

"(i) comprising a system for the same energy source for the simultaneous or sequential generation of electrical power, mechanical shaft power, or both, in combination with steam, heat, or other forms of useful energy,

"(ii) which has an electrical capacity of more than 50 kilowatts or a mechanical energy capacity of more than 67 horsepower or an equivalent combination of electrical and mechanical energy capacities,

"(iii) which produces—

"(I) at least 20 percent of its total useful energy in the form of thermal energy, and

"(II) at least 20 percent of its total useful energy in the form of electrical or mechanical power (or a combination thereof), and

"(iv) the energy efficiency percentage of which exceeds—

"(I) 60 percent in the case of a system with an electrical capacity of less than 1 megawatt),

"(II) 65 percent in the case of a system with an electrical capacity of not less than 1 megawatt and not in excess of 50 megawatts), and

"(III) 70 percent in the case of a system with an electrical capacity in excess of 50 megawatts).

"(B) SPECIAL RULES.—

"(i) ENERGY EFFICIENCY PERCENTAGE.—For purposes of subparagraph (A)(iv), the energy efficiency percentage of a system is the fraction—

"(I) the numerator of which is the total useful electrical, thermal, and mechanical power produced by the system at normal operating rates, and

"(II) the denominator of which is the lower heating value of the primary fuel source for the system.

"(ii) DETERMINATIONS MADE ON BTU BASIS.—The energy efficiency percentage and the percentages under subparagraph (A)(iii) shall be determined on a Btu basis.

"(iii) INPUT AND OUTPUT PROPERTY NOT INCLUDED.—The term 'combined heat and power system property' does not include property used to transport the energy source to the facility or to distribute energy produced by the facility.

"(iv) ACCOUNTING RULE FOR PUBLIC UTILITY PROPERTY.—If the combined heat and power system property is public utility property (as defined in section 46(f)(5) as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990), the taxpayer may only claim the credit under subsection (a)(1) if, with respect to such property, the taxpayer uses a normalization method of accounting.

"(5) LOW CORE LOSS DISTRIBUTION TRANSFORMER PROPERTY.—The term 'low core loss distribution transformer property' means a distribution transformer which has energy savings from a highly efficient core of at least 20 percent more than the average for power ratings reported by studies required under section 124 of the Energy Policy Act of 1992.

"(6) QUALIFIED ANAEROBIC DIGESTER PROPERTY.—The term 'qualified anaerobic digester property' means an anaerobic digester for manure or crop waste which achieves at least 65 percent efficiency measured in terms of the fraction of energy input converted to electricity and useful thermal energy.

"(7) QUALIFIED WIND ENERGY SYSTEMS EQUIPMENT PROPERTY.—The term 'qualified wind energy systems equipment property' means wind energy systems equipment with a turbine size of not more than 75 kilowatts rated capacity.

"(e) SPECIAL RULES.—For purposes of this section—

"(1) SPECIAL RULE FOR PROPERTY FINANCED BY SUBSIDIZED ENERGY FINANCING OR INDUSTRIAL DEVELOPMENT BONDS.—

"(A) REDUCTION OF BASIS.—For purposes of applying the energy percentage to any property, if such property is financed in whole or in part by—

"(i) subsidized energy financing, or

"(ii) the proceeds of a private activity bond (within the meaning of section 141) the interest on which is exempt from tax under section 103, the amount taken into account as the basis of such property shall not exceed the amount which (but for this subparagraph) would be so taken into account multiplied by the fraction determined under subparagraph (B).

"(B) DETERMINATION OF FRACTION.—For purposes of subparagraph (A), the fraction determined under this subparagraph is 1 reduced by a fraction—

"(i) the numerator of which is that portion of the basis of the property which is allocable to such financing or proceeds, and

"(ii) the denominator of which is the basis of the property.

"(C) SUBSIDIZED ENERGY FINANCING.—For purposes of subparagraph (A), the term 'subsidized energy financing' means financing provided under a Federal, State, or local program a principal purpose of which is to provide subsidized financing for projects designed to conserve or produce energy.

"(2) CERTAIN PROGRESS EXPENDITURE RULES MADE APPLICABLE.—Rules similar to the rules of subsections (c)(4) and (d) of section 46 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990) shall apply for purposes of this section.

"(f) APPLICATION OF SECTION.—

"(1) IN GENERAL.—Except as provided by paragraph (2), this section shall apply to property placed in service after December 31, 2001, and before January 1, 2009.

"(2) EXCEPTIONS.—

"(A) SOLAR ENERGY AND GEOTHERMAL ENERGY PROPERTY.—Paragraph (1) shall not apply to solar energy property or geothermal energy property.

"(B) CERTAIN ELECTRIC HEAT PUMPS AND CENTRAL AIR CONDITIONERS.—In the case of property which is described in subsection (d)(3)(A)(iii)(I) or (d)(3)(A)(v)(I), this section shall apply to property placed in service after December 31, 2001, and before January 1, 2006.".

(b) CONFORMING AMENDMENTS.—

(1) Section 48 is amended to read as follows:

"SEC. 48. REFORESTATION CREDIT.

"(a) IN GENERAL.—For purposes of section 46, the reforestation credit for any taxable year is 20 percent of the portion of the amortizable basis of any qualified timber property which was acquired during such taxable year and which is taken into account under section 194 (after the application of section 194(b)(1)).

"(b) DEFINITIONS.—For purposes of this subpart, the terms 'amortizable basis' and 'qualified timber property' have the respective meanings given to such terms by section 194.".

(2) Section 39(d), as amended by this Act, is amended by adding at the end the following:

"(12) NO CARRYBACK OF ENERGY CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the energy credit determined under section 48A may be carried back to a taxable year ending before January 1, 2002.".

(3) Section 280C is amended by adding at the end the following:

"(d) CREDIT FOR ENERGY PROPERTY EXPENSES.—

"(1) IN GENERAL.—No deduction shall be allowed for that portion of the expenses for energy property (as defined in section 48A(c)) otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 48A(a).

"(2) SIMILAR RULE WHERE TAXPAYER CAPITALIZES RATHER THAN DEDUCTS EXPENSES.—If—

"(A) the amount of the credit allowable for the taxable year under section 48A (determined without regard to section 38(c)), exceeds

"(B) the amount allowable as a deduction for the taxable year for expenses for energy property (determined without regard to paragraph (1)), the amount chargeable to capital account for the taxable year for such expenses shall be reduced by the amount of such excess.

"(3) CONTROLLED GROUPS.—Paragraph (3) of subsection (b) shall apply for purposes of this subsection.".

(4) Section 29(b)(3)(A)(i)(III) is amended by striking 'section 48(a)(4)(C)' and inserting 'section 48A(e)(1)(C)'.

(5) Section 50(a)(2)(E) is amended by striking 'section 48(a)(5)' and inserting 'section 48A(e)(2)'.

(6) Section 168(e)(3)(B) is amended—

(A) by striking clause (vi)(I) and inserting the following:

"(I) is described in paragraph (1) or (2) of section 48A(d) (or would be so described if 'solar and wind' were substituted for 'solar' in paragraph (1)(B)),", and

(B) in the last sentence by striking "section 48(a)(3)" and inserting "section 48A(c)(2)(A)".

(c) CLERICAL AMENDMENT.—The table of sections for subpart E of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 48 and inserting the following:

"Sec. 48. Reforestation credit.
"Sec. 48A. Energy credit.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2001, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 902. ENERGY-EFFICIENT COMMERCIAL BUILDING PROPERTY DEDUCTION.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by adding at the end the following:

"SEC. 199. ENERGY-EFFICIENT COMMERCIAL BUILDING PROPERTY.

"(a) IN GENERAL.—There shall be allowed as a deduction for the taxable year an amount equal to the energy-efficient commercial building property expenditures made by a taxpayer for the taxable year.

"(b) MAXIMUM AMOUNT OF DEDUCTION.—The amount of energy-efficient commercial building property expenditures taken into account under subsection (a) shall not exceed an amount equal to the product of—

"(1) $2.25, and

"(2) the square footage of the building with respect to which the expenditures are made.

"(c) YEAR DEDUCTION ALLOWED.—The deduction under subsection (a) shall be allowed in the taxable year in which the construction of the building is completed.

"(d) ENERGY-EFFICIENT COMMERCIAL BUILDING PROPERTY EXPENDITURES.—For purposes of this section—

"(1) IN GENERAL.—The term 'energy-efficient commercial building property expenditures' means an amount paid or incurred for energy-efficient commercial building property installed on or in connection with new construction or reconstruction of property—

"(A) for which depreciation is allowable under section 167,

"(B) which is located in the United States, and

"(C) the construction or erection of which is completed by the taxpayer.

Such property includes all residential rental property, including low-rise multifamily structures and single family housing property which is not within the scope of Standard 90.1–1999 (described in paragraph (3)).

"(2) LABOR COSTS INCLUDED.—Such term includes expenditures for labor costs properly allocable to the onsite preparation, assembly, or original installation of the property.

"(3) ENERGY EXPENDITURES EXCLUDED.—Such term does not include any expenditures taken into account in determining any credit allowed under section 48A.

"(e) ENERGY-EFFICIENT COMMERCIAL BUILDING PROPERTY.—For purposes of subsection (d)—

"(1) IN GENERAL.—The term 'energy-efficient commercial building property' means any property which reduces total annual energy and power costs with respect to the lighting, heating, cooling, ventilation, and hot water supply systems of the building by 50 percent or more in comparison to a reference building which meets the requirements of Standard 90.1–1999 of the American Society of Heating, Refrigerating, and Air Conditioning Engineers and the Illuminating Engineering Society of North America using methods of calculation under subparagraph (B) and certified by qualified professionals as provided under paragraph (6).

"(2) METHODS OF CALCULATION.—The Secretary, in consultation with the Secretary of Energy, shall promulgate regulations which describe in detail methods for calculating and verifying energy and power consumption and cost, taking into consideration the provisions of the 1998 California Nonresidential ACM Manual. These procedures shall meet the following requirements:

"(A) In calculating tradeoffs and energy performance, the regulations shall prescribe the costs per unit of energy and power, such as kilowatt hour, kilowatt, gallon of fuel oil, and cubic foot or Btu of natural gas, which may be dependent on time of usage.

"(B) The calculational methodology shall require that compliance be demonstrated for a whole building. If some systems of the building, such as lighting, are designed later than other systems of the building, the method shall provide that either—

"(i) the expenses taken into account under paragraph (1) shall not occur until the date designs for all energy-using systems of the building are completed, or

"(ii) the expenses taken into account under paragraph (1) shall be a fraction of such expenses based on the performance of less than all energy-using systems in accordance with subparagraph (C), and the energy performance of all systems and components not yet designed shall be assumed to comply minimally with the requirements of such Standard 90.1–1999.

"(C) The expenditures in connection with the design of subsystems in the building, such as the envelope, the heating, ventilation, air conditioning and water heating system, and the lighting system shall be allocated to the appropriate building subsystem based on system-specific energy cost savings targets in regulations promulgated by the Secretary of Energy which are equivalent, using the calculation methodology, to the whole building requirement of 50 percent savings.

"(D) The calculational methods under this paragraph need not comply fully with section 11 of such Standard 90.1–1999.

"(E) The calculational methods shall be fuel neutral, such that the same energy efficiency features shall qualify a building for the deduction under this section regardless of whether the heating source is a gas or oil furnace or an electric heat pump.

"(F) The calculational methods shall provide appropriate calculated energy savings for design methods and technologies not otherwise credited in either such Standard 90.1–1999 or in the 1998 California Nonresidential ACM Manual, including the following:

"(i) Natural ventilation.

"(ii) Evaporative cooling.

"(iii) Automatic lighting controls such as occupancy sensors, photocells, and timeclocks.

"(iv) Daylighting.

"(v) Designs utilizing semi-conditioned spaces which maintain adequate comfort conditions without air conditioning or without heating.

"(vi) Improved fan system efficiency, including reductions in static pressure.

"(vii) Advanced unloading mechanisms for mechanical cooling, such as multiple or variable speed compressors.

"(viii) The calculational methods may take into account the extent of commissioning in the building, and allow the taxpayer to take into account measured performance which exceeds typical performance.

"(3) COMPUTER SOFTWARE.—

"(A) IN GENERAL.—Any calculation under this subsection shall be prepared by qualified computer software.

"(B) QUALIFIED COMPUTER SOFTWARE.—For purposes of this paragraph, the term 'qualified computer software' means software—

"(i) for which the software designer has certified that the software meets all procedures and detailed methods for calculating energy and power consumption and costs as required by the Secretary,

"(ii) which provides such forms as required to be filed by the Secretary in connection with energy efficiency of property and the deduction allowed under this section, and

"(iii) which provides a notice form which summarizes the energy efficiency features of the building and its projected annual energy costs.

"(4) ALLOCATION OF DEDUCTION FOR PUBLIC PROPERTY.—In the case of energy-efficient commercial building property installed on or in public property, the Secretary shall promulgate a regulation to allow the allocation of the deduction to the person primarily responsible for designing the property in lieu of the public entity which is the owner of such property. Such person shall be treated as the taxpayer for purposes of this section.

"(5) NOTICE TO OWNER.—The qualified individual shall provide an explanation to the owner of the building regarding the energy efficiency features of the building and its projected annual energy costs as provided in the notice under paragraph (3)(B)(iii).

"(6) CERTIFICATION.—

"(A) IN GENERAL.—Except as provided in this paragraph, the Secretary, in consultation with the Secretary of Energy, shall establish requirements for certification and compliance procedures similar to the procedures under section 45H(d).

"(B) QUALIFIED INDIVIDUALS.—Individuals qualified to determine compliance shall be only those individuals who are recognized by an organization certified by the Secretary for such purposes.

"(C) PROFICIENCY OF QUALIFIED INDIVIDUALS.—The Secretary shall consult with nonprofit organizations and State agencies with expertise in energy efficiency calculations and inspections to develop proficiency tests and training programs to qualify individuals to determine compliance.

"(f) TERMINATION.—This section shall not apply with respect to any energy-efficient commercial building property expenditures in connection with property—

"(1) the plans for which are not certified under subsection (e)(6) on or before December 31, 2006, and

"(2) the construction of which is not completed on or before December 31, 2008.".

(b) CONFORMING AMENDMENTS.—Section 1016(a) is amended by striking "and" at the end of paragraph (26), by striking the period at the end of paragraph (27) and inserting ", and", and by inserting the following:

"(28) for amounts allowed as a deduction under section 199(a).".

(c) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by adding at the end the following:

"Sec. 199. Energy-efficient commercial building property.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 903. CREDIT FOR ENERGY-EFFICIENT APPLIANCES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits), as amended by this Act, is amended by adding at the end the following:

"SEC. 45G. ENERGY-EFFICIENT APPLIANCE CREDIT.

"(a) GENERAL RULE.—For purposes of section 38, the energy-efficient appliance credit determined under this section for the taxable year is an amount equal to the applicable amount determined under subsection (b) with respect to qualified energy-efficient appliances produced by the taxpayer during the calendar year ending with or within the taxable year.

"(b) APPLICABLE AMOUNT.—For purposes of subsection (a), the applicable amount determined under this subsection with respect to a taxpayer is the sum of—

"(1) in the case of an energy-efficient clothes washer described in subsection (d)(2)(A) or an energy-efficient refrigerator described in subsection (d)(3)(B)(i), an amount equal to—

"(A) $50, multiplied by

"(B) the number of such washers and refrigerators produced by the taxpayer during such calendar year, and

"(2) in the case of an energy-efficient clothes washer described in subsection (d)(2)(B) or an energy-efficient refrigerator described in subsection (d)(3)(B)(ii), an amount equal to—

"(A) $100, multiplied by

"(B) the number of such washers and refrigerators produced by the taxpayer during such calendar year.

"(c) LIMITATION ON MAXIMUM CREDIT.—

"(1) IN GENERAL.—The maximum amount of credit allowed under subsection (a) with respect to a taxpayer for all taxable years shall be—

"(A) $30,000,000 with respect to the credit determined under subsection (b)(1), and

"(B) $30,000,000 with respect to the credit determined under subsection (b)(2).

"(2) LIMITATION BASED ON GROSS RECEIPTS.—The credit allowed under subsection (a) with respect to a taxpayer for the taxable year shall not exceed an amount equal to 2 percent of the average annual gross receipts of the taxpayer for the 3 taxable years preceding the taxable year in which the credit is determined.

"(3) GROSS RECEIPTS.—For purposes of this subsection, the rules of paragraphs (2) and (3) of section 448(c) shall apply.

"(d) QUALIFIED ENERGY-EFFICIENT APPLIANCE.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified energy-efficient appliance' means—

"(A) an energy-efficient clothes washer, or

"(B) an energy-efficient refrigerator.

"(2) ENERGY-EFFICIENT CLOTHES WASHER.—The term 'energy-efficient clothes washer' means a residential clothes washer, including a residential style coin operated washer, which is manufactured with—

"(A) a 1.26 Modified Energy Factor (referred to in this paragraph as 'MEF') (as determined by the Secretary of Energy), or

"(B) a 1.42 MEF (as determined by the Secretary of Energy) (1.5 MEF for calendar years beginning after 2004).

"(3) ENERGY-EFFICIENT REFRIGERATOR.—The term 'energy-efficient refrigerator' means an automatic defrost refrigerator-freezer which—

"(A) has an internal volume of at least 16.5 cubic feet, and

"(B) consumes—

"(i) 10 percent less kWh per year than the energy conservation standards promulgated by the Department of Energy for such refrigerator for 2001, or

"(ii) 15 percent less kWh per year than such energy conservation standards.

"(e) SPECIAL RULES.—

"(1) IN GENERAL.—Rules similar to the rules of subsections (c), (d), and (e) of section 52 shall apply for purposes of this section.

"(2) AGGREGATION RULES.—All persons treated as a single employer under subsection (a) or (b) of section 52 or subsection (m) or (o) of section 414 shall be treated as one person for purposes of subsection (a).

"(f) VERIFICATION.—The taxpayer shall submit such information or certification as the Secretary, in consultation with the Secretary of Energy, determines necessary to claim the credit amount under subsection (a).

"(g) TERMINATION.—This section shall not apply—

"(1) with respect to energy-efficient refrigerators described in subsection (d)(3)(B)(i) produced in calendar years beginning after 2005, and

"(2) with respect to all other qualified energy-efficient appliances produced in calendar years beginning after 2007.".

(b) LIMITATION ON CARRYBACK.—Section 39(d) (relating to transition rules), as amended by section 901(b)(2), is amended by adding at the end the following:

"(13) NO CARRYBACK OF ENERGY-EFFICIENT APPLIANCE CREDIT BEFORE 2002.—No portion of the unused business credit for any taxable year which is attributable to the energy-efficient appliance credit determined under section 45G may be carried to a taxable year beginning before January 1, 2002,".

(c) DENIAL OF DOUBLE BENEFIT.—Section 280C (relating to certain expenses for which credits are allowable), as amended by section 902(b)(3), is amended by adding at the end the following:

"(e) CREDIT FOR ENERGY-EFFICIENT APPLIANCE EXPENSES.—No deduction shall be allowed for that portion of the expenses for qualified energy-efficient appliances (as defined in section 45G(d)) otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 45G(a).".

(d) CONFORMING AMENDMENT.—Section 38(b), as amended by this Act, (relating to general business credit) is amended by striking "plus" at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting ", plus", and by adding at the end the following:

"(16) the energy-efficient appliance credit determined under section 45G(a).".

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 45F the following:

"Sec. 45G. Energy-efficient appliance credit.".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

Subtitle B—Residential Energy Systems

SEC. 911. CREDIT FOR CONSTRUCTION OF NEW ENERGY-EFFICIENT HOME.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by section 903(a), is amended by inserting after section 45G the following:

"SEC. 45H. NEW ENERGY-EFFICIENT HOME CREDIT.

"(a) IN GENERAL.—For purposes of section 38, in the case of an eligible contractor, the credit determined under this section for the taxable year is an amount equal to the aggregate adjusted bases of all energy-efficient property installed in a qualified new energy-efficient home during construction of such home.

"(b) LIMITATIONS.—

"(1) MAXIMUM CREDIT.—

"(A) IN GENERAL.—The credit allowed by this section with respect to a dwelling shall not exceed—

"(i) in the case of a dwelling described in subsection (c)(3)(D)(i), $1,500, and

"(ii) in the case of a dwelling described in subsection (c)(3)(D)(ii), $2,500.

"(B) PRIOR CREDIT AMOUNTS ON SAME DWELLING TAKEN INTO ACCOUNT.—If a credit was allowed under subsection (a) with respect to a dwelling in 1 or more prior taxable years, the amount of the credit otherwise allowable for the taxable year with respect to that dwelling shall not exceed the amount under clause (i) or (ii) (as the case may be), reduced by the sum of the credits allowed under subsection (a) with respect to the dwelling for all prior taxable years.

"(2) COORDINATION WITH REHABILITATION AND ENERGY CREDITS.—For purposes of this section—

"(A) the basis of any property referred to in subsection (a) shall be reduced by that portion of the basis of any property which is attributable to qualified rehabilitation expenditures (as defined in section 47(c)(2)) or to the energy percentage of energy property (as determined under section 48A(a)), and

"(B) expenditures taken into account under either section 47 or 48A(a) shall not be taken into account under this section.

"(c) DEFINITIONS.—For purposes of this section—

"(1) ELIGIBLE CONTRACTOR.—The term 'eligible contractor' means the person who constructed the new energy-efficient home, or in the case of a manufactured home which conforms to Federal Manufactured Home Construction and Safety Standards (24 C.F.R.

3280), the manufactured home producer of such home.

"(2) Energy-efficient property.—The term 'energy-efficient property' means any energy-efficient building envelope component, and any energy-efficient heating or cooling equipment which can, individually or in combination with other components, meet the requirements of this section.

"(3) Qualified new energy-efficient home.—The term 'qualified new energy-efficient home' means a dwelling—

"(A) located in the United States,

"(B) the construction of which is substantially completed after December 31, 2000,

"(C) the original use of which is as a principal residence (within the meaning of section 121) which commences with the person who acquires such dwelling from the eligible contractor, and

"(D) which is certified to have a projected level of annual heating and cooling energy consumption, measured in terms of average annual energy cost to the homeowner which is at least—

"(i) 30 percent less than the annual level of heating and cooling energy consumption of a reference dwelling constructed in accordance with the standards of chapter 4 of the 2000 International Energy Conservation Code, or

"(ii) 50 percent less than such annual level of heating and cooling energy consumption.

"(4) Construction.—The term 'construction' includes reconstruction and rehabilitation.

"(5) Acquire.—The term 'acquire' includes purchase and, in the case of reconstruction and rehabilitation, such term includes a binding written contract for such reconstruction or rehabilitation.

"(6) Building envelope component.—The term 'building envelope component' means—

"(A) insulation material or system which is specifically and primarily designed to reduce the heat loss or gain of a dwelling when installed in or on such dwelling, and

"(B) exterior windows (including skylights) and doors.

"(7) Manufactured home included.—The term 'dwelling' includes a manufactured home conforming to Federal Manufactured Home Construction and Safety Standards (24 C.F.R. 3280).

"(d) Certification.—

"(1) Method.—A certification described in subsection (c)(3)(D) shall be determined on the basis of 1 of the following methods:

"(A) A component-based method, using the applicable technical energy efficiency specifications or ratings (including product labeling requirements) for the energy-efficient building envelope component or energy-efficient heating or cooling equipment. The Secretary shall, in consultation with the Administrator of the Environmental Protection Agency, develop prescriptive component-based packages that are equivalent in energy performance to properties that qualify under subparagraph (B).

"(B) An energy performance-based method that calculates projected energy usage and cost reductions in the dwelling in relation to a reference dwelling—

"(i) heated by the same energy source and heating system type, and

"(ii) constructed in accordance with the standards of chapter 4 of the 2000 International Energy Conservation Code.

Computer software shall be used in support of an energy performance-based method certification under subparagraph (B). Such software shall meet procedures and methods for calculating energy and cost savings in regulations promulgated by the Secretary of Energy. Such regulations on the specifications for software and verification protocols shall be based on the 1998 California Residential Alternative Calculation Method Approval Manual.

"(2) Provider.—Such certification shall be provided by—

"(A) in the case of a method described in paragraph (1)(A), a local building regulatory authority, a utility, a manufactured home production inspection primary inspection agency (IPIA), or a home energy rating organization, or

"(B) in the case of a method described in paragraph (1)(B), an individual recognized by an organization designated by the Secretary for such purposes.

"(3) Form.—

"(A) In general.—Such certification shall be made in writing in a manner that specifies in readily verifiable fashion the energy-efficient building envelope components and energy-efficient heating or cooling equipment installed and their respective rated energy efficiency performance, and in the case of a method described in paragraph (1)(B), accompanied by written analysis documenting the proper application of a permissible energy performance calculation method to the specific circumstances of such dwelling.

"(B) Form provided to buyer.—A form documenting the energy-efficient building envelope components and energy-efficient heating or cooling equipment installed and their rated energy efficiency performance shall be provided to the buyer of the dwelling. The form shall include labeled R-value for insulation products, NFRC-labeled U-factor and Solar Heat Gain Coefficient for windows, skylights, and doors, labeled AFUE ratings for furnaces and boilers, labeled HSPF ratings for electric heat pumps, and labeled SEER ratings for air conditioners.

"(C) Ratings label affixed in dwelling.—A permanent label documenting the ratings in subparagraph (B) shall be affixed to the front of the electrical distribution panel of the dwelling, or shall be otherwise permanently displayed in a readily inspectable location in the dwelling.

"(4) Regulations.—

"(A) In general.—In prescribing regulations under this subsection for energy performance-based certification methods, the Secretary, after examining the requirements for energy consultants and home energy ratings providers specified by the Mortgage Industry National Accreditation Procedures for Home Energy Rating Systems, shall prescribe procedures for calculating annual energy usage and cost reductions for heating and cooling and for the reporting of the results. Such regulations shall—

"(i) provide that any calculation procedures be fuel neutral such that the same energy efficiency measures allow a home to qualify for the credit under this section regardless of whether the dwelling uses a gas or oil furnace or boiler or an electric heat pump, and

"(ii) require that any computer software allow for the printing of the Federal tax forms necessary for the credit under this section and for the printing of forms for disclosure to the homebuyer.

"(B) Providers.—For purposes of paragraph (2)(B), the Secretary shall establish requirements for the designation of individuals based on the requirements for energy consultants and home energy raters specified by the Mortgage Industry National Accreditation Procedures for Home Energy Rating Systems.

"(e) Basis adjustment.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

"(f) Termination.—Subsection (a) shall apply to dwellings purchased during the period beginning on January 1, 2001, and ending on December 31, 2005.".

(b) Credit Made Part of General Business Credit.—Subsection (b) of section 38 (relating to current year business credit), as amended by section 903(d), is amended by striking "plus" at the end of paragraph (15), by striking the period at the end of paragraph (16) and inserting ", plus", and by adding at the end the following:

"(17) the new energy-efficient home credit determined under section 45H.".

(c) Denial of Double Benefit.—Section 280C (relating to certain expenses for which credits are allowable), as amended by section 903(c), is amended by adding at the end the following:

"(f) New Energy-Efficient Home Expenses.—No deduction shall be allowed for that portion of expenses for a new energy-efficient home otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 45H.".

(d) Credit Allowed Against Regular and Minimum Tax.—

(1) In general.—Subsection (c) of section 38 (relating to limitation based on amount of tax) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) Special rules for new energy efficient home credit.—

"(A) In general.—In the case of the new energy efficient home credit—

"(i) this section and section 39 shall be applied separately with respect to the credit, and

"(ii) in applying paragraph (1) to the credit—

"(I) subparagraphs (A) and (B) thereof shall not apply, and

"(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the new energy efficient home credit).

"(B) New energy efficient home credit.—For purposes of this subsection, the term 'new energy efficient home credit' means the credit allowable under subsection (a) by reason of section 45H.".

(2) Conforming amendment.—Subclause (II) of section 38(c)(2)(A)(ii) is amended by inserting "or the new energy efficient home credit" after "employment credit".

(e) Limitation on Carryback.—Subsection (d) of section 39, as amended by section 903(b), is amended by adding at the end the following:

"(14) No carryback of new energy-efficient home credit before effective date.—No portion of the unused business credit for any taxable year which is attributable to the credit determined under section 45H may be carried back to any taxable year ending before January 1, 2001.".

(f) Deduction for Certain Unused Business Credits.—Subsection (c) of section 196 is amended by striking "and" at the end of paragraph (7), by striking the period at the end of paragraph (8) and inserting ", and", and by adding after paragraph (8) the following:

"(9) the new energy-efficient home credit determined under section 45H.".

(g) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section 903(d), is amended by inserting after the item relating to section 45G the following:

"Sec. 45H. New energy-efficient home credit.".

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 2000.

SEC. 912. CREDIT FOR ENERGY EFFICIENCY IMPROVEMENTS TO EXISTING HOMES.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits), as amended by this Act, is amended by inserting after section 25C the following new section:

"SEC. 25D. ENERGY EFFICIENCY IMPROVEMENTS TO EXISTING HOMES.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 20 percent of the amount paid or incurred by the taxpayer for qualified energy efficiency improvements installed during such taxable year.

"(b) LIMITATIONS.—

"(1) MAXIMUM CREDIT.—The credit allowed by this section with respect to a dwelling shall not exceed $2,000.

"(2) PRIOR CREDIT AMOUNTS FOR TAXPAYER ON SAME DWELLING TAKEN INTO ACCOUNT.—If a credit was allowed to the taxpayer under subsection (a) with respect to a dwelling in 1 or more prior taxable years, the amount of the credit otherwise allowable for the taxable year with respect to that dwelling shall not exceed the amount of $2,000 reduced by the sum of the credits allowed under subsection (a) to the taxpayer with respect to the dwelling for all prior taxable years.

"(c) CARRYFORWARD OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by section 26(a) for such taxable year reduced by the sum of the credits allowable under subpart A of part IV of subchapter A (other than this section), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

"(d) QUALIFIED ENERGY EFFICIENCY IMPROVEMENTS.—For purposes of this section, the term 'qualified energy efficiency improvements' means any energy efficient building envelope component which is certified to meet or exceed the prescriptive criteria for such component in the 2000 International Energy Conservation Code, or any combination of energy efficiency measures which achieves at least a 30 percent reduction in heating and cooling energy usage for the dwelling (as measured in terms of energy cost to the taxpayer), if—

"(1) such component or combinations of measures is installed in or on a dwelling—

"(A) located in the United States, and

"(B) owned and used by the taxpayer as the taxpayer's principal residence (within the meaning of section 121),

"(2) the original use of such component or combination of measures commences with the taxpayer, and

"(3) such component or combination of measures reasonably can be expected to remain in use for at least 5 years.

"(e) CERTIFICATION.—The certification described in subsection (d) shall be—

"(1) in the case of any component described in subsection (d), determined on the basis of applicable energy efficiency ratings (including product labeling requirements) for affected building envelope components,

"(2) in the case of combinations of measures described in subsection (d), determined by the performance-based methods described in section 45H(d),

"(3) provided by a third party, such as a local building regulatory authority, a utility, a manufactured home production inspection primary inspection agency (IPIA), or a home energy rating organization, consistent with the requirements of section 45H(d)(2), and

"(4) made in writing on forms which specify in readily inspectable fashion the energy-efficient components and other measures and their respective efficiency ratings, and which shall include a permanent label affixed to the electrical distribution panel as described in section 45H(d)(3)(C).

"(f) DEFINITIONS AND SPECIAL RULES.—

"(1) DOLLAR AMOUNTS IN CASE OF JOINT OCCUPANCY.—In the case of any dwelling unit which is jointly occupied and used during any calendar year as a residence by 2 or more individuals the following shall apply:

"(A) The amount of the credit allowable under subsection (a) by reason of expenditures for the qualified energy efficiency improvements made during such calendar year by any of such individuals with respect to such dwelling unit shall be determined by treating all of such individuals as 1 taxpayer whose taxable year is such calendar year.

"(B) There shall be allowable with respect to such expenditures to each of such individuals, a credit under subsection (a) for the taxable year in which such calendar year ends in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount of such expenditures made by such individual during such calendar year bears to the aggregate of such expenditures made by all of such individuals during such calendar year.

"(2) TENANT-STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—In the case of an individual who is a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual shall be treated as having paid his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of the cost of qualified energy efficiency improvements made by such corporation.

"(3) CONDOMINIUMS.—

"(A) IN GENERAL.—In the case of an individual who is a member of a condominium management association with respect to a condominium which he owns, such individual shall be treated as having paid his proportionate share of the cost of qualified energy efficiency improvements made by such association.

"(B) CONDOMINIUM MANAGEMENT ASSOCIATION.—For purposes of this paragraph, the term 'condominium management association' means an organization which meets the requirements of paragraph (1) of section 528(c) (other than subparagraph (E) thereof) with respect to a condominium project substantially all of the units of which are used as residences.

"(4) BUILDING ENVELOPE COMPONENT.—The term 'building envelope component' means—

"(A) insulation material or system which is specifically and primarily designed to reduce the heat loss or gain or a dwelling when installed in or on such dwelling, and

"(B) exterior windows (including skylights) and doors.

"(5) MANUFACTURED HOMES INCLUDED.—For purposes of this section, the term 'dwelling' includes a manufactured home which conforms to Federal Manufactured Home Construction and Safety Standards (24 C.F.R. 3280).

"(g) BASIS ADJUSTMENT.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

"(h) TERMINATION.—Subsection (a) shall apply to qualified energy efficiency improvements installed during the period beginning on the date of the enactment of this section and ending on December 31, 2005.".

(b) CONFORMING AMENDMENTS.—

(1) Subsection (c) of section 23, as amended by this Act, is amended by inserting "25D," after "25C,".

(2) Subparagraph (C) of section 25(e)(1), as amended by this Act, is amended by inserting "25D," after "25C,".

(3) Subsection (h) of seciton 904, as amended by this Act, is amended by by striking "or 25C" and inserting ", 25C, or 25D".

(4) Subsection (d) of section 1400C is amended by inserting "and section 25C" and inserting ", section 25C, and section 25D".

(4) Subsection (a) of section 1016, as amended by section 902(b), is amended by striking "and" at the end of paragraph (27), by striking the period at the end of paragraph (28) and inserting "; and", and by adding at the end the following:

"(29) to the extent provided in section 25D(f), in the case of amounts with respect to which a credit has been allowed under section 25D.".

(5) The table of sections for subpart A of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 25C the following new item:

"Sec. 25D. Energy efficiency improvements to existing homes.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending on or after the date of the enactment of this Act.

SEC. 913. CREDIT FOR RESIDENTIAL SOLAR, WIND, AND FUEL CELL ENERGY PROPERTY.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits), as amended by section 912(a), is amended by inserting after section 25D the following:

"SEC. 25E. RESIDENTIAL SOLAR, WIND, AND FUEL CELL ENERGY PROPERTY.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) 15 percent of the qualified photovoltaic property expenditures,

"(2) 15 percent of the qualified solar water heating property expenditures,

"(3) 30 percent of the qualified wind energy property expenditures, and

"(4) 20 percent for the qualified fuel cell property expenditures,

made by the taxpayer during the taxable year.

"(b) LIMITATIONS.—

"(1) MAXIMUM CREDIT.—The credit allowed under subsection (a)(2) shall not exceed $2,000 for each system of solar energy property.

"(2) TYPE OF PROPERTY.—No expenditure may be taken into account under this section unless such expenditure is made by the taxpayer for property installed on or in connection with a dwelling unit which is located in the United States and which is used as a residence.

"(3) Safety certifications.—No credit shall be allowed under this section for an item of property unless—

"(A) in the case of solar water heating property, such property is certified for performance and safety by the non-profit Solar Rating Certification Corporation or a comparable entity endorsed by the government of the State in which such property is installed, and

"(B) in the case of a photovoltaic, wind energy, or fuel cell property, such property meets appropriate fire and electric code requirements.

"(c) Definitions.—For purposes of this section—

"(1) Qualified solar water heating property expenditure.—The term 'qualified solar water heating property expenditure' means an expenditure for property which uses solar energy to heat water for use in a dwelling unit with respect to which a majority of the energy is derived from the sun.

"(2) Qualified photovoltaic property expenditure.—The term 'qualified photovoltaic property expenditure' means an expenditure for property which uses solar energy to generate electricity for use in a dwelling unit.

"(3) Solar panels.—No expenditure relating to a solar panel or other property installed as a roof (or portion thereof) shall fail to be treated as property described in paragraph (1) or (2) solely because it constitutes a structural component of the structure on which it is installed.

"(4) Qualified wind energy property expenditure.—The term 'qualified wind energy property expenditure' means an expenditure for property which uses wind energy to generate electricity for use in a dwelling unit.

"(5) Qualified fuel cell property expenditure.—The term 'qualified fuel cell property expenditure' means an expenditure for property which uses an electrochemical fuel cell system to generate electricity for use in a dwelling unit.

"(6) Labor costs.—Expenditures for labor costs properly allocable to the onsite preparation, assembly, or original installation of the property described in paragraph (1), (2), (4), or (5) and for piping or wiring to interconnect such property to the dwelling unit shall be taken into account for purposes of this section.

"(7) Energy storage medium.—Expenditures which are properly allocable to a swimming pool, hot tub, or any other energy storage medium which has a function other than the function of such storage shall not be taken into account for purposes of this section.

"(d) Special Rules.—For purposes of this section—

"(1) Dollar amounts in case of joint occupancy.—In the case of any dwelling unit which is jointly occupied and used during any calendar year as a residence by 2 or more individuals the following shall apply:

"(A) The amount of the credit allowable under subsection (a) by reason of expenditures (as the case may be) made during such calendar year by any of such individuals with respect to such dwelling unit shall be determined by treating all of such individuals as 1 taxpayer whose taxable year is such calendar year.

"(B) There shall be allowable with respect to such expenditures to each of such individuals, a credit under subsection (a) for the taxable year in which such calendar year ends in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount of such expenditures made by such individual during such calendar year bears to the aggregate of such expenditures made by all of such individuals during such calendar year.

"(2) Tenant-stockholder in cooperative housing corporation.—In the case of an individual who is a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual shall be treated as having made his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of any expenditures of such corporation.

"(3) Condominiums.—

"(A) In general.—In the case of an individual who is a member of a condominium management association with respect to a condominium which such individual owns, such individual shall be treated as having made his proportionate share of any expenditures of such association.

"(B) Condominium management association.—For purposes of this paragraph, the term 'condominium management association' means an organization which meets the requirements of paragraph (1) of section 528(c) (other than subparagraph (E) thereof) with respect to a condominium project substantially all of the units of which are used as residences.

"(4) Joint ownership of items of solar or wind energy property.—

"(A) In general.—Any expenditure otherwise qualifying as an expenditure described in paragraph (1), (2), or (4) of subsection (c) shall not be treated as failing to so qualify merely because such expenditure was made with respect to 2 or more dwelling units.

"(B) Limits applied separately.—In the case of any expenditure described in subparagraph (A), the amount of the credit allowable under subsection (a) shall (subject to paragraph (1)) be computed separately with respect to the amount of the expenditure made for each dwelling unit.

"(5) Allocation in certain cases.—If less than 80 percent of the use of an item is for nonbusiness residential purposes, only that portion of the expenditures for such item which is properly allocable to use for nonbusiness residential purposes shall be taken into account. For purposes of this paragraph, use for a swimming pool shall be treated as use which is not for residential purposes.

"(6) When expenditure made; amount of expenditure.—

"(A) In general.—Except as provided in subparagraph (B), an expenditure with respect to an item shall be treated as made when the original installation of the item is completed.

"(B) Expenditures part of building construction.—In the case of an expenditure in connection with the construction or reconstruction of a structure, such expenditure shall be treated as made when the original use of the constructed or reconstructed structure by the taxpayer begins.

"(C) Amount.—The amount of any expenditure shall be the cost thereof.

"(7) Reduction of credit for grants, tax-exempt bonds, and subsidized energy financing.—The rules of section 29(b)(3) shall apply for purposes of this section.

"(e) Basis Adjustments.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

"(f) Termination.—The credit allowed under this section shall not apply to taxable years beginning after December 31, 2011.".

(b) Conforming Amendments.—

(1) Subsection (a) of section 1016, as amended by section 912(b)(4), is amended by striking "and" at the end of paragraph (28), by striking the period at the end of paragraph (29) and inserting "; and", and by adding at the end the following:

"(30) to the extent provided in section 25E(e), in the case of amounts with respect to which a credit has been allowed under section 25E.".

(2) The table of sections for subpart A of part IV of subchapter A of chapter 1, as amended by section 912(b)(2), is amended by inserting after the item relating to section 25D the following:

"Sec. 25E. Residential solar, wind, and fuel cell energy property.".

(c) Effective Date.—The amendments made by this section shall apply to expenditures made after the date of the enactment of this Act, in taxable years ending after such date.

Subtitle C—Electricity Facilities and Production

SEC. 921. INCENTIVE FOR DISTRIBUTED GENERATION.

(a) Depreciation of Distributed Power Property.—

(1) In general.—Subparagraph (C) of section 168(e)(3) (relating to 7-year property) is amended by redesignating clause (ii) as clause (iii) and by inserting after clause (i) the following:

"(ii) any distributed power property, and".

(2) 10-year class life.—The table contained in section 168(g)(3)(B) is amended by inserting after the item relating to subparagraph (C)(i) the following:

"(C)(ii) .... 10".

(b) Distributed Power Property.—Section 168(i) is amended by adding at the end the following:

"(15) Distributed power property.—The term 'distributed power property' means property—

"(A) which is used in the generation of electricity for primary use—

"(i) in nonresidential real or residential rental property used in the taxpayer's trade or business, or

"(ii) in the taxpayer's industrial manufacturing process or plant activity, with a rated total capacity in excess of 500 kilowatts,

"(B) which also may produce usable thermal energy or mechanical power for use in a heating or cooling application, as long as at least 40 percent of the total useful energy produced consists of—

"(i) with respect to assets described in subparagraph (A)(i), electrical power (whether sold or used by the taxpayer), or

"(ii) with respect to assets described in subparagraph (A)(ii), electrical power (whether sold or used by the taxpayer) and thermal or mechanical energy used in the taxpayer's industrial manufacturing process or plant activity,

"(C) which is not used to transport primary fuel to the generating facility or to distribute energy within or outside of the facility,

"(D) which is not operated with diesel fuel, and

"(E) where it is reasonably expected that not more than 50 percent of the produced electricity will be sold to, or used by, unrelated persons.

For purposes of subparagraph (B), energy output is determined on the basis of expected annual output levels, measured in British thermal units (Btu), using standard conversion factors established by the Secretary.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 922. MODIFICATIONS TO CREDIT FOR ELECTRICITY PRODUCED FROM RENEWABLE AND WASTE PRODUCTS.

(a) INCREASE IN CREDIT RATE.—

(1) IN GENERAL.—Section 45(a)(1) is amended by striking “1.5 cents” and inserting “1.8 cents”.

(2) CONFORMING AMENDMENTS.—

(A) Section 45(b)(2) is amended by striking “1.5 cent” and inserting “1.8 cent”.

(B) Section 45(d)(2)(B) is amended by inserting “(calendar year 2001 in the case of the 1.8 cent amount in subsection (a))” after “1992”.

(b) EXPANSION OF QUALIFIED RESOURCES.—

(1) IN GENERAL.—Section 45(c)(1) (relating to qualified energy resources) is amended by striking “and” at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting “, and”, and by adding at the end the following:

“(D) alternative resources.”.

(2) DEFINITION OF ALTERNATIVE RESOURCES.—Section 45(c) (relating to definitions) is amended—

(A) by redesignating paragraph (3) as paragraph (5),

(B) by redesignating paragraph (4) as paragraph (3), and

(C) by inserting after paragraph (3), as redesignated by subparagraph (B), the following:

“(4) ALTERNATIVE RESOURCES.—

“(A) IN GENERAL.—The term ‘alternative resources’ means—

“(i) solar,

“(ii) biomass (other than closed loop biomass),

“(iii) municipal solid waste,

“(iv) incremental hydropower,

“(v) geothermal,

“(vi) landfill gas, and

“(vii) steel cogeneration.

“(B) BIOMASS.—The term ‘biomass’ means any solid, nonhazardous, cellulosic waste material or any organic carbohydrate matter, which is segregated from other waste materials, and which is derived from—

“(i) any of the following forest-related resources: mill residues, precommercial thinnings, slash, and brush, but not including old-growth timber,

“(ii) waste pallets, crates, dunnage, untreated wood waste from construction or manufacturing activities, and landscape or right-of-way tree trimmings, but not including unsegregated municipal solid waste or post-consumer wastepaper, or

“(iii) any of the following agriculture sources: orchard tree crops, vineyard, grain, legumes, sugar, and other crop by-products or residues, including any packaging and other materials which are nontoxic and biodegradable and are associated with the processing, feeding, selling, transporting, and disposal of such agricultural materials.

“(C) MUNICIPAL SOLID WASTE.—The term ‘municipal solid waste’ has the same meaning given the term ‘solid waste’ under section 2(27) of the Solid Waste Utilization Act (42 U.S.C. 6903).

“(D) INCREMENTAL HYDROPOWER.—The term ‘incremental hydropower’ means additional generating capacity achieved from—

“(i) increased efficiency, or

“(ii) additions of new capacity,

at a licensed non-Federal hydroelectric project originally placed in service before the date of the enactment of this paragraph.

“(E) GEOTHERMAL.—The term ‘geothermal’ means energy derived from a geothermal deposit (within the meaning of section 613(e)(2)), but only, in the case of electricity generated by geothermal power, up to (but not including) the electrical transmission stage.

“(F) LANDFILL GAS.—The term ‘landfill gas’ means gas generated from the decomposition of any household solid waste, commercial solid waste, and industrial solid waste disposed of in a municipal solid waste landfill unit (as such terms are defined in regulations promulgated under subtitle D of the Solid Waste Disposal Act (42 U.S.C. 6941 et seq.).

“(G) STEEL COGENERATION.—The term ‘steel cogeneration’ means the production of electricity and steam (or other form of thermal energy) from any or all waste sources defined in paragraphs (2) and (3) and subparagraphs (B) and (C) of this paragraph within an operating facility which produces or integrates the production of coke, direct reduced iron ore, iron, or steel provided that the cogeneration meets any regulatory energy-efficiency standards established by the Secretary, and only to the extent that such energy is produced from—

“(i) gases or heat generated from the production of metallurgical coke,

“(ii) gases or heat generated from the production of direct reduced iron ore or iron, from blast furnace or direct ironmaking processes, or

“(iii) gases or heat generated from the manufacture of steel.”.

(3) QUALIFIED FACILITY.—Section 45(c)(5) (defining qualified facility), as redesignated by paragraph 2(A), is amended by adding at the end the following:

“(D) ALTERNATIVE RESOURCES FACILITY.—

“(i) IN GENERAL.—Except as provided in clauses (ii), (iii), and (iv), in the case of a facility using alternative resources to produce electricity, the term ‘qualified facility’ means any facility of the taxpayer which is originally placed in service after the date of the enactment of this subparagraph.

“(ii) BIOMASS FACILITY.—In the case of a facility using biomass described in paragraph (4)(A)(ii) to produce electricity, the term ‘qualified facility’ means any facility of the taxpayer.

“(iii) GEOTHERMAL FACILITY.—In the case of a facility using geothermal to produce electricity, the term ‘qualified facility’ means any facility of the taxpayer which is originally placed in service after December 31, 1992.

“(iv) STEEL COGENERATION FACILITIES.—In the case of a facility using steel cogeneration to produce electricity, the term ‘qualified facility’ means any facility permitted to operate under the environmental requirements of the Clean Air Act Amendments of 1990 which is owned by the taxpayer and originally placed in service after the date of the enactment of this subparagraph. Such a facility may be treated as originally placed in service when such facility was last upgraded to increase efficiency or generation capability after such date.

“(v) SPECIAL RULES.—In the case of a qualified facility described in this subparagraph, the 10-year period referred to in subsection (a) shall be treated as beginning no earlier than the date of the enactment of this subparagraph.”.

(4) GOVERNMENT-OWNED FACILITY.—Section 45(d)(6) (relating to credit eligibility in the case of government-owned facilities using poultry waste) is amended—

(A) by inserting “or alternative resources” after “poultry waste”, and

(B) by inserting “OR ALTERNATIVE RESOURCES” after “POULTRY WASTE” in the heading thereof.

(5) QUALIFIED FACILITIES WITH CO-PRODUCTION.—Section 45(b) (relating to limitations and adjustments) is amended by adding at the end the following:

“(4) INCREASED CREDIT FOR CO-PRODUCTION FACILITIES.—

“(A) IN GENERAL.—In the case of a qualified facility described in subsection (c)(3)(D)(i) which has a co-production facility or a qualified facility described in subparagraph (A), (B), or (C) of subsection (c)(3) which adds a co-production facility after the date of the enactment of this paragraph, the amount in effect under subsection (a)(1) for an eligible taxable year of a taxpayer shall (after adjustment under paragraph (2) and before adjustment under paragraphs (1) and (3)) be increased by .25 cents.

“(B) CO-PRODUCTION FACILITY.—For purposes of subparagraph (A), the term ‘co-production facility’ means a facility which—

“(i) enables a qualified facility to produce heat, mechanical power, chemicals, liquid fuels, or minerals from qualified energy resources in addition to electricity, and

“(ii) produces such energy on a continuous basis.

“(C) ELIGIBLE TAXABLE YEAR.—For purposes of subparagraph (A), the term ‘eligible taxable year’ means any taxable year in which the amount of gross receipts attributable to the co-production facility of a qualified facility are at least 10 percent of the amount of gross receipts attributable to electricity produced by such facility.”.

(6) QUALIFIED FACILITIES LOCATED WITHIN QUALIFIED INDIAN LANDS.—Section 45(b) (relating to limitations and adjustments), as amended by paragraph (5), is amended by adding at the end the following:

“(5) INCREASED CREDIT FOR QUALIFIED FACILITY LOCATED WITHIN QUALIFIED INDIAN LAND.—In the case of a qualified facility described in subsection (c)(3)(D) which—

“(A) is located within—

“(i) qualified Indian lands (as defined in section 7871(c)(3)), or

“(ii) lands which are held in trust by a Native Corporation (as defined in section 3(m) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(m)) for Alaska Natives, and

“(B) is operated with the explicit written approval of the Indian tribal government or Native Corporation (as so defined) having jurisdiction over such lands,

the amount in effect under subsection (a)(1) for a taxable year shall (after adjustment under paragraphs (2) and (4) and before adjustment under paragraphs (1) and (3)) be increased by .25 cents.”.

(7) ELECTRICITY PRODUCED FROM CERTAIN RESOURCES CO-FIRED IN COAL PLANTS.—Section 45(d) (relating to definitions and special rules) is amended by adding at the end the following:

“(8) SPECIAL RULE FOR ELECTRICITY PRODUCED FROM CERTAIN RESOURCES CO-FIRED IN COAL PLANTS.—In the case of electricity produced from biomass (including closed loop biomass), municipal solid waste, or animal waste, co-fired in a facility which produces electricity from coal—

“(A) subsection (a)(1) shall be applied by substituting ‘1 cent’ for ‘1.8 cents’,

“(B) such facility shall be considered a qualified facility for purposes of this section, and

"(C) the 10-year period referred to in subsection (a) shall be treated as beginning no earlier than the date of the enactment of this paragraph.".

(8) CONFORMING AMENDMENTS.—

(A) The heading for section 45 is amended by inserting "**AND WASTE ENERGY**" after "**RENEWABLE**".

(B) The item relating to section 45 in the table of sections subpart D of part IV of subchapter A of chapter 1 is amended by inserting "and waste energy" after "renewable".

(c) ADDITIONAL MODIFICATIONS OF RENEWABLE AND WASTE ENERGY RESOURCE CREDIT.—

(1) CREDITS FOR CERTAIN TAX EXEMPT ORGANIZATIONS AND GOVERNMENTAL UNITS.—Section 45(d) (relating to definitions and special rules), as amended by subsection (b)(7), is amended by adding at the end the following:

"(9) CREDITS FOR CERTAIN TAX EXEMPT ORGANIZATIONS AND GOVERNMENTAL UNITS.—

"(A) ALLOWANCE OF CREDIT.—Any credit which would be allowable under subsection (a) with respect to a qualified facility of an entity if such entity were not exempt from tax under this chapter shall be treated as a credit allowable under subpart C to such entity if such entity is—

"(i) an organization described in section 501(c)(12)(C) and exempt from tax under section 501(a),

"(ii) an organization described in section 1381(a)(2)(C), or

"(iii) any State or political subdivision thereof, any possession of the United States, any Indian tribal government (within the meaning of section 7871), or any agency or instrumentality of any of the foregoing.

"(B) USE OF CREDIT.—

"(i) TRANSFER OF CREDIT.—An entity described in subparagraph (A) may assign, trade, sell, or otherwise transfer any credit allowable to such entity under subparagraph (A) to any taxpayer.

"(ii) USE OF CREDIT AS AN OFFSET.—Notwithstanding any other provision of law, in the case of an entity described in clause (i) or (ii) of subparagraph (A), any credit allowable to such entity under subparagraph (A) may be applied by such entity, without penalty, as a prepayment of any loan, debt, or other obligation the entity has incurred under subchapter I of chapter 31 of title 7 of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.).

"(C) CREDIT NOT INCOME.—Neither a transfer under clause (i) or a use under clause (ii) of subparagraph (B) of any credit allowable under subparagraph (A) shall result in income for purposes of section 501(c)(12).

"(D) TRANSFER PROCEEDS TREATED AS ARISING FROM ESSENTIAL GOVERNMENT FUNCTION.—Any proceeds derived by an entity described in subparagraph (A)(iii) from the transfer of any credit under subparagraph (B)(i) shall be treated as arising from an essential government function.

"(E) CREDITS NOT REDUCED BY TAX-EXEMPT BONDS OR CERTAIN OTHER SUBSIDIES.—Subsection (b)(3) shall not apply to reduce any credit allowable under subparagraph (A) with respect to—

"(i) proceeds described in subparagraph (A)(ii) of such subsection, or

"(ii) any loan, debt, or other obligation incurred under subchapter I of chapter 31 of title 7 of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.),

used to provide financing for any qualified facility.

"(F) TREATMENT OF UNRELATED PERSONS.—For purposes of this paragraph, sales among and between entities described in subparagraph (A) shall be treated as sales between unrelated parties.".

(2) COORDINATION WITH OTHER CREDITS.—Section 45(d), as amended by paragraph (1), is amended by adding at the end the following:

"(10) COORDINATION WITH OTHER CREDITS.—This section shall not apply to any qualified facility with respect to which a credit under any other section is allowed for the taxable year unless the taxpayer elects to waive the application of such credit to such facility.".

(3) EXPANSION TO INCLUDE ANIMAL WASTE.—Section 45 (relating to electricity produced from certain renewable resources), as amended by paragraphs (2) and (4) of subsection (b), is amended—

(A) by striking "poultry" each place it appears in subsection (c)(1)(C) and subsection (d)(6) and inserting "animal",

(B) by striking "POULTRY" in the heading of paragraph (6) of subsection (d) and inserting "ANIMAL",

(C) by striking paragraph (3) of subsection (c) and inserting the following:

"(3) ANIMAL WASTE.—The term 'animal waste' means poultry manure and litter and other animal wastes, including—

"(A) wood shavings, straw, rice hulls, and other bedding material for the disposition of manure, and

"(B) byproducts, packaging, and other materials which are nontoxic and biodegradable and are associated with the processing, feeding, selling, transporting, and disposal of such animal wastes.", and

(D) by striking subparagraph (C) of subsection (c)(5) and inserting the following:

"(C) ANIMAL WASTE FACILITY.—

"(i) IN GENERAL.—Except as provided in clause (ii), in the case of a facility using animal waste (other than poultry) to produce electricity, the term 'qualified facility' means any facility of the taxpayer which is originally placed in service after the date of the enactment of this clause.

"(ii) POULTRY WASTE.—In the case of a facility using animal waste relating to poultry to produce electricity, the term 'qualified facility' means any facility of the taxpayer which is originally placed in service after December 31, 1999.".

(4) TREATMENT OF QUALIFIED FACILITIES NOT IN COMPLIANCE WITH POLLUTION LAWS.—Section 45(c)(5) (relating to qualified facilities), as amended by paragraphs (2) and (3) of subsection (b), is amended by adding at the end the following:

"(E) NONCOMPLIANCE WITH POLLUTION LAWS.—For purposes of this paragraph, a facility which is not in compliance with the applicable State and Federal pollution prevention, control, and permit requirements for any period of time shall not be considered to be a qualified facility during such period.".

(5) PERMANENT EXTENSION OF QUALIFIED FACILITY DATES.—Section 45(c)(5) (relating to qualified facility), as redesignated by subsection (b)(2), is amended by striking ", and before January 1, 2002" in subparagraphs (A) and (B).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to electricity and other energy produced after the date of the enactment of this Act.

SEC. 923. TREATMENT OF FACILITIES USING BAGASSE TO PRODUCE ENERGY AS SOLID WASTE DISPOSAL FACILITIES ELIGIBLE FOR TAX-EXEMPT FINANCING.

(a) IN GENERAL.—Section 142 (relating to exempt facility bond) is amended by adding at the end the following:

"(k) SOLID WASTE DISPOSAL FACILITIES.—For purposes of subsection (a)(6), the term 'solid waste disposal facilities' includes property located in Hawaii and used for the collection, storage, treatment, utilization, processing, or final disposal of bagasse in the manufacture of ethanol.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to bonds issued after the date of the enactment of this Act.

SEC. 924. PROPERTY USED IN THE TRANSMISSION OF ELECTRICITY AND NATURAL GAS PIPELINES TREATED AS 7-YEAR PROPERTY.

(a) DEPRECIATION OF PROPERTY USED IN THE TRANSMISSION OF ELECTRICITY AND NATURAL GAS PIPELINES.—

(1) IN GENERAL.—Subparagraph (C) of section 168(e)(3) (relating to 7-year property), as amended by section 921(a)(1), is amended by striking "and" at the end of clause (ii), by redesignating clause (iii) as clause (v), and by inserting after clause (ii) the following:

"(iii) any property used in the transmission of electricity,

"(iv) any gas pipeline, and".

(2) 10-YEAR CLASS LIFE.—The table contained in section 168(g)(3)(B), as amended by section 921(a)(2), is amended by inserting after the item relating to subparagraph (C)(ii) the following:

"(C)(iii) .... 10".
"(C)(iv) .... 10".

(b) DEFINITIONS.—Section 168(i), as amended by section 921(b), is amended by adding at the end the following:

"(16) PROPERTY USED IN THE TRANSMISSION OF ELECTRICITY.—The term 'property used in the transmission of electricity' means property used in the transmission of electricity for sale.

"(17) GAS PIPELINE.—The term 'gas pipeline' means the pipe, storage facilities, equipment, distribution infrastructure, and appurtenances used to deliver natural gas.".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

(2) ACCOUNTING RULE FOR PUBLIC UTILITY PROPERTY.—If any gas pipeline is public utility property (as defined in section 46(f)(5) of the Internal Revenue Code of 1986, as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990), the amendments made by this section shall only apply to such property if, with respect to such property, the taxpayer uses a normalization method of accounting.

Subtitle D—Tax Incentives for Ethanol Use

SEC. 931. ALLOCATION OF ALCOHOL FUELS CREDIT TO PATRONS OF A COOPERATIVE.

(a) IN GENERAL.—Section 40(d) (relating to alcohol used as fuel) is amended by adding at the end the following:

"(6) ALLOCATION OF SMALL ETHANOL PRODUCER CREDIT TO PATRONS OF COOPERATIVE.—

"(A) IN GENERAL.—In the case of a cooperative organization described in section 1381(a), any portion of the credit determined under subsection (a)(3) for the taxable year may, at the election of the organization made on a timely filed return (including extensions) for such year, be apportioned pro rata among patrons of the organization on the basis of the quantity or value of business done with or for such patrons for the taxable year. Such an election, once made, shall be irrevocable for such taxable year.

"(B) TREATMENT OF ORGANIZATIONS AND PATRONS.—The amount of the credit apportioned to patrons pursuant to subparagraph (A)—

"(i) shall not be included in the amount determined under subsection (a) for the taxable year of the organization, and "(ii) shall be included in the amount determined under subsection (a) for the taxable year of each patron in which the patronage dividend for the taxable year referred to in subparagraph (A) is includible in gross income.

"(C) Special rule for decreasing credit for taxable year.—If the amount of the credit of a cooperative organization determined under subsection (a)(3) for a taxable year is less than the amount of such credit shown on the cooperative organization's return for such year, an amount equal to the excess of such reduction over the amount not apportioned to the patrons under subparagraph (A) for the taxable year shall be treated as an increase in tax imposed by this chapter on the organization. Any such increase shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit under this subpart or subpart A, B, E, or G of this part.".

(b) Technical Amendment.—Section 1388 (relating to definitions and special rules for cooperative organizations) is amended by adding at the end the following:

"(k) Cross Reference.—For provisions relating to the apportionment of the alcohol fuels credit between cooperative organizations and their patrons, see section 40(d)(6).".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 932. ADDITIONAL TAX INCENTIVES FOR ETHANOL USE.

(a) Diesel Fuel Mixed With Alcohol Treated Same as Gasoline.—

(1) Qualified alcohol mixture.—Section 4081(c)(3)(B) (defining qualified alcohol mixture) is amended to read as follows:

"(B) Qualified alcohol mixture.—The term 'qualified alcohol mixture' means any mixture of gasoline or diesel fuel with alcohol if at least 5.7 percent of such mixture is alcohol.".

(2) Alcohol mixture rates.—

(A) In general.—Section 4081(c)(4)(A) (relating to alcohol mixture rates for gasoline mixtures) is amended—

(i) by striking "which contains gasoline" in clauses (i) and (ii), and

(ii) by striking "10 percent gasohol", "7.7 percent gasohol", and "5.7 percent gasohol" each place such terms appear in clauses (i) and (ii), and inserting "a 10 percent mixture", "a 7.7 percent mixture", and "a 5.7 percent mixture", respectively.

(B) Definitions.—Section 4081(c)(4) is amended by striking subparagraphs (B), (C), and (D) and inserting:

"(B) 10 percent mixture.—The term '10 percent mixture' means any mixture of alcohol with gasoline or diesel if at least 10 percent of such mixture is alcohol.

"(C) 7.7 percent mixture.—The term '7.7 percent mixture' means any mixture of alcohol with gasoline or diesel if at least 7.7 percent of such mixture is alcohol.

"(D) 5.7 percent mixture.—The term '5.7 percent mixture' means any mixture of alcohol with gasoline or diesel if at least 5.7 percent of such mixture is alcohol."

(C) Conforming amendments.—

(i) The heading for section 4081(c)(4) is amended by striking "GASOLINE" and inserting "ALCOHOL".

(ii) Section 4081(c) is amended by striking paragraph (5) and by redesignating paragraphs (6), (7), and (8) as paragraphs (5), (6), and (7), respectively.

(b) Definition of Alcohol.—Section 4081(c)(3)(A) (defining alcohol) is amended by striking "and ethanol" and inserting ", ethanol, or other alcohol,".

(c) Effective Date.—The amendments made by this section shall take effect on January 1, 2001.

Subtitle E—Incentives for Early Commercial Applications of Advanced Clean Coal Technologies

SEC. 941. CREDIT FOR INVESTMENT IN QUALIFYING ADVANCED CLEAN COAL TECHNOLOGY.

(a) Allowance of Qualifying Advanced Clean Coal Technology Facility Credit.—Section 46 (relating to amount of credit) is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by adding at the end the following:

"(4) the qualifying advanced clean coal technology facility credit.".

(b) Amount of Qualifying Advanced Clean Coal Technology Facility Credit.—Subpart E of part IV of subchapter A of chapter 1 (relating to rules for computing investment credit), as amended by section 901(a), is amended by inserting after section 48A the following:

"SEC. 48B. QUALIFYING ADVANCED CLEAN COAL TECHNOLOGY FACILITY CREDIT.

"(a) In General.—For purposes of section 46, the qualifying advanced clean coal technology facility credit for any taxable year is an amount equal to 10 percent of the qualified investment in a qualifying advanced clean coal technology facility for such taxable year.

"(b) Qualifying Advanced Clean Coal Technology Facility.—

"(1) In general.—For purposes of subsection (a), the term 'qualifying advanced clean coal technology facility' means a facility of the taxpayer which—

"(A)(i)(I) replaces a conventional technology facility of the taxpayer and the original use of which commences with the taxpayer, or

"(II) is a retrofitted or repowered conventional technology facility, the retrofitting or repowering of which is completed by the taxpayer (but only with respect to that portion of the basis which is properly attributable to such retrofitting or repowering), or

"(ii) is acquired through purchase (as defined by section 179(d)(2)),

"(B) is depreciable under section 167,

"(C) has a useful life of not less than 4 years,

"(D) is located in the United States, and

"(E) uses qualifying advanced clean coal technology.

"(2) Special rule for sale-leasebacks.—For purposes of subparagraph (A) of paragraph (1), in the case of a facility which—

"(A) is originally placed in service by a person, and

"(B) is sold and leased back by such person, or is leased to such person, within 3 months after the date such facility was originally placed in service, for a period of not less than 12 years,

such facility shall be treated as originally placed in service not earlier than the date on which such property is used under the leaseback (or lease) referred to in subparagraph (B). The preceding sentence shall not apply to any property if the lessee and lessor of such property make an election under this sentence. Such an election, once made, may be revoked only with the consent of the Secretary.

"(3) Qualifying advanced clean coal technology.—For purposes of paragraph (1)—

"(A) In general.—The term 'qualifying advanced clean coal technology' means, with respect to clean coal technology, multiple applications, with a combined capacity of not more than 5,000 megawatts, of integrated gasification combined cycle technology, with or without fuel or chemical co-production—

"(i) installed as a new, retrofit, or repowering application,

"(ii) operated between 2001 and 2015,

"(iii) with a design net heat rate of not more than 8,550 Btu per kilowatt hour when the design coal has a heat content of more than 8,000 Btu per pound, or a design net heat rate of not more than 9,900 Btu per kilowatt hour when the design coal has a heat content of 8,000 Btu per pound or less, and

"(iv) with a net thermal efficiency on any fuel or chemical co-production of not less than 39 percent (higher heating value).

"(B) Exceptions.—Such term shall not include clean coal technology projects receiving or scheduled to receive funding under the Clean Coal Technology Program of the Department of Energy.

"(C) Clean coal technology.—The term 'clean coal technology' means advanced technology which uses coal to produce 75 percent or more of its thermal output as electricity and which exceeds the performance of conventional technology.

"(D) Conventional technology.—The term 'conventional technology' means—

"(i) coal-fired combustion technology with a design net heat rate of not less than 9,500 Btu per kilowatt hour (HHV) and a carbon equivalents emission rate of not more than 0.54 pounds of carbon per kilowatt hour when the design coal has a heat content of more than 8,000 Btu per pound,

"(ii) coal-fired combustion technology with a design net heat rate of not less than 10,500 Btu per kilowatt hour (HHV) and a carbon equivalents emission rate of not more than 0.60 pounds of carbon per kilowatt hour when the design coal has a heat content of 8,000 Btu per pound or less, or

"(iii) natural gas-fired combustion technology with a design net heat rate of not less than 7,500 Btu per kilowatt hour (HHV) and a carbon equivalents emission rate of not more than 0.24 pounds of carbon per kilowatt hour.

"(E) Design net heat rate.—The design net heat rate shall be based on the design annual heat input to and the design annual net electrical output from the qualifying advanced clean coal technology (determined without regard to such technology's co-generation of steam).

"(F) Selection criteria.—Selection criteria for clean coal technology facilities—

"(i) shall be established by the Secretary of Energy as part of a competitive solicitation,

"(ii) shall include primary criteria of minimum design net heat rate, maximum design thermal efficiency, and lowest cost to the government, and

"(iii) shall include supplemental criteria as determined appropriate by the Secretary of Energy.

"(4) Noncompliance with pollution laws.—For purposes of this subsection, a facility which is not in compliance with the applicable State and Federal pollution prevention, control, and permit requirements for any period of time shall not be considered to be a qualifying advanced clean coal technology facility during such period.

"(c) Qualified Investment.—For purposes of subsection (a), the term 'qualified investment' means, with respect to any taxable year, the basis of a qualifying advanced clean coal technology facility placed in service by the taxpayer during such taxable year.

"(d) Qualified Progress Expenditures.—

"(1) INCREASE IN QUALIFIED INVESTMENT.—In the case of a taxpayer who has made an election under paragraph (5), the amount of the qualified investment of such taxpayer for the taxable year (determined under subsection (c) without regard to this section) shall be increased by an amount equal to the aggregate of each qualified progress expenditure for the taxable year with respect to progress expenditure property.

"(2) PROGRESS EXPENDITURE PROPERTY DEFINED.—For purposes of this subsection, the term 'progress expenditure property' means any property being constructed by or for the taxpayer and which it is reasonable to believe will qualify as a qualifying advanced clean coal technology facility which is being constructed by or for the taxpayer when it is placed in service.

"(3) QUALIFIED PROGRESS EXPENDITURES DEFINED.—For purposes of this subsection—

"(A) SELF-CONSTRUCTED PROPERTY.—In the case of any self-constructed property, the term 'qualified progress expenditures' means the amount which, for purposes of this subpart, is properly chargeable (during such taxable year) to capital account with respect to such property.

"(B) NONSELF-CONSTRUCTED PROPERTY.—In the case of nonself-constructed property, the term 'qualified progress expenditures' means the amount paid during the taxable year to another person for the construction of such property.

"(4) OTHER DEFINITIONS.—For purposes of this subsection—

"(A) SELF-CONSTRUCTED PROPERTY.—The term 'self-constructed property' means property for which it is reasonable to believe that more than half of the construction expenditures will be made directly by the taxpayer.

"(B) NONSELF-CONSTRUCTED PROPERTY.—The term 'nonself-constructed property' means property which is not self-constructed property.

"(C) CONSTRUCTION, ETC.—The term 'construction' includes reconstruction and erection, and the term 'constructed' includes reconstructed and erected.

"(D) ONLY CONSTRUCTION OF QUALIFYING ADVANCED CLEAN COAL TECHNOLOGY FACILITY TO BE TAKEN INTO ACCOUNT.—Construction shall be taken into account only if, for purposes of this subpart, expenditures therefor are properly chargeable to capital account with respect to the property.

"(5) ELECTION.—An election under this subsection may be made at such time and in such manner as the Secretary may by regulations prescribe. Such an election shall apply to the taxable year for which made and to all subsequent taxable years. Such an election, once made, may not be revoked except with the consent of the Secretary.

"(e) CREDITS FOR CERTAIN TAX EXEMPT ORGANIZATIONS AND GOVERNMENTAL UNITS.—

"(1) ALLOWANCE OF CREDIT.—Any credit which would be allowable under subsection (a) with respect to a qualifying advanced clean coal technology facility of an entity if such entity were not exempt from tax under this chapter shall be treated as a credit allowable under subpart C to such entity if such entity is—

"(A) an organization described in section 501(c)(12)(C) and exempt from tax under section 501(a),

"(B) an organization described in section 1381(a)(2)(C),

"(C) any State or political subdivision thereof, any possession of the United States, any Indian tribal government (within the meaning of section 7871), or any agency or instrumentality of any of the foregoing, or

"(D) the Tennessee Valley Authority.

"(2) USE OF CREDIT.—

"(A) TRANSFER OF CREDIT.—An entity described in subparagraph (A), (B), or (C) of paragraph (1) may assign, trade, sell, or otherwise transfer any credit allowable to such entity under paragraph (1) to any taxpayer.

"(B) USE OF CREDIT AS AN OFFSET.—Notwithstanding any other provision of law, in the case of an entity described in subparagraph (A) or (B) of paragraph (1), any credit allowable to such entity under paragraph (1) may be applied by such entity, without penalty, as a prepayment of any loan, debt, or other obligation the entity has incurred under subchapter I of chapter 31 of title 7 of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.).

"(C) USE BY TVA.—

"(i) IN GENERAL.—Notwithstanding any other provision of law, in the case of an entity described in paragraph (1)(D), any credit allowable under paragraph (1) to such entity may be applied as a credit against the payments required to be made in any fiscal year under section 15d(e) of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831n–4(e)) as an annual return on the appropriations investment and an annual repayment sum.

"(ii) TREATMENT OF CREDITS.—The aggregate amount of credits described in paragraph (1) shall be treated in the same manner and to the same extent as if such credits were a payment in cash and shall be applied first against the annual return on the appropriations investment.

"(iii) CREDIT CARRYOVER.—With respect to any fiscal year, if the aggregate amount of credits described in paragraph (1) exceeds the aggregate amount of payment obligations described in clause (i), the excess amount shall remain available for application as credits against the amounts of such payment obligations in succeeding fiscal years in the same manner as described in this subparagraph.

"(3) CREDIT NOT INCOME.—Neither a transfer under subparagraph (A) or a use under subparagraph (B) of paragraph (2) of any credit allowable under paragraph (1) shall result in income for purposes of section 501(c)(12).

"(4) TRANSFER PROCEEDS TREATED AS ARISING FROM ESSENTIAL GOVERNMENT FUNCTION.—Any proceeds derived by an entity described in paragraph (1)(C) from the transfer of any credit under paragraph (2)(A) shall be treated as arising from an essential government function.

"(f) COORDINATION WITH OTHER CREDITS.—This section shall not apply to any property with respect to which the rehabilitation credit under section 47 or the energy credit under section 48A is allowed unless the taxpayer elects to waive the application of such credit to such property.

"(g) TERMINATION.—This section shall not apply with respect to any qualified investment made more than 10 years after the effective date of this section.".

(c) RECAPTURE.—Section 50(a) (relating to other special rules) is amended by adding at the end the following:

"(6) SPECIAL RULES RELATING TO QUALIFYING ADVANCED CLEAN COAL TECHNOLOGY FACILITY.—For purposes of applying this subsection in the case of any credit allowable by reason of section 48B, the following shall apply:

"(A) GENERAL RULE.—In lieu of the amount of the increase in tax under paragraph (1), the increase in tax shall be an amount equal to the investment tax credit allowed under section 38 for all prior taxable years with respect to a qualifying advanced clean coal technology facility (as defined by section 48B(b)(1)) multiplied by a fraction whose numerator is the number of years remaining to fully depreciate under this title the qualifying advanced clean coal technology facility disposed of, and whose denominator is the total number of years over which such facility would otherwise have been subject to depreciation. For purposes of the preceding sentence, the year of disposition of the qualifying advanced clean coal technology facility property shall be treated as a year of remaining depreciation.

"(B) PROPERTY CEASES TO QUALIFY FOR PROGRESS EXPENDITURES.—Rules similar to the rules of paragraph (2) shall apply in the case of qualified progress expenditures for a qualifying advanced clean coal technology facility under section 48B, except that the amount of the increase in tax under subparagraph (A) of this paragraph shall be substituted in lieu of the amount described in such paragraph (2).

"(C) APPLICATION OF PARAGRAPH.—This paragraph shall be applied separately with respect to the credit allowed under section 38 regarding a qualifying advanced clean coal technology facility.".

(d) TRANSITIONAL RULE.—Section 39(d) of the Internal Revenue Code of 1986 (relating to transitional rules), as amended by section 911(e), is amended by adding at the end the following:

"(15) NO CARRYBACK OF SECTION 48B CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the qualifying advanced clean coal technology facility credit determined under section 48B may be carried back to a taxable year ending before January 1, 2002.".

(e) TECHNICAL AMENDMENTS.—

(1) Section 49(a)(1)(C) is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by adding at the end the following:

"(iv) the portion of the basis of any qualifying advanced clean coal technology facility attributable to any qualified investment (as defined by section 48B(c)).".

(2) Section 50(a)(4) is amended by striking "and (2)" and inserting "(2), and (6)".

(3) Section 50(c) is amended by adding at the end the following:

"(6) NONAPPLICATION.—Paragraphs (1) and (2) shall not apply to any advanced clean coal technology facility credit under section 48B.".

(4) The table of sections for subpart E of part IV of subchapter A of chapter 1, as amended by section 901(c), is amended by inserting after the item relating to section 48A the following:

"Sec. 48B. Qualifying advanced clean coal technology facility credit.".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after December 31, 2001, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 942. CREDIT FOR PRODUCTION FROM QUALIFYING ADVANCED CLEAN COAL TECHNOLOGY.

(a) CREDIT FOR PRODUCTION FROM QUALIFYING ADVANCED CLEAN COAL TECHNOLOGY.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business related credits), as amended by section 911(a), is amended by adding at the end the following:

"SEC. 45I. CREDIT FOR PRODUCTION FROM QUALIFYING ADVANCED CLEAN COAL TECHNOLOGY.

"(a) GENERAL RULE.—For purposes of section 38, the qualifying advanced clean coal technology production credit of any taxpayer for any taxable year is equal to—

"(1) the applicable amount of advanced clean coal technology production credit, multiplied by

"(2) the sum of—

"(A) the kilowatt hours of electricity, plus

"(B) each 3,413 Btu of fuels or chemicals, produced by the taxpayer during such taxable year at a qualifying advanced clean coal technology facility during the 10-year period beginning on the date the facility was originally placed in service.

"(b) APPLICABLE AMOUNT.—For purposes of this section, the applicable amount of advanced clean coal technology production credit with respect to production from a qualifying advanced clean coal technology facility shall be determined as follows:

"(1) Where the design coal has a heat content of more than 8,000 Btu per pound:

"(A) In the case of a facility originally placed in service before 2008, if—

"The facility design net heat rate, Btu/kWh (HHV) is equal to:	The applicable amount is:	
	For 1st 5 years of such service	For 2d 5 years of such service
Not more than 8,400	$.0050	$.0030
More than 8,400 but not more than 8,550.	$.0010	$.0010
More than 8,550 but not more than 8,750.	$.0005	$.0005.

"(B) In the case of a facility originally placed in service after 2007 and before 2012, if—

"The facility design net heat rate, Btu/kWh (HHV) is equal to:	The applicable amount is:	
	For 1st 5 years of such service	For 2d 5 years of such service
Not more than 7,770	$.0090	$.0075
More than 7,770 but not more than 8,125.	$.0070	$.0050
More than 8,125 but not more than 8,350.	$.0060	$.0040.

"(C) In the case of a facility originally placed in service after 2011 and before 2015, if—

"The facility design net heat rate, Btu/kWh (HHV) is equal to:	The applicable amount is:	
	For 1st 5 years of such service	For 2d 5 years of such service
Not more than 7,380	$.0120	$.0090
More than 7,380 but not more than 7,720.	$.0095	$.0070.

"(2) Where the design coal has a heat content of not more than 8,000 Btu per pound:

"(A) In the case of a facility originally placed in service before 2008, if—

"The facility design net heat rate, Btu/kWh (HHV) is equal to:	The applicable amount is:	
	For 1st 5 years of such service	For 2d 5 years of such service
Not more than 8,500	$.0050	$.0030
More than 8,500 but not more than 8,650.	$.0010	$.0010
More than 8,650 but not more than 8,750.	$.0005	$.0005.

"(B) In the case of a facility originally placed in service after 2007 and before 2012, if—

"The facility design net heat rate, Btu/kWh (HHV) is equal to:	The applicable amount is:	
	For 1st 5 years of such service	For 2d 5 years of such service
Not more than 8,000	$.0090	$.0075
More than 8,000 but not more than 8,250.	$.0070	$.0050
More than 8,250 but not more than 8,400.	$.0060	$.0040.

"(C) In the case of a facility originally placed in service after 2011 and before 2015, if—

"The facility design net heat rate, Btu/kWh (HHV) is equal to:	The applicable amount is:	
	For 1st 5 years of such service	For 2d 5 years of such service
Not more than 7,800	$.0120	$.0090
More than 7,800 but not more than 7,950.	$.0095	$.0070.

"(3) Where the clean coal technology facility is producing fuel or chemicals:

"(A) In the case of a facility originally placed in service before 2008, if—

"The facility design net thermal efficiency (HHV) is equal to:	The applicable amount is:	
	For 1st 5 years of such service	For 2d 5 years of such service
Not less than 40.6 percent	$.0050	$.0030
Less than 40.6 but not less than 40 percent.	$.0010	$.0010
Less than 40 but not less than 39 percent.	$.0005	$.0005.

"(B) In the case of a facility originally placed in service after 2007 and before 2012, if—

"The facility design net thermal efficiency (HHV) is equal to:	The applicable amount is:	
	For 1st 5 years of such service	For 2d 5 years of such service
Not less than 43.9 percent	$.0090	$.0075
Less than 43.9 but not less than 42 percent.	$.0070	$.0050
Less than 42 but not less than 40.9 percent.	$.0060	$.0040.

"(C) In the case of a facility originally placed in service after 2011 and before 2015, if—

"The facility design net thermal efficiency (HHV) is equal to:	The applicable amount is:	
	For 1st 5 years of such service	For 2d 5 years of such service
Not less than 44.2 percent	$.0120	$.0090
Less than 44.2 but not less than 43.6 percent.	$.0095	$.0070.

"(c) INFLATION ADJUSTMENT FACTOR.—For calendar years after 2001, each amount in paragraphs (1), (2), and (3) shall be adjusted by multiplying such amount by the inflation adjustment factor for the calendar year in which the amount is applied. If any amount as increased under the preceding sentence is not a multiple of 0.01 cent, such amount shall be rounded to the nearest multiple of 0.01 cent.

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) IN GENERAL.—Any term used in this section which is also used in section 48B shall have the meaning given such term in section 48B.

"(2) APPLICABLE RULES.—The rules of paragraphs (3), (4), and (5) of section 45(d) and section 48B(e) shall apply.

"(3) INFLATION ADJUSTMENT FACTOR.—The term 'inflation adjustment factor' means, with respect to a calendar year, a fraction the numerator of which is the GDP implicit price deflator for the preceding calendar year and the denominator of which is the GDP implicit price deflator for the calendar year 2000.

"(4) GDP IMPLICIT PRICE DEFLATOR.—The term 'GDP implicit price deflator' means the most recent revision of the implicit price deflator for the gross domestic product as computed by the Department of Commerce before March 15 of the calendar year.".

(b) CREDIT TREATED AS BUSINESS CREDIT.—Section 38(b), as amended by section 911(b), is amended by striking "plus" at the end of paragraph (16), by striking the period at the end of paragraph (17) and inserting ", plus", and by adding at the end the following:

"(18) the qualifying advanced clean coal technology production credit determined under section 45I(a).".

(c) TRANSITIONAL RULE.—Section 39(d) (relating to transitional rules), as amended by section 941(d), is amended by adding at the end the following:

"(16) NO CARRYBACK OF SECTION 45I CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the qualifying advanced clean coal technology production credit determined under section 45I may be carried back to a taxable year ending before the date of the enactment of section 45I.".

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section 911(g), is amended by adding at the end the following:

"Sec. 45I. Credit for production from qualifying advanced clean coal technology.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to production after the date of the enactment of this Act.

SEC. 943. RISK POOL FOR QUALIFYING ADVANCED CLEAN COAL TECHNOLOGY.

(a) ESTABLISHMENT.—The Secretary of the Treasury shall establish a financial risk pool which shall be available to any United States owner of a qualifying advanced clean coal technology which has qualified for an advanced clean coal technology production credit (as defined in section 45I of the Internal Revenue Code of 1986, as added by section 942) to offset for the first 3 years of the operation of such technology the costs (not to exceed 5 percent of the total cost of installation) for modifications resulting from the technology's failure to achieve its design performance.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as are necessary to carry out the purposes of this section.

Subtitle F—Tax Incentives for Qualified Energy Management Devices

SEC. 951. CREDIT FOR QUALIFIED ENERGY MANAGEMENT DEVICES.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 (relating to foreign tax credits, etc.) is amended by inserting after section 30A the following new section:

"SEC. 30B. CREDIT FOR QUALIFIED ENERGY MANAGEMENT DEVICES.

"(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 20 percent of the cost of any qualified energy management device placed in service by the taxpayer during the taxable year.

"(b) QUALIFIED ENERGY MANAGEMENT DEVICE.—For purposes of this section, the term 'qualified energy management device' means equipment, systems, software, and related devices which have as a purpose allowing electric energy and natural gas consumers, suppliers, and service providers to manage the purchase, sale, and use of electricity and natural gas in response to energy price and usage signals, in order to improve the efficiency of energy and energy facility utilization.

"(c) SPECIAL RULES.—

"(1) DENIAL OF DOUBLE BENEFIT.—No deduction or other credit shall be allowed under this chapter for any expenditure for which credit is allowed under this section.

"(2) APPLICATION WITH OTHER CREDITS.—The credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(A) the regular tax for the taxable year, reduced by the sum of the credits allowable under subpart A and sections 27, 29, and 30, over

"(B) the tentative minimum tax for the taxable year.

"(3) BASIS REDUCTION.—The basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit.

"(4) RECAPTURE.—The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any property that ceases to be property eligible for such credit.

"(5) PROPERTY USED OUTSIDE THE UNITED STATES, ETC., NOT QUALIFIED.—No credit shall be allowed under subsection (a) with respect to any property referred to in section 50(b)(1) or with respect to the portion of the cost of any property taken into account under section 179.

"(6) ELECTION TO NOT TAKE CREDIT.—No credit shall be allowed under subsection (a) for any energy management device if the taxpayer elects to not have this section apply to such device.".

(b) CONFORMING AMENDMENTS.—

(1) The table of contents for subpart B of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 30A the following new item:

"Sec. 30B. Credit for qualified energy management devices.".

(2) Section 1016(a), as amended by this title, is amended by striking "and" at the end of paragraph (29), by striking the period at the end of paragraph (30) and inserting ", and", and by adding at the end the following new paragraph:

"(31) to the extent provided in section 30B(c)(1).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of enactment.

SEC. 952. 3-YEAR APPLICABLE RECOVERY PERIOD FOR DEPRECIATION OF ENERGY MANAGEMENT EQUIPMENT.

(a) IN GENERAL.—Section 168(e)(3)(A) (relating to classification of property) is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by adding at the end the following new clause:

"(iv) any qualified energy management equipment.".

(b) DEFINITION OF QUALIFIED ENERGY MANAGEMENT EQUIPMENT.—Section 168(i) (relating to definitions and special rules), as amended by this title, is amended by inserting at the end the following new subsection:

"(18) QUALIFIED ENERGY MANAGEMENT EQUIPMENT.—The term 'qualified energy management equipment' means monitoring devices and meters, related communications equipment or systems, and associated equipment and devices, designed to improve the efficiency of energy and energy facility utilization, including equipment which—

"(A) allows interactive communication relating to energy usage and cost between energy consumers, suppliers, and service providers, .

"(B) allows energy consumers, suppliers, and service providers to respond to energy price signals in order to manage the purchase and use of energy, or

"(C) allows for similar synchronized demand-side energy management.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after date of enactment.

Subtitle G—Other Provisions

SEC. 961. ALTERNATIVE MOTOR VEHICLE CREDIT.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 (relating to foreign tax credit, etc.), as amended by section 951, is amended by adding at the end the following:

"SEC. 30C. ALTERNATIVE MOTOR VEHICLE CREDIT.

"(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) the new qualified fuel cell motor vehicle credit determined under subsection (b),

"(2) the new qualified hybrid motor vehicle credit determined under subsection (c), and

"(3) the new qualified alternative fuel motor vehicle credit determined under subsection (d).

"(b) NEW QUALIFIED FUEL CELL MOTOR VEHICLE CREDIT.—

"(1) IN GENERAL.—For purposes of subsection (a), the new qualified fuel cell motor vehicle credit determined under this subsection with respect to a new qualified fuel cell' motor vehicle placed in service by the taxpayer during the taxable year is—

"(A) $4,000, if such vehicle has a gross vehicle weight rating of not more than 8,500 pounds,

"(B) $10,000, if such vehicle has a gross vehicle weight rating of more than 8,500 pounds but not more than 14,000 pounds,

"(C) $20,000, if such vehicle has a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds, and

"(D) $40,000, if such vehicle has a gross vehicle weight rating of more than 26,000 pounds.

"(2) INCREASE FOR FUEL EFFICIENCY.—

"(A) IN GENERAL.—The amount determined under paragraph (1)(A) with respect to a new qualified fuel cell motor vehicle which is a passenger automobile or light truck shall be increased by—

"(i) $1,000, if such vehicle achieves at least 150 percent but less than 175 percent of the 2000 model year city fuel economy,

"(ii) $1,500, if such vehicle achieves at least 175 percent but less than 200 percent of the 2000 model year city fuel economy,

"(iii) $2,000, if such vehicle achieves at least 200 percent but less than 225 percent of the 2000 model year city fuel economy,

"(iv) $2,500, if such vehicle achieves at least 225 percent but less than 250 percent of the 2000 model year city fuel economy,

"(v) $3,000, if such vehicle achieves at least 250 percent but less than 275 percent of the 2000 model year city fuel economy,

"(vi) $3,500, if such vehicle achieves at least 275 percent but less than 300 percent of the 2000 model year city fuel economy, and

"(vii) $4,000, if such vehicle achieves at least 300 percent of the 2000 model year city fuel economy.

"(B) 2000 MODEL YEAR CITY FUEL ECONOMY.—For purposes of subparagraph (A), the 2000 model year city fuel economy with respect to a vehicle shall be determined in accordance with the following tables:

"(i) In the case of a passenger automobile:

"If vehicle inertia weight class is:	The 2000 model year city fuel economy is:
1,500 or 1,750 lbs	43.7 mpg
2,000 lbs	38.3 mpg
2,250 lbs	34.1 mpg
2,500 lbs	30.7 mpg
2,750 lbs	27.9 mpg
3,000 lbs	25.6 mpg
3,500 lbs	22.0 mpg
4,000 lbs	19.3 mpg
4,500 lbs	17.2 mpg
5,000 lbs	15.5 mpg
5,500 lbs	14.1 mpg
6,000 lbs	12.9 mpg
6,500 lbs	11.9 mpg
7,000 or 8,500 lbs	11.1 mpg.

"(ii) In the case of a light truck:

"If vehicle inertia weight class is:	The 2000 model year city fuel economy is:
1,500 or 1,750 lbs	37.6 mpg
2,000 lbs	33.7 mpg
2,250 lbs	30.6 mpg
2,500 lbs	28.0 mpg
2,750 lbs	25.9 mpg
3,000 lbs	24.1 mpg
3,500 lbs	21.3 mpg
4,000 lbs	19.0 mpg
4,500 lbs	17.3 mpg
5,000 lbs	15.8 mpg
5,500 lbs	14.6 mpg
6,000 lbs	13.6 mpg
6,500 lbs	12.8 mpg
7,000 or 8,500 lbs	12.0 mpg.

"(C) VEHICLE INERTIA WEIGHT CLASS.—For purposes of subparagraph (B), the term 'vehicle inertia weight class' has the same meaning as when defined in regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.).

"(3) NEW QUALIFIED FUEL CELL MOTOR VEHICLE.—For purposes of this subsection, the term 'new qualified fuel cell motor vehicle' means a motor vehicle—

"(A) which is propelled by power derived from one or more cells which convert chemical energy directly into electricity by combining oxygen with hydrogen fuel which is stored on board the vehicle in any form and may or may not require reformation prior to use,

"(B) which, in the case of a passenger automobile or light truck—

"(i) for 2002 and later model vehicles, has received a certificate of conformity under the Clean Air Act and meets or exceeds the equivalent qualifying California low emission vehicle standard under section 243(e)(2) of the Clean Air Act for that make and model year, and

"(ii) for 2004 and later model vehicles, has received a certificate that such vehicle meets or exceeds the Bin 5 Tier II emission level established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act for that make and model year vehicle,

"(C) the original use of which commences with the taxpayer,

"(D) which is acquired for use or lease by the taxpayer and not for resale, and

"(E) which is made by a manufacturer.

"(c) New Qualified Hybrid Motor Vehicle Credit.—

"(1) In general.—For purposes of subsection (a), the new qualified hybrid motor vehicle credit determined under this subsection with respect to a new qualified hybrid motor vehicle placed in service by the taxpayer during the taxable year is the credit amount determined under paragraph (2).

"(2) Credit amount.—

"(A) In general.—The credit amount determined under this paragraph shall be determined in accordance with the following tables:

"(i) In the case of a new qualified hybrid motor vehicle which is a passenger automobile or light truck and which provides the following percentage of the maximum available power:

"If percentage of the maximum available power is:	The credit amount is:
At least 5 percent but less than 10 percent.	$250
At least 10 percent but less than 20 percent.	$500
At least 20 percent but less than 30 percent.	$750
At least 30 percent	$1,000.

"(ii) In the case of a new qualified hybrid motor vehicle which is a heavy duty hybrid motor vehicle and which provides the following percentage of the maximum available power:

"(I) If such vehicle has a gross vehicle weight rating of not more than 14,000 pounds:

"If percentage of the maximum available power is:	The credit amount is:
At least 20 percent but less than 30 percent.	$1,500
At least 30 percent but less than 40 percent.	$1,750
At least 40 percent but less than 50 percent.	$2,000
At least 50 percent but less than 60 percent.	$2,250
At least 60 percent	$2,500.

"(II) If such vehicle has a gross vehicle weight rating of more than 14,000 but not more than 26,000 pounds:

"If percentage of the maximum available power is:	The credit amount is:
At least 20 percent but less than 30 percent.	$4,000
At least 30 percent but less than 40 percent.	$4,500
At least 40 percent but less than 50 percent.	$5,000
At least 50 percent but less than 60 percent.	$5,500
At least 60 percent	$6,000.

"(III) If such vehicle has a gross vehicle weight rating of more than 26,000 pounds:

"If percentage of the maximum available power is:.	The credit amount is:
At least 20 percent but less than 30 percent.	$6,000
At least 30 percent but less than 40 percent.	$7,000
At least 40 percent but less than 50 percent.	$8,000
At least 50 percent but less than 60 percent.	$9,000
At least 60 percent	$10,000.

"(B) Increase for fuel efficiency.—

"(i) Amount.—The amount determined under subparagraph (A)(i) with respect to a passenger automobile or light truck shall be increased by—

"(I) $500, if such vehicle achieves at least 125 percent but less than 150 percent of the 2000 model year city fuel economy,

"(II) $1,000, if such vehicle achieves at least 150 percent but less than 175 percent of the 2000 model year city fuel economy,

"(III) $1,500, if such vehicle achieves at least 175 percent but less than 200 percent of the 2000 model year city fuel economy,

"(IV) $2,000, if such vehicle achieves at least 200 percent but less than 225 percent of the 2000 model year city fuel economy,

"(V) $2,500, if such vehicle achieves at least 225 percent but less than 250 percent of the 2000 model year city fuel economy, and

"(VI) $3,000, if such vehicle achieves at least 250 percent of the 2000 model year city fuel economy.

"(ii) 2000 model year city fuel economy.—For purposes of clause (i), the 2000 model year city fuel economy with respect to a vehicle shall be determined using the tables provided in subsection (b)(2)(B) with respect to such vehicle.

"(C) Increase for accelerated emissions performance.—The amount determined under subparagraph (A)(ii) with respect to an applicable heavy duty hybrid motor vehicle shall be increased by the increase credit amount determined in accordance with the following tables:

"(i) In the case of a vehicle which has a gross vehicle weight rating of not more than 14,000 pounds:

"If the model year is:	The increase credit amount is:
2002	$3,500
2003	$3,000
2004	$2,500
2005	$2,000
2006	$1,500.

"(ii) In the case of a vehicle which has a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds:

"If the model year is:	The increase credit amount is:
2002	$9,000
2003	$7,750
2004	$6,500
2005	$5,250
2006	$4,000.

"(iii) In the case of a vehicle which has a gross vehicle weight rating of more than 26,000 pounds:

"If the model year is:	The increase credit amount is:
2002	$14,000
2003	$12,000
2004	$10,000
2005	$8,000
2006	$6,000.

"(D) Definitions.—

"(i) Applicable heavy duty hybrid motor vehicle.—For purposes of subparagraph (C), the term 'applicable heavy duty hybrid motor vehicle' means a heavy duty hybrid motor vehicle which is powered by an internal combustion or heat engine which is certified as meeting the emission standards set in the regulations prescribed by the Administrator of the Environmental Protection Agency for 2007 and later model year diesel heavy duty engines or 2008 and later model year ottocycle heavy duty engines, as applicable.

"(ii) Heavy duty hybrid motor vehicle.—For purposes of this paragraph, the term 'heavy duty hybrid motor vehicle' means a new qualified hybrid motor vehicle which has a gross vehicle weight rating of more than 10,000 pounds and draws propulsion energy from both of the following onboard sources of stored energy:

"(I) An internal combustion or heat engine using consumable fuel which, for 2002 and later model vehicles, has received a certificate of conformity under the Clean Air Act and meets or exceeds a level of not greater than 3.0 grams per brake horsepower–hour of oxides of nitrogen and 0.01 per brake horsepower–hour of particulate matter.

"(II) A rechargeable energy storage system.

"(iii) Maximum available power.—

"(I) Passenger automobile or light truck.—For purposes of subparagraph (A)(i), the term 'maximum available power' means the maximum power available from the battery or other electrical storage device, during a standard 10 second pulse power test, divided by the sum of the battery or other electrical storage device and the SAE net power of the heat engine.

"(II) Heavy duty hybrid motor vehicle.—For purposes of subparagraph (A)(ii), the term 'maximum available power' means the maximum power available from the battery or other electrical storage device, during a standard 10 second pulse power test, divided by the vehicle's total traction power. The term 'total traction power' means the sum of the electric motor peak power and the heat engine peak power of the vehicle, except that if the electric motor is the sole means by which the vehicle can be driven, the total traction power is the peak electric motor power.

"(3) New qualified hybrid motor vehicle.—For purposes of this subsection, the term 'new qualified hybrid motor vehicle' means a motor vehicle—

"(A) which draws propulsion energy from onboard sources of stored energy which are both—

"(i) an internal combustion or heat engine using combustible fuel, and

"(ii) a rechargeable energy storage system,

"(B) which, in the case of a passenger automobile or light truck—

"(i) for 2002 and later model vehicles, has received a certificate of conformity under the Clean Air Act and meets or exceeds the equivalent qualifying California low emission vehicle standard under section 243(e)(2) of the Clean Air Act for that make and model year, and

"(ii) for 2004 and later model vehicles, has received a certificate that such vehicle meets or exceeds the Bin 5 Tier II emission level established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act for that make and model year vehicle,

"(C) the original use of which commences with the taxpayer,

"(D) which is acquired for use or lease by the taxpayer and not for resale, and

"(E) which is made by a manufacturer.

"(d) New Qualified Alternative Fuel Motor Vehicle Credit.—

"(1) Allowance of credit.—Except as provided in paragraph (5), the credit determined under this subsection is an amount equal to the applicable percentage of the incremental cost of any new qualified alternative fuel motor vehicle placed in service by the taxpayer during the taxable year.

"(2) Applicable percentage.—For purposes of paragraph (1), the applicable percentage with respect to any new qualified alternative fuel motor vehicle is—

"(A) 50 percent, plus

"(B) 30 percent, if such vehicle—

"(i) has received a certificate of conformity under the Clean Air Act and meets or exceeds the most stringent standard available for certification under the Clean Air Act for that make and model year vehicle (other than a zero emission standard), or

"(ii) has received an order from an applicable State certifying the vehicle for sale or lease in California and meets or exceeds the most stringent standard available for certification under the State laws of California (enacted in accordance with a waiver granted under section 209(b) of the Clean Air Act) for that make and model year vehicle (other than a zero emission standard).

"(3) INCREMENTAL COST.—For purposes of this subsection, the incremental cost of any new qualified alternative fuel motor vehicle is equal to the amount of the excess of the manufacturer's suggested retail price for such vehicle over such price for a gasoline or diesel fuel motor vehicle of the same model, to the extent such amount does not exceed—

"(A) $5,000, if such vehicle has a gross vehicle weight rating of not more than 8,500 pounds,

"(B) $10,000, if such vehicle has a gross vehicle weight rating of more than 8,500 pounds but not more than 14,000 pounds,

"(C) $25,000, if such vehicle has a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds, and

"(D) $40,000, if such vehicle has a gross vehicle weight rating of more than 26,000 pounds.

"(4) QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE DEFINED.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'qualified alternative fuel motor vehicle' means any motor vehicle—

"(i) which is only capable of operating on an alternative fuel,

"(ii) the original use of which commences with the taxpayer,

"(iii) which is acquired by the taxpayer for use or lease, but not for resale, and

"(iv) which is made by a manufacturer.

"(B) ALTERNATIVE FUEL.—The term 'alternative fuel' means compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen, and any liquid at least 85 percent of the volume of which consists of methanol.

"(5) CREDIT FOR MIXED-FUEL VEHICLES.—

"(A) IN GENERAL.—In the case of a mixed-fuel vehicle placed in service by the taxpayer during the taxable year, the credit determined under this subsection is an amount equal to—

"(i) in the case of a 75/25 mixed-fuel vehicle, 70 percent of the credit which would have been allowed under this subsection if such vehicle was a qualified alternative fuel motor vehicle, and

"(ii) in the case of a 95/5 mixed-fuel vehicle, 95 percent of the credit which would have been allowed under this subsection if such vehicle was a qualified alternative fuel motor vehicle.

"(B) MIXED-FUEL VEHICLE.—For purposes of this subsection, the term 'mixed-fuel vehicle' means any motor vehicle described in subparagraph (C) or (D) of paragraph (3), which—

"(i) is certified by the manufacturer as being able to perform efficiently in normal operation on a combination of an alternative fuel and a petroleum-based fuel,

"(ii) either—

"(I) has received a certificate of conformity under the Clean Air Act, or

"(II) has received an order from an applicable State certifying the vehicle for sale or lease in California and meets or exceeds the low emission vehicle standard under section 88.105-94 of title 40, Code of Federal Regulations, for that make and model year vehicle,

"(iii) the original use of which commences with the taxpayer,

"(iv) which is acquired by the taxpayer for use or lease, but not for resale, and

"(v) which is made by a manufacturer.

"(C) 75/25 MIXED-FUEL VEHICLE.—For purposes of this subsection, the term '75/25 mixed-fuel vehicle' means a mixed-fuel vehicle which operates using at least 75 percent alternative fuel and not more than 25 percent petroleum-based fuel.

"(D) 95/5 MIXED-FUEL VEHICLE.—For purposes of this subsection, the term '95/5 mixed-fuel vehicle' means a mixed-fuel vehicle which operates using at least 95 percent alternative fuel and not more than 5 percent petroleum-based fuel.

"(e) APPLICATION WITH OTHER CREDITS.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(1) the regular tax for the taxable year reduced by the sum of the credits allowable under subpart A and sections 27, 29, 30, and 30B, over

"(2) the tentative minimum tax for the taxable year.

"(f) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) CONSUMABLE FUEL.—The term 'consumable fuel' means any solid, liquid, or gaseous matter which releases energy when consumed by an auxiliary power unit.

"(2) MOTOR VEHICLE.—The term 'motor vehicle' has the meaning given such term by section 30(c)(2).

"(3) 2000 MODEL YEAR CITY FUEL ECONOMY.—The 2000 model year city fuel economy with respect to any vehicle shall be measured under rules similar to the rules under section 4064(c).

"(4) OTHER TERMS.—The terms 'automobile', 'passenger automobile', 'light truck', and 'manufacturer' have the meanings given such terms in regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.).

"(5) REDUCTION IN BASIS.—For purposes of this subtitle, the basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit so allowed (determined without regard to subsection (e)).

"(6) NO DOUBLE BENEFIT.—The amount of any deduction or credit allowable under this chapter—

"(A) for any incremental cost taken into account in computing the amount of the credit determined under subsection (d) shall be reduced by the amount of such credit attributable to such cost, and

"(B) with respect to a vehicle described under subsection (b) or (c), shall be reduced by the amount of credit allowed under subsection (a) for such vehicle for the taxable year.

"(7) PROPERTY USED BY TAX-EXEMPT ENTITIES.—In the case of a credit amount which is allowable with respect to a motor vehicle which is acquired by an entity exempt from tax under this chapter, the person which sells or leases such vehicle to the entity shall be treated as the taxpayer with respect to the vehicle for purposes of this section and the credit shall be allowed to such person, but only if the person clearly discloses to the entity in any sale or lease document the specific amount of any credit otherwise allowable to the entity under this section and reduces the sale or lease price of such vehicle by an equivalent amount of such credit.

"(8) RECAPTURE.—The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any property which ceases to be property eligible for such credit (including recapture in the case of a lease period of less than the economic life of a vehicle).

"(9) PROPERTY USED OUTSIDE UNITED STATES, ETC., NOT QUALIFIED.—No credit shall be allowed under subsection (a) with respect to any property referred to in section 50(b) or with respect to the portion of the cost of any property taken into account under section 179.

"(10) ELECTION TO NOT TAKE CREDIT.—No credit shall be allowed under subsection (a) for any vehicle if the taxpayer elects to not have this section apply to such vehicle.

"(11) CARRYFORWARD ALLOWED.—

"(A) IN GENERAL.—If the credit amount allowable under subsection (a) for a taxable year exceeds the amount of the limitation under subsection (e) for such taxable year (referred to as the 'unused credit year' in this paragraph), such excess shall be allowed as a credit carryforward for each of the 20 taxable years following the unused credit year.

"(B) RULES.—Rules similar to the rules of section 39 shall apply with respect to the credit carryforward under subparagraph (A).

"(12) INTERACTION WITH AIR QUALITY AND MOTOR VEHICLE SAFETY STANDARDS.—Unless otherwise provided in this section, a motor vehicle shall not be considered eligible for a credit under this section unless such vehicle is in compliance with—

"(A) the applicable provisions of the Clean Air Act for the applicable make and model year of the vehicle (or applicable air quality provisions of State law in the case of a State which has adopted such provision under a waiver under section 209(b) of the Clean Air Act), and

"(B) the motor vehicle safety provisions of sections 30101 through 30169 of title 49, United States Code.

"(g) REGULATIONS.—

"(1) IN GENERAL.—The Secretary shall promulgate such regulations as necessary to carry out the provisions of this section.

"(2) ADMINISTRATOR OF ENVIRONMENTAL PROTECTION AGENCY.—The Administrator of the Environmental Protection Agency, in coordination with the Secretary of Transportation and the Secretary of the Treasury, shall prescribe such regulations as necessary to determine whether a motor vehicle meets the requirements to be eligible for a credit under this section.

"(h) TERMINATION.—This section shall not apply to any property placed in service after—

"(1) in the case of a new qualified fuel cell motor vehicle (as described in subsection (b)), December 31, 2011, and

"(2) in the case of any other property, December 31, 2007.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1016(a), as amended by section 951, is amended by striking "and" at the end of paragraph (30), by striking the period at the end of paragraph (31) and inserting ", and", and by adding at the end the following:

"(32) to the extent provided in section 30C(f)(4).".

(2) Section 53(d)(1)(B)(iii) is amended by inserting ", or not allowed under section 30C solely by reason of the application of section 30C(e)(2)" before the period.

(3) Section 55(c)(2) is amended by inserting "30C(e)," after "30(b)(3)".

(4) Section 6501(m) is amended by inserting "30C(f)(9)," after "30(d)(4),".

(5) The table of sections for subpart B of part IV of subchapter A of chapter 1, as

amended by section 951, is amended by inserting after the item relating to section 30B the following:

"Sec. 30C. Alternative motor vehicle credit.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2001, in taxable years ending after such date.

SEC. 962. UNIFORM DOLLAR LIMITATION FOR ALL TYPES OF TRANSPORTATION FRINGE BENEFITS.

(a) IN GENERAL.—Subparagraph (A) of section 132(f)(2) (relating to limitation on exclusion) is amended by striking "$65" and inserting "$175".

(b) CONFORMING AMENDMENT.—Section 9010 of the Transportation Equity Act for the 21st Century is amended by striking subsection (c).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 963. CLARIFICATION OF FEDERAL EMPLOYEE BENEFITS.

Section 7905 of title 5, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (2)(C) by inserting "and" after the semicolon;

(B) in paragraph (3) by striking "; and" and inserting a period; and

(C) by striking paragraph (4); and

(2) in subsection (b)(2)(A) by amending subparagraph (A) to read as follows:

"(A) a qualified transportation fringe as defined in section 132(f)(1) of the Internal Revenue Code of 1986;".

SEC. 964. EXTENSION OF TAX BENEFITS FOR ALCOHOL FUELS.

(a) IN GENERAL.—The following provisions are each amended by striking "2007" each place it appears and inserting "2011":

(1) Subparagraphs (C)(ii) and (D) of section 4041(b)(2) (relating to qualified methanol and ethanol fuel).

(2) Section 4041(k)(3) (relating to termination of rates relating to fuels containing alcohol).

(3) Section 4081(c)(8) (relating to termination of special rate for taxable fuels mixed with alcohol).

(4) Section 4091(c)(5) (relating to termination of reduced rate of tax for aviation fuel in alcohol mixture, etc.).

(b) EXTENSION OF REFUND AUTHORITY.—Paragraph (4) of section 6427(f) (relating to refund for gasoline, diesel fuel, and aviation fuel used to produce certain alcohol fuels) is amended by striking "2007" and inserting "2011".

(c) CREDIT FOR ALCOHOL USED AS A FUEL.—Paragraph (1) of section 40(e) (relating to termination of credit for alcohol used as a fuel) is amended—

(1) by striking "December 31, 2007" in subparagraph (A) and inserting "December 31, 2011", and

(2) by striking "January 1, 2008" and inserting "January 1, 2012".

(d) TARIFF SCHEDULE.—Headings 9901.00.50 and 9901.00.52 of the Harmonized Tariff Schedule of the United States (19 U.S.C. 3007) are each amended in the effective period column by striking "10/1/2007" each place it appears and inserting "10/1/2011".

(e) REDUCED CREDIT FOR ETHANOL BLENDERS.—Section 40(h) (relating to reduced credit for ethanol blenders) is amended—

(1) by striking "2007" in paragraph (1) and inserting "2011", and

(2) by striking "2005, 2006, or 2007" in the table contained in paragraph (2) and inserting "2005 through 2011".

(f) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2002.

Subtitle H—Compliance With Congressional Budget Act

SEC. 971. REVENUE OFFSET

The Secretary of the Treasury shall adjust the top marginal rates of tax under section 1 of the Internal Revenue Code of 1986 (as amended by section 101 of this Act) to the extent necessary to offset in each fiscal year beginning before October 1, 2011, the decrease in revenues to the Treasury for that fiscal year resulting from the amendments made by this title.

SEC. 972. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

SA 718. Mr. BOND submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of subtitle A of title VIII add the following:

SEC. ___. DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS INCREASED.

(a) IN GENERAL.—Section 162(l)(1) (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

"(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, the taxpayer's spouse, and dependents.".

(b) CLARIFICATION OF LIMITATIONS ON OTHER COVERAGE.—The first sentence of section 162(l)(2)(B) (relating to other coverage) is amended to read as follows: "Paragraph (1) shall not apply to any taxpayer for any calendar month for which the taxpayer participates in any subsidized health plan maintained by any employer (other than an employer described in section 401(c)(4)) of the taxpayer or the spouse of the taxpayer.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SA 719. Mrs. CARNAHAN (for herself and Mr. DASCHLE) submitted an amendment intended to be proposed by her to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 9, strike lines 5 through 12 and insert the following:

"(2) REDUCTIONS IN RATES AFTER 2001.—

"(A) IN GENERAL.—Each rate of tax (other than the 10 percent rate) in the tables under subsections (a), (b), (c), (d), and (e) shall be reduced by 1 percentage point for taxable years beginning during a calendar year after the trigger year.

"(B) TRIGGER YEAR.—For purposes of subparagraph (A), the trigger year is—

"(i) 2002, in the case of the 15 percent rate,

"(ii) 2003, in the case of the 28 percent rate,

"(iii) 2004, in the case of the 31 percent rate,

"(iv) 2005, in the case of the 36 percent rate, and

"(v) 2006, in the case of the 39.6 percent rate.

"(C) NO INCREASE IN REFUNDABLE CREDITS.—In determining the portion of any credit under subpart C of part IV (relating to refundable credits) which is treated as an overpayment of tax under section 6404, there shall be disregarded any increase in such portion solely by reason of any reduction in rates under subparagraph (A) as described in clause (i) or (ii) of subparagraph (B).

"(3) ADJUSTMENT OF TABLES.—The Secretary".

SA 720. Mr. BAYH submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 44, between lines 9 and 10, insert the following:

SEC. 411A. CERTAIN POSTSECONDARY EDUCATIONAL BENEFITS PROVIDED BY AN EMPLOYER TO CHILDREN OF EMPLOYEES EXCLUDABLE FROM GROSS INCOME UNDER EDUCATIONAL ASSISTANCE PROGRAMS.

(a) IN GENERAL.—Section 127 (relating to educational assistance programs), as amended by section 411, is amended by redesignating subsection (d) as subsection (e) and inserting after subsection (c) the following:

"(d) POST SECONDARY EDUCATIONAL BENEFITS PROVIDED TO CHILDREN OF EMPLOYEES.—

"(1) IN GENERAL —For purposes of this section, educational assistance provided by the employer to a child (as defined in section 151(c)(3)) of an employee of such employer pursuant to an educational assistance program shall be treated as educational assistance provided for the exclusive benefit of the employee.

"(2) DOLLAR LIMITATIONS.—The amount excluded from the gross income of the employee by reason of paragraph (1) for a taxable year with respect to amounts provided to each child of such employee shall not exceed $2,000.

"(3) LIMITATION ON EDUCATIONAL ASSISTANCE.—Paragraph (1) shall only apply to expenses paid or incurred in connection with the enrollment or attendance of a child of an employee at an educational institution described in section 529(e)(5).".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of enactment of this Act.

SA 721. Mr. KERRY submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 9, between lines 11 and 12, strike the table and insert the following:

"In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:			
	28%	31%	36%	39.6%
2002, 2003, and 2004 ..	27%	30%	35%	39.1%
2005 and 2006	26%	29%	34%	39.1%
2007 and 2008	25%	28%	33%	39%
2009 and 2010	25%	28%	33%	38%

"In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:			
	28%	31%	36%	39.6%
2011 and thereafter ..	25%	28%	33%	37%

Strike section 701 and insert:

SEC. 701. ALTERNATIVE MINIMUM TAX EXEMPTION FOR CERTAIN INDIVIDUAL TAXPAYERS.

(a) EXEMPTION.—Section 55 (relating to imposition of alternative minimum tax) is amended by adding at the end the following:

"(f) EXEMPTION FOR CERTAIN INDIVIDUALS.—

"(1) REDUCTION IN TENTATIVE MINIMUM TAX.—

"(A) IN GENERAL.—In the case of an individual, the tentative minimum tax for any taxable year (determined without regard to this subsection) shall be reduced by the applicable percentage.

"(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage with respect to a taxpayer is 100 percent reduced (but not below zero) by 10 percentage points for each $1,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds $100,000.

"(2) PROSPECTIVE APPLICATION IF SUBSECTION CEASES TO APPLY.—If paragraph (1) applies to a taxpayer for any taxable year and then ceases to apply to a subsequent taxable year, the rules of paragraphs (2) through (5) of subsection (e) shall apply to the taxpayer to the extent such rules are applicable to individuals."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

SA 722. Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

Strike all after the first word and insert the following:

1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the "Economic Stimulus Tax Cut Act of 2001".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) SECTION 15 NOT TO APPLY.—No amendment made by this Act shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

(d) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; etc.

TITLE I—INDIVIDUAL INCOME AND EMPLOYMENT TAXES

Subtitle A—In General

Sec. 101. Refund of individual income and employment taxes.
Sec. 102. Reduction in income tax rates for individuals.

Subtitle B—Compliance With Congressional Budget Act

Sec. 111. Sunset of provisions of title.

TITLE II—CHILD TAX CREDIT

Subtitle A—In General

Sec. 201. Modifications to child tax credit.

Subtitle B—Compliance With Congressional Budget Act

Sec. 211. Sunset of provisions of title.

TITLE III—MARRIAGE PENALTY RELIEF

Subtitle A—In General

Sec. 301. Elimination of marriage penalty in standard deduction.
Sec. 302. Marriage penalty relief for earned income credit; earned income to include only amounts includible in gross income; simplification of earned income credit.

Subtitle B—Compliance With Congressional Budget Act

Sec. 311. Sunset of provisions of title.

TITLE IV—AFFORDABLE EDUCATION PROVISIONS

Subtitle A—Education Savings Incentives

Sec. 401. Modifications to qualified tuition programs.

Subtitle B—Educational Assistance

Sec. 411. Permanent extension of exclusion for employer-provided educational assistance.
Sec. 412. Elimination of 60-month limit and increase in income limitation on student loan interest deduction.
Sec. 413. Exclusion of certain amounts received under the National Health Service Corps Scholarship Program and the F. Edward Hebert Armed Forces Health Professions Scholarship and Financial Assistance Program.

Subtitle C—Liberalization of Tax-Exempt Financing Rules for Public School Construction

Sec. 421. Expansion of incentives for public schools.
Sec. 422. Application of certain labor standards on construction projects financed under public school modernization program.
Sec. 423. Employment and training activities relating to construction or reconstruction of public school facilities.

Subtitle D—Indian School Construction Act

Sec. 431. Indian school construction.

Subtitle E—Other Provisions

Sec. 441. Deduction for higher education expenses.

Subtitle F—Compliance With Congressional Budget Act

Sec. 451. Sunset of provisions of title.

TITLE V—ESTATE, GIFT, AND GENERATION-SKIPPING TRANSFER TAX PROVISIONS

Sec. 501. Increase in amount of unified credit against estate and gift taxes.
Sec. 502. Increase in qualified family-owned business interest deduction amount.
Sec. 503. Sunset of provisions of title.

TITLE VI—PENSION AND INDIVIDUAL RETIREMENT ARRANGEMENT PROVISIONS

Subtitle A—Individual Retirement Accounts

Sec. 601. Modification of IRA contribution limits.
Sec. 602. Deemed IRAs under employer plans.
Sec. 603. Tax-free distributions from individual retirement accounts for charitable purposes.

Subtitle B—Expanding Coverage

Sec. 611. Plan loans for subchapter S owners, partners, and sole proprietors.
Sec. 612. Modification of top-heavy rules.
Sec. 613. Elective deferrals not taken into account for purposes of deduction limits.
Sec. 614. Repeal of coordination requirements for deferred compensation plans of State and local governments and tax-exempt organizations.
Sec. 615. Deduction limits.
Sec. 616. Option to treat elective deferrals as after-tax Roth contributions.
Sec. 617. Nonrefundable credit to certain individuals for elective deferrals and IRA contributions.
Sec. 618. Credit for qualified pension plan contributions of small employers.
Sec. 619. Credit for pension plan startup costs of small employers.
Sec. 620. Elimination of user fee for requests to IRS regarding new pension plans.
Sec. 621. Treatment of nonresident aliens engaged in international transportation services.

Subtitle C—Enhancing Fairness for Women

Sec. 631. Equitable treatment for contributions of employees to defined contribution plans.
Sec. 632. Faster vesting of certain employer matching contributions.
Sec. 633. Modifications to minimum distribution rules.
Sec. 634. Clarification of tax treatment of division of section 457 plan benefits upon divorce.
Sec. 635. Provisions relating to hardship distributions.
Sec. 636. Waiver of tax on nondeductible contributions for domestic or similar workers.

Subtitle D—Increasing Portability for Participants

Sec. 641. Rollovers allowed among various types of plans.
Sec. 642. Rollovers of IRAs into workplace retirement plans.
Sec. 643. Rollovers of after-tax contributions.
Sec. 644. Hardship exception to 60-day rule.
Sec. 645. Treatment of forms of distribution.
Sec. 646. Rationalization of restrictions on distributions.
Sec. 647. Purchase of service credit in governmental defined benefit plans.
Sec. 648. Employers may disregard rollovers for purposes of cash-out amounts.
Sec. 649. Minimum distribution and inclusion requirements for section 457 plans.

Subtitle E—Strengthening Pension Security and Enforcement

PART I—GENERAL PROVISIONS

Sec. 651. Repeal of 160 percent of current liability funding limit.
Sec. 652. Maximum contribution deduction rules modified and applied to all defined benefit plans.
Sec. 653. Excise tax relief for sound pension funding.
Sec. 654. Treatment of multiemployer plans under section 415.
Sec. 655. Protection of investment of employee contributions to 401(k) plans.
Sec. 656. Prohibited allocations of stock in S corporation ESOP.
Sec. 657. Automatic rollovers of certain mandatory distributions.
Sec. 658. Clarification of treatment of contributions to multiemployer plan.

PART II—TREATMENT OF PLAN AMENDMENTS REDUCING FUTURE BENEFIT ACCRUALS

Sec. 659. Notice required for pension plan amendments having the effect of significantly reducing future benefit accruals.

Subtitle F—Reducing Regulatory Burdens

Sec. 661. Modification of timing of plan valuations.
Sec. 662. ESOP dividends may be reinvested without loss of dividend deduction.
Sec. 663. Repeal of transition rule relating to certain highly compensated employees.
Sec. 664. Employees of tax-exempt entities.
Sec. 665. Clarification of treatment of employer-provided retirement advice.
Sec. 666. Reporting simplification.
Sec. 667. Improvement of employee plans compliance resolution system.
Sec. 668. Repeal of the multiple use test.
Sec. 669. Flexibility in nondiscrimination, coverage, and line of business rules.
Sec. 670. Extension to all governmental plans of moratorium on application of certain nondiscrimination rules applicable to State and local plans.

Subtitle G—Other ERISA Provisions

Sec. 681. Missing participants.
Sec. 682. Reduced PBGC premium for new plans of small employers.
Sec. 683. Reduction of additional PBGC premium for new and small plans.
Sec. 684. Authorization for PBGC to pay interest on premium overpayment refunds.
Sec. 685. Substantial owner benefits in terminated plans.

Subtitle H—Miscellaneous Provisions

Sec. 691. Tax treatment and information requirements of Alaska Native settlement trusts.

Subtitle I—Compliance With Congressional Budget Act

Sec. 695. Sunset of provisions of title.

TITLE VII—EXTENSIONS OF EXPIRING PROVISIONS

Subtitle A—In General

Sec. 701. Permanent extension of research credit.
Sec. 702. Work opportunity credit and welfare-to-work credit.
Sec. 703. Taxable income limit on percentage depletion for marginal production.
Sec. 704. Subpart F exemption for active financing income.
Sec. 705. Parity in the application of certain limits to mental health benefits.
Sec. 706. Deduction for clean-fuel vehicles and certain refueling property.
Sec. 707. Luxury tax on passenger vehicles.

Subtitle B—Compliance With Congressional Budget Act

Sec. 711. Sunset of provisions of title.

TITLE VIII—ALTERNATIVE MINIMUM TAX

Subtitle A—In General

Sec. 801. Alternative minimum tax exemption for certain individual taxpayers.

Subtitle B—Compliance With Congressional Budget Act

Sec. 811. Sunset of provisions of title.

TITLE IX—TAX RELIEF FOR ADOPTIVE PARENTS

Subtitle A—In General

Sec. 901. Expansion of adoption credit.

Subtitle B—Compliance With Congressional Budget Act

Sec. 911. Sunset of provisions of title.

TITLE X—SELF-EMPLOYED HEALTH INSURANCE DEDUCTION

Subtitle A—In General

Sec. 1001. Full deduction for health insurance costs of self-employed individuals.

Subtitle B—Compliance With Congressional Budget Act

Sec. 1011. Sunset of provisions of title.

TITLE XI—ENERGY SECURITY AND TAX INCENTIVE POLICY

Subtitle A—Energy-Efficient Property Used in Business

Sec. 1101. Credit for certain energy-efficient property used in business.
Sec. 1102. Energy-efficient commercial building property deduction.
Sec. 1103. Credit for energy-efficient appliances.

Subtitle B—Residential Energy Systems

Sec. 1111. Credit for construction of new energy-efficient home.
Sec. 1112. Credit for energy efficiency improvements to existing homes.
Sec. 1113. Credit for residential solar, wind, and fuel cell energy property.

Subtitle C—Electricity Facilities and Production

Sec. 1121. Incentive for distributed generation.
Sec. 1122. Modifications to credit for electricity produced from renewable and waste products.
Sec. 1123. Treatment of facilities using bagasse to produce energy as solid waste disposal facilities eligible for tax-exempt financing.
Sec. 1124. Depreciation of property used in the transmission of electricity.

Subtitle D—Tax Incentives for Ethanol Use

Sec. 1131. Small ethanol producer credit.
Sec. 1132. Additional tax incentives for ethanol use.

Subtitle E—Commuter Benefits Equity

Sec. 1141. Uniform dollar limitation for all types of transportation fringe benefits.
Sec. 1142. Clarification of Federal employee benefits.

Subtitle F—Tax Credit for Energy Conservation Expenditures.

Sec. 1151. Energy conservation expenditures.

Subtitle G—Hybrid Vehicle Incentive

Sec. 1161. Expansion of clean-fuel vehicle deduction to include hybrid vehicles.

Subtitle H—Compliance With Congressional Budget Act

Sec. 1171. Sunset of provisions of title.

TITLE XII—OTHER PROVISIONS

Subtitle A—In General

Sec. 1201. Expansion of authority to postpone certain tax-related deadlines by reason of presidentially declared disaster.

Subtitle B—Compliance With Congressional Budget Act

Sec. 1211. Sunset of provisions of title.

TITLE I—INDIVIDUAL INCOME AND EMPLOYMENT TAXES

Subtitle A—In General

SEC. 101. REFUND OF INDIVIDUAL INCOME AND EMPLOYMENT TAXES.

(a) IN GENERAL.—Subchapter B of chapter 65 (relating to rules of special application in the case of abatements, credits, and refunds) is amended by adding at the end the following new section:

“SEC. 6428. REFUND OF INDIVIDUAL INCOME AND EMPLOYMENT TAXES.

“(a) GENERAL RULE.—Except as otherwise provided in this section, each individual shall be treated as having made a payment against the tax imposed by chapter 1 for any taxable year beginning in 2001, in an amount equal to the lesser of—

“(1) the amount of the taxpayer's liability for tax for the taxpayer's last taxable year beginning in calendar year 2000, or

“(2) the taxpayer's applicable amount.

“(b) LIABILITY FOR TAX.—For purposes of this section, the liability for tax for the taxable year shall be the sum of—

“(1) the excess (if any) of—

“(A) the sum of—

“(i) the taxpayer's regular tax liability (within the meaning of section 26(b)) for the taxable year, and

“(ii) the tax imposed by section 55(a) with respect to such taxpayer for the taxable year, over

“(B) the sum of the credits allowable under part IV of subchapter A of chapter 1 (other than sections 31, 33, and 34) for the taxable year, and

“(2) the taxes imposed by sections 1401, 3101, 3111, 3201(a), 3211(a)(1), and 3221(a) on amounts received by the taxpayer for the taxable year.

“(c) APPLICABLE AMOUNT.—For purposes of this section—

“(1) IN GENERAL.—The applicable amount for any taxpayer shall be determined under the following table:

“In the case of a taxpayer described in:	**The applicable amount is:**
Section 1(a)	$600
Section 1(b)	$450
Section 1(c)	$300
Section 1(d)	$300
Paragraph (2)	$300.

“(2) TAXPAYERS WITH ONLY PAYROLL TAX LIABILITY.—A taxpayer is described in this paragraph if such taxpayer's liability for tax for the taxable year does not include any liability described in subsection (b)(1).

“(d) DATE PAYMENT DEEMED MADE.—

“(1) IN GENERAL.—The payment provided by this section shall be deemed made on the date of the enactment of this section.

“(2) REMITTANCE OF PAYMENT.—The Secretary shall remit to each taxpayer the payment described in paragraph (1) within 90 days after such date of enactment.

“(3) CLAIM FOR NONPAYMENT.—Any taxpayer who erroneously does not receive a payment described in paragraph (1) may make claim for such payment in a manner and at such time as the Secretary prescribes.

“(e) CERTAIN PERSONS NOT ELIGIBLE.—This section shall not apply to—

“(1) any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins,

“(2) any estate or trust, or

“(3) any nonresident alien individual.”.

(b) CONFORMING AMENDMENT.—Section 1324(b)(2) of title 31, United States Code, is amended by inserting before the period “, or enacted by the Economic Stimulus Tax Cut Act of 2001".

(c) Clerical Amendment.—The table of sections for subchapter B of chapter 65 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

"Sec. 6428. Refund of individual income and employment taxes.".

(d) Effective Date.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 102. REDUCTION IN INCOME TAX RATES FOR INDIVIDUALS.

(a) In General.—Section 1 is amended by adding at the end the following new subsection:

"(i) Rate Reductions After 2000.—

"(1) New lowest rate bracket.—

"(A) In general.—In the case of taxable years beginning after December 31, 2000—

"(i) the rate of tax under subsections (a), (b), (c), and (d) on taxable income not over the initial bracket amount shall be 10 percent (12.5 percent in taxable years beginning in 2001), and

"(ii) the 15 percent rate of tax shall apply only to taxable income over the initial bracket amount.

"(B) Initial bracket amount.—For purposes of this subsection, the initial bracket amount is—

"(i) $12,000 in the case of subsection (a),

"(ii) $10,000 in the case of subsection (b), and

"(iii) ½ the amount applicable under clause (i) in the case of subsections (c) and (d).

"(C) Inflation adjustment.—In prescribing the tables under subsection (f) which apply with respect to taxable years beginning in calendar years after 2001—

"(i) the Secretary shall make no adjustment to the initial bracket amount for any taxable year beginning before January 1, 2003,

"(ii) the cost-of-living adjustment used in making adjustments to the initial bracket amount for any taxable year beginning after December 31, 2002, shall be determined under subsection (f)(3) by substituting '2001' for '1992' in subparagraph (B) thereof, and

"(iii) such adjustment shall not apply to the amount referred to in subparagraph (B)(iii).

If any amount after adjustment under the preceding sentence is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.

"(2) Adjustment of tables.—The Secretary shall adjust the tables prescribed under subsection (f) to carry out this subsection.".

(b) Determination of Withholding Tables.—Section 3402(a) of the Internal Revenue Code of 1986 (relating to requirement of withholding) is amended by adding at the following new paragraph:

"(3) Changes made by section 102 of the Economic Stimulus Tax Cut Act of 2001.—Notwithstanding the provisions of this subsection, the Secretary shall modify the tables and procedures under paragraph (1) to reflect the amendments made by section 102 of the Economic Stimulus Tax Cut Act of 2001, and such modification shall take effect on July 1, 2001, as if the lowest rate of tax under section 1 (as amended by such section 102) was a 10-percent rate effective on such date.".

(c) Conforming Amendments.—

(1) Subparagraph (B) of section 1(g)(7) of the Internal Revenue Code of 1986 is amended—

(A) by striking "15 percent" in clause (ii)(II) and inserting "the first bracket percentage", and

(B) by adding at the end the following flush sentence:

"For purposes of clause (ii), the first bracket percentage is the percentage applicable to the lowest income bracket in the table under subsection (c).".

(2) Section 1(h) of such Code is amended by striking paragraph (13).

(3) Section 15 of such Code is amended by adding at the end the following new subsection:

"(f) Rate Reductions Enacted by Economic Stimulus Tax Cut Act of 2001.—This section shall not apply to any change in rates under subsection (i) of section 1 (relating to rate reductions in 2001).".

(4) Section 3402(p)(2) of such Code is amended by striking "equal to 15 percent of such payment" and inserting "equal to the product of the lowest rate of tax under section 1(c) and such payment".

(d) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) Amendments to withholding provision.—The amendments made by subsection (b) and subsection (c)(4) shall apply to amounts paid after June 30, 2001.

Subtitle B—Compliance With Congressional Budget Act

SEC. 111. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE II—CHILD TAX CREDIT

Subtitle A—In General

SEC. 201. MODIFICATIONS TO CHILD TAX CREDIT.

(a) Increase in Per Child Amount.—

(1) In general.—Subsection (a) of section 24 (relating to child tax credit) is amended to read as follows:

"(a) Allowance of Credit.—

"(1) In general.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year with respect to each qualifying child of the taxpayer an amount equal to the per child amount.

"(2) Per child amount.—For purposes of paragraph (1), the per child amount shall be determined as follows:

"In the case of any taxable year beginning in—	The per child amount is—
2002, 2003, 2004, 2005, 2006, or 2007	$600
2008	700
2009	800
2010	900
2011 or thereafter	1,000.".

(2) Inflation adjustment.—

"(g) Inflation Adjustment.—In the case of any taxable year beginning after 2001, any dollar amount contained in subsection (a)(2) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section (1)(f)(3) for the calendar year in which the taxable year begins, by substituting "calendar year 2000" for "calendar year 1992.".

(b) Credit Allowed Against Alternative Minimum Tax.—

(1) In general.—Subsection (b) of section 24 (relating to child tax credit) is amended by adding at the end the following new paragraph:

"(3) Limitation based on amount of tax.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

"(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

"(B) the sum of the credits allowable under this subpart (other than this section) and section 27 for the taxable year.".

(2) Conforming amendments.—

(A) The heading for section 24(b) is amended to read as follows: "Limitations.—".

(B) The heading for section 24(b)(1) is amended to read as follows: "Limitation based on adjusted gross income.—".

(C) Section 24(d) is amended—

(i) by striking "section 26(a)" each place it appears and inserting "subsection (b)(3)", and

(ii) in paragraph (1)(B) by striking "aggregate amount of credits allowed by this subpart" and inserting "amount of credit allowed by this section".

(D) Paragraph (1) of section 26(a) is amended by inserting "(other than section 24)" after "this subpart".

(E) Subsection (c) of section 23 is amended by striking "and section 1400C" and inserting "and sections 24 and 1400C".

(F) Subparagraph (C) of section 25(e)(1) is amended by inserting ", 24," after "sections 23".

(G) Section 904(h) is amended by inserting "(other than section 24)" after "chapter".

(H) Subsection (d) of section 1400C is amended by inserting "and section 24" after "this section".

(c) Refundable Child Credit.—

(1) In general.—So much of section 24(d) (relating to additional credit for families with 3 or more children) as precedes paragraph (2) is amended to read as follows:

"(d) Portion of Credit Refundable.—

"(1) In general.—The aggregate credits allowed to a taxpayer under subpart C shall be increased by the lesser of—

"(A) the credit which would be allowed under this section without regard to this subsection and the limitation under subsection (b)(3), or

"(B) the amount by which the amount of credit allowed by this section (determined without regard to this subsection) would increase if the limitation imposed by subsection (b)(3) were increased by—

"(i) in the case of a taxpayer not described in clause (ii), 15 percent of so much of the taxpayer's earned income (within the meaning of section 32) for the taxable year as exceeds $8,000, and

"(ii) in the case of a taxpayer with 3 or more qualifying children, the excess (if any) of—

"(I) the taxpayer's social security taxes for the taxable year, over

"(II) the credit allowed under section 32 for the taxable year.

The amount of the credit allowed under this subsection shall not be treated as a credit allowed under this subpart and shall reduce the amount of credit otherwise allowable under subsection (a) without regard to subsection (b)(3).".

(2) Conforming amendment.—Section 32 is amended by striking subsection (n).

(d) Elimination of Reduction of Credit to Taxpayer Subject to Alternative Minimum Tax Provision.—Section 24(d) is amended—

(1) by striking paragraph (2), and

(2) by redesignating paragraph (3) as paragraph (2).

(e) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

Subtitle B—Compliance With Congressional Budget Act

SEC. 211. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE III—MARRIAGE PENALTY RELIEF

Subtitle A—In General

SEC. 301. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) In General.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(1) by striking "$5,000" in subparagraph (A) and inserting "the applicable percentage of the dollar amount in effect under subparagraph (C) for the taxable year";

(2) by adding "or" at the end of subparagraph (B);

(3) by striking "in the case of" and all that follows in subparagraph (C) and inserting "in any other case."; and

(4) by striking subparagraph (D).

(b) Applicable Percentage.—Section 63(c) (relating to standard deduction) is amended by adding at the end the following new paragraph:

"(7) Applicable percentage.—For purposes of paragraph (2), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in calendar year—	**The applicable percentage is—**
2002	174
2003	180
2004	187
2005	193
2006 and thereafter	200.".

(c) Technical Amendments.—

(1) Subparagraph (B) of section 1(f)(6) is amended by striking "(other than with" and all that follows through "shall be applied" and inserting "(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied".

(2) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

"The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).".

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. 302. MARRIAGE PENALTY RELIEF FOR EARNED INCOME CREDIT; EARNED INCOME TO INCLUDE ONLY AMOUNTS INCLUDIBLE IN GROSS INCOME; SIMPLIFICATION OF EARNED INCOME CREDIT.

(a) Increased Phaseout Amount.—

(1) In general.—Section 32(b)(2) (relating to amounts) is amended—

(A) by striking "Amounts.—The earned" and inserting "Amounts.—

"(A) In general.—Subject to subparagraph (B), the earned", and

(B) by adding at the end the following new subparagraph:

"(B) Joint returns.—In the case of a joint return filed by an eligible individual and such individual's spouse, the phaseout amount determined under subparagraph (A). shall be increased by $3,500.".

(2) Inflation adjustment.—Paragraph (1)(B) of section 32(j) (relating to inflation adjustments) is amended to read as follows:

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined—

"(i) in the case of amounts in subsections (b)(2)(A) and (i)(1), by substituting 'calendar year 1995' for 'calendar year 1992' in subparagraph (B) thereof, and

"(ii) in the case of the $3,500 amount in subsection (b)(2)(B), by substituting 'calendar year 2001' for 'calendar year 1992' in subparagraph (B) of such section 1.".

(3) Rounding.—Section 32(j)(2)(A) (relating to rounding) is amended by striking "subsection (b)(2)" and inserting "subsection (b)(2)(A) (after being increased under subparagraph (B) thereof)".

(b) Earned Income To Include Only Amounts Includible in Gross Income.—Clause (i) of section 32(c)(2)(A) (defining earned income) is amended by inserting ", but only if such amounts are includible in gross income for the taxable year" after "other employee compensation".

(c) Repeal of Reduction of Credit to Taxpayers Subject to Alternative Minimum Tax.—Section 32(h) is repealed.

(d) Replacement of Modified Adjusted Gross Income With Adjusted Gross Income.—

(1) In general.—Section 32(a)(2)(B) is amended by striking "modified".

(2) Conforming amendments.—

(A) Section 32(c) is amended by striking paragraph (5).

(B) Section 32(f)(2)(B) is amended by striking "modified" each place it appears.

(e) Relationship Test.—

(1) In general.—Clause (i) of section 32(c)(3)(B) (relating to relationship test) is amended to read as follows:

"(i) In general.—An individual bears a relationship to the taxpayer described in this subparagraph if such individual is—

"(I) a son, daughter, stepson, or stepdaughter, or a descendant of any such individual,

"(II) a brother, sister, stepbrother, or stepsister, or a descendant of any such individual, who the taxpayer cares for as the taxpayer's own child, or

"(III) an eligible foster child of the taxpayer.".

(2) Eligible foster child.—

(A) In general.—Clause (iii) of section 32(c)(3)(B) is amended to read as follows:

"(iii) Eligible foster child.—For purposes of clause (i), the term 'eligible foster child' means an individual not described in subclause (I) or (II) of clause (i) who—

"(I) is placed with the taxpayer by an authorized placement agency, and

"(II) the taxpayer cares for as the taxpayer's own child.".

(B) Conforming amendment.—Section 32(c)(3)(A)(ii) is amended by striking "except as provided in subparagraph (B)(iii),".

(f) 2 or More Claiming Qualifying Child.—Section 32(c)(1)(C) is amended to read as follows:

"(C) 2 or more claiming qualifying child.—

"(i) In general.—Except as provided in clause (ii), if (but for this paragraph) an individual may be claimed, and is claimed, as a qualifying child by 2 or more taxpayers for a taxable year beginning in the same calendar year, such individual shall be treated as the qualifying child of the taxpayer who is—

"(I) a parent of the individual, or

"(II) if subclause (I) does not apply, the taxpayer with the highest adjusted gross income for such taxable year.

"(ii) More than 1 claiming credit.—If the parents claiming the credit with respect to any qualifying child do not file a joint return together, such child shall be treated as the qualifying child of—

"(I) the parent with whom the child resided for the longest period of time during the taxable year, or

"(II) if the child resides with both parents for the same amount of time during such taxable year, the parent with the highest adjusted gross income.".

(g) Expansion of Mathematical Error Authority.—Paragraph (2) of section 6213(g) is amended by striking "and" at the end of subparagraph (K), by striking the period at the end of subparagraph (L) and inserting ", and", and by inserting after subparagraph (L) the following new subparagraph:

"(M) the entry on the return claiming the credit under section 32 with respect to a child if, according to the Federal Case Registry of Child Support Orders established under section 453(h) of the Social Security Act, the taxpayer is a noncustodial parent of such child."

(h) Effective Dates.—

(1) In general.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(2) Subsection (g).—The amendment made by subsection (g) shall take effect on January 1, 2004.

Subtitle B—Compliance With Congressional Budget Act

SEC. 311. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE IV—AFFORDABLE EDUCATION PROVISIONS

Subtitle A—Education Savings Incentives

SEC. 401. MODIFICATIONS TO QUALIFIED TUITION PROGRAMS.

(a) Eligible Educational Institutions Permitted To Maintain Qualified Tuition Programs.—

(1) In general.—Section 529(b)(1) (defining qualified State tuition program) is amended—

(A) by inserting "or by 1 or more eligible educational institutions" after "maintained by a State or agency or instrumentality thereof" in the matter preceding subparagraph (A), and

(B) by adding at the end the following new flush sentence:

"Except to the extent provided in regulations, a program established and maintained by 1 or more eligible educational institutions shall not be treated as a qualified tuition program unless such program has received a ruling or determination that such program meets the applicable requirements for a qualified tuition program.".

(2) Private qualified tuition programs limited to benefit plans.—Clause (ii) of section 529(b)(1)(A) is amended by inserting "in the case of a program established and maintained by a State or agency or instrumentality thereof," before "may make".

(3) Conforming amendments.—

(A) Sections 72(e)(9), 135(c)(2)(C), 135(d)(1)(D), 529, 530(b)(2)(B), 4973(e), and 6693(a)(2)(C) are amended by striking "qualified State tuition" each place it appears and inserting "qualified tuition".

(B) The headings for sections 72(e)(9) and 135(c)(2)(C) are amended by striking "QUALIFIED STATE TUITION" each place it appears and inserting "QUALIFIED TUITION".

(C) The headings for sections 529(b) and 530(b)(2)(B) are amended by striking "QUALIFIED STATE TUITION" each place it appears and inserting "QUALIFIED TUITION".

(D) The heading for section 529 is amended by striking "state".

(E) The item relating to section 529 in the table of sections for part VIII of subchapter F of chapter 1 is amended by striking "State".

(b) EXCLUSION FROM GROSS INCOME OF EDUCATION DISTRIBUTIONS FROM QUALIFIED TUITION PROGRAMS.—

(1) IN GENERAL.—Section 529(c)(3)(B) (relating to distributions) is amended to read as follows:

"(B) DISTRIBUTIONS FOR QUALIFIED HIGHER EDUCATION EXPENSES.—For purposes of this paragraph—

"(i) IN-KIND DISTRIBUTIONS.—No amount shall be includible in gross income under subparagraph (A) by reason of a distribution which consists of providing a benefit to the distributee which, if paid for by the distributee, would constitute payment of a qualified higher education expense.

"(ii) CASH DISTRIBUTIONS.—In the case of distributions not described in clause (i), if—

"(I) such distributions do not exceed the qualified higher education expenses (reduced by expenses described in clause (i)), no amount shall be includible in gross income, and

"(II) in any other case, the amount otherwise includible in gross income shall be reduced by an amount which bears the same ratio to such amount as such expenses bear to such distributions.

"(iii) EXCEPTION FOR INSTITUTIONAL PROGRAMS.—In the case of any taxable year beginning before January 1, 2004, clauses (i) and (ii) shall not apply with respect to any distribution during such taxable year under a qualified tuition program established and maintained by 1 or more eligible educational institutions.

"(iv) TREATMENT AS DISTRIBUTIONS.—Any benefit furnished to a designated beneficiary under a qualified tuition program shall be treated as a distribution to the beneficiary for purposes of this paragraph.

"(v) COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS.—The total amount of qualified higher education expenses with respect to an individual for the taxable year shall be reduced—

"(I) as provided in section 25A(g)(2), and

"(II) by the amount of such expenses which were taken into account in determining the credit allowed to the taxpayer or any other person under section 25A.

"(vi) COORDINATION WITH EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.—If, with respect to an individual for any taxable year—

"(I) the aggregate distributions to which clauses (i) and (ii) and section 530(d)(2)(A) apply, exceed

"(II) the total amount of qualified higher education expenses otherwise taken into account under clauses (i) and (ii) (after the application of clause (v)) for such year,

the taxpayer shall allocate such expenses among such distributions for purposes of determining the amount of the exclusion under clauses (i) and (ii) and section 530(d)(2)(A).".

(2) CONFORMING AMENDMENTS.—

(A) Section 135(d)(2)(B) is amended by striking "the exclusion under section 530(d)(2)" and inserting "the exclusions under sections 529(c)(3)(B) and 530(d)(2)".

(B) Section 221(e)(2)(A) is amended by inserting "529," after "135,".

(c) ROLLOVER TO DIFFERENT PROGRAM FOR BENEFIT OF SAME DESIGNATED BENEFICIARY.—Section 529(c)(3)(C) (relating to change in beneficiaries) is amended—

(1) by striking "transferred to the credit" in clause (i) and inserting "transferred—

"(I) to another qualified tuition program for the benefit of the designated beneficiary, or

"(II) to the credit",

(2) by adding at the end the following new clause:

"(iii) LIMITATION ON CERTAIN ROLLOVERS.—Clause (i)(I) shall only apply to the first 3 transfers with respect to a designated beneficiary.", and

(3) by inserting "OR PROGRAMS" after "BENEFICIARIES" in the heading.

(d) MEMBER OF FAMILY INCLUDES FIRST COUSIN.—Section 529(e)(2) (defining member of family) is amended by striking "and" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and by inserting "; and", and by adding at the end the following new subparagraph:

"(D) any first cousin of such beneficiary.".

(e) ADJUSTMENT OF LIMITATION ON ROOM AND BOARD DISTRIBUTIONS.—Section 529(e)(3)(B)(ii) is amended to read as follows:

"(ii) LIMITATION.—The amount treated as qualified higher education expenses by reason of clause (i) shall not exceed—

"(I) the allowance (applicable to the student) for room and board included in the cost of attendance (as defined in section 472 of the Higher Education Act of 1965 (20 U.S.C. 1087ll), as in effect on the date of the enactment of the Economic Stimulus Tax Cut Act of 2001) as determined by the eligible educational institution for such period, or

"(II) if greater, the actual invoice amount the student residing in housing owned or operated by the eligible educational institution is charged by such institution for room and board costs for such period.".

(f) TECHNICAL AMENDMENTS.—Section 529(c)(3)(D) is amended—

(1) by inserting "except to the extent provided by the Secretary," before "all distributions" in clause (ii), and

(2) by inserting "except to the extent provided by the Secretary," before "the value" in clause (iii).

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

Subtitle B—Educational Assistance

SEC. 411. PERMANENT EXTENSION OF EXCLUSION FOR EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE.

(a) IN GENERAL.—Section 127 (relating to exclusion for educational assistance programs) is amended by striking subsection (d) and by redesignating subsection (e) as subsection (d).

(b) REPEAL OF LIMITATION ON GRADUATE EDUCATION.—The last sentence of section 127(c)(1) is amended by striking ", and such term also does not include any payment for, or the provision of any benefits with respect to, any graduate level course of a kind normally taken by an individual pursuing a program leading to a law, business, medical, or other advanced academic or professional degree".

(c) CONFORMING AMENDMENT.—Section 51A(b)(5)(B)(iii) is amended by striking "or would be so excludable but for section 127(d)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to expenses relating to courses beginning after December 31, 2001.

SEC. 412. ELIMINATION OF 60-MONTH LIMIT AND INCREASE IN INCOME LIMITATION ON STUDENT LOAN INTEREST DEDUCTION.

(a) ELIMINATION OF 60-MONTH LIMIT.—

(1) IN GENERAL.—Section 221 (relating to interest on education loans), as amended by section 402(b)(2)(B), is amended by striking subsection (d) and by redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively.

(2) CONFORMING AMENDMENT.—Section 6050S(e) is amended by striking "section 221(e)(1)" and inserting "section 221(d)(1)".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to any loan interest paid after December 31, 2001, in taxable years ending after such date.

(b) INCREASE IN INCOME LIMITATION.—

(1) IN GENERAL.—Section 221(b)(2)(B) (relating to amount of reduction) is amended by striking clauses (i) and (ii) and inserting the following:

"(i) the excess of—

"(I) the taxpayer's modified adjusted gross income for such taxable year, over

"(II) $50,000 ($100,000 in the case of a joint return), bears to

"(ii) $15,000 ($30,000 in the case of a joint return).".

(2) CONFORMING AMENDMENT.—Section 221(g)(1) is amended by striking "$40,000 and $60,000 amounts" and inserting "$50,000 and $100,000 amounts".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after December 31, 2001.

SEC. 413. EXCLUSION OF CERTAIN AMOUNTS RECEIVED UNDER THE NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP PROGRAM AND THE F. EDWARD HEBERT ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM.

(a) IN GENERAL.—Section 117(c) (relating to the exclusion from gross income amounts received as a qualified scholarship) is amended—

(1) by striking "Subsections (a)" and inserting the following:

"(1) IN GENERAL.—Except as provided in paragraph (2), subsections (a)", and

(2) by adding at the end the following new paragraph:

"(2) EXCEPTIONS.—Paragraph (1) shall not apply to any amount received by an individual under—

"(A) the National Health Service Corps Scholarship Program under section 338A(g)(1)(A) of the Public Health Service Act, or

"(B) the Armed Forces Health Professions Scholarship and Financial Assistance program under subchapter I of chapter 105 of title 10, United States Code.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to amounts received in taxable years beginning after December 31, 2001.

Subtitle C—Liberalization of Tax-Exempt Financing Rules for Public School Construction

SEC. 421. EXPANSION OF INCENTIVES FOR PUBLIC SCHOOLS.

(a) IN GENERAL.—Chapter 1 is amended by adding at the end the following new subchapter:

"Subchapter Y—Public School Modernization Provisions

"Sec. 1400K. Credit to holders of qualified public school modernization bonds.

"Sec. 1400L. Qualified school construction bonds.

"Sec. 1400M. Qualified zone academy bonds.

"SEC. 1400K. CREDIT TO HOLDERS OF QUALIFIED PUBLIC SCHOOL MODERNIZATION BONDS.

"(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds a qualified public school modernization bond on a credit allowance date of such bond which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to credit allowance dates during such year on which the taxpayer holds such bond.

"(b) Amount of Credit.—

"(1) In general.—The amount of the credit determined under this subsection with respect to any credit allowance date for a qualified public school modernization bond is 25 percent of the annual credit determined with respect to such bond.

"(2) Annual credit.—The annual credit determined with respect to any qualified public school modernization bond is the product of—

"(A) the applicable credit rate, multiplied by

"(B) the outstanding face amount of the bond.

"(3) Applicable credit rate.—For purposes of paragraph (1), the applicable credit rate with respect to an issue is the rate equal to an average market yield (as of the day before the date of issuance of the issue) on outstanding long-term corporate debt obligations (determined under regulations prescribed by the Secretary).

"(4) Special rule for issuance and redemption.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed.

"(c) Limitation Based on Amount of Tax.—

"(1) In general.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

"(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

"(B) the sum of the credits allowable under part IV of subchapter A (other than subpart C thereof, relating to refundable credits).

"(2) Carryover of unused credit.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

"(d) Qualified Public School Modernization Bond; Credit Allowance Date.—For purposes of this section—

"(1) Qualified public school modernization bond.—The term 'qualified public school modernization bond' means—

"(A) a qualified zone academy bond, and

"(B) a qualified school construction bond.

"(2) Credit allowance date.—The term 'credit allowance date' means—

"(A) March 15,

"(B) June 15,

"(C) September 15, and

"(D) December 15.

Such term includes the last day on which the bond is outstanding.

"(e) Other Definitions.—For purposes of this subchapter—

"(1) Local educational agency.—The term 'local educational agency' has the meaning given to such term by section 14101 of the Elementary and Secondary Education Act of 1965. Such term includes the local educational agency that serves the District of Columbia but does not include any other State agency.

"(2) Bond.—The term 'bond' includes any obligation.

"(3) State.—The term 'State' includes the District of Columbia and any possession of the United States.

"(4) Public school facility.—The term 'public school facility' shall not include—

"(A) any stadium or other facility primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public, or

"(B) any facility which is not owned by a State or local government or any agency or instrumentality of a State or local government.

"(f) Credit Included in Gross Income.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

"(g) Recapture of Portion of Credit Where Cessation of Compliance.—

"(1) In general.—If any bond which when issued purported to be a qualified public school modernization bond ceases to be a qualified public school modernization bond, the issuer shall pay to the United States (at the time required by the Secretary) an amount equal to the sum of—

"(A) the aggregate of the credits allowable under this section with respect to such bond (determined without regard to subsection (c)) for taxable years ending during the calendar year in which such cessation occurs and the 2 preceding calendar years, and

"(B) interest at the underpayment rate under section 6621 on the amount determined under subparagraph (A) for each calendar year for the period beginning on the first day of such calendar year.

"(2) Failure to pay.—If the issuer fails to timely pay the amount required by paragraph (1) with respect to such bond, the tax imposed by this chapter on each holder of any such bond which is part of such issue shall be increased (for the taxable year of the holder in which such cessation occurs) by the aggregate decrease in the credits allowed under this section to such holder for taxable years beginning in such 3 calendar years which would have resulted solely from denying any credit under this section with respect to such issue for such taxable years.

"(3) Special rules.—

"(A) Tax benefit rule.—The tax for the taxable year shall be increased under paragraph (2) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

"(B) No credits against tax.—Any increase in tax under paragraph (2) shall not be treated as a tax imposed by this chapter for purposes of determining—

"(i) the amount of any credit allowable under this part, or

"(ii) the amount of the tax imposed by section 55.

"(h) Bonds Held by Regulated Investment Companies.—If any qualified public school modernization bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

"(i) Credits May Be Stripped.—Under regulations prescribed by the Secretary—

"(1) In general.—There may be a separation (including at issuance) of the ownership of a qualified public school modernization bond and the entitlement to the credit under this section with respect to such bond. In case of any such separation, the credit under this section shall be allowed to the person who on the credit allowance date holds the instrument evidencing the entitlement to the credit and not to the holder of the bond.

"(2) Certain rules to apply.—In the case of a separation described in paragraph (1), the rules of section 1286 shall apply to the qualified public school modernization bond as if it were a stripped bond and to the credit under this section as if it were a stripped coupon.

"(j) Treatment for Estimated Tax Purposes.—Solely for purposes of sections 6654 and 6655, the credit allowed by this section to a taxpayer by reason of holding a qualified public school modernization bonds on a credit allowance date shall be treated as if it were a payment of estimated tax made by the taxpayer on such date.

"(k) Credit May Be Transferred.—Nothing in any law or rule of law shall be construed to limit the transferability of the credit allowed by this section through sale and repurchase agreements.

"(l) Reporting.—Issuers of qualified public school modernization bonds shall submit reports similar to the reports required under section 149(e).

"(m) Termination.—This section shall not apply to any bond issued after September 30, 2006.

"SEC. 1400L. QUALIFIED SCHOOL CONSTRUCTION BONDS.

"(a) Qualified School Construction Bond.—For purposes of this subchapter, the term 'qualified school construction bond' means any bond issued as part of an issue if—

"(1) 95 percent or more of the proceeds of such issue are to be used for the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed with part of the proceeds of such issue,

"(2) the bond is issued by a State or local government within the jurisdiction of which such school is located,

"(3) the issuer designates such bond for purposes of this section, and

"(4) the term of each bond which is part of such issue does not exceed 15 years.

"(b) Limitation on Amount of Bonds Designated.—The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (a) by any issuer shall not exceed the sum of—

"(1) the limitation amount allocated under subsection (d) for such calendar year to such issuer, and

"(2) if such issuer is a large local educational agency (as defined in subsection (e)(4)) or is issuing on behalf of such an agency, the limitation amount allocated under subsection (e) for such calendar year to such agency.

"(c) National Limitation on Amount of Bonds Designated.—There is a national qualified school construction bond limitation for each calendar year. Such limitation is—

"(1) $11,000,000,000 for 2002,

"(2) $11,000,000,000 for 2003, and

"(3) except as provided in subsection (f), zero after 2003.

"(d) 60 Percent of Limitation Allocated Among States.—

"(1) In general.—60 percent of the limitation applicable under subsection (c) for any calendar year shall be allocated by the Secretary among the States in proportion to the respective numbers of children in each State who have attained age 5 but not age 18 for the most recent fiscal year ending before such calendar year. The limitation amount allocated to a State under the preceding sentence shall be allocated by the State to issuers within such State.

“(2) MINIMUM ALLOCATIONS TO STATES.—

“(A) IN GENERAL.—The Secretary shall adjust the allocations under this subsection for any calendar year for each State to the extent necessary to ensure that the sum of—

“(i) the amount allocated to such State under this subsection for such year, and

“(ii) the aggregate amounts allocated under subsection (e) to large local educational agencies in such State for such year,

is not less than an amount equal to such State’s minimum percentage of the amount to be allocated under paragraph (1) for the calendar year.

“(B) MINIMUM PERCENTAGE.—A State’s minimum percentage for any calendar year is the minimum percentage described in section 1124(d) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6334(d)) for such State for the most recent fiscal year ending before such calendar year.

“(3) ALLOCATIONS TO CERTAIN POSSESSIONS.—The amount to be allocated under paragraph (1) to any possession of the United States other than Puerto Rico shall be the amount which would have been allocated if all allocations under paragraph (1) were made on the basis of respective populations of individuals below the poverty line (as defined by the Office of Management and Budget). In making other allocations, the amount to be allocated under paragraph (1) shall be reduced by the aggregate amount allocated under this paragraph to possessions of the United States.

“(4) ALLOCATIONS FOR INDIAN SCHOOLS.—In addition to the amounts otherwise allocated under this subsection, $200,000,000 for calendar year 2002, and $200,000,000 for calendar year 2003, shall be allocated by the Secretary of the Interior for purposes of the construction, rehabilitation, and repair of schools funded by the Bureau of Indian Affairs. In the case of amounts allocated under the preceding sentence, Indian tribal governments (as defined in section 7871) shall be treated as qualified issuers for purposes of this subchapter.

“(e) 40 PERCENT OF LIMITATION ALLOCATED AMONG LARGEST SCHOOL DISTRICTS.—

“(1) IN GENERAL.—40 percent of the limitation applicable under subsection (c) for any calendar year shall be allocated under paragraph (2) by the Secretary among local educational agencies which are large local educational agencies for such year.

“(2) ALLOCATION FORMULA.—The amount to be allocated under paragraph (1) for any calendar year shall be allocated among large local educational agencies in proportion to the respective amounts each such agency received for Basic Grants under subpart 2 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6331 et seq.) for the most recent fiscal year ending before such calendar year.

“(3) ALLOCATION OF UNUSED LIMITATION TO STATE.—The amount allocated under this subsection to a large local educational agency for any calendar year may be reallocated by such agency to the State in which such agency is located for such calendar year. Any amount reallocated to a State under the preceding sentence may be allocated as provided in subsection (d)(1).

“(4) LARGE LOCAL EDUCATIONAL AGENCY.—For purposes of this section, the term ‘large local educational agency’ means, with respect to a calendar year, any local educational agency if such agency is—

“(A) among the 100 local educational agencies with the largest numbers of children aged 5 through 17 from families living below the poverty level, as determined by the Secretary using the most recent data available from the Department of Commerce that are satisfactory to the Secretary, or

“(B) 1 of not more than 25 local educational agencies (other than those described in subparagraph (A)) that the Secretary of Education determines (based on the most recent data available satisfactory to the Secretary) are in particular need of assistance, based on a low level of resources for school construction, a high level of enrollment growth, or such other factors as the Secretary deems appropriate.

“(f) CARRYOVER OF UNUSED LIMITATION.—If for any calendar year—

“(1) the amount allocated under subsection (d) to any State, exceeds

“(2) the amount of bonds issued during such year which are designated under subsection (a) pursuant to such allocation,

the limitation amount under such subsection for such State for the following calendar year shall be increased by the amount of such excess. A similar rule shall apply to the amounts allocated under subsection (d)(4) or (e).

“(g) SPECIAL RULES RELATING TO ARBITRAGE.—

“(1) IN GENERAL.—A bond shall not be treated as failing to meet the requirement of subsection (a)(1) solely by reason of the fact that the proceeds of the issue of which such bond is a part are invested for a temporary period (but not more than 36 months) until such proceeds are needed for the purpose for which such issue was issued.

“(2) BINDING COMMITMENT REQUIREMENT.—Paragraph (1) shall apply to an issue only if, as of the date of issuance, there is a reasonable expectation that—

“(A) at least 10 percent of the proceeds of the issue will be spent within the 6-month period beginning on such date for the purpose for which such issue was issued, and

“(B) the remaining proceeds of the issue will be spent with due diligence for such purpose.

“(3) EARNINGS ON PROCEEDS.—Any earnings on proceeds during the temporary period shall be treated as proceeds of the issue for purposes of applying subsection (a)(1) and paragraph (1) of this subsection.

“SEC. 1400M. QUALIFIED ZONE ACADEMY BONDS.

“(a) QUALIFIED ZONE ACADEMY BOND.—For purposes of this subchapter—

“(1) IN GENERAL.—The term ‘qualified zone academy bond’ means any bond issued as part of an issue if—

“(A) 95 percent or more of the proceeds of such issue are to be used for a qualified purpose with respect to a qualified zone academy established by a local educational agency,

“(B) the bond is issued by a State or local government within the jurisdiction of which such academy is located,

“(C) the issuer—

“(i) designates such bond for purposes of this section,

“(ii) certifies that it has written assurances that the private business contribution requirement of paragraph (2) will be met with respect to such academy, and

“(iii) certifies that it has the written approval of the local educational agency for such bond issuance, and

“(D) the term of each bond which is part of such issue does not exceed 15 years.

Rules similar to the rules of section 1400L(g) shall apply for purposes of paragraph (1).

“(2) PRIVATE BUSINESS CONTRIBUTION REQUIREMENT.—

“(A) IN GENERAL.—For purposes of paragraph (1), the private business contribution requirement of this paragraph is met with respect to any issue if the local educational agency that established the qualified zone academy has written commitments from private entities to make qualified contributions having a present value (as of the date of issuance of the issue) of not less than 10 percent of the proceeds of the issue.

“(B) QUALIFIED CONTRIBUTIONS.—For purposes of subparagraph (A), the term ‘qualified contribution’ means any contribution (of a type and quality acceptable to the local educational agency) of—

“(i) equipment for use in the qualified zone academy (including state-of-the-art technology and vocational equipment),

“(ii) technical assistance in developing curriculum or in training teachers in order to promote appropriate market driven technology in the classroom,

“(iii) services of employees as volunteer mentors,

“(iv) internships, field trips, or other educational opportunities outside the academy for students, or

“(v) any other property or service specified by the local educational agency.

“(3) QUALIFIED ZONE ACADEMY.—The term ‘qualified zone academy’ means any public school (or academic program within a public school) which is established by and operated under the supervision of a local educational agency to provide education or training below the postsecondary level if—

“(A) such public school or program (as the case may be) is designed in cooperation with business to enhance the academic curriculum, increase graduation and employment rates, and better prepare students for the rigors of college and the increasingly complex workforce,

“(B) students in such public school or program (as the case may be) will be subject to the same academic standards and assessments as other students educated by the local educational agency,

“(C) the comprehensive education plan of such public school or program is approved by the local educational agency, and

“(D)(i) such public school is located in an empowerment zone or enterprise community (including any such zone or community designated after the date of the enactment of this section), or

“(ii) there is a reasonable expectation (as of the date of issuance of the bonds) that at least 35 percent of the students attending such school or participating in such program (as the case may be) will be eligible for free or reduced-cost lunches under the school lunch program established under the National School Lunch Act.

“(4) QUALIFIED PURPOSE.—The term ‘qualified purpose’ means, with respect to any qualified zone academy—

“(A) constructing, rehabilitating, or repairing the public school facility in which the academy is established,

“(B) acquiring the land on which such facility is to be constructed with part of the proceeds of such issue,

“(C) providing equipment for use at such academy,

“(D) developing course materials for education to be provided at such academy, and

“(E) training teachers and other school personnel in such academy.

“(b) LIMITATIONS ON AMOUNT OF BONDS DESIGNATED.—

“(1) IN GENERAL.—There is a national zone academy bond limitation for each calendar year. Such limitation is—

“(A) $400,000,000 for 1998,

“(B) $400,000,000 for 1999,

"(C) $400,000,000 for 2000,

"(D) $400,000,000 for 2001,

"(E) $1,400,000,000 for 2002,

"(F) $1,400,000,000 for 2003, and

"(G) except as provided in paragraph (3), zero after 2003.

"(2) ALLOCATION OF LIMITATION.—

"(A) ALLOCATION AMONG STATES.—

"(i) 1998, 1999, 2000, AND 2001 LIMITATIONS.—The national zone academy bond limitations for calendar years 1998, 1999, 2000, and 2001 shall be allocated by the Secretary among the States on the basis of their respective populations of individuals below the poverty line (as defined by the Office of Management and Budget).

"(ii) LIMITATION AFTER 2001.—The national zone academy bond limitation for any calendar year after 2001 shall be allocated by the Secretary among the States in proportion to the respective amounts each such State received for Basic Grants under subpart 2 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6331 et seq.) for the most recent fiscal year ending before such calendar year.

"(B) ALLOCATION TO LOCAL EDUCATIONAL AGENCIES.—The limitation amount allocated to a State under subparagraph (A) shall be allocated by the State to qualified zone academies within such State.

"(C) DESIGNATION SUBJECT TO LIMITATION AMOUNT.—The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (a) with respect to any qualified zone academy shall not exceed the limitation amount allocated to such academy under subparagraph (B) for such calendar year.

"(3) CARRYOVER OF UNUSED LIMITATION.—If for any calendar year—

"(A) the limitation amount under this subsection for any State, exceeds

"(B) the amount of bonds issued during such year which are designated under subsection (a) (or the corresponding provisions of prior law) with respect to qualified zone academies within such State,

the limitation amount under this subsection for such State for the following calendar year shall be increased by the amount of such excess."

(b) REPORTING.—Subsection (d) of section 6049 (relating to returns regarding payments of interest) is amended by adding at the end the following new paragraph:

"(8) REPORTING OF CREDIT ON QUALIFIED PUBLIC SCHOOL MODERNIZATION BONDS.—

"(A) IN GENERAL.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 1400K(f) and such amounts shall be treated as paid on the credit allowance date (as defined in section 1400K(d)(2)).

"(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A) of this paragraph, subsection (b)(4) of this section shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i).

"(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting."

(c) CONFORMING AMENDMENTS.—

(1) Subchapter U of chapter 1 is amended by striking part IV, by redesignating part V as part IV, and by redesignating section 1397F as section 1397E.

(2) The table of subchapters for chapter 1 is amended by adding at the end the following new item:

"Subchapter Y. Public school modernization provisions."

(3) The table of parts of subchapter U of chapter 1 is amended by striking the last 2 items and inserting the following item:

"Part IV. Regulations."

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to obligations issued after December 31, 2001.

(2) REPEAL OF RESTRICTION ON ZONE ACADEMY BOND HOLDERS.—In the case of bonds to which section 1397E of the Internal Revenue Code of 1986 (as in effect before the date of the enactment of this Act) applies, the limitation of such section to eligible taxpayers (as defined in subsection (d)(6) of such section) shall not apply after the date of the enactment of this Act.

SEC. 422. APPLICATION OF CERTAIN LABOR STANDARDS ON CONSTRUCTION PROJECTS FINANCED UNDER PUBLIC SCHOOL MODERNIZATION PROGRAM.

Section 439 of the General Education Provisions Act (relating to labor standards) is amended—

(1) by inserting "(a)" before "All laborers and mechanics", and

(2) by adding at the end the following:

"(b)(1) For purposes of this section, the term 'applicable program' also includes the qualified zone academy bond provisions enacted by section 226 of the Taxpayer Relief Act of 1997 and the program established by section 421 of the Economic Stimulus Tax Cut Act of 2001.

"(2) A State or local government participating in a program described in paragraph (1) shall—

"(A) in the awarding of contracts, give priority to contractors with substantial numbers of employees residing in the local education area to be served by the school being constructed; and

"(B) include in the construction contract for such school a requirement that the contractor give priority in hiring new workers to individuals residing in such local education area.

"(3) In the case of a program described in paragraph (1), nothing in this subsection or subsection (a) shall be construed to deny any tax credit allowed under such program. If amounts are required to be withheld from contractors to pay wages to which workers are entitled, such amounts shall be treated as expended for construction purposes in determining whether the requirements of such program are met.".

SEC. 423. EMPLOYMENT AND TRAINING ACTIVITIES RELATING TO CONSTRUCTION OR RECONSTRUCTION OF PUBLIC SCHOOL FACILITIES.

(a) IN GENERAL.—Section 134 of the Workforce Investment Act of 1998 (29 U.S.C. 2864) is amended by adding at the end the following:

"(f) LOCAL EMPLOYMENT AND TRAINING ACTIVITIES RELATING TO CONSTRUCTION OR RECONSTRUCTION OF PUBLIC SCHOOL FACILITIES.—

"(1) IN GENERAL.—In order to provide training services related to construction or reconstruction of public school facilities receiving funding assistance under an applicable program, each State shall establish a specialized program of training meeting the following requirements:

"(A) The specialized program provides training for jobs in the construction industry.

"(B) The program provides trained workers for projects for the construction or reconstruction of public school facilities receiving funding assistance under an applicable program.

"(C) The program ensures that skilled workers (residing in the area to be served by the school facilities) will be available for the construction or reconstruction work.

"(2) COORDINATION.—The specialized program established under paragraph (1) shall be integrated with other activities under this Act, with the activities carried out under the National Apprenticeship Act of 1937 by the State Apprenticeship Council or through the Bureau of Apprenticeship and Training in the Department of Labor, as appropriate, and with activities carried out under the Carl D. Perkins Vocational and Technical Education Act of 1998. Nothing in this subsection shall be construed to require services duplicative of those referred to in the preceding sentence.

"(3) APPLICABLE PROGRAM.—In this subsection, the term 'applicable program' has the meaning given the term in section 439(b) of the General Education Provisions Act (relating to labor standards).".

(b) STATE PLAN.—Section 112(b)(17)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2822(b)(17)(A)) is amended—

(1) in clause (iii), by striking "and" at the end;

(2) by redesignating clause (iv) as clause (v); and

(3) by inserting after clause (iii) the following:

"(iv) how the State will establish and carry out a specialized program of training under section 134(f); and".

Subtitle D—Indian School Construction Act

SEC. 431. INDIAN SCHOOL CONSTRUCTION.

(a) DEFINITIONS.—In this section:

(1) BUREAU.—The term "Bureau" means the Bureau of Indian Affairs of the Department of the Interior.

(2) INDIAN.—The term "Indian" means any individual who is a member of a tribe.

(3) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(4) TRIBAL SCHOOL.—The term "tribal school" means an elementary school, secondary school, or dormitory that is operated by a tribal organization or the Bureau for the education of Indian children and that receives financial assistance for its operation under an appropriation for the Bureau under section 102, 103(a), or 208 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f, 450h(a), and 458d) or under the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2501 et seq.) under a contract, a grant, or an agreement, or for a Bureau-operated school.

(5) TRIBE.—The term "tribe" has the meaning given the term "Indian tribal government" by section 7701(a)(40) of the Internal Revenue Code of 1986, including the application of section 7871(d) of such Code. Such term includes any consortium of tribes approved by the Secretary.

(b) ISSUANCE OF BONDS.—

(1) IN GENERAL.—The Secretary shall establish a pilot program under which eligible tribes have the authority to issue qualified tribal school modernization bonds to provide funding for the construction, rehabilitation, or repair of tribal schools, including the advance planning and design thereof.

(2) ELIGIBILITY.—

(A) IN GENERAL.—To be eligible to issue any qualified tribal school modernization bond under the program under paragraph (1), a tribe shall—

(i) prepare and submit to the Secretary a plan of construction that meets the requirements of subparagraph (B);

(ii) provide for quarterly and final inspection of the project by the Bureau; and

(iii) pledge that the facilities financed by such bond will be used primarily for elementary and secondary educational purposes for not less than the period such bond remains outstanding.

(B) PLAN OF CONSTRUCTION.—A plan of construction meets the requirements of this subparagraph if such plan—

(i) contains a description of the construction to be undertaken with funding provided under a qualified tribal school modernization bond;

(ii) demonstrates that a comprehensive survey has been undertaken concerning the construction needs of the tribal school involved;

(iii) contains assurances that funding under the bond will be used only for the activities described in the plan;

(iv) contains response to the evaluation criteria contained in Instructions and Application for Replacement School Construction, Revision 6, dated February 6, 1999; and

(v) contains any other reasonable and related information determined appropriate by the Secretary.

(C) PRIORITY.—In determining whether a tribe is eligible to participate in the program under this subsection, the Secretary shall give priority to tribes that, as demonstrated by the relevant plans of construction, will fund projects—

(i) described in the Education Facilities Replacement Construction Priorities List as of FY 2000 of the Bureau of Indian Affairs (65 Fed. Reg. 4623–4624);

(ii) described in any subsequent priorities list published in the Federal Register; or

(iii) which meet the criteria for ranking schools as described in Instructions and Application for Replacement School Construction, Revision 6, dated February 6, 1999.

(D) ADVANCE PLANNING AND DESIGN FUNDING.—A tribe may propose in its plan of construction to receive advance planning and design funding from the tribal school modernization escrow account established under paragraph (6)(B). Before advance planning and design funds are allocated from the escrow account, the tribe shall agree to issue qualified tribal school modernization bonds after the receipt of such funds and agree as a condition of each bond issuance that the tribe will deposit into such account or a fund managed by the trustee as described in paragraph (4)(C) an amount equal to the amount of such funds received from the escrow account.

(3) PERMISSIBLE ACTIVITIES.—In addition to the use of funds permitted under paragraph (1), a tribe may use amounts received through the issuance of a qualified tribal school modernization bond to—

(A) enter into and make payments under contracts with licensed and bonded architects, engineers, and construction firms in order to determine the needs of the tribal school and for the design and engineering of the school;

(B) enter into and make payments under contracts with financial advisors, underwriters, attorneys, trustees, and other professionals who would be able to provide assistance to the tribe in issuing bonds; and

(C) carry out other activities determined appropriate by the Secretary.

(4) BOND TRUSTEE.—

(A) IN GENERAL.—Notwithstanding any other provision of law, any qualified tribal school modernization bond issued by a tribe under this subsection shall be subject to a trust agreement between the tribe and a trustee.

(B) TRUSTEE.—Any bank or trust company that meets requirements established by the Secretary may be designated as a trustee under subparagraph (A).

(C) CONTENT OF TRUST AGREEMENT.—A trust agreement entered into by a tribe under this paragraph shall specify that the trustee, with respect to any bond issued under this subsection shall—

(i) act as a repository for the proceeds of the bond;

(ii) make payments to bondholders;

(iii) receive, as a condition to the issuance of such bond, a transfer of funds from the tribal school modernization escrow account established under paragraph (6)(B) or from other funds furnished by or on behalf of the tribe in an amount, which together with interest earnings from the investment of such funds in obligations of or fully guaranteed by the United States or from other investments authorized by paragraph (10), will produce moneys sufficient to timely pay in full the entire principal amount of such bond on the stated maturity date therefor;

(iv) invest the funds received pursuant to clause (iii) as provided by such clause; and

(v) hold and invest the funds in a segregated fund or account under the agreement, which fund or account shall be applied solely to the payment of the costs of items described in paragraph (3).

(D) REQUIREMENTS FOR MAKING DIRECT PAYMENTS.—

(i) IN GENERAL.—Notwithstanding any other provision of law, the trustee shall make any payment referred to in subparagraph (C)(v) in accordance with requirements that the tribe shall prescribe in the trust agreement entered into under subparagraph (C). Before making a payment to a contractor under subparagraph (C)(v), the trustee shall require an inspection of the project by a local financial institution or an independent inspecting architect or engineer, to ensure the completion of the project.

(ii) CONTRACTS.—Each contract referred to in paragraph (3) shall specify, or be renegotiated to specify, that payments under the contract shall be made in accordance with this paragraph.

(5) PAYMENTS OF PRINCIPAL AND INTEREST.—

(A) PRINCIPAL.—No principal payments on any qualified tribal school modernization bond shall be required until the final, stated maturity of such bond, which stated maturity shall be within 15 years from the date of issuance. Upon the expiration of such period, the entire outstanding principal under the bond shall become due and payable.

(B) INTEREST.—In lieu of interest on a qualified tribal school modernization bond there shall be awarded a tax credit under section 1400K of the Internal Revenue Code of 1986.

(6) BOND GUARANTEES.—

(A) IN GENERAL.—Payment of the principal portion of a qualified tribal school modernization bond issued under this subsection shall be guaranteed solely by amounts deposited with each respective bond trustee as described in paragraph (4)(C)(iii).

(B) ESTABLISHMENT OF ACCOUNT.—

(i) IN GENERAL.—Notwithstanding any other provision of law, beginning in fiscal year 2002, from amounts made available for school replacement under the construction account of the Bureau, the Secretary is authorized to deposit not more than $30,000,000 each fiscal year into a tribal school modernization escrow account.

(ii) PAYMENTS.—The Secretary shall use any amounts deposited in the escrow account under clauses (i) and (iii) to make payments to trustees appointed and acting pursuant to paragraph (4) or to make payments described in paragraph (2)(D).

(iii) TRANSFERS OF EXCESS PROCEEDS.—Excess proceeds held under any trust agreement that are not needed for any of the purposes described in clauses (iii) and (v) of paragraph (4)(C) shall be transferred, from time to time, by the trustee for deposit into the tribal school modernization escrow account.

(7) LIMITATIONS.—

(A) OBLIGATION TO REPAY.—Notwithstanding any other provision of law, the principal amount on any qualified tribal school modernization bond issued under this subsection shall be repaid only to the extent of any escrowed funds furnished under paragraph (4)(C)(iii). No qualified tribal school modernization bond issued by a tribe shall be an obligation of, nor shall payment of the principal thereof be guaranteed by, the United States, the tribes, nor their schools.

(B) LAND AND FACILITIES.—Any land or facilities purchased or improved with amounts derived from qualified tribal school modernization bonds issued under this subsection shall not be mortgaged or used as collateral for such bonds.

(8) SALE OF BONDS.—Qualified tribal school modernization bonds may be sold at a purchase price equal to, in excess of, or at a discount from the par amount thereof.

(9) TREATMENT OF TRUST AGREEMENT EARNINGS.—Any amounts earned through the investment of funds under the control of a trustee under any trust agreement described in paragraph (4) shall not be subject to Federal income tax.

(10) INVESTMENT OF SINKING FUNDS.—Any sinking fund established for the purpose of the payment of principal on a qualified tribal school modernization bond shall be invested in obligations issued by or guaranteed by the United States or in such other assets as the Secretary of the Treasury may by regulation allow.

(c) EXPANSION OF INCENTIVES FOR TRIBAL SCHOOLS.—Chapter 1, as amended by section 421, is amended by adding at the end the following new subchapter:

"Subchapter Z—Tribal School Modernization Provisions

"Sec. 1400N. Credit to holders of qualified tribal school modernization bonds.

"SEC. 1400N. CREDIT TO HOLDERS OF QUALIFIED TRIBAL SCHOOL MODERNIZATION BONDS.

"(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds a qualified tribal school modernization bond on a credit allowance date of such bond which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to credit allowance dates during such year on which the taxpayer holds such bond.

"(b) AMOUNT OF CREDIT.—

"(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any credit allowance date for a qualified tribal school modernization bond is 25 percent of the annual credit determined with respect to such bond.

"(2) ANNUAL CREDIT.—The annual credit determined with respect to any qualified tribal school modernization bond is the product of—

"(A) the applicable credit rate, multiplied by

"(B) the outstanding face amount of the bond.

"(3) Applicable credit rate.—For purposes of paragraph (1), the applicable credit rate with respect to an issue is the rate equal to an average market yield (as of the date of sale of the issue) on outstanding long-term corporate obligations (as determined by the Secretary).

"(4) Special rule for issuance and redemption.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed.

"(c) Limitation Based on Amount of Tax.—

"(1) In general.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

"(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

"(B) the sum of the credits allowable under part IV of subchapter A (other than subpart C thereof, relating to refundable credits).

"(2) Carryover of unused credit.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

"(d) Qualified Tribal School Modernization Bond; Other Definitions.—For purposes of this section—

"(1) Qualified tribal school modernization bond.—

"(A) In general.—The term 'qualified tribal school modernization bond' means, subject to subparagraph (B), any bond issued as part of an issue under section 421(c) of the Economic Stimulus Tax Cut Act of 2001, as in effect on the date of the enactment of this section, if—

"(i) 95 percent or more of the proceeds of such issue are to be used for the construction, rehabilitation, or repair of a school facility funded by the Bureau of Indian Affairs of the Department of the Interior or for the acquisition of land on which such a facility is to be constructed with part of the proceeds of such issue,

"(ii) the bond is issued by a tribe,

"(iii) the issuer designates such bond for purposes of this section, and

"(iv) the term of each bond which is part of such issue does not exceed 15 years.

"(B) National limitation on amount of bonds designated.—

"(i) National limitation.—There is a national qualified tribal school modernization bond limitation for each calendar year. Such limitation is—

"(I) $200,000,000 for 2002,

"(II) $200,000,000 for 2003, and

"(III) zero after 2004.

"(ii) Allocation of limitation.—The national qualified tribal school modernization bond limitation shall be allocated to tribes by the Secretary of the Interior subject to the provisions of section 421(c) of the Economic Stimulus Tax Cut Act of 2001, as in effect on the date of the enactment of this section.

"(iii) Designation subject to limitation amount.—The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (d)(1) with respect to any tribe shall not exceed the limitation amount allocated to such government under clause (ii) for such calendar year.

"(iv) Carryover of unused limitation.—If for any calendar year—

"(I) the limitation amount under this subparagraph, exceeds

"(II) the amount of qualified tribal school modernization bonds issued during such year,

the limitation amount under this subparagraph for the following calendar year shall be increased by the amount of such excess. The preceding sentence shall not apply if such following calendar year is after 2010.

"(2) Credit allowance date.—The term 'credit allowance date' means—

"(A) March 15,

"(B) June 15,

"(C) September 15, and

"(D) December 15.

Such term includes the last day on which the bond is outstanding.

"(3) Bond.—The term 'bond' includes any obligation.

"(4) Tribe.—The term 'tribe' has the meaning given the term 'Indian tribal government' by section 7701(a)(40), including the application of section 7871(d). Such term includes any consortium of tribes approved by the Secretary of the Interior.

"(e) Credit Included in Gross Income.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

"(f) Bonds Held by Regulated Investment Companies.—If any qualified tribal school modernization bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

"(g) Credits May Be Stripped.—Under regulations prescribed by the Secretary—

"(1) In general.—There may be a separation (including at issuance) of the ownership of a qualified tribal school modernization bond and the entitlement to the credit under this section with respect to such bond. In case of any such separation, the credit under this section shall be allowed to the person who on the credit allowance date holds the instrument evidencing the entitlement to the credit and not to the holder of the bond.

"(2) Certain rules to apply.—In the case of a separation described in paragraph (1), the rules of section 1286 shall apply to the qualified tribal school modernization bond as if it were a stripped bond and to the credit under this section as if it were a stripped coupon.

"(h) Treatment for Estimated Tax Purposes.—Solely for purposes of sections 6654 and 6655, the credit allowed by this section to a taxpayer by reason of holding a qualified tribal school modernization bonds on a credit allowance date shall be treated as if it were a payment of estimated tax made by the taxpayer on such date.

"(i) Credit May Be Transferred.—Nothing in any law or rule of law shall be construed to limit the transferability of the credit allowed by this section through sale and repurchase agreements.

"(j) Credit Treated as Allowed Under Part IV of Subchapter A.—For purposes of subtitle F, the credit allowed by this section shall be treated as a credit allowable under part IV of subchapter A of this chapter.

"(k) Reporting.—Issuers of qualified tribal school modernization bonds shall submit reports similar to the reports required under section 149(e).".

(d) Reporting.—Subsection (d) of section 6049 (relating to returns regarding payments of interest), as amended by section 421, is amended by adding at the end the following new paragraph:

"(9) Reporting of credit on qualified tribal school modernization bonds.—

"(A) In general.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 1400N(e) and such amounts shall be treated as paid on the credit allowance date (as defined in section 1400N(d)(2)).

"(B) Reporting to corporations, etc.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A) of this paragraph, subsection (b)(4) of this section shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i).

"(C) Regulatory authority.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting."

(e) Conforming Amendments.—The table of subchapters for chapter 1, as amended by section 421, is amended by adding at the end the following new item:

"Subchapter Z. Tribal school modernization provisions."

(f) Additional Provisions.—

(1) Sovereign immunity.—This section and the amendments made by this section shall not be construed to impact, limit, or affect the sovereign immunity of the Federal Government or any State or tribal government.

(2) Application.—This section and the amendments made by this section shall take effect on the date of the enactment of this Act with respect to bonds issued after December 31, 2001, regardless of the status of regulations promulgated thereunder.

Subtitle E—Other Provisions

SEC. 441. DEDUCTION FOR HIGHER EDUCATION EXPENSES.

(a) Deduction Allowed.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals) is amended by redesignating section 222 as section 223 and by inserting after section 221 the following:

"SEC. 222. QUALIFIED TUITION AND RELATED EXPENSES.

"(a) Allowance of Deduction.—In the case of an individual, there shall be allowed as a deduction an amount equal to the qualified tuition and related expenses paid by the taxpayer during the taxable year.

"(b) Dollar limitations.—

"(1) In general.—The amount allowed as a deduction under subsection (a) with respect to the taxpayer for any taxable year shall not exceed the applicable dollar limit.

"(2) Applicable dollar limit.—

"(A) 2002 and 2003.—In the case of a taxable year beginning in 2002 or 2003, the applicable dollar limit shall be equal to—

"(i) in the case of a taxpayer whose adjusted gross income for the taxable year does not exceed $65,000 ($130,000 in the case of a joint return), $3,000, and—

"(ii) in the case of any other taxpayer, zero.

"(B) 2004 and 2005.—In the case of a taxable year beginning in 2004 or 2005, the applicable dollar amount shall be equal to—

"(i) in the case of a taxpayer whose adjusted gross income for the taxable year does not exceed $65,000 ($130,000 in the case of a joint return), $5,000, and

"(ii) in the case of any other taxpayer, zero.

"(C) ADJUSTED GROSS INCOME.—For purposes of this paragraph, adjusted gross income shall be determined—

"(i) without regard to this section and sections 911, 931, and 933, and

"(ii) after application of sections 86, 135, 137, 219, 221, and 469.

"(c) NO DOUBLE BENEFIT.—

"(1) IN GENERAL.—No deduction shall be allowed under subsection (a) for any expense for which a deduction is allowed to the taxpayer under any other provision of this chapter.

"(2) COORDINATION WITH OTHER EDUCATION INCENTIVES.—

"(A) DENIAL OF DEDUCTION IF CREDIT ELECTED.—No deduction shall be allowed under subsection (a) for a taxable year with respect to the qualified tuition and related expenses with respect to an individual if the taxpayer or any other person elects to have section 25A apply with respect to such individual for such year.

"(B) COORDINATION WITH EXCLUSIONS.—The total amount of qualified tuition and related expenses shall be reduced by the amount of such expenses taken into account in determining any amount excluded under section 135, 529(c)(1), or 530(d)(2).

"(3) DEPENDENTS.—No deduction shall be allowed under subsection (a) to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) QUALIFIED TUITION AND RELATED EXPENSES.—The term 'qualified tuition and related expenses' has the meaning given such term by section 25A(f). Such expenses shall be reduced in the same manner as under section 25A(g)(2).

"(2) IDENTIFICATION REQUIREMENT.—No deduction shall be allowed under subsection (a) to a taxpayer with respect to the qualified tuition and related expenses of an individual unless the taxpayer includes the name and taxpayer identification number of the individual on the return of tax for the taxable year.

"(3) LIMITATION ON TAXABLE YEAR OF DEDUCTION.—

"(A) IN GENERAL.—A deduction shall be allowed under subsection (a) for qualified tuition and related expenses for any taxable year only to the extent such expenses are in connection with enrollment at an institution of higher education during the taxable year.

"(B) CERTAIN PREPAYMENTS ALLOWED.—Subparagraph (A) shall not apply to qualified tuition and related expenses paid during a taxable year if such expenses are in connection with an academic term beginning during such taxable year or during the first 3 months of the next taxable year.

"(4) NO DEDUCTION FOR MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—If the taxpayer is a married individual (within the meaning of section 7703), this section shall apply only if the taxpayer and the taxpayer's spouse file a joint return for the taxable year.

"(5) NONRESIDENT ALIENS.—If the taxpayer is a nonresident alien individual for any portion of the taxable year, this section shall apply only if such individual is treated as a resident alien of the United States for purposes of this chapter by reason of an election under subsection (g) or (h) of section 6013.

"(6) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this section, including regulations requiring recordkeeping and information reporting.".

(b) DEDUCTION ALLOWED IN COMPUTING ADJUSTED GROSS INCOME.—Section 62(a) is amended by inserting after paragraph (17) the following:

"(18) HIGHER EDUCATION EXPENSES.—The deduction allowed by section 222.".

(c) CONFORMING AMENDMENTS.—

(1) Sections 86(b)(2), 135(c)(4), 137(b)(3), and 219(g)(3) are each amended by inserting "222," after "221,".

(2) Section 221(b)(2)(C) is amended by inserting "222," before "911".

(3) Section 469(i)(3)(E) is amended by striking "and 221" and inserting ", 221, and 222".

(4) The table of sections for part VII of subchapter B of chapter 1 is amended by striking the item relating to section 222 and inserting the following:

"Sec. 222. Qualified tuition and related expenses.

"Sec. 223. Cross reference.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made in taxable years beginning after December 31, 2001.

Subtitle F—Compliance With Congressional Budget Act

SEC. 451. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE V—ESTATE, GIFT, AND GENERATION-SKIPPING TRANSFER TAX PROVISIONS

SEC. 501. INCREASE IN AMOUNT OF UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES.

(a) IN GENERAL.—The table contained in section 2010(c) (relating to applicable credit amount) is amended to read as follows:

"In the case of estates of decedents dying, and gifts made, during:	The applicable exclusion amount is:
2002, 2003, 2004, 2005, and 2006	$1,000,000
2007 and 2008	$1,125,000
2009	$1,500,000
2010 or thereafter	$2,000,000.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to the estates of decedents dying, and gifts made, after December 31, 2001.

SEC. 502. INCREASE IN QUALIFIED FAMILY-OWNED BUSINESS INTEREST DEDUCTION AMOUNT.

(a) IN GENERAL.—Paragraph (2) of section 2057(a) (relating to family-owned business interests) is amended to read as follows:

"(2) MAXIMUM DEDUCTION.—

"(A) IN GENERAL.—The deduction allowed by this section shall not exceed the sum of—

"(i) the applicable deduction amount, plus

"(ii) in the case of a decedent described in subparagraph (C), the applicable unused spousal deduction amount.

"(B) APPLICABLE DEDUCTION AMOUNT.—For purposes of this subparagraph (A)(i), the applicable deduction amount is determined in accordance with the following table:

"In the case of estates of decedents dying during:	The applicable deduction amount is:
2002, 2003, 2004, 2005, and 2006	$1,375,000
2007 and 2008	$1,625,000
2009	$2,375,000
2010 or thereafter	$3,375,000.

"(C) APPLICABLE UNUSED SPOUSAL DEDUCTION AMOUNT.—With respect to a decedent whose immediately predeceased spouse died after December 31, 2001, and the estate of such immediately predeceased spouse met the requirements of subsection (b)(1), the applicable unused spousal deduction amount for such decedent is equal to the excess of—

"(i) the applicable deduction amount allowable under this section to the estate of such immediately predeceased spouse, over

"(ii) the sum of—

"(I) the applicable deduction amount allowed under this section to the estate of such immediately predeceased spouse, plus

"(II) the amount of any increase in such estate's unified credit under paragraph (3)(B) which was allowed to such estate.".

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) is amended—

(1) by striking "$675,000" both places it appears and inserting "the applicable deduction amount", and

(2) by striking "$675,000" in the heading and inserting "APPLICABLE DEDUCTION AMOUNT".

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to the estates of decedents dying, and gifts made, after December 31, 2001.

SEC. 503. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE VI—PENSION AND INDIVIDUAL RETIREMENT ARRANGEMENT PROVISIONS

Subtitle A—Individual Retirement Accounts

SEC. 601. MODIFICATION OF IRA CONTRIBUTION LIMITS.

(a) INCREASE IN CONTRIBUTION LIMIT.—

(1) IN GENERAL.—Paragraph (1)(A) of section 219(b) (relating to maximum amount of deduction) is amended by striking "$2,000" and inserting "the deductible amount".

(2) DEDUCTIBLE AMOUNT.—Section 219(b) is amended by adding at the end the following new paragraph:

"(5) DEDUCTIBLE AMOUNT.—For purposes of paragraph (1)(A), the deductible amount shall be determined in accordance with the following table:

"For taxable years beginning in:	The deductible amount is:
2002 through 2005	$2,500
2006 and thereafter	$3,000.".

(b) CONFORMING AMENDMENTS.—

(1) Section 408(a)(1) is amended by striking "in excess of $2,000 on behalf of any individual" and inserting "on behalf of any individual in excess of the amount in effect for such taxable year under section 219(b)(1)(A)".

(2) Section 408(b)(2)(B) is amended by striking "$2,000" and inserting "the dollar amount in effect under section 219(b)(1)(A)".

(3) Section 408(b) is amended by striking "$2,000" in the matter following paragraph (4) and inserting "the dollar amount in effect under section 219(b)(1)(A)".

(4) Section 408(j) is amended by striking "$2,000".

(5) Section 408(p)(8) is amended by striking "$2,000" and inserting "the dollar amount in effect under section 219(b)(1)(A)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 602. DEEMED IRAS UNDER EMPLOYER PLANS.

(a) IN GENERAL.—Section 408 (relating to individual retirement accounts) is amended by redesignating subsection (q) as subsection (r) and by inserting after subsection (p) the following new subsection:

"(q) Deemed IRAs Under Qualified Employer Plans.—

"(1) General rule.—If—

"(A) a qualified employer plan elects to allow employees to make voluntary employee contributions to a separate account or annuity established under the plan, and

"(B) under the terms of the qualified employer plan, such account or annuity meets the applicable requirements of this section or section 408A for an individual retirement account or annuity,

then such account or annuity shall be treated for purposes of this title in the same manner as an individual retirement plan and not as a qualified employer plan (and contributions to such account or annuity as contributions to an individual retirement plan and not to the qualified employer plan). For purposes of subparagraph (B), the requirements of subsection (a)(5) shall not apply.

"(2) Special rules for qualified employer plans.—For purposes of this title, a qualified employer plan shall not fail to meet any requirement of this title solely by reason of establishing and maintaining a program described in paragraph (1).

"(3) Definitions.—For purposes of this subsection—

"(A) Qualified employer plan.—The term 'qualified employer plan' has the meaning given such term by section 72(p)(4); except such term shall only include an eligible deferred compensation plan (as defined in section 457(b)) which is maintained by an eligible employer described in section 457(e)(1)(A).

"(B) Voluntary employee contribution.—The term 'voluntary employee contribution' means any contribution (other than a mandatory contribution within the meaning of section 411(c)(2)(C))—

"(i) which is made by an individual as an employee under a qualified employer plan which allows employees to elect to make contributions described in paragraph (1), and

"(ii) with respect to which the individual has designated the contribution as a contribution to which this subsection applies.".

(b) Amendment of ERISA.—

(1) In general.—Section 4 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1003) is amended by adding at the end the following new subsection:

"(c) If a pension plan allows an employee to elect to make voluntary employee contributions to accounts and annuities as provided in section 408(q) of the Internal Revenue Code of 1986, such accounts and annuities (and contributions thereto) shall not be treated as part of such plan (or as a separate pension plan) for purposes of any provision of this title other than section 403(c), 404, or 405 (relating to exclusive benefit, and fiduciary and co-fiduciary responsibilities).".

(2) Conforming amendment.—Section 4(a) of such Act (29 U.S.C. 1003(a)) is amended by inserting "or (c)" after "subsection (b)".

(c) Effective Date.—The amendments made by this section shall apply to plan years beginning after December 31, 2002.

SEC. 603. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS FOR CHARITABLE PURPOSES.

(a) In General.—Subsection (d) of section 408 (relating to individual retirement accounts) is amended by adding at the end the following new paragraph:

"(8) Distributions for charitable purposes.—

"(A) In general.—In the case of a qualified charitable distribution from an individual retirement account to an organization described in section 170(c), no amount shall be includible in the gross income of the account holder or beneficiary.

"(B) Special rules relating to charitable remainder trusts, pooled income funds, and charitable gift annuities.—

"(i) In general.—In the case of a qualified charitable distribution from an individual retirement account—

"(I) to a charitable remainder annuity trust or a charitable remainder unitrust (as such terms are defined in section 664(d)),

"(II) to a pooled income fund (as defined in section 642(c)(5)), or

"(III) for the issuance of a charitable gift annuity (as defined in section 501(m)(5)),

no amount shall be includible in gross income of the account holder or beneficiary. The preceding sentence shall apply only if no person holds any interest in the amounts in the trust, fund, or annuity attributable to such distribution other than one or more of the following: the individual for whose benefit such account is maintained, the spouse of such individual, or any organization described in section 170(c).

"(ii) Determination of inclusion of amounts distributed.—In determining the amount includible in the gross income of the distributee of a distribution from a trust described in clause (i)(I) or an annuity described in clause (i)(III), the portion of any qualified charitable distribution to such trust or for such annuity which would (but for this subparagraph) have been includible in gross income—

"(I) in the case of any such trust, shall be treated as income described in section 664(b)(1), or

"(II) in the case of any such annuity, shall not be treated as an investment in the contract.

"(iii) No inclusion for distribution to pooled income fund.—No amount shall be includible in the gross income of a pooled income fund (as so defined) by reason of a qualified charitable distribution to such fund.

"(C) Qualified charitable distribution.—For purposes of this paragraph, the term 'qualified charitable distribution' means any distribution from an individual retirement account—

"(i) which is made on or after the date that the individual for whose benefit the account is maintained has attained age 70½, and

"(ii) which is a charitable contribution (as defined in section 170(c)) made directly from the account to—

"(I) an organization described in section 170(c), or

"(II) a trust, fund, or annuity described in subparagraph (B).

"(D) Denial of deduction.—The amount allowable as a deduction to the taxpayer for the taxable year under section 170 (before the application of section 170(b)) for qualified charitable distributions shall be reduced (but not below zero) by the sum of the amounts of the qualified charitable distributions during such year which (but for this paragraph) would have been includible in the gross income of the taxpayer for such year.".

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2009.

Subtitie B—Expanding Coverage

SEC. 611. PLAN LOANS FOR SUBCHAPTER S OWNERS, PARTNERS, AND SOLE PROPRIETORS.

(a) In General.—Subparagraph (B) of section 4975(f)(6) (relating to exemptions not to apply to certain transactions) is amended by adding at the end the following new clause:

"(iii) Loan exception.—For purposes of subparagraph (A)(i), the term 'owner-employee' shall only include a person described in subclause (II) or (III) of clause (i).".

(b) Amendment of ERISA.—Section 408(d)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(d)(2)) is amended by adding at the end the following new subparagraph:

"(C) For purposes of paragraph (1)(A), the term 'owner-employee' shall only include a person described in clause (ii) or (iii) of subparagraph (A).".

(c) Effective Date.—The amendment made by this section shall apply to years beginning after December 31, 2001.

SEC. 612. MODIFICATION OF TOP-HEAVY RULES.

(a) Simplification of Definition of Key Employee.—

(1) In general.—Section 416(i)(1)(A) (defining key employee) is amended—

(A) by striking "or any of the 4 preceding plan years" in the matter preceding clause (i);

(B) by striking clause (i) and inserting the following:

"(i) an officer of the employer having an annual compensation greater than the amount in effect under section 414(q)(1)(B)(i) for such plan year,";

(C) by striking clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively;

(D) by striking the second sentence in the matter following clause (iii), as redesignated by subparagraph (C); and

(E) by adding at the end the following: "For purposes of this subparagraph, in the case of an employee who is not employed during the preceding plan year or is employed for a portion of such year, such employee shall be treated as a key employee if it can be reasonably anticipated that such employee will be described in 1 of the preceding clauses for the current plan year.".

(2) Conforming amendment.—Section 416(i)(1)(B)(iii) is amended by striking "and subparagraph (A)(ii)".

(b) Matching Contributions Taken Into Account for Minimum Contribution Requirements.—Section 416(c)(2)(A) (relating to defined contribution plans) is amended by adding at the end the following: "Employer matching contributions (as defined in section 401(m)(4)(A)) shall be taken into account for purposes of this subparagraph.".

(c) Distributions During Last Year Before Determination Date Taken Into Account.—

(1) In general.—Paragraph (3) of section 416(g) is amended to read as follows:

"(3) Distributions during last year before determination date taken into account.—

"(A) In general.—For purposes of determining—

"(i) the present value of the cumulative accrued benefit for any employee, or

"(ii) the amount of the account of any employee,

such present value or amount shall be increased by the aggregate distributions made with respect to such employee under the plan during the 1-year period ending on the determination date. The preceding sentence shall also apply to distributions under a terminated plan which if it had not been terminated would have been required to be included in an aggregation group.

"(B) 5-year period in case of in-service distribution.—In the case of any distribution made for a reason other than separation from service, death, or disability, subparagraph (A) shall be applied by substituting '5-year period' for '1-year period'.".

(2) Benefits not taken into account.—Subparagraph (E) of section 416(g)(4) is amended—

(A) by striking "LAST 5 YEARS" in the heading and inserting "LAST YEAR BEFORE DETERMINATION DATE"; and

(B) by striking "5-year period" and inserting "1-year period".

(d) Frozen Plan Exempt From Minimum Benefit Requirement.—Subparagraph (C) of section 416(c)(1) (relating to defined benefit plans) is amended—

(A) by striking "clause (ii)" in clause (i) and inserting "clause (ii) or (iii)"; and

(B) by adding at the end the following:

"(iii) Exception for frozen plan.—For purposes of determining an employee's years of service with the employer, any service with the employer shall be disregarded to the extent that such service occurs during a plan year when the plan benefits (within the meaning of section 410(b)) no key employee or former key employee.".

(e) Effective Date.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 613. ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.

(a) In General.—Section 404 (relating to deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred payment plan) is amended by adding at the end the following new subsection:

"(n) Elective Deferrals Not Taken Into Account for Purposes of Deduction Limits.—

"(1) In general.—The applicable percentage of the amount of any elective deferrals (as defined in section 402(g)(3)) shall not be subject to any limitation contained in paragraph (3), (7), or (9) of subsection (a), and such elective deferrals shall not be taken into account in applying any such limitation to any other contributions.

"(2) Applicable percentage.—For purposes of paragraph (1), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in:	The applicable percentage is:
2002 through 2010	25 percent
2011 and thereafter	100 percent.".

(b) Effective Date.—The amendment made by this section shall apply to years beginning after December 31, 2001.

SEC. 614. REPEAL OF COORDINATION REQUIREMENTS FOR DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.

(a) In General.—Subsection (c) of section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations) is amended to read as follows:

"(c) Limitation.—The maximum amount of the compensation of any one individual which may be deferred under subsection (a) during any taxable year shall not exceed the amount in effect under subsection (b)(2)(A) (as modified by any adjustment provided under subsection (b)(3)).".

(b) Effective Date.—The amendment made by subsection (a) shall apply to years beginning after December 31, 2001.

SEC. 615. DEDUCTION LIMITS.

(a) Modification of Limits.—

(1) Stock bonus and profit sharing trusts.—

(A) In general.—Subclause (I) of section 404(a)(3)(A)(i) (relating to stock bonus and profit sharing trusts) is amended by striking "15 percent" and inserting "25 percent".

(B) Conforming amendment.—Subparagraph (C) of section 404(h)(1) is amended by striking "15 percent" each place it appears and inserting "25 percent".

(2) Defined contribution plans.—

(A) In general.—Clause (v) of section 404(a)(3)(A) (relating to stock bonus and profit sharing trusts) is amended to read as follows:

"(v) Defined contribution plans subject to the funding standards.—Except as provided by the Secretary, a defined contribution plan which is subject to the funding standards of section 412 shall be treated in the same manner as a stock bonus or profit-sharing plan for purposes of this subparagraph."

(B) Conforming amendments.—

(i) Section 404(a)(1)(A) is amended by inserting "(other than a trust to which paragraph (3) applies)" after "pension trust".

(ii) Section 404(h)(2) is amended by striking "stock bonus or profit-sharing trust" and inserting "trust subject to subsection (a)(3)(A)".

(iii) The heading of section 404(h)(2) is amended by striking "STOCK BONUS AND PROFIT-SHARING TRUST" and inserting "CERTAIN TRUSTS".

(b) Compensation.—

(1) In general.—Section 404(a) (relating to general rule) is amended by adding at the end the following:

"(12) Definition of compensation.—For purposes of paragraphs (3), (7), (8), and (9), the term 'compensation' shall include amounts treated as 'participant's compensation' under subparagraph (C) or (D) of section 415(c)(3).".

(2) Conforming amendments.—

(A) Subparagraph (B) of section 404(a)(3) is amended by striking the last sentence thereof.

(B) Clause (i) of section 4972(c)(6)(B) is amended by striking "(within the meaning of section 404(a))" and inserting "(within the meaning of section 404(a) and as adjusted under section 404(a)(12))".

(c) Effective Date.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 616. OPTION TO TREAT ELECTIVE DEFERRALS AS AFTER-TAX ROTH CONTRIBUTIONS.

(a) In General.—Subpart A of part I of subchapter D of chapter 1 (relating to deferred compensation, etc.) is amended by inserting after section 402 the following new section:

"SEC. 402A. OPTIONAL TREATMENT OF ELECTIVE DEFERRALS AS ROTH CONTRIBUTIONS.

"(a) General Rule.—If an applicable retirement plan includes a qualified Roth contribution program—

"(1) any designated Roth contribution made by an employee pursuant to the program shall be treated as an elective deferral for purposes of this chapter, except that such contribution shall not be excludable from gross income, and

"(2) such plan (and any arrangement which is part of such plan) shall not be treated as failing to meet any requirement of this chapter solely by reason of including such program.

"(b) Qualified Roth Contribution Program.—For purposes of this section—

"(1) In general.—The term 'qualified Roth contribution program' means a program under which an employee may elect to make designated Roth contributions in lieu of all or a portion of elective deferrals the employee is otherwise eligible to make under the applicable retirement plan.

"(2) Separate accounting required.—A program shall not be treated as a qualified Roth contribution program unless the applicable retirement plan—

"(A) establishes separate accounts ('designated Roth accounts') for the designated Roth contributions of each employee and any earnings properly allocable to the contributions, and

"(B) maintains separate recordkeeping with respect to each account.

"(c) Definitions and Rules Relating to Designated Roth Contributions.—For purposes of this section—

"(1) Designated roth contribution.—The term 'designated Roth contribution' means any elective deferral which—

"(A) is excludable from gross income of an employee without regard to this section, and

"(B) the employee designates (at such time and in such manner as the Secretary may prescribe) as not being so excludable.

"(2) Designation limits.—The amount of elective deferrals which an employee may designate under paragraph (1) shall not exceed the excess (if any) of—

"(A) the maximum amount of elective deferrals excludable from gross income of the employee for the taxable year (without regard to this section), over

"(B) the aggregate amount of elective deferrals of the employee for the taxable year which the employee does not designate under paragraph (1).

"(3) Rollover contributions.—

"(A) In general.—A rollover contribution of any payment or distribution from a designated Roth account which is otherwise allowable under this chapter may be made only if the contribution is to—

"(i) another designated Roth account of the individual from whose account the payment or distribution was made, or

"(ii) a Roth IRA of such individual.

"(B) Coordination with limit.—Any rollover contribution to a designated Roth account under subparagraph (A) shall not be taken into account for purposes of paragraph (1).

"(d) Distribution Rules.—For purposes of this title—

"(1) Exclusion.—Any qualified distribution from a designated Roth account shall not be includible in gross income.

"(2) Qualified distribution.—For purposes of this subsection—

"(A) In general.—The term 'qualified distribution' has the meaning given such term by section 408A(d)(2)(A) (without regard to clause (iv) thereof).

"(B) Distributions within nonexclusion period.—A payment or distribution from a designated Roth account shall not be treated as a qualified distribution if such payment or distribution is made within the 5-taxable-year period beginning with the earlier of—

"(i) the first taxable year for which the individual made a designated Roth contribution to any designated Roth account established for such individual under the same applicable retirement plan, or

"(ii) if a rollover contribution was made to such designated Roth account from a designated Roth account previously established for such individual under another applicable retirement plan, the first taxable year for which the individual made a designated Roth contribution to such previously established account.

"(C) Distributions of excess deferrals and contributions and earnings thereon.—The term 'qualified distribution' shall not include any distribution of any excess deferral under section 402(g)(2) or any excess contribution under section 401(k)(8), and any income on the excess deferral or contribution.

"(3) Treatment of distributions of certain excess deferrals.—Notwithstanding section 72, if any excess deferral under section 402(g)(2) attributable to a designated Roth contribution is not distributed on or before the 1st April 15 following the close of the taxable year in which such excess deferral is made, the amount of such excess deferral shall—

"(A) not be treated as investment in the contract, and

"(B) be included in gross income for the taxable year in which such excess is distributed.

"(4) Aggregation rules.—Section 72 shall be applied separately with respect to distributions and payments from a designated Roth account and other distributions and payments from the plan.

"(e) Other Definitions.—For purposes of this section—

"(1) Applicable retirement plan.—The term 'applicable retirement plan' means—

"(A) an employees' trust described in section 401(a) which is exempt from tax under section 501(a), and

"(B) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b).

"(2) Elective deferral.—The term 'elective deferral' means any elective deferral described in subparagraph (A) or (C) of section 402(g)(3).".

(b) Excess Deferrals.—Section 402(g) (relating to limitation on exclusion for elective deferrals) is amended—

(1) by adding at the end of paragraph (1)(A) (as added by section 201(c)(1)) the following new sentence: "The preceding sentence shall not apply the portion of such excess as does not exceed the designated Roth contributions of the individual for the taxable year."; and

(2) by inserting "(or would be included but for the last sentence thereof)" after "paragraph (1)" in paragraph (2)(A).

(c) Rollovers.—Subparagraph (B) of section 402(c)(8) is amended by adding at the end the following:

"If any portion of an eligible rollover distribution is attributable to payments or distributions from a designated Roth account (as defined in section 402A), an eligible retirement plan with respect to such portion shall include only another designated Roth account and a Roth IRA.".

(d) Reporting Requirements.—

(1) W-2 information.—Section 6051(a)(8) is amended by inserting ", including the amount of designated Roth contributions (as defined in section 402A)" before the comma at the end.

(2) Information.—Section 6047 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) Designated Roth Contributions.—The Secretary shall require the plan administrator of each applicable retirement plan (as defined in section 402A) to make such returns and reports regarding designated Roth contributions (as defined in section 402A) to the Secretary, participants and beneficiaries of the plan, and such other persons as the Secretary may prescribe.".

(e) Conforming Amendments.—

(1) Section 408A(e) is amended by adding after the first sentence the following new sentence: "Such term includes a rollover contribution described in section 402A(c)(3)(A).".

(2) The table of sections for subpart A of part I of subchapter D of chapter 1 is amended by inserting after the item relating to section 402 the following new item:

"Sec. 402A. Optional treatment of elective deferrals as Roth contributions.".

(f) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 617. NONREFUNDABLE CREDIT TO CERTAIN INDIVIDUALS FOR ELECTIVE DEFERRALS AND IRA CONTRIBUTIONS.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits) is amended by inserting after section 25A the following new section:

"SEC. 25B. ELECTIVE DEFERRALS AND IRA CONTRIBUTIONS BY CERTAIN INDIVIDUALS.

"(a) Allowance of Credit.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the applicable percentage of so much of the qualified retirement savings contributions of the eligible individual for the taxable year as do not exceed $2,000.

"(b) Applicable Percentage.—For purposes of this section, the applicable percentage is the percentage determined in accordance with the following table:

Adjusted Gross Income						Applicable percentage
Joint return		Head of a household		All other cases		
Over	Not over	Over	Not over	Over	Not over	
$0	$30,000	$0	$22,500	$0	$15,000	50
30,000	32,500	22,500	24,375	15,000	16,250	20
32,500	50,000	24,375	37,500	16,250	25,000	10
50,000	....	37,500	....	25,000	....	0

"(c) Eligible Individual.—For purposes of this section—

"(1) In general.—The term 'eligible individual' means any individual if such individual has attained the age of 18 as of the close of the taxable year.

"(2) Dependents and full-time students not eligible.—The term 'eligible individual' shall not include—

"(A) any individual with respect to whom a deduction under section 151 is allowed to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins, and

"(B) any individual who is a student (as defined in section 151(c)(4)).

"(d) Qualified Retirement Savings Contributions.—For purposes of this section—

"(1) In general.—The term 'qualified retirement savings contributions' means, with respect to any taxable year, the sum of—

"(A) the amount of the qualified retirement contributions (as defined in section 219(e)) made by the eligible individual,

"(B) the amount of—

"(i) any elective deferrals (as defined in section 402(g)(3)) of such individual, and

"(ii) any elective deferral of compensation by such individual under an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A), and

"(C) the amount of voluntary employee contributions by such individual to any qualified retirement plan (as defined in section 4974(c)).

"(2) Reduction for certain distributions.—

"(A) In general.—The qualified retirement savings contributions determined under paragraph (1) shall be reduced (but not below zero) by the sum of—

"(i) any distribution from a qualified retirement plan (as defined in section 4974(c)), or from an eligible deferred compensation plan (as defined in section 457(b)), received by the individual during the testing period which is includible in gross income, and

"(ii) any distribution from a Roth IRA received by the individual during the testing period which is not a qualified rollover contribution (as defined in section 408A(e)) to a Roth IRA.

"(B) Testing period.—For purposes of subparagraph (A), the testing period, with respect to a taxable year, is the period which includes—

"(i) such taxable year,

"(ii) the 2 preceding taxable years, and

"(iii) the period after such taxable year and before the due date (including extensions) for filing the return of tax for such taxable year.

"(C) Excepted distributions.—There shall not be taken into account under subparagraph (A)—

"(i) any distribution referred to in section 72(p), 401(k)(8), 401(m)(6), 402(g)(2), 404(k), or 408(d)(4), and

"(ii) any distribution to which section 408A(d)(3) applies.

"(D) Treatment of distributions received by spouse of individual.—For purposes of determining distributions received by an individual under subparagraph (A) for any taxable year, any distribution received by the spouse of such individual shall be treated as received by such individual if such individual and spouse file a joint return for such taxable year and for the taxable year during which the spouse receives the distribution.

"(e) Adjusted Gross Income.—For purposes of this section, adjusted gross income shall be determined without regard to sections 911, 931, and 933.

"(f) Investment in the Contract.—Notwithstanding any other provision of law, a qualified retirement savings contribution shall not fail to be included in determining the investment in the contract for purposes of section 72 by reason of the credit under this section.

"(g) Termination.—This section shall not apply to taxable years beginning after December 31, 2006.".

(b) Credit Allowed Against Regular Tax and Alternative Minimum Tax.—

(1) In general.—Section 25B, as added by subsection (a), is amended by inserting after subsection (f) the following new subsection:

"(g) Limitation Based on Amount of Tax.—The aggregate credit allowed by this section for the taxable year shall not exceed the sum of—

"(1) the taxpayer's regular tax liability for the taxable year reduced by the sum of the credits allowed by sections 21, 22, 23, 24, 25, and 25A plus

"(2) the tax imposed by section 55 for such taxable year."

(2) Conforming amendments.—

(A) Section 26(a)(1), as amended by section 201, is amended by inserting "or section 25B" after "section 24".

(B) Section 23(c), as amended by section 201, is amended by striking "sections 24" and inserting "sections 24, 25B,".

(C) Section 25(e)(1)(C), as amended by section 201, is amended by inserting "25B," after "24,".

(D) Section 904(h), as amended by section 201, is amended by inserting "or 25B" after "section 24".

(E) Section 1400C(d), as amended by section 201, is amended by inserting "and section 25B" after "section 24".

(c) Conforming Amendment.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 25A the following new item:

"Sec. 25B. Elective deferrals and IRA contributions by certain individuals."

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 618. CREDIT FOR QUALIFIED PENSION PLAN CONTRIBUTIONS OF SMALL EMPLOYERS.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following new section:

"SEC. 45E. SMALL EMPLOYER PENSION PLAN CONTRIBUTIONS.

"(a) General Rule.—For purposes of section 38, in the case of an eligible employer, the small employer pension plan contribution credit determined under this section for any taxable year is an amount equal to 50 percent of the amount which would (but for subsection (f)(1)) be allowed as a deduction under section 404 for such taxable year for qualified employer contributions made to any qualified retirement plan on behalf of any employee who is not a highly compensated employee.

"(b) Credit Limited to 3 Years.—The credit allowable by this section shall be allowed only with respect to the period of 3 taxable years beginning with the first taxable year for which a credit is allowable with respect to a plan under this section.

"(c) Qualified Employer Contribution.—For purposes of this section—

"(1) Defined contribution plans.—In the case of a defined contribution plan, the term 'qualified employer contribution' means the amount of nonelective and matching contributions to the plan made by the employer on behalf of any employee who is not a highly compensated employee to the extent such amount does not exceed 3 percent of such employee's compensation from the employer for the year.

"(2) Defined benefit plans.—In the case of a defined benefit plan, the term 'qualified employer contribution' means the amount of employer contributions to the plan made on behalf of any employee who is not a highly compensated employee to the extent that the accrued benefit of such employee derived from employer contributions for the year does not exceed the equivalent (as determined under regulations prescribed by the Secretary and without regard to contributions and benefits under the Social Security Act) of 3 percent of such employee's compensation from the employer for the year.

"(d) Qualified Retirement Plan.—

"(1) In general.—The term 'qualified retirement plan' means any plan described in section 401(a) which includes a trust exempt from tax under section 501(a) if the plan meets—

"(A) the contribution requirements of paragraph (2),

"(B) the vesting requirements of paragraph (3), and

"(C) the distribution requirements of paragraph (4).

"(2) Contribution requirements.—

"(A) In general.—The requirements of this paragraph are met if, under the plan—

"(i) the employer is required to make nonelective contributions of at least 1 percent of compensation (or the equivalent thereof in the case of a defined benefit plan) for each employee who is not a highly compensated employee who is eligible to participate in the plan, and

"(ii) allocations of nonelective employer contributions, in the case of a defined contribution plan, are either in equal dollar amounts for all employees covered by the plan or bear a uniform relationship to the total compensation, or the basic or regular rate of compensation, of the employees covered by the plan (and an equivalent requirement is met with respect to a defined benefit plan).

"(B) Compensation limitation.—The compensation taken into account under subparagraph (A) for any year shall not exceed the limitation in effect for such year under section 401(a)(17).

"(3) Vesting requirements.—The requirements of this paragraph are met if the plan satisfies the requirements of either of the following subparagraphs:

"(A) 3-year vesting.—A plan satisfies the requirements of this subparagraph if an employee who has completed at least 3 years of service has a nonforfeitable right to 100 percent of the employee's accrued benefit derived from employer contributions.

"(B) 5-year graded vesting.—A plan satisfies the requirements of this subparagraph if an employee has a nonforfeitable right to a percentage of the employee's accrued benefit derived from employer contributions determined under the following table:

"Years of service:	**The nonforfeitable percentage is:**
1	20
2	40
3	60
4	80
5	100.

"(4) Distribution requirements.—In the case of a profit-sharing or stock bonus plan, the requirements of this paragraph are met if, under the plan, qualified employer contributions are distributable only as provided in section 401(k)(2)(B).

"(e) Other Definitions.—For purposes of this section—

"(1) Eligible employer.—

"(A) In general.—The term 'eligible employer' means, with respect to any year, an employer which has no more than 20 employees who received at least $5,000 of compensation from the employer for the preceding year.

"(B) Requirement for new qualified employer plans.—Such term shall not include an employer if, during the 3-taxable year period immediately preceding the 1st taxable year for which the credit under this section is otherwise allowable for a qualified employer plan of the employer, the employer or any member of any controlled group including the employer (or any predecessor of either) established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued, for substantially the same employees as are in the qualified employer plan.

"(2) Highly compensated employee.—The term 'highly compensated employee' has the meaning given such term by section 414(q) (determined without regard to section 414(q)(1)(B)(ii)).

"(f) Special Rules.—

"(1) Disallowance of deduction.—No deduction shall be allowed for that portion of the qualified employer contributions paid or incurred for the taxable year which is equal to the credit determined under subsection (a).

"(2) Election not to claim credit.—This section shall not apply to a taxpayer for any taxable year if such taxpayer elects to have this section not apply for such taxable year.

"(3) Aggregation rules.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (n) or (o) of section 414, shall be treated as one person. All eligible employer plans shall be treated as 1 eligible employer plan.

"(g) Recapture of Credit on Forfeited Contributions.—

"(1) In general.—Except as provided in paragraph (2), if any accrued benefit which is forfeitable by reason of subsection (d)(3) is forfeited, the employer's tax imposed by this chapter for the taxable year in which the forfeiture occurs shall be increased by 35 percent of the employer contributions from which such benefit is derived to the extent such contributions were taken into account in determining the credit under this section.

"(2) Reallocated contributions.—Paragraph (1) shall not apply to any contribution which is reallocated by the employer under the plan to employees who are not highly compensated employees.".

(b) Credit Allowed as Part of General Business Credit.—Section 38(b) (defining current year business credit) is amended by striking "plus" at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting ", plus", and by adding at the end the following new paragraph:

"(14) in the case of an eligible employer (as defined in section 45E(e)), the small employer pension plan contribution credit determined under section 45E(a)."

(c) Conforming Amendments.—

(1) Section 39(d) is amended by adding at the end the following new paragraph:

"(10) No carryback of small employer pension plan contribution credit before January 1, 2003.—No portion of the unused business credit for any taxable year which is attributable to the small employer pension plan contribution credit determined under section 45E may be carried back to a taxable year beginning before January 1, 2003."

(2) Subsection (c) of section 196 is amended by striking "and" at the end of paragraph (8), by striking the period at the end of paragraph (9) and inserting ", and", and by adding at the end the following new paragraph:

"(10) the small employer pension plan contribution credit determined under section 45E(a)."

(3) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

"Sec. 45E. Small employer pension plan contributions."

(d) Effective Date.—The amendments made by this section shall apply to contributions paid or incurred in taxable years beginning after December 31, 2002.

SEC. 619. CREDIT FOR PENSION PLAN STARTUP COSTS OF SMALL EMPLOYERS.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by section 618, is amended by adding at the end the following new section:

"SEC. 45F. SMALL EMPLOYER PENSION PLAN STARTUP COSTS.

"(a) General Rule.—For purposes of section 38, in the case of an eligible employer, the small employer pension plan startup cost credit determined under this section for any taxable year is an amount equal to 50 percent of the qualified startup costs paid or incurred by the taxpayer during the taxable year.

"(b) Dollar Limitation.—The amount of the credit determined under this section for any taxable year shall not exceed—

"(1) $500 for the first credit year and each of the 2 taxable years immediately following the first credit year, and

"(2) zero for any other taxable year.

"(c) Eligible Employer.—For purposes of this section—

"(1) In general.—The term 'eligible employer' has the meaning given such term by section 408(p)(2)(C)(i).

"(2) Requirement for new qualified employer plans.—Such term shall not include an employer if, during the 3-taxable year period immediately preceding the 1st taxable year for which the credit under this section is otherwise allowable for a qualified employer plan of the employer, the employer or any member of any controlled group including the employer (or any predecessor of either) established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued, for substantially the same employees as are in the qualified employer plan.

"(d) Other Definitions.—For purposes of this section—

"(1) Qualified startup costs.—

"(A) In general.—The term 'qualified startup costs' means any ordinary and necessary expenses of an eligible employer which are paid or incurred in connection with—

"(i) the establishment or administration of an eligible employer plan, or

"(ii) the retirement-related education of employees with respect to such plan.

"(B) Plan must have at least 1 participant.—Such term shall not include any expense in connection with a plan that does not have at least 1 employee eligible to participate who is not a highly compensated employee.

"(2) Eligible employer plan.—The term 'eligible employer plan' means a qualified employer plan within the meaning of section 4972(d).

"(3) First credit year.—The term 'first credit year' means—

"(A) the taxable year which includes the date that the eligible employer plan to which such costs relate becomes effective, or

"(B) at the election of the eligible employer, the taxable year preceding the taxable year referred to in subparagraph (A).

"(e) Special Rules.—For purposes of this section—

"(1) Aggregation rules.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (n) or (o) of section 414, shall be treated as one person. All eligible employer plans shall be treated as 1 eligible employer plan.

"(2) Disallowance of deduction.—No deduction shall be allowed for that portion of the qualified startup costs paid or incurred for the taxable year which is equal to the credit determined under subsection (a).

"(3) Election not to claim credit.—This section shall not apply to a taxpayer for any taxable year if such taxpayer elects to have this section not apply for such taxable year."

(b) Credit Allowed as Part of General Business Credit.—Section 38(b) (defining current year business credit), as amended by section 618, is amended by striking "plus" at the end of paragraph (13), by striking the period at the end of paragraph (14) and inserting ", plus", and by adding at the end the following new paragraph:

"(15) in the case of an eligible employer (as defined in section 45F(c)), the small employer pension plan startup cost credit determined under section 45F(a)."

(c) Conforming Amendments.—

(1) Section 39(d), as amended by section 618(c), is amended by adding at the end the following new paragraph:

"(11) No carryback of small employer pension plan startup cost credit before January 1, 2002.—No portion of the unused business credit for any taxable year which is attributable to the small employer pension plan startup cost credit determined under section 45F may be carried back to a taxable year beginning before January 1, 2002."

(2) Subsection (c) of section 196, as amended by section 618(c), is amended by striking "and" at the end of paragraph (9), by striking the period at the end of paragraph (10) and inserting ", and", and by adding at the end the following new paragraph:

"(11) the small employer pension plan startup cost credit determined under section 45F(a)."

(3) The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section 618(c), is amended by adding at the end the following new item:

"Sec. 45F. Small employer pension plan startup costs."

(d) Effective Date.—The amendments made by this section shall apply to costs paid or incurred in taxable years beginning after December 31, 2001, with respect to qualified employer plans established after such date.

SEC. 620. ELIMINATION OF USER FEE FOR REQUESTS TO IRS REGARDING NEW PENSION PLANS.

(a) Elimination of Certain User Fees.—The Secretary of the Treasury or the Secretary's delegate shall not require payment of user fees under the program established under section 10511 of the Revenue Act of 1987 for requests to the Internal Revenue Service for ruling letters, opinion letters, and determination letters or similar requests with respect to the qualified status of a new pension benefit plan or any trust which is part of the plan.

(b) New Pension Benefit Plan.—For purposes of this section—

(1) In general.—The term "new pension benefit plan" means a pension, profit-sharing, stock bonus, annuity, or employee stock ownership plan which is maintained by one or more eligible employers if such employer (or any predecessor employer) has not made a prior request described in subsection (a) for such plan (or any predecessor plan).

(2) Eligible employer.—

(A) In general.—The term "eligible employer" means an employer which has—

(i) no more than 100 employees for the preceding year, and

(ii) at least one employee who is not a highly compensated employee (as defined in section 414(q)) and is participating in the plan.

(B) New plan requirement.—The term "eligible employer" shall not include an employer if, during the 3-taxable year period immediately preceding the taxable year in which the request is made, the employer or any member of any controlled group including the employer (or any predecessor of either) established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued for service, for substantially the same employees as are in the qualified employer plan.

(c) Determination of Average Fees Charged.—For purposes of any determination of average fees charged, any request to which subsection (a) applies shall not be taken into account.

(d) Effective Date.—The provisions of this section shall apply with respect to requests made after December 31, 2001.

SEC. 621. TREATMENT OF NONRESIDENT ALIENS ENGAGED IN INTERNATIONAL TRANSPORTATION SERVICES.

(a) Exclusion From Income Sourcing Rules.—The second sentence of section 861(a)(3) (relating to gross income from sources within the United States) is amended by striking "except for purposes of sections 79 and 105 and subchapter D,".

(b) Effective Date.—The amendment made by subsection (a) shall apply to remuneration for services performed in plan years beginning after December 31, 2001.

Subtitle C—Enhancing Fairness for Women

SEC. 631. EQUITABLE TREATMENT FOR CONTRIBUTIONS OF EMPLOYEES TO DEFINED CONTRIBUTION PLANS.

(a) Equitable Treatment.—

(1) In general.—Subparagraph (B) of section 415(c)(1) (relating to limitation for defined contribution plans) is amended by striking "25 percent" and inserting "the applicable percentage".

(2) Applicable percentage.—Section 415(c) is amended by adding at the end the following new paragraph:

"(8) Applicable percentage.—For purposes of paragraph (1)(B), the applicable percentage shall be determined in accordance with the following table:

"For years beginning in:	**The applicable percentage is:**
2002 through 2010	50 percent
2011 and thereafter	100 percent.".

(3) Application to section 403(b).—Section 403(b) is amended—

(A) by striking "the exclusion allowance for such taxable year" in paragraph (1) and inserting "the applicable limit under section 415",

(B) by striking paragraph (2), and

(C) by inserting "or any amount received by a former employee after the fifth taxable year following the taxable year in which such employee was terminated" before the period at the end of the second sentence of paragraph (3).

(4) Conforming amendments.—

(A) Subsection (f) of section 72 is amended by striking "section 403(b)(2)(D)(iii))" and inserting "section 403(b)(2)(D)(iii), as in effect before the enactment of the Economic Stimulus Tax Cut Act of 2001)".

(B) Section 404(a)(10)(B) is amended by striking ", the exclusion allowance under section 403(b)(2),".

(C) Section 415(a)(2) is amended by striking ", and the amount of the contribution for such portion shall reduce the exclusion allowance as provided in section 403(b)(2)".

(D) Section 415(c)(3) is amended by adding at the end the following new subparagraph:

"(E) ANNUITY CONTRACTS.—In the case of an annuity contract described in section 403(b), the term 'participant's compensation' means the participant's includible compensation determined under section 403(b)(3).".

(E) Section 415(c) is amended by striking paragraph (4).

(F) Section 415(c)(7) is amended to read as follows:

"(7) CERTAIN CONTRIBUTIONS BY CHURCH PLANS NOT TREATED AS EXCEEDING LIMIT.—

"(A) IN GENERAL.—Notwithstanding any other provision of this subsection, at the election of a participant who is an employee of a church or a convention or association of churches, including an organization described in section 414(e)(3)(B)(ii), contributions and other additions for an annuity contract or retirement income account described in section 403(b) with respect to such participant, when expressed as an annual addition to such participant's account, shall be treated as not exceeding the limitation of paragraph (1) if such annual addition is not in excess of $10,000.

"(B) $40,000 AGGREGATE LIMITATION.—The total amount of additions with respect to any participant which may be taken into account for purposes of this subparagraph for all years may not exceed $40,000.

"(C) ANNUAL ADDITION.—For purposes of this paragraph, the term 'annual addition' has the meaning given such term by paragraph (2).".

(G) Subparagraph (B) of section 402(g)(7) (as redesignated by section 611(c)(3)) is amended by inserting before the period at the end the following: "(as in effect before the enactment of the Economic Stimulus Tax Cut Act of 2001)".

(H) Section 664(g) is amended—

(i) in paragraph (3)(E) by striking "limitations under section 415(c)" and inserting "applicable limitation under paragraph (7)", and

(ii) by adding at the end the following new paragraph:

"(7) APPLICABLE LIMITATION.—

"(A) IN GENERAL.—For purposes of paragraph (3)(E), the applicable limitation under this paragraph with respect to a participant is an amount equal to the lesser of—

"(i) $30,000, or

"(ii) 25 percent of the participant's compensation (as defined in section 415(c)(3)).

"(B) COST-OF-LIVING ADJUSTMENT.—The Secretary shall adjust annually the $30,000 amount under subparagraph (A)(i) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning October 1, 1993, and any increase under this subparagraph which is not a multiple of $5,000 shall be rounded to the next lowest multiple of $5,000.".

(5) EFFECTIVE DATE.—

(A) Except as provided in subparagraph (B), the amendments made by this subsection shall apply to years beginning after December 31, 2001.

(B) The amendments made by paragraphs (3) and (4) shall apply to years beginning after December 31, 2010.

(b) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—

(1) IN GENERAL.—Subsection (k) of section 415 is amended by adding at the end the following new paragraph:

"(4) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—For purposes of this section, any annuity contract described in section 403(b) for the benefit of a participant shall be treated as a defined contribution plan maintained by each employer with respect to which the participant has the control required under subsection (b) or (c) of section 414 (as modified by subsection (h)). For purposes of this section, any contribution by an employer to a simplified employee pension plan for an individual for a taxable year shall be treated as an employer contribution to a defined contribution plan for such individual for such year.".

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendment made by paragraph (1) shall apply to limitation years beginning after December 31, 2000.

(B) EXCLUSION ALLOWANCE.—Effective for limitation years beginning in 2001, in the case of any annuity contract described in section 403(b) of the Internal Revenue Code of 1986, the amount of the contribution disqualified by reason of section 415(g) of such Code shall reduce the exclusion allowance as provided in section 403(b)(2) of such Code.

(3) MODIFICATION OF 403(b) EXCLUSION ALLOWANCE TO CONFORM TO 415 MODIFICATION.—The Secretary of the Treasury shall modify the regulations regarding the exclusion allowance under section 403(b)(2) of the Internal Revenue Code of 1986 to render void the requirement that contributions to a defined benefit pension plan be treated as previously excluded amounts for purposes of the exclusion allowance. For taxable years beginning after December 31, 2000, such regulations shall be applied as if such requirement were void.

(c) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—

(1) IN GENERAL.—Subparagraph (B) of section 457(b)(2) (relating to salary limitation on eligible deferred compensation plans) is amended by striking "33⅓ percent" and inserting "the applicable percentage".

(2) APPLICABLE PERCENTAGE.—Section 457 is amended by adding at the end the following new subsection:

"(h) APPLICABLE PERCENTAGE.—For purposes of subsection (b)(2)(A), the applicable percentage shall be determined in accordance with the following table:

"For years beginning in:	**The applicable percentage is:**
2002 through 2010	50 percent
2011 and thereafter	100 percent.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2001.

SEC. 632. FASTER VESTING OF CERTAIN EMPLOYER MATCHING CONTRIBUTIONS.

(a) IN GENERAL.—Section 411(a) (relating to minimum vesting standards) is amended—

(1) in paragraph (2), by striking "A plan" and inserting "Except as provided in paragraph (12), a plan"; and

(2) by adding at the end the following:

"(12) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A)), paragraph (2) shall be applied—

"(A) by substituting '3 years' for '5 years' in subparagraph (A), and

"(B) by substituting the following table for the table contained in subparagraph (B):

"Years of service:	**The nonforfeitable percentage is:**
2	20
3	40
4	60
5	80
6	100.".

(b) AMENDMENT OF ERISA.—Section 203(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)) is amended—

(1) in paragraph (2), by striking "A plan" and inserting "Except as provided in paragraph (4), a plan", and

(2) by adding at the end the following:

"(4) In the case of matching contributions (as defined in section 401(m)(4)(A) of the Internal Revenue Code of 1986), paragraph (2) shall be applied—

"(A) by substituting '3 years' for '5 years' in subparagraph (A), and

"(B) by substituting the following table for the table contained in subparagraph (B):

"Years of service:	**The nonforfeitable percentage is:**
2	20
3	40
4	60
5	80
6	100.".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to contributions for plan years beginning after December 31, 2001.

(2) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified by the date of the enactment of this Act, the amendments made by this section shall not apply to contributions on behalf of employees covered by any such agreement for plan years beginning before the earlier of—

(A) the later of—

(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after such date of the enactment); or

(ii) January 1, 2002; or

(B) January 1, 2006.

(3) SERVICE REQUIRED.—With respect to any plan, the amendments made by this section shall not apply to any employee before the date that such employee has 1 hour of service under such plan in any plan year to which the amendments made by this section apply.

SEC. 633. MODIFICATIONS TO MINIMUM DISTRIBUTION RULES.

(a) LIFE EXPECTANCY TABLES.—The Secretary of the Treasury shall modify the life expectancy tables under the regulations relating to minimum distribution requirements under sections 401(a)(9), 408(a)(6) and (b)(3), 403(b)(10), and 457(d)(2) of the Internal Revenue Code to reflect current life expectancy.

(b) REPEAL OF RULE WHERE DISTRIBUTIONS HAD BEGUN BEFORE DEATH OCCURS.—

(1) IN GENERAL.—Subparagraph (B) of section 401(a)(9) is amended by striking clause (i) and redesignating clauses (ii), (iii), and (iv) as clauses (i), (ii), and (iii), respectively.

(2) CONFORMING CHANGES.—

(A) Clause (i) of section 401(a)(9)(B) (as so redesignated) is amended—

(i) by striking "FOR OTHER CASES" in the heading; and

(ii) by striking "the distribution of the employee's interest has begun in accordance with subparagraph (A)(ii)" and inserting "his entire interest has been distributed to him".

(B) Clause (ii) of section 401(a)(9)(B) (as so redesignated) is amended by striking "clause (ii)" and inserting "clause (i)".

(C) Clause (iii) of section 401(a)(9)(B) (as so redesignated) is amended—

(i) by striking "clause (iii)(I)" and inserting "clause (ii)(I)";

(ii) by striking "clause (iii)(III)" in subclause (I) and inserting "clause (ii)(III)";

(iii) by striking "the date on which the employee would have attained age 70½," in subclause (I) and inserting "April 1 of the calendar year following the calendar year in which the spouse attains 70½,"; and

(iv) by striking "the distributions to such spouse begin," in subclause (II) and inserting "his entire interest has been distributed to him,".

(3) Effective date.—

(A) In general.—Except as provided in subparagraph (B), the amendments made by this subsection shall apply to years beginning after December 31, 2001.

(B) Distributions to surviving spouse.—

(i) In general.—In the case of an employee described in clause (ii), distributions to the surviving spouse of the employee shall not be required to commence prior to the date on which such distributions would have been required to begin under section 401(a)(9)(B) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of this Act).

(ii) Certain employees.—An employee is described in this clause if such employee dies before—

(I) the date of the enactment of this Act, and

(II) the required beginning date (within the meaning of section 401(a)(9)(C) of the Internal Revenue Code of 1986) of the employee.

SEC. 634. CLARIFICATION OF TAX TREATMENT OF DIVISION OF SECTION 457 PLAN BENEFITS UPON DIVORCE.

(a) In General.—Section 414(p)(11) (relating to application of rules to governmental and church plans) is amended—

(1) by inserting "or an eligible deferred compensation plan (within the meaning of section 457(b))" after "subsection (e))"; and

(2) in the heading, by striking "GOVERNMENTAL AND CHURCH PLANS" and inserting "CERTAIN OTHER PLANS".

(b) Waiver of Certain Distribution Requirements.—Paragraph (10) of section 414(p) is amended by striking "and section 409(d)" and inserting "section 409(d), and section 457(d)".

(c) Tax Treatment of Payments From a Section 457 Plan.—Subsection (p) of section 414 is amended by redesignating paragraph (12) as paragraph (13) and inserting after paragraph (11) the following new paragraph:

"(12) Tax treatment of payments from a section 457 plan.—If a distribution or payment from an eligible deferred compensation plan described in section 457(b) is made pursuant to a qualified domestic relations order, rules similar to the rules of section 402(e)(1)(A) shall apply to such distribution or payment.".

(d) Effective Date.—

(1) In general.—The amendment made by subsection (c) shall apply to transfers, distributions, and payments made after December 31, 2001.

(2) Amendments relating to assignments in divorce, etc., proceedings.—The amendments made by subsections (a) and (b) shall take effect on January 1, 2002, except that in the case of a domestic relations order entered before such date, the plan administrator—

(A) shall treat such order as a qualified domestic relations order if such administrator is paying benefits pursuant to such order on such date, and

(B) may treat any other such order entered before such date as a qualified domestic relations order even if such order does not meet the requirements of such amendments.

SEC. 635. PROVISIONS RELATING TO HARDSHIP DISTRIBUTIONS.

(a) Safe Harbor Relief.—

(1) In general.—The Secretary of the Treasury shall revise the regulations relating to hardship distributions under section 401(k)(2)(B)(i)(IV) of the Internal Revenue Code of 1986 to provide that the period an employee is prohibited from making elective and employee contributions in order for a distribution to be deemed necessary to satisfy financial need shall be equal to 6 months.

(2) Effective date.—The revised regulations under this subsection shall apply to years beginning after December 31, 2001.

(b) Hardship Distributions Not Treated as Eligible Rollover Distributions.—

(1) Modification of definition of eligible rollover.—Subparagraph (C) of section 402(c)(4) (relating to eligible rollover distribution) is amended to read as follows:

"(C) any distribution which is made upon hardship of the employee.".

(2) Effective date.—The amendment made by this subsection shall apply to distributions made after December 31, 2001.

SEC. 636. WAIVER OF TAX ON NONDEDUCTIBLE CONTRIBUTIONS FOR DOMESTIC OR SIMILAR WORKERS.

(a) In General.—Section 4972(c)(6) (relating to exceptions to nondeductible contributions), as amended by section 616, is amended by striking "or" at the end of subparagraph (A), by striking the period and inserting ", or" at the end of subparagraph (B), and by inserting after subparagraph (B) the following new subparagraph:

"(C) so much of the contributions to a simple retirement account (within the meaning of section 408(p)) or a simple plan (within the meaning of section 401(k)(11)) which are not deductible when contributed solely because such contributions are not made in connection with a trade or business of the employer."

(b) Exclusion of Certain Contributions.—Section 4972(c)(6), as amended by subsection (a), is amended by adding at the end the following new sentence: "Subparagraph (C) shall not apply to contributions made on behalf of the employer or a member of the employer's family (as defined in section 447(e)(1)).".

(c) No Inference.—Nothing in the amendments made by this section shall be construed to infer the proper treatment of nondeductible contributions under the laws in effect before such amendments.

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

Subtitle D—Increasing Portability for Participants

SEC. 641. ROLLOVERS ALLOWED AMONG VARIOUS TYPES OF PLANS.

(a) Rollovers From and to Section 457 Plans.—

(1) Rollovers from section 457 plans.—

(A) In general.—Section 457(e) (relating to other definitions and special rules) is amended by adding at the end the following:

"(16) Rollover amounts.—

"(A) General rule.—In the case of an eligible deferred compensation plan established and maintained by an employer described in subsection (e)(1)(A), if—

"(i) any portion of the balance to the credit of an employee in such plan is paid to such employee in an eligible rollover distribution (within the meaning of section 402(c)(4) without regard to subparagraph (C) thereof),

"(ii) the employee transfers any portion of the property such employee receives in such distribution to an eligible retirement plan described in section 402(c)(8)(B), and

"(iii) in the case of a distribution of property other than money, the amount so transferred consists of the property distributed, then such distribution (to the extent so transferred) shall not be includible in gross income for the taxable year in which paid.

"(B) Certain rules made applicable.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A).

"(C) Reporting.—Rollovers under this paragraph shall be reported to the Secretary in the same manner as rollovers from qualified retirement plans (as defined in section 4974(c)).".

(B) Deferral limit determined without regard to rollover amounts.—Section 457(b)(2) (defining eligible deferred compensation plan) is amended by inserting "(other than rollover amounts)" after "taxable year".

(C) Direct rollover.—Paragraph (1) of section 457(d) is amended by striking "and" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", and", and by inserting after subparagraph (B) the following:

"(C) in the case of a plan maintained by an employer described in subsection (e)(1)(A), the plan meets requirements similar to the requirements of section 401(a)(31).

Any amount transferred in a direct trustee-to-trustee transfer in accordance with section 401(a)(31) shall not be includible in gross income for the taxable year of transfer.".

(D) Withholding.—

(i) Paragraph (12) of section 3401(a) is amended by adding at the end the following:

"(E) under or to an eligible deferred compensation plan which, at the time of such payment, is a plan described in section 457(b) which is maintained by an eligible employer described in section 457(e)(1)(A), or".

(ii) Paragraph (3) of section 3405(c) is amended to read as follows:

"(3) Eligible rollover distribution.—For purposes of this subsection, the term 'eligible rollover distribution' has the meaning given such term by section 402(f)(2)(A).".

(iii) Liability for withholding.—Subparagraph (B) of section 3405(d)(2) is amended by striking "or" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", or", and by adding at the end the following:

"(iv) section 457(b) and which is maintained by an eligible employer described in section 457(e)(1)(A).".

(2) Rollovers to section 457 plans.—

(A) In general.—Section 402(c)(8)(B) (defining eligible retirement plan) is amended by striking "and" at the end of clause (iii), by striking the period at the end of clause (iv) and inserting ", and", and by inserting after clause (iv) the following new clause:

"(v) an eligible deferred compensation plan described in section 457(b) which is maintained by an eligible employer described in section 457(e)(1)(A).".

(B) Separate accounting.—Section 402(c) is amended by adding at the end the following new paragraph:

"(11) Separate accounting.—Unless a plan described in clause (v) of paragraph (8)(B) agrees to separately account for amounts rolled into such plan from eligible retirement plans not described in such clause, the plan described in such clause may not accept transfers or rollovers from such retirement plans.".

(C) 10 PERCENT ADDITIONAL TAX.—Subsection (t) of section 72 (relating to 10-percent additional tax on early distributions from qualified retirement plans) is amended by adding at the end the following new paragraph:

"(9) SPECIAL RULE FOR ROLLOVERS TO SECTION 457 PLANS.—For purposes of this subsection, a distribution from an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A) shall be treated as a distribution from a qualified retirement plan described in 4974(c)(1) to the extent that such distribution is attributable to an amount transferred to an eligible deferred compensation plan from a qualified retirement plan (as defined in section 4974(c)).".

(b) ALLOWANCE OF ROLLOVERS FROM AND TO 403(b) PLANS.—

(1) ROLLOVERS FROM SECTION 403(b) PLANS.—Section 403(b)(8)(A)(ii) (relating to rollover amounts) is amended by striking "such distribution" and all that follows and inserting "such distribution to an eligible retirement plan described in section 402(c)(8)(B), and".

(2) ROLLOVERS TO SECTION 403(b) PLANS.—Section 402(c)(8)(B) (defining eligible retirement plan), as amended by subsection (a), is amended by striking "and" at the end of clause (iv), by striking the period at the end of clause (v) and inserting ", and", and by inserting after clause (v) the following new clause:

"(vi) an annuity contract described in section 403(b).".

(c) EXPANDED EXPLANATION TO RECIPIENTS OF ROLLOVER DISTRIBUTIONS.—Paragraph (1) of section 402(f) (relating to written explanation to recipients of distributions eligible for rollover treatment) is amended by striking "and" at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting ", and", and by adding at the end the following new subparagraph:

"(E) of the provisions under which distributions from the eligible retirement plan receiving the distribution may be subject to restrictions and tax consequences which are different from those applicable to distributions from the plan making such distribution.".

(d) SPOUSAL ROLLOVERS.—Section 402(c)(9) (relating to rollover where spouse receives distribution after death of employee) is amended by striking "; except that" and all that follows up to the end period.

(e) CONFORMING AMENDMENTS.—

(1) Section 72(o)(4) is amended by striking "and 408(d)(3)" and inserting "403(b)(8), 408(d)(3), and 457(e)(16)".

(2) Section 219(d)(2) is amended by striking "or 408(d)(3)" and inserting "408(d)(3), or 457(e)(16)".

(3) Section 401(a)(31)(B) is amended by striking "and 403(a)(4)" and inserting ", 403(a)(4), 403(b)(8), and 457(e)(16)".

(4) Subparagraph (A) of section 402(f)(2) is amended by striking "or paragraph (4) of section 403(a)" and inserting ", paragraph (4) of section 403(a), subparagraph (A) of section 403(b)(8), or subparagraph (A) of section 457(e)(16)".

(5) Paragraph (1) of section 402(f) is amended by striking "from an eligible retirement plan".

(6) Subparagraphs (A) and (B) of section 402(f)(1) are amended by striking "another eligible retirement plan" and inserting "an eligible retirement plan".

(7) Subparagraph (B) of section 403(b)(8) is amended to read as follows:

"(B) CERTAIN RULES MADE APPLICABLE.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A), except that section 402(f) shall be applied to the payor in lieu of the plan administrator.".

(8) Section 408(a)(1) is amended by striking "or 403(b)(8)," and inserting "403(b)(8), or 457(e)(16)".

(9) Subparagraphs (A) and (B) of section 415(b)(2) are each amended by striking "and 408(d)(3)" and inserting "403(b)(8), 408(d)(3), and 457(e)(16)".

(10) Section 415(c)(2) is amended by striking "and 408(d)(3)" and inserting "408(d)(3), and 457(e)(16)".

(11) Section 4973(b)(1)(A) is amended by striking "or 408(d)(3)" and inserting "408(d)(3), or 457(e)(16)".

(f) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2001.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of any amendment made by this section.

SEC. 642. ROLLOVERS OF IRAS INTO WORKPLACE RETIREMENT PLANS.

(a) IN GENERAL.—Subparagraph (A) of section 408(d)(3) (relating to rollover amounts) is amended by adding "or" at the end of clause (i), by striking clauses (ii) and (iii), and by adding at the end the following:

"(ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan for the benefit of such individual not later than the 60th day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan may not exceed the portion of the amount received which is includible in gross income (determined without regard to this paragraph).

For purposes of clause (ii), the term 'eligible retirement plan' means an eligible retirement plan described in clause (iii), (iv), (v), or (vi) of section 402(c)(8)(B).".

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 403(b) is amended by striking "section 408(d)(3)(A)(iii)" and inserting "section 408(d)(3)(A)(ii)".

(2) Clause (i) of section 408(d)(3)(D) is amended by striking "(i), (ii), or (iii)" and inserting "(i) or (ii)".

(3) Subparagraph (G) of section 408(d)(3) is amended to read as follows:

"(G) SIMPLE RETIREMENT ACCOUNTS.—In the case of any payment or distribution out of a simple retirement account (as defined in subsection (p)) to which section 72(t)(6) applies, this paragraph shall not apply unless such payment or distribution is paid into another simple retirement account.".

(c) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2001.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of the amendments made by this section.

SEC. 643. ROLLOVERS OF AFTER-TAX CONTRIBUTIONS.

(a) ROLLOVERS FROM EXEMPT TRUSTS.—Paragraph (2) of section 402(c) (relating to maximum amount which may be rolled over) is amended by adding at the end the following: "The preceding sentence shall not apply to such distribution to the extent—

"(A) such portion is transferred in a direct trustee-to-trustee transfer to a qualified trust which is part of a plan which is a defined contribution plan and which agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

"(B) such portion is transferred to an eligible retirement plan described in clause (i) or (ii) of paragraph (8)(B).".

(b) OPTIONAL DIRECT TRANSFER OF ELIGIBLE ROLLOVER DISTRIBUTIONS.—Subparagraph (B) of section 401(a)(31) (relating to limitation) is amended by adding at the end the following: "The preceding sentence shall not apply to such distribution if the plan to which such distribution is transferred—

"(i) agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

"(ii) is an eligible retirement plan described in clause (i) or (ii) of section 402(c)(8)(B).".

(c) RULES FOR APPLYING SECTION 72 TO IRAS.—Paragraph (3) of section 408(d) (relating to special rules for applying section 72) is amended by inserting at the end the following:

"(H) APPLICATION OF SECTION 72.—

"(i) IN GENERAL.—If—

"(I) a distribution is made from an individual retirement plan, and

"(II) a rollover contribution is made to an eligible retirement plan described in section 402(c)(8)(B)(iii), (iv), (v), or (vi) with respect to all or part of such distribution,

then, notwithstanding paragraph (2), the rules of clause (ii) shall apply for purposes of applying section 72.

"(ii) APPLICABLE RULES.—In the case of a distribution described in clause (i)—

"(I) section 72 shall be applied separately to such distribution,

"(II) notwithstanding the pro rata allocation of income on, and investment in, the contract to distributions under section 72, the portion of such distribution rolled over to an eligible retirement plan described in clause (i) shall be treated as from income on the contract (to the extent of the aggregate income on the contract from all individual retirement plans of the distributee), and

"(III) appropriate adjustments shall be made in applying section 72 to other distributions in such taxable year and subsequent taxable years.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after December 31, 2001.

SEC. 644. HARDSHIP EXCEPTION TO 60-DAY RULE.

(a) EXEMPT TRUSTS.—Paragraph (3) of section 402(c) (relating to transfer must be made within 60 days of receipt) is amended to read as follows:

“(3) Transfer must be made within 60 days of receipt.—

“(A) In general.—Except as provided in subparagraph (B), paragraph (1) shall not apply to any transfer of a distribution made after the 60th day following the day on which the distributee received the property distributed.

“(B) Hardship exception.—The Secretary may waive the 60-day requirement under subparagraph (A) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.”.

(b) IRAs.—Paragraph (3) of section 408(d) (relating to rollover contributions), as amended by section 643, is amended by adding after subparagraph (H) the following new subparagraph:

“(I) Waiver of 60-day requirement.—The Secretary may waive the 60-day requirement under subparagraphs (A) and (D) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.”.

(c) Effective Date.—The amendments made by this section shall apply to distributions after December 31, 2001.

SEC. 645. TREATMENT OF FORMS OF DISTRIBUTION.

(a) Plan Transfers.—

(1) Amendment of internal revenue code.—Paragraph (6) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended by adding at the end the following:

“(D) Plan transfers.—

“(i) In general.—A defined contribution plan (in this subparagraph referred to as the ‘transferee plan’) shall not be treated as failing to meet the requirements of this subsection merely because the transferee plan does not provide some or all of the forms of distribution previously available under another defined contribution plan (in this subparagraph referred to as the ‘transferor plan’) to the extent that—

“(I) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan,

“(II) the terms of both the transferor plan and the transferee plan authorize the transfer described in subclause (I),

“(III) the transfer described in subclause (I) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan,

“(IV) the election described in subclause (III) was made after the participant or beneficiary received a notice describing the consequences of making the election, and

“(V) the transferee plan allows the participant or beneficiary described in subclause (III) to receive any distribution to which the participant or beneficiary is entitled under the transferee plan in the form of a single sum distribution.

“(ii) Special rule for mergers, etc.—Clause (i) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.”.

(2) Amendment of erisa.—Section 204(g) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(g)) is amended by adding at the end the following:

“(4)(A) A defined contribution plan (in this subparagraph referred to as the ‘transferee plan’) shall not be treated as failing to meet the requirements of this subsection merely because the transferee plan does not provide some or all of the forms of distribution previously available under another defined contribution plan (in this subparagraph referred to as the ‘transferor plan’) to the extent that—

“(i) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan;

“(ii) the terms of both the transferor plan and the transferee plan authorize the transfer described in clause (i);

“(iii) the transfer described in clause (i) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan;

“(iv) the election described in clause (iii) was made after the participant or beneficiary received a notice describing the consequences of making the election; and

“(v) the transferee plan allows the participant or beneficiary described in clause (iii) to receive any distribution to which the participant or beneficiary is entitled under the transferee plan in the form of a single sum distribution.

“(B) Subparagraph (A) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.”.

(3) Effective date.—The amendments made by this subsection shall apply to years beginning after December 31, 2001.

(b) Regulations.—

(1) Amendment of internal revenue code.—The last sentence of paragraph (6)(B) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended to read as follows: “The Secretary shall by regulations provide that this subparagraph shall not apply to any plan amendment which reduces or eliminates benefits or subsidies which create significant burdens or complexities for the plan and plan participants, unless such amendment adversely affects the rights of any participant in a more than de minimis manner.”.

(2) Amendment of erisa.—The last sentence of section 204(g)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(g)(2)) is amended to read as follows: “The Secretary of the Treasury shall by regulations provide that this paragraph shall not apply to any plan amendment which reduces or eliminates benefits or subsidies which create significant burdens or complexities for the plan and plan participants, unless such amendment adversely affects the rights of any participant in a more than de minimis manner.”.

(3) Secretary directed.—Not later than December 31, 2002, the Secretary of the Treasury is directed to issue regulations under section 411(d)(6) of the Internal Revenue Code of 1986 and section 204(g) of the Employee Retirement Income Security Act of 1974, including the regulations required by the amendment made by this subsection. Such regulations shall apply to plan years beginning after December 31, 2002, or such earlier date as is specified by the Secretary of the Treasury.

SEC. 646. RATIONALIZATION OF RESTRICTIONS ON DISTRIBUTIONS.

(a) Modification of Same Desk Exception.—

(1) Section 401(k).—

(A) Section 401(k)(2)(B)(i)(I) (relating to qualified cash or deferred arrangements) is amended by striking “separation from service” and inserting “severance from employment”.

(B) Subparagraph (A) of section 401(k)(10) (relating to distributions upon termination of plan or disposition of assets or subsidiary) is amended to read as follows:

“(A) In general.—An event described in this subparagraph is the termination of the plan without establishment or maintenance of another defined contribution plan (other than an employee stock ownership plan as defined in section 4975(e)(7)).”.

(C) Section 401(k)(10) is amended—

(i) in subparagraph (B)—

(I) by striking “An event” in clause (i) and inserting “A termination”; and

(II) by striking “the event” in clause (i) and inserting “the termination”;

(ii) by striking subparagraph (C); and

(iii) by striking “OR DISPOSITION OF ASSETS OR SUBSIDIARY” in the heading.

(2) Section 403(b).—

(A) Paragraphs (7)(A)(ii) and (11)(A) of section 403(b) are each amended by striking “separates from service” and inserting “has a severance from employment”.

(B) The heading for paragraph (11) of section 403(b) is amended by striking “SEPARATION FROM SERVICE” and inserting “SEVERANCE FROM EMPLOYMENT”.

(3) Section 457.—Clause (ii) of section 457(d)(1)(A) is amended by striking “is separated from service” and inserting “has a severance from employment”.

(b) Effective Date.—The amendments made by this section shall apply to distributions after December 31, 2001.

SEC. 647. PURCHASE OF SERVICE CREDIT IN GOVERNMENTAL DEFINED BENEFIT PLANS.

(a) 403(b) Plans.—Subsection (b) of section 403 is amended by adding at the end the following new paragraph:

“(13) Trustee-to-trustee transfers to purchase permissive service credit.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

“(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

“(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.”.

(b) 457 Plans.—Subsection (e) of section 457, as amended by section 641, is amended by adding after paragraph (16) the following new paragraph:

“(17) Trustee-to-trustee transfers to purchase permissive service credit.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

“(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

“(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.”.

(c) Effective Date.—The amendments made by this section shall apply to trustee-to-trustee transfers after December 31, 2001.

SEC. 648. EMPLOYERS MAY DISREGARD ROLLOVERS FOR PURPOSES OF CASH-OUT AMOUNTS.

(a) Qualified Plans.—

(1) Amendment of Internal Revenue Code.—Section 411(a)(11) (relating to restrictions on certain mandatory distributions) is amended by adding at the end the following:

"(D) Special rule for rollover contributions.—A plan shall not fail to meet the requirements of this paragraph if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term 'rollover contributions' means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16).".

(2) Amendment of ERISA.—Section 203(e) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(c)) is amended by adding at the end the following:

"(4) A plan shall not fail to meet the requirements of this subsection if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term 'rollover contributions' means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16) of the Internal Revenue Code of 1986.".

(b) Eligible Deferred Compensation Plans.—Clause (i) of section 457(e)(9)(A) is amended by striking "such amount" and inserting "the portion of such amount which is not attributable to rollover contributions (as defined in section 411(a)(11)(D))".

(c) Effective Date.—The amendments made by this section shall apply to distributions after December 31, 2001.

SEC. 649. MINIMUM DISTRIBUTION AND INCLUSION REQUIREMENTS FOR SECTION 457 PLANS.

(a) Minimum Distribution Requirements.—Paragraph (2) of section 457(d) (relating to distribution requirements) is amended to read as follows:

"(2) Minimum distribution requirements.—A plan meets the minimum distribution requirements of this paragraph if such plan meets the requirements of section 401(a)(9).".

(b) Inclusion in Gross Income.—

(1) Year of inclusion.—Subsection (a) of section 457 (relating to year of inclusion in gross income) is amended to read as follows:

"(a) Year of Inclusion in Gross Income.—

"(1) In general.—Any amount of compensation deferred under an eligible deferred compensation plan, and any income attributable to the amounts so deferred, shall be includible in gross income only for the taxable year in which such compensation or other income—

"(A) is paid to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(A), and

"(B) is paid or otherwise made available to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(B).

"(2) Special rule for rollover amounts.—To the extent provided in section 72(t)(9), section 72(t) shall apply to any amount includible in gross income under this subsection.".

(2) Conforming amendments.—

(A) So much of paragraph (9) of section 457(e) as precedes subparagraph (A) is amended to read as follows:

"(9) Benefits of tax exempt organization plans not treated as made available by reason of certain elections, etc.—In the case of an eligible deferred compensation plan of an employer described in subsection (e)(1)(B)—".

(B) Section 457(d) is amended by adding at the end the following new paragraph:

"(3) Special rule for government plan.—An eligible deferred compensation plan of an employer described in subsection (e)(1)(A) shall not be treated as failing to meet the requirements of this subsection solely by reason of making a distribution described in subsection (e)(9)(A).".

(c) Modification of Transition Rules for Existing 457 Plans.—

(1) In general.—Section 1107(c)(3)(B) of the Tax Reform Act of 1986 is amended by striking "or" at the end of clause (i), by striking the period at the end of clause (ii) and inserting ", or" and by inserting after clause (ii) the following new clause:

"(iii) are deferred pursuant to an agreement with an individual covered by an agreement described in clause (ii), to the extent the annual amount under such agreement with the individual does not exceed—

"(I) the amount described in clause (ii)(II), multiplied by

"(II) the cumulative increase in the Consumer Price Index (as published by the Bureau of Labor Statistics of the Department of Labor).".

(2) Conforming amendment.—The fourth sentence of section 1107(c)(3)(B) of the Tax Reform Act of 1986 is amended by striking "This subparagraph" and inserting "Clauses (i) and (ii) of this subparagraph".

(3) Effective date.—The amendments made by this subsection shall apply to taxable years ending after the date of the enactment of this Act with respect to increases in the Consumer Price Index after September 30, 1993.

(d) Effective Date.—The amendments made by subsections (a) and (b) shall apply to distributions after December 31, 2001.

Subtitle E—Strengthening Pension Security and Enforcement

PART I—GENERAL PROVISIONS

SEC. 651. REPEAL OF 160 PERCENT OF CURRENT LIABILITY FUNDING LIMIT.

(a) Amendments to Internal Revenue Code.—Section 412(c)(7) (relating to full-funding limitation) is amended—

(1) by striking "the applicable percentage" in subparagraph (A)(i)(I) and inserting "in the case of plan years beginning before January 1, 2005, the applicable percentage"; and

(2) by amending subparagraph (F) to read as follows:

"(F) Applicable percentage.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

"In the case of any plan year beginning in—	**The applicable percentage is—**
2002	160
2003	165
2004	170.".

(b) Amendment of ERISA.—Section 302(c)(7) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1082(c)(7)) is amended—

(1) by striking "the applicable percentage" in subparagraph (A)(i)(I) and inserting "in the case of plan years beginning before January 1, 2005, the applicable percentage", and

(2) by amending subparagraph (F) to read as follows:

"(F) Applicable percentage.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

"In the case of any plan year beginning in—	**The applicable percentage is—**
2002	160
2003	165
2004	170.".

(c) Effective Date.—The amendments made by this section shall apply to plan years beginning after December 31, 2001.

SEC. 652. MAXIMUM CONTRIBUTION DEDUCTION RULES MODIFIED AND APPLIED TO ALL DEFINED BENEFIT PLANS.

(a) In General.—Subparagraph (D) of section 404(a)(1) (relating to special rule in case of certain plans) is amended to read as follows:

"(D) Special rule in case of certain plans.—

"(i) In general.—In the case of any defined benefit plan, except as provided in regulations, the maximum amount deductible under the limitations of this paragraph shall not be less than the unfunded termination liability (determined as if the proposed termination date referred to in section 4041(b)(2)(A)(i)(II) of the Employee Retirement Income Security Act of 1974 were the last day of the plan year).

"(ii) Plans with less than 100 participants.—For purposes of this subparagraph, in the case of a plan which has less than 100 participants for the plan year, termination liability shall not include the liability attributable to benefit increases for highly compensated employees (as defined in section 414(q)) resulting from a plan amendment which is made or becomes effective, whichever is later, within the last 2 years before the termination date.

"(iii) Rule for determining number of participants.—For purposes of determining whether a plan has more than 100 participants, all defined benefit plans maintained by the same employer (or any member of such employer's controlled group (within the meaning of section 412(l)(8)(C))) shall be treated as one plan, but only employees of such member or employer shall be taken into account.

"(iv) Plans maintained by professional service employers.—Clause (i) shall not apply to a plan described in section 4021(b)(13) of the Employee Retirement Income Security Act of 1974.".

(b) Conforming Amendment.—Paragraph (6) of section 4972(c) is amended to read as follows:

"(6) Exceptions.—In determining the amount of nondeductible contributions for any taxable year, there shall not be taken into account so much of the contributions to one or more defined contribution plans which are not deductible when contributed solely because of section 404(a)(7) as does not exceed the greater of—

"(A) the amount of contributions not in excess of 6 percent of compensation (within the meaning of section 404(a)) paid or accrued (during the taxable year for which the contributions were made) to beneficiaries under the plans, or

"(B) the sum of—

"(i) the amount of contributions described in section 401(m)(4)(A), plus

"(ii) the amount of contributions described in section 402(g)(3)(A).

For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to a defined benefit plan and then to amounts described in subparagraph (B).".

(c) Effective Date.—The amendments made by this section shall apply to plan years beginning after December 31, 2001.

SEC. 653. EXCISE TAX RELIEF FOR SOUND PENSION FUNDING.

(a) In General.—Subsection (c) of section 4972 (relating to nondeductible contributions) is amended by adding at the end the following new paragraph:

"(7) Defined benefit plan exception.—In determining the amount of nondeductible contributions for any taxable year, an employer may elect for such year not to take into account any contributions to a defined benefit plan except to the extent that such contributions exceed the full-funding limitation (as defined in section 412(c)(7), determined without regard to subparagraph (A)(i)(I) thereof). For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to defined contribution plans and then to amounts described in this paragraph. If an employer makes an election under this paragraph for a taxable year, paragraph (6) shall not apply to such employer for such taxable year.".

(b) Effective Date.—The amendment made by this section shall apply to years beginning after December 31, 2001.

SEC. 654. TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415.

(a) Compensation Limit.—

(1) In general.—Paragraph (11) of section 415(b) (relating to limitation for defined benefit plans) is amended to read as follows:

"(11) Special limitation rule for governmental and multiemployer plans.—In the case of a governmental plan (as defined in section 414(d)) or a multiemployer plan (as defined in section 414(f)), subparagraph (B) of paragraph (1) shall not apply.".

(2) Conforming amendment.—Section 415(b)(7) (relating to benefits under certain collectively bargained plans) is amended by inserting "(other than a multiemployer plan)" after "defined benefit plan" in the matter preceding subparagraph (A).

(b) Combining and Aggregation of Plans.—

(1) Combining of plans.—Subsection (f) of section 415 (relating to combining of plans) is amended by adding at the end the following:

"(3) Exception for multiemployer plans.—Notwithstanding paragraph (1) and subsection (g), a multiemployer plan (as defined in section 414(f)) shall not be combined or aggregated with any other plan maintained by an employer for purposes of applying subsection (b)(1)(B) to such plan or any other such plan.".

(2) Conforming amendment for aggregation of plans.—Subsection (g) of section 415 (relating to aggregation of plans) is amended by striking "The Secretary" and inserting "Except as provided in subsection (f)(3), the Secretary".

(c) Effective Date.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 655. PROTECTION OF INVESTMENT OF EMPLOYEE CONTRIBUTIONS TO 401(k) PLANS.

(a) In General.—Section 1524(b) of the Taxpayer Relief Act of 1997 is amended to read as follows:

"(b) Effective Date.—

"(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to elective deferrals for plan years beginning after December 31, 1998.

"(2) Nonapplication to previously acquired property.—The amendments made by this section shall not apply to any elective deferral which is invested in assets consisting of qualifying employer securities, qualifying employer real property, or both, if such assets were acquired before January 1, 1999.".

(b) Effective Date.—The amendment made by this section shall apply as if included in the provision of the Taxpayer Relief Act of 1997 to which it relates.

SEC. 656. PROHIBITED ALLOCATIONS OF STOCK IN S CORPORATION ESOP.

(a) In General.—Section 409 (relating to qualifications for tax credit employee stock ownership plans) is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (o) the following new subsection:

"(p) Prohibited Allocations of Securities in an S Corporation.—

"(1) In general.—An employee stock ownership plan holding employer securities consisting of stock in an S corporation shall provide that no portion of the assets of the plan attributable to (or allocable in lieu of) such employer securities may, during a nonallocation year, accrue (or be allocated directly or indirectly under any plan of the employer meeting the requirements of section 401(a)) for the benefit of any disqualified person.

"(2) Failure to meet requirements.—

"(A) In general.—If a plan fails to meet the requirements of paragraph (1), the plan shall be treated as having distributed to any disqualified person the amount allocated to the account of such person in violation of paragraph (1) at the time of such allocation.

"(B) Cross reference.—

"For excise tax relating to violations of paragraph (1) and ownership of synthetic equity, see section 4979A

"(3) Nonallocation year.—For purposes of this subsection—

"(A) In general.—The term 'nonallocation year' means any plan year of an employee stock ownership plan if, at any time during such plan year—

"(i) such plan holds employer securities consisting of stock in an S corporation, and

"(ii) disqualified persons own at least 50 percent of the number of shares of stock in the S corporation.

"(B) Attribution rules.—For purposes of subparagraph (A)—

"(i) In general.—The rules of section 318(a) shall apply for purposes of determining ownership, except that—

"(I) in applying paragraph (1) thereof, the members of an individual's family shall include members of the family described in paragraph (4)(D), and

"(II) paragraph (4) thereof shall not apply.

"(ii) Deemed-owned shares.—Notwithstanding the employee trust exception in section 318(a)(2)(B)(i), an individual shall be treated as owning deemed-owned shares of the individual.

Solely for purposes of applying paragraph (5), this subparagraph shall be applied after the attribution rules of paragraph (5) have been applied.

"(4) Disqualified person.—For purposes of this subsection—

"(A) In general.—The term 'disqualified person' means any person if—

"(i) the aggregate number of deemed-owned shares of such person and the members of such person's family is at least 20 percent of the number of deemed-owned shares of stock in the S corporation, or

"(ii) in the case of a person not described in clause (i), the number of deemed-owned shares of such person is at least 10 percent of the number of deemed-owned shares of stock in such corporation.

"(B) Treatment of family members.—In the case of a disqualified person described in subparagraph (A)(i), any member of such person's family with deemed-owned shares shall be treated as a disqualified person if not otherwise treated as a disqualified person under subparagraph (A).

"(C) Deemed-owned shares.—

"(i) In general.—The term 'deemed-owned shares' means, with respect to any person—

"(I) the stock in the S corporation constituting employer securities of an employee stock ownership plan which is allocated to such person under the plan, and

"(II) such person's share of the stock in such corporation which is held by such plan but which is not allocated under the plan to participants.

"(ii) Person's share of unallocated stock.—For purposes of clause (i)(II), a person's share of unallocated S corporation stock held by such plan is the amount of the unallocated stock which would be allocated to such person if the unallocated stock were allocated to all participants in the same proportions as the most recent stock allocation under the plan.

"(D) Member of family.—For purposes of this paragraph, the term 'member of the family' means, with respect to any individual—

"(i) the spouse of the individual,

"(ii) an ancestor or lineal descendant of the individual or the individual's spouse,

"(iii) a brother or sister of the individual or the individual's spouse and any lineal descendant of the brother or sister, and

"(iv) the spouse of any individual described in clause (ii) or (iii).

A spouse of an individual who is legally separated from such individual under a decree of divorce or separate maintenance shall not be treated as such individual's spouse for purposes of this subparagraph.

"(5) Treatment of synthetic equity.—For purposes of paragraphs (3) and (4), in the case of a person who owns synthetic equity in the S corporation, except to the extent provided in regulations, the shares of stock in such corporation on which such synthetic equity is based shall be treated as outstanding stock in such corporation and deemed-owned shares of such person if such treatment of synthetic equity of 1 or more such persons results in—

"(A) the treatment of any person as a disqualified person, or

"(B) the treatment of any year as a nonallocation year.

For purposes of this paragraph, synthetic equity shall be treated as owned by a person in the same manner as stock is treated as owned by a person under the rules of paragraphs (2) and (3) of section 318(a). If, without regard to this paragraph, a person is treated as a disqualified person or a year is treated as a nonallocation year, this paragraph shall not be construed to result in the person or year not being so treated.

"(6) Definitions.—For purposes of this subsection—

"(A) Employee stock ownership plan.—The term 'employee stock ownership plan' has the meaning given such term by section 4975(e)(7).

"(B) Employer securities.—The term 'employer security' has the meaning given such term by section 409(l).

"(C) Synthetic equity.—The term 'synthetic equity' means any stock option, warrant, restricted stock, deferred issuance stock right, or similar interest or right that gives the holder the right to acquire or receive stock of the S corporation in the future. Except to the extent provided in regulations, synthetic equity also includes a stock appreciation right, phantom stock unit, or similar right to a future cash payment based on the value of such stock or appreciation in such value.

"(7) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection.".

(b) COORDINATION WITH SECTION 4975(e)(7).—The last sentence of section 4975(e)(7) (defining employee stock ownership plan) is amended by inserting ", section 409(p)," after "409(n)".

(c) EXCISE TAX.—

(1) APPLICATION OF TAX.—Subsection (a) of section 4979A (relating to tax on certain prohibited allocations of employer securities) is amended—

(A) by striking "or" at the end of paragraph (1), and

(B) by striking all that follows paragraph (2) and inserting the following:

"(3) there is any allocation of employer securities which violates the provisions of section 409(p), or a nonallocation year described in subsection (e)(2)(C) with respect to an employee stock ownership plan, or

"(4) any synthetic equity is owned by a disqualified person in any nonallocation year,

there is hereby imposed a tax on such allocation or ownership equal to 50 percent of the amount involved.".

(2) LIABILITY.—Section 4979A(c) (defining liability for tax) is amended to read as follows:

"(c) LIABILITY FOR TAX.—The tax imposed by this section shall be paid—

"(1) in the case of an allocation referred to in paragraph (1) or (2) of subsection (a), by—

"(A) the employer sponsoring such plan, or

"(B) the eligible worker-owned cooperative,

which made the written statement described in section 664(g)(1)(E) or in section 1042(b)(3)(B) (as the case may be), and

"(2) in the case of an allocation or ownership referred to in paragraph (3) or (4) of subsection (a), by the S corporation the stock in which was so allocated or owned.".

(3) DEFINITIONS.—Section 4979A(e) (relating to definitions) is amended to read as follows:

"(e) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) DEFINITIONS.—Except as provided in paragraph (2), terms used in this section have the same respective meanings as when used in sections 409 and 4978.

"(2) SPECIAL RULES RELATING TO TAX IMPOSED BY REASON OF PARAGRAPH (3) OR (4) OF SUBSECTION (a).—

"(A) PROHIBITED ALLOCATIONS.—The amount involved with respect to any tax imposed by reason of subsection (a)(3) is the amount allocated to the account of any person in violation of section 409(p)(1).

"(B) SYNTHETIC EQUITY.—The amount involved with respect to any tax imposed by reason of subsection (a)(4) is the value of the shares on which the synthetic equity is based.

"(C) SPECIAL RULE DURING FIRST NONALLOCATION YEAR.—For purposes of subparagraph (A), the amount involved for the first nonallocation year of any employee stock ownership plan shall be determined by taking into account the total value of all the deemed-owned shares of all disqualified persons with respect to such plan.

"(D) STATUTE OF LIMITATIONS.—The statutory period for the assessment of any tax imposed by this section by reason of paragraph (3) or (4) of subsection (a) shall not expire before the date which is 3 years from the later of—

"(i) the allocation or ownership referred to in such paragraph giving rise to such tax, or

"(ii) the date on which the Secretary is notified of such allocation or ownership.".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan years beginning after December 31, 2002.

(2) EXCEPTION FOR CERTAIN PLANS.—In the case of any—

(A) employee stock ownership plan established after July 11, 2000, or

(B) employee stock ownership plan established on or before such date if employer securities held by the plan consist of stock in a corporation with respect to which an election under section 1362(a) of the Internal Revenue Code of 1986 is not in effect on such date,

the amendments made by this section shall apply to plan years ending after July 11, 2000.

SEC. 657. AUTOMATIC ROLLOVERS OF CERTAIN MANDATORY DISTRIBUTIONS.

(a) DIRECT TRANSFERS OF MANDATORY DISTRIBUTIONS.—

(1) IN GENERAL.—Section 401(a)(31) (relating to optional direct transfer of eligible rollover distributions), as amended by section 643, is amended by redesignating subparagraphs (B), (C), and (D) as subparagraphs (C), (D), and (E), respectively, and by inserting after subparagraph (A) the following new subparagraph:

"(B) CERTAIN MANDATORY DISTRIBUTIONS.—

"(i) IN GENERAL.—In case of a trust which is part of an eligible plan, such trust shall not constitute a qualified trust under this section unless the plan of which such trust is a part provides that if—

"(I) a distribution described in clause (ii) in excess of $1,000 is made, and

"(II) the distributee does not make an election under subparagraph (A) and does not elect to receive the distribution directly,

the plan administrator shall make such transfer to an individual retirement account or annuity of a designated trustee or issuer and shall notify the distributee in writing (either separately or as part of the notice under section 402(f)) that the distribution may be transferred without cost or penalty to another individual account or annuity.

"(ii) ELIGIBLE PLAN.—For purposes of clause (i), the term 'eligible plan' means a plan which provides that any nonforfeitable accrued benefit for which the present value (as determined under section 411(a)(11)) does not exceed $5,000 shall be immediately distributed to the participant.".

(2) CONFORMING AMENDMENTS.—

(A) The heading of section 401(a)(31) is amended by striking "OPTIONAL DIRECT" and inserting "DIRECT".

(B) Section 401(a)(31)(C), as redesignated by paragraph (1), is amended by striking "Subparagraph (A)" and inserting "Subparagraphs (A) and (B)".

(b) NOTICE REQUIREMENT.—Section 402(f)(1) (relating to written explanation to recipients of distributions eligible for rollover treatment) is amended by striking "and" at the end of subparagraph (C), by striking the period at the end of subparagraph (D), and by adding at the end the following new subparagraph:

"(E) if applicable, of the provision requiring a direct trustee-to-trustee transfer of a distribution under section 401(a)(31)(B) unless the recipient elects otherwise.".

(c) FIDUCIARY RULES.—

(1) IN GENERAL.—Section 404(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104(c)) is amended by adding at the end the following new paragraph:

"(3) In the case of a pension plan which makes a transfer to an individual retirement account or annuity of a designated trustee or issuer under section 401(a)(31)(B) of the Internal Revenue Code of 1986, the participant or beneficiary shall, for purposes of paragraph (1), be treated as exercising control over the assets in the account or annuity upon the earlier of—

"(A) a rollover of all or a portion of the amount to another individual retirement account or annuity; or

"(B) one year after the transfer is made.".

(2) REGULATIONS.—

(A) AUTOMATIC ROLLOVER SAFE HARBOR.—The Secretary of Labor shall promulgate regulations to provide guidance regarding meeting the fiduciary requirements of section 404(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104(a)) in the case of a pension plan which makes a transfer under section 401(a)(31)(B) of the Internal Revenue Code of 1986.

(B) USE OF LOW-COST INDIVIDUAL RETIREMENT PLANS.—The Secretary of the Treasury and the Secretary of Labor shall promulgate such regulations as necessary to encourage the use of low-cost individual retirement plans for purposes of transfers under section 401(a)(31)(B) of the Internal Revenue Code of 1986 and for other uses as appropriate to promote the preservation of assets for retirement income purposes.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after final regulations implementing subsection (c) are prescribed.

SEC. 658. CLARIFICATION OF TREATMENT OF CONTRIBUTIONS TO MULTIEMPLOYER PLAN.

(a) NOT CONSIDERED METHOD OF ACCOUNTING.—For purposes of section 446 of the Internal Revenue Code of 1986, a determination under section 404(a)(6) of such Code regarding the taxable year with respect to which a contribution to a multiemployer pension plan is deemed made shall not be treated as a method of accounting of the taxpayer. No deduction shall be allowed for any taxable year for any contribution to a multiemployer pension plan with respect to which a deduction was previously allowed.

(b) REGULATIONS.—The Secretary of the Treasury shall promulgate such regulations as necessary to clarify that a taxpayer shall not be allowed, with respect to any taxable year, an aggregate amount of deductions for contributions to a multiemployer pension plan which exceeds the amount of such contributions made or deemed made under section 404(a)(6) of the Internal Revenue Code of 1986 to such plan.

(c) EFFECTIVE DATE.—Subsection (a), and any regulations promulgated under subsection (b), shall be effective for years ending after the date of the enactment of this Act.

PART II—TREATMENT OF PLAN AMENDMENTS REDUCING FUTURE BENEFIT ACCRUALS

SEC. 659. NOTICE REQUIRED FOR PENSION PLAN AMENDMENTS HAVING THE EFFECT OF SIGNIFICANTLY REDUCING FUTURE BENEFIT ACCRUALS.

(a) EXCISE TAX.—

(1) IN GENERAL.—Chapter 43 (relating to qualified pension, etc., plans) is amended by adding at the end the following new section:

"SEC. 4980F. FAILURE TO PROVIDE NOTICE OF PENSION PLAN AMENDMENTS REDUCING BENEFIT ACCRUALS.

"(a) Imposition of Tax.—There is hereby imposed a tax on the failure of an applicable pension plan to meet the requirements of subsection (e) with respect to any applicable individual.

"(b) Amount of Tax.—

"(1) In general.—The amount of the tax imposed by subsection (a) on any failure with respect to any applicable individual shall be $100 for each day in the noncompliance period with respect to such failure.

"(2) Noncompliance period.—For purposes of this section, the term 'noncompliance period' means, with respect to any failure, the period beginning on the date the failure first occurs and ending on the date the notice to which the failure relates is provided or the failure is otherwise corrected.

"(c) Limitations on Amount of Tax.—

"(1) Tax not to apply where failure not discovered and reasonable diligence exercised.—No tax shall be imposed by subsection (a) on any failure during any period for which it is established to the satisfaction of the Secretary that any person subject to liability for the tax under subsection (d) did not know that the failure existed and exercised reasonable diligence to meet the requirements of subsection (e).

"(2) Tax not to apply to failures corrected within 30 days.—No tax shall be imposed by subsection (a) on any failure if—

"(A) any person subject to liability for the tax under subsection (d) exercised reasonable diligence to meet the requirements of subsection (e), and

"(B) such person provides the notice described in subsection (e) during the 30-day period beginning on the first date such person knew, or exercising reasonable diligence would have known, that such failure existed.

"(3) Overall limitation for unintentional failures.—

"(A) In general.—If the person subject to liability for tax under subsection (d) exercised reasonable diligence to meet the requirements of subsection (e), the tax imposed by subsection (a) for failures during the taxable year of the employer (or, in the case of a multiemployer plan, the taxable year of the trust forming part of the plan) shall not exceed $500,000. For purposes of the preceding sentence, all multiemployer plans of which the same trust forms a part shall be treated as 1 plan.

"(B) Taxable years in the case of certain controlled groups.—For purposes of this paragraph, if all persons who are treated as a single employer for purposes of this section do not have the same taxable year, the taxable years taken into account shall be determined under principles similar to the principles of section 1561.

"(4) Waiver by secretary.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive or otherwise inequitable relative to the failure involved.

"(d) Liability for Tax.—The following shall be liable for the tax imposed by subsection (a):

"(1) In the case of a plan other than a multiemployer plan, the employer.

"(2) In the case of a multiemployer plan, the plan.

"(e) Notice Requirements for Plan Amendments Significantly Reducing Benefit Accruals.—

"(1) In general.—If the sponsor of an applicable pension plan adopts an amendment which has the effect of significantly reducing the rate of future benefit accrual of 1 or more participants, the plan administrator shall, not later than the 45th day before the effective date of the amendment, provide written notice to each applicable individual (and to each employee organization representing applicable individuals) which—

"(A) sets forth a summary of the plan amendment and the effective date of the amendment,

"(B) includes a statement that the plan amendment is expected to significantly reduce the rate of future benefit accrual,

"(C) includes a description of the classes of employees reasonably expected to be affected by the reduction in the rate of future benefit accrual,

"(D) sets forth examples illustrating how the plan will change benefits for such classes of employees,

"(E) if paragraph (2) applies to the plan amendment, includes a notice that the plan administrator will provide a benefit estimation tool kit described in paragraph (2)(B) to each applicable individual no later than the date required under paragraph (2)(A), and

"(F) includes a notice of each applicable individual's right under Federal law to receive, and of the procedures for requesting, an annual benefit statement.

"(2) Requirement to provide benefit estimation tool kit.—

"(A) In general.—If a plan amendment results in the significant restructuring of the plan benefit formula (as determined under regulations prescribed by the Secretary), the plan administrator shall, not later than the 15th day before the effective date of the amendment, provide a benefit estimation tool kit described in subparagraph (B) to each applicable individual. If such plan amendment occurs within 12 months of an event described in section 410(b)(6)(C), the plan administrator shall in no event be required to provide the benefit estimation tool kit to applicable individuals affected by the event before the date which is 12 months after the date on which notice under paragraph (1) is given to such applicable individuals.

"(B) 'Benefit estimation tool kit.—The benefit estimation tool kit described in this subparagraph shall include the following information:

"(i) Sufficient information to enable an applicable individual to estimate the individual's projected benefits under the terms of the plan in effect both before and after the adoption of the amendment.

"(ii) The formulas and actuarial assumptions necessary to estimate under both such plan terms a single life annuity at appropriate ages, and, when available, a lump sum distribution.

"(iii) The interest rate used to compute a lump sum distribution and information as to whether the value of any early retirement benefit or retirement-type subsidy (within the meaning of section 411(d)(6)(B)(i)) is included in the lump sum distribution.

"(3) Notice to designee.—Any notice under paragraph (1) or (2) may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

"(4) Form of explanation.—The information required to be provided under this subsection shall be provided in a manner calculated to be reasonably understood by the average plan participant.

"(f) Definitions and Special Rules.—For purposes of this section—

"(1) Applicable individual.—

"(A) In general.—The term 'applicable individual' means, with respect to any plan amendment—

"(i) each participant in the plan, and

"(ii) any beneficiary who is an alternate payee (within the meaning of section 414(p)(8)) under an applicable qualified domestic relations order (within the meaning of section 414(p)(1)(A)),

whose rate of future benefit accrual under the plan may reasonably be expected to be significantly reduced by such plan amendment.

"(B) Exception for participants with less than 1 year of participation.—Such term shall not include a participant who has less than 1 year of participation (within the meaning of section 411(b)(4)) under the plan as of the effective date of the plan amendment.

"(2) Applicable pension plan.—The term 'applicable pension plan' means—

"(A) a defined benefit plan, or

"(B) an individual account plan which is subject to the funding standards of section 412.

Such term shall not include a governmental plan (within the meaning of section 414(d)), a church plan (within the meaning of section 414(e)) with respect to which an election under section 410(d) has not been made, or any other plan to which section 204(h) of the Employee Retirement Income Security Act of 1974 does not apply.

"(3) Early retirement.—A plan amendment which eliminates or significantly reduces any early retirement benefit or retirement-type subsidy (within the meaning of section 411(d)(6)(B)(i)) shall be treated as having the effect of significantly reducing the rate of future benefit accrual.

"(g) Regulations.—The Secretary shall, not later than 1 year after the date of the enactment of this section, issue—

"(1) the regulations described in subsection (e)(2)(A) and section 204(h)(2)(A) of the Employee Retirement Income Security Act of 1974, and

"(2) guidance for both of the examples described in subsection (e)(1)(D) and section 204(h)(1)(D) of the Employee Retirement Income Security Act of 1974 and the benefit estimation tool kit described in subsection (e)(2)(B) and section 204(h)(2)(B) of the Employee Retirement Income Security Act of 1974.

"(h) New Technologies.—The Secretary may by regulation allow any notice under paragraph (1) or (2) of subsection (e) to be provided by using new technologies. Such regulations shall ensure that at least one option for providing such notice is not dependent on new technologies."

(2) Conforming amendment.—The table of sections for chapter 43 is amended by adding at the end the following new item:

"Sec. 4980F. Failure to provide notice of pension plan amendments reducing benefit accruals."

(b) Amendment of ERISA.—Section 204(h) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(h)) is amended to read as follows:

"(h)(1) If an applicable pension plan is amended so as to provide a significant reduction in the rate of future benefit accrual of 1 or more participants, the plan administrator shall, not later than the 45th day before the effective date of the amendment, provide written notice to each applicable individual (and to each employee organization representing applicable individuals) which—

"(A) sets forth a summary of the plan amendment and the effective date of the amendment, "(B) includes a statement that the plan amendment is expected to significantly reduce the rate of future benefit accrual,

"(C) includes a description of the classes of employees reasonably expected to be affected by the reduction in the rate of future benefit accrual,

"(D) sets forth examples illustrating how the plan will change benefits for such classes of employees,

"(E) if paragraph (2) applies to the plan amendment, includes a notice that the plan administrator will provide a benefit estimation tool kit described in paragraph (2)(B) to each applicable individual no later than the date required under paragraph (2)(A), and

"(F) includes a notice of each applicable individual's right under Federal law to receive, and of the procedures for requesting, an annual benefit statement.

"(2)(A) If a plan amendment results in the significant restructuring of the plan benefit formula (as determined under regulations prescribed by the Secretary of the Treasury), the plan administrator shall, not later than the 15th day before the effective date of the amendment, provide a benefit estimation tool kit described in subparagraph (B) to each applicable individual. If such plan amendment occurs within 12 months of an event described in section 410(b)(6)(C) of the Internal Revenue Code of 1986, the plan administrator shall in no event be required to provide the benefit estimation tool kit to applicable individuals affected by the event before the date which is 12 months after the date on which notice under paragraph (1) is given to such applicable individuals.

"(B) The benefit estimation tool kit described in this subparagraph shall include the following information:

"(i) Sufficient information to enable an applicable individual to estimate the individual's projected benefits under the terms of the plan in effect both before and after the adoption of the amendment.

"(ii) The formulas and actuarial assumptions necessary to estimate under both such plan terms a single life annuity at appropriate ages, and, when available, a lump sum distribution.

"(iii) The interest rate used to compute a lump sum distribution and information as to whether the value of any early retirement benefit or retirement-type subsidy (within the meaning of subsection (g)(2)(A)) is included in the lump sum distribution.

"(3) Any notice under paragraph (1) or (2) may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

"(4) The information required to be provided under this subsection shall be provided in a manner calculated to be reasonably understood by the average participant.

"(5)(A) In the case of any failure to exercise due diligence in meeting any requirement of this subsection with respect to any plan amendment, the provisions of the applicable pension plan shall be applied as if such plan amendment entitled all applicable individuals to the greater of—

"(i) the benefits to which they would have been entitled without regard to such amendment, or

"(ii) the benefits under the plan with regard to such amendment.

"(B) For purposes of subparagraph (A), there is a failure to exercise due diligence in meeting the requirements of this subsection if such failure is within the control of the plan sponsor and is—

"(i) an intentional failure (including any failure to promptly provide the required notice or information after the plan administrator discovers an unintentional failure to meet the requirements of this subsection),

"(ii) a failure to provide most of the individuals with most of the information they are entitled to receive under this subsection, or

"(iii) a failure to exercise due diligence which is determined under regulations prescribed by the Secretary of the Treasury.

"(C) For excise tax on failure to meet requirements, see section 4980F of the Internal Revenue Code of 1986.

"(5)(A) For purposes of this subsection, the term 'applicable individual' means, with respect to any plan amendment—

"(i) each participant in the plan, and

"(ii) any beneficiary who is an alternate payee (within the meaning of section 206(d)(3)(K)) under an applicable qualified domestic relations order (within the meaning of section 206(d)(3)(B)),

whose rate of future benefit accrual under the plan may reasonably be expected to be significantly reduced by such plan amendment.

"(B) Such term shall not include a participant who has less than 1 year of participation (within the meaning of subsection (b)(4)) under the plan as of the effective date of the plan amendment.

"(6) For purposes of this subsection, the term 'applicable pension plan' means—

"(A) a defined benefit plan, or

"(B) an individual account plan which is subject to the funding standards of section 302.

"(7) For purposes of this subsection, a plan amendment which eliminates or significantly reduces any early retirement benefit or retirement-type subsidy (within the meaning of section 204(g)(2)(A)) shall be treated as having the effect of significantly reducing the rate of future benefit accrual.

"(8) The Secretary of the Treasury may by regulation allow any notice under this subsection to be provided by using new technologies. Such regulation shall ensure that at least one option for providing such notice is not dependent on new technologies."

(c) Regulations Relating to Early Retirement Subsidies.—The Secretary of the Treasury or the Secretary's delegate shall, not later than 1 year after the date of the enactment of this Act, issue regulations relating to early retirement benefits or retirement-type subsidies described in section 411(d)(6)(B)(i) of the Internal Revenue Code of 1986 and section 204(g)(2)(A) of the Employee Retirement Income Security Act of 1974.

(d) Effective Dates.—

(1) In general.—The amendments made by this section shall apply to plan amendments taking effect on or after the date of the enactment of this Act.

(2) Transition.—Until such time as the Secretary of the Treasury issues regulations under section 4980F(e)(2) of the Internal Revenue Code of 1986 and section 204(h)(2) of the Employee Retirement Income Security Act of 1974 (as added by the amendments made by this section), a plan shall be treated as meeting the requirements of such sections if it makes a good faith effort to comply with such requirements.

(3) Special notice rules.—The period for providing any notice required by the amendments made by this section shall not end before the date which is 3 months after the date of the enactment of this Act.

(d) Study.—The Secretary of the Treasury shall prepare a report on the effects of significant restructurings of plan benefit formulas of traditional defined benefit plans. Such study shall examine the effects of such restructurings on longer service participants, including the incidence and effects of "wear away" provisions under which participants earn no additional benefits for a period of time after restructuring. As soon as practicable, but not later than one year after the date of enactment of this Act, the Secretary shall submit such report, together with recommendations thereon, to the Committee on Ways and Means and the Committee on Education and the Workforce of the House of Representatives and the Committee on Finance and the Committee on Health, Education, Labor, and Pensions of the Senate.

Subtitle F—Reducing Regulatory Burdens

SEC. 661. MODIFICATION OF TIMING OF PLAN VALUATIONS.

(a) In General.—Paragraph (9) of section 412(c) (relating to annual valuation) is amended to read as follows:

"(9) Annual valuation.—

"(A) In general.—For purposes of this section, a determination of experience gains and losses and a valuation of the plan's liability shall be made not less frequently than once every year, except that such determination shall be made more frequently to the extent required in particular cases under regulations prescribed by the Secretary.

"(B) Valuation date.—

"(i) Current year.—Except as provided in clause (ii), the valuation referred to in subparagraph (A) shall be made as of a date within the plan year to which the valuation refers or within one month prior to the beginning of such year.

"(ii) Election to use prior year valuation.—The valuation referred to in subparagraph (A) may be made as of a date within the plan year prior to the year to which the valuation refers if—

"(I) an election is in effect under this clause with respect to the plan, and

"(II) as of such date, the value of the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)).

"(iii) Adjustments.—Information under clause (ii) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

"(iv) Election.—An election under clause (ii), once made, shall be irrevocable without the consent of the Secretary.".

(b) Amendment of ERISA.—Paragraph (9) of section 302(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(c)) is amended—

(1) by inserting "(A)" after "(9)", and

(2) by adding at the end the following:

"(B)(i) Except as provided in clause (ii), the valuation referred to in subparagraph (A) shall be made as of a date within the plan year to which the valuation refers or within one month prior to the beginning of such year.

"(ii) The valuation referred to in subparagraph (A) may be made as of a date within the plan year prior to the year to which the valuation refers if—

"(I) an election is in effect under this clause with respect to the plan, and

"(II) as of such date, the value of the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)).

"(iii) Information under clause (ii) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

"(iv) An election under clause (ii), once made, shall be irrevocable without the consent of the Secretary of the Treasury.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2001.

SEC. 662. ESOP DIVIDENDS MAY BE REINVESTED WITHOUT LOSS OF DIVIDEND DEDUCTION.

(a) IN GENERAL.—Section 404(k)(2)(A) (defining applicable dividends) is amended by striking "or" at the end of clause (ii), by redesignating clause (iii) as clause (iv), and by inserting after clause (ii) the following new clause:

"(iii) is, at the election of such participants or their beneficiaries—

"(I) payable as provided in clause (i) or (ii), or

"(II) paid to the plan and reinvested in qualifying employer securities, or".

(b) LIMITATION ON AMOUNT OF DEDUCTION.—Section 404(k)(1) (relating to deduction for dividends paid on certain employer securities) is amended to read as follows:

"(1) DEDUCTION ALLOWED.—

"(A) IN GENERAL.—In the case of a C corporation, there shall be allowed as a deduction for the taxable year an amount equal to—

"(i) the amount of any applicable dividend described in clause (i), (ii), or (iv) of paragraph (2)(A), and

"(ii) the applicable percentage of any applicable dividend described in clause (iii),

paid in cash by such corporation during the taxable year with respect to applicable employer securities. Such deduction shall be in addition to the deduction allowed subsection (a).

"(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in:	The applicable percentage is:
2002, 2003, and 2004	25 percent
2005, 2006, and 2007	50 percent
2008, 2009, and 2010	75 percent
2011 and thereafter ...	100 percent.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 663. REPEAL OF TRANSITION RULE RELATING TO CERTAIN HIGHLY COMPENSATED EMPLOYEES.

(a) IN GENERAL.—Paragraph (4) of section 1114(c) of the Tax Reform Act of 1986 is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to plan years beginning after December 31, 2001.

SEC. 664. EMPLOYEES OF TAX-EXEMPT ENTITIES.

(a) IN GENERAL.—The Secretary of the Treasury shall modify Treasury Regulations section 1.410(b)–6(g) to provide that employees of an organization described in section 403(b)(1)(A)(i) of the Internal Revenue Code of 1986 who are eligible to make contributions under section 403(b) of such Code pursuant to a salary reduction agreement may be treated as excludable with respect to a plan under section 401(k) or (m) of such Code that is provided under the same general arrangement as a plan under such section 401(k), if—

(1) no employee of an organization described in section 403(b)(1)(A)(i) of such Code is eligible to participate in such section 401(k) plan or section 401(m) plan; and

(2) 95 percent of the employees who are not employees of an organization described in section 403(b)(1)(A)(i) of such Code are eligible to participate in such plan under such section 401(k) or (m).

(b) EFFECTIVE DATE.—The modification required by subsection (a) shall apply as of the same date set forth in section 1426(b) of the Small Business Job Protection Act of 1996.

SEC. 665. CLARIFICATION OF TREATMENT OF EMPLOYER-PROVIDED RETIREMENT ADVICE.

(a) IN GENERAL.—Subsection (a) of section 132 (relating to exclusion from gross income) is amended by striking "or" at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting ", or", and by adding at the end the following new paragraph:

"(7) qualified retirement planning services.".

(b) QUALIFIED RETIREMENT PLANNING SERVICES DEFINED.—Section 132 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following:

"(m) QUALIFIED RETIREMENT PLANNING SERVICES.—

"(1) IN GENERAL.—For purposes of this section, the term 'qualified retirement planning services' means any retirement planning advice or information provided to an employee and his spouse by an employer maintaining a qualified employer plan.

"(2) NONDISCRIMINATION RULE.—Subsection (a)(7) shall apply in the case of highly compensated employees only if such services are available on substantially the same terms to each member of the group of employees normally provided education and information regarding the employer's qualified employer plan.

"(3) QUALIFIED EMPLOYER PLAN.—For purposes of this subsection, the term 'qualified employer plan' means a plan, contract, pension, or account described in section 219(g)(5).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 666. REPORTING SIMPLIFICATION.

(a) SIMPLIFIED ANNUAL FILING REQUIREMENT FOR OWNERS AND THEIR SPOUSES.—

(1) IN GENERAL.—The Secretary of the Treasury shall modify the requirements for filing annual returns with respect to one-participant retirement plans to ensure that such plans with assets of $250,000 or less as of the close of the plan year and each plan year beginning on or after January 1, 1994, need not file a return for that year.

(2) ONE-PARTICIPANT RETIREMENT PLAN DEFINED.—For purposes of this subsection, the term "one-participant retirement plan" means a retirement plan that—

(A) on the first day of the plan year—

(i) covered only the employer (and the employer's spouse) and the employer owned the entire business (whether or not incorporated); or

(ii) covered only one or more partners (and their spouses) in a business partnership (including partners in an S or C corporation);

(B) meets the minimum coverage requirements of section 410(b) of the Internal Revenue Code of 1986 without being combined with any other plan of the business that covers the employees of the business;

(C) does not provide benefits to anyone except the employer (and the employer's spouse) or the partners (and their spouses);

(D) does not cover a business that is a member of an affiliated service group, a controlled group of corporations, or a group of businesses under common control; and

(E) does not cover a business that leases employees.

(3) OTHER DEFINITIONS.—Terms used in paragraph (2) which are also used in section 414 of the Internal Revenue Code of 1986 shall have the respective meanings given such terms by such section.

(b) EFFECTIVE DATE.—The provisions of this section shall take effect on January 1, 2002.

SEC. 667. IMPROVEMENT OF EMPLOYEE PLANS COMPLIANCE RESOLUTION SYSTEM.

The Secretary of the Treasury shall continue to update and improve the Employee Plans Compliance Resolution System (or any successor program) giving special attention to—

(1) increasing the awareness and knowledge of small employers concerning the availability and use of the program;

(2) taking into account special concerns and circumstances that small employers face with respect to compliance and correction of compliance failures;

(3) extending the duration of the self-correction period under the Self-Correction Program for significant compliance failures;

(4) expanding the availability to correct insignificant compliance failures under the Self-Correction Program during audit; and

(5) assuring that any tax, penalty, or sanction that is imposed by reason of a compliance failure is not excessive and bears a reasonable relationship to the nature, extent, and severity of the failure.

SEC. 668. REPEAL OF THE MULTIPLE USE TEST.

(a) IN GENERAL.—Paragraph (9) of section 401(m) is amended to read as follows:

"(9) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection and subsection (k), including regulations permitting appropriate aggregation of plans and contributions.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2001.

SEC. 669. FLEXIBILITY IN NONDISCRIMINATION, COVERAGE, AND LINE OF BUSINESS RULES.

(a) NONDISCRIMINATION.—

(1) IN GENERAL.—The Secretary of the Treasury shall, by regulation, provide that a plan shall be deemed to satisfy the requirements of section 401(a)(4) of the Internal Revenue Code of 1986 if such plan satisfies the facts and circumstances test under section 401(a)(4) of such Code, as in effect before January 1, 1994, but only if—

(A) the plan satisfies conditions prescribed by the Secretary to appropriately limit the availability of such test; and

(B) the plan is submitted to the Secretary for a determination of whether it satisfies such test.

Subparagraph (B) shall only apply to the extent provided by the Secretary.

(2) EFFECTIVE DATES.—

(A) REGULATIONS.—The regulation required by paragraph (1) shall apply to years beginning after December 31, 2001.

(B) CONDITIONS OF AVAILABILITY.—Any condition of availability prescribed by the Secretary under paragraph (1)(A) shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

(b) COVERAGE TEST.—

(1) IN GENERAL.—Section 410(b)(1) (relating to minimum coverage requirements) is amended by adding at the end the following:

"(D) In the case that the plan fails to meet the requirements of subparagraphs (A), (B) and (C), the plan—

"(i) satisfies subparagraph (B), as in effect immediately before the enactment of the Tax Reform Act of 1986,

"(ii) is submitted to the Secretary for a determination of whether it satisfies the requirement described in clause (i), and "(iii) satisfies conditions prescribed by the Secretary by regulation that appropriately limit the availability of this subparagraph.

Clause (ii) shall apply only to the extent provided by the Secretary.".

(2) EFFECTIVE DATES.—

(A) IN GENERAL.—The amendment made by paragraph (1) shall apply to years beginning after December 31, 2001.

(B) CONDITIONS OF AVAILABILITY.—Any condition of availability prescribed by the Secretary under regulations prescribed by the Secretary under section 410(b)(1)(D) of the Internal Revenue Code of 1986 shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

(c) LINE OF BUSINESS RULES.—The Secretary of the Treasury shall, on or before December 31, 2001, modify the existing regulations issued under section 414(r) of the Internal Revenue Code of 1986 in order to expand (to the extent that the Secretary determines appropriate) the ability of a pension plan to demonstrate compliance with the line of business requirements based upon the facts and circumstances surrounding the design and operation of the plan, even though the plan is unable to satisfy the mechanical tests currently used to determine compliance.

SEC. 670. EXTENSION TO ALL GOVERNMENTAL PLANS OF MORATORIUM ON APPLICATION OF CERTAIN NONDISCRIMINATION RULES APPLICABLE TO STATE AND LOCAL PLANS.

(a) IN GENERAL.—

(1) Subparagraph (G) of section 401(a)(5) and subparagraph (H) of section 401(a)(26) are each amended by striking "section 414(d))" and all that follows and inserting "section 414(d)).".

(2) Subparagraph (G) of section 401(k)(3) and paragraph (2) of section 1505(d) of the Taxpayer Relief Act of 1997 are each amended by striking "maintained by a State or local government or political subdivision thereof (or agency or instrumentality thereof)".

(b) CONFORMING AMENDMENTS.—

(1) The heading for subparagraph (G) of section 401(a)(5) is amended to read as follows: "GOVERNMENTAL PLANS".

(2) The heading for subparagraph (H) of section 401(a)(26) is amended to read as follows: "EXCEPTION FOR GOVERNMENTAL PLANS".

(3) Subparagraph (G) of section 401(k)(3) is amended by inserting "GOVERNMENTAL PLANS.—" after "(G)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

Subtitle G—Other ERISA Provisions

SEC. 681. MISSING PARTICIPANTS.

(a) IN GENERAL.—Section 4050 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1350) is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following new subsection:

"(c) MULTIEMPLOYER PLANS.—The corporation shall prescribe rules similar to the rules in subsection (a) for multiemployer plans covered by this title that terminate under section 4041A.

"(d) PLANS NOT OTHERWISE SUBJECT TO TITLE.—

"(1) TRANSFER TO CORPORATION.—The plan administrator of a plan described in paragraph (4) may elect to transfer a missing participant's benefits to the corporation upon termination of the plan.

"(2) INFORMATION TO THE CORPORATION.—To the extent provided in regulations, the plan administrator of a plan described in paragraph (4) shall, upon termination of the plan, provide the corporation information with respect to benefits of a missing participant if the plan transfers such benefits—

"(A) to the corporation, or

"(B) to an entity other than the corporation or a plan described in paragraph (4)(B)(ii).

"(3) PAYMENT BY THE CORPORATION.—If benefits of a missing participant were transferred to the corporation under paragraph (1), the corporation shall, upon location of the participant or beneficiary, pay to the participant or beneficiary the amount transferred (or the appropriate survivor benefit) either—

"(A) in a single sum (plus interest), or

"(B) in such other form as is specified in regulations of the corporation.

"(4) PLANS DESCRIBED.—A plan is described in this paragraph if—

"(A) the plan is a pension plan (within the meaning of section 3(2))—

"(i) to which the provisions of this section do not apply (without regard to this subsection), and

"(ii) which is not a plan described in paragraphs (2) through (11) of section 4021(b), and

"(B) at the time the assets are to be distributed upon termination, the plan—

"(i) has missing participants, and

"(ii) has not provided for the transfer of assets to pay the benefits of all missing participants to another pension plan (within the meaning of section 3(2)).

"(5) CERTAIN PROVISIONS NOT TO APPLY.—Subsections (a)(1) and (a)(3) shall not apply to a plan described in paragraph (4).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions made after final regulations implementing subsections (c) and (d) of section 4050 of the Employee Retirement Income Security Act of 1974 (as added by subsection (a)), respectively, are prescribed.

SEC. 682. REDUCED PBGC PREMIUM FOR NEW PLANS OF SMALL EMPLOYERS.

(a) IN GENERAL.—Subparagraph (A) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(A)) is amended—

(1) in clause (i), by inserting "other than a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined)," after "single-employer plan,",

(2) in clause (iii), by striking the period at the end and inserting ", and", and

(3) by adding at the end the following new clause:

"(iv) in the case of a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined) for the plan year, $5 for each individual who is a participant in such plan during the plan year.".

(b) DEFINITION OF NEW SINGLE-EMPLOYER PLAN.—Section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amended by adding at the end the following new subparagraph:

"(F)(i) For purposes of this paragraph, a single-employer plan maintained by a contributing sponsor shall be treated as a new single-employer plan for each of its first 5 plan years if, during the 36-month period ending on the date of the adoption of such plan, the sponsor or any member of such sponsor's controlled group (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new single-employer plan.

"(ii)(I) For purposes of this paragraph, the term 'small employer' means an employer which on the first day of any plan year has, in aggregation with all members of the controlled group of such employer, 100 or fewer employees.

"(II) In the case of a plan maintained by two or more contributing sponsors that are not part of the same controlled group, the employees of all contributing sponsors and controlled groups of such sponsors shall be aggregated for purposes of determining whether any contributing sponsor is a small employer.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plans established after December 31, 2001.

SEC. 683. REDUCTION OF ADDITIONAL PBGC PREMIUM FOR NEW AND SMALL PLANS.

(a) NEW PLANS.—Subparagraph (E) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(E)) is amended by adding at the end the following new clause:

"(v) In the case of a new defined benefit plan, the amount determined under clause (ii) for any plan year shall be an amount equal to the product of the amount determined under clause (ii) and the applicable percentage. For purposes of this clause, the term 'applicable percentage' means—

"(I) 0 percent, for the first plan year.

"(II) 20 percent, for the second plan year.

"(III) 40 percent, for the third plan year.

"(IV) 60 percent, for the fourth plan year.

"(V) 80 percent, for the fifth plan year.

For purposes of this clause, a defined benefit plan (as defined in section 3(35)) maintained by a contributing sponsor shall be treated as a new defined benefit plan for each of its first 5 plan years if, during the 36-month period ending on the date of the adoption of the plan, the sponsor and each member of any controlled group including the sponsor (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new plan.".

(b) SMALL PLANS.—Paragraph (3) of section 4006(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)), as amended by section 682(b), is amended—

(1) by striking "The" in subparagraph (E)(i) and inserting "Except as provided in subparagraph (G), the", and

(2) by inserting after subparagraph (F) the following new subparagraph:

"(G)(i) In the case of an employer who has 25 or fewer employees on the first day of the plan year, the additional premium determined under subparagraph (E) for each participant shall not exceed $5 multiplied by the number of participants in the plan as of the close of the preceding plan year.

"(ii) For purposes of clause (i), whether an employer has 25 or fewer employees on the first day of the plan year is determined taking into consideration all of the employees of all members of the contributing sponsor's controlled group. In the case of a plan maintained by two or more contributing sponsors, the employees of all contributing sponsors and their controlled groups shall be aggregated for purposes of determining whether the 25-or-fewer-employees limitation has been satisfied.".

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendments made by subsection (a) shall apply to plans established after December 31, 2001.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to plan years beginning after December 31, 2001.

SEC. 684. AUTHORIZATION FOR PBGC TO PAY INTEREST ON PREMIUM OVERPAYMENT REFUNDS.

(a) In General.—Section 4007(b) of the Employment Retirement Income Security Act of 1974 (29 U.S.C. 1307(b)) is amended—

(1) by striking "(b)" and inserting "(b)(1)", and

(2) by inserting at the end the following new paragraph:

"(2) The corporation is authorized to pay, subject to regulations prescribed by the corporation, interest on the amount of any overpayment of premium refunded to a designated payor. Interest under this paragraph shall be calculated at the same rate and in the same manner as interest is calculated for underpayments under paragraph (1).".

(b) Effective Date.—The amendment made by subsection (a) shall apply to interest accruing for periods beginning not earlier than the date of the enactment of this Act.

SEC. 685. SUBSTANTIAL OWNER BENEFITS IN TERMINATED PLANS.

(a) Modification of Phase-In of Guarantee.—Section 4022(b)(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1322(b)(5)) is amended to read as follows:

"(5)(A) For purposes of this paragraph, the term 'majority owner' means an individual who, at any time during the 60-month period ending on the date the determination is being made—

"(i) owns the entire interest in an unincorporated trade or business,

"(ii) in the case of a partnership, is a partner who owns, directly or indirectly, 50 percent or more of either the capital interest or the profits interest in such partnership, or

"(iii) in the case of a corporation, owns, directly or indirectly, 50 percent or more in value of either the voting stock of that corporation or all the stock of that corporation. For purposes of clause (iii), the constructive ownership rules of section 1563(e) of the Internal Revenue Code of 1986 shall apply (determined without regard to section 1563(e)(3)(C)).

"(B) In the case of a participant who is a majority owner, the amount of benefits guaranteed under this section shall equal the product of—

"(i) a fraction (not to exceed 1) the numerator of which is the number of years from the later of the effective date or the adoption date of the plan to the termination date, and the denominator of which is 10, and

"(ii) the amount of benefits that would be guaranteed under this section if the participant were not a majority owner.".

(b) Modification of Allocation of Assets.—

(1) Section 4044(a)(4)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1344(a)(4)(B)) is amended by striking "section 4022(b)(5)" and inserting "section 4022(b)(5)(B)".

(2) Section 4044(b) of such Act (29 U.S.C. 1344(b)) is amended—

(A) by striking "(5)" in paragraph (2) and inserting "(4), (5),", and

(B) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively, and by inserting after paragraph (2) the following new paragraph:

"(3) If assets available for allocation under paragraph (4) of subsection (a) are insufficient to satisfy in full the benefits of all individuals who are described in that paragraph, the assets shall be allocated first to benefits described in subparagraph (A) of that paragraph. Any remaining assets shall then be allocated to benefits described in subparagraph (B) of that paragraph. If assets allocated to such subparagraph (B) are insufficient to satisfy in full the benefits described in that subparagraph, the assets shall be allocated pro rata among individuals on the basis of the present value (as of the termination date) of their respective benefits described in that subparagraph.".

(c) Conforming Amendments.—

(1) Section 4021 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1321) is amended—

(A) in subsection (b)(9), by striking "as defined in section 4022(b)(6)", and

(B) by adding at the end the following new subsection:

"(d) For purposes of subsection (b)(9), the term 'substantial owner' means an individual who, at any time during the 60-month period ending on the date the determination is being made—

"(1) owns the entire interest in an unincorporated trade or business,

"(2) in the case of a partnership, is a partner who owns, directly or indirectly, more than 10 percent of either the capital interest or the profits interest in such partnership, or

"(3) in the case of a corporation, owns, directly or indirectly, more than 10 percent in value of either the voting stock of that corporation or all the stock of that corporation. For purposes of paragraph (3), the constructive ownership rules of section 1563(e) of the Internal Revenue Code of 1986 shall apply (determined without regard to section 1563(e)(3)(C)).".

(2) Section 4043(c)(7) of such Act (29 U.S.C. 1343(c)(7)) is amended by striking "section 4022(b)(6)" and inserting "section 4021(d)".

(d) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to plan terminations—

(A) under section 4041(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1341(c)) with respect to which notices of intent to terminate are provided under section 4041(a)(2) of such Act (29 U.S.C. 1341(a)(2)) after December 31, 2001, and

(B) under section 4042 of such Act (29 U.S.C. 1342) with respect to which proceedings are instituted by the corporation after such date.

(2) Conforming amendments.—The amendments made by subsection (c) shall take effect on January 1, 2002.

Subtitle H—Miscellaneous Provisions

SEC. 691. TAX TREATMENT AND INFORMATION REQUIREMENTS OF ALASKA NATIVE SETTLEMENT TRUSTS.

(a) Treatment of Alaska Native Settlement Trusts.—Subpart A of part I of subchapter J of chapter 1 (relating to general rules for taxation of trusts and estates) is amended by adding at the end the following new section:

"SEC. 646. TAX TREATMENT OF ELECTING ALASKA NATIVE SETTLEMENT TRUSTS.

"(a) In General.—If an election under this section is in effect with respect to any Settlement Trust, the provisions of this section shall apply in determining the income tax treatment of the Settlement Trust and its beneficiaries with respect to the Settlement Trust.

"(b) Taxation of Income of Trust.—Except as provided in subsection (f)(1)(B)(ii)—

"(1) In general.—There is hereby imposed on the taxable income of an electing Settlement Trust, other than its net capital gain, a tax at the lowest rate specified in section 1(c).

"(2) Capital gain.—In the case of an electing Settlement Trust with a net capital gain for the taxable year, a tax is hereby imposed on such gain at the rate of tax which would apply to such gain if the taxpayer were subject to a tax on its other taxable income at only the lowest rate specified in section 1(c). Any such tax shall be in lieu of the income tax otherwise imposed by this chapter on such income or gain.

"(c) One-Time Election.—

"(1) In general.—A Settlement Trust may elect to have the provisions of this section apply to the trust and its beneficiaries.

"(2) Time and method of election.—An election under paragraph (1) shall be made by the trustee of such trust—

"(A) on or before the due date (including extensions) for filing the Settlement Trust's return of tax for the first taxable year of such trust ending after the date of the enactment of this section, and

"(B) by attaching to such return of tax a statement specifically providing for such election.

"(3) Period election in effect.—Except as provided in subsection (f), an election under this subsection—

"(A) shall apply to the first taxable year described in paragraph (2)(A) and all subsequent taxable years, and

"(B) may not be revoked once it is made.

"(d) Contributions to Trust.—

"(1) Beneficiaries of electing trust not taxed on contributions.—In the case of an electing Settlement Trust, no amount shall be includible in the gross income of a beneficiary of such trust by reason of a contribution to such trust.

"(2) Earnings and profits.—The earnings and profits of the sponsoring Native Corporation shall not be reduced on account of any contribution to such Settlement Trust:

"(e) Tax Treatment of Distributions to Beneficiaries.—Amounts distributed by an electing Settlement Trust during any taxable year shall be considered as having the following characteristics in the hands of the recipient beneficiary:

"(1) First, as amounts excludable from gross income for the taxable year to the extent of the taxable income of such trust for such taxable year (decreased by any income tax paid by the trust with respect to the income) plus any amount excluded from gross income of the trust under section 103.

"(2) Second, as amounts excludable from gross income to the extent of the amount described in paragraph (1) for all taxable years for which an election is in effect under subsection (c) with respect to the trust, and not previously taken into account under paragraph (1).

"(3) Third, as amounts distributed by the sponsoring Native Corporation with respect to its stock (within the meaning of section 301(a)) during such taxable year and taxable to the recipient beneficiary as amounts described in section 301(c)(1), to the extent of current or accumulated earnings and profits of the sponsoring Native Corporation as of the close of such taxable year after proper adjustment is made for all distributions made by the sponsoring Native Corporation during such taxable year.

"(4) Fourth, as amounts distributed by the trust in excess of the distributable net income of such trust for such taxable year.

Amounts distributed to which paragraph (3) applies shall not be treated as a corporate distribution subject to section 311(b), and for purposes of determining the amount of a distribution for purposes of paragraph (3) and the basis to the recipients, section 643(e) and not section 301(b) or (d) shall apply.

"(f) Special Rules Where Transfer Restrictions Modified.—

"(1) TRANSFER OF BENEFICIAL INTERESTS.—If, at any time, a beneficial interest in an electing Settlement Trust may be disposed of to a person in a manner which would not be permitted by section 7(h) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(h)) if such interest were Settlement Common Stock—

"(A) no election may be made under subsection (c) with respect to such trust, and

"(B) if such an election is in effect as of such time—

"(i) such election shall cease to apply as of the first day of the taxable year in which such disposition is first permitted,

"(ii) the provisions of this section shall not apply to such trust for such taxable year and all taxable years thereafter, and

"(iii) the distributable net income of such trust shall be increased by the current or accumulated earnings and profits of the sponsoring Native Corporation as of the close of such taxable year after proper adjustment is made for all distributions made by the sponsoring Native Corporation during such taxable year.

In no event shall the increase under clause (iii) exceed the fair market value of the trust's assets as of the date the beneficial interest of the trust first becomes so disposable. The earnings and profits of the sponsoring Native Corporation shall be adjusted as of the last day of such taxable year by the amount of earnings and profits so included in the distributable net income of the trust.

"(2) STOCK IN CORPORATION.—If—

"(A) stock in the sponsoring Native Corporation may be disposed of to a person in a manner which would not be permitted by section 7(h) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(h)) if such stock were Settlement Common Stock, and

"(B) at any time after such disposition of stock is first permitted, such corporation transfers assets to a Settlement Trust,

paragraph (1)(B) shall be applied to such trust on and after the date of the transfer in the same manner as if the trust permitted dispositions of beneficial interests in the trust in a manner not permitted by such section 7(h).

"(3) CERTAIN DISTRIBUTIONS.—For purposes of this section, the surrender of an interest in a Native Corporation or an electing Settlement Trust in order to accomplish the whole or partial redemption of the interest of a shareholder or beneficiary in such corporation or trust, or to accomplish the whole or partial liquidation of such corporation or trust, shall be deemed to be a transfer permitted by section 7(h) of the Alaska Native Claims Settlement Act.

"(g) TAXABLE INCOME.—For purposes of this title, the taxable income of an electing Settlement Trust shall be determined under section 641(b) without regard to any deduction under section 651 or 661.

"(h) DEFINITIONS.—For purposes of this section—

"(1) ELECTING SETTLEMENT TRUST.—The term 'electing Settlement Trust' means a Settlement Trust which has made the election, effective for a taxable year, described in subsection (c).

"(2) NATIVE CORPORATION.—The term 'Native Corporation' has the meaning given such term by section 3(m) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(m)).

"(3) SETTLEMENT COMMON STOCK.—The term 'Settlement Common Stock' has the meaning given such term by section 3(p) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(p)).

"(4) SETTLEMENT TRUST.—The term 'Settlement Trust' means a trust that constitutes a settlement trust under section 3(t) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(t)).

"(5) SPONSORING NATIVE CORPORATION.—The term 'sponsoring Native Corporation' means the Native Corporation which transfers assets to an electing Settlement Trust.

"(i) SPECIAL LOSS DISALLOWANCE RULE.—Any loss that would otherwise be recognized by a shareholder upon a disposition of a share of stock of a sponsoring Native Corporation shall be reduced (but not below zero) by the per share loss adjustment factor. The per share loss adjustment factor shall be the aggregate of all contributions to all electing Settlement Trusts sponsored by such Native Corporation made on or after the first day each trust is treated as an electing Settlement Trust expressed on a per share basis and determined as of the day of each such contribution.

"(j) CROSS REFERENCE.—

"For information required with respect to electing Settlement Trusts and sponsoring Native Corporations, see section 6039H.".

(b) REPORTING.—Subpart A of part III of subchapter A of chapter 61 of subtitle F (relating to information concerning persons subject to special provisions) is amended by inserting after section 6039G the following new section:

"SEC. 6039H. INFORMATION WITH RESPECT TO ALASKA NATIVE SETTLEMENT TRUSTS AND SPONSORING NATIVE CORPORATIONS.

"(a) REQUIREMENT.—The fiduciary of an electing Settlement Trust (as defined in section 646(h)(1)) shall include with the return of income of the trust a statement containing the information required under subsection (c).

"(b) APPLICATION WITH OTHER REQUIREMENTS.—The filing of any statement under this section shall be in lieu of the reporting requirements under section 6034A to furnish any statement to a beneficiary regarding amounts distributed to such beneficiary (and such other reporting rules as the Secretary deems appropriate).

"(c) REQUIRED INFORMATION.—The information required under this subsection shall include—

"(1) the amount of distributions made during the taxable year to each beneficiary,

"(2) the treatment of such distribution under the applicable provision of section 646, including the amount that is excludable from the recipient beneficiary's gross income under section 646, and

"(3) the amount (if any) of any distribution during such year that is deemed to have been made by the sponsoring Native Corporation (as defined in section 646(h)(5)).

"(d) SPONSORING NATIVE CORPORATION.—

"(1) IN GENERAL.—The electing Settlement Trust shall, on or before the date on which the statement under subsection (a) is required to be filed, furnish such statement to the sponsoring Native Corporation (as so defined).

"(2) DISTRIBUTEES.—The sponsoring Native Corporation shall furnish each recipient of a distribution described in section 646(e)(3) a statement containing the amount deemed to have been distributed to such recipient by such corporation for the taxable year.".

(c) CLERICAL AMENDMENT.—

(1) The table of sections for subpart A of part I of subchapter J of chapter 1 of such Code is amended by adding at the end the following new item:

"Sec. 646. Tax treatment of electing Alaska Native Settlement Trusts.".

(2) The table of sections for subpart A of part III of subchapter A of chapter 61 of subtitle F of such Code is amended by inserting after the item relating to section 6039G the following new item:

"Sec. 6039H. Information with respect to Alaska Native Settlement Trusts and sponsoring Native Corporations.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act and to contributions made to electing Settlement Trusts for such year or any subsequent year.

Subtitle I—Compliance With Congressional Budget Act

SEC. 695. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE VII—EXTENSIONS OF EXPIRING PROVISIONS

Subtitle A—In General

SECTION 701. PERMANENT EXTENSION OF RESEARCH CREDIT.

(a) PERMANENT EXTENSION.—

(1) IN GENERAL.—Section 41 (relating to credit for increasing research activities) is amended by striking subsection (h).

(2) CONFORMING AMENDMENT.—Paragraph (1) of section 45C(b) is amended by striking subparagraph (D).

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred after the date of the enactment of this Act.

(b) INCREASE IN RATES OF ALTERNATIVE INCREMENTAL CREDIT.—

(1) IN GENERAL.—Subparagraph (A) of section 41(c)(4) (relating to election of alternative incremental credit) is amended—

(A) by striking "2.65 percent" and inserting "3 percent",

(B) by striking "3.2 percent" and inserting "4 percent", and

(C) by striking "3.75 percent" and inserting "5 percent".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 702. WORK OPPORTUNITY CREDIT AND WELFARE-TO-WORK CREDIT.

(a) TEMPORARY EXTENSION.—Sections 51(c)(4)(B) and 51A(f) (relating to termination) are each amended by striking "2001" and inserting "2003".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after December 31, 2001.

SEC. 703. TAXABLE INCOME LIMIT ON PERCENTAGE DEPLETION FOR MARGINAL PRODUCTION.

(a) TEMPORARY EXTENSION.—Subparagraph (H) of section 613A(c)(6) is amended by striking "January 1, 2002" and inserting "January 1, 2004".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 704. SUBPART F EXEMPTION FOR ACTIVE FINANCING INCOME.

(a) TEMPORARY EXTENSION.—Section 953(e)(10) is amended—

(1) by striking "January 1, 2002" and inserting "January 1, 2004", and

(2) by striking "December 31, 2001" and inserting "December 31, 2003".

(b) CONFORMING AMENDMENT.—Section 954(h)(9) is amended by striking "January 1, 2002" and inserting "January 1, 2004".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 705. PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.

(a) TEMPORARY EXTENSION.—Subsection (f) of section 9812 is amended by striking "on or after September 30, 2001" and inserting "after September 30, 2003".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits for services furnished after September 30, 2001.

SEC. 706. DEDUCTION FOR CLEAN-FUEL VEHICLES AND CERTAIN REFUELING PROPERTY.

(a) TEMPORARY EXTENSION.—Subsection (f) of section 179A is amended by striking "December 31, 2004" and inserting "December 31, 2006".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2004.

SEC. 707. LUXURY TAX ON PASSENGER VEHICLES.

(a) TEMPORARY EXTENSION.—Subsection (g) of section 4001 is amended by striking "December 31, 2002" and inserting "December 31, 2004".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to any sale, use, or installation after December 31, 2002.

Subtitle B—Compliance With Congressional Budget Act

SEC. 711. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE VIII—ALTERNATIVE MINIMUM TAX

Subtitle A—In General

SEC. 801. ALTERNATIVE MINIMUM TAX EXEMPTION FOR CERTAIN INDIVIDUAL TAXPAYERS.

(a) EXEMPTION.—Section 55 (relating to imposition of alternative minimum tax) is amended by adding at the end the following:

"(f) EXEMPTION FOR CERTAIN INDIVIDUALS.—

"(1) IN GENERAL.—In the case of an individual, the tentative minimum tax shall be zero for any taxable year if the adjusted gross income of the taxpayer for the taxable year does not exceed $80,000.

"(2) PROSPECTIVE APPLICATION IF SUBSECTION CEASES TO APPLY.—If paragraph (1) applies to a taxpayer for any taxable year and then ceases to apply to a subsequent taxable year, the rules of paragraphs (2) through (5) of subsection (e) shall apply to the taxpayer to the extent such rules are applicable to individuals."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

Subtitle B—Compliance With Congressional Budget Act

SEC. 811. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE IX—TAX RELIEF FOR ADOPTIVE PARENTS

Subtitle A—In General

SEC. 901. EXPANSION OF ADOPTION CREDIT.

(a) IN GENERAL.—

(1) ADOPTION CREDIT.—Section 23(a)(1) (relating to allowance of credit) is amended to read as follows:

"(1) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter—

"(A) in the case of an adoption of a child other than a child with special needs, the amount of the qualified adoption expenses paid or incurred by the taxpayer, and

"(B) in the case of an adoption of a child with special needs, $10,000.".

(2) ADOPTION ASSISTANCE PROGRAMS.—Section 137(a) (relating to adoption assistance programs) is amended to read as follows:

"(a) IN GENERAL.—Gross income of an employee does not include amounts paid or expenses incurred by the employer for adoption expenses in connection with the adoption of a child by an employee if such amounts are furnished pursuant to an adoption assistance program. The amount of the exclusion shall be—

"(1) in the case of an adoption of a child other than a child with special needs, the amount of the qualified adoption expenses paid or incurred by the taxpayer, and

"(2) in the case of an adoption of a child with special needs, $10,000.".

(b) DOLLAR LIMITATIONS.—

(1) DOLLAR AMOUNT OF ALLOWED EXPENSES.—

(A) ADOPTION EXPENSES.—Section 23(b)(1) (relating to allowance of credit) is amended—

(i) by striking "$5,000" and inserting "$10,000",

(ii) by striking "($6,000, in the case of a child with special needs)", and

(iii) by striking "subsection (a)" and inserting "subsection (a)(1)(A)".

(B) ADOPTION ASSISTANCE PROGRAMS.—Section 137(b)(1) (relating to dollar limitations for adoption assistance programs) is amended—

(i) by striking "$5,000" and inserting "$10,000", and

(ii) by striking "($6,000, in the case of a child with special needs)", and

(iii) by striking "subsection (a)" and inserting "subsection (a)(1)".

(2) PHASE-OUT LIMITATION.—

(A) ADOPTION EXPENSES.—Clause (i) of section 23(b)(2)(A) (relating to income limitation) is amended by striking "$75,000" and inserting "$150,000".

(B) ADOPTION ASSISTANCE PROGRAMS.—Section 137(b)(2)(A) (relating to income limitation) is amended by striking "$75,000" and inserting "$150,000".

(c) YEAR CREDIT ALLOWED.—Section 23(a)(2) is amended by adding at the end the following new flush sentence:

"In the case of the adoption of a child with special needs, the credit allowed under paragraph (1) shall be allowed for the taxable year in which the adoption becomes final.".

(d) REPEAL OF SUNSET PROVISIONS.—

(1) CHILDREN WITHOUT SPECIAL NEEDS.—Paragraph (2) of section 23(d) (relating to definition of eligible child) is amended to read as follows:

"(2) ELIGIBLE CHILD.—The term 'eligible child' means any individual who—

"(A) has not attained age 18, or

"(B) is physically or mentally incapable of caring for himself.".

(2) ADOPTION ASSISTANCE PROGRAMS.—Section 137 (relating to adoption assistance programs) is amended by striking subsection (f).

(e) ADJUSTMENT OF DOLLAR AND INCOME LIMITATIONS FOR INFLATION.—

(1) ADOPTION CREDIT.—Section 23 is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) ADJUSTMENTS FOR INFLATION.—In the case of a taxable year beginning after December 31, 2002, each of the dollar amounts in subsection (a)(1)(B) and paragraphs (1) and (2)(A)(i) of subsection (b) shall be increased by an amount equal to—

"(1) such dollar amount, multiplied by

"(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2001' for 'calendar year 1992' in subparagraph (B) thereof.".

(2) ADOPTION ASSISTANCE PROGRAMS.—Section 137, as amended by subsection (d), is amended by adding at the end the following new subsection:

"(f) ADJUSTMENTS FOR INFLATION.—In the case of a taxable year beginning after December 31, 2002, each of the dollar amounts in subsection (a)(2) and paragraphs (1) and (2)(A) of subsection (b) shall be increased by an amount equal to—

"(1) such dollar amount, multiplied by

"(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2001' for 'calendar year 1992' in subparagraph (B) thereof.".

(f) LIMITATION BASED ON AMOUNT OF TAX.—

(1) IN GENERAL.—Subsection (c) of section 23 is amended by striking "the limitation imposed" and all that follows through "1400C)" and inserting "the applicable tax limitation".

(2) APPLICABLE TAX LIMITATION.—Subsection (d) of section 23 is amended by adding at the end the following new paragraph:

"(4) APPLICABLE TAX LIMITATION.—The term 'applicable tax limitation' means the sum of—

"(A) the taxpayer's regular tax liability for the taxable year, reduced (but not below zero) by the sum of the credits allowed by sections 21, 22, 24 (other than the amount of the increase under subsection (d) thereof), 25, and 25A, and

"(B) the tax imposed by section 55 for such taxable year.".

(3) CONFORMING AMENDMENTS.—

(A) Subsection (a) of section 26 (relating to limitation based on amount of tax) is amended by inserting "(other than section 23)" after "allowed by this subpart".

(B) Paragraph (1) of section 53(b) (relating to minimum tax credit) is amended by inserting "reduced by the aggregate amount taken into account under section 23(d)(3)(B) for all such prior taxable years," after "1986,".

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

Subtitle B—Compliance With Congressional Budget Act

SEC. 911. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE X—SELF-EMPLOYED HEALTH INSURANCE DEDUCTION

Subtitle A—In General

SEC. 1001. FULL DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Section 162(l)(1) (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

"(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, the taxpayer's spouse, and dependents.".

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

Subtitle B—Compliance With Congressional Budget Act

SEC. 1011. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE XI—ENERGY SECURITY AND TAX INCENTIVE POLICY

Subtitle A—Energy-Efficient Property Used in Business

SEC. 1101. CREDIT FOR CERTAIN ENERGY-EFFICIENT PROPERTY USED IN BUSINESS.

(a) In General.—Subpart E of part IV of subchapter A of chapter 1 (relating to rules for computing investment credit) is amended by inserting after section 48 the following:

"SEC. 48A. ENERGY CREDIT.

"(a) In General.—For purposes of section 46, the energy credit for any taxable year is the energy percentage of the basis of each energy property placed in service during such taxable year.

"(b) Energy Percentage.—

"(1) In general.—The energy percentage is—

"(A) except as otherwise provided in this subparagraph, 10 percent,

"(B) in the case of energy property described in clauses (i), (iii), and (vi) of subsection (c)(1)(A), 20 percent,

"(C) in the case of energy property described in subsection (c)(1)(A)(v), 15 percent,

"(D) in the case of energy property described in subsection (c)(1)(A)(ii) relating to a high risk geothermal well, 20 percent, and

"(E) in the case of energy property described in subsection (c)(1)(A)(vii), 30 percent.

"(2) Coordination with rehabilitation.—The energy percentage shall not apply to that portion of the basis of any property which is attributable to qualified rehabilitation expenditures.

"(c) Energy Property Defined.—

"(1) In general.—For purposes of this subpart, the term 'energy property' means any property—

"(A) which is—

"(i) solar energy property,

"(ii) geothermal energy property,

"(iii) energy-efficient building property other than property described in clauses (iii)(I) and (v)(I) of subsection (d)(3)(A),

"(iv) combined heat and power system property,

"(v) low core loss distribution transformer property,

"(vi) qualified anaerobic digester property, or

"(vii) qualified wind energy systems equipment property,

"(B)(i) the construction, reconstruction, or erection of which is completed by the taxpayer, or

"(ii) which is acquired by the taxpayer if the original use of such property commences with the taxpayer.

"(C) which can reasonably be expected to remain in operation for at least 5 years,

"(D) with respect to which depreciation (or amortization in lieu of depreciation) is allowable, and

"(E) which meets the performance and quality standards (if any) which—

"(i) have been prescribed by the Secretary by regulations (after consultation with the Secretary of Energy), and

"(ii) are in effect at the time of the acquisition of the property.

"(2) Exceptions.—

"(A) Public utility property.—Such term shall not include any property which is public utility property (as defined in section 46(f)(5) as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990), except for property described in paragraph (1)(A)(iv).

"(B) Certain wind equipment.—Such term shall not include equipment described in paragraph (1)(A)(vii) which is taken into account for purposes of section 45 for the taxable year.

"(d) Definitions Relating to Types of Energy Property.—For purposes of this section—

"(1) Solar energy property.—

"(A) In general.—The term 'solar energy property' means equipment which uses solar energy to generate electricity, to heat or cool (or provide hot water for use in) a structure, or to provide solar process heat.

"(B) Swimming pools, etc. used as storage medium.—The term 'solar energy property' shall not include property with respect to which expenditures are properly allocable to a swimming pool, hot tub, or any other energy storage medium which has a function other than the function of such storage.

"(C) Solar panels.—No solar panel or other property installed as a roof (or portion thereof) shall fail to be treated as solar energy property solely because it constitutes a structural component of the structure on which it is installed.

"(2) Geothermal energy property.—

"(A) In general.—The term 'geothermal energy property' means equipment used to produce, distribute, or use energy derived from a geothermal deposit (within the meaning of section 613(e)(2)), but only, in the case of electricity generated by geothermal power, up to (but not including) the electrical transmission stage.

"(B) High risk geothermal well.—The term 'high risk geothermal well' means a geothermal deposit (within the meaning of section 613(e)(2)) which requires high risk drilling techniques. Such deposit may not be located in a State or national park or in an area in which the relevant State park authority or the National Park Service determines the development of such a deposit will negatively impact on a State or national park.

"(3) Energy-efficient building property.—

"(A) In general.—The term 'energy-efficient building property' means—

"(i) a fuel cell which—

"(I) generates electricity using an electrochemical process,

"(II) has an electricity-only generation efficiency greater than 30 percent, and

"(III) has a minimum generating capacity of 2 kilowatts,

"(ii) an electric heat pump hot water heater which yields an energy factor of 1.7 or greater under test procedures prescribed by the Secretary of Energy,

"(iii)(I) an electric heat pump which has a heating system performance factor (HSPF) of at least 8.5 but less than 9 and a cooling seasonal energy efficiency ratio (SEER) of at least 13.5 but less than 15,

"(II) an electric heat pump which has a heating system performance factor (HSPF) of 9 or greater and a cooling seasonal energy efficiency ratio (SEER) of 15 or greater,

"(iv) a natural gas heat pump which has a coefficient of performance of not less than 1.25 for heating and not less than 0.70 for cooling,

"(v)(I) a central air conditioner which has a cooling seasonal energy efficiency ratio (SEER) of at least 13.5 but less than 15,

"(II) a central air conditioner which has a cooling seasonal energy efficiency ratio (SEER) of 15 or greater,

"(vi) an advanced natural gas water heater which—

"(I) increases steady state efficiency and reduces standby and vent losses, and

"(II) has an energy factor of at least 0.65,

"(vii) an advanced natural gas furnace which achieves a 90 percent AFUE and rated for seasonal electricity use of less than 300 kWh per year, and

"(viii) natural gas cooling equipment which meets all applicable standards of the American Society of Heating, Refrigerating, and Air Conditioning Engineers and which—

"(I) has a coefficient of performance of not less than .60, or

"(II) uses desiccant technology and has an efficiency rating of not less than 50 percent.

"(B) Limitations.—The credit under subsection (a) for the taxable year may not exceed—

"(i) $500 in the case of property described in subparagraph (A) other than clauses (i), (iv), and (viii) thereof,

"(ii) $1,000 for each kilowatt of capacity in the case of any fuel cell described in subparagraph (A)(i),

"(iii) $1,000 in the case of any natural gas heat pump described in subparagraph (A)(iv), and

"(iv) $150 for each ton of capacity in the case of any natural gas cooling equipment described in subparagraph (A)(viii).

"(4) Combined heat and power system property.—

"(A) In general.—The term 'combined heat and power system property' means property—

"(i) comprising a system for the same energy source for the simultaneous or sequential generation of electrical power, mechanical shaft power, or both, in combination with steam, heat, or other forms of useful energy,

"(ii) which has an electrical capacity of more than 50 kilowatts or a mechanical energy capacity of more than 67 horsepower or an equivalent combination of electrical and mechanical energy capacities,

"(iii) which produces—

"(I) at least 20 percent of its total useful energy in the form of thermal energy, and

"(II) at least 20 percent of its total useful energy in the form of electrical or mechanical power (or a combination thereof), and

"(iv) the energy efficiency percentage of which exceeds—

"(I) 60 percent in the case of a system with an electrical capacity of less than 1 megawatt),

"(II) 65 percent in the case of a system with an electrical capacity of not less than 1 megawatt and not in excess of 50 megawatts), and

"(III) 70 percent in the case of a system with an electrical capacity in excess of 50 megawatts).

"(B) Special rules.—

"(i) Energy efficiency percentage.—For purposes of subparagraph (A)(iv), the energy efficiency percentage of a system is the fraction—

"(I) the numerator of which is the total useful electrical, thermal, and mechanical power produced by the system at normal operating rates, and

"(II) the denominator of which is the lower heating value of the primary fuel source for the system.

"(ii) DETERMINATIONS MADE ON BTU BASIS.—The energy efficiency percentage and the percentages under subparagraph (A)(iii) shall be determined on a Btu basis.

"(iii) INPUT AND OUTPUT PROPERTY NOT INCLUDED.—The term 'combined heat and power system property' does not include property used to transport the energy source to the facility or to distribute energy produced by the facility.

"(iv) ACCOUNTING RULE FOR PUBLIC UTILITY PROPERTY.—If the combined heat and power system property is public utility property (as defined in section 46(f)(5) as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990), the taxpayer may only claim the credit under subsection (a)(1) if, with respect to such property, the taxpayer uses a normalization method of accounting.

"(5) LOW CORE LOSS DISTRIBUTION TRANSFORMER PROPERTY.—The term 'low core loss distribution transformer property' means a distribution transformer which has energy savings from a highly efficient core of at least 20 percent more than the average for power ratings reported by studies required under section 124 of the Energy Policy Act of 1992.

"(6) QUALIFIED ANAEROBIC DIGESTER PROPERTY.—The term 'qualified anaerobic digester property' means an anaerobic digester for manure or crop waste which achieves at least 65 percent efficiency measured in terms of the fraction of energy input converted to electricity and useful thermal energy.

"(7) QUALIFIED WIND ENERGY SYSTEMS EQUIPMENT PROPERTY.—The term 'qualified wind energy systems equipment property' means wind energy systems equipment with a turbine size of not more than 75 kilowatts rated capacity.

"(e) SPECIAL RULES.—For purposes of this section—

"(1) SPECIAL RULE FOR PROPERTY FINANCED BY SUBSIDIZED ENERGY FINANCING OR INDUSTRIAL DEVELOPMENT BONDS.—

"(A) REDUCTION OF BASIS.—For purposes of applying the energy percentage to any property, if such property is financed in whole or in part by—

"(i) subsidized energy financing, or

"(ii) the proceeds of a private activity bond (within the meaning of section 141) the interest on which is exempt from tax under section 103, the amount taken into account as the basis of such property shall not exceed the amount which (but for this subparagraph) would be so taken into account multiplied by the fraction determined under subparagraph (B).

"(B) DETERMINATION OF FRACTION.—For purposes of subparagraph (A), the fraction determined under this subparagraph is 1 reduced by a fraction—

"(i) the numerator of which is that portion of the basis of the property which is allocable to such financing or proceeds, and

"(ii) the denominator of which is the basis of the property.

"(C) SUBSIDIZED ENERGY FINANCING.—For purposes of subparagraph (A), the term 'subsidized energy financing' means financing provided under a Federal, State, or local program a principal purpose of which is to provide subsidized financing for projects designed to conserve or produce energy.

"(2) CERTAIN PROGRESS EXPENDITURE RULES MADE APPLICABLE.—Rules similar to the rules of subsections (c)(4) and (d) of section 46 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990) shall apply for purposes of this section.

"(f) APPLICATION OF SECTION.—

"(1) IN GENERAL.—Except as provided by paragraph (2), this section shall apply to property placed in service after December 31, 2001, and before January 1, 2009.

"(2) EXCEPTIONS.—

"(A) SOLAR ENERGY AND GEOTHERMAL ENERGY PROPERTY.—Paragraph (1) shall not apply to solar energy property or geothermal energy property.

"(B) CERTAIN ELECTRIC HEAT PUMPS AND CENTRAL AIR CONDITIONERS.—In the case of property which is described in subsection (d)(3)(A)(iii)(I) or (d)(3)(A)(v)(I), this section shall apply to property placed in service after December 31, 2001, and before January 1, 2006.".

(b) CONFORMING AMENDMENTS.—

(1) Section 48 is amended to read as follows:

"SEC. 48. REFORESTATION CREDIT.

"(a) IN GENERAL.—For purposes of section 46, the reforestation credit for any taxable year is 20 percent of the portion of the amortizable basis of any qualified timber property which was acquired during such taxable year and which is taken into account under section 194 (after the application of section 194(b)(1)).

"(b) DEFINITIONS.—For purposes of this subpart, the terms 'amortizable basis' and 'qualified timber property' have the respective meanings given to such terms by section 194.".

(2) Section 39(d), as amended by this Act, is amended by adding at the end the following:

"(12) NO CARRYBACK OF ENERGY CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the energy credit determined under section 48A may be carried back to a taxable year ending before January 1, 2002.".

(3) Section 280C is amended by adding at the end the following:

"(d) CREDIT FOR ENERGY PROPERTY EXPENSES.—

"(1) IN GENERAL.—No deduction shall be allowed for that portion of the expenses for energy property (as defined in section 48A(c)) otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 48A(a).

"(2) SIMILAR RULE WHERE TAXPAYER CAPITALIZES RATHER THAN DEDUCTS EXPENSES.—If—

"(A) the amount of the credit allowable for the taxable year under section 48A (determined without regard to section 38(c)), exceeds

"(B) the amount allowable as a deduction for the taxable year for expenses for energy property (determined without regard to paragraph (1)), the amount chargeable to capital account for the taxable year for such expenses shall be reduced by the amount of such excess.

"(3) CONTROLLED GROUPS.—Paragraph (3) of subsection (b) shall apply for purposes of this subsection.".

(4) Section 29(b)(3)(A)(i)(III) is amended by striking 'section 48(a)(4)(C)' and inserting 'section 48A(e)(1)(C)'.

(5) Section 50(a)(2)(E) is amended by striking 'section 48(a)(5)' and inserting 'section 48A(e)(2)'.

(6) Section 168(e)(3)(B) is amended—

(A) by striking clause (vi)(I) and inserting the following:

"(I) is described in paragraph (1) or (2) of section 48A(d) (or would be so described if 'solar and wind' were substituted for 'solar' in paragraph (1)(B)),", and

(B) in the last sentence by striking "section 48(a)(3)" and inserting "section 48A(c)(2)(A)".

(c) CLERICAL AMENDMENT.—The table of sections for subpart E of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 48 and inserting the following:

"Sec. 48. Reforestation credit.
"Sec. 48A. Energy credit.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2001, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 1102. ENERGY-EFFICIENT COMMERCIAL BUILDING PROPERTY DEDUCTION.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by adding at the end the following:

"SEC. 199. ENERGY-EFFICIENT COMMERCIAL BUILDING PROPERTY.

"(a) IN GENERAL.—There shall be allowed as a deduction for the taxable year an amount equal to the energy-efficient commercial building property expenditures made by a taxpayer for the taxable year.

"(b) MAXIMUM AMOUNT OF DEDUCTION.—The amount of energy-efficient commercial building property expenditures taken into account under subsection (a) shall not exceed an amount equal to the product of—

"(1) $2.25, and

"(2) the square footage of the building with respect to which the expenditures are made.

"(c) YEAR DEDUCTION ALLOWED.—The deduction under subsection (a) shall be allowed in the taxable year in which the construction of the building is completed.

"(d) ENERGY-EFFICIENT COMMERCIAL BUILDING PROPERTY EXPENDITURES.—For purposes of this section—

"(1) IN GENERAL.—The term 'energy-efficient commercial building property expenditures' means an amount paid or incurred for energy-efficient commercial building property installed on or in connection with new construction or reconstruction of property—

"(A) for which depreciation is allowable under section 167,

"(B) which is located in the United States, and

"(C) the construction or erection of which is completed by the taxpayer.

Such property includes all residential rental property, including low-rise multifamily structures and single family housing property which is not within the scope of Standard 90.1–1999 (described in paragraph (3)).

"(2) LABOR COSTS INCLUDED.—Such term includes expenditures for labor costs properly allocable to the onsite preparation, assembly, or original installation of the property.

"(3) ENERGY EXPENDITURES EXCLUDED.—Such term does not include any expenditures taken into account in determining any credit allowed under section 48A.

"(e) ENERGY-EFFICIENT COMMERCIAL BUILDING PROPERTY.—For purposes of subsection (d)—

"(1) IN GENERAL.—The term 'energy-efficient commercial building property' means any property which reduces total annual energy and power costs with respect to the lighting, heating, cooling, ventilation, and hot water supply systems of the building by 50 percent or more in comparison to a reference building which meets the requirements of Standard 90.1–1999 of the American

Society of Heating, Refrigerating, and Air Conditioning Engineers and the Illuminating Engineering Society of North America using methods of calculation under subparagraph (B) and certified by qualified professionals as provided under paragraph (6).

"(2) METHODS OF CALCULATION.—The Secretary, in consultation with the Secretary of Energy, shall promulgate regulations which describe in detail methods for calculating and verifying energy and power consumption and cost, taking into consideration the provisions of the 1998 California Nonresidential ACM Manual. These procedures shall meet the following requirements:

"(A) In calculating tradeoffs and energy performance, the regulations shall prescribe the costs per unit of energy and power, such as kilowatt hour, kilowatt, gallon of fuel oil, and cubic foot or Btu of natural gas, which may be dependent on time of usage.

"(B) The calculational methodology shall require that compliance be demonstrated for a whole building. If some systems of the building, such as lighting, are designed later than other systems of the building, the method shall provide that either—

"(i) the expenses taken into account under paragraph (1) shall not occur until the date designs for all energy-using systems of the building are completed, or

"(ii) the expenses taken into account under paragraph (1) shall be a fraction of such expenses based on the performance of less than all energy-using systems in accordance with subparagraph (C), and the energy performance of all systems and components not yet designed shall be assumed to comply minimally with the requirements of such Standard 90.1–1999.

"(C) The expenditures in connection with the design of subsystems in the building, such as the envelope, the heating, ventilation, air conditioning and water heating system, and the lighting system shall be allocated to the appropriate building subsystem based on system-specific energy cost savings targets in regulations promulgated by the Secretary of Energy which are equivalent, using the calculation methodology, to the whole building requirement of 50 percent savings.

"(D) The calculational methods under this paragraph need not comply fully with section 11 of such Standard 90.1–1999.

"(E) The calculational methods shall be fuel neutral, such that the same energy efficiency features shall qualify a building for the deduction under this section regardless of whether the heating source is a gas or oil furnace or an electric heat pump.

"(F) The calculational methods shall provide appropriate calculated energy savings for design methods and technologies not otherwise credited in either such Standard 90.1–1999 or in the 1998 California Nonresidential ACM Manual, including the following:

"(i) Natural ventilation.

"(ii) Evaporative cooling.

"(iii) Automatic lighting controls such as occupancy sensors, photocells, and timeclocks.

"(iv) Daylighting.

"(v) Designs utilizing semi-conditioned spaces which maintain adequate comfort conditions without air conditioning or without heating.

"(vi) Improved fan system efficiency, including reductions in static pressure.

"(vii) Advanced unloading mechanisms for mechanical cooling, such as multiple or variable speed compressors.

"(viii) The calculational methods may take into account the extent of commissioning in the building, and allow the taxpayer to take into account measured performance which exceeds typical performance.

"(3) COMPUTER SOFTWARE.—

"(A) IN GENERAL.—Any calculation under this subsection shall be prepared by qualified computer software.

"(B) QUALIFIED COMPUTER SOFTWARE.—For purposes of this paragraph, the term 'qualified computer software' means software—

"(i) for which the software designer has certified that the software meets all procedures and detailed methods for calculating energy and power consumption and costs as required by the Secretary,

"(ii) which provides such forms as required to be filed by the Secretary in connection with energy efficiency of property and the deduction allowed under this section, and

"(iii) which provides a notice form which summarizes the energy efficiency features of the building and its projected annual energy costs.

"(4) ALLOCATION OF DEDUCTION FOR PUBLIC PROPERTY.—In the case of energy-efficient commercial building property installed on or in public property, the Secretary shall promulgate a regulation to allow the allocation of the deduction to the person primarily responsible for designing the property in lieu of the public entity which is the owner of such property. Such person shall be treated as the taxpayer for purposes of this section.

"(5) NOTICE TO OWNER.—The qualified individual shall provide an explanation to the owner of the building regarding the energy efficiency features of the building and its projected annual energy costs as provided in the notice under paragraph (3)(B)(iii).

"(6) CERTIFICATION.—

"(A) IN GENERAL.—Except as provided in this paragraph, the Secretary, in consultation with the Secretary of Energy, shall establish requirements for certification and compliance procedures similar to the procedures under section 45H(d).

"(B) QUALIFIED INDIVIDUALS.—Individuals qualified to determine compliance shall be only those individuals who are recognized by an organization certified by the Secretary for such purposes.

"(C) PROFICIENCY OF QUALIFIED INDIVIDUALS.—The Secretary shall consult with nonprofit organizations and State agencies with expertise in energy efficiency calculations and inspections to develop proficiency tests and training programs to qualify individuals to determine compliance.

"(f) TERMINATION.—This section shall not apply with respect to any energy-efficient commercial building property expenditures in connection with property—

"(1) the plans for which are not certified under subsection (e)(6) on or before December 31, 2006, and

"(2) the construction of which is not completed on or before December 31, 2008.".

(b) CONFORMING AMENDMENTS.—Section 1016(a) is amended by striking "and" at the end of paragraph (26), by striking the period at the end of paragraph (27) and inserting ", and", and by inserting the following:

"(28) for amounts allowed as a deduction under section 199(a).".

(c) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by adding at the end the following:

"Sec. 199. Energy-efficient commercial building property.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 1103. CREDIT FOR ENERGY-EFFICIENT APPLIANCES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits), as amended by this Act, is amended by adding at the end the following:

"SEC. 45G. ENERGY-EFFICIENT APPLIANCE CREDIT.

"(a) GENERAL RULE.—For purposes of section 38, the energy-efficient appliance credit determined under this section for the taxable year is an amount equal to the applicable amount determined under subsection (b) with respect to qualified energy-efficient appliances produced by the taxpayer during the calendar year ending with or within the taxable year.

"(b) APPLICABLE AMOUNT.—For purposes of subsection (a), the applicable amount determined under this subsection with respect to a taxpayer is the sum of—

"(1) in the case of an energy-efficient clothes washer described in subsection (d)(2)(A) or an energy-efficient refrigerator described in subsection (d)(3)(B)(i), an amount equal to—

"(A) $50, multiplied by

"(B) the number of such washers and refrigerators produced by the taxpayer during such calendar year, and

"(2) in the case of an energy-efficient clothes washer described in subsection (d)(2)(B) or an energy-efficient refrigerator described in subsection (d)(3)(B)(ii), an amount equal to—

"(A) $100, multiplied by

"(B) the number of such washers and refrigerators produced by the taxpayer during such calendar year.

"(c) LIMITATION ON MAXIMUM CREDIT.—

"(1) IN GENERAL.—The maximum amount of credit allowed under subsection (a) with respect to a taxpayer for all taxable years shall be—

"(A) $30,000,000 with respect to the credit determined under subsection (b)(1), and

"(B) $30,000,000 with respect to the credit determined under subsection (b)(2).

"(2) LIMITATION BASED ON GROSS RECEIPTS.—The credit allowed under subsection (a) with respect to a taxpayer for the taxable year shall not exceed an amount equal to 2 percent of the average annual gross receipts of the taxpayer for the 3 taxable years preceding the taxable year in which the credit is determined.

"(3) GROSS RECEIPTS.—For purposes of this subsection, the rules of paragraphs (2) and (3) of section 448(c) shall apply.

"(d) QUALIFIED ENERGY-EFFICIENT APPLIANCE.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified energy-efficient appliance' means—

"(A) an energy-efficient clothes washer, or

"(B) an energy-efficient refrigerator.

"(2) ENERGY-EFFICIENT CLOTHES WASHER.—The term 'energy-efficient clothes washer' means a residential clothes washer, including a residential style coin operated washer, which is manufactured with—

"(A) a 1.26 Modified Energy Factor (referred to in this paragraph as 'MEF') (as determined by the Secretary of Energy), or

"(B) a 1.42 MEF (as determined by the Secretary of Energy) (1.5 MEF for calendar years beginning after 2004).

"(3) ENERGY-EFFICIENT REFRIGERATOR.—The term 'energy-efficient refrigerator' means an automatic defrost refrigerator-freezer which—

"(A) has an internal volume of at least 16.5 cubic feet, and

"(B) consumes—

“(i) 10 percent less kWh per year than the energy conservation standards promulgated by the Department of Energy for such refrigerator for 2001, or

“(ii) 15 percent less kWh per year than such energy conservation standards.

“(e) Special Rules.—

“(1) In general.—Rules similar to the rules of subsections (c), (d), and (e) of section 52 shall apply for purposes of this section.

“(2) Aggregation rules.—All persons treated as a single employer under subsection (a) or (b) of section 52 or subsection (m) or (o) of section 414 shall be treated as one person for purposes of subsection (a).

“(f) Verification.—The taxpayer shall submit such information or certification as the Secretary, in consultation with the Secretary of Energy, determines necessary to claim the credit amount under subsection (a).

“(g) Termination.—This section shall not apply—

“(1) with respect to energy-efficient refrigerators described in subsection (d)(3)(B)(i) produced in calendar years beginning after 2005, and

“(2) with respect to all other qualified energy-efficient appliances produced in calendar years beginning after 2007.”.

(b) Limitation on Carryback.—Section 39(d) (relating to transition rules), as amended by section 1101(b)(2), is amended by adding at the end the following:

“(13) No carryback of energy-efficient appliance credit before 2002.—No portion of the unused business credit for any taxable year which is attributable to the energy-efficient appliance credit determined under section 45G may be carried to a taxable year beginning before January 1, 2002.”.

(c) Denial of Double Benefit.—Section 280C (relating to certain expenses for which credits are allowable), as amended by section 1102(b)(3), is amended by adding at the end the following:

“(e) Credit for Energy-Efficient Appliance Expenses.—No deduction shall be allowed for that portion of the expenses for qualified energy-efficient appliances (as defined in section 45G(d)) otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 45G(a).”.

(d) Conforming Amendment.—Section 38(b), as amended by this Act, (relating to general business credit) is amended by striking “plus” at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting “, plus”, and by adding at the end the following:

“(16) the energy-efficient appliance credit determined under section 45G(a).”.

(e) Clerical Amendment.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 45F the following:

“Sec. 45G. Energy-efficient appliance credit.”.

(f) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

Subtitle B—Residential Energy Systems

SEC. 1111. CREDIT FOR CONSTRUCTION OF NEW ENERGY-EFFICIENT HOME.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by section 1103(a), is amended by inserting after section 45G the following:

“SEC. 45H. NEW ENERGY-EFFICIENT HOME CREDIT.

“(a) In General.—For purposes of section 38, in the case of an eligible contractor, the credit determined under this section for the taxable year is an amount equal to the aggregate adjusted bases of all energy-efficient property installed in a qualified new energy-efficient home during construction of such home.

“(b) Limitations.—

“(1) Maximum credit.—

“(A) In general.—The credit allowed by this section with respect to a dwelling shall not exceed—

“(i) in the case of a dwelling described in subsection (c)(3)(D)(i), $1,500, and

“(ii) in the case of a dwelling described in subsection (c)(3)(D)(ii), $2,500.

“(B) Prior credit amounts on same dwelling taken into account.—If a credit was allowed under subsection (a) with respect to a dwelling in 1 or more prior taxable years, the amount of the credit otherwise allowable for the taxable year with respect to that dwelling shall not exceed the amount under clause (i) or (ii) (as the case may be), reduced by the sum of the credits allowed under subsection (a) with respect to the dwelling for all prior taxable years.

“(2) Coordination with rehabilitation and energy credits.—For purposes of this section—

“(A) the basis of any property referred to in subsection (a) shall be reduced by that portion of the basis of any property which is attributable to qualified rehabilitation expenditures (as defined in section 47(c)(2)) or to the energy percentage of energy property (as determined under section 48A(a)), and

“(B) expenditures taken into account under either section 47 or 48A(a) shall not be taken into account under this section.

“(c) Definitions.—For purposes of this section—

“(1) Eligible contractor.—The term ‘eligible contractor’ means the person who constructed the new energy-efficient home, or in the case of a manufactured home which conforms to Federal Manufactured Home Construction and Safety Standards (24 C.F.R. 3280), the manufactured home producer of such home.

“(2) Energy-efficient property.—The term ‘energy-efficient property’ means any energy-efficient building envelope component, and any energy-efficient heating or cooling equipment which can, individually or in combination with other components, meet the requirements of this section.

“(3) Qualified new energy-efficient home.—The term ‘qualified new energy-efficient home’ means a dwelling—

“(A) located in the United States,

“(B) the construction of which is substantially completed after December 31, 2000,

“(C) the original use of which is as a principal residence (within the meaning of section 121) which commences with the person who acquires such dwelling from the eligible contractor, and

“(D) which is certified to have a projected level of annual heating and cooling energy consumption, measured in terms of average annual energy cost to the homeowner which is at least—

“(i) 30 percent less than the annual level of heating and cooling energy consumption of a reference dwelling constructed in accordance with the standards of chapter 4 of the 2000 International Energy Conservation Code, or

“(ii) 50 percent less than such annual level of heating and cooling energy consumption.

“(4) Construction.—The term ‘construction’ includes reconstruction and rehabilitation.

“(5) Acquire.—The term ‘acquire’ includes purchase and, in the case of reconstruction and rehabilitation, such term includes a binding written contract for such reconstruction or rehabilitation.

“(6) Building envelope component.—The term ‘building envelope component’ means—

“(A) insulation material or system which is specifically and primarily designed to reduce the heat loss or gain of a dwelling when installed in or on such dwelling, and

“(B) exterior windows (including skylights) and doors.

“(7) Manufactured home included.—The term ‘dwelling’ includes a manufactured home conforming to Federal Manufactured Home Construction and Safety Standards (24 C.F.R. 3280).

“(d) Certification.—

“(1) Method.—A certification described in subsection (c)(3)(D) shall be determined on the basis of 1 of the following methods:

“(A) A component-based method, using the applicable technical energy efficiency specifications or ratings (including product labeling requirements) for the energy-efficient building envelope component or energy-efficient heating or cooling equipment. The Secretary shall, in consultation with the Administrator of the Environmental Protection Agency, develop prescriptive component-based packages that are equivalent in energy performance to properties that qualify under subparagraph (B).

“(B) An energy performance-based method that calculates projected energy usage and cost reductions in the dwelling in relation to a reference dwelling—

“(i) heated by the same energy source and heating system type, and

“(ii) constructed in accordance with the standards of chapter 4 of the 2000 International Energy Conservation Code.

Computer software shall be used in support of an energy performance-based method certification under subparagraph (B). Such software shall meet procedures and methods for calculating energy and cost savings in regulations promulgated by the Secretary of Energy. Such regulations on the specifications for software and verification protocols shall be based on the 1998 California Residential Alternative Calculation Method Approval Manual.

“(2) Provider.—Such certification shall be provided by—

“(A) in the case of a method described in paragraph (1)(A), a local building regulatory authority, a utility, a manufactured home production inspection primary inspection agency (IPIA), or a home energy rating organization, or

“(B) in the case of a method described in paragraph (1)(B), an individual recognized by an organization designated by the Secretary for such purposes.

“(3) Form.—

“(A) In general.—Such certification shall be made in writing in a manner that specifies in readily verifiable fashion the energy-efficient building envelope components and energy-efficient heating or cooling equipment installed and their respective rated energy efficiency performance, and in the case of a method described in paragraph (1)(B), accompanied by written analysis documenting the proper application of a permissible energy performance calculation method to the specific circumstances of such dwelling.

“(B) Form provided to buyer.—A form documenting the energy-efficient building envelope components and energy-efficient heating or cooling equipment installed and their rated energy efficiency performance shall be provided to the buyer of the dwelling. The form shall include labeled R-value for insulation products, NFRC-labeled U-factor and Solar Heat Gain Coefficient for windows, skylights, and doors, labeled AFUE ratings for furnaces and boilers, labeled HSPF ratings for electric heat pumps, and labeled SEER ratings for air conditioners.

"(C) RATINGS LABEL AFFIXED IN DWELLING.—A permanent label documenting the ratings in subparagraph (B) shall be affixed to the front of the electrical distribution panel of the dwelling, or shall be otherwise permanently displayed in a readily inspectable location in the dwelling.

"(4) REGULATIONS.—

"(A) IN GENERAL.—In prescribing regulations under this subsection for energy performance-based certification methods, the Secretary, after examining the requirements for energy consultants and home energy ratings providers specified by the Mortgage Industry National Accreditation Procedures for Home Energy Rating Systems, shall prescribe procedures for calculating annual energy usage and cost reductions for heating and cooling and for the reporting of the results. Such regulations shall—

"(i) provide that any calculation procedures be fuel neutral such that the same energy efficiency measures allow a home to qualify for the credit under this section regardless of whether the dwelling uses a gas or oil furnace or boiler or an electric heat pump, and

"(ii) require that any computer software allow for the printing of the Federal tax forms necessary for the credit under this section and for the printing of forms for disclosure to the homebuyer.

"(B) PROVIDERS.—For purposes of paragraph (2)(B), the Secretary shall establish requirements for the designation of individuals based on the requirements for energy consultants and home energy raters specified by the Mortgage Industry National Accreditation Procedures for Home Energy Rating Systems.

"(e) BASIS ADJUSTMENT.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

"(f) TERMINATION.—Subsection (a) shall apply to dwellings purchased during the period beginning on January 1, 2001, and ending on December 31, 2005.".

(b) CREDIT MADE PART OF GENERAL BUSINESS CREDIT.—Subsection (b) of section 38 (relating to current year business credit), as amended by section 1103(d), is amended by striking "plus" at the end of paragraph (15), by striking the period at the end of paragraph (16) and inserting ", plus", and by adding at the end the following:

"(17) the new energy-efficient home credit determined under section 45H.".

(c) DENIAL OF DOUBLE BENEFIT.—Section 280C (relating to certain expenses for which credits are allowable), as amended by section 1103(c), is amended by adding at the end the following:

"(f) NEW ENERGY-EFFICIENT HOME EXPENSES.—No deduction shall be allowed for that portion of expenses for a new energy-efficient home otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 45H.".

(d) CREDIT ALLOWED AGAINST REGULAR AND MINIMUM TAX.—

(1) IN GENERAL.—Subsection (c) of section 38 (relating to limitation based on amount of tax) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) SPECIAL RULES FOR NEW ENERGY EFFICIENT HOME CREDIT.—

"(A) IN GENERAL.—In the case of the new energy efficient home credit—

"(i) this section and section 39 shall be applied separately with respect to the credit, and

"(ii) in applying paragraph (1) to the credit—

"(I) subparagraphs (A) and (B) thereof shall not apply, and

"(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the new energy efficient home credit).

"(B) NEW ENERGY EFFICIENT HOME CREDIT.—For purposes of this subsection, the term 'new energy efficient home credit' means the credit allowable under subsection (a) by reason of section 45H.".

(2) CONFORMING AMENDMENT.—Subclause (II) of section 38(c)(2)(A)(ii) is amended by inserting "or the new energy efficient home credit" after "employment credit".

(e) LIMITATION ON CARRYBACK.—Subsection (d) of section 39, as amended by section 1103(b), is amended by adding at the end the following:

"(14) NO CARRYBACK OF NEW ENERGY-EFFICIENT HOME CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the credit determined under section 45H may be carried back to any taxable year ending before January 1, 2001.".

(f) DEDUCTION FOR CERTAIN UNUSED BUSINESS CREDITS.—Subsection (c) of section 196 is amended by striking "and" at the end of paragraph (7), by striking the period at the end of paragraph (8) and inserting ", and", and by adding after paragraph (8) the following:

"(9) the new energy-efficient home credit determined under section 45H.".

(g) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section 1103(d), is amended by inserting after the item relating to section 45G the following:

"Sec. 45H. New energy-efficient home credit.".

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 2000.

SEC. 1112. CREDIT FOR ENERGY EFFICIENCY IMPROVEMENTS TO EXISTING HOMES.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits), as amended by this Act, is amended by inserting after section 25C the following new section:

"SEC. 25D. ENERGY EFFICIENCY IMPROVEMENTS TO EXISTING HOMES.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 20 percent of the amount paid or incurred by the taxpayer for qualified energy efficiency improvements installed during such taxable year.

"(b) LIMITATIONS.—

"(1) MAXIMUM CREDIT.—The credit allowed by this section with respect to a dwelling shall not exceed $2,000.

"(2) PRIOR CREDIT AMOUNTS FOR TAXPAYER ON SAME DWELLING TAKEN INTO ACCOUNT.—If a credit was allowed to the taxpayer under subsection (a) with respect to a dwelling in 1 or more prior taxable years, the amount of the credit otherwise allowable for the taxable year with respect to that dwelling shall not exceed the amount of $2,000 reduced by the sum of the credits allowed under subsection (a) to the taxpayer with respect to the dwelling for all prior taxable years.

"(c) CARRYFORWARD OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by section 26(a) for such taxable year reduced by the sum of the credits allowable under subpart A of part IV of subchapter A (other than this section), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

"(d) QUALIFIED ENERGY EFFICIENCY IMPROVEMENTS.—For purposes of this section, the term 'qualified energy efficiency improvements' means any energy efficient building envelope component which is certified to meet or exceed the prescriptive criteria for such component in the 2000 International Energy Conservation Code, or any combination of energy efficiency measures which achieves at least a 30 percent reduction in heating and cooling energy usage for the dwelling (as measured in terms of energy cost to the taxpayer), if—

"(1) such component or combinations of measures is installed in or on a dwelling—

"(A) located in the United States, and

"(B) owned and used by the taxpayer as the taxpayer's principal residence (within the meaning of section 121),

"(2) the original use of such component or combination of measures commences with the taxpayer, and

"(3) such component or combination of measures reasonably can be expected to remain in use for at least 5 years.

"(e) CERTIFICATION.—The certification described in subsection (d) shall be—

"(1) in the case of any component described in subsection (d), determined on the basis of applicable energy efficiency ratings (including product labeling requirements) for affected building envelope components,

"(2) in the case of combinations of measures described in subsection (d), determined by the performance-based methods described in section 45H(d),

"(3) provided by a third party, such as a local building regulatory authority, a utility, a manufactured home production inspection primary inspection agency (IPIA), or a home energy rating organization, consistent with the requirements of section 45H(d)(2), and

"(4) made in writing on forms which specify in readily inspectable fashion the energy-efficient components and other measures and their respective efficiency ratings, and which shall include a permanent label affixed to the electrical distribution panel as described in section 45H(d)(3)(C).

"(f) DEFINITIONS AND SPECIAL RULES.—

"(1) DOLLAR AMOUNTS IN CASE OF JOINT OCCUPANCY.—In the case of any dwelling unit which is jointly occupied and used during any calendar year as a residence by 2 or more individuals the following shall apply:

"(A) The amount of the credit allowable under subsection (a) by reason of expenditures for the qualified energy efficiency improvements made during such calendar year by any of such individuals with respect to such dwelling unit shall be determined by treating all of such individuals as 1 taxpayer whose taxable year is such calendar year.

"(B) There shall be allowable with respect to such expenditures to each of such individuals, a credit under subsection (a) for the taxable year in which such calendar year ends in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount of such expenditures made by such individual during such calendar year bears to the aggregate of such expenditures made by all of such individuals during such calendar year.

"(2) TENANT-STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—In the case of an individual who is a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual shall be treated as having paid his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of the cost of qualified energy efficiency improvements made by such corporation.

"(3) CONDOMINIUMS.—

"(A) IN GENERAL.—In the case of an individual who is a member of a condominium management association with respect to a condominium which he owns, such individual shall be treated as having paid his proportionate share of the cost of qualified energy efficiency improvements made by such association.

"(B) CONDOMINIUM MANAGEMENT ASSOCIATION.—For purposes of this paragraph, the term 'condominium management association' means an organization which meets the requirements of paragraph (1) of section 528(c) (other than subparagraph (E) thereof) with respect to a condominium project substantially all of the units of which are used as residences.

"(4) BUILDING ENVELOPE COMPONENT.—The term 'building envelope component' means—

"(A) insulation material or system which is specifically and primarily designed to reduce the heat loss or gain or a dwelling when installed in or on such dwelling, and

"(B) exterior windows (including skylights) and doors.

"(5) MANUFACTURED HOMES INCLUDED.—For purposes of this section, the term 'dwelling' includes a manufactured home which conforms to Federal Manufactured Home Construction and Safety Standards (24 C.F.R. 3280).

"(g) BASIS ADJUSTMENT.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

"(h) TERMINATION.—Subsection (a) shall apply to qualified energy efficiency improvements installed during the period beginning on the date of the enactment of this section and ending on December 31, 2005.".

(b) CONFORMING AMENDMENTS.—

(1) Subsection (c) of section 23, as amended by this Act, is amended by inserting "25D," after "25C,".

(2) Subparagraph (C) of section 25(e)(1), as amended by this Act, is amended by inserting "25D," after "25C,".

(3) Subsection (h) of section 904, as amended by this Act, is amended by by striking "or 25C" and inserting ", 25C, or 25D".

(4) Subsection (d) of section 1400C is amended by inserting "and section 25C" and inserting ", section 25C, and section 25D".

(4) Subsection (a) of section 1016, as amended by section 1102(b), is amended by striking "and" at the end of paragraph (27), by striking the period at the end of paragraph (28) and inserting "; and", and by adding at the end the following:

"(29) to the extent provided in section 25D(f), in the case of amounts with respect to which a credit has been allowed under section 25D.".

(5) The table of sections for subpart A of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 25C the following new item:

"Sec. 25D. Energy efficiency improvements to existing homes.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending on or after the date of the enactment of this Act.

SEC. 1113. CREDIT FOR RESIDENTIAL SOLAR, WIND, AND FUEL CELL ENERGY PROPERTY.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits), as amended by section 1112(a), is amended by inserting after section 25D the following:

"SEC. 25E. RESIDENTIAL SOLAR, WIND, AND FUEL CELL ENERGY PROPERTY.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) 15 percent of the qualified photovoltaic property expenditures,

"(2) 15 percent of the qualified solar water heating property expenditures,

"(3) 30 percent of the qualified wind energy property expenditures, and

"(4) 25 percent for the qualified fuel cell property expenditures,

made by the taxpayer during the taxable year.

"(b) LIMITATIONS.—

"(1) MAXIMUM CREDIT.—The credit allowed under subsection (a)(2) shall not exceed $2,000 for each system of solar energy property.

"(2) TYPE OF PROPERTY.—No expenditure may be taken into account under this section unless such expenditure is made by the taxpayer for property installed on or in connection with a dwelling unit which is located in the United States and which is used as a residence.

"(3) SAFETY CERTIFICATIONS.—No credit shall be allowed under this section for an item of property unless—

"(A) in the case of solar water heating property, such property is certified for performance and safety by the non-profit Solar Rating Certification Corporation or a comparable entity endorsed by the government of the State in which such property is installed, and

"(B) in the case of a photovoltaic, wind energy, or fuel cell property, such property meets appropriate fire and electric code requirements.

"(c) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED SOLAR WATER HEATING PROPERTY EXPENDITURE.—The term 'qualified solar water heating property expenditure' means an expenditure for property which uses solar energy to heat water for use in a dwelling unit with respect to which a majority of the energy is derived from the sun.

"(2) QUALIFIED PHOTOVOLTAIC PROPERTY EXPENDITURE.—The term 'qualified photovoltaic property expenditure' means an expenditure for property which uses solar energy to generate electricity for use in a dwelling unit.

"(3) SOLAR PANELS.—No expenditure relating to a solar panel or other property installed as a roof (or portion thereof) shall fail to be treated as property described in paragraph (1) or (2) solely because it constitutes a structural component of the structure on which it is installed.

"(4) QUALIFIED WIND ENERGY PROPERTY EXPENDITURE.—The term 'qualified wind energy property expenditure' means an expenditure for property which uses wind energy to generate electricity for use in a dwelling unit.

"(5) QUALIFIED FUEL CELL PROPERTY EXPENDITURE.—The term 'qualified fuel cell property expenditure' means an expenditure for property which uses an electrochemical fuel cell system to generate electricity for use in a dwelling unit.

"(6) LABOR COSTS.—Expenditures for labor costs properly allocable to the onsite preparation, assembly, or original installation of the property described in paragraph (1), (2), (4), or (5) and for piping or wiring to interconnect such property to the dwelling unit shall be taken into account for purposes of this section.

"(7) ENERGY STORAGE MEDIUM.—Expenditures which are properly allocable to a swimming pool, hot tub, or any other energy storage medium which has a function other than the function of such storage shall not be taken into account for purposes of this section.

"(d) SPECIAL RULES.—For purposes of this section—

"(1) DOLLAR AMOUNTS IN CASE OF JOINT OCCUPANCY.—In the case of any dwelling unit which is jointly occupied and used during any calendar year as a residence by 2 or more individuals the following shall apply:

"(A) The amount of the credit allowable under subsection (a) by reason of expenditures (as the case may be) made during such calendar year by any of such individuals with respect to such dwelling unit shall be determined by treating all of such individuals as 1 taxpayer whose taxable year is such calendar year.

"(B) There shall be allowable with respect to such expenditures to each of such individuals, a credit under subsection (a) for the taxable year in which such calendar year ends in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount of such expenditures made by such individual during such calendar year bears to the aggregate of such expenditures made by all of such individuals during such calendar year.

"(2) TENANT-STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—In the case of an individual who is a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual shall be treated as having made his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of any expenditures of such corporation.

"(3) CONDOMINIUMS.—

"(A) IN GENERAL.—In the case of an individual who is a member of a condominium management association with respect to a condominium which such individual owns, such individual shall be treated as having made his proportionate share of any expenditures of such association.

"(B) CONDOMINIUM MANAGEMENT ASSOCIATION.—For purposes of this paragraph, the term 'condominium management association' means an organization which meets the requirements of paragraph (1) of section 528(c) (other than subparagraph (E) thereof) with respect to a condominium project substantially all of the units of which are used as residences.

"(4) JOINT OWNERSHIP OF ITEMS OF SOLAR OR WIND ENERGY PROPERTY.—

"(A) IN GENERAL.—Any expenditure otherwise qualifying as an expenditure described in paragraph (1), (2), or (4) of subsection (c) shall not be treated as failing to so qualify merely because such expenditure was made with respect to 2 or more dwelling units.

"(B) LIMITS APPLIED SEPARATELY.—In the case of any expenditure described in subparagraph (A), the amount of the credit allowable under subsection (a) shall (subject to paragraph (1)) be computed separately with respect to the amount of the expenditure made for each dwelling unit.

"(5) ALLOCATION IN CERTAIN CASES.—If less than 80 percent of the use of an item is for nonbusiness residential purposes, only that portion of the expenditures for such item which is properly allocable to use for nonbusiness residential purposes shall be taken into account. For purposes of this paragraph, use for a swimming pool shall be treated as use which is not for residential purposes.

"(6) WHEN EXPENDITURE MADE; AMOUNT OF EXPENDITURE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), an expenditure with respect to an item shall be treated as made when the original installation of the item is completed.

"(B) EXPENDITURES PART OF BUILDING CONSTRUCTION.—In the case of an expenditure in connection with the construction or reconstruction of a structure, such expenditure shall be treated as made when the original use of the constructed or reconstructed structure by the taxpayer begins.

"(C) AMOUNT.—The amount of any expenditure shall be the cost thereof.

"(7) REDUCTION OF CREDIT FOR GRANTS, TAX-EXEMPT BONDS, AND SUBSIDIZED ENERGY FINANCING.—The rules of section 29(b)(3) shall apply for purposes of this section.

"(e) BASIS ADJUSTMENTS.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

"(f) TERMINATION.—The credit allowed under this section shall not apply to taxable years beginning after December 31, 2011.".

(b) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 1016, as amended by section 1112(b)(4), is amended by striking "and" at the end of paragraph (28), by striking the period at the end of paragraph (29) and inserting "; and", and by adding at the end the following:

"(30) to the extent provided in section 25E(e), in the case of amounts with respect to which a credit has been allowed under section 25E.".

(2) The table of sections for subpart A of part IV of subchapter A of chapter 1, as amended by section 1112(b)(2), is amended by inserting after the item relating to section 25D the following:

"Sec. 25E. Residential solar, wind, and fuel cell energy property.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures made after the date of the enactment of this Act, in taxable years ending after such date.

Subtitle C—Electricity Facilities and Production

SEC. 1121. INCENTIVE FOR DISTRIBUTED GENERATION.

(a) DEPRECIATION OF DISTRIBUTED POWER PROPERTY.—

(1) IN GENERAL.—Subparagraph (C) of section 168(e)(3) (relating to 7-year property) is amended by redesignating clause (ii) as clause (iii) and by inserting after clause (i) the following:

"(ii) any distributed power property, and".

(2) 10-YEAR CLASS LIFE.—The table contained in section 168(g)(3)(B) is amended by inserting after the item relating to subparagraph (C)(i) the following:

"(C)(ii) .... 10".

(b) DISTRIBUTED POWER PROPERTY.—Section 168(i) is amended by adding at the end the following:

"(15) DISTRIBUTED POWER PROPERTY.—The term 'distributed power property' means property—

"(A) which is used in the generation of electricity for primary use—

"(i) in nonresidential real or residential rental property used in the taxpayer's trade or business, or

"(ii) in the taxpayer's industrial manufacturing process or plant activity, with a rated total capacity in excess of 500 kilowatts,

"(B) which also may produce usable thermal energy or mechanical power for use in a heating or cooling application, as long as at least 40 percent of the total useful energy produced consists of—

"(i) with respect to assets described in subparagraph (A)(i), electrical power (whether sold or used by the taxpayer), or

"(ii) with respect to assets described in subparagraph (A)(ii), electrical power (whether sold or used by the taxpayer) and thermal or mechanical energy used in the taxpayer's industrial manufacturing process or plant activity,

"(C) which is not used to transport primary fuel to the generating facility or to distribute energy within or outside of the facility, and

"(D) where it is reasonably expected that not more than 50 percent of the produced electricity will be sold to, or used by, unrelated persons.

For purposes of subparagraph (B), energy output is determined on the basis of expected annual output levels, measured in British thermal units (Btu), using standard conversion factors established by the Secretary.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 1122. MODIFICATIONS TO CREDIT FOR ELECTRICITY PRODUCED FROM RENEWABLE AND WASTE PRODUCTS.

(a) INCREASE IN CREDIT RATE.—

(1) IN GENERAL.—Section 45(a)(1) is amended by striking "1.5 cents" and inserting "1.8 cents".

(2) CONFORMING AMENDMENTS.—

(A) Section 45(b)(2) is amended by striking "1.5 cent" and inserting "1.8 cent".

(B) Section 45(d)(2)(B) is amended by inserting "(calendar year 2001 in the case of the 1.8 cent amount in subsection (a))" after "1992".

(b) EXPANSION OF QUALIFIED RESOURCES.—

(1) IN GENERAL.—Section 45(c)(1) (relating to qualified energy resources) is amended by striking "and" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting ", and", and by adding at the end the following:

"(D) alternative resources.".

(2) DEFINITION OF ALTERNATIVE RESOURCES.—Section 45(c) (relating to definitions) is amended—

(A) by redesignating paragraph (3) as paragraph (5),

(B) by redesignating paragraph (4) as paragraph (3), and

(C) by inserting after paragraph (3), as redesignated by subparagraph (B), the following:

"(4) ALTERNATIVE RESOURCES.—

"(A) IN GENERAL.—The term 'alternative resources' means—

"(i) solar,

"(ii) biomass (other than closed loop biomass),

"(iii) municipal solid waste,

"(iv) incremental hydropower,

"(v) geothermal,

"(vi) landfill gas, and

"(vii) steel cogeneration.

"(B) BIOMASS.—The term 'biomass' means any solid, nonhazardous, cellulosic waste material or any organic carbohydrate matter, which is segregated from other waste materials, and which is derived from—

"(i) any of the following forest-related resources: mill residues, precommercial thinnings, slash, and brush, but not including old-growth timber,

"(ii) waste pallets, crates, dunnage, untreated wood waste from construction or manufacturing activities, and landscape or right-of-way tree trimmings, but not including unsegregated municipal solid waste or post-consumer wastepaper, or

"(iii) any of the following agriculture sources: orchard tree crops, vineyard, grain, legumes, sugar, and other crop by-products or residues, including any packaging and other materials which are nontoxic and biodegradable and are associated with the processing, feeding, selling, transporting, and disposal of such agricultural materials.

"(C) MUNICIPAL SOLID WASTE.—The term 'municipal solid waste' has the same meaning given the term 'solid waste' under section 2(27) of the Solid Waste Utilization Act (42 U.S.C. 6903).

"(D) INCREMENTAL HYDROPOWER.—The term 'incremental hydropower' means additional generating capacity achieved from—

"(i) increased efficiency, or

"(ii) additions of new capacity,

at a licensed non-Federal hydroelectric project originally placed in service before the date of the enactment of this paragraph.

"(E) GEOTHERMAL.—The term 'geothermal' means energy derived from a geothermal deposit (within the meaning of section 613(e)(2)), but only, in the case of electricity generated by geothermal power, up to (but not including) the electrical transmission stage.

"(F) LANDFILL GAS.—The term 'landfill gas' means gas generated from the decomposition of any household solid waste, commercial solid waste, and industrial solid waste disposed of in a municipal solid waste landfill unit (as such terms are defined in regulations promulgated under subtitle D of the Solid Waste Disposal Act (42 U.S.C. 6941 et seq.).

"(G) STEEL COGENERATION.—The term 'steel cogeneration' means the production of electricity and steam (or other form of thermal energy) from any or all waste sources defined in paragraphs (2) and (3) and subparagraphs (B) and (C) of this paragraph within an operating facility which produces or integrates the production of coke, direct reduced iron ore, iron, or steel provided that the cogeneration meets any regulatory energy-efficiency standards established by the Secretary, and only to the extent that such energy is produced from—

"(i) gases or heat generated from the production of metallurgical coke,

"(ii) gases or heat generated from the production of direct reduced iron ore or iron, from blast furnace or direct ironmaking processes, or

"(iii) gases or heat generated from the manufacture of steel.".

(3) Qualified facility.—Section 45(c)(5) (defining qualified facility), as redesignated by paragraph 2(A), is amended by adding at the end the following:

"(D) Alternative resources facility.—

"(i) In general.—Except as provided in clauses (ii), (iii), and (iv), in the case of a facility using alternative resources to produce electricity, the term 'qualified facility' means any facility of the taxpayer which is originally placed in service after the date of the enactment of this subparagraph.

"(ii) Biomass facility.—In the case of a facility using biomass described in paragraph (4)(A)(ii) to produce electricity, the term 'qualified facility' means any facility of the taxpayer.

"(iii) Geothermal facility.—In the case of a facility using geothermal to produce electricity, the term 'qualified facility' means any facility of the taxpayer which is originally placed in service after December 31, 1992.

"(iv) Steel cogeneration facilities.—In the case of a facility using steel cogeneration to produce electricity, the term 'qualified facility' means any facility permitted to operate under the environmental requirements of the Clean Air Act Amendments of 1990 which is owned by the taxpayer and originally placed in service after the date of the enactment of this subparagraph. Such a facility may be treated as originally placed in service when such facility was last upgraded to increase efficiency or generation capability after such date.

"(v) Special rules.—In the case of a qualified facility described in this subparagraph, the 10-year period referred to in subsection (a) shall be treated as beginning no earlier than the date of the enactment of this subparagraph.".

(4) Government-owned facility.—Section 45(d)(6) (relating to credit eligibility in the case of government-owned facilities using poultry waste) is amended—

(A) by inserting "or alternative resources" after "poultry waste", and

(B) by inserting "OR ALTERNATIVE RESOURCES" after "POULTRY WASTE" in the heading thereof.

(5) Qualified facilities with co-production.—Section 45(b) (relating to limitations and adjustments) is amended by adding at the end the following:

"(4) Increased credit for co-production facilities.—

"(A) In general.—In the case of a qualified facility described in subsection (c)(3)(D)(i) which has a co-production facility or a qualified facility described in subparagraph (A), (B), or (C) of subsection (c)(3) which adds a co-production facility after the date of the enactment of this paragraph, the amount in effect under subsection (a)(1) for an eligible taxable year of a taxpayer shall (after adjustment under paragraph (2) and before adjustment under paragraphs (1) and (3)) be increased by .25 cents.

"(B) Co-production facility.—For purposes of subparagraph (A), the term 'co-production facility' means a facility which—

"(i) enables a qualified facility to produce heat, mechanical power, chemicals, liquid fuels, or minerals from qualified energy resources in addition to electricity, and

"(ii) produces such energy on a continuous basis.

"(C) Eligible taxable year.—For purposes of subparagraph (A), the term 'eligible taxable year' means any taxable year in which the amount of gross receipts attributable to the co-production facility of a qualified facility are at least 10 percent of the amount of gross receipts attributable to electricity produced by such facility.".

(6) Qualified facilities located within qualified Indian lands.—Section 45(b) (relating to limitations and adjustments), as amended by paragraph (5), is amended by adding at the end the following:

"(5) Increased credit for qualified facility located within qualified Indian land.—In the case of a qualified facility described in subsection (c)(3)(D) which—

"(A) is located within—

"(i) qualified Indian lands (as defined in section 7871(c)(3)), or

"(ii) lands which are held in trust by a Native Corporation (as defined in section 3(m) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(m)) for Alaska Natives, and

"(B) is operated with the explicit written approval of the Indian tribal government or Native Corporation (as so defined) having jurisdiction over such lands,

the amount in effect under subsection (a)(1) for a taxable year shall (after adjustment under paragraphs (2) and (4) and before adjustment under paragraphs (1) and (3)) be increased by .25 cents.".

(7) Electricity produced from certain resources co-fired in coal plants.—Section 45(d) (relating to definitions and special rules) is amended by adding at the end the following:

"(8) Special rule for electricity produced from certain resources co-fired in coal plants.—In the case of electricity produced from biomass (including closed loop biomass), municipal solid waste, or animal waste, co-fired in a facility which produces electricity from coal—

"(A) subsection (a)(1) shall be applied by substituting '1 cent' for '1.8 cents',

"(B) such facility shall be considered a qualified facility for purposes of this section, and

"(C) the 10-year period referred to in subsection (a) shall be treated as beginning no earlier than the date of the enactment of this paragraph.".

(8) Conforming amendments.—

(A) The heading for section 45 is amended by inserting "and waste energy" after "renewable".

(B) The item relating to section 45 in the table of sections subpart D of part IV of subchapter A of chapter 1 is amended by inserting "and waste energy" after "renewable".

(c) Additional Modifications of Renewable and Waste Energy Resource Credit.—

(1) Credits for certain tax exempt organizations and governmental units.—Section 45(d) (relating to definitions and special rules), as amended by subsection (b)(7), is amended by adding at the end the following:

"(9) Credits for certain tax exempt organizations and governmental units.—

"(A) Allowance of credit.—Any credit which would be allowable under subsection (a) with respect to a qualified facility of an entity if such entity were not exempt from tax under this chapter shall be treated as a credit allowable under subpart C to such entity if such entity is—

"(i) an organization described in section 501(c)(12)(C) and exempt from tax under section 501(a),

"(ii) an organization described in section 1381(a)(2)(C), or

"(iii) any State or political subdivision thereof, any possession of the United States, any Indian tribal government (within the meaning of section 7871), or any agency or instrumentality of any of the foregoing.

"(B) Use of credit.—

"(i) Transfer of credit.—An entity described in subparagraph (A) may assign, trade, sell, or otherwise transfer any credit allowable to such entity under subparagraph (A) to any taxpayer.

"(ii) Use of credit as an offset.—Notwithstanding any other provision of law, in the case of an entity described in clause (i) or (ii) of subparagraph (A), any credit allowable to such entity under subparagraph (A) may be applied by such entity, without penalty, as a prepayment of any loan, debt, or other obligation the entity has incurred under subchapter I of chapter 31 of title 7 of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.).

"(C) Credit not income.—Neither a transfer under clause (i) or a use under clause (ii) of subparagraph (B) of any credit allowable under subparagraph (A) shall result in income for purposes of section 501(c)(12).

"(D) Transfer proceeds treated as arising from essential government function.—Any proceeds derived by an entity described in subparagraph (A)(iii) from the transfer of any credit under subparagraph (B)(i) shall be treated as arising from an essential government function.

"(E) Credits not reduced by tax-exempt bonds or certain other subsidies.—Subsection (b)(3) shall not apply to reduce any credit allowable under subparagraph (A) with respect to—

"(i) proceeds described in subparagraph (A)(ii) of such subsection, or

"(ii) any loan, debt, or other obligation incurred under subchapter I of chapter 31 of title 7 of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.),

used to provide financing for any qualified facility.

"(F) Treatment of unrelated persons.—For purposes of this paragraph, sales among and between entities described in subparagraph (A) shall be treated as sales between unrelated parties.".

(2) Coordination with other credits.—Section 45(d), as amended by paragraph (1), is amended by adding at the end the following:

"(10) Coordination with other credits.—This section shall not apply to any qualified facility with respect to which a credit under any other section is allowed for the taxable year unless the taxpayer elects to waive the application of such credit to such facility.",

(3) Expansion to include animal waste.—Section 45 (relating to electricity produced from certain renewable resources), as amended by paragraphs (2) and (4) of subsection (b), is amended—

(A) by striking "poultry" each place it appears in subsection (c)(1)(C) and subsection (d)(6) and inserting "animal",

(B) by striking "POULTRY" in the heading of paragraph (6) of subsection (d) and inserting "ANIMAL",

(C) by striking paragraph (3) of subsection (c) and inserting the following:

"(3) Animal waste.—The term 'animal waste' means poultry manure and litter and other animal wastes, including—

"(A) wood shavings, straw, rice hulls, and other bedding material for the disposition of manure, and

"(B) byproducts, packaging, and other materials which are nontoxic and biodegradable and are associated with the processing, feeding, selling, transporting, and disposal of such animal wastes.", and

(D) by striking subparagraph (C) of subsection (c)(5) and inserting the following:

"(C) Animal waste facility.—

"(i) In general.—Except as provided in clause (ii), in the case of a facility using animal waste (other than poultry) to produce electricity, the term 'qualified facility' means any facility of the taxpayer which is originally placed in service after the date of the enactment of this clause.

“(ii) Poultry waste.—In the case of a facility using animal waste relating to poultry to produce electricity, the term ‘qualified facility’ means any facility of the taxpayer which is originally placed in service after December 31, 1999.”.

(4) Treatment of qualified facilities not in compliance with pollution laws.—Section 45(c)(5) (relating to qualified facilities), as amended by paragraphs (2) and (3) of subsection (b), is amended by adding at the end the following:

“(E) Noncompliance with pollution laws.—For purposes of this paragraph, a facility which is not in compliance with the applicable State and Federal pollution prevention, control, and permit requirements for any period of time shall not be considered to be a qualified facility during such period.”.

(5) Extension of qualified facility dates.—Section 45(c)(5) (relating to qualified facility), as redesignated by subsection (b)(2), is amended by striking “, and before January 1, 2002” in subparagraphs (A) and (B).

(d) Effective Date.—The amendments made by this section shall apply to electricity and other energy produced after the date of the enactment of this Act and before January 1, 2007.

SEC. 1123. TREATMENT OF FACILITIES USING BAGASSE TO PRODUCE ENERGY AS SOLID WASTE DISPOSAL FACILITIES ELIGIBLE FOR TAX-EXEMPT FINANCING.

(a) In General.—Section 142 (relating to exempt facility bond) is amended by adding at the end the following:

“(k) Solid Waste Disposal Facilities.—For purposes of subsection (a)(6), the term ‘solid waste disposal facilities’ includes property located in Hawaii and used for the collection, storage, treatment, utilization, processing, or final disposal of bagasse in the manufacture of ethanol.”.

(b) Effective Date.—The amendment made by this section shall apply to bonds issued after the date of the enactment of this Act.

SEC. 1124. DEPRECIATION OF PROPERTY USED IN THE TRANSMISSION OF ELECTRICITY.

(a) Depreciation of Property Used in the Transmission of Electricity.—

(1) In general.—Subparagraph (C) of section 168(e)(3) (relating to 7-year property), as amended by section 1121(a)(1), is amended by striking “and” at the end of clause (ii), by redesignating clause (iii) as clause (iv), and by inserting after clause (ii) the following:

“(iii) any property used in the transmission of electricity, and”.

(2) 10-year class life.—The table contained in section 168(g)(3)(B), as amended by section 1121(a)(2), is amended by inserting after the item relating to subparagraph (C)(ii) the following:

“(C)(iii) .... 10”.

(b) Definition of Property Used in the Transmission of Electricity.—Section 168(i), as amended by section 1121(b), is amended by adding at the end the following:

“(16) Property used in the transmission of electricity.—The term ‘property used in the transmission of electricity’ means property used in the transmission of electricity for sale.”.

(c) Effective Date.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

Subtitle D—Tax Incentives for Ethanol Use

SEC. 1131. SMALL ETHANOL PRODUCER CREDIT.

(a) Allocation of Alcohol Fuels Credit to Patrons of a Cooperative.—Section 40(g) (relating to alcohol used as fuel) is amended by adding at the end the following new paragraph:

“(6) Allocation of small ethanol producer credit to patrons of cooperative.—

“(A) Election to allocate.—

“(i) In general.—In the case of a cooperative organization described in section 1381(a), any portion of the credit determined under subsection (a)(3) for the taxable year may, at the election of the organization, be apportioned pro rata among patrons of the organization on the basis of the quantity or value of business done with or for such patrons for the taxable year.

“(ii) Form and effect of election.—An election under clause (i) for any taxable year shall be made on a timely filed return for such year. Such election, once made, shall be irrevocable for such taxable year.

“(B) Treatment of organizations and patrons.—The amount of the credit apportioned to patrons under subparagraph (A)—

“(i) shall not be included in the amount determined under subsection (a) with respect to the organization for the taxable year,

“(ii) shall be included in the amount determined under subsection (a) for the taxable year of each patron for which the patronage dividends for the taxable year described in subparagraph (A) are included in gross income, and

“(iii) shall be included in gross income of such patrons for the taxable year in the manner and to the extent provided in section 87.

“(C) Special rules for decrease in credits for taxable year.—If the amount of the credit of a cooperative organization determined under subsection (a)(3) for a taxable year is less than the amount of such credit shown on the return of the cooperative organization for such year, an amount equal to the excess of—

“(i) such reduction, over

“(ii) the amount not apportioned to such patrons under subparagraph (A) for the taxable year,

shall be treated as an increase in tax imposed by this chapter on the organization. Such increase shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit under this subpart or subpart A, B, E, or G.”.

(b) Improvements to Small Ethanol Producer Credit.—

(1) Definition of small ethanol producer.—Section 40(g) (relating to definitions and special rules for eligible small ethanol producer credit) is amended by striking “30,000,000” each place it appears and inserting “60,000,000”.

(2) Small ethanol producer credit not a passive activity credit.—Clause (i) of section 469(d)(2)(A) is amended by striking “subpart D” and inserting “subpart D, other than section 40(a)(3),”.

(3) Allowing credit against minimum tax.—

(A) In general.—Subsection (c) of section 38 (relating to limitation based on amount of tax) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

“(3) Special rules for small ethanol producer credit.—

“(A) In general.—In the case of the small ethanol producer credit—

“(i) this section and section 39 shall be applied separately with respect to the credit, and

“(ii) in applying paragraph (1) to the credit—

“(I) subparagraphs (A) and (B) thereof shall not apply, and

“(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the small ethanol producer credit).

“(B) Small ethanol producer credit.—For purposes of this subsection, the term ‘small ethanol producer credit’ means the credit allowable under subsection (a) by reason of section 40(a)(3).”.

(B) Conforming amendment.—Subclause (II) of section 38(c)(2)(A)(ii) is amended by striking “(other” and all that follows through “credit)” and inserting “(other than the empowerment zone employment credit or the small ethanol producer credit)”.

(4) Small ethanol producer credit not added back to income under section 87.—Section 87 (relating to income inclusion of alcohol fuel credit) is amended to read as follows:

“SEC. 87. ALCOHOL FUEL CREDIT.

“Gross income includes an amount equal to the sum of—

“(1) the amount of the alcohol mixture credit determined with respect to the taxpayer for the taxable year under section 40(a)(1), and

“(2) the alcohol credit determined with respect to the taxpayer for the taxable year under section 40(a)(2).”.

(c) Conforming Amendment.—Section 1388 (relating to definitions and special rules for cooperative organizations) is amended by adding at the end the following new subsection:

“(k) Cross Reference.—For provisions relating to the apportionment of the alcohol fuels credit between cooperative organizations and their patrons, see section 40(g)(6).”.

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 1132. ADDITIONAL TAX INCENTIVES FOR ETHANOL USE.

(a) Diesel Fuel Mixed With Alcohol Treated Same as Gasoline.—

(1) Qualified alcohol mixture.—Section 4081(c)(3)(B) (defining qualified alcohol mixture) is amended to read as follows:

“(B) Qualified alcohol mixture.—The term ‘qualified alcohol mixture’ means any mixture of gasoline or diesel fuel with alcohol if at least 5.7 percent of such mixture is alcohol.”.

(2) Alcohol mixture rates.—

(A) In general.—Section 4081(c)(4)(A) (relating to alcohol mixture rates for gasoline mixtures) is amended—

(i) by striking “which contains gasoline” in clauses (i) and (ii), and

(ii) by striking “10 percent gasohol”, “7.7 percent gasohol”, and “5.7 percent gasohol” each place such terms appear in clauses (i) and (ii), and inserting “a 10 percent mixture”, “a 7.7 percent mixture”, and “a 5.7 percent mixture”, respectively.

(B) Definitions.—Section 4081(c)(4) is amended by striking subparagraphs (B), (C), and (D) and inserting:

“(B) 10 percent mixture.—The term ‘10 percent mixture’ means any mixture of alcohol with gasoline or diesel if at least 10 percent of such mixture is alcohol.

“(C) 7.7 percent mixture.—The term ‘7.7 percent mixture’ means any mixture of alcohol with gasoline or diesel if at least 7.7 percent of such mixture is alcohol.

"(D) 5.7 PERCENT MIXTURE.—The term '5.7 percent mixture' means any mixture of alcohol with gasoline or diesel if at least 5.7 percent of such mixture is alcohol."

(C) CONFORMING AMENDMENTS.—

(i) The heading for section 4081(c)(4) is amended by striking "GASOLINE" and inserting "ALCOHOL".

(ii) Section 4081(c) is amended by striking paragraph (5) and by redesignating paragraphs (6), (7), and (8) as paragraphs (5), (6), and (7), respectively.

(b) DEFINITION OF ALCOHOL.—Section 4081(c)(3)(A) (defining alcohol) is amended by striking "and ethanol" and inserting ", ethanol, or other alcohol,".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2001.

Subtitle E—Commuter Benefits Equity

SEC. 1141. UNIFORM DOLLAR LIMITATION FOR ALL TYPES OF TRANSPORTATION FRINGE BENEFITS.

(a) IN GENERAL.—Subparagraph (A) of section 132(f)(2) (relating to limitation on exclusion) is amended by striking "$65" and inserting "$175".

(b) CONFORMING AMENDMENT.—Section 9010 of the Transportation Equity Act for the 21st Century is amended by striking subsection (c).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 1142. CLARIFICATION OF FEDERAL EMPLOYEE BENEFITS.

Section 7905 of title 5, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (2)(C) by inserting "and" after the semicolon;

(B) in paragraph (3) by striking "; and" and inserting a period; and

(C) by striking paragraph (4); and

(2) in subsection (b)(2)(A) by amending subparagraph (A) to read as follows:

"(A) a qualified transportation fringe as defined in section 132(f)(1) of the Internal Revenue Code of 1986;".

Subtitle F—Tax Credit for Energy Conservation Expenditures.

SEC. 1151. ENERGY CONSERVATION EXPENDITURES.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. ENERGY CONSERVATION EXPENDITURES.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the energy conservation expenditures made by the taxpayer during such year.

"(b) MAXIMUM CREDIT.—The amount of the credit allowed under subsection (a) with respect to each dwelling unit for the taxable year shall not exceed $2,000.

"(c) ENERGY CONSERVATION EXPENDITURES.—For purposes of this section—

"(1) IN GENERAL.—The term 'energy conservation expenditures' means expenditures made by the taxpayer for qualified energy property—

"(A) which is certified to equal or exceed energy conservation standards for such property or for the installation of such property as prescribed by the Secretary, in consultation with the Secretary of Energy, and

"(B) which is installed on or in connection with a dwelling unit—

"(i) which is located in the United States, and

"(ii) which is used by the taxpayer as a residence.

Such term includes expenditures for labor costs properly allocable to the onsite preparation, assembly, or installation of the property.

"(2) QUALIFIED ENERGY PROPERTY.—

"(A) IN GENERAL.—The term 'qualified energy property' means—

"(i) swimming pool and hot tub covers,

"(ii) ceiling insulation,

"(iii) weatherstripping,

"(iv) water heater insulation blankets,

"(v) low-flow showerheads,

"(vi) caulking in ceilings,

"(vii) insulation of plenums and ducts,

"(viii) installation of storm windows with a U-value of 0.45 or less,

"(ix) thermal doors and windows,

"(x) duty cyclers,

"(xi) clock thermostats,

"(xii) evaporative coolers,

"(xiii) whole house fans,

"(xiv) external shading devices,

"(xv) thermal energy storage devices with central control systems,

"(xvi) controls and automatic switching devices between natural and electric lighting, or

"(xvii) any other property that the Secretary of Energy determines to be an effective device for the conservation of energy.

"(d) CERTIFICATION.—

"(1) PRODUCTS.—A certification with respect to a qualified energy property shall be made by the manufacturer of such property.

"(2) INSTALLATION.—A certification with respect to the installation of a qualified energy property shall be made by the person who sold or installed the property.

"(3) FORM OF CERTIFICATIONS.—Certifications referred to in this subsection shall be in such form as the Secretary shall prescribe, and, except in the case of a certification by a representative of a local building regulatory authority, shall include the taxpayer identification number of the person making the certification.

"(e) SPECIAL RULES.—For purposes of this section—

"(1) DOLLAR AMOUNTS IN CASE OF JOINT OCCUPANCY.—In the case of any dwelling unit which if jointly occupied and used during any calendar year as a residence by 2 or more individuals the following shall apply:

"(A) The amount of the credit allowable under subsection (a) by reason of expenditures (as the case may be) made during such calendar year by any of such individuals with respect to such dwelling unit shall be determined by treating all of such individuals as 1 taxpayer whose taxable year is such calendar year.

"(B) There shall be allowable with respect to such expenditures to each of such individuals, a credit under subsection (a) for the taxable year in which such calendar year ends in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount of such expenditures made by such individual during such calendar year bears to the aggregate of such expenditures made by all of such individuals during such calendar year.

"(2) TENANT-STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—In the case of an individual who is a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual shall be treated as having made his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of any expenditures of such corporation.

"(3) CONDOMINIUMS.—

"(A) IN GENERAL.—In the case of an individual who is a member of a condominium management association with respect to a condominium which he owns, such individual shall be treated as having made his proportionate share of any expenditures of such association.

"(B) CONDOMINIUM MANAGEMENT ASSOCIATION.—For purposes of this paragraph, the term 'condominium management association' means an organization which meets the requirements of paragraph (1) of section 528(c) (other than subparagraph (E) thereof) with respect to a condominium project substantially all of the units of which are used as residences.

"(4) JOINT OWNERSHIP OF ENERGY ITEMS.—

"(A) IN GENERAL.—Any expenditure otherwise qualifying as a energy conservation expenditure shall not be treated as failing to so qualify merely because such expenditure was made with respect to 2 or more dwelling units.

"(B) LIMITS APPLIED SEPARATELY.—In the case of any expenditure described in subparagraph (A), the amount of the credit allowable under subsection (a) shall (subject to paragraph (1)) be computed separately with respect to the amount of the expenditure made for each dwelling unit.

"(5) ALLOCATION IN CERTAIN CASES.—If less than 80 percent of the use of an item is for nonbusiness residential purposes, only that portion of the expenditures for such item which is properly allocable to use for nonbusiness residential purposes shall be taken into account.

"(6) WHEN EXPENDITURE MADE; AMOUNT OF EXPENDITURE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), an expenditure with respect to an item shall be treated as made when the original installation of the item is completed.

"(B) EXPENDITURES PART OF BUILDING CONSTRUCTION.—In the case of an expenditure in connection with the construction or reconstruction of a structure, such expenditure shall be treated as made when the original use of the constructed or reconstructed structure by the taxpayer begins.

"(C) AMOUNT.—The amount of any expenditure shall be the cost thereof.

"(7) OTHER APPLICABLE RULES.—Rules similar to the rules of paragraphs (4) and (5) of section 48(a) shall apply for purposes of this section.

"(f) BASIS ADJUSTMENTS.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

"(g) DENIAL OF DOUBLE BENEFIT.—No deduction or other credit shall be allowed under this chapter for any expenditure for which credit is allowed under this section.

"(h) ELECTION TO HAVE CREDIT NOT APPLY.—A taxpayer may elect to have this section not apply for any taxable year.

"(i) APPLICATION OF SECTION.—This section shall apply to expenditures with respect to property placed in service after December 31, 2000.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1324(b)(2) cf title 31, United States Code, is amended by striking "or" before "enacted" and by inserting before the period at the end ", or from section 35 of such Code".

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 is

amended by striking the item relating to section 35 and inserting the following new items:

"Sec. 35. Energy conservation expenditures.

"Sec. 36. Overpayments of tax.".

(c) Effective Date.—The amendments made by this section shall apply to taxable years ending after December 31, 2000.

Subtitle G—Hybrid Vehicle Incentive

SEC. 1161. EXPANSION OF CLEAN-FUEL VEHICLE DEDUCTION TO INCLUDE HYBRID VEHICLES.

(a) In General.—Section 179A(c) (defining qualified clean-fuel vehicle property) is amended by adding at the end the following new paragraph:

"(4) Qualified hybrid vehicle included.—

"(A) In general.—The term 'qualified clean-fuel vehicle property' includes any qualified hybrid vehicle.

"(B) Qualified hybrid vehicle.—

"(i) In general.—The term 'qualified hybrid vehicle' means any motor vehicle which—

"(I) is propelled by a combination of a fuel which is not a clean-burning fuel and electricity, and

"(II) has a city fuel economy of not less than 50 miles per gallon.

"(ii) City fuel economy.—The term 'city fuel economy' has the meaning given the term in section 600.002–85 of title 40, Code of Federal Regulations (or a successor regulation).".

(b) Effective Date.—The amendment made by this section shall apply to property placed in service after the date of the enactment of this Act.

Subtitle H—Compliance With Congressional Budget Act

SEC. 1171. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE XII—OTHER PROVISIONS

Subtitle A—In General

SEC. 1201. EXPANSION OF AUTHORITY TO POSTPONE CERTAIN TAX-RELATED DEADLINES BY REASON OF PRESIDENTIALLY DECLARED DISASTER.

(a) In General.—Section 7508A (relating to authority to postpone certain tax-related deadlines by reason of presidentially declared disaster) is amended by adding at the end the following new subsection:

"(c) Duties of Disaster Response Team.—The Secretary shall establish as a permanent office in the national office of the Internal Revenue Service a disaster response team which, in coordination with the Federal Emergency Management Agency, shall assist taxpayers in clarifying and resolving Federal tax matters associated with or resulting from any Presidentially declared disaster (as so defined). One of the duties of the disaster response team shall be to extend in appropriate cases the 90-day period described in subsection (a) by not more than 30 days".

(b) Effective Date.—The amendment made by this section shall take effect on the date of enactment of this Act.

Subtitle B—Compliance With Congressional Budget Act

SEC. 1211. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

SA 723. Mr. SMITH of New Hampshire proposed an amendment to amendment SA 680 proposed by Mr. Smith, of New Hampshire to the bill (H.R. 1836) to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

At the appropriate place, add the following:

SEC. . PERMANENT MORATORIUM ON IMPOSITION OF TAXES ON THE INTERNET

Section 1101(a) of the Internet Tax Freedom Act (title XI of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; 47 U.S.C. 151 note) is amended by striking "during the period beginning on October 1, 1998, and ending 3 years after the date of the enactment of this Act" and inserting "after September 30, 1998".

SA 724. Mr. FEINGOLD proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 314, after line 21, add the following:

SEC. 803. ELIMINATION OF MEDICAID ESTATE RECOVERY REQUIREMENT.

(a) Medicaid Amendment.—

(1) In general.—Section 1396p(b) of Title 42, U.S.C., is amended—

(A) in paragraph (1), by striking "except that" and all that follows and inserting "except that, in the case of an individual described in subsection (a)(1)(B), the State shall seek adjustment or recovery upon sale of the property subject to a lien imposed on account of medical assistance paid on behalf of the individual.";

(B) in paragraph (2)(B), by striking "in the case of a lien on an individual's home under subsection (a)(1)(B),";

(C) in paragraph (3), by striking "(other than paragraph (1)(C)"; and

(D) by striking paragraph (4).

(2) Effective Date.—The amendments made by paragraph (1) shall apply to individuals dying on or after the date of enactment of this Act.

(b) Revenue Offset.—The Secretary of the Treasury shall adjust the reductions of the rates of tax under section 2001(c) of the Internal Revenue Code of 1986 (as amended by section 511 of this Act) with respect to estates of decedents dying and gifts made in such manner as to increase revenues by $120,000,000 in each fiscal year beginning before October 1, 2011.

SA 725. Mr. FEINGOLD proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 7, line 24, strike "$12,000" and insert "$15,000".

On page 8, line 1, strike "$10,000" and insert "$11,250".

On page 9, in the table between lines 11 and 12, strike the column relating to 39.6 percent.

SA 726. Mr. FEINGOLD proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 9, between lines 4 and 5, insert the following:

"(D) Adjustments after 2010.—In prescribing the tables under subsection (f) which apply with respect to taxable years beginning in calendar year 2011, the Secretary shall, in addition to the adjustments made under subparagraph (C) of this subsection, increase the initial bracket amounts for subsection (a) and subsection (b) so as to decrease revenues by the amount of revenues generated by the other provisions of the amendment creating this provision."

On page 63, strike line 4 and all that follows through page 64, line 16.

On page 65, in line 12, strike "and before 2011".

On page 66, in the table after line 1, strike "2007, 2008, 2009, and 2010" and insert "2007 and thereafter".

On page 68, between lines 14 and 15, following the item relating to 2010, insert the following:

2001 and thereafter $100,000,000

On page 106, after line 6, insert the following:

"(g) Notwithstanding any other provision of law, this subtitle shall not apply to property subject to the estate tax."

SA 727. Mr. HARKIN proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 11, strike lines 14 through 22 and insert the following:

(1) In general.—Except as provided in paragraphs (2) and (3), the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) Amendments to withholding provisions.—The amendments made by paragraphs (6), (7), (8), (9), (10), and (11) of subsection (b) shall apply to amounts paid after the 60th day after the date of the enactment of this Act.

(3) Assurance of trust fund solvency.—

(A) CBO certification.—The reductions in the tax rate relating to the highest rate bracket under the amendments made by this section shall not take effect unless the Congressional Budget Office submits to Congress and the Secretary of the Treasury a certification that legislation has been enacted that ensures the solvency of—

(i) the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund for a period of not less than 75 years; and

(ii) the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund for a period of not less than 50 years.

(B) Application.—

(i) In general.—Except as provided in clause (ii), the reductions in the tax rate relating to the highest rate bracket under the amendments made by this section shall begin with the rate for the taxable year beginning after the date on which the Congressional Budget Office submits the certification described in subparagraph (A).

(ii) Retroactive application.—If the Congressional Budget Office submits the certification described in subparagraph (A) before October 1, 2002, this subsection shall be applied as if this paragraph had not been enacted.

SA 728. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 9, strike the table between lines 11 and 12 and insert the following:

"In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:			
	10%	28%	31%	36%
2002, 2003, and 2004 ..	9%	27%	30%	35%
2005 and 2006	8.5%	26%	29%	34%
2007 and thereafter	8%	25%	28%	33%".

SA 729. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of subtitle D of title IV, add the following:

SEC. ___. CREDIT FOR CERTAIN EMERGENCY RESPONSE PROFESSIONAL EXPENSES.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 (relating to other credits) is amended by adding at the end the following new section:

"SEC. 30B. CREDIT TO EMERGENCY RESPONSE PROFESSIONALS FOR CERTAIN EXPENSES.

"(a) ALLOWANCE OF CREDIT.—In the case of an eligible emergency response professional, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the qualified expenses which are paid or incurred by the taxpayer during such taxable year.

"(b) MAXIMUM CREDIT.—The credit allowed by subsection (a) for any taxable year shall not exceed $250.

"(c) DEFINITIONS.—

"(1) ELIGIBLE EMERGENCY RESPONSE PROFESSIONAL.—The term 'eligible emergency response professional' includes—

"(A) a full-time employee of any police department or fire department which is organized and operated by a governmental entity to provide police protection, firefighting service, or emergency medical services for any area within the jurisdiction of such governmental entity,

"(B) an emergency medical technician licensed by a State who is employed by a State or non-profit to provide emergency medical services, and

"(C) a member of a volunteer fire department which is organized to provide firefighting or emergency medical services for any area within the jurisdiction of a governmental entity which is not provided with any other firefighting services.

"(2) GOVERNMENTAL ENTITY.—The term 'governmental entity' means a State (or political subdivision thereof), Indian tribal (or political subdivision thereof), or Federal government.

"(3) QUALIFIED EXPENSES.—The term 'qualified expenses' means unreimbursed expenses for police and firefighter activities, as determined by the Secretary.

"(d) SPECIAL RULES.—

"(1) DENIAL OF DOUBLE BENEFIT.—No deduction shall be allowed under this chapter for any expense for which credit is allowed under this section.

"(2) APPLICATION WITH OTHER CREDITS.—The credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(A) the regular tax for the taxable year, reduced by the sum of the credits allowable under subpart A and the preceding sections of this subpart, over

"(B) the tentative minimum tax for the taxable year.

"(e) ELECTION TO HAVE CREDIT NOT APPLY.—A taxpayer may elect to have this section not apply for any taxable year.".

(b) CLERICAL AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

"Sec. 30B. Credit to emergency response professionals for certain expenses.".

(c) REVENUE OFFSET.—The Secretary of the Treasury shall adjust the highest rate of tax under section 1 of the Internal Revenue Code of 1986 (as amended by section 101 of this Act) to the extent necessary to offset in each fiscal year after December 31, 2002, the decrease in revenues to the Treasury for that fiscal year resulting from the amendments made by this section.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to expenses paid or incurred after December 31, 2001.

SA 730. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of subtitle D of title IV, add the following:

SEC. ___. CREDIT FOR CERTAIN HIGHER EDUCATION LOANS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits), as amended by section 432, is amended by inserting after section 25B the following new section:

"SEC. 25C. CERTAIN HIGHER EDUCATION LOANS.

"(a) ALLOWANCE OF CREDIT.—In the case of a qualified individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the interest and principle paid by the taxpayer during the taxable year on any qualified education loan.

"(b) MAXIMUM CREDIT.—The credit allowed by subsection (a) for a qualified individual shall not exceed $2,000.

"(c) DEPENDENTS NOT ELIGIBLE FOR CREDIT.—No credit shall be allowed by this section to an individual for the taxable year if a deduction under section 151 with respect to such individual is allowed to another taxpayer for the taxable year beginning in the calendar year in which such individual's taxable year begins.

"(d) DEFINITIONS.—For purposes of this section—

"(1) DEPENDENT.—The term 'dependent' has the meaning given such term by section 152.

"(2) NURSE.—The term 'nurse' means—

"(A) an individual who is—

"(i) licensed or certified by a State to provide nursing or nursing-related services, and

"(ii) employed to perform such services on a full-time basis for at least 6 months in the taxable year in which the credit described in subsection (a) is claimed, or

"(B) any other licensed or certified health professional practicing in a health profession shortage area, as defined in section 332(a)(1) of the Public Health Service Act (42 U.S.C. 254e(a)(1)).

"(3) QUALIFIED EDUCATION LOAN.—The term 'qualified education loan' has the meaning given such term by section 221(e)(1).

"(4) QUALIFIED INDIVIDUAL.—The term 'qualified individual' means a teacher or a nurse.

"(5) TEACHER.—The term 'teacher' means—

"(A) a certified individual who is a kindergarten through grade 12 classroom teacher, instructor, counselor, aide, or principal in any State, Federal, or tribally licensed elementary or secondary school on a full-time basis for an academic year ending during a taxable year, or

"(B) a head start teacher in a licensed head start program recognized by the Secretary of Health and Human Services.

"(f) SPECIAL RULES.—

"(1) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under this section if any amount of interest or principle on a qualified education loan is taken into account for any deduction or credit under any other provision of this chapter for the taxable year.

"(2) MARRIED COUPLES MUST FILE JOINT RETURN.—If the taxpayer is married at the close of the taxable year, the credit shall be allowed under subsection (a) only if the taxpayer and the taxpayer's spouse file a joint return for the taxable year.

"(3) MARITAL STATUS.—Marital status shall be determined in accordance with section 7703.".

(b) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 25B the following new item:

"Sec. 25C. Certain higher education loans.".

(c) REVENUE OFFSET.—The Secretary of the Treasury shall adjust the highest rate of tax under section 1 of the Internal Revenue Code of 1986 (as amended by section 101 of this Act) to the extent necessary to offset in each fiscal year beginning before October 1, 2011, the decrease in revenues to the Treasury for that fiscal year resulting from the amendments made by this section.

(d) EFFECTIVE DATE.—The amendments made under subsection (a) and (b) shall apply to any qualified education loan (as defined in section 25C(d)(3) of the Internal Revenue Code of 1986, as added by this section) incurred on, before, or after December 31, 2001, but only with respect to any loan interest of principle payment due in taxable years beginning after December 31, 2001.

SA 731. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 9, strike the table between line 11 and 12 and insert the following:

"In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:			
	28%	31%	36%	39.6%
2002	27%	30%	35%	39%
2003 and 2004	27%	30%	35%	38.6%
2005 and 2006	26%	29%	34%	38%
2007 and thereafter	25%	28%	33%	36%

At the end add the following:

TITLE —SCHOOL CONSTRUCTION AND MODERNIZATION

Subtitle A—Liberalization of Tax-Exempt Financing Rules for Public School Construction

SEC. 01. EXPANSION OF INCENTIVES FOR PUBLIC SCHOOLS.

(a) In General.—Chapter 1 is amended by adding at the end the following new subchapter:

"Subchapter Y—Public School Modernization Provisions

"Sec. 1400K. Credit to holders of qualified public school modernization bonds.
"Sec. 1400L. Qualified school construction bonds.
"Sec. 1400M. Qualified zone academy bonds.

"SEC. 1400K. CREDIT TO HOLDERS OF QUALIFIED PUBLIC SCHOOL MODERNIZATION BONDS.

"(a) Allowance of Credit.—In the case of a taxpayer who holds a qualified public school modernization bond on a credit allowance date of such bond which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to credit allowance dates during such year on which the taxpayer holds such bond.

"(b) Amount of Credit.—

"(1) In general.—The amount of the credit determined under this subsection with respect to any credit allowance date for a qualified public school modernization bond is 25 percent of the annual credit determined with respect to such bond.

"(2) Annual credit.—The annual credit determined with respect to any qualified public school modernization bond is the product of—

"(A) the applicable credit rate, multiplied by

"(B) the outstanding face amount of the bond.

"(3) Applicable credit rate.—For purposes of paragraph (1), the applicable credit rate with respect to an issue is the rate equal to an average market yield (as of the day before the date of issuance of the issue) on outstanding long-term corporate debt obligations (determined under regulations prescribed by the Secretary).

"(4) Special rule for issuance and redemption.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed.

"(c) Limitation Based on Amount of Tax.—

"(1) In general.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

"(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

"(B) the sum of the credits allowable under part IV of subchapter A (other than subpart C thereof, relating to refundable credits).

"(2) Carryover of unused credit.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

"(d) Qualified Public School Modernization Bond; Credit Allowance Date.—For purposes of this section—

"(1) Qualified public school modernization bond.—The term 'qualified public school modernization bond' means—

"(A) a qualified zone academy bond, and

"(B) a qualified school construction bond.

"(2) Credit allowance date.—The term 'credit allowance date' means—

"(A) March 15,

"(B) June 15,

"(C) September 15, and

"(D) December 15.

Such term includes the last day on which the bond is outstanding.

"(e) Other Definitions.—For purposes of this subchapter—

"(1) Local educational agency.—The term 'local educational agency' has the meaning given to such term by section 14101 of the Elementary and Secondary Education Act of 1965. Such term includes the local educational agency that serves the District of Columbia but does not include any other State agency.

"(2) Bond.—The term 'bond' includes any obligation.

"(3) State.—The term 'State' includes the District of Columbia and any possession of the United States.

"(4) Public school facility.—The term 'public school facility' shall not include—

"(A) any stadium or other facility primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public, or

"(B) any facility which is not owned by a State or local government or any agency or instrumentality of a State or local government.

"(f) Credit Included in Gross Income.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

"(g) Recapture of Portion of Credit Where Cessation of Compliance.—

"(1) In general.—If any bond which when issued purported to be a qualified public school modernization bond ceases to be a qualified public school modernization bond, the issuer shall pay to the United States (at the time required by the Secretary) an amount equal to the sum of—

"(A) the aggregate of the credits allowable under this section with respect to such bond (determined without regard to subsection (c)) for taxable years ending during the calendar year in which such cessation occurs and the 2 preceding calendar years, and

"(B) interest at the underpayment rate under section 6621 on the amount determined under subparagraph (A) for each calendar year for the period beginning on the first day of such calendar year.

"(2) Failure to pay.—If the issuer fails to timely pay the amount required by paragraph (1) with respect to such bond, the tax imposed by this chapter on each holder of any such bond which is part of such issue shall be increased (for the taxable year of the holder in which such cessation occurs) by the aggregate decrease in the credits allowed under this section to such holder for taxable years beginning in such 3 calendar years which would have resulted solely from denying any credit under this section with respect to such issue for such taxable years.

"(3) Special rules.—

"(A) Tax benefit rule.—The tax for the taxable year shall be increased under paragraph (2) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

"(B) No credits against tax.—Any increase in tax under paragraph (2) shall not be treated as a tax imposed by this chapter for purposes of determining—

"(i) the amount of any credit allowable under this part, or

"(ii) the amount of the tax imposed by section 55.

"(h) Bonds Held by Regulated Investment Companies.—If any qualified public school modernization bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

"(i) Credits May Be Stripped.—Under regulations prescribed by the Secretary—

"(1) In general.—There may be a separation (including at issuance) of the ownership of a qualified public school modernization bond and the entitlement to the credit under this section with respect to such bond. In case of any such separation, the credit under this section shall be allowed to the person who on the credit allowance date holds the instrument evidencing the entitlement to the credit and not to the holder of the bond.

"(2) Certain rules to apply.—In the case of a separation described in paragraph (1), the rules of section 1286 shall apply to the qualified public school modernization bond as if it were a stripped bond and to the credit under this section as if it were a stripped coupon.

"(j) Treatment for Estimated Tax Purposes.—Solely for purposes of sections 6654 and 6655, the credit allowed by this section to a taxpayer by reason of holding a qualified public school modernization bonds on a credit allowance date shall be treated as if it were a payment of estimated tax made by the taxpayer on such date.

"(k) Credit May Be Transferred.—Nothing in any law or rule of law shall be construed to limit the transferability of the credit allowed by this section through sale and repurchase agreements.

"(l) Reporting.—Issuers of qualified public school modernization bonds shall submit reports similar to the reports required under section 149(e).

"(m) Termination.—This section shall not apply to any bond issued after September 30, 2006.

"SEC. 1400L. QUALIFIED SCHOOL CONSTRUCTION BONDS.

"(a) Qualified School Construction Bond.—For purposes of this subchapter, the term 'qualified school construction bond' means any bond issued as part of an issue if—

"(1) 95 percent or more of the proceeds of such issue are to be used for the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed with part of the proceeds of such issue,

"(2) the bond is issued by a State or local government within the jurisdiction of which such school is located,

"(3) the issuer designates such bond for purposes of this section, and

"(4) the term of each bond which is part of such issue does not exceed 15 years.

"(b) Limitation on Amount of Bonds Designated.—The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (a) by any issuer shall not exceed the sum of—

“(1) the limitation amount allocated under subsection (d) for such calendar year to such issuer, and

“(2) if such issuer is a large local educational agency (as defined in subsection (e)(4)) or is issuing on behalf of such an agency, the limitation amount allocated under subsection (e) for such calendar year to such agency.

“(c) National Limitation on Amount of Bonds Designated.—There is a national qualified school construction bond limitation for each calendar year. Such limitation is—

“(1) $11,000,000,000 for 2002,

“(2) $11,000,000,000 for 2003, and

“(3) except as provided in subsection (f), zero after 2003.

“(d) 60 Percent of Limitation Allocated Among States.—

“(1) In general.—60 percent of the limitation applicable under subsection (c) for any calendar year shall be allocated by the Secretary among the States in proportion to the respective numbers of children in each State who have attained age 5 but not age 18 for the most recent fiscal year ending before such calendar year. The limitation amount allocated to a State under the preceding sentence shall be allocated by the State to issuers within such State.

“(2) Minimum allocations to states.—

“(A) In general.—The Secretary shall adjust the allocations under this subsection for any calendar year for each State to the extent necessary to ensure that the sum of—

“(i) the amount allocated to such State under this subsection for such year, and

“(ii) the aggregate amounts allocated under subsection (e) to large local educational agencies in such State for such year,

is not less than an amount equal to such State's minimum percentage of the amount to be allocated under paragraph (1) for the calendar year.

“(B) Minimum percentage.—A State's minimum percentage for any calendar year is the minimum percentage described in section 1124(d) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6334(d)) for such State for the most recent fiscal year ending before such calendar year.

“(3) Allocations to certain possessions.—The amount to be allocated under paragraph (1) to any possession of the United States other than Puerto Rico shall be the amount which would have been allocated if all allocations under paragraph (1) were made on the basis of respective populations of individuals below the poverty line (as defined by the Office of Management and Budget). In making other allocations, the amount to be allocated under paragraph (1) shall be reduced by the aggregate amount allocated under this paragraph to possessions of the United States.

“(4) Allocations for indian schools.—In addition to the amounts otherwise allocated under this subsection, $200,000,000 for calendar year 2002, and $200,000,000 for calendar year 2003, shall be allocated by the Secretary of the Interior for purposes of the construction, rehabilitation, and repair of schools funded by the Bureau of Indian Affairs. In the case of amounts allocated under the preceding sentence, Indian tribal governments (as defined in section 7871) shall be treated as qualified issuers for purposes of this subchapter.

“(e) 40 Percent of Limitation Allocated Among Largest School Districts.—

“(1) In general.—40 percent of the limitation applicable under subsection (c) for any calendar year shall be allocated under paragraph (2) by the Secretary among local educational agencies which are large local educational agencies for such year.

“(2) Allocation formula.—The amount to be allocated under paragraph (1) for any calendar year shall be allocated among large local educational agencies in proportion to the respective amounts each such agency received for Basic Grants under subpart 2 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6331 et seq.) for the most recent fiscal year ending before such calendar year.

“(3) Allocation of unused limitation to state.—The amount allocated under this subsection to a large local educational agency for any calendar year may be reallocated by such agency to the State in which such agency is located for such calendar year. Any amount reallocated to a State under the preceding sentence may be allocated as provided in subsection (d)(1).

“(4) Large local educational agency.—For purposes of this section, the term ‘large local educational agency’ means, with respect to a calendar year, any local educational agency if such agency is—

“(A) among the 100 local educational agencies with the largest numbers of children aged 5 through 17 from families living below the poverty level, as determined by the Secretary using the most recent data available from the Department of Commerce that are satisfactory to the Secretary, or

“(B) 1 of not more than 25 local educational agencies (other than those described in subparagraph (A)) that the Secretary of Education determines (based on the most recent data available satisfactory to the Secretary) are in particular need of assistance, based on a low level of resources for school construction, a high level of enrollment growth, or such other factors as the Secretary deems appropriate.

“(f) Carryover of Unused Limitation.—If for any calendar year—

“(1) the amount allocated under subsection (d) to any State, exceeds

“(2) the amount of bonds issued during such year which are designated under subsection (a) pursuant to such allocation,

the limitation amount under such subsection for such State for the following calendar year shall be increased by the amount of such excess. A similar rule shall apply to the amounts allocated under subsection (d)(4) or (e).

“(g) Special Rules Relating to Arbitrage.—

“(1) In general.—A bond shall not be treated as failing to meet the requirement of subsection (a)(1) solely by reason of the fact that the proceeds of the issue of which such bond is a part are invested for a temporary period (but not more than 36 months) until such proceeds are needed for the purpose for which such issue was issued.

“(2) Binding commitment requirement.—Paragraph (1) shall apply to an issue only if, as of the date of issuance, there is a reasonable expectation that—

“(A) at least 10 percent of the proceeds of the issue will be spent within the 6-month period beginning on such date for the purpose for which such issue was issued, and

“(B) the remaining proceeds of the issue will be spent with due diligence for such purpose.

“(3) Earnings on proceeds.—Any earnings on proceeds during the temporary period shall be treated as proceeds of the issue for purposes of applying subsection (a)(1) and paragraph (1) of this subsection.

“SEC. 1400M. QUALIFIED ZONE ACADEMY BONDS.

“(a) Qualified Zone Academy Bond.—For purposes of this subchapter—

“(1) In general.—The term ‘qualified zone academy bond’ means any bond issued as part of an issue if—

“(A) 95 percent or more of the proceeds of such issue are to be used for a qualified purpose with respect to a qualified zone academy established by a local educational agency,

“(B) the bond is issued by a State or local government within the jurisdiction of which such academy is located,

“(C) the issuer—

“(i) designates such bond for purposes of this section,

“(ii) certifies that it has written assurances that the private business contribution requirement of paragraph (2) will be met with respect to such academy, and

“(iii) certifies that it has the written approval of the local educational agency for such bond issuance, and

“(D) the term of each bond which is part of such issue does not exceed 15 years.

Rules similar to the rules of section 1400L(g) shall apply for purposes of paragraph (1).

“(2) Private business contribution requirement.—

“(A) In general.—For purposes of paragraph (1), the private business contribution requirement of this paragraph is met with respect to any issue if the local educational agency that established the qualified zone academy has written commitments from private entities to make qualified contributions having a present value (as of the date of issuance of the issue) of not less than 10 percent of the proceeds of the issue.

“(B) Qualified contributions.—For purposes of subparagraph (A), the term ‘qualified contribution’ means any contribution (of a type and quality acceptable to the local educational agency) of—

“(i) equipment for use in the qualified zone academy (including state-of-the-art technology and vocational equipment),

“(ii) technical assistance in developing curriculum or in training teachers in order to promote appropriate market driven technology in the classroom,

“(iii) services of employees as volunteer mentors,

“(iv) internships, field trips, or other educational opportunities outside the academy for students, or

“(v) any other property or service specified by the local educational agency.

“(3) Qualified zone academy.—The term ‘qualified zone academy’ means any public school (or academic program within a public school) which is established by and operated under the supervision of a local educational agency to provide education or training below the postsecondary level if—

“(A) such public school or program (as the case may be) is designed in cooperation with business to enhance the academic curriculum, increase graduation and employment rates, and better prepare students for the rigors of college and the increasingly complex workforce,

“(B) students in such public school or program (as the case may be) will be subject to the same academic standards and assessments as other students educated by the local educational agency,

“(C) the comprehensive education plan of such public school or program is approved by the local educational agency, and

“(D)(i) such public school is located in an empowerment zone or enterprise community (including any such zone or community designated after the date of the enactment of this section), or

"(ii) there is a reasonable expectation (as of the date of issuance of the bonds) that at least 35 percent of the students attending such school or participating in such program (as the case may be) will be eligible for free or reduced-cost lunches under the school lunch program established under the National School Lunch Act.

"(4) QUALIFIED PURPOSE.—The term 'qualified purpose' means, with respect to any qualified zone academy—

"(A) constructing, rehabilitating, or repairing the public school facility in which the academy is established,

"(B) acquiring the land on which such facility is to be constructed with part of the proceeds of such issue,

"(C) providing equipment for use at such academy,

"(D) developing course materials for education to be provided at such academy, and

"(E) training teachers and other school personnel in such academy.

"(b) LIMITATIONS ON AMOUNT OF BONDS DESIGNATED.—

"(1) IN GENERAL.—There is a national zone academy bond limitation for each calendar year. Such limitation is—

"(A) $400,000,000 for 1998,

"(B) $400,000,000 for 1999,

"(C) $400,000,000 for 2000,

"(D) $400,000,000 for 2001,

"(E) $1,400,000,000 for 2002,

"(F) $1,400,000,000 for 2003, and

"(G) except as provided in paragraph (3), zero after 2003.

"(2) ALLOCATION OF LIMITATION.—

"(A) ALLOCATION AMONG STATES.—

"(i) 1998, 1999, 2000, AND 2001 LIMITATIONS.—THE NATIONAL ZONE ACADEMY BOND LIMITATIONS FOR CALENDAR YEARS 1998, 1999, 2000, AND 2001 SHALL BE ALLOCATED BY THE SECRETARY AMONG THE STATES ON THE BASIS OF THEIR RESPECTIVE POPULATIONS OF INDIVIDUALS BELOW THE POVERTY LINE (AS DEFINED BY THE OFFICE OF MANAGEMENT AND BUDGET).

"(ii) LIMITATION AFTER 2001.—The national zone academy bond limitation for any calendar year after 2001 shall be allocated by the Secretary among the States in proportion to the respective amounts each such State received for Basic Grants under subpart 2 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6331 et seq.) for the most recent fiscal year ending before such calendar year.

"(B) ALLOCATION TO LOCAL EDUCATIONAL AGENCIES.—The limitation amount allocated to a State under subparagraph (A) shall be allocated by the State to qualified zone academies within such State.

"(C) DESIGNATION SUBJECT TO LIMITATION AMOUNT.—The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (a) with respect to any qualified zone academy shall not exceed the limitation amount allocated to such academy under subparagraph (B) for such calendar year.

"(3) CARRYOVER OF UNUSED LIMITATION.—If for any calendar year—

"(A) the limitation amount under this subsection for any State, exceeds

"(B) the amount of bonds issued during such year which are designated under subsection (a) (or the corresponding provisions of prior law) with respect to qualified zone academies within such State,

the limitation amount under this subsection for such State for the following calendar year shall be increased by the amount of such excess.".

(b) REPORTING.—Subsection (d) of section 6049 (relating to returns regarding payments of interest) is amended by adding at the end the following new paragraph:

"(8) REPORTING OF CREDIT ON QUALIFIED PUBLIC SCHOOL MODERNIZATION BONDS.—

"(A) IN GENERAL.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 1400K(f) and such amounts shall be treated as paid on the credit allowance date (as defined in section 1400K(d)(2)).

"(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A) of this paragraph, subsection (b)(4) of this section shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i).

"(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.".

(c) CONFORMING AMENDMENTS.—

(1) Subchapter U of chapter 1 is amended by striking part IV, by redesignating part V as part IV, and by redesignating section 1397F as section 1397E.

(2) The table of subchapters for chapter 1 is amended by adding at the end the following new item:

"Subchapter Y. Public school modernization provisions.".

(3) The table of parts of subchapter U of chapter 1 is amended by striking the last 2 items and inserting the following item:

"Part IV. Regulations.".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to obligations issued after December 31, 2001.

(2) REPEAL OF RESTRICTION ON ZONE ACADEMY BOND HOLDERS.—In the case of bonds to which section 1397E of the Internal Revenue Code of 1986 (as in effect before the date of the enactment of this Act) applies, the limitation of such section to eligible taxpayers (as defined in subsection (d)(6) of such section) shall not apply after the date of the enactment of this Act.

SEC. 02. APPLICATION OF CERTAIN LABOR STANDARDS ON CONSTRUCTION PROJECTS FINANCED UNDER PUBLIC SCHOOL MODERNIZATION PROGRAM.

Section 439 of the General Education Provisions Act (relating to labor standards) is amended—

(1) by inserting "(a)" before "All laborers and mechanics", and

(2) by adding at the end the following:

"(b)(1) For purposes of this section, the term 'applicable program' also includes the qualified zone academy bond provisions enacted by section 226 of the Taxpayer Relief Act of 1997 and the program established by section 01 of the Restoring Earnings To Lift Individuals and Empower Families (RELIEF) Act of 2001.

"(2) A State or local government participating in a program described in paragraph (1) shall—

"(A) in the awarding of contracts, give priority to contractors with substantial numbers of employees residing in the local education area to be served by the school being constructed; and

"(B) include in the construction contract for such school a requirement that the contractor give priority in hiring new workers to individuals residing in such local education area.

"(3) In the case of a program described in paragraph (1), nothing in this subsection or subsection (a) shall be construed to deny any tax credit allowed under such program. If amounts are required to be withheld from contractors to pay wages to which workers are entitled, such amounts shall be treated as expended for construction purposes in determining whether the requirements of such program are met.".

SEC. 03. EMPLOYMENT AND TRAINING ACTIVITIES RELATING TO CONSTRUCTION OR RECONSTRUCTION OF PUBLIC SCHOOL FACILITIES.

(a) IN GENERAL.—Section 134 of the Workforce Investment Act of 1998 (29 U.S.C. 2864) is amended by adding at the end the following:

"(f) LOCAL EMPLOYMENT AND TRAINING ACTIVITIES RELATING TO CONSTRUCTION OR RECONSTRUCTION OF PUBLIC SCHOOL FACILITIES.—

"(1) IN GENERAL.—In order to provide training services related to construction or reconstruction of public school facilities receiving funding assistance under an applicable program, each State shall establish a specialized program of training meeting the following requirements:

"(A) The specialized program provides training for jobs in the construction industry.

"(B) The program provides trained workers for projects for the construction or reconstruction of public school facilities receiving funding assistance under an applicable program.

"(C) The program ensures that skilled workers (residing in the area to be served by the school facilities) will be available for the construction or reconstruction work.

"(2) COORDINATION.—The specialized program established under paragraph (1) shall be integrated with other activities under this Act, with the activities carried out under the National Apprenticeship Act of 1937 by the State Apprenticeship Council or through the Bureau of Apprenticeship and Training in the Department of Labor, as appropriate, and with activities carried out under the Carl D. Perkins Vocational and Technical Education Act of 1998. Nothing in this subsection shall be construed to require services duplicative of those referred to in the preceding sentence.

"(3) APPLICABLE PROGRAM.—In this subsection, the term 'applicable program' has the meaning given the term in section 439(b) of the General Education Provisions Act (relating to labor standards).".

(b) STATE PLAN.—Section 112(b)(17)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2822(b)(17)(A)) is amended—

(1) in clause (iii), by striking "and" at the end;

(2) by redesignating clause (iv) as clause (v); and

(3) by inserting after clause (iii) the following:

"(iv) how the State will establish and carry out a specialized program of training under section 134(f); and".

Subtitle B—Indian School Construction Act

SEC. 11. INDIAN SCHOOL CONSTRUCTION.

(a) DEFINITIONS.—In this section:

(1) BUREAU.—The term "Bureau" means the Bureau of Indian Affairs of the Department of the Interior.

(2) INDIAN.—The term "Indian" means any individual who is a member of a tribe.

(3) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(4) TRIBAL SCHOOL.—The term "tribal school" means an elementary school, secondary school, or dormitory that is operated by a tribal organization or the Bureau for the education of Indian children and that receives financial assistance for its operation under an appropriation for the Bureau under section 102, 103(a), or 208 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f, 450h(a), and 458d) or under the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2501 et seq.) under a contract, a grant, or an agreement, or for a Bureau-operated school.

(5) TRIBE.—The term "tribe" has the meaning given the term "Indian tribal government" by section 7701(a)(40) of the Internal Revenue Code of 1986, including the application of section 7871(d) of such Code. Such term includes any consortium of tribes approved by the Secretary.

(b) ISSUANCE OF BONDS.—

(1) IN GENERAL.—The Secretary shall establish a pilot program under which eligible tribes have the authority to issue qualified tribal school modernization bonds to provide funding for the construction, rehabilitation, or repair of tribal schools, including the advance planning and design thereof.

(2) ELIGIBILITY.—

(A) IN GENERAL.—To be eligible to issue any qualified tribal school modernization bond under the program under paragraph (1), a tribe shall—

(i) prepare and submit to the Secretary a plan of construction that meets the requirements of subparagraph (B);

(ii) provide for quarterly and final inspection of the project by the Bureau; and

(iii) pledge that the facilities financed by such bond will be used primarily for elementary and secondary educational purposes for not less than the period such bond remains outstanding.

(B) PLAN OF CONSTRUCTION.—A plan of construction meets the requirements of this subparagraph if such plan—

(i) contains a description of the construction to be undertaken with funding provided under a qualified tribal school modernization bond;

(ii) demonstrates that a comprehensive survey has been undertaken concerning the construction needs of the tribal school involved;

(iii) contains assurances that funding under the bond will be used only for the activities described in the plan;

(iv) contains response to the evaluation criteria contained in Instructions and Application for Replacement School Construction, Revision 6, dated February 6, 1999; and

(v) contains any other reasonable and related information determined appropriate by the Secretary.

(C) PRIORITY.—In determining whether a tribe is eligible to participate in the program under this subsection, the Secretary shall give priority to tribes that, as demonstrated by the relevant plans of construction, will fund projects—

(i) described in the Education Facilities Replacement Construction Priorities List as of FY 2000 of the Bureau of Indian Affairs (65 Fed. Reg. 4623–4624);

(ii) described in any subsequent priorities list published in the Federal Register; or

(iii), which meet the criteria for ranking schools as described in Instructions and Application for Replacement School Construction, Revision 6, dated February 6, 1999.

(D) ADVANCE PLANNING AND DESIGN FUNDING.—A tribe may propose in its plan of construction to receive advance planning and design funding from the tribal school modernization escrow account established under paragraph (6)(B). Before advance planning and design funds are allocated from the escrow account, the tribe shall agree to issue qualified tribal school modernization bonds after the receipt of such funds and agree as a condition of each bond issuance that the tribe will deposit into such account or a fund managed by the trustee as described in paragraph (4)(C) an amount equal to the amount of such funds received from the escrow account.

(3) PERMISSIBLE ACTIVITIES.—In addition to the use of funds permitted under paragraph (1), a tribe may use amounts received through the issuance of a qualified tribal school modernization bond to—

(A) enter into and make payments under contracts with licensed and bonded architects, engineers, and construction firms in order to determine the needs of the tribal school and for the design and engineering of the school;

(B) enter into and make payments under contracts with financial advisors, underwriters, attorneys, trustees, and other professionals who would be able to provide assistance to the tribe in issuing bonds; and

(C) carry out other activities determined appropriate by the Secretary.

(4) BOND TRUSTEE.—

(A) IN GENERAL.—Notwithstanding any other provision of law, any qualified tribal school modernization bond issued by a tribe under this subsection shall be subject to a trust agreement between the tribe and a trustee.

(B) TRUSTEE.—Any bank or trust company that meets requirements established by the Secretary may be designated as a trustee under subparagraph (A).

(C) CONTENT OF TRUST AGREEMENT.—A trust agreement entered into by a tribe under this paragraph shall specify that the trustee, with respect to any bond issued under this subsection shall—

(i) act as a repository for the proceeds of the bond;

(ii) make payments to bondholders;

(iii) receive, as a condition to the issuance of such bond, a transfer of funds from the tribal school modernization escrow account established under paragraph (6)(B) or from other funds furnished by or on behalf of the tribe in an amount, which together with interest earnings from the investment of such funds in obligations of or fully guaranteed by the United States or from other investments authorized by paragraph (10), will produce moneys sufficient to timely pay in full the entire principal amount of such bond on the stated maturity date therefor;

(iv) invest the funds received pursuant to clause (iii) as provided by such clause; and

(v) hold and invest the funds in a segregated fund or account under the agreement, which fund or account shall be applied solely to the payment of the costs of items described in paragraph (3).

(D) REQUIREMENTS FOR MAKING DIRECT PAYMENTS.—

(i) IN GENERAL.—Notwithstanding any other provision of law, the trustee shall make any payment referred to in subparagraph (C)(v) in accordance with requirements that the tribe shall prescribe in the trust agreement entered into under subparagraph (C). Before making a payment to a contractor under subparagraph (C)(v), the trustee shall require an inspection of the project by a local financial institution or an independent inspecting architect or engineer, to ensure the completion of the project.

(ii) CONTRACTS.—Each contract referred to in paragraph (3) shall specify, or be renegotiated to specify, that payments under the contract shall be made in accordance with this paragraph.

(5) PAYMENTS OF PRINCIPAL AND INTEREST.—

(A) PRINCIPAL.—No principal payments on any qualified tribal school modernization bond shall be required until the final, stated maturity of such bond, which stated maturity shall be within 15 years from the date of issuance. Upon the expiration of such period, the entire outstanding principal under the bond shall become due and payable.

(B) INTEREST.—In lieu of interest on a qualified tribal school modernization bond there shall be awarded a tax credit under section 1400K of the Internal Revenue Code of 1986.

(6) BOND GUARANTEES.—

(A) IN GENERAL.—Payment of the principal portion of a qualified tribal school modernization bond issued under this subsection shall be guaranteed solely by amounts deposited with each respective bond trustee as described in paragraph (4)(C)(iii).

(B) ESTABLISHMENT OF ACCOUNT.—

(i) IN GENERAL.—Notwithstanding any other provision of law, beginning in fiscal year 2002, from amounts made available for school replacement under the construction account of the Bureau, the Secretary is authorized to deposit not more than $30,000,000 each fiscal year into a tribal school modernization escrow account.

(ii) PAYMENTS.—The Secretary shall use any amounts deposited in the escrow account under clauses (i) and (iii) to make payments to trustees appointed and acting pursuant to paragraph (4) or to make payments described in paragraph (2)(D).

(iii) TRANSFERS OF EXCESS PROCEEDS.—Excess proceeds held under any trust agreement that are not needed for any of the purposes described in clauses (iii) and (v) of paragraph (4)(C) shall be transferred, from time to time, by the trustee for deposit into the tribal school modernization escrow account.

(7) LIMITATIONS.—

(A) OBLIGATION TO REPAY.—Notwithstanding any other provision of law, the principal amount on any qualified tribal school modernization bond issued under this subsection shall be repaid only to the extent of any escrowed funds furnished under paragraph (4)(C)(iii). No qualified tribal school modernization bond issued by a tribe shall be an obligation of, nor shall payment of the principal thereof be guaranteed by, the United States, the tribes, nor their schools.

(B) LAND AND FACILITIES.—Any land or facilities purchased or improved with amounts derived from qualified tribal school modernization bonds issued under this subsection shall not be mortgaged or used as collateral for such bonds.

(8) SALE OF BONDS.—Qualified tribal school modernization bonds may be sold at a purchase price equal to, in excess of, or at a discount from the par amount thereof.

(9) TREATMENT OF TRUST AGREEMENT EARNINGS.—Any amounts earned through the investment of funds under the control of a trustee under any trust agreement described in paragraph (4) shall not be subject to Federal income tax.

(10) INVESTMENT OF SINKING FUNDS.—Any sinking fund established for the purpose of the payment of principal on a qualified tribal school modernization bond shall be invested in obligations issued by or guaranteed by the United States or in such other assets as the Secretary of the Treasury may by regulation allow.

(c) Expansion of Incentives for Tribal Schools.—Chapter 1, as amended by section 01, is amended by adding at the end the following new subchapter:

"Subchapter Z—Tribal School Modernization Provisions

"Sec. 1400N. Credit to holders of qualified tribal school modernization bonds.

"SEC. 1400N. CREDIT TO HOLDERS OF QUALIFIED TRIBAL SCHOOL MODERNIZATION BONDS.

"(a) Allowance of Credit.—In the case of a taxpayer who holds a qualified tribal school modernization bond on a credit allowance date of such bond which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to credit allowance dates during such year on which the taxpayer holds such bond.

"(b) Amount of Credit.—

"(1) In general.—The amount of the credit determined under this subsection with respect to any credit allowance date for a qualified tribal school modernization bond is 25 percent of the annual credit determined with respect to such bond.

"(2) Annual credit.—The annual credit determined with respect to any qualified tribal school modernization bond is the product of—

"(A) the applicable credit rate, multiplied by

"(B) the outstanding face amount of the bond.

"(3) Applicable credit rate.—For purposes of paragraph (1), the applicable credit rate with respect to an issue is the rate equal to an average market yield (as of the date of sale of the issue) on outstanding long-term corporate obligations (as determined by the Secretary).

"(4) Special rule for issuance and redemption.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed.

"(c) Limitation Based on Amount of Tax.—

"(1) In general.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

"(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

"(B) the sum of the credits allowable under part IV of subchapter A (other than subpart C thereof, relating to refundable credits).

"(2) Carryover of unused credit.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

"(d) Qualified Tribal School Modernization Bond; Other Definitions.—For purposes of this section—

"(1) Qualified tribal school modernization bond.—

"(A) In general.—The term 'qualified tribal school modernization bond' means, subject to subparagraph (B), any bond issued as part of an issue under section 01(c) of the Restoring Earnings To Lift Individuals and Empower Families (RELIEF) Act of 2001, as in effect on the date of the enactment of this section, if—

"(i) 95 percent or more of the proceeds of such issue are to be used for the construction, rehabilitation, or repair of a school facility funded by the Bureau of Indian Affairs of the Department of the Interior or for the acquisition of land on which such a facility is to be constructed with part of the proceeds of such issue,

"(ii) the bond is issued by a tribe,

"(iii) the issuer designates such bond for purposes of this section, and

"(iv) the term of each bond which is part of such issue does not exceed 15 years.

"(B) National limitation on amount of bonds designated.—

"(i) National limitation.—There is a national qualified tribal school modernization bond limitation for each calendar year. Such limitation is—

"(I) $200,000,000 for 2002,

"(II) $200,000,000 for 2003, and

"(III) zero after 2004.

"(ii) Allocation of limitation.—The national qualified tribal school modernization bond limitation shall be allocated to tribes by the Secretary of the Interior subject to the provisions of section 01(c) of the Restoring Earnings To Lift Individuals and Empower Families (RELIEF) Act of 2001, as in effect on the date of the enactment of this section.

"(iii) Designation subject to limitation amount.—The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (d)(1) with respect to any tribe shall not exceed the limitation amount allocated to such government under clause (ii) for such calendar year.

"(iv) Carryover of unused limitation.—If for any calendar year—

"(I) the limitation amount under this subparagraph, exceeds

"(II) the amount of qualified tribal school modernization bonds issued during such year,

the limitation amount under this subparagraph for the following calendar year shall be increased by the amount of such excess. The preceding sentence shall not apply if such following calendar year is after 2010.

"(2) Credit allowance date.—The term 'credit allowance date' means—

"(A) March 15,

"(B) June 15,

"(C) September 15, and

"(D) December 15.

Such term includes the last day on which the bond is outstanding.

"(3) Bond.—The term 'bond' includes any obligation.

"(4) Tribe.—The term 'tribe' has the meaning given the term 'Indian tribal government' by section 7701(a)(40), including the application of section 7871(d). Such term includes any consortium of tribes approved by the Secretary of the Interior.

"(e) Credit Included in Gross Income.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

"(f) Bonds Held by Regulated Investment Companies.—If any qualified tribal school modernization bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

"(g) Credits May Be Stripped.—Under regulations prescribed by the Secretary—

"(1) In general.—There may be a separation (including at issuance) of the ownership of a qualified tribal school modernization bond and the entitlement to the credit under this section with respect to such bond. In case of any such separation, the credit under this section shall be allowed to the person who on the credit allowance date holds the instrument evidencing the entitlement to the credit and not to the holder of the bond.

"(2) Certain rules to apply.—In the case of a separation described in paragraph (1), the rules of section 1286 shall apply to the qualified tribal school modernization bond as if it were a stripped bond and to the credit under this section as if it were a stripped coupon.

"(h) Treatment for Estimated Tax Purposes.—Solely for purposes of sections 6654 and 6655, the credit allowed by this section to a taxpayer by reason of holding a qualified tribal school modernization bonds on a credit allowance date shall be treated as if it were a payment of estimated tax made by the taxpayer on such date.

"(i) Credit May Be Transferred.—Nothing in any law or rule of law shall be construed to limit the transferability of the credit allowed by this section through sale and repurchase agreements.

"(j) Credit Treated as Allowed Under Part IV of Subchapter A.—For purposes of subtitle F, the credit allowed by this section shall be treated as a credit allowable under part IV of subchapter A of this chapter.

"(k) Reporting.—Issuers of qualified tribal school modernization bonds shall submit reports similar to the reports required under section 149(e).".

(d) Reporting.—Subsection (d) of section 6049 (relating to returns regarding payments of interest), as amended by section 01, is amended by adding at the end the following new paragraph:

"(9) Reporting of credit on qualified tribal school modernization bonds.—

"(A) In general.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 1400N(e) and such amounts shall be treated as paid on the credit allowance date (as defined in section 1400N(d)(2)).

"(B) Reporting to corporations, etc.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A) of this paragraph, subsection (b)(4) of this section shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i).

"(C) Regulatory authority.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.".

(e) Conforming Amendments.—The table of subchapters for chapter 1, as amended by section 01, is amended by adding at the end the following new item:

"Subchapter Z. Tribal school modernization provisions.".

(f) Additional Provisions.—

(1) Sovereign immunity.—This section and the amendments made by this section shall not be construed to impact, limit, or affect the sovereign immunity of the Federal Government or any State or tribal government.

(2) Application.—This section and the amendments made by this section shall take effect on the date of the enactment of this Act with respect to bonds issued after December 31, 2001, regardless of the status of regulations promulgated thereunder.

Subtitle C—Compliance With Congressional Budget Act

SEC. 31. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

SA 732. Mr. CAMPBELL submitted an amendment intended to be proposed to amendment SA 440 submitted by Mr. CAMPBELL and intended to be proposed to the bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . SENIOR OPPORTUNITIES.

(a) TWENTY-FIRST CENTURY COMMUNITY LEARNING CENTERS.—Section 1609(a)(2) (as amended in section 151) is further amended—

(1) in subparagraph (G), by striking "and" after the semicolon;

(2) in subparagraph (H), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(I) if the organization plans to use seniors as volunteers in activities carried out through the center, a description of how the organization will encourage and use appropriately qualified seniors to serve as the volunteers.".

(b) SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES; GOVERNOR'S PROGRAMS.—Section 4114(d) (as amended in section 401) is further amended—

(1) in paragraph (14), by striking "and" after the semicolon;

(2) in paragraph (15), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(16) drug and violence prevention activities that use the services of appropriately qualified seniors.".

(c) SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES; LOCAL DRUG AND VIOLENCE PREVENTION PROGRAMS.—Section 4116(b) (as amended in section 401) is further amended—

(1) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by inserting "(including mentoring by appropriately qualified seniors)" after "mentoring"; and

(B) in subparagraph (C)—

(i) in clause (i), by striking "and" after the semicolon;

(ii) in clause (ii), by inserting "and" after the semicolon; and

(iii) by adding at the end the following:

"(iii) drug and violence prevention activities that use the services of appropriately qualified seniors;";

(2) in paragraph (4)(C), by inserting "(including mentoring by appropriately qualified seniors)" after "mentoring programs"; and

(3) in paragraph (8), by inserting ", which may involve appropriately qualified seniors working with students" after "settings".

(d) SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES; FEDERAL ACTIVITIES.—Section 4121(a) (as amended in section 401) is further amended—

(1) in paragraph (10), by inserting ", including projects and activities that promote the interaction of youth and appropriately qualified seniors" after "responsibility"; and

(2) in paragraph (13), by inserting ", including activities that integrate appropriately qualified seniors in activities" after "title".

(e) INDIAN, NATIVE HAWAIIAN, AND ALASKA NATIVE EDUCATION; FORMULA GRANTS.—Section 7115(b) (as amended in section 701) is further amended—

(1) in paragraph (10), by striking "and" after the semicolon;

(2) in paragraph (11), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(12) activities that recognize and support the unique cultural and educational needs of Indian children, and incorporate appropriately qualified tribal elders and seniors.".

(f) INDIAN, NATIVE HAWAIIAN, AND ALASKA NATIVE EDUCATION; SPECIAL PROGRAMS AND PROJECTS.—Section 7121(c)(1) (as amended in section 701) is further amended—

(1) in subparagraph (K), by striking "or" after the semicolon;

(2) in subparagraph (L), by striking "(L)" and inserting "(M)"; and

(3) by inserting after subparagraph (K) the following:

"(L) activities that recognize and support the unique cultural and educational needs of Indian children, and incorporate appropriately qualified tribal elders and seniors; or".

(g) INDIAN, NATIVE HAWAIIAN, AND ALASKA NATIVE EDUCATION; PROFESSIONAL DEVELOPMENT.—The second sentence of section 7122(d)(1) (as amended in section 701) is further amended by striking the period and inserting ", and may include programs designed to train tribal elders and seniors.".

(h) INDIAN, NATIVE HAWAIIAN, AND ALASKA NATIVE EDUCATION; NATIVE HAWAIIAN PROGRAMS.—Section 7205(a)(3)(H) (as amended in section 701) is further amended—

(1) in clause (ii), by striking "and" after the semicolon;

(2) in clause (iii), by inserting "and" at the end; and

(3) by adding at the end the following:

"(iv) programs that recognize and support the unique cultural and educational needs of Native Hawaiian children, and incorporate appropriately qualified Native Hawaiian elders and seniors;".

(i) INDIAN, NATIVE HAWAIIAN, AND ALASKA NATIVE EDUCATION; ALASKA NATIVE PROGRAMS.—Section 7304(a)(2)(F) (as amended in section 701) is further amended—

(1) in clause (i), by striking "and" after the semicolon;

(2) in clause (ii), by inserting "and" after the semicolon; and

(3) by adding at the end the following:

"(iii) may include activities that recognize and support the unique cultural and educational needs of Alaskan Native children, and incorporate appropriately qualified Alaskan Native elders and seniors;".

SA 733. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 314, after line 21, insert the following:

SEC. . CREDIT FOR EMPLOYEE HEALTH INSURANCE EXPENSES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits), as amended by this Act, is amended by adding at the end the following:

"SEC. 45G. EMPLOYEE HEALTH INSURANCE EXPENSES.

"(a) GENERAL RULE.—For purposes of section 38, in the case of a small employer, the employee health insurance expenses credit determined under this section is an amount equal to the applicable percentage of the amount paid by the taxpayer during the taxable year for qualified employee health insurance expenses of each qualified employee.

"(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a)—

"(1) IN GENERAL.—Except as provided in paragraphs (2), (3), and (4), the applicable percentage is equal to—

"(A) 25 percent in the case of self-only coverage, and

"(B) 35 percent in the case of family coverage (as defined in section 220(c)(5)).

"(2) COVERAGE FOR FIRST 3 YEARS.—

"(A) IN GENERAL.—In the case of the first 3 successive years of health insurance coverage for qualified employees by a small employer, beginning with the first year coverage, paragraph (1) shall be applied by substituting for '25 percent' and '35 percent', respectively, the following percentages:

In the case of:	Self-only coverage percentage is:	Family coverage percentage is:
First year coverage	60	70
Second year coverage	50	60
Third year coverage	40	50

"(B) FIRST YEAR COVERAGE.—For purposes of subparagraph (A), the term 'first year coverage' means the first taxable year in which the small employer pays qualified employee health insurance expenses but only if such small employer did not provide health insurance coverage for any qualified employee during the 2 taxable years immediately preceding the taxable year.

"(3) HIGH PARTICIPATION BONUS.—

"(A) IN GENERAL.—With respect to any taxable year during which a small employer pays qualified employee health insurance expenses for the applicable coverage percentage of the eligible qualified employees of the small employer, the applicable percentage otherwise determined for such taxable year under paragraph (1) or (2) shall be increased by the applicable percentage points.

"(B) APPLICABLE COVERAGE PERCENTAGE; APPLICABLE PERCENTAGE POINTS.—For purposes of subparagraph (A), the coverage percentage and applicable percentage points shall be determined under the following table:

"Applicable coverage percentage:	Applicable Percentage points:
More than 70 but not more than 80	10
More than 80 but not more than 90	15
More than 90	20.

"(C) ELIGIBLE QUALIFIED EMPLOYEE.—For purposes of subparagraph (A), the term 'eligible qualified employee' means any qualified employee who is not provided health insurance coverage during the taxable year under—

"(i) a health plan of the employee's spouse,

"(ii) title XVIII, XIX, or XXI of the Social Security Act,

"(iii) chapter 17 of title 38, United States Code,

"(iv) chapter 55 of title 10, United States Code,

"(v) chapter 89 of title 5, United States Code,

"(vi) the Indian Health Care Improvement Act, or

"(vii) any other provision of law.

"(4) LIMITATION BASED ON WAGES.—

"(A) IN GENERAL.—The percentage which would (but for this paragraph) be taken into account as the applicable percentage for purposes of subsection (a) for the taxable year shall be reduced (but not below zero) by the percentage determined under subparagraph (B).

"(B) AMOUNT OF REDUCTION.—The percentage determined under this subparagraph is the percentage which bears the same ratio to the percentage which would be so taken into account as—

"(i) the excess of—

"(I) the qualified employee's wages at an annual rate during such taxable year, over

"(II) $20,000, bears to

"(ii) $5,000.

"(c) DEFINITIONS.—For purposes of this section—

"(1) SMALL EMPLOYER.—

"(A) IN GENERAL.—The term 'small employer' means, with respect to any calendar year, any employer if such employer employed an average of 25 or fewer employees on business days during either of the 2 preceding calendar years. For purposes of the preceding sentence, a preceding calendar year may be taken into account only if the employer was in existence throughout such year.

"(B) EMPLOYERS NOT IN EXISTENCE IN PRECEDING YEAR.—In the case of an employer which was not in existence throughout the 1st preceding calendar year, the determination under subparagraph (A) shall be based on the average number of employees that it is reasonably expected such employer will employ on business days in the current calendar year.

"(2) QUALIFIED EMPLOYEE HEALTH INSURANCE EXPENSES.—

"(A) IN GENERAL.—The term 'qualified employee health insurance expenses' means any amount paid by an employer for health insurance coverage to the extent such amount is attributable to coverage provided to any employee while such employee is a qualified employee.

"(B) EXCEPTION FOR AMOUNTS PAID UNDER SALARY REDUCTION ARRANGEMENTS.—No amount paid or incurred for health insurance coverage pursuant to a salary reduction arrangement shall be taken into account under subparagraph (A).

"(C) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' has the meaning given such term by section 9832(b)(1).

"(3) QUALIFIED EMPLOYEE.—

"(A) IN GENERAL.—The term 'qualified employee' means, with respect to any period, an employee of an employer if the total amount of wages paid or incurred by such employer to such employee at an annual rate during the taxable year exceeds $5,000 but does not exceed $25,000.

"(B) TREATMENT OF CERTAIN EMPLOYEES.—For purposes of subparagraph (A), the term 'employee'—

"(i) shall not include an employee within the meaning of section 401(c)(1), and

"(ii) shall include a leased employee within the meaning of section 414(n).

"(C) WAGES.—The term 'wages' has the meaning given such term by section 3121(a) (determined without regard to any dollar limitation contained in such section).

"(D) INFLATION ADJUSTMENT.—

"(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2001, the $30,000 amount contained in subparagraph (A) shall be increased by an amount equal to—

"(I) such dollar amount, multiplied by

"(II) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2000' for 'calendar year 1992' in subparagraph (B) thereof.

"(ii) ROUNDING.—If any increase determined under clause (i) is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100.

"(d) CERTAIN RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of section 52 shall apply.

"(e) DENIAL OF DOUBLE BENEFIT.—No deduction or credit under any other provision of this chapter shall be allowed for the amount of the credit with respect to qualified employee health insurance expenses taken into account under subsection (a).".

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (relating to current year business credit), as amended by this Act, is amended by striking "plus" at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting ", plus", and by adding at the end the following:

"(16) the employee health insurance expenses credit determined under section 45G.".

(c) NO CARRYBACKS.—Subsection (d) of section 39 (relating to carryback and carryforward of unused credits), as amended by this Act, is amended by adding at the end the following:

"(12) NO CARRYBACK OF SECTION 45G CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the employee health insurance expenses credit determined under section 45G may be carried back to a taxable year ending before the date of the enactment of section 45G.".

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding at the end the following:

"Sec. 45G. Employee health insurance expenses.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2001.

On page 9, between lines 11 and 12, strike the table and insert the following:

"In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:			
	28%	31%	36%	39.6%
2002	27%	30%	35%	39.2%
2003	27%	30%	35%	39.3%
2004	27%	30%	35%	39.3%
2005	26%	29%	34%	38.6%
2006	26%	29%	34%	38.6%
2007	25%	28%	33%	38.6%
2008	25%	28%	33%	38.6%
2009	25%	28%	33%	38.6%
2010	25%	28%	33%	38.6%
2011 and thereafter	25%	28%	33%	38.6%

SA 734. Mr. GRAHAM submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 55, strike line 8 and insert the following: 529(c)(1), or 530(d)(2). For purposes of the preceding sentence, the amount taken into account in determining the amount excluded under section 529(c)(1) shall not include that portion of the distribution which represents a return of any contributions to the plan.

SA 735. Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 314, after line 21, add the following:

SEC. . DEFINITION OF FAMILY FOR PURPOSES OF QUALIFIED FAMILY OWNED BUSINESS INTERESTS.

(a) DEFINITION OF FAMILY.—Section 2057(i)(2) (relating to member of the family) is amended by inserting before the period ", except such term shall include a lineal descendant of a grandparent of the individual and the spouse of any such lineal descendant".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to estates of decedents dying after December 31, 2001.

SA 736. Mr. GRAMM proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

At the appropriate place, insert the following:

"SEC. . MID-COURSE REVIEW.

"(a) IN GENERAL.—Notwithstanding any other provision of law, if at the end of fiscal year 2003 or 2010, the Secretary of the Treasury certifies that the actual reduction in debt held by the public since fiscal year 2001 is less than the actual surplus of the Old Age, Survivors, and Disability Insurance Trust Fund and the Medicare Federal Hospital Insurance Trust Fund since fiscal year 2001, any Member of Congress may introduce and may make a privileged motion to proceed to a bill that implements a mid-course review.

"(b) MID-COURSE REVIEW LEGISLATION.—To qualify under subsection (a), a bill must delay any provision of this Act or any subsequent Act that takes effect in fiscal year 2004 or 2011 and results in a revenue reduction or causes increased outlays through mandatory spending, and must also limit discretionary spending in fiscal year 2004 or 2011 to the level provided for the prior fiscal year plus an adjustment for inflation. It shall not be in order to consider any amendment to mid-course review legislation that does not affect spending and tax reductions proportionately."

"(c) PREVENTION OF UNINTENDED TAX INCREASES OR BENEFIT CUTS.—Notwithstanding any other provision of law, any provision of this Act or any subsequent Act that would be affected by the legislation described in subsection (b) shall become final if no mid-course review legislation is enacted into law.

SA 737. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . CREDIT FOR PURCHASE OF FISHING SAFETY EQUIPMENT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits), as amended by this

Act, is amended by adding at the end the following new section:

"SEC. 45G. FISHING SAFETY EQUIPMENT CREDIT.

"(a) GENERAL RULE.—For purposes of section 38, in the case of an eligible taxpayer, the fishing safety equipment credit determined under this section for the taxable year is 75 percent of the amount of qualified fishing safety equipment expenses paid or incurred by the taxpayer during the taxable year.

"(b) LIMITATION ON MAXIMUM CREDIT.—The credit allowed under subsection (a) with respect to a taxpayer for the taxable year shall not exceed $1,500.

"(c) ELIGIBLE TAXPAYER.—For purposes of this section, the term 'eligible taxpayer' means a taxpayer engaged in a fishing business.

"(d) DEFINITIONS.—For purposes of this section—

"(1) FISHING BUSINESS.—The term 'fishing business' means the conduct of commercial fishing as defined in section 3 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802).".

"(2) QUALIFIED FISHING SAFETY EQUIPMENT EXPENSES.—

"(A) IN GENERAL.—The term 'qualified fishing safety equipment expenses' means an amount paid or incurred for fishing safety equipment for use by the taxpayer in connection with a fishing business.

"(B) FISHING SAFETY EQUIPMENT.—The term 'fishing safety equipment' means—

"(i) lifesaving equipment required to be carried by a vessel under section 4502 of title 46, United States Code, and

"(ii) any maintenance of such equipment required under such section.

"(e) SPECIAL RULES.—

"(1) IN GENERAL.—Rules similar to the rules of subsections (c), (d), and (e) of section 52 shall apply for purposes of this section.

"(2) AGGREGATION RULES.—All persons treated as a single employer under subsection (a) or (b) of section 52 or subsection (m) or (o) of section 414 shall be treated as one person for purposes of subsection (a).

"(f) DENIAL OF DOUBLE BENEFIT.—No deduction shall be allowed under this chapter (other than a credit under this section) for any amount taken into account in determining the credit under this section.

"(g) BASIS ADJUSTMENT.—For purposes of this subtitle, if a credit is allowed under this section with respect to any equipment, the basis of such equipment shall be reduced by the amount of the credit so allowed.".

(b) LIMITATION ON CARRYBACK.—Section 39(d) (relating to transition rules), as amended by this Act, is amended by adding at the end the following new paragraph:

"(12) NO CARRYBACK OF FISHING SAFETY EQUIPMENT CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the fishing safety equipment credit determined under section 45G may be carried to a taxable year ending before the date of the enactment of section 45G.".

(c) CONFORMING AMENDMENTS.—

(1) Section 38(b) (relating to general business credit), as amended by this Act, is amended by striking "plus" at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting ", plus", and by adding at the end the following new paragraph:

"(16) the fishing safety equipment credit determined under section 45G(a).".

(2) Subsection (a) of section 1016 is amended by striking "and" at the end of paragraph (26), by striking the period at the end of paragraph (27) and inserting ", and", and by adding at the end the following new paragraph:

"(28) in the case of equipment with respect to which a credit was allowed under section 45G, to the extent provided in section 45G(g).".

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 45F the following new item:

"Sec. 45G. Fishing safety equipment credit.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SA 738. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of subtitle A of title VIII add the following:

SEC. ____. MODIFICATIONS TO CREDIT FOR ELECTRICITY PRODUCED FROM RENEWABLE RESOURCES.

(a) QUALIFIED FACILITIES INCLUDE ALL BIOMASS FACILITIES.—

(1) IN GENERAL.—Subparagraph (B) of section 45(c)(1) (relating to credit for electricity produced from certain renewable resources) is amended to read as follows:

"(B) biomass, and".

(2) BIOMASS DEFINED.—Paragraph (2) of section 45(c) is amended to read as follows:

"(2) BIOMASS.—The term 'biomass' means—

"(A) any organic material from a plant which is planted exclusively for purposes of being used at a qualified facility to produce electricity, or

"(B) any solid, nonhazardous, cellulosic waste material which is segregated from other waste materials and which is derived from—

"(i) any of the following forest-related resources: mill residues, precommercial thinnings, slash, and brush, but not including old-growth timber,

"(ii) urban sources, including waste pallets, crates, and dunnage, manufacturing and construction wood wastes (other than pressure-treated, chemically-treated, or painted wood wastes), and landscape or right-of-way tree trimmings, but not including unsegregated municipal solid waste (garbage) or paper which is commonly recycled, or

"(iii) agriculture sources, including orchard tree crops, vineyard, grain, legumes, sugar, and other crop by-products or residues.".

(b) EXTENSION AND MODIFICATION OF PLACED IN SERVICE RULES.—

(1) IN GENERAL.—Subparagraph (B) of section 45(c)(3) is amended to read as follows:

"(B) BIOMASS FACILITIES.—In the case of a facility using biomass to produce electricity, the term 'qualified facility' means, with respect to any month, any facility owned or leased by the taxpayer which is originally placed in service before July 1, 2001, if, for such month, biomass comprises not less than 75 percent (on a Btu basis) of the average monthly fuel input of the facility for the taxable year which includes such month.".

(2) SPECIAL RULES.—Section 45(c)(3) is amended by adding at the end the following:

"(D) SPECIAL RULES.—In the case of a qualified facility described in subparagraph (B)—

"(i) the 10-year period referred to in subsection (a) shall be treated as beginning not earlier than the date of the enactment of this paragraph, and

"(ii) subsection (b)(3) shall not apply to any such facility originally placed in service before January 1, 1997.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to electricity produced after the date of the enactment of this Act.

SA 739. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of subtitle A of title VIII add the following:

SEC. ____. INCREASED EXCLUSION AND OTHER MODIFICATIONS APPLICABLE TO QUALIFIED SMALL BUSINESS STOCK.

(a) INCREASED EXCLUSION.—Section 1202(a) (relating to partial exclusion for gain from certain small business stock) is amended by striking "50 percent" each place it appears and inserting "75 percent".

(b) REDUCTION IN HOLDING PERIOD.—

(1) IN GENERAL.—Section 1202(a) (relating to partial exclusion for gain from certain small business stock) is amended by striking "5 years" and inserting "3 years".

(2) CONFORMING AMENDMENTS.—Subsections (g)(2)(A) and (j)(1)(A) of section 1202 are each amended by striking "5 years" and inserting "3 years".

(c) REPEAL OF MINIMUM TAX PREFERENCE.—

(1) IN GENERAL.—Section 57(a) (relating to items of tax preference) is amended by striking paragraph (7).

(2) TECHNICAL AMENDMENT.—Section 53(d)(1)(B)(ii)(II) is amended by striking ", (5), and (7)" and inserting "and (5)".

(d) OTHER MODIFICATIONS.—

(1) WORKING CAPITAL LIMITATION.—

(A) IN GENERAL.—Section 1202(e)(6) (relating to working capital) is amended—

(i) in subparagraph (B), by striking "2 years" and inserting "5 years"; and

(ii) by striking "2 years" in the last sentence and inserting "5 years".

(B) LIMITATION ON ASSETS TREATED AS USED IN ACTIVE CONDUCT OF BUSINESS.—The second sentence of section 1202(e)(6) is amended by inserting "described in subparagraph (A)" after "of the corporation".

(2) EXCEPTION FROM REDEMPTION RULES WHERE BUSINESS PURPOSE.—Section 1202(c)(3) (relating to certain purchases by corporation of its own stock) is amended by adding at the end the following:

"(D) WAIVER WHERE BUSINESS PURPOSE.—A purchase of stock by the issuing corporation shall be disregarded for purposes of subparagraph (B) if the issuing corporation establishes that there was a business purpose for such purchase and one of the principal purposes of the purchase was not to avoid the limitations of this section.".

(e) EXCLUDED QUALIFIED TRADE OR BUSINESS.—Section 1202(e)(3) (relating to qualified trade or business) is amended—

(1) by inserting ", and is anticipated to continue to be," before "the reputation" in subparagraph (A), and

(2) by inserting "but not including the business of raising fish or any business involving biotechnology applications" after "trees" in subparagraph (C).

(f) INCREASE IN CAP ON ELIGIBLE GAIN FOR JOINT RETURNS.—

(1) IN GENERAL.—Section 1202(b)(1)(A) (relating to per-issuer limitations on taxpayer's eligible gain) is amended by inserting "($20,000,000 in the case of a joint return)" after "$10,000,000".

(2) CONFORMING AMENDMENT.—Section 1202(b)(3) is amended by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(g) DECREASE IN CAPITAL GAINS RATE.—

(1) IN GENERAL.—Subparagraph (A) of section 1(h)(5) (relating to 28-percent gain) is amended to read as follows:

"(A) collectibles gain, over".

(2) CONFORMING AMENDMENTS.—

(A) Section 1(h) is amended by striking paragraph (8).

(B) Paragraph (9) of section 1(h) is amended by striking ", gain described in paragraph (7)(A)(i), and section 1202 gain" and inserting "and gain described in paragraph (7)(A)(i)".

(h) INCREASE IN ROLLOVER PERIOD FOR QUALIFIED SMALL BUSINESS STOCK.—Subsections (a)(1) and (b)(3) of section 1045 (relating to rollover of gain from qualified small business stock to another qualified small business stock) are each amended by striking "60-day" and inserting "180-day".

(i) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to stock issued after the date of the enactment of this Act.

(2) SPECIAL RULE.—The amendments made by subsections (a) and (d)(1) apply to stock issued after August 10, 1993.

SA 740. Ms. SNOWE (for herself and Mrs. LINCOLN) submitted an amendment intended to be proposed by her to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 18, between lines 14 and 15, insert the following:

SEC. 202. REFUNDS DISREGARDED IN THE ADMINISTRATION OF FEDERAL PROGRAMS AND FEDERALLY ASSISTED PROGRAMS.

Any payment considered to have been made to any individual by reason of section 24 of the Internal Revenue Code of 1986, as amended by section 201, shall not be taken into account as income and shall not be taken into account as resources for the month of receipt and the following month, for purposes of determining the eligibility of such individual or any other individual for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program or under any State or local program financed in whole or in part with Federal funds.

SA 741. Ms. SNOWE (for herself, Mrs. LINCOLN, Mr. JEFFORDS, Mr. CHAFFEE, Mr. DEWINE, Mr. KERRY, Mr. DODD, Mr. ROCKEFELLER, Ms. COLLINS, and Mr. SMITH of Oregon) submitted an amendment intended to be proposed by her to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 18, between lines 14 and 15, insert:

SEC. 202. SENSE OF THE SENATE ON THE MODIFICATIONS TO THE CHILD TAX CREDIT.

(a) FINDINGS.—

(1) There are over 12,000,000 children in poverty in the United States—about 78 percent of these children live in working families.

(2) The child tax credit was originally designed to benefit families with children in recognition of the costs associated with raising children.

(3) There are 15,400,000 children whose families would not benefit from the doubling of the child tax credit unless it is made refundable and another 7,000,000 children live in families who will not receive an increased benefit under the bill unless the credit is made refundable.

(4) A person who earns the Federal minimum wage and works 40 hours a week for 50 weeks a year earns approximately $10,300.

(5) The provision included in section 201 would give families with children the benefit of a partially refundable child tax credit based on 15 cents of their income for every dollar earned above $10,000.

(6) For a family earning $15,000 that is an additional $750 to help make ends meet.

(7) Doubling the child tax credit to $1,000 and making it partially refundable will benefit over 37,000,000 families with dependent children.

(8) The expansion of the child tax credit included in section 201 is a meaningful and a responsible effort on the part of the Senate to address the needs of low income working families to promote work and such an expansion would provide the benefit of a child tax credit to 10,700,000 more children than the provision passed by the House of Representatives.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the "10-15" child tax credit provision included in section 201 is a worthy start, and should be maintained as part of the final package.

SA 742. Mrs. MURRAY (for herself and Mr. SMITH of Oregon) submitted an amendment intended to be proposed by her to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 52, between lines 11 and 12, insert the following:

SEC. 423. TREATMENT OF BONDS ISSUED TO ACQUIRE RENEWABLE RESOURCES ON LAND SUBJECT TO CONSERVATION EASEMENT.

(a) IN GENERAL.—Section 145 (defining qualified 501(c)(3) bond) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) BONDS ISSUED TO ACQUIRE RENEWABLE RESOURCES ON LAND SUBJECT TO CONSERVATION EASEMENT.—

"(1) IN GENERAL.—If—

"(A) the proceeds of any bond are used to acquire land (or a long-term lease thereof) together with any renewable resource associated with the land (including standing timber, agricultural crops, or water rights) from an unaffiliated person,

"(B) the land is subject to a conservation restriction—

"(i) which is granted in perpetuity to an unaffiliated person that is—

"(I) a 501(c)(3) organization, or

"(II) a Federal, State, or local government conservation organization,

"(ii) which meets the requirements of clauses (ii) and (iii)(II) of section 170(h)(4)(A),

"(iii) which exceeds the requirements of relevant environmental and land use statutes and regulations, and

"(iv) which obligates the owner of the land to pay the costs incurred by the holder of the conservation restriction in monitoring compliance with such restriction,

"(C) a management plan which meets the requirements of the statutes and regulations referred to in subparagraph (B)(iii) is developed for the conservation of the renewable resources, and

"(D) such bond would be a qualified 501(c)(3) bond (after the application of paragraph (2)) but for the failure to use revenues derived by the 501(c)(3) organization from the sale, lease, or other use of such resource as otherwise required by this part,

such bond shall not fail to be a qualified 501(c)(3) bond by reason of the failure to so use such revenues if the revenues which are not used as otherwise required by this part are used in a manner consistent with the stated charitable purposes of the 501(c)(3) organization.

"(2) TREATMENT OF TIMBER, ETC.—

"(A) IN GENERAL.—For purposes of subsection (a), the cost of any renewable resource acquired with proceeds of any bond described in paragraph (1) shall be treated as a cost of acquiring the land associated with the renewable resource and such land shall not be treated as used for a private business use because of the sale or leasing of the renewable resource to, or other use of the renewable resource by, an unaffiliated person to the extent that such sale, leasing, or other use does not constitute an unrelated trade or business, determined by applying section 513(a).

"(B) APPLICATION OF BOND MATURITY LIMITATION.—For purposes of section 147(b), the cost of any land or renewable resource acquired with proceeds of any bond described in paragraph (1) shall have an economic life commensurate with the economic and ecological feasibility of the financing of such land or renewable resource.

"(C) UNAFFILIATED PERSON.—For purposes of this subsection, the term 'unaffiliated person' means any person who controls not more than 20 percent of the governing body of another person.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to obligations issued after January 1, 2002, and before January 1, 2007.

(c) REVENUE OFFSET.—The Secretary of the Treasury shall adjust one or more of the amendments made by this Act to any section of the Internal Revenue Code of 1986 to the extent necessary to offset in each fiscal year beginning before October 1, 2011, the decrease in revenues to the Treasury for that fiscal year resulting from the amendment made by this section.

SA 743. Mr. BAUCUS (for Mr. CONRAD) proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 9, strike the matter between lines 11 and 12, and insert:

"In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:			
	28%	31%	36%	39.6%
2002, 2003, and 2004	27%	30%	35%	38.6%
2005 and 2006	26%	29%	35%	38.6%
2007 and thereafter	25%	28%	35%	38.6%

On page 13, between lines 15 and 16, insert:

SEC. 104. INCREASE IN STANDARD DEDUCTION.

(a) IN GENERAL.—Section 63(c) (relating to standard deduction), as amended by section 301, is amended by adding at the end the following:

"(8) ADDITIONAL INCREASE IN BASIC STANDARD DEDUCTION.—In the case of taxable years beginning after December 31, 2004—

"(A) the basic standard deduction in effect for the taxable year under subparagraph (B) or (C) of paragraph (2) (without regard to this paragraph) shall be increased by—

"(i) $600 in the case of taxable years beginning in 2005 and 2006, and

"(ii) $1,600 in the case of taxable years beginning after 2006, and

"(B) the basic standard deduction in effect for the taxable year under subparagraph (A) of paragraph (2) (without regard to this paragraph) shall be increased by the applicable percentage (as defined in paragraph (7)) of the increase under subparagraph (A) of this paragraph."

(b) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 2004.

SA 744. Mr. BAUCUS (for Mr. CONRAD) proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 9, in the matter between lines 11 and 12, strike "36%" in the item relating to 2007 and thereafter and insert "36.6%".

On page 13, between lines 15 and 16, insert:

SEC. 104. INCREASE IN STANDARD DEDUCTION.

(a) IN GENERAL.—Section 63(c) (relating to standard deduction), as amended by section 301, is amended by adding at the end the following:

"(8) ADDITIONAL INCREASE IN BASIC STANDARD DEDUCTION.—In the case of taxable years beginning after December 31, 2006—

"(A) the basic standard deduction in effect for the taxable year under subparagraph (B) or (C) of paragraph (2) (without regard to this paragraph) shall be increased by $300, and

"(B) the basic standard deduction in effect for the taxable year under subparagraph (A) of paragraph (2) (without regard to this paragraph) shall be increased by the applicable percentage (as defined in paragraph (7)) of the increase under subparagraph (A) of this paragraph."

(b) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 2006.

SA 745. Mr. WARNER (for Mr. STEVENS (for himself, Mr. INOUYE, Mr. THOMPSON, Mr. HOLLINGS, Mr. MURKOWSKI, Mr. BINGAMAN, Mr. THURMOND, Mr. THOMAS, Ms. COLLINS, and Mr. WARNER)) proposed an amendment to the bill H.R. 1696, to expedite the construction of the World War II memorial in the District of Columbia; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. APPROVAL OF WORLD WAR II MEMORIAL SITE AND DESIGN.

Notwithstanding any other provision of law, the World War II Memorial described in plans approved by the Commission of Fine Arts on July 20, 2000 and November 16, 2000, and selected by the National Capital Planning Commission on September 21, 2000 and December 14, 2000, and in accordance with the special use permit issued by the Secretary of the Interior on January 23, 2001, and numbered NCR-NACC-5700-0103, shall be constructed expeditiously at the dedicated Rainbow Pool site in the District of Columbia in a manner consistent with such plans and permits, subject to design modifications, if any, approved in accordance with applicable laws and regulations.

SEC. 2. APPLICATION OF COMMEMORATIVE WORKS ACT.

Elements of the memorial design and construction not approved as of the date of enactment of this Act shall be considered and approved in accordance with the requirements of the Commemorative Works Act (40 U.S.C. 1001 et seq.).

SEC. 3. JUDICIAL REVIEW.

The decision to locate the memorial at the Rainbow Pool site in the District of Columbia and the actions by the Commission of Fine Arts on July 20, 2000 and November 16, 2000, the actions by the National Capital Planning Commission on September 21, 2000 and December 14, 2000, and the issuance of the special use permit identified in section 1 shall not be subject to judicial review.

SA 746. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of subtitle A of title VIII add the following:

SEC. ____ . EXPANSION OF WORK OPPORTUNITY TAX CREDIT.

(a) IN GENERAL.—Section 51(d)(1) (relating to members of targeted groups) is amended by striking "or" at the end of subparagraph (G), by striking the period at the end of subparagraph (H) and inserting ", or", and by adding at the end the following:

"(I) a qualified low-income veteran."

(b) QUALIFIED LOW-INCOME VETERAN.—Section 51(d) (relating to members of targeted groups) is amended by redesignating paragraphs (10) through (12) as paragraphs (11) through (13), respectively, and by inserting after paragraph (9) the following:

"(10) QUALIFIED LOW-INCOME VETERAN.—

"(A) IN GENERAL.—The term 'qualified low-income veteran' means any veteran whose gross income for the taxable year preceding the taxable year including the hiring date, was below the poverty line (as defined by the Office of Management and Budget) for such preceding taxable year .

"(B) VETERAN.—The term 'veteran' has the meaning given such term by paragraph (3)(B).

"(C) SPECIAL RULES FOR DETERMINING AMOUNT OF CREDIT.—For purposes of applying this subpart to wages paid or incurred to any qualified low-income veteran—

"(i) subsection (a) shall be applied by substituting '50 percent of the qualified first-year wages and 25 percent of the qualified second-year wages' for '40 percent of the qualified first year wages', and

"(ii) in lieu of paragraphs (2) and (3) of subsection (b), the following definitions and special rule shall apply:

"(I) QUALIFIED FIRST-YEAR WAGES.—The term 'qualified first-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning with the day the individual begins work for the employer.

"(II) QUALIFIED SECOND-YEAR WAGES.—The term 'qualified second-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning on the day after the last day of the 1-year period with respect to such individual determined under subclause (I).

"(III) ONLY FIRST $20,000 OF WAGES PER YEAR TAKEN INTO ACCOUNT.—The amount of the qualified first and second year wages which may be taken into account with respect to any individual shall not exceed $20,000 per year.".

(c) PERMANENCE OF CREDIT.—Section 51(c)(4) (relating to termination) is amended by inserting "(except for wages paid to a qualified low-income veteran)" after "individual".

(d) REVENUE OFFSET.—The Secretary of the Treasury shall adjust the highest rate of tax under section 1 of the Internal Revenue Code of 1986 (as amended by section 101 of this Act) to the extent necessary to offset in each fiscal year beginning before October 1, 2011, the decrease in revenues to the Treasury for that fiscal year resulting from the amendments made by this section.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after the date of the enactment of this Act.

SA 747. Mr. REID (for Mr. CARPER) proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

Strike all after the first word and insert the following:

1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the "Economic Stimulus Tax Cut Act of 2001".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) SECTION 15 NOT TO APPLY.—No amendment made by this Act shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

(d) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; etc.

TITLE I—INDIVIDUAL INCOME AND EMPLOYMENT TAXES

Subtitle A—In General

Sec. 101. Refund of individual income and employment taxes.

Sec. 102. Reduction in income tax rates for individuals.

Subtitle B—Compliance With Congressional Budget Act

Sec. 111. Sunset of provisions of title.

TITLE II—CHILD TAX CREDIT

Subtitle A—In General

Sec. 201. Modifications to child tax credit.

Subtitle B—Compliance With Congressional Budget Act

Sec. 211. Sunset of provisions of title.

TITLE III—MARRIAGE PENALTY RELIEF

Subtitle A—In General

Sec. 301. Elimination of marriage penalty in standard deduction.

Sec. 302. Phaseout of marriage penalty in 15-percent bracket.

Sec. 303. Marriage penalty relief for earned income credit; earned income to include only amounts includible in gross income; simplification of earned income credit.

Subtitle B—Compliance With Congressional Budget Act

Sec. 311. Sunset of provisions of title.

TITLE IV—AFFORDABLE EDUCATION PROVISIONS

Subtitle A—Education Savings Incentives

Sec. 401. Modifications to qualified tuition programs.

Subtitle B—Educational Assistance

Sec. 411. Permanent extension of exclusion for employer-provided educational assistance.
Sec. 412. Elimination of 60-month limit and increase in income limitation on student loan interest deduction.
Sec. 413. Exclusion of certain amounts received under the National Health Service Corps Scholarship Program and the F. Edward Hebert Armed Forces Health Professions Scholarship and Financial Assistance Program.

Subtitle C—Other Provisions

Sec. 421. Deduction for higher education expenses.

Subtitle D—Compliance With Congressional Budget Act

Sec. 431. Sunset of provisions of title.

TITLE V—ESTATE, GIFT, AND GENERATION-SKIPPING TRANSFER TAX PROVISIONS

Sec. 501. Increase in amount of unified credit against estate and gift taxes.
Sec. 502. Increase in qualified family-owned business interest deduction amount.
Sec. 503. Sunset of provisions of title.

TITLE VI—PENSION AND INDIVIDUAL RETIREMENT ARRANGEMENT PROVISIONS

Subtitle A—Individual Retirement Accounts

Sec. 601. Modification of IRA contribution limits.
Sec. 602. Deemed IRAs under employer plans.
Sec. 603. Tax-free distributions from individual retirement accounts for charitable purposes.

Subtitle B—Expanding Coverage

Sec. 611. Plan loans for subchapter S owners, partners, and sole proprietors.
Sec. 612. Modification of top-heavy rules.
Sec. 613. Elective deferrals not taken into account for purposes of deduction limits.
Sec. 614. Repeal of coordination requirements for deferred compensation plans of State and local governments and tax-exempt organizations.
Sec. 615. Deduction limits.
Sec. 616. Option to treat elective deferrals as after-tax Roth contributions.
Sec. 617. Nonrefundable credit to certain individuals for elective deferrals and IRA contributions.
Sec. 618. Credit for qualified pension plan contributions of small employers.
Sec. 619. Credit for pension plan startup costs of small employers.
Sec. 620. Elimination of user fee for requests to IRS regarding new pension plans.
Sec. 621. Treatment of nonresident aliens engaged in international transportation services.

Subtitle C—Enhancing Fairness for Women

Sec. 631. Equitable treatment for contributions of employees to defined contribution plans.
Sec. 632. Faster vesting of certain employer matching contributions.
Sec. 633. Modifications to minimum distribution rules.
Sec. 634. Clarification of tax treatment of division of section 457 plan benefits upon divorce.
Sec. 635. Provisions relating to hardship distributions.
Sec. 636. Waiver of tax on nondeductible contributions for domestic or similar workers.

Subtitle D—Increasing Portability for Participants

Sec. 641. Rollovers allowed among various types of plans.
Sec. 642. Rollovers of IRAs into workplace retirement plans.
Sec. 643. Rollovers of after-tax contributions.
Sec. 644. Hardship exception to 60-day rule.
Sec. 645. Treatment of forms of distribution.
Sec. 646. Rationalization of restrictions on distributions.
Sec. 647. Purchase of service credit in governmental defined benefit plans.
Sec. 648. Employers may disregard rollovers for purposes of cash-out amounts.
Sec. 649. Minimum distribution and inclusion requirements for section 457 plans.

Subtitle E—Strengthening Pension Security and Enforcement

PART I—GENERAL PROVISIONS

Sec. 651. Repeal of 160 percent of current liability funding limit.
Sec. 652. Maximum contribution deduction rules modified and applied to all defined benefit plans.
Sec. 653. Excise tax relief for sound pension funding.
Sec. 654. Treatment of multiemployer plans under section 415.
Sec. 655. Protection of investment of employee contributions to 401(k) plans.
Sec. 656. Prohibited allocations of stock in S corporation ESOP.
Sec. 657. Automatic rollovers of certain mandatory distributions.
Sec. 658. Clarification of treatment of contributions to multiemployer plan.

PART II—TREATMENT OF PLAN AMENDMENTS REDUCING FUTURE BENEFIT ACCRUALS

Sec. 659. Notice required for pension plan amendments having the effect of significantly reducing future benefit accruals.

Subtitle F—Reducing Regulatory Burdens

Sec. 661. Modification of timing of plan valuations.
Sec. 662. ESOP dividends may be reinvested without loss of dividend deduction.
Sec. 663. Repeal of transition rule relating to certain highly compensated employees.
Sec. 664. Employees of tax-exempt entities.
Sec. 665. Clarification of treatment of employer-provided retirement advice.
Sec. 666. Reporting simplification.
Sec. 667. Improvement of employee plans compliance resolution system.
Sec. 668. Repeal of the multiple use test.
Sec. 669. Flexibility in nondiscrimination, coverage, and line of business rules.
Sec. 670. Extension to all governmental plans of moratorium on application of certain nondiscrimination rules applicable to State and local plans.

Subtitle G—Other ERISA Provisions

Sec. 681. Missing participants.
Sec. 682. Reduced PBGC premium for new plans of small employers.
Sec. 683. Reduction of additional PBGC premium for new and small plans.
Sec. 684. Authorization for PBGC to pay interest on premium overpayment refunds.
Sec. 685. Substantial owner benefits in terminated plans.

Subtitle H—Miscellaneous Provisions

Sec. 691. Tax treatment and information requirements of Alaska Native settlement trusts.

Subtitle I—Compliance With Congressional Budget Act

Sec. 695. Sunset of provisions of title.

TITLE VII—EXTENSIONS OF EXPIRING PROVISIONS

Subtitle A—In General

Sec. 701. Permanent extension of research credit.
Sec. 702. Work opportunity credit and welfare-to-work credit.
Sec. 703. Taxable income limit on percentage depletion for marginal production.
Sec. 704. Subpart F exemption for active financing income.
Sec. 705. Parity in the application of certain limits to mental health benefits.
Sec. 706. Deduction for clean-fuel vehicles and certain refueling property.
Sec. 707. Luxury tax on passenger vehicles.

Subtitle B—Compliance With Congressional Budget Act

Sec. 711. Sunset of provisions of title.

TITLE VIII—ALTERNATIVE MINIMUM TAX

Subtitle A—In General

Sec. 801. Alternative minimum tax exemption for certain individual taxpayers.

Subtitle B—Compliance With Congressional Budget Act

Sec. 811. Sunset of provisions of title.

TITLE IX—ENSURING DEBT REDUCTION

Sec. 901. Ensuring debt reduction.

TITLE X—OTHER PROVISIONS

Subtitle A—In General

Sec. 1001. Expansion of authority to postpone certain tax-related deadlines by reason of presidentially declared disaster.
Sec. 1002. Historic homeownership rehabilitation credit.

Subtitle B—Compliance With Congressional Budget Act

Sec. 1011. Sunset of provisions of title.

TITLE XI—ENERGY SECURITY AND TAX INCENTIVE POLICY

Subtitle A—Energy-Efficient Property Used in Business

Sec. 1101. Credit for certain energy-efficient property used in business.

Sec. 1102. Energy-efficient commercial building property deduction.

Subtitle B—Residential Energy Systems

Sec. 1111. Credit for construction of new energy-efficient home.

Sec. 1112. Credit for energy efficiency improvements to existing homes.

Sec. 1113. Credit for residential solar, wind, and fuel cell energy property.

Subtitle C—Electricity Facilities and Production

Sec. 1121. Modifications to credit for electricity produced from renewable and waste products.

Subtitle D—Compliance With Congressional Budget Act

Sec. 1131. Sunset of provisions of title.

TITLE I—INDIVIDUAL INCOME AND EMPLOYMENT TAXES

Subtitle A—In General

SEC. 101. REFUND OF INDIVIDUAL INCOME AND EMPLOYMENT TAXES.

(a) In General.—Subchapter B of chapter 65 (relating to rules of special application in the case of abatements, credits, and refunds) is amended by adding at the end the following new section:

"SEC. 6428. REFUND OF INDIVIDUAL INCOME AND EMPLOYMENT TAXES.

"(a) General Rule.—Except as otherwise provided in this section, each individual shall be treated as having made a payment against the tax imposed by chapter 1 for any taxable year beginning in 2001, in an amount equal to the lesser of—

"(1) the amount of the taxpayer's liability for tax for the taxpayer's last taxable year beginning in calendar year 2000, or

"(2) the taxpayer's applicable amount.

"(b) Liability for Tax.—For purposes of this section, the liability for tax for the taxable year shall be the sum of—

"(1) the excess (if any) of—

"(A) the sum of—

"(i) the taxpayer's regular tax liability (within the meaning of section 26(b)) for the taxable year, and

"(ii) the tax imposed by section 55(a) with respect to such taxpayer for the taxable year, over

"(B) the sum of the credits allowable under part IV of subchapter A of chapter 1 (other than sections 31, 33, and 34) for the taxable year, and

"(2) the taxes imposed by sections 1401, 3101, 3111, 3201(a), 3211(a)(1), and 3221(a) on amounts received by the taxpayer for the taxable year.

"(c) Applicable Amount.—For purposes of this section—

"(1) In general.—The applicable amount for any taxpayer shall be determined under the following table:

"In the case of a taxpayer described in:	The applicable amount is:
Section 1(a)	$600
Section 1(b)	$450
Section 1(c)	$300
Section 1(d)	$300
Paragraph (2)	$300.

"(2) Taxpayers with only payroll tax liability.—A taxpayer is described in this paragraph if such taxpayer's liability for tax for the taxable year does not include any liability described in subsection (b)(1).

"(d) Date Payment Deemed Made.—

"(1). In general.—The payment provided by this section shall be deemed made on the date of the enactment of this section.

"(2) Remittance of payment.—The Secretary shall remit to each taxpayer the payment described in paragraph (1) within 90 days after such date of enactment.

"(3) Claim for nonpayment.—Any taxpayer who erroneously does not receive a payment described in paragraph (1) may make claim for such payment in a manner and at such time as the Secretary prescribes.

"(e) Certain Persons Not Eligible.—This section shall not apply to—

"(1) any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins,

"(2) any estate or trust, or

"(3) any nonresident alien individual.".

(b) Conforming Amendment.—Section 1324(b)(2) of title 31, United States Code, is amended by inserting before the period ", or enacted by the Economic Stimulus Tax Cut Act of 2001".

(c) Clerical Amendment.—The table of sections for subchapter B of chapter 65 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

"Sec. 6428. Refund of individual income and employment taxes.".

(d) Effective Date.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 102. REDUCTION IN INCOME TAX RATES FOR INDIVIDUALS.

(a) In General.—Section 1 is amended by adding at the end the following new subsection:

"(i) Rate Reductions After 2000.—

"(1) New lowest rate bracket.—

"(A) In general.—In the case of taxable years beginning after December 31, 2000—

"(i) the rate of tax under subsections (a), (b), (c), and (d) on taxable income not over the initial bracket amount shall be 10 percent, and

"(ii) the 15 percent rate of tax shall apply only to taxable income over the initial bracket amount but not over the maximum dollar amount for the 15-percent rate bracket.

"(B) Initial bracket amount.—For purposes of this subsection, the initial bracket amount is—

"(i) $12,000 in the case of subsection (a),

"(ii) $10,000 in the case of subsection (b), and

"(iii) ½ the amount applicable under clause (i) (after adjustment, if any, under subparagraph (C)) in the case of subsections (c) and (d).

"(C) Inflation adjustment.—In prescribing the tables under subsection (f) which apply with respect to taxable years beginning in calendar years after 2001—

"(i) the Secretary shall make no adjustment to the initial bracket amount for any taxable year beginning before January 1, 2007,

"(ii) the cost-of-living adjustment used in making adjustments to the initial bracket amount for any taxable year beginning after December 31, 2006, shall be determined under subsection (f)(3) by substituting '2005' for '1992' in subparagraph (B) thereof, and

"(iii) such adjustment shall not apply to the amount referred to in subparagraph (B)(iii).

If any amount after adjustment under the preceding sentence is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.

"(2) Reductions in rates after 2001.—

"(A) In general.—Each rate of tax (other than the 10 percent rate) in the tables under subsections (a), (b), (c), (d), and (e) shall be reduced by 1 percentage point for taxable years beginning during a calendar year after the trigger year.

"(B) Trigger year.—For purposes of subparagraph (A), the trigger year is—

"(i) 2002, in the case of the 15 percent rate,

"(ii) 2003, in the case of the 28 percent rate,

"(iii) 2004, in the case of the 31 percent rate,

"(iv) 2005, in the case of the 36 percent rate, and

"(v) 2006, in the case of the 39.6 percent rate.

"(3) Adjustment of tables.—The Secretary shall adjust the tables prescribed under subsection (f) to carry out this subsection.".

(b) Determination of Withholding Tables.—Section 3402(a) of the Internal Revenue Code of 1986 (relating to requirement of withholding) is amended by adding at the end the following new paragraph:

"(3) Changes made by section 102 of the Economic Stimulus Tax Cut Act of 2001.—Notwithstanding the provisions of this subsection, the Secretary shall modify the tables and procedures under paragraph (1) to reflect the amendments made by section 102 of the Economic Stimulus Tax Cut Act of 2001, and such modification shall take effect on July 1, 2001, as if the lowest rate of tax under section 1 (as amended by such section 102) was a 10-percent rate effective on such date.".

(c) Conforming Amendments.—

(1) Subparagraph (B) of section 1(g)(7) of the Internal Revenue Code of 1986 is amended—

(A) by striking "15 percent" in clause (ii)(II) and inserting "the first bracket percentage", and

(B) by adding at the end the following flush sentence:

"For purposes of clause (ii), the first bracket percentage is the percentage applicable to the lowest income bracket in the table under subsection (c).".

(2) Section 1(h) of such Code is amended by striking paragraph (13).

(3) Section 15 of such Code is amended by adding at the end the following new subsection:

"(f) Rate Reductions Enacted by Economic Stimulus Tax Cut Act of 2001.—This section shall not apply to any change in rates under subsection (i) of section 1 (relating to rate reductions in 2001).".

(4) Section 3402(p)(2) of such Code is amended by striking "equal to 15 percent of such payment" and inserting "equal to the product of the lowest rate of tax under section 1(c) and such payment".

(d) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) Amendments to withholding provision.—The amendments made by subsection (b) and subsection (c)(4) shall apply to amounts paid after June 30, 2001.

Subtitle B—Compliance With Congressional Budget Act

SEC. 111. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE II—CHILD TAX CREDIT

Subtitle A—In General

SEC. 201. MODIFICATIONS TO CHILD TAX CREDIT.

(a) Increase in Per Child Amount.—

(1) In general.—Subsection (a) of section 24 (relating to child tax credit) is amended to read as follows:

"(a) Allowance of Credit.—

"(1) In general.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year with respect to each qualifying child of the taxpayer an amount equal to the per child amount.

"(2) Per child amount.—For purposes of paragraph (1), the per child amount shall be determined as follows:

"In the case of any taxable year beginning in—	**The per child amount is—**
2002, 2003, 2004, 2005, 2006, or 2007	$600
2008	700
2009	800
2010	900
2011 or thereafter	1,000.".

(2) Inflation adjustment.—

"(g) Inflation Adjustment.—In the case of any taxable year beginning after 2001, any dollar amount contained in subsection (a)(2) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section (1)(f)(3) for the calendar year in which the taxable year begins, by substituting "calendar year 2000" for "calendar year 1992.".

(b) Credit Allowed Against Alternative Minimum Tax.—

(1) In general.—Subsection (b) of section 24 (relating to child tax credit) is amended by adding at the end the following new paragraph:

"(3) Limitation based on amount of tax.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

"(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

"(B) the sum of the credits allowable under this subpart (other than this section) and section 27 for the taxable year.".

(2) Conforming amendments.—

(A) The heading for section 24(b) is amended to read as follows: "Limitations.—".

(B) The heading for section 24(b)(1) is amended to read as follows: "Limitation based on adjusted gross income.—".

(C) Section 24(d) is amended—

(i) by striking "section 26(a)" each place it appears and inserting "subsection (b)(3)", and

(ii) in paragraph (1)(B) by striking "aggregate amount of credits allowed by this subpart" and inserting "amount of credit allowed by this section".

(D) Paragraph (1) of section 26(a) is amended by inserting "(other than section 24)" after "this subpart".

(E) Subsection (c) of section 23 is amended by striking "and section 1400C" and inserting "and sections 24 and 1400C".

(F) Subparagraph (C) of section 25(e)(1) is amended by inserting ", 24," after "sections 23".

(G) Section 904(h) is amended by inserting "(other than section 24)" after "chapter".

(H) Subsection (d) of section 1400C is amended by inserting "and section 24" after "this section".

(c) Refundable Child Credit.—

(1) In general.—So much of section 24(d) (relating to additional credit for families with 3 or more children) as precedes paragraph (2) is amended to read as follows:

"(d) Portion of Credit Refundable.—

"(1) In general.—The aggregate credits allowed to a taxpayer under subpart C shall be increased by the lesser of—

"(A) the credit which would be allowed under this section without regard to this subsection and the limitation under subsection (b)(3), or

"(B) the amount by which the amount of credit allowed by this section (determined without regard to this subsection) would increase if the limitation imposed by subsection (b)(3) were increased by—

"(i) in the case of a taxpayer not described in clause (ii), 15 percent of so much of the taxpayer's earned income (within the meaning of section 32) for the taxable year as exceeds $8,000, and

"(ii) in the case of a taxpayer with 3 or more qualifying children, the excess (if any) of—

"(I) the taxpayer's social security taxes for the taxable year, over

"(II) the credit allowed under section 32 for the taxable year.

The amount of the credit allowed under this subsection shall not be treated as a credit allowed under this subpart and shall reduce the amount of credit otherwise allowable under subsection (a) without regard to subsection (b)(3).".

(2) Conforming amendment.—Section 32 is amended by striking subsection (n).

(d) Elimination of Reduction of Credit to Taxpayer Subject to Alternative Minimum Tax Provision.—Section 24(d) is amended—

(1) by striking paragraph (2), and

(2) by redesignating paragraph (3) as paragraph (2).

(e) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

Subtitle B—Compliance With Congressional Budget Act

SEC. 211. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE III—MARRIAGE PENALTY RELIEF

Subtitle A—In General

SEC. 301. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) In General.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(1) by striking "$5,000" in subparagraph (A) and inserting "the applicable percentage of the dollar amount in effect under subparagraph (C) for the taxable year";

(2) by adding "or" at the end of subparagraph (B);

(3) by striking "in the case of" and all that follows in subparagraph (C) and inserting "in any other case."; and

(4) by striking subparagraph (D).

(b) Applicable Percentage.—Section 63(c) (relating to standard deduction) is amended by adding at the end the following new paragraph:

"(7) Applicable percentage.—For purposes of paragraph (2), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in calendar year—	**The applicable percentage is—**
2002	174
2003	180
2004	187
2005	193
2006 and thereafter	200.".

(c) Technical Amendments.—

(1) Subparagraph (B) of section 1(f)(6) is amended by striking "(other than with" and all that follows through "shall be applied" and inserting "(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied".

(2) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

"The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).".

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. 302. PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT BRACKET.

(a) In General.—Section 1(f) (relating to adjustments in tax tables so that inflation will not result in tax increases) is amended by adding at the end the following new paragraph:

"(8) Phaseout of marriage penalty in 15-percent bracket.—

"(A) In general.—With respect to taxable years beginning after December 31, 2005, in prescribing the tables under paragraph (1)—

"(i) the maximum taxable income in the 15-percent rate bracket in the table contained in subsection (a) (and the minimum taxable income in the next higher taxable income bracket in such table) shall be the applicable percentage of the maximum taxable income in the 15-percent rate bracket in the table contained in subsection (c) (after any other adjustment under this subsection), and

"(ii) the comparable taxable income amounts in the table contained in subsection (d) shall be ½ of the amounts determined under clause (i).

"(B) Applicable percentage.—For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

2"For taxable years beginning in calendar year—	**The applicable percentage is—**
2006	174
2007	180
2008	187
2009	193
2010 and thereafter	200.

"(C) Rounding.—If any amount determined under subparagraph (A)(i) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.".

(b) Technical Amendments.—

(1) Subparagraph (A) of section 1(f)(2) is amended by inserting "except as provided in paragraph (8)," before "by increasing".

(2) The heading for subsection (f) of section 1 is amended by inserting "Phaseout of Marriage Penalty in 15-Percent Bracket;" before "Adjustments".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. 303. MARRIAGE PENALTY RELIEF FOR EARNED INCOME CREDIT; EARNED INCOME TO INCLUDE ONLY AMOUNTS INCLUDIBLE IN GROSS INCOME; SIMPLIFICATION OF EARNED INCOME CREDIT.

(a) Increased Phaseout Amount.—

(1) In general.—Section 32(b)(2) (relating to amounts) is amended—

(A) by striking "Amounts.—The earned" and inserting "Amounts.—

"(A) In general.—Subject to subparagraph (B), the earned", and

(B) by adding at the end the following new subparagraph:

"(B) Joint returns.—In the case of a joint return filed by an eligible individual and such individual's spouse, the phaseout amount determined under subparagraph (A) shall be increased by $3,000.".

(2) Inflation adjustment.—Paragraph (1)(B) of section 32(j) (relating to inflation adjustments) is amended to read as follows:

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined—

"(i) in the case of amounts in subsections (b)(2)(A) and (i)(1), by substituting 'calendar year 1995' for 'calendar year 1992' in subparagraph (B) thereof, and

"(ii) in the case of the $3,000 amount in subsection (b)(2)(B), by substituting 'calendar year 2001' for 'calendar year 1992' in subparagraph (B) of such section 1.".

(3) ROUNDING.—Section 32(j)(2)(A) (relating to rounding) is amended by striking "subsection (b)(2)" and inserting "subsection (b)(2)(A) (after being increased under subparagraph (B) thereof)".

(b) EARNED INCOME TO INCLUDE ONLY AMOUNTS INCLUDIBLE IN GROSS INCOME.—Clause (i) of section 32(c)(2)(A) (defining earned income) is amended by inserting ", but only if such amounts are includible in gross income for the taxable year" after "other employee compensation".

(c) REPEAL OF REDUCTION OF CREDIT TO TAXPAYERS SUBJECT TO ALTERNATIVE MINIMUM TAX.—Section 32(h) is repealed.

(d) REPLACEMENT OF MODIFIED ADJUSTED GROSS INCOME WITH ADJUSTED GROSS INCOME.—

(1) IN GENERAL.—Section 32(a)(2)(B) is amended by striking "modified".

(2) CONFORMING AMENDMENTS.—

(A) Section 32(c) is amended by striking paragraph (5).

(B) Section 32(f)(2)(B) is amended by striking "modified" each place it appears.

(e) RELATIONSHIP TEST.—

(1) IN GENERAL.—Clause (i) of section 32(c)(3)(B) (relating to relationship test) is amended to read as follows:

"(i) IN GENERAL.—An individual bears a relationship to the taxpayer described in this subparagraph if such individual is—

"(I) a son, daughter, stepson, or stepdaughter, or a descendant of any such individual,

"(II) a brother, sister, stepbrother, or stepsister, or a descendant of any such individual, who the taxpayer cares for as the taxpayer's own child, or

"(III) an eligible foster child of the taxpayer.".

(2) ELIGIBLE FOSTER CHILD.—

(A) IN GENERAL.—Clause (iii) of section 32(c)(3)(B) is amended to read as follows:

"(iii) ELIGIBLE FOSTER CHILD.—For purposes of clause (i), the term 'eligible foster child' means an individual not described in subclause (I) or (II) of clause (i) who—

"(I) is placed with the taxpayer by an authorized placement agency, and

"(II) the taxpayer cares for as the taxpayer's own child.".

(B) CONFORMING AMENDMENT.—Section 32(c)(3)(A)(ii) is amended by striking "except as provided in subparagraph (B)(iii),".

(f) 2 OR MORE CLAIMING QUALIFYING CHILD.—Section 32(c)(1)(C) is amended to read as follows:

"(C) 2 OR MORE CLAIMING QUALIFYING CHILD.—

"(i) IN GENERAL.—Except as provided in clause (ii), if (but for this paragraph) an individual may be claimed, and is claimed, as a qualifying child by 2 or more taxpayers for a taxable year beginning in the same calendar year, such individual shall be treated as the qualifying child of the taxpayer who is—

"(I) a parent of the individual, or

"(II) if subclause (I) does not apply, the taxpayer with the highest adjusted gross income for such taxable year.

"(ii) MORE THAN 1 CLAIMING CREDIT.—If the parents claiming the credit with respect to any qualifying child do not file a joint return together, such child shall be treated as the qualifying child of—

"(I) the parent with whom the child resided for the longest period of time during the taxable year, or

"(II) if the child resides with both parents for the same amount of time during such taxable year, the parent with the highest adjusted gross income.".

(g) EXPANSION OF MATHEMATICAL ERROR AUTHORITY.—Paragraph (2) of section 6213(g) is amended by striking "and" at the end of subparagraph (K), by striking the period at the end of subparagraph (L) and inserting ", and", and by inserting after subparagraph (L) the following new subparagraph:

"(M) the entry on the return claiming the credit under section 32 with respect to a child if, according to the Federal Case Registry of Child Support Orders established under section 453(h) of the Social Security Act, the taxpayer is a noncustodial parent of such child."

(h) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(2) SUBSECTION (g).—The amendment made by subsection (g) shall take effect on January 1, 2004.

Subtitle B—Compliance With Congressional Budget Act

SEC. 311. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE IV—AFFORDABLE EDUCATION PROVISIONS

Subtitle A—Education Savings Incentives

SEC. 401. MODIFICATIONS TO QUALIFIED TUITION PROGRAMS.

(a) ELIGIBLE EDUCATIONAL INSTITUTIONS PERMITTED TO MAINTAIN QUALIFIED TUITION PROGRAMS.—

(1) IN GENERAL.—Section 529(b)(1) (defining qualified State tuition program) is amended—

(A) by inserting "or by 1 or more eligible educational institutions" after "maintained by a State or agency or instrumentality thereof" in the matter preceding subparagraph (A), and

(B) by adding at the end the following new flush sentence:

"Except to the extent provided in regulations, a program established and maintained by 1 or more eligible educational institutions shall not be treated as a qualified tuition program unless such program has received a ruling or determination that such program meets the applicable requirements for a qualified tuition program.".

(2) PRIVATE QUALIFIED TUITION PROGRAMS LIMITED TO BENEFIT PLANS.—Clause (ii) of section 529(b)(1)(A) is amended by inserting "in the case of a program established and maintained by a State or agency or instrumentality thereof," before "may make".

(3) CONFORMING AMENDMENTS.—

(A) Sections 72(e)(9), 135(c)(2)(C), 135(d)(1)(D), 529, 530(b)(2)(B), 4973(e), and 6693(a)(2)(C) are amended by striking "qualified State tuition" each place it appears and inserting "qualified tuition".

(B) The headings for sections 72(e)(9) and 135(c)(2)(C) are amended by striking "QUALIFIED STATE TUITION" each place it appears and inserting "QUALIFIED TUITION".

(C) The headings for sections 529(b) and 530(b)(2)(B) are amended by striking "QUALIFIED STATE TUITION" each place it appears and inserting "QUALIFIED TUITION".

(D) The heading for section 529 is amended by striking "state".

(E) The item relating to section 529 in the table of sections for part VIII of subchapter F of chapter 1 is amended by striking "State".

(b) EXCLUSION FROM GROSS INCOME OF EDUCATION DISTRIBUTIONS FROM QUALIFIED TUITION PROGRAMS.—

(1) IN GENERAL.—Section 529(c)(3)(B) (relating to distributions) is amended to read as follows:

"(B) DISTRIBUTIONS FOR QUALIFIED HIGHER EDUCATION EXPENSES.—For purposes of this paragraph—

"(i) IN-KIND DISTRIBUTIONS.—No amount shall be includible in gross income under subparagraph (A) by reason of a distribution which consists of providing a benefit to the distributee which, if paid for by the distributee, would constitute payment of a qualified higher education expense.

"(ii) CASH DISTRIBUTIONS.—In the case of distributions not described in clause (i), if—

"(I) such distributions do not exceed the qualified higher education expenses (reduced by expenses described in clause (i)), no amount shall be includible in gross income, and

"(II) in any other case, the amount otherwise includible in gross income shall be reduced by an amount which bears the same ratio to such amount as such expenses bear to such distributions.

"(iii) EXCEPTION FOR INSTITUTIONAL PROGRAMS.—In the case of any taxable year beginning before January 1, 2004, clauses (i) and (ii) shall not apply with respect to any distribution during such taxable year under a qualified tuition program established and maintained by 1 or more eligible educational institutions.

"(iv) TREATMENT AS DISTRIBUTIONS.—Any benefit furnished to a designated beneficiary under a qualified tuition program shall be treated as a distribution to the beneficiary for purposes of this paragraph.

"(v) COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS.—The total amount of qualified higher education expenses with respect to an individual for the taxable year shall be reduced—

"(I) as provided in section 25A(g)(2), and

"(II) by the amount of such expenses which were taken into account in determining the credit allowed to the taxpayer or any other person under section 25A.

"(vi) COORDINATION WITH EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.—If, with respect to an individual for any taxable year—

"(I) the aggregate distributions to which clauses (i) and (ii) and section 530(d)(2)(A) apply, exceed

"(II) the total amount of qualified higher education expenses otherwise taken into account under clauses (i) and (ii) (after the application of clause (v)) for such year,

the taxpayer shall allocate such expenses among such distributions for purposes of determining the amount of the exclusion under clauses (i) and (ii) and section 530(d)(2)(A).".

(2) CONFORMING AMENDMENTS.—

(A) Section 135(d)(2)(B) is amended by striking "the exclusion under section 530(d)(2)" and inserting "the exclusions under sections 529(c)(3)(B) and 530(d)(2)".

(B) Section 221(e)(2)(A) is amended by inserting "529," after "135,".

(c) ROLLOVER TO DIFFERENT PROGRAM FOR BENEFIT OF SAME DESIGNATED BENEFICIARY.—Section 529(c)(3)(C) (relating to change in beneficiaries) is amended—

(1) by striking "transferred to the credit" in clause (i) and inserting "transferred—

“(I) to another qualified tuition program for the benefit of the designated beneficiary, or

“(II) to the credit”,

(2) by adding at the end the following new clause:

“(iii) LIMITATION ON CERTAIN ROLLOVERS.—Clause (i)(I) shall only apply to the first 3 transfers with respect to a designated beneficiary.”, and

(3) by inserting “OR PROGRAMS” after “BENEFICIARIES” in the heading.

(d) MEMBER OF FAMILY INCLUDES FIRST COUSIN.—Section 529(e)(2) (defining member of family) is amended by striking “and” at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and by inserting “; and”, and by adding at the end the following new subparagraph:

“(D) any first cousin of such beneficiary.”.

(e) ADJUSTMENT OF LIMITATION ON ROOM AND BOARD DISTRIBUTIONS.—Section 529(e)(3)(B)(ii) is amended to read as follows:

“(ii) LIMITATION.—The amount treated as qualified higher education expenses by reason of clause (i) shall not exceed—

“(I) the allowance (applicable to the student) for room and board included in the cost of attendance (as defined in section 472 of the Higher Education Act of 1965 (20 U.S.C. 1087ll), as in effect on the date of the enactment of the Economic Stimulus Tax Cut Act of 2001) as determined by the eligible educational institution for such period, or

“(II) if greater, the actual invoice amount the student residing in housing owned or operated by the eligible educational institution is charged by such institution for room and board costs for such period.”.

(f) TECHNICAL AMENDMENTS.—Section 529(c)(3)(D) is amended—

(1) by inserting “except to the extent provided by the Secretary,” before “all distributions” in clause (ii), and

(2) by inserting “except to the extent provided by the Secretary,” before “the value” in clause (iii).

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

Subtitle B—Educational Assistance

SEC. 411. PERMANENT EXTENSION OF EXCLUSION FOR EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE.

(a) IN GENERAL.—Section 127 (relating to exclusion for educational assistance programs) is amended by striking subsection (d) and by redesignating subsection (e) as subsection (d).

(b) REPEAL OF LIMITATION ON GRADUATE EDUCATION.—The last sentence of section 127(c)(1) is amended by striking “, and such term also does not include any payment for, or the provision of any benefits with respect to, any graduate level course of a kind normally taken by an individual pursuing a program leading to a law, business, medical, or other advanced academic or professional degree”.

(c) CONFORMING AMENDMENT.—Section 51A(b)(5)(B)(iii) is amended by striking “or would be so excludable but for section 127(d)”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to expenses relating to courses beginning after December 31, 2001.

SEC. 412. ELIMINATION OF 60-MONTH LIMIT AND INCREASE IN INCOME LIMITATION ON STUDENT LOAN INTEREST DEDUCTION.

(a) ELIMINATION OF 60-MONTH LIMIT.—

(1) IN GENERAL.—Section 221 (relating to interest on education loans), as amended by section 402(b)(2)(B), is amended by striking subsection (d) and by redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively.

(2) CONFORMING AMENDMENT.—Section 6050S(e) is amended by striking “section 221(e)(1)” and inserting “section 221(d)(1)”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to any loan interest paid after December 31, 2001, in taxable years ending after such date.

(b) INCREASE IN INCOME LIMITATION.—

(1) IN GENERAL.—Section 221(b)(2)(B) (relating to amount of reduction) is amended by striking clauses (i) and (ii) and inserting the following:

“(i) the excess of—

“(I) the taxpayer's modified adjusted gross income for such taxable year, over

“(II) $50,000 ($100,000 in the case of a joint return), bears to

“(ii) $15,000 ($30,000 in the case of a joint return).”.

(2) CONFORMING AMENDMENT.—Section 221(g)(1) is amended by striking “$40,000 and $60,000 amounts” and inserting “$50,000 and $100,000 amounts”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after December 31, 2001.

SEC. 413. EXCLUSION OF CERTAIN AMOUNTS RECEIVED UNDER THE NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP PROGRAM AND THE F. EDWARD HEBERT ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM.

(a) IN GENERAL.—Section 117(c) (relating to the exclusion from gross income amounts received as a qualified scholarship) is amended—

(1) by striking “Subsections (a)” and inserting the following:

“(1) IN GENERAL.—Except as provided in paragraph (2), subsections (a)”, and

(2) by adding at the end the following new paragraph:

“(2) EXCEPTIONS.—Paragraph (1) shall not apply to any amount received by an individual under—

“(A) the National Health Service Corps Scholarship Program under section 338A(g)(1)(A) of the Public Health Service Act, or

“(B) the Armed Forces Health Professions Scholarship and Financial Assistance program under subchapter I of chapter 105 of title 10, United States Code.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to amounts received in taxable years beginning after December 31, 2001.

Subtitle C—Other Provisions

SEC. 421. DEDUCTION FOR HIGHER EDUCATION EXPENSES.

(a) DEDUCTION ALLOWED.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals) is amended by redesignating section 222 as section 223 and by inserting after section 221 the following;

“SEC. 222. QUALIFIED TUITION AND RELATED EXPENSES.

“(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction an amount equal to the qualified tuition and related expenses paid by the taxpayer during the taxable year.

“(b) DOLLAR LIMITATIONS.—

“(1) IN GENERAL.—The amount allowed as a deduction under subsection (a) with respect to the taxpayer for any taxable year shall not exceed the applicable dollar limit.

“(2) APPLICABLE DOLLAR LIMIT.—

“(A) 2002 AND 2003.—In the case of a taxable year beginning in 2002 or 2003, the applicable dollar limit shall be equal to—

“(i) in the case of a taxpayer whose adjusted gross income for the taxable year does not exceed $65,000 ($130,000 in the case of a joint return), $3,000, and—

“(ii) in the case of any other taxpayer, zero.

“(B) 2004 AND 2005.—In the case of a taxable year beginning in 2004 or 2005, the applicable dollar amount shall be equal to—

“(i) in the case of a taxpayer whose adjusted gross income for the taxable year does not exceed $65,000 ($130,000 in the case of a joint return), $5,000, and

“(ii) in the case of any other taxpayer, zero.

“(C) 2006 THROUGH 2011.—

“(i) IN GENERAL.—In the case of a taxable year beginning in 2006, 2007, 2008, 2009, 2010, or 2011, the applicable dollar amount shall be equal to the applicable dollar amount determined in the table contained in clause (ii), reduced (but not below zero) by the amount determined under clause (iii).

“(ii) APPLICABLE DOLLAR AMOUNT.—

“Taxable year beginning in:	Applicable dollar amount:
2006	$5,000
2007	$6,000
2008	$7,000
2009	$8,000
2010	$9,000
2011	$10,000.

“(iii) AMOUNT OF REDUCTION.—The amount determined under this clause for any taxable year is the amount which bears the same ratio to the applicable dollar amount determined in the table contained in clause (ii) for such taxable year as—

“(I) the excess of—

“(aa) the taxpayer's adjusted gross income for such taxable year, over

“(bb) $65,000 ($130,000 in the case of a joint return), bears to

“(II) $10,000 ($20,000 in the case of a joint return).

“(D) ADJUSTED GROSS INCOME.—For purposes of this paragraph, adjusted gross income shall be determined—

“(i) without regard to this section and sections 911, 931, and 933, and

“(ii) after application of sections 86, 135, 137, 219, 221, and 469.

“(c) NO DOUBLE BENEFIT.—

“(1) IN GENERAL.—No deduction shall be allowed under subsection (a) for any expense for which a deduction is allowed to the taxpayer under any other provision of this chapter.

“(2) COORDINATION WITH OTHER EDUCATION INCENTIVES.—

“(A) DENIAL OF DEDUCTION IF CREDIT ELECTED.—No deduction shall be allowed under subsection (a) for a taxable year with respect to the qualified tuition and related expenses with respect to an individual if the taxpayer or any other person elects to have section 25A apply with respect to such individual for such year.

“(B) COORDINATION WITH EXCLUSIONS.—The total amount of qualified tuition and related expenses shall be reduced by the amount of such expenses taken into account in determining any amount excluded under section 135, 529(c)(1), or 530(d)(2).

“(3) DEPENDENTS.—No deduction shall be allowed under subsection (a) to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.

"(d) Definitions and Special Rules.—For purposes of this section—

"(1) Qualified tuition and related expenses.—The term 'qualified tuition and related expenses' has the meaning given such term by section 25A(f). Such expenses shall be reduced in the same manner as under section 25A(g)(2).

"(2) Identification requirement.—No deduction shall be allowed under subsection (a) to a taxpayer with respect to the qualified tuition and related expenses of an individual unless the taxpayer includes the name and taxpayer identification number of the individual on the return of tax for the taxable year.

"(3) Limitation on taxable year of deduction.—

"(A) In general.—A deduction shall be allowed under subsection (a) for qualified tuition and related expenses for any taxable year only to the extent such expenses are in connection with enrollment at an institution of higher education during the taxable year.

"(B) Certain prepayments allowed.—Subparagraph (A) shall not apply to qualified tuition and related expenses paid during a taxable year if such expenses are in connection with an academic term beginning during such taxable year or during the first 3 months of the next taxable year.

"(4) No deduction for married individuals filing separate returns.—If the taxpayer is a married individual (within the meaning of section 7703), this section shall apply only if the taxpayer and the taxpayer's spouse file a joint return for the taxable year.

"(5) Nonresident aliens.—If the taxpayer is a nonresident alien individual for any portion of the taxable year, this section shall apply only if such individual is treated as a resident alien of the United States for purposes of this chapter by reason of an election under subsection (g) or (h) of section 6013.

"(6) Regulations.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this section, including regulations requiring recordkeeping and information reporting.".

(b) Deduction Allowed in Computing Adjusted Gross Income.—Section 62(a) is amended by inserting after paragraph (17) the following:

"(18) Higher education expenses.—The deduction allowed by section 222.".

(c) Conforming Amendments.—

(1) Sections 86(b)(2), 135(c)(4), 137(b)(3), and 219(g)(3) are each amended by inserting "222," after "221,".

(2) Section 221(b)(2)(C) is amended by inserting "222," before "911".

(3) Section 469(i)(3)(E) is amended by striking "and 221" and inserting ", 221, and 222".

(4) The table of sections for part VII of subchapter B of chapter 1 is amended by striking the item relating to section 222 and inserting the following:

"Sec. 222. Qualified tuition and related expenses.

"Sec. 223. Cross reference.".

(d) Effective Date.—The amendments made by this section shall apply to payments made in taxable years beginning after December 31, 2001.

Subtitle D—Compliance With Congressional Budget Act

SEC. 431. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE V—ESTATE, GIFT, AND GENERATION-SKIPPING TRANSFER TAX PROVISIONS

SEC. 501. INCREASE IN AMOUNT OF UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES.

(a) In General.—Subsection (c) of section 2010 (relating to unified credit against estate tax) is amended to read as follows:

"(c) Applicable credit amount.—For purposes of this section—

"(1) In general.—The applicable credit amount is the amount of the tentative tax which would be determined under the rate schedule set forth in section 2001(c) if the amount with respect to which such tentative tax is to be computed were the applicable exclusion amount.

"(2) Applicable exclusion amount.—The applicable exclusion amount is equal to the sum of—

"(A) the decedent's exclusion amount, plus

"(B) in the case of a decedent described in paragraph (4), the unused spousal exclusion amount.

"(3) Decedent's exclusion amount.—

"(A) In general.—For purposes of paragraph (2)(A), the decedent's exclusion amount is $2,000,000.

"(B) Inflation adjustment of basis adjustment amounts.—

"(i) In general.—In the case of decedents dying in a calendar year after 2006, the $2,000,000 dollar amount in subparagraph (A) shall be increased by an amount equal to the product of—

"(i) such dollar amount, and

"(ii) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting '2005' for '1992' in subparagraph (B) thereof.

"(B) Rounding.—If any increase determined under subparagraph (A) is not a multiple of $250,000, such increase shall be rounded to the next lowest multiple thereof.

"(4) Unused spousal exclusion amount.—With respect to a decedent whose immediately predeceased spouse died after December 31, 2005, the unused spousal exclusion amount for such decedent is equal to the excess of—

"(A) the applicable exclusion amount allowable under this subsection to the estate of such immediately predeceased spouse, over

"(B) the applicable exclusion amount allowed under this section to the estate of such immediately predeceased spouse."

(b) Effective Date.—The amendment made by this section shall apply to the estates of decedents dying, and gifts made, after December 31, 2005.

SEC. 502. INCREASE IN QUALIFIED FAMILY-OWNED BUSINESS INTEREST DEDUCTION AMOUNT.

(a) In General.—Paragraph (2) of section 2057(a) (relating to family-owned business interests) is amended to read as follows:

"(2) Maximum deduction.—

"(A) In general.—The deduction allowed by this section shall not exceed the sum of—

"(i) the applicable deduction amount, plus

"(ii) in the case of a decedent described in subparagraph (C), the applicable unused spousal deduction amount.

"(B) Applicable deduction amount.—For purposes of this subparagraph (A)(i), the applicable deduction amount is determined in accordance with the following table:

"In the case of estates of decedents dying during:	**The applicable deduction amount is:**
2002, 2003, 2004, 2005, and 2006	$1,375,000
2007 and 2008	$1,625,000
2009	$2,375,000
2010 or thereafter	$3,375,000.

"(C) Applicable unused spousal deduction amount.—With respect to a decedent whose immediately predeceased spouse died after December 31, 2001, and the estate of such immediately predeceased spouse met the requirements of subsection (b)(1), the applicable unused spousal deduction amount for such decedent is equal to the excess of—

"(i) the applicable deduction amount allowable under this section to the estate of such immediately predeceased spouse, over

"(ii) the sum of—

"(I) the applicable deduction amount allowed under this section to the estate of such immediately predeceased spouse, plus

"(II) the amount of any increase in such estate's unified credit under paragraph (3)(B) which was allowed to such estate.".

(b) Conforming Amendments.—Section 2057(a)(3)(B) is amended—

(1) by striking "$675,000" both places it appears and inserting "the applicable deduction amount", and

(2) by striking "$675,000" in the heading and inserting "APPLICABLE DEDUCTION AMOUNT".

(c) Effective Date.—The amendment made by this section shall apply to the estates of decedents dying, and gifts made, after December 31, 2001.

SEC. 503. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE VI—PENSION AND INDIVIDUAL RETIREMENT ARRANGEMENT PROVISIONS

Subtitle A—Individual Retirement Accounts

SEC. 601. MODIFICATION OF IRA CONTRIBUTION LIMITS.

(a) Increase in Contribution Limit.—

(1) In general.—Paragraph (1)(A) of section 219(b) (relating to maximum amount of deduction) is amended by striking "$2,000" and inserting "the deductible amount".

(2) Deductible amount.—Section 219(b) is amended by adding at the end the following new paragraph:

"(5) Deductible amount.—For purposes of paragraph (1)(A), the deductible amount shall be determined in accordance with the following table:

"For taxable years beginning in:	**The deductible amount is:**
2002 through 2005	$2,500
2006 and thereafter	$3,000.".

(b) Conforming Amendments.—

(1) Section 408(a)(1) is amended by striking "in excess of $2,000 on behalf of any individual" and inserting "on behalf of any individual in excess of the amount in effect for such taxable year under section 219(b)(1)(A)".

(2) Section 408(b)(2)(B) is amended by striking "$2,000" and inserting "the dollar amount in effect under section 219(b)(1)(A)".

(3) Section 408(b) is amended by striking "$2,000" in the matter following paragraph (4) and inserting "the dollar amount in effect under section 219(b)(1)(A)".

(4) Section 408(j) is amended by striking "$2,000".

(5) Section 408(p)(8) is amended by striking "$2,000" and inserting "the dollar amount in effect under section 219(b)(1)(A)".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 602. DEEMED IRAS UNDER EMPLOYER PLANS.

(a) In General.—Section 408 (relating to individual retirement accounts) is amended by redesignating subsection (q) as subsection (r) and by inserting after subsection (p) the following new subsection:

"(q) Deemed IRAs Under Qualified Employer Plans.—

"(1) General rule.—If—

"(A) a qualified employer plan elects to allow employees to make voluntary employee contributions to a separate account or annuity established under the plan, and

"(B) under the terms of the qualified employer plan, such account or annuity meets the applicable requirements of this section or section 408A for an individual retirement account or annuity,

then such account or annuity shall be treated for purposes of this title in the same manner as an individual retirement plan and not as a qualified employer plan (and contributions to such account or annuity as contributions to an individual retirement plan and not to the qualified employer plan). For purposes of subparagraph (B), the requirements of subsection (a)(5) shall not apply.

"(2) Special rules for qualified employer plans.—For purposes of this title, a qualified employer plan shall not fail to meet any requirement of this title solely by reason of establishing and maintaining a program described in paragraph (1).

"(3) Definitions.—For purposes of this subsection—

"(A) Qualified employer plan.—The term 'qualified employer plan' has the meaning given such term by section 72(p)(4); except such term shall only include an eligible deferred compensation plan (as defined in section 457(b)) which is maintained by an eligible employer described in section 457(e)(1)(A).

"(B) Voluntary employee contribution.—The term 'voluntary employee contribution' means any contribution (other than a mandatory contribution within the meaning of section 411(c)(2)(C))—

"(i) which is made by an individual as an employee under a qualified employer plan which allows employees to elect to make contributions described in paragraph (1), and

"(ii) with respect to which the individual has designated the contribution as a contribution to which this subsection applies.".

(b) Amendment of ERISA.—

(1) In general.—Section 4 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1003) is amended by adding at the end the following new subsection:

"(c) If a pension plan allows an employee to elect to make voluntary employee contributions to accounts and annuities as provided in section 408(q) of the Internal Revenue Code of 1986, such accounts and annuities (and contributions thereto) shall not be treated as part of such plan (or as a separate pension plan) for purposes of any provision of this title other than section 403(c), 404, or 405 (relating to exclusive benefit, and fiduciary and co-fiduciary responsibilities).".

(2) Conforming amendment.—Section 4(a) of such Act (29 U.S.C. 1003(a)) is amended by inserting "or (c)" after "subsection (b)".

(c) Effective Date.—The amendments made by this section shall apply to plan years beginning after December 31, 2002.

SEC. 603. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS FOR CHARITABLE PURPOSES.

(a) In General.—Subsection (d) of section 408 (relating to individual retirement accounts) is amended by adding at the end the following new paragraph:

"(8) Distributions for charitable purposes.—

"(A) In general.—In the case of a qualified charitable distribution from an individual retirement account to an organization described in section 170(c), no amount shall be includible in the gross income of the account holder or beneficiary.

"(B) Special rules relating to charitable remainder trusts, pooled income funds, and charitable gift annuities.—

"(i) In general.—In the case of a qualified charitable distribution from an individual retirement account—

"(I) to a charitable remainder annuity trust or a charitable remainder unitrust (as such terms are defined in section 664(d)),

"(II) to a pooled income fund (as defined in section 642(c)(5)), or

"(III) for the issuance of a charitable gift annuity (as defined in section 501(m)(5)),

no amount shall be includible in gross income of the account holder or beneficiary. The preceding sentence shall apply only if no person holds any interest in the amounts in the trust, fund, or annuity attributable to such distribution other than one or more of the following: the individual for whose benefit such account is maintained, the spouse of such individual, or any organization described in section 170(c).

"(ii) Determination of inclusion of amounts distributed.—In determining the amount includible in the gross income of the distributee of a distribution from a trust described in clause (i)(I) or an annuity described in clause (i)(III), the portion of any qualified charitable distribution to such trust or for such annuity which would (but for this subparagraph) have been includible in gross income—

"(I) in the case of any such trust, shall be treated as income described in section 664(b)(1), or

"(II) in the case of any such annuity, shall not be treated as an investment in the contract.

"(iii) No inclusion for distribution to pooled income fund.—No amount shall be includible in the gross income of a pooled income fund (as so defined) by reason of a qualified charitable distribution to such fund.

"(C) Qualified charitable distribution.—For purposes of this paragraph, the term 'qualified charitable distribution' means any distribution from an individual retirement account—

"(i) which is made on or after the date that the individual for whose benefit the account is maintained has attained age 70½, and

"(ii) which is a charitable contribution (as defined in section 170(c)) made directly from the account to—

"(I) an organization described in section 170(c), or

"(II) a trust, fund, or annuity described in subparagraph (B).

"(D) Denial of deduction.—The amount allowable as a deduction to the taxpayer for the taxable year under section 170 (before the application of section 170(b)) for qualified charitable distributions shall be reduced (but not below zero) by the sum of the amounts of the qualified charitable distributions during such year which (but for this paragraph) would have been includible in the gross income of the taxpayer for such year.".

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2009.

Subtitle B—Expanding Coverage

SEC. 611. PLAN LOANS FOR SUBCHAPTER S OWNERS, PARTNERS, AND SOLE PROPRIETORS.

(a) In General.—Subparagraph (B) of section 4975(f)(6) (relating to exemptions not to apply to certain transactions) is amended by adding at the end the following new clause:

"(iii) Loan exception.—For purposes of subparagraph (A)(i), the term 'owner-employee' shall only include a person described in subclause (II) or (III) of clause (i).".

(b) Amendment of ERISA.—Section 408(d)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(d)(2)) is amended by adding at the end the following new subparagraph:

"(C) For purposes of paragraph (1)(A), the term 'owner-employee' shall only include a person described in clause (ii) or (iii) of subparagraph (A).".

(c) Effective Date.—The amendment made by this section shall apply to years beginning after December 31, 2001.

SEC. 612. MODIFICATION OF TOP-HEAVY RULES.

(a) Simplification of Definition of Key Employee.—

(1) In general.—Section 416(i)(1)(A) (defining key employee) is amended—

(A) by striking "or any of the 4 preceding plan years" in the matter preceding clause (i);

(B) by striking clause (i) and inserting the following:

"(i) an officer of the employer having an annual compensation greater than the amount in effect under section 414(q)(1)(B)(i) for such plan year,";

(C) by striking clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively;

(D) by striking the second sentence in the matter following clause (iii), as redesignated by subparagraph (C); and

(E) by adding at the end the following: "For purposes of this subparagraph, in the case of an employee who is not employed during the preceding plan year or is employed for a portion of such year, such employee shall be treated as a key employee if it can be reasonably anticipated that such employee will be described in 1 of the preceding clauses for the current plan year.".

(2) Conforming amendment.—Section 416(i)(1)(B)(iii) is amended by striking "and subparagraph (A)(ii)".

(b) Matching Contributions Taken Into Account for Minimum Contribution Requirements.—Section 416(c)(2)(A) (relating to defined contribution plans) is amended by adding at the end the following: "Employer matching contributions (as defined in section 401(m)(4)(A)) shall be taken into account for purposes of this subparagraph.".

(c) Distributions During Last Year Before Determination Date Taken Into Account.—

(1) In general.—Paragraph (3) of section 416(g) is amended to read as follows:

"(3) Distributions during last year before determination date taken into account.—

"(A) In general.—For purposes of determining—

"(i) the present value of the cumulative accrued benefit for any employee, or

"(ii) the amount of the account of any employee,

such present value or amount shall be increased by the aggregate distributions made with respect to such employee under the plan during the 1-year period ending on the determination date. The preceding sentence shall also apply to distributions under a terminated plan which if it had not been terminated would have been required to be included in an aggregation group.

"(B) 5-YEAR PERIOD IN CASE OF IN-SERVICE DISTRIBUTION.—In the case of any distribution made for a reason other than separation from service, death, or disability, subparagraph (A) shall be applied by substituting '5-year period' for '1-year period'.".

(2) BENEFITS NOT TAKEN INTO ACCOUNT.—Subparagraph (E) of section 416(g)(4) is amended—

(A) by striking "LAST 5 YEARS" in the heading and inserting "LAST YEAR BEFORE DETERMINATION DATE"; and

(B) by striking "5-year period" and inserting "1-year period".

(d) FROZEN PLAN EXEMPT FROM MINIMUM BENEFIT REQUIREMENT.—Subparagraph (C) of section 416(c)(1) (relating to defined benefit plans) is amended—

(A) by striking "clause (ii)" in clause (i) and inserting "clause (ii) or (iii)"; and

(B) by adding at the end the following:

"(iii) EXCEPTION FOR FROZEN PLAN.—For purposes of determining an employee's years of service with the employer, any service with the employer shall be disregarded to the extent that such service occurs during a plan year when the plan benefits (within the meaning of section 410(b)) no key employee or former key employee.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 613. ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.

(a) IN GENERAL.—Section 404 (relating to deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred payment plan) is amended by adding at the end the following new subsection:

"(n) ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.—

"(1) IN GENERAL.—The applicable percentage of the amount of any elective deferrals (as defined in section 402(g)(3)) shall not be subject to any limitation contained in paragraph (3), (7), or (9) of subsection (a), and such elective deferrals shall not be taken into account in applying any such limitation to any other contributions.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in:	The applicable percentage is:
2002 through 2010	25 percent
2011 and thereafter	100 percent.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2001.

SEC. 614. REPEAL OF COORDINATION REQUIREMENTS FOR DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Subsection (c) of section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations) is amended to read as follows:

"(c) LIMITATION.—The maximum amount of the compensation of any one individual which may be deferred under subsection (a) during any taxable year shall not exceed the amount in effect under subsection (b)(2)(A) (as modified by any adjustment provided under subsection (b)(3)).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to years beginning after December 31, 2001.

SEC. 615. DEDUCTION LIMITS.

(a) MODIFICATION OF LIMITS.—

(1) STOCK BONUS AND PROFIT SHARING TRUSTS.—

(A) IN GENERAL.—Subclause (I) of section 404(a)(3)(A)(i) (relating to stock bonus and profit sharing trusts) is amended by striking "15 percent" and inserting "25 percent".

(B) CONFORMING AMENDMENT.—Subparagraph (C) of section 404(h)(1) is amended by striking "15 percent" each place it appears and inserting "25 percent".

(2) DEFINED CONTRIBUTION PLANS.—

(A) IN GENERAL.—Clause (v) of section 404(a)(3)(A) (relating to stock bonus and profit sharing trusts) is amended to read as follows:

"(v) DEFINED CONTRIBUTION PLANS SUBJECT TO THE FUNDING STANDARDS.—Except as provided by the Secretary, a defined contribution plan which is subject to the funding standards of section 412 shall be treated in the same manner as a stock bonus or profit-sharing plan for purposes of this subparagraph."

(B) CONFORMING AMENDMENTS.—

(i) Section 404(a)(1)(A) is amended by inserting "(other than a trust to which paragraph (3) applies)" after "pension trust".

(ii) Section 404(h)(2) is amended by striking "stock bonus or profit-sharing trust" and inserting "trust subject to subsection (a)(3)(A)".

(iii) The heading of section 404(h)(2) is amended by striking "STOCK BONUS AND PROFIT-SHARING TRUST" and inserting "CERTAIN TRUSTS".

(b) COMPENSATION.—

(1) IN GENERAL.—Section 404(a) (relating to general rule) is amended by adding at the end the following:

"(12) DEFINITION OF COMPENSATION.—For purposes of paragraphs (3), (7), (8), and (9), the term 'compensation' shall include amounts treated as 'participant's compensation' under subparagraph (C) or (D) of section 415(c)(3).".

(2) CONFORMING AMENDMENTS.—

(A) Subparagraph (B) of section 404(a)(3) is amended by striking the last sentence thereof.

(B) Clause (i) of section 4972(c)(6)(B) is amended by striking "(within the meaning of section 404(a))" and inserting "(within the meaning of section 404(a) and as adjusted under section 404(a)(12))".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 616. OPTION TO TREAT ELECTIVE DEFERRALS AS AFTER-TAX ROTH CONTRIBUTIONS.

(a) IN GENERAL.—Subpart A of part I of subchapter D of chapter 1 (relating to deferred compensation, etc.) is amended by inserting after section 402 the following new section:

"SEC. 402A. OPTIONAL TREATMENT OF ELECTIVE DEFERRALS AS ROTH CONTRIBUTIONS.

"(a) GENERAL RULE.—If an applicable retirement plan includes a qualified Roth contribution program—

"(1) any designated Roth contribution made by an employee pursuant to the program shall be treated as an elective deferral for purposes of this chapter, except that such contribution shall not be excludable from gross income, and

"(2) such plan (and any arrangement which is part of such plan) shall not be treated as failing to meet any requirement of this chapter solely by reason of including such program.

"(b) QUALIFIED ROTH CONTRIBUTION PROGRAM.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified Roth contribution program' means a program under which an employee may elect to make designated Roth contributions in lieu of all or a portion of elective deferrals the employee is otherwise eligible to make under the applicable retirement plan.

"(2) SEPARATE ACCOUNTING REQUIRED.—A program shall not be treated as a qualified Roth contribution program unless the applicable retirement plan—

"(A) establishes separate accounts ('designated Roth accounts') for the designated Roth contributions of each employee and any earnings properly allocable to the contributions, and

"(B) maintains separate recordkeeping with respect to each account.

"(c) DEFINITIONS AND RULES RELATING TO DESIGNATED ROTH CONTRIBUTIONS.—For purposes of this section—

"(1) DESIGNATED ROTH CONTRIBUTION.—The term 'designated Roth contribution' means any elective deferral which—

"(A) is excludable from gross income of an employee without regard to this section, and

"(B) the employee designates (at such time and in such manner as the Secretary may prescribe) as not being so excludable.

"(2) DESIGNATION LIMITS.—The amount of elective deferrals which an employee may designate under paragraph (1) shall not exceed the excess (if any) of—

"(A) the maximum amount of elective deferrals excludable from gross income of the employee for the taxable year (without regard to this section), over

"(B) the aggregate amount of elective deferrals of the employee for the taxable year which the employee does not designate under paragraph (1).

"(3) ROLLOVER CONTRIBUTIONS.—

"(A) IN GENERAL.—A rollover contribution of any payment or distribution from a designated Roth account which is otherwise allowable under this chapter may be made only if the contribution is to—

"(i) another designated Roth account of the individual from whose account the payment or distribution was made, or

"(ii) a Roth IRA of such individual.

"(B) COORDINATION WITH LIMIT.—Any rollover contribution to a designated Roth account under subparagraph (A) shall not be taken into account for purposes of paragraph (1).

"(d) DISTRIBUTION RULES.—For purposes of this title—

"(1) EXCLUSION.—Any qualified distribution from a designated Roth account shall not be includible in gross income.

"(2) QUALIFIED DISTRIBUTION.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'qualified distribution' has the meaning given such term by section 408A(d)(2)(A) (without regard to clause (iv) thereof).

"(B) DISTRIBUTIONS WITHIN NONEXCLUSION PERIOD.—A payment or distribution from a designated Roth account shall not be treated as a qualified distribution if such payment or distribution is made within the 5-taxable-year period beginning with the earlier of—

"(i) the first taxable year for which the individual made a designated Roth contribution to any designated Roth account established for such individual under the same applicable retirement plan, or "(ii) if a rollover contribution was made to such designated Roth account from a designated Roth account previously established for such individual under another applicable retirement plan, the first taxable year for which the individual made a designated Roth contribution to such previously established account.

"(C) Distributions of excess deferrals and contributions and earnings thereon.—The term 'qualified distribution' shall not include any distribution of any excess deferral under section 402(g)(2) or any excess contribution under section 401(k)(8), and any income on the excess deferral or contribution.

"(3) Treatment of distributions of certain excess deferrals.—Notwithstanding section 72, if any excess deferral under section 402(g)(2) attributable to a designated Roth contribution is not distributed on or before the 1st April 15 following the close of the taxable year in which such excess deferral is made, the amount of such excess deferral shall—

"(A) not be treated as investment in the contract, and

"(B) be included in gross income for the taxable year in which such excess is distributed.

"(4) Aggregation rules.—Section 72 shall be applied separately with respect to distributions and payments from a designated Roth account and other distributions and payments from the plan.

"(e) Other Definitions.—For purposes of this section—

"(1) Applicable retirement plan.—The term 'applicable retirement plan' means—

"(A) an employees' trust described in section 401(a) which is exempt from tax under section 501(a), and

"(B) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b).

"(2) Elective deferral.—The term 'elective deferral' means any elective deferral described in subparagraph (A) or (C) of section 402(g)(3).".

(b) Excess Deferrals.—Section 402(g) (relating to limitation on exclusion for elective deferrals) is amended—

(1) by adding at the end of paragraph (1)(A) (as added by section 201(c)(1)) the following new sentence: "The preceding sentence shall not apply the portion of such excess as does not exceed the designated Roth contributions of the individual for the taxable year."; and

(2) by inserting "(or would be included but for the last sentence thereof)" after "paragraph (1)" in paragraph (2)(A).

(c) Rollovers.—Subparagraph (B) of section 402(c)(8) is amended by adding at the end the following:

"If any portion of an eligible rollover distribution is attributable to payments or distributions from a designated Roth account (as defined in section 402A), an eligible retirement plan with respect to such portion shall include only another designated Roth account and a Roth IRA.".

(d) Reporting Requirements.—

(1) W–2 information.—Section 6051(a)(8) is amended by inserting ", including the amount of designated Roth contributions (as defined in section 402A)" before the comma at the end.

(2) Information.—Section 6047 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) Designated Roth Contributions.—The Secretary shall require the plan administrator of each applicable retirement plan (as defined in section 402A) to make such returns and reports regarding designated Roth contributions (as defined in section 402A) to the Secretary, participants and beneficiaries of the plan, and such other persons as the Secretary may prescribe.".

(e) Conforming Amendments.—

(1) Section 408A(e) is amended by adding after the first sentence the following new sentence: "Such term includes a rollover contribution described in section 402A(c)(3)(A).".

(2) The table of sections for subpart A of part I of subchapter D of chapter 1 is amended by inserting after the item relating to section 402 the following new item:

"Sec. 402A. Optional treatment of elective deferrals as Roth contributions.".

(f) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 617. NONREFUNDABLE CREDIT TO CERTAIN INDIVIDUALS FOR ELECTIVE DEFERRALS AND IRA CONTRIBUTIONS.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits) is amended by inserting after section 25A the following new section:

"SEC. 25B. ELECTIVE DEFERRALS AND IRA CONTRIBUTIONS BY CERTAIN INDIVIDUALS.

"(a) Allowance of Credit.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the applicable percentage of so much of the qualified retirement savings contributions of the eligible individual for the taxable year as do not exceed $2,000.

"(b) Applicable Percentage.—For purposes of this section, the applicable percentage is the percentage determined in accordance with the following table:

Adjusted Gross Income						
Joint return		Head of a household		All other cases		Applicable percentage
Over	Not over	Over	Not over	Over	Not over	
$0	$30,000	$0	$22,500	$0	$15,000	50
30,000	32,500	22,500	24,375	15,000	16,250	20
32,500	50,000	24,375	37,500	16,250	25,000	10
50,000		37,500		25,000		0

"(c) Eligible Individual.—For purposes of this section—

"(1) In general.—The term 'eligible individual' means any individual if such individual has attained the age of 18 as of the close of the taxable year.

"(2) Dependents and full-time students not eligible.—The term 'eligible individual' shall not include—

"(A) any individual with respect to whom a deduction under section 151 is allowed to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins, and

"(B) any individual who is a student (as defined in section 151(c)(4)).

"(d) Qualified Retirement Savings Contributions.—For purposes of this section—

"(1) In general.—The term 'qualified retirement savings contributions' means, with respect to any taxable year, the sum of—

"(A) the amount of the qualified retirement contributions (as defined in section 219(e)) made by the eligible individual,

"(B) the amount of—

"(i) any elective deferrals (as defined in section 402(g)(3)) of such individual, and

"(ii) any elective deferral of compensation by such individual under an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A), and

"(C) the amount of voluntary employee contributions by such individual to any qualified retirement plan (as defined in section 4974(c)).

"(2) Reduction for certain distributions.—

"(A) In general.—The qualified retirement savings contributions determined under paragraph (1) shall be reduced (but not below zero) by the sum of—

"(i) any distribution from a qualified retirement plan (as defined in section 4974(c)), or from an eligible deferred compensation plan (as defined in section 457(b)), received by the individual during the testing period which is includible in gross income, and

"(ii) any distribution from a Roth IRA received by the individual during the testing period which is not a qualified rollover contribution (as defined in section 408A(e)) to a Roth IRA.

"(B) Testing period.—For purposes of subparagraph (A), the testing period, with respect to a taxable year, is the period which includes—

"(i) such taxable year,

"(ii) the 2 preceding taxable years, and

"(iii) the period after such taxable year and before the due date (including extensions) for filing the return of tax for such taxable year.

"(C) Excepted distributions.—There shall not be taken into account under subparagraph (A)—

"(i) any distribution referred to in section 72(p), 401(k)(8), 401(m)(6), 402(g)(2), 404(k), or 408(d)(4), and

"(ii) any distribution to which section 408A(d)(3) applies.

"(D) Treatment of distributions received by spouse of individual.—For purposes of determining distributions received by an individual under subparagraph (A) for any taxable year, any distribution received by the spouse of such individual shall be treated as received by such individual if such individual and spouse file a joint return for such taxable year and for the taxable year during which the spouse receives the distribution.

"(e) Adjusted Gross Income.—For purposes of this section, adjusted gross income shall be determined without regard to sections 911, 931, and 933.

"(f) Investment in the Contract.—Notwithstanding any other provision of law, a qualified retirement savings contribution shall not fail to be included in determining the investment in the contract for purposes of section 72 by reason of the credit under this section.

"(g) Termination.—This section shall not apply to taxable years beginning after December 31, 2006.".

(b) Credit Allowed Against Regular Tax and Alternative Minimum Tax.—

(1) In general.—Section 25B, as added by subsection (a), is amended by inserting after subsection (f) the following new subsection:

"(g) Limitation Based on Amount of Tax.—The aggregate credit allowed by this section for the taxable year shall not exceed the sum of—

"(1) the taxpayer's regular tax liability for the taxable year reduced by the sum of the credits allowed by sections 21, 22, 23, 24, 25, and 25A plus

"(2) the tax imposed by section 55 for such taxable year."

(2) Conforming amendments.—

(A) Section 26(a)(1), as amended by section 201, is amended by inserting "or section 25B" after "section 24".

(B) Section 23(c), as amended by section 201, is amended by striking "sections 24" and inserting "sections 24, 25B,".

(C) Section 25(e)(1)(C), as amended by section 201, is amended by inserting "25B," after "24,".

(D) Section 904(h), as amended by section 201, is amended by inserting "or 25B" after "section 24".

(E) Section 1400C(d), as amended by section 201, is amended by inserting "and section 25B" after "section 24".

(c) Conforming Amendment.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 25A the following new item:

"Sec. 25B. Elective deferrals and IRA contributions by certain individuals."

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 618. CREDIT FOR QUALIFIED PENSION PLAN CONTRIBUTIONS OF SMALL EMPLOYERS.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following new section:

"SEC. 45E. SMALL EMPLOYER PENSION PLAN CONTRIBUTIONS.

"(a) General Rule.—For purposes of section 38, in the case of an eligible employer, the small employer pension plan contribution credit determined under this section for any taxable year is an amount equal to 50 percent of the amount which would (but for subsection (f)(1)) be allowed as a deduction under section 404 for such taxable year for qualified employer contributions made to any qualified retirement plan on behalf of any employee who is not a highly compensated employee.

"(b) Credit Limited to 3 Years.—The credit allowable by this section shall be allowed only with respect to the period of 3 taxable years beginning with the first taxable year for which a credit is allowable with respect to a plan under this section.

"(c) Qualified Employer Contribution.—For purposes of this section—

"(1) Defined contribution plans.—In the case of a defined contribution plan, the term 'qualified employer contribution' means the amount of nonelective and matching contributions to the plan made by the employer on behalf of any employee who is not a highly compensated employee to the extent such amount does not exceed 3 percent of such employee's compensation from the employer for the year.

"(2) Defined benefit plans.—In the case of a defined benefit plan, the term 'qualified employer contribution' means the amount of employer contributions to the plan made on behalf of any employee who is not a highly compensated employee to the extent that the accrued benefit of such employee derived from employer contributions for the year does not exceed the equivalent (as determined under regulations prescribed by the Secretary and without regard to contributions and benefits under the Social Security Act) of 3 percent of such employee's compensation from the employer for the year.

"(d) Qualified Retirement Plan.—

"(1) In general.—The term 'qualified retirement plan' means any plan described in section 401(a) which includes a trust exempt from tax under section 501(a) if the plan meets—

"(A) the contribution requirements of paragraph (2),

"(B) the vesting requirements of paragraph (3), and

"(C) the distribution requirements of paragraph (4).

"(2) Contribution requirements.—

"(A) In general.—The requirements of this paragraph are met if, under the plan—

"(i) the employer is required to make nonelective contributions of at least 1 percent of compensation (or the equivalent thereof in the case of a defined benefit plan) for each employee who is not a highly compensated employee who is eligible to participate in the plan, and

"(ii) allocations of nonelective employer contributions, in the case of a defined contribution plan, are either in equal dollar amounts for all employees covered by the plan or bear a uniform relationship to the total compensation, or the basic or regular rate of compensation, of the employees covered by the plan (and an equivalent requirement is met with respect to a defined benefit plan).

"(B) Compensation limitation.—The compensation taken into account under subparagraph (A) for any year shall not exceed the limitation in effect for such year under section 401(a)(17).

"(3) Vesting requirements.—The requirements of this paragraph are met if the plan satisfies the requirements of either of the following subparagraphs:

"(A) 3-year vesting.—A plan satisfies the requirements of this subparagraph if an employee who has completed at least 3 years of service has a nonforfeitable right to 100 percent of the employee's accrued benefit derived from employer contributions.

"(B) 5-year graded vesting.—A plan satisfies the requirements of this subparagraph if an employee has a nonforfeitable right to a percentage of the employee's accrued benefit derived from employer contributions determined under the following table:

"Years of service:	The nonforfeitable percentage is:
1	20
2	40
3	60
4	80
5	100.

"(4) Distribution requirements.—In the case of a profit-sharing or stock bonus plan, the requirements of this paragraph are met if, under the plan, qualified employer contributions are distributable only as provided in section 401(k)(2)(B).

"(e) Other Definitions.—For purposes of this section—

"(1) Eligible employer.—

"(A) In general.—The term 'eligible employer' means, with respect to any year, an employer which has no more than 20 employees who received at least $5,000 of compensation from the employer for the preceding year.

"(B) Requirement for new qualified employer plans.—Such term shall not include an employer if, during the 3-taxable year period immediately preceding the 1st taxable year for which the credit under this section is otherwise allowable for a qualified employer plan of the employer, the employer or any member of any controlled group including the employer (or any predecessor of either) established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued, for substantially the same employees as are in the qualified employer plan.

"(2) Highly compensated employee.—The term 'highly compensated employee' has the meaning given such term by section 414(q) (determined without regard to section 414(q)(1)(B)(ii)).

"(f) Special Rules.—

"(1) Disallowance of deduction.—No deduction shall be allowed for that portion of the qualified employer contributions paid or incurred for the taxable year which is equal to the credit determined under subsection (a).

"(2) Election not to claim credit.—This section shall not apply to a taxpayer for any taxable year if such taxpayer elects to have this section not apply for such taxable year.

"(3) Aggregation rules.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (n) or (o) of section 414, shall be treated as one person. All eligible employer plans shall be treated as 1 eligible employer plan.

"(g) Recapture of Credit on Forfeited Contributions.—

"(1) In general.—Except as provided in paragraph (2), if any accrued benefit which is forfeitable by reason of subsection (d)(3) is forfeited, the employer's tax imposed by this chapter for the taxable year in which the forfeiture occurs shall be increased by 35 percent of the employer contributions from which such benefit is derived to the extent such contributions were taken into account in determining the credit under this section.

"(2) Reallocated contributions.—Paragraph (1) shall not apply to any contribution which is reallocated by the employer under the plan to employees who are not highly compensated employees.".

(b) Credit Allowed as Part of General Business Credit.—Section 38(b) (defining current year business credit) is amended by striking "plus" at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting ", plus", and by adding at the end the following new paragraph:

"(14) in the case of an eligible employer (as defined in section 45E(e)), the small employer pension plan contribution credit determined under section 45E(a)."

(c) Conforming Amendments.—

(1) Section 39(d) is amended by adding at the end the following new paragraph:

"(10) No carryback of small employer pension plan contribution credit before January 1, 2003.—No portion of the unused business credit for any taxable year which is attributable to the small employer pension plan contribution credit determined under section 45E may be carried back to a taxable year beginning before January 1, 2003."

(2) Subsection (c) of section 196 is amended by striking "and" at the end of paragraph (8), by striking the period at the end of paragraph (9) and inserting ", and", and by adding at the end the following new paragraph:

"(10) the small employer pension plan contribution credit determined under section 45E(a)."

(3) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

"Sec. 45E. Small employer pension plan contributions."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions paid or incurred in taxable years beginning after December 31, 2002.

SEC. 619. CREDIT FOR PENSION PLAN STARTUP COSTS OF SMALL EMPLOYERS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by section 618, is amended by adding at the end the following new section:

"SEC. 45F. SMALL EMPLOYER PENSION PLAN STARTUP COSTS.

"(a) GENERAL RULE.—For purposes of section 38, in the case of an eligible employer, the small employer pension plan startup cost credit determined under this section for any taxable year is an amount equal to 50 percent of the qualified startup costs paid or incurred by the taxpayer during the taxable year.

"(b) DOLLAR LIMITATION.—The amount of the credit determined under this section for any taxable year shall not exceed—

"(1) $500 for the first credit year and each of the 2 taxable years immediately following the first credit year, and

"(2) zero for any other taxable year.

"(c) ELIGIBLE EMPLOYER.—For purposes of this section—

"(1) IN GENERAL.—The term 'eligible employer' has the meaning given such term by section 408(p)(2)(C)(i).

"(2) REQUIREMENT FOR NEW QUALIFIED EMPLOYER PLANS.—Such term shall not include an employer if, during the 3-taxable year period immediately preceding the 1st taxable year for which the credit under this section is otherwise allowable for a qualified employer plan of the employer, the employer or any member of any controlled group including the employer (or any predecessor of either) established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued, for substantially the same employees as are in the qualified employer plan.

"(d) OTHER DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED STARTUP COSTS.—

"(A) IN GENERAL.—The term 'qualified startup costs' means any ordinary and necessary expenses of an eligible employer which are paid or incurred in connection with—

"(i) the establishment or administration of an eligible employer plan, or

"(ii) the retirement-related education of employees with respect to such plan.

"(B) PLAN MUST HAVE AT LEAST 1 PARTICIPANT.—Such term shall not include any expense in connection with a plan that does not have at least 1 employee eligible to participate who is not a highly compensated employee.

"(2) ELIGIBLE EMPLOYER PLAN.—The term 'eligible employer plan' means a qualified employer plan within the meaning of section 4972(d).

"(3) FIRST CREDIT YEAR.—The term 'first credit year' means—

"(A) the taxable year which includes the date that the eligible employer plan to which such costs relate becomes effective, or

"(B) at the election of the eligible employer, the taxable year preceding the taxable year referred to in subparagraph (A).

"(e) SPECIAL RULES.—For purposes of this section—

"(1) AGGREGATION RULES.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (n) or (o) of section 414, shall be treated as one person. All eligible employer plans shall be treated as 1 eligible employer plan.

"(2) DISALLOWANCE OF DEDUCTION.—No deduction shall be allowed for that portion of the qualified startup costs paid or incurred for the taxable year which is equal to the credit determined under subsection (a).

"(3) ELECTION NOT TO CLAIM CREDIT.—This section shall not apply to a taxpayer for any taxable year if such taxpayer elects to have this section not apply for such taxable year."

(b) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (defining current year business credit), as amended by section 618, is amended by striking "plus" at the end of paragraph (13), by striking the period at the end of paragraph (14) and inserting ", plus", and by adding at the end the following new paragraph:

"(15) in the case of an eligible employer (as defined in section 45F(c)), the small employer pension plan startup cost credit determined under section 45F(a)."

(c) CONFORMING AMENDMENTS.—

(1) Section 39(d), as amended by section 618(c), is amended by adding at the end the following new paragraph:

"(11) NO CARRYBACK OF SMALL EMPLOYER PENSION PLAN STARTUP COST CREDIT BEFORE JANUARY 1, 2002.—No portion of the unused business credit for any taxable year which is attributable to the small employer pension plan startup cost credit determined under section 45F may be carried back to a taxable year beginning before January 1, 2002."

(2) Subsection (c) of section 196, as amended by section 618(c), is amended by striking "and" at the end of paragraph (9), by striking the period at the end of paragraph (10) and inserting ", and", and by adding at the end the following new paragraph:

"(11) the small employer pension plan startup cost credit determined under section 45F(a)."

(3) The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section 618(c), is amended by adding at the end the following new item:

"Sec. 45F. Small employer pension plan startup costs."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to costs paid or incurred in taxable years beginning after December 31, 2001, with respect to qualified employer plans established after such date.

SEC. 620. ELIMINATION OF USER FEE FOR REQUESTS TO IRS REGARDING NEW PENSION PLANS.

(a) ELIMINATION OF CERTAIN USER FEES.—The Secretary of the Treasury or the Secretary's delegate shall not require payment of user fees under the program established under section 10511 of the Revenue Act of 1987 for requests to the Internal Revenue Service for ruling letters, opinion letters, and determination letters or similar requests with respect to the qualified status of a new pension benefit plan or any trust which is part of the plan.

(b) NEW PENSION BENEFIT PLAN.—For purposes of this section—

(1) IN GENERAL.—The term "new pension benefit plan" means a pension, profit-sharing, stock bonus, annuity, or employee stock ownership plan which is maintained by one or more eligible employers if such employer (or any predecessor employer) has not made a prior request described in subsection (a) for such plan (or any predecessor plan).

(2) ELIGIBLE EMPLOYER.—

(A) IN GENERAL.—The term "eligible employer" means an employer which has—

(i) no more than 100 employees for the preceding year, and

(ii) at least one employee who is not a highly compensated employee (as defined in section 414(q)) and is participating in the plan.

(B) NEW PLAN REQUIREMENT.—The term "eligible employer" shall not include an employer if, during the 3-taxable year period immediately preceding the taxable year in which the request is made, the employer or any member of any controlled group including the employer (or any predecessor of either) established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued for service, for substantially the same employees as are in the qualified employer plan.

(c) DETERMINATION OF AVERAGE FEES CHARGED.—For purposes of any determination of average fees charged, any request to which subsection (a) applies shall not be taken into account.

(d) EFFECTIVE DATE.—The provisions of this section shall apply with respect to requests made after December 31, 2001.

SEC. 621. TREATMENT OF NONRESIDENT ALIENS ENGAGED IN INTERNATIONAL TRANSPORTATION SERVICES.

(a) EXCLUSION FROM INCOME SOURCING RULES.—The second sentence of section 861(a)(3) (relating to gross income from sources within the United States) is amended by striking "except for purposes of sections 79 and 105 and subchapter D,".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to remuneration for services performed in plan years beginning after December 31, 2001.

Subtitle C—Enhancing Fairness for Women

SEC. 631. EQUITABLE TREATMENT FOR CONTRIBUTIONS OF EMPLOYEES TO DEFINED CONTRIBUTION PLANS.

(a) EQUITABLE TREATMENT.—

(1) IN GENERAL.—Subparagraph (B) of section 415(c)(1) (relating to limitation for defined contribution plans) is amended by striking "25 percent" and inserting "the applicable percentage".

(2) APPLICABLE PERCENTAGE.—Section 415(c) is amended by adding at the end the following new paragraph:

"(8) APPLICABLE PERCENTAGE.—For purposes of paragraph (1)(B), the applicable percentage shall be determined in accordance with the following table:

"For years beginning in:	**The applicable percentage is:**
2002 through 2010	50 percent
2011 and thereafter	100 percent.".

(3) APPLICATION TO SECTION 403(b).—Section 403(b) is amended—

(A) by striking "the exclusion allowance for such taxable year" in paragraph (1) and inserting "the applicable limit under section 415",

(B) by striking paragraph (2), and

(C) by inserting "or any amount received by a former employee after the fifth taxable year following the taxable year in which such employee was terminated" before the period at the end of the second sentence of paragraph (3).

(4) CONFORMING AMENDMENTS.—

(A) Subsection (f) of section 72 is amended by striking "section 403(b)(2)(D)(iii))" and inserting "section 403(b)(2)(D)(iii), as in effect before the enactment of the Economic Stimulus Tax Cut Act of 2001)".

(B) Section 404(a)(10)(B) is amended by striking ", the exclusion allowance under section 403(b)(2),".

(C) Section 415(a)(2) is amended by striking ", and the amount of the contribution for such portion shall reduce the exclusion allowance as provided in section 403(b)(2)".

(D) Section 415(c)(3) is amended by adding at the end the following new subparagraph:

"(E) ANNUITY CONTRACTS.—In the case of an annuity contract described in section 403(b), the term 'participant's compensation' means the participant's includible compensation determined under section 403(b)(3).".

(E) Section 415(c) is amended by striking paragraph (4).

(F) Section 415(c)(7) is amended to read as follows:

"(7) CERTAIN CONTRIBUTIONS BY CHURCH PLANS NOT TREATED AS EXCEEDING LIMIT.—

"(A) IN GENERAL.—Notwithstanding any other provision of this subsection, at the election of a participant who is an employee of a church or a convention or association of churches, including an organization described in section 414(e)(3)(B)(ii), contributions and other additions for an annuity contract or retirement income account described in section 403(b) with respect to such participant, when expressed as an annual addition to such participant's account, shall be treated as not exceeding the limitation of paragraph (1) if such annual addition is not in excess of $10,000.

"(B) $40,000 AGGREGATE LIMITATION.—The total amount of additions with respect to any participant which may be taken into account for purposes of this subparagraph for all years may not exceed $40,000.

"(C) ANNUAL ADDITION.—For purposes of this paragraph, the term 'annual addition' has the meaning given such term by paragraph (2).".

(G) Subparagraph (B) of section 402(g)(7) (as redesignated by section 611(c)(3)) is amended by inserting before the period at the end the following: "(as in effect before the enactment of the Economic Stimulus Tax Cut Act of 2001)".

(H) Section 664(g) is amended—

(i) in paragraph (3)(E) by striking "limitations under section 415(c)" and inserting "applicable limitation under paragraph (7)", and

(ii) by adding at the end the following new paragraph:

"(7) APPLICABLE LIMITATION.—

"(A) IN GENERAL.—For purposes of paragraph (3)(E), the applicable limitation under this paragraph with respect to a participant is an amount equal to the lesser of—

"(i) $30,000, or

"(ii) 25 percent of the participant's compensation (as defined in section 415(c)(3)).

"(B) COST-OF-LIVING ADJUSTMENT.—The Secretary shall adjust annually the $30,000 amount under subparagraph (A)(i) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning October 1, 1993, and any increase under this subparagraph which is not a multiple of $5,000 shall be rounded to the next lowest multiple of $5,000.".

(5) EFFECTIVE DATE.—

(A) Except as provided in subparagraph (B), the amendments made by this subsection shall apply to years beginning after December 31, 2001.

(B) The amendments made by paragraphs (3) and (4) shall apply to years beginning after December 31, 2010.

(b) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—

(1) IN GENERAL.—Subsection (k) of section 415 is amended by adding at the end the following new paragraph:

"(4) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—For purposes of this section, any annuity contract described in section 403(b) for the benefit of a participant shall be treated as a defined contribution plan maintained by each employer with respect to which the participant has the control required under subsection (b) or (c) of section 414 (as modified by subsection (h)). For purposes of this section, any contribution by an employer to a simplified employee pension plan for an individual for a taxable year shall be treated as an employer contribution to a defined contribution plan for such individual for such year.".

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendment made by paragraph (1) shall apply to limitation years beginning after December 31, 2000.

(B) EXCLUSION ALLOWANCE.—Effective for limitation years beginning in 2001, in the case of any annuity contract described in section 403(b) of the Internal Revenue Code of 1986, the amount of the contribution disqualified by reason of section 415(g) of such Code shall reduce the exclusion allowance as provided in section 403(b)(2) of such Code.

(3) MODIFICATION OF 403(b) EXCLUSION ALLOWANCE TO CONFORM TO 415 MODIFICATION.—The Secretary of the Treasury shall modify the regulations regarding the exclusion allowance under section 403(b)(2) of the Internal Revenue Code of 1986 to render void the requirement that contributions to a defined benefit pension plan be treated as previously excluded amounts for purposes of the exclusion allowance. For taxable years beginning after December 31, 2000, such regulations shall be applied as if such requirement were void.

(c) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—

(1) IN GENERAL.—Subparagraph (B) of section 457(b)(2) (relating to salary limitation on eligible deferred compensation plans) is amended by striking "33⅓ percent" and inserting "the applicable percentage".

(2) APPLICABLE PERCENTAGE.—Section 457 is amended by adding at the end the following new subsection:

"(h) APPLICABLE PERCENTAGE.—For purposes of subsection (b)(2)(A), the applicable percentage shall be determined in accordance with the following table:

"For years beginning in:	**The applicable percentage is:**
2002 through 2010	50 percent
2011 and thereafter	100 percent.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2001.

SEC. 632. FASTER VESTING OF CERTAIN EMPLOYER MATCHING CONTRIBUTIONS.

(a) IN GENERAL.—Section 411(a) (relating to minimum vesting standards) is amended—

(1) in paragraph (2), by striking "A plan" and inserting "Except as provided in paragraph (12), a plan"; and

(2) by adding at the end the following:

"(12) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A)), paragraph (2) shall be applied—

"(A) by substituting '3 years' for '5 years' in subparagraph (A), and

"(B) by substituting the following table for the table contained in subparagraph (B):

"Years of service:	**The nonforfeitable percentage is:**
2	20
3	40
4	60
5	80
6	100.".

(b) AMENDMENT OF ERISA.—Section 203(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)) is amended—

(1) in paragraph (2), by striking "A plan" and inserting "Except as provided in paragraph (4), a plan", and

(2) by adding at the end the following:

"(4) In the case of matching contributions (as defined in section 401(m)(4)(A) of the Internal Revenue Code of 1986), paragraph (2) shall be applied—

"(A) by substituting '3 years' for '5 years' in subparagraph (A), and

"(B) by substituting the following table for the table contained in subparagraph (B):

"Years of service:	**The nonforfeitable percentage is:**
2	20
3	40
4	60
5	80
6	100.".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to contributions for plan years beginning after December 31, 2001.

(2) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified by the date of the enactment of this Act, the amendments made by this section shall not apply to contributions on behalf of employees covered by any such agreement for plan years beginning before the earlier of—

(A) the later of—

(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after such date of the enactment); or

(ii) January 1, 2002; or

(B) January 1, 2006.

(3) SERVICE REQUIRED.—With respect to any plan, the amendments made by this section shall not apply to any employee before the date that such employee has 1 hour of service under such plan in any plan year to which the amendments made by this section apply.

SEC. 633. MODIFICATIONS TO MINIMUM DISTRIBUTION RULES.

(a) LIFE EXPECTANCY TABLES.—The Secretary of the Treasury shall modify the life expectancy tables under the regulations relating to minimum distribution requirements under sections 401(a)(9), 408(a)(6) and (b)(3), 403(b)(10), and 457(d)(2) of the Internal Revenue Code to reflect current life expectancy.

(b) REPEAL OF RULE WHERE DISTRIBUTIONS HAD BEGUN BEFORE DEATH OCCURS.—

(1) IN GENERAL.—Subparagraph (B) of section 401(a)(9) is amended by striking clause (i) and redesignating clauses (ii), (iii), and (iv) as clauses (i), (ii), and (iii), respectively.

(2) CONFORMING CHANGES.—

(A) Clause (i) of section 401(a)(9)(B) (as so redesignated) is amended—

(i) by striking "FOR OTHER CASES" in the heading; and

(ii) by striking "the distribution of the employee's interest has begun in accordance with subparagraph (A)(ii)" and inserting "his entire interest has been distributed to him".

(B) Clause (ii) of section 401(a)(9)(B) (as so redesignated) is amended by striking "clause (ii)" and inserting "clause (i)".

(C) Clause (iii) of section 401(a)(9)(B) (as so redesignated) is amended—

(i) by striking "clause (iii)(I)" and inserting "clause (ii)(I)";

(ii) by striking "clause (iii)(III)" in subclause (I) and inserting "clause (ii)(III)";

(iii) by striking "the date on which the employee would have attained age 70½," in subclause (I) and inserting "April 1 of the calendar year following the calendar year in which the spouse attains 70½,"; and

(iv) by striking "the distributions to such spouse begin," in subclause (II) and inserting "his entire interest has been distributed to him,".

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall apply to years beginning after December 31, 2001.

(B) DISTRIBUTIONS TO SURVIVING SPOUSE.—

(i) IN GENERAL.—In the case of an employee described in clause (ii), distributions to the surviving spouse of the employee shall not be required to commence prior to the date on which such distributions would have been required to begin under section 401(a)(9)(B) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of this Act).

(ii) CERTAIN EMPLOYEES.—An employee is described in this clause if such employee dies before—

(I) the date of the enactment of this Act, and

(II) the required beginning date (within the meaning of section 401(a)(9)(C) of the Internal Revenue Code of 1986) of the employee.

SEC. 634. CLARIFICATION OF TAX TREATMENT OF DIVISION OF SECTION 457 PLAN BENEFITS UPON DIVORCE.

(a) IN GENERAL.—Section 414(p)(11) (relating to application of rules to governmental and church plans) is amended—

(1) by inserting "or an eligible deferred compensation plan (within the meaning of section 457(b))" after "subsection (e))"; and

(2) in the heading, by striking "GOVERNMENTAL AND CHURCH PLANS" and inserting "CERTAIN OTHER PLANS".

(b) WAIVER OF CERTAIN DISTRIBUTION REQUIREMENTS.—Paragraph (10) of section 414(p) is amended by striking "and section 409(d)" and inserting "section 409(d), and section 457(d)".

(c) TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.—Subsection (p) of section 414 is amended by redesignating paragraph (12) as paragraph (13) and inserting after paragraph (11) the following new paragraph:

"(12) TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.—If a distribution or payment from an eligible deferred compensation plan described in section 457(b) is made pursuant to a qualified domestic relations order, rules similar to the rules of section 402(e)(1)(A) shall apply to such distribution or payment.".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (c) shall apply to transfers, distributions, and payments made after December 31, 2001.

(2) AMENDMENTS RELATING TO ASSIGNMENTS IN DIVORCE, ETC., PROCEEDINGS.—The amendments made by subsections (a) and (b) shall take effect on January 1, 2002, except that in the case of a domestic relations order entered before such date, the plan administrator—

(A) shall treat such order as a qualified domestic relations order if such administrator is paying benefits pursuant to such order on such date, and

(B) may treat any other such order entered before such date as a qualified domestic relations order even if such order does not meet the requirements of such amendments.

SEC. 635. PROVISIONS RELATING TO HARDSHIP DISTRIBUTIONS.

(a) SAFE HARBOR RELIEF.—

(1) IN GENERAL.—The Secretary of the Treasury shall revise the regulations relating to hardship distributions under section 401(k)(2)(B)(i)(IV) of the Internal Revenue Code of 1986 to provide that the period an employee is prohibited from making elective and employee contributions in order for a distribution to be deemed necessary to satisfy financial need shall be equal to 6 months.

(2) EFFECTIVE DATE.—The revised regulations under this subsection shall apply to years beginning after December 31, 2001.

(b) HARDSHIP DISTRIBUTIONS NOT TREATED AS ELIGIBLE ROLLOVER DISTRIBUTIONS.—

(1) MODIFICATION OF DEFINITION OF ELIGIBLE ROLLOVER.—Subparagraph (C) of section 402(c)(4) (relating to eligible rollover distribution) is amended to read as follows:

"(C) any distribution which is made upon hardship of the employee.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to distributions made after December 31, 2001.

SEC. 636. WAIVER OF TAX ON NONDEDUCTIBLE CONTRIBUTIONS FOR DOMESTIC OR SIMILAR WORKERS.

(a) IN GENERAL.—Section 4972(c)(6) (relating to exceptions to nondeductible contributions), as amended by section 616, is amended by striking "or" at the end of subparagraph (A), by striking the period and inserting ", or" at the end of subparagraph (B), and by inserting after subparagraph (B) the following new subparagraph:

"(C) so much of the contributions to a simple retirement account (within the meaning of section 408(p)) or a simple plan (within the meaning of section 401(k)(11)) which are not deductible when contributed solely because such contributions are not made in connection with a trade or business of the employer."

(b) EXCLUSION OF CERTAIN CONTRIBUTIONS.—Section 4972(c)(6), as amended by subsection (a), is amended by adding at the end the following new sentence: "Subparagraph (C) shall not apply to contributions made on behalf of the employer or a member of the employer's family (as defined in section 447(e)(1)).".

(c) NO INFERENCE.—Nothing in the amendments made by this section shall be construed to infer the proper treatment of nondeductible contributions under the laws in effect before such amendments.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

Subtitle D—Increasing Portability for Participants

SEC. 641. ROLLOVERS ALLOWED AMONG VARIOUS TYPES OF PLANS.

(a) ROLLOVERS FROM AND TO SECTION 457 PLANS.—

(1) ROLLOVERS FROM SECTION 457 PLANS.—

(A) IN GENERAL.—Section 457(e) (relating to other definitions and special rules) is amended by adding at the end the following:

"(16) ROLLOVER AMOUNTS.—

"(A) GENERAL RULE.—In the case of an eligible deferred compensation plan established and maintained by an employer described in subsection (e)(1)(A), if—

"(i) any portion of the balance to the credit of an employee in such plan is paid to such employee in an eligible rollover distribution (within the meaning of section 402(c)(4) without regard to subparagraph (C) thereof),

"(ii) the employee transfers any portion of the property such employee receives in such distribution to an eligible retirement plan described in section 402(c)(8)(B), and

"(iii) in the case of a distribution of property other than money, the amount so transferred consists of the property distributed,

then such distribution (to the extent so transferred) shall not be includible in gross income for the taxable year in which paid.

"(B) CERTAIN RULES MADE APPLICABLE.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A).

"(C) REPORTING.—Rollovers under this paragraph shall be reported to the Secretary in the same manner as rollovers from qualified retirement plans (as defined in section 4974(c)).".

(B) DEFERRAL LIMIT DETERMINED WITHOUT REGARD TO ROLLOVER AMOUNTS.—Section 457(b)(2) (defining eligible deferred compensation plan) is amended by inserting "(other than rollover amounts)" after "taxable year".

(C) DIRECT ROLLOVER.—Paragraph (1) of section 457(d) is amended by striking "and" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", and", and by inserting after subparagraph (B) the following:

"(C) in the case of a plan maintained by an employer described in subsection (e)(1)(A), the plan meets requirements similar to the requirements of section 401(a)(31).

Any amount transferred in a direct trustee-to-trustee transfer in accordance with section 401(a)(31) shall not be includible in gross income for the taxable year of transfer.".

(D) WITHHOLDING.—

(i) Paragraph (12) of section 3401(a) is amended by adding at the end the following:

"(E) under or to an eligible deferred compensation plan which, at the time of such payment, is a plan described in section 457(b) which is maintained by an eligible employer described in section 457(e)(1)(A), or".

(ii) Paragraph (3) of section 3405(c) is amended to read as follows:

"(3) ELIGIBLE ROLLOVER DISTRIBUTION.—For purposes of this subsection, the term 'eligible rollover distribution' has the meaning given such term by section 402(f)(2)(A).".

(iii) LIABILITY FOR WITHHOLDING.—Subparagraph (B) of section 3405(d)(2) is amended by striking "or" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", or", and by adding at the end the following:

"(iv) section 457(b) and which is maintained by an eligible employer described in section 457(e)(1)(A).".

(2) ROLLOVERS TO SECTION 457 PLANS.—

(A) IN GENERAL.—Section 402(c)(8)(B) (defining eligible retirement plan) is amended by striking "and" at the end of clause (iii), by striking the period at the end of clause (iv) and inserting ", and", and by inserting after clause (iv) the following new clause:

"(v) an eligible deferred compensation plan described in section 457(b) which is maintained by an eligible employer described in section 457(e)(1)(A).".

(B) SEPARATE ACCOUNTING.—Section 402(c) is amended by adding at the end the following new paragraph:

"(11) SEPARATE ACCOUNTING.—Unless a plan described in clause (v) of paragraph (8)(B) agrees to separately account for amounts rolled into such plan from eligible retirement plans not described in such clause, the plan described in such clause may not accept transfers or rollovers from such retirement plans.".

(C) 10 PERCENT ADDITIONAL TAX.—Subsection (t) of section 72 (relating to 10-percent additional tax on early distributions from qualified retirement plans) is amended by adding at the end the following new paragraph:

"(9) SPECIAL RULE FOR ROLLOVERS TO SECTION 457 PLANS.—For purposes of this subsection, a distribution from an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A) shall be treated as a distribution from a qualified retirement plan described in 4974(c)(1) to the extent that such distribution is attributable to an amount transferred to an eligible deferred compensation plan from a qualified retirement plan (as defined in section 4974(c)).".

(b) ALLOWANCE OF ROLLOVERS FROM AND TO 403(b) PLANS.—

(1) ROLLOVERS FROM SECTION 403(b) PLANS.—Section 403(b)(8)(A)(ii) (relating to rollover amounts) is amended by striking "such distribution" and all that follows and inserting "such distribution to an eligible retirement plan described in section 402(c)(8)(B), and".

(2) ROLLOVERS TO SECTION 403(b) PLANS.—Section 402(c)(8)(B) (defining eligible retirement plan), as amended by subsection (a), is amended by striking "and" at the end of clause (iv), by striking the period at the end of clause (v) and inserting ", and", and by inserting after clause (v) the following new clause:

"(vi) an annuity contract described in section 403(b).".

(c) EXPANDED EXPLANATION TO RECIPIENTS OF ROLLOVER DISTRIBUTIONS.—Paragraph (1) of section 402(f) (relating to written explanation to recipients of distributions eligible for rollover treatment) is amended by striking "and" at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting ", and", and by adding at the end the following new subparagraph:

"(E) of the provisions under which distributions from the eligible retirement plan receiving the distribution may be subject to restrictions and tax consequences which are different from those applicable to distributions from the plan making such distribution.".

(d) SPOUSAL ROLLOVERS.—Section 402(c)(9) (relating to rollover where spouse receives distribution after death of employee) is amended by striking "; except that" and all that follows up to the end period.

(e) CONFORMING AMENDMENTS.—

(1) Section 72(o)(4) is amended by striking "and 408(d)(3)" and inserting "403(b)(8), 408(d)(3), and 457(e)(16)".

(2) Section 219(d)(2) is amended by striking "or 408(d)(3)" and inserting "408(d)(3), or 457(e)(16)".

(3) Section 401(a)(31)(B) is amended by striking "and 403(a)(4)" and inserting ", 403(a)(4), 403(b)(8), and 457(e)(16)".

(4) Subparagraph (A) of section 402(f)(2) is amended by striking "or paragraph (4) of section 403(a)" and inserting ", paragraph (4) of section 403(a), subparagraph (A) of section 403(b)(8), or subparagraph (A) of section 457(e)(16)".

(5) Paragraph (1) of section 402(f) is amended by striking "from an eligible retirement plan".

(6) Subparagraphs (A) and (B) of section 402(f)(1) are amended by striking "another eligible retirement plan" and inserting "an eligible retirement plan".

(7) Subparagraph (B) of section 403(b)(8) is amended to read as follows:

"(B) CERTAIN RULES MADE APPLICABLE.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A), except that section 402(f) shall be applied to the payor in lieu of the plan administrator.".

(8) Section 408(a)(1) is amended by striking "or 403(b)(8)," and inserting "403(b)(8), or 457(e)(16)".

(9) Subparagraphs (A) and (B) of section 415(b)(2) are each amended by striking "and 408(d)(3)" and inserting "403(b)(8), 408(d)(3), and 457(e)(16)".

(10) Section 415(c)(2) is amended by striking "and 408(d)(3)" and inserting "408(d)(3), and 457(e)(16)".

(11) Section 4973(b)(1)(A) is amended by striking "or 408(d)(3)" and inserting "408(d)(3), or 457(e)(16)".

(f) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2001.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of any amendment made by this section.

SEC. 642. ROLLOVERS OF IRAS INTO WORKPLACE RETIREMENT PLANS.

(a) IN GENERAL.—Subparagraph (A) of section 408(d)(3) (relating to rollover amounts) is amended by adding "or" at the end of clause (i), by striking clauses (ii) and (iii), and by adding at the end the following:

"(ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan for the benefit of such individual not later than the 60th day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan may not exceed the portion of the amount received which is includible in gross income (determined without regard to this paragraph).

For purposes of clause (ii), the term 'eligible retirement plan' means an eligible retirement plan described in clause (iii), (iv), (v), or (vi) of section 402(c)(8)(B).".

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 403(b) is amended by striking "section 408(d)(3)(A)(iii)" and inserting "section 408(d)(3)(A)(ii)".

(2) Clause (i) of section 408(d)(3)(D) is amended by striking "(i), (ii), or (iii)" and inserting "(i) or (ii)".

(3) Subparagraph (G) of section 408(d)(3) is amended to read as follows:

"(G) SIMPLE RETIREMENT ACCOUNTS.—In the case of any payment or distribution out of a simple retirement account (as defined in subsection (p)) to which section 72(t)(6) applies, this paragraph shall not apply unless such payment or distribution is paid into another simple retirement account.".

(c) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2001.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of the amendments made by this section.

SEC. 643. ROLLOVERS OF AFTER-TAX CONTRIBUTIONS.

(a) ROLLOVERS FROM EXEMPT TRUSTS.—Paragraph (2) of section 402(c) (relating to maximum amount which may be rolled over) is amended by adding at the end the following: "The preceding sentence shall not apply to such distribution to the extent—

"(A) such portion is transferred in a direct trustee-to-trustee transfer to a qualified trust which is part of a plan which is a defined contribution plan and which agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

"(B) such portion is transferred to an eligible retirement plan described in clause (i) or (ii) of paragraph (8)(B).".

(b) OPTIONAL DIRECT TRANSFER OF ELIGIBLE ROLLOVER DISTRIBUTIONS.—Subparagraph (B) of section 401(a)(31) (relating to limitation) is amended by adding at the end the following: "The preceding sentence shall not apply to such distribution if the plan to which such distribution is transferred—

"(i) agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

"(ii) is an eligible retirement plan described in clause (i) or (ii) of section 402(c)(8)(B).".

(c) RULES FOR APPLYING SECTION 72 TO IRAS.—Paragraph (3) of section 408(d) (relating to special rules for applying section 72) is amended by inserting at the end the following:

"(H) APPLICATION OF SECTION 72.—

"(i) IN GENERAL.—If—

"(I) a distribution is made from an individual retirement plan, and

"(II) a rollover contribution is made to an eligible retirement plan described in section 402(c)(8)(B)(iii), (iv), (v), or (vi) with respect to all or part of such distribution,

then, notwithstanding paragraph (2), the rules of clause (ii) shall apply for purposes of applying section 72.

"(ii) APPLICABLE RULES.—In the case of a distribution described in clause (i)—

"(I) section 72 shall be applied separately to such distribution,

"(II) notwithstanding the pro rata allocation of income on, and investment in, the contract to distributions under section 72, the portion of such distribution rolled over to an eligible retirement plan described in clause (i) shall be treated as from income on the contract (to the extent of the aggregate income on the contract from all individual retirement plans of the distributee), and

"(III) appropriate adjustments shall be made in applying section 72 to other distributions in such taxable year and subsequent taxable years.".

(d) Effective Date.—The amendments made by this section shall apply to distributions made after December 31, 2001.

SEC. 644. HARDSHIP EXCEPTION TO 60-DAY RULE.

(a) Exempt Trusts.—Paragraph (3) of section 402(c) (relating to transfer must be made within 60 days of receipt) is amended to read as follows:

"(3) Transfer must be made within 60 days of receipt.—

"(A) In general.—Except as provided in subparagraph (B), paragraph (1) shall not apply to any transfer of a distribution made after the 60th day following the day on which the distributee received the property distributed.

"(B) Hardship exception.—The Secretary may waive the 60-day requirement under subparagraph (A) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.".

(b) IRAs.—Paragraph (3) of section 408(d) (relating to rollover contributions), as amended by section 643, is amended by adding after subparagraph (H) the following new subparagraph:

"(I) Waiver of 60-day requirement.—The Secretary may waive the 60-day requirement under subparagraphs (A) and (D) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.".

(c) Effective Date.—The amendments made by this section shall apply to distributions after December 31, 2001.

SEC. 645. TREATMENT OF FORMS OF DISTRIBUTION.

(a) Plan Transfers.—

(1) Amendment of internal revenue code.—Paragraph (6) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended by adding at the end the following:

"(D) Plan transfers.—

"(i) In general.—A defined contribution plan (in this subparagraph referred to as the 'transferee plan') shall not be treated as failing to meet the requirements of this subsection merely because the transferee plan does not provide some or all of the forms of distribution previously available under another defined contribution plan (in this subparagraph referred to as the 'transferor plan') to the extent that—

"(I) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan,

"(II) the terms of both the transferor plan and the transferee plan authorize the transfer described in subclause (I),

"(III) the transfer described in subclause (I) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan,

"(IV) the election described in subclause (III) was made after the participant or beneficiary received a notice describing the consequences of making the election, and

"(V) the transferee plan allows the participant or beneficiary described in subclause (III) to receive any distribution to which the participant or beneficiary is entitled under the transferee plan in the form of a single sum distribution.

"(ii) Special rule for mergers, etc.—Clause (i) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.".

(2) Amendment of ERISA.—Section 204(g) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(g)) is amended by adding at the end the following:

"(4)(A) A defined contribution plan (in this subparagraph referred to as the 'transferee plan') shall not be treated as failing to meet the requirements of this subsection merely because the transferee plan does not provide some or all of the forms of distribution previously available under another defined contribution plan (in this subparagraph referred to as the 'transferor plan') to the extent that—

"(i) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan;

"(ii) the terms of both the transferor plan and the transferee plan authorize the transfer described in clause (i);

"(iii) the transfer described in clause (i) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan;

"(iv) the election described in clause (iii) was made after the participant or beneficiary received a notice describing the consequences of making the election; and

"(v) the transferee plan allows the participant or beneficiary described in clause (iii) to receive any distribution to which the participant or beneficiary is entitled under the transferee plan in the form of a single sum distribution.

"(B) Subparagraph (A) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.".

(3) Effective date.—The amendments made by this subsection shall apply to years beginning after December 31, 2001.

(b) Regulations.—

(1) Amendment of internal revenue code.—The last sentence of paragraph (6)(B) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended to read as follows: "The Secretary shall by regulations provide that this subparagraph shall not apply to any plan amendment which reduces or eliminates benefits or subsidies which create significant burdens or complexities for the plan and plan participants, unless such amendment adversely affects the rights of any participant in a more than de minimis manner.".

(2) Amendment of ERISA.—The last sentence of section 204(g)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(g)(2)) is amended to read as follows: "The Secretary of the Treasury shall by regulations provide that this paragraph shall not apply to any plan amendment which reduces or eliminates benefits or subsidies which create significant burdens or complexities for the plan and plan participants, unless such amendment adversely affects the rights of any participant in a more than de minimis manner.".

(3) Secretary directed.—Not later than December 31, 2002, the Secretary of the Treasury is directed to issue regulations under section 411(d)(6) of the Internal Revenue Code of 1986 and section 204(g) of the Employee Retirement Income Security Act of 1974, including the regulations required by the amendment made by this subsection. Such regulations shall apply to plan years beginning after December 31, 2002, or such earlier date as is specified by the Secretary of the Treasury.

SEC. 646. RATIONALIZATION OF RESTRICTIONS ON DISTRIBUTIONS.

(a) Modification of Same Desk Exception.—

(1) Section 401(k).—

(A) Section 401(k)(2)(B)(i)(I) (relating to qualified cash or deferred arrangements) is amended by striking "separation from service" and inserting "severance from employment".

(B) Subparagraph (A) of section 401(k)(10) (relating to distributions upon termination of plan or disposition of assets or subsidiary) is amended to read as follows:

"(A) In general.—An event described in this subparagraph is the termination of the plan without establishment or maintenance of another defined contribution plan (other than an employee stock ownership plan as defined in section 4975(e)(7)).".

(C) Section 401(k)(10) is amended—

(i) in subparagraph (B)—

(I) by striking "An event" in clause (i) and inserting "A termination"; and

(II) by striking "the event" in clause (i) and inserting "the termination";

(ii) by striking subparagraph (C); and

(iii) by striking "OR DISPOSITION OF ASSETS OR SUBSIDIARY" in the heading.

(2) Section 403(b).—

(A) Paragraphs (7)(A)(ii) and (11)(A) of section 403(b) are each amended by striking "separates from service" and inserting "has a severance from employment".

(B) The heading for paragraph (11) of section 403(b) is amended by striking "SEPARATION FROM SERVICE" and inserting "SEVERANCE FROM EMPLOYMENT".

(3) Section 457.—Clause (ii) of section 457(d)(1)(A) is amended by striking "is separated from service" and inserting "has a severance from employment".

(b) Effective Date.—The amendments made by this section shall apply to distributions after December 31, 2001.

SEC. 647. PURCHASE OF SERVICE CREDIT IN GOVERNMENTAL DEFINED BENEFIT PLANS.

(a) 403(b) Plans.—Subsection (b) of section 403 is amended by adding at the end the following new paragraph:

"(13) Trustee-to-trustee transfers to purchase permissive service credit.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

"(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

"(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.".

(b) 457 Plans.—Subsection (e) of section 457, as amended by section 641, is amended by adding after paragraph (16) the following new paragraph:

"(17) Trustee-to-trustee transfers to purchase permissive service credit.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

“(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

“(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.”.

(c) Effective Date.—The amendments made by this section shall apply to trustee-to-trustee transfers after December 31, 2001.

SEC. 648. EMPLOYERS MAY DISREGARD ROLLOVERS FOR PURPOSES OF CASH-OUT AMOUNTS.

(a) Qualified Plans.—

(1) Amendment of internal revenue code.—Section 411(a)(11) (relating to restrictions on certain mandatory distributions) is amended by adding at the end the following:

“(D) Special rule for rollover contributions.—A plan shall not fail to meet the requirements of this paragraph if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term ‘rollover contributions’ means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16).”.

(2) Amendment of erisa.—Section 203(e) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(c)) is amended by adding at the end the following:

“(4) A plan shall not fail to meet the requirements of this subsection if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term ‘rollover contributions’ means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16) of the Internal Revenue Code of 1986.”.

(b) Eligible Deferred Compensation Plans.—Clause (i) of section 457(e)(9)(A) is amended by striking “such amount” and inserting “the portion of such amount which is not attributable to rollover contributions (as defined in section 411(a)(11)(D))”.

(c) Effective Date.—The amendments made by this section shall apply to distributions after December 31, 2001.

SEC. 649. MINIMUM DISTRIBUTION AND INCLUSION REQUIREMENTS FOR SECTION 457 PLANS.

(a) Minimum Distribution Requirements.—Paragraph (2) of section 457(d) (relating to distribution requirements) is amended to read as follows:

“(2) Minimum distribution requirements.—A plan meets the minimum distribution requirements of this paragraph if such plan meets the requirements of section 401(a)(9).”.

(b) Inclusion in Gross Income.—

(1) Year of inclusion.—Subsection (a) of section 457 (relating to year of inclusion in gross income) is amended to read as follows:

“(a) Year of Inclusion in Gross Income.—

“(1) In general.—Any amount of compensation deferred under an eligible deferred compensation plan, and any income attributable to the amounts so deferred, shall be includible in gross income only for the taxable year in which such compensation or other income—

“(A) is paid to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(A), and

“(B) is paid or otherwise made available to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(B).

“(2) Special rule for rollover amounts.—To the extent provided in section 72(t)(9), section 72(t) shall apply to any amount includible in gross income under this subsection.”.

(2) Conforming amendments.—

(A) So much of paragraph (9) of section 457(e) as precedes subparagraph (A) is amended to read as follows:

“(9) Benefits of tax exempt organization plans not treated as made available by reason of certain elections, etc.—In the case of an eligible deferred compensation plan of an employer described in subsection (e)(1)(B)—”.

(B) Section 457(d) is amended by adding at the end the following new paragraph:

“(3) Special rule for government plan.—An eligible deferred compensation plan of an employer described in subsection (e)(1)(A) shall not be treated as failing to meet the requirements of this subsection solely by reason of making a distribution described in subsection (e)(9)(A).”.

(c) Modification of Transition Rules for Existing 457 Plans.—

(1) In general.—Section 1107(c)(3)(B) of the Tax Reform Act of 1986 is amended by striking “or” at the end of clause (i), by striking the period at the end of clause (ii) and inserting “, or” and by inserting after clause (ii) the following new clause:

“(iii) are deferred pursuant to an agreement with an individual covered by an agreement described in clause (ii), to the extent the annual amount under such agreement with the individual does not exceed—

“(I) the amount described in clause (ii)(II), multiplied by

“(II) the cumulative increase in the Consumer Price Index (as published by the Bureau of Labor Statistics of the Department of Labor).”.

(2) Conforming amendment.—The fourth sentence of section 1107(c)(3)(B) of the Tax Reform Act of 1986 is amended by striking “This subparagraph” and inserting “Clauses (i) and (ii) of this subparagraph”.

(3) Effective date.—The amendments made by this subsection shall apply to taxable years ending after the date of the enactment of this Act with respect to increases in the Consumer Price Index after September 30, 1993.

(d) Effective Date.—The amendments made by subsections (a) and (b) shall apply to distributions after December 31, 2001.

Subtitle E—Strengthening Pension Security and Enforcement

PART I—GENERAL PROVISIONS

SEC. 651. REPEAL OF 160 PERCENT OF CURRENT LIABILITY FUNDING LIMIT.

(a) Amendments to Internal Revenue Code.—Section 412(c)(7) (relating to full-funding limitation) is amended—

(1) by striking “the applicable percentage” in subparagraph (A)(i)(I) and inserting “in the case of plan years beginning before January 1, 2005, the applicable percentage”; and

(2) by amending subparagraph (F) to read as follows:

“(F) Applicable percentage.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

“In the case of any plan year beginning in—	The applicable percentage is—
2002	160
2003	165
2004	170.”.

(b) Amendment of ERISA.—Section 302(c)(7) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1082(c)(7)) is amended—

(1) by striking “the applicable percentage” in subparagraph (A)(i)(I) and inserting “in the case of plan years beginning before January 1, 2005, the applicable percentage”, and

(2) by amending subparagraph (F) to read as follows:

“(F) Applicable percentage.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

“In the case of any plan year beginning in—	The applicable percentage is—
2002	160
2003	165
2004	170.”.

(c) Effective Date.—The amendments made by this section shall apply to plan years beginning after December 31, 2001.

SEC. 652. MAXIMUM CONTRIBUTION DEDUCTION RULES MODIFIED AND APPLIED TO ALL DEFINED BENEFIT PLANS.

(a) In General.—Subparagraph (D) of section 404(a)(1) (relating to special rule in case of certain plans) is amended to read as follows:

“(D) Special rule in case of certain plans.—

“(i) In general.—In the case of any defined benefit plan, except as provided in regulations, the maximum amount deductible under the limitations of this paragraph shall not be less than the unfunded termination liability (determined as if the proposed termination date referred to in section 4041(b)(2)(A)(i)(II) of the Employee Retirement Income Security Act of 1974 were the last day of the plan year).

“(ii) Plans with less than 100 participants.—For purposes of this subparagraph, in the case of a plan which has less than 100 participants for the plan year, termination liability shall not include the liability attributable to benefit increases for highly compensated employees (as defined in section 414(q)) resulting from a plan amendment which is made or becomes effective, whichever is later, within the last 2 years before the termination date.

“(iii) Rule for determining number of participants.—For purposes of determining whether a plan has more than 100 participants, all defined benefit plans maintained by the same employer (or any member of such employer's controlled group (within the meaning of section 412(l)(8)(C))) shall be treated as one plan, but only employees of such member or employer shall be taken into account.

“(iv) Plans maintained by professional service employers.—Clause (i) shall not apply to a plan described in section 4021(b)(13) of the Employee Retirement Income Security Act of 1974.”.

(b) Conforming Amendment.—Paragraph (6) of section 4972(c) is amended to read as follows:

“(6) Exceptions.—In determining the amount of nondeductible contributions for any taxable year, there shall not be taken into account so much of the contributions to one or more defined contribution plans which are not deductible when contributed solely because of section 404(a)(7) as does not exceed the greater of—

“(A) the amount of contributions not in excess of 6 percent of compensation (within the meaning of section 404(a)) paid or accrued (during the taxable year for which the contributions were made) to beneficiaries under the plans, or

“(B) the sum of—

“(i) the amount of contributions described in section 401(m)(4)(A), plus

“(ii) the amount of contributions described in section 402(g)(3)(A).

For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to a defined benefit plan and then to amounts described in subparagraph (B).”.

(c) Effective Date.—The amendments made by this section shall apply to plan years beginning after December 31, 2001.

SEC. 653. EXCISE TAX RELIEF FOR SOUND PENSION FUNDING.

(a) In General.—Subsection (c) of section 4972 (relating to nondeductible contributions) is amended by adding at the end the following new paragraph:

“(7) Defined benefit plan exception.—In determining the amount of nondeductible contributions for any taxable year, an employer may elect for such year not to take into account any contributions to a defined benefit plan except to the extent that such contributions exceed the full-funding limitation (as defined in section 412(c)(7), determined without regard to subparagraph (A)(i)(I) thereof). For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to defined contribution plans and then to amounts described in this paragraph. If an employer makes an election under this paragraph for a taxable year, paragraph (6) shall not apply to such employer for such taxable year.”.

(b) Effective Date.—The amendment made by this section shall apply to years beginning after December 31, 2001.

SEC. 654. TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415.

(a) Compensation Limit.—

(1) In general.—Paragraph (11) of section 415(b) (relating to limitation for defined benefit plans) is amended to read as follows:

“(11) Special limitation rule for governmental and multiemployer plans.—In the case of a governmental plan (as defined in section 414(d)) or a multiemployer plan (as defined in section 414(f)), subparagraph (B) of paragraph (1) shall not apply.”.

(2) Conforming amendment.—Section 415(b)(7) (relating to benefits under certain collectively bargained plans) is amended by inserting “(other than a multiemployer plan)” after “defined benefit plan” in the matter preceding subparagraph (A).

(b) Combining and Aggregation of Plans.—

(1) Combining of plans.—Subsection (f) of section 415 (relating to combining of plans) is amended by adding at the end the following:

“(3) Exception for multiemployer plans.—Notwithstanding paragraph (1) and subsection (g), a multiemployer plan (as defined in section 414(f)) shall not be combined or aggregated with any other plan maintained by an employer for purposes of applying subsection (b)(1)(B) to such plan or any other such plan.”.

(2) Conforming amendment for aggregation of plans.—Subsection (g) of section 415 (relating to aggregation of plans) is amended by striking “The Secretary” and inserting “Except as provided in subsection (f)(3), the Secretary”.

(c) Effective Date.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 655. PROTECTION OF INVESTMENT OF EMPLOYEE CONTRIBUTIONS TO 401(k) PLANS.

(a) In General.—Section 1524(b) of the Taxpayer Relief Act of 1997 is amended to read as follows:

“(b) Effective Date.—

“(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to elective deferrals for plan years beginning after December 31, 1998.

“(2) Nonapplication to previously acquired property.—The amendments made by this section shall not apply to any elective deferral which is invested in assets consisting of qualifying employer securities, qualifying employer real property, or both, if such assets were acquired before January 1, 1999.”.

(b) Effective Date.—The amendment made by this section shall apply as if included in the provision of the Taxpayer Relief Act of 1997 to which it relates.

SEC. 656. PROHIBITED ALLOCATIONS OF STOCK IN S CORPORATION ESOP.

(a) In General.—Section 409 (relating to qualifications for tax credit employee stock ownership plans) is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (o) the following new subsection:

“(p) Prohibited Allocations of Securities in an S Corporation.—

“(1) In general.—An employee stock ownership plan holding employer securities consisting of stock in an S corporation shall provide that no portion of the assets of the plan attributable to (or allocable in lieu of) such employer securities may, during a nonallocation year, accrue (or be allocated directly or indirectly under any plan of the employer meeting the requirements of section 401(a)) for the benefit of any disqualified person.

“(2) Failure to meet requirements.—

“(A) In general.—If a plan fails to meet the requirements of paragraph (1), the plan shall be treated as having distributed to any disqualified person the amount allocated to the account of such person in violation of paragraph (1) at the time of such allocation.

“(B) Cross reference.—

“For excise tax relating to violations of paragraph (1) and ownership of synthetic equity, see section 4979A.

“(3) Nonallocation year.—For purposes of this subsection—

“(A) In general.—The term ‘nonallocation year’ means any plan year of an employee stock ownership plan if, at any time during such plan year—

“(i) such plan holds employer securities consisting of stock in an S corporation, and

“(ii) disqualified persons own at least 50 percent of the number of shares of stock in the S corporation.

“(B) Attribution rules.—For purposes of subparagraph (A)—

“(i) In general.—The rules of section 318(a) shall apply for purposes of determining ownership, except that—

“(I) in applying paragraph (1) thereof, the members of an individual's family shall include members of the family described in paragraph (4)(D), and

“(II) paragraph (4) thereof shall not apply.

“(ii) Deemed-owned shares.—Notwithstanding the employee trust exception in section 318(a)(2)(B)(i), an individual shall be treated as owning deemed-owned shares of the individual.

Solely for purposes of applying paragraph (5), this subparagraph shall be applied after the attribution rules of paragraph (5) have been applied.

“(4) Disqualified person.—For purposes of this subsection—

“(A) In general.—The term ‘disqualified person’ means any person if—

“(i) the aggregate number of deemed-owned shares of such person and the members of such person's family is at least 20 percent of the number of deemed-owned shares of stock in the S corporation, or

“(ii) in the case of a person not described in clause (i), the number of deemed-owned shares of such person is at least 10 percent of the number of deemed-owned shares of stock in such corporation.

“(B) Treatment of family members.—In the case of a disqualified person described in subparagraph (A)(i), any member of such person's family with deemed-owned shares shall be treated as a disqualified person if not otherwise treated as a disqualified person under subparagraph (A).

“(C) Deemed-owned shares.—

“(i) In general.—The term ‘deemed-owned shares’ means, with respect to any person—

“(I) the stock in the S corporation constituting employer securities of an employee stock ownership plan which is allocated to such person under the plan, and

“(II) such person's share of the stock in such corporation which is held by such plan but which is not allocated under the plan to participants.

“(ii) Person's share of unallocated stock.—For purposes of clause (i)(II), a person's share of unallocated S corporation stock held by such plan is the amount of the unallocated stock which would be allocated to such person if the unallocated stock were allocated to all participants in the same proportions as the most recent stock allocation under the plan.

“(D) Member of family.—For purposes of this paragraph, the term ‘member of the family’ means, with respect to any individual—

“(i) the spouse of the individual,

“(ii) an ancestor or lineal descendant of the individual or the individual's spouse,

“(iii) a brother or sister of the individual or the individual's spouse and any lineal descendant of the brother or sister, and

“(iv) the spouse of any individual described in clause (ii) or (iii).

A spouse of an individual who is legally separated from such individual under a decree of divorce or separate maintenance shall not be treated as such individual's spouse for purposes of this subparagraph.

“(5) Treatment of synthetic equity.—For purposes of paragraphs (3) and (4), in the case of a person who owns synthetic equity in the S corporation, except to the extent provided in regulations, the shares of stock in such corporation on which such synthetic equity is based shall be treated as outstanding stock in such corporation and deemed-owned shares of such person if such treatment of synthetic equity of 1 or more such persons results in—

“(A) the treatment of any person as a disqualified person, or

“(B) the treatment of any year as a nonallocation year.

For purposes of this paragraph, synthetic equity shall be treated as owned by a person in the same manner as stock is treated as owned by a person under the rules of paragraphs (2) and (3) of section 318(a). If, without regard to this paragraph, a person is treated as a disqualified person or a year is treated as a nonallocation year, this paragraph shall not be construed to result in the person or year not being so treated.

“(6) Definitions.—For purposes of this subsection—

"(A) Employee stock ownership plan.—The term 'employee stock ownership plan' has the meaning given such term by section 4975(e)(7).

"(B) Employer securities.—The term 'employer security' has the meaning given such term by section 409(l).

"(C) Synthetic equity.—The term 'synthetic equity' means any stock option, warrant, restricted stock, deferred issuance stock right, or similar interest or right that gives the holder the right to acquire or receive stock of the S corporation in the future. Except to the extent provided in regulations, synthetic equity also includes a stock appreciation right, phantom stock unit, or similar right to a future cash payment based on the value of such stock or appreciation in such value.

"(7) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection.".

(b) Coordination With Section 4975(e)(7).—The last sentence of section 4975(e)(7) (defining employee stock ownership plan) is amended by inserting ", section 409(p)," after "409(n)".

(c) Excise Tax.—

(1) Application of tax.—Subsection (a) of section 4979A (relating to tax on certain prohibited allocations of employer securities) is amended—

(A) by striking "or" at the end of paragraph (1), and

(B) by striking all that follows paragraph (2) and inserting the following:

"(3) there is any allocation of employer securities which violates the provisions of section 409(p), or a nonallocation year described in subsection (e)(2)(C) with respect to an employee stock ownership plan, or

"(4) any synthetic equity is owned by a disqualified person in any nonallocation year,

there is hereby imposed a tax on such allocation or ownership equal to 50 percent of the amount involved.".

(2) Liability.—Section 4979A(c) (defining liability for tax) is amended to read as follows:

"(c) Liability for Tax.—The tax imposed by this section shall be paid—

"(1) in the case of an allocation referred to in paragraph (1) or (2) of subsection (a), by—

"(A) the employer sponsoring such plan, or

"(B) the eligible worker-owned cooperative,

which made the written statement described in section 664(g)(1)(E) or in section 1042(b)(3)(B) (as the case may be), and

"(2) in the case of an allocation or ownership referred to in paragraph (3) or (4) of subsection (a), by the S corporation the stock in which was so allocated or owned.".

(3) Definitions.—Section 4979A(e) (relating to definitions) is amended to read as follows:

"(e) Definitions and Special Rules.—For purposes of this section—

"(1) Definitions.—Except as provided in paragraph (2), terms used in this section have the same respective meanings as when used in sections 409 and 4978.

"(2) Special rules relating to tax imposed by reason of paragraph (3) or (4) of subsection (a).—

"(A) Prohibited allocations.—The amount involved with respect to any tax imposed by reason of subsection (a)(3) is the amount allocated to the account of any person in violation of section 409(p)(1).

"(B) Synthetic equity.—The amount involved with respect to any tax imposed by reason of subsection (a)(4) is the value of the shares on which the synthetic equity is based.

"(C) Special rule during first nonallocation year.—For purposes of subparagraph (A), the amount involved for the first nonallocation year of any employee stock ownership plan shall be determined by taking into account the total value of all the deemed-owned shares of all disqualified persons with respect to such plan.

"(D) Statute of limitations.—The statutory period for the assessment of any tax imposed by this section by reason of paragraph (3) or (4) of subsection (a) shall not expire before the date which is 3 years from the later of—

"(i) the allocation or ownership referred to in such paragraph giving rise to such tax, or

"(ii) the date on which the Secretary is notified of such allocation or ownership.".

(d) Effective Dates.—

(1) In general.—The amendments made by this section shall apply to plan years beginning after December 31, 2002.

(2) Exception for certain plans.—In the case of any—

(A) employee stock ownership plan established after July 11, 2000, or

(B) employee stock ownership plan established on or before such date if employer securities held by the plan consist of stock in a corporation with respect to which an election under section 1362(a) of the Internal Revenue Code of 1986 is not in effect on such date,

the amendments made by this section shall apply to plan years ending after July 11, 2000.

SEC. 657. AUTOMATIC ROLLOVERS OF CERTAIN MANDATORY DISTRIBUTIONS.

(a) Direct Transfers of Mandatory Distributions.—

(1) In general.—Section 401(a)(31) (relating to optional direct transfer of eligible rollover distributions), as amended by section 643, is amended by redesignating subparagraphs (B), (C), and (D) as subparagraphs (C), (D), and (E), respectively, and by inserting after subparagraph (A) the following new subparagraph:

"(B) Certain mandatory distributions.—

"(i) In general.—In case of a trust which is part of an eligible plan, such trust shall not constitute a qualified trust under this section unless the plan of which such trust is a part provides that if—

"(I) a distribution described in clause (ii) in excess of $1,000 is made, and

"(II) the distributee does not make an election under subparagraph (A) and does not elect to receive the distribution directly,

the plan administrator shall make such transfer to an individual retirement account or annuity of a designated trustee or issuer and shall notify the distributee in writing (either separately or as part of the notice under section 402(f)) that the distribution may be transferred without cost or penalty to another individual account or annuity.

"(ii) Eligible plan.—For purposes of clause (i), the term 'eligible plan' means a plan which provides that any nonforfeitable accrued benefit for which the present value (as determined under section 411(a)(11)) does not exceed $5,000 shall be immediately distributed to the participant.".

(2) Conforming amendments.—

(A) The heading of section 401(a)(31) is amended by striking "Optional direct" and inserting "Direct".

(B) Section 401(a)(31)(C), as redesignated by paragraph (1), is amended by striking "Subparagraph (A)" and inserting "Subparagraphs (A) and (B)".

(b) Notice Requirement.—Section 402(f)(1) (relating to written explanation to recipients of distributions eligible for rollover treatment) is amended by striking "and" at the end of subparagraph (C), by striking the period at the end of subparagraph (D), and by adding at the end the following new subparagraph:

"(E) if applicable, of the provision requiring a direct trustee-to-trustee transfer of a distribution under section 401(a)(31)(B) unless the recipient elects otherwise.".

(c) Fiduciary Rules.—

(1) In general.—Section 404(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104(c)) is amended by adding at the end the following new paragraph:

"(3) In the case of a pension plan which makes a transfer to an individual retirement account or annuity of a designated trustee or issuer under section 401(a)(31)(B) of the Internal Revenue Code of 1986, the participant or beneficiary shall, for purposes of paragraph (1), be treated as exercising control over the assets in the account or annuity upon the earlier of—

"(A) a rollover of all or a portion of the amount to another individual retirement account or annuity; or

"(B) one year after the transfer is made.".

(2) Regulations.—

(A) Automatic rollover safe harbor.—The Secretary of Labor shall promulgate regulations to provide guidance regarding meeting the fiduciary requirements of section 404(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104(a)) in the case of a pension plan which makes a transfer under section 401(a)(31)(B) of the Internal Revenue Code of 1986.

(B) Use of low-cost individual retirement plans.—The Secretary of the Treasury and the Secretary of Labor shall promulgate such regulations as necessary to encourage the use of low-cost individual retirement plans for purposes of transfers under section 401(a)(31)(B) of the Internal Revenue Code of 1986 and for other uses as appropriate to promote the preservation of assets for retirement income purposes.

(d) Effective Date.—The amendments made by this section shall apply to distributions made after final regulations implementing subsection (c) are prescribed.

SEC. 658. CLARIFICATION OF TREATMENT OF CONTRIBUTIONS TO MULTIEMPLOYER PLAN.

(a) Not Considered Method of Accounting.—For purposes of section 446 of the Internal Revenue Code of 1986, a determination under section 404(a)(6) of such Code regarding the taxable year with respect to which a contribution to a multiemployer pension plan is deemed made shall not be treated as a method of accounting of the taxpayer. No deduction shall be allowed for any taxable year for any contribution to a multiemployer pension plan with respect to which a deduction was previously allowed.

(b) Regulations.—The Secretary of the Treasury shall promulgate such regulations as necessary to clarify that a taxpayer shall not be allowed, with respect to any taxable year, an aggregate amount of deductions for contributions to a multiemployer pension plan which exceeds the amount of such contributions made or deemed made under section 404(a)(6) of the Internal Revenue Code of 1986 to such plan.

(c) Effective Date.—Subsection (a), and any regulations promulgated under subsection (b), shall be effective for years ending after the date of the enactment of this Act.

PART II—TREATMENT OF PLAN AMENDMENTS REDUCING FUTURE BENEFIT ACCRUALS

SEC. 659. NOTICE REQUIRED FOR PENSION PLAN AMENDMENTS HAVING THE EFFECT OF SIGNIFICANTLY REDUCING FUTURE BENEFIT ACCRUALS.

(a) Excise Tax.—

(1) In general.—Chapter 43 (relating to qualified pension, etc., plans) is amended by adding at the end the following new section:

"SEC. 4980F. FAILURE TO PROVIDE NOTICE OF PENSION PLAN AMENDMENTS REDUCING BENEFIT ACCRUALS.

"(a) Imposition of Tax.—There is hereby imposed a tax on the failure of an applicable pension plan to meet the requirements of subsection (e) with respect to any applicable individual.

"(b) Amount of Tax.—

"(1) In general.—The amount of the tax imposed by subsection (a) on any failure with respect to any applicable individual shall be **$100** for each day in the noncompliance period with respect to such failure.

"(2) Noncompliance period.—For purposes of this section, the term 'noncompliance period' means, with respect to any failure, the period beginning on the date the failure first occurs and ending on the date the notice to which the failure relates is provided or the failure is otherwise corrected.

"(c) Limitations on Amount of Tax.—

"(1) Tax not to apply where failure not discovered and reasonable diligence exercised.—No tax shall be imposed by subsection (a) on any failure during any period for which it is established to the satisfaction of the Secretary that any person subject to liability for the tax under subsection (d) did not know that the failure existed and exercised reasonable diligence to meet the requirements of subsection (e).

"(2) Tax not to apply to failures corrected within 30 days.—No tax shall be imposed by subsection (a) on any failure if—

"(A) any person subject to liability for the tax under subsection (d) exercised reasonable diligence to meet the requirements of subsection (e), and

"(B) such person provides the notice described in subsection (e) during the 30-day period beginning on the first date such person knew, or exercising reasonable diligence would have known, that such failure existed.

"(3) Overall limitation for unintentional failures.—

"(A) In general.—If the person subject to liability for tax under subsection (d) exercised reasonable diligence to meet the requirements of subsection (e), the tax imposed by subsection (a) for failures during the taxable year of the employer (or, in the case of a multiemployer plan, the taxable year of the trust forming part of the plan) shall not exceed **$500,000**. For purposes of the preceding sentence, all multiemployer plans of which the same trust forms a part shall be treated as 1 plan.

"(B) Taxable years in the case of certain controlled groups.—For purposes of this paragraph, if all persons who are treated as a single employer for purposes of this section do not have the same taxable year, the taxable years taken into account shall be determined under principles similar to the principles of section 1561.

"(4) Waiver by secretary.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive or otherwise inequitable relative to the failure involved.

"(d) Liability for Tax.—The following shall be liable for the tax imposed by subsection (a):

"(1) In the case of a plan other than a multiemployer plan, the employer.

"(2) In the case of a multiemployer plan, the plan.

"(e) Notice Requirements for Plan Amendments Significantly Reducing Benefit Accruals.—

"(1) In general.—If the sponsor of an applicable pension plan adopts an amendment which has the effect of significantly reducing the rate of future benefit accrual of 1 or more participants, the plan administrator shall, not later than the 45th day before the effective date of the amendment, provide written notice to each applicable individual (and to each employee organization representing applicable individuals) which—

"(A) sets forth a summary of the plan amendment and the effective date of the amendment,

"(B) includes a statement that the plan amendment is expected to significantly reduce the rate of future benefit accrual,

"(C) includes a description of the classes of employees reasonably expected to be affected by the reduction in the rate of future benefit accrual,

"(D) sets forth examples illustrating how the plan will change benefits for such classes of employees,

"(E) if paragraph (2) applies to the plan amendment, includes a notice that the plan administrator will provide a benefit estimation tool kit described in paragraph (2)(B) to each applicable individual no later than the date required under paragraph (2)(A), and

"(F) includes a notice of each applicable individual's right under Federal law to receive, and of the procedures for requesting, an annual benefit statement.

"(2) Requirement to provide benefit estimation tool kit.—

"(A) In general.—If a plan amendment results in the significant restructuring of the plan benefit formula (as determined under regulations prescribed by the Secretary), the plan administrator shall, not later than the 15th day before the effective date of the amendment, provide a benefit estimation tool kit described in subparagraph (B) to each applicable individual. If such plan amendment occurs within 12 months of an event described in section 410(b)(6)(C), the plan administrator shall in no event be required to provide the benefit estimation tool kit to applicable individuals affected by the event before the date which is 12 months after the date on which notice under paragraph (1) is given to such applicable individuals.

"(B) Benefit estimation tool kit.—The benefit estimation tool kit described in this subparagraph shall include the following information:

"(i) Sufficient information to enable an applicable individual to estimate the individual's projected benefits under the terms of the plan in effect both before and after the adoption of the amendment.

"(ii) The formulas and actuarial assumptions necessary to estimate under both such plan terms a single life annuity at appropriate ages, and, when available, a lump sum distribution.

"(iii) The interest rate used to compute a lump sum distribution and information as to whether the value of any early retirement benefit or retirement-type subsidy (within the meaning of section 411(d)(6)(B)(i)) is included in the lump sum distribution.

"(3) Notice to designee.—Any notice under paragraph (1) or (2) may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

"(4) Form of explanation.—The information required to be provided under this subsection shall be provided in a manner calculated to be reasonably understood by the average plan participant.

"(f) Definitions and Special Rules.—For purposes of this section—

"(1) Applicable individual.—

"(A) In general.—The term 'applicable individual' means, with respect to any plan amendment—

"(i) each participant in the plan, and

"(ii) any beneficiary who is an alternate payee (within the meaning of section 414(p)(8)) under an applicable qualified domestic relations order (within the meaning of section 414(p)(1)(A)),

whose rate of future benefit accrual under the plan may reasonably be expected to be significantly reduced by such plan amendment.

"(B) Exception for participants with less than 1 year of participation.—Such term shall not include a participant who has less than 1 year of participation (within the meaning of section 411(b)(4)) under the plan as of the effective date of the plan amendment.

"(2) Applicable pension plan.—The term 'applicable pension plan' means—

"(A) a defined benefit plan, or

"(B) an individual account plan which is subject to the funding standards of section 412.

Such term shall not include a governmental plan (within the meaning of section 414(d)), a church plan (within the meaning of section 414(e)) with respect to which an election under section 410(d) has not been made, or any other plan to which section 204(h) of the Employee Retirement Income Security Act of 1974 does not apply.

"(3) Early retirement.—A plan amendment which eliminates or significantly reduces any early retirement benefit or retirement-type subsidy (within the meaning of section 411(d)(6)(B)(i)) shall be treated as having the effect of significantly reducing the rate of future benefit accrual.

"(g) Regulations.—The Secretary shall, not later than 1 year after the date of the enactment of this section, issue—

"(1) the regulations described in subsection (e)(2)(A) and section 204(h)(2)(A) of the Employee Retirement Income Security Act of 1974, and

"(2) guidance for both of the examples described in subsection (e)(1)(D) and section 204(h)(1)(D) of the Employee Retirement Income Security Act of 1974 and the benefit estimation tool kit described in subsection (e)(2)(B) and section 204(h)(2)(B) of the Employee Retirement Income Security Act of 1974.

"(h) New Technologies.—The Secretary may by regulation allow any notice under paragraph (1) or (2) of subsection (e) to be provided by using new technologies. Such regulations shall ensure that at least one option for providing such notice is not dependent on new technologies."

(2) Conforming amendment.—The table of sections for chapter 43 is amended by adding at the end the following new item:

"Sec. 4980F. Failure to provide notice of pension plan amendments reducing benefit accruals."

(b) Amendment of ERISA.—Section 204(h) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(h)) is amended to read as follows:

“(h)(1) If an applicable pension plan is amended so as to provide a significant reduction in the rate of future benefit accrual of 1 or more participants, the plan administrator shall, not later than the 45th day before the effective date of the amendment, provide written notice to each applicable individual (and to each employee organization representing applicable individuals) which—

“(A) sets forth a summary of the plan amendment and the effective date of the amendment,

“(B) includes a statement that the plan amendment is expected to significantly reduce the rate of future benefit accrual,

“(C) includes a description of the classes of employees reasonably expected to be affected by the reduction in the rate of future benefit accrual,

“(D) sets forth examples illustrating how the plan will change benefits for such classes of employees,

“(E) if paragraph (2) applies to the plan amendment, includes a notice that the plan administrator will provide a benefit estimation tool kit described in paragraph (2)(B) to each applicable individual no later than the date required under paragraph (2)(A), and

“(F) includes a notice of each applicable individual's right under Federal law to receive, and of the procedures for requesting, an annual benefit statement.

“(2)(A) If a plan amendment results in the significant restructuring of the plan benefit formula (as determined under regulations prescribed by the Secretary of the Treasury), the plan administrator shall, not later than the 15th day before the effective date of the amendment, provide a benefit estimation tool kit described in subparagraph (B) to each applicable individual. If such plan amendment occurs within 12 months of an event described in section 410(b)(6)(C) of the Internal Revenue Code of 1986, the plan administrator shall in no event be required to provide the benefit estimation tool kit to applicable individuals affected by the event before the date which is 12 months after the date on which notice under paragraph (1) is given to such applicable individuals.

“(B) The benefit estimation tool kit described in this subparagraph shall include the following information:

“(i) Sufficient information to enable an applicable individual to estimate the individual's projected benefits under the terms of the plan in effect both before and after the adoption of the amendment.

“(ii) The formulas and actuarial assumptions necessary to estimate under both such plan terms a single life annuity at appropriate ages, and, when available, a lump sum distribution.

“(iii) The interest rate used to compute a lump sum distribution and information as to whether the value of any early retirement benefit or retirement-type subsidy (within the meaning of subsection (g)(2)(A)) is included in the lump sum distribution.

“(3) Any notice under paragraph (1) or (2) may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

“(4) The information required to be provided under this subsection shall be provided in a manner calculated to be reasonably understood by the average participant.

“(5)(A) In the case of any failure to exercise due diligence in meeting any requirement of this subsection with respect to any plan amendment, the provisions of the applicable pension plan shall be applied as if such plan amendment entitled all applicable individuals to the greater of—

“(i) the benefits to which they would have been entitled without regard to such amendment, or

“(ii) the benefits under the plan with regard to such amendment.

“(B) For purposes of subparagraph (A), there is a failure to exercise due diligence in meeting the requirements of this subsection if such failure is within the control of the plan sponsor and is—

“(i) an intentional failure (including any failure to promptly provide the required notice or information after the plan administrator discovers an unintentional failure to meet the requirements of this subsection),

“(ii) a failure to provide most of the individuals with most of the information they are entitled to receive under this subsection, or

“(iii) a failure to exercise due diligence which is determined under regulations prescribed by the Secretary of the Treasury.

“(C) For excise tax on failure to meet requirements, see section 4980F of the Internal Revenue Code of 1986.

“(5)(A) For purposes of this subsection, the term ‘applicable individual’ means, with respect to any plan amendment—

“(i) each participant in the plan, and

“(ii) any beneficiary who is an alternate payee (within the meaning of section 206(d)(3)(K)) under an applicable qualified domestic relations order (within the meaning of section 206(d)(3)(B)),

whose rate of future benefit accrual under the plan may reasonably be expected to be significantly reduced by such plan amendment.

“(B) Such term shall not include a participant who has less than 1 year of participation (within the meaning of subsection (b)(4)) under the plan as of the effective date of the plan amendment.

“(6) For purposes of this subsection, the term ‘applicable pension plan’ means—

“(A) a defined benefit plan, or

“(B) an individual account plan which is subject to the funding standards of section 302.

“(7) For purposes of this subsection, a plan amendment which eliminates or significantly reduces any early retirement benefit or retirement-type subsidy (within the meaning of section 204(g)(2)(A)) shall be treated as having the effect of significantly reducing the rate of future benefit accrual.

“(8) The Secretary of the Treasury may by regulation allow any notice under this subsection to be provided by using new technologies. Such regulation shall ensure that at least one option for providing such notice is not dependent on new technologies.”

(c) REGULATIONS RELATING TO EARLY RETIREMENT SUBSIDIES.—The Secretary of the Treasury or the Secretary's delegate shall, not later than 1 year after the date of the enactment of this Act, issue regulations relating to early retirement benefits or retirement-type subsidies described in section 411(d)(6)(B)(i) of the Internal Revenue Code of 1986 and section 204(g)(2)(A) of the Employee Retirement Income Security Act of 1974.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan amendments taking effect on or after the date of the enactment of this Act.

(2) TRANSITION.—Until such time as the Secretary of the Treasury issues regulations under section 4980F(e)(2) of the Internal Revenue Code of 1986 and section 204(h)(2) of the Employee Retirement Income Security Act of 1974 (as added by the amendments made by this section), a plan shall be treated as meeting the requirements of such sections if it makes a good faith effort to comply with such requirements.

(3) SPECIAL NOTICE RULES.—The period for providing any notice required by the amendments made by this section shall not end before the date which is 3 months after the date of the enactment of this Act.

(d) STUDY.—The Secretary of the Treasury shall prepare a report on the effects of significant restructurings of plan benefit formulas of traditional defined benefit plans. Such study shall examine the effects of such restructurings on longer service participants, including the incidence and effects of “wear away” provisions under which participants earn no additional benefits for a period of time after restructuring. As soon as practicable, but not later than one year after the date of enactment of this Act, the Secretary shall submit such report, together with recommendations thereon, to the Committee on Ways and Means and the Committee on Education and the Workforce of the House of Representatives and the Committee on Finance and the Committee on Health, Education, Labor, and Pensions of the Senate.

Subtitle F—Reducing Regulatory Burdens

SEC. 661. MODIFICATION OF TIMING OF PLAN VALUATIONS.

(a) IN GENERAL.—Paragraph (9) of section 412(c) (relating to annual valuation) is amended to read as follows:

“(9) ANNUAL VALUATION.—

“(A) IN GENERAL.—For purposes of this section, a determination of experience gains and losses and a valuation of the plan's liability shall be made not less frequently than once every year, except that such determination shall be made more frequently to the extent required in particular cases under regulations prescribed by the Secretary.

“(B) VALUATION DATE.—

“(i) CURRENT YEAR.—Except as provided in clause (ii), the valuation referred to in subparagraph (A) shall be made as of a date within the plan year to which the valuation refers or within one month prior to the beginning of such year.

“(ii) ELECTION TO USE PRIOR YEAR VALUATION.—The valuation referred to in subparagraph (A) may be made as of a date within the plan year prior to the year to which the valuation refers if—

“(I) an election is in effect under this clause with respect to the plan, and

“(II) as of such date, the value of the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)).

“(iii) ADJUSTMENTS.—Information under clause (ii) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

“(iv) ELECTION.—An election under clause (ii), once made, shall be irrevocable without the consent of the Secretary.”.

(b) AMENDMENT OF ERISA.—Paragraph (9) of section 302(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(c)) is amended—

(1) by inserting “(A)” after “(9)”, and

(2) by adding at the end the following:

“(B)(i) Except as provided in clause (ii), the valuation referred to in subparagraph (A) shall be made as of a date within the plan year to which the valuation refers or within one month prior to the beginning of such year.

“(ii) The valuation referred to in subparagraph (A) may be made as of a date within the plan year prior to the year to which the valuation refers if—

"(I) an election is in effect under this clause with respect to the plan, and

"(II) as of such date, the value of the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)).

"(iii) Information under clause (ii) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

"(iv) An election under clause (ii), once made, shall be irrevocable without the consent of the Secretary of the Treasury.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2001.

SEC. 662. ESOP DIVIDENDS MAY BE REINVESTED WITHOUT LOSS OF DIVIDEND DEDUCTION.

(a) IN GENERAL.—Section 404(k)(2)(A) (defining applicable dividends) is amended by striking "or" at the end of clause (ii), by redesignating clause (iii) as clause (iv), and by inserting after clause (ii) the following new clause:

"(iii) is, at the election of such participants or their beneficiaries—

"(I) payable as provided in clause (i) or (ii), or

"(II) paid to the plan and reinvested in qualifying employer securities, or".

(b) LIMITATION ON AMOUNT OF DEDUCTION.—Section 404(k)(1) (relating to deduction for dividends paid on certain employer securities) is amended to read as follows:

"(1) DEDUCTION ALLOWED.—

"(A) IN GENERAL.—In the case of a C corporation, there shall be allowed as a deduction for the taxable year an amount equal to—

"(i) the amount of any applicable dividend described in clause (i), (ii), or (iv) of paragraph (2)(A), and

"(ii) the applicable percentage of any applicable dividend described in clause (iii),

paid in cash by such corporation during the taxable year with respect to applicable employer securities. Such deduction shall be in addition to the deduction allowed subsection (a).

"(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in:	The applicable percentage is:
2002, 2003, and 2004	25 percent
2005, 2006, and 2007	50 percent
2008, 2009, and 2010	75 percent
2011 and thereafter	100 percent.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 663. REPEAL OF TRANSITION RULE RELATING TO CERTAIN HIGHLY COMPENSATED EMPLOYEES.

(a) IN GENERAL.—Paragraph (4) of section 1114(c) of the Tax Reform Act of 1986 is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to plan years beginning after December 31, 2001.

SEC. 664. EMPLOYEES OF TAX-EXEMPT ENTITIES.

(a) IN GENERAL.—The Secretary of the Treasury shall modify Treasury Regulations section 1.410(b)–6(g) to provide that employees of an organization described in section 403(b)(1)(A)(i) of the Internal Revenue Code of 1986 who are eligible to make contributions under section 403(b) of such Code pursuant to a salary reduction agreement may be treated as excludable with respect to a plan under section 401(k) or (m) of such Code that is provided under the same general arrangement as a plan under such section 401(k), if—

(1) no employee of an organization described in section 403(b)(1)(A)(i) of such Code is eligible to participate in such section 401(k) plan or section 401(m) plan; and

(2) 95 percent of the employees who are not employees of an organization described in section 403(b)(1)(A)(i) of such Code are eligible to participate in such plan under such section 401(k) or (m).

(b) EFFECTIVE DATE.—The modification required by subsection (a) shall apply as of the same date set forth in section 1426(b) of the Small Business Job Protection Act of 1996.

SEC. 665. CLARIFICATION OF TREATMENT OF EMPLOYER-PROVIDED RETIREMENT ADVICE.

(a) IN GENERAL.—Subsection (a) of section 132 (relating to exclusion from gross income) is amended by striking "or" at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting ", or", and by adding at the end the following new paragraph:

"(7) qualified retirement planning services.".

(b) QUALIFIED RETIREMENT PLANNING SERVICES DEFINED.—Section 132 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following:

"(m) QUALIFIED RETIREMENT PLANNING SERVICES.—

"(1) IN GENERAL.—For purposes of this section, the term 'qualified retirement planning services' means any retirement planning advice or information provided to an employee and his spouse by an employer maintaining a qualified employer plan.

"(2) NONDISCRIMINATION RULE.—Subsection (a)(7) shall apply in the case of highly compensated employees only if such services are available on substantially the same terms to each member of the group of employees normally provided education and information regarding the employer's qualified employer plan.

"(3) QUALIFIED EMPLOYER PLAN.—For purposes of this subsection, the term 'qualified employer plan' means a plan, contract, pension, or account described in section 219(g)(5).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 666. REPORTING SIMPLIFICATION.

(a) SIMPLIFIED ANNUAL FILING REQUIREMENT FOR OWNERS AND THEIR SPOUSES.—

(1) IN GENERAL.—The Secretary of the Treasury shall modify the requirements for filing annual returns with respect to one-participant retirement plans to ensure that such plans with assets of $250,000 or less as of the close of the plan year and each plan year beginning on or after January 1, 1994, need not file a return for that year.

(2) ONE-PARTICIPANT RETIREMENT PLAN DEFINED.—For purposes of this subsection, the term "one-participant retirement plan" means a retirement plan that—

(A) on the first day of the plan year—

(i) covered only the employer (and the employer's spouse) and the employer owned the entire business (whether or not incorporated); or

(ii) covered only one or more partners (and their spouses) in a business partnership (including partners in an S or C corporation);

(B) meets the minimum coverage requirements of section 410(b) of the Internal Revenue Code of 1986 without being combined with any other plan of the business that covers the employees of the business;

(C) does not provide benefits to anyone except the employer (and the employer's spouse) or the partners (and their spouses);

(D) does not cover a business that is a member of an affiliated service group, a controlled group of corporations, or a group of businesses under common control; and

(E) does not cover a business that leases employees.

(3) OTHER DEFINITIONS.—Terms used in paragraph (2) which are also used in section 414 of the Internal Revenue Code of 1986 shall have the respective meanings given such terms by such section.

(b) EFFECTIVE DATE.—The provisions of this section shall take effect on January 1, 2002.

SEC. 667. IMPROVEMENT OF EMPLOYEE PLANS COMPLIANCE RESOLUTION SYSTEM.

The Secretary of the Treasury shall continue to update and improve the Employee Plans Compliance Resolution System (or any successor program) giving special attention to—

(1) increasing the awareness and knowledge of small employers concerning the availability and use of the program;

(2) taking into account special concerns and circumstances that small employers face with respect to compliance and correction of compliance failures;

(3) extending the duration of the self-correction period under the Self-Correction Program for significant compliance failures;

(4) expanding the availability to correct insignificant compliance failures under the Self-Correction Program during audit; and

(5) assuring that any tax, penalty, or sanction that is imposed by reason of a compliance failure is not excessive and bears a reasonable relationship to the nature, extent, and severity of the failure.

SEC. 668. REPEAL OF THE MULTIPLE USE TEST.

(a) IN GENERAL.—Paragraph (9) of section 401(m) is amended to read as follows:

"(9) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection and subsection (k), including regulations permitting appropriate aggregation of plans and contributions.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2001.

SEC. 669. FLEXIBILITY IN NONDISCRIMINATION, COVERAGE, AND LINE OF BUSINESS RULES.

(a) NONDISCRIMINATION.—

(1) IN GENERAL.—The Secretary of the Treasury shall, by regulation, provide that a plan shall be deemed to satisfy the requirements of section 401(a)(4) of the Internal Revenue Code of 1986 if such plan satisfies the facts and circumstances test under section 401(a)(4) of such Code, as in effect before January 1, 1994, but only if—

(A) the plan satisfies conditions prescribed by the Secretary to appropriately limit the availability of such test; and

(B) the plan is submitted to the Secretary for a determination of whether it satisfies such test.

Subparagraph (B) shall only apply to the extent provided by the Secretary.

(2) EFFECTIVE DATES.—

(A) REGULATIONS.—The regulation required by paragraph (1) shall apply to years beginning after December 31, 2001.

(B) CONDITIONS OF AVAILABILITY.—Any condition of availability prescribed by the Secretary under paragraph (1)(A) shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

(b) COVERAGE TEST.—

(1) IN GENERAL.—Section 410(b)(1) (relating to minimum coverage requirements) is amended by adding at the end the following:

"(D) In the case that the plan fails to meet the requirements of subparagraphs (A), (B) and (C), the plan—

"(i) satisfies subparagraph (B), as in effect immediately before the enactment of the Tax Reform Act of 1986,

"(ii) is submitted to the Secretary for a determination of whether it satisfies the requirement described in clause (i), and

"(iii) satisfies conditions prescribed by the Secretary by regulation that appropriately limit the availability of this subparagraph.

Clause (ii) shall apply only to the extent provided by the Secretary.".

(2) EFFECTIVE DATES.—

(A) IN GENERAL.—The amendment made by paragraph (1) shall apply to years beginning after December 31, 2001.

(B) CONDITIONS OF AVAILABILITY.—Any condition of availability prescribed by the Secretary under regulations prescribed by the Secretary under section 410(b)(1)(D) of the Internal Revenue Code of 1986 shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

(c) LINE OF BUSINESS RULES.—The Secretary of the Treasury shall, on or before December 31, 2001, modify the existing regulations issued under section 414(r) of the Internal Revenue Code of 1986 in order to expand (to the extent that the Secretary determines appropriate) the ability of a pension plan to demonstrate compliance with the line of business requirements based upon the facts and circumstances surrounding the design and operation of the plan, even though the plan is unable to satisfy the mechanical tests currently used to determine compliance.

SEC. 670. EXTENSION TO ALL GOVERNMENTAL PLANS OF MORATORIUM ON APPLICATION OF CERTAIN NONDISCRIMINATION RULES APPLICABLE TO STATE AND LOCAL PLANS.

(a) IN GENERAL.—

(1) Subparagraph (G) of section 401(a)(5) and subparagraph (H) of section 401(a)(26) are each amended by striking "section 414(d))" and all that follows and inserting "section 414(d)).".

(2) Subparagraph (G) of section 401(k)(3) and paragraph (2) of section 1505(d) of the Taxpayer Relief Act of 1997 are each amended by striking "maintained by a State or local government or political subdivision thereof (or agency or instrumentality thereof)".

(b) CONFORMING AMENDMENTS.—

(1) The heading for subparagraph (G) of section 401(a)(5) is amended to read as follows: "GOVERNMENTAL PLANS".

(2) The heading for subparagraph (H) of section 401(a)(26) is amended to read as follows: "EXCEPTION FOR GOVERNMENTAL PLANS".

(3) Subparagraph (G) of section 401(k)(3) is amended by inserting "GOVERNMENTAL PLANS.—" after "(G)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

Subtitle G—Other ERISA Provisions

SEC. 681. MISSING PARTICIPANTS.

(a) IN GENERAL.—Section 4050 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1350) is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following new subsection:

"(c) MULTIEMPLOYER PLANS.—The corporation shall prescribe rules similar to the rules in subsection (a) for multiemployer plans covered by this title that terminate under section 4041A.

"(d) PLANS NOT OTHERWISE SUBJECT TO TITLE.—

"(1) TRANSFER TO CORPORATION.—The plan administrator of a plan described in paragraph (4) may elect to transfer a missing participant's benefits to the corporation upon termination of the plan.

"(2) INFORMATION TO THE CORPORATION.—To the extent provided in regulations, the plan administrator of a plan described in paragraph (4) shall, upon termination of the plan, provide the corporation information with respect to benefits of a missing participant if the plan transfers such benefits—

"(A) to the corporation, or

"(B) to an entity other than the corporation or a plan described in paragraph (4)(B)(ii).

"(3) PAYMENT BY THE CORPORATION.—If benefits of a missing participant were transferred to the corporation under paragraph (1), the corporation shall, upon location of the participant or beneficiary, pay to the participant or beneficiary the amount transferred (or the appropriate survivor benefit) either—

"(A) in a single sum (plus interest), or

"(B) in such other form as is specified in regulations of the corporation.

"(4) PLANS DESCRIBED.—A plan is described in this paragraph if—

"(A) the plan is a pension plan (within the meaning of section 3(2))—

"(i) to which the provisions of this section do not apply (without regard to this subsection), and

"(ii) which is not a plan described in paragraphs (2) through (11) of section 4021(b), and

"(B) at the time the assets are to be distributed upon termination, the plan—

"(i) has missing participants, and

"(ii) has not provided for the transfer of assets to pay the benefits of all missing participants to another pension plan (within the meaning of section 3(2)).

"(5) CERTAIN PROVISIONS NOT TO APPLY.—Subsections (a)(1) and (a)(3) shall not apply to a plan described in paragraph (4).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions made after final regulations implementing subsections (c) and (d) of section 4050 of the Employee Retirement Income Security Act of 1974 (as added by subsection (a)), respectively, are prescribed.

SEC. 682. REDUCED PBGC PREMIUM FOR NEW PLANS OF SMALL EMPLOYERS.

(a) IN GENERAL.—Subparagraph (A) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(A)) is amended—

(1) in clause (i), by inserting "other than a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined)," after "single-employer plan,",

(2) in clause (iii), by striking the period at the end and inserting ", and", and

(3) by adding at the end the following new clause:

"(iv) in the case of a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined) for the plan year, $5 for each individual who is a participant in such plan during the plan year.".

(b) DEFINITION OF NEW SINGLE-EMPLOYER PLAN.—Section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amended by adding at the end the following new subparagraph:

"(F)(i) For purposes of this paragraph, a single-employer plan maintained by a contributing sponsor shall be treated as a new single-employer plan for each of its first 5 plan years if, during the 36-month period ending on the date of the adoption of such plan, the sponsor or any member of such sponsor's controlled group (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new single-employer plan.

"(ii)(I) For purposes of this paragraph, the term 'small employer' means an employer which on the first day of any plan year has, in aggregation with all members of the controlled group of such employer, 100 or fewer employees.

"(II) In the case of a plan maintained by two or more contributing sponsors that are not part of the same controlled group, the employees of all contributing sponsors and controlled groups of such sponsors shall be aggregated for purposes of determining whether any contributing sponsor is a small employer.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plans established after December 31, 2001.

SEC. 683. REDUCTION OF ADDITIONAL PBGC PREMIUM FOR NEW AND SMALL PLANS.

(a) NEW PLANS.—Subparagraph (E) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(E)) is amended by adding at the end the following new clause:

"(v) In the case of a new defined benefit plan, the amount determined under clause (ii) for any plan year shall be an amount equal to the product of the amount determined under clause (ii) and the applicable percentage. For purposes of this clause, the term 'applicable percentage' means—

"(I) 0 percent, for the first plan year.

"(II) 20 percent, for the second plan year.

"(III) 40 percent, for the third plan year.

"(IV) 60 percent, for the fourth plan year.

"(V) 80 percent, for the fifth plan year.

For purposes of this clause, a defined benefit plan (as defined in section 3(35)) maintained by a contributing sponsor shall be treated as a new defined benefit plan for each of its first 5 plan years if, during the 36-month period ending on the date of the adoption of the plan, the sponsor and each member of any controlled group including the sponsor (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new plan.".

(b) SMALL PLANS.—Paragraph (3) of section 4006(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)), as amended by section 682(b), is amended—

(1) by striking "The" in subparagraph (E)(i) and inserting "Except as provided in subparagraph (G), the", and

(2) by inserting after subparagraph (F) the following new subparagraph:

"(G)(i) In the case of an employer who has 25 or fewer employees on the first day of the plan year, the additional premium determined under subparagraph (E) for each participant shall not exceed $5 multiplied by the number of participants in the plan as of the close of the preceding plan year.

"(ii) For purposes of clause (i), whether an employer has 25 or fewer employees on the first day of the plan year is determined taking into consideration all of the employees of all members of the contributing sponsor's controlled group. In the case of a plan maintained by two or more contributing sponsors, the employees of all contributing sponsors and their controlled groups shall be aggregated for purposes of determining whether the 25-or-fewer-employees limitation has been satisfied.".

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendments made by subsection (a) shall apply to plans established after December 31, 2001.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to plan years beginning after December 31, 2001.

SEC. 684. AUTHORIZATION FOR PBGC TO PAY INTEREST ON PREMIUM OVERPAYMENT REFUNDS. .

(a) IN GENERAL.—Section 4007(b) of the Employment Retirement Income Security Act of 1974 (29 U.S.C. 1307(b)) is amended—

(1) by striking "(b)" and inserting "(b)(1)", and

(2) by inserting at the end the following new paragraph:

"(2) The corporation is authorized to pay, subject to regulations prescribed by the corporation, interest on the amount of any overpayment of premium refunded to a designated payor. Interest under this paragraph shall be calculated at the same rate and in the same manner as interest is calculated for underpayments under paragraph (1).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to interest accruing for periods beginning not earlier than the date of the enactment of this Act.

SEC. 685. SUBSTANTIAL OWNER BENEFITS IN TERMINATED PLANS.

(a) MODIFICATION OF PHASE-IN OF GUARANTEE.—Section 4022(b)(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1322(b)(5)) is amended to read as follows:

"(5)(A) For purposes of this paragraph, the term 'majority owner' means an individual who, at any time during the 60-month period ending on the date the determination is being made—

"(i) owns the entire interest in an unincorporated trade or business,

"(ii) in the case of a partnership, is a partner who owns, directly or indirectly, 50 percent or more of either the capital interest or the profits interest in such partnership, or

"(iii) in the case of a corporation, owns, directly or indirectly, 50 percent or more in value of either the voting stock of that corporation or all the stock of that corporation.

For purposes of clause (iii), the constructive ownership rules of section 1563(e) of the Internal Revenue Code of 1986 shall apply (determined without regard to section 1563(e)(3)(C)).

"(B) In the case of a participant who is a majority owner, the amount of benefits guaranteed under this section shall equal the product of—

"(i) a fraction (not to exceed 1) the numerator of which is the number of years from the later of the effective date or the adoption date of the plan to the termination date, and the denominator of which is 10, and

"(ii) the amount of benefits that would be guaranteed under this section if the participant were not a majority owner.".

(b) MODIFICATION OF ALLOCATION OF ASSETS.—

(1) Section 4044(a)(4)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1344(a)(4)(B)) is amended by striking "section 4022(b)(5)" and inserting "section 4022(b)(5)(B)".

(2) Section 4044(b) of such Act (29 U.S.C. 1344(b)) is amended—

(A) by striking "(5)" in paragraph (2) and inserting "(4), (5),", and

(B) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively, and by inserting after paragraph (2) the following new paragraph:

"(3) If assets available for allocation under paragraph (4) of subsection (a) are insufficient to satisfy in full the benefits of all individuals who are described in that paragraph, the assets shall be allocated first to benefits described in subparagraph (A) of that paragraph. Any remaining assets shall then be allocated to benefits described in subparagraph (B) of that paragraph. If assets allocated to such subparagraph (B) are insufficient to satisfy in full the benefits described in that subparagraph, the assets shall be allocated pro rata among individuals on the basis of the present value (as of the termination date) of their respective benefits described in that subparagraph.".

(c) CONFORMING AMENDMENTS.—

(1) Section 4021 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1321) is amended—

(A) in subsection (b)(9), by striking "as defined in section 4022(b)(6)", and

(B) by adding at the end the following new subsection:

"(d) For purposes of subsection (b)(9), the term 'substantial owner' means an individual who, at any time during the 60-month period ending on the date the determination is being made—

"(1) owns the entire interest in an unincorporated trade or business,

"(2) in the case of a partnership, is a partner who owns, directly or indirectly, more than 10 percent of either the capital interest or the profits interest in such partnership, or

"(3) in the case of a corporation, owns, directly or indirectly, more than 10 percent in value of either the voting stock of that corporation or all the stock of that corporation.

For purposes of paragraph (3), the constructive ownership rules of section 1563(e) of the Internal Revenue Code of 1986 shall apply (determined without regard to section 1563(e)(3)(C)).".

(2) Section 4043(c)(7) of such Act (29 U.S.C. 1343(c)(7)) is amended by striking "section 4022(b)(6)" and inserting "section 4021(d)".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to plan terminations—

(A) under section 4041(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1341(c)) with respect to which notices of intent to terminate are provided under section 4041(a)(2) of such Act (29 U.S.C. 1341(a)(2)) after December 31, 2001, and

(B) under section 4042 of such Act (29 U.S.C. 1342) with respect to which proceedings are instituted by the corporation after such date.

(2) CONFORMING AMENDMENTS.—The amendments made by subsection (c) shall take effect on January 1, 2002.

Subtitle H—Miscellaneous Provisions

SEC. 691. TAX TREATMENT AND INFORMATION REQUIREMENTS OF ALASKA NATIVE SETTLEMENT TRUSTS.

(a) TREATMENT OF ALASKA NATIVE SETTLEMENT TRUSTS.—Subpart A of part I of subchapter J of chapter 1 (relating to general rules for taxation of trusts and estates) is amended by adding at the end the following new section:

"SEC. 646. TAX TREATMENT OF ELECTING ALASKA NATIVE SETTLEMENT TRUSTS.

"(a) IN GENERAL.—If an election under this section is in effect with respect to any Settlement Trust, the provisions of this section shall apply in determining the income tax treatment of the Settlement Trust and its beneficiaries with respect to the Settlement Trust.

"(b) TAXATION OF INCOME OF TRUST.—Except as provided in subsection (f)(1)(B)(ii)—

"(1) IN GENERAL.—There is hereby imposed on the taxable income of an electing Settlement Trust, other than its net capital gain, a tax at the lowest rate specified in section 1(c).

"(2) CAPITAL GAIN.—In the case of an electing Settlement Trust with a net capital gain for the taxable year, a tax is hereby imposed on such gain at the rate of tax which would apply to such gain if the taxpayer were subject to a tax on its other taxable income at only the lowest rate specified in section 1(c). Any such tax shall be in lieu of the income tax otherwise imposed by this chapter on such income or gain.

"(c) ONE-TIME ELECTION.—

"(1) IN GENERAL.—A Settlement Trust may elect to have the provisions of this section apply to the trust and its beneficiaries.

"(2) TIME AND METHOD OF ELECTION.—An election under paragraph (1) shall be made by the trustee of such trust—

"(A) on or before the due date (including extensions) for filing the Settlement Trust's return of tax for the first taxable year of such trust ending after the date of the enactment of this section, and

"(B) by attaching to such return of tax a statement specifically providing for such election.

"(3) PERIOD ELECTION IN EFFECT.—Except as provided in subsection (f), an election under this subsection—

"(A) shall apply to the first taxable year described in paragraph (2)(A) and all subsequent taxable years, and

"(B) may not be revoked once it is made.

"(d) CONTRIBUTIONS TO TRUST.—

"(1) BENEFICIARIES OF ELECTING TRUST NOT TAXED ON CONTRIBUTIONS.—In the case of an electing Settlement Trust, no amount shall be includible in the gross income of a beneficiary of such trust by reason of a contribution to such trust.

"(2) EARNINGS AND PROFITS.—The earnings and profits of the sponsoring Native Corporation shall not be reduced on account of any contribution to such Settlement Trust:

"(e) TAX TREATMENT OF DISTRIBUTIONS TO BENEFICIARIES.—Amounts distributed by an electing Settlement Trust during any taxable year shall be considered as having the following characteristics in the hands of the recipient beneficiary:

"(1) First, as amounts excludable from gross income for the taxable year to the extent of the taxable income of such trust for such taxable year (decreased by any income tax paid by the trust with respect to the income) plus any amount excluded from gross income of the trust under section 103.

"(2) Second, as amounts excludable from gross income to the extent of the amount described in paragraph (1) for all taxable years for which an election is in effect under subsection (c) with respect to the trust, and not previously taken into account under paragraph (1).

"(3) Third, as amounts distributed by the sponsoring Native Corporation with respect to its stock (within the meaning of section 301(a)) during such taxable year and taxable to the recipient beneficiary as amounts described in section 301(c)(1), to the extent of current or accumulated earnings and profits of the sponsoring Native Corporation as of the close of such taxable year after proper adjustment is made for all distributions made by the sponsoring Native Corporation during such taxable year.

"(4) Fourth, as amounts distributed by the trust in excess of the distributable net income of such trust for such taxable year.

Amounts distributed to which paragraph (3) applies shall not be treated as a corporate distribution subject to section 311(b), and for purposes of determining the amount of a distribution for purposes of paragraph (3) and the basis to the recipients, section 643(e) and not section 301(b) or (d) shall apply.

"(f) SPECIAL RULES WHERE TRANSFER RESTRICTIONS MODIFIED.—

"(1) TRANSFER OF BENEFICIAL INTERESTS.—If, at any time, a beneficial interest in an electing Settlement Trust may be disposed of to a person in a manner which would not be permitted by section 7(h) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(h)) if such interest were Settlement Common Stock—

"(A) no election may be made under subsection (c) with respect to such trust, and

"(B) if such an election is in effect as of such time—

"(i) such election shall cease to apply as of the first day of the taxable year in which such disposition is first permitted,

"(ii) the provisions of this section shall not apply to such trust for such taxable year and all taxable years thereafter, and

"(iii) the distributable net income of such trust shall be increased by the current or accumulated earnings and profits of the sponsoring Native Corporation as of the close of such taxable year after proper adjustment is made for all distributions made by the sponsoring Native Corporation during such taxable year.

In no event shall the increase under clause (iii) exceed the fair market value of the trust's assets as of the date the beneficial interest of the trust first becomes so disposable. The earnings and profits of the sponsoring Native Corporation shall be adjusted as of the last day of such taxable year by the amount of earnings and profits so included in the distributable net income of the trust.

"(2) STOCK IN CORPORATION.—If—

"(A) stock in the sponsoring Native Corporation may be disposed of to a person in a manner which would not be permitted by section 7(h) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(h)) if such stock were Settlement Common Stock, and

"(B) at any time after such disposition of stock is first permitted, such corporation transfers assets to a Settlement Trust,

paragraph (1)(B) shall be applied to such trust on and after the date of the transfer in the same manner as if the trust permitted dispositions of beneficial interests in the trust in a manner not permitted by such section 7(h).

"(3) CERTAIN DISTRIBUTIONS.—For purposes of this section, the surrender of an interest in a Native Corporation or an electing Settlement Trust in order to accomplish the whole or partial redemption of the interest of a shareholder or beneficiary in such corporation or trust, or to accomplish the whole or partial liquidation of such corporation or trust, shall be deemed to be a transfer permitted by section 7(h) of the Alaska Native Claims Settlement Act.

"(g) TAXABLE INCOME.—For purposes of this title, the taxable income of an electing Settlement Trust shall be determined under section 641(b) without regard to any deduction under section 651 or 661.

"(h) DEFINITIONS.—For purposes of this section—

"(1) ELECTING SETTLEMENT TRUST.—The term 'electing Settlement Trust' means a Settlement Trust which has made the election, effective for a taxable year, described in subsection (c).

"(2) NATIVE CORPORATION.—The term 'Native Corporation' has the meaning given such term by section 3(m) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(m)).

"(3) SETTLEMENT COMMON STOCK.—The term 'Settlement Common Stock' has the meaning given such term by section 3(p) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(p)).

"(4) SETTLEMENT TRUST.—The term 'Settlement Trust' means a trust that constitutes a settlement trust under section 3(t) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(t)).

"(5) SPONSORING NATIVE CORPORATION.—The term 'sponsoring Native Corporation' means the Native Corporation which transfers assets to an electing Settlement Trust.

"(i) SPECIAL LOSS DISALLOWANCE RULE.—Any loss that would otherwise be recognized by a shareholder upon a disposition of a share of stock of a sponsoring Native Corporation shall be reduced (but not below zero) by the per share loss adjustment factor. The per share loss adjustment factor shall be the aggregate of all contributions to all electing Settlement Trusts sponsored by such Native Corporation made on or after the first day each trust is treated as an electing Settlement Trust expressed on a per share basis and determined as of the day of each such contribution.

"(j) CROSS REFERENCE.—

"For information required with respect to electing Settlement Trusts and sponsoring Native Corporations, see section 6039H.".

(b) REPORTING.—Subpart A of part III of subchapter A of chapter 61 of subtitle F (relating to information concerning persons subject to special provisions) is amended by inserting after section 6039G the following new section:

"SEC. 6039H. INFORMATION WITH RESPECT TO ALASKA NATIVE SETTLEMENT TRUSTS AND SPONSORING NATIVE CORPORATIONS.

"(a) REQUIREMENT.—The fiduciary of an electing Settlement Trust (as defined in section 646(h)(1)) shall include with the return of income of the trust a statement containing the information required under subsection (c).

"(b) APPLICATION WITH OTHER REQUIREMENTS.—The filing of any statement under this section shall be in lieu of the reporting requirements under section 6034A to furnish any statement to a beneficiary regarding amounts distributed to such beneficiary (and such other reporting rules as the Secretary deems appropriate).

"(c) REQUIRED INFORMATION.—The information required under this subsection shall include—

"(1) the amount of distributions made during the taxable year to each beneficiary,

"(2) the treatment of such distribution under the applicable provision of section 646, including the amount that is excludable from the recipient beneficiary's gross income under section 646, and

"(3) the amount (if any) of any distribution during such year that is deemed to have been made by the sponsoring Native Corporation (as defined in section 646(h)(5)).

"(d) SPONSORING NATIVE CORPORATION.—

"(1) IN GENERAL.—The electing Settlement Trust shall, on or before the date on which the statement under subsection (a) is required to be filed, furnish such statement to the sponsoring Native Corporation (as so defined).

"(2) DISTRIBUTEES.—The sponsoring Native Corporation shall furnish each recipient of a distribution described in section 646(e)(3) a statement containing the amount deemed to have been distributed to such recipient by such corporation for the taxable year.".

(c) CLERICAL AMENDMENT.—

(1) The table of sections for subpart A of part I of subchapter J of chapter 1 of such Code is amended by adding at the end the following new item:

"Sec. 646. Tax treatment of electing Alaska Native Settlement Trusts.".

(2) The table of sections for subpart A of part III of subchapter A of chapter 61 of subtitle F of such Code is amended by inserting after the item relating to section 6039G the following new item:

"Sec. 6039H. Information with respect to Alaska Native Settlement Trusts and sponsoring Native Corporations.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act and to contributions made to electing Settlement Trusts for such year or any subsequent year.

Subtitle I—Compliance With Congressional Budget Act

SEC. 695. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE VII—EXTENSIONS OF EXPIRING PROVISIONS

Subtitle A—In General

SECTION 701. PERMANENT EXTENSION OF RESEARCH CREDIT.

(a) PERMANENT EXTENSION.—

(1) IN GENERAL.—Section 41 (relating to credit for increasing research activities) is amended by striking subsection (h).

(2) CONFORMING AMENDMENT.—Paragraph (1) of section 45C(b) is amended by striking subparagraph (D).

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred after the date of the enactment of this Act.

(b) INCREASE IN RATES OF ALTERNATIVE INCREMENTAL CREDIT.—

(1) IN GENERAL.—Subparagraph (A) of section 41(c)(4) (relating to election of alternative incremental credit) is amended—

(A) by striking "2.65 percent" and inserting "3 percent",

(B) by striking "3.2 percent" and inserting "4 percent", and

(C) by striking "3.75 percent" and inserting "5 percent".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 702. WORK OPPORTUNITY CREDIT AND WELFARE-TO-WORK CREDIT.

(a) TEMPORARY EXTENSION.—Sections 51(c)(4)(B) and 51A(f) (relating to termination) are each amended by striking "2001" and inserting "2003".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after December 31, 2001.

SEC. 703. TAXABLE INCOME LIMIT ON PERCENTAGE DEPLETION FOR MARGINAL PRODUCTION.

(a) TEMPORARY EXTENSION.—Subparagraph (H) of section 613A(c)(6) is amended by striking "January 1, 2002" and inserting "January 1, 2004".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 704. SUBPART F EXEMPTION FOR ACTIVE FINANCING INCOME.

(a) TEMPORARY EXTENSION.—Section 953(e)(10) is amended—

(1) by striking "January 1, 2002" and inserting "January 1, 2004", and

(2) by striking "December 31, 2001" and inserting "December 31, 2003".

(b) CONFORMING AMENDMENT.—Section 954(h)(9) is amended by striking "January 1, 2002" and inserting "January 1, 2004".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 705. PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.

(a) TEMPORARY EXTENSION.—Subsection (f) of section 9812 is amended by striking "on or after September 30, 2001" and inserting "after September 30, 2003".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits for services furnished after September 30, 2001.

SEC. 706. DEDUCTION FOR CLEAN-FUEL VEHICLES AND CERTAIN REFUELING PROPERTY.

(a) TEMPORARY EXTENSION.—Subsection (f) of section 179A is amended by striking "December 31, 2004" and inserting "December 31, 2006".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2004.

SEC. 707. LUXURY TAX ON PASSENGER VEHICLES.

(a) TEMPORARY EXTENSION.—Subsection (g) of section 4001 is amended by striking "December 31, 2002" and inserting "December 31, 2004".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to any sale, use, or installation after December 31, 2002.

Subtitle B—Compliance With Congressional Budget Act

SEC. 711. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE VIII—ALTERNATIVE MINIMUM TAX

Subtitle A—In General

SEC. 801. ALTERNATIVE MINIMUM TAX EXEMPTION FOR CERTAIN INDIVIDUAL TAXPAYERS.

(a) EXEMPTION.—Section 55 (relating to imposition of alternative minimum tax) is amended by adding at the end the following:

"(f) EXEMPTION FOR CERTAIN INDIVIDUALS.—

"(1) IN GENERAL.—In the case of an individual, the tentative minimum tax shall be zero for any taxable year if the adjusted gross income of the taxpayer for the taxable year does not exceed $80,000.

"(2) PROSPECTIVE APPLICATION IF SUBSECTION CEASES TO APPLY.—If paragraph (1) applies to a taxpayer for any taxable year and then ceases to apply to a subsequent taxable year, the rules of paragraphs (2) through (5) of subsection (e) shall apply to the taxpayer to the extent such rules are applicable to individuals."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

Subtitle B—Compliance With Congressional Budget Act

SEC. 811. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE IX—ENSURING DEBT REDUCTION

SEC. 901. ENSURING DEBT REDUCTION.

(a) TRIGGER.—

(1) IN GENERAL.—Notwithstanding any other provision of this Act or any other law, the effective date of a provision of law described in paragraph (2) shall be delayed as provided in paragraph (3).

(2) PROVISION DESCRIBED.—A provision of law described in this paragraph is—

(A) a provision of this Act that takes effect in calendar year 2003, 2003, 2004, 2005, 2006, or 2007 and results in a revenue reduction; or

(B) a provision of law that—

(i) is enacted after the date of enactment of this Act; and

(ii) takes effect in fiscal year 2002, 2003, 2004, 2005, 2006, or 2007 and causes increased outlays through mandatory spending (except for automatic or annually enacted cost of living adjustments for benefits enacted prior to the date of enactment of this Act).

(3) DELAY.—If, on September 30 of fiscal year 2002, 2003, 2004, 2005, 2006, or 2007, the Secretary of the Treasury determines that the limit on the debt held by the public in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 has been exceeded for that fiscal year, the effective date of any provision of law described in paragraph (2) that takes effect during the next fiscal year shall be delayed by 1 calendar year.

(4) DISCRETIONARY SPENDING LIMITATION.—Notwithstanding any other provision of law, in any fiscal year subject to the delay provisions of paragraph (3), the amount of budget authority for discretionary spending in each discretionary spending account shall be the level provided for that account in the preceding fiscal year plus an adjustment for inflation.

(5) REPORTS TO CONGRESS.—On July 1 and September 5 of each fiscal year, the Secretary of the Treasury shall report to Congress the estimated amount of the debt held by the public for the fiscal year ending on September 30 of that year.

(6) CONGRESSIONAL ACTION.—

(A) TRIGGER.—

(i) MODIFICATION.—In fiscal year 2002, 2003, 2004, 2005, 2006, or 2007, if the level of debt held by the public at the end of the preceding fiscal year, as determined by the Secretary of the Treasury, would be below the debt target for that fiscal year in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 as a result of the effect of the triggering of paragraphs (3) and (4), any Member of Congress may move to proceed to a bill that would increase the rate of discretionary spending and make changes in the provisions of law described in paragraph (2) to increase direct spending and reduce revenues (proportionately) in a manner that would increase the debt held by the public for that fiscal year to a level not exceeding the level provided in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985. The motion to proceed shall be voted on at the end of 4 hours of debate. A bill considered under this clause shall be considered as provided in sections 310(e) and 313 of the Congressional Budget Act of 1974 (2 U.S.C. 641(e) and 644). Any amendment offered to the bill shall maintain the proportionality requirement.

(ii) WAIVER.—

(I) IN GENERAL.—The delay and limitation provided in paragraphs (3) and (4) may be disapproved by a joint resolution. A joint resolution considered under this subclause shall not be advanced to third reading in either House unless a motion to proceed to third reading is agreed to by three-fifths of the Members, duly chosen and sworn.

(II) LOW GROWTH.—(aa) The delay and limitation provided in paragraphs (3) and (4) may be disapproved by a joint resolution for low growth as provided in this subclause. A joint resolution considered under this subclause shall not be advanced to third reading in either House unless a motion to proceed to third reading is agreed to by a majority of the whole body.

(bb) For purposes of this subclause, a period of low growth occurs when the most recent of the Department of Commerce's advance, preliminary, or final reports of actual real economic growth indicate that the rate of real economic growth (as measured by real GDP) for each of the most recently reported quarter and the immediately preceding quarter is less than 1 percent.

(B) OTHER FISCAL YEARS.—

(i) IN GENERAL.—In fiscal year 2008, 2009, or 2010, if the level of debt held by the public at the end of the preceding fiscal year, as determined by the Secretary of the Treasury, would exceed the debt target for that fiscal year in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 as a result of the effect of the triggering of paragraphs (3) and (4), any Member of Congress may move to proceed to a bill that would defer changes in law that take effect in that fiscal year that would increase direct spending (except for automatic or annually enacted cost of living adjustments for benefits enacted prior to the date of enactment of this Act) and decrease revenues and freeze the amount of discretionary spending in each discretionary spending account for that fiscal year at the level provided for that account in the preceding fiscal year plus an adjustment for inflation (all proportionately) in a manner that would reduce the debt held by the public for that fiscal year to a level not exceeding the level provided in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985. The motion to proceed shall be voted on at the end of 4 hours of debate. Any amendment offered to the bill shall either defer effective dates or adjust discretionary spending and maintain the proportionality requirement.

(ii) CONSIDERATION OF LEGISLATION.—A bill considered under clause (i) shall be considered as provided in sections 310(e) and 313 of the Congressional Budget Act of 1974 (2 U.S.C. 641(e) and 644).

(b) PUBLIC DEBT TARGETS.—The Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in section 250(c)(1), by inserting "' debt held by the public'" after "outlays',"; and

(2) by inserting after section 253 the following:

"SEC. 253A. DEBT HELD BY THE PUBLIC LIMIT.

"(a) LIMIT.—The debt held by the public shall not exceed—

"(1) for fiscal year 2002, $2,955,000,000,000;

"(2) for fiscal year 2003, $2,747,000,000,000;

"(3) for fiscal year 2004, $2,524,000,000,000;

"(4) for fiscal year 2005, $2,279,000,000,000;

"(5) for fiscal year 2006, $2,011,000,000,000;

"(6) for fiscal year 2007, $1,724,000,000,000;

"(7) for fiscal year 2008, $1,418,000,000,000;

"(8) for fiscal year 2009, $1,089,000,000,000; and

"(9) for fiscal year 2010, $878,000,000,000.

"(b) ADJUSTMENTS TO DEBT TARGETS.—

"(1) IN GENERAL.—The debt held by the public targets may be adjusted in a specific fiscal year if the Secretary of the Treasury certifies that the target cannot be reached because—

"(A) the Department of the Treasury will be unable to redeem a sufficient amount of securities from holders of Federal debt to achieve the target; or

"(B) the social security and medicare revenues are less than assumed in the concurrent resolution on the budget for fiscal year 2002 (H. Con. Res. 83).

"(2) Certification.—The certification shall—

"(A) be transmitted by the President to Congress;

"(B) outline the specific reasons that the targets cannot be achieved; and

"(C) not be the result of a budget surpluses being available to redeem debt held by the public.

"(3) Congressional action.—The adjustment provided in this subsection may be disapproved by a joint resolution. A joint resolution considered under this paragraph shall not be advanced to third reading in either House unless a motion to proceed to third reading is agreed to by a majority of the whole body.

"(c) Suspension of Limit on Debt Held by the Public for War.—If a declaration of war is in effect, the limit on the debt held by the public established in this section is suspended.".

(c) Congressional Budget Process.—

(1) Point of order.—Section 301 of the Congressional Budget Act of 1974 is amended by adding at the end the following:

"(j) Debt Held by the Public Point of Order.—It shall not be in order in the Senate to consider any concurrent resolution on the budget or amendment, motion, or conference report thereto that would—

"(1) increase the limit on the debt held by the public in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985; or

"(2) provide additional borrowing authority that would result in the limit on the debt held by the public in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 being exceeded.".

(2) Supermajority waiver and appeal.—Subsections (c)(1) and (d)(2) of section 904 of the Congressional Budget Act of 1974 are amended by striking "305(b)(2)," and inserting "301(j), 305(b)(2),".

(3) Additional amendments to the budget act.—The Congressional Budget Act of 1974 is amended—

(A) in section 3, by adding at the end the following:

"(11)(A) The term 'debt held by the public' means the outstanding face amount of all debt obligations issued by the United States Government that are held by outside investors, including individuals, corporations, State or local governments, foreign governments, and the Federal Reserve System.

"(B) For the purpose of this paragraph, the term 'face amount', for any month, of any debt obligation issued on a discount basis that is not redeemable before maturity at the option of the holder of the obligation is an amount equal to the sum of—

"(i) the original issue price of the obligation; plus

"(ii) the portion of the discount on the obligation attributable to periods before the beginning of such month."; and

(B) in section 301(a) by—

(i) redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively; and

(ii) inserting after paragraph (5) the following:

"(6) the debt held by the public; and".

(d) Rule of Construction.—This section and the amendments made by this section shall have no effect on Social Security or Medicare as in effect on the day before the date of enactment of this section.

TITLE X—OTHER PROVISIONS

Subtitle A—In General

SEC. 1001. EXPANSION OF AUTHORITY TO POSTPONE CERTAIN TAX-RELATED DEADLINES BY REASON OF PRESIDENTIALLY DECLARED DISASTER.

(a) In General.—Section 7508A (relating to authority to postpone certain tax-related deadlines by reason of presidentially declared disaster) is amended by adding at the end the following new subsection:

"(c) Duties of Disaster Response Team.—The Secretary shall establish as a permanent office in the national office of the Internal Revenue Service a disaster response team which, in coordination with the Federal Emergency Management Agency, shall assist taxpayers in clarifying and resolving Federal tax matters associated with or resulting from any Presidentially declared disaster (as so defined). One of the duties of the disaster response team shall be to extend in appropriate cases the 90-day period described in subsection (a) by not more than 30 days.".

(b) Effective Date.—The amendment made by this section shall take effect on the date of enactment of this Act.

SEC. 1002. HISTORIC HOMEOWNERSHIP REHABILITATION CREDIT.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits) is amended by inserting after section 25A the following new section:

"SEC. 25B. HISTORIC HOMEOWNERSHIP REHABILITATION CREDIT.

"(a) General Rule.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 20 percent of the qualified rehabilitation expenditures made by the taxpayer with respect to a qualified historic home.

"(b) Dollar Limitation.—

"(1) In general.—The credit allowed by subsection (a) with respect to any residence of a taxpayer shall not exceed $40,000 ($20,000 in the case of a married individual filing a separate return).

"(2) Carryforward of credit unused by reason of limitation based on tax liability.—If the credit allowable under subsection (a) for any taxable year exceeds the limitation imposed by section 26(a) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such succeeding taxable year.

"(c) Qualified Rehabilitation Expenditure.—For purposes of this section:

"(1) In general.—The term 'qualified rehabilitation expenditure' means any amount properly chargeable to capital account—

"(A) in connection with the certified rehabilitation of a qualified historic home, and

"(B) for property for which depreciation would be allowable under section 168 if the qualified historic home were used in a trade or business.

"(2) Certain expenditures not included.—

"(A) Exterior.—Such term shall not include any expenditure in connection with the rehabilitation of a building unless at least 5 percent of the total expenditures made in the rehabilitation process are allocable to the rehabilitation of the exterior of such building.

"(B) Other rules to apply.—Rules similar to the rules of clauses (ii) and (iii) of section 47(c)(2)(B) shall apply.

"(3) Mixed use or multifamily building.—If only a portion of a building is used as the principal residence of the taxpayer, only qualified rehabilitation expenditures which are properly allocable to such portion shall be taken into account under this section.

"(d) Certified Rehabilitation.—For purposes of this section:

"(1) In general.—Except as otherwise provided in this subsection, the term 'certified rehabilitation' has the meaning given such term by section 47(c)(2)(C).

"(2) Factors to be considered in the case of targeted area residences, etc.—

"(A) In general.—For purposes of applying section 47(c)(2)(C) under this section with respect to the rehabilitation of a building to which this paragraph applies, consideration shall be given to—

"(i) the feasibility of preserving existing architectural and design elements of the interior of such building,

"(ii) the risk of further deterioration or demolition of such building in the event that certification is denied because of the failure to preserve such interior elements, and

"(iii) the effects of such deterioration or demolition on neighboring historic properties.

"(B) Buildings to which this paragraph applies.—This paragraph shall apply with respect to any building—

"(i) any part of which is a targeted area residence within the meaning of section 143(j)(1), or

"(ii) which is located within an enterprise community or empowerment zone as designated under section 1391, or a renewal community designated under section 1400(e),

but shall not apply with respect to any building which is listed in the National Register.

"(3) Approved state program.—The term 'certified rehabilitation' includes a certification made by—

"(A) a State Historic Preservation Officer who administers a State Historic Preservation Program approved by the Secretary of the Interior pursuant to section 101(b)(1) of the National Historic Preservation Act, or

"(B) a local government, certified pursuant to section 101(c)(1) of the National Historic Preservation Act and authorized by a State Historic Preservation Officer, or the Secretary of the Interior where there is no approved State program,

subject to such terms and conditions as may be specified by the Secretary of the Interior for the rehabilitation of buildings within the jurisdiction of such officer (or local government) for purposes of this section.

"(e) Definitions and Special Rules.—For purposes of this section:

"(1) Qualified historic home.—The term 'qualified historic home' means a certified historic structure—

"(A) which has been substantially rehabilitated, and

"(B) which (or any portion of which)—

"(i) is owned by the taxpayer, and

"(ii) is used (or will, within a reasonable period, be used) by such taxpayer as his principal residence.

"(2) Substantially rehabilitated.—The term 'substantially rehabilitated' has the meaning given such term by section 47(c)(1)(C); except that, in the case of any building described in subsection (d)(2), clause (i)(I) thereof shall not apply.

"(3) Principal residence.—The term 'principal residence' has the same meaning as when used in section 121.

"(4) Certified historic structure.—

"(A) In general.—The term 'certified historic structure' means any building (and its structural components) which—

“(i) is listed in the National Register, or

“(ii) is located in a registered historic district (as defined in section 47(c)(3)(B)) within which only qualified census tracts (or portions thereof) are located, and is certified by the Secretary of the Interior as being of historic significance to the district.

“(B) Certain structures included.—Such term includes any building (and its structural components) which is designated as being of historic significance under a statute of a State or local government, if such statute is certified by the Secretary of the Interior to the Secretary as containing criteria which will substantially achieve the purpose of preserving and rehabilitating buildings of historic significance.

“(C) Qualified census tracts.—For purposes of subparagraph (A)(ii)—

“(i) In general.—The term ‘qualified census tract’ means a census tract in which the median income is less than twice the statewide median family income.

“(ii) Data used.—The determination under clause (i) shall be made on the basis of the most recent decennial census for which data are available.

“(5) Rehabilitation not complete before certification.—A rehabilitation shall not be treated as complete before the date of the certification referred to in subsection (d).

“(6) Lessees.—A taxpayer who leases his principal residence shall, for purposes of this section, be treated as the owner thereof if the remaining term of the lease (as of the date determined under regulations prescribed by the Secretary) is not less than such minimum period as the regulations require.

“(7) Tenant-stockholder in cooperative housing corporation.—If the taxpayer holds stock as a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such stockholder shall be treated as owning the house or apartment which the taxpayer is entitled to occupy as such stockholder.

“(8) Allocation of expenditures relating to exterior of building containing cooperative or condominium units.—The percentage of the total expenditures made in the rehabilitation of a building containing cooperative or condominium residential units allocated to the rehabilitation of the exterior of the building shall be attributed proportionately to each cooperative or condominium residential unit in such building for which a credit under this section is claimed.

“(f) When Expenditures Taken Into Account.—In the case of a building other than a building to which subsection (g) applies, qualified rehabilitation expenditures shall be treated for purposes of this section as made—

“(1) on the date the rehabilitation is completed, or

“(2) to the extent provided by the Secretary by regulation, when such expenditures are properly chargeable to capital account.

Regulations under paragraph (2) shall include a rule similar to the rule under section 50(a)(2) (relating to recapture if property ceases to qualify for progress expenditures).

“(g) Allowance of Credit for Purchase of Rehabilitated Historic Home.—

“(1) In general.—In the case of a qualified purchased historic home, the taxpayer shall be treated as having made (on the date of purchase) the expenditures made by the seller of such home. For purposes of the preceding sentence, expenditures made by the seller shall be deemed to be qualified rehabilitation expenditures if such expenditures, if made by the purchaser, would be qualified rehabilitation expenditures.

“(2) Qualified purchased historic home.—For purposes of this subsection, the term ‘qualified purchased historic home’ means any substantially rehabilitated certified historic structure purchased by the taxpayer if—

“(A) the taxpayer is the first purchaser of such structure after the date rehabilitation is completed, and the purchase occurs within 5 years after such date,

“(B) the structure (or a portion thereof) will, within a reasonable period, be the principal residence of the taxpayer,

“(C) no credit was allowed to the seller under this section or section 47 with respect to such rehabilitation, and

“(D) the taxpayer is furnished with such information as the Secretary determines is necessary to determine the credit under this subsection.

“(h) Historic Rehabilitation Mortgage Credit Certificate.—

“(1) In general.—The taxpayer may elect, in lieu of the credit otherwise allowable under this section, to receive a historic rehabilitation mortgage credit certificate. An election under this paragraph shall be made—

“(A) in the case of a building to which subsection (g) applies, at the time of purchase, or

“(B) in any other case, at the time rehabilitation is completed.

“(2) Historic rehabilitation mortgage credit certificate.—For purposes of this subsection, the term ‘historic rehabilitation mortgage credit certificate’ means a certificate—

“(A) issued to the taxpayer, in accordance with procedures prescribed by the Secretary, with respect to a certified rehabilitation,

“(B) the face amount of which shall be equal to the credit which would (but for this subsection) be allowable under subsection (a) to the taxpayer with respect to such rehabilitation,

“(C) which may only be transferred by the taxpayer to a lending institution (including a nondepository institution) in connection with a loan—

“(i) that is secured by the building with respect to which the credit relates, and

“(ii) the proceeds of which may not be used for any purpose other than the acquisition or rehabilitation of such building, and

“(D) in exchange for which such lending institution provides to the taxpayer—

“(i) a reduction in the rate of interest on the loan which results in interest payment reductions which are substantially equivalent on a present value basis to the face amount of such certificate, or

“(ii) if the taxpayer so elects with respect to a specified amount of the face amount of such a certificate relating to a building—

“(I) which is a targeted area residence (within the meaning of section 143(j)(1)), or

“(II) which is located in an enterprise community or empowerment zone as designated under section 1391, or a renewal community as designated under section 1400(e),

a payment which is substantially equivalent to such specified amount to be used to reduce the taxpayer's cost of purchasing the building (and only the remainder of such face amount shall be taken into account under clause (i)).

“(3) Method of discounting.—The present value under paragraph (2)(D)(i) shall be determined—

“(A) for a period equal to the term of the loan referred to in subparagraph (D)(i),

“(B) by using the convention that any payment on such loan in any taxable year within such period is deemed to have been made on the last day of such taxable year,

“(C) by using a discount rate equal to 65 percent of the average of the annual Federal mid-term rate and the annual Federal long-term rate applicable under section 1274(d)(1) to the month in which the taxpayer makes an election under paragraph (1) and compounded annually, and

“(D) by assuming that the credit allowable under this section for any year is received on the last day of such year.

“(4) Use of certificate by lender.—The amount of the credit specified in the certificate shall be allowed to the lender only to offset the regular tax (as defined in section 55(c)) of such lender. The lender may carry forward all unused amounts under this subsection until exhausted.

“(5) Historic rehabilitation mortgage credit certificate not treated as taxable income.—Notwithstanding any other provision of law, no benefit accruing to the taxpayer through the use of a historic rehabilitation mortgage credit certificate shall be included in gross income for purposes of this title.

“(i) Recapture.—

“(1) In general.—If, before the end of the 5-year period beginning on the date on which the rehabilitation of the building is completed (or, if subsection (g) applies, the date of purchase of such building by the taxpayer)—

“(A) the taxpayer disposes of such taxpayer's interest in such building, or

“(B) such building ceases to be used as the principal residence of the taxpayer or ceases to be a certified historic structure,

the taxpayer's tax imposed by this chapter for the taxable year in which such disposition or cessation occurs shall be increased by the recapture percentage of the credit allowed under this section for all prior taxable years with respect to such rehabilitation.

“(2) Recapture percentage.—For purposes of paragraph (1), the recapture percentage shall be determined in accordance with the table under section 50(a)(1)(B), deeming such table to be amended—

“(A) by striking ‘If the property ceases to be investment credit property within—’ and inserting ‘If the disposition or cessation occurs within—’, and

“(B) in clause (i) by striking ‘One full year after placed in service’ and inserting ‘One full year after the taxpayer becomes entitled to the credit’.

“(3) Transfer between spouses or incident to divorce.—In the case of any transfer described in subsection (a) of section 1041 (relating to transfers between spouses or incident to divorce)—

“(A) the foregoing provisions of this subsection shall not apply, and

“(B) the same tax treatment under this subsection with respect to the transferred property shall apply to the transferee as would have applied to the transferor.

“(j) Basis Adjustments.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property (including any purchase under subsection (g) and any transfer under subsection (h)), the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

“(k) Processing Fees.—Any State may impose a fee for the processing of applications for the certification of any rehabilitation under this section provided that the amount of such fee is used only to defray expenses associated with the processing of such applications.

"(l) Denial of Double Benefit.—No credit shall be allowed under this section for any amount for which credit is allowed under section 47.

"(m) Regulations.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including regulations where less than all of a building is used as a principal residence and where more than 1 taxpayer use the same dwelling unit as their principal residence."

(b) Conforming Amendments.—

(1) Subsection (c) of section 23 is amended by striking "and section 1400C" and inserting "and sections 25B and 1400C".

(2) Subparagraph (C) of section 25(e)(1) is amended by inserting ", 25B," after "sections 23".

(3) Subsection (d) of section 1400C is amended by striking "other than this section)" and inserting "other than this section and section 25B)",

(4) Subsection (a) of section 1016 is amended by striking "and" at the end of paragraph (26), by striking the period at the end of paragraph (27) and inserting ", and", and by adding at the end the following new item:

"(28) to the extent provided in section 25B(j)."

(c) Clerical Amendment.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 25A the following new item:

"Sec. 25B. Historic homeownership rehabilitation credit."

(d) Effective Date.—The amendments made by this section shall apply with respect to rehabilitations the physical work on which begins after the date of enactment of this Act.

Subtitle B—Compliance With Congressional Budget Act

SEC. 1011. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE XI—ENERGY SECURITY AND TAX INCENTIVE POLICY

Subtitle A—Energy-Efficient Property Used in Business

SEC. 1101. CREDIT FOR CERTAIN ENERGY-EFFICIENT PROPERTY USED IN BUSINESS.

(a) In General.—Subpart E of part IV of subchapter A of chapter 1 (relating to rules for computing investment credit) is amended by inserting after section 48 the following:

"SEC. 48A. ENERGY CREDIT.

"(a) In General.—For purposes of section 46, the energy credit for any taxable year is the energy percentage of the basis of each energy property placed in service during such taxable year.

"(b) Energy Percentage.—

"(1) In general.—The energy percentage is—

"(A) except as otherwise provided in this subparagraph, 10 percent,

"(B) in the case of energy property described in clauses (i), (iii), and (vi) of subsection (c)(1)(A), 20 percent,

"(C) in the case of energy property described in subsection (c)(1)(A)(v), 15 percent,

"(D) in the case of energy property described in subsection (c)(1)(A)(ii) relating to a high risk geothermal well, 20 percent, and

"(E) in the case of energy property described in subsection (c)(1)(A)(vii), 30 percent.

"(2) Coordination with rehabilitation.—The energy percentage shall not apply to that portion of the basis of any property which is attributable to qualified rehabilitation expenditures.

"(c) Energy Property Defined.—

"(1) In general.—For purposes of this subpart, the term 'energy property' means any property—

"(A) which is—

"(i) solar energy property,

"(ii) geothermal energy property,

"(iii) energy-efficient building property other than property described in clauses (iii)(I) and (v)(I) of subsection (d)(3)(A),

"(iv) combined heat and power system property,

"(v) low core loss distribution transformer property,

"(vi) qualified anaerobic digester property, or

"(vii) qualified wind energy systems equipment property,

"(B)(i) the construction, reconstruction, or erection of which is completed by the taxpayer, or

"(ii) which is acquired by the taxpayer if the original use of such property commences with the taxpayer.

"(C) which can reasonably be expected to remain in operation for at least 5 years,

"(D) with respect to which depreciation (or amortization in lieu of depreciation) is allowable, and

"(E) which meets the performance and quality standards (if any) which—

"(i) have been prescribed by the Secretary by regulations (after consultation with the Secretary of Energy), and

"(ii) are in effect at the time of the acquisition of the property.

"(2) Exceptions.—

"(A) Public utility property.—Such term shall not include any property which is public utility property (as defined in section 46(f)(5) as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990), except for property described in paragraph (1)(A)(iv).

"(B) Certain wind equipment.—Such term shall not include equipment described in paragraph (1)(A)(vii) which is taken into account for purposes of section 45 for the taxable year.

"(d) Definitions Relating to Types of Energy Property.—For purposes of this section—

"(1) Solar energy property.—

"(A) In general.—The term 'solar energy property' means equipment which uses solar energy to generate electricity, to heat or cool (or provide hot water for use in) a structure, or to provide solar process heat.

"(B) Swimming pools, etc. used as storage medium.—The term 'solar energy property' shall not include property with respect to which expenditures are properly allocable to a swimming pool, hot tub, or any other energy storage medium which has a function other than the function of such storage.

"(C) Solar panels.—No solar panel or other property installed as a roof (or portion thereof) shall fail to be treated as solar energy property solely because it constitutes a structural component of the structure on which it is installed.

"(2) Geothermal energy property.—

"(A) In general.—The term 'geothermal energy property' means equipment used to produce, distribute, or use energy derived from a geothermal deposit (within the meaning of section 613(e)(2)), but only, in the case of electricity generated by geothermal power, up to (but not including) the electrical transmission stage.

"(B) High risk geothermal well.—The term 'high risk geothermal well' means a geothermal deposit (within the meaning of section 613(e)(2)) which requires high risk drilling techniques. Such deposit may not be located in a State or national park or in an area in which the relevant State park authority or the National Park Service determines the development of such a deposit will negatively impact on a State or national park.

"(3) Energy-efficient building property.—

"(A) In general.—The term 'energy-efficient building property' means—

"(i) a fuel cell which—

"(I) generates electricity using an electrochemical process,

"(II) has an electricity-only generation efficiency greater than 30 percent, and

"(III) has a minimum generating capacity of 2 kilowatts,

"(ii) an electric heat pump hot water heater which yields an energy factor of 1.7 or greater under test procedures prescribed by the Secretary of Energy,

"(iii)(I) an electric heat pump which has a heating system performance factor (HSPF) of at least 8.5 but less than 9 and a cooling seasonal energy efficiency ratio (SEER) of at least 13.5 but less than 15,

"(II) an electric heat pump which has a heating system performance factor (HSPF) of 9 or greater and a cooling seasonal energy efficiency ratio (SEER) of 15 or greater,

"(iv) a natural gas heat pump which has a coefficient of performance of not less than 1.25 for heating and not less than 0.70 for cooling,

"(v)(I) a central air conditioner which has a cooling seasonal energy efficiency ratio (SEER) of at least 13.5 but less than 15,

"(II) a central air conditioner which has a cooling seasonal energy efficiency ratio (SEER) of 15 or greater,

"(vi) an advanced natural gas water heater which—

"(I) increases steady state efficiency and reduces standby and vent losses, and

"(II) has an energy factor of at least 0.65,

"(vii) an advanced natural gas furnace which achieves a 90 percent AFUE and rated for seasonal electricity use of less than 300 kWh per year, and

"(viii) natural gas cooling equipment which meets all applicable standards of the American Society of Heating, Refrigerating, and Air Conditioning Engineers and which—

"(I) has a coefficient of performance of not less than .60, or

"(II) uses desiccant technology and has an efficiency rating of not less than 50 percent.

"(B) Limitations.—The credit under subsection (a) for the taxable year may not exceed—

"(i) $500 in the case of property described in subparagraph (A) other than clauses (i), (iv), and (viii) thereof,

"(ii) $1,000 for each kilowatt of capacity in the case of any fuel cell described in subparagraph (A)(i),

"(iii) $1,000 in the case of any natural gas heat pump described in subparagraph (A)(iv), and

"(iv) $150 for each ton of capacity in the case of any natural gas cooling equipment described in subparagraph (A)(viii).

"(4) Combined heat and power system property.—

"(A) In general.—The term 'combined heat and power system property' means property—

"(i) comprising a system for the same energy source for the simultaneous or sequential generation of electrical power, mechanical shaft power, or both, in combination with steam, heat, or other forms of useful energy,

"(ii) which has an electrical capacity of more than 50 kilowatts or a mechanical energy capacity of more than 67 horsepower or an equivalent combination of electrical and mechanical energy capacities,

"(iii) which produces—

"(I) at least 20 percent of its total useful energy in the form of thermal energy, and

"(II) at least 20 percent of its total useful energy in the form of electrical or mechanical power (or a combination thereof), and

"(iv) the energy efficiency percentage of which exceeds—

"(I) 60 percent in the case of a system with an electrical capacity of less than 1 megawatt),

"(II) 65 percent in the case of a system with an electrical capacity of not less than 1 megawatt and not in excess of 50 megawatts), and

"(III) 70 percent in the case of a system with an electrical capacity in excess of 50 megawatts).

"(B) Special rules.—

"(i) Energy efficiency percentage.—For purposes of subparagraph (A)(iv), the energy efficiency percentage of a system is the fraction—

"(I) the numerator of which is the total useful electrical, thermal, and mechanical power produced by the system at normal operating rates, and

"(II) the denominator of which is the lower heating value of the primary fuel source for the system.

"(ii) Determinations made on Btu basis.—The energy efficiency percentage and the percentages under subparagraph (A)(iii) shall be determined on a Btu basis.

"(iii) Input and output property not included.—The term 'combined heat and power system property' does not include property used to transport the energy source to the facility or to distribute energy produced by the facility.

"(iv) Accounting rule for public utility property.—If the combined heat and power system property is public utility property (as defined in section 46(f)(5) as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990), the taxpayer may only claim the credit under subsection (a)(1) if, with respect to such property, the taxpayer uses a normalization method of accounting.

"(5) Low core loss distribution transformer property.—The term 'low core loss distribution transformer property' means a distribution transformer which has energy savings from a highly efficient core of at least 20 percent more than the average for power ratings reported by studies required under section 124 of the Energy Policy Act of 1992.

"(6) Qualified anaerobic digester property.—The term 'qualified anaerobic digester property' means an anaerobic digester for manure or crop waste which achieves at least 65 percent efficiency measured in terms of the fraction of energy input converted to electricity and useful thermal energy.

"(7) Qualified wind energy systems equipment property.—The term 'qualified wind energy systems equipment property' means wind energy systems equipment with a turbine size of not more than 75 kilowatts rated capacity.

"(e) Special Rules.—For purposes of this section—

"(1) Special rule for property financed by subsidized energy financing or industrial development bonds.—

"(A) Reduction of basis.—For purposes of applying the energy percentage to any property, if such property is financed in whole or in part by—

"(i) subsidized energy financing, or

"(ii) the proceeds of a private activity bond (within the meaning of section 141) the interest on which is exempt from tax under section 103, the amount taken into account as the basis of such property shall not exceed the amount which (but for this subparagraph) would be so taken into account multiplied by the fraction determined under subparagraph (B).

"(B) Determination of fraction.—For purposes of subparagraph (A), the fraction determined under this subparagraph is 1 reduced by a fraction—

"(i) the numerator of which is that portion of the basis of the property which is allocable to such financing or proceeds, and

"(ii) the denominator of which is the basis of the property.

"(C) Subsidized energy financing.—For purposes of subparagraph (A), the term 'subsidized energy financing' means financing provided under a Federal, State, or local program a principal purpose of which is to provide subsidized financing for projects designed to conserve or produce energy.

"(2) Certain progress expenditure rules made applicable.—Rules similar to the rules of subsections (c)(4) and (d) of section 46 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990) shall apply for purposes of this section.

"(f) Application of Section.—

"(1) In general.—Except as provided by paragraph (2), this section shall apply to property placed in service after December 31, 2001, and before January 1, 2009.

"(2) Exceptions.—

"(A) Solar energy and geothermal energy property.—Paragraph (1) shall not apply to solar energy property or geothermal energy property.

"(B) Certain electric heat pumps and central air conditioners.—In the case of property which is described in subsection (d)(3)(A)(iii)(I) or (d)(3)(A)(v)(I), this section shall apply to property placed in service after December 31, 2001, and before January 1, 2006.".

(b) Conforming Amendments.—

(1) Section 48 is amended to read as follows:

"SEC. 48. REFORESTATION CREDIT.

"(a) In General.—For purposes of section 46, the reforestation credit for any taxable year is 20 percent of the portion of the amortizable basis of any qualified timber property which was acquired during such taxable year and which is taken into account under section 194 (after the application of section 194(b)(1)).

"(b) Definitions.—For purposes of this subpart, the terms 'amortizable basis' and 'qualified timber property' have the respective meanings given to such terms by section 194.".

(2) Section 39(d), as amended by this Act, is amended by adding at the end the following:

"(12) No carryback of energy credit before effective date.—No portion of the unused business credit for any taxable year which is attributable to the energy credit determined under section 48A may be carried back to a taxable year ending before January 1, 2002.".

(3) Section 280C is amended by adding at the end the following:

"(d) Credit for Energy Property Expenses.—

"(1) In general.—No deduction shall be allowed for that portion of the expenses for energy property (as defined in section 48A(c)) otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 48A(a).

"(2) Similar rule where taxpayer capitalizes rather than deducts expenses.—If—

"(A) the amount of the credit allowable for the taxable year under section 48A (determined without regard to section 38(c)), exceeds

"(B) the amount allowable as a deduction for the taxable year for expenses for energy property (determined without regard to paragraph (1)), the amount chargeable to capital account for the taxable year for such expenses shall be reduced by the amount of such excess.

'"(3) Controlled groups.—Paragraph (3) of subsection (b) shall apply for purposes of this subsection.".

(4) Section 29(b)(3)(A)(i)(III) is amended by striking 'section 48(a)(4)(C)' and inserting 'section 48A(e)(1)(C)'.

(5) Section 50(a)(2)(E) is amended by striking 'section 48(a)(5)' and inserting 'section 48A(e)(2)'.

(6) Section 168(e)(3)(B) is amended—

(A) by striking clause (vi)(I) and inserting the following:

"(I) is described in paragraph (1) or (2) of section 48A(d) (or would be so described if 'solar and wind' were substituted for 'solar' in paragraph (1)(B)),", and

(B) in the last sentence by striking "section 48(a)(3)" and inserting "section 48A(c)(2)(A)".

(c) Clerical Amendment.—The table of sections for subpart E of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 48 and inserting the following:

"Sec. 48. Reforestation credit.
"Sec. 48A. Energy credit.".

(d) Effective Date.—The amendments made by this section shall apply to property placed in service after December 31, 2001, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 1102. ENERGY-EFFICIENT COMMERCIAL BUILDING PROPERTY DEDUCTION.

(a) In General.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by adding at the end the following:

"SEC. 199. ENERGY-EFFICIENT COMMERCIAL BUILDING PROPERTY.

"(a) In General.—There shall be allowed as a deduction for the taxable year an amount equal to the energy-efficient commercial building property expenditures made by a taxpayer for the taxable year.

"(b) Maximum Amount of Deduction.—The amount of energy-efficient commercial building property expenditures taken into account under subsection (a) shall not exceed an amount equal to the product of—

"(1) $2.25, and

"(2) the square footage of the building with respect to which the expenditures are made.

"(c) Year Deduction Allowed.—The deduction under subsection (a) shall be allowed in the taxable year in which the construction of the building is completed.

"(d) Energy-Efficient Commercial Building Property Expenditures.—For purposes of this section—

"(1) In general.—The term 'energy-efficient commercial building property expenditures' means an amount paid or incurred for energy-efficient commercial building property installed on or in connection with new construction or reconstruction of property—

"(A) for which depreciation is allowable under section 167,

"(B) which is located in the United States, and

"(C) the construction or erection of which is completed by the taxpayer.

Such property includes all residential rental property, including low-rise multifamily structures and single family housing property which is not within the scope of Standard 90.1–1999 (described in paragraph (3)).

"(2) Labor costs included.—Such term includes expenditures for labor costs properly allocable to the onsite preparation, assembly, or original installation of the property.

"(3) Energy expenditures excluded.—Such term does not include any expenditures taken into account in determining any credit allowed under section 48A.

"(e) Energy-Efficient Commercial Building Property.—For purposes of subsection (d)—

"(1) In general.—The term 'energy-efficient commercial building property' means any property which reduces total annual energy and power costs with respect to the lighting, heating, cooling, ventilation, and hot water supply systems of the building by 50 percent or more in comparison to a reference building which meets the requirements of Standard 90.1–1999 of the American Society of Heating, Refrigerating, and Air Conditioning Engineers and the Illuminating Engineering Society of North America using methods of calculation under subparagraph (B) and certified by qualified professionals as provided under paragraph (6).

"(2) Methods of calculation.—The Secretary, in consultation with the Secretary of Energy, shall promulgate regulations which describe in detail methods for calculating and verifying energy and power consumption and cost, taking into consideration the provisions of the 1998 California Nonresidential ACM Manual. These procedures shall meet the following requirements:

"(A) In calculating tradeoffs and energy performance, the regulations shall prescribe the costs per unit of energy and power, such as kilowatt hour, kilowatt, gallon of fuel oil, and cubic foot or Btu of natural gas, which may be dependent on time of usage.

"(B) The calculational methodology shall require that compliance be demonstrated for a whole building. If some systems of the building, such as lighting, are designed later than other systems of the building, the method shall provide that either—

"(i) the expenses taken into account under paragraph (1) shall not occur until the date designs for all energy-using systems of the building are completed, or

"(ii) the expenses taken into account under paragraph (1) shall be a fraction of such expenses based on the performance of less than all energy-using systems in accordance with subparagraph (C), and the energy performance of all systems and components not yet designed shall be assumed to comply minimally with the requirements of such Standard 90.1–1999.

"(C) The expenditures in connection with the design of subsystems in the building, such as the envelope, the heating, ventilation, air conditioning and water heating system, and the lighting system shall be allocated to the appropriate building subsystem based on system-specific energy cost savings targets in regulations promulgated by the Secretary of Energy which are equivalent, using the calculation methodology, to the whole building requirement of 50 percent savings.

"(D) The calculational methods under this paragraph need not comply fully with section 11 of such Standard 90.1–1999.

"(E) The calculational methods shall be fuel neutral, such that the same energy efficiency features shall qualify a building for the deduction under this section regardless of whether the heating source is a gas or oil furnace or an electric heat pump.

"(F) The calculational methods shall provide appropriate calculated energy savings for design methods and technologies not otherwise credited in either such Standard 90.1–1999 or in the 1998 California Nonresidential ACM Manual, including the following:

"(i) Natural ventilation.

"(ii) Evaporative cooling.

"(iii) Automatic lighting controls such as occupancy sensors, photocells, and timeclocks.

"(iv) Daylighting.

"(v) Designs utilizing semi-conditioned spaces which maintain adequate comfort conditions without air conditioning or without heating.

"(vi) Improved fan system efficiency, including reductions in static pressure.

"(vii) Advanced unloading mechanisms for mechanical cooling, such as multiple or variable speed compressors.

"(viii) The calculational methods may take into account the extent of commissioning in the building, and allow the taxpayer to take into account measured performance which exceeds typical performance.

"(3) Computer software.—

"(A) In general.—Any calculation under this subsection shall be prepared by qualified computer software.

"(B) Qualified computer software.—For purposes of this paragraph, the term 'qualified computer software' means software—

"(i) for which the software designer has certified that the software meets all procedures and detailed methods for calculating energy and power consumption and costs as required by the Secretary,

"(ii) which provides such forms as required to be filed by the Secretary in connection with energy efficiency of property and the deduction allowed under this section, and

"(iii) which provides a notice form which summarizes the energy efficiency features of the building and its projected annual energy costs.

"(4) Allocation of deduction for public property.—In the case of energy-efficient commercial building property installed on or in public property, the Secretary shall promulgate a regulation to allow the allocation of the deduction to the person primarily responsible for designing the property in lieu of the public entity which is the owner of such property. Such person shall be treated as the taxpayer for purposes of this section.

"(5) Notice to owner.—The qualified individual shall provide an explanation to the owner of the building regarding the energy efficiency features of the building and its projected annual energy costs as provided in the notice under paragraph (3)(B)(iii).

"(6) Certification.—

"(A) In general.—Except as provided in this paragraph, the Secretary, in consultation with the Secretary of Energy, shall establish requirements for certification and compliance procedures similar to the procedures under section 45H(d).

"(B) Qualified individuals.—Individuals qualified to determine compliance shall be only those individuals who are recognized by an organization certified by the Secretary for such purposes.

"(C) Proficiency of qualified individuals.—The Secretary shall consult with nonprofit organizations and State agencies with expertise in energy efficiency calculations and inspections to develop proficiency tests and training programs to qualify individuals to determine compliance.

"(f) Termination.—This section shall not apply with respect to any energy-efficient commercial building property expenditures in connection with property—

"(1) the plans for which are not certified under subsection (e)(6) on or before December 31, 2006, and

"(2) the construction of which is not completed on or before December 31, 2008.".

(b) Conforming Amendments.—Section 1016(a) is amended by striking "and" at the end of paragraph (26), by striking the period at the end of paragraph (27) and inserting ", and", and by inserting the following:

"(28) for amounts allowed as a deduction under section 199(a).".

(c) Clerical Amendment.—The table of sections for part VI of subchapter B of chapter 1 is amended by adding at the end the following:

"Sec. 199. Energy-efficient commercial building property.".

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

Subtitle B—Residential Energy Systems

SEC. 1111. CREDIT FOR CONSTRUCTION OF NEW ENERGY-EFFICIENT HOME.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by section 1103(a), is amended by inserting after section 45G the following:

"SEC. 45H. NEW ENERGY-EFFICIENT HOME CREDIT.

"(a) In General.—For purposes of section 38, in the case of an eligible contractor, the credit determined under this section for the taxable year is an amount equal to the aggregate adjusted bases of all energy-efficient property installed in a qualified new energy-efficient home during construction of such home.

"(b) Limitations.—

"(1) Maximum credit.—

"(A) In general.—The credit allowed by this section with respect to a dwelling shall not exceed—

"(i) in the case of a dwelling described in subsection (c)(3)(D)(i), $1,500, and

"(ii) in the case of a dwelling described in subsection (c)(3)(D)(ii), $2,500.

"(B) Prior credit amounts on same dwelling taken into account.—If a credit was allowed under subsection (a) with respect to a dwelling in 1 or more prior taxable years, the amount of the credit otherwise allowable for the taxable year with respect to that dwelling shall not exceed the amount under clause (i) or (ii) (as the case may be), reduced by the sum of the credits allowed under subsection (a) with respect to the dwelling for all prior taxable years.

"(2) Coordination with rehabilitation and energy credits.—For purposes of this section—

"(A) the basis of any property referred to in subsection (a) shall be reduced by that portion of the basis of any property which is attributable to qualified rehabilitation expenditures (as defined in section 47(c)(2)) or to the energy percentage of energy property (as determined under section 48A(a)), and

"(B) expenditures taken into account under either section 47 or 48A(a) shall not be taken into account under this section.

"(c) DEFINITIONS.—For purposes of this section—

"(1) ELIGIBLE CONTRACTOR.—The term 'eligible contractor' means the person who constructed the new energy-efficient home, or in the case of a manufactured home which conforms to Federal Manufactured Home Construction and Safety Standards (24 C.F.R. 3280), the manufactured home producer of such home.

"(2) ENERGY-EFFICIENT PROPERTY.—The term 'energy-efficient property' means any energy-efficient building envelope component, and any energy-efficient heating or cooling equipment which can, individually or in combination with other components, meet the requirements of this section.

"(3) QUALIFIED NEW ENERGY-EFFICIENT HOME.—The term 'qualified new energy-efficient home' means a dwelling—

"(A) located in the United States,

"(B) the construction of which is substantially completed after December 31, 2000,

"(C) the original use of which is as a principal residence (within the meaning of section 121) which commences with the person who acquires such dwelling from the eligible contractor, and

"(D) which is certified to have a projected level of annual heating and cooling energy consumption, measured in terms of average annual energy cost to the homeowner which is at least—

"(i) 30 percent less than the annual level of heating and cooling energy consumption of a reference dwelling constructed in accordance with the standards of chapter 4 of the 2000 International Energy Conservation Code, or

"(ii) 50 percent less than such annual level of heating and cooling energy consumption.

"(4) CONSTRUCTION.—The term 'construction' includes reconstruction and rehabilitation.

"(5) ACQUIRE.—The term 'acquire' includes purchase and, in the case of reconstruction and rehabilitation, such term includes a binding written contract for such reconstruction or rehabilitation.

"(6) BUILDING ENVELOPE COMPONENT.—The term 'building envelope component' means—

"(A) insulation material or system which is specifically and primarily designed to reduce the heat loss or gain of a dwelling when installed in or on such dwelling, and

"(B) exterior windows (including skylights) and doors.

"(7) MANUFACTURED HOME INCLUDED.—The term 'dwelling' includes a manufactured home conforming to Federal Manufactured Home Construction and Safety Standards (24 C.F.R. 3280).

"(d) CERTIFICATION.—

"(1) METHOD.—A certification described in subsection (c)(3)(D) shall be determined on the basis of 1 of the following methods:

"(A) A component-based method, using the applicable technical energy efficiency specifications or ratings (including product labeling requirements) for the energy-efficient building envelope component or energy-efficient heating or cooling equipment. The Secretary shall, in consultation with the Administrator of the Environmental Protection Agency, develop prescriptive component-based packages that are equivalent in energy performance to properties that qualify under subparagraph (B).

"(B) An energy performance-based method that calculates projected energy usage and cost reductions in the dwelling in relation to a reference dwelling—

"(i) heated by the same energy source and heating system type, and

"(ii) constructed in accordance with the standards of chapter 4 of the 2000 International Energy Conservation Code.

Computer software shall be used in support of an energy performance-based method certification under subparagraph (B). Such software shall meet procedures and methods for calculating energy and cost savings in regulations promulgated by the Secretary of Energy. Such regulations on the specifications for software and verification protocols shall be based on the 1998 California Residential Alternative Calculation Method Approval Manual.

"(2) PROVIDER.—Such certification shall be provided by—

"(A) in the case of a method described in paragraph (1)(A), a local building regulatory authority, a utility, a manufactured home production inspection primary inspection agency (IPIA), or a home energy rating organization, or

"(B) in the case of a method described in paragraph (1)(B), an individual recognized by an organization designated by the Secretary for such purposes.

"(3) FORM.—

"(A) IN GENERAL.—Such certification shall be made in writing in a manner that specifies in readily verifiable fashion the energy-efficient building envelope components and energy-efficient heating or cooling equipment installed and their respective rated energy efficiency performance, and in the case of a method described in paragraph (1)(B), accompanied by written analysis documenting the proper application of a permissible energy performance calculation method to the specific circumstances of such dwelling.

"(B) FORM PROVIDED TO BUYER.—A form documenting the energy-efficient building envelope components and energy-efficient heating or cooling equipment installed and their rated energy efficiency performance shall be provided to the buyer of the dwelling. The form shall include labeled R-value for insulation products, NFRC-labeled U-factor and Solar Heat Gain Coefficient for windows, skylights, and doors, labeled AFUE ratings for furnaces and boilers, labeled HSPF ratings for electric heat pumps, and labeled SEER ratings for air conditioners.

"(C) RATINGS LABEL AFFIXED IN DWELLING.—A permanent label documenting the ratings in subparagraph (B) shall be affixed to the front of the electrical distribution panel of the dwelling, or shall be otherwise permanently displayed in a readily inspectable location in the dwelling.

"(4) REGULATIONS.—

"(A) IN GENERAL.—In prescribing regulations under this subsection for energy performance-based certification methods, the Secretary, after examining the requirements for energy consultants and home energy ratings providers specified by the Mortgage Industry National Accreditation Procedures for Home Energy Rating Systems, shall prescribe procedures for calculating annual energy usage and cost reductions for heating and cooling and for the reporting of the results. Such regulations shall—

"(i) provide that any calculation procedures be fuel neutral such that the same energy efficiency measures allow a home to qualify for the credit under this section regardless of whether the dwelling uses a gas or oil furnace or boiler or an electric heat pump, and

"(ii) require that any computer software allow for the printing of the Federal tax forms necessary for the credit under this section and for the printing of forms for disclosure to the homebuyer.

"(B) PROVIDERS.—For purposes of paragraph (2)(B), the Secretary shall establish requirements for the designation of individuals based on the requirements for energy consultants and home energy raters specified by the Mortgage Industry National Accreditation Procedures for Home Energy Rating Systems.

"(e) BASIS ADJUSTMENT.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

"(f) TERMINATION.—Subsection (a) shall apply to dwellings purchased during the period beginning on January 1, 2001, and ending on December 31, 2005.".

(b) CREDIT MADE PART OF GENERAL BUSINESS CREDIT.—Subsection (b) of section 38 (relating to current year business credit), as amended by section 1103(d), is amended by striking "plus" at the end of paragraph (15), by striking the period at the end of paragraph (16) and inserting ", plus", and by adding at the end the following:

"(17) the new energy-efficient home credit determined under section 45H.".

(c) DENIAL OF DOUBLE BENEFIT.—Section 280C (relating to certain expenses for which credits are allowable), as amended by section 1103(c), is amended by adding at the end the following:

"(f) NEW ENERGY-EFFICIENT HOME EXPENSES.—No deduction shall be allowed for that portion of expenses for a new energy-efficient home otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 45H.".

(d) CREDIT ALLOWED AGAINST REGULAR AND MINIMUM TAX.—

(1) IN GENERAL.—Subsection (c) of section 38 (relating to limitation based on amount of tax) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) SPECIAL RULES FOR NEW ENERGY EFFICIENT HOME CREDIT.—

"(A) IN GENERAL.—In the case of the new energy efficient home credit—

"(i) this section and section 39 shall be applied separately with respect to the credit, and

"(ii) in applying paragraph (1) to the credit—

"(I) subparagraphs (A) and (B) thereof shall not apply, and

"(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the new energy efficient home credit).

"(B) NEW ENERGY EFFICIENT HOME CREDIT.—For purposes of this subsection, the term 'new energy efficient home credit' means the credit allowable under subsection (a) by reason of section 45H.".

(2) CONFORMING AMENDMENT.—Subclause (II) of section 38(c)(2)(A)(ii) is amended by inserting "or the new energy efficient home credit" after "employment credit".

(e) LIMITATION ON CARRYBACK.—Subsection (d) of section 39, as amended by section 1103(b), is amended by adding at the end the following:

"(14) NO CARRYBACK OF NEW ENERGY-EFFICIENT HOME CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the credit determined under section 45H may be carried back to any taxable year ending before January 1, 2001.".

(f) DEDUCTION FOR CERTAIN UNUSED BUSINESS CREDITS.—Subsection (c) of section 196 is amended by striking "and" at the end of paragraph (7), by striking the period at the end of paragraph (8) and inserting ", and", and by adding after paragraph (8) the following:

"(9) the new energy-efficient home credit determined under section 45H.".

(g) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section 1103(d), is amended by inserting after the item relating to section 45G the following:

"Sec. 45H. New energy-efficient home credit.".

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 2000.

SEC. 1112. CREDIT FOR ENERGY EFFICIENCY IMPROVEMENTS TO EXISTING HOMES.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits), as amended by this Act, is amended by inserting after section 25C the following new section:

"SEC. 25D. ENERGY EFFICIENCY IMPROVEMENTS TO EXISTING HOMES

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 20 percent of the amount paid or incurred by the taxpayer for qualified energy efficiency improvements installed during such taxable year.

"(b) LIMITATIONS.—

"(1) MAXIMUM CREDIT.—The credit allowed by this section with respect to a dwelling shall not exceed $2,000.

"(2) PRIOR CREDIT AMOUNTS FOR TAXPAYER ON SAME DWELLING TAKEN INTO ACCOUNT.—If a credit was allowed to the taxpayer under subsection (a) with respect to a dwelling in 1 or more prior taxable years, the amount of the credit otherwise allowable for the taxable year with respect to that dwelling shall not exceed the amount of $2,000 reduced by the sum of the credits allowed under subsection (a) to the taxpayer with respect to the dwelling for all prior taxable years.

"(c) CARRYFORWARD OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by section 26(a) for such taxable year reduced by the sum of the credits allowable under subpart A of part IV of subchapter A (other than this section), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

"(d) QUALIFIED ENERGY EFFICIENCY IMPROVEMENTS.—For purposes of this section, the term 'qualified energy efficiency improvements' means any energy efficient building envelope component which is certified to meet or exceed the prescriptive criteria for such component in the 2000 International Energy Conservation Code, or any combination of energy efficiency measures which achieves at least a 30 percent reduction in heating and cooling energy usage for the dwelling (as measured in terms of energy cost to the taxpayer), if—

"(1) such component or combinations of measures is installed in or on a dwelling—

"(A) located in the United States, and

"(B) owned and used by the taxpayer as the taxpayer's principal residence (within the meaning of section 121),

"(2) the original use of such component or combination of measures commences with the taxpayer, and

"(3) such component or combination of measures reasonably can be expected to remain in use for at least 5 years.

"(e) CERTIFICATION.—The certification described in subsection (d) shall be—

"(1) in the case of any component described in subsection (d), determined on the basis of applicable energy efficiency ratings (including product labeling requirements) for affected building envelope components,

"(2) in the case of combinations of measures described in subsection (d), determined by the performance-based methods described in section 45H(d),

"(3) provided by a third party, such as a local building regulatory authority, a utility, a manufactured home production inspection primary inspection agency (IPIA), or a home energy rating organization, consistent with the requirements of section 45H(d)(2), and

"(4) made in writing on forms which specify in readily inspectable fashion the energy-efficient components and other measures and their respective efficiency ratings, and which shall include a permanent label affixed to the electrical distribution panel as described in section 45H(d)(3)(C).

"(f) DEFINITIONS AND SPECIAL RULES.—

"(1) DOLLAR AMOUNTS IN CASE OF JOINT OCCUPANCY.—In the case of any dwelling unit which is jointly occupied and used during any calendar year as a residence by 2 or more individuals the following shall apply:

"(A) The amount of the credit allowable under subsection (a) by reason of expenditures for the qualified energy efficiency improvements made during such calendar year by any of such individuals with respect to such dwelling unit shall be determined by treating all of such individuals as 1 taxpayer whose taxable year is such calendar year.

"(B) There shall be allowable with respect to such expenditures to each of such individuals, a credit under subsection (a) for the taxable year in which such calendar year ends in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount of such expenditures made by such individual during such calendar year bears to the aggregate of such expenditures made by all of such individuals during such calendar year.

"(2) TENANT-STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—In the case of an individual who is a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual shall be treated as having paid his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of the cost of qualified energy efficiency improvements made by such corporation.

"(3) CONDOMINIUMS.—

"(A) IN GENERAL.—In the case of an individual who is a member of a condominium management association with respect to a condominium which he owns, such individual shall be treated as having paid his proportionate share of the cost of qualified energy efficiency improvements made by such association.

"(B) CONDOMINIUM MANAGEMENT ASSOCIATION.—For purposes of this paragraph, the term 'condominium management association' means an organization which meets the requirements of paragraph (1) of section 528(c) (other than subparagraph (E) thereof) with respect to a condominium project substantially all of the units of which are used as residences.

"(4) BUILDING ENVELOPE COMPONENT.—The term 'building envelope component' means—

"(A) insulation material or system which is specifically and primarily designed to reduce the heat loss or gain or a dwelling when installed in or on such dwelling, and

"(B) exterior windows (including skylights) and doors.

"(5) MANUFACTURED HOMES INCLUDED.—For purposes of this section, the term 'dwelling' includes a manufactured home which conforms to Federal Manufactured Home Construction and Safety Standards (24 C.F.R. 3280).

"(g) BASIS ADJUSTMENT.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

"(h) TERMINATION.—Subsection (a) shall apply to qualified energy efficiency improvements installed during the period beginning on the date of the enactment of this section and ending on December 31, 2005.".

(b) CONFORMING AMENDMENTS.—

(1) Subsection (c) of section 23, as amended by this Act, is amended by inserting "25D," after "25C,".

(2) Subparagraph (C) of section 25(e)(1), as amended by this Act, is amended by inserting "25D," after "25C,".

(3) Subsection (h) of seciton 904, as amended by this Act, is amended by by striking "or 25C" and inserting ", 25C, or 25D".

(4) Subsection (d) of section 1400C is amended by inserting "and section 25C" and inserting ", section 25C, and section 25D".

(4) Subsection (a) of section 1016, as amended by section 1102(b), is amended by striking "and" at the end of paragraph (27), by striking the period at the end of paragraph (28) and inserting "; and", and by adding at the end the following:

"(29) to the extent provided in section 25D(f), in the case of amounts with respect to which a credit has been allowed under section 25D.".

(5) The table of sections for subpart A of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 25C the following new item:

"Sec. 25D. Energy efficiency improvements to existing homes.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending on or after the date of the enactment of this Act.

SEC. 1113. CREDIT FOR RESIDENTIAL SOLAR, WIND, AND FUEL CELL ENERGY PROPERTY.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits), as amended by section 1112(a), is amended by inserting after section 25D the following:

"SEC. 25E. RESIDENTIAL SOLAR, WIND, AND FUEL CELL ENERGY PROPERTY.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) 15 percent of the qualified photovoltaic property expenditures,

"(2) 15 percent of the qualified solar water heating property expenditures, "(3) 30 percent of the qualified wind energy property expenditures, and

"(4) 25 percent for the qualified fuel cell property expenditures,

made by the taxpayer during the taxable year.

"(b) Limitations.—

"(1) Maximum credit.—The credit allowed under subsection (a)(2) shall not exceed $2,000 for each system of solar energy property.

"(2) Type of property.—No expenditure may be taken into account under this section unless such expenditure is made by the taxpayer for property installed on or in connection with a dwelling unit which is located in the United States and which is used as a residence.

"(3) Safety certifications.—No credit shall be allowed under this section for an item of property unless—

"(A) in the case of solar water heating property, such property is certified for performance and safety by the non-profit Solar Rating Certification Corporation or a comparable entity endorsed by the government of the State in which such property is installed, and

"(B) in the case of a photovoltaic, wind energy, or fuel cell property, such property meets appropriate fire and electric code requirements.

"(c) Definitions.—For purposes of this section—

"(1) Qualified solar water heating property expenditure.—The term 'qualified solar water heating property expenditure' means an expenditure for property which uses solar energy to heat water for use in a dwelling unit with respect to which a majority of the energy is derived from the sun.

"(2) Qualified photovoltaic property expenditure.—The term 'qualified photovoltaic property expenditure' means an expenditure for property which uses solar energy to generate electricity for use in a dwelling unit.

"(3) Solar panels.—No expenditure relating to a solar panel or other property installed as a roof (or portion thereof) shall fail to be treated as property described in paragraph (1) or (2) solely because it constitutes a structural component of the structure on which it is installed.

"(4) Qualified wind energy property expenditure.—The term 'qualified wind energy property expenditure' means an expenditure for property which uses wind energy to generate electricity for use in a dwelling unit.

"(5) Qualified fuel cell property expenditure.—The term 'qualified fuel cell property expenditure' means an expenditure for property which uses an electrochemical fuel cell system to generate electricity for use in a dwelling unit.

"(6) Labor costs.—Expenditures for labor costs properly allocable to the onsite preparation, assembly, or original installation of the property described in paragraph (1), (2), (4), or (5) and for piping or wiring to interconnect such property to the dwelling unit shall be taken into account for purposes of this section.

"(7) Energy storage medium.—Expenditures which are properly allocable to a swimming pool, hot tub, or any other energy storage medium which has a function other than the function of such storage shall not be taken into account for purposes of this section.

"(d) Special rules.—For purposes of this section—

"(1) Dollar amounts in case of joint occupancy.—In the case of any dwelling unit which is jointly occupied and used during any calendar year as a residence by 2 or more individuals the following shall apply:

"(A) The amount of the credit allowable under subsection (a) by reason of expenditures (as the case may be) made during such calendar year by any of such individuals with respect to such dwelling unit shall be determined by treating all of such individuals as 1 taxpayer whose taxable year is such calendar year.

"(B) There shall be allowable with respect to such expenditures to each of such individuals, a credit under subsection (a) for the taxable year in which such calendar year ends in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount of such expenditures made by such individual during such calendar year bears to the aggregate of such expenditures made by all of such individuals during such calendar year.

"(2) Tenant-stockholder in cooperative housing corporation.—In the case of an individual who is a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual shall be treated as having made his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of any expenditures of such corporation.

"(3) Condominiums.—

"(A) In general.—In the case of an individual who is a member of a condominium management association with respect to a condominium which such individual owns, such individual shall be treated as having made his proportionate share of any expenditures of such association.

"(B) Condominium management association.—For purposes of this paragraph, the term 'condominium management association' means an organization which meets the requirements of paragraph (1) of section 528(c) (other than subparagraph (E) thereof) with respect to a condominium project substantially all of the units of which are used as residences.

"(4) Joint ownership of items of solar or wind energy property.—

"(A) In general.—Any expenditure otherwise qualifying as an expenditure described in paragraph (1), (2), or (4) of subsection (c) shall not be treated as failing to so qualify merely because such expenditure was made with respect to 2 or more dwelling units.

"(B) Limits applied separately.—In the case of any expenditure described in subparagraph (A), the amount of the credit allowable under subsection (a) shall (subject to paragraph (1)) be computed separately with respect to the amount of the expenditure made for each dwelling unit.

"(5) Allocation in certain cases.—If less than 80 percent of the use of an item is for nonbusiness residential purposes, only that portion of the expenditures for such item which is properly allocable to use for nonbusiness residential purposes shall be taken into account. For purposes of this paragraph, use for a swimming pool shall be treated as use which is not for residential purposes.

"(6) When expenditure made; amount of expenditure.—

"(A) In general.—Except as provided in subparagraph (B), an expenditure with respect to an item shall be treated as made when the original installation of the item is completed.

"(B) Expenditures part of building construction.—In the case of an expenditure in connection with the construction or reconstruction of a structure, such expenditure shall be treated as made when the original use of the constructed or reconstructed structure by the taxpayer begins.

"(C) Amount.—The amount of any expenditure shall be the cost thereof.

"(7) Reduction of credit for grants, tax-exempt bonds, and subsidized energy financing.—The rules of section 29(b)(3) shall apply for purposes of this section.

"(e) Basis adjustments.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

"(f) Termination.—The credit allowed under this section shall not apply to taxable years beginning after December 31, 2011.".

(b) Conforming Amendments.—

(1) Subsection (a) of section 1016, as amended by section 1112(b)(4), is amended by striking "and" at the end of paragraph (28), by striking the period at the end of paragraph (29) and inserting "; and", and by adding at the end the following:

"(30) to the extent provided in section 25E(e), in the case of amounts with respect to which a credit has been allowed under section 25E.".

(2) The table of sections for subpart A of part IV of subchapter A of chapter 1, as amended by section 1112(b)(2), is amended by inserting after the item relating to section 25D the following:

"Sec. 25E. Residential solar, wind, and fuel cell energy property.".

(c) Effective Date.—The amendments made by this section shall apply to expenditures made after the date of the enactment of this Act, in taxable years ending after such date.

Subtitle C—Electricity Facilities and Production

SEC. 1121. MODIFICATIONS TO CREDIT FOR ELECTRICITY PRODUCED FROM RENEWABLE AND WASTE PRODUCTS.

(a) Increase in Credit Rate.—

(1) In general.—Section 45(a)(1) is amended by striking "1.5 cents" and inserting "1.8 cents".

(2) Conforming amendments.—

(A) Section 45(b)(2) is amended by striking "1.5 cent" and inserting "1.8 cent".

(B) Section 45(d)(2)(B) is amended by inserting "(calendar year 2001 in the case of the 1.8 cent amount in subsection (a))" after "1992".

(b) Expansion of Qualified Resources.—

(1) In general.—Section 45(c)(1) (relating to qualified energy resources) is amended by striking "and" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting ", and", and by adding at the end the following:

"(D) alternative resources.".

(2) Definition of alternative resources.—Section 45(c) (relating to definitions) is amended—

(A) by redesignating paragraph (3) as paragraph (5),

(B) by redesignating paragraph (4) as paragraph (3), and

(C) by inserting after paragraph (3), as redesignated by subparagraph (B), the following:

"(4) Alternative Resources.—

"(A) In general.—The term 'alternative resources' means—

"(i) solar,

"(ii) biomass (other than closed loop biomass),

"(iii) municipal solid waste,

"(iv) incremental hydropower,

"(v) geothermal,

"(vi) landfill gas, and

"(vii) steel cogeneration.

"(B) BIOMASS.—The term 'biomass' means any solid, nonhazardous, cellulosic waste material or any organic carbohydrate matter, which is segregated from other waste materials, and which is derived from—

"(i) any of the following forest-related resources: mill residues, precommercial thinnings, slash, and brush, but not including old-growth timber,

"(ii) waste pallets, crates, dunnage, untreated wood waste from construction or manufacturing activities, and landscape or right-of-way tree trimmings, but not including unsegregated municipal solid waste or post-consumer wastepaper, or

"(iii) any of the following agriculture sources: orchard tree crops, vineyard, grain, legumes, sugar, and other crop by-products or residues, including any packaging and other materials which are nontoxic and biodegradable and are associated with the processing, feeding, selling, transporting, and disposal of such agricultural materials.

"(C) MUNICIPAL SOLID WASTE.—The term 'municipal solid waste' has the same meaning given the term 'solid waste' under section 2(27) of the Solid Waste Utilization Act (42 U.S.C. 6903).

"(D) INCREMENTAL HYDROPOWER.—The term 'incremental hydropower' means additional generating capacity achieved from—

"(i) increased efficiency, or

"(ii) additions of new capacity

at a licensed non-Federal hydroelectric project originally placed in service before the date of the enactment of this paragraph.

"(E) GEOTHERMAL.—The term 'geothermal' means energy derived from a geothermal deposit (within the meaning of section 613(e)(2)), but only, in the case of electricity generated by geothermal power, up to (but not including) the electrical transmission stage.

"(F) LANDFILL GAS.—The term 'landfill gas' means gas generated from the decomposition of any household solid waste, commercial solid waste, and industrial solid waste disposed of in a municipal solid waste landfill unit (as such terms are defined in regulations promulgated under subtitle D of the Solid Waste Disposal Act (42 U.S.C. 6941 et seq.).

"(G) STEEL COGENERATION.—The term 'steel cogeneration' means the production of electricity and steam (or other form of thermal energy) from any or all waste sources defined in paragraphs (2) and (3) and subparagraphs (B) and (C) of this paragraph within an operating facility which produces or integrates the production of coke, direct reduced iron ore, iron, or steel provided that the cogeneration meets any regulatory energy-efficiency standards established by the Secretary, and only to the extent that such energy is produced from—

"(i) gases or heat generated from the production of metallurgical coke,

"(ii) gases or heat generated from the production of direct reduced iron ore or iron, from blast furnace or direct ironmaking processes, or

"(iii) gases or heat generated from the manufacture of steel.".

(3) QUALIFIED FACILITY.—Section 45(c)(5) (defining qualified facility), as redesignated by paragraph 2(A), is amended by adding at the end the following:

"(D) ALTERNATIVE RESOURCES FACILITY.—

"(i) IN GENERAL.—Except as provided in clauses (ii), (iii), and (iv), in the case of a facility using alternative resources to produce electricity, the term 'qualified facility' means any facility of the taxpayer which is originally placed in service after the date of the enactment of this subparagraph.

"(ii) BIOMASS FACILITY.—In the case of a facility using biomass described in paragraph (4)(A)(ii) to produce electricity, the term 'qualified facility' means any facility of the taxpayer.

"(iii) GEOTHERMAL FACILITY.—In the case of a facility using geothermal to produce electricity, the term 'qualified facility' means any facility of the taxpayer which is originally placed in service after December 31, 1992.

"(iv) STEEL COGENERATION FACILITIES.—In the case of a facility using steel cogeneration to produce electricity, the term 'qualified facility' means any facility permitted to operate under the environmental requirements of the Clean Air Act Amendments of 1990 which is owned by the taxpayer and originally placed in service after the date of the enactment of this subparagraph. Such a facility may be treated as originally placed in service when such facility was last upgraded to increase efficiency or generation capability after such date.

"(v) SPECIAL RULES.—In the case of a qualified facility described in this subparagraph, the 10-year period referred to in subsection (a) shall be treated as beginning no earlier than the date of the enactment of this subparagraph.".

(4) GOVERNMENT-OWNED FACILITY.—Section 45(d)(6) (relating to credit eligibility in the case of government-owned facilities using poultry waste) is amended—

(A) by inserting "or alternative resources" after "poultry waste", and

(B) by inserting "OR ALTERNATIVE RESOURCES" after "POULTRY WASTE" in the heading thereof.

(5) QUALIFIED FACILITIES WITH CO-PRODUCTION.—Section 45(b) (relating to limitations and adjustments) is amended by adding at the end the following:

"(4) INCREASED CREDIT FOR CO-PRODUCTION FACILITIES.—

"(A) IN GENERAL.—In the case of a qualified facility described in subsection (c)(3)(D)(i) which has a co-production facility or a qualified facility described in subparagraph (A), (B), or (C) of subsection (c)(3) which adds a co-production facility after the date of the enactment of this paragraph, the amount in effect under subsection (a)(1) for an eligible taxable year of a taxpayer shall (after adjustment under paragraph (2) and before adjustment under paragraphs (1) and (3)) be increased by .25 cents.

"(B) CO-PRODUCTION FACILITY.—For purposes of subparagraph (A), the term 'co-production facility' means a facility which—

"(i) enables a qualified facility to produce heat, mechanical power, chemicals, liquid fuels, or minerals from qualified energy resources in addition to electricity, and

"(ii) produces such energy on a continuous basis.

"(C) ELIGIBLE TAXABLE YEAR.—For purposes of subparagraph (A), the term 'eligible taxable year' means any taxable year in which the amount of gross receipts attributable to the co-production facility of a qualified facility are at least 10 percent of the amount of gross receipts attributable to electricity produced by such facility.".

(6) QUALIFIED FACILITIES LOCATED WITHIN QUALIFIED INDIAN LANDS.—Section 45(b) (relating to limitations and adjustments), as amended by paragraph (5), is amended by adding at the end the following:

"(5) INCREASED CREDIT FOR QUALIFIED FACILITY LOCATED WITHIN QUALIFIED INDIAN LAND.—In the case of a qualified facility described in subsection (c)(3)(D) which—

"(A) is located within—

"(i) qualified Indian lands (as defined in section 7871(c)(3)), or

"(ii) lands which are held in trust by a Native Corporation (as defined in section 3(m) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(m)) for Alaska Natives, and

"(B) is operated with the explicit written approval of the Indian tribal government or Native Corporation (as so defined) having jurisdiction over such lands,

the amount in effect under subsection (a)(1) for a taxable year shall (after adjustment under paragraphs (2) and (4) and before adjustment under paragraphs (1) and (3)) be increased by .25 cents.".

(7) ELECTRICITY PRODUCED FROM CERTAIN RESOURCES CO-FIRED IN COAL PLANTS.—Section 45(d) (relating to definitions and special rules) is amended by adding at the end the following:

"(8) SPECIAL RULE FOR ELECTRICITY PRODUCED FROM CERTAIN RESOURCES CO-FIRED IN COAL PLANTS.—In the case of electricity produced from biomass (including closed loop biomass), municipal solid waste, or animal waste, co-fired in a facility which produces electricity from coal—

"(A) subsection (a)(1) shall be applied by substituting '1 cent' for '1.8 cents',

"(B) such facility shall be considered a qualified facility for purposes of this section, and

"(C) the 10-year period referred to in subsection (a) shall be treated as beginning no earlier than the date of the enactment of this paragraph.".

(8) CONFORMING AMENDMENTS.—

(A) The heading for section 45 is amended by inserting "**AND WASTE ENERGY**" after "**RENEWABLE**".

(B) The item relating to section 45 in the table of sections subpart D of part IV of subchapter A of chapter 1 is amended by inserting "and waste energy" after "renewable".

(c) ADDITIONAL MODIFICATIONS OF RENEWABLE AND WASTE ENERGY RESOURCE CREDIT.—

(1) CREDITS FOR CERTAIN TAX EXEMPT ORGANIZATIONS AND GOVERNMENTAL UNITS.—Section 45(d) (relating to definitions and special rules), as amended by subsection (b)(7), is amended by adding at the end the following:

"(9) CREDITS FOR CERTAIN TAX EXEMPT ORGANIZATIONS AND GOVERNMENTAL UNITS.—

"(A) ALLOWANCE OF CREDIT.—Any credit which would be allowable under subsection (a) with respect to a qualified facility of an entity if such entity were not exempt from tax under this chapter shall be treated as a credit allowable under subpart C to such entity if such entity is—

"(i) an organization described in section 501(c)(12)(C) and exempt from tax under section 501(a),

"(ii) an organization described in section 1381(a)(2)(C), or

"(iii) any State or political subdivision thereof, any possession of the United States, any Indian tribal government (within the meaning of section 7871), or any agency or instrumentality of any of the foregoing.

"(B) USE OF CREDIT.—

"(i) TRANSFER OF CREDIT.—An entity described in subparagraph (A) may assign, trade, sell, or otherwise transfer any credit allowable to such entity under subparagraph (A) to any taxpayer.

"(ii) USE OF CREDIT AS AN OFFSET.—Notwithstanding any other provision of law, in the case of an entity described in clause (i) or (ii) of subparagraph (A), any credit allowable to such entity under subparagraph (A) may be applied by such entity, without penalty, as a prepayment of any loan, debt, or other obligation the entity has incurred under subchapter I of chapter 31 of title 7 of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.).

"(C) CREDIT NOT INCOME.—Neither a transfer under clause (i) or a use under clause (ii) of subparagraph (B) of any credit allowable under subparagraph (A) shall result in income for purposes of section 501(c)(12).

"(D) TRANSFER PROCEEDS TREATED AS ARISING FROM ESSENTIAL GOVERNMENT FUNCTION.—Any proceeds derived by an entity described in subparagraph (A)(iii) from the transfer of any credit under subparagraph (B)(i) shall be treated as arising from an essential government function.

"(E) CREDITS NOT REDUCED BY TAX-EXEMPT BONDS OR CERTAIN OTHER SUBSIDIES.—Subsection (b)(3) shall not apply to reduce any credit allowable under subparagraph (A) with respect to—

"(i) proceeds described in subparagraph (A)(ii) of such subsection, or

"(ii) any loan, debt, or other obligation incurred under subchapter I of chapter 31 of title 7 of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.),

used to provide financing for any qualified facility.

"(F) TREATMENT OF UNRELATED PERSONS.—For purposes of this paragraph, sales among and between entities described in subparagraph (A) shall be treated as sales between unrelated parties.".

(2) COORDINATION WITH OTHER CREDITS.—Section 45(d), as amended by paragraph (1), is amended by adding at the end the following:

"(10) COORDINATION WITH OTHER CREDITS.—This section shall not apply to any qualified facility with respect to which a credit under any other section is allowed for the taxable year unless the taxpayer elects to waive the application of such credit to such facility.".

(3) EXPANSION TO INCLUDE ANIMAL WASTE.—Section 45 (relating to electricity produced from certain renewable resources), as amended by paragraphs (2) and (4) of subsection (b), is amended—

(A) by striking "poultry" each place it appears in subsection (c)(1)(C) and subsection (d)(6) and inserting "animal",

(B) by striking "POULTRY" in the heading of paragraph (6) of subsection (d) and inserting "ANIMAL",

(C) by striking paragraph (3) of subsection (c) and inserting the following:

"(3) ANIMAL WASTE.—The term 'animal waste' means poultry manure and litter and other animal wastes, including—

"(A) wood shavings, straw, rice hulls, and other bedding material for the disposition of manure, and

"(B) byproducts, packaging, and other materials which are nontoxic and biodegradable and are associated with the processing, feeding, selling, transporting, and disposal of such animal wastes.", and

(D) by striking subparagraph (C) of subsection (c)(5) and inserting the following:

"(C) ANIMAL WASTE FACILITY.—

"(i) IN GENERAL.—Except as provided in clause (ii), in the case of a facility using animal waste (other than poultry) to produce electricity, the term 'qualified facility' means any facility of the taxpayer which is originally placed in service after the date of the enactment of this clause.

"(ii) POULTRY WASTE.—In the case of a facility using animal waste relating to poultry to produce electricity, the term 'qualified facility' means any facility of the taxpayer which is originally placed in service after December 31, 1999.".

(4) TREATMENT OF QUALIFIED FACILITIES NOT IN COMPLIANCE WITH POLLUTION LAWS.—Section 45(c)(5) (relating to qualified facilities), as amended by paragraphs (2) and (3) of subsection (b), is amended by adding at the end the following:

"(E) NONCOMPLIANCE WITH POLLUTION LAWS.—For purposes of this paragraph, a facility which is not in compliance with the applicable State and Federal pollution prevention, control, and permit requirements for any period of time shall not be considered to be a qualified facility during such period.".

(5) EXTENSION OF QUALIFIED FACILITY DATES.—Section 45(c)(5) (relating to qualified facility), as redesignated by subsection (b)(2), is amended by striking ", and before January 1, 2002" in subparagraphs (A) and (B).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to electricity and other energy produced after the date of the enactment of this Act and before January 1, 2007.

Subtitle D—Compliance With Congressional Budget Act

SEC. 1131. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

SA 748. Mr. NELSON of Florida submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 66, before line 2, insert the following:

"(C) COORDINATION WITH CREDIT FOR STATE DEATH TAXES.—

"(i) IN GENERAL.—Rules similar to the rules of subparagraph (A) shall apply to the table contained in section 2011(b) except that the Secretary shall prescribe percentage point reductions which maintain the proportionate relationship (as in effect before any reduction under this paragraph) between the credit under section 2011 and the tax rates under this subsection.".

(d) REVENUE OFFSET.—The Secretary of the Treasury shall adjust the highest rate of tax under section 1 of the Internal Revenue Code of 1986 (as amended by section 101 of this Act) to the extent necessary to offset in each fiscal year beginning before October 1, 2011, the decrease in revenues to the Treasury for that fiscal year resulting from section 2001(c)(2)(C) of the Internal Revenue Code of 1986 (as added by the amendments made by subsection (c)).

Beginning on page 70, line 20, strike all through page 79, line 6.

SA 749. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 280, line 25, strike "one-participant" and insert "eligible".

On page 281, line 5, strike "ONE-PARTICPANT" and insert "ELIGIBLE".

On page 281, line 7, strike "one-participant" and insert "eligible".

On page 281, strike lines 10 through 13 and insert the following:

(i) covered only an individual or an individual and the individual's spouse and such individual (or individual and spouse) wholly owned the trade or business (whether or not incorporated); or

On page 281, on lines 14 and 15, strike "one or more partners (and their spouses)" and insert "the partners or the partners and their spouses".

On page 281, line 24, strike "the employer (and the employer's spouse)" and insert "the individuals described in subparagraph (A)(i)".

Beginning on page 288, strike line 1 and all that follows through page 299, line 24, and insert the following:

Subtitle G—Other ERISA Provisions

SEC. 681. MISSING PARTICIPANTS.

(a) IN GENERAL.—Section 4050 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1350) is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following new subsection:

"(c) MULTIEMPLOYER PLANS.—The corporation shall prescribe rules similar to the rules in subsection (a) for multiemployer plans covered by this title that terminate under section 4041A.

"(d) PLANS NOT OTHERWISE SUBJECT TO TITLE.—

"(1) TRANSFER TO CORPORATION.—The plan administrator of a plan described in paragraph (4) may elect to transfer a missing participant's benefits to the corporation upon termination of the plan.

"(2) INFORMATION TO THE CORPORATION.—To the extent provided in regulations, the plan administrator of a plan described in paragraph (4) shall, upon termination of the plan, provide the corporation information with respect to benefits of a missing participant if the plan transfers such benefits—

"(A) to the corporation, or

"(B) to an entity other than the corporation or a plan described in paragraph (4)(B)(ii).

"(3) PAYMENT BY THE CORPORATION.—If benefits of a missing participant were transferred to the corporation under paragraph (1), the corporation shall, upon location of the participant or beneficiary, pay to the participant or beneficiary the amount transferred (or the appropriate survivor benefit) either—

"(A) in a single sum (plus interest), or

"(B) in such other form as is specified in regulations of the corporation.

"(4) PLANS DESCRIBED.—A plan is described in this paragraph if—

"(A) the plan is a pension plan (within the meaning of section 3(2))—

"(i) to which the provisions of this section do not apply (without regard to this subsection), and

"(ii) which is not a plan described in paragraphs (2) through (11) of section 4021(b), and

"(B) at the time the assets are to be distributed upon termination, the plan—

"(i) has missing participants, and

"(ii) has not provided for the transfer of assets to pay the benefits of all missing participants to another pension plan (within the meaning of section 3(2)).

"(5) CERTAIN PROVISIONS NOT TO APPLY.—Subsections (a)(1) and (a)(3) shall not apply to a plan described in paragraph (4).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions made after final regulations implementing subsections (c) and (d) of section

4050 of the Employee Retirement Income Security Act of 1974 (as added by subsection (a)), respectively, are prescribed.

SEC. 682. REDUCED PBGC PREMIUM FOR NEW PLANS OF SMALL EMPLOYERS.

(a) IN GENERAL.—Subparagraph (A) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(A)) is amended—

(1) in clause (i), by inserting "other than a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined)," after "single-employer plan,",

(2) in clause (iii), by striking the period at the end and inserting ", and", and

(3) by adding at the end the following new clause:

"(iv) in the case of a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined), for the plan year, $5 for each individual who is a participant in such plan during the plan year.".

(b) DEFINITION OF NEW SINGLE-EMPLOYER PLAN.—Section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amended by adding at the end the following new subparagraph:

"(F)(i) For purposes of this paragraph, a single-employer plan maintained by a contributing sponsor shall be treated as a new single-employer plan for each of its first 5 plan years if, during the 36-month period ending on the date of the adoption of such plan, the sponsor or any member of such sponsor's controlled group (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new single-employer plan.

"(ii)(I) For purposes of this paragraph, the term 'small employer' means an employer which on the first day of any plan year has, in aggregation with all members of the controlled group of such employer, 100 or fewer employees.

"(II) In the case of a plan maintained by two or more contributing sponsors that are not part of the same controlled group, the employees of all contributing sponsors and controlled groups of such sponsors shall be aggregated for purposes of determining whether any contributing sponsor is a small employer.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plans established after December 31, 2001.

SEC. 683. REDUCTION OF ADDITIONAL PBGC PREMIUM FOR NEW AND SMALL PLANS.

(a) NEW PLANS.—Subparagraph (E) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(E)) is amended by adding at the end the following new clause:

"(v) In the case of a new defined benefit plan, the amount determined under clause (ii) for any plan year shall be an amount equal to the product of the amount determined under clause (ii) and the applicable percentage. For purposes of this clause, the term 'applicable percentage' means—

"(I) 0 percent, for the first plan year.

"(II) 20 percent, for the second plan year.

"(III) 40 percent, for the third plan year.

"(IV) 60 percent, for the fourth plan year.

"(V) 80 percent, for the fifth plan year.

For purposes of this clause, a defined benefit plan (as defined in section 3(35)) maintained by a contributing sponsor shall be treated as a new defined benefit plan for each of its first 5 plan years if, during the 36-month period ending on the date of the adoption of the plan, the sponsor and each member of any controlled group including the sponsor (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new plan.".

(b) SMALL PLANS.—Paragraph (3) of section 4006(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)), as amended by section 682(b), is amended—

(1) by striking "The" in subparagraph (E)(i) and inserting "Except as provided in subparagraph (G), the", and

(2) by inserting after subparagraph (F) the following new subparagraph:

"(G)(i) In the case of an employer who has 25 or fewer employees on the first day of the plan year, the additional premium determined under subparagraph (E) for each participant shall not exceed $5 multiplied by the number of participants in the plan as of the close of the preceding plan year.

"(ii) For purposes of clause (i), whether an employer has 25 or fewer employees on the first day of the plan year is determined taking into consideration all of the employees of all members of the contributing sponsor's controlled group. In the case of a plan maintained by two or more contributing sponsors, the employees of all contributing sponsors and their controlled groups shall be aggregated for purposes of determining whether the 25-or-fewer-employees limitation has been satisfied.".

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendments made by subsection (a) shall apply to plans established after December 31, 2001.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to plan years beginning after December 31, 2001.

SEC. 684. AUTHORIZATION FOR PBGC TO PAY INTEREST ON PREMIUM OVERPAYMENT REFUNDS.

(a) IN GENERAL.—Section 4007(b) of the Employment Retirement Income Security Act of 1974 (29 U.S.C. 1307(b)) is amended—

(1) by striking "(b)" and inserting "(b)(1)", and

(2) by inserting at the end the following new paragraph:

"(2) The corporation is authorized to pay, subject to regulations prescribed by the corporation, interest on the amount of any overpayment of premium refunded to a designated payor. Interest under this paragraph shall be calculated at the same rate and in the same manner as interest is calculated for underpayments under paragraph (1).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to interest accruing for periods beginning not earlier than the date of the enactment of this Act.

SEC. 685. SUBSTANTIAL OWNER BENEFITS IN TERMINATED PLANS.

(a) MODIFICATION OF PHASE-IN OF GUARANTEE.—Section 4022(b)(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1322(b)(5)) is amended to read as follows:

"(5)(A) For purposes of this paragraph, the term 'majority owner' means an individual who, at any time during the 60-month period ending on the date the determination is being made—

"(i) owns the entire interest in an unincorporated trade or business,

"(ii) in the case of a partnership, is a partner who owns, directly or indirectly, 50 percent or more of either the capital interest or the profits interest in such partnership, or

"(iii) in the case of a corporation, owns, directly or indirectly, 50 percent or more in value of either the voting stock of that corporation or all the stock of that corporation. For purposes of clause (iii), the constructive ownership rules of section 1563(e) of the Internal Revenue Code of 1986 shall apply (determined without regard to section 1563(e)(3)(C)).

"(B) In the case of a participant who is a majority owner, the amount of benefits guaranteed under this section shall equal the product of—

"(i) a fraction (not to exceed 1) the numerator of which is the number of years from the later of the effective date or the adoption date of the plan to the termination date, and the denominator of which is 10, and

"(ii) the amount of benefits that would be guaranteed under this section if the participant were not a majority owner.".

(b) MODIFICATION OF ALLOCATION OF ASSETS.—

(1) Section 4044(a)(4)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1344(a)(4)(B)) is amended by striking "section 4022(b)(5)" and inserting "section 4022(b)(5)(B)".

(2) Section 4044(b) of such Act (29 U.S.C. 1344(b)) is amended—

(A) by striking "(5)" in paragraph (2) and inserting "(4), (5),", and

(B) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively, and by inserting after paragraph (2) the following new paragraph:

"(3) If assets available for allocation under paragraph (4) of subsection (a) are insufficient to satisfy in full the benefits of all individuals who are described in that paragraph, the assets shall be allocated first to benefits described in subparagraph (A) of that paragraph. Any remaining assets shall then be allocated to benefits described in subparagraph (B) of that paragraph. If assets allocated to such subparagraph (B) are insufficient to satisfy in full the benefits described in that subparagraph, the assets shall be allocated pro rata among individuals on the basis of the present value (as of the termination date) of their respective benefits described in that subparagraph.".

(c) CONFORMING AMENDMENTS.—

(1) Section 4021 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1321) is amended—

(A) in subsection (b)(9), by striking "as defined in section 4022(b)(6)", and

(B) by adding at the end the following new subsection:

"(d) For purposes of subsection (b)(9), the term 'substantial owner' means an individual who, at any time during the 60-month period ending on the date the determination is being made—

"(1) owns the entire interest in an unincorporated trade or business,

"(2) in the case of a partnership, is a partner who owns, directly or indirectly, more than 10 percent of either the capital interest or the profits interest in such partnership, or

"(3) in the case of a corporation, owns, directly or indirectly, more than 10 percent in value of either the voting stock of that corporation or all the stock of that corporation.

For purposes of paragraph (3), the constructive ownership rules of section 1563(e) of the Internal Revenue Code of 1986 shall apply (determined without regard to section 1563(e)(3)(C)).".

(2) Section 4043(c)(7) of such Act (29 U.S.C. 1343(c)(7)) is amended by striking "section 4022(b)(6)" and inserting "section 4021(d)".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to plan terminations—

(A) under section 4041(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1341(c)) with respect to which notices of intent to terminate are provided under section 4041(a)(2) of such Act (29 U.S.C. 1341(a)(2)) after December 31, 2001, and

(B) under section 4042 of such Act (29 U.S.C. 1342) with respect to which proceedings are instituted by the corporation after such date.

(2) Conforming amendments.—The amendments made by subsection (c) shall take effect on January 1, 2002.

SEC. 686. PERIODIC PENSION BENEFITS STATEMENTS.

(a) In General.—Section 105(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025 (a)) is amended to read as follows:

"(a)(1) Except as provided in paragraph (2)—

"(A) the administrator of an individual account plan shall furnish a pension benefit statement—

"(i) to a plan participant at least once annually, and

"(ii) to a plan beneficiary upon written request, and

"(B) the administrator of a defined benefit plan shall furnish a pension benefit statement—

"(i) at least once every 3 years to each participant with a nonforfeitable accrued benefit who is employed by the employer maintaining the plan at the time the statement is furnished to participants, and

"(ii) to a plan participant or plan beneficiary of the plan upon written request.

"(2) A pension benefit statement under paragraph (1)—

"(A) shall indicate, on the basis of the latest available information and reasonable estimates—

"(i) the total benefits accrued, and

"(ii) the nonforfeitable pension benefits, if any, which have accrued, or the earliest date on which benefits will become nonforfeitable,

"(B) shall be written in a manner calculated to be understood by the average plan participant,

"(C) shall include a statement that the summary annual report is available upon request, and

"(D) may be provided in written, electronic, or other appropriate form.

"(3)(A) In the case of a defined benefit plan, the requirements of paragraph (1)(B)(i) shall be treated as met with respect to a participant if the administrator provides the participant at least once each year with notice of the availability of the pension benefit statement and the ways in which the participant may obtain such statement. Such notice shall be provided in written, electronic, or other appropriate form, and may be included with other communications to the participant if done in a manner reasonably designed to attract the attention of the participant.

"(B) The Secretary may provide that years in which no employee or former employee benefits (within the meaning of section 410(b) of the Internal Revenue Code of 1986) under the plan need not be taken into account in determining the 3-year period under paragraph (1)(B)(i).".

(b) Conforming Amendments.—

(1) Section 105 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025) is amended by striking subsection (d).

(2) Section 105(b) of such Act (29 U.S.C. 1025(b)) is amended to read as follows:

"(b) In no case shall a participant or beneficiary of a plan be entitled to more than one statement described in subsection (a)(1)(A) or (a)(1)(B)(ii), whichever is applicable, in any 12-month period.".

(c) Model Statements.—The Secretary of Labor shall develop a model benefit statement, written in a manner calculated to be understood by the average plan participant, that may be used by plan administrators in complying with the requirements of section 105 of the Employee Retirement Income Security Act of 1974.

(d) Effective Date.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to plan years beginning after December 31, 2001.

(2) Collective bargaining agreements.—In the case of a plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified by the date of the enactment of this Act, the amendments made by this section shall not apply, with respect to employees covered by any such agreement, for plan years beginning before the earlier of—

(A) the later of—

(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after such date of the enactment), or

(ii) January 1, 2002, or

(B) January 1, 2003.

SEC. 687. BENEFIT SUSPENSION NOTICE.

(a) Modification of Regulation.—The Secretary of Labor shall modify the regulation under section 203(a)(3)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)(3)(B)) to provide that the notification required by such regulation—

(1) in the case of an employee who, after commencement of payment of benefits under the plan, returns to service for which benefit payments may be suspended under such section 203(a)(3)(B) shall be made during the first calendar month or payroll period in which the plan withholds payments, and

(2) in the case of any employee who is not described in paragraph (1)—

(A) may be included in the summary plan description for the plan furnished in accordance with section 104(b) of such Act (29 U.S.C. 1024(b)), rather than in a separate notice, and

(B) need not include a copy of the relevant plan provisions.

(b) Effective Date.—The modification made under this section shall apply to plan years beginning after December 31, 2001.

SEC. 688. STUDIES.

(a) Report on Pension Coverage.—Not later than 5 years after the date of the enactment of this Act, the Secretary of the Treasury, jointly with the Secretary of Labor, shall submit a report to the Committee on Ways and Means and the Committee on Education and the Workforce of the House of Representatives and the Committee on Finance and the Committee on Health, Education, Labor and Pensions of the Senate a report on the effect of the provisions of the Restoring Earnings to Lift Individuals and Empower Families Act of 2001 on pension coverage, including—

(1) any expansion of coverage for low- and middle-income workers;

(2) levels of pension benefits;

(3) quality of pension coverage;

(4) worker's access to and participation in plans; and

(5) retirement security.

(b) Study of Preretirement Use of Benefits.—

(1) In general.—The Secretary of the Treasury, jointly with the Secretary of Labor, shall conduct a study of—

(A) current tax provisions allowing individuals to access individual retirement plans and qualified retirement plan benefits of such individual prior to retirement, including an analysis of—

(i) the extent of use of such current provisions by individuals; and

(ii) the extent to which such provisions undermine the goal of accumulating adequate resources for retirement; and

(B) the types of investment decisions made by individual retirement plan beneficiaries and participants in self-directed qualified retirement plans, including an analysis of—

(i) current restrictions on investments; and

(ii) the extent to which additional restrictions on investments would facilitate the accumulation of adequate income for retirement.

(2) Report.—Not later than January 1, 2003, the Secretary of the Treasury, jointly with the Secretary of Labor, shall submit a report to the Committee on Ways and Means and the Committee on Education and the Workforce of the House of Representatives and the Committee on Finance and the Committee on Health, Education, Labor and Pensions of the Senate containing the results of the study conducted under paragraph (1) and any recommendations.

SEC. 689. ANNUAL REPORT DISSEMINATION.

(a) In General.—Section 104(b)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1024(b)(3)) is amended by striking "shall furnish" and inserting "shall make available for examination (and, upon request, shall furnish)".

(b) Effective Date.—The amendment made by this section shall apply to reports for years beginning after December 31, 2000.

SEC. 690. CIVIL PENALTIES FOR BREACH OF FIDUCIARY RESPONSIBILITY.

(a) Imposition and Amount of Penalty Made Discretionary.—Section 502(l)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132(l)(1)) is amended—

(1) by striking "shall" and inserting "may", and

(2) by striking "equal to" and inserting "not greater than".

(b) Applicable Recovery Amount.—Section 502(l)(2) of such Act (29 U.S.C. 1132(l)(2)) is amended to read as follows:

"(2) For purposes of paragraph (1), the term 'applicable recovery amount' means any amount which is recovered from any fiduciary or other person (or from any other person on behalf of any such fiduciary or other person) with respect to a breach or violation described in paragraph (1) on or after the 30th day following receipt by such fiduciary or other person of written notice from the Secretary of the violation, whether paid voluntarily or by order of a court in a judicial proceeding instituted by the Secretary under paragraph (2) or (5) of subsection (a). The Secretary may, in the Secretary's sole discretion, extend the 30-day period described in the preceding sentence.".

(c) Other Rules.—Section 502(l) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132(l)) is amended by adding at the end the following new paragraph:

"(5) A person shall be jointly and severally liable for the penalty described in paragraph (1) to the same extent that such person is jointly and severally liable for the applicable recovery amount on which the penalty is based.

"(6) No penalty shall be assessed under this subsection unless the person against whom the penalty is assessed is given notice and opportunity for a hearing with respect to the violation and applicable recovery amount.".

(d) Effective Dates.—

(1) In general.—The amendments made by this section shall apply to any breach of fiduciary responsibility or other violation of part 4 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 occurring on or after the date of enactment of this Act.

(2) Transition rule.—In applying the amendment made by subsection (b) (relating to applicable recovery amount), a breach or other violation occurring before the date of enactment of this Act which continues after the 180th day after such date (and which may have been discontinued at any time during its existence) shall be treated as having occurred after such date of enactment.

SEC. 690A. NOTICE AND CONSENT PERIOD REGARDING DISTRIBUTIONS.

(a) Expansion of Period.—

(1) Amendment of internal revenue code.—

(A) In general.—Subparagraph (A) of section 417(a)(6) is amended by striking "90-day" and inserting "180-day".

(B) Modification of regulations.—The Secretary of the Treasury shall modify the regulations under sections 402(f), 411(a)(11), and 417 of the Internal Revenue Code of 1986 to substitute "180 days" for "90 days" each place it appears in Treasury Regulations sections 1.402(f)–1, 1.411(a)–11(c), and 1.417(e)–1(b).

(2) Amendment of erisa.—Section 205(c)(7)(A) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055(c)(7)(A)) is amended by striking "90-day" and inserting "180-day".

(3) Effective date.—The amendments made by paragraphs (1)(A) and (2) and the modifications required by paragraph (1)(B) shall apply to years beginning after December 31, 2001.

(b) Consent Regulation Inapplicable to Certain Distributions.—

(1) In general.—The Secretary of the Treasury shall modify the regulations under section 411(a)(11) of the Internal Revenue Code of 1986 to provide that the description of a participant's right, if any, to defer receipt of a distribution shall also describe the consequences of failing to defer such receipt.

(2) Model statement.—The Secretary of the Treasury shall develop a model statement, written in a manner calculated to be understood by the average plan participant, regarding participants' rights to defer receipt of a distribution and the consequences of so doing, that may be used by plan administrators in complying with the requirements of this section.

(3) Effective date.—The modifications required by paragraph (1) shall apply to years beginning after December 31, 2001.

(c) Disclosure of Optional Forms of Benefits.—

(1) Amendment of internal revenue code.—Section 417(a)(3) (relating to plan to provide written explanation) is amended by adding at the end the following:

"(C) Explanation of optional forms of benefits.—

"(i) In general.—If—

"(I) a plan provides optional forms of benefits, and

"(II) the present values of such forms of benefits are not actuarially equivalent as of the annuity starting date,

then each written explanation required to be provided under subparagraph (A) shall include the information described in clause (ii).

"(ii) Information.—A plan to which this subparagraph applies shall include sufficient information (as determined in accordance with regulations prescribed by the Secretary) to allow the participant to understand the differences in the present values of the optional forms of benefits provided by the plan and the effect the participant's election as to the form of benefit will have on the value of the benefits available under the plan. Any such information shall be provided in a manner calculated to be reasonably understood by the average plan participant."

(2) Amendment of erisa.—Section 205(c)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055(c)(3)) is amended by adding at the end the following:

"(C)(i) If—

"(I) a plan provides optional forms of benefits, and

"(II) the present values of such forms of benefits are not actuarially equivalent as of the annuity starting date,

then such plan shall include the information described in clause (ii) with each written explanation required to be provided under subparagraph (A).

"(ii) A plan to which this subparagraph applies shall include sufficient information (as determined in accordance with regulations prescribed by the Secretary of the Treasury) to allow the participant to understand the differences in the present values of the optional forms of benefits provided by the plan and the effect the participant's election as to the form of benefit will have on the value of the benefits available under the plan. Any such information shall be provided in a manner calculated to be reasonably understood by the average plan participant."

(3) Effective date.—The amendments made by this subsection shall apply to years beginning after December 31, 2001.

SEC. 690B. AMENDMENTS REGARDING NATIONAL SUMMIT ON RETIREMENT SAVINGS.

Section 517 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1147) is amended—

(1) in subsection (a), by striking "2001 and 2005 on or after September 1 of each year involved" and inserting "2001 or 2002, and 2005 and 2009. Such Summit shall be convened in the calendar year 2001 or the first calendar quarter of 2002 and shall be convened on or after September 1 of each year thereafter";

(2) in subsection (e)(2)—

(A) by striking "Committee on Labor and Human Resources" in subparagraph (D) and inserting "Committee on Health, Education, Labor, and Pensions";

(B) by striking subparagraph (F) and inserting the following:

"(F) the Chairman and Ranking Member of the Subcommittee on Labor, Health and Human Services, and Education of the Committee on Appropriations of the House of Representatives and the Chairman and Ranking Member of the Subcommittee on Labor, Health and Human Services, and Education of the Committee on Appropriations of the Senate;";

(C) by redesignating subparagraph (G) as subparagraph (J); and

(D) by inserting after subparagraph (F) the following new subparagraphs:

"(G) the Chairman and Ranking Member of the Committee on Finance of the Senate;

"(H) the Chairman and Ranking Member of the Committee on Ways and Means of the House of Representatives;

"(I) the Chairman and Ranking Member of the Subcommittee on Employer-Employee Relations of the Committee on Education and the Workforce of the House of Representatives; and";

(3) in subsection (e)(3)(A)—

(A) by striking "There shall be no more than 200 additional participants." and inserting "The participants in the National Summit shall also include additional participants appointed under this subparagraph.";

(B) by striking "one-half shall be appointed by the President," in clause (i) and inserting "not more than 100 participants shall be appointed under this clause by the President,", and by striking "and" at the end of clause (i);

(C) by striking "one-half shall be appointed by the elected leaders of Congress" in clause (ii) and inserting "not more than 100 participants shall be appointed under this clause by the elected leaders of Congress", and by striking the period at the end of clause (ii) and inserting "; and"; and

(D) by adding at the end the following new clause:

"(iii) The President, in consultation with the elected leaders of Congress referred to in subsection (a), may appoint under this clause additional participants to the National Summit. The number of such additional participants appointed under this clause may not exceed the lesser of 3 percent of the total number of all additional participants appointed under this paragraph, or 10. Such additional participants shall not be Federal, State, or local government employees.";

(4) in subsection (f)(1)(C), by inserting ", no later than 90 days prior to the date of the commencement of the National Summit," after "comment" in paragraph (1)(C);

(5) in subsection (g), by inserting ", in consultation with the congressional leaders specified in subsection (e)(2)," after "report";

(6) in subsection (i)—

(A) by striking "1997" in paragraph (1) and inserting "2001"; and

(B) by adding at the end the following new paragraph:

"(3) Reception and representation authority.—The Secretary is hereby granted reception and representation authority limited specifically to the events at the National Summit. The Secretary shall use any private contributions accepted in connection with the National Summit prior to using funds appropriated for purposes of the National Summit pursuant to this paragraph.

"(4) Funds available.—Of the funds appropriated to the Pension and Welfare Benefits Administration for fiscal year 2001, $500,000. shall remain available without fiscal year limitation through September 30, 2002, for the purpose of defraying the costs of the National Summit."; and

(7) in subsection (k)—

(A) by striking "shall enter into a contract on a sole-source basis" and inserting "may enter into a contract"; and

(B) by striking "fiscal year 1998" and inserting "fiscal years 2001 or 2002, and 2005, and 2009".

On page 310, strike lines 10 and 11 and insert the following:

Subtitle I—Plan Amendments

SEC. 692. PROVISIONS RELATING TO PLAN AMENDMENTS.

(a) In General.—If this section applies to any plan or contract amendment—

(1) such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in subsection (b)(2)(A), and

(2) except as provided by the Secretary of the Treasury, such plan shall not fail to meet the requirements of section 411(d)(6) of the Internal Revenue Code of 1986 or section 204(g) of the Employee Retirement Income

Security Act of 1974 by reason of such amendment.

(b) AMENDMENTS TO WHICH SECTION APPLIES.—

(1) IN GENERAL.—This section shall apply to any amendment to any plan or annuity contract which is made—

(A) pursuant to any amendment made by this Act, or pursuant to any regulation issued under this Act, and

(B) on or before the last day of the first plan year beginning on or after January 1, 2005.

In the case of a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986), this paragraph shall be applied by substituting "2007" for "2005".

(2) CONDITIONS.—This section shall not apply to any amendment unless—

(A) during the period—

(i) beginning on the date the legislative or regulatory amendment described in paragraph (1)(A) takes effect (or in the case of a plan or contract amendment not required by such legislative or regulatory amendment, the effective date specified by the plan); and

(ii) ending on the date described in paragraph (1)(B) (or, if earlier, the date the plan or contract amendment is adopted),

the plan or contract is operated as if such plan or contract amendment were in effect; and

(B) such plan or contract amendment applies retroactively for such period.

Subtitle J—Compliance With Congressional Budget Act

SA 750. Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of subtitle B of title IV add the following:

SEC. . EXCLUSION FROM INCOME OF CERTAIN AMOUNTS CONTRIBUTED TO COVERDELL EDUCATION SAVINGS ACCOUNTS.

(a) IN GENERAL.—Section 127 (relating to education assistance programs), as amended by section 411(a), is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) QUALIFIED COVERDELL EDUCATION SAVINGS ACCOUNT CONTRIBUTIONS.—

"(1) IN GENERAL.—Gross income of an employee shall not include amounts paid or incurred by the employer for a qualified Coverdell education savings account contribution on behalf of the employee.

"(2) QUALIFIED COVERDELL EDUCATION SAVINGS ACCOUNT CONTRIBUTION.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'qualified Coverdell education savings account contribution' means an amount contributed pursuant to an educational assistance program described in subsection (b) by an employer to a Coverdell education savings account established and maintained for the benefit of an employee or the employee's spouse, or any lineal descendent of either.

"(B) DOLLAR LIMIT.—A contribution by an employer to a Coverdell education savings account shall not be treated as a qualified Coverdell education savings account contribution to the extent that the contribution, when added to prior contributions by the employer during the calendar year to Coverdell education savings accounts established and maintained for the same beneficiary, exceeds $500.

"(3) SPECIAL RULES.—

"(A) CONTRIBUTIONS NOT TREATED AS EDUCATIONAL ASSISTANCE IN DETERMINING MAXIMUM EXCLUSION.—For purposes of subsection (a)(2), qualified Coverdell education savings account contributions shall not be treated as educational assistance.

"(B) SELF-EMPLOYED NOT TREATED AS EMPLOYEE.—For purposes of this subsection, subsection (c)(2) shall not apply.

"(C) ADJUSTED GROSS INCOME PHASEOUT OF ACCOUNT CONTRIBUTION NOT APPLICABLE TO INDIVIDUAL EMPLOYERS.—The limitation under section 530(c) shall not apply to a qualified Coverdell education savings account contribution made by an employer who is an individual.

"(D) CONTRIBUTIONS NOT TREATED AS AN INVESTMENT IN THE CONTRACT.—For purposes of section 530(d), a qualified Coverdell education savings account contribution shall not be treated as an investment in the contract.".

(E) FICA EXCLUSION.—For purposes of section 530(d), the exclusion from FICA taxes shall not apply.

(b) REPORTING REQUIREMENT.—Section 6051(a) (relating to receipts for employees) is amended by striking "and" at the end of paragraph (10), by striking the period at the end of paragraph (11) and inserting ", and", and by adding at the end the following new paragraph:

"(12) the amount of any qualified Coverdell education savings account contribution under section 127(d) with respect to such employee.".

(c) CONFORMING AMENDMENT.—Section 221(e)(2)(A) is amended by inserting "(other than under subsection (d) thereof)" after "section 127".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2001.

SA 751. Mr. ALLEN proposed an amendment to amendment SA 685 submitted by Mr. BAYH and intended to be proposed to the bill (H.R. 1836) to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

At the end of the amendment, add the following:

TITLE —TAX CUT ACCELERATOR

SEC. . TAX CUT ACCELERATOR.

(a) REPORTING ADDITIONAL SURPLUSES.—If any report provided pursuant to section 202(e)(1) of the Congressional Budget Act of 1974, estimates an on-budget surplus, excluding social security and medicare surplus accounts, that exceeds such an on-budget surplus set forth in such a report for the preceding year, the chairman of the Committee on the Budget of the Senate shall make adjustments in the resolution for the next fiscal year as provided in subsection (b).

(b) ADJUSTMENTS.—The chairman of the Committee on the Budget of the Senate shall make the following adjustments in an amount not to exceed the difference between the on-budget surpluses in the reports referred to in subsection (a):

(1) Reduce the on-budget revenue aggregate by that amount for the fiscal years included in such reports.

(2) Adjust the instruction to the Committee on Finance to increase the reduction in revenues by the sum of the amounts for the period of such fiscal years in such manner as to not produce an on-budget deficit in the next fiscal year, over the next 5 fiscal years, or over the next 10 fiscal years and to require a report of reconciliation legislation by the Committee on Finance not later than March 15.

(3) Adjust such other levels in such resolution, as appropriate, and the Senate pay-as-you-go scorecard.

SA 752. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 314, after line 21, add the following:

SEC. 803. TREATMENT OF CONSERVATION RESERVE PROGRAM PAYMENTS AS RENTALS FROM REAL ESTATE.

(a) IN GENERAL.—Section 1402(a)(1) (defining net earnings from self-employment) is amended by inserting "and including payments under section 1233(2) of the Food Security Act of 1985 (16 U.S.C. 3833(2))" after "crop shares".

(b) REVENUE OFFSET.—The Secretary of the Treasury shall adjust the reductions of the highest brackets and maximum rates of tax under section 2001(c) of the Internal Revenue Code of 1986 (as amended by section 511 of this Act) with respect to estates of decedents dying and gifts made to the extent necessary to offset in each fiscal year beginning before October 1, 2011, the decrease in revenues to the Treasury for that fiscal year resulting from the amendment made by subsection (a).

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to payments made before, on, or after the date of the enactment of this Act.

SA 753. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of subtitle A of title VIII add the following:

SEC. . ACCELERATION OF BENEFITS OF WAGE TAX CREDITS FOR EMPOWERMENT ZONES.

(a) IN GENERAL.—Section 113(d) of the Community Renewal Tax Relief Act of 2000 is amended by striking "December 31, 2001" and inserting "the earlier of—

"(1) the date of the enactment of the Restoring Earnings To Lift Individuals and Empower Families (RELIEF) Act of 2001, or

"(2) July 1, 2001".

(b) REVENUE OFFSET.—The Secretary of the Treasury shall adjust the reductions of the highest brackets and maximum rates of tax under section 2001(c) of the Internal Revenue Code of 1986 (as amended by section 511 of this Act) with respect to estates of decedents dying and gifts made to the extent necessary to offset in each fiscal year beginning before October 1, 2011, the decrease in revenues to the Treasury for that fiscal year resulting from the amendment made by subsection (a).

SA 754. Mr. KOHL submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 18, between lines 14 and 15, insert the following:

SEC. 202. ALLOWANCE OF CREDIT FOR EMPLOYER EXPENSES FOR CHILD CARE ASSISTANCE.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business related credits), as amended by sections 619 and 620, is further amended by adding at the end the following:

"SEC. 45G. EMPLOYER-PROVIDED CHILD CARE CREDIT.

"(a) IN GENERAL.—For purposes of section 38, the employer-provided child care credit determined under this section for the taxable year is an amount equal to the sum of—

"(1) 25 percent of the qualified child care expenditures, and

"(2) 10 percent of the qualified child care resource and referral expenditures,

of the taxpayer for such taxable year.

"(b) DOLLAR LIMITATION.—The credit allowable under subsection (a) for any taxable year shall not exceed $150,000.

"(c) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED CHILD CARE EXPENDITURE.—

"(A) IN GENERAL.—The term 'qualified child care expenditure' means any amount paid or incurred—

"(i) to acquire, construct, rehabilitate, or expand property—

"(I) which is to be used as part of a qualified child care facility of the taxpayer,

"(II) with respect to which a deduction for depreciation (or amortization in lieu of depreciation) is allowable, and

"(III) which does not constitute part of the principal residence (within the meaning of section 121) of the taxpayer or any employee of the taxpayer,

"(ii) for the operating costs of a qualified child care facility of the taxpayer, including costs related to the training of employees, to scholarship programs, and to the providing of increased compensation to employees with higher levels of child care training, or

"(iii) under a contract with a qualified child care facility to provide child care services to employees of the taxpayer.

"(B) FAIR MARKET VALUE.—The term 'qualified child care expenditures' shall not include expenses in excess of the fair market value of such care.

"(2) QUALIFIED CHILD CARE FACILITY.—

"(A) IN GENERAL.—The term 'qualified child care facility' means a facility—

"(i) the principal use of which is to provide child care assistance, and

"(ii) which meets the requirements of all applicable laws and regulations of the State or local government in which it is located, including the licensing of the facility as a child care facility.

Clause (i) shall not apply to a facility which is the principal residence (within the meaning of section 121) of the operator of the facility.

"(B) SPECIAL RULES WITH RESPECT TO A TAXPAYER.—A facility shall not be treated as a qualified child care facility with respect to a taxpayer unless—

"(i) enrollment in the facility is open to employees of the taxpayer during the taxable year,

"(ii) if the facility is the principal trade or business of the taxpayer, at least 30 percent of the enrollees of such facility are dependents of employees of the taxpayer, and

"(iii) the use of such facility (or the eligibility to use such facility) does not discriminate in favor of employees of the taxpayer who are highly compensated employees (within the meaning of section 414(q)).

"(3) QUALIFIED CHILD CARE RESOURCE AND REFERRAL EXPENDITURE.—

"(A) IN GENERAL.—The term 'qualified child care resource and referral expenditure' means any amount paid or incurred under a contract to provide child care resource and referral services to an employee of the taxpayer.

"(B) NONDISCRIMINATION.—The services shall not be treated as qualified unless the provision of such services (or the eligibility to use such services) does not discriminate in favor of employees of the taxpayer who are highly compensated employees (within the meaning of section 414(q)).

"(d) RECAPTURE OF ACQUISITION AND CONSTRUCTION CREDIT.—

"(1) IN GENERAL.—If, as of the close of any taxable year, there is a recapture event with respect to any qualified child care facility of the taxpayer, then the tax of the taxpayer under this chapter for such taxable year shall be increased by an amount equal to the product of—

"(A) the applicable recapture percentage, and

"(B) the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted if the qualified child care expenditures of the taxpayer described in subsection (c)(1)(A) with respect to such facility had been zero.

"(2) APPLICABLE RECAPTURE PERCENTAGE.—

"(A) IN GENERAL.—For purposes of this subsection, the applicable recapture percentage shall be determined from the following table:

"If the recapture event occurs in:	The applicable recapture percentage is:
Years 1–3	100
Year 4	85
Year 5	70
Year 6	55
Year 7	40
Year 8	25
Years 9 and 10	10
Years 11 and thereafter	0.

"(B) YEARS.—For purposes of subparagraph (A), year 1 shall begin on the first day of the taxable year in which the qualified child care facility is placed in service by the taxpayer.

"(3) RECAPTURE EVENT DEFINED.—For purposes of this subsection, the term 'recapture event' means—

"(A) CESSATION OF OPERATION.—The cessation of the operation of the facility as a qualified child care facility.

"(B) CHANGE IN OWNERSHIP.—

"(i) IN GENERAL.—Except as provided in clause (ii), the disposition of a taxpayer's interest in a qualified child care facility with respect to which the credit described in subsection (a) was allowable.

"(ii) AGREEMENT TO ASSUME RECAPTURE LIABILITY.—Clause (i) shall not apply if the person acquiring such interest in the facility agrees in writing to assume the recapture liability of the person disposing of such interest in effect immediately before such disposition. In the event of such an assumption, the person acquiring the interest in the facility shall be treated as the taxpayer for purposes of assessing any recapture liability (computed as if there had been no change in ownership).

"(4) SPECIAL RULES.—

"(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

"(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under subpart A, B, or D of this part.

"(C) NO RECAPTURE BY REASON OF CASUALTY LOSS.—The increase in tax under this subsection shall not apply to a cessation of operation of the facility as a qualified child care facility by reason of a casualty loss to the extent such loss is restored by reconstruction or replacement within a reasonable period established by the Secretary.

"(e) SPECIAL RULES.—For purposes of this section—

"(1) AGGREGATION RULES.—All persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single taxpayer.

"(2) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

"(3) ALLOCATION IN THE CASE OF PARTNERSHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

"(f) NO DOUBLE BENEFIT.—

"(1) REDUCTION IN BASIS.—For purposes of this subtitle—

"(A) IN GENERAL.—If a credit is determined under this section with respect to any property by reason of expenditures described in subsection (c)(1)(A), the basis of such property shall be reduced by the amount of the credit so determined.

"(B) CERTAIN DISPOSITIONS.—If, during any taxable year, there is a recapture amount determined with respect to any property the basis of which was reduced under subparagraph (A), the basis of such property (immediately before the event resulting in such recapture) shall be increased by an amount equal to such recapture amount. For purposes of the preceding sentence, the term 'recapture amount' means any increase in tax (or adjustment in carrybacks or carryovers) determined under subsection (d).

"(2) OTHER DEDUCTIONS AND CREDITS.—No deduction or credit shall be allowed under any other provision of this chapter with respect to the amount of the credit determined under this section.".

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) of the Internal Revenue Code of 1986 is amended by striking "plus" at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting ", plus", and by adding at the end the following:

"(14) the employer-provided child care credit determined under section 45G.".

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end the following:

"Sec. 45G. Employer-provided child care credit."

(3) Section 1016(a) of such Code is amended by striking "and" at the end of paragraph (26), by striking the period at the end of paragraph (27) and inserting ", and", and by adding at the end the following:

"(28) in the case of a facility with respect to which a credit was allowed under section 45G, to the extent provided in section 45G(f)(1).".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SA 755. Mr. CONRAD submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 63, beginning with line 4, strike all through page 70, line 20, and insert:

Subtitle A—Reductions of Estate and Gift Tax Rates

SEC. 501. REDUCTIONS OF ESTATE AND GIFT TAX RATES.

(a) Maximum Rate of Tax Reduced.—The table contained in section 2001(c)(1) is amended by striking the two highest brackets and inserting the following:

“Over $2,500,000	$1,025,800, plus 50% of the excess over $2,500,000.”.

(b) Repeal of Phaseout of Graduated Rates.—Subsection (c) of section 2001 is amended by striking paragraph (2).

(c) Effective Date.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2001.

Subtitle B—Increase in Exemption Amounts

SEC. 511. INCREASE IN EXEMPTION EQUIVALENT OF UNIFIED CREDIT, LIFETIME GIFTS EXEMPTION, AND GST EXEMPTION AMOUNTS.

(a) In General.—Subsection (c) of section 2010 (relating to applicable credit amount) is amended by striking the table and inserting the following new table:

“In the case of estates of decedents dying during:	The applicable exclusion amount is:
2002 and 2003	$1,000,000
2004	$1,500,000
2005	$2,000,000
2006	$3,000,000
2007, 2008, and 2009	$3,500,000
2010	$4,500,000
2011 and thereafter ...	$5,000,000.”.

(b) Lifetime Gift Exemption Increased to $1,000,000.—Paragraph (1) of section 2505(a) (relating to unified credit against gift tax) is amended by inserting “(determined as if the applicable exclusion amount were $1,000,000)” after “calendar year”.

(c) GST Exemption.—

(1) In general.—Subsection (a) of 2631 (relating to GST exemption) is amended by striking “of $1,000,000” and inserting “amount”.

(2) Exemption amount.—Subsection (c) of section 2631 is amended to read as follows:

“(c) GST Exemption Amount.—For purposes of subsection (a), the GST exemption amount for any calendar year shall be equal to the applicable exclusion amount under section 2010(c) for such calendar year.”.

(d) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2001.

(2) Subsection (c).—The amendments made by subsection (c) shall apply to estates of decedents dying, and generation-skipping transfers made, after December 31, 2003.

SEC. 512. INCREASE IN QUALIFIED FAMILY-OWNED BUSINESS INTEREST DEDUCTION AMOUNT.

(a) In General.—Paragraph (2) of section 2057(a) (relating to family-owned business interests) is amended to read as follows:

“(2) Maximum deduction.—

“(A) In general.—The deduction allowed by this section shall not exceed the applicable deduction amount.

“(B) Applicable deduction amount.—For purposes of subparagraph (A), the applicable deduction amount is determined in accordance with the following table:

“In the case of estates of decedents dying during:	The applicable deduction amount is:
2002 through 2010	$5,000,000
2011 or thereafter	$7,500,000.”.

(b) Coordination with Unified Credit.—Section 2057(a)(3) is amended to read as follows:

“(3) Coordination with unified credit.—If this subsection applies to an estate, the applicable exclusion amount under section 2010 which applies to the estate without regard to this section shall be equal to the lesser of—

“(A) such applicable exclusion amount, or

“(B) the excess (if any) of the applicable deduction amount over the deduction allowed under this section.”.

(c) Effective Date.—The amendment made by this section shall apply to the estates of decedents dying, and gifts made, after December 31, 2001.

On page 79, beginning with line 7, strike all through page 106, line 6.

SA 756. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 314, after line 21, add the following:

SEC. . ADJUSTMENT TO RATES IN RESPONSE TO BREACH OF LIMITS.

If, in fiscal year 2002, the discretionary spending level assumed in the concurrent resolution on the budget for fiscal year 2002 (H. Con. Res. 83) for such year is exceeded, the Secretary of the Treasury shall adjust the reduction in the highest marginal tax rate in the table contained in section 1(i)(2) of the Internal Revenue Code of 1986, as added by section 101(a), for taxable years beginning in calendar years after such fiscal year as necessary to offset the decrease in the Treasury resulting from such excess.

SA 757. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 13, between lines 15 and 16, insert the following:

SEC. . WIDENING OF 10 PERCENT BRACKET.

(a) In General.—Section 1(i)(1)(B), as added by section 101(a) of this Act, is further amended—

(1) in clause (i), by striking “$12,000” and inserting “$20,000”, and

(2) in clause (ii), by striking “$10,000” and inserting “$16,500”.

(b) Revenue Offset.—The Secretary of the Treasury shall adjust the reduction in the marginal tax rates in the table contained in section 1(i)(2) of the Internal Revenue Code of 1986, as added by section 101(a), as necessary to offset the decrease in revenues to the Treasury for each fiscal year resulting from the amendments made by subsection (a). Such adjustment shall be made first to the reduction of the highest marginal tax rate and then, if necessary, to the reduction of each next highest rate.

SA 758. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 312, after line 20, insert the following:

SEC. . FURTHER INCREASE IN ALTERNATIVE MINIMUM TAX EXEMPTION.

(a) In General.—Section 55(d)(1) (relating to exemption amount for taxpayers other than corporations), as amended by section 701(a), is further amended—

(1) in subparagraph (A), by striking “$45,000 ($49,000 in the case of taxable years beginning in 2001, 2002, 2003, 2004, 2005, and 2006)” and inserting “$49,000”; and

(2) in subparagraph (B), by striking “$33,750 ($35,750 in the case of taxable years beginning in 2001, 2002, 2003, 2004, 2005, and 2006)” and inserting “$35,750”.

(b) Revenue Offset.—The Secretary of the Treasury shall adjust the reduction in the highest marginal tax rate in the table contained in section 1(i)(2) of the Internal Revenue Code of 1986, as added by section 101(a), for calendar years after 2006 as necessary to offset the decrease in revenues to the Treasury for each fiscal year beginning before October 1, 2011, resulting from the amendments made by subsection (a).

SA 759. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

Beginning on page 68, strike line 12 and all that follows through page 70, line 19, and insert the following:

(a) In General.—Subsection (c) of section 2010 (relating to applicable credit amount) is amended by striking the table and inserting the following new table:

“In the case of estates of decedents dying during:	The applicable exclusion amount is:
2002 through 2010	$4,000,000.”.

(b) Lifetime Gift Exemption Increased to $1,000,000.—

(1) For periods before estate tax repeal.—Paragraph (1) of section 2505(a) (relating to unified credit against gift tax) is amended by inserting “(determined as if the applicable exclusion amount were $1,000,000)” after “calendar year”.

(2) For periods after estate tax repeal.—Paragraph (1) of section 2505(a) (relating to unified credit against gift tax), as amended by paragraph (1), is amended to read as follows:

“(1) the amount of the tentative tax which would be determined under the rate schedule set forth in section 2502(a)(2) if the amount with respect to which such tentative tax is to be computed were $1,000,000, reduced by”.

(c) GST Exemption.—

(1) In general.—Subsection (a) of 2631 (relating to GST exemption) is amended by striking “of $1,000,000” and inserting “amount”.

(2) Exemption amount.—Subsection (c) of section 2631 is amended to read as follows:

"(c) GST EXEMPTION AMOUNT.—For purposes of subsection (a), the GST exemption amount for any calendar year shall be equal to the applicable exclusion amount under section 2010(c) for such calendar year.".

(d) REPEAL OF SPECIAL BENEFIT FOR FAMILY-OWNED BUSINESS INTERESTS.—

(1) IN GENERAL.—Section 2057 is hereby repealed.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (10) of section 2031(c) is amended by inserting "(as in effect on the day before the date of the enactment of this parenthetical)" before the period.

(B) The table of sections for part IV of subchapter A of chapter 11 is amended by striking the item relating to section 2057.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to estates of decedents dying and gifts and generation-skipping transfers made after December 31, 2001.

(2) SUBSECTION (b)(2).—The amendments made by subsection (b)(2) shall apply to gifts made after December 31, 2010.

(f) REVENUE OFFSET.—The Secretary of the Treasury shall adjust the reduction in the highest marginal tax rate in the table contained in section 1(i)(2) of the Internal Revenue Code of 1986, as added by section 101(a) of this Act, as necessary to offset the decrease in revenues to the Treasury for each fiscal year resulting from the amendments made by this section as compared to the amendments made by section 521 of the Restoring Earnings To Lift Individuals and Empower Families (RELIEF) Act of 2001 as reported by the Finance Committee of the Senate on May 16, 2001.

SA 760. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 314, after line 21, add the following:

SEC. . ACCELERATION OF FULL IMPLEMENTATION OF TUTITION DEDUCTION AND REPEAL OF TERMINATION.

(a) DEDUCTION FOR HIGHER EDUCATION EXPENSES.—

(1) MAXIMUM AMOUNT OF DEDUCTION.—Section 222(b)(2) (relating to applicable dollar amount), as added by section 431(a) of this Act, is amended to read as follows:

"(2) APPLICABLE DOLLAR LIMIT.—

"(A) IN GENERAL.—The applicable dollar limit shall be equal to—

"(i) in the case of a taxpayer whose adjusted gross income for the taxable year does not exceed $65,000 ($130,000 in the case of a joint return), $5,000,

"(ii) in the case of a taxpayer not described in clause (i) whose adjusted gross income for the taxable year does not exceed $80,000 ($160,000 in the case of a joint return), $2,000, and

"(iii) in the case of any other taxpayer, zero.

"(B) ADJUSTED GROSS INCOME.—For purposes of this paragraph, adjusted gross income shall be determined—

"(i) without regard to this section and sections 911, 931, and 933, and

"(ii) after application of sections 86, 135, 137, 219, 221, and 469.".

(2) REPEAL OF TERMINATION.—Section 222(e) (relating to termination), as added by section 431(a) of this Act, is repealed.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made in taxable years beginning after December 31, 2001.

(c) REVENUE OFFSET.—The Secretary of the Treasury shall adjust the reduction in the highest marginal tax rate in the table contained in section 1(i)(2) of the Internal Revenue Code of 1986, as added by section 101(a) of this Act, as necessary to offset the decrease in revenues to the Treasury for each fiscal year resulting from the amendments made by this section.

SA 761. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of subtitle A of title I, add the following:

SEC. . REDUCTION OF RATES.

(a) IN GENERAL.—The table contained in section 1(i)(2) (relating to reductions in rates after 2001), as added by section 101 of this Act, is further amended to read as follows:

"In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:			
	10%	28%	31%	36%
2002, 2003, and 2004 ..	9.5%	27%	30%	35%
2005 and 2006	8.8%	26%	29%	34%
2007 and thereafter ..	8%	25%	28%	33%".

(b) REVENUE OFFSET.—The Secretary of the Treasury shall adjust the highest rate of tax under section 1 of the Internal Revenue Code of 1986 (as amended by section 101 of this Act) to the extent necessary to offset in each fiscal year beginning before October 1, 2011, the decrease in revenues to the Treasury for that fiscal year resulting from the amendment made by this section regarding the lowest rate of tax under section 1 of such Code (as amended by section 101 of this Act).

SA 761. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 280, line 25, strike "one-participant" and insert "eligible".

On page 281, line 5, strike "ONE-PARTICPANT" and insert "ELIGIBLE".

On page 281, line 7, strike "one-participant" and insert "eligible".

On page 281, strike lines 10 through 13 and insert the following:

(i) covered only an individual or an individual and the individual's spouse and such individual (or individual and spouse) wholly owned the trade or business (whether or not incorporated); or

On page 281, on lines 14 and 15, strike "one or more partners (and their spouses)" and insert "the partners or the partners and their spouses".

On page 281, line 24, strike "the employer (and the employer's spouse)" and insert "the individuals described in subparagraph (A)(i)".

Beginning on page 288, strike line 1 and all that follows through page 299, line 24, and insert the following:

Subtitle G—Other ERISA Provisions

SEC. 681. MISSING PARTICIPANTS.

(a) IN GENERAL.—Section 4050 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1350) is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following new subsection:

"(c) MULTIEMPLOYER PLANS.—The corporation shall prescribe rules similar to the rules in subsection (a) for multiemployer plans covered by this title that terminate under section 4041A.

"(d) PLANS NOT OTHERWISE SUBJECT TO TITLE.—

"(1) TRANSFER TO CORPORATION.—The plan administrator of a plan described in paragraph (4) may elect to transfer a missing participant's benefits to the corporation upon termination of the plan.

"(2) INFORMATION TO THE CORPORATION.—To the extent provided in regulations, the plan administrator of a plan described in paragraph (4) shall, upon termination of the plan, provide the corporation information with respect to benefits of a missing participant if the plan transfers such benefits—

"(A) to the corporation, or

"(B) to an entity other than the corporation or a plan described in paragraph (4)(B)(ii).

"(3) PAYMENT BY THE CORPORATION.—If benefits of a missing participant were transferred to the corporation under paragraph (1), the corporation shall, upon location of the participant or beneficiary, pay to the participant or beneficiary the amount transferred (or the appropriate survivor benefit) either—

"(A) in a single sum (plus interest), or

"(B) in such other form as is specified in regulations of the corporation.

"(4) PLANS DESCRIBED.—A plan is described in this paragraph if—

"(A) the plan is a pension plan (within the meaning of section 3(2))—

"(i) to which the provisions of this section do not apply (without regard to this subsection), and

"(ii) which is not a plan described in paragraphs (2) through (11) of section 4021(b), and

"(B) at the time the assets are to be distributed upon termination, the plan—

"(i) has missing participants, and

"(ii) has not provided for the transfer of assets to pay the benefits of all missing participants to another pension plan (within the meaning of section 3(2)).

"(5) CERTAIN PROVISIONS NOT TO APPLY.—Subsections (a)(1) and (a)(3) shall not apply to a plan described in paragraph (4).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions made after final regulations implementing subsections (c) and (d) of section 4050 of the Employee Retirement Income Security Act of 1974 (as added by subsection (a)), respectively, are prescribed.

SEC. 682. REDUCED PBGC PREMIUM FOR NEW PLANS OF SMALL EMPLOYERS.

(a) IN GENERAL.—Subparagraph (A) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(A)) is amended—

(1) in clause (i), by inserting "other than a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined)," after "single-employer plan,",

(2) in clause (iii), by striking the period at the end and inserting ", and", and

(3) by adding at the end the following new clause:

“(iv) in the case of a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined) for the plan year, $5 for each individual who is a participant in such plan during the plan year.”.

(b) DEFINITION OF NEW SINGLE-EMPLOYER PLAN.—Section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amended by adding at the end the following new subparagraph:

“(F)(i) For purposes of this paragraph, a single-employer plan maintained by a contributing sponsor shall be treated as a new single-employer plan for each of its first 5 plan years if, during the 36-month period ending on the date of the adoption of such plan, the sponsor or any member of such sponsor's controlled group (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new single-employer plan.

“(ii)(I) For purposes of this paragraph, the term ‘small employer’ means an employer which on the first day of any plan year has, in aggregation with all members of the controlled group of such employer, 100 or fewer employees.

“(II) In the case of a plan maintained by two or more contributing sponsors that are not part of the same controlled group, the employees of all contributing sponsors and controlled groups of such sponsors shall be aggregated for purposes of determining whether any contributing sponsor is a small employer.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plans established after December 31, 2001.

SEC. 683. REDUCTION OF ADDITIONAL PBGC PREMIUM FOR NEW AND SMALL PLANS.

(a) NEW PLANS.—Subparagraph (E) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(E)) is amended by adding at the end the following new clause:

“(v) In the case of a new defined benefit plan, the amount determined under clause (ii) for any plan year shall be an amount equal to the product of the amount determined under clause (ii) and the applicable percentage. For purposes of this clause, the term ‘applicable percentage’ means—

“(I) 0 percent, for the first plan year.

“(II) 20 percent, for the second plan year.

“(III) 40 percent, for the third plan year.

“(IV) 60 percent, for the fourth plan year.

“(V) 80 percent, for the fifth plan year.

For purposes of this clause, a defined benefit plan (as defined in section 3(35)) maintained by a contributing sponsor shall be treated as a new defined benefit plan for each of its first 5 plan years if, during the 36-month period ending on the date of the adoption of the plan, the sponsor and each member of any controlled group including the sponsor (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new plan.”.

(b) SMALL PLANS.—Paragraph (3) of section 4006(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)), as amended by section 682(b), is amended—

(1) by striking “The” in subparagraph (E)(i) and inserting “Except as provided in subparagraph (G), the”, and

(2) by inserting after subparagraph (F) the following new subparagraph:

“(G)(i) In the case of an employer who has 25 or fewer employees on the first day of the plan year, the additional premium determined under subparagraph (E) for each participant shall not exceed $5 multiplied by the number of participants in the plan as of the close of the preceding plan year.

“(ii) For purposes of clause (i), whether an employer has 25 or fewer employees on the first day of the plan year is determined taking into consideration all of the employees of all members of the contributing sponsor's controlled group. In the case of a plan maintained by two or more contributing sponsors, the employees of all contributing sponsors and their controlled groups shall be aggregated for purposes of determining whether the 25-or-fewer-employees limitation has been satisfied.”.

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendments made by subsection (a) shall apply to plans established after December 31, 2001.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to plan years beginning after December 31, 2001.

SEC. 684. AUTHORIZATION FOR PBGC TO PAY INTEREST ON PREMIUM OVERPAYMENT REFUNDS.

(a) IN GENERAL.—Section 4007(b) of the Employment Retirement Income Security Act of 1974 (29 U.S.C. 1307(b)) is amended—

(1) by striking “(b)” and inserting “(b)(1)”, and

(2) by inserting at the end the following new paragraph:

“(2) The corporation is authorized to pay, subject to regulations prescribed by the corporation, interest on the amount of any overpayment of premium refunded to a designated payor. Interest under this paragraph shall be calculated at the same rate and in the same manner as interest is calculated for underpayments under paragraph (1).”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to interest accruing for periods beginning not earlier than the date of the enactment of this Act.

SEC. 685. SUBSTANTIAL OWNER BENEFITS IN TERMINATED PLANS.

(a) MODIFICATION OF PHASE-IN OF GUARANTEE.—Section 4022(b)(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1322(b)(5)) is amended to read as follows:

“(5)(A) For purposes of this paragraph, the term ‘majority owner’ means an individual who, at any time during the 60-month period ending on the date the determination is being made—

“(i) owns the entire interest in an unincorporated trade or business,

“(ii) in the case of a partnership, is a partner who owns, directly or indirectly, 50 percent or more of either the capital interest or the profits interest in such partnership, or

“(iii) in the case of a corporation, owns, directly or indirectly, 50 percent or more in value of either the voting stock of that corporation or all the stock of that corporation. For purposes of clause (iii), the constructive ownership rules of section 1563(e) of the Internal Revenue Code of 1986 shall apply (determined without regard to section 1563(e)(3)(C)).

“(B) In the case of a participant who is a majority owner, the amount of benefits guaranteed under this section shall equal the product of—

“(i) a fraction (not to exceed 1) the numerator of which is the number of years from the later of the effective date or the adoption date of the plan to the termination date, and the denominator of which is 10, and

“(ii) the amount of benefits that would be guaranteed under this section if the participant were not a majority owner.”.

(b) MODIFICATION OF ALLOCATION OF ASSETS.—

(1) Section 4044(a)(4)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1344(a)(4)(B)) is amended by striking “section 4022(b)(5)” and inserting “section 4022(b)(5)(B)”.

(2) Section 4044(b) of such Act (29 U.S.C. 1344(b)) is amended—

(A) by striking “(5)” in paragraph (2) and inserting “(4), (5),”, and

(B) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively, and by inserting after paragraph (2) the following new paragraph:

“(3) If assets available for allocation under paragraph (4) of subsection (a) are insufficient to satisfy in full the benefits of all individuals who are described in that paragraph, the assets shall be allocated first to benefits described in subparagraph (A) of that paragraph. Any remaining assets shall then be allocated to benefits described in subparagraph (B) of that paragraph. If assets allocated to such subparagraph (B) are insufficient to satisfy in full the benefits described in that subparagraph, the assets shall be allocated pro rata among individuals on the basis of the present value (as of the termination date) of their respective benefits described in that subparagraph.”.

(c) CONFORMING AMENDMENTS.—

(1) Section 4021 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1321) is amended—

(A) in subsection (b)(9), by striking “as defined in section 4022(b)(6)”, and

(B) by adding at the end the following new subsection:

“(d) For purposes of subsection (b)(9), the term ‘substantial owner’ means an individual who, at any time during the 60-month period ending on the date the determination is being made—

“(1) owns the entire interest in an unincorporated trade or business,

“(2) in the case of a partnership, is a partner who owns, directly or indirectly, more than 10 percent of either the capital interest or the profits interest in such partnership, or

“(3) in the case of a corporation, owns, directly or indirectly, more than 10 percent in value of either the voting stock of that corporation or all the stock of that corporation.

For purposes of paragraph (3), the constructive ownership rules of section 1563(e) of the Internal Revenue Code of 1986 shall apply (determined without regard to section 1563(e)(3)(C)).”.

(2) Section 4043(c)(7) of such Act (29 U.S.C. 1343(c)(7)) is amended by striking “section 4022(b)(6)” and inserting “section 4021(d)”.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to plan terminations—

(A) under section 4041(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1341(c)) with respect to which notices of intent to terminate are provided under section 4041(a)(2) of such Act (29 U.S.C. 1341(a)(2)) after December 31, 2001, and

(B) under section 4042 of such Act (29 U.S.C. 1342) with respect to which proceedings are instituted by the corporation after such date.

(2) CONFORMING AMENDMENTS.—The amendments made by subsection (c) shall take effect on January 1, 2002.

SEC. 686. PERIODIC PENSION BENEFITS STATEMENTS.

(a) In General.—Section 105(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025 (a)) is amended to read as follows:

“(a)(1) Except as provided in paragraph (2)—

“(A) the administrator of an individual account plan shall furnish a pension benefit statement—

“(i) to a plan participant at least once annually, and

“(ii) to a plan beneficiary upon written request, and

“(B) the administrator of a defined benefit plan shall furnish a pension benefit statement—

“(i) at least once every 3 years to each participant with a nonforfeitable accrued benefit who is employed by the employer maintaining the plan at the time the statement is furnished to participants, and

“(ii) to a plan participant or plan beneficiary of the plan upon written request.

“(2) A pension benefit statement under paragraph (1)—

“(A) shall indicate, on the basis of the latest available information and reasonable estimates—

“(i) the total benefits accrued, and

“(ii) the nonforfeitable pension benefits, if any, which have accrued, or the earliest date on which benefits will become nonforfeitable,

“(B) shall be written in a manner calculated to be understood by the average plan participant,

“(C) shall include a statement that the summary annual report is available upon request, and

“(D) may be provided in written, electronic, or other appropriate form.

“(3)(A) In the case of a defined benefit plan, the requirements of paragraph (1)(B)(i) shall be treated as met with respect to a participant if the administrator provides the participant at least once each year with notice of the availability of the pension benefit statement and the ways in which the participant may obtain such statement. Such notice shall be provided in written, electronic, or other appropriate form, and may be included with other communications to the participant if done in a manner reasonably designed to attract the attention of the participant.

“(B) The Secretary may provide that years in which no employee or former employee benefits (within the meaning of section 410(b) of the Internal Revenue Code of 1986) under the plan need not be taken into account in determining the 3-year period under paragraph (1)(B)(i).”.

(b) Conforming Amendments.—

(1) Section 105 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025) is amended by striking subsection (d).

(2) Section 105(b) of such Act (29 U.S.C. 1025(b)) is amended to read as follows:

“(b) In no case shall a participant or beneficiary of a plan be entitled to more than one statement described in subsection (a)(1)(A) or (a)(1)(B)(ii), whichever is applicable, in any 12-month period.”.

(c) Model Statements.—The Secretary of Labor shall develop a model benefit statement, written in a manner calculated to be understood by the average plan participant, that may be used by plan administrators in complying with the requirements of section 105 of the Employee Retirement Income Security Act of 1974.

(d) Effective Date.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to plan years beginning after December 31, 2001.

(2) Collective bargaining agreements.—In the case of a plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified by the date of the enactment of this Act, the amendments made by this section shall not apply, with respect to employees covered by any such agreement, for plan years beginning before the earlier of—

(A) the later of—

(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after such date of the enactment), or

(ii) January 1, 2002, or

(B) January 1, 2003.

SEC. 687. BENEFIT SUSPENSION NOTICE.

(a) Modification of Regulation.—The Secretary of Labor shall modify the regulation under section 203(a)(3)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)(3)(B)) to provide that the notification required by such regulation—

(1) in the case of an employee who, after commencement of payment of benefits under the plan, returns to service for which benefit payments may be suspended under such section 203(a)(3)(B) shall be made during the first calendar month or payroll period in which the plan withholds payments, and

(2) in the case of any employee who is not described in paragraph (1)—

(A) may be included in the summary plan description for the plan furnished in accordance with section 104(b) of such Act (29 U.S.C. 1024(b)), rather than in a separate notice, and

(B) need not include a copy of the relevant plan provisions.

(b) Effective Date.—The modification made under this section shall apply to plan years beginning after December 31, 2001.

SEC. 688. STUDIES.

(a) Report on Pension Coverage.—Not later than 5 years after the date of the enactment of this Act, the Secretary of the Treasury, jointly with the Secretary of Labor, shall submit a report to the Committee on Ways and Means and the Committee on Education and the Workforce of the House of Representatives and the Committee on Finance and the Committee on Health, Education, Labor and Pensions of the Senate a report on the effect of the provisions of the Restoring Earnings to Lift Individuals and Empower Families Act of 2001 on pension coverage, including—

(1) any expansion of coverage for low- and middle-income workers;

(2) levels of pension benefits;

(3) quality of pension coverage;

(4) worker's access to and participation in plans; and

(5) retirement security.

(b) Study of Preretirement Use of Benefits.—

(1) In general.—The Secretary of the Treasury, jointly with the Secretary of Labor, shall conduct a study of—

(A) current tax provisions allowing individuals to access individual retirement plans and qualified retirement plan benefits of such individual prior to retirement, including an analysis of—

(i) the extent of use of such current provisions by individuals; and

(ii) the extent to which such provisions undermine the goal of accumulating adequate resources for retirement; and

(B) the types of investment decisions made by individual retirement plan beneficiaries and participants in self-directed qualified retirement plans, including an analysis of—

(i) current restrictions on investments; and

(ii) the extent to which additional restrictions on investments would facilitate the accumulation of adequate income for retirement.

(2) Report.—Not later than January 1, 2003, the Secretary of the Treasury, jointly with the Secretary of Labor, shall submit a report to the Committee on Ways and Means and the Committee on Education and the Workforce of the House of Representatives and the Committee on Finance and the Committee on Health, Education, Labor and Pensions of the Senate containing the results of the study conducted under paragraph (1) and any recommendations.

SEC. 689. ANNUAL REPORT DISSEMINATION.

(a) In General.—Section 104(b)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1024(b)(3)) is amended by striking “shall furnish” and inserting “shall make available for examination (and, upon request, shall furnish)”.

(b) Effective Date.—The amendment made by this section shall apply to reports for years beginning after December 31, 2000.

SEC. 690. CIVIL PENALTIES FOR BREACH OF FIDUCIARY RESPONSIBILITY.

(a) Imposition and Amount of Penalty Made Discretionary.—Section 502(l)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132(l)(1)) is amended—

(1) by striking “shall” and inserting “may”, and

(2) by striking “equal to” and inserting “not greater than”.

(b) Applicable Recovery Amount.—Section 502(l)(2) of such Act (29 U.S.C. 1132(l)(2)) is amended to read as follows:

“(2) For purposes of paragraph (1), the term ‘applicable recovery amount’ means any amount which is recovered from any fiduciary or other person (or from any other person on behalf of any such fiduciary or other person) with respect to a breach or violation described in paragraph (1) on or after the 30th day following receipt by such fiduciary or other person of written notice from the Secretary of the violation, whether paid voluntarily or by order of a court in a judicial proceeding instituted by the Secretary under paragraph (2) or (5) of subsection (a). The Secretary may, in the Secretary's sole discretion, extend the 30-day period described in the preceding sentence.”.

(c) Other Rules.—Section 502(l) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132(l)) is amended by adding at the end the following new paragraph:

“(5) A person shall be jointly and severally liable for the penalty described in paragraph (1) to the same extent that such person is jointly and severally liable for the applicable recovery amount on which the penalty is based.

“(6) No penalty shall be assessed under this subsection unless the person against whom the penalty is assessed is given notice and opportunity for a hearing with respect to the violation and applicable recovery amount.”.

(d) Effective Dates.—

(1) In general.—The amendments made by this section shall apply to any breach of fiduciary responsibility or other violation of part 4 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 occurring on or after the date of enactment of this Act.

(2) Transition rule.—In applying the amendment made by subsection (b) (relating

to applicable recovery amount), a breach or other violation occurring before the date of enactment of this Act which continues after the 180th day after such date (and which may have been discontinued at any time during its existence) shall be treated as having occurred after such date of enactment.

SEC. 690A. NOTICE AND CONSENT PERIOD REGARDING DISTRIBUTIONS.

(a) EXPANSION OF PERIOD.—

(1) AMENDMENT OF INTERNAL REVENUE CODE.—

(A) IN GENERAL.—Subparagraph (A) of section 417(a)(6) is amended by striking "90-day" and inserting "180-day".

(B) MODIFICATION OF REGULATIONS.—The Secretary of the Treasury shall modify the regulations under sections 402(f), 411(a)(11), and 417 of the Internal Revenue Code of 1986 to substitute "180 days" for "90 days" each place it appears in Treasury Regulations sections 1.402(f)–1, 1.411(a)–11(c), and 1.417(e)–1(b).

(2) AMENDMENT OF ERISA.—Section 205(c)(7)(A) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055(c)(7)(A)) is amended by striking "90-day" and inserting "180-day".

(3) EFFECTIVE DATE.—The amendments made by paragraphs (1)(A) and (2) and the modifications required by paragraph (1)(B) shall apply to years beginning after December 31, 2001.

(b) CONSENT REGULATION INAPPLICABLE TO CERTAIN DISTRIBUTIONS.—

(1) IN GENERAL.—The Secretary of the Treasury shall modify the regulations under section 411(a)(11) of the Internal Revenue Code of 1986 to provide that the description of a participant's right, if any, to defer receipt of a distribution shall also describe the consequences of failing to defer such receipt.

(2) MODEL STATEMENT.—The Secretary of the Treasury shall develop a model statement, written in a manner calculated to be understood by the average plan participant, regarding participants' rights to defer receipt of a distribution and the consequences of so doing, that may be used by plan administrators in complying with the requirements of this section.

(3) EFFECTIVE DATE.—The modifications required by paragraph (1) shall apply to years beginning after December 31, 2001.

(c) DISCLOSURE OF OPTIONAL FORMS OF BENEFITS.—

(1) AMENDMENT OF INTERNAL REVENUE CODE.—Section 417(a)(3) (relating to plan to provide written explanation) is amended by adding at the end the following:

"(C) EXPLANATION OF OPTIONAL FORMS OF BENEFITS.—

"(i) IN GENERAL.—If—

"(I) a plan provides optional forms of benefits, and

"(II) the present values of such forms of benefits are not actuarially equivalent as of the annuity starting date,

then each written explanation required to be provided under subparagraph (A) shall include the information described in clause (ii).

"(ii) INFORMATION.—A plan to which this subparagraph applies shall include sufficient information (as determined in accordance with regulations prescribed by the Secretary) to allow the participant to understand the differences in the present values of the optional forms of benefits provided by the plan and the effect the participant's election as to the form of benefit will have on the value of the benefits available under the plan. Any such information shall be provided in a manner calculated to be reasonably understood by the average plan participant."

(2) AMENDMENT OF ERISA.—Section 205(c)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055(c)(3)) is amended by adding at the end the following:

"(C)(i) If—

"(I) a plan provides optional forms of benefits, and

"(II) the present values of such forms of benefits are not actuarially equivalent as of the annuity starting date,

then such plan shall include the information described in clause (ii) with each written explanation required to be provided under subparagraph (A).

"(ii) A plan to which this subparagraph applies shall include sufficient information (as determined in accordance with regulations prescribed by the Secretary of the Treasury) to allow the participant to understand the differences in the present values of the optional forms of benefits provided by the plan and the effect the participant's election as to the form of benefit will have on the value of the benefits available under the plan. Any such information shall be provided in a manner calculated to be reasonably understood by the average plan participant."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2001.

SEC. 690B. AMENDMENTS REGARDING NATIONAL SUMMIT ON RETIREMENT SAVINGS.

Section 517 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1147) is amended—

(1) in subsection (a), by striking "2001 and 2005 on or after September 1 of each year involved" and inserting "2001 or 2002, and 2005 and 2009. Such Summit shall be convened in the calendar year 2001 or the first calendar quarter of 2002 and shall be convened on or after September 1 of each year thereafter";

(2) in subsection (e)(2)—

(A) by striking "Committee on Labor and Human Resources" in subparagraph (D) and inserting "Committee on Health, Education, Labor, and Pensions";

(B) by striking subparagraph (F) and inserting the following:

"(F) the Chairman and Ranking Member of the Subcommittee on Labor, Health and Human Services, and Education of the Committee on Appropriations of the House of Representatives and the Chairman and Ranking Member of the Subcommittee on Labor, Health and Human Services, and Education of the Committee on Appropriations of the Senate;";

(C) by redesignating subparagraph (G) as subparagraph (J); and

(D) by inserting after subparagraph (F) the following new subparagraphs:

"(G) the Chairman and Ranking Member of the Committee on Finance of the Senate;

"(H) the Chairman and Ranking Member of the Committee on Ways and Means of the House of Representatives;

"(I) the Chairman and Ranking Member of the Subcommittee on Employer-Employee Relations of the Committee on Education and the Workforce of the House of Representatives; and";

(3) in subsection (e)(3)(A)—

(A) by striking "There shall be no more than 200 additional participants." and inserting "The participants in the National Summit shall also include additional participants appointed under this subparagraph.";

(B) by striking "one-half shall be appointed by the President," in clause (i) and inserting "not more than 100 participants shall be appointed under this clause by the President,", and by striking "and" at the end of clause (i);

(C) by striking "one-half shall be appointed by the elected leaders of Congress" in clause (ii) and inserting "not more than 100 participants shall be appointed under this clause by the elected leaders of Congress", and by striking the period at the end of clause (ii) and inserting "; and"; and

(D) by adding at the end the following new clause:

"(iii) The President, in consultation with the elected leaders of Congress referred to in subsection (a), may appoint under this clause additional participants to the National Summit. The number of such additional participants appointed under this clause may not exceed the lesser of 3 percent of the total number of all additional participants appointed under this paragraph, or 10. Such additional participants shall not be Federal, State, or local government employees.";

(4) in subsection (f)(1)(C), by inserting ", no later than 90 days prior to the date of the commencement of the National Summit," after "comment" in paragraph (1)(C);

(5) in subsection (g), by inserting ", in consultation with the congressional leaders specified in subsection (e)(2)," after "report";

(6) in subsection (i)—

(A) by striking "1997" in paragraph (1) and inserting "2001"; and

(B) by adding at the end the following new paragraph:

"(3) RECEPTION AND REPRESENTATION AUTHORITY.—The Secretary is hereby granted reception and representation authority limited specifically to the events at the National Summit. The Secretary shall use any private contributions accepted in connection with the National Summit prior to using funds appropriated for purposes of the National Summit pursuant to this paragraph.

"(4) FUNDS AVAILABLE.—Of the funds appropriated to the Pension and Welfare Benefits Administration for fiscal year 2001, $500,000 shall remain available without fiscal year limitation through September 30, 2002, for the purpose of defraying the costs of the National Summit."; and

(7) in subsection (k)—

(A) by striking "shall enter into a contract on a sole-source basis" and inserting "may enter into a contract"; and

(B) by striking "fiscal year 1998" and inserting "fiscal years 2001 or 2002, and 2005, and 2009".

On page 310, strike lines 10 and 11 and insert the following:

Subtitle I—Plan Amendments

SEC. 692. PROVISIONS RELATING TO PLAN AMENDMENTS.

(a) IN GENERAL.—If this section applies to any plan or contract amendment—

(1) such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in subsection (b)(2)(A), and

(2) except as provided by the Secretary of the Treasury, such plan shall not fail to meet the requirements of section 411(d)(6) of the Internal Revenue Code of 1986 or section 204(g) of the Employee Retirement Income Security Act of 1974 by reason of such amendment.

(b) AMENDMENTS TO WHICH SECTION APPLIES.—

(1) IN GENERAL.—This section shall apply to any amendment to any plan or annuity contract which is made—

(A) pursuant to any amendment made by this Act, or pursuant to any regulation issued under this Act, and

(B) on or before the last day of the first plan year beginning on or after January 1, 2005.

In the case of a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986), this paragraph shall be applied by substituting "2007" for "2005".

(2) CONDITIONS.—This section shall not apply to any amendment unless—

(A) during the period—

(i) beginning on the date the legislative or regulatory amendment described in paragraph (1)(A) takes effect (or in the case of a plan or contract amendment not required by such legislative or regulatory amendment, the effective date specified by the plan); and

(ii) ending on the date described in paragraph (1)(B) (or, if earlier, the date the plan or contract amendment is adopted),

the plan or contract is operated as if such plan or contract amendment were in effect; and

(B) such plan or contract amendment applies retroactively for such period.

Subtitle J—Compliance With Congressional Budget Act

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that a legislative hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, May 24, 2001, at 9:30 a.m., in room SD–106 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on the research and development, workforce training, and Price-Anderson Act provisions of pending energy legislation, including S. 242, Department of Energy University Nuclear Science and Engineering Act; S. 388, the National Energy Security Act of 2001; S. 472, Nuclear Energy Electricity Supply Assurance Act of 2001; and S. 597, the Comprehensive and Balanced Energy Policy Act of 2001.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, U.S. Senate, 364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please call Trici Heninger, Staff Assistant, or Bryan Hannegan, Staff Scientist, at (202) 224–4971.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Monday, May 21, 2001, at 5:45 p.m., in executive session to consider certain pending nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. REID. Mr. President, I ask unanimous consent that two fellows in the office of Senator LIEBERMAN, James Thurston and Kiersten Todt, be extended privileges of the floor for the duration of H.R. 1836.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I ask unanimous consent that Todd Smith, a law clerk, from the Democratic staff of the Senate Finance Committee be granted access to the Senate floor for the duration of the debate on H.R. 1836.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TUESDAY, MAY 22, 2001

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:30 a.m. on Tuesday, and following the prayer and the pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, and the Senate resume voting with respect to H.R. 1836, with 2 minutes prior to each vote for explanation and all succeeding votes in the series limited to 10 minutes in length. I further ask unanimous consent that all amendments remaining in order, other than a series of cleared amendments to be offered by the managers, must be contained on a list that will be submitted by the majority leader, after consultation with the Democratic leader, after 10 a.m. on Tuesday.

The PRESIDING OFFICER. Is there objection?

Mrs. BOXER. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LOTT. Mr. President, I renew my request that the Senate complete its business today and stand in adjournment until 9:30 a.m. on Tuesday, and following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, and the Senate resume voting with respect to H.R. 1836, with 2 minutes prior to each vote for explanation and all succeeding votes in the series be limited to 10 minutes in length.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. LOTT. Mr. President, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 11:53 p.m., adjourned until Tuesday, May 22, 2001, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 21, 2001:

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant colonel

MAJ. GEN. EDWARD HANLON JR., 2430

THE JUDICIARY

SHARON PROST, OF THE DISTRICT OF COLUMBIA, TO BE UNITED STATES CIRCUIT JUDGE FOR THE FEDERAL CIRCUIT, VICE S. JAY PLAGER, RETIRED.

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY AS CHAPLAIN UNDER TITLE 10, U.S.C., SECTIONS 624 AND 3064:

To be lieutenant colonel

ROGER L ARMSTEAD, 0616 CH
GERALD K BEBBER, 8274 CH
FRANCIS M BELUE, 2903 CH
PAUL K BRADFORD, 2839 CH
RICHARD J CHAVARRIA, 1654 CH
RUBEN D COLON JR., 0077 CH
THOMAS L DUDLEY JR., 8731 CH
THOMAS M DURHAM, 1861 CH
JOHN W ELLIS III, 7636 CH
STEPHEN E FEEHAN, 1602 CH
JAMES R FOXWORTH, 6484 CH
DON E GERMAN, 7512 CH
JAMES L GRIFFIN, 9708 CH
CHARLES L HOWELL, 5373 CH
KARL O KUCKHAHN JR., 5145 CH
WILLIAM T LAIGAIE, 5799 CH
MICHAEL T LEMBKE, 4401 CH
SCOTTIE R LLOYD, 5594 CH
DONALD G MCCONNAUGHHAY, 1768 CH
DAN L PAYNE, 9320 CH
RICHARD G QUINN, 9540 CH
MICHAEL L RAYMO, 3355 CH
KENNETH L WERHO, 7120 CH
JAMES R WHITE JR., 1236 CH
THOMAS P WILD, 0993 CH
GREGORY K WILLIAMSON, 1925 CH
CHRISTOPHER H WISDOM, 4193 CH
CARL S YOUNG JR., 7623 CH

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN THE MEDICAL CORPS (MC) AND DENTAL CORPS (DE) AND FOR REGULAR APPOINTMENT (IDENTIFIED BY AN ASTERISK(*)) UNDER TITLE 10, U.S.C., SECTIONS 624, 531, AND 3064:

To be lieutenant colonel

*ERIC D ADAMS, 1600 MC
ALFONSO S ALARCON, 8685 MC
*JEFFREY S ALMONY, 6411 DE
ROCCO A ARMONDA, 7770 MC
*PETER J ARMSTRONG, 4867 MC
*RICANTHONY R ASHLEY, 6041 MC
*JOHN T ATKINS III, 9640 MC
*ROBERT A AVERY, 2964 MC
GEORGE K BAL, 7626 MC
*WILLIAM C BANDY, 9759 MC
DAVID W BARBER, 5165 MC
*SCOTT D BARNES, 4552 MC
*MICHAEL G BEAT, 1567 MC
PAUL L BENFANTI, 5466 MC
*LYNN M BERGREN, 8737 MC
MARIE C BETTENCOURT, 8505 MC
*ROMAN O BILYNSKY, 3167 MC
*LORNE H BLACKBOURNE, 8223 MC
*WILLIAM J BLANKE, 1429 MC
*YONG C BRADLEY, 5234 MC
DAVID A BROWN, 5253 MC
*ROBERT N BRUCE, 8907 MC
CHESTER C BUCKENMAIER III, 6191 MC
*RICHARD C BUTLER, 4885 MC
*JOHN C BYRD, 5695 MC
*ROBERT B CARROLL, 7601 MC
*KIMBERLY Y CATER, 5862 DE
*THEODORE J CHOMA, 4497 MC
*ELLEN M CHUNG, 4962 MC
MICHAEL J CITRONE, 9587 MC
*JAMES J CLOSMANN, 7919 DE
*CAMERON W COLE, 5126 DE
*JACK M COZBY JR., 9170 DE
*ROBERT M CRAIG, 6650 MC
*BARBARA A CROTHERS, 5194 MC
*JAMES E CURLEE, 5708 MC
*BRAD J DAVIS, 8538 MC
MARC L DAYMUDE, 1073 MC

*RONALD D DEGUZMAN, 8886 MC
DAVID A DELLAGIUSTINA, 9442 MC
*MARK H DEPPER, 4202 MC
*ROBERT W DESVERREAUX, 0356 MC
*EDWARD E DICKERSON, 8959 MC
*CATHERINE A DINAUER, 4601 MC
*ROBERT K DURNFORD, 8353 MC
*BYRON K EDMOND, 2979 MC
KIRK W EGGLESTON, 2640 MC
*MICHAEL D EISENHAUER, 1087 MC
*KATHLEEN M EISIN, 2545 DE
*RICHARD W ELLISON, 6124 MC
JAMES J ENGLAND, 3818 MC
ALEC T EROR, 4865 MC
*CHRIS EVANOV, 5863 DE
*KEVAGHN P FAIR, 3402 MC
JOHN H FARLEY, 3677 MC
HERBERT P FECHTER, 2485 MC
*GREGORY P FITZHARRIS, 3082 MC
*LESLIE S FOSTER, 2446 MC
ROBERT R GALVAN JR., 3657 DE
*JOHN H GARR, 0308 MC
*MARK P GAUL, 6947 MC
ROBERT C GERLACH, 2810 DE
ROBERT V GIBBONS, 1231 MC
*THOMAS W GIBSON, 4738 MC
*TAMER GOKSEL, 8131 DE
*JULIO GONZALES III, 6361 DE
JESS A GRAHAM, 4542 MC
*MARYBETH A GRAZKO, 4436 MC
*THOMAS W GREIG, 8685 MC
JAMIE B GRIMES, 8677 MC
*NEAL C HADRO, 0493 MC
*BARRY T HAMMAKER, 5549 MC
*LLOYD D HANCOCK, 2370 MC
KARLA K HANSEN, 5151 MC
DENNIS R HARTUNG, 4210 MC
*MICHAEL L HEMKER, 8832 DE
WILLIAM C HEWITSON, 7787 MC
*GEORGE J HOLZER JR., 4036 DE
*PAUL J HOUGE, 6200 MC
*JAMES P HOUSTON, 5536 DE
LEONARD N HOWARD, 6258 MC
*DAVID M JEFFALONE, 7470 DE
*CARLOS E JIMENEZ, 8567 MC
ANTHONY J JOHNSON, 6074 MC
*KENNETH E JONES, 4880 DE
*STEPHEN M KEESEE, 8509 DE
*REBECCA A KELLER, 6459 MC
*MICHAEL S KELLEY, 2362 MC
*KIMBERLY L KESLING, 2121 MC
RONALD P KING, 4081 MC
*MAUREEN K KOOPS, 7778 MC
MARTIN L LADWIG, 5848 MC
*MARK E LANDAU, 5107 MC
*PHILLIP W LANDES, 2635 MC
DALE H LEVANDOWSKI, 3213 MC
JAMES R LIFFRIG, 3273 MC
NICK N LOMIS, 9861 MC
*JAMES M LUCHETTI, 7422 MC
ERIC T LUND, 0921 MC
*RICHARD E LYNNE, 9043 DE
*JAMES R MACHOLL, 3122 DE
*KURT L MAGGIO, 0474 MC
LIEM T MANSFIELD, 2779 MC
*JOHN T MARLEY, 4480 DE
*MARK A MATAOSKY, 5169 MC
*SCOTT A MATZENBACHER, 3119 DE
*CRAIG T MEARS, 9281 MC
JENNIFER S MENETREZ, 1876 MC
*KEVIN P MICHAELS, 0198 MC
*CHARLES E MIDDLETON, 2425 DE
*EDWYNNA H MILLER, 3536 DE
*CARL M MINAMI, 2543 MC
*TIMOTHY A MITCHENER, 0594 DE
*RON L MOODY, 7449 MC
*RICKEY A MORLEN, 2056 DE
*TODD A MORTON, 6846 MC
*DAVID A MOTT, 3319 DE
*ROBERT L MOTT JR., 4434 MC
*MICHAEL R NELSON, 5281 MC
FRANK J NEWTON, 8324 MC
*KAREN K OBRIEN, 0930 MC
*STEPHEN C OCONNOR, 1958 MC
*JAMES OLIVER, 2267 MC
WILLIAM T PACE, 1048 MC
*JULIE A PAVLIN, 2865 MC
*SAMUEL E PAYNE, 0382 MC
*ELIZABETH W PIANTANIDA, 0384 MC
*DAVID M PRESTON, 6621 MC
*FERNANDO RAMOS, 3573 MC
*CHERYL M RILEY, 2352 DE
*GEOFFREY H ROBERT, 0186 DE
ROBERT M RUSH JR., 7769 MC
*CHARLES A SABADELL, 2741 DE
*STEPHEN M SALERNO, 4247 MC
*CUMMINGS J SANTIAGO, 4992 DE
JOHN S SCOTT, 1150 MC
*DAVID W SEES, 3928 MC
*ELLEN G SHAVER, 3425 MC
*JAMES F SHIKLE, 9371 MC
JOSEPH A SHROUT, 2492 MC
*STEPHEN V SILVEY, 3359 MC
*ROBERT A SMITH, 1353 MC
*GEORGE B STACKHOUSE, 3084 MC
*WILLIAM J STANTON, 4579 MC
*JAMES J STAUDENMEIER, 5017 MC
*TIMOTHY J STEINAGLE, 2238 MC
*DANNY O STENE, 1120 MC
*RANDALL W STETTLER, 8915 DE
MICHAEL R STJEAN, 6023 MC
*DAVID M SUHRBIER, 1800 MC
*JOSEPH B SUTCLIFFE, 9567 MC
*MARK B SWEET, 8499 DE
GARY W SWENSON, 1990 MC
*RICHARD S SWINNEY, 9867 MC
*THOMAS S SYMPSON, 2778 DE
*MAUREEN L TATE, 6583 MC
MARK F TORRES, 7102 MC
*DIANE M TOUART, 2196 MC
*CAROL A TRAKIMAS, 4045 MC
*MARTIN R VELEZ, 1399 DE
*KHA N VO, 1679 DE
*RICHARD K WAGNER, 7267 MC
*CHRISTOPHER J WALSHE, 8931 MC
TIMOTHY L WASHOWICH, 1499 MC
*IAN S WEDMORE, 7218 MC
*PRESTON Q WELCH, 0778 DE
*ANDREAS WOLTER, 1835 MC
CLAUDE R WORKMAN, 1115 MC
DAVID S ZUMBRO, 2265 MC

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12211:

To be colonel

GREGGORY R. CLUFF, 1320
BRUCE C. FRANDSEN, 4950
CHARLES R. GRAY, 0650
JEANETTE G. HALL, 8454
EDWARD R. HARDIMAN, 5432
TERRY M. HASTON, 4535
DAVID A. ROBINSON, 8316
STEVEN W. VINSON, 4624

IN THE NAVY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

SCOT K ABEL, 2457
GREGORY W ADAIR, 5259
SCOTT F ADAMS, 1499
TIMOTHY A ADAMS, 5415
SCOTT F ADLEY, 9876
MARK A ADMIRAL, 3042
EUGENE J AGER, 9423
BRYAN M AHERN, 4295
MATTHEW P AHERN, 5750
CYNTHIA A ALDERSON, 7773
JAMES D ALGER II, 7976
BRIAN M ALLEN, 5795
WARREN D ALLISON, 7029
JOSE V AMPER, 2013
MICHAEL D ANDERSON, 7757
MICHAEL D ANGOVE, 6027
CLETE D ANSELM, 6238
TITO M ARANDELA JR., 1975
CHRISTOPHER V ARIAS, 8913
JOHN T ARMANTROUT, 3952
PAUL D ASHCRAFT, 2605
NATHAN W ASHE, 0572
MATTHEW B ASHLEY, 4930
STEVEN J ASHWORTH, 5724
JAMES L AUTREY, 4596
HERMAN T K AWAI, 1879
CHARLES E BAKER III, 9506
BRIAN K BALDAUF, 5610
JOHN R BALDWIN, 8719
TODD D BARCLAY, 2688
MICHELE C BARKER, 1562
KEVIN M BARRY, 0370
ARNOLD BARTHEL III, 7270
DAVID W BARTON, 5414
DAMON W BATESON, 0132
ROBERT S BAYER, 1118
MICHAEL E BEAULIEU, 9036
MARTIN A BECK, 2830
DAVID R BECKETT, 3651
JEFFREY A BELANGER, 7187
CHRISTOPHER J BENCAL, 6781
DAVID W BENTLEY, 9748
MICHAEL G BERENS, 4651
GEORGE M BERTSCH, 8417
DAVID T BISHOP JR., 3147
DOUGLAS L BLACKBURN, 6511
WILLIAM J BLACKLIDGE, 3236
JAMES R BOCKERT, 3565
JOSEPH H B BOENER, 1296
CHRISTOPHER E BOLT, 7671
ROBERT A BORCHERT, 0592
ROBERT W BOSERMAN II, 0381
LUIS A BOTICARIO, 4709
KENNETH J BOWEN II, 8822
ROBERT D BOYER, 3276
DAVID C BOYLE, 1995
KAREN K BRADY, 9118
MELANIE A BRANSON, 2253
JOHN A BREAST, 6617
JAMES E BREDEMEIER, 3981
PETER J BRENNAN, 4484
JAMES R BREON, 7985
JEFFREY A BRESLAU, 7240
MARK BRIDENSTINE, 0937
GEORGE BRIGGS JR., 9223
ROBERT K BRODIN, 9449
WAYNE M BROVELLI, 8881
BRIAN B BROWN, 1265
DANIEL J BROWN, 3433
WESLEY A BROWN, 5362
THEODORE R I BROWNELL, 3825
JOHN G BRUENING, 7092
JOHN J BURNHAM, 8152
MICHAEL J BURRELL, 3501
CARL F BUSH, 0131
GARY W BUTTERWORTH, 1526
WILLIAM D BYRNE JR., 6687
JOEL L CABANA, 3583
ROBERT B CALDWELL JR., 9991
ROBERT L CALHOUN JR., 4769
ANTHONY F CALIFANO, 7813
BRETT W CALKINS, 1616
JUDITH A CALL, 9079
SHERYL E CAMPBELL, 2852
LOUIS T CANNON JR., 5253
CHARLES CAPETS, 6562
RONALD M CARVALHO JR., 9377
THOMAS M CASHMAN, 0560
JAMES T CASON, 2754
NELSON C CASTRO, 1949
DANIEL S CAVE, 5185
MICHAEL A CELEC, 9837
DARRYL D CENTANNI, 8515
MICHAEL J CERNECK, 9502
DALE S CHAPMAN, 4530
DAVID A CHASE, 5639
SHOSHANA S CHATFIELD, 4649
ANTHONY P CHATHAM, 8758
WAYNE M CHAUNCEY, 7224
JOSEPH M CHENELER, 1697
CARL R CHERRY, 1351
DONNA A CHERRY, 3034
JAMES C CHILDS, 2750
JONATHAN CHRISTIAN, 8910
MICHAEL R CHRISTOPHERSON, 1326
DONALD T CIESIELSKI JR., 5021
ALLEN L CLARK, 8980
JOHN M CLAUSEN, 3882
RICHARD L J CLEMMONS, 6689
HENRY D COATES, 1912
KEVIN M COATS, 9649
DOUGLAS F COCHRANE, 2728
TIMOTHY S COCKREL, 3635
BARBARA J CODER, 7872
JOHN J COFFEY, 4810
JEFFREY S COLE, 0437
STEVEN D COLE, 5209
ANDREW A COLETTI, 7209
JOHN A COLLINS, 8078
THOMAS M CONLON, 6073
DAVID R CONNER, 9598
SEAN M CONNORS, 9395
CARL R CONTI II, 7886
RONALD E COOK, 0169
SCOTT P COOLEDGE, 5259
RANDALL D CORBELL, 7695
LUIS G CORDERO, 7066
PAUL L CORLISS, 7834
ANNETTE P CORNETT, 3896
ROBERT E COSGRIFF, 5156
EDWARD J COWAN, 5100
JOHN W CRAIG, 6329
MARTIN J CRAMER, 0504
TODD W CRAMER, 6954
NANCY L CREWS, 7265
GREGORY H CREWSE, 5498
HANS K CROEBER, 0081
MICHAEL R CROSKREY, 6910
DAVID S CROW, 0615
RICHARD R CSUHTA, 1771
EDWIN CUNNINGHAM, 3515
RICHARD E CUNNINGHAM, 0211
MARK A DAHLKE, 6061
ROBERT L DAIN, 5280
MARC H DALTON, 6969
MATTHEW W DANEHY, 0037
EDWARD J DANGELO, 0528
JEFFREY M DANIELSON, 3419
DAVID D DARGAN, 0714
DONALD P DARNELL JR., 4532
GEORGE R DAVIDSON, 3860
JEFFREY D DAVILA, 5847
CHARLES A DAVIS, 1996
KEVIN T DAVIS, 9530
DAVID D DAVISON, 7862
KENNETH H DEAL, 0622
JAMES R DEBOLD, 5879
MICHAEL W DEGRAW, 7067
RAFAELITO B DEJESUS, 8017
SILVESTER R DELROSARIO, 0751
MOISES DELTORO III, 3127
DEBRA S DELVECCHIO, 8074
PETER C DEMANE, 2924
JOHN M DENNETT, 9849
BRUCE A DERENSKI, 5638
ROBERT W DESANTIS, 1814
ALBERT J DESMARAIS, 5319
ALEXANDER S DESROCHES, 2995
MARGARET M DHAENE, 4474
JAMES H DICK, 4890
SCOTT F DIPERT, 5836
LAWRENCE R DIRUSSO, 1082
WILLIAM A DOCHERTY, 8266
JAMES S DONNELLY, 2573
JOHN M DOREY, 3429
STEPHEN J DORFF, 8261
DOLORES M DORSETT, 7135
ROBERT I DOUGLASS, 1391
CRAIG A DOXEY, 6678
PETER M DRISCOLL, 1720
KENNETH A DRUMMOND, 5719
TIMOTHY J DUENING, 8591
TIMOTHY J DUNIGAN, 6654

MICHAEL R DUNKLE, 9717
JEFFREY R DUNLAP, 7794
GREGORY T EATON, 7337
JOHN G EDEN, 2874
GARY EDWARDS, 9464
GREG R ELLISON, 0515
KATHERINE D C ERB, 7862
PAUL E ERICKSON, 6890
STEPHEN C EVANS, 3463
SCOTT R EVERTSON, 5233
STEVEN Y FAGGERT, 7531
JAMES E FANELL, 9303
DALE L FEDDERSEN, 3358
LARRY J A FELDER, 1209
WILLIAM R FENICK, 5514
RANDY S FENZ, 6506
ANTHONYJOSEPH FERRARI, 9384
ADAM D FERREIRA, 2463
GREGORY J FICK, 7170
JOHN H FICKLE JR., 8806
SCOTT C FISH, 2090
BRIAN M FLACHSBART, 2016
HUGH M FLANAGAN JR., 9025
KEVIN P FLANAGAN, 1001
DALE G FLECK, 2424
DAVID P FLUKER, 5252
ROBERT G FOGG, 0215
DAVID C FOLEY, 1976
MICHAEL J FORD, 9689
THOMAS S FOX III, 9120
KENNETH LAWRENCE FRACK JR., 2576
ELIZABETH A FROSLEE, 1087
DAVID G FRY, 7979
BRIAN B GANNON, 2945
BERNARD M GATELY JR., 6196
TIMOTHY P GAVIN, 9692
DAVID A GEISLER, 0173
WILLIAM J GETZFRED, 6479
VINCENT F GIAMPAOLO, 6601
MICHAEL S GIAUQUE, 9770
CURTIS J GILBERT, 0297
STEPHEN M GILLESPIE, 5301
JAMES F GILLIES, 6566
GREGORY D GJURICH, 3729
GREGORY E GLAROS, 2609
JAMES A GLASS, 9695
RICHARD M GOMEZ, 5259
ROBERT P GONZALES, 5220
MIGUEL GONZALEZ, 6254
ROBERT D GOODWIN JR., 0602
RUSSELL W GORDON JR., 4838
STANLEY J GRABOWSKI JR., 7927
PATRICK O GRADY, 9474
RONALD W GRAFT, 9128
DAVID R GRAMBO, 2731
COLLIN P GREEN, 8968
JOHN K GREEN JR., 2164
LOUIS J GREGUS, 6089
DANIEL C GRIECO, 5277
CLAYTON A GRINDLE JR., 9544
DOUGLAS J GROSSMANN, 7433
KEVIN A GRUNDY, 1577
STEPHEN P GRZESZCZAK III, 2502
JAMES W GUEST, 8258
HARVEY L GUFFEY JR., 7606
STEPHEN GULAKOWSKI, 6743
ROBERT V GUSENTINE, 4541
JON A HAGEMANN, 8857
JAMES E HAGY, 5845
RANDY D HALDEMAN, 1451
GERARD W HALL, 0776
TODD B HALL, 0873
STEVEN E HALPERN, 7104
CHRISTOPHER H HALTON, 0228
JAMES C HAMBLET, 1445
WILLIAM P HAMBLET JR., 9488
JAMES K HAMEL, 2465
DOUGLAS C HAMILTON, 2524
NEIL A HAMLETT, 5079
ANNE G HAMMOND, 8586
DARYL ROBERT HANCOCK, 0069
GLEN K HANSEN, 4336
JONATHAN L HARNDEN JR., 2194
MARK W HARRIS, 0901
CHRISTINA C HARTIGAN, 7060
THOMAS J HARVAN, 5049
CHARLES S HATCHER JR., 1923
JEFFREY S HAUPT, 3865
WILLIE HAWK JR., 6629
CRAIG O HAYNES, 5199
PETER D HAYNES, 1508
DOUGLAS E HEADY, 1486
JOHN P HEATHERINGTON, 8802
ERNEST C HELME III, 8831
DANIEL P HENDERSON, 9045
RICHARD H HENDREN, 5211
KELLY A HENRY, 9674
MARVIN D HENSLEY, 8379
FREDERIC W HEPLER, 3107
MITCH A HESKETT, 6245
PAUL A HESS, 9706
WAYNE HIGH, 8528
JAMES A HILDEBRAND, 8639
NELSON P HILDRETH, 5632
JON A HILL, 1593
KEVIN C HILL, 9681
MICHAEL J HILL, 8892
PAUL D HILL, 5671
JOSEPH E HINES, 2651
MELANIE J HITCHCOCK, 7439
FRANKLIN D HIXENBAUGH, 6300
JAMES B HOKE, 9810
STEWART W HOLBROOK, 3754
NANCY J HOLCOMB, 1197
MICHAEL A HOLDENER, 1033
MICHAEL P HOLLAND, 1765
ERIC C HOLLOWAY, 2662
ROBERT E HOLMES, 5320
RICKY L HOLT, 3095
MARC D HOMAN, 8856
DANIEL C HONKEN, 6148
LUTHER H HOOK III, 1443
ROBERT S HOPKINS, 3679
SCOTT D HORADAN, 9580
MICHAEL D HORAN, 9018
DAVID L HOSTETLER, 2535
CAROL A HOTTENROTT, 1123
JAMES J HOUSINGER, 9122
DANIEL P HOWE, 6384
MARK M HUBER, 1124
JEFFREY T HUDGENS, 3360
WESLEY S HUEY, 1776
CHARLES E HUFF, 8479
DAVID W HUGHES, 9970
JAMES C HUGHES, 0814
FRANK E HUGHLETT, 8478
PAUL D HUGILL, 9498
BRIAN N HUMM, 8242
LINDA M HUNTER, 6179
HEWITT M HYMAS, 1092
CARL R INMAN, 0810
HESHAM H ISLAM, 9287
JAMES E IVEY, 7376
STEVEN M JAMES, 1420
PETER R JANNOTTA, 9351
DOUGLAS A JENIK, 9310
RUSSELL C JENSEN, 9547
JOSEPH G JERAULD, 4396
DARREN A JOHNSON, 7369
DAVID P JOHNSON, 5425
JOSEPH C JOHNSON, 9086
MATTHEW L JOHNSON, 3416
DAVID L JONES, 6021
DEVON JONES, 9645
JOHN R JONES, 5987
LLOYD H JONES, 8073
LOGAN S JONES, 7131
SYNTHIA S JONES, 4531
DAVID A JULIAN, 6972
CHRISTOPHER D JUNGE, 7748
WERNER H JURINKA, 2039
NEIL A KARNES, 0701
ROBERT E KAUFMAN, 6620
SHANNON E KAWANE, 3039
STEPHANIE T KECK, 5639
RAYMOND F KELEDEI, 9888
BRITT K KELLEY, 9807
MARK E KELLY, 2648
SCOTT J KELLY, 2651
TIMOTHY J KELLY, 9804
VERNON P KEMPER, 2946
JULIE A KENDALL, 0050
CHRISTOPHER J KENNEDY, 3768
KYLE R KETCHUM, 5813
JAMES W KILBY, 0135
DENNIS R KING, 0848
TIMOTHY J KING, 6990
CHRISTOPHER T KIRKBRIDE, 9075
DAVID A KLAASSE, 8846
DANIEL M KLETTER, 8326
PAUL H KOB, 6266
JACQUELINE R KOCHER, 2423
STEPHEN T KOEHLER, 8927
THOMAS G KOLLIE JR., 7463
TONY KWON, 7521
RICHARD A LABRANCHE, 7881
LISA LAMARRE, 8872
TIMOTHY G LANE, 4688
BRUCE O LANKFORD, 0109
KEVIN W LAPOINTE, 3732
ERNEST E LASHUA JR., 0752
ROBERT C LAUBENGAYER, 7228
JOHN C LAWLESS, 6299
MARK R LAXEN, 7310
EDWARD F LAZARSKI JR., 1423
EDWIN LEBRON, 4366
KIMO K LEE, 7217
PATRICK A LEFERE, 3207
FRANK A LEHARDY III, 0356
DAVID A LEMEK, 7164
JOSEPH J LEONARD, 0119
JAMES P LEWIS, 4062
YANCY B LINDSEY, 6174
PETER R LINTNER, 8343
DEBRA M LIVINGOOD, 7482
SHAWN W LOBREE, 8913
ROBERT C LOCKERBY, 5232
COBY D LOESSBERG, 5765
RICHARD B LORENTZEN, 1986
BRUCE F LOVELESS, 9975
DEBORAH E LUCKETT, 6656
MICHAEL D LUMPKIN, 4375
THOMAS G LUNNEY, 7116
CHARLES E LUTTRELL, 1989
PETER C LYLE, 6330
PATRICK E LYONS, 1717
DIRK N MACFARLANE, 2620
PAUL S MACKLEY, 9782
JEFFREY R MACRIS, 2414
JAMES D MACY, 9221
JOHN MALFITANO, 2445
DOUGLAS A MALIN, 3899
JAMES J MALLOY, 7077
RODNEY E MALLOY, 6570
MICHAEL L MALONE, 9592
DAVID G MANERO, 5780
MARK S MANFREDI, 5947
KEVIN MANNIX, 1635
BRADLEY W MARGESON, 8620
CHARLES A MARQUEZ, 8287
RICHARD W MARTIER, 0806
ERNEST W MARTIN, 9861
JOSEPH A MARTINELLI, 5763
JOHN K MARTINS, 4291
GEORGE S MATTHESEN, 4846
TIMOTHY S MATTINGLY, 3899
JESUS A MATUDIO, 9529
SUSAN K MATUSIAK, 5660
LOUIS E MAYER IV, 3170
VINCENT D MCBETH, 5735
BRIAN C MCCAWLEY, 3779
EDWARD M MCCHESNEY, 6900
ESTHER J MCCLURE, 2120
TIMOTHY P MCCUE, 5359
MARK H MCDONALD, 3805
THOMAS MCDOWELL JR., 2738
THOMAS F MCGOVERN, 7877
JAMES J MCHUGH IV, 4067
JAMES F MCILMAIL, 1254
PAUL P MCKEON, 8354
RUSSELL T MCLACHLAN, 9026
MARK A MCLAUGHLIN, 9560
DEIDRE L MCLAY, 8850
MICHAEL J MCMILLAN, 5195
STEVE J MCPHILLIPS, 4944
KEVIN G MEENAGHAN, 1389
STEVEN J MEHR, 2932
JOHN F MEIER, 5517
FRANKLIN D MELLOTT, 4062
NORBERT F MELNICK, 5860
JOHN A MENKE III, 6987
KELLY L MERRELL, 7289
MARK H MERRICK, 2295
CRAIG F MERRILL, 7773
CHRIS D MEYER, 1010
FRANK J MICHAEL III, 5249
KENT A MICHAELIS, 4620
BRYAN D MICKELSON, 5447
BARRY L MILLER, 7491
KENT L MILLER, 8182
THOMAS M MILLMAN, 4398
DAVID B MILLS, 0235
WILLIAM C MINTER, 6858
MICHAEL E MITCHELL, 3517
ROSS P MITCHELL, 6778
JOSEPH E MOCK, 1477
DAN W MONETTE, 8846
NICHOLAS MONGILLO, 9655
ELLEN E MOORE, 0969
TIMOTHY J MOREY, 4098
JOHN J MOYNIHAN JR., 8560
STEVEN A MUCKLOW, 2844
CATHERINE T MUELLER, 1469
CHARLES E MUGGLEWORTH, 9354
CHARLES U MULLER, 7655
PHILIP A MUNACO, 1677
CRAIG S MUNSON, 2174
DONNA P MURPHY, 4627
ROBERT S MURPHY, 3934
JOHN T MYERS, 2342
DAVID D MYRE, 9658
ELMER E NAGMA, 2780
STEVEN D NAKAGAWA, 7741
MICHAEL K NAPOLITANO, 6239
DOUGLAS M NASHOLD, 8012
DAVID S NEELY, 2059
BRADFORD S NEFF, 3665
KEVIN K NELSON, 0698
PETER J NEWTON, 1541
ROBERT M NEWTON, 7267
JOHN C NICHOLSON, 4334
FREDRICK J NIELSEN, 0751
CAROLINE M NIELSON, 8320
DEAN T NILSEN, 9791
WILLIAM C NOLL, 9484
GEORGE P NORMAN, 5039
NANCY A NORTON, 3412
SAMUEL R M NORTON, 8316
FRANCIS G NOVAK, 4464
DONALD B NUCKOLS JR., 2776
PETER C NULAND, 0551
KELLY M OAKELEY, 5088
CRAIG R OECHSEL, 7901
DAVID A OGBURN, 3327
JAMES R OHMAN, 3951
LISA A OKUN, 0450
GORDON R OLIVER II, 0993
PAUL D OLSON, 1168
DAVID D ONSTOTT, 1239
MICHAEL T ORTWEIN, 7653
CHRISTOPHER D ORWOLL, 9746
MICHAEL S ORZELL, 8537
THOMAS E OSBORN, 0538
DAVID B OSGOOD, 6139
RICHARD N OSTER, 9000
SCOTT F OUTLAW, 9635
CHRISTOPHER G OVERTON, 0221
DAVID A OWEN, 7670
STEVEN M OXHOLM, 1107
ROBERT E PALISIN II, 0804
CRAIG E PALMER, 3385
CHARLES R PAPAS, 9365
KENT A PARO, 5019
LOUIS P PARTIDA, 0539
BARRY W PAYNE, 2511
BENJAMIN H PEABODY, 8180

JOSEPH R PEARL, 0277
THOMAS L PECK, 7883
CHRISTOPHER L PENDLETON, 6611
MICHAEL L PEOPLES, 7014
JOHN C PETERSCHMIDT, 5743
RUSSEL H PHELPS III, 4249
WILLIAM E PHILIPS, 5307
HERMAN M PHILLIPS, 0983
SEAN M PHILLIPS, 3692
BRETT M PIERSON, 1014
MICHAEL J PIETKIEWICZ, 8305
HUMBERTO M PINEDA JR., 7410
JAMES A PINKEPANK, 8030
JOSEPH W PIONTEK, 8700
ROBERT S PIPER, 6660
CURTIS D PLUNK, 7094
STEVEN P POLILLO, 5131
RICKS W POLK, 9771
PHILIP H PORTER, 3429
MICHAEL B PORTLAND, 9201
JOHN C POST, 2539
JILL E POSUNIAK, 2182
CEDRIC E PRINGLE, 7661
MARCUS A PRITCHARD, 8430
PER E PROVENCHER, 9757
DENNIS D QUICK, 2965
RANDALL E RAMEL, 2934
PHILIP D RAMIREZ, 8471
RINDA K RANCH, 4625
JAMES E REED, 7164
KATHARINE A M REED, 8621
STEPHEN P REHWALD JR., 8786
PETER R REIF, 8058
CRAIG REMIG, 5161
DAVID A RENBERG, 3521
NILS A RESARE II, 6568
VALERIE L REYNOLDS, 5089
WILLIAM T RICH, 8394
JEFFERY S RIEDEL, 6541
FREDERICK W RISCHMILLER, 9325
THOMAS A RITTAL II, 3083
KENNETH C RITTER, 8916
ANGEL R RIVERA, 0120
NANNETTE S ROBERTS, 2719
STEPHEN E ROBERTS, 4878
STANLEY M ROBERTSON, 4453
CHARLES W ROCK, 4669
JOHN T ROESLI, 0610
DANIEL J ROQUES, 9480
JON T ROSS, 5579
JAMES A ROSSER III, 3209
CHRISTOPHER J ROUIN, 1097
GERALD C ROXBURY, 6038
TIMOTHY P RUDDEROW, 2022
ROBIN G RUNNE, 3655
ROBERT RUPP, 5393
BONITA A RUSSELL, 4148
PATRICK J RYAN, 3773
TONY D RYKKEN, 4707
DANNY M SAD, 5831
MARK T SAKAGUCHI, 8861
DAVID J SAMPSON, 2224
MARK A SANFORD, 3846
THOMAS SANFORD, 2580
THOMAS C SASS, 8136
EDWARD A SAWYER, 7777
DONALD L SAYRE, 6577
JOHN L SCHAFER, 0212
RAYMOND T SCHENK, 9753
BRENDA M SCHEUFELE, 1959
EDWARD G SCHIEFER, 7550
DAVID L SCHIFFMAN, 3047
WALTER M SCHNELL, 3615
EDWARD R SCHOFIELD, 8805
RYAN B SCHOLL, 6694
JOHNNY L SCHULTZ, 3471
KENNETH J SCHWINGSHAKL, 0074
CHRISTOPHER D SCOFIELD, 5941
LEWIS J SCOTT, 5716
JAMES W SCROFANI, 2233
TODD R SEARS, 8981
ARMANDO A SEGARRA, 6250
JOHN P SEGERSON, 8759
LORIN C SELBY, 8711
KAREN D SELLERS, 3797
GEORGE B SHARP, 1340
ROBERT D SHARP, 0357
BRUCE A SHAW, 7767
GORDON E SHEEK, 3620
PATRICK B SHEPLER, 6336
PAUL J SHOCK, 3150
JOHN E SHOCKLEY, 5557
BENNETT J SICLARE, 6978
FRANK A SIMEI JR., 1583
IRMA SITYAR, 6156
JOHN B SKILLMAN, 0232
DAVID P SLIWINSKI, 7017
GEORGE H SLOOK, 7870
ANTHONY D SMITH, 9840
DAVID G SMITH, 4308
GORDON B SMITH, 1768
MICHAEL A SMITH, 0349
MICHAEL D SMITH, 2504
ADAM C SMITHYMAN, 5956
MELISSA C SMOOT, 4031
CAROLYNN M SNYDER, 5340
ROBERT C SOARES, 8125
JACINTO S SORIANO JR., 4234
RICHARD N SOUCIE, 6610
JULIA M SPINELLI, 4390
ARTHUR L STANLEY, 1528
GREGORY A STANLEY, 6595
PATRICK W STANTON, 9420
RAYMOND S STARSMAN, 9193
MICHAEL J STEED JR., 2898
LAWRENCE J STEIN, 8761
DANIEL W STEINLE, 0100
MICHAEL D STEINMANN, 8799
STEPHEN M STERNBERG, 7316
DEAN E STEWARTCURRY, 8138
RICHARD L STRICKLAND, 1744
JOSEPH B STROUP, 8322
CHRISTOPHER M STRUB, 6151
CURTIS D STUBBS, 6237
MARK A STURGES, 5430
JOSEPH A SULLIVAN, 5564
MICHAEL H SUMRALL, 0515
TERRENCE P SUTHERLAND, 9085
GEORGE M SUTTON, 5801
GARY W SWEANY, 7408
SCOTT C SWEHLA, 3374
KEITH A SWENSEN, 3843
EDWARD A SWINDLE, 2786
RANDALL C SYKORA, 8631
MICHAEL T TALAGA, 8575
ERIC A TAPP, 3285
JAMES E TATERA, 0794
JAMES E TAUBITZ, 8155
CHRISTOPHER TAYLOR, 7457
ERIC A TAYLOR, 4044
KEITH T TAYLOR, 1392
LELAND D TAYLOR, 7593
MICHAEL F TEDESCO, 1007
TAD E TEICHERT, 2241
DOUGLAS J TENHOOPEN, 8409
KARLTON G TERRELL, 5749
SCOTT A TESSMER, 6614
RICHARD E THOMAS, 8694
ROBERT W THOMSON, 2878
ROBERT K TILLERY, 0771
THOMAS J TROTTO, 6961
EMMETT S TURK, 7354
DARREN L TURNER, 1521
JEFFREY S TYER, 9536
BRUCE C URBON, 3479
KELLY J VALENCIA, 4473
MICHAEL G VANDURICK, 0527
KENT R VANHORN, 7702
IAN V VATET, 2503
KENNETH W VENABLE, 2982
DANIEL F VERHEUL, 3614
MICHAEL L VIEIRA, 5105
RICHARD K VINE, 9312
JOSEPH P VOBORIL, 8487
PAUL M VOTRUBA, 2322
WILLIAM S WALES, 6844
MICHAEL S WALLACE, 7549
KENNETH C WALLS, 4336
MICHAEL D WALLS, 8808
DAVID J WALSH, 9387
PATRICK M WALSH, 6088
EDWARD B WARFORD, 5136
ERIC J WATKISS, 2599
JOHN M WATSON, 7900
NORMAN E WEAKLAND, 8409
MYRON C WEAVER, 9367
BLAKE T WEBER, 5956
MATTHEW A WEINGART, 2063
DAVID F WEIR, 6455
DAVID A WELCH, 9338
DAVID A WELCH, 9886
GREGORY J WENDEL, 0677
MICHAEL A WETTLAUFER, 4785
KEITH R WETTSCHRECK, 7559
PAUL A WETZEL, 5955
JOHN D WHEELER, 6719
QUENTIN G WHEELER, 0107
JEFFERY A WHITAKER, 7939
ALAN A WHITE, 9449
DENNIS B WHITE, 5292
TIMOTHY J WHITE, 2079
ERIC S WHITEMAN, 5171
CLAUDIA S WHITNEY, 8662
ARTHUR D WHITTAKER JR., 9142
ANDREW C WILDE, 4102
THOMAS Y WILDER, 1462
WADE F WILKENSON, 9558
ROBERT A WILLEN, 8906
DAVID A WILLIAMS, 4948
SUNITA L WILLIAMS, 7218
TED R WILLIAMS, 6929
ROY N WILLIAMSON, 8898
BARRY E WILMORE, 9156
JESSE A WILSON JR., 7337
TIMOTHY M WILSON, 3261
TONY W WILSON, 6946
MATTHEW H WISNIEWSKI, 4358
STEPHEN WISOTZKI, 2170
EDWARD S WOLSKI, 7753
JEFFREY S WOLSTENHOLME, 4031
JONATHAN WOOD, 3385
JOSEPH H WOODWARD, 0090
RICHARD A WORTMAN, 6527
JOHN C H WOUGHTER, 5805
STEPHANIE L WRIGHT, 3315
VIRGIL S WRIGHT, 6245
RUSSELL L WYCKOFF, 1744
CRAIG W YAGER, 7692
PERRY D YAW, 0472
MICHAEL B YOAST, 3864
JOHN S ZAVADIL, 0804
EDWARD B ZELLEM, 0895
JOHN M ZELNIK, 2239
LAWRENCE K ZELVIN, 9393
STEPHEN B ZIKE, 7558
WILLIAM A ZIRZOW IV, 7385

THE FOLLOWING NAMED OFFICERS FOR REGULAR APPOINTMENT TO THE GRADES INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTIONS 531 AND 5582:

To be commander

CHRISTOPHER E CONKLE, 0779
WILLIAM J FULTON, 1554
THOMAS R HOIOOS, 5221
KEITH D KOWALSKI, 1893
THOMAS J MURPHY, 9030

To be lieutenant commander

BRIAN E BOWDEN, 2946
DANIEL J CHISHOLM, 4204
DEMETRIO L DOMINGO, 3638
GRACE F DORANGRICCHIA, 6066
BRENT K GEORGE, 6774
KEVIN J GISH, 5215
STEPHEN E GOZZO, 8475
DAVID S GRENNEK, 7330
MICHELLE A GUIDRY, 4493
CHRISTOPHER D HOLMES, 6326
STEVEN L LARUE, 9324
WILLIAM M LEININGER, 7544
ELIZABETH G MCDONALD, 4980
JOSEPH R MCKEE, 8811
SEAN C MEEHAN, 3611
MARTHA J MICHAELSON, 4912
ROBERT J NORDNESS, 3252
DEVON C NUGENT, 6291
DONALD J PARKER, 3225
SCOTT D PORTER, 0299
FRANLILS C TENGASANTOS, 5926
JOHN C TREUTLER, 2352
PETER M WATERS, 4094
ANDREW J WILLIAMS, 4225
SCOTT M WOLFE, 3952
FORREST YOUNG, 3192

To be lieutenant

JAMES D ABBOTT, 4229
SYED N AHMAD, 8182
JOSEPH W ALDEN, 4019
JULIANN M ALTHOFF, 6984
KARLA J ARNDT, 7927
JULIUS U ARNETTE, 3437
NICOLAS ARRETCHE, 4277
DEBORAH J BAKKEN, 8950
STEVEN M BARR, 0392
WILLIAM B BASSETT, 5684
HARRIETT S BATES, 5772
GARTH A BAULCH, 6944
WILLIAM H BAXTER, 1804
KENNETH R BELKOFER JR., 6171
ANDREE E BERGMANN, 9528
JULIO BESS, 7176
ANTHONY BESSONE, 0072
ROGER L BILLINGS, 9236
ROZETHA L BLACKMON, 7051
JOHN A BLOCKER, 5572
CHRISTOPHER L BRADNER, 8832
WILLIAM H BROOKS, 6537
ROBERT H BROWN III, 0064
JAMES A BROWNLEE, 3159
CHRISTOPHER L CASTRO, 7635
DAVID F CHACON, 6486
BRIAN J CHEYKA, 9631
JAMES C COUDEYRAS, 2457
MICHAEL F CRIQUI, 6236
TITANIA B CROSS, 0602
YNIOL A CRUZ, 8035
CRAIG A CUNNINGHAM, 8795
CHRISTOPHER D DECLERCQ, 8346
TOM S DEJARNETTE, 9810
JOSEPH P DIEMER, 5847
MICHAEL A DILAURO, 7298
STEPHEN W DUDAR, 1606
GEOFFREY C EATON, 3295
GREGORY T ENGEL, 4686
RONALD J FANELLI II, 5946
LAURA D FARNSWORTH, 3869
ZOE A FAUSOLD, 8089
SHAWN A FOLLUM, 5823
JANETTE M FORSSELL, 4386
DIANE G FRANKLIN, 9710
CLAUDE F GAHARD JR., 1493
DONALD L GAINES II, 4390
DAVID S GILMORE, 5282
JONATHAN T GOOD, 8785
JEREMY B GREEN, 1726
ELIZABETH H GREENWAY, 8573
BILLY F HALL JR., 2623
MARY K HALLERBERG, 9676
GLENN R HANCOCK, 7749
STACY L HANNA, 4797
DEAN L HANSEN, 1327
NADJMEH M HARIRI, 5917
ANTONIO B HARLEY, 5948
GAYLE L HARRIS, 8642
CHARLES S HARTUNG, 4698
MARK R HENDRICKSON, 1168
LEONARD W HENNESSY, 7732
LARRY W HERTER, 9051
ROBERT F HIGHT JR., 6007
ANDREA M HILES, 9030
MELISSA A HINESLEY, 5257
KENNETH E HOBBS, 2298
LEE D HOEY, 3824

JULIE A HOOVER, 2288
IRENE G IRBY, 4092
SANDRA L JAMISON, 0066
SUSAN M JAY, 2449
JOHN D JESSUP II, 9646
JEANETTE M KAMPS, 4794
MARK R KELLER, 4483
EDWARD N KELLY, 1212
TERESA S KIMURA, 0185
DONALD C KING, 2537
JAMES A KIRK, 4595
JEFFREY J KRUPKA, 6907
CHRISTINE B LARSON, 1535
MATTHEW P LESSER, 1463
DAVID R LIEVANOS, 3395
EDDIE LOPEZ, 3146
YVONNE R LYDA, 6684
MICHAEL D MACNICHOLL, 7850
DELTHENIA T MAHONE, 7057
JOHN B MARKLEY, 6526
STEVEN J MAVICA, 1497
CONRAD J MAYER, 3530
SHAWN W MCGINNIS, 2448
ANDREW K MICKLEY, 2105
JAMES MILLER JR., 5931
TIM H MIN, 5270
CARLOS A MONREAL II, 4851
ALEXANDER M MOORE, 0142
DANIEL D MOORE, 9456
FERNETTE L MOORE, 7701
JENNIFER L MOORE, 8476
EDWARD MURRAY JR., 4719
JULIE A NELSON, 8034
ALBERTO J NIETO, 7402
DAVID E NIEVES, 0692
BRIAN E NOTTINGHAM, 9007
ALDA M OCONNOR, 0709
DARREL E OLSOWSKI, 0547
RHONDA J PAIGE, 8086
RONALD J PIEPER JR., 5067
JOSE D PLANAS, 3988
MARIO R PORTILLO, 1351
TONY J RAMIREZ, 8655
VERNON J RED, 3765
MARTIN RIOS, 1628
WHITLEY H ROBINSON, 7033
RONALD B ROSS, 4327
MICHAEL J ROTH, 7836
MICHAEL A ROVENOLT, 4152
JOAQUIN A SANCHEZ, 5008
CHARLES R SARGEANT, 1300
TRAVIS C SCHWEIZER, 6746
MIKHAEL H SER, 5185
KELLY M SHEKITKA, 7597
WILLIAM A SIEMER, 9858
ADAM C SMITH, 9043
ROBERT S SMITH, 9283
DAVID P SNELL, 4251
WILLIAM H SNYDER III, 5853
BRADLEY J SOUTHWELL, 0551
DAVID W STALLWORTH, 1260
SARAH L STEVICK, 5619
RICHARD E STOERMANN, 3955
JON P TANGREDI, 3067
ALLEN S TAYLOR, 0013
RONALD G TERRELL, 0064
JOSEPH W TITUS, 3605
GORDON J TOPEKA, 7954
JAMES M TYNECKI, 1990
BRIAN K VANBRUNT, 5952
GEOFFREY K VICKERS, 7756
EDWARD G VONBERG, 3285
CHRISTOPHER M WILLIAMS, 4643
DONALD D WILLIAMS, 5360
MARC K WILLIAMS, 2509
JOHN R WILLIAMSON, 8977
COREY D WOFFORD, 3157
FRANCINE M WORTHINGTON, 3951
E YOUNG JAMES, 7150

To be lieutenant junior grade

DOMINGO B ALINIO, 5048
EMILY Z ALLEN, 7089
JAMES L ANDERSON, 7624
KATHY Y ARTHURS, 5878
HAROLD D AUSBROOKS, 3102
KENNETH C BARRETT, 9763
JAMES M BELMONT, 6550
MARC E BERNATH, 6513
JENNIFER M BLAKESLEE, 3195
STEVEN G BLANTON, 6149
BERKELEY BRANDT, 6203
JAMES E BROWN, 0476
HUGH B BURKE, 0721
ROBERT BYFORD II, 3480
DARIAN CALDWELL, 2642
EDMUND J CHAFFEE III, 2071
PAUL C CHAN, 9865
CHRIS M COGGINS, 9654
JAMES T CORDIA, 7348
ELROY S CROCKER, 3547
THOMAS J DERNBACH, 3290
MELISSA M DOOLEY, 9948
JOSEF A ELCHANAN, 6359
MARIO M FORTE, 0444
ALBERTO A GARCIA, 9445
ROBERT S GEROSA JR., 8625
GREGORY E GOODMAN, 3983
KRISTOFOR E GRAF, 5795
SCOTT A GUSTIN, 6699
JEFFREY C HANSON, 7523
JAMES M HARDEY, 1800
RICHARD H HARRISON, 0930
WILLIAM B HUNT JR., 7121
DEBORAH K HUTCHENS, 1187
WILLIAM L JANIK, 8045
JASON M JOHNSON, 3005
JERRY L JOHNSON, 4123
HANS P JUHLHIDLE, 9871
STEPHEN S KHOVANANTH, 8044
CHRIS A LANE, 2491
SCOTT D LOGAN, 4024
ANGELA L LOGSDON, 8011
CHAD O LORENZANA, 1042
GEOFFREY D LYSTER, 8823
JOSHUA B MALKIN, 5086
EDWARD C MAULBECK, 2548
BRIAN W MAXWELL, 1602
JULIUS A MCCLOUD, 6184
BRIAN D MCINTOSH, 2586
CEDRIC J MCNEAL, 8620
GORDON E MEEK III, 4833
PAUL W METZGER, 7535
MARC MILOT, 7413
VICTOR B MINELLA, 4293
JASON T MORRIS, 9179
SCOTT A MOSEMAN, 9548
CHRISTOPHER P NILES, 8118
RICHARD J OTLOWSKI, 4631
JONATHAN A PERKINS, 6570
HARLEY R PERRY, 2846
DAVID L RAMTHUN, 5741
RANDY L ROCCI, 8862
VIKTORIA J ROLFF, 9753
MICHAEL W ROY, 8567
RON F SANDERS, 4196
FREDERICK M SANT, 1633
LLOYD W SAUNDERS, 0690
MICHELLE L SMITH, 1736
TISHA D SMITH, 2161
ROBERT A STROBL, 5375
IVAN TERRY, 8765
MILCIADES THEN, 0137
ROMEO T TIZON JR., 7559
JOHN J TOMON, 3439
DAVID A VONDRAK, 1024
TIMOTHY A WALLACE, 1215
CHRISTOPHER A WEECH, 9220
LANIER A WESTMORELAND, 0471
CHARLES L WHITE, 2374
MARY C WISE, 2132
RONALD E YUN JR., 6533
PHILIP D ZARUM, 6529

THE FOLLOWING NAMED OFFICER FOR ORIGINAL REGULAR APPOINTMENT AS A PERMANENT LIMITED DUTY OFFICER TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S. CODE, SECTION 5589:

To be lieutenant

CHARLIE C. BILES, 6952

THE FOLLOWING NAMED OFFICERS FOR ORIGINAL REGULAR APPOINTMENT AS PERMANENT LIMITED DUTY OFFICERS TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTIONS 531 AND 5589:

To be lieutenant

JAMES W ADKISSON III, 3409
MATTHEW E ARNOLD, 6490
DANIEL A AROS, 8571
RICHARD ARRIAGA, 5261
EDUARDO AYALA JR., 8552
RONALD C BAKER, 0778
JAMES S BARNES, 4144
VINCENT E BARNES, 1875
TOMMY L BEALS, 5971
KEITH L BECK, 6973
ROBERT A BEEBE, 6023
WILLIAM D BELFOUR, 3350
ANTHONY M BERRY, 5985
MARLENE A BEST, 7081
MARK F BIBEAU, 6563
MICHAEL J BICKEL, 4248
ALICE J BLACK, 7157
BRYAN D BLANKENSHIP, 3438
KENNETH BRONOKOWSKI, 3030
RANDALL V BROOKS, 5670
PURVIS A BROUGHTON, 7615
THERESA J BROWN, 6478
RONALD W BURKETT, 9045
JOSPEH H BURROWS, 1240
WILLIAM J BURROWS, 1672
WANDA S CABAL, 6902
MICHAEL G CALDWELL, 7397
CHUCK D CAMPBELL, 3754
JOSEPH F CAMPBELL, 4470
JAMES T CASH, 8522
DANIEL R CEITHAMER, 6553
WILLIAM C CHAMBERS, 1347
MICHAEL A CHANLEY, 1640
RONALD S CHAVEZ, 6500
DANIEL J CHECHE, 5382
MICHAEL T CHERRY, 4287
ALAN M CHUDERSKI, 6094
CHARLES M CLANAHAN, 7821
GREGGORY A CLARK, 9736
JAMES P CLARK, 2144
GREGORY D CLECKLER, 8972
SEAN T CLEVENGER, 0237
REY S CORPUZ, 1233
ROBERT D COSBY, 4190
ROGER M COUTU JR., 6650
LANCE A COVERDILL, 3933
RAY D COX JR., 7027
GROVER N CRAFT JR., 9940
WESLEY D CUNNINGHAM, 6659
DAVID A CVITANOVICH, 8314
ROBERT G DALTON, 5163
SCOTT R DANCER, 5267
ALAN D DAVIS, 7729
RICHARD A DEHAVEN, 2746
DANIEL F DELGROSSO, 0479
CHRISTINA DIGREGORIO, 4388
ADAM DONALDSON, 4370
ROBIN F DONALDSON, 0390
ARNEL M DUARTE, 5824
ERIC E DUNN, 0303
MICHAEL N DUNN, 5203
JAMES S DYE, 5660
MICHAEL A DYER, 8049
THOMAS W EASON, 4358
GARY E EDGAR, 0268
CLARENCE J ERVIN, 1882
DONALD E EVERSOLL, 5939
DEWEY K FELLERS, 4871
THOMAS J FELTEN, 3520
ROBERT A FERGUSON, 4816
STANLEY G FERGUSON, 0219
DEAN R FISHER JR., 4132
JOAN J FISHER, 9849
MICHAEL K FORD, 6831
SYLVESTER FREDERICK, 7876
FRANCIS X FULLER JR., 8545
MICHAEL B GARBER, 3173
GARY W GAULDIN, 2475
KYLE J GEHRES, 2395
PATRICK A GILLILAN, 0659
CHARLES T GORDON, 5847
PAMELA GRAHAM, 6863
RICHARD V GREEN, 8305
ROOSEVELT GREER, 5382
CHRISTOPHER GROVER, 0243
JACINTO T GUTIERREZ, 9438
ROBERT L HALFHILL, 2376
DAVID W HANSELMAN, 1725
ERIC D HANSEN, 6465
DAVID R HARROLD, 5578
HARRY E HAYES, 8944
DAMON B HEEMSTRA, 9454
NOAH A HENDRIX JR., 8353
STEVEN HERNANDEZ, 0324
YVONNE A HOBSON, 4042
TIMOTHY R HODSKINS, 2750
THOMAS G HOLCOMB, 6709
JIMMY D HOLLAND, 1184
RICHARD T HOLMAN, 6172
DAVID S HUBBELL, 0349
CHARLES D HUNTINGTON, 2399
DERRICK L HUTCHISON, 6869
BILL A ICENOGLE, 1561
BRETT D INGLE, 7392
MARK P INGWERSEN, 7640
DAVID L JACOBS, 6062
MICHAEL A JOHNSON, 3242
TERRY JOHNSON, 1136
HARRY L JUNEAU JR., 3067
PRISCILLA M JUSTINIANO, 1186
TODD C KEELING, 2533
GEORGE S KELLAS, 2684
VINCENT M KIRSCH, 9575
MATTHEW J KLEVA, 5652
ROBERT D KOKRDA, 6842
GEORGE M KONEN, 5450
FRANK S KREMER, 0403
FREDERICK W KRUSE, 8727
GREG A KUNTZ, 5013
PERRY A LAFOE, 1993
SCOTT R LANGMYER, 6441
GARY D LAROCHELLE, 0709
BRYAN L LEATHERMAN, 7280
FRANK E LEAUBER, 9637
LEWIS J LEE, 3391
WESLEY C LEOW, 5478
SIM Z LEVEY, 1644
BRENT R LITTON, 7887
ROBERT N LOPEZ, 0184
DOMINIC R LOVELLO, 6933
JAMES W LYONS, 9787
DANIEL D MALONEY, 9023
GARY J MANFREDO, 6128
EDGAR MARTINEZ, 7831
MICHAEL P MCCARTHY, 0042
JOEL M MCELHANNON, 7455
JOHNNY D MCGRAW, 7986
BRIAN K MCINTYRE, 5976
TODD MCKELLAR, 0799
PATRICK L MCKENNA, 2218
EDGAR W MCNULTY, 2989
DONALD L MEDLEY, 7874
RICHARD L MENARD, 1270
LAREAVA S MESCHINO, 4280
THOMAS H MILLER, 9488
BRIAN A MINARD, 7404
LLOYD M MORNEAULT, 1860
JOHN MUNIZ, 3787
RICHARD K MURTLAND, 6019
CHRISTOPHER T NICHOLS, 1843
GEORGE R NIEDHAMMER, 4516
DAVID B OLDHAM JR., 6145
BERRENDIA K ONEAL, 2990
MORRIS OXENDINE, 0410
FRANCISCO PARRA, 2928
DREMA D PARSONS, 6465
JAMES A PATTERSON, 1575

JAMES L PEAL, 4852
ALETHEA D PEARSON, 9130
DANIEL B PEARSON, 3724
KEVIN S PETERS, 5328
ALLEN PINKERTON, 9544
ROBERT M PITKIN, 6432
JOHN W POPHAM, 9205
ALAN W PROCTOR, 7367
STEPHEN R RANNE, 8460
DWAYNE A RASH, 9420
CHRISTOPHER L RAYBURN, 5415
DAVID J REILLY, 4349
PHILIP J RIGGS, 0089
ROCKY A RILEY, 8824
EUGENE R ROBERTS, 9278
GERALD ROBINSON, 2460
TERRY A ROBINSON, 7000
EDDIE ROBLES, 6118
DANIEL J ROGERS, 4909
MICHAEL ROSENBERRY, 0421
VALERIE K ROSS, 6524
JOHN J ROSSO, 3777
MICHAEL J ROTH, 1842
HAROLD G RUSSELL, 7332
JEFFRY A SANDIN, 8660
STACEY J SCHLOSSER, 4971
MACK F SCHMIDT, 1252
SCOTT B SCHNEEWEIS, 8965
ANDREA L SCHREIBER, 1480
FREDERICK J SEIGER, 2365
EDNA M SHANNON, 1265
MARK S SHANNON, 1446
ROBERT P SHAW, 8470
KEITH E SHIPMAN, 9618
HAROLD E SHUCK JR., 6731
MELANIE C SIGAFOOSE, 9880
DONALD A SIGLEY, 8030
JOHN S SILVA, 1809
ROY J SIMMONS, 4514
JEFFREY J SIMONS, 9200
ERWIN J SNELL, 9003
CHRISTOPHER K SNOWDON, 0770
LARRY R SPRADLIN, 9978
TIMOTHY M STEELE, 7179
WADE M STEPHENS, 7455
ROBERT L STEVENS, 7588
FRED L STEWART, 1370
ANTHONY W STOUT, 9486
LUIS O SUAREZ, 5947
ROBERT B SULLIVAN, 4019
ALLEN C SUMMERALL, 2191
DAVID L TARWATER, 5480
MICHAEL S TAYLOR, 8671
JAMES E THOMAS, 0885
ARTHUR C TOEHLKE, 6127
MICHAEL G TOPPING, 3872
WESBURN J UNGER, 8334
DAVID A VALENTINE, 8383
JEFFREY L WADELL, 0798
TERRY L WALTON, 8457
EZRA A WARD, 1557
AARON T WASHINGTON JR., 6839
WILLIE WASHINGTON, 9139
LARRY W WATSON, 6127
RICHARD W WEAVER, 8490
ROSE M WHERRY, 1699
DAVID J WHITE, 6481
TIMOTHY F WHITE, 3970
THOMAS N WHITEHEAD, 9152
MARK R WILSEY, 6306
BRYAN D WINCHESTER, 2453
MINDEE M WOLVEN, 3643
RONALD A WOODALL, 7231
TOMMY C WOODS, 6360
RONALD D YARBER, 5905
MICHAEL W YAWN, 4877
KENNETH H YOUNG, 4612
MIKE ZIMMERMAN, 0447

EXTENSIONS OF REMARKS

IN HONOR OF THE SURVIVORS AND DEPENDENTS OF THE BATTLE OF CRETE

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay tribute to the survivors and dependents of the Battle of Crete, May 20th, 1941. On that morning sixty years ago, Nazi military forces invaded the island of Crete through air, land and sea. This would be one of the many times where the proud people of Crete have been called to defend their land and their strong belief in freedom.

As waves of German paratroopers landed on the Cretan soil, men, women and children fought with what little they had to defend against advancing fascist oppressors. During the first day of the invasion the Nazi military suffered high losses. The German military encountered a vicious resistance that they had not expected. Hitler's elite 7th Parachute Division had suffered casualties from an opponent who was equipped with knives and homemade weapons. The bombings that occurred in the cities such as Chania, Rethimnon, and Herakleion did not lower the morale of the people but strengthened their will to defend the island.

The Nazi forces took nine days to finally conquer the island and endured a heavy number of casualties. The Cretan people sought refuge in the mountains and staged a resistance that continued on until the final defeat of the Germans in 1945.

The Battle of Crete is viewed by many as significant in delaying Hitler's attack on the Soviet Union and hastening the defeat of the Nazi regime of World War II. The achievements of Cretan soldiers were praised by the Allied Powers and gave hope to those who struggled against the Nazi oppressors. More than twenty-five thousand Cretans lost their lives in the battle and the Nazi occupation that followed. Their villages were burnt to the ground as reprisals for their continued resistance while mass executions of women, children, and the elderly became a daily event. The Nazis were forced to place a large number of troops in the region due to the continued resistance from the heroic Cretans. Their bravery and willingness to sacrifice their lives for the well being of future generations deserves to be honored by all defenders of freedom and democracy.

This year, the 60th year anniversary of the Battle of Crete, President Nikolaos Kastrinkis and the members of the Cretan Association "Omonoia", President Voula Vomvolakis and the members of "Pasiphae", President George Motakis and the members of "Labrys" President Emmanuel Michelakis and the members of "Minos", President Emmanuel Polychronkis and the members of "Idomeneas", President Emmanuel Piperakis and the members of "Brotherhood", President Dinos Mastorakis and the members of "Kazantzakis" and President Evangelos Xenakis and the members of "Philoxenia" will honor these brave guardians of freedom.

It is our duty to preserve and honor their memory and heroic actions that brought forth the defeat of oppression and fascism. The freedom that we now enjoy became possible in part by the blood shed by these heroes. I ask my colleagues to join me in paying tribute to a small island with brave inhabitants that significantly contributed to the preservation of our freedom today.

TRIBUTE TO HIS BEATITUDE GREGORY III (LAHAM) PATRIARCH OF ANTIOCH AND ALL THE EAST, OF ALEXANDRIA AND JERUSALEM

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. BONIOR. Mr. Speaker, the Melkites, or Byzantine Eastern rite Catholics of Middle Eastern origin, are the descendants of the early Christians of Antioch whose presence is a witness to the universality of the Catholic Church. Although the Melkites are concentrated in Syria, Lebanon, the Holy land, and the Middle East, the United States has served as a welcoming home to the Melkite tradition and community for decades. On Sunday, May 13, 2001, the Melkite community of Michigan and Our Lady of Redemption Church of Warren, St. Joseph Church of Lansing, and St. Michael Church of Plymouth had the distinguished honor of hosting His Beatitude Gregory III, Melkite Patriarch of Antioch and All the East, of Alexandria and Jerusalem as part of his first official visit to the United States.

Patriarch Gregory III Laham, elected on November 29, 2000 as the new Patriarch of Antioch and all the East, of Alexandria and Jerusalem, is the leader of the one million faithful Melkites belonging to the Eastern-rite Church. His Beatitude's contributions have made history in the Melkite community. He is the founder of the Magazine Al-Wahdah—Unity in the Faith, the first ecumenical magazine published in the Arabic language. He is also founder of the Cenacle of Jerusalem, an independent intellectual movement of the Holy Land, and author of several books and articles about the Eastern Church. Building youth centers in Jerusalem, Ramallah, Bethlehem, Beit Sahour, and Rafidia, he has worked hard to create an environment for young Palestinian Christians to gather, meet, and work together. He has been involved in numerous activities to provide assistance for those in need. These efforts include: establishing the Student Fund for college education assistance; the Baby Center for medical care and health supervision for over 7000 Christians, Muslims, and Jews; and Dental Clinics throughout the region. Additionally, he has captivated audiences around the world leading masses, dedications, and religious education services, in his crusade to improve the lives of people through faith.

I applaud the Melkite community of Michigan and the Patriarch Gregory III for their leadership, commitment, and service. I urge my colleagues to join me in saluting him for his exemplary years of faith and service, and to pay tribute to His Beatitude as he embarks on this historic visit to the dedicated Melkite communities across the nation.

COMPREHENSIVE ELECTION REFORM LEGISLATION NEEDED

SPEECH OF

HON. ALCEE L. HASTINGS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2001

Mr. HASTINGS of Florida. Mr. Speaker, the events ensuing since last year's election have placed election reform on the top of the priority list of the American people. There is no question that what occurred in Florida following last year highlighted many of the problems in Florida's own election system. But as my colleagues on the Democratic Special Committee on Election Reform will agree, what occurred in Florida last November is not unique. Indeed, it is a microcosm of the problems that exist in nearly every jurisdiction in the United States. The travesties Florida voters faced last November are a representative sample of the problems voters face throughout the United States.

Civil rights violations, lack of provisional ballots, increasing amounts of overvotes and undervotes, uneducated voters and poll workers, outdated voting machines, the purging of the names of eligible voters, confusing ballots, and not enough funding to improve voting systems, are not unique to Florida. These problems are not unique to any city, county, or state in the country. Instead, they are universal problems that exist from state to state, city to city, and precinct to precinct.

While no silver bullet exists, the problems in our country's election system do have solutions. In the past five months, more than 1,500 election reform bills have been introduced in state legislatures across the country, and 31 states have considered or are considering legislation to upgrade or make uniform their voting standards. On May 2, 2001, the Florida State Legislature joined Georgia's General Assembly as the only two bodies in the U.S. to pass comprehensive election reform legislation.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

But as states such as Florida and Georgia continue to pass election reform legislation, Members of Congress cannot go home and tell their constituents that help from the federal government is on the way. As of today, help from the federal government is not on the way. In the 107th Congress, 28 bills and two resolutions addressing some aspect of election reform have been introduced. 16 bills and two resolutions have been introduced here in the House of Representatives, and 12 bills have been introduced in the Senate. Yet despite the overwhelming support for election reform, Congress has not acted on any piece of election reform legislation. Even more, just last week, the House and the Senate both passed budgets that provide no funding for election reform.

On top of that, the Bush Administration has not only refused to make election reform a priority, but it has also refused to even comment on it. At a meeting with the Congressional Black Caucus eleven days into his presidency, President Bush indicated that he intended to make election reform a priority of his Administration. This promise, however, has been nothing more than words. Election reform is an issue that demands presidential leadership in order to succeed. President Bush has not been up to the task.

In order for election reform in this country to be a success, a partnership must be forged between the states and the federal government. Improving voting systems and investing in voter education programs is not cheap. It costs money—a lot of money. It is disheartening to think that as states revise and revamp their election systems, the federal government is not there to assist them in their efforts. It is both unfair and unrealistic for states to spend millions of dollars updating their election systems and incur the associated costs without the federal government helping out. I am confident that state legislatures will continue to address the specific problems that exist in their state's election system, but I am less optimistic that Congress, under Republican leadership, will take the necessary steps to reinstall America's confidence in its election process. If Congress does not play a part, particularly in the area of funding, then it is almost certain that the majority of these state initiated election reform programs will fall well short of satisfactory.

We have a unique opportunity here in Congress to reassure every American that he or she will never be denied the right to vote. Congress can create universal standards that do not infringe upon a state's authority to oversee its own election process, and at the same time, ensure that every vote is counted. Former President Jimmy Carter has gone so far as to say, "The Carter Center has standards for participation as a monitor of an election, and the United States of America would not qualify at all." This is more than embarrassing, it is shameful.

In the coming weeks, Congress must address the problems that exist in the American election process. Congress needs to pass a universal provisional ballot measure that requires poll workers to offer any person not appearing on the eligible voters list the opportunity to cast a provisional ballot. In addition, Congress needs to pass a universal anti-purging measure to reinforce the National Voter Registration Act of 1993. Congress also needs to provide funding to states to assist them in the upgrading of their election programs. Finally, Congress needs to address other possible means of election reform including universal poll closing times, lengthening the amount of time Americans have to vote, the counting of military and overseas ballots, and voter and poll worker education and training.

Mr. Speaker, time is running out for Congress to pass meaningful election reform legislation. America's election process has fallen under the scrutiny of the people it seeks to empower. Without the support of the federal government, not matter how much legislation states pass and how hard states attempt to reassure their citizens that the problems of Election 2000 have been solved, voters will remain skeptical. People will walk away from the polls wondering if their vote will count. This cannot happen. If Congress does not act immediately, then the lessons learned from the disasters of last year's election will be lost. Quite frankly, this is not something the people of South Florida and the rest of the country want to hear.

RECOGNIZING THE IEEE MILESTONE AWARD

HON. DAVE WELDON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. WELDON of Florida. Mr. Speaker, I would like to join with the Institute of Electrical and Electronics Engineers in recognizing and paying tribute to the achievements of those involved in electronic technology as part of our nation's space program from 1950 to 1969.

As was originally stated in President John F. Kennedy's "Special Message to the Congress on Urgent National Needs," delivered on May 25, 1961, our space program was an effort of monumental proportions in terms of scientific advancement, financial commitment, individual dedication, as well as personal and organizational sacrifice. The dividend of the efforts represented by this IEEE Milestone designation and other honors is the peace, without nuclear confrontation, which our nation and others throughout the world have been so blessed to have experienced.

As this is the 37th IEEE Milestone designation in the world, and the only one to recognize the United States space program, we applaud the advances in electrical and electronics engineering which this international honor represents.

The citation for the Milestone plaque is as follows:

ELECTRONIC TECHNOLOGY FOR SPACE ROCKET LAUNCHES, 1950–1969

> "The demonstrated success in space flight is the result of electronic technology developed at Cape Canaveral, the Kennedy Space Center, and other sites, and applied here. A wide variety of advances in radar tracking, data telemetry, instrumentation, space-to-gound communications, on-board guidance, and real-time computation were employed to support the U.S. space program. These and other electronic developments provided the infrastructure necessary for the successful landing of men on the moon in July 1969 and their safe return to earth."

I urge all of my colleagues to join with me as we celebrate this IEEE Milestone which recognizes the men and women of our nation's space program.

HONORING COMMUNITY SERVICE AWARD WINNER JUDY BLUESTONE

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. KLECZKA. Mr. Speaker, on Monday, June 4, Judy Bluestone will be honored with the 2001 Community Service Human Relations Award by the Milwaukee Chapter of the American Jewish Committee.

This award is given to those individuals who have demonstrated outstanding service and leadership, two qualities that are exemplified in Judy's work within her community. Since moving to Milwaukee in 1985, she has exhibited a tireless dedication to numerous worthy causes throughout the area.

A mother of two, Judy has always been concerned with the needs of young children. She is on the board of the Betty Brinn Children's Museum as well as Start Smart Milwaukee, a child advocacy organization. Her love for the arts is shared with children through her work with the Milwaukee Youth Symphony Orchestra.

However, Bluestone works with more than children in Milwaukee's artistic community. She is beginning her third term on the Milwaukee Arts Board, and also devotes her time and energy to the Artist Series and Skylight Opera Theater. In 1995 she was appointed co-chair of the United Performing Arts Fund's annual campaign.

Judy's tireless effort on behalf of such organizations as the United Way and the National Council of Jewish Women has garnered her a number of awards and distinctions. She is a recipient of Israel's Golda Meir Award and the Metropolitan Milwaukee Civic Alliance Award. In 1999 she was elected president of the Women's Division of the Milwaukee Jewish Federation. Her outstanding contributions to the causes that she holds dear serve as a model for community activism that few of us could live up to.

And so it is my great pleasure to join the American Jewish Committee, as well as all those whose lives she has touched, in congratulating 2001 Community Service Human Relations Award winner Judy Bluestone on this richly deserved honor.

IN RECOGNITION OF THE 15TH ANNIVERSARY OF MACOMB COUNTY'S RETIRED AND SENIOR VOLUNTEER PROGRAM

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. BONIOR. Mr. Speaker, today I rise to recognize the 15th anniversary of one of

Macomb County's most helpful and caring volunteer organizations, the Retired Senior Volunteer Program (RSVP). Since 1986, they have been providing outstanding assistance to seniors in and around my district.

An organization of senior citizens and retirees, the RSVP's mission is to provide independent living assistance to other seniors. They serve an invaluable role in the community as peer companions and aides. Whether they are delivering meals, helping administratively at senior centers, or just playing chess with a lonely patient, the volunteers of the Macomb RSVP are helping return the luster to the golden years of so many of our senior citizens.

I would like to thank each and every one of the volunteers who give their time and energy through the RSVP. They take advantage of their good health, good natures, and good hearts to assist those not as blessed by circumstance. To those they visit and assist, they truly are one of life's blessings.

I urge my colleagues to not only recognize Macomb County's RSVP group on their 15 years of service, but also to seek out, and if necessary take an active role in creating a Retired and Senior Volunteer Organization in other communities, and support their efforts to care for our elder population.

THE GOOD SAMARITAN VOLUNTEER FIREFIGHTER ASSISTANCE ACT OF 2001

HON. MICHAEL N. CASTLE

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. CASTLE. Mr. Speaker, I rise today to introduce the "Good Samaritan Volunteer Firefighter Assistance Act of 2001." This legislation removes a barrier which has prevented some organizations from donating surplus fire fighting equipment to needy volunteer fire departments. Under current law, the threat of civil liability has caused some organizations to destroy fire equipment, rather than donating it to volunteer, rural and other financially-strapped departments.

We know that every day, across the United States, firefighters respond to calls for help. We are grateful that these brave men and women work to save our lives and protect our homes and businesses. We presume that these firefighters work in departments which have the latest and best firefighting and protective equipment. What we must recognize is that there are an estimated 30,000 firefighters who risk their lives daily due to a lack of basic Personal Protective Equipment (PPE). In both rural and urban fire departments, limited budgets make it difficult to purchase more than fuel and minimum maintenance. There is not enough money to buy new equipment. At the same time, certain industries are constantly improving and updating the fire protection equipment to take advantage of new, state-of-the-art innovation. Sometimes, the surplus equipment may be almost new or has never been used to put out a single fire. Sadly, the threat of civil liability causes many organizations to destroy, rather than donate, millions of dollars of quality fire equipment.

Not only do volunteer fire departments provide an indispensable service, some estimates indicate that the nearly 800,000 volunteer firefighters nationwide save state and local governments $36.8 billion a year. While volunteering to fight fires, these same, selfless individuals are asked to raise funds to pay for new equipment. Bake sales, pot luck dinners, and raffles consume valuable time that could be better spent training to respond to emergencies. All this, while surplus equipment is being destroyed.

In states that have removed liability barriers, such as Texas, volunteer fire companies have received millions of dollars in quality fire fighting equipment. The generosity and good will of private entities donating surplus fire equipment to volunteer fire companies are well received by the firefighters and the communities. The donated fire equipment will undergo a safety inspection by the fire company to make sure firefighters and the public are safe.

We can help solve this problem. Congress can respond to the needs of volunteer fire companies by removing civil liability barriers. I urge my colleagues to cosponsor this legislation and look forward to working with the Judiciary Committee to bring this bill to the House Floor.

This bill accomplishes this by raising the current liability standard from negligence to gross negligence.

CAN TESTERS PASS THE TEST?

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. FRANK. Mr. Speaker, the House is about to vote on a plan to make annual testing of students from grades 3–8 mandatory throughout the nation. I hope that no one will vote on that proposal before reading the following excellent report on the great difficulties involved in implementing a national program of annual testing.

[From The New York Times, May 20, 2001]

RIGHT ANSWER, WRONG SCORE: TEST FLAWS TAKE TOLL

(By Diana B. Henriques and Jacques Steinberg)

One day last May, a few weeks before commencement, Jake Plumley was pulled out of the classroom at Harding High School in St. Paul and told to report to his guidance counselor.

The counselor closed the door and asked him to sit down. The news was grim, Jake, a senior, had failed a standardized test required for graduation. To try to salvage his diploma, he had to give up a promising job and go to summer school. "It changed my whole life, that test," Jake recalled.

In fact, Jake should have been elated. He actually had passed the test. But the company that scored it had made an error, giving Jake and 47,000 other Minnesota students lower scores than they deserved.

An error like this—made by NCS Pearson, the nation's biggest test scorer—is every testing company's worst nightmare. One executive called it "the equivalent of a plane crash for us."

But it was not an isolated incident. The testing industry is coming off its three most problem-plagued years. Its missteps have affected millions of students who took standardized proficiency tests in at least 20 states.

An examination of recent mistakes and interviews with more than 120 people involved in the testing process suggest that the industry cannot guarantee the kind of error-free, high-speed testing that parents, educators and politicians seem to take for granted.

Now President Bush is proposing a 50 percent increase in the workload of this tiny industry—a handful of giants with a few small rivals. The House could vote on the Bush plan this week, and if Congress signs off, every child in grades 3 to 8 will be tested each year in reading and math. Neither the Bush proposal nor the Congressional debate has addressed whether the industry can handle the daunting logistics of this additional business.

Already, a growing number of states use these so-called high-stakes exams—not to be confused with the SAT, the college entrance exam—to determine whether students in grades 3 to 12 can be promoted or granted a diploma. The tests are also used to evaluate teachers and principals and to decide how much tax money school districts receive. How well schools perform on these tests can even affect property values in surrounding neighborhoods.

Each recent flaw had its own tortured history. But all occurred as the testing industry was struggling to meet demands from states to test more students, with custom-tailored tests of greater complexity, designed and scored faster than ever.

In recent years, the four testing companies that dominate the market have experienced serious breakdowns in quality control. Problems at NCS, for example, extend beyond Minnesota. In the last three years, the company produced a flawed answer key that incorrectly lowered multiple-choice scores for 12,000 Arizona students, erred in adding up scores of essay tests for students in Michigan and was forced with another company to rescore 204,000 essay tests in Washington because the state found the scores too generous. NCS also missed important deadlines for delivering test results in Florida and California.

"I wanted to just throw them out and hire a new company," said Christine Jax, Minnesota's top education official. "But then my testing director warned me that there isn't a blemish-free testing company out there. That really shocked me."

One error by another big company resulted in nearly 9,000 students in New York City being mistakenly assigned to summer school in 1999. In Kentucky, a mistake in 1997 by a smaller company, Measured Progress of Dover, N.H., denied $2 million in achievement awards to deserving schools. In California, test booklets have been delivered to schools too late for the scheduled test, were left out in the rain or arrived with missing pages.

Many industry executives attribute these errors to growing pains.

The boom in high-stakes tests "caught us somewhat by surprise," said Eugene T. Paslov, president of Harcourt Educational Measurement, one of the largest testing companies. "We're turned around, and responded to these issues, and made some dramatic improvements."

Despite the recent mistakes, the industry says, its error rate is infinitesimal on the millions of multiple-choice tests scored by machine annually. But that is only part of the picture. Today's tests rely more heavily on essay-style questions, which are more difficult to score. The number of multiple-choice answer sheets scored by NCS more than doubled from 1997 to 2000, but the number of essay-style questions more than quadrupled in that period, to 84.4 million from 20 million.

Even so, testing companies turn the scoring of these writing samples over to thousands of temporary workers earning as little as $9 an hour.

Several scorers, speaking publicly for the first time about problems they saw, complained in interviews that they were pressed to score student essays without adequate training and that they saw tests scored in an arbitrary and inconsistent manner.

"Lots of people don't even read the whole test—the time pressure and scoring pressure are just too great," said Artur Golczewski, a doctoral candidate, who said he has scored tests for NCS for two years, most recently in April.

NCS executives dispute his comments, saying that the company provides careful, accurate scoring of essay questions and that scorers are carefully supervised.

Because these tests are subject to error and subjective scoring, the testing industry's code of conduct specifies that they not be the basis for life-altering decisions about students. Yet many states continue to use them for that purpose, and the industry has done little to stop it.

When a serious mistake does occur, school districts rarely have the expertise to find it, putting them at the mercy of testing companies that may not be eager to disclose their failings. The surge in school testing in the last five years has left some companies struggling to find people to score tests and specialists to design them.

"They are stretched too thin," said Terry Bergeson, Washington State's top education official. "The politicians of this country have made education everybody's top priority, and everybody thinks testing is the answer for everything."

THE MISTAKE—WHEN 6 WRONGS WERE RIGHTS

The scoring mistake that plagued Jake Plumley and his Minnesota classmates is a window into the way even glaring errors can escape detection. In fact, NCS did not catch the error. A parent did.

Martin Swaden, a lawyer who lives in Mendota Heights, Minn., was concerned when his daughter, Sydney, failed the state's basic math test last spring. A sophomore with average grades, Sydney found math difficult and had failed the test before.

This time, Sydney failed by a single answer. Mr. Swaden wanted to know why, so he asked the state to see Sydney's test papers. "Then I could say, 'Syd, we gotta study maps and graphs,' or whatever," he explained.

But curiosity turned to anger when state education officials sent him boilerplate e-mail messages denying his request. After threatening a lawsuit, Mr. Swaden was finally given an appointment. On July 21, he was ushered into a conference room at the department's headquarters, where he and a state employee sat down to review the 68 questions on Sydney's test.

When they reached Question No. 41, Mr. Swaden immediately knew that his daughter's "wrong" answer was right.

The question showed a split-rail fence, and asked which parts of it were parallel. Sydney had correctly chosen two horizontal rails; the answer key picked one horizontal rail and one upright post.

"By the time we found the second scoring mistake, I knew she had passed," Mr. Swaden said. "By the third, I was concerned about just how bad this was."

After including questions that were being field-tested for future use, someone at NCS had failed to adjust the answer key, resulting in 6 wrong answers out of 68 questions. Even worse, two quality control checks that would have caught the errors were never done.

Eric Rud, an honor-roll student except in math, was one of those students mislabeled as having failed. Paralyzed in both legs at birth, Eric had achieved a fairly normal school life, playing wheelchair hockey and dreaming of become an architect. But when he was told he had failed, his spirits plummeted, his father, Rick Rud, said.

Kristle Glau, who moved to Minnesota in her senior year, did not give up on high school when she became pregnant. She persevered, and assumed she would graduate because she was confident she had passed the April test, as in fact, she had.

"I had a graduation party, with lots of presents," she recalled angrily. "I had my cap and gown. My invitations were out." Finally, she said, her mother learned what her teachers did not have the heart to tell her; according to NCS, she had failed the test and would not graduate.

When the news of NCS's blunder reached Ms. Jax, the state schools commissioner, she wept. "I could not believe," she said, "how we could betray children that way."

But when she learned that the error would have been caught if NCS had done the quality control checks it had promised in its bid, she was furious. She summoned the chief executive of NCS, David W. Smith, to a news conference and publicly blamed the company for the mistake.

Mr. Smith made no excuses. "We messed up," he said. "We are extremely sorry this happened." NCS has offered a $1,000 tuition voucher to the seniors affected, and is covering the state's expenses for retesting. It also paid for a belated graduation ceremony at the State Capitol.

Jake Plumley and several other students are suing NCS on behalf of Minnesota teenagers who they say were emotionally injured by NCS's mistake. NCS has argued that its liability does not extend to emotional damages.

The court cases reflect a view that is common among parents and even among some education officials: that standardized testing should be, and can be, foolproof.

THE TASK—TRYING TO GRADE 300 MILLION TEST SHEETS

The mistake that derailed Jake Plumley's graduation plans occurred in a bland building in a field just outside Iowa City. From the driveway on North Dodge Street, the structure looks like an overgrown suite of medical offices with a small warehouse in the back.

Casually dressed workers, most of them hired for the spring testing season, gather outside a loading dock to smoke, or wander out for lunch at Arby's.

This is ground zero for the testing industry, NCS's Measurement Services unit. More of the nation's standardized tests are scored here than anywhere else. Last year, nearly 300 million answer sheets coursed through this building, the vast majority without mishap. At this facility and at other smaller ones around the country, NCS scores a big chunk of the exams from other companies. What the company does in this building affects not only countless students, but the reputation of the entire industry.

Inside, machines make the soft sound of shuffling cards as they scan in student answers to multiple-choice questions. Handwritten answers are also scanned in, to be scored later by workers.

But behind the soft whirring and methodical procedures is an often frenzied rush to meet deadlines, a rush that left many people at the company feeling overwhelmed, current and former employees said.

"There was a lack of personnel, a lack of time, too many projects, too few people," signed Nina Metzner, an education assessment consultant who worked at NCS. "People were spread very, very thin."

Those concerns were echoed by other current and former NCS employees, several of whom said those pressures had played a role in the Minnesota error and other problems at the company.

Mr. Smith, the NCS chief executive, disputed those reports. The company has sustained a high level of accuracy, he said, by matching its staffing to the volume of its business. The Minnesota mistake, he said, was not caused by the pressures of a heavy workload but by "pure human error caused by individuals who had the necessary time to perform a quality function they did not perform."

Betsy Hickok, a former NCS scoring director, said she had worked hard to ensure the accurate scoring of essays. But that became more difficult, she said, as she and her scorers were pressed into working 12-hour days, six days a week.

"I became concerned," Ms. Hickok said "about my ability, and the ability of the scorers, to continue making sound decisions and keeping the best interest of the student in mind."

Mr. Smith said NCS was "committed to scoring every test accurately."

THE WORKERS—SOME QUESTIONS ABOUT TRAINING

The pressures reported by NCS executives are affecting the temporary workers who score the essay questions in vogue today, said Mariah Steele, a former NCS scorer and a graduate student in Iowa City.

In today's tight labor markets, Ms. Steele is the testing industry's dream recruit. She is college-educated but does not have a full-time job; she lives near a major test-scoring center and is willing to work for $9 an hour.

For her first two evenings, she and nearly 100 other recruits were trained to score math tests from Washington State. This training is critical, scoring specialists say, to make sure that scorers consistently apply a state's specific standards, rather than their own.

But one evening in late July, as the Washington project was ending, Ms. Steele said, she was asked by her supervisor to stop grading math and switch to a reading test from another state, without any training.

"He just handed me a scoring rubric and said, 'Start scoring,'" Ms. Steele said. Perhaps a dozen of her co-workers were given similar instructions, she added, and were offered overtime as an inducement.

Baffled, Ms. Steele said she read through the scoring guide and scored tests for about 30 minutes. "Then I left, and didn't go back," she said. "I really was not confident in my ability to score that test."

Two other former scorers for NCS say they saw inconsistent grading.

Renée Brochu of Iowa City recalled when a supervisor explained that a certain response should be scored as a 2 on a two-point scale. "And someone would gasp and say, 'Oh, no, I've scored hundreds of those as a 1,'" Ms. Brochu said. "There was never the suggestion that we go back and change the ones already scored."

Another former scorer, Mr. Golczewski, accused supervisors of trying to manipulate results to match expectations. "One day you see an essay that is a 3, and the next day those are to be 2's because they say we need more 2's," he said.

He recalled that the pressure to produce worsened as deadlines neared. "We are actually told," he said, "to stop getting too involved or thinking too long about the score—to just score it on our first impressions."

Mr. Smith of NCS dismissed these anecdotes as aberrations that were probably caught by supervisors before they affected scores.

"Mistakes will occur," he said. "We do everything possible to eliminate those mistakes before they affect an individual test taker."

New York City did not use NCS to score its essay-style tests; instead, like a few other states, it used local teachers. But like the scorers in Iowa, they also complained that they had not been adequately trained.

One reading teacher said she was assigned to score eight-grade math tests. "I said I hadn't been in eight-grade math class since I was in eight grade," she said.

Another teacher, said she, arrived late at the scoring session and was put right to work without any training.

Roseanne DeFablo, assistant education commissioner in New York State, said she thought the complaints were exaggerated. State audits each year of 10 percent of the tests do not show any major problems, she said, "so I think it's unlikely that there's any systemic problem with the scoring."

THE DEMAND—STATES PUSHING FOR MORE, FASTER

Testing specialists argue that educators and politicians must share the blame for the rash of testing errors because they are asking too much of the industry.

They says schools want to test as late in the year as possible to maximize student performance, while using tests that take longer to score. Yet schools want the results before the school year ends so they can decide about school financing, teacher evaluations, summer school, promotions or graduation.

"The demands may just be impossible," said Edward D. Roeber, a former education official who is now vice president for external affairs for Measured Progress.

Case in point: California. On Oct. 9, 1997, Gov. Pete Wilson signed into law a bill that gave state education officials five weeks to choose and adopt a statewide achievement test, called the Standardized Testing and Reporting program.

The law's "unrealistic" deadlines; state auditors said later, contributed to the numerous quality control problems that plagued the test contractor, Harcourt Educational Measurement, for the next two years.

That state audit, and an audit done for Harcourt by Deloitte & Touche, paint a devastating portrait of what went wrong. There was not time to test the computer link between Harcourt, the test contractor, and NCS, the subcontractor. When needed, it did not work, causing delays. Some test materials were delivered so late that students could not take the test on schedule.

It got worse. pages in test booklets were duplicated, missing or out of order. One district's test booklets, more than two tons of paper, were dumped on the sidewalk outside the district offices at 5 p.m. on a Friday—in the rain. Test administrators were not adequately trained. When school districts got the computer disks from NCS that were supposed to contain the test results, some of the data was inaccurate and some of the disks were blank.

In 1998, nearly 700 of the stat's 8,500 schools got inaccurate test results, and more than 750,000 students were not included in the statewide analysis of the test results.

Then, in 1999, Harcourt made a mistake entering demographic data into its computer. The resulting scores made it appear that students with a limited command of English were performing better in English than they actually were, a politically charged statistic in a state that had voted a year earlier to eliminate bilingual education in favor of a one-year intensive class in English.

"There's tremendous political pressure to get tests in place faster than is prudent," said Maureen G. DiMarco, a vice president at Houghton Mifflin, whose subsidiary, the Riverside Publishing Company, was one of the unsuccessful bidders for California's business.

Dr. Paslov, who became president of Harcourt Educational Measurement after the 1999 problems, said that the current testing season in California is going smoothly and that Harcourt has addressed concerns about errors and delays.

But California is still sprinting ahead.

In 1999, Gov. Gray Davis signed a bill directing state education officials to develop another statewide test, the California High School Exit Exam. Once again, industry executive said, speed seemed to trump all other considerations.

None of the major testing companies had on the project because of what Ms. DiMarco called "impossible, unrealistic time lines."

With no bidders, the state asked the companies to draft their own proposals. "We had just 10 days to put it together," recalled George W. Bohrnstedt, senior vice president of research at the American Institutes for Research, which has done noneducational testing but is new to school testing.

Phil Spears, the state testing director, said A.I.R. faced a "monumental task, building and administering a test in 18 months."

"Most states," Mr. Spears said, "would take three-plus years to do that kind of test."

The new test was given for the first time this spring.

THE CONCERN—LIFE CHOICES BASED ON SCORE

States are not just demanding more speed; they are demanding more complicated exams. Test companies once had a steady business selling the same brand-name tests, like Harcourt's Stanford Achievement Test or Riverside's Iowa Test of Basic Skills, to school districts. These "shelf" tests, also called norm-referenced tests, are the testing equivalent of ready-to-wear clothing. Graded on a bell curve, they measure how a student is performing compared with other students taking the same tests.

But increasingly, states want custom tailoring, tests designed to fit their homegrown educational standards. These "criterion referenced" tests measure students against a fixed yardstick, not against each other.

That is exactly what Arizona wanted when it hired NCS and CTB/McGraw-Hill in December 1998. What it got was more than two years of errors, delays, escalating costs and angry disappointment on all sides.

Some of the problems Arizona encountered occurred because the state had established standards that, officials later conceded, were too rigorous. But the State blames other disruptions on NCS.

"You can't trust the quality assurance going on now," said Kelly Powell, the Arizona testing director, who is still wrangling with NCS.

For its part, NCS has thrown up its hands on Arizona. "We've given Arizona nearly $2 of service for every dollar they have paid us," said Jeffrey W. Taylor, a senior vice president of NCS. Mr. Taylor said NCS would not bid on future business in that state.

Each customized test a state orders must be designed, written, edited, reviewed by state educators, field-tested, checked for validity and bias, and calibrated to previous tests—an arduous process that requires a battery of people trained in educational statistics and psychometrics, the science of measuring mental function.

While the demand for such people is exploding, they are in extremely short supply despite salaries that can reach into the six figures, people in the industry said. "All of us in the business are very concerned about capacity," Mr. Bohrnstedt of A.I.R. said.

And academia will be little help, at least for a while, because promising candidates are going into other, more lucrative areas of statistics and computer programming, testing executives say.

Kurt Landgraf, president of the Educational Testing Service in Princeton, N.J., the titan of college admission tests but a newcomer to high-stakes state testing, estimated that there are about 20 good people coming into the field every year.

Already, the strain on the test-design process is showing. A supplemental math test that Harcourt developed for California in 1999 proved statistically unreliable, in part because it was too short. Harcourt had been urged to add five questions to the test, state auditors said, but that was never done.

Even more troubling, most test professionals say, is the willingness of states like Arizona to use standardized tests in ways that violate the testing industry's professional standards. For example, many states use test scores for determining whether students graduate. Yet the American Educational Research Association, the nation's largest educational research group, specifically warns educators against making high-stakes decisions based on a single test.

Among the reasons for this position, testing professionals say, is that some students are emotionally overcome by the pressure of taking standardized tests. And a test score, "like any other source of information about a student, is subject to error," noted the National Research Council in a comprehensive study of high-stakes testing in 1999.

But industry executives insist that, while they try to persuade schools to use tests appropriately, they are powerless to enforce industry standards when their customers are determined to do otherwise. A few executives say privately that they have refused to bid on state projects they thought professionally and legally indefensible.

"But we haven't come to the point yet, and I don't know if we will, where we are going to tell California—Where we sell $44 million worth of business—'Nope! We don't like the way you people are using these instruments, so we're not going to sell you this test,'" Dr. Paslov said.

Besides, as one executive said, "If I don't sell them, my competitors will."

THE EXPECTATIONS—BUSH PROPOSAL RAISES THE BAR

President Bush explained in a radio address on Jan. 24 why he wanted to require annual testing of students in grades 3 to 8 in reading, math and science, "without yearly testing," he said, "we do not know who is falling behind and who needs our help."

While many children will clearly need help, so will the testing industry if it is called upon to carry out Mr. Bush's plan, education specialists said.

Currently, only 13 states test for reading and math in all six grades required by the Bush plan. If Mr. Bush's plan is carried out,—the industry's workload will grow by more than 50 percent.

Ms. Jax, Minnesota's top school official, says she is not close to being ready. "It's just impossible to find enough people," she said, "I will have to add at least four tests. I don't have the capacity for that, and I'm not convinced that the industry does either."

Certainly the industry has been generating revenues that could support some expansion. In 1999, its last full year as an independent company, NCS reported revenues of more than $620 million, up 30 percent from the previous year. The other major players, all corporate units, do not disclose revenues.

Several of the largest testing companies have assured the administration that the industry can handle the additional work. "It's taken the testing industry a while to gear up for this," said Dr. Paslov of Harcourt. "But we are ready."

Other executives are far less optimistic. "I don't know how anyone can say that we can do this now," said Mr. Landgraf of the Educational Testing Service.

Russell Hagen, chief executive of the Data Recognition Corporation, a midsize testing company in Maple Grove, Minn., worries that the added workload from the Bush proposal would create even more quality control problems, with increasingly serious consequences for students. "Take the Minnesota experience and put it in 50 states," he said.

The Minnesota experience is still a fresh fact of life for students like Jake Plumley, who is working nights for Federal Express and hoping to find another union job like the one he gave up last summer.

But despite his difficult experience, he does not oppose the kind of testing that derailed his post-graduation plans. "The high-stakes test—it keeps kids motivated. So I understand the idea of the test," he said. "But they need to do it right."

LETTER TO THE NATIONAL ACADEMY OF SCIENCES REGARDING ARSENIC

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. BEREUTER. Mr. Speaker, this Member submits this letter he sent on May 17, 2001, to Dr. Bruce Alberts, President of the National Academy of Sciences regarding a meeting of the National Research Council's arsenic review subcommittee. The letter expresses strong concerns about the agenda and participants.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 17, 2001.

Dr. BRUCE ALBERTS,
President, National Academy of Sciences, Washington, DC.

DEAR DR. ALBERTS: I am writing to express concerns about the meeting scheduled to be held on May 21st by the National Research Council's arsenic review subcommittee.

As you know, the Environmental Protection Agency (EPA) has asked the National Academy of Sciences to review new studies regarding the health effects of arsenic in drinking water and to review the EPA's risk analysis of arsenic. Unfortunately, it has come to my attention that there are significant concerns about the upcoming review. There is a growing appearance that the process may not be as balanced as it needs to be and questions have been raised about the objectivity of the review.

Several specific and troubling concerns have been recently relayed to me. First, it is my understanding that a representative of the Natural Resources Defense Council is on the agenda for the May 21st meeting, but no one representing state or local interests has been invited. Second, I have been informed that certain scientists who expressed concerns about the proposed lower levels of arsenic in drinking water were not invited back to serve on the panel while those supporting a significant decrease were included on the subcommittee. Finally, it has been brought to my attention that the panel will only be hearing from those EPA representatives who favor advocating a lower standard for arsenic in drinking water.

Because of the seriousness of this issue, I believe it requires immediate attention and I would appreciate a prompt response addressing these concerns. I strongly support a scientific approach to addressing this issue which is of great interest to many Nebraskans. However, I believe it must be done in an objective manner which takes into account a wide variety of scientific viewpoints.

Thank you for your attention in this matter. Additionally, I want you to know I will place this letter in the CONGRESSIONAL RECORD.

Best wishes,

DOUG BEREUTER,
Member of Congress.

INTRODUCTION OF THE SOLID WASTE INTERNATIONAL TRANSPORTATION ACT OF 2001

HON. MIKE ROGERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. ROGERS of Michigan. Mr. Speaker, in 1999, more than 2 million cubic yards of foreign municipal waste was imported to the State of Michigan, with the citizens of the state having no say in the process. The citizens of Michigan have made it clear: they want the power to regulate incoming foreign waste. Through their elected officials, Michigan citizens have attempted to gain some control of the importation of municipal waste to Michigan. Each time though, these legislative actions have been deemed unconstitutional in court, as states have not been granted the necessary authority by Congress. The Solid Waste International Transportation Act of 2001 is designed to give every state the authority to prohibit or limit the influx of foreign municipal waste through state legislative action.

A Supreme Court decision in 1978, City of Philadelphia v. New Jersey, struck down a New Jersey statue which prohibited the importation of most out of state municipal waste, partially on the basis that the Federal Solid Waste Disposal Act, had no "clear and manifest purpose of Congress to preempt the entire field of interstate waste, either by express statutory command, or by implicit legislative design." The Solid Waste International Transportation Act of 2001 would amend the Solid Waste Disposal Act to provide that express statutory command.

Northeast Bancorp v. Board of Governors of the Federal Reserve System 472 U.S. 159, 174 (1985) said "When Congress so chooses, state actions which it plainly authorizes are invulnerable to constitutional attack under the Commerce Clause." The Solid Waste International Transportation Act of 2001 would be a plain authorization of the state's authority to prohibit or limit incoming foreign municipal waste.

Every state in this nation should have the ability to regulate the influx of foreign municipal waste. If a state wants to prohibit the importation of foreign waste, they aught to have that power. If a state wants to import large amounts of foreign waste, they aught to have that power. Or if a state wants to restrict the importation of foreign municipal waste, they aught to have that power too. Through their elected representatives, let's give the citizens of their respective states a say in the importation of foreign municipal waste.

WOMEN'S BREAST CANCER RECOVERY ACT, H.R. 1485

HON. FRANK A. LoBIONDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. LoBIONDO. Mr. Speaker, I rise today to speak on behalf of a bill I recently introduced, H.R. 1485, the Women's Breast Cancer Recovery Act of 2001, along with my colleague, Representative Sue Myrick. This important piece of legislation would provide a significant measure of relief for women across our nation who are confronted by breast cancer. We introduce this bill on behalf of women who are now fighting the battle against breast cancer, and for any friends and relatives who may have lost a loved one to this terrible disease.

Specifically, our legislation would require insurance plans that currently provide breast cancer medical and surgical benefits to guarantee medically appropriate and adequate inpatient care following a mastectomy, lumpectomy or lymph node dissection. In particular, our bill will stop the practice of "drive-through" mastectomies. This legislation will also protect doctors from any penalties or reductions in reimbursement from insurance plans when they follow their judgment on what is medically appropriate and necessary for the patient.

Most importantly, group health insurers will not be able to provide "bonuses" or any other financial incentives to a physician in order to keep in-patient stays below certain limits, or limit referrals to second opinions.

Our legislation also requires health care providers to pay for secondary consultations when test results come back either negative or positive. This provision will give all patients the benefit of a second opinion in relation to diagnosing all types of cancer, not just breast cancer.

I am proud to say that the Women's Cancer Recovery Act will empower women to determine the best course of care. Recovery time from a mastectomy will not be decided by an insurance company actuary. Rather, it will be decided by someone with medical expertise, which, in most cases, is the familiar face of the woman's doctor.

I hope that this legislation will at least ease some of the fear associated with mastectomies. Breast cancer is devastating enough for a woman and her family to cope with, without the added burden of overcoming obstacles to treatment.

I urge my colleagues to support and adopt H.R. 1485.

HONORING GENEVA TAYLOR ON HER RETIREMENT

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. McINNIS. Mr. Speaker, I would like to take this moment to recognize an individual who throughout the course of her career has served the citizens of Colorado with great distinction, Mrs. Geneva Taylor. After almost 40 years of service in the banking industry and eight as the senior vice president of loans for Community 1st National Bank, Geneva is set to begin a much-deserved retirement at the end of this month as family, friends and colleagues gather to celebrate her accomplished tenure with the banking industry and the community, I too would like to pay tribute to Geneva and thank her for her service. Clearly, her hard work is deserving of thanks and praise of Congress.

Born in Scott City, Kansas, Geneva moved to Colorado with her family at the age of 3. Eventually her family moved to Yampa, Colorado where she graduated from high school. In 1961 she graduated from Parks Business School in Denver, where she received her secretary's business certificate in nine months.

Along with her daily schedule, Geneva was heavily involved in the community. Throughout the years, Geneva has worked with numerous community organizations. Geneva served on the Board of Directors of the Perry-Mansfield Performing Arts Camp and the Rotary Club. She was also instrumental in keeping the Toast Mistress Club for Women running.

In 1998, Geneva was given the Hazie Werner Award for Excellence for all of her outstanding Community Service. This year the United States Department of Agriculture presented her three awards for her service to senior citizens communities, the USDA Rural Development Special Recognition award, the USDA Rural Development Site Manager of the Year award and the USDA Rural Development award in acknowledgement of her achievement in maintaining 0% average vacancy for the Mountain View Estates. Geneva was instrumental in obtaining monetary funds for special needs at the Selbe and Mountain View Manor complexes.

After 39 years in the banking industry, Geneva has decided to retire so she can spend more time with her daughter Vicki and her grandchildren Brianna and Dakin. "Geneva is always helping people, and now she will have the time to do more of that," said her husband, state Senator Jack Taylor.

Mr. Speaker, I wanted to take this opportunity to thank Geneva for her service to our community. I know that her husband Jack, her daughter Vicki, and her grandchildren couldn't possibly be prouder of her. That, Mr. Speaker, is a sentiment shared by Geneva's friends, colleagues and associates, as well as the United States Congress.

Geneva, congratulations on a job well done and best wishes for continued success and happiness during your well deserved retirement!

TRIBUTE TO HORACE HEIDT, SR. ON THE ANNIVERSARY OF HIS 100TH BIRTHDAY

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. SHERMAN. Mr. Speaker, I rise today to commemorate Mr. Horace Heidt, Sr. of Los Angeles on the 100th anniversary of his birth. On May 19th, 2001 a plaque on the Walk of Stars in Palm Springs, California was dedicated to the memory of Horace Heidt, Sr. In addition, his memory and great array of accomplishments are to be saluted at a special reception on May 26th in Los Angeles.

Early in his music career, Horace started the famous Musical Knights, who were once one of the most popular Show Bands in the United States. This group was known for performances at landmark hotel venues in Chicago and New York. The Musical Knights also aired on radio in the 1930s and 1940s on such shows as Horace Heidt and the Alemite, Treasure Chest, and The Pot o' Gold. The Pot o' Gold was America's first "give-away money" game show and later turned into a movie starring Jimmy Stewart.

In the 1950's, Horace created The Original Youth Opportunity Program, which was a celebrated talent show that aired both on radio and television. Through this program, Horace discovered many great talents which earned him the nickname "The Starmaker".

The Musical Knights created many great hits and fostered several famous projects such as Gone With the Wind (1937), Ti-Pi-Tin (1938) and I Don't Want to Set the World on Fire (1941).

Mr. Speaker, please join me in paying tribute to an unforgettable musician, father, and true American, Horace Heidt, Sr.

TRIBUTE TO CESAR CHAVEZ LEADERSHIP AWARD WINNER: VOLUME SERVICES

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. FILNER. Mr. Speaker, I rise today to recognize Volume Services as they are honored as the San Diego-Imperial Counties Labor Council, AFL–CIO Spirit of Cooperation Award winner.

Standing shoulder-to-shoulder with workers, Volume Services, formally Service America, is a strong and courageous supporter of the labor movement. Under the leadership of Convention Center General Manager John Vingus, Volume Services has given numerous contributions to labor, including food for the SEIU 2028 janitors during their four-week strike last year. Vingus is a management trustee on health and welfare, pension, and labor union trust funds to help secure better benefits for union members and their families. He also sits on the Training Trust Fund as a management trustee.

In addition, Vingus is a strong advocate for the Hotel Employee and Restaurant Employees hospitality training program. Volume Services contributes on an hourly basis to the fund and places people in a variety of union jobs.

"Volume Services is an advocate for employee rights," says Jef Eatchel, Business Manager for HERE Local 30. "When they went to the Convention Center Board to bid on a service contract, they told the board that they were proud to be a union employer with medical benefits, stabilized wages, and retirement and urged the board to contract only with employers that meet those standards. Volume Services is definitely on our side."

My congratulations goes to Volume Services for their significant contributions to the labor movement. They are truly deserving of the San Diego-Imperial Counties Labor Council, AFL–CIO Spirit of Cooperation Award.

IN SPECIAL RECOGNITION OF THOMAS M. DUFFY ON HIS APPOINTMENT TO ATTEND THE UNITED STATES AIR FORCE ACADEMY

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. GILLMOR. Mr. Speaker, I rise today to pay special tribute to an outstanding young man from Ohio's Fifth Congressional District. I am happy to announce that Thomas M. Duffy of Grafton, Ohio, has been offered an appointment to attend the United States Air Force Academy in Colorado Springs, Colorado.

Mr. Speaker, Thomas' offer of appointment poises him to attend the United States Air Force Academy this fall with the incoming cadet class of 2005. Attending one of our nation's military academies is an invaluable experience that offers a world-class education and demands the very best that these young men and women have to offer. Truly, it is one of the most challenging and rewarding undertakings of their lives.

Thomas brings an enormous amount of leadership, service, and dedication to the incoming class of Air Force cadets. While attending Elyria Catholic High School in Elyria, Thomas attained a grade point average of 3.86, which places him eighteenth in a class of one hundred thirty-three. Thomas is a member of the National Honors Society, a high honor for any high school student.

Outside the classroom, Thomas has distinguished himself as an excellent student-athlete. On the fields of competition, Thomas has earned a position on the varsity football, wrestling, and track teams. Thomas has also been active in the student Senate serving as Vice President, the choir, the drama club, and the environment club. He is active in his church choir and as a volunteer for the Holy Name Society.

Mr. Speaker, I am proud to rise today to pay special tribute to Thomas M. Duffy. Our service academies offer the finest education and military training available anywhere in the world. I am sure that Thomas will do very well during his career at the Air Force Academy and I ask my colleagues to join me in wishing him well as he begins his service to the Nation.

A TRIBUTE TO TONY AMAYA

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. McINNIS. Mr. Speaker, I would like a moment to recognize and thank a Delta, Colorado resident who has made sure that students who are having difficulty in school get the help and support they need. Mr. Tony Amaya serves as the risk coordinator for the Delta County Joint School Task Force and the liaison coordinator for the 21st Century Learning Program.

Tony lived in Tijuana, Mexico until he was eight years old. His family then migrated to the United States. Tony spent much of his free time learning English. He got involved in sports where he eventually competed in wrestling. His dream was to qualify for the Olympics. In 1990 a Mexican international coach recruited him. He then traveled all over the world and took third in the Pan American Wrestling Championships.

After serving as a law enforcement officer for both the Montrose Sheriffs Department and the Montrose Police Department, Tony became the at-risk coordinator for the Delta County Joint School District. His job involves speaking to students who are not having a good school experience. He also works with parents and administrators to help students with their academic needs and to find and resolve the problem to keep students in school. "Life is what you make of it. If you work hard, stay away from drugs and bad companions you can follow your dream," said Tony in a Delta Tribune article.

In March, 2001, Tony was the Hispanic motivational speaker at Lincoln Elementary and Delta Middle School. He spoke to students about the dangers of drinking, smoking, using drugs and disrupting their education. "Be proud of who you are and don't forget your Spanish . . . You are our future—our doctors, lawyers, teachers, etc."

Mr. Speaker, his hard work and dedication has made Tony Amaya a role model for all the young people of his community, and especially for the Hispanic youth of the community. I would like to thank Tony for all that he has done and wish him the best of luck in the future.

RECOGNIZING THE 125TH ANNIVERSARY OF THE S.W. JOHNSON SFE CO. NO. 1

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. GILMAN. Mr. Speaker, I rise today to commemorate the 125th anniversary of the founding of Samuel W. Johnson Steam Fire Engine Company No. 1, Inc. in Garnerville, New York.

On June 6, 1876 a meeting was held in Garnerville for the purpose of forming the town's first fire department. Twenty eight members were sworn in as charter members and the first resolution to be unanimously adopted was that the company be known as the "Samuel W. Johnson Steam Fire Engine Co. No. 1."

In those early years, the centerpiece of the Company's firefighting equipment was the American LaFrance Button Steam Fire Engine, originally purchased in 1869 by the Garner Print Works. The Steamer was pulled by a team of horses stabled at the Garner Print Works and it is alleged that those horses would respond to the Steamer Stall when fire alarms were sounded.

Over the years, the brave, dedicated men of the S.W. Johnson SFE Co. No. 1 have selflessly answered the call when disaster struck the town and its citizens. Most notable were their heroic efforts in responding to the major landslide which devastated part of the town in January 1906 and the high-profile rescue of three Garnerville citizens during separate incidents in 1983 and 1985, both resulting in commendation of the firefighters involved.

As the Fire Company membership declined in the 1990s, a committee was formed to investigate the possibility of initiating a "Junior Fire Fighter" program. These members, between the ages of 16 and 18, have contributed to the success of this innovative program and are instrumental as exterior firefighters to the S.W. Johnson SFE Co. No. 1.

The S.W. Johnson Fire Company enters the 21st century with its newest firefighting equipment, a 2000 gpm pumper. It is a far cry from the original Steamer that pumped approximately 150 gpm. On September 8, 2001, at 1:00 pm, time will be turned back as once again three Belgian Draft Horses will pull the 1869 Button Steamer through the streets of Garnerville, during the 125th Anniversary Parade of S.W. Johnson. This will be a special treat for the residents and will be a tribute to this outstanding example of volunteerism in America.

Accordingly, I am pleased to salute the anniversary of the founding of the Samuel W. Johnson Steam Fire Engine Co. No. 1, Inc. of Garnerville, New York.

JERRY SUPPA: FRIEND OF THE LABOR COUNCIL

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. FILNER. Mr. Speaker, I rise today to recognize Jerry Suppa, as he is honored by the San Diego-Imperial Counties Labor Council, AFL–CIO with the Friend of the Labor Council award.

Attorney Jerry Suppa has donated thousands of hours and provided critical leadership in creating the United Labor Foundation and purchasing the United Labor Center.

"For nearly twenty years, Jerry Suppa has given his time and energy to help working people, without adequate compensation," says Jerry Butkiewicz, who first met Suppa when he gave free workshops for the laid-off Cannery and General Dynamics workers when plants closed. "Although he is not a labor lawyer, Jerry Suppa has a heart for working people."

Today he continues to be the legal counsel for the United Labor Foundation, much of it pro bono.

My congratulations go to Jerry Suppa for his significant contributions. I can attest to Jerry's dedication and believe him to be highly deserving of his recognition as the San Diego-Imperial Counties Labor Council, AFL–CIO, Friend of the Labor Council award winner.

IN SPECIAL RECOGNITION OF RYAN G. HEFRON ON HIS APPOINTMENT TO ATTEND THE UNITED STATES AIR FORCE ACADEMY

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. GILLMOR. Mr. Speaker, I rise today to pay special tribute to an outstanding young man from Ohio's Fifth Congressional District. I am happy to announce that Ryan G. Hefron of Amherst, Ohio, has been offered an appointment to attend the United States Air Force Academy in Colorado Springs, Colorado.

Mr. Speaker, Ryan's offer of appointment poises him to attend the United States Air Force Academy this fall with the incoming cadet class of 2005. Attending one of our nation's military academies is an invaluable experience that offers a world-class education and demands the very best that these young men and women have to offer. Truly, it is one of the most challenging and rewarding undertakings of their lives.

Ryan brings an enormous amount of leadership, service, and dedication to the incoming class of Air Force cadets. While attending Lorain Catholic High School in Lorain, Ryan attained a grade point average of 4.22, which places him second in a class of sixty-five. Ryan is a member of the Buckeye Boys State, First Honors Academic Honor Roll, and has received a letter in academics. The Cleveland Technical Society, the ASMI Cleveland Chapter has also honored him for his academic prowess. Ryan was also recognized as a Wendy's High School Heisman Nominee.

Outside the classroom, Ryan has distinguished himself as an excellent student-athlete. On the fields of competition, Ryan has earned varsity letters in football, basketball and track. Ryan has been active in the Northern Ohio Orchestra, drama club, and the Ambassadors Club.

Mr. Speaker, I am proud to rise today to pay special tribute to Ryan G. Hefron. Our service academies offer the finest education and military training available anywhere in the world. I am sure that Ryan will do very well during his career at the Air Force Academy and I ask my colleagues to join me in wishing him well as he begins his service to the nation.

HONORING ROVILLA R. ELLIS ON HER RETIREMENT

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. McINNIS. Mr. Speaker, on May 5, 2001 Rovilla R. Ellis, the Executive Director of the Mesa Verde Museum Association, retired after 28 years. I would like to take this moment to have Congress say thank you for all of her hard work and dedication to the museum over the years. She has been a great asset and will be missed greatly by all she worked with.

The Mesa Verde Museum Association is a non-profit organization established by Congress in 1930 to assist and support various interpretive programs, research activities and visitor centers.

Rovilla began her career in 1972 as a part time bookkeeper with the association. Over the years she moved up through the ranks to become Executive Director. Rovilla saw the gross revenues grow from $54,000 in 1972 to well over $900,000 in recent years. She has worked with five park superintendents during her time at Mesa Verde.

"Rovilla has made a positive, long-lasting and important contribution to Mesa Verde National Park during her career," said Superintendent Larry T. Wiese. "Her many years of service reflect a deep love for Mesa Verde and a strong commitment to the mission of the National Park Service. We are sad to see her leaving the park, but we know that she will enjoy her retirement."

Mr. Speaker, I hope Congress will join me in expressing my thanks to Rovilla Ellis for her years of service to the Mesa Verde National Park and to wish her good luck in her retirement.

HONORING CENTRAL PRIMARY SCHOOL, BLOOMFIELD, NEW MEXICO

HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. UDALL of New Mexico. Mr. Speaker, today I rise to acclaim the accomplishments of one of New Mexico's top primary schools that shows the nation what it takes to be a leader in the educational field. I want to congratulate the Central Primary School in Bloomfield, New Mexico, for receiving the U.S. Department of Education's highest award, the 2000–2001 Blue Ribbon Schools Award for outstanding achievement in elementary education.

The Blue Ribbon Schools Award is presented to schools that excel in numerous fields, from strong leadership, clear visions for the future, and a strong sense of mission to the high quality of teaching and up-to-date curricula, and a commitment to share their knowledge with other area schools. This year, the Blue Ribbon Schools Award was only given to 264 elementary or primary schools nationwide. Mesa Elementary School in Clovis, New Mexico, was also presented with the Blue Ribbon Schools Award this year.

The Bloomfield school district is in the "Four Corners" area of the state, which is the only place in the U.S. where four states—New Mexico, Colorado, Utah and Arizona—meet. This area has an extremely diverse population, with the school-age children reflecting this diversity in the classroom. There, one-third of the students are Anglo, one-third of the students are Hispanic, and one-third of the students are Navajo.

The ability of Central Primary to continually strive for excellence in the classroom and the community is transferred to its students, who learn the important skills they will need to live successful lives.

Mr. Speaker, today I wish to acknowledge the outstanding achievements of the Central Primary School for its impressive achievements in the field of education. I thank the school for its commitment to the children of New Mexico.

BILL TWEET: LABOR TO NEIGHBOR AWARD WINNER

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. FILNER. Mr. Speaker, I rise today to recognize Bill Tweet, as he is honored by the San Diego-Imperial Counties Labor Council, AFL–CIO with the Labor to Neighbor award.

Actively committed to escalating labor's involvement in the community, Bill Tweet, Business Manager and Financial Secretary-Treasurer of Ironworkers Local 229, has consistently mobilized numerous volunteers for Labor to Neighbor campaigns. Through their annual Labor to Neighbor golf tournament, Bill and the Ironworkers have raised funds to educate union members about worker issues and political candidates sensitive to the needs of working families. Bill is also the President of the San Diego Building Trades Council.

"Bill has been a strong supporter of a united labor movement," says Mary Grillo, Executive Director of the Service Employees International Union, Local 2028. "He works hard to bring local unions together to build labor's political power."

My congratulations go to Bill Tweet for these significant contributions. I can personally attest to Bill's commitment, and believe him to be highly deserving of the San Diego-Imperial Counties Labor Council, AFL–CIO, Labor to Neighbor award.

IN SPECIAL RECOGNITION OF WESLEY R. BAER ON HIS APPOINTMENT TO ATTEND THE UNITED STATES MILITARY ACADEMY AT WEST POINT

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. GILLMOR. Mr. Speaker, I rise today to pay special tribute to an outstanding young man from Ohio's Fifth Congressional District. I am happy to announce that Wesley R. Baer of Middle Point, Ohio, has been offered an appointment to attend the United states Military Academy at West Point, New York.

Mr. Speaker, Wesley's offer of appointment poises him to attend the United States Military Academy this fall with the incoming cadet class of 2005. Attending one of our nation's military academies is an invaluable experience that offers a world-class education and demands the very best that these young men and women have to offer. Truly, it is one of the most challenging and rewarding undertakings of their lives.

Wesley brings an enormous amount of leadership, service, and dedication to the incoming class of West Point cadets. While attending Lincolnview High School in Van Wert, Wesley attained a grade point average of 3.9 which places him fourteenth in a class of sixty-one. Wesley is a member of the Gold Honor Roll, National Honors Society, and the Leaders of the Future 4–H Club.

Outside the classroom, Wesley has distinguished himself as an excellent student-athlete. On the fields of competition, Wesley has earned letters in Varsity cross-country and basketball. Wesley has also been active in the Fellowship of Christian Athletes, the Lincolnview Spanish Club and the Lincolnview Science Club.

Mr. Speaker, I am proud to rise today to pay tribute to Wesley R. Baer. Our service academies offer the finest education and military training available anywhere in the world. I am sure that Wesley will do very well during his career at West Point and I ask my colleagues to join me in wishing him well as he begins his service to the nation.

HONORING A FALLEN HERO, FIREFIGHTER ANTHONY (TONY) ALLAN CZAK

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. McINNIS. Mr. Speaker, in July of 1976 a 900 acre wild fire ripped through the Battlement Creek area of Western Colorado. During the blaze, four brave forest service firefighters from different parts of the country were killed while trying to knock out one of the deadliest forest fires in recent memory. On July 21st of 2001, these four men will be honored at the opening of a memorial to be dedicated in their memory. I ask that Congress take a moment to honor these four men for giving their lives in the line of duty.

The four-day blaze which claimed the lives of three hotshot firefighters and one pilot was started by lightning, and took nearly 300 fire fighters to douse the blaze. Twenty-five year old Anthony (Tony) Allan Czak was in his fourth year working on the Mormon Lake hotshot crew from Coconino National Forest in Arizona and was serving as the crew boss for the 76 season when he was killed by a "fast moving finger of fire".

Tony was born in Buffalo, New York and later moved to Phoenix, Arizona with his wife Janice to attend the University of Arizona. On the Morning of July 17, 1976, the crew was assigned to build a section of fire line to protect Federal lands belonging to the BLM. After they were finished, Tony sent the line crew out of the fire and into a safety zone. He then went back into the burn area to help the remaining three members with the burnout operations. Without warning, the fire took off and overran Tony and two other crewmembers. The fourth member of the crew survived.

Mr. Speaker, four men gave their lives protecting Federal land during the Battlement Creek fire in July of 1976. Anthony Czak and his crew will be honored by the citizens of the Battlement Creek area for their courage and bravery. I would ask that Congress honor them and thank them for their work.

Anthony's family should be proud of what he accomplished in his life and what he did for the people of Battlement Creek.

HONORING MESA ELEMENTARY SCHOOL, CLOVIS, NEW MEXICO

HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. UDALL of New Mexico. Mr. Speaker, I rise to recognize the New Mexico elementary school that continues to make leaps and bounds in the superior educational standards that we strive for in the national public schools system. Mesa Elementary School in Clovis, New Mexico, has an outstanding history of educational advancement, and today I wish to congratulate Mesa Elementary for receiving the U.S. Department of Education's 2000–2001 Blue Ribbon Schools Award for outstanding achievement in elementary education.

The Blue Ribbon Schools Award is presented to schools that excel in numerous fields, from strong leadership, clear visions for the future, and a strong sense of mission to the high quality of teaching, up-to-date curricula, and a commitment to share their knowledge with other area schools. This year, the Blue Ribbon Schools Award was only given to 264 elementary schools nationwide. The Central Primary School in Bloomfield, New Mexico, was also presented with the Blue Ribbon Schools Award this year.

Mesa Elementary School promotes the philosophy that children are intelligent in numerous ways and incorporate this belief into the daily functions of the school. Principal Jan Cox has done an incredible job of translating this notion of applied learning into the mission of the school by bringing together the staff, students, parents, and the community of Clovis to provide an environment conducive to excellence.

Student participation is one of the areas in which Mesa Elementary has shown to be one of the best in the country, and it has become a defining characteristic of the school. When it opened in 1991, Mesa Elementary students were involved from the start, selecting the school colors, mascot, and composing both the school song and pledge.

Today, one student from each grade serves on the Student Advisory Council, which aids Principal Cox in various aspects of administrative processes at Mesa Elementary. Students help select the daily cafeteria menu by serving on the Nutrition Advisory Council. Kindergarten through sixth grade students run businesses in the Mesa Elementary Mall, supplying students with products, from school supplies to refreshments. The Mesa Tech Lab, a computer resource center for the school, utilizes students who are proficient with computers as lab "techies" to help other students learn the programs.

One of the most influential learning tools that Mesa Elementary provides for its students is the Students Who Are Tutors (SWAT) team, a group of student mentors. The SWAT team was created under the Reading Rennaissance Program (RRP), a nationwide literacy program aimed at improving students' critical thinking skills and their performance on standardized tests. In this program, students from higher grades assist students from lower grades who are not yet independent readers. Mesa Elementary was a model school for the RRP, and this past year the school made a presentation at the first ever RRP Conference in Nashville, Tennessee.

Mesa Elementary has won numerous awards for excellence over the past six years, including the Redbook Magazine Award for Excellence in 1995, the Reading Renaissance Model School and Library Awards in 1998, and the President's Physical Fitness Award in 1996, 1997 and 2000.

Through their determination to achieve quality educational standards and provide influential learning environments, the staff, students, and parents of Mesa Elementary School have exemplified what it takes to be true leaders in education for elementary schools across the country. I wish to commend Mesa Elementary School upon receiving the prestigious Blue Ribbon Schools Award, and I know that it will be one of the leaders in providing quality education for New Mexican students for years to come.

AL SHUR: LABOR LEADER OF THE YEAR

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. FILNER. Mr. Speaker, I rise today to recognize Al Shur, as he is honored by the San Diego-Imperial Counties Labor Council, AFL–CIO as Labor Leader of the Year.

As the Business Manager of IBEW Local 569, Al Shur has proven his longstanding commitment to worker justice. Also a member of the Executive Boards of the Labor Council and the State Federation of Labor, Al has been instrumental in championing the causes of labor.

Under his leadership, IBEW partnered with the National Electrical Contractors Association (NECA) to train high skilled workers through their apprenticeship program. Al's well-known advertising program, developed along with NECA, has raised the visibility and importance of unions in creating good family-supporting jobs.

In addition, Al's guidance assisted in securing the Project Labor Agreement for the downtown ballpark. "Al knows the true meaning of unity," says Secretary-Treasurer Jerry Butkiewicz. "He continuously works to support other locals and to promote the labor movement."

My congratulations go to Al Shur for these significant contributions. His dedication and commitment speak volumes about who Al is. I believe him to be highly deserving of the recognition as the San Diego-Imperial Counties Labor Council, AFL–CIO, Labor Leader of the Year.

WELCOME PRESIDENT CHEN

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Ms. KAPTUR. Mr. Speaker, Taiwan marked its president's first anniversary in office on May 20, 2001. President Chen Shui-bian, a Taiwan-born statesman, should be commended for his leadership and vision for his country.

President Chen has protected the tradition of political liberty for the 23 million citizens of Taiwan. His strong support for an educated population strives to ensure a society based on freedom and opportunity. I applaud his openness to democracy and the free exchange of ideas with other nations and cultures.

With the continued encouragement and assistance from the West, Taiwan can continue to be a beacon of hope for freedom in Asia.

On the occasion of President Chen's first anniversary in office, I wish President Chen Godspeed and good fortune as he transits through New York en route to Central America later this month.

HONORING A FALLEN HERO, FIREFIGHTER STEPHEN FURY, JR.

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. McINNIS. Mr. Speaker, in July of 1976 a 900 acre wild fire ripped through the Battlement Creek area of Western Colorado. During the blaze, four brave forest service firefighters from different parts of the country were killed while trying to knock out one of the deadliest forest fires in recent memory. On July 21st of 2001, these four men will be honored at the opening of a memorial to be dedicated in their memory. I ask that Congress take a moment to honor these four men for giving their lives in the line of duty.

The four-day blaze which claimed the lives of three hotshot firefighters and one pilot was started by lightning, and took nearly 300 fire fighters to douse the blaze. Twenty-three year old Stephen Fury, Jr. was born in Boise, Idaho where he graduated from Boise High School in 1971. He then went on to receive his English degree from the University of Idaho. During the summer of 1976, Stephen got an assignment with the Mormon Lake Hotshots out of the Coconino National Forest in Arizona.

On the morning of July 17, 1976, the crew was assigned to build a section of fire line to protect Federal lands belonging to the BLM. The hotshots were working on a section of fire line on the upper east side of the fire. With out warning, the fire took off and overran Stephen and two other crewmembers. The fourth member of the crew survived.

Mr. Speaker, four men gave their lives protecting Federal land during the Battlement Creek fire in July of 1976. Stephen Fury and his crew will be honored by the citizens of the Battlement Creek area for their courage and bravery. I would ask that Congress honor them and thank them for their work.

Stephen's family should be proud of what he accomplished in his life and what he did for the people of Battlement Creek.

A SALUTE TO MAIMONIDES HEBREW DAY SCHOOL ON ITS 21ST ANNIVERSARY

HON. MICHAEL R. McNULTY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. McNULTY. Mr. Speaker, I rise today to commemorate the 21st Anniversary of the Maimonides Hebrew Day School in my congressional district in Albany, New York.

For more than two decades, Maimonides has provided the Jewish community in the Capital Region with traditional Jewish and secular education of the highest caliber.

All students participate in field experiences and extra curricular activities, building bridges between children and adults throughout the community.

I proudly extend my highest regard to School President Yisroel Bindell, the School's Rosh Yeshiva, the esteemed Rabbi Israel Rubin, and all of the administrators, staff, teachers and students, and offer them my best wishes for continued success.

INTRODUCTION OF THE MEDICARE CRITICAL NEED GME PROTECTION ACT

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. STARK. Mr. Speaker, I rise today along with several of my Congressional colleagues to introduce "The Medicare Critical Need GME Protection Act of 2001." This legislation seeks to protect our nation against the growing depletion of health care professionals fully trained to treat costly and deadly illnesses.

Under current law, the Medicare program provides reimbursement to hospitals for the direct costs of graduate medical education training. That reimbursement is designed to cover the direct training costs of residents in their initial residency training period. If a resident decides to proceed with further training in a specialty or subspecialty, however, a hospital's reimbursement is cut to half, 50 percent, for that additional training.

The rationale for this policy is strong. In general, we have an oversupply of specialty physicians in our country and a real need to increase the number of primary care providers. By reducing the reimbursement for specialty training, the Medicare program has promoted needed increases in primary care training rather than specialty positions.

I agree with this policy. However, as is often the case, there are always exceptions to the rule. We do not want to hinder training of particular specialties or subspecialties if there is strong evidence that there is a serious shortage of those particular physicians. That is why I am introducing The Medicare Critical Need GME Protection Act.

Child and adolescent psychiatry is a clear example of how certain subspecialties face critical professional shortages. The 2001 report of the Surgeon General's Conference on Children's Mental Health states that almost one in ten children suffer from mental illnesses severe enough to impair development, yet fewer than one in five get treatment. One huge barrier is the clear dearth of child and adolescent psychiatrists.

Today there are roughly 7000 fully trained child and adolescent psychiatrists in the entire United States with only 300 additional psychiatrists completing specialty training each year. These numbers fall far short of what is needed to meet prevalence rates that identify nearly 15 million children and adolescents in need of mental health treatment. That means that many vulnerable young people will suffer needlessly, unable to access the help they desperately need.

To provide another example of a current subspecialty facing serious professional shortages, we can look at nephrology. Between 1986–1995, the number of patients with End Stage Renal Disease, ESRD, more than doubled, with over a quarter of a million people now on dialysis. Yet current data indicate that only 51.8 percent of today's nephrologists will still be in practice in the year 2010.

Most primary care physicians are not trained to treat the complex multi-symptom medical problems typically seen in ESRD and are unfamiliar with specific medications and technology prescribed for such patients. The decreasing supply of nephrologists, coupled with an expanding population of renal patients, puts the health of our nation at risk.

The Medicare Critical Need GME Protection Act provides a tool to help combat such shortages of qualified professionals. The bill would simply provide the Secretary of Health and Human Services with the flexibility to continue full funding for a specialty or subspecialty training program if there is evidence that the program has a current shortage, or faces an imminent shortage, or health care professionals to meet the needs of our health care system.

The Secretary would grant this exception only for a limited number of years and would have complete control of the exception process. Programs would present evidence of the shortage and the Secretary could agree or disagree with the analysis. Nothing in this bill would require the Secretary to take any action whatsoever.

The bill also includes protections for budget neutrality. If the Secretary approves a specialty or subspecialty training program for full funding under this bill, the Secretary must adjust direct GME payments to ensure that no additional funds are spent.

Again, The Medical Critical Need GME Protection Act does nothing more than provide limited flexibility to the Secretary of Health and Human Services to ensure that we are training the health care professionals that meet our nation's needs.

I encourage my colleagues to join me in support of this important legislation. By giving the Secretary the flexibility to allocate funds to attract and train professionals in certain 'at risk' fields of medicine, we will significantly improve patient care and lower long-term health care costs.

AWARD FOR SOUTH TEXAS SCHOOLS

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. ORTIZ. Mr. Speaker, I rise today to pay tribute to three schools in South Texas which are beating the odds in today's public education system by harnessing the strength and awareness of the student population.

At a time when our resources are terribly over-burdened, the following South Texas schools are being recognized by the "Set A Good Example" competition sponsored by the Concerned Businessmen of America: Landrum Elementary in San Benito (2nd place nationally), Harlingen High School (2nd place nationally), and Rio Hondo Elementary (top ten honors).

These awards, launched in 1982, recognize schools which have student-oriented programs to influence their peers in a positive way by emphasizing the simple human moral values such as honesty, trustworthiness, responsibility, competence and fairness.

The Concerned Businessmen of America is a not-for-profit charitable educational organization which offers successful business strategies and programs to combat social ills and problems that face young people.

At a time when parents and community leaders are watching our young people with new eyes, wondering what is going on inside their minds and what motivates them, this recognition is concrete proof that the South Texas community is paying attention to our young people.

Educators, counselors, parents, business people, and most importantly, students themselves, are working together to ward off the problems that have plagued other schools and other young people. The winning ingredient here is the active involvement of the students; the best messenger for young people is other young people.

We have enormous challenges before us in education and with regard to the public policy in our public schools. There will never be one single answer to preparing young people to withstand the complex social issues that our children encounter each day. But the best way to prepare our children to deal with the society in which we live is to teach them, from very early on, simple moral guidelines to apply to their lives. The "Set a Good Example" program follows up as encouragement and reinforcement to these lessons.

I ask my colleagues to join me in commending Landrum Elementary in San Benito, Harlingen High School, and Rio Hondo Elementary for their efforts to be part of a solution, which is the first step to solving the problem. I thank the young people in these schools for leading the way to better grades and healthier attitudes.

HONORING A FALLEN HERO, FIREFIGHTER SCOTT L. NELSON

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. McINNIS. Mr. Speaker, in July of 1976 a 900 acre wild fire ripped through the Battlement Creek area of Western Colorado. During the blaze, four brave forest service firefighters from different parts of the country were killed while trying to knock out one of the deadliest forest fires in recent memory. On July 21st of 2001, these four men will be honored at the opening of a memorial to be dedicated in their memory. I ask that Congress take a moment to honor these four men for giving their lives in the line of duty.

The four-day blaze which claimed the lives of three hotshot firefighters and one pilot was started by lightning, and took nearly 300 fire fighters to douse the blaze. Twenty-five year old Scott L. Nelson was born in Chippewa Falls, Wisconsin. Scott was a rookie firefighter on the Mormon Hotshots. He completed his basic training during May of 1976. During the summer of 1976, Scott got an assignment with the Mormon Lake Hotshots out of the Coconino National Forest in Arizona.

On the Morning of July 17, 1976, the crew was assigned to build a section of fire line to protect Federal lands belonging to the BLM. The hotshots were working on a section of fire line on the upper east side of the fire. With out warning, the fire took off and overran Scott and two other crewmembers. The fourth member of the crew survived.

Mr. Speaker, four men gave their lives protecting Federal land during the Battlement Creek fire in July of 1976. Scott L. Nelson and his crew will be honored by the citizens of the Battlement Creek area for their courage and bravery. I would ask that Congress honor them and thank them for their work.

Scott's family should be proud of what he accomplished in his life and what he did for the people of Battlement Creek.

CELEBRATING TAIWAN'S DEMOCRACY ON THE FIRST ANNIVERSARY OF PRESIDENT CHEN SHUI-BIAN'S INAUGURATION

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. BERMAN. Mr. Speaker, yesterday marked the one year anniversary of President Chen Shui-bian's inauguration as President of Taiwan. As the first member of the opposition to assume that office, his election was an extremely important milestone in the development of Taiwan's democracy. It's easy to forget that less than 15 years ago Taiwan was still under martial law. The changes we've seen in that short time span are nothing less than remarkable. Taiwan has become a true multiparty democracy that respects human rights and the rule of law. It is a shining example in a region where many countries remain under the control of one man or one party.

Taiwan and the United States share a common commitment to the ideals of democracy and freedom. The 1979 Taiwan Relations Act, which forms the official basis for friendship and cooperation between the United States and Taiwan, continues to provide a strong foundation for the bond between the people of both countries. That bond is sustained and made stronger each day by the large Taiwanese-American community, which has made innumerable contributions to our nation's social, economic and political life.

As we celebrate the strength of Taiwan's democracy, we must also recognize the many challenges still faced by that country. Despite its many positive contributions to the international community, much work remains to be done to ensure Taiwan's appropriate participation in a variety of international organizations, including the World Health Organization, the International Monetary Fund and the World Trade Organization. In addition, we must do everything possible to ensure that Taiwan's legitimate defense requirements are adequately addressed.

On his first anniversary in office, I wish President Chen Shui-bian every success in meeting these and other challenges. I also want to extend my warmest welcome to President Chen as he visits New York City on his way to Central America.

TRIBUTE TO JOHN ANDERSON CREWS

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. PAYNE. Mr. Speaker, I would like to ask my colleagues here in the United States House of Representatives to join me in honoring a very special person, Mr. John Anderson Crews, who serves as a source of inspiration to his family and many friends.

John Anderson Crews of Newark, New Jersey, celebrated his 98th year of life on February 3, 2001. He was honored at a gala hosted by his two daughters, Maria Crews-Minatee and Betty Crews-McNeil. Some 175 family members, guests and friends shared this event at his home congregation, Mount Zion Baptist Church in Newark, New Jersey.

Born in Vance County, Henderson, North Carolina, he came to Newark at the age of twenty (20). He married the late Maude E. Epps in 1925 and they raised three children. During World War II Mr. Crews was employed at Wright Aeronautical in Paterson, NJ, as an airplane engine assembler. He retired from the Pennsylvania Railroad after twenty-one years as an assigned laborer.

John Crews has always led a busy life over his ninety-eight years. He is well known as an avid fisherman who taught many people the art of good fishing. For many years he served as the official filetier during the annual Fishing Derby at Martha's Vineyard, Cape Cod, Massachusetts. In addition, John Crews has been the mechanic who generously repaired cars for family and friends.

He stays abreast of current events through his daily routine of reading all sections of the local newspaper. Family and visitors are frequently challenged by his thorough knowledge of family history and what's happening today.

Mr. Crews, the living legend has been a member of Mount Zion Baptist Church since 1923, so it was only fitting that his birthday celebration be held at his church home. He served as church sexton, superintendent of the Baptist Young People's Union and an ordained deacon.

The immediate family of John A. Crews extends through five generations with two children, three grandchildren, three great-grandchildren and two great-great grandchildren.

TRIBUTE TO JEAN RUNYON

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. MATSUI. Mr. Speaker, I rise in tribute to Jean Runyon, a woman with a remarkable career in public service. To say that Jean has a flair for politics would only begin to skim the surface of the many wonderful contributions that she has made to numerous causes over the years.

Jean first got involved in politics during the 1948 gubernatorial campaign of Adlai Stevenson and has been a devoted social and political activist ever since. The best way to describe Jean's political interests and involvement is exhaustive. Jean's presence is a staple in the Democratic Party. She carries with her enough charisma to charm a crowd as well as the political savvy and dedication needed to fight the good fight.

She has done everything from chairing the 1980 Kennedy Caucus to hosting political leaders at her home. In fact, the only thing that stretches farther than Jean's dedication is her knowledge of the political scene. By just glancing at her impressive list of political involvement, it is easy to see that Jean is a true champion of public service. Jean has been selected as a Delegate to the Democratic National Convention five times in the past 30 years, served as co-chair of the California Affirmative Action Committee in 1976 as well as co-chair of the California Democratic Party Budget and Finance Committee in 1976.

Over the years, Jean has been recognized by a host of organizations for her Herculean efforts. She was named Democratic Woman of the Year in 1975 and Key Woman of the Democratic Woman's Forum in 1960. This year, she is being recognized once more by the esteemed publication Asia Week for her many years of outstanding public service. As a founding member of the First Asian Pacific Caucus in 1976, Jean helped to pave the way for equal and just treatment of Asian Pacific Americans. Time and time again, she has succeeded in ensuring that the interests of the Asian Pacific Community are heard and protected. Jean has truly been a shining light that has inspired scores of youth to get involved in politics. I cannot think of anyone else more deserving of this honor than she.

Jean's public involvement is not exclusive to strictly politics. She is an active member of numerous organizations including the PTA, ACLU, Women for Peace and the League of Women Voters to name a few. Furthermore, programs such as Meals on Wheels and the Women and Children Crisis Shelter would not have achieved the success that they have enjoyed without Jean's instrumental support.

Mr. Speaker, I rise in tribute to Jean Runyon. Her continuous leadership is a true testament to public service. If a template of leadership could be made, it would certainly bear the resemblance of my friend Jean Runyon. Her career thus far as a social and political activist is commendable. I ask all of my colleagues to join with me in saluting this truly remarkable political activist.

HONORING A FALLEN HERO, SLURRY BOMBER PILOT DONALD A. GOODMAN

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. McINNIS. Mr. Speaker, in July of 1976 a 900 acre wild fire ripped through the Battlement Creek area of Western Colorado. During the blaze, four brave forest service firefighters from different parts of the country were killed while trying to knock out one of the deadliest forest fires in recent memory. On July 21st of 2001, these four men will be honored at the opening of a memorial to be dedicated in their memory. I ask that Congress take a moment to honor these four men for giving their lives in the line of duty.

The four-day blaze which claimed the lives of three hotshot firefighters and one pilot was started by lightning, and took nearly 300 fire fighters to squelch the blaze. Fifty-nine year old Donald A. Goodman was born in Okangan, Washington and raised in McCall, Idaho. While he was in high school, he learned how to fly from Clare Hartnett. After he turned 23, Donald was drafted into the Army. While in the Army he served in the ski troops 10th Mountain Division, A CO 87th, E CO 87th. Donald saw action in the Aleutians on Kiska and later in Italy. After he was discharged, Donald went to work for Johnson's Flying Service in Missoula, Montana prior to starting his own company. Donald owned 2 converted B-26 Bombers which he flew for the US Forest Service.

On the Morning of July 16, 1976, Donald was on a slurry run when his B-26 struck a high mountain cliff near the fire as it was starting its sweep into the fire to drop a load of retardant. Donald was protecting Federal BLM lands at the time of his death.

Mr. Speaker, four men gave their lives protecting Federal land during the Battlement Creek fire in July of 1976. Donald A. Goodman and his crew will be honored by the citizens of the Battlement Creek area for their courage and bravery. I would ask that Congress honor them and thank them for their work.

Don's family should be proud of what he accomplished in his life and what he did for the people of Battlement Creek.

WELCOMING PRESIDENT CHEN TO AMERICA

HON. TOM DeLAY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. DELAY. Mr. Speaker, Mr. Speaker, today we have the special privilege of welcoming to our country a companion on the pathway of freedom and respect for individual rights. President Chen Shui-bian of Taiwan walks with us on the road to expanded liberty and equality. His commitment, to stand up and speak out for democracy on behalf of the Taiwanese people, entitles him to a warm and open welcome in the cradle of liberty.

We hope that President Chen's historic visit will demonstrate to the world that the fraternal ties of freedom are the most enduring, gratifying, and unbreakable bonds between people and nations. America and Taiwan share a noble expectation. We hope to see all the world's peoples exercising their fundamental right to self-government. We believe that democratic principles offer the best chance for stability and opportunity in every country and on every continent. When a democratic government leads every nation, prosperity and opportunity will be attainable conditions for everyone.

In Taiwan and in America,, our people believe that, for every citizen, the ability to vote for one's leaders is a fundamental and universal human right. We believe that legitimate governments are granted the right to exercise power by their people. We believe that this grant of power flows up from the governed not down from the government.

Every fair and just government respects this principle. Governments that do not respect it can be neither.

One year ago, the people of Taiwan proudly completed the first democratic transition of power in their history. That peaceful transfer of power is the essence of democracy. It was all the more inspiring because the Taiwanese people ignored a campaign of intimidation that was designed to coerce voters into rejecting President Chen. That Communist bluster failed to move the free people of Taiwan. Once again, freedom trumped fear.

The passion for freedom is firmly rooted in the soil of Taiwan. Taiwan is an oasis of freedom. Several years ago, during a visit to Taipei, I saw the amazing spirit and vitality shown by the Taiwanese people. The principles of capitalism and freedom were blossoming across Taiwan. We are rightfully honoring that passion for freedom by allowing the President of Taiwan to visit America.

The record in Taiwan should be an example for other nations: Freedom and democracy work.

We hope that President Chen and his delegation feel the same emotions I felt when I was in Taipei as they visit the United States. Texas and Houston are America at her best. Texans appreciate and understand freedom. We know that it requires both sacrifice and responsibility. And we are especially proud to host President Chen's delegation for a visit.

We hope that President Chen's visit will lead to enhanced ties between Taiwan and the United States. We share commerce, culture and a devotion to the principles of freedom and democracy. He is a worthy friend and we offer him a heartfelt welcome to the United States.

ECONOMIC GROWTH AND TAX RELIEF RECONCILIATION ACT

HON. MAX SANDLIN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2001

Mr. SANDLIN. Mr. Speaker, on May 8, 2001, after extensive negotiations, the Senate agreed to a ten-year budget plan that provides for the consideration of significant tax relief and sets in place a responsible spending plan. I was glad that the Senate acted in a bipartisan manner passing a budget that offers immediate tax relief for millions of middle-class families by shifting part of the benefits to lower-wage earners. The Senate's action demonstrates that when both sides are prepared to compromise the American people win. It is unfortunate that the House Republican Leadership refuses to follow the example set in the

Senate and work with Democratic Members of Congress in constructing a balanced and fair tax package that benefits America's working families.

I support tax relief. I support lowering the tax burden on married couples by eliminating the marriage penalty and I favor the immediate doubling of the Child Tax Credit from $500 to $1,000 per child. We should extend tax relief for working families who pay more payroll tax than income tax and make the Child Tax Credit refundable. Unfortunately, today's vote only offers a solution to part of the problem of high taxes. The House Republican Leadership has chosen to resurrect a tax bill that provides nearly half of the benefits to the richest one-percent of Americans. I agree that we need to lower the burden of income taxes on many families, but I fail to understand why, when presented with the opportunity to address other important tax items, the Republican Leadership fails to work with Members of the other party. The Senate has chosen the path of compromise and embraced the spirit of bipartisanship in crafting a budget that makes room for a tax cut and also meets our obligations. I am disappointed that the House Leadership insists on jamming through an irresponsible tax cut that fails to offer relief for millions of married couples or small businessman. We can do better and it is my desire for Congress to ultimately pass a balanced and comprehensive tax relief package.

Today's vote is not the final word on providing long-term tax relief to American families. Congress will have an opportunity to consider a package of tax cuts that is fair and that includes relief for millions of other Americans. I sincerely hope that the House Republican Leadership will choose to work with their Senate colleagues in a constructive fashion to incorporate additional balanced tax proposals that encourage savings, help married couples, and allow family businesses to plan for the future.

SALUTING FORMER DeKALB COUNTY COMMISSIONER WILLIAM C. BROWN

HON. CYNTHIA A. McKINNEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Ms. McKINNEY. Mr. Speaker, I rise today to salute former DeKalb County Commissioner, Dr. William C. "Bill" Brown, a man whose heart is huge, counsel is wise, and guidance is never misleading. His demeanor commands the respect of all who are in his presence, and his spirit radiates truth, honesty, and an undying love for all people. I want to thank him from the bottom of my heart for his constant support of my efforts to serve the residents of the Fourth Congressional District and the State of Georgia. I have never known a moment when I could not look to him for help and knowing this has always been a great source of comfort. I pray that those of us who are to follow in his footsteps, will be wise enough to do nothing out of selfish ambition or vain conceit, but in humility and consider others before ourselves. I celebrate you now and always in spirit and in love.

AMERICAN PATRIOTS

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. RADANOVICH. Mr. Speaker, today, we pause in remembrance to honor all of America's patriots who gave what Lincoln called "the last full measure of devotion." This spirit of remembrance was born out of the dark depths of the bloodiest, most divisive conflict in our history—a war where more than 620,000 men and women lost their lives.

On April 25th 1866, a number of women in Columbus, Mississippi went to decorate the graves of their fallen. Near the final resting places of the Confederate soldiers were other graves—graves holding the remains of Union soldiers who had died on the same bloody battlefields.

Those women wondered who would remember the enemy soldiers buried so far from their loved ones. Moved by compassion, kindness and sorrow, they decorated all the graves they found—those of their own and those of their fallen enemies. Their acts captured the imagination of our entire country and became the foundation upon which our current observance of Memorial Day is built. In 197 1, Congress expanded the Memorial Day tradition to include all soldiers who have died in service to our nation.

Turning back. the clock, the great patriot Thomas Paine once said:

"These are the times that try men's souls. The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of his country. But he that stands it now, deserves the love and thanks of man and woman."

These strong words spoke of a special kind of patriotic devotion and love of country that was needed if the colonists were going to win their struggle for independence. These words have become timeless and have continually rang true in our times of crisis.

However, I would have to say that true patriotism goes beyond waving our country's flag or singing the National Anthem. Don't get me wrong, those are important gestures, but true patriotism demands loyalty to the ideals that lie behind those gestures.

Our American patriots were not born with this pride, nor did they learn it in books. It's a pride that has taken root in their souls, growing greater as they experience the true meaning of freedom, liberty and prosperity. Patriotism is more sincere than attitudes of self-righteousness—it is the guardian of our Constitution. Patriotism is why America has prospered and grown to such greatness in a mere two centuries.

When our country's first army gathered under George Washington in the summer of 1775, it was truly a citizen's army. Farmers, shopkeepers and tradesmen left their loved ones to rid our land of British rule once and for all. There were few uniforms and even less weapons, but these brave men were willing to battle Britain's best troops and Europe's fiercest mercenaries. These first American patriots believed in three essential ideals, independence from foreign tyranny, human equality, and democracy.

It is our American patriots that will bear any hardship, will overcome any obstacle, and will conquer any foe in the pursuit of liberty and justice—for themselves, their children, their countrymen, and others who they will never know. It is our American patriots that have protected this great nation in the past, and will be the author of our bright future. It is our American patriots that we remember today.

Unfortunately, not every American will take time today to visit the graves of those who have been taken by war, but every American should take the time to remember those who gave everything on behalf of our common good. Today from Omaha Beach to Arlington National Cemetery we honor the memory of American veterans whose remains consecrate the soil throughout the world. Let us promise that their lives and sacrifices shall not have been offered in vain.

We must uphold the memories of their heroism with our respect, reverence, and heartfelt admiration. Those who have died on the field of battle deserve our enduring thoughts. It is our duty to make sure America remembers the martyrs of freedom's cause. It is our obligation to keep alive the great hopes of the American people, as they are embodied in the principles outlined in our nation's Constitution.

We cherish the hope that the ideals of peace, freedom and prosperity will light our way through the 2 1 st century. Memorial Day is a celebration of that hope. It is the day we remember and honor those who lost their lives fighting for our nation. The men and women we remember on Memorial Day demonstrated the highest form of faith in the triumph of good over evil. Today we pause to remember the 26 million patriots living today who have served in the armed forces, and the more than one million who have died in America's wars.

Today we recognize the power and virtue of their sacrifice. We remember those who gave their lives to strengthen and preserve the invaluable gift of freedom. In the dark hours of war and conflict, American patriots have answered the call, and they're the reason that the United States is the mightiest, wealthiest, and most secure nation on earth today. Should the day come when our American patriots remain silent in the face of armed aggression, then the cause of freedom will have been lost.

Today, 179 of the world's 193 sovereign states elect their lawmakers. That means the earth is 93 percent covered by democracy—a greater proportion than water. Clearly, those who made the ultimate sacrifice for freedom did so for a supreme cause.

However, history teaches us that the world will never run out of threats to freedom. Hitler was defeated and we won the Cold War, but we must continue to contend with terrorists like Asama Bin Laden and tyrants like Milosovic and Hussein. Clearly, future American patriots may be called upon again to sacrifice for freedom.

As you reflect on our nation's past, remember that this great nation was not established by cowards. America has remained the land of the free through the noble selfless acts of our American patriots and those heroes who did not return. Today we honor you and today we remember. May your patriotism endure, may God continue to bless you, and may God bless America.

INTRODUCTION OF AMERICAN GOLD STAR PARENTS ANNUITY ACT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. GILMAN. Mr. Speaker, I rise today to introduce The American Gold Star Parents Annuity Act of 2001, H.R. 1917.

This legislation would create a new annuity of $125 per month for all current and future Gold Star Parents. Gold Star Parents are those individuals who have lost a child, who was an active duty member of the Armed Forces, and subjected to either enemy fire in a recognized conflict or to an act of terrorism.

The annuity is for each set of parents, to be divided equally if they are no longer married. Should one parent be deceased, the surviving parent would receive the full amount of the annuity. This annuity will be tax free.

The annuity is contingent upon the parents being awarded a Gold Star, the eligibility of which is determined by the Secretary of Defense.

Most of the recipients will be members of The American Gold Star Mothers, an organization that had its beginnings in World War I. During that conflict, a blue star was used to represent a person serving in the United States' Armed Forces. As American casualties mounted in 1917, silver stars were used to represent those who had been wounded, and gold stars were use for those who had died in the service of their nation.

On June 4, 1928, a group of twenty-five mothers residing in Washington DC, met to plan the founding of a national organization, which was officially incorporated on January 5, 1929.

Gold Star membership was initially open to all mothers who had lost a son or daughter in World War I, but subsequently was opened to all those who had lost a child in World War II, Korea, Vietnam and the Persian Gulf conflict.

These additions have paralleled congressional modifications to the U.S. Code to permit the Secretary of Defense to award Gold Star pins to the parents of deceased veterans of those conflicts as well as those who lost children in terrorist attacks on U.S. Armed Forces.

Since its founding, The American Gold Star Mothers has played a vital role in the healing process for those who had lost a child. By bringing together those who share a common tragedy, this organization has helped its members realize that they are not alone in their grief.

Furthermore, The Gold Star Mothers also performed the important service of assisting veterans of the last century's military conflicts and their descendants with the presentation of claims before the Veterans' Administration. They also perform thousands of hours of volunteer service in our VA hospitals, offering assistance and comfort to hospitalized veterans and their families.

Mr. Speaker, our country has always sought to look after the surviving spouse and children of a service-member who has been killed in action. Often overlooked however, are the parents of the deceased service-member. This is unfortunate since the parents are usually those who have had the greatest role in shaping that person's, life and will have had the greatest impact on his or her life. Yet, beyond heartfelt condolences, the parents receive very little from the Government that their child chose to patriotically serve as a member of the Armed Forces.

While we all recognize that the Government has some obligation to the widowed spouse and the killed soldier's children, very few have argued on the behalf of the parents who lose their children to war. Only those parents who relied on their child as a primary means of support currently receive any benefit when their child is killed in the line of duty.

This legislation seeks to change that reality. It offers a small annuity to any parent, mother or father, regardless of need, as a sign of appreciation for the ultimate sacrifice made by their child in the defense of freedom and liberty.

Accordingly, I invite my colleagues to support this overdue measure, H.R. 1917.

H.R. 1917

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Gold Star Parents Annuity Act".

SEC. 2. SPECIAL PENSION FOR GOLD STAR PARENTS.

(a) IN GENERAL.—(1) Chapter 15 of title 38, United States Code, is amended by adding at the end the following new subchapter:

"SUBCHAPTER V—SPECIAL PENSION FOR GOLD STAR PARENTS

"§ 1571. Gold Star parents

"(a) The Secretary shall pay monthly to each person who has received a Gold Star lapel pin under section 1126 of title 10 as a parent of a person who died in a manner described in subsection (a) of that section a special pension in an amount determined under subsection (b).

"(b) The amount of special pension payable under this section with respect to the death of any person shall be $125 per month. In any case in which there is more than one parent eligible for special pension under this section with respect to the death of a person, the Secretary shall divide the payment equally among those eligible parents.

"(c) The receipt of special pension shall not deprive any person of any other pension or other benefit, right, or privilege to which such person is or may hereafter be entitled under any existing or subsequent law. Special pension shall be paid in addition to all other payments under laws of the United States.

"(d) Special pension shall not be subject to any attachment, execution, levy, tax lien, or detention under any process whatever.

"(e) for purposes of this section, the term 'parent' has the meaning provided in section 1126(d)(2) of title 10.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

"SUBCHAPTER V—SPECIAL PENSION FOR GOLD STAR PARENTS

"1571. Gold Star parents.".

(b) EFFECTIVE DATE.—Section 1571 of title 38, United States Code, as added by subsection (a), shall take effect on the first day of the first fiscal year beginning after the date of the enactment of this Act.

THE FAILURE OF MANAGED CARE

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 2001

Mr. STARK. Mr. Speaker, many of us in Congress—and many of our constituents around the country—have serious concerns about the future of managed care and what it means for the quality of our nation's health care system.

I recommend the attached article for my colleagues' attention. It is written by Dr. Ronald J. Glasser, a practicing pediatrician at Children's Hospital in Minneapolis, Minnesota. The article appeared in the May 2001 edition of Washington Monthly.

As many of my colleagues know, I am a longtime champion of expanding Medicare to eventually provide health insurance coverage for everyone. The article below provides strong support for that proposal.

[From the Washington Monthly, May, 2000]

FLATLINING, THE COMING COLLAPSE OF MANAGED CARE AND THE ONLY WAY OUT

(By Ronald J. Glasser, M.D.)

Everyone knows the horror stories of managed care; the denied treatment, the preauthorizations, refusals to allow subspecialty care, etc. So there is little reason to mention the motorized wheel chairs denied for patients with spina bifida—"our evaluation team has determined that your patient can walk assisted with braces or walker the prescribed twenty meters in under the approved ninety seconds." Nor is there need to remind of the termination of skilled nursing care for adolescents with cystic fibrosis—"home nursing care will be discontinued at the end of the month due to the plan's determination that there has been stabilization of your patient's clinical course."

Even as I write this, my home state of Minnesota's largest HMO is refusing to approve a discharge order to transfer a quadriplegic 18-month-old girl to the city's most respected and accomplished rehabilitation medical center because it isn't on the HMO provider list. Try to justify that to your conscience or explain it to traumatized, desperate parents. But these are only the everyday skirmishes. As a pediatric nephrologist and rheumatologist in Minneapolis, I've been on the front line of these battles for 15 years, and I've experienced first-hand the insanity of managed care.

Under managed care, physicians have fared no better than the patients. Despite what the managed-care industry would like you to believe, there is no real competition out there, no real choice. In any urban population of less than a million people, one dominant health plan usually covers more than 50 percent of the area's enrollees. In the larger cities, there are usually only four plans that cover more than 70 percent of the residents. These big plans run the show, shadow each others' prices, and do not easily tolerate criticism.

Steve Benson, a well-respected pediatrician for over 20 years worked in a clinic recently taken over by a health plan. After questioning the appropriateness of the plan's insistence on scheduling patients every 10 minutes, he was told that he was not a team player. But he continued to complain that ten minutes per patient was not enough time to perform an adequate exam, much less counsel young mothers. More pointedly, after he complained that such a draconian patient-care policy was detrimental to the family and demeaning to the doctor, the medical director took Benson aside and told him that he was disruptive. If he wanted to continue at the clinic, he would have to seek counseling with the plan's psychiatrist. When Dr. Benson refused, he was fired.

The plan was determined to make an example of the good doctor. The separation clause of his contract stated that if he left the clinic, he could not practice within two miles of the facility. The plan interpreted "facility" to mean anything owned by the health plan, including depots, warehouses, parking lots, machine shops, and administrative buildings. That meant virtually the whole metropolitan area and most of the rest of the state. Daunted by the prospect of endless lawsuits, Dr. Benson, at the age of 56, was forced to leave his practice as well as the state. There were not more complaints from the other physicians.

CHERRY PICKERS

The lunacy of managed care began with the passage of the 1973 HMO Act. Within a decade, that craziness had grown into a full-blown catastrophe. It is fair to say that, back in 1973, no one had a clear vision of exactly what these organizations were, how they were to be run, what precisely they were supposed to do, or how they were to become profitable and remain fiscally sound.

The original idea was simple enough: Health-care costs were rising for employers and some method had to be devised to control them. What better way than to put together a whole new health-care delivery structure that would focus on keeping people healthy and that would place each patient into a health care "network," based on sound medical and economic principles?

Not surprisingly, though, patients wanted to stay with their own doctors and were reluctant to sign up with a health plan that wouldn't let them go to hospitals not in the plan. The imposition of whole new structures and delivery systems would have their own unique costs and unexpected problems.

Still, the health-maintenance organizations had enormous built-in advantages that allowed them to quickly overcome patients' doubts while overwhelming both physician resistance and the skepticism of the business community. First of all, as the name implied, HMOs were never set up to care for the sick—a problem if you intend to be in the health-care business. In addition, HMOs only offered medical care through employers, which virtually guaranteed them a healthy population. The insurance industry calls this tactic "cherry picking."

Full-time employees are the perfect demographic for any health-care company. Eighteen-to-55-year-olds are universally the healthiest cohort in any society; but the real "cherry picking" lay in selling health insurance only to employers, because no one who has heart failure, severe asthma, or is crippled by arthritis can maintain full-time employment. You start with healthy people, and if workers become ill or injured on the job, there's always workers comp.

But the HMOs' real advantage lay in their start-up costs. No one in America will ever see another new car company built from scratch because of the billions of dollars it would take to build the factories, set up the infrastructure, and establish distribution systems. But HMOs were, from the very beginning, given a pass on initial expenditures. The original HMOs were not viewed as insurance companies. In California and many other states, they were licensed under the department of corporations rather than with the state's insurance commissioner.

At first they looked more like what were called "independent contractors" than insurance companies. In fact, that was precisely how the HMOs presented themselves—nothing more than a group of doctors offering to supply health-care services to a defined group of people, similar both professionally and legally to carpenters or roofers offering their services.

Amidst all this initial confusion, managed-care companies were exempted from the usual requirements of insurance, specifically the need for large cash reserves. In short, they could become insurance companies without having monies available to pay claims. One of the largest and most successful HMOs in Minnesota came into existence with nothing more than a $70,000 loan from a neighborhood bank to rent office space, hire two secretaries, and purchase a half-dozen phones.

This reckless financing led to what soon became a corporate Ponzi scheme. Without adequate reserves, HMOs had to keep premiums ahead of claims, and since premiums had to be kept artificially low to gain market share, that meant what it has always meant in the insurance business: lower utilization, or in the new health speak, denial of care.

Managed-care companies have always used certifications, pre-authorizations, formularies to restrict drug use, barriers to specialty care, limitations on high-tech diagnostic procedures, and the hiring of physicians willing to accept reduced fees to keep costs down and profits up. These restrictions were ignored when managed-care companies covered only a few hundred thousand people, but last year, over 140 million potential patients were enrolled in managed care. HMOs could no longer hide what they were doing.

DRIVE-BY DELIVERY DEBACLE

Managed care's first great PR disaster was the early discharge of new mothers within 24 hours of delivery. Obstetrics was always a financial black hole for these companies. About four million babies are born in the United States every year, and managed care covers the cost for almost two-thirds of the deliveries. The average cost in the Midwest of a standard delivery and two-day stay in the hospital, not including physician and anesthesiologist fees, is $4,500 for the mother and $1,000 for the baby. For a cesarean section, the cost jumps to $10,000 for the mother and $4,500 for the baby—and the hospital stay goes to four days. And these are the costs if everything goes right.

Do the math: Just assuming all the deliveries are standard ones, with two days in the hospital per delivery, the cost works out to nearly $22 billion a year. HMOs weren't financially equipped to handle those kind of costs year in and year out. They had become profitable by signing up only healthy people. Unfortunately, healthy people also have babies, and $22 billion a year was quite a hit on very narrow profit margins. So the managed-care managers got the bright idea that if they hustled mothers and babies out of the hospitals after one day, they'd recapture half to two-thirds of their costs.

Beginning in the early 1990s, HMOs began demanding that their obstetricians discharge women who had uncomplicated vaginal deliveries within 24 hours of giving birth. The plans presented company data proving early discharge to be safe. Medical directors began to track which doctors followed this new guideline. Those who refused or balked were reprimanded or fired. But the data was nonsense. This year, a study on early discharge was published in the prestigious American Journal of Medicine entitled "The Safety of Newborn Early Discharge." In the article, physicians from two university pediatric centers not only challenged the managed-care pronouncements of safety, but denounced them as fabrications: "Newborns discharged early [less then 30 hours after birth] are at increased risk of re-hospitalization during the first month of life."

Not only was the data erroneous, but so, it turns out, was the math. Delivery costs are front loaded, so most of the expenses are incurred during the first day in the hospital. Unless HMO administrators somehow managed to persuade women to give birth in taxis on the way to the hospital simply kicking them out of the hospital a day early didn't end up saving the HMOs much money.

Nonetheless, by the mid-1990s, the health plans were in charge, pushing their own agendas and their own data. First, they encouraged and then demanded early discharges. But a funny thing happened on the way to the bank. These early discharges, unlike all the other cost shaving, affected a very large, unexpected and quite formidable group of consumers: husbands. These weren't just any old husbands, they were a very unique subset of husbands: state legislators.

The average American state legislator is male, 38 to 53 years of age, usually four to seven years older than his wife, fiercely committed to family values—and usually, to his wife. All over the country, these men, unaware of the new 24-hour policy, went to the hospital following the birth of their child, and were met at the entrance to the maternity ward or, in some cases, at the doorway of the hospitals, by an exhausted spouse. In all probability, she was in a wheelchair, holding their new child, and accompanied by an aid or an OB nurse who explained to the bewildered husband that his wife and child were fine and that both had been cleared for discharge.

More than likely, the nurse handed the husband a prescription or an anti-nausea medication, and advised him that a representative from their health plan's home-care division would probably be calling in a day or two to set up an in-house visit or make an appointment with a pediatrician. If anything went wrong, they were to call 911.

The husbands clearly didn't like the early discharge policy, but had no idea where or how to complain. So they called their wives' obstetricians. The doctor would explain that she'd seen the wife in the morning and that, while she would have preferred to keep her in the hospital another day or so, their health plan's policy was to discharge within 24 hours after delivery.

The husband then called the health plan, and after a dozen or so phone calls, reached a benefits coordinator sitting at a computer screen somewhere in another state. The husband, like every husband who called, was rather unceremoniously told that early discharge for uncomplicated deliveries was the accepted standard of medical practice in their community and that the wife's attending physician had clearly authorized the discharge. If the husband still felt concerned, he should write a letter or call their HMO's toll-free complaint number.

It was a big mistake. Legislators and congressmen are not the kind of husbands who write letters or call 800-numbers. Instead, they went back to the state legislatures, and within weeks passed laws stipulating longer hospital stays for uncomplicated vaginal deliveries. Some states refused to allow discharge in less than two days; others gave new mothers a minimum of 72 hours. What was so astonishing about these laws, of which there were some 26 different versions, was not that they were passed so quickly and so unanimously, but that no health plan put up even a semblance of resistance, and none tried to have a single law repealed.

More tellingly, not a single HMO offered up the safety data that they used so successfully to coerce physicians into sending new mothers home within a day of delivery. Faced for the first time with an advocacy group that could do them real harm, the health plans simply caved in and admitted by their silence that they had been wrong. One HMO apologist, the president of the California Association of Health Plans, did try to defend the early discharge policy, explaining that "no one is looking at the big picture, at what will happen to monthly premiums:"

The HMO industry took a terrible beating on early discharge, but it continues to try to ration care by restricting both diagnosis and treatments, further limiting mental health coverage, sending stroke victims to nursing homes instead of rehabilitation hospitals, and simply refusing to pay for new, cutting edge prosthesis, while putting more and more bureaucratic hurdles in the way of physicians prescribing new drugs. It is, after all, what managed care does, what it has always done, and what it needs to continue to do to stay in business.

THE ANSWER

Over the last decade, I have seen managed care harass and demean physicians and punish patients. Now, it is punishing the business community, once its staunchest supporter, with premium increases of 15 to 20 percent a year. Last month, the president of the University of Minnesota asked the state for a supplemental funding appropriation of $280 million, a third of which simply covered the year's increase in employee health insurance costs. Honeywell and Boeing have the same problem, only they can't go to the state for relief. They must eat the premium increases rather than decrease health-care coverage and risk losing employees in a tight labor market.

All those original pronouncements of the managed-care industry in the late 1980s and early 1990s guaranteeing high-quality health care at low and affordable prices have been abandoned as these companies scramble to stay afloat as costs escalate and stock prices slip to new lows. This year, Aetna Health Care, in a letter to stockholders, stated that it planned over the next four quarters to drop 2.5 million members, raise premiums, and cut back on full-time staff. Not a very encouraging business plan, especially for a company insuring more than 19 million people.

Years ago, a few people warned that this market-driven experience was bound to fail. The essence of sustainable insurance, whatever the product, is the size and diversity of the risk pool. The Royal Charter establishing Lloyd's of London, the world's first insurance company, made the point of their enterprise quite clear: "So that the many can protect the few." The idea hasn't changed in over 300 years. A sustainable insurance plan demands a large risk pool so that it can offer low rates and cover future claims. Managed-care companies handled the problems of risk by ignoring the elderly, the poor, the indigent and the needy, but it was hardly a strategy for long-term fiscal health.

Early skeptics of this new industry had watched the growth of Medicare, the government's insurance plan for the elderly, since its passage in 1965 and had no illusions that managed care could operate both efficiently and at a profit. Although an astonishing success, Medicare had also grown more and more expensive over the years. The increasing costs had nothing to do with greed on the part of physicians or hospitals, poor administrative controls, or excessive utilization of services, but plain old-fashioned need.

The creators of Medicare were shocked at the unmet needs that Medicare had unleashed, the hundreds of thousand of seniors who had gone untreated because they could not afford to visit a doctor, much less be admitted to a hospital. The country had clearly underestimated the demographics of an aging population of people who simply refused to die, as well as the astonishing growth of medical technology now able to keep the elderly healthy.

Vice President Cheney's multiple cardiac angiographies, balloon angioplasties, and coronary stints, along with his cholesterol-lowering drugs, beta-blockers and ACE inhibitors, not to mention his blood-thinning medications and anti-platelet drugs, are a testament to what can be done today that couldn't be done in the '60s and early '70s. Sooner or later, taking care of people gets costly.

Managed care had a bit of a head start on controlling costs by only offering coverage to a healthy, employed population. But as that population aged, the demand for service increased and all bets were off. Indeed, despite the bizarre claim-denial schemes the industry has implemented, it continues to lose money. Many, if not all companies, have dropped their sickest members, raised premiums and cut services just to keep in business.

How many more years of increased premiums, ever more complicated administrative hoops and decreasing services will it take to prove that private-sector health care doesn't work? Every survey, from the first nationwide study performed in 1935, has shown that most Americans want their government to support health care to those in need. That's a fact. It is also a fact that we already have a system in place that would provide an obvious solution: expanding Medicare.

While managed care has faltered, Medicare has prospered. Throughout the whole history of Medicare, there has never been evidence that Medicare has ever denied treatment that a physician considered necessary. At a time when managed care routinely rations care, Medicare has simply paid for what is prescribed.

While it isn't perfect—many seniors still need Medigap insurance to cover some of the things Medicare doesn't, such as prescription drugs—it still offers a good model of efficient health care administration that could be replicated for the rest of America if expanded. Medicare is administered by fewer than 4,000 full time employees to cover some 39 million people. Aetna Health Care, meanwhile, employs 40,000 administrators to handle roughly 19 million enrollees.

Here in Minnesota, every health care dollar is funneled through eight HMOs and approximately 250 other health insurance companies. A recent audit by the state attorney general estimated that as much as 47 percent of that premium dollar is pocketed by these companies before distributing what is left to the doctors, patients, nursing homes, pharmacies, and hospitals.

By contrast, Medicare doesn't have to screw around with manipulating patient claims. It doesn't need a provider network coordinator to explain why a claim hasn't been paid or a treatment refused. And more to the point, Medicare doesn't have to underwrite its own insurance, market its "product," skim off profits, or spend a fortune on advertising and lobbying to keep the playing field tilted in their direction.

There have been times when Medicare has been unresponsive, but it has never been as ruthless or intransigent as an insurance company executive or medical director hack working for an HMO. If there is going to be a so-called tyranny of Medicare, it will be our tyranny, rather than the dictates of some anonymous corporate executive deciding the meaning of "medical necessity." There is no need under Medicare to refer an objection to "the Complaint Procedure Section as designated in the booklet explaining the rules of benefits of your Group Health Plan Membership Contract." Just call your congressman.

The nation's oncologists convinced Congress to have Medicare approve payments for outpatient intravenous chemotherapy rather than solely hospital-based treatments. Even more recently, physicians were able to get Medicare to reverse regulations that proved too foolish and time consuming to be practical in the real world. Last month, the nation's teaching hospitals had Congress place back monies that had been removed from Medicare under the 1997 Balanced Budget Act in order to fund ongoing teaching and patient-care projects. When was the last time a CEO of a managed-care company gave back anything?

ROTTING CORPSES

But a $1.2 trillion-a-year industry does not go away easily. Recently, Dr. George Lundberg, the former editor of the Journal of the American Medical Association, discussing managed care, put the whole issue in more prosaic terms. "Managed care is basically over," he said. "But like an unembalmed corpse decomposing, dismantling managed care is going to be very messy and very smelly."

But managed care is determined to survive, and it is proposing a number of programs to shift the cost and risks of health care onto the consumer while lifting the burden of increasing premiums off the shoulders of the employers. One method is the "Defined Contribution," where employers simply wash their hands of any increasing costs and give each employee a certain amount of money for health care. If the $2,000 or so lump sum doesn't cover the cost of a plan that allows employees to see their favorite doctors, or if they want say, dental coverage, they must pay for it themselves.

A second concoction is the "Medical Savings Account," modeled on individual retirement accounts to provide health care by allowing tax-free contributions to cover medical and surgical expenses. Again, there is general agreement among economists that these new programs will so fragment risk pools that those managed-care plans offering these programs but signing up the sickest members will slide into insolvency even faster than the current managed-care companies.

But to hide these structural defects and obfuscate the issue, and to stifle debate of any other rational public-sector alternatives, the advocates of managed care always bring up Canada's health care system as an example of a failed Medicare-type program. What they don't say is that each year, Canadians pay a little less than $1,600 U.S. per person for health care coverage. We pay more than $4,000 per American, and the price tag is going up annually. Canada would be able to do everything they have to do and, more importantly, what they would like to do, with what we pay. In fact, we should be able to do everything we want to do right now with our $4,000.

But the inefficiencies of a system with 2,500 different private health plans virtually guarantees the continued failure of our health-care system to provide high-quality, affordable health care for everyone. For flood insurance to work, it has to cover everyone, those who live on the hills and up in the mountains as well as those who live along the lakes and river banks. If all 280 million Americans are in the same risk pool; if the inefficiencies as well as the predatory behaviors of managed care can be eliminated, we can have the best health-care system in the world, and we can have it now.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, May 22, 2001 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 23

9:30 a.m.

Commerce, Science, and Transportation

To hold hearings to examine issues relating to the boxing industry.

SR-253

Health, Education, Labor, and Pensions
Public Health Subcommittee

To hold hearings to examine issues surrounding human subject protection.

SD-430

Appropriations
Labor, Health and Human Services, and Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2002 for the National Institutes of Health, Department of Health and Human Services.

SH-216

Environment and Public Works

Business meeting to consider pending calendar business.

SD-628

Energy and Natural Resources

Business meeting to consider pending calendar business; a hearing on the Administration's national energy policy report will immediately follow.

SD-106

Governmental Affairs

Business meeting to consider the nomination of John D. Graham, of Massachusetts, to be Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget; the nomination of Stephen A. Perry, of Ohio, to be Administrator of General Services; the nomination of Angela Styles, of Virginia, to be Administrator for Federal Procurement Policy; and the nomination of Erik Patrick Christian, and Maurice A. Ross, both of the District of Columbia, each to be an Associate Judge of the Superior Court of the District of Columbia.

SD-342

Appropriations
Defense Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of Defense and related programs.

SD-192

10 a.m.

Environment and Public Works
Fisheries, Wildlife, and Water Subcommittee

To hold hearings to examine the Environmental Protection Agency's support of water and wastewater infrastructure.

SD-628

Appropriations
Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2002 for international financial institutions.

SD-138

Judiciary

To hold hearings on the nomination of Deborah L. Cook, of Ohio, and the nomination of Jeffrey S. Sutton, of Ohio, each to be a United States Circuit Judge for the Sixth Circuit, the nomination of John G. Roberts, Jr., of Maryland, to be United States Circuit Judge for the District of Columbia Circuit, and the nomination of Ralph F. Boyd, Jr., of Massachusetts, and the nomination of Robert D. McCallum, Jr., of Georgia, each to be an Assistant Attorney General, all of the Department of Justice.

SD-226

Banking, Housing, and Urban Affairs

Business meeting to consider the nomination of Alphonso R. Jackson, of Texas, to be Deputy Secretary, the nomination of Richard A. Hauser, of Maryland, to be General Counsel, and the nomination of John Charles Weicher, of the District of Columbia, and Romolo A. Bernardi, of New York, each to be an Assistant Secretary, all of the Department of Housing and Urban Development.

SD-538

Joint Economic Committee

To hold joint hearings on the economic outlook of the nation.

311, Cannon Building

2 p.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee

To hold hearings to examine issues relating to carbon sequestration.

SR-253

2:30 p.m.

Foreign Relations

To hold hearings to examine future policy between the United States and North Korea.

SD-419

MAY 24

9:30 a.m.

Health, Education, Labor, and Pensions

To hold hearings to examine issues surrounding Congress' role in patient safety.

SD-430

Governmental Affairs
Investigations Subcommittee

To hold hearings to examine alleged problems in the tissue industry, such as claims of excessive charges and profit making within the industry, problems in obtaining appropriate informed consent from donor families, issues related to quality control in processing tissue, and whether current regulatory efforts are adequate to ensure the safety of human tissue transplants.

SD-342

Energy and Natural Resources

To hold hearings on the research and development, workforce training, and Price-Anderson Act provisions of pending energy legislation, including S. 242, to authorize funding for University Nuclear Science and Engineering Programs at the Department of Energy for fiscal years 2002 through 2006; S. 388, to protect the energy and security of the United States and decrease America's dependency on foreign oil sources to 50% by the year 2011 by enhancing the use of renewable energy resources conserving energy resources, improving energy efficiencies, and increasing domestic energy supplies; improve environmental quality by reducing emissions of air pollutants and greenhouse gases; mitigate the effect of increases in energy prices on the American consumer, including the poor and the elderly; S. 472, to ensure that nuclear energy continues to contribute to the supply of electricity in the United States; and S. 597, to provide for a comprehensive and balanced national energy policy.

SD-106

Commerce, Science, and Transportation

Business meeting to consider S. 368, to develop voluntary consensus standards to ensure accuracy and validation of the voting process, to direct the Director of the National Institute of Standards and Technology to study voter participation and emerging voting technology, to provide grants to States to improve voting methods; S. 633, to provide for the review and management of airport congestion; the nomination of Michael K. Powell, of Virginia, Kathleen Q. Abernathy, of Maryland, Michael Joseph Copps, of Virginia, Kevin J. Martin, of North Carolina, and Timothy J. Muris, of Virginia, each to be a Member of the Federal Trade Commission; the nomination of Donna R. McLean, of the District of Columbia, to be Assistant Secretary for Budget and Programs/Chief Financial Officer, and Sean B. O'Hollaren, of Oregon, to be Assistant Secretary for Governmental Affairs, both of the Department of Transportation; and the nomination of Kathleen Marie Cooper, of Texas, to be Under Secretary for Economic Affairs, Maria Cino, of Virginia, to be Assistant Secretary and Director General of the United States and Foreign Commercial Service, and Bruce P. Mehlman, to be Assistant Secretary for Technology Policy, all of the Department of Commerce.

SR-253

10 a.m.

Appropriations

Legislative Branch Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2002 for the Secretary of the Senate and the Architect of the Capitol.

SD-124

Appropriations

Transportation Subcommittee

To hold hearings to examine transportation safety issues and Coast Guard modernization proposals.

SD-192

Judiciary

Business meeting to consider pending calendar business.

SD-226

Banking, Housing, and Urban Affairs

Securities and Investment Subcommittee

To hold hearings on the implementation and future of decimalized markets.

SD-538

10:30 a.m.

Foreign Relations

Business meeting to consider pending calendar business.

SD-419

2 p.m.

Judiciary

To hold hearings to examine competition in the pharmaceutical marketplace, focusing on the antitrust implications of patent settlements.

SD-226

Foreign Relations

International Operations and Terrorism Subcommittee

To hold hearings to examine issues related to the United Nations Human Rights Commission.

SD-419

JUNE 6

10 a.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2002 for the National Science Foundation and the Office of Science Technology Policy.

SD-138

Judiciary

To hold hearings to examine the legal issues surrounding faith based solutions.

SD-226

JUNE 13

10 a.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2002 for the Environmental Protection Agency and the Council of Environmental Quality.

SD-138

JUNE 14

9:30 a.m.

Governmental Affairs

Investigations Subcommittee

To hold hearings to examine the nature and scope of cross border fraud, focusing on the state of binational U.S.-Canadian law enforcement coordination and cooperation and what steps can be taken to fight such crime in the future.

SD-342

JUNE 15

9:30 a.m.

Governmental Affairs

Investigations Subcommittee

To continue hearings to examine the growing problem of cross border fraud, which poses a threat to all American consumers but disproportionately affects the elderly. The focus will be on the state of binational U.S.-Canadian law enforcement coordination and cooperation and will explore what steps can be taken to fight such crime in the future.

SD-342

Governmental Affairs

Investigations Subcommittee

To continue hearings to examine the nature and scope of cross border fraud, focusing on the state of binational U.S.-Canadian law enforcement coordination and cooperation and what steps can be taken to fight such crime in the future.

SD-342

JUNE 20

10 a.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of Housing and Urban Development.

SD-138

POSTPONEMENTS

MAY 23

2 p.m.

Energy and Natural Resources

Water and Power Subcommittee

To hold oversight hearings to examine the Lower Klamath River Basin.

SD-366

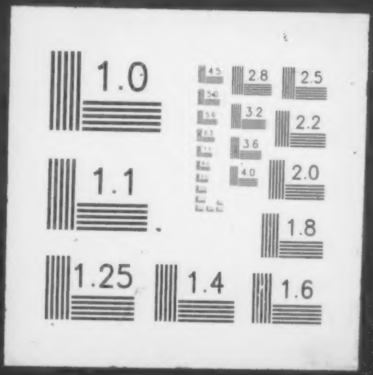
JUNE 6

10 a.m.

Judiciary

To hold hearings to examine the legal issues surrounding faith based solutions.

SD-226



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